

Sustainability Report 2009



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Abbreviations and Definitions
Impressum

Rating agencies evaluate the financial and the sustainability performance of OMV Group against social, ethical, and environmental criteria. Our shares and bonds may be eligible for socially responsible investment.



About This Report

This print version of the OMV Sustainability Report 2009 presents key information on OMV's sustainability performance. Additional information is provided in the full-length version of the report, available on the OMV website. The report describes how we integrate environmental, social, and economic considerations into our business. Functional strategies in the areas of health, safety, security, and environmental management (HSE), corporate social responsibility (CSR), and human resources (HR) support our sustainability management. As a forward-looking company we try to learn from your comments, ideas, and suggestions for improvement. Please let us know what you think. You can get in touch with us via the contact details on the back cover.

The report covers the 2009 business year, in seamless continuation of the 2007-08 reporting period covered in the last report. In the future we plan to continue publishing the Sustainability Report together with the Annual Report.

Reporting Boundaries

Data from operations under full management control are fully taken into account, i.e.:

- ▶ Data from all OMV Group activities with a stake of more than 50%
- ▶ Joint ventures where controlling influence is exerted and in which OMV acts as an operator, including minority shareholdings.

The data are consolidated at group level. In addition, a breakdown of environmental and safety key performance indicators for the operating business segments Exploration and Production (E&P), Refining and Marketing, including Petrochemicals (R&M), and Gas and Power (G&P), is disclosed in the online version of the report.

The following data are not taken into account for this report:

- ▶ Figures from holdings of equal or less than 50% if there is no significant operational influence
- ▶ Environmental data from filling stations, due to the fact that the vast majority of filling stations are operated by partners functioning as independent companies, except filling stations under control of Petrom Marketing that meet the above-mentioned boundary criteria to be included in the Group-wide reporting.

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.

Content

The information contained in this report relates to the typical impacts of an oil and gas company on social and environmental sustainability issues. The report takes into account recommendations from stakeholder dialogues and industry associations, as well as disclosure demands by financial analysts and by the general public. The report was prepared in line with the guidelines of the Global Reporting Initiative (GRI) and the Greenhouse Gas Protocol (GHG Protocol).

Materiality Check

The materiality assessment takes into account that reported information covers topics and indicators that would substantively influence the assessments and decisions of stakeholders, both internal, including management, and external. These are:

- ▶ The typical impacts of an oil and gas company on social and environmental sustainability issues
- ▶ Information requirements by the management
- ▶ The outcomes of stakeholder dialogues
- ▶ International sustainability reporting guidelines, especially GRI and IPIECA guidelines and their respective indicator protocols, from which all core indicators should be covered, and additional indicators as far as information is available with reasonable effort



Environmental and safety KPI reporting: [/about.html](#)

- ▶ Best practice examples by industry peers
- ▶ Disclosure demands by financial analysts, rating agencies, institutional investors, etc.

The team of editors checked all the aspects covered in the GRI guidelines for sustainability reports to determine whether they were material. The team came to the conclusion that all aspects are relevant for an industrial company that operates internationally. Therefore, OMV decided to provide as much information as possible about all material core indicators and some additional indicators.

Stakeholder Involvement

Despite the abundance of obligatory information associated with a sustainability report that meets the requirements of the A+ Application Level of the GRI, it was important to OMV to address the crucial questions and suggestions of our stakeholders in an appropriate way. The “In the Spotlight” chapter of this report focuses on topical subjects about which our stakeholders demanded information and explanations during the Stakeholder Fora that take place on a regular basis.

Reporting Methodology

Data generation at site level relies on a variety of business-specific methods, process systems, and tools. A central reporting tool that can be accessed from all OMV sites and offices via the OMV Intranet is used for the Group-wide collection of HSE data. Standardized definitions

were developed for all indicators and made available online. The completeness and accuracy of reported data are checked at corporate level. Cross-checks (over time, between sites, and comparison with normalized industry-specific data) are performed systematically. Feedback and commenting loops with the reporting sites and departments ensure high data quality. This reporting process is documented in written procedures. If we identify limitations in the coverage or reliability of data, we disclose them and introduce measures to improve the reporting process. Parts of the print and online versions of the Sustainability Report 2009, as well as aspects of the underlying management systems, were reviewed by Deloitte (as expressed in the Assurance Statement).

Corporate Regulations

OMV regulations for the management of sustainability across the Group, such as CSR and HSE management and reporting, are contained in directives (Code of Conduct; HSE Policy; HSE Management System; CSR Management; HSE Awareness and Competency; Environmental Management Directive; Safety Management Directive; Investigation, Management, and Reporting of Incidents; OMV Emergency and Crisis Management; Health and Health Management; several human resources directives), and standards (e.g. HSE Terms and Definitions). In addition, some business segments and sites have established specific complementary guidelines and procedures.

Chapter Openers



Corporate Profile



In the Spotlight



Economy



Environment



Social Responsibility



Indicators and Assurance

Links and Cross-References

By combining its Annual Report and Sustainability Report, OMV embarked on a journey towards comprehensive sustainability reporting. The Annual Report contains certain subject matter and detailed data that must be included in sustainability reporting to meet the criteria of the A+ Application Level of the GRI Reporting Guidelines.

The comprehensive online version of this Sustainability Report contains further information, details, case studies, and the breakdown of performance data by business segment. The print report uses a Web symbol to indicate that more information on a particular subject is available on the OMV website.

Although its focus is on business performance data, the OMV Annual Report 2009 also

describes OMV's organizational structure, objectives and strategy, corporate governance, risk management, and business segments. To help save natural resources by avoiding redundant information in the Sustainability Report, the following topic map identifies essential information in the Annual Report that is relevant to understanding our sustainability performance in the business context.



This symbol points to additional information on the OMV website: www.omv.com/Sustainabilityreport



Foreword by the CEO

Dear Stakeholders,

OMV operates in a highly challenging business environment: Oil prices remain volatile, yet the move towards a low carbon economy requires major investments from the oil industry. OMV must contribute to a secure and diversified energy supply while at the same time participating in the fight against climate change. These are the conditions under which OMV has become a market leader in Central, Eastern, and South-eastern Europe. Our integrated strategy and solid financial structure helped us weather the global economic turbulence of 2009 and confirm our strong market position.

Our aim is to tackle the challenges ahead and create new business opportunities by integrating and enforcing sustainable development in our core processes.

The key to OMV's future success is a highly motivated international workforce. We attract outstanding employees. Nevertheless, hiring and retaining specialized professionals will remain a challenge in our industry.



The impact of global warming and changing international energy and climate policies affect OMV by posing regulatory and market risks for our economic performance. We have responded to these challenges by seizing new opportunities in power and renewable energies. This is reflected in our new Strategy 2015 – the “3plus Strategy” – which integrates our sustainability agenda:

- ▶ OMV operates three integrated business segments – Exploration and Production (E&P), Gas and Power (G&P), and Refining and Marketing (R&M) – *plus* we are expanding the business portfolio towards sustainability by strengthening the less carbon-intensive gas business, extending the value chain towards the new power business, and adding renewables to our portfolio.
- ▶ OMV operates in three growth markets – Central and Eastern Europe, Southeastern Europe, and Turkey – *plus* its supply regions secure energy supplies to our markets.
- ▶ OMV focuses on three values – Professionals, Pioneers, Partners – that distinguish us from our competitors – *plus* we are pursuing further integration across the business segments.

We reached out to you, our stakeholders, in many different ways in the course of the year. The annual Stakeholder Forum in November provided an important opportunity to meet with you. We presented our 3plus Strategy at the event and discussed your expectations regarding the future of energy systems, mobility, innovation, and corporate social responsibility. The valuable feedback we received from you will help us implement the 3plus Strategy and improve our sustainability management. The views you shared with us have also influenced the contents of this Sustainability Report.

We believe that long-term economic achievement (*profit*) is only possible if we care about human well-being (*people*) and the protection of the environment (*planet*). Together with our driving values, this approach marks the way forward not only for the company's vision and strategy but also for the conduct expected of every single employee. As a pioneering professional partner, OMV works towards sustainable value growth and acts responsibly.

To further anchor sustainability in our business activities, we defined three focus areas to guide internal and external stakeholders and activities:

- ▶ **Diversity & Education:** We want to promote the development of a multicultural and international workforce based on our cultural roots, and provide equal opportunities for women and men
- ▶ **Health & Safety:** We create occupational health programs to ensure employees are fit for their work; integrate community health projects into the sustainability strategies of our operations; and strengthen safety performance
- ▶ **CO₂ Emissions Reduction:** We foster energy efficiency measures and initiatives to decrease direct and indirect greenhouse gas (GHG) emissions; and we encourage behavioral changes on the part of employees, suppliers, and customers.

These sustainability focus areas have been included in the target setting for 2010, at the corporate level through the Balanced Scorecard (BSC), and at individual management level through the performance development and management by objectives systems. From 2010 on we will award a percentage of the non-result-related variable compensation (bonus) for achieving targets in the focus areas. Thus the economic dimension of sustainability (*profit*) is now accompanied by the pillars *people* and *planet* at the individual management level as well.

Each member of the Executive Board sponsors one of the sustainability targets in the BSC, thereby demonstrating our commitment to the achievement of these goals.

We made substantial progress on our sustainability performance in the reporting period:

- ▶ Significantly improved safety performance; nevertheless, five fatalities occurred, which is unacceptable
- ▶ Step change in incident reporting but still too many spills
- ▶ Measurable progress on reducing GHG emissions; the phase-out of flaring in some operations continues

- ▶ Implementation of a business ethics e-learning tool
- ▶ Integration of our non-financial and financial reporting
- ▶ External recognition of our sustainability performance through rating results and awards.

Our future sustainability activities will include:

- ▶ Stakeholder management and dialogue
- ▶ Continued internationalization of our workforce
- ▶ Health risk assessments
- ▶ Further improvement of the safety performance, with a focus on process safety
- ▶ Reduction of GHG emissions and increased energy efficiency.

By joining the UN Global Compact (UNGC), OMV made a commitment to implementing the 10 UNGC principles on human rights, labor standards, the environment, and anti-corruption. Our Sustainability Reports render an account of what we are doing to meet that commitment. They are the means by which we provide an annual Communication on Progress (COP) to the UNGC.

It's people who make a difference. That's why we encourage everybody who works for and with OMV to support and live our driving values: Professionals, Pioneers, Partners. It is thanks to the efforts of our employees and partners that we continue to create value for our shareholders and stakeholders. They deserve the highest credit for contributing to the sustainable growth of our company.

Wherever we operate around the world, we try to be an exemplary employer, a reliable business partner, and a good neighbor.

Vienna, March 23, 2010



Wolfgang Ruttensstorfer

People: Integration

OMV explores, discovers, and extracts oil and gas on four continents. We supply energy to markets stretching from the Black Forest to the Black Sea. Our continued growth is driven by the common goals of innovative and ambitious people with a wide range of backgrounds. Furthering the integration and internationalization of such a highly diverse workforce is a key issue for us.

With our increasing success as a business comes social responsibility. We campaign for transparency and promote sustainable social development in every country we operate in. We know that complete information, mutual respect, and fair treatment are prerequisites for building and maintaining long-term relationships with our stakeholders.

A company is defined in no small part by its approach to different cultures. We undertake a clear commitment to compliance with international law as well as with the laws of a country. We respect, fulfill, and support the fulfillment of human rights within our sphere of influence.



“What are you working for?”

“Integration.”

Planet: Supply Security and Natural Resources

As the leading energy group in Central and Southeastern Europe, OMV plays a key role in ensuring energy security in its three regional markets of Central Europe, Southeastern Europe, and Turkey. At the same time we share the global challenge of significantly reducing future greenhouse gas emissions to counter climate change. The careful use of finite resources like fossil raw materials is in everyone's interest. For example, OMV uses crude oil not only as an energy source but also as the raw material for a wide range of products. We promote environmentally friendly natural gas for the transportation sector and to generate electricity. Renewable energies are in the process of being integrated into our portfolio.

Natural resources, both finite and renewable, are OMV's core business. They enable us to contribute to development and growth in the markets we operate in. Our job is to secure these valuable resources for future generations as well.



"Aren't you blowing in the wrong direction?"

"No, I'm blowing towards the future."

Profit: Our 3plus Strategy

The focus of OMV's operations is on the three business segments Exploration and Production (E&P), Refining and Marketing (R&M), and Gas and Power (G&P). In addition, we are extending our portfolio into sustainable energy investments, in particular by expanding our power business.

We are active in three regions, Central Europe, Southeastern Europe, and Turkey, and provide a secure energy supply for these growth markets through our activities in other regions.

A trio of driving values – Professionals, Pioneers, Partners – helps us create synergies and integrate our activities, motivated by our “Move & More” philosophy.

Included in the three pillars of sustainability – People, Planet, Profit – are three focus areas: Diversity & Education; Health & Safety; and Reduction of Carbon Dioxide Emissions.

We see our 3plus Strategy as a solid basis for profitable growth and sustainable business success.

A person wearing a purple dress is shown from the chest down, holding three apples in their hands. The apples are arranged in a triangular pattern: one at the top, one at the bottom left, and one at the bottom right. The person's hands are visible, with light-colored nail polish. The background is a soft, out-of-focus light color.

“How many business segments do you need to reap the rewards?”

“Good things come in threes.”

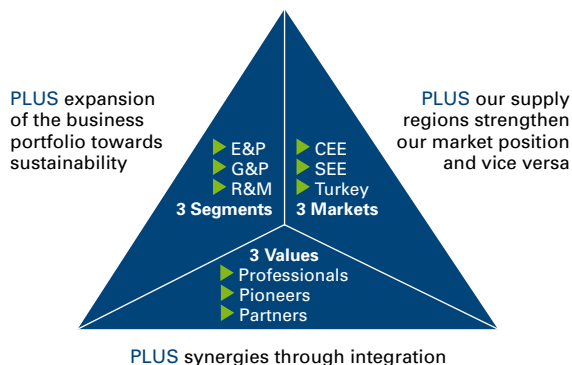
Strategy and Objectives

Sustainability is fully integrated into OMV's corporate strategy and the strategies of the individual business segments. Our Balanced Scorecard includes measurable sustainability targets both at corporate level and in the business segments, with objectives, projects, and measures covering the entire value chain.



The OMV Strategy in detail: /group_management.html

Our road to market leadership is based on a clear strategy that combines and applies the "3plus" assets of OMV. We assess and manage our risks and opportunities related to the sustainable development of OMV, from the strategic level to operational aspects in the areas of health, safety, security, and the environment (HSE), and human rights.



Sustainability Strategy 2015

The Sustainability Program 2009-10 and Sustainability Strategy 2015 are presented on the back flap

Functional strategies ensure that our business grows in an economically, environmentally, and socially balanced way:

- ▶ **CSR:** We manage our business responsibly and live a culture of integrity.
- ▶ **HSE** is a natural and integrated part of our activities. We apply industry best practices, act responsibly, and are accountable for our actions.
- ▶ **HR:** In all our human resources activities our aim is to position OMV as an employer of choice on a truly international level.

Sustainability Focus Areas

To strengthen the integration of sustainability into our business, we defined three focus areas:

- ▶ Diversity & Education
- ▶ Health & Safety
- ▶ CO₂ Emissions Reduction

These focus areas are included in the corporate Balanced Scorecard and in the individual management targets.

Monitoring and Review

We monitor our sustainability performance constantly, and have integrated non-financial information as well as environmental and safety key performance indicators into the regular financial reports to the senior management, including the Supervisory Board.

UNGC case study on OMV:
http://www.unglobalcompact.org/Issues/human_rights/Business_Practice.html



More on OMV's driving values: </values.html>

Our Commitments

The OMV Code of Conduct sets clear rules of behavior in accordance with the UN Global Compact (UNGC). It applies to all OMV employees in all business segments as well as to contractors.

In 2009, the case study *OMV, the UN Global Compact and Human Rights: From Signature to Implementation* was published in the UNGC series *Embedding Human Rights into Business Practice*. It describes how OMV has integrated human rights into its business.

Driving Values

In 2007-08, we adopted a trio of driving values: Professionals, Pioneers, Partners. Employee identification was high in 2009 but the implementation showed room for improvement.

"Living the Values" is the motto of our future activities to strengthen the perception of the driving values as supporting day-to-day business. The cornerstones will be continuity, leadership, emotional aspiration, and integration.

Group Structure

As the leading energy group in Central and Southeastern Europe, OMV provides more than 100 million people with energy. We operate in more than two dozen countries on four continents. Our activities include exploration and production of oil and gas, transport, refining, a network of over 2,400 filling stations, and selective investments in power in addition to our core business. About 35,000 employees contribute to the sustainable growth of OMV as professionals, pioneers, and partners.

Integration of Sustainability

Sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs. As we grow selectively beyond our existing oil and gas business towards power and renewable energy, we integrate sustainability into our business on the basis of three pillars:

- ▶ **People:** Social responsibility towards internal and external stakeholders
- ▶ **Planet:** Environmental management and minimization of environmental impacts
- ▶ **Profit:** Economic success in the long term.

Two management systems were set up to ensure sustainable value creation. The corporate HSE management system is based on international environmental standards such as ISO 14001 and health and safety standards such as OHSAS 18001. The corporate directive "Management of Corporate Social Responsibility – Processes

and Commitments" is based on the global social accountability standard SA8000.

Our joint venture partners are expected, and our contractors are required, to implement HSE and CSR standards that are in accordance with our corporate directives.

Sustainability Committee

The Sustainability Committee, convened for the first time in 2009, supports the Executive Board, which bears overall responsibility for integrating sustainability into the company management. The Committee analyzes risks in terms of sustainability and suggests strategic objectives and goals for the Balanced Scorecard. It developed and recommended three focus areas to guide OMV's sustainability activities in the medium term. In addition, the Committee enables strategic coordination across business segments and departments.



CSR, HSE, and HR responsibilities for sustainability management: /sus_integration.html



OMV Sustainability Committee: /sus_integration.html

Executive Board

Sustainability Committee

- | | | |
|----------------------------|--------------------------------------|-----------------------------|
| ▶ Exploration & Production | ▶ Petrom | ▶ Human Resources |
| ▶ Refining & Marketing | ▶ Corporate Affairs & Sustainability | ▶ Procurement |
| ▶ Gas & Power | ▶ Communication & Public Affairs | ▶ Strategy |
| ▶ Global Solutions | ▶ Controlling & Accounting | ▶ Treasury, Risk Management |

Products and Production

We explore, discover, and extract oil and natural gas in six core regions, providing millions of people with energy, heating, mobility, and everyday products and services. As a fully integrated energy group, OMV looks for ways to achieve synergies between the business segments and all along the value chain. We

will continue to develop the product portfolio towards sustainability by reducing its carbon intensity. That means strengthening the less carbon-intensive gas business, extending the value chain towards the power business, and adding renewables to the portfolio.



Products and brands and sustainability in the value chain: </products.html>

In the Spotlight: Sustainable Growth

Dynamic growth brings with it an even greater responsibility towards society and the environment. Sustainability means recognizing that responsibility on a permanent basis. By engaging in constructive dialogue with OMV stakeholders, we can better understand their various perspectives, arguments, and needs. We try to do everything possible to enhance stakeholder value.

As in previous years, interest in this year's OMV Stakeholder Forum was extremely high. Participating stakeholders took the opportunity to raise a number of critical issues with senior OMV executives, and made their views known.

We take the demands of sustainability seriously, and our ability to meet them is constantly growing.

A person wearing a dark blue suit jacket, a white shirt, and a blue tie is holding a small, round pot of vibrant green wheatgrass. The person's hands are visible, supporting the pot from underneath. The wheatgrass is lush and healthy, with long, thin blades. The background is a plain, light color.

“What do we want to talk about?”

“Sustainable growth.”

What Our Stakeholders Tell Us

We actively encourage our stakeholders to share their views and concerns about OMV's growth strategy, activities, and performance. The annual Stakeholder Fora provide a popular platform for lively stakeholder input. Described below are seven major issues which were raised in previous Stakeholder Fora and discussed by participants at the 2009 Stakeholder Forum.



A roundtable discussion at the 2009 Stakeholder Forum

Sustainable Growth

Although the recession caused a temporary slump in global demand for energy, current market signals point to an economic rebound accompanied by a rise in energy consumption. It is critically important to OMV to safeguard energy supply security in its markets. At the same time, in order to limit the effects of climate change the global community is challenged to reduce carbon emissions worldwide by up to 80% by 2050. OMV too is expected to set emissions reduction targets and take appropriate decisions to ensure sustainable growth.

At the 2009 Stakeholder Forum it was suggested that OMV should advise its suppliers and contractors to reduce their greenhouse gas (GHG) emissions as well. For example, OMV could encourage the use of vehicles with alternative fuel systems.

Preparing for the Future

OMV CEO Wolfgang Ruttenstorfer opened the 2009 Stakeholder Forum by introducing the new corporate strategy 2015 – the 3plus Strategy – which outlines in detail the direction OMV will be taking over the next five years.

In general the carbon emissions reduction targets he announced met the expectations of the stakeholders, who supported the need to boost energy efficiency and strengthen the gas and power business in the OMV portfolio. The transition to a post-carbon society cannot be achieved overnight; interim technologies are required. But in the long run, according to some of the stakeholders, greater reliance on renewable energies was unavoidable, not only from an environmental point of view but also to provide future-proof green jobs.

These stakeholders felt that OMV lacked a long-range environmental vision.

Some of the stakeholders pressed for more rapid decarbonization with quantified medium- and long-term targets. They wanted to know whether OMV would support a demand for a 40% cut in carbon emissions by 2020 and zero emissions by 2050.

OMV responded that it had taken a clear position on the carbon reduction targets it could set within a plannable time limit. What the situation is going to be several decades from now, both for the world and for OMV, is difficult to predict. As Mr. Ruttenstorfer put it in his closing statement, “No one can say for sure today what the world will look like in 2050.”



[More on the OMV Carbon Strategy in the chapter “Climate Protection and Emissions Management” and /carbon.html](#)

Responsibility in a Recession

In the last five years OMV has worked hard to advance its sustainability agenda, with impressive results in terms of substance and communication. These achievements have raised stakeholder expectations. With the economy now in a recession, the question on many stakeholders' minds is: Will the Group slash operating and investment costs? And if so, will there be an impact on environmental and social standards?

The Stakeholder Forum participants urged OMV to stay the course. If OMV were to achieve cost savings at the expense of the workforce or CSR or HSE outlays, it would immediately lose

credibility. Stakeholders expect a company to "walk the talk" even – or especially – in a downturn. Cost cutting should be spread fairly and transparently.

A weak economy breeds tension between established partner relationships and capital market expectations. The stakeholders wondered whether OMV would be able to defy pressure from the analysts and the capital markets to cut costs, and asked if contracts were being renegotiated. The stakeholders expressed their hope that OMV would act in the spirit of partnership even when times are tough.

Open Innovation

Innovation is crucial to business evolution. Which trends in energy and transportation is OMV banking on for the future? Socioeconomic models for the future need to be assessed in terms of their sustainability and strategic fit.

Some 2009 Stakeholder Forum attendees suggested that OMV should strengthen innovation as a cultural element within its innovation management system. To do that, they said, will require openness, time, commitment, and the provision of creative space.

OMV Deputy CEO Gerhard Roiss told the Stakeholder Forum, "OMV highly appreciates suggestions for innovative ideas and new business models." For OMV innovation is a key success factor for maintaining competitive advantage and sustainable profit growth in highly competitive and dynamic industries. Thus OMV fully recognizes the role innovation plays in increasing the company's long-term value.



OMV Deputy CEO Gerhard Roiss (left) and Willi Nowak, head of the Austrian Traffic Club (middle), at the 2009 Stakeholder Forum

Electromobility

Mobility has become an elementary human need in our globally networked world. Developed societies depend on the mobility of people, goods, and information in order to function. In view of the fact that motorized transport is a major cause of climate change, electric cars are increasingly attracting political support.

OMV is following this trend with interest. Our stakeholders share our view that linking new forms of mobility with renewable energies represents a great opportunity for the company. Stakeholder Forum participants suggested that OMV focus on mobility as a service rather than on individual products. OMV should look at many different forms of energy, especially renewables. The stakeholders pointed out that

options like gas-generated power are merely interim solutions, and therefore OMV must systematically identify and tap the potential for energy savings.

When it comes to the link between electromobility and sustainable energy sources, numerous ideas are emerging along a new value chain. OMV is promoting these technical innovations through its internal and cross-company R&D activities, for example with the automotive industry. One of the main challenges for OMV will be to identify and develop new business models along different steps in the value chain, including the electric car itself, battery components, or providing the required energy and infrastructure.

Diversity and Equal Opportunities

Openness towards different cultures is a sine qua non for a company that operates in dozens of countries around the world. Cultural diversity can and should be a positive force in our everyday activities. OMV's stakeholders would like us to send a clear signal, within the company as well as to the outside world, on equality of opportunity, diversity, and individual freedom of action. In addition to the benefits to OMV itself, such a signal could serve as an appeal to society at large. The stakeholders called upon OMV to contribute to equal opportunities for all by setting a good example.

One of the issues brought up at the Stakeholder Forum was that OMV has too few women in senior management positions. Stakeholders also advocated providing equal opportunities for

people with disabilities. When jobs are advertised, more attention should be paid to promoting equality of opportunity. Employees should be granted sufficient opportunities for freedom of action and self-organization to increase motivation and spur innovative thinking.

OMV welcomed these recommendations. We are respectful towards different cultures and actively support diversity. Many of our employees from the countries in which we operate work in the OMV head office in Austria, and many of our Austrian employees work at OMV locations abroad. The number of women in management is growing. We avoid setting quotas because careers at OMV are determined solely by qualifications and skills.

Stakeholder Value

The Stakeholder Forum participants said they would like to see OMV's stakeholder management activities put on a more structured footing. They also suggested that OMV clearly identify which stakeholder groups it wants to work with, and

then intensify the dialogue with them; both the stakeholders and OMV would benefit from the resulting transparency. OMV was in full agreement on this point, which has been incorporated into the objectives for 2010.

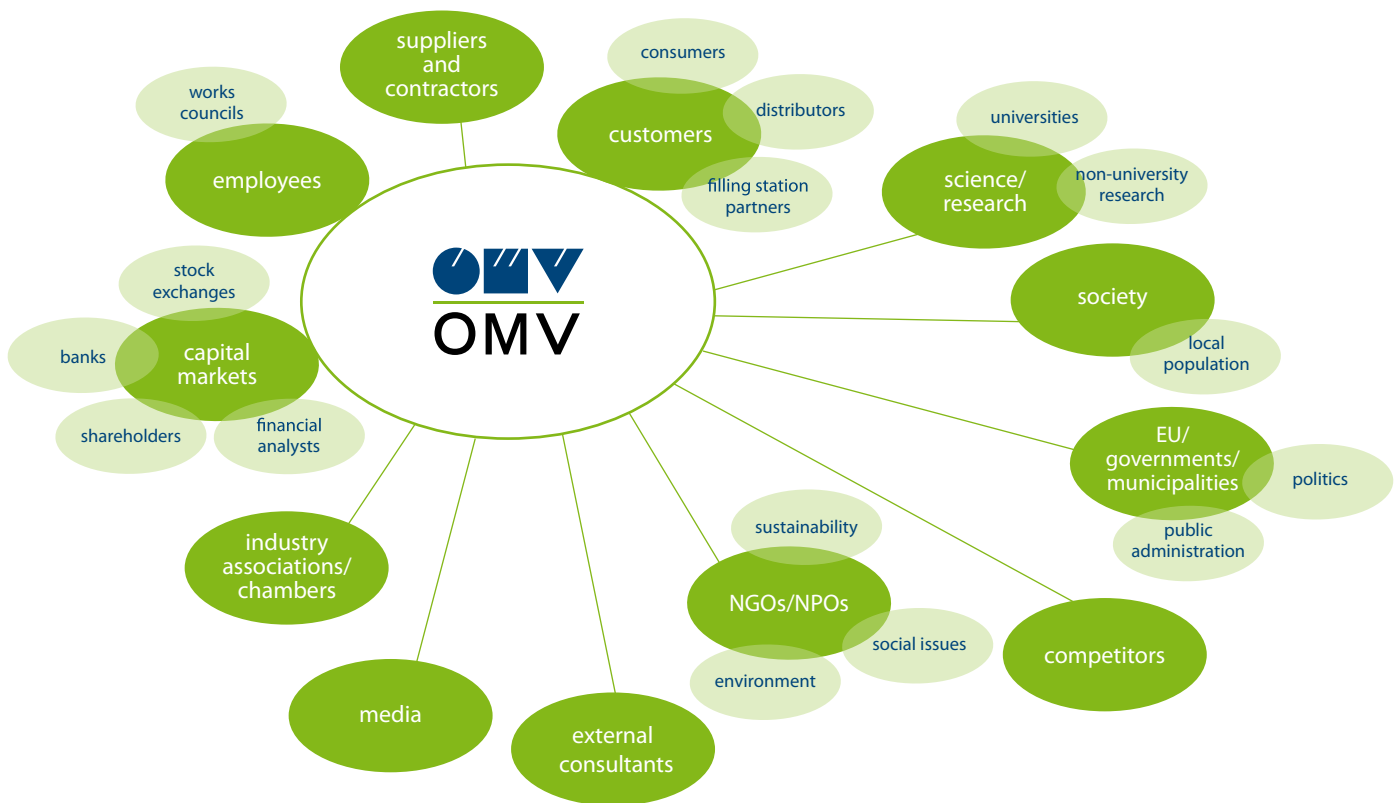
As a large industrial group that operates internationally, OMV has a wide range of stakeholders. We define a stakeholder as a group or individual that has a legitimate stake in our organization and/or is affected by our business activities. In line with the principles of sustainable corporate governance, we engage in constructive dialogue with all our stakeholders. Most important, stakeholder concerns are taken seriously. OMV's stakeholders provide major impetus for the ongoing development of our sustainability activities, particularly with regard to issues management.

Stakeholder Groups

OMV stakeholders include investors, customers, employees, and suppliers. Our economic success is vitally dependent on them. Many other stakeholder groups have a justified interest in

our activities as well. We listen closely to all interested parties and respond to their concerns and questions.

Stakeholder Landscape



2009 Stakeholder Forum

OMV convened its fourth annual Stakeholder Forum since 2006 on November 19, 2009. The Forum was structured into three consecutive parts:

- ▶ Part 1 (Plenary discussion): Presentation of Strategy 2015 by OMV CEO Wolfgang Ruttenstorfer
- ▶ Part 2: Nine roundtable discussions
- ▶ Part 3 (Plenary discussion): Roundtable results presented by external stakeholders and responses from the OMV Executive Board.

Each roundtable discussion started off with a different introductory question relating to the three pillars of sustainability, People/Society; Planet/Environment; and Profit/Economy. The proposed discussion topics had been identified on the basis of the previous Stakeholder Forum and the continuous interaction of OMV with external and internal stakeholders throughout the year.

Implementation

Around 100 external and internal stakeholders accepted the invitation to learn about OMV's new corporate strategy and offer their feedback on the challenges ahead. The interactive dialogue was conceived as an exercise in open communication and innovation, reflecting OMV's view of itself as a learning organization. During the roundtable discussions, each of which was moderated by

two OMV employees, the stakeholders had ample opportunity to express their views.

In the final plenary session, designated external rapporteurs presented the ideas and proposals which participants had brought up at the roundtable discussions. The four members of the OMV Executive Board who were present directly addressed each of the issues raised. Summing up, Wolfgang Ruttenstorfer said he was grateful for every suggestion and had gained valuable insights. In particular he realized that the company needed to be more self-critical. He assured participants that stakeholder concerns would feed into the sustainability process and be given careful consideration. He highlighted two areas to focus on in the future: the development of a long-term sustainability strategy, and the consistent integration of sustainability requirements into the Group's day-to-day activities.

Follow-up Activities

A few weeks after the Forum, the OMV employees who had moderated the roundtable discussions, CSR and HSE managers, and external consultants came together for a follow-up workshop to review the issues raised by the stakeholders. The aim was to ensure that stakeholder recommendations would be taken into account in future strategic planning and decision making.



More on the 2009 OMV Stakeholder Forum: /sh_forum.html



More on the Petrom Stakeholder Forum: /sh_petrom.html

2009 Petrom Stakeholder Forum

Petrom organized its first-ever Stakeholder Forum on November 26, 2009, in Bucharest. The theme was "Energy Efficiency and Sustainable Energy." Two members of the Petrom Executive Board and energy efficiency experts from the business divisions discussed with representatives

from Romanian government ministries and agencies, academia, NGOs, and an international financial institution. Specific opportunities for cooperation were identified. Petrom will develop an action plan for following up on the stakeholder suggestions put forward at the Forum.



More on local stakeholder dialogues: /sh_local.html

Local Stakeholder Dialogues

OMV maintains permanent dialogue with local stakeholders during the planning of new projects

and in the course of our operations and locations all over the world.

Employee Feedback

Members of the OMV Executive Board regularly engage in direct dialogue with one of OMV's most important stakeholder groups – our employees. For example, Board members make annual "Meeting Point" visits to major sites to talk to employees on the ground about how the company is doing, what the challenges are, and what the future strategy will be. The key topics addressed at the meeting were: How is OMV performing in a challenging financial year? What does a conservative financial strategy mean, and how can we save costs while at the same time continuing to grow?

Launched in 2009, the "Driving Values Lounge" after-work discussion series at the OMV head office feature special guests who are known for their outstanding achievements in fields that

could hardly be more different from the areas where OMV is active. Nevertheless, they share with OMV a passion for tackling challenges and the determination to align their activities with defined values. Each of the two events in 2009 was hosted by an Executive Board member, who drew parallels between his guest's experiences and everyday work life at OMV.

In her monthly online chat with employees, the CEO of Petrom talked about performance culture, the restructuring process, CSR, and other subjects. The CEO also maintains direct, open dialogue with employees by undertaking road-shows aimed at bridging the distance between the Petrom head office and the various locations of our operations.

Expert Groups

By taking part in international expert groups OMV supports ongoing debate on specific social and environmental issues confronting the oil and gas industry. We learn from different approaches and best practices in order to further improve our own performance.

IPIECA

OMV participates in the International Petroleum Industry Environmental Conservation Association (IPIECA). In 2009, IPIECA published the second edition of its human rights training toolkit for the oil and gas industry, which is a reference for our Human Rights E-learning Toolkit.

OGP, Concawe, Eurogas

OMV is an active member of several committees and task forces of the International Association of Oil & Gas Producers (OGP); Eurogas (the European Union of the Natural Gas Industry); and the oil companies' European association for environment, health, and safety in refining and distribution (Concawe).

OMV representatives participate in the OGP/IPIECA Health Committee, which published *Health Aspects of Work in Extreme Climates, Food and Water Safety, and Drilling Fluids and Health Risk Management* in 2009.



More on OMV's Human Rights E-learning Toolkit in the chapter "Human Rights" and /hr_tools.html

Challenges and Goals in 2010

OMV will continue to expand and professionalize its stakeholder management system in 2010:

- ▶ Survey and categorize all our stakeholders
- ▶ Assess how we communicate with the various stakeholder groups
- ▶ Promote the targeted, balanced inclusion of the groups in formal and informal dialogues
- ▶ Encourage our stakeholders to express their concerns in a constructive dialogue
- ▶ Incorporate issues addressed in stakeholder dialogues into our sustainability management.

Future Energies and Innovation

As an energy group OMV must respond to the challenges of rising energy demand, finite fossil fuel reserves, and climate change. We do so by investing in research and development (R&D) and in innovative projects in the renewable energy field. The OMV Future Energy Fund supports and funds renewable energy and emissions reduction projects which can be integrated into OMV's core business in the medium term.

Research and Development

We invest in R&D for the benefit of our customers, the environment, and our business. We work closely with universities, non-university research institutes, and numerous industrial partners, and actively participate in diverse

technology networks. As we expand our knowledge base, we leverage synergies with existing expertise. R&D expenditure in the Group totaled EUR 14.4 million in 2009.



More on the OMV Future Energy Fund and its projects: www.omv-futureenergyfund.com

OMV Future Energy Fund

The OMV Future Energy Fund was set up in 2006 with startup capital of EUR 100 million. Its goal is to identify and provide startup funding for research and pilot projects dealing with renewable energy, reducing greenhouse gas (GHG) emissions, and improving energy efficiency. With the aid of this funding OMV aims to generate a total investment volume of EUR 500 million in the three business segments.

The Future Energy Fund helped identify the potential of future energies for OMV by conducting screening exercises and feasibility studies. It supported the setup and strengthening

of the organizational framework required to implement renewable energy projects in the individual business segments.

In the short term OMV is focusing on wind energy. Concentrated solar power (CSP), carbon capture and storage (CCS), and zero-emission power plants (ZEP) will play a key role in the long term. The Future Energy Fund will continue to support the identification of new projects. It will be involved in promoting discussion both within the Group and in stakeholder dialogues regarding future energy initiatives.

Exploration and Production

Fossil Energy

New methods in production technology aim at increasing production yield, reducing production costs, or extending the use of production facilities. The trend in exploration is inevitably towards complex deposits that are difficult to develop, such as the complicated structures in the extremely deep Vienna Basin or areas in deep water (e.g. in Egypt and Australia).

Future Energies

Geothermal Power: To explore and exploit the

potential of geothermal energy, old oil and gas wells in Austria and Romania that would otherwise be abandoned are kept in continued use. A project is evaluating the geothermal potential in the northern and central Vienna Basin to generate heat and electricity.

In order to screen promising areas for geothermal projects in Romania, in 2009 Petrom E&P analyzed the results of a 2008 feasibility study, internal data on oil and gas reservoirs, legal requirements, critical success factors, and risks.

Carbon Capture and Storage (CCS): Another research focus is the capture and storage of carbon dioxide during the production of oil and

gas. E&P is developing a process for separating off the CO₂ released during oil and gas production and injecting it into the reservoir.

Gas and Power

Fossil Energy

Compressed natural gas (CNG) was introduced as an OMV fuel a few years ago. Expanding the network of natural gas filling stations will create the infrastructure required for distribution.

Future Energies

Biogas: The addition of biogas (biomethane) makes natural gas an even more attractive product in environmental terms.

Zero-Emission Power Plant (ZEP): OMV sees ZEP/CCS as having the potential to contribute substantially to the reduction of CO₂ emissions from fossil fuels within a few years. It is also a major bridging technology for the future when energy will be fully renewable. We are working on creative solutions for CCS that can be used in the entire value chain of OMV activities: power plants, process engineering, CO₂ transport, and geological storage.



Biomethane project in Bruck an der Leitha, Austria: </gas.html>



Near-zero-emission power plant project: </gas.html>

Refining and Marketing

Fossil Energy

The focus of our market-oriented development work is on adding biofuels to gasoline and diesel. Other research projects are evaluating further possible biocomponents for blending, and the fuel requirements for future engine and vehicle technologies.

Vitatherm, the first heating oil without sulfur, combines eco-friendliness and cost efficiency in heating. In mid-2009, an Austrian oil industry initiative to promote the use of heating oil (www.heizenmitoel.at) started a subsidy program to encourage people to switch from inefficient heating systems to new types of boilers. Research continued on the use of biogenic components in heating oils.

Future Energies

Second-generation Biodiesel: A feasibility study was completed on the construction of production facilities at the Schwechat refinery for high-quality second-generation biodiesel. Although the project was shown to be technically feasible, investment decisions can only be made once regulations and sustainability criteria for biofuels are clearly defined. To gain more experience with this new type of fuel, in 2009 R&M launched a three-year fleet test with its partners from the



manufacturer side (trucks and buses from Daimler) and the customer side (Deutsche Post, DHL, and the Stuttgart public transportation authority SSB).

Converting Biomass to Liquid Fuels: We launched with partners new research projects to convert biomass into liquid fuels. The goal is to crack natural oils and also cellulose and lignin together with fossil components in existing or new plants.



Hydrogen filling stations in Graz and Stuttgart: </refining.html>

Economy

It is important to OMV to be economically successful. Not only for the sake of our shareholders. High profits benefit many others as well. Our positive business performance helps finance the substantial investments we make in social projects and in environmental protection.

We are a major regional employer and taxpayer, with a huge number of suppliers. Many of our business stakeholders are strongly dependent on capital flows from OMV. Even when times are tough we make a point of maintaining long-term relationships with them that are based on fairness.

Through wages and salaries, taxes and duties, and large purchasing volumes, every OMV location spurs regional economic development and creates added value.



"Am I too forceful?"

"Don't worry, I can take it."

Economy



OMV's economic performance: Annual Report 2009 and /ec_approach.html

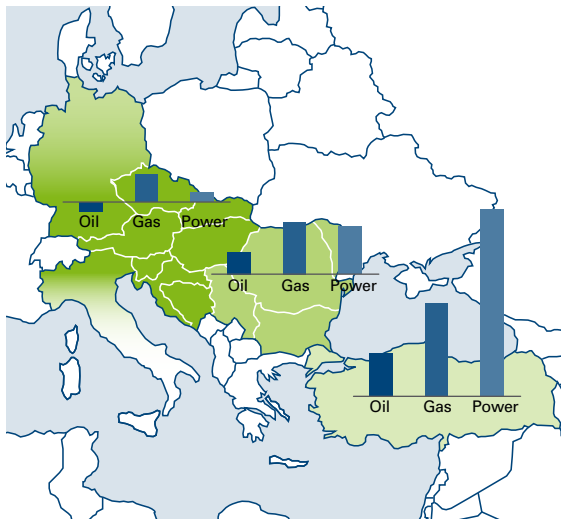
In 2009 the global economy was in the throes of a deep recession. Like other energy companies, OMV was affected by the business downturn and the dramatic slump in oil prices. Revenues and net profits fell significantly. To meet the challenges, in 2008 we implemented cost-reduction measures that are expected to save the company EUR 300 million by the end of 2010.

Our Approach

Declining global demand for oil and gas led to a sharp drop in oil prices. However, the long-range challenges of achieving profitable growth and cutting CO₂ emissions remain unchanged. The outlook for OMV's markets reflects fundamental changes in energy demand. The oil market is mature in Central and Eastern Europe (CEE), where demand has slowed, but in Southeastern Europe (SEE) and Turkey oil consumption is growing. The demand for gas and power shows growth across all OMV markets.

To help us weather the turbulent economy we developed our "3plus Strategy" for sustainable growth based on a combination of our 3 main strengths: 3 Markets – *plus* our supply regions strengthen our market position, and vice versa; 3 Segments – *plus* we are expanding the business portfolio towards sustainability; 3 Values – Professionals, Pioneers, Partners – *plus* we achieve synergies through integration. As a responsible company and an important economic actor, OMV seeks to take the interests of its stakeholders into account, and to make a positive contribution to the economy at regional, national, and international level.

Illustrative growth rates until 2030 for oil, gas, and electricity consumption in CEE, SEE, and Turkey



OMV works closely and constructively with its partners, contractors, and suppliers, in the firm belief that sustainable cooperation and balanced terms and conditions will be to our mutual benefit. We worked to meet sustainability targets in all our activities. We continued to modernize and restructure our refineries, we developed our power business, and we expanded our non-oil business. Our goal is to implement sustainability not only in but also beyond our core business. A key monitoring and control instrument is the Balanced Scorecard (BSC). The use of this management tool enables OMV to embed its vision and strategy in the Group's day-to-day activities, and to chart the progress on their implementation. The BSC also includes sustainability objectives.



Objectives in 2009: /ec_approach.html

Regional Economic Impacts

Regional Employer

OMV is an important regional employer in the countries where it has operations. The percentage of local employees varies depending

on the market conditions and job requirements, but for the Group as a whole it exceeds 90%. OMV's activities have a direct economic impact on these countries. They also have indirect



Percentage of local employees: /per_empl.html

effects on regional value creation because consumer spending by OMV employees and their households boosts turnover in retailing, trade and industry, agriculture, and tourism, thereby stimulating regional economic development.

Local Suppliers

OMV has no corporate directives that explicitly stipulate or promote the use of local suppliers, but local spending clearly exceeds 40% of the total spent. The procurement process is organized on a material-specific basis. Thus whether or not contracts can be issued locally is strongly

dependent on the product or materials involved, and on local availability and quality. Especially in some non-OECD countries the focus is on a local supply chain.

More than 95% of OMV's main suppliers agree to comply with the OMV Code of Conduct when they enter into specific contracts, framework contracts, and general terms and conditions of purchase. OMV classifies as A suppliers those suppliers and contractors which in 2009 accounted for 80% of the total purchasing volumes of the procurement departments in the Group.

EBRD Workshop

In September 2009, over 30 OMV employees attended an in-house workshop facilitated by an expert from the European Bank for Reconstruction and Development (EBRD). In his presentation on the EBRD's Environmental and Social Policy, Dariusz Prasiek explained that strict compliance with its conditions is a prerequisite for project financing. This ensures that sustainable development and

social issues are integrated into the projects submitted for approval. Gas and Power (G&P) organized the workshop to train OMV project managers to consider the social and environmental aspects of a project in the early stages of its development. They need to be able to clearly present sustainability issues to management within the decision-making process. Informed decisions will help ensure the sustainability of our activities.



CSR in the procurement process: </procurement.html>

Challenges and Goals in 2010

Exploration and Production (E&P) will aim at maintaining a CSR structure that reflects OMV's values and responds to stakeholders expectations, and at establishing a global reputation for OMV's CSR and sustainability performance.

Refining and Marketing (R&M) will continue to expand the non-oil business, implement the new retail and gastronomy concept for the VIVA shops, and restructure and modernize the Petrom refineries.

The priorities for Gas and Power (G&P) are the diversification of gas suppliers and regions to meet future gas needs, and progress on the Nabucco gas pipeline project. The development of electricity generation is due to enter a decisive phase when the first gas-fired power plant comes into operation.

Sustainable procurement management will focus on the following goals and performance indicators:

- ▶ Group-wide measurement of the extent to which purchasing volumes by OMV's A suppliers are covered by a code of conduct
- ▶ Survey of how many of OMV's A suppliers have established their own code of conduct
- ▶ At least 40% of the purchasing volume via local spending, i.e. procurement departments in OMV countries will promote purchasing from domestic suppliers
- ▶ 95% of supplier audits to include CSR elements (about 20 per year)
- ▶ Development of long-term sustainability strategies for Kazakhstan, Yemen, and New Zealand.

Environment

We explore and develop oil and gas resources, and supply energy to over 100 million people. Our top priorities include implementing climate protection measures at our production sites as well as high quality standards for our products. We promote alternative energy sources and have set ourselves firm targets to address climate change issues.

We seek to minimize the impacts of our activities on the earth's resources and ecosystems. Our environmental practices include efficient water use, proper waste treatment and disposal, emissions reductions, and pollution prevention measures. We operate with scrupulous care in areas that are rich in biodiversity.



“There is a burning issue that must be addressed.”

“I know, it’s global warming.”

Climate Protection and Emissions Management

Today's energy and climate policies present major challenges for the oil and gas industry. The industry has a primary responsibility to contribute to the security of energy supply as energy demand grows. Yet in order to mitigate climate change, greenhouse gas (GHG) emissions must be reduced in all economic sectors. OMV is fully committed to developing its business sustainably. That requires balancing economic, environmental, and social considerations. We will continue to strengthen our gas business, promote the use of natural gas for power generation by building high-efficiency gas-fired power plants, and explore renewable energies. It is no less essential that we control and monitor our GHG emissions.

Carbon Strategy

Carbon exposure is one of the biggest challenges for the future of the oil and gas industry. The key features of the OMV investment proposition include the pursuit of sustainable growth and contributing to the decarbonization of European energy markets.

Targets

We have made a clear commitment to decrease the carbon intensity of activities where OMV is the operator, and to set targets for managing GHG emissions:

- ▶ Reduction of direct GHG emissions from Exploration and Production (E&P) and Refining and Marketing (R&M) by 1 million tonnes, or at least 10%, until 2015, as the result of efficiency improvements
- ▶ Contribution to the decarbonization of the energy markets in Central and Southeastern Europe by reducing the carbon intensity of the portfolio, promoting gas, and selectively including power

- ▶ Power generation portfolio at no more than 0.37 t CO₂ per MWh, applying state-of-the-art technology.

To implement the Carbon Strategy, annual targets are integrated in the corporate Balanced Scorecard, establishing the contribution of each business segment towards achievement of the strategic goals. Cost estimates and GHG emission projections are factored into the economic analysis and become part of every investment decision.

Organizational Responsibility

The overall Group-wide responsibility for climate change issues lies with the CEO, and for each business segment with the respective member of the OMV Executive Board. The Carbon Steering Committee, made up of corporate functions and senior managers from the business segments, meets three to four times a year to evaluate the progress on the Carbon Strategy, and to discuss the Emissions Trading Strategy and the relevant business and sociopolitical factors.

E&P's Approach to Carbon Management

We set up an internal E&P GHG Steering Committee under the chairmanship of one of the three regional vice-presidents. Carbon management and GHG reduction are now seen as a strategic issue for E&P as a whole, and the Committee will oversee the rapid achievement of the agreed targets.

A revised procedure for estimating and reporting GHG emissions will help establish comprehensive GHG baselines for each operated venture. The baselines will allow the Steering Committee to make value judgments about where the most significant GHG emissions cuts can be made, and to identify projects for achieving these reductions.



The OMV Carbon Strategy in detail: </carbon.html>

Risks and Opportunities

Risks

For OMV, regulatory risks concerning climate change include the tightening of rules in the European Union Emission Trading Scheme (EU ETS) for the period 2013-20. This will lead to increased production costs, which in turn will significantly affect international competition. In addition, the structure of EU energy markets will change in connection with energy efficiency targets and the increasing use of renewables.

OMV closely monitors climate change-related regulations in every country where we have operations. New Zealand amended its emissions trading scheme in November 2009. OMV is now setting up the technical and commercial processes required by the new system. We are also monitoring Norway's regulations. Many countries in which OMV undertakes exploration and production activities, for example Yemen, are tightening their legal controls on flaring and venting. It is therefore even more critical that we phase out these practices as soon as practicable. Finally, we will carefully monitor the development of climate change-related policies at international level.

Physical risks related to extreme weather events might increase in the future, affecting our production and transportation infrastructure directly or indirectly via complex interactions on global energy markets. Further risks related to climate change include market price risks for CO₂ and rising insurance fees.

Opportunities

The industries that provide energy for entire economies can make important contributions to help mitigate and adapt to climate change. OMV is working in different areas of its core business to respond to the challenges represented by climate change.

Reducing the carbon intensity of the portfolio is a key element of the business strategy:

- ▶ Portfolio adaptation by strengthening the E&P and Gas and Power (G&P) business with power investments to enhance gas value
- ▶ Increased energy and environmental efficiency of both products and production sites
- ▶ Lower carbon fuels
- ▶ Support for research and projects on renewables, energy efficiency, and future technologies.

Financial Implications

We assess the current and future financial effects of climate change issues by using complementary approaches at two levels, strategic and operative. As part of our regular strategic review we monitor the development of the future macroeconomic and industry environment (market growth, regulations, technologies, etc.), and try to understand the impact of these trends on OMV and develop strategic initiatives.

In addition, we measure current and future financial risks by their potential impact on OMV's EBITD and cash flow. The evaluation of climate change-related risks is an integral part of the OMV Enterprise Wide Risk Management (EWRM) system. EWRM is integrated with our business processes both horizontally and, in conjunction with strategic and mid-term planning, vertically. Climate change-related risks are assessed together with all other identified risks on a biannual basis.

Countermeasures to reduce the potential impact of all identified climate change risks include 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; and operational and engineering measures to protect our facilities.



Carbon risks and opportunities: /en_risk.html

Greenhouse Gas Accounting

Direct Emissions (Scope 1)

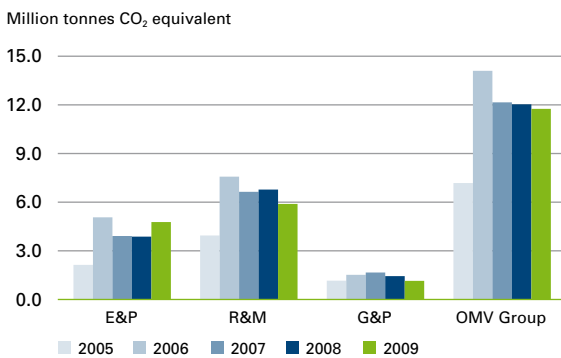
Direct emissions of carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) were 11.7 million tonnes in 2009 (2008: 12 mn t). The other GHGs are of minor relevance and therefore are not included in OMV's GHG figures. GHG emissions increased with the integration of Petrom data as of 2006. While GHG emissions are now decreasing for the Group, new production at operations in New Zealand and Yemen increased E&P's GHG emissions in 2009.

Emissions Trading

OMV is subject to the European Union Emission Trading Scheme (EU ETS), with 23 of its installations included in the scheme in the reporting period. Over 55% of the Group's direct GHG emissions (6.5 mn tonnes) were CO₂ emissions from ETS installations. As a result of emissions reductions, supplementary allocations, and unplanned stoppages, OMV Group recorded a surplus of 1.81 million certificates at the end of 2009.

GHG accounting methodology: </greenhouse.html>

GHG Emissions per Business Segment



OMV follows a low-risk trading strategy. In addition to the trading of EU allowances, the OMV carbon portfolio is optimized by using credits from the flexible project-based mechanisms, the Clean Development Mechanism (CDM) and Joint Implementation (JI), as provided for under the Linking Directive. A systematic screening of our own CDM or JI projects is periodically updated. Several projects and project proposals are currently under development at different stages of the CDM or JI project cycle, but had to be deferred or cancelled due to the changed economic environment in 2009. Participation in carbon funds for purchasing credits from CDM and JI projects is another instrument used to manage the OMV carbon portfolio.

N₂O Abatement Project

Nitrous oxide (N₂O), or laughing gas, is a greenhouse gas with a warming potential 296 times higher than that of CO₂. In mid-2008, Petrom began a JI project aimed at reducing N₂O emissions from a fertilizer plant in Romania by around 260,000 tonnes of CO₂ equivalents per year. Petrom carried out the

project documentation and published it for the global stakeholder consultation process. A monitoring system to determine the baseline was set up and adaptation measures for the plant reactor were underway. However, in 2009 fertilizer production dropped due to the troubled economy and Petrom decided to close the plant by the end of 2010.

Reduction of Direct GHG Emissions

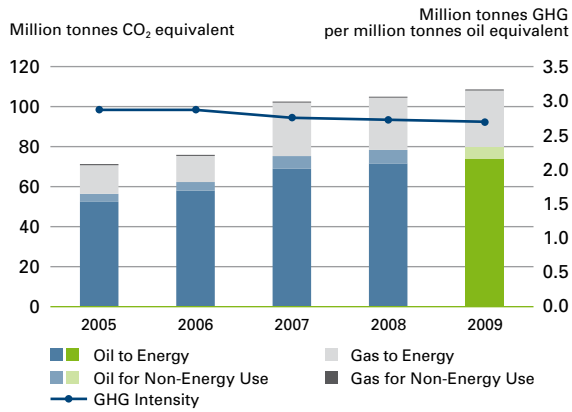
The following measures are key for the reduction of direct GHG emissions.

- ▶ **Energy efficiency:** All measures taken to improve energy efficiency contribute directly to the reduction of GHGs.
- ▶ **Process optimization:** At the Schwechat refinery, we optimized the summer/winter operation procedure of the isomerization plant and decreased steam consumption, leading to a reduction in CO₂ emissions of 31,000 tonnes per year. Several fuel-substitution and fuel-saving measures result in another 29,000 t CO₂ reduction per year. Petrom adjusted the gasholder operation at the Petrobrazi refinery. The optimized flare gas utilization means 73,000 t CO₂ savings per year. Petrom has significantly cut the specific CO₂ emissions from its refineries since 2005 through structural changes, in particular the closure of petrochemicals activities; the implementation of energy-efficiency measures; and the increased use of gaseous fuels.
- ▶ **Flaring and venting:** By applying alternative methods like mobile flaring and smart plug, we substantially reduced methane emissions during gas pipeline tie-in activities within our gas transport business. We also achieved improvements in the normal operations. Flaring and venting reduction is a key element in E&P's HSE strategy. In 2009, OMV commissioned the adaptation of an incinerator at the Kadanwari gas plant in Pakistan. Instead of venting, CH₄ is now completely converted into CO₂, reducing GHG emissions.

Indirect Emissions from OMV Products (Scope 3)

OMV systematically assesses the GHG intensity of its products based on the Scope 3 approach according to the Greenhouse Gas Protocol, a corporate accounting and reporting standard launched by the World Business Council for Sustainable Development (WBCSD). The GHG intensity of the product portfolio is slightly decreasing due to the strengthening of the less carbon-intensive gas and power business, investment in renewables, and the non-energy

use of oil and gas in downstream activities (oil and gas used as input for the production of polymers, fertilizers, etc.). However, growth of the sales volumes of our products has led to an increase in absolute indirect GHG emissions.



GHG Intensity of the OMV Product Portfolio

Other Indirect Emissions (Scope 3)

Global Solutions (GS), our internal service provider, determined our carbon footprint for office computing and for the data center. GS developed a Green IT Strategy targeting the data center and office computation as well as education and awareness.

Emissions reduction at the Kadanwari gas plant: </greenhouse.html>

OMV offsets the CO₂ emissions from its Annual General Meeting and other events by purchasing CO₂ reduction certificates.

Black screensavers in the OMV head office save EUR 0.8 million and reduce indirect CO₂ emissions by 7 tonnes per year: </greenhouse.html>

Although indirect GHG emissions from the supply chain, logistics, business travel, and other business activities are not quantified on a Group-wide basis, they are the focus of special projects and awareness programs for employees and contractors.

External Verification

CO₂ emissions from ETS installations are externally verified every year based on applicable EU and national regulations. The assessment method for indirect GHG emissions from OMV products is documented in the *OMV Scope 3 Inventory Manual*, which was verified by an independent third party.

Assurance statement on the Scope 3 inventory methodology: </bilder/ghg.pdf>

Environmental Management

For OMV as an integrated energy group, environmental management is more than compliance with legal requirements. We manage environmental impacts along the entire value chain, from upstream and downstream production to product quality. An issue high on our agenda is how to reconcile activities we undertake to help secure energy supplies in our markets with the challenges of climate protection and carbon management. We are also working towards the efficient management of natural resources and control of emissions and discharges.



OMV's HSE Policy and environmental management approach: /en_approach.html

Our Approach

We are committed to minimize our impacts on the environment and to decrease the carbon intensity of our operations, products, and services. Our environmental management directive, standards, targets, and performance

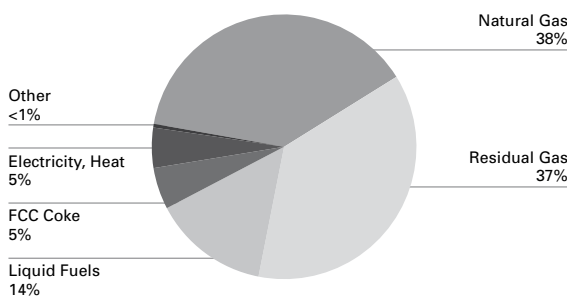
measurements constitute a Group-wide framework for continuous improvement. Environmental issues are taken into account in the decision-making process at corporate level as well as in the different businesses.

Energy Management

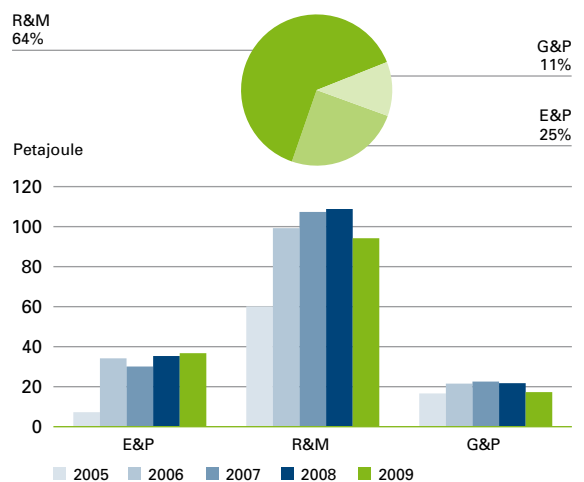
Total energy consumption of OMV, was 147.8 Petajoule in 2009 (2008: 165.4 PJ). Purchased energy such as electricity and heat accounted for only 5% of total energy consumption. As a result, indirect energy consumption is not assessed regularly. Cogeneration is important, especially for our refineries. More than 50% of the demand for electricity in the refining division is produced inside the refineries; all of this electricity is from cogeneration. In spring 2009, a thermal gasoil

unit (TGU) was started up in the Schwechat refinery, with an additional 27 MW of electricity produced by the integrated gas turbine. While the plant leads to doubling the conversion of vacuum residues compared to the Visbreaker unit and thus reducing the output of heavy heating oils, it produces also clean electricity by using environmentally friendly natural gas and the newest dry low-NO_x technology.

Energy Intake by Primary Energy Source in 2009



Total Energy Consumption per Business Segment



Energy Efficiency

Improved energy efficiency is a core interest in all our business segments. The ongoing modernization projects at Petrom, which involve a total investment of more than EUR 4 billion since 2005, will lead to major energy efficiency improvements.

As shown in international benchmark studies by Solomon Associates, the Energy Intensity Index (EII) of the fuels part of the refineries has been reduced significantly. For Petrom refineries, EII declined by 17% between 2004 and 2008, reaching EII = 178 in 2008 (covering the Arpechim and Petrobrazi refineries). For OMV refineries, EII declined by 16% between 2000 and 2008, resulting in an EII = 89 in 2008, which corresponds to the 2nd quartile in international benchmarking (covering the Schwechat and Burghausen refineries).

An award system was developed to encourage employees to propose new ways of saving energy.

At Petrom Marketing, all operational terminals and filling stations built in 2009 have integrated energy efficiency projects in their commissioning plans. The Jilava terminal is a state-of-the-art example in this respect.

In 2009, Exploration & Production (E&P) started the first in a series of comprehensive field-based greenhouse gas (GHG) inventories at Petrom E&P. Although initially several of these studies were planned for 2009, sharp budget cuts as a result of the credit crunch meant that the number had to be reduced to only two out of 16 onshore field clusters.

The next stage will be to prepare a detailed plan defining how GHG emissions from these sources can be eliminated or minimized.

E&P continues to work on the development of venture-specific energy efficiency plans, benchmarking against peers and against other

OMV facilities, and finding engineering solutions to improve overall efficiency. Improvements through a targeted process of upgrades and operational measures will contribute not only to an overall reduction in GHG emissions but to long-term financial savings as well.

Plans by Petrom E&P to make progressive improvements in energy efficiency in the course of modernizing its infrastructure have been delayed because operating budgets were significantly reduced in response to the financial crisis earlier in 2009.

OMV is building up its new power business, starting with the gas-fired power plant project in Brazi, Romania. All new gas-fired power plants will be combined-cycle power plants and ensure best practice in energy efficiency. A new compressor station in Weitendorf, Austria, will use heat recovery from the gas compressors for electricity production at the site.

Flaring and Venting

Flaring is the burning of natural gas and venting is its release into the atmosphere. Both processes waste a valuable clean energy resource and result in GHG emissions, namely CO₂ (from flaring) and methane (from venting). E&P's HSE strategy foresees the minimization of GHGs and other emissions throughout E&P operations.

Continuous flaring of associated gas currently occurs in our operations in Yemen and Kazakhstan as we move from temporary production facilities to permanent ones, where all associated gas will be injected or otherwise utilized. Delays in the construction of the permanent production facilities in Yemen mean that flaring will continue beyond 2010. Flaring also occurs in our Maari operation, which came on stream in 2009, under approval from the competent New Zealand authorities. The phase-out of flaring in the Maari project is dependent on depletion of the gas reservoir. It will take place beyond the initially planned 2010 deadline.



Emissions reduction at the Kadanwari gas plant: </greenhouse.html> and p. 31



Measures to prevent gas leakage from pipelines: </spills.html>

Sustainable Resource Management

OMV seeks to provide optimal solutions to meet consumer demand for energy and energy services while protecting the environment and conserving natural resources. Our sustainable resource management activities are aimed at professionally minimizing the impacts of our operations on the ecosystem. These efforts include efficient use of water, proper waste treatment and disposal, sensitivity to areas of high biodiversity, and prevention of harmful emissions.

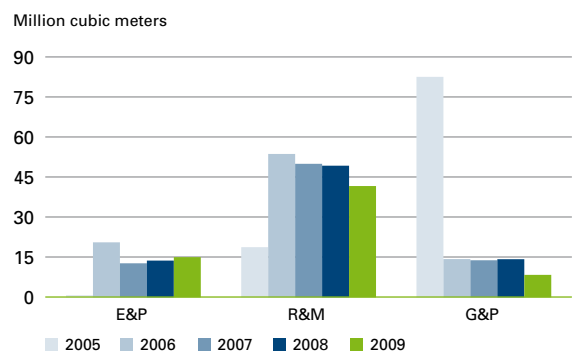
Water Management

OMV uses water from various sources for steam generation, cooling, and industrial processing. Closed-loop cooling systems in our refineries are a good example of efficient water use.

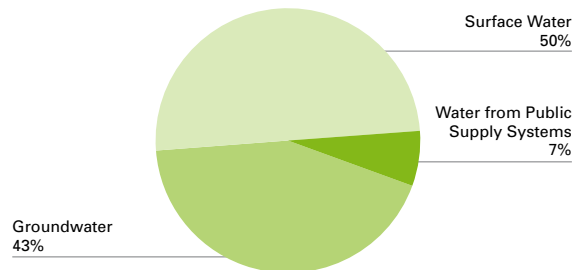
In 2009, total water consumption throughout OMV Group operations was about 65 million cubic meters. A total of 38 million cubic meters of wastewater was discharged after appropriate treatments on site or off site in OMV-owned or community water-treatment plants.

Petrom Refining reduced total water consumption by 35% between 2005 and 2009, and improved its wastewater management systems. Large amounts of formation waters have to be managed in Exploration and Production (E&P) operations: 53 million cubic meters in 2009. OMV reinjects 100% of produced water in Austria, Pakistan, Libya, and Kazakhstan, and in Romania over 95%. The remaining quantities are treated and discharged. In New Zealand, produced water is discharged to the marine environment after undergoing treatment to meet the required discharge quality standards.

Water Consumption per Business Segment



Water Withdrawal by Source



Waste Management

OMV activities generate a wide range of solid and liquid wastes, including oily sludges, waste chemicals, spent catalysts, and construction debris. Our goal is to minimize both waste quantities and risks to the workforce, to local communities, and to the environment.

Waste generation associated with ongoing production increased almost fivefold from 2005 (before the inclusion of Petrom waste data) to

2009. Most of the increase came from Petrom E&P, whose waste figures, including drilling waste, were included in the OMV Group figures starting in 2008. Waste temporarily stored on site for later treatment and disposal is not included in the reported figures.

36 tonnes of hazardous waste were disposed of in compliance with the regulations of the Basel Convention.


New wash water recycling system in Gänserndorf, Austria: </water.html>

The large amounts of hazardous waste which Petrom accumulated over decades (E&P and refinery sludge pits) will be the target of waste-management projects in the next few years. Due to the effects of the financial crisis on Petrom, the waste infrastructure construction projects that had been planned for 2009 were postponed to 2010. Once the waste infrastructure projects

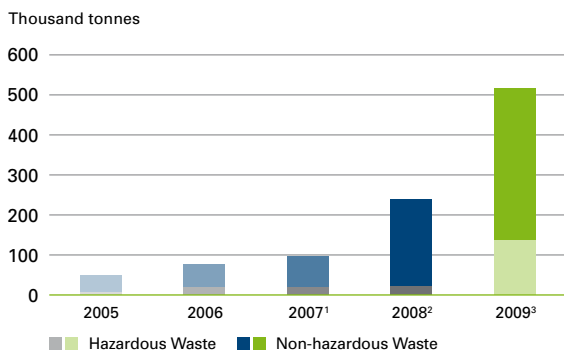
are completed, Petrom will be able to start the cleanup and abandonment of over 10,000 old wells and hundreds of production facilities.

Petrom's fertilizer plant in Doljchim is located on around 220 hectares of land. In 2009, a serious environmental legacy was resolved when the former NPK pits were closed.



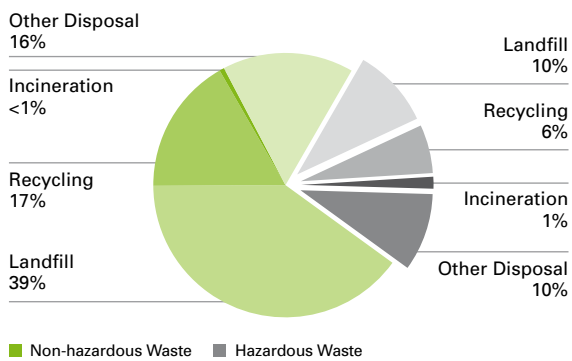
More on waste management: </waste.html>

Total Waste by Type



¹ Until 2008, waste from ongoing production only, one-off waste from projects not included
² Increase due to drilling waste from Petrom E&P being included for the first time in 2008
³ Change in Group-wide reporting methodology: total waste amounts (production and projects)

Waste Disposal Paths⁴



⁴ Distribution of waste between disposal paths is estimated for Austrian operations

Site Remediation at Petrom Refineries

Internal sludge lagoons at the Petrobrazi refinery are undergoing remediation in one of the first projects of its kind in Romania. In 2008-09, more than 100,000 tonnes of waste were removed from the sites. 10% was delivered off-site for treatment in the cement industry, and the rest was disposed in landfills. 11,141 square meters of land was rehabilitated by refilling it with alternate layers of gravel and clay and finally with fertile soil on which grass will grow. The cost of the project is EUR 16.2 million. At the Arpechim refinery, construction of a thermal treatment plant for waste from the sludge lagoons began in 2009 and will be finalized in 2010, when sludge processing will start up.



Construction of the treatment station for sludge, water, and soil

Drilling Mud



Two case studies:
[Drilling waste management in New Zealand and the Tornado deepwater drilling campaign: /drilling.html](#)

In drilling operations we use water-based drilling fluids wherever technically feasible. If it is not possible, as in the case of extended reach wells, we use non-aqueous drilling fluids (NADF), selecting the least toxic option. The use of diesel-based drilling fluids has been completely phased out in OMV operations. Waste amounts are minimized, for example through reuse of drilling mud according to waste management plans.

For the first time, Petrom drilled extended reach wells offshore in the Black Sea, using – also for the first time – low aromatic synthetic oil-based drilling fluid (non-water-based mud). The installation of the rig and the equipment was designed to ensure zero discharge of cuttings or fluids into the Black Sea.

Spills and Leakages



[Upgrading Petrom parks to reduce spills and emissions: /spills.html](#)

Pipeline operation and technical integrity undergo regular monitoring. Among other techniques used, pipeline sectors are periodically scanned with “intelligent pigs” to assess pipeline condition.

In 2009, E&P carried out a project to assess the level of oil spill response preparedness at all its facilities. All offshore facilities have comprehensive oil spill response systems in

place. They include response planning arrangements, response teams trained to the appropriate IMO level, and equipment. A number of major oil spill exercises were undertaken during 2009 (notably at Maari, New Zealand, and in the UK for the recently completed Tornado drilling campaign). The lack of a response system at some of our onshore facilities will need to be addressed in 2010.



Oil Spill Response Planning in Kazakhstan

Petrom Kazakhstan completed the first phase of its Komsomolskoe oilfield development in June 2009. Given the field’s proximity to protected marine environments, oil spill prevention and preparedness are critical. Petrom Kazakhstan developed a comprehensive oil spill response system for Komsomolskoe. An international team of specialists made several visits to survey this geographically remote area, where responding to a spill would present many challenges. They gathered the information required for an oil spill risk assessment and a contingency plan. Petrom Kazakhstan invested in oil spill response equipment for the field and joined the Oil Spill Preparedness Regional Initiative (Caspian Sea – Black Sea – Central Eurasia), or OSPRI. Twenty-four employees underwent IMO training in operational and incident management.



[Gas pipeline leakage prevention: /spills.html](#)

In 2009, OMV recorded 21 significant hydrocarbon spills (>1,000 liters; level 3, 4, and 5 on a scale of 1 to 5), and 2,650 minor releases (2008: 12 and 1,689 respectively). The amount of hydrocarbons spilled was 110,800 liters (2008: 131,000 liters). The increased number of spills was mainly due to

better reporting, especially of the level 1, 2, and 3 spills. Spills were mostly caused by corrosion of aging infrastructure, and sometimes by safety or security incidents. Their impact on adjacent soils, water bodies, or local communities was limited and immediately controlled and cleaned up.

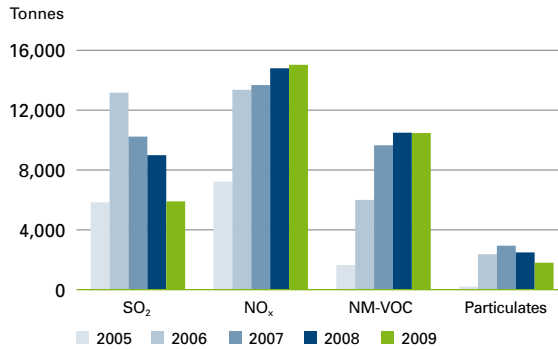
Air Emissions

Modernization of existing facilities and new investments help reduce emissions. At the Schwechat refinery the second full year of operation of the new flue gas treatment plant (SNOX) resulted in a further reduction of air emissions by 250 tonnes SO₂ per year and 150 tonnes NO_x per year compared to 2008, achieving a reduction of >80% and >65% respectively compared to 2006. At the Arpechim refinery, burner replacement and automation of a large combustion plant led to energy savings of 300-400 TJ/year, and a decrease of NO_x emissions by 75%, down to <100 t/year, for the combustion plant.

The ongoing modernization of tanks in all the business segments and vapor recovery systems

at all major distribution sites help reduce hydrocarbon emissions to a minimum.

Air Emissions by Type of Pollutant



More on emissions reductions: </air.html>

Biodiversity

Before we launch new projects and operations, biodiversity issues are addressed through environmental impact assessments and permitting processes. We have introduced special restrictions in sensitive areas and

closely monitor compliance, but a biodiversity action plan has not yet been implemented in any of our operations. Nevertheless, we pay special attention to biodiversity issues at a number of our operations.

Biodiversity management in Kazakhstan and Pakistan: </bio.html>

Cook Strait Whale Research

Since 2008, OMV has been a key partner in a New Zealand Department of Conservation (DOC) project that studies migratory whale species travelling through Cook Strait and areas that include OMV exploration and production permit areas.

OMV sponsors the project's research costs and members of OMV's Wellington-based staff volunteer as researchers.



Transport

OMV looks for safe, environmentally friendly, and economical ways of transporting its products. Road and rail transport each accounts for 20-35% of deliveries from refineries, ship transport for up to 15%, and pipeline transport

for 30-50%. OMV does not own tankers; all vessels are chartered through first-class ship brokers and must be in compliance with all relevant regulations such as MARPOL 73/78, SOLAS, and the ISPS Code.

More information: </transport.html>

Environmental Impacts of Our Products

OMV produces far more than just fuel. Along with gasoline and diesel fuels, our product range includes bitumen, oils, lubricants, gas, and heating oil, as well as specialty products, such as petrochemical products and fertilizers, for our industrial customers. As an innovation leader we develop efficient, environmentally improved products and help our customers save costs.

Cleaner Fuels

At present, 93% of gasoline and 99% of diesel sold by OMV Group is sulfur-free (sulfur content <10 ppm). In 2009, OMV blended 356,000 tonnes FAME into diesel and 136,000 t ethanol into gasoline fuels. According to the calculation method established in the EU Renewable Energy Directive, biofuels blending results in the avoidance of GHG emissions of 698,000 t CO₂-equivalent in the transportation sector.

OMV has been producing and selling sulfur-free light heating oil since mid-2008. The reduction of CO₂ emissions through this new product is roughly 1% compared to standard heating oil. In 2009, Austrian heating oil companies established a fund to sponsor the replacement of old, inefficient heating boilers with new condensing boiler technology. For each new boiler CO₂ emissions can be reduced by 3-4 t per year. By 2016 the reduction of CO₂ emissions in the

Austrian heating sector will be up to 430,000 t. OMV supports the use of compressed natural gas (CNG) as an environmentally friendly transport fuel: up to 15% fewer CO₂ emissions, 80% reduction of carbon monoxide, and practically no emissions of particulates. Across our network of 2,433 filling stations we offer liquid gas (either LPG or CNG) at 473 stations, a coverage of 19%.

Energy- and Fuel-Saving Initiatives

In addition to developing new and improved products, we try to reduce the environmental and climate impacts of using our products, and at the same time help our customers save money. OMV has collaborated with the European Petroleum Industry Association (EUROPIA) and the Austrian Ministry of Agriculture, Forestry, Environment, and Water Management on public awareness campaigns to promote energy-efficient driving habits and fuel savings.

REACH

The EU regulation on "Registration, Evaluation, Authorisation and Restriction of Chemicals" (REACH) entered its second phase in 2009. OMV is investing several million euros to comply with REACH. We will register around 250 substances. A core team at Refining and Marketing (R&M)

is working on the registration process together with teams in refining, marketing, and procurement units across the Group. The challenges involved include the need to renew affected contract clauses and to increase communication along the supply chain.

Legal Compliance

Compliance with environmental regulations is monitored at site level and by business segments using several IT tools.

In 2009, OMV Group faced monetary fines for non-compliance totaling EUR 0.30 million (2008: 0.55 million). The fines are related to environmental incidents such as spills and

exceeded discharge limits; nonconformities related to waste management; and measures established in authorizations and inspection reports. Non-compliance may also result in non-monetary sanctions such as warnings from authorities, the suspension of permits, or restricted operations.

Environmental Expenditures and Investments

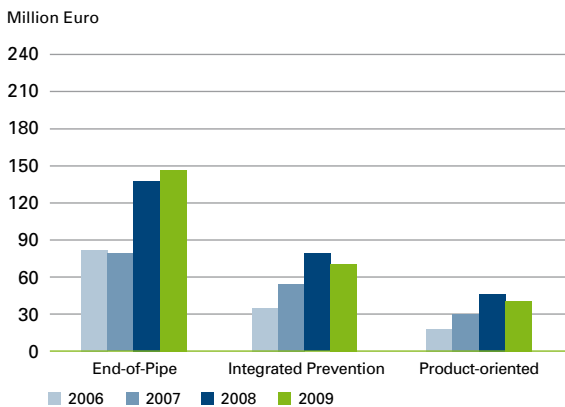
OMV follows the International Federation of Accounting (IFAC) guidelines for environmental management accounting. Environmental protection expenditures, excluding depreciation, amounted to EUR 215 million in 2009, of which EUR 70 million was spent on integrated pollution prevention (in 2008: EUR 215 million and EUR 78 million). EUR 40 million (2008: EUR 46 million) was spent on direct measures to reduce the environmental impact of OMV products, such as desulfurization and the production of hydrogen for it.

Environmental investments for assets put into operation in the reporting year totaled EUR 107 million in 2009, of which EUR 75 million was allocated for integrated prevention (2008: EUR 212 million and EUR 143 million).

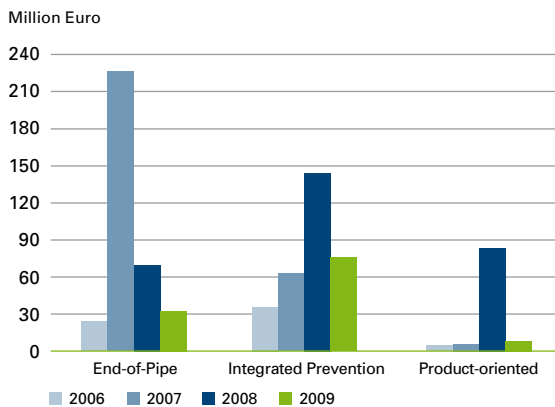
Provisions for environmental costs, decommissioning, and restoration are reviewed in a standardized process twice a year, based on a detailed inventory. The cross-functional process involves line management, HSE experts, and controlling staff.

The environmental provisions can be found in the OMV Annual Report 2009

Environmental Operating Costs (excl. Depreciation)



Environment-Related Investments



Challenges and Goals in 2010

Appropriate management of environmental impacts is an ongoing responsibility in all our activities. It includes the consolidation and strengthening of processes related to legal compliance, especially at Petrom. Projects on waste management and the remediation of historically accumulated waste will continue. In 2010 we will:

- ▶ Continue to develop and update our hydrocarbon spill prevention and preparedness plans, and carry out oil spill drills
- ▶ In carbon management, project monitoring and portfolio analysis to ensure the achievement of the targets set in the OMV Carbon Strategy. Specific actions will include the development, deployment, and fostering of energy reduction strategies in all business segments; GHG projects in conventional operations; and renewable energy projects supported by the OMV Future Energy Fund
- ▶ Communication and stakeholder dialogue, especially in the case of the innovative Future Energy Fund projects.

Social Responsibility

OMV aims to be a fair, responsible employer of choice and an attractive place to work. We offer modern and dynamic career development models. Around 35,000 people worldwide are working to ensure OMV's sustainable growth. We are a community of Professionals, Pioneers, and Partners who try to live the OMV Values in our day-to-day activities.

As a listed company OMV is subject to strict regulation. Voluntary behavioral standards and management principles that go above and beyond what is legally required are part of our corporate governance. Ethical business practices, diligence, and integrity serve to build trust.

We actively engage in open dialogue with all stakeholders who could be impacted by or interested in our activities. Local populations benefit from our community relations projects. We work with experienced development organizations to support international health and education programs that offer the key to a better future.



"Hope I'm not too hot for you."

"I like to take responsibility."

Employees

OMV employs around 35,000 people worldwide. Their performance is responsible for our success. OMV implemented various new tools and programs in 2009. The most important of these is a Group-wide performance and development system that tracks how individual employees are helping us achieve our objectives and strengthening our values-based corporate philosophy (Professionals, Pioneers, Partners). High safety and health standards, fair pay, and flexible employment models create a positive work environment, making OMV an employer of choice on a truly international level.



Management approach in detail: /em_approach.html

Our Approach

The rights and obligations of OMV employees are set out in labor contracts. They are also derived from various company agreements, collective bargaining agreements, corporate directives, and locally applicable policies. OMV achieved most of its human resources (HR) goals for 2009. The Personnel Risk Review working group continued to assess the personal risks of OMV employees. In 2009, the HR Department implemented its new Performance & Development System (PDS). HR supports employees at all stages of their careers at OMV, with local management playing the most important role. Strategic decisions that have a bearing on the entire OMV workforce are taken centrally. Similarly, where general issues could have an

impact on the Group, local management is obliged to follow the guidelines set by Corporate HR. 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 is committed to upholding further principles of relevance to HR, and has included them in corporate directives. We maintain an ongoing dialogue with employees to find out what works well in their jobs and identify room for improvement. The next Group-wide human capital management (HCM) survey monitoring employee satisfaction will be conducted in 2011.



Work/study program in Austria for Petrom trainees: </careers.html>

Careers and Training

Apprentice Training

Providing high-quality apprenticeship training is a key concern at OMV. At the end of 2009, OMV had 132 apprentices in Austria and 28 in Germany. We try hard to make young people aware of the apprenticeships we offer and to present ourselves as an attractive employer. Reflecting our support for women in technical careers, in 2009 the Schwechat refinery competed for an "amaZone" Award. These are given to companies that actively recruit female apprentices. The refinery had increased the percentage of female apprentices from zero to 12% within four years.

Apprentices in Austria can choose to take the school-leaving examination to qualify for access to higher education.

Performance & Development System (PDS)

The introduction of the PDS in 2009 represented a major step towards building a Group-wide job performance and employee development culture. Like its forerunners (Performance Appraisal, R&M's PDS, Petrom's PDS, and Management by Objectives), the new PDS is a key communication tool for cascading company goals and helping individual employees implement the corporate strategy. As a common web-based system for the entire Group, the PDS ensures equal opportunities by harmonizing performance and development discussions. It facilitates management across borders and affiliates and considerably reduces complexity and costs. Ten thousand OMV employees are due to have access to the PDS by 2010.

Employee Training and Development

The many employee training and development programs that were developed over the last few years are now well established and successful. They include Power2Manage and Power2Lead for managers, Step2Success for professionals, and Step2Excellence for both managers and professionals.

Career Campaign

OMV set up "Job World" on the OMV Intranet in 2007-08 to give employees information about career development opportunities and programs at OMV. One of the aims is increased transparency. In addition, successful employees are profiled and HR development tools explained. Job World is an attractive way for employees to find out about careers at OMV, and encourages them to further their own advancement.

Integrating the OMV Values

One of the aims of the ongoing "Driving Values" project is to anchor the OMV Values (Professionals, Pioneers, Partners) in day-to-day leadership. In 2009, 80 participants in the Power2Manage program interviewed around 250 of their fellow managers across the Group about the values' relevance for everyday leadership activities and their perceived impact on the company's



Cristina Nicoleta Stan and Andreea Costache representing Petrom at a Bucharest job fair

external reputation. The interview results will lead to new activities in 2010.

To strengthen cross-board-unit networking and cooperation, in 2009 OMV launched a series of after-work events at its Vienna head office. Each "Driving Values Lounge" event was hosted by a member of the OMV Executive Board, who invited a special guest to talk about values-related issues. The series will continue in 2010.



[Essentials4-Managers development program at Petrom: /careers.html](#)

Equal Opportunities and Diversity

Our commitment to providing equal opportunities for all employee groups in all recruitment processes, company procedures, and employment contracts is contained in the corporate Antidiscrimination Directive. This principle applies throughout the entire employment period from hiring to termination. When a complaint is filed under the directive, OMV is committed to giving the employee the support required as far as is legally possible. Management dealt with the formal complaints made in 2009 and took the necessary action.

Local Staff

We try to achieve a high percentage of local staff in the countries where we have operations.

The same applies to management positions. Because market conditions and job requirements differ from country to country, the percentage is variable but generally exceeds 90%.

Expatriate Service

Based in Vienna and Bucharest, OMV's Expatriate Service assists some 440 expatriates across the Group. Group-wide international assignment guidelines ensure standardized and transparent service. An intercultural training program for expatriates will be introduced in 2010. Such measures help foster internationalization and diversity enhancement.



Recruitment and human capital management: </equal.html>

Career and Succession Planning

The career and succession planning (CSP) system at OMV and Petrom underwent further harmonization and efficiency improvements in 2009. CSP activities focused on cross-business and cross-board-unit rotations. These give employees attractive, challenging career

opportunities, and promote knowledge transfer and cooperation across the Group. The CSP system was linked to the PDS and the Career Check through the use of a common database. Employees can now input and update their own data in the Career Check.



Outplacement program at Petrom: </benefits.html>

Human capital management (HCM) survey: </careers.html>

Social Benefits

For several years OMV has offered company pension plans to employees in Austria and Germany. Refining and Marketing (R&M) introduced pension plans in the Czech Republic and Slovakia in 2008.

When OMV moved to its new head office in 2009, the OMV Group Works Council reached an agreement with management on the partial reimbursement of commuting employees' public transportation costs.

Personnel Risk Review

A working group set up in 2008 continued to assess the personal risks of OMV employees and whether or how these are covered by insurance or otherwise. The working group elaborated the coverage of existing insurance policies for the Group and for local staff. Local situations continue to be assessed. Over the next few years OMV plans to remedy any shortcomings in preventive measures, to the extent that this proves reasonable and economically feasible.



Age and gender composition of OMV's governance bodies: /per_empl.html

Employees working in the head office complex have access to free bottled water, coffee, and tea in a "Coffee & More" area located on each floor.

Employee Profit-Sharing Plan

An employee profit-sharing plan in 2009 gave OMV employees who purchased three shares a fourth share free of charge up to a certain amount. The aim was to let employees participate in the company's success. In 2009, 1,001 employees took part in the plan, purchasing 126,864 shares (excluding the free shares).

Freedom of Association

When OMV signed the UN Global Compact, it committed itself to uphold freedom of association and recognized the right to collective bargaining. In countries where these rights are not politically welcome or recognized by society, OMV seeks to enable the establishment of employee representation in house, or tries to find other solutions.



An Innovative Workplace

Idea Management

Idea management gives our employees a platform for putting forward new suggestions and alternative solutions concerning products, processes, working conditions, increasing product quality, and similar topics, and thereby contributing to our company's success. It also promotes cross-departmental entrepreneurial thinking and action. Innovative ideas from our employees saved us EUR 8,643,205 in 2009. In 2009 we paid out bonuses totaling over EUR 54,700 for valuable employee suggestions.

New Head Office in Vienna

The first business unit moved into OMV's new head office in Vienna's 2nd district in April 2009. The overall move continued in weekly stages until mid-May. Gas and Power (G&P) employees moved into their new offices in October.



Work-Life Balance for Working Parents

The OMV kindergarten opened near the new head office in September 2009. Operated jointly with the organization "Kinder in Wien," the kindergarten is attended by children of employees from all OMV sites. There are

two to four groups for children aged one to six years. Half-day and full-day places are available. The opening times are aligned with working hours but extend beyond core time. The teaching staff at the bilingual kindergarten includes native English speakers.

Challenges and Goals in 2010

- ▶ Continuing Internationalization: Push forward on creating standardized tools; exploit stronger synergies between employee programs; evaluate current differences and potential compensation, especially in the areas of insurance and occupational health and safety
- ▶ Cooperation and Synergies Between Business Segments: Expand existing HR networks on various HR issues and exploit synergies in the Group
- ▶ Integrated Business Approach: Strengthen cross-divisional effectiveness; leverage an integrated approach to stakeholder relations
- ▶ Intelligent Cost Management: Establish additional cross-functional programs and promote employee exchange
- ▶ Values: Continue implementing the OMV Values (Professionals, Pioneers, Partners)
- ▶ Recruiting and Employer Branding: Strengthen our employer image and attractiveness from recruiting to integration; increase the number of Romanian potentials and incumbents in middle and senior management positions
- ▶ Diversity: Develop a strategy and an action plan to ensure equal employment and leadership opportunities for everyone regardless of gender, nationality, ethnicity, age, disability, sexual orientation, and religious and political views.

Health

Health is a universal value and equal access to health promotion must be available to all. We provide health management not only to people working in areas with potential health risks, but to everybody at OMV. Every employee is a beneficiary of our high occupational health (OH) standards and wide-ranging health initiatives. Since sustainable success depends on a healthy, motivated workforce, health management makes a fundamental contribution to our company's performance.


Our Approach


 OMV's HSE Policy and health management approach: /he_approach.html

The health of our employees is a primary asset and resource. We have committed ourselves in our HSE Policy to promoting people's physical and mental well-being. We want to ensure that our employees are fit to carry out the work assigned to them. Our objectives include the roll-out of

high, Group-wide harmonized health standards, and the systematic assessment and reduction of health risks. The OH organization at OMV is based on the shared services concept. Regular performance monitoring enables continuous improvement.

Group-Wide OH Standards


 OH procedures training for medical staff: /oh_standards.html

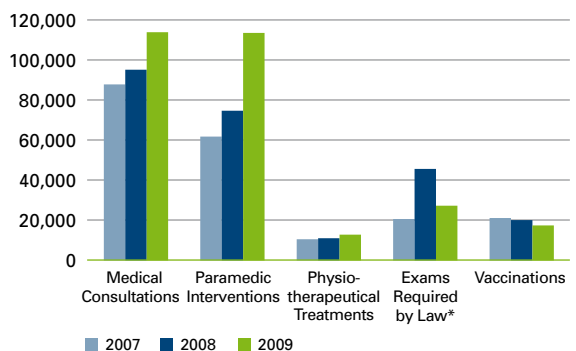
Our target is 90% implementation of the OMV Health Standard by 2010. In 2007, the Center for Occupational Health analyzed the resource requirements under the OMV Health Standard. At OMV (excl. Petrom), tangible needs were identified as marginal compared with intangible factors and structural harmonization requirements. Petrom set out to refurbish and reorganize its OH clinics by the end of 2010 in line with the organizational and operational business development at its locations throughout the

country. By the end of 2009, five of the seven refurbishment projects in Romania had been completed, with the remaining two still in progress. Modern IT equipment was installed in the clinics and new medical software will be available from 2010. The implementation and updating of medical work procedures continued. The clinic at the Ashtart oilfield in Tunisia was refurbished and upgraded in line with the OMV Health Standard.

Health Risk Assessment

To ensure evidence-based OH monitoring, the Center for Occupational Health introduced a work procedure for conducting health risk assessments (HRA). About 19,500 employee workplaces (56%) underwent HRA in 2009. The results will be the starting point for efforts to improve work conditions and reduce health risks in 2010.

Number of Medical Interventions



*Petrom changed its medical exam statistics from counting all parts of an exam (2008) to counting the number of persons examined (2009)

Health Initiatives

In addition to their ongoing health promotion efforts, in 2009 OMV's OH experts carried out general preventive health checks and specific check-ups such as eye exams; vaccinations against flu, tick-borne encephalitis, and hepatitis; stress screening; cardiovascular screening; and information campaigns.

Health Circles

Employee "Health Circles" are a bottom-up tool for promoting workplace health. They help us define health risks and plan our health promotion activities by tapping our employees' knowledge. Pilot Health Circles have been set up at various OMV sites in Austria, Hungary, Slovakia, and the Czech Republic. If these prove successful, more will follow in the next few years.

Adjusting to New Offices

In 2009, Center for Occupational Health staff visited employees at OMV's new head office in Vienna to adapt their office furniture in line

with individual needs and ergonomic principles. Lunchtime exercise classes and spinal exercise programs were introduced in November.

Medical Support Abroad

Exploration and Production (E&P) has numerous operations in developing countries where the local health systems and standards are not at the levels required by OMV. Health risks are evaluated to assess control measures, and medical support is provided to local employees and expatriates. The health care and emergency services available to expatriates and their family members ensure rapid response in the case of medical emergencies.

Pandemic Preparedness

In 2009, medical staff were confronted with the H1N1 flu (swine flu) pandemic. Their response focused on getting scientific information out to the workforce, and checking and updating local and Group-wide preparedness plans.



More on prevention programs: /he_initiatives.html

Challenges and Goals in 2010

Occupational health program development is based on risk assessments, medical exam results, and current epidemiological evidence. In 2010 we will focus on:

- ▶ Development of a health risk register and measures to mitigate identified health risks
- ▶ Further implementation of the OMV Health Standard, with a focus on harmonization of medical regulations and ongoing clinic refurbishment
- ▶ Health promotion activities focusing on cardiovascular, back pain, and ergonomic injury prevention, and medical exams for drivers
- ▶ Emergency and preventive medicine training.

In addition to continuing clinic refurbishment and the implementation of new medical software, the main challenge for Petrom's PetroMed health care network will be to carry out an intensive training program in emergency and preventive medicine.



In its operations in developing countries, OMV will further improve existing infrastructure by strengthening on-site emergency capability.

Safety

One of the top priorities for OMV is the creation of a safe work environment for our employees and those of our contractors. We work hard to uphold the standards set out in our corporate directives. Our goal is to achieve further improvements in occupational safety, road safety, process safety, asset integrity, and product safety. We continue to build a strong safety culture with training programs, awareness campaigns, and regular emergency and crisis exercises.

Our Approach



OMV's HSE Policy and our safety management approach: /sa_approach.html

All workplaces and processes must be safe and secure for OMV, for our stakeholders, and for the environment. We believe that all accidents are preventable. Group-wide safety directives and standards, reporting, management tools, and training courses contribute to improving safety

performance. Safety is a line management responsibility, supported by expert advice. Leading and lagging safety indicators are monitored monthly and provide information for management decisions.

Safety Awareness and Training

In 2009, OMV safety experts and professionals finished developing a training course catalogue on safety issues. The courses are aimed at spreading the HSE culture and emphasize proactive, responsible behaviors.

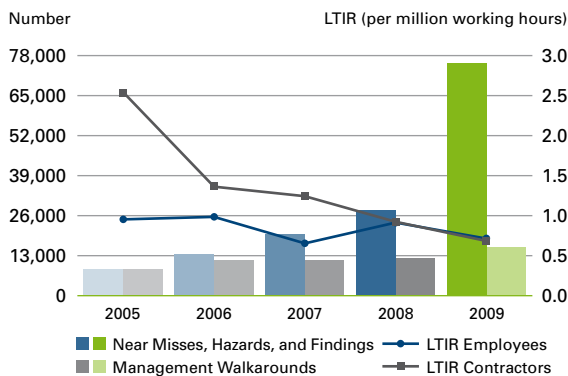
Reporting as a Key to Safety Improvements

By recording and investigating incidents and near misses, we can make sure we learn from previous experience and prevent recurrences.

have done with their reporting software during their first year of implementation. CARE has become an essential way to integrate HSE into the daily business of all our employees. In 2009:

- ▶ Over 125,000 records (incidents, near misses, investigations, findings, hazards, assessments, and measures) were entered into CARE
- ▶ Over 57,000 findings and hazards were reported and followed up
- ▶ Over 35,000 measures were assigned and 86% were completed in time
- ▶ Over 7,700 users (22% of all employees) had been trained to use CARE by the end of the year.

Increasing the number of management walkarounds and near miss, hazard, and finding reports strengthens the safety culture



In 2009, we focused on using our Group-wide software application "Think: Ahead CARE" to improve the quality of incident reporting and management. Just one year after the tool was fully implemented, we succeeded in achieving a much higher usage rate than other companies

These results reflect a rise in safety awareness and help improve safety performance. As the number of reports increased, the Lost-Time Injury Rate (LTIR) decreased.

Safety Training

Safety training accounted for most of the over 188,000 HSE training hours delivered in 2009. Awareness sessions for senior managers addressing change and risk management issues were held at the Schwechat refinery as part of the communication campaign "Safety Initiative 2010+" to prepare major turnarounds in 2010-11. At Petrom Refining, 320 managers and 2,200 operators underwent safety and risk management training.

Workplace Safety

2009 saw an overall reduction of work accidents compared to 2008. Sadly, however, there were five fatalities. The fatal incidents, which primarily occurred in Exploration and Production (E&P), involved one employee and four contractors, one of whom died in a commuting accident.

In 2009, the LTIR for the entire Group, including Petrom, further decreased to 0.71 injuries per

million hours worked for OMV employees and 0.68 for contractors.

Petrom's Petrobrazil refinery delivered an outstanding safety performance in 2009: one year, or approximately seven million working hours, without a single lost-time injury. Petrom's overall safety performance matched OMV standards.

Contractor Safety

Under the OMV HSE management system, suppliers and contracted services must comply with OMV HSE standards. Before entering into any contractual agreement, OMV assesses the contractor's management of HSE risks, assigning these the same priority as technical and commercial risks. We develop interfaces between OMV and contractors and manage them effectively to control HSE risks, for example by preparing and implementing bridging documents.

In 2009, we released a video entitled *Move Safely in the Compressor Stations*. The video is shown to every contractor and visitor, and contractors have to take a short test on it.

E&P adopted its "Eight Golden HSE Rules" in 2009. The fifth concerns contractor management. Contractors play a vital role in business efficiency and continuity (e.g. in the design and construction of fit for purpose facilities). They help us operate and maintain our facilities.

The main contractor for Petrom's planned headquarters was closely audited to ensure the implementation of all procedures for hazardous work such as crane coordination, excavations, working at height and in confined spaces, and welding.

In 2009, Petrom set up an auditing program focusing on contractor management.



Setting HSE standards for contractors and joint ventures: /sa_contractor.html

Road Safety

To reduce the unacceptably high number of road accidents, OMV and Petrom introduced road safety programs in 2009. The number of fatal road accidents declined to two over the course of the year.

Activities to increase road safety:

- ▶ Road safety awareness campaigns were started all over the Group, and the OMV employee magazine *Move* published an article on the subject in March 2009.



- ▶ Defensive driving courses were organized in Austria and Romania in cooperation with the Austrian Social Insurance for Occupational Risks and the Austrian Road Safety Board. The courses targeted office workers as well as professional drivers and promoted learning transfer into private life.
- ▶ Road safety meetings were held with drivers from branded and unbranded hauliers.
- ▶ Petrom issued a corporate regulation on fleet management, which also covers health, safety, and administrative regulations.



Support for Petrom Drivers

Throughout 2009, Petrom installed 1,000 electronic black boxes in company cars to monitor driving habits over a six-month period.

700 Petrom drivers attended the Romanian Red Cross's six-hour first aid training courses. Around 900 drivers took part in PetroMed's medical and psychological testing program to identify problems that could affect driving behavior.

In November and December, 500 drivers underwent a two-day driving skills course with an emphasis on road safety.

Process Safety

Process safety measures focusing on process integrity, risk evaluation, and change management procedures have senior management attention. In 2009, we developed the Group-wide Risk Assessment and Evaluation Criteria Standard. It establishes a rule-based structured process and clear risk acceptance criteria in order to achieve consistent, rational spending on HSE.

The Center of Excellence in the Refining and Petrochemicals Business Unit has revised over a dozen management processes in terms of process safety. Changes and improvements were systematically implemented into the daily business. Process safety site leads are employed at all our refineries to oversee

sustainable improvements and ensure the use of best practices. The Schwechat refinery implemented an electronic work permit system ("eWorkpermit") in 2009.

In 2009, OMV faced a medium-scale fire in the Petrobrazi refinery and a fire at a well blowout in Libya. There were no injuries in the fires, which also posed no risk to neighbors, and actual asset losses were limited.

The impact of the global economic crisis on Romanian fertilizer production forced Petrom to shut down its fertilizer plants at Doljchim temporarily in 2009. A major challenge was to maintain the plants in a safe condition to prevent any risks to employees or the environment.

Product Safety

We provide our partners and customers with detailed information about our products and the materials used to produce them. All products that are manufactured, marketed, or distributed by OMV are in compliance with the applicable legal regulations. Safety data sheets for OMV products can be downloaded from our website.

These specifications help ensure the safe use of the products.

OMV application engineers and sales staff conduct product training on an ongoing basis for OMV employees, suppliers, and filling station partners and other customers.



Safety data sheets:
www.omv.com >
Products > eServices
> Product Information

Emergency and Crisis Management

Based on the corporate Emergency and Crisis Management Directive, the crisis and emergency management at Petrom, including the Crisis Management Plan, was upgraded in 2009. In addition, Petrom continued to sensitize the main security service provider to human rights issues.

Response scenarios for E&P, refineries, tank farms, gas transport, commercial and retail business, and office buildings are rehearsed on a regular basis. About 50 crisis and emergency exercises, involving OMV staff, contractors, authorities, and other organizations, took place in 2009. The scenarios included offshore oil spills and business continuity issues. The lessons learned from these exercises

will be taken into account in the regular updates of crisis and emergency response plans.

During the recent avian flu and H1N1 (swine) flu pandemics, OMV demonstrated its ability to proactively plan a response aimed at minimizing the impact of a threat to its employees while ensuring business continuity. Risks associated with a pandemic have been identified and are evaluated twice a year in the OMV Enterprise-wide Risk Management System (EWRM). With our Pandemic Preparedness Plan we set an example of best practice for the industry. We updated it in 2009 based on our successful management of the H1N1 pandemic.



Human rights
in detail:
[/human_rights.html](#)
and p. 53



More on emergency
and crisis
management:
[/emergency.html](#)

Security of Supply in January 2009

Over one-third of all natural gas exports from Russia to Western Europe are delivered through OMV's pipeline system in Austria. There were no disruptions of the gas supply from the initial delivery in 1968 until the beginning of 2009, when economic and political disputes between Russia and Ukraine culminated in the complete breakdown of gas deliveries to Europe. While in some countries thousands of households were

left without fuel for heating and factories were forced to shut down, Austria was equipped to handle the situation without any problems for its gas customers. This was possible due to the country's large gas reserves and OMV's professional crisis management. Petrom could quickly supply industrial customers in Romania with heavy fuel oil, enabling them to switch over from gas. That helped keep the supply of gas flowing to households.

Challenges and Goals in 2010

To minimize risks and ensure a safe and secure working environment, in 2010 we will focus on:

- ▶ Follow-up of safety management standards
- ▶ Monitoring contractor safety management
- ▶ Optimizing our transportation safety initiatives

- ▶ Further improving safety performance
- ▶ Implementing the new Risk Assessment Standard
- ▶ Developing a Group-wide harmonized and aligned KPI system for process safety.

Business Ethics

Large companies depend on people's trust. For OMV to continue its successful growth, we need to be trusted by our customers, investors, and employees, and by the local communities in which we operate. We can earn their trust by consistently maintaining high standards of honesty and integrity. Everyone who works for OMV or on OMV's behalf must be committed to honesty and integrity in business. All of them without exception are required to observe the OMV Code of Conduct, which is the basis for our actions. Behaving fairly towards our stakeholders adds substantially to our good reputation as an employer and as a business partner.

Our Approach

OMV issued its new corporate directive on business ethics in 2007. The directive covers conflicts of interest, gifts, facilitation payments, third-party assessment, and a Group-wide compliance structure.

Preparation of the directive began in 2006. An extensive questionnaire was circulated to the business segments and units, and their feedback was integral to the drafting of the directive. Following approval by the Executive Board, the directive became effective in 2008.



Petrom's measures to promote ethical behavior:
[/et_petrom.html](#)

Extractive Industries Transparency Initiative (EITI) agreement in Kazakhstan:
[/ethics.html](#)

Implementation

All employees across OMV received information about OMV's Business Ethics Directive.

After setting up an anonymous, toll-free hotline for employees, we added a web-based information request form to the contact options. Inquiries can also be directed to any OMV compliance officer.

Most employee inquiries involve the following issues:

- ▶ How to interact with officials; how to determine if someone qualifies as an official
- ▶ How to assess the value of received gifts; how to decide whether to return them or to keep them, registering their receipt
- ▶ Giving lectures at third-party events
- ▶ Private contacts with officials, politicians, or business partners
- ▶ Holding positions in associations and communities
- ▶ Approval and documentation procedures
- ▶ Selection and employment of agents, consultants, and other third parties.

Under the guidance of the Corporate Compliance Officer, divisional and local compliance officers provide advice, templates, and sample contracts, especially to employees working in corruption-prone business areas or regions. An e-learning tool became available in 2009 and quickly gained user acceptance.

All business segments and units at OMV were assessed for corruption-related risks.

Actions Taken

OMV has terminated or decided not to pursue a number of business relationships and activities due to attitudes or behavior found to be in violation of our ethical standards. For two OMV employees, non-compliance with our anti-corruption policy led to the termination of their employment in 2009.

Human Rights

Social responsibility includes respect for human rights as understood in the broadest sense. Human rights are subjective rights to which all people are equally entitled. By signing the UN Global Compact, OMV committed itself to protect human rights within its sphere of influence. Over the last few years we have worked closely with external experts to further develop our human rights management system. Its key elements are the OMV Human Rights Policy and the OMV Human Rights Matrix. We systematically implement the comprehensive matrix in our business processes.

Our Approach

The OMV Human Rights Policy is based on the OMV Code of Conduct and sets out the principles of our understanding of, and our responsibility for, the protection of human rights in the business environment. In accordance with the commitments set out in the UN Global Compact, OMV respects, fulfills, and supports

the fulfillment of human rights within its sphere of influence, and seeks to avoid the risk of complicity in human rights violations as understood under international law. The Human Rights Policy is the normative umbrella for the management of human rights issues in our operations.



Objectives in 2009: /hr_approach.html

Human Rights Audits and Training

Acting on our commitment to embed human rights in the procurement process, we developed a mandatory human rights questionnaire for standard OMV supplier audits, and trained auditing teams in how to use it. The feedback will be used in designing further training sessions for auditors in 2010.

employees and other stakeholders. In 2009, a number of workshops were held on the importance of CSR, human rights, and business ethics along the OMV value chain. The basic principles of OMV's business ethics, our approach to sustainability, and a presentation on the OMV Human Rights Matrix were also on the agenda.

OMV organizes training courses and workshops to raise human rights awareness on the part of

Both OMV and Petrom regularly provide human rights training for security contractor personnel.



Petrom's human rights training for security companies: /hr_training.html

The OMV Human Rights Matrix

Overview of Human Rights Implementation Activities

- On-site gap analysis in Yemen
- Human rights audits of suppliers
- Community relations projects in Pakistan, Yemen, Romania, the Kurdistan Region of Iraq, and elsewhere
- Human Rights Matrix workshops for OMV managers
- Human rights training for security companies in:
 - ▶ Romania
 - ▶ Kurdistan Region of Iraq
- Evaluation of human rights self-assessment results (gap analysis)
 - ▶ Action lists agreed with local management

OMV's human rights responsibilities are contained in a Human Rights Matrix aligned with the matrix developed by the Business Leaders Initiative on Human Rights. The OMV Human Rights Matrix is derived from the OMV Human Rights Policy and constitutes the basis for our activities in the field of human rights.



The OMV Human Rights Matrix: /hr_matrix.html

All investment decisions requiring Executive Board approval undergo a mandatory sustainability evaluation that includes human rights aspects.

Human Rights Tools

We developed and implemented various tools to evaluate the human rights situation and enforce our human rights engagement in the areas where we operate.

New Country Entry Self-Check

In 2009, Gas and Power (G&P) and EconGas used the OMV "New Country Entry Self-Check" to estimate the human rights situation in potential operating areas. The checklist helps us identify and avoid the risk of involvement in human rights violations before we enter a new country. We use it to analyze the human rights situation in the country or area and how it could affect OMV.



New Country Entry Self-Check: /hr_tools.html

OMV's Human Rights Implementation Tools

- [OMV and Petrom human rights policies](#)
- [CSR management system, including a matrix defining our human rights responsibility*](#)
- [Human rights indicators**](#)
- [Human rights elements in the Balanced Scorecard](#)
- [Human rights Q&A](#)
- [Human rights checklists](#)
- [Human rights gap analysis \(self- and third-party assessment\)](#)
- [Human rights in the due diligence process \(new country/area entry/joint venture partner\)](#)
- [Human Rights E-learning Toolkit based on the IPIECA Toolkit](#)
- [Human rights training for security companies in Romania](#)

* Developed with the Ludwig Boltzmann Institute for Human Rights and HumanRightsConsulting Vienna

** Developed with the Danish Institute for Human Rights

OMV Group Works Councils

The OMV Group Works Council believes that promoting solidarity and social cohesion is all the more important during periods of economic uncertainty. Its members successfully sought to keep the OMV workforce strong and unified in 2009, despite the pressures of the global recession.

Being united under one roof in the new OMV head office has increased the council members' sense of community with one another as well as with their fellow employees, whose interests they can now represent even more effectively in the years to come.



Hepatitis B Project in Pakistan

The Austrian Development Agency (ADA) and OMV funded Phase I of the hepatitis B vaccination project for Pakistan. The project was launched in 2006 and successfully completed in 2009, with over 9,000 women and children vaccinated. The total project budget was EUR 100,000. Activities included an information campaign and hepatitis prevention training in the Sindhi language. This project won OMV a TRIGOS award in Austria.

In early 2009, OMV and ADA agreed to continue the vaccination project. The planned Phase II foresees the vaccination of 15,000 men, women, and children by 2012. Total funding will amount to EUR 220,000 and be shared equally between ADA and OMV.

Community Relations

To sustain long-term economic success we need the trust of our stakeholders. How we build that trust is set out in the OMV Code of Conduct: by engaging with stakeholders from the earliest stage of a project and by carefully assessing the social impacts of our activities. We initiate and support numerous community initiatives, usually in the areas of health, education, and the provision of basic needs.

Our Approach

We have made a commitment to consider the social impacts and risks of our activities, to play a responsible role in affected communities, to build mutual understanding, and to minimize negative impacts. Group-wide community relations requirements are defined in the CSR Corporate Directive, which is the framework for the social pillar of our sustainability approach.

The implementation of community relations in day-to-day business operations is the responsibility of line management.

Monitoring of community relations implementation for a specific project is managed by tracking the action plan for the project as well as project site and corporate targets. Annual Group-wide targets are set in the corporate Balanced Scorecard and deployed to the business segments.



More on our community relations management approach: /cr_approach.html

Social Sponsoring

OMV's international social and education program, OMV Move & Help, targets socially relevant issues and needs. The program works closely with its three partner organizations, the Austrian Book Club for Young People, Caritas, and the UN Environment Programme (UNEP). In 2009, the OMV Move & Help initiative "Moving On with Reading" was carried out in cooperation with the book club to help children with severe reading problems. OMV invested about EUR 450,000 in OMV Move & Help projects in 2009.



Public Affairs

As an internationally active group that is committed to European values, OMV conducts public affairs activities at a national, European, and international level. We participate actively in the development of the framework that impacts

on our company. In consideration of our stakeholders' expectations we provide input to an environment that is favorable to our business and the economy.

Community Projects

OMV has numerous ongoing community relations initiatives worldwide. We interact with our stakeholders in many different ways wherever we operate.

Social impact assessments are undertaken

early in the project cycle together with the environmental impact assessment. Action plans and community relations projects are always designed to meet actual needs, and are carried out with the strong involvement and ownership of the local beneficiaries.



R&M employees donated over 2,000 used books to a charity book sale in Mannswörth. The money raised by this OMV Move & Help social sponsorship action went to help 45 disadvantaged children.

Charity book sale for OMV Move & Help

From left to right: Father Silvio Crosina, parish priest of Schwechat-Mannswörth; Parish Councilwoman Christine Kaufmann; and Gerhard Wagner, head of the Schwechat refinery



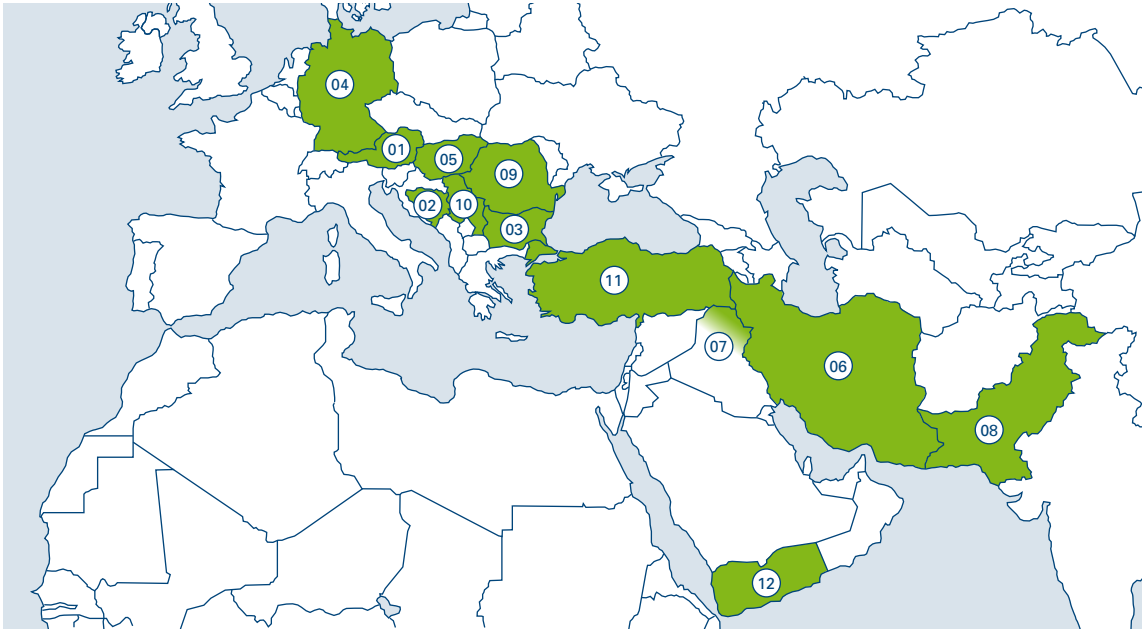
Directives on communications and advertising: </directives.html>

Challenges and Goals in 2010

In 2010, we will continue to implement our human rights management system. In addition, we plan to initiate sustainable projects in the communities where we are developing new production facilities.

- ▶ Roll-out of the human rights e-learning tool developed in 2009 based on the IPIECA Toolkit
- ▶ Tailored human rights training courses for the business units with a focus on the new Community Relations Standard
- ▶ Integration of a human rights questionnaire into the OMV procurement process; human rights training courses for internal and external auditors
- ▶ Planning of community relations projects in connection with the development of new production facilities in Tunisia
- ▶ Human rights training for ventures in North Africa in the first quarter of 2010
- ▶ Targets concerning OMV's three sustainability focus areas, Diversity & Education, Health & Safety, and CO₂ Reduction, will become a mandatory part of OMV's management by objectives (MbO)
- ▶ Continued integration of human rights aspects into our decision-making processes (e.g. the tollgate process)
- ▶ Initiation of stakeholder engagement for the Samsun power plant project; community needs assessment
- ▶ Monitoring of the environmental and social impact assessments for the Nabucco gas pipeline project.

Community Projects




Community projects in detail:
/cr_projects.html

- 01 **Austria**
 - Charity book sale in Mannswörth
 - Open house at gas compressor stations
 - Continuous stakeholder dialogues
 - Volunteering project to renovate a youth center in Vienna
 - Donation of a natural gas car to the Nationalparkinstitut Donauauen
 - Funding of three zoo projects
 - Donation of an ambulance to the Austrian Red Cross in Gänserndorf
 - Christmas donation to the SOS Children's Village in Vienna
 - Dialogue with students from Diplomatic Academy Vienna
 - Sponsorship of the World Press Photo exhibition in Vienna
 - Support for an international children's music festival
 - Numerous community relations projects during pipeline constructions

- 02 **Bosnia-Herzegovina**
 - Hiking trail signs project

- 03 **Bulgaria**
 - Children's activities at Karin Dom
 - Support for SOS Children's Village in Tryavna

- 04 **Germany**
 - Community initiatives by the Burghausen refinery
 - Information fair for the Haiming power plant

- 05 **Hungary**
 - Road safety promotion in Budapest

- 06 **Iran**
 - Cooperation with the Corporate Social Development Centre
 - Traineeships for disadvantaged young women
 - Support for children with cancer
 - Handicrafts bazaar with Tehran organizations
 - Support for mentally disabled children
 - Sponsorship and purchase of New Year's cards

- 07 **Kurdistan Region of Iraq**
 - Water treatment and recycling system for the temporary camp
 - Community relations in new drilling locations

- 08 **Nicaragua**
 - VIVA Mi Escuela education project

- 09 **Pakistan**
 - Support to primary schools for training courses and school infrastructure development
 - Distribution of safe drinking water in the Nara Desert
 - Project to promote traditional craft skills
 - Continuation of Hepatitis B project


- 10 **Romania**
 - Schela Community Resource Center (CERC)
 - Stakeholder engagement and community needs assessment for the Brazi power plant
 - Stakeholder dialogues at Petrom
 - Earth Day activities
 - International Day for the Elimination of Racial Discrimination
 - Parks of the Future project
 - Taralui Andrei.ro program
 - Andrei's School project
 - Andrei's Country summer camp
 - Building for the Future project
 - Support for the Future: Romania Takes Roots project
 - Bucharest Whistles Fault event
 - Support for EU funding applications by town councils
 - Refurbishment of schools and kindergartens
 - HSE awareness campaigns
 - Education initiatives
 - Seaside clean-up
 - Visit to Casa Noastra orphanage in Bucharest
 - Educational awareness in schools

- 11 **Serbia**
 - Support for mentally disabled children in Belgrade
 - Clean-up of Belgrade's Zvezdara Forest

- 12 **Turkey**
 - Community needs assessment for the Samsun power plant

- 13 **Yemen**
 - Reconstruction of water collection pools


The Brückenschlag program in Austria:
</bridges.html>


Cooperation with universities:
</universities.html>

Indicators and Assurance

The Global Reporting Initiative (GRI) is based on the recognition that sustainability depends on the public disclosure of information. Many companies use the GRI's reliable and credible reporting framework, the Sustainability Reporting Guidelines, to provide transparency about their activities.

This OMV Sustainability Report 2009 meets the reporting criteria for GRI Application Level A+ and was third-party checked.

The performance indicators presented in the report measure the progress OMV has made towards its goals for environmental protection, employees, health, safety, and economic performance. Indicators enhance transparency and comparability.

Selected chapters and indicators were independently reviewed by Deloitte. Assurance establishes clarity and trust.



“Is the outlook bright or murky?”

“Look closer.”

Performance Indicators



Taxes per Country:
/per_econ.html

Indicator for
financial assistance
from government:
/per_econ.html



Indicators for the
E&P, Refining, and
Gas operating
segments:
/per_envir.html

Economy

EC1 CSR Expenditures

	Million EUR 2009	Million EUR 2008	Million EUR 2007
Expenses for CSR Activities	17.92	17.32	18.00

EC1 Taxes of OMV Group

	Thousand EUR 2009	Thousand EUR 2008	Thousand EUR 2007
Total	547,251	836,955	555,705

Environment

Environmental figures¹

		2009	2008	2007	2006	2005	
EN3	Energy consumption	PJ	147.8	165.4	159.5	154.5	83.6
EN8	Water consumption	mn m ³	65	77	76	89	102
	Thereof groundwater	mn m ³	28.1	26.9	25.3	27.5	20.5
Emissions							
EN16	GHG (direct, Scope 1)	mn t CO ₂ equivalent	11.7	12.0	12.1	14.1	7.2
EN16	GHG (indirect ² , Scope 3)	mn t CO ₂ equivalent/toe	109	105	102	n.r.	n.r.
EN16	CO ₂	mn t	10.7	11.1	10.8	11.6	6.2
EN16	CH ₄ ³	t	36,008	27,136	39,880	95,285	37,426
EN16	N ₂ O	t	975	1,036	1,440	1,384	442
EN20	SO ₂ ³	t	5,927	9,039	10,290	13,247	5,861
EN20	NOx ³	t	15,123	14,890	13,759	13,439	7,264
	NM-VOC ³	t	10,531	10,553	9,707	6,028	1,649
	Particulate emissions	t	1,799	2,492	2,944	2,369	183
EN21	Waste water discharge						
	Chemical oxygen demand	t	1,860	1,890	2,741	2,939	240
	Hydrocarbons	t	55.6	84.0	62.2	72.8	3.3
	Total nitrogen	t	331	372	437	349	441
EN22	Waste⁴						
	Non-hazardous waste	t	379,933	216,681	75,261	57,456	42,537
	Hazardous waste	t	138,294	22,714	21,004	19,835	8,174
	Waste oil ⁵	t	—	439	322	262	296
	Total waste	t	518,227	239,834	96,587	77,552	51,007
EN23	Spills	number	2,671	1,701	884	2,782	1,353

n.r. = not reported

¹Environmental figures including Petrom as of 2006; Kazakhstan and Petrom Marketing as of 2009.

²Scope 2: Indirect GHG emissions from purchased energy such as electricity and heat account for about 5% of total energy consumption and are therefore not assessed regularly.

³Increases due to adapted estimation and calculation methodologies in refineries (NM-VOC, 2007) and E&P (2008-09).

⁴While until 2008 only production waste was reported, total waste amounts, including those from one-time projects, are given as of 2009.

⁵As of 2009, included in hazardous waste.



Indicators for the
E&P, Refining, and
Gas operating
segments:
/per_safety.html

Safety

LA7 Safety figures

		2009	2008	2007	2006	2005
Own employees						
Fatalities	number	1	7	3	6	3
Lost workday injuries	number	46	61	40	73	72
Fatality rate (FAR)	per 100 mn working hours	1.50	9.39	4.54	7.45	3.49
Lost-time injury rate (LTIR)	per million working hours	0.71	0.91	0.65	0.98	0.87
Lost-time injury severity (LTIS)	per million working hours	36.8	57.7	21.3	22.7	10.8
Total recordable injury rate (TRIR)	per million working hours	1.53	2.17	n.r.	n.r.	n.r.
Commuting accidents	number	20	25	n.r.	n.r.	n.r.
Contractors¹						
Fatalities	number	3	9	8	8	8
Lost workday injuries	number	55	77	100	68	124
Fatality rate (FAR)	per 100 mn working hours	3.54	9.64	9.22	14.31	15.42
Lost-time injury rate (LTIR)	per million working hours	0.68	0.92	1.24	1.36	2.54
Lost-time injury severity (LTIS)	per million working hours	27.9	31.9	35.2	41.1	18.0
Total recordable injury rate (TRIR)	per million working hours	1.58	1.73	n.r.	n.r.	n.r.
Commuting accidents	number	8	12	n.r.	n.r.	n.r.

n.r. = not reported

¹As of 2007, partners and employees of filling stations are included in the scope of safety statistics. Between 2006 and 2008, demergers and integration of contractor companies led to shifting of incident numbers between employees and contractors.

Labor

LA1 Total workforce by employment type and region 2009

Employees	Europe excl. Austria ¹	Middle East/Africa	Rest of the World	Austria	Total ¹
Total	29,836	934	778	3,768	35,316
Status					
White-collar workers	11,330	697	778	2,732	15,537
Blue-collar workers	18,506	237	0	1,036	19,779
Total	29,836	934	778	3,768	35,316
Employment type					
Full-time	29,806	934	766	3,617	35,123
Part-time	30	0	12	151	193
Total	29,836	934	778	3,768	35,316
Employment type					
Permanent	29,580	645	778	3,726	34,729
Temporary ²	256	289	0	42	587
Total	29,836	934	778	3,768	35,316

¹Data include figures for Petrom S.A. but not for foreign companies where Petrom is a shareholder.

²A 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.

Labor**LA2 Net employment creation and average turnover segmented by region 2009**

	Europe excl. Austria	Middle East/ Africa	Rest of the World	Austria	Total
New recruitments	453	103	71	225	852
Thereof new jobs created	392	41	54	74	561
Contract terminations ¹	5,765	61	29	229	6,084
Total sum of employees	29,836	934	778	3,768	35,316

¹Included are Social Plan termination and retirements.

Operations in Russia are undertaken by CorSarNeft (management company), where staff are provided mainly by the second shareholder of Ring Oil.

LA10 Average hours of training and education divided into categories 2009

	Europe excl. Austria	Middle East/ Africa	Rest of the World	Austria	Total
Senior management					
Number of employees	23	0	0	40	63
Money spent on training per category	46,882	0	0	141,997	188,879
Hours per category	511	0	0	1,575	2,086
Management professionals					
Number of employees	986	40	22	241	1,289
Money spent on training per category	576,487	98,195	52,300	740,100	1,467,082
Hours per category	18,126	1,223	630	10,800	30,780
Experts					
Number of employees	2,417	299	64	1,280	4,060
Money spent on training per category	933,894	370,237	223,287	2,790,039	4,317,457
Hours per category	71,701	9,754	3,328	72,357	157,141
Project managers					
Number of employees	188	21	1	21	231
Money spent on training per category	98,661	24,097	2,000	66,999	191,757
Hours per category	4,172	496	5	1,357	6,030
Technicians					
Number of employees	904	125	174	514	1,717
Money spent on training per category	178,144	33,137	101,774	321,722	634,777
Hours per category	34,579	3,706	797	12,996	52,078
Administrative					
Number of employees	286	101	24	111	522
Money spent on training per category	86,740	25,008	57,025	132,202	300,975
Hours per category	8,020	2,228	625	3,978	14,852
Grand Total					
Number of employees					7,882
Money spent on training per category					7,100,930
Hours per category					262,969

Operations in Russia are undertaken by CorSarNeft (management company), where staff are provided mainly by the second shareholder of Ring Oil.

GRI Content Index

Description	Status	Links	IPECA	UNGC	Statement/Commentary
Profile Disclosures					
1. Strategy and Analysis					
1.1 Statement from the most senior decision-maker of the organization	●	SR pp. 2-3			Statement of Continuing Support
1.2 Description of key impacts, risks, and opportunities	●	SR pp. 20-21, 29; AR pp. 62-63; /sus_risk.html, /sus_integration.html, /future.html, /en_risk.html			
2. Organizational Profile					
2.1 Name of the organization	●	SR back cover			
2.2 Primary brands, products, and/or services	●	SR p. 11; /products.html			
2.3 Operational structure of the organization	●	SR p. 11; AR pp. 135-138; /group.html			
2.4 Location of the organization's headquarters	●	SR back cover;			
2.5 Number of countries where the organization operates	●	AR pp. 42, 46, 50			
2.6 Nature of ownership and legal form	●	AR pp. 34-35			
2.7 Markets served	●	AR pp. 16-17			
2.8 Scale of the reporting organization	●	AR pp. 54, 60, 135-141			
2.9 Significant changes during the reporting period regarding size, structure, or ownership	●	AR pp. 54-55			
2.10 Awards received in the reporting period	●	/awards.html			
3. Report Parameters					
3.1 Reporting period for information provided	●	SR front flap			
3.2 Date of most recent previous report	●	SR front flap			
3.3 Reporting cycle	●	SR front flap			
3.4 Contact point for questions regarding the report or its contents	●	SR back flap			
3.5 Process for defining report content	●	SR front flap			
3.6 Boundary of the report	●	SR front flap; /about.html			
3.7 Limitations on the scope or boundary of the report	●	SR front flap; /about.html			
3.8 Basis for reporting on joint ventures, subsidiaries, etc.	●	SR front flap; /about.html			
3.9 Data measurement techniques and the bases of calculations	●	SR front flap			
3.10 Restatements of information	●	SR p. 63			3.10 No restatements of information since the last report.
3.11 Significant changes from previous reporting periods	●	SR p. 63			3.11 No significant changes since the last report.
3.12 GRI Content Index	●	SR pp. 63-65			
3.13 External assurance	●	SR p. 67			
4. Governance, Commitments, and Engagement					
4.1 Corporate governance/Management structure of the organization	●	SR pp. 11, 52; AR pp. 24-31; /sus_integration.html, /csr.html, /hse.html, /hr.html, /ethics.html			
4.2 Independence of the highest governance body	●	AR pp. 24-31			
4.3 Structure of the governance body in organizations that have a unitary board structure	n.a.				4.3 The organization has a Supervisory Board.
4.4 Mechanisms for shareholders and employees to provide recommendations	●	SR pp. 18-19, 45; AR pp. 30-31			
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	●	SR p. 3; AR pp. 25, 29-30, 128, 134; /sus_strategy.html			▶ 1-10
4.6 Mechanisms to avoid conflicts of interest	●	SR p. 52; AR pp. 27-29; /ethics.html			
4.7 Expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	●	AR pp. 27-29			
4.8 Mission statements, codes of conduct, sustainability principles	●	SR pp. 10, back flap; /commitment.html, /values.html			4.10 Responsibility for evaluating the performance of the highest governance body does not lie with the reporting organization, according to the Austrian Stock Corporation Act.
4.9 Procedures for overseeing the organization's sustainability management	●	SR p. 10; /sus_strategy.html			
4.10 Evaluation of the highest governance body's own performance, particularly with respect to sustainability	n.a.				
4.11 Precautionary approach addressed by the organization	●	SR pp. 20-21, 28-29; AR pp. 32, 62-63, 116-117; /future.html, /en_approach.html, /en_risk.html			▶ 7
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives	●	SR p. 10; /commitment.html			4.11 Investments in portfolio adaptation and decarbonization are the strategic expression of our precautionary approach.
4.13 Memberships in associations and advocacy organizations	●	SR p. 19; /expert.html, /memberships.html	SOC-A1		▶ 1-10

Legend: EC1 Key Performance Indicators EC5 Additional Indicators ● Fully reported ● Partly reported
n.a. Not applicable n.m. Not material SR Sustainability Report 2009 AR Annual Report 2009
▶ Actions Taken to Implement Principle + Outcomes from Implementing Principle

Statement/ Commentary	Description	Status	Links	IPIECA	UNGC
	4.14 List of stakeholder groups engaged by the organization	●	SR p. 17		Sharing the Communication on Progress with the company's stakeholders
	4.15 Basis for identification and selection of stakeholders with whom to engage	●	SR pp. 17, 19; /sh_forum.html		
	4.16 Approaches to stakeholder engagement	●	SR pp. 18-19; /dialogue.html		
	4.17 Key topics and concerns of stakeholders	●	SR pp. 14-16; /sh_forum.html		
	Disclosures on Management Approach				
EN1 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, detailed information about energy consumption is given for EN3 and EN4. Due to the complexity, more detailed reporting is not planned in the future.	DMA-EC Disclosure on Management Approach – Economic	●	SR pp. 24, 68-back flap; /ec_approach.html		▶ 1, 4, 6, and 7
	DMA-EN Disclosure on Management Approach – Environmental	●	SR pp. 32, 68-back flap; /en_approach.html	ENV-6	▶ 7, 8, and 9
	DMA-LA Disclosure on Management Approach – Labor Practices and Decent Work	●	SR pp. 42, 68-back flap; /em_approach.html	SOC-A2, SOC-7	▶ 1, 3, and 6
	DMA-HR Disclosure on Management Approach – Human Rights	●	SR pp. 53, 68-back flap; /hr_approach.html	SOC-1	▶ 1, 2, 3, 4, 5, and 6
	DMA-SO Disclosure on Management Approach – Society	●	SR pp. 52, 55, 68-back flap; /cr_approach.html, /ethics.html	SOC-8	▶ 10
	DMA-PR Disclosure on Management Approach – Product Responsibility	●	SR pp. 38, 46, 48, 51, 68-back flap; /he_approach.html, /sa_approach.html, /sa_product.html, /compliance.html, /directives.html	H&S-5	▶ 1 and 8
		Performance Indicators			
	Economic Performance Indicators				
	EC1 Direct economic value generated and distributed	●	SR p. 60; AR pp. 54-60; /per_econ.html	ECO-1, ECO-A3, ECO-2, ECO-3	
	EC2 Financial implications and other risks and opportunities due to climate change	●	SR p. 29; /en_risk.html		▶ 7
	EC3 Coverage of the organization's defined benefit plan obligations	●	SR p. 44; AR pp. 85-86, 106		
	EC4 Significant financial assistance received from the government	●	/per_econ.html		
	EC6 Policy and practices of spending on locally-based suppliers	●	SR p. 25; /ec_regional.html	SOC-A3	
	EC7 Procedures for local hiring	●	SR pp. 24-25, 43; /per_econ.html	SOC-A3	▶ + 6
	EC8 Services provided primarily for public benefit	●	SR pp. 55-57; /bridges.html, /universities.html, /cr_projects.html	SOC-A4, SOC-8	
	Environmental Performance Indicators				
	EN1 Materials used by weight or volume	●	AR pp. 43-44, 48	ENV-A4	+ 8
	EN2 Percentage of materials used that are recycled input materials	●	SR p. 64	ENV-A5	+ 8 and 9
	EN3 Direct energy consumption by primary energy source	●	SR pp. 32, 60	ENV-5	
	EN4 Indirect energy consumption by primary source	n.m.		ENV-5	+ 8
	EN5 Energy saved due to conservation and efficiency improvements	●	SR pp. 33, 38; /energy.html, /saving.html	ENV-5, ENV-A8	+ 8 and 9
	EN6 Initiatives to provide energy-efficient and renewable energy-based products and services	●	SR pp. 20-21, 33, 38; /future.html, /energy.html, /fuels.html	ENV-5, ENV-A8	▶ 8 and 9
	EN8 Total water withdrawal by source	●	SR pp. 34, 60; /water.html	ENV-A7	
	EN11 Location and size of land owned, leased, or managed in protected areas	●	SR p. 37; /bio.html	ENV-A9	
	EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas	●	SR p. 37; /bio.html	ENV-A9	+ 8
	EN16 Total direct and indirect greenhouse gas emissions by weight	●	SR pp. 30-31, 60; /greenhouse.html	ENV-3, ENV-4	
	EN17 Other relevant indirect greenhouse gas emissions by weight	n.m.		ENV-3, ENV-4	
	EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	●	SR p. 31; /greenhouse.html	ENV-5	▶ + 7, 8, and 9
	EN19 Emissions of ozone-depleting substances by weight	n.m.		ENV-A6	
	EN20 NO _x , SO _x , and other significant air emissions by type and weight	●	SR pp. 37, 60; /air.html	ENV-A6	
	EN21 Total water discharge by quality and destination	●	SR pp. 34, 60; /water.html	ENV-2, ENV-A2	+ 8
	EN22 Total weight of waste by type and disposal method	●	SR pp. 34-35, 60; /waste.html	ENV-A3, ENV-A4, ENV-A5	

Legend: EC1 Key Performance Indicators EC5 Additional Indicators ● Fully reported ● Partly reported
n.a. Not applicable n.m. Not material SR Sustainability Report 2009 AR Annual Report 2009
▶ Actions Taken to Implement Principle + Outcomes from Implementing Principle

Description	Status	Links	IPECA	UNGC	Statement/Commentary
EN23 Total number and volume of significant spills	●	SR pp. 36, 60; /spills.html	ENV-1, ENV-A1		
EN24 Weight of hazardous waste shipped internationally	●	SR pp. 34-35	ENV-A3		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	SR pp. 20-21, 38; /future.html, /fuels.html, /saving.html	H&S-5	➡ 7, 8, and 9	EN27 The company's main products, oil, gas, and electricity, are delivered without packaging materials.
EN27 Packaging materials that are reclaimed	n.m.			⊕ 8 and 9	
EN28 Fines for non-compliance with environmental regulations	●	SR p. 38; /compliance.html			
EN29 Significant environmental impacts of transport	●	SR p. 37; /spills.html, /transport.html	ENV-1		⊕ 8
EN30 Total environmental protection expenditures and investments by type	●	SR p. 39	ENV-6	➡ ⊕ 7, 8, and 9	LA13 Distribution by gender and age group is fully reported for the Executive Board and the Supervisory Board, and for OMV employees in Austria and at Petrom. For all other countries, such a detailed level of information is not available at this time. OMV will seek to provide Group-wide reporting on gender and age distribution in all countries where it has operations from the reporting year 2010 onwards. In accordance with the law, no data have been or will be collected on minority groups.
Social Performance Indicators: Labor Practices and Decent Work					
LA1 Total workforce by employment type, employment contract, and region	●	SR p. 61			
LA2 Rate of employee turnover	●	SR p. 62			⊕ 6
LA4 Percentage of employees covered by collective bargaining agreements	●	/benefits.html	SOC-7		⊕ 1 and 3
LA5 Minimum notice period(s) regarding significant operational changes	●	/benefits.html	SOC-7		⊕ 3
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and work-related fatalities	●	SR pp. 48-49, 61; /sa_workplace.html	H&S-4		⊕ 1
LA8 Risk-control programs in place to assist workforce members regarding serious diseases	●	SR pp. 46-47; /oh_standards.html, /he_initiatives.html	H&S-1, H&S-3		➡ 1
LA10 Average hours of training per year per employee by employee category	●	SR p. 62	SOC-5		
LA13 Composition of governance bodies and breakdown of employees in terms of diversity	●	AR p. 28; per_empl.html	SOC-4		⊕ 1 and 6
LA14 Ratio of basic salary of men to women by employee category	●	SR p. 65	SOC-4		
Social Performance Indicators: Human Rights					
HR1 Investment agreements that include human rights clauses	●	SR pp. 53-54; /hr_tools.html	SOC-1		⊕ 1, 2, 3, 4, 5, and 6
HR2 Suppliers and contractors that have undergone screening on human rights	●	SR pp. 53-54	SOC-1		➡ ⊕ 1, 2, 3, 4, 5, and 6
HR3 Employee training on policies and procedures concerning aspects of human rights	●	SR p. 53; /hr_training.html	SOC-1, SOC-5		⊕ 1, 2, 3, 4, 5, and 6
HR4 Total number of incidents of discrimination and actions taken	●	SR p. 43	SOC-1, SOC-4		➡ ⊕ 1, 2, and 6
HR5 Right to exercise freedom of association and collective bargaining	●	SR p. 44; /benefits.html	SOC-7		➡ 1, 2, and 3
HR6 Operations identified as having significant risk for incidents of child labor	●	/procurement.html	SOC-7		➡ 1, 2, and 5
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor	●	/procurement.html	SOC-7		➡ 1, 2, and 4
HR8 Security personnel trained concerning aspects of human rights	●	SR p. 53; /hr_training.html	SOC-1		⊕ 1 and 2
Social Performance Indicators: Society					
SO1 Effectiveness of practices that manage the impacts of operations on communities	●	SR p. 55; /cr_approach.html	SOC-8		
SO2 Business units analyzed for risks related to corruption	●	SR p. 52; /ethics.html	SOC-2		⊕ 10
SO3 Employees trained in organization's anti-corruption procedures	●	SR p. 52; /ethics.html	SOC-2		
SO4 Actions taken in response to incidents of corruption	●	SR p. 52; /ethics.html	SOC-2		➡ 10
SO5 Public policy positions and participation in public policy development and lobbying	●	/public.html	SOC-3, SOC-A1		➡ 1-10
SO8 Fines and sanctions for non-compliance with regulations	●	/et_implementation.html			
Social Performance Indicators: Product Responsibility					
PR1 Life cycle stages in which health and safety impacts of products and services are assessed	●	SR pp. 50-51; /sa_process.html, /sa_product.html	H&S-5		➡ ⊕ 1
PR3 Type of product and service information required by procedures	●	SR p. 51; /sa_product.html	H&S-5		➡ ⊕ 8
PR6 Programs for adherence to laws related to advertising	●	/directives.html			
PR9 Fines for non-compliance with regulations concerning the provision and use of products and services	●	SR p. 65			PR9 No product-related fines in the reporting period.

Legend: EC1 Key Performance Indicators EC5 Additional Indicators ● Fully reported ● Partly reported
n.a. Not applicable n.m. Not material SR Sustainability Report 2009 AR Annual Report 2009
➡ Actions Taken to Implement Principle ⊕ Outcomes from Implementing Principle

GRI Application Level

The Global Reporting Initiative (GRI) develops globally applicable quality criteria for sustainability reporting in consultation with a wide range of stakeholders drawn from business, employer and employee representation, civil society, academic institutions, and other areas. The GRI Sustainability Reporting Guidelines are designed to serve as a universally valid framework which an organization can use to report on its economic, environmental, and social performance. The voluntary adoption of the criteria set out in the Guidelines increases transparency, credibility, and comparability in sustainability reporting.

Organizations that use GRI G3 for their reporting are obliged to declare the extent to which the GRI Guidelines have been utilized. The requirements for reporting on each of the three

Application Levels, A, B, and C, are shown in the table below. A+ indicates that a report meets the criteria for maximum completeness and has undergone external assurance.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 3.1-3.8, 3.10-3.12	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as required for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human Rights, Labor, Society, Product Responsibility		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission	



Application Level A+

The present report, the OMV Sustainability Report 2009, meets the requirements of the A+ Application Level of the GRI G3 Sustainability Reporting Guidelines. We have asked Deloitte for a third party check of the GRI Application Level.

Independent Limited Assurance Statement on Specific Topics of the OMV Sustainability Report 2009

Introduction

We have reviewed certain aspects of the OMV Sustainability Report 2009, print and web version, (the "Report"), and of the underlying management systems.

The Report and the underlying management systems, including the subject matters and criteria are the responsibility of OMV's management. Our responsibility is to issue a conclusion based on our review.

We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, in order to obtain limited assurance on the subject matters. In a limited assurance engagement the evidence-gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance can be obtained.

For this engagement the "General Conditions of Contract for the Public Accounting Professions" in the version of June 30, 2009 (AAB 2009), issued by Austrian Chamber of Public Accountants and Tax Advisors are binding. According to section 8 AAB 2009 our liability is limited to willful intent and gross negligence. In cases of gross negligence the maximum liability is limited to EUR 726,730. This amount constitutes a total maximum liability cap which may only be utilized up to this maximum amount even if there is more than one claimant or more than one claim has been asserted.

Subject matters

We reviewed the following subject matters

1. The systems, structures and processes for managing Health, Safety and Environment (HSE) established by OMV Group.
2. The procedures for collecting, compiling, validating and aggregating 2009 data from reporting units on Greenhouse Gas Emissions (GHG) and Waste, including presentation and disclosure in the Report.
3. The methodology and process that OMV at group level has put in place for the preparation of the Report, as described in the chapter "About the Report", and whether the 2009 reporting on GHG and Waste was aligned with the relevant parts of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Criteria

Based on an assessment of materiality and risk we have gathered and evaluated evidence supporting the conformity of the subject matters with following criteria:

- ▶ Relevance/Materiality
- ▶ Completeness
- ▶ Balance
- ▶ Comparability
- ▶ Accuracy
- ▶ Reliability
- ▶ Clarity

Summary of work performed

Our work included (i) analytical procedures, (ii) interviews with management representatives and employees at OMV Group headquarters in Vienna, HSE management representatives at business divisions "Exploration & Production", "Refining & Marketing" and "Gas & Power" in OMV and Petrom headquarters, and (iii) visits to and phone reviews with a limited number of reporting sites.

Limitations

- ▶ Our engagement is limited to information included in the Report on systems, structures and processes for managing HSE established by OMV Group, as well as GHG and Waste. We did not perform any assurance procedures on other information presented in the Report. This also applies to our procedures performed regarding alignment of the Report with the relevant parts of the GRI Sustainability Reporting Guidelines.
- ▶ We have not tested comparative data, derived from the Sustainability Report 2007/2008.
- ▶ The scope of our review procedures at site level was limited to a sample of 9 site reviews of a total of 35 reporting sites.
- ▶ Our work was performed on a sample basis as we deemed necessary in the circumstance, but did not include any substantial testing. Therefore, the assurance that we obtained from our evidence gathering procedures is limited.

Conclusion

Based on our work described above, nothing has come to our attention that causes us to believe that:

- ▶ during the reporting year 2009 systems to manage material HSE aspects affecting OMV at Group level were not designed appropriately;
- ▶ detailed and systematic procedures for collecting, compiling, validating and aggregating 2009 data from reporting units on GHG and Waste, including presentation and disclosure in the Report, were not applied adequately;
- ▶ the 2009 reporting on GHG and Waste was not aligned with the relevant parts of the GRI Sustainability Reporting Guidelines.

Vienna, March 23, 2010

Deloitte Audit
Wirtschaftsprüfungs GmbH

Walter Müller
Certified Public Accountant

Joachim Ganse
Environmental Verifier
(EWG Nr. 1836/93)

Sustainability Program

What We Did in 2009

Leader- ship	<p>Sustainability management and leadership</p> <ul style="list-style-type: none"> ▶ Strengthening of HSE leadership ▶ Further integration of HSE commitments into OMV Executive Board decision-making processes 	<ul style="list-style-type: none"> ▶ Definition of sustainability focus areas and preparation of their integration into corporate and individual target setting from 2010
Economy	<p>Expansion of the non-oil business</p> <ul style="list-style-type: none"> ▶ New retail and gastronomy concept for VIVA shops ▶ 993 VIVA shops with organic products <p>Restructuring and modernization of Petrom refineries</p> <ul style="list-style-type: none"> ▶ Ongoing divestment of Arpechim's cracker operations <p>Diversification of gas suppliers through new long-term supply contracts and the planned Nabucco gas pipeline project</p> <ul style="list-style-type: none"> ▶ Signing of the Intergovernmental Agreement on Nabucco 	<p>Development of electricity generation and marketing along the gas value chain</p> <ul style="list-style-type: none"> ▶ Construction and ownership of gas-fired power plants <p>Strengthening of the CSR structure in the procurement process</p> <ul style="list-style-type: none"> ▶ Creation of a CSR questionnaire for inclusion in risk audits <p>Group-wide evaluation of OMV's A suppliers</p> <ul style="list-style-type: none"> ▶ Classification of local and international A suppliers according to whether they have a code of conduct (CoC)
Human Rights	<p>Human rights awareness training</p> <ul style="list-style-type: none"> ▶ Development of a human rights e-learning tool ▶ Human rights training courses for security company personnel in the Kurdistan Region of Iraq and Romania <p>Ongoing local stakeholder dialogue</p> <ul style="list-style-type: none"> ▶ 2009 Stakeholder Forum ▶ Regular dialogue with local stakeholders <p>Development of human rights action plans</p>	<p>Local application of the OMV Human Rights Matrix</p> <ul style="list-style-type: none"> ▶ Community relations projects in the Kurdistan Region of Iraq, Pakistan, and Yemen ▶ Review of gap analysis in Pakistan and Yemen <p>Strengthening of CSR management at G&P</p> <ul style="list-style-type: none"> ▶ Community Relations Standard and a tollgate process ▶ Environmental and social impact assessments (ESIA) for the Nabucco pipeline project
Employees	<p>Further internationalization of human resources management</p> <ul style="list-style-type: none"> ▶ Evaluation and development of standardized tools for agreement on targets in the Group ▶ Unification of different staff development systems, such as PDS <p>Development of uniform employee definitions</p> <ul style="list-style-type: none"> ▶ Uniform occupation group definitions for hourly-paid workers and salaried employees in Austria 	<p>Promotion of work-life balance at OMV</p> <ul style="list-style-type: none"> ▶ Development of a sabbatical model in Austria ▶ Introduction of long-term compensation accounts in Germany <p>Implementation of the OMV Values</p>
Health	<p>Implementation and monitoring of the OMV Health Standard</p> <ul style="list-style-type: none"> ▶ Ongoing implementation in all OMV countries and monitoring <p>Health risk assessment (HRA)</p> <ul style="list-style-type: none"> ▶ 56% of employee workplaces subject to systematic HRA <p>Ongoing promotion of employee health activities</p> <ul style="list-style-type: none"> ▶ Implementation of activities according to local needs ▶ Support for "Health Circles" at OMV and Petrom sites ▶ Assessment of over 6,000 employees for cardiovascular risks 	<p>Intensified training of medical staff and first aiders</p> <ul style="list-style-type: none"> ▶ 50 members of PetroMed staff trained in advanced life support ▶ Participation by 1,000 Petrom employees in 16-hour first aid courses, and by 700 drivers in six-hour first aid courses <p>Harmonization and improvement of medical infrastructure and regulations</p> <ul style="list-style-type: none"> ▶ Refurbishment of five clinics in Romania, and one in Tunisia ▶ Recruitment of medical staff
Safety	<p>Roll-out of the new Safety Management Directive</p> <ul style="list-style-type: none"> ▶ Group-wide training material; pilot training carried out at G&P <p>Implementation of further transportation safety initiatives</p> <ul style="list-style-type: none"> ▶ Road safety awareness campaign, defensive driving courses ▶ Installation of 1,000 in-vehicle monitoring systems at Petrom ▶ Significant reduction in road accidents <p>Strengthening of contractor safety management</p> <ul style="list-style-type: none"> ▶ Setup of contractor HSE management system audit program at Petrom 	<p>Improvement of safety performance</p> <ul style="list-style-type: none"> ▶ Over 57,000 hazards and findings reported and followed up ▶ Over 35,000 measures, 86% completed in time ▶ Over 125,000 records (incidents, near misses, investigations, hazards, findings, assessments, and measures) entered into CARE <p>Strengthening of process safety management</p> <ul style="list-style-type: none"> ▶ Development of the Risk Assessment and Evaluation Criteria Standard
Environment	<p>Spill prevention and preparedness plans</p> <ul style="list-style-type: none"> ▶ Inventory of spill prevention and preparedness plans showed 100% coverage for offshore and 80% for onshore E&P activities ▶ Oil spill exercises at offshore assets <p>Implementation of the OMV Carbon Strategy</p> <ul style="list-style-type: none"> ▶ Reduction of direct CO₂ emissions by over 130,000 t/year ▶ Further setup of carbon management processes ▶ Progress reports show Carbon Strategy on track ▶ Reduction of the carbon intensity of the portfolio on track 	<p>Implementation of the OMV Future Energy Strategy</p> <ul style="list-style-type: none"> ▶ Identification of the future strategic focus in future energies, based on screening and feasibility studies since 2006 ▶ Strengthening of the organizational framework enabling the business segments to implement Future Energy Fund projects <p>Stakeholder management regarding future energies</p> <ul style="list-style-type: none"> ▶ Communication activities, contacts, public information events

What We Will Do in 2010 (and after)

Sustainability management and leadership

- ▶ Each Executive Board member sponsors an HSE target in the corporate BSC in order to demonstrably support the target, monitor performance, and communicate progress

- ▶ Inclusion of mandatory sustainability targets in the individual target setting for all managers participating in management by objectives (MbO) programs

Quality improvements in the non-oil business

- ▶ Introduction of new services in the VIVA shops
- ▶ Stable number of VIVA shops despite consolidation

Restructuring and modernization of the Petrobrasi refinery

- ▶ Investments for processing 100% domestic equity crude

Increased purchasing from domestic suppliers

- ▶ At least 40% of purchasing volume via local spending
- ▶ Evaluation of % of A supplier purchasing covered by a CoC

Strengthening of the gas value chain

- ▶ Progress on the Nabucco gas pipeline project
- ▶ Diversification through new long-term gas supply contracts
- ▶ Development of electricity generation and marketing

Inclusion of CSR elements in all risk audits

- ▶ 95% of supplier audits to include CSR elements

Development of long-term sustainability strategies for Kazakhstan, Yemen, and New Zealand

Human rights training and awareness

- ▶ Roll-out of the human rights e-learning tool
- ▶ Human rights training in selected OMV ventures

Human rights in the procurement process

- ▶ Human rights training for internal and external auditors

Ongoing development of CSR strategies

- ▶ Input from human rights gap analysis

Roll-out of the CSR Community Relations Standard at G&P

- ▶ Improved implementation based on training courses for management and staff

Continued implementation of the tollgate process at G&P

- ▶ Baseline studies and social impact assessments
- ▶ Monitoring of ESIA for the Nabucco gas pipeline project

Professionalization of the stakeholder management system

- ▶ Survey of our stakeholders, promotion of targeted, balanced formal and informal dialogue processes

Continued human resources internationalization

- ▶ Further development of standardized tools in the Group, greater use of synergies between employee programs
- ▶ Evaluation of differences in the areas of insurance and occupational health and safety

Cooperation and synergies between the business segments

- ▶ Greater use of synergies in the Group

- ▶ Expansion of existing human resources networks

Intelligent cost management

- ▶ Cross-functional programs and employee exchange

Continued implementation of the OMV Values

- ▶ Ongoing activities to anchor the driving values Group-wide (Professionals, Pioneers, Partners)

Development of an equal opportunity strategy and plan

Development of a health risk register

- ▶ Improvement of >50% of all high risks identified in employee workplaces in the 2009 assessment
- ▶ Another 20% of employee workplaces to undergo HRA following HRA training for all medical staff

Implementation and monitoring of the OMV Health Standard

- ▶ Continued harmonization of OH and medical regulations, ongoing clinic refurbishment

Health promotion activities

- ▶ Focus on cardiovascular, back pain, and ergonomic injury prevention, medical exams for drivers

Continuation of emergency and preventive medicine training

Further improvement of safety performance

- ▶ Ensuring the quality of incident management and incident investigation reports, including cost assessments
- ▶ Maintaining the number of hazard and findings reports at the 2009 level
- ▶ Ensuring timely implementation of correction and improvement measures with a response rate of >70%
- ▶ Follow-up on management walkaround results
- ▶ Training and communication of lessons learned

Follow-up on safety management standards

- ▶ Monitoring and auditing of contractor safety management
- ▶ Optimization of in-vehicle monitoring systems in Petrom vehicles

Further strengthening of process safety management

- ▶ Implementation of the Risk Assessment and Evaluation Criteria Standard
- ▶ Development of a Group-wide harmonized and aligned KPI system for process safety

Spill prevention and preparedness plans

- ▶ Update of spill prevention and preparedness plans
- ▶ Oil spill exercises

Decrease in the carbon intensity of activities where OMV is the operator

- ▶ Management and monitoring of reductions in direct GHG emissions from OMV operations
- ▶ Management and monitoring of reductions in indirect GHG emissions from OMV products

Future Energies

- ▶ Implementation of renewable energy projects
- ▶ Short-term focus on wind energy projects, long-term focus on CSP, CCS, and ZEP
- ▶ Identification of new projects in the business segments
- ▶ Internal and external communication and marketing of future energy initiatives
- ▶ Management of stakeholder expectations regarding future energies and renewables

Sustainability Strategy 2015

As a pioneering professional partner we create sustainable value growth and act responsibly.



Vision

Sustainability Goals

Corporate Social Responsibility (CSR)

We manage our business responsibly and live a culture of integrity.

- ▶ CSR is an integrated part of the new OMV management style and culture.
- ▶ Employees, customers, investors, and the general public perceive OMV as a company that has successfully integrated CSR.
- ▶ We achieve our goals by behaving ethically and with integrity.
- ▶ We know our stakeholders and seek to involve them.

Human Resources (HR)

In all our HR activities our aim is to position OMV as an employer of choice on a truly international level.

- ▶ We optimize and harmonize HR management systems, tools, and efficiency across our international operations.
- ▶ We strengthen our attractiveness as an employer.
- ▶ 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.

Health, Safety, Security, and Environment (HSE)

HSE is a natural and integrated part of our activities. We apply industry best practice, act responsibly, and are accountable for our actions.

- ▶ We promote an HSE culture by demonstrating leadership and commitment, and by improving competencies.
- ▶ Health standards are fully implemented and health risks are systematically assessed, reduced, and managed to ensure that employees are fit to perform the work assigned to them.
- ▶ Safety risks are minimized and a safe working environment is ensured for our employees and contractors.
- ▶ People, businesses, and assets are protected by appropriate risk management and the implementation of global emergency and crisis preparedness.
- ▶ Environmental impacts, risks, and liabilities are minimized by reducing emissions, discharges, and pollution, as well as through better and more efficient use of natural resources.
- ▶ We decrease the carbon intensity of activities where OMV is the operator.

People



Planet



Profit



Abbreviations and Definitions

CCS Carbon capture and storage	NO_x Nitrogen oxides
CEE Central and Eastern Europe	NPK Nitrogen, phosphorus, and potash: compounds used in fertilizer production
CNG Compressed natural gas	PDS Performance Development System
CO₂ Carbon dioxide	PJ Petajoule: 1 PJ equals 10 ¹⁵ joules
E&P Exploration and Production business segment	ppm Parts per million
EBITD Earnings before income, tax, and depreciation	R&D Research and development
ESIA Environmental and Social Impact Assessment	R&M Refining and Marketing business segment
FAME Fatty acid methyl ester	Scope 1 Direct emissions; category of GHG accounting as defined by the Greenhouse Gas Protocol
G&P Gas and Power business segment	Scope 3 Indirect emissions; category of GHG accounting as defined by the Greenhouse Gas Protocol
GHG Greenhouse gas	SEE Southeastern Europe
GRI Global Reporting Initiative	SNOX Catalytic process for the combined removal of sulfur oxides and nitrogen oxides from flue gases
GS Global Solutions	SOLAS International Convention for the Safety of Life at Sea
IMO International Maritime Organization: UN agency	TJ Terajoule: 1 TJ equals 10 ¹² joules
Intelligent pig Robotic tool used for inspection or measurement purposes in pipelines	toe Tonne of oil equivalent
IEPCA International Petroleum Industry Environmental Conservation Association	UNGC United Nations Global Compact
LPG Liquefied petroleum gas	
LTIR Lost-Time Injury Rate; number of injuries per one million working hours	

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In the interests of simplicity and readability, the language used in this report is as far as possible gender-neutral; the masculine gender includes the feminine wherever applicable.

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