

# Foreword

## CEO Statement

### A conversation with Alfred Stern, Chairman of the Executive Board and CEO of OMV

More information is available in the video by Alfred Stern in our [online report](#)



#### Mr. Stern, unfortunately we are conducting this interview in difficult times...

It's true, as we speak we are facing crises few of us have experienced in our lifetimes. The invasion of Ukraine by Russian troops has triggered a humanitarian catastrophe that leaves us stunned. The war is a stark reminder for OMV and many other companies, that the enjoyment of human rights is not a given, and that we must live up to our commitments, which include not being complicit in violations of human rights. OMV is committed to respecting, fulfilling and supporting human rights in relation to all our business activities. To this end, OMV will not pursue any future investments in Russia and is reviewing all options, including exits and divestments, for its existing investments. I sincerely hope that this senseless war will come to a permanent end as soon as possible, as it is only in peace that there can be freedom and well-being.

We are also still in the midst of a global health crisis. The pandemic has now shaped our lives for two years, and forced us all to rethink our approaches to health, social solidarity, ways of working, and mental well-being, among many others. Tragically, we have lost multiple employees to COVID in these last two years, and my deepest sympathies are with their families and loved ones.

And there's the climate crisis, the global loss of biodiversity, the pollution of the oceans, and many other threats facing our planet and people. As a global energy and chemicals company, we of course have a unique responsibility here. That is why it is so important that we are a leader in innovation and circularity and become a net-zero business by 2050. And it is also incredibly important that we have a holistic view of sustainability and develop measures to tackle all of these manifold challenges. That's exactly what we aim to do with our new Company strategy.

**“OMV will be a net-zero business by 2050. This key ambition was the basis of the development of our business strategy. Sustainability is at the heart of OMV's new strategy, not an add-on.”**

#### How long can OMV afford to keep pursuing the same business model?

Not a single day, if you look at it rationally. Even though we cannot radically change our business model immediately, we must act today and push it in the right direction. The new OMV Strategy 2030 is truly groundbreaking and transformative for OMV. In it, we aim, for the first time, to become a carbon neutral business by 2050. But we do not only have vague future ambitions: we have set 2030 and 2040 absolute Scope 1, 2, and 3 emissions targets, a target to reduce the carbon intensity of our energy supply, and a roadmap for how to achieve these targets by becoming a leader in sustainable fuels and chemicals as well as high-quality materials. We will implement this strategy quickly so that we can benefit optimally from the opportunities offered by the energy transition.



## How was sustainability considered in shaping the new OMV strategy?

Our new strategy was developed with sustainability at its core. Our sustainability framework, the key strategic pillars of which are the ambition to become a net-zero business by 2050, to set interim targets aligned with the IEA's Sustainable Development Scenario, to be a leader in circularity, and to consider the Just Transition in strategic planning, was actually agreed upon before the details of the strategy were worked out. Thus, the ambition to become a net-zero business by 2050 was the basis of the development of the business strategy. This reflects our proactive approach to sustainability: sustainability is at the heart of OMV's strategy, not an add-on.

In addition to our new climate and circular economy targets, we have also set new, ambitious targets running the gamut from diversity, equity, and inclusion, to supplier engagement and community investments. Our new sustainability framework truly captures OMV's holistic approach to sustainability. It is based upon engaging with many stakeholder groups to determine what matters to OMV, and how we as a company can shape a more sustainable future.

## The development of the new strategy sounds like a true highlight. What have been the lowlights of 2021?

2021 tragically saw three fatalities among OMV contractors. This touches me deeply, for no matter how impressive the results we achieve may be, if they come at the expense of people's well-being, then we have all failed. We are thus redoubling our efforts to ensure the health, safety, and well-being of our workforce, for instance through increasing audits and inspections of contractors and implementing awareness-raising activities at all locations.

## You mentioned the Just Transition. What is that, and how will OMV address it?

The Just Transition is considering the impacts of the energy transition on workers and communities. Many

stand to gain from the transition to a cleaner, greener, more circular economy. But there are also those that stand to lose – workers afraid for their jobs and communities who depend on our operations for their livelihood. In OMV's case, our business model will naturally change. Becoming net-zero means that we are pursuing the goal of no longer producing oil and gas as an energy source by 2050. In our strategy, we have pledged to reduce oil and gas production by 2030. Such transformation brings enormous challenges. But there are also opportunities: new jobs at OMV in areas such as renewable energy and recycling.

Our new strategy lays out some ways to begin to address this transition. For instance, we plan to almost double training hours for employees by 2030 – this will also include learning new technologies and skills to be fit for the transition. The effects of climate change and the Just Transition will be incorporated into our human rights and communities approach. Options here include strategic community investments aimed at education, vocational training, and skill development, to ensure that our communities are not left behind, even if OMV's direct role in generating employment is reduced.

Our world is changing and OMV is changing. But I'm certain that we can embrace this change, because OMV has always continued to develop in recent decades, and has always been open to progress. At OMV, we have always provided essentials for a better life – going forward, we will re-invent those essentials for sustainable living. We will create the framework necessary so that everyone who wants to can also take advantage of these opportunities. Because that's truly at the heart of all we do – we want to build a sustainable future for everyone.

Alfred Stern m.p.  
Chief Executive Officer

## Letter of the Supervisory Board

Dear Shareholders,

In 2021, OMV continued to underscore its strong commitment to being a responsible market player by embarking on a wide-reaching transformation, with new leadership and a new Company strategy firmly rooted in sustainability.



In December 2021, the OMV Supervisory Board signed off on the new strategy that will see OMV become a carbon neutral business by 2050. As part of this journey, OMV has set concrete short, mid, and long-term greenhouse gas reduction targets across all scopes, on an absolute and intensity basis. With a continued strong focus on technology and innovation, the overarching goal remains to continue our growth path as an integrated company and to become a leading player for sustainable fuels, chemicals, and materials embracing the circular economy. This will put OMV ahead of the energy transition and make us a future-proof company with great potential for sustainable value creation.

Several important decisions paved the way in 2021 for our contribution to circularity and achieving our net zero ambition. OMV took the final investment decision in 2021 to build a Glycerin2Propanol pilot plant at its Schwechat

refinery which will produce second-generation biofuels from 2023. The long-term plan is to commercialize the technology in order to produce around 125 mn liters of propanol per year and reduce CO<sub>2</sub> by around 180,000 metric tons annually. We also took the final investment decision to build the ReOil<sup>®</sup> 2000 chemical recycling demo plant, which will go into full operation in 2023 with a capacity of 16,000 tons per year. In a next step, the OMV ReOil<sup>®</sup> process is being developed into a commercially economical technology on a large industrial scale by 2026, which then shall process up to 200,000 tons of plastic waste per year. Meanwhile, to continue to scale up our mechanical recycling business, our subsidiary Borealis, together with partners, has opened a state-of-the-art advanced mechanical recycling demonstration plant in Lahnstein, Germany.

In order to support and monitor the transformation of OMV to a more sustainable business model, the governance within the Supervisory Board was also amended. In 2021, the Sustainability and Transformation Committee was formed to support the Company's Supervisory Board in reviewing and monitoring OMV's strategy with regard to sustainability, ESG-related standards, processes and performance. In particular, the Committee deals with the challenges of climate change and serves to support and oversee the transformation towards a more sustainable business model.

I am very pleased to report that OMV's comprehensive approach to sustainability continues to be recognized by independent ESG rating agencies. Notably in 2021, OMV was awarded the Platinum Medal in the annual EcoVadis sustainability assessment for the first time. This result places OMV in the top 1 percent of all 75,000 companies rated globally by EcoVadis.

OMV has opted to prepare its mandatory consolidated non-financial disclosures as a separate consolidated non-financial report (Sustainability Report). The consolidated non-financial report that is presented pursuant to Section 96(1) of the Stock Corporation Act was subject to independent external assurance as well as a comprehensive audit and was discussed extensively by the Audit Committee, the Sustainability and Transformation Committee and the Supervisory Board. The Supervisory Board found no issues during the audit and approved this Report.

For the Supervisory Board  
Mark Garrett m.p.  
Chairman of the Supervisory Board