

The process of defining material topics

OMV conducts an extensive materiality analysis, involving internal and external stakeholders, every three years or if significant changes in the business or market environment occur. Following this extensive materiality analysis, the annual review of material topics is conducted internally, based on the latest developments in the sector, and stakeholders' concerns in relation to Environmental, Social and Governance (ESG) issues.

The process of defining material topics is based on identifying stakeholder interests of major importance as well as significant economic, environmental and social impacts of OMV's business. The latest materiality analysis was conducted in 2017, when OMV updated the materiality analysis of the sustainability topics in compliance with the new legal requirements related to disclosure of non-financial information in Austria (Nachhaltigkeits- und Diversitätsverbesserungsgesetz) and with the new GRI Standards.

Our approach to materiality

Referring to the materiality analysis conducted in 2017, below is the description of the materiality identification process. In the future, however, the materiality identification process may change in accordance with the latest developments of the sustainability reporting landscape and in line with largely excepted best practice recommendations and procedures by reputable entities in the field of ESG and sustainability.

Phase 1. Stakeholder analysis

As the first step, OMV's relevant stakeholders were identified and prioritized during a workshop with participants from different corporate functions and business divisions (Upstream, Downstream Oil and Downstream Gas). The stakeholder groups engaged in the materiality analysis were: ESG analysts and rating agencies, NGOs, suppliers and contractors, customers, universities and research institutes, industry associations, local communities, OMV external advisors on sustainability topics, the works council, OMV employees and OMV management.

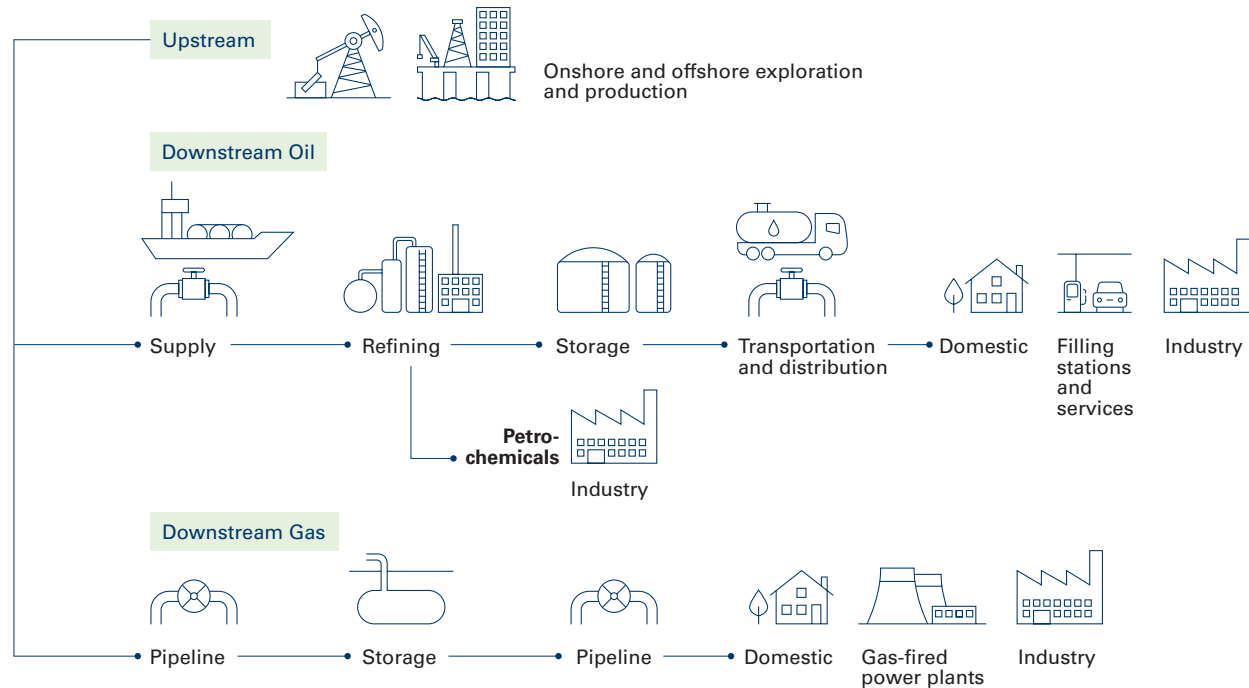
Phase 2. Topic identification

In order to identify all relevant sustainability topics, different analyses were conducted: reporting standards (GRI, IPIECA, Sustainability Accounting Standards Board – SASB) and peer group analysis, stakeholder interviews and impact analysis workshops with selected OMV experts. The first step was to map the value chain. Furthermore, the economic, environmental and social positive and negative impacts and the risks associated with OMV's business along the value chain were identified. Each segment's value chain was considered, from supply chain and resources used to business activities in the respective segment (Up-stream, Downstream Oil and Downstream Gas) and finally products and markets served. Some of the positive impacts identified were, for example, employment, local purchasing and local skills development. Some of the negative impacts identified during the process were, for example, emissions, water consumption and resettlement.

Phase 3. Topic prioritization

Based on the impacts, risks and stakeholder interests identified in phase two, a list of relevant sustainability topics was consolidated for further prioritization. The topics were assessed and then prioritized from both a stakeholder and business impact perspective through an online questionnaire and expert interviews.

In 2017, a total of 260 internal and external stakeholders have been engaged in this process.



Phase 4. Weighting of material topics

In this last phase of the materiality analysis, the topics received the material weight in accordance with their influence on stakeholders' assessments and decisions in relation to OMV business, and in accordance

with the significance of economic, environmental and social impacts related to the topics. The Executive Board acknowledged the final results of materiality assessment.

