

# 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](#)



**“While today’s energy prices may tempt companies to carry on with a business-as-usual approach, we are developing future businesses that will bring new revenue with more sustainable products and services.”**

**Mr. Stern, you recently got back from Davos where Greta Thunberg and other climate activists delivered an open letter to executives of oil and gas companies. What were your thoughts?**

I can understand the frustration because while progress is being made toward the energy transition, it is not fast enough. This has exacerbated the effects related to climate change and is also reflected in the regulatory framework. If we look at this rationally, OMV cannot afford to keep pursuing the same business model and we must radically change. At the same time, unfortunately this change cannot happen overnight as we have an enormous responsibility to millions of customers who rely on us to deliver energy in a secure, affordable, and increasingly sustainable manner. This is the “energy trilemma” that we need to solve.

**You mentioned the “energy trilemma.” With the ongoing global energy crisis, how does OMV plan to reach its Net Zero ambition by 2050 whilst simultaneously ensuring its responsibility toward its customers and the environment?**

The Russia-Ukraine crisis that unfolded in 2022 played a crucial role in both reshaping the future of global energy markets and speeding up the energy transition. Whilst today’s energy prices may tempt companies to carry on with a business-as-usual approach, we intend to gradually reduce our fossil fuel production and completely cease production for energy use by 2050 at the latest.

Our strategy, which was developed with sustainability at its core, considers the dissonance observed between today’s acute energy demands and the long-term investments required to ensure a sustainable energy supply. For example, travel is an indispensable part of a modern lifestyle. At the same time, many customers are becoming increasingly concerned about their personal carbon footprint. The dilemma here is, how can we, as a society, maintain our current living standards without harming the environment? A key focus of our strategy is to therefore scale up the production and marketing of sustainable fuels. We are already well underway with Sustainable Aviation Fuels (SAFs). In 2022, we started supplying Austrian Airlines in Vienna, and we signed MoUs to supply the Lufthansa Group, Ryanair, and Wizz Air with SAFs. This is a simple example of how we are re-inventing essentials for sustainable living. It allows consumers to maintain and expand their living standards, and simultaneously ensures



that emissions associated with air travel are significantly reduced.

### **What progress has been made over the past year since the announcement of OMV's Strategy 2030?**

Since the strategy was announced in March 2022, we have made headway in several of our strategic projects. For example, we successfully conducted a production and injection test in an existing well to assess the potential for geothermal energy in Austria. The preliminary test results were promising and the ongoing evaluation of the geological test results will shed light on the technical feasibility, and subsequently the viability of geothermal energy to supply heat to the population of Vienna. Further investments were also made in installing photovoltaic panels near our facilities so that our operations can be conducted using renewable energy. We also formed key strategic partnerships, for example, in November we signed an MoU with Wood for the commercial licensing of our ReOil® technology.

Beyond the progress made on specific business projects, we also started laying down a solid foundation on which key elements related to our strategy can start taking shape. We started by entrenching sustainability within our organization, for example, by creating a dedicated innovation and technology department that will support strategic sustainability projects. We also updated our investment guidelines to integrate ESG, thereby facilitating investments in projects that are aligned with our climate targets. Lastly – and this in my opinion is fundamental and still a work in progress, a lot of work is being done on ensuring that our employees are adequately upskilled for future opportunities arising from the new strategy. For instance, we recently launched a Group-wide online learning platform as a hub for employees to learn about different and relevant sustainability topics. Following the launch of our strategy, we also had a dedicated learning week about the circular economy. The goal of all this is to ensure our employees feel well equipped for the jobs of the future and involved in our new strategic direction.

### **The implementation of the Strategy 2030 and the initiative to upskill employees sounds promising. What one challenge from 2022 touched you personally?**

Besides the devastating humanitarian crisis that unfolded in Ukraine in 2022, and the subsequent effects that reverberated globally, what touched me most was when we were confronted with reports of human trafficking practices conducted by our contractors at our propane dehydrogenation plant construction site in Kallo, Belgium. This was incredibly shocking to our employees and to me personally, and a sobering reminder that even here in Europe, human rights violations can and do occur. It was also a potent reminder that while we focus on many exciting new sustainable technologies and products, we cannot lose sight of the need to continuously monitor our sustainability performance, assess and mitigate risks and impacts, and implement state-of-the-art due diligence processes. While this case has been profoundly troubling, it has also caused us to further strengthen our due diligence processes when it comes to our contractor relations, for instance through increased spot checks, confirmation of employment registrations with local authorities, and intensified training. And in the last few months, we have revised and signed off our Human Rights Policy Statement, which lays out our human rights commitments and expectations of contractors in significantly more detail than before.

### **You are an excellent role model for health and safety both at work and at home. What other sustainability dimension would you say is integral to your lifestyle?**

We recently renovated an old house where we live now. To ensure state-of-the-art energy management, we implemented two main things. First, we reduced energy consumption by installing the best available heat insulation. Second, we produce the necessary heating and cooling in the house with an efficient heat pump combined with shallow geothermal energy. This is a great example of re-inventing essentials for sustainable living.