

PROJECT NAME	Green Fund
LOCATION	all MOL Group operational sites
DURATION	since 2016
OUTCOME	MOL Group's environmental footprint reduced

Project Description

▶ BACKGROUND

For MOL Group, sustainable development means our corporate commitment for the balanced integration of economic, environmental and social factors into our everyday business operations, to maximize long-term stakeholder value and to safeguard our license to operate.

One way to reflect on these expectations is to define long-term, quantitative goals and programs in the environmental area, and our "Sustainability Plan 2020" has identified such goals.

One of the most important is the establishment of the so-called "Green Fund". It is a new, internal financial mechanism that aims to support investment projects with outstanding environmental benefits. Its annual budget is USD 1 million, and based on an internal competition, will support environmental related projects that have a longer payback time but are economically sound.

▶ HISTORY

In 2014-2015 MOL Group HSE Committee has proposed the establishment of a MOL Group Green Fund, dedicated to support businesses to implement environmental improvement projects. The idea of a Green Fund was further developed and thereafter approved and included under the umbrella of the 2020 Sustainability Plan that was published at the end of 2015.

The expectations are that this new internal program will:

- Decrease our environmental footprint and bring additional economic benefits (decrease environmental emissions and associated taxes, better waste recycling ratio, lower utilities bills). We expect to identify more sustainable business practices and to streamline our operations.
- Increase employee satisfaction, retention and recruitment. Green initiatives are typically stimulating people to bring and implement new ideas for the business and to work as a team for a common purpose.
- Enhance our brand recognition as a company that takes care of the own employee as well as the local community in which it operates.
- Improve our financial and investment opportunities as MOL Group is continuously looking to expand and grow its businesses and increase shareholders value.

Project Results

▶ MAIN RESULTS AND OUTCOMES (WHAT CHANGED?)

Since 2016, every year, between January and March, all MOL Group businesses are invited to prepare and submit their project proposals. The selection process is lead by a cross-functional Jury composed of senior business managers.

In the first year, seven projects have entered the competition; in the second year fourteen projects, while in 2018, 20 projects have been submitted for the Green Fund Jury assessment.

To date, seven projects have been already financed (in 2016 and 2017) and they are under different stages of implementations while the selection process for 2018 projects is on-going.

Based on the submitted technical concepts that are already approved, we expected to avoid emitting over 1500 t of CO₂ yearly out of the projects that are aiming to improve our energy efficiency and manage our waste streams in a more efficient way, increasing the waste recycling ratio of certain operations that are lagging behind. More detailed results will be available once the projects are fully operational.

A new selection process will be open in January 2019.