


# Sustainability Plan 2020

## Actions and Objectives



# SD PLAN 2020 is MOL Group's corporate sustainability strategy |

<b>PERIOD</b>	<b>2016-2020</b>
<b>FOCUS AREAS</b>	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Environment</li> <li>Health&amp;Safety</li> <li>Communities</li> <li>Human Capital</li> <li>Ethics and Governance</li> </ul>

<b>ACTIONS</b>	<p><b>Breakdown of actions</b></p> <ul style="list-style-type: none"> <li>› 36 actions in total, of which:</li> <li>› 11 new actions defined solely to improve SD performance</li> <li>› 25 other business actions</li> <li>› 14 actions with measurable targets</li> </ul>	<p><b>Number of Actions by Focus Area</b></p>  <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Focus Area</th> <th>Number of Actions</th> </tr> </thead> <tbody> <tr> <td>Climate Change</td> <td>7</td> </tr> <tr> <td>Communities</td> <td>5</td> </tr> <tr> <td>Environment</td> <td>6</td> </tr> <tr> <td>Ethics&amp;Governance</td> <td>6</td> </tr> <tr> <td>Health&amp;Safety</td> <td>6</td> </tr> <tr> <td>Human Capital</td> <td>6</td> </tr> </tbody> </table>	Focus Area	Number of Actions	Climate Change	7	Communities	5	Environment	6	Ethics&Governance	6	Health&Safety	6	Human Capital	6
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- Climate Strategy program
  - Assess long-term risks and opportunities with an outlook until 2030
- Low carbon products & solutions program
  - Identify and develop a low carbon flagship project in Downstream Research&Innovation
  - Develop MOL Group's renewable fuels vision until 2020 and beyond
  - Low carbon service offering for customers
  - Achieve USD 3 mn EBITDA from alternative energies
- Energy Efficiency program
  - Decrease direct and indirect GHG emissions by 200 thousand tonnes\* through energy efficiency initiatives
  - Decrease GHG emissions from flaring and venting\*\* by 200 thousand tonnes\*

- Environmental management systems program
  - Increase ISO14001 coverage to 80% (in proportion to revenue) from 66% in 2015
- Spill prevention program
  - Reduce the number of spills (over 1 barrel) by 30% compared to 2011-2015 period\*
- Eco-efficiency program
  - Create a green fund internally, to accelerate the implementation of actions with significant environmental benefit\*\*
  - Reduce NOx and SOx emissions by 15% (by complying new with European regulations)
- Operations in sensitive areas program
  - Prepare and implement Biodiversity Action Plans (BAPs) for all critical and major sites
  - Study water availability and prepare water conservation strategy for all sites located in water stressed regions

- Work safety program
  - Implement programs to aim zero injuries and fatalities
- Road safety program
  - Roll out Road Safety program in all countries, ensure that all frequent drivers regularly participate on trainings
- Health Promotion program
  - Restructure health promotion framework and implement it in all operated companies with more than 100 employees
- Contractor safety program program
  - Implement system for pre-qualification and post-evaluation of suppliers
  - Obligatory HSE certification\* for high risk contractors and single service companies\*\*
  - Monitoring of safety performance of key suppliers using KPIs

- Social Engagement program
  - Implement Social Engagement Group Practice across operations
- Social Investment program
  - Assess and apply new social investment practices, such as access to energy and social entrepreneurship projects
- Local content program
  - Develop plan to promote local employment in international upstream operations, where relevant
  - Capacity building for local suppliers to help them meet MOL Group standards in developing countries
- Customers
  - Engage customers with sustainable service offerings to increase their loyalty

- Talent Attraction and Retention program
  - Implement technical career ladder in E&P and Downstream businesses
  - Increase the retention rate of newcomers hired in Growww talent acquisition program to 85%
- Diversity and Inclusion program
  - Implementation of MOL Group's Diversity and Inclusion Roadmap
  - Equal opportunity analysis and plan in all operated companies with more than 100 employees as per legal requirements and needs
- Capability Development Program
  - Increase annual average training hours per employee to 40 hours
- Employee engagement program
  - Increase employee engagement level from 47% to 55%

- Ethics and Compliance program

- Provide soft skill training including human rights for security contractors and engage with public security contractors in upstream international countries.
- Increased focus on Human Rights in E&P supply chain (risk assessment, monitoring, consequence management)
- Full implementation of Ruggie-framework\*
- Continue compliance program and implement new anti-corruption programs

- Transparency

- Improve reporting practices (further integration, assurance, thematic disclosures, website)

- Engagement with Investors

- Engagement with investors in ESG topics, organize roadshow for SRI investors



# SD Plan 2020 Targets

## Quantitative long-term sustainability targets and objectives

### GENERAL TARGET

**„Achieve and maintain an internationally-acknowledged leading position (top 15%) in sustainability performance.”**

Strategic Focus Area	Target	Baseline value (2014)	Unit	Target value (2020)
Climate Change	Decrease GHG emission from flaring and venting* by 200 thousand tonnes**	559 546	tonnes CO <sub>2</sub>	359 546
Climate Change	Decrease direct and indirect GHG emissions by 200 thousand tonnes** through energy efficiency initiatives	7.09	mn tonnes CO <sub>2</sub> e	6.89
Climate Change	USD 3 mn of EBITDA increase from alternative energies	0	mn USD	3
Communities	Ensure grievance management systems are in place on all major sites (with stakeholder engagement practice implementation)	~30%	%	100%
Environment	Increase ISO14001 coverage to 80% (in proportion to revenue) from 66% in 2015	66	%	80
Environment	Reduce the number of spills (over 1 barrel) by 30%	27	pcs	19
Environment	Reduce NOx emissions by 15%	5 341	tonnes	4 540
Environment	Reduce SOx by 15%	5 550	tonnes	4 718
Ethics & Governance	100% of security guards (own staff and private security contractors) receive human rights training	0%	%	100
Health & Safety	Zero Lost-time injury frequency (LTIF) (own + on-site contractors)	1.02		0
Health & Safety	Zero fatalities (own employees + on-site contractors)	1	pcs	0
Human Capital	Increase average training hours to 40 hours/capita	24	hours	40
Human Capital	Increase employee engagement level from 47% to 55% by 2020	47	%	55
Human Capital	Reduce time to autonomy from 8 years to 5 years (average) in E&P (with technical career ladder implementation)	8	years	5

\* Tonnes in CO<sub>2</sub> equivalent

\*\* Flaring and venting of hydrocarbons or CO<sub>2</sub>

- › SD Plan 2020, the sustainability strategy of MOL Group describes the actions to be implemented in the strategic period.
- › In case of some actions the measure of success is realization itself. In other cases successful implementation can be measured using leading or lagging indicators.
- › In addition to the actions there is a set of quantitative long-term targets to be achieved.
- › All targets defined in the strategy are voluntary, legally non-binding.
- › Operated companies of MOL Group may define their own different targets, which will, nevertheless, help MOL to achieve Group-level aggregated targets.
- › Targets included in this strategy are not necessarily the same that are used in internal systems or incentive schemes annually.
- › Whenever it is possible the targets are aligned with ongoing internal programs or external compliance projects (e.g. SOx and NOx reduction targets)