

Energy Management





March 2017

ISO 50001 certification



OMV Petrom

We are the leading industrial company in Romania

	<p>One of the largest private employers</p> <p>c. 15,000 direct employees and more than 45,000 indirect jobs¹</p>		<p>#1 energy supplier</p> <p>Accounts for ~40% of oil, gas and fuel supply, and can cover up to 10% of power generation in Romania</p>
	<p>Substantial investor</p> <p>Over EUR 1bn Capex spent per year since privatization</p>		<p>Largest contributor to state budget</p> <p>EUR 2.2 bn²</p>

All data refers to 2016

¹ Source: internal data and analysis; ² Includes: profit tax, royalties, employer social contributions, excises incl. custom duties, VAT, employee related taxes, other direct and indirect taxes paid to Romanian State

Operating in the integrated oil and gas sector



Upstream

Romania



- ▶ 3.60 mn toe/yr crude oil and NGL
- ▶ 5.25 bcm/yr gas
- ▶ 582 mn boe proven reserves (~10 yrs of current production)

Kazakhstan



- ▶ 0.36 mn toe/yr crude oil and NGL
- ▶ 0.05 bcm/yr gas
- ▶ 24 mn boe proven reserves



Downstream Oil

- ▶ Petrobrazi refinery, 4.5 mn t/yr capacity
- ▶ 783 filling stations, operated via 2 brands: Petrom (479, Romania, Moldova) and OMV (304, Romania, Bulgaria, Serbia)



- ▶ 2.6 mn t retail sales

Downstream Gas



- ▶ Gas sales 4.6 bcm/yr, meeting up to ~40% of Romania's demand
- ▶ Brazi gas-fired power plant (860 MW)

All data refers to 2016



Energy Efficiency Directive – revision 2020+

- ▶ We salute the renewed commitment to further improve energy efficiency in primary and final energy consumption. *(The proposal of a 30% binding target at EU level)*
- ▶ When drafting the energy and climate plans (provided by the new Governance provisions), MSs should however take into account that national targets should be realistic and attainable and not put additional pressure on business competitiveness
- ▶ We acknowledge that energy intensive industries have made important progress in energy efficiency, investing with priority in low hanging fruit i.e. projects with short returns on investment
- ▶ To tap into the remaining potential, we recommend that funding should be made available for industrial consumers in order to encourage the take-up of new and efficient technologies which are currently un-economical

OMV Petrom – ISO 50001 certificate 2014 (TUV Karpas)



- ▶ Academy for Energy Efficiency, 5 editions completed
- ▶ Standards, procedures and work instruction
- ▶ Over 5500 employees trained
- ▶ Improvements opportunities

- ▶ OMV Petrom is firmly committed to improving its energy performance **across all business segments** which we operate in
- ▶ Part of our responsible business model, Energy Efficiency is a pillar of our **Sustainability Strategy**
- ▶ Reducing our energy intensity helps us maintain our **competitiveness and contributes to securing energy supply**
- ▶ We are conducting regular energy analysis and continually seeking the **best and most innovative solutions to improve our energy performance** and reduce the impact of our operations on the environment

Energy Management Performance

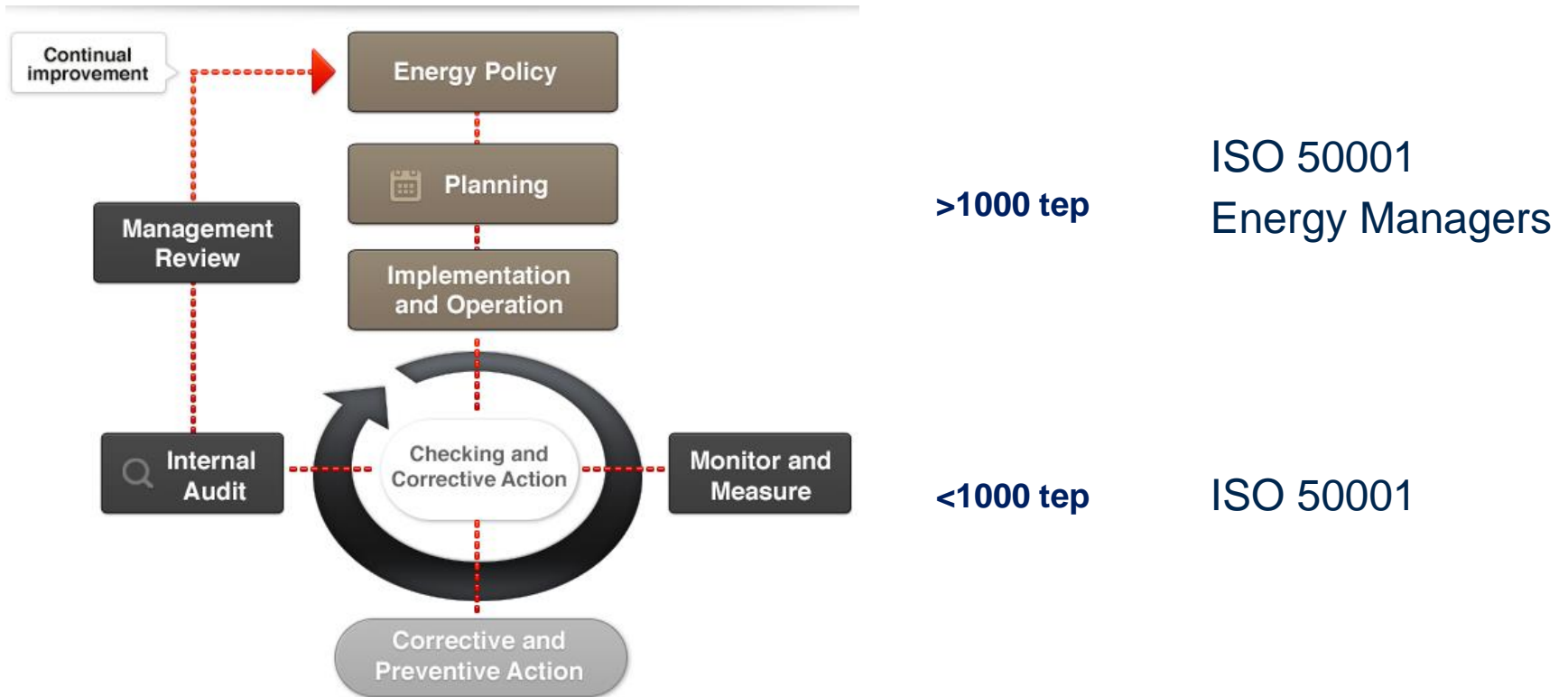
EnMS

Vision

People



Continual Improvement through ISO 50001



Vision - energy management is simply the way we do things in the company

- ▶ There is an **organization-wide commitment** to Energy Management and leadership support, as senior managers are enthusiastic about it and look for opportunities to save energy.
- ▶ The **efficient use of resources** (not just energy) is part of everyone's job.
- ▶ Whenever investment decisions are made the energy implications are taken into account, and the **lowest life-cycle cost** (including energy cost) option is chosen.
- ▶ **New ideas for better Energy Management** are welcomed from all staff and are taken seriously at all levels.



People – the most important asset



UN CARBURANT INTELIGENT, CA OMV MAXMOTION DIESEL, ARE NEVOIE DE UN ȘOFER PE MĂSURĂ.

Asigură-te că ești pregătit pentru condusul pe timp de iarnă:

- Carburant OMV MaxMotion Diesel
- Lichidul Caristal pentru curățarea parbrizului
- Anvelope de iarnă
- Trusă de lanturi corespunzătoare dimensiunii anvelopelor
- Racletă pentru curățarea geamurilor de gheață
- Perie pentru curățarea mașinii de zăpadă
- Spray pentru dezghețat gaura cheii (de la portieră, portbagaj sau rezervorul de combustibil)
- Lopată
- Cabluri pentru alimentarea bateriei
- Încălzitor GSM pentru mașină
- Triunghi reflectorizant
- Trusă medicală
- Lanternă
- Provizii de mâncare și apă

SFATUL PROFESIONISTILOR PENTRU UN CONDUS EFICIENT

OMV MaxMotion Diesel este un exemplu de carburant inteligent care respectă promisiunea noastră. Dar, este foarte important ca fiecare dintre noi să fim parteneri în acest demers, așa că iată câteva secrete ale condusului eco-inteligent, de iarnă, cu acest carburant:

- Nu ține mașina la relanti pentru foarte mult timp. Fiecare oră petrecută astfel îți crește consumul.
- Ai grijă ca tot timpul cauciucurile tale să fie la presiunea recomandată, pentru un consum de carburant optim.
- Nu accelera brusc și nu conduce agresiv din două motive: poți pierde controlul autovehiculului pe suprafețe înghețate; consumul de combustibil va crește exponențial.
- Atunci când conduci subțirat faci rău și mediului și motorului mașinii tale.

Ți dorim o iarnă frumoasă, indiferent de temperaturi.

Make a good climate

18-20 degrees Celsius are sufficient for a healthy environment at home; by reducing by 1 degree per year..

450 Kg CO2
135 €



1000 trained employees, 12 winners

Education

Customers

Suppliers

Specialists

Employees

Management

Projects team



Our considerations

- ▶ Because industry was pro-active and invested massively in improving efficiency, further progress may be slowed down by 2 factors:
 - Long payback periods and low IRRs for additional efficiency projects (“low hanging fruit” already picked)
 - Policies need financing mechanisms or incentives to spur additional investment

- ▶ Thus, policies shaped to incentivize industrial consumers can determine the economics of additional projects and help reach more ambitious efficiency targets (e.g. Germany)

