MOLGROUP 2030

ENTER TOMORROW

MOL GROUP

ESG ROADSHOW PRESENTATION

September 2019

SUSTAINABILITY AT THE HIGHEST LEVEL

ENSURES FULL INTEGRATION OF SUSTAINABILITY IN DECISION MAKING

SDC

SUSTAINABLE DEVELOPMENT COMMITTEE OF THE BoD

- Sustainability is a Board level matter delegated to the SDC
- Experienced committee: two independent non-executives and Group CEO as members
- Chair and Vice-Chair of the Supervisory Board are permanent invitees
- SDC reviews, approves SD policies, long-term objectives and external reporting

CEO

GROUP CHIEF EXECUTIVE OFFICER

VP SD&HSE

- HQ-based, oversees execution of SD strategy
- Evaluates and reports on SD performance/results
- 300+ staff employed in SD&HSE across entire Group

SDWC

SUSTAINABLE DEVELOPMENT WORKING COMMITTEE

- Development of MOL Sustainability strategy is overseen by the SDWC
- SDWC made up of senior management from MOL business, functional units

SUSTAINABLE DEVELOPMENT AT MOL

FULLY INTEGRATED ACROSS THE GROUP

SIX FOCUS AREAS

- Sustainable Development at MOL is a holistic approach to the management of non-financial risks
- Fully integrated into operations/decision making, spanning six focus areas:

1 CLIMATE CHANGE

2 ENVIRONMENT

3 HEALTH & SAFETY

4 HUMAN CAPITAL

5 COMMUNITIES

6 ETHICS & GOVERNANCE

SUSTAINABILITY REPORTING AND CAPITAL MARKETS

MOL WIDELY ACKNOWLEDGED AS SECTOR LEADER IN TRANSPARENCY, ESG RANKINGS

REPORTING & TRANSPARENCY

- Sustainability is integrated into the Annual Report
- SD Report based on the Group's materiality matrix
- Report covers six focus areas, supporting narrative covers material data, major developments only
- SASB integrated in SD reporting since 2019
- Separate excel includes 500+ sustainability data points spanning 100+ indicators covering the six focus areas
- Separate GRI Reporting Table covers all 158 GRI indicators, including the Oil & Gas supplement
- Conducted first scenario analysis estimating GHG Scope 1,2,3 emissions by 2030 vs three IAE scenarios

GRI STANDARDS

SUSTAINABILITY ACCOUNTING STANDARDS BOARD SASB

CAPITAL MARKETS

- MOL covered by all major ESG analyst/rating houses
- Systematic engagement with ESG rating houses
- MOL repeatedly comes on top at ESG ratings
- Member of the leading sustainability index in 2019:
  - Fourth consecutive year
  - Total 2019 score: 70 (up from 64 in 2018)
  - Sixth in the energy sector worldwide
  - First in CEE; only emerging European member

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SUSTAINABLE DEVELOPMENT AT MOL

SAFETY AND PEOPLE

HEALTH & SAFETY

- Health & Safety part of sustainability framework
- Goal is zero fatalities, minimize number of injuries
- Main document: "Health, Safety And Environment Management System" (HSE Management System)
- 3 main areas: Work, Process and Contractor safety
- Work Safety: goal is to be top quartile of international oil companies in peer groups
- Process Safety: ensures process incidents which could result in fire, explosion and harm to people or the environment are prevented
- Contractor Safety: all contractors pre-evaluated for compliance with MOL HSE Management System. Safety coordination, site inspections undertaken. Mandatory VCA/SCC certification obligatory.
- Yearly disclosure of 50+ data points

HUMAN CAPITAL

- Employee experience in focus of HR digital transformation and innovation
- Streamlining of HR services into Global Business Solutions
- Talent acquisition programs like Growww, Freshhh and Female Engineers MOL Program serve as unique pipeline on the critical markets
- 2017-2019 Diversity & Inclusion framework on 3 pillars: Age, Gender and Wellbeing. Fourth pillar "Disability" endorsed for 2020-2022 framework in order to reach diverse and untapped talent pool
- Reward strategies and recognition practices are focusing on competitive, equitable and internally fair
- Robust collective agreements in place, well-functioning European Works Council framework
- Yearly disclosure of 100+ data points

SUSTAINABLE DEVELOPMENT AT MOL

COMMUNITIES AND GOVERNANCE

COMMUNITIES

- To maintain social/operating licenses, early stage community engagement of the site's activities critical
- First Social Engagement Handbook was introduced to all MOL Group companies in 2012
- In 2017 "Manage Community Engagement" and "Community Engagement Handbook" prepared to:
  - Improve relationships by implementing standard community engagement practices across Group
  - Strengthen positioning as responsible corporate citizen in all operating countries
- In 2018 kick-off for a pilot Community Engagement project at a Petchem site to test methodology
- By 2022 all countries to have a community engagement plan prepared including grievances, tracking of actions, mitigations of risks

ETHICS AND GOVERNANCE

- Ethics & Governance part of sustainability framework
- First Code of Ethics published in 1992, today named as the Code Of Ethics and Business Conduct
- All employees must pass the Code of Ethics test via classroom training or e-learning (annually)
- A whistle-blowing system (Speak-Up) and a Group level Ethics Council established in 2006
- Internal Group Ethics Officer position created in 2015
- Local Ethics Officers nominated to every MOL company with more than 20 employees
- All business partners must adhere to the Business Partner Code of Ethics
- Country Chairpersons and CEOs provide ethics related information annually
- Ethics system audited by third party in every 5 years

ADAPTING TO A LOW CARBON WORLD

FUTURE PRODUCT PORTFOLIO CAPITALIZES ON OPPORTUNITIES IN CARBON CONSTRAINED ECONOMY

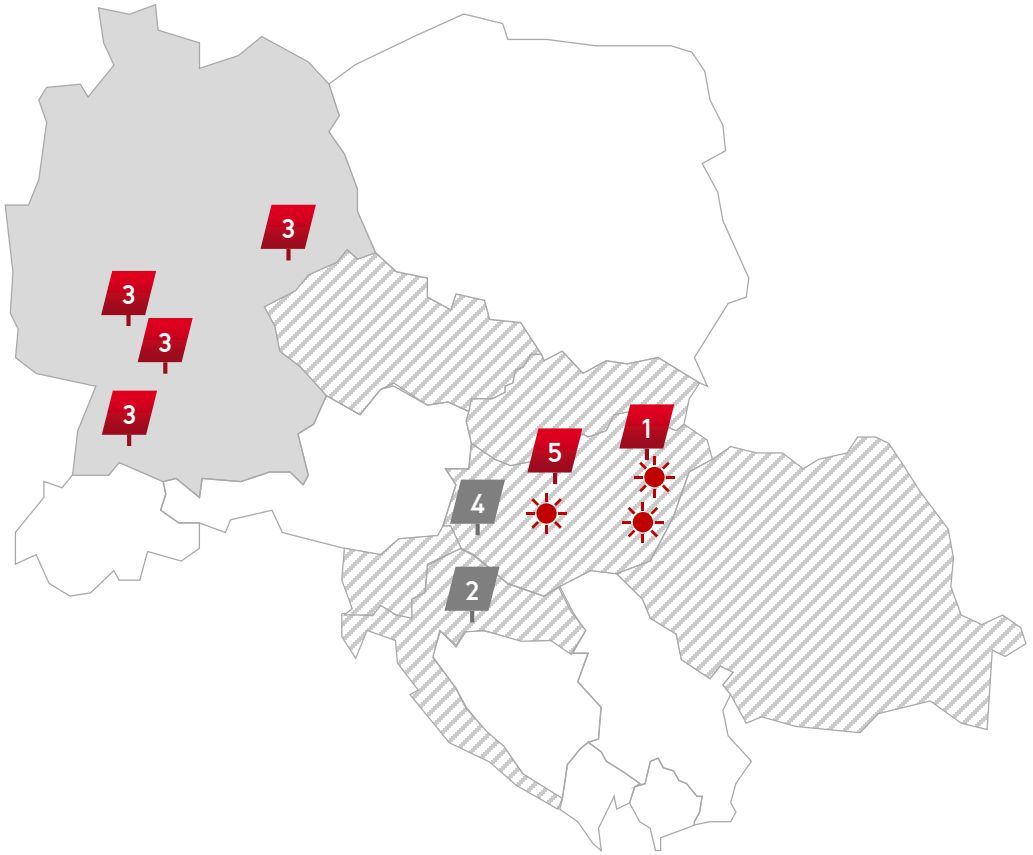
CLIMATE CHANGE, 2030 STRATEGY AND MOL'S FUTURE PRODUCT PORTFOLIO

- As part of its 2030 strategy, MOL is developing a future product portfolio that does not only mitigate transition risk caused by climate change, but capitalizes on opportunities created by it
- Some of the new products and services include:

1. Extension of the chemical value chain
2. Construction of bio-refinery
3. Integration of plastics recycling
4. Expansion of tire recycling
5. Launch of car sharing

Deployment of EV charging infrastructure

Development of renewable energy



EXTENSION CHEMICAL VALUE CHAIN: POLYOL

MOVING TOWARDS PRODUCTS DESIGNED FOR USE PHASE RESOURCE EFFICIENCY

(PETRO)CHEMICAL TRANSFORMATION

- USD 1.4bn investment for a 200 kt p.a. polyol plant at Tiszaújváros (Hungary) petchem site; planned completion in 2021
- Polyol is a key component in the production of polyurethanes (PUs)
- PUs are key in mitigating the effects of climate change through:

CONSUMPTION EFFICIENCY

- PUs contribute to automotive industry push for lighter-weight materials (e.g. bumpers, seats), lowering fuel/electricity consumption

DURABILITY

- Lighter, increasingly durable applications: all-PU foam bicycle tyre

MATERIAL CONSUMPTION REDUCTION

- Protective coating increases service life of utilities and infrastructure

ENERGY EFFIENCY

- Spray foam for thermal insulation on exterior/interior walls/roofs
- Flex-faced insulation board for homes
- Rigid-faced insulation boards for storage facilities and industrial buildings
- Pipe insulation for district heating and cooling

FROM FUEL REFINERY TO BIO REFINERY

CONVERSION OF SISAK REFINERY IN THE MAKING

BASICS

- Conversion of Sisak fuel refinery (Croatia) to bio-refinery for production of 2G bioethanol under consideration
- Base feedstock: agricultural/forestry residue and non-edible energy crops (miscanthus)
- Miscanthus was planted in collaboration with BC Institut Zagreb on a demonstration site in Croatia (special category marginal low quality land)
- First miscanthus harvested and baled at demonstration site in 2019 (yielded 30 tons of biomass)
- Biomass sent to Clariant's sunliquid® plant for processing/conversion into lignocellulosic sugars and ethanol
- Tests took place under EU GRACE (GRowing Advanced Industrial Crops on marginal lands for biorEfineries)

SUSTAINABLE FEATURES

- If sanctioned, mechanical completion of the 300 kt/y capacity bio-refinery is expected in 2023
- Production would start in 2024 with a product portfolio spanning:
  - biogenic CO2 for CCUS (60 kt)
  - cellulosic bioethanol (55 kt)
  - with lignin and stillage (by-products) for green energy (15MW)
- Positive outcomes include:
  - GHG emissions reduction and negative CO2 footprint (utilizing and storing biogenic CO2 from the process)
  - Local regeneration (underpopulated, high unemployment area) and activation of unused agricultural land (zero local food production displacement)

FROM LINEAR TO CIRCULAR: PLASTIC RECYCLING

INTEGRATING PLASTICS RECYCLING INTO FUTURE BUSINESS MODEL

PLASTICS RECYCLING

- Strategic partnership for solvent-based recycling with:

APK

- APK owns a unique solvent based technology: newcycling
- Newcycling allows recovery of high-quality plastics from complex multilayer packaging that cannot be recycled using conventional recycling systems
- MOL Group supported the completion of APK's pilot plant in Germany
- Initial focus is on post-industrial waste: LDPE vs. PA
- MOL and APK plan to further develop the Newcycling technology to enable customers in packaging (e.g. PP, PET and LDPE) sector to reach recycling targets

RECYCLED PLASTICS COMPOUND

- Acquisition of German recycled plastic compounder:

AURORA Kunststoffe GmbH

- Aurora uses a proprietary and unique lean logistic concept to cover the value chain from plastic disposal to production of recycled based compounds
- Sustainable solution addresses EU targets
- Feedstock: pre-sorted post-industrial plastic waste polyamide and other engineering plastics, polypropylene
- 3 production sites in Germany (2 grinding sites, 1 central site with grinding + new extrusion up to 15 kt/y + storage)

FROM LINEAR TO CIRCULAR: FROM TYRE TO ROAD

EXPANSION OF RECYCLED RUBBER BITUMEN

BASICS

- MOL building a new rubber bitumen plant in Hungary
- Construction of new plant begins as brownfield investment
- Capacity of 20 kt p.a. with production start in 2020
- Plant contributes to recycling about half a million used tyres
- Equivalent to 8-10% of annual domestic tyre waste
- Rubber bitumen to be used for domestic road construction
- 20k tones p.a. production enables construction of 200 km 2x1 lane road or renovation of 600 km 2x1 lane road
- Patented technology result of collaboration between MOL and University of Pannonia

SUSTAINABLE FEATURES

- Improved fatigue and aging resistance: fewer road cracks
- Larger load capacity, lower tear tendency
- Adhesion to minerals reduces chance for potholes
- Better resistance to environmental impact results in lower maintenance costs
- Approx. 1.5x longer lifecycle
- Road noise reduction: not always necessary to build noise barriers along roads
- Improved traffic safety due to reduced braking distance

WASTE TYRES **CRUMB RUBBER** **BITUMEN** **RUBBER BITUMEN**

FROM FUEL TO E-MOBILITY

CONNECTING THE CEE REGION

- In preparation for fuel sales decline, MOL launched a number of alternative and clean mobility products/services
- These products/services tap into the gradual shift towards multi-modal, clean and sustainable transportation

ELECTRIC CAR SHARING

- MOL LIMO, a new car sharing service in Budapest, was launched in 2018
- A fleet of 450 shared cars are currently in operation of which 30% are electric vehicles (EVs)
- Aim to gradually increase EV proportion as e-charger infrastructure expands
- Fully electric fleet being targeted for 2020

MOL LIMO

EV CHARGING INFRASTRUCURE

- Plugee, a new EV charging brand, launched in 2018
- Plugee chargers installed throughout MOL service stations. Expansion to third party locations outside MOL service stations planned.
- In 2018 first EV charger installed under EU's NEXT-E
- NEXT-E to deploy 222 fast and 30 ultra-fast multi standard chargers
- Creates interoperable, non-discriminatory network of EV charging points
- NEXT-E allows long distance travel across six CEE countries based 100% on electricity

NEXT-E

MOL PLUGEE

FUELED BY RENEWABLES

SOLAR ENERGY TO REDUCE OPERATIONAL FOOTPRINT

SOLAR PANELS

- In line with the 2030 strategy MOL has invested in renewable energy
- Photovoltaic power plants operating at 18.4 MWp (DC) capacity in three MOL industrial sites in Hungary:

	DANUBE REFINERY	MOL PETROCHEMICALS	UPSTREAM HUNGARY
INSTALLED CAPACITY	6.2 MWp (AC)	5.8 MWp (AC)	5.0 MWp (AC)
PRODUCTION	7,772,000 kWh	6,910,000 kWh	1,967,000 kWh
LAND SIZE	14.5 ha	12.1 ha	2.4 ha

- MOL Petchem is operating, the Danube Refinery and the Upstream sites are to be operational in Q4 2019
- These plants utilize currently unused (MOL owned) areas, using existing local O&M and security staff
- They are connected to MOL's local internal medium voltage distribution networks
- The solar plants are expected to reduce 9kt of CO^2 emissions per year compared to conventional energy

DISCLAIMER

"This presentation and the associated slides and discussion contain forward-looking statements. These statements are naturally subject to uncertainty and changes in circumstances. Those forward-looking statements may include, but are not limited to, those regarding capital employed, capital expenditure, cash flows, costs, savings, debt, demand, depreciation, disposals, dividends, earnings, efficiency, gearing, growth, improvements, investments, margins, performance, prices, production, productivity, profits, reserves, returns, sales, share buy backs, special and exceptional items, strategy, synergies, tax rates, trends, value, volumes, and the effects of MOL merger and acquisition activities. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to developments in government regulations, foreign exchange rates, crude oil and gas prices, crack spreads, political stability, economic growth and the completion of ongoing transactions. Many of these factors are beyond the Company's ability to control or predict. Given these and other uncertainties, you are cautioned not to place undue reliance on any of the forward-looking statements contained herein or otherwise. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements (which speak only as of the date hereof) to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as maybe required under applicable securities laws.

Statements and data contained in this presentation and the associated slides and discussions, which relate to the performance of MOL in this and future years, represent plans, targets or projections."

MORE INFO AT www.molgroup.info
CONTACT:
Phone: +36 1 464 1395
E-mail: investorrelations@mol.hu