

INDEPENDENT AUDITOR'S REPORT (SUSTAINABILITY)

KEY INDEPENDENT ASSURANCE STATEMENT TO MOL MANAGEMENT

MOL Hungarian Oil and Gas ("MOL") management is responsible for the collection and presentation of the information within its 2015 Sustainable Development Report ("the Report").¹ MOL management is also responsible for the design implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with our engagement terms with MOL management, was to carry out procedures to meet the requirements for a 'limited level' assurance engagement on Sustainable Development data² in the Report ("selected data"), and to meet the requirements for a 'reasonable level' assurance engagement for the EU Emissions Trading Scheme (ETS) CO₂ and Lost Time Injury Frequency (LTIF) data. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and to meet the requirements of a Type 1 assurance engagement as defined by AA1000AS (2008).³ The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness (collectively "the criteria") have been used as criteria against which to evaluate the Report.

We have also assessed whether the Report meets the requirements for "Comprehensive" reporting as defined by the Global Reporting Initiative G4 Sustainability Reporting Guidelines.

SUMMARY OF WORK PERFORMED

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. Interviewed a selection of MOL executives and senior managers to understand the current status of Sustainable Development activities and progress made during the reporting period of 1st January 2015 to 31st December 2015.
2. Reviewed selected documents relating to Sustainable Development aspects of MOL's performance, to understand progress made across the organisation and to test the coverage of topics within the Report.
3. Reviewed MOL's processes for determining material issues to be included in the Report.
4. Reviewed MOL's approach to stakeholder engagement through interviews with employees with responsibility for managing engagement activities at Group and selected site level managers.
5. Reviewed the consolidation of the selected data at Group level by:
 - Holding interviews with specialists responsible for managing, collating, and reviewing data at corporate level.
 - Conducting data walk-throughs of reporting systems to assess the accuracy of calculations and assumptions, including an assessment of the effectiveness of MOL's internal review procedures.

¹ MOL Group's Sustainable Development Report – the SD chapter of MOL Group's Annual Report, the Sustainability section of the Management Discussion and Analysis chapter of MOL Group's Annual Report, the content of the Sustainable Development part of the corporate website (molgroup.info/sustainability)

² Selected data – Sustainable Development data described on page 2-3 of the Report

³ AA1000AS (2008) – The second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1)

- Performing additional testing procedures in relation to the ETS CO₂ (review of third-party verification reports) and own staff LTIF indicators (verification of data to source documents on a larger sample both at Group and site level, recalculation of the indicator) at both site and corporate level to gain reasonable assurance over these indicators.
6. Conducted site visits at four MOL locations (MOL Petrochemicals Plc, MOL Retail, SMAO, Ivanic Grad/INA Upstream) to test the application of MOL's reporting procedures and test a sample of performance data back to source documentation for accuracy and completeness. Our site visits focused on the following indicators presented in the Report: Energy consumption (Natural gas, Other hydrocarbon, Electricity, Other indirect energy), Air emission (Carbon Dioxide, Nitrous oxides, Sulphur Dioxide, Particulate Matter, Direct GHG emission), Water (Water Withdrawal, Municipal water supplies or other water utilities, Surface Water Withdrawal, Groundwater Withdrawal, Total Water Discharge), Waste (Hazardous Waste, Non-hazardous Waste, Waste Reused / Recycled, Aqueous drilling mud and cuttings), Spills (Number and volume of spills), HSE related expenditures (Number and value of HSE related penalties), Health and safety (Number of fatalities, Lost Time Injury, Lost Time Injury Frequency, Number of worked hours), Process safety (Tier 1 and Tier 2 process safety events), Employees (Number of full-time and part-time employees, Leavers, Employee turnover rate, Average hours of training per employee), Communities (Donations).
 7. Reviewed the narrative content of the Report and the presentation of the selected data to assess whether:
 - The coverage of issues in the Report is consistent with the outputs of MOL's materiality process, and that the descriptions of MOL's approaches to materiality are consistent with our observations.
 - The selected data presented in the Report corresponds with the information we have reviewed during the course of our work.
 - The Report is consistent with the requirements for "Comprehensive" reporting according to the GRI G4 Guidelines.
 - There is supporting evidence for 25 qualitative statements, selected on a risk basis, within the Report.

LIMITATIONS OF OUR REVIEW

Except for the EU Emissions Trading Scheme (ETS) CO₂ and Lost Time Injury Frequency (LTIF) data where we have carried out procedures to meet the requirements for reasonable assurance, we conducted our work to express a limited assurance conclusion over the selected data. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our scope of work was limited to the Sustainable Development information included in the Report.

The scope of our engagement was limited to the reporting period, and therefore 2015 performance only.

We did not seek evidence to support the statements and claims presented within the Report except for the 25 selected qualitative claims.

We did not undertake a comprehensive review of all Sustainable Development data reported by each of the sites we visited but examined selected data sources and reviewed the processes for reporting data to Group.

We have not provided assurance over claims made by MOL that are statements of belief or forward looking in nature.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with MOL management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

OUR CONCLUSIONS

Based on the scope of our review our conclusions are outlined below:

Inclusivity

Has MOL been engaging with stakeholders across the business to develop its approach to Sustainable Development?

- We are not aware of any key stakeholder groups which have been excluded from engagement.
- We are not aware of any matters that would lead us to conclude that MOL has not applied the inclusivity principle in developing its approach to Sustainable Development.

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Materiality

Has MOL provided a balanced representation of material issues concerning its Sustainable Development performance?

- We are not aware of any material issues concerning the Sustainable Development performance of MOL which has been excluded from the Report.
- Nothing has come to our attention that causes us to believe that MOL management has not applied its processes for determining material issues to be included in the Report.

Responsiveness

Has MOL responded to stakeholder concerns?

- We are not aware of any matters that would lead us to conclude that MOL has not applied the responsiveness principle in considering the matters to be reported.

Completeness, accuracy and consistency of performance information

How complete and accurate is the 'selected Group data' presented in the Report (outlined above in step 5 and 6 of "Summary of work performed")?

- In our opinion, the Report presents fairly, in all material respects, the ETS CO₂ and own staff LTIF indicators of the Group for the year ended on December 31, 2015. We are not aware of any errors that would materially affect the other Sustainable Development data as presented in the Report.
- With the exception of the exclusions identified in the Report, we are not aware of any material operated subsidiaries and joint ventures (as defined by MOL) that have been excluded from the Group level data relating to the topics above.
- Nothing has come to our attention that causes us to believe that the selected data has not been collated properly at Group level.
- We are not aware of any errors that would materially affect the data as presented in the Report.

Does MOL have procedures in place to enable the consistent collection and reporting of data across its reporting locations?

- We are not aware of any inconsistencies in the data collection approach at the locations we have visited that would materially affect the data as presented in the Report.

Reporting

Does the Report meet the requirements for "Comprehensive" reporting set out in the GRI G4 Guidelines?

- Nothing has come to our attention that causes us to believe that MOL management's assertion that the Report meets the GRI G4 requirements for "Comprehensive" reporting is not fairly stated.

How plausible are the statements and claims within the Report?

- We are not aware of any misstatements in the assertions made across the 25 claims selected during our review.

OBSERVATIONS AND AREAS FOR IMPROVEMENT

Our observations and areas for improvement will be raised in a report to MOL management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out earlier in this statement.

- MOL implemented a new data collecting and reporting system in 2015. Whilst our procedures suggest there has been a general improvement in data quality following the transition, we have observed examples of where clarification is required to improve understanding of the new system and reporting definitions at the site level. We therefore recommend that MOL continues to work with individuals across the business, and refine its reporting guidance, to improve the understanding of the new system and reporting requirements.
- We have observed that MOL has interactions with a broad range of stakeholders on Sustainable Development, but that these interactions were not always documented in a formal manner at local levels. In 2015, the Company made considerable progress in this area, policies are implemented and communicated. We consider that stakeholder issues are captured by the various subsidiaries of the Group and issues are addressed. However, we recommend that MOL adopts a more systematic and consistent approach to monitoring and recording stakeholder engagement activity at its locations to enable the sharing of information and best practice between sites.

- MOL introduced guidance for reporting social investment data during 2014 based on the LBG Methodology. Whilst this has helped to improve the quality of the data compared with prior years, we still identified examples of the guidance being applied incorrectly during the course of our work. We therefore encourage MOL to develop a more thorough review of the data reported at Group level, and to provide training to the individuals that are responsible for applying the guidance.

OUR INDEPENDENCE AND COMPETENCE

With the exception of this work, we have provided no other services relating to MOL's approach to Sustainable Development reporting throughout 2015.

We have implemented measures to ensure that we are in compliance with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1. Our assurance team has included members from our global Climate Change and Sustainability Services Practice, which undertakes similar engagements to this with a number of significant multinational businesses.

Ernst & Young Kft.

Budapest, 1 April 2016



Havas István
Ernst & Young Ltd.
Budapest
1 April, 2016

EUROPEAN WORKS COUNCIL REVIEW

In 2016, the European Works Council (EWC) of MOL Group was asked once again to review the “Notes to Sustainability Performance” Chapter of the company's 2015 Annual Report and the sustainability information presented on the corporate website.

The EWC performed the review in three separate stages:

- The Council had the opportunity to comment on the structure and proposed content of the report in the initial phase of reporting
- The EWC then reviewed the “Human Capital” and the “Employee relations” chapters during the process of their preparation and commented on whether the content was complete and balanced. They also completed the information provided about employee representation. Their recommendations were also incorporated into these chapters.
- At the final stage of the review, EWC was provided with the full text of the report and a roundtable was organized at which EWC members discussed the report with corporate HR and SD managers.

Based on the above events, the EWC formed the following opinion:

- According to the members of the EWC, the disclosed information is complete and covers all material topics which are relevant to a group-level report.
- The EWC agreed with the content of the report which concerns the Works Council.
- According to the EWC, the published information is accurate and the statements disclosed are valid.