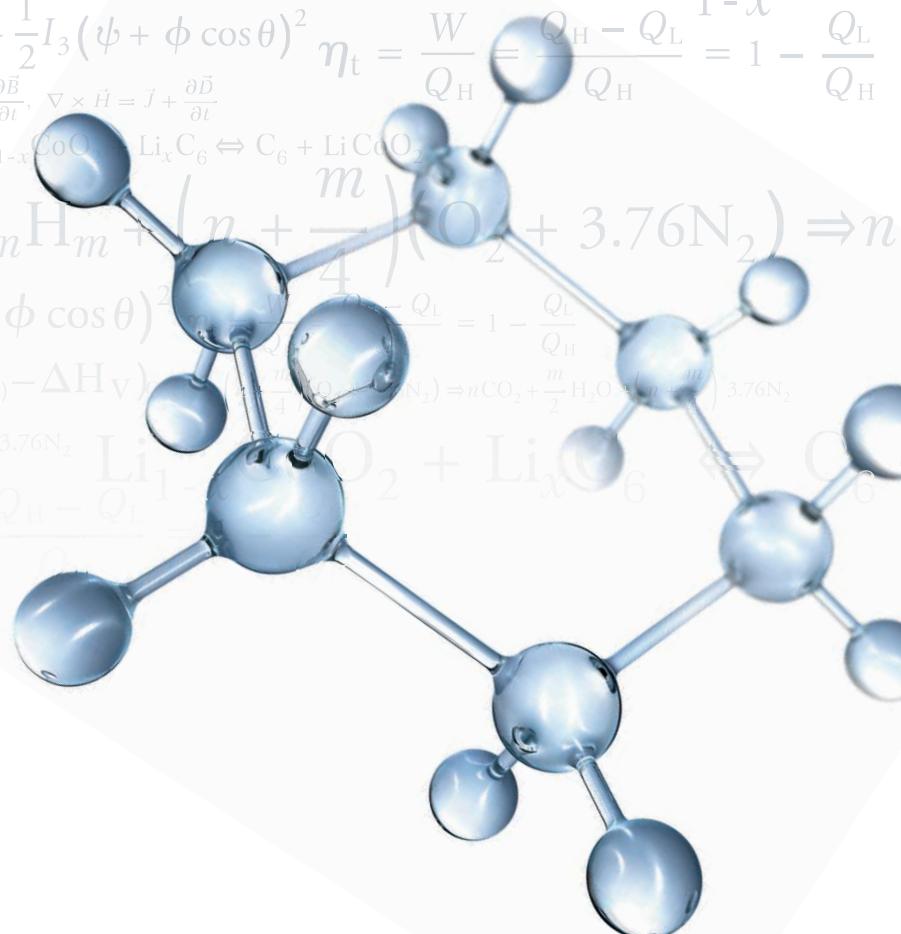


**ExxonMobil**

Taking on the world's toughest energy challenges.™

# 2009 Corporate Citizenship Report

ADDRESSING THE SUSTAINABILITY CHALLENGE



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Priority issues are presented at the beginning of each section of the report and were identified through our materiality analysis process.

### About this Report

Our *2009 Corporate Citizenship Report* continues our annual practice of reporting on our efforts in a range of areas relating to the environmental, social, and financial performance of the Corporation. The report describes the progress we have made and our opportunities for improvement as we address the challenge of helping to meet the world's growing energy demand.

### Reporting Standards

This report was produced in accordance with the reporting guidelines and indicators of the International Petroleum Industry Environmental Conservation Association (IPIECA) and the American Petroleum Institute (API) *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (April 2005). The majority of these indicators are also consistent with the indicators used by the Global Reporting Initiative (GRI) in the G3 *Sustainability Reporting Guidelines* (see our IPIECA/GRI index on page 48).

### Scope of the Report

The report covers ExxonMobil's operations as of December 31, 2009, unless otherwise stated. Quantitative metrics and qualitative descriptions are provided to demonstrate the effectiveness of our policies, programs, and practices. Most environmental data are reported in metric units. Financial information is reported in U.S. dollars.

ExxonMobil reports greenhouse gas emissions on a direct equity basis for all our business operations, reflecting our percent ownership in an asset. Environmental, safety, and health data are reported for those operations under direct ExxonMobil management and operational control, rather than on an equity (net share) basis. There were no significant structural changes in 2009.

Exxon Mobil Corporation has numerous affiliates, with many names that include *ExxonMobil*, *Exxon*, *Mobil*, and *Esso*. For convenience and simplicity, those terms, and terms such as Corporation, company, our, we, and its, are sometimes used as abbreviated references to specific affiliates or affiliate groups.

### Materiality Analysis

We conduct a materiality analysis to identify the social, economic, and environmental challenges, opportunities, and issues of particular concern to our stakeholders. This analysis combines external engagement and internal strategic alignment to help us prioritize the content of our *Corporate Citizenship Report* and ensures that the report is useful to readers. While this process continues to identify perennial issues such as climate change and energy supply, it also allows us to identify new and emerging issues.

This process promotes internal understanding of corporate citizenship and sustainability issues and shapes our ongoing approach by aligning high-priority issues with our business strategies. In this report, we discuss these material issues within the context of ExxonMobil operations. For additional information, see our Web site ([exxonmobil.com/analysis](http://exxonmobil.com/analysis)).

### Feedback

We value your feedback on this report and our performance in addressing corporate citizenship and sustainability issues. Comments for improvement received for the *2008 Corporate Citizenship Report* were reviewed by management and, in many instances, incorporated into this report. We identify information gaps, strengths, and weaknesses through a variety of mechanisms, including our corporate reporting Web site; online surveys; and interviews with employees, opinion leaders from nongovernmental organizations, academia, socially responsible or sustainable investment firms, industry analysts, and our External Assessment Panel (see page 12). For additional information, to view previous reports, or to provide comments, please go to our Web site ([exxonmobil.com/citizenship](http://exxonmobil.com/citizenship)) or contact:

Ms. Erica Matthews  
Corporate Citizenship  
ExxonMobil  
3225 Gallows Road  
Fairfax, VA 22037  
[citizenship@exxonmobil.com](mailto:citizenship@exxonmobil.com)

**LRQA Assurance Summary Statement.** Lloyd's Register Quality Assurance, Inc. (LRQA) believes the ExxonMobil reporting system is effective in delivering safety, health, and environmental indicators, which are useful for assessing corporate performance and for reporting information consistent with the IPIECA/API *Guidance*. For the full assurance statement, see the inside back cover.

# Rising to the Sustainability Challenge

“Meeting the challenge of sustainability requires that we effectively address the complex environmental, economic, and social issues of our time while delivering on our primary responsibility—finding and providing the reliable supplies of energy needed by future generations for progress and development.”

Rex W. Tillerson, Chairman and CEO



## Letter to Our Stakeholders

THE GLOBAL ECONOMIC DOWNTURN SINCE MID-2008 HAS AFFECTED ENERGY DEMAND AND ENERGY PRICES, BUT IT HAS NOT EXTINGUISHED THE ASPIRATIONS OF TODAY’S RAPIDLY DEVELOPING NATIONS OR THE NEEDS OF THE OVER 2 BILLION PEOPLE WHO LACK ACCESS TO MODERN ENERGY SUPPLIES. Because of these energy needs, global demand is projected to be almost 35 percent greater in 2030 than in 2005. The implications for energy policymakers, the energy industry, and consumers will be significant.

As policymakers, energy companies, and other stakeholders debate the components of a sustainable energy future, oil and natural gas remain at the intersection of many highly complex issues—from energy security and climate change to human rights and corporate governance. Understandably, people have questions. For example, as the search for tomorrow’s energy reserves takes us to increasingly geologically challenging locations, can we develop the vast potential of unconventional resources or operate in areas like the arctic without compromising safety or the environment? What are the legitimate roles and boundaries between government, the private sector, and civil society, particularly in developing countries? And as efforts continue to address the risks of climate change, how do we ensure that policy proposals focus on finding lasting, sustainable solutions and not short-term expedience or political acceptability?

Meeting the challenge of sustainability requires that we effectively address and engage on all these issues while delivering on our primary responsibility to society—finding and providing the reliable supplies of energy needed for progress and development.

There is a wide diversity of views on the role of a company such as ExxonMobil in today’s society. We know that we will never satisfy everyone. But we can and do set clear expectations for ourselves that underpin our approach to corporate citizenship and the challenge of sustainability. For example:

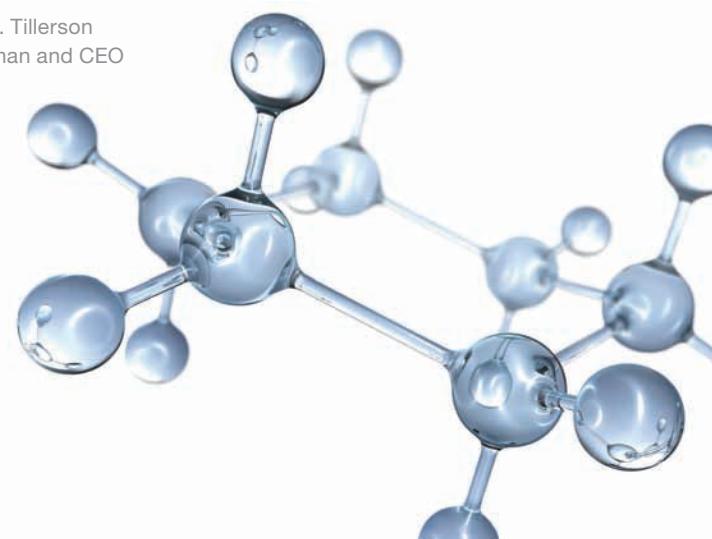
- We will continue to advocate for an integrated set of solutions to today’s major energy challenges—emphasizing the power of technology to increase energy efficiency, help address climate change risks, and develop all economical energy sources to meet the needs of today and future generations;

- We will remain committed to transparent and ethical practices to respect human rights and to being a positive force for economic development in the communities where we operate;
- We will continue to expand the bounds of innovation in ways that allow society to meet the challenge of rising energy demand while mitigating the impact of rising greenhouse gas emissions;
- We will work to engage with those who take an interest in our business and participate in constructive, progress-oriented partnerships that address global challenges and help societies gain sustainable benefits from our presence; and of course,
- We will remain committed to safe operations and environmental protection in every aspect of what we do, every day. At the time of writing, ExxonMobil is providing assistance to BP and the authorities in responding to the tragic incident in the Gulf of Mexico involving the Deepwater Horizon drilling rig. The events in the gulf are a reminder to our entire industry of the need to be ever vigilant in protecting people, local communities, and the environment.

We hope you find our *2009 Corporate Citizenship Report* useful in understanding how ExxonMobil is taking action in these areas. We welcome any comments you may have.

*Rex W. Tillerson*

Rex W. Tillerson  
Chairman and CEO



# Sustainability

## Balancing economic growth, social development, and environmental protection

Energy supports economic prosperity and growth by fueling industry, agriculture, and transportation; heating and lighting schools, homes, businesses, and hospitals; and improving living standards around the world. It is a critical enabler of modern life and progress.

As the world's largest publicly traded integrated energy company, ExxonMobil's primary responsibility is to find, develop, and safely deliver reliable supplies of energy to people around the world while providing a return to our shareholders. In a growing and advancing world, where expanding energy demands coincide with expanding expectations of energy companies in terms of social and environmental performance, this is no small challenge.

We are committed to helping meet the world's energy needs while addressing the challenge of sustainability—balancing economic growth, social development, and environmental protection—so that

future generations are not compromised by actions taken today. It is our view that successful companies are those that see business objectives and sustainability objectives as interlinked.

For a number of years, our business lines have been incorporating sustainability considerations in their operations and sharing the outcomes with stakeholders. To further assist this process, in 2009, we formed a corporate-level sustainability working group to enhance our coordination and progress in this area. This year, we actively engaged with some of our key business customers to discuss sustainability issues, including our environmental performance. In 2010, our focus will include internal information sharing, process and guidelines development, and further external engagement.

## Corporate citizenship and sustainability

Our corporate citizenship strategy guides how we address the sustainability challenge. To aid reporting and strengthen ownership, we base our efforts on six citizenship focus areas. Our goal is not simply to align our activities with society's expectations, but to support the long-term success of our global business.

### Citizenship Focus Areas



#### Corporate Governance

ExxonMobil's unwavering commitment to high ethical standards and business integrity is critical to our competitive advantage and shareholder value. We expect our employees to integrate our commitment to corporate governance into their activities and decision-making. Our globally deployed management and control systems are designed to support this integration and make it possible to conduct safe, reliable, and ethical operations worldwide (see page 14).

#### Safety, Health, and the Workplace

ExxonMobil protects the safety of our employees, contractors, customers, and the public by managing both personnel and process safety. Reducing safety, security, and health risks in the workplace is our core value. It also contributes to improved reliability, lower costs, and higher productivity. Our workplace policies foster an environment free of harassment and discrimination on any grounds, which encourages employee development and a positive atmosphere. This also helps us recruit and retain the most talented individuals (see page 18).

#### Environmental Performance

We are committed to conducting business in a manner that protects the environment. We integrate environmental improvement into our business strategies and address key environmental issues specific to each business. Integrating environmental considerations during the development of a project improves design and operational reliability and reduces costs over the life of the project. Operating in an environmentally sound manner helps maintain our license to operate, enhances local community relationships, and creates competitive advantage for the company (see page 24).

## Managing Sustainability Issues at ExxonMobil

Sustainability issues are managed at—and communicated through—all levels of the Corporation.

### Example of management in action

**Goal:** Improve energy efficiency across worldwide refining and chemical operations by 10 percent between 2002 and 2012.

**Approach:** Following approval by the Management Committee, the Refining and Chemical businesses are responsible for achieving the goal. Under the guidance of the presidents of Refining and Chemical, site operations management implements facility-level energy intensity improvements. Our Corporate Safety, Security, Health, and Environment Department collects data on progress from the businesses and presents it annually to the Management Committee and the Public Issues and Contributions Committee of the Board for review and discussion.



## Managing Climate Change Risks

ExxonMobil recognizes the dual challenge of providing energy necessary for economic development while reducing greenhouse gas (GHG) emissions associated with energy production and use. Our efforts to reduce GHG emissions from our operations and consumer use of products include improving energy efficiency, implementing proven emissions-reducing technologies, and developing breakthrough technologies for the long term. Such technology investments attract world-class partners and offer potentially significant business opportunities. Improving energy efficiency also reduces costs (see page 30).

## Economic Development

We seek to create long-term economic and social benefits from our projects and presence. In addition to the substantial revenue flows our operations generate for host governments, we employ a variety of economic support and incentive programs to help reduce barriers to development, improve local infrastructure, create jobs, enhance education, and drive economic activity. Developing a skilled workforce and reliable supply chains of local goods and services improves the local business environment, reduces costly delays, and leads to local economic growth and higher standards of living (see page 36).

## Human Rights and Security

We believe our business presence should have a positive influence on the people in the communities in which we operate. Respecting human rights is essential for helping to create a stable business environment. Operating in a manner that promotes respect for human rights enhances employee morale, protects our license to operate within a community, and reduces potentially costly risks, such as litigation or interruptions to our operations (see page 44).

# A View to 2030

## Our Outlook for Energy

Each year, ExxonMobil takes a comprehensive look at long-term trends in energy demand, supply, emissions, and technology to guide investment decisions. In our *Outlook for Energy*, we see many opportunities for economic growth, improved living standards, and exciting new energy technologies. But we also see tremendous challenges: how to meet the world's growing energy needs to support and expand prosperity while reducing the impacts of energy use on the environment.

## The need for reliable, affordable energy

Fundamentally, our energy future is about people and how they use energy to foster economic development and human progress. Expanding access to energy—and the opportunities it affords—is a goal shared around the world. Meeting this challenge requires a robust response as population and economic growth will push up global energy demand almost 35 percent from 2005 to 2030—even with dramatic gains in energy efficiency. This expansion will result in increased demand for energy in all major end-use sectors—transportation, power generation, industrial, and residential/commercial.

Increasing energy demand—reflecting expanding economic prosperity for a growing world population—will be concentrated in China, India, and other rapidly developing non-OECD<sup>1</sup> economies, where energy usage will rise by about 65 percent. Energy demand in OECD countries is expected to be essentially flat through 2030 even though their economic output will increase by more than 50 percent on average. This outcome will be driven by substantial improvements in efficiency.

Meeting this demand will not be easy. We will need an integrated set of solutions that includes improving efficiency; expanding supplies of all economical energy sources, including renewables; and mitigating emissions through a variety of approaches. This will require trillions of dollars in new energy investment, a long-term focus, and constant technological innovation. It will also require the global energy industry to operate on a scale even larger than today.

## Transportation demand reflects efficiency and prosperity

Transportation is one of the world's fastest growing energy needs, and liquid fuels will remain predominant in meeting projected demand through 2030. Nearly all transportation runs on liquid fuels because they provide a large quantity of energy in small volumes, making them easy to transport and widely available. At the same time, we anticipate many shifts occurring within the transportation sector. For example, we see dramatic changes within the largest sub-sector—light-duty vehicles (cars, sport utility vehicles, and light pickup trucks). Global energy demand from light-duty vehicles is expected to flatten as more efficient vehicles enter the market.

In contrast, energy for heavy-duty vehicles (trucks and buses) will grow most significantly, reflecting economic growth and increased shipment of goods, becoming the largest transportation demand segment. Aviation and marine transport will also grow with expanded prosperity and trade. We expect non-OECD nations will account for all the growth in global transportation demand.

## Rising electricity demand drives power generation

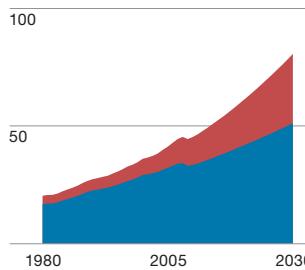
As economic prosperity spreads, demand for electricity is projected to increase approximately 80 percent by 2030. Consistent with this projection, power generation will remain the largest energy-demand sector, accounting for about 55 percent of the total growth in energy demand from 2005 to 2030. The reasons behind this increase are not just the high-tech demands of the developed world, but also the basic needs and rapid economic growth of the developing world. Non-OECD nations will account for close to 80 percent of worldwide growth in electricity demand through 2030.

We also anticipate a shift from coal toward less carbon-intensive fuels, including natural gas, nuclear, and renewable fuels. Driven by market fundamentals, economics, and government policies, including those that establish a direct cost on greenhouse gas (GHG) emissions, we expect 40 percent of the world's electricity will be generated by nuclear and renewable fuels by 2030.

### ECONOMIC PROGRESS DRIVES ENERGY DEMAND

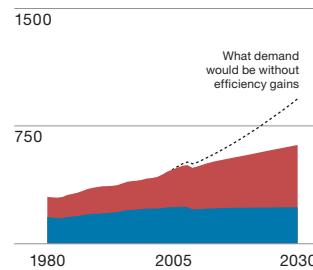
Global Gross Domestic Product (GDP)  
(trillions of 2005 dollars)

■ Non-OECD  
■ OECD



Global Energy Demand  
(quadrillion BTUs)

■ Non-OECD  
■ OECD



### GLOBAL ENERGY DEMAND AND SUPPLY

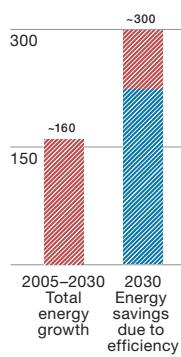
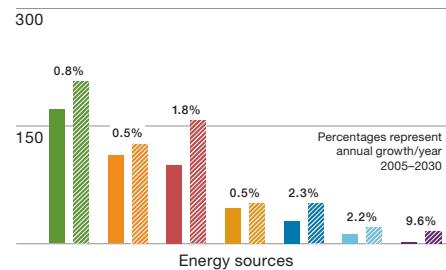
(quadrillion BTUs)

■ 2005 ■ 2030

Energy source:

■ Oil ■ Coal ■ Gas ■ Biomass ■ Nuclear  
■ Hydro and geothermal ■ Wind, solar, and biofuels

■ Non-OECD  
■ OECD



## Highlights

**~1.5**  
**billion** in global population growth from 2005 to 2030

**~100%**  
**increase** likely in global economic output from 2005 to 2030, led by developing countries

**~35%**  
**increase** in energy demand from 2005 to 2030, despite substantial energy savings from efficiencies

**~80%**  
**of global energy** needs through 2030 will continue to be met by oil, natural gas, and coal

### Natural gas to meet a rising share of energy needs

Fossil fuels—oil, natural gas, and coal—will continue to meet the majority of global energy demand through 2030. No other energy sources can match their availability, versatility, affordability, and scale. Oil will still account for the largest share, but natural gas will move into second place with very strong growth, driven by increasing power generation needs and its ability to serve as a reliable, affordable, and cleaner-burning energy source. From 2005 to 2030, global demand for natural gas will increase about 55 percent.

An important development in supply has been the expansion of unconventional natural gas—the result of recent improvements in technologies used to tap these hard-to-produce resources. In the United States, unconventional gas is expected to satisfy more than 50 percent of gas demand in 2030. In addition, worldwide demand for liquefied natural gas will continue to grow, led by Asia and Europe.

Nuclear power will also grow significantly to help meet rising electricity demand. Wind, solar, and biofuels will grow rapidly, at nearly 10 percent a year on average from a small base, reaching about 2.5 percent of the world's energy mix by 2030.

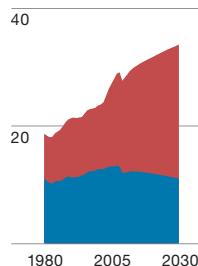
One of the most important “fuels” of all is energy efficiency. In fact, the energy saved annually through improved efficiency will represent about twice the growth in global energy demand from 2005 to 2030.

### Growing energy demand and GHG emissions

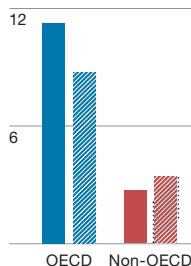
Because we want to ensure that today's progress does not come at the expense of future generations, we need to manage the risks to our environment. This includes taking meaningful steps to curb GHG emissions while maintaining secure energy supplies.

#### ENERGY-RELATED CARBON DIOXIDE (CO<sub>2</sub>) EMISSIONS

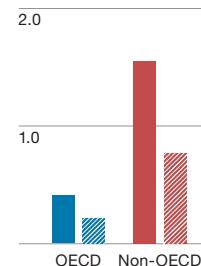
CO<sub>2</sub> Emissions (billion metric tons)  
■ Non-OECD  
■ OECD



Emissions per Capita (metric tons/person)  
■ 2005  
■ 2030



Emissions per GDP (metric tons/thousands of 2005 dollars of GDP)  
■ 2005  
■ 2030



Energy-related carbon dioxide (CO<sub>2</sub>) emissions represent close to 60 percent of global GHG emissions attributed to human activities, and are expected to increase about 25 percent from 2005 to 2030. This outlook reflects substantial efficiency gains as well as a shift over time to a significantly less carbon-intensive energy mix.

By 2030, CO<sub>2</sub> emissions from non-OECD countries will account for two-thirds of the global total. This outcome reflects our view that emissions in OECD countries have already peaked and will decline by about 15 percent by 2030, reaching a level similar to that in 1980. This will be a noteworthy achievement considering OECD economic output will have tripled from 1980 to 2030 and the population will have grown by about 30 percent.

#### UP CLOSE

##### Taking on the world's toughest energy challenges

Economic expansion is critical to reducing poverty and improving health and prosperity, and will drive global energy demand almost 35 percent higher even with substantial efficiency gains. To achieve significant scale, energy solutions must make sense for investors and consumers. Recognizing this, and to satisfy broad and diverse needs around the world, solutions must be affordable, versatile, and efficient.

As part of an integrated set of solutions, we are working in three key areas:

1. Moderating demand through new technologies that improve energy efficiency (see pages 32-33);
2. Expanding supplies from commercially viable energy sources, including oil, natural gas, and renewable sources, while reducing the impacts of those developments (see pages 27, 32, 33, and 35); and,
3. Developing and deploying technology to help reduce emissions associated with energy use (see pages 30-35).

To sustain progress, technology and diversity of supplies remain important. In addition, sensible and stable policy environments will continue to be essential to stimulate creativity and the huge investments necessary to address these challenges. ExxonMobil is making enormous investments to provide solutions. As we supply less than 2 percent of the world's energy needs, we are just a part of the solution. Individuals, businesses, and governments all have a vital role to play.

#### ON THE WEB

Full *Outlook for Energy* report  
[exxonmobil.com/energyoutlook](http://exxonmobil.com/energyoutlook)

# About ExxonMobil

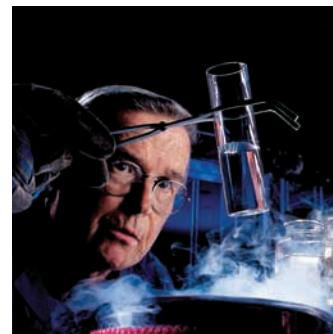
## Taking on the world's toughest energy challenges

ExxonMobil is the world's largest publicly traded integrated petroleum and natural gas company. We operate facilities and market products globally, and explore for oil and natural gas on six continents.

ExxonMobil uses innovation and technology to deliver energy to meet the world's growing demand. Our extensive research programs support operations, enable continuous improvement in each of our business lines, and explore new and emerging energy sources and technologies.

Our people, experience, financial and technical strength, and global reach provide a competitive advantage and ensure broad exposure to high-quality opportunities—from conventional exploration to opportunities that require close integration between our Upstream, Downstream, and Chemical businesses.

## ExxonMobil Operations



### Upstream

The upstream life cycle consists of early hydrocarbon resource identification, evaluation, acquisition, development activities, production operations, and decommissioning. Our asset base includes exploration and production acreage in 39 countries and production operations in 23 countries around the world. Our current portfolio of more than 130 major development projects is expected to produce over 24 billion net oil-equivalent barrels during its lifetime.

In 2009, eight major upstream projects started operations, adding an equivalent of over 400 thousand net oil-equivalent barrels a day to the company's production at peak performance. We anticipate the start-up of another three major projects in 2010. ExxonMobil sells natural gas in almost all major and developing markets. Total net oil and gas production available for sale in 2009 averaged 3.9 million oil-equivalent barrels per day.

### Downstream

Our downstream operations refine and distribute products derived from crude oil and other feedstocks. Our global network of manufacturing plants, transportation systems, and distribution centers provides fuels, lubricants, and other high-value products to customers.

As the largest global refiner, ExxonMobil has interests in 37 refineries in 21 countries. We market our fuels products to millions of customers worldwide through nearly 28,000 retail service stations and three global business-to-business segments—Industrial and Wholesale, Aviation, and Marine. We are the world's largest supplier of lube basestocks and the market leader of high-technology and globally recognized synthetic lubricant brands, such as *Mobil 1* and *Mobil SHC*. We are also a leading supplier of asphalt and specialty products.

In 2009, refinery throughput averaged 5.4 million barrels per day and petroleum product sales were 6.4 million barrels per day.

### Chemical

ExxonMobil is a leader in the petrochemical industry with interests in 48 wholly owned and joint-venture manufacturing facilities around the world. We hold leadership positions in many of the largest-volume and highest-growth commodity petrochemical products in the world. ExxonMobil is one of the largest producers of aromatics and olefins, the basic petrochemical building blocks, and polyolefins, including plastics such as polyethylene and polypropylene. Our world-scale integrated manufacturing sites also allow us to produce a diverse set of less cyclical specialty products that deliver advanced performance and value to our customers in a broad array of applications. More than 90 percent of our chemical capacity is employed in businesses where we rank first or second in worldwide market position.

In 2009, chemical prime product sales totaled 24.8 million metric tons.

### Technology

Breakthrough technologies are helping ExxonMobil keep pace with rising global energy demand by making more energy supplies available while also reducing the environmental footprint of energy development. Technology is more important today than ever, since a significant portion of the world's oil and gas resources is located in challenging environments such as deep water, low permeability rock, and arctic regions. We are also developing and deploying technologies to reduce our environmental impact and greenhouse gas emissions, including carbon capture and storage, algae-based biofuels, and cogeneration. Over the past five years, ExxonMobil has invested more than \$4 billion in research and development. We remain focused on breakthrough concepts and process modifications that enhance performance across our business lines.

## Highlights



### Long-term financial resource management

ExxonMobil's responsibility to our customers is to provide competitively priced energy supplies while delivering value to our shareholders. Despite the economic downturn, we continued investing at record levels in 2009—more than \$27 billion in capital and exploration expenditures for the year—and we expect to invest more than \$125 billion over the next five years.

**Creating shareholder value.** Over the long term, successful business investments and efficient operations should translate into share price appreciation, which, combined with dividends and share purchases, provides superior total shareholder return. This approach has consistently resulted in stock performance that outpaced the Standard & Poor's 500 Index during the previous 5-, 10-, and 20-year periods.

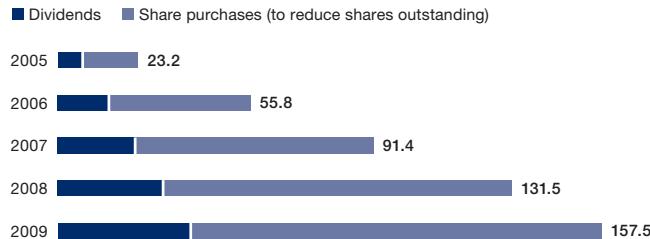
Approximately 2.5 million individual shareholders own about 40 percent of ExxonMobil's common stock. The remaining 60 percent of shares are owned by institutions, including those that manage mutual funds and pension funds. For more than 100 years, the Corporation has paid dividends. In 2009, shareholder distributions from dividend payments and net share purchases totaled \$26 billion. Annual dividend payments per share have increased for 27 consecutive years—by 7.1 percent in 2009 and more than 56 percent since 2004.

**Reserves replacement.** At year-end 2009, ExxonMobil had proved reserves totaling over 23 billion oil-equivalent barrels or nearly 16 years of reserve life at current production levels. In 2009, we replaced 133 percent of production including property sales and 134 percent excluding property sales as determined on ExxonMobil's basis. Our five-year average replacement ratio was 114 percent. We have replaced more than 100 percent of production for 16 consecutive years, reflecting our strategic focus on resource capture and a disciplined approach to investment and project execution.

**Taxes.** In 2009, ExxonMobil's worldwide tax expenses amounted to nearly \$79 billion, about four times our earnings in the same period. In 2009, ExxonMobil's worldwide effective income tax rate was 47 percent.

#### CUMULATIVE DISTRIBUTIONS TO SHAREHOLDERS (OVER PAST FIVE YEARS)

(billions of dollars)



#### ON THE WEB

ExxonMobil financials

[exxonmobil.com/investor](http://exxonmobil.com/investor)

About us

[exxonmobil.com/about](http://exxonmobil.com/about)

### Company Profile

	2006	2007	2008	2009
Net income, billions of dollars	39.5	40.6	45.2	<b>19.3</b>
Sales and other operating revenue, billions of dollars	365	390	460	<b>302</b>
Net liquids production, millions of barrels per day	2.7	2.6	2.4	<b>2.4</b>
Natural gas production available for sale, billions of cubic feet per day	9.3	9.4	9.1	<b>9.3</b>
<sup>1</sup> Oil-equivalent production, millions of oil-equivalent barrels per day	4.2	4.2	3.9	<b>3.9</b>
Refinery throughput, millions of barrels per day	5.6	5.6	5.4	<b>5.4</b>
Petroleum product sales, millions of barrels per day	7.2	7.1	6.8	<b>6.4</b>
Chemical prime product sales, millions of metric tons	27.4	27.5	25.0	<b>24.8</b>
<sup>2</sup> Taxes to governments, billions of dollars	101	106	116	<b>79</b>
Benefits to employees, billions of dollars (wages, salaries, pensions, and other benefits)	12	13	13	<b>15</b>
Spending with suppliers, billions of dollars	212	231	286	<b>183</b>
Capital and exploration expenditures, billions of dollars	20	21	26	<b>27</b>
Long-term debt at year end, billions of dollars	6.6	7.2	7.0	<b>7.1</b>
Total assets at year end, billions of dollars	219	242	228	<b>233</b>
<sup>3</sup> Distributions to shareholders, billions of dollars	33	36	40	<b>26</b>

<sup>1</sup> Gas converted to oil-equivalent at 6 billion cubic feet = 1 million barrels

<sup>2</sup> Income, sales-based, and other taxes and duties

<sup>3</sup> Cash dividends to ExxonMobil shareholders and share purchases to reduce shares outstanding

# ExxonMobil Global Operations

## Mapping our operations and citizenship activities

We operate in some of the world's most complex economic, social, and political environments. This map depicts the major operating areas for our Upstream, Refining and Supply, and Chemical operations; it does not include branded retail service stations, lube oil blending plants, or our marketing and business support operations. The references to citizenship activities direct the reader to some of the related examples

in this report. Additional examples can be found on the highlights and activities map on our Web site. These examples demonstrate how we are integrating social and environmental considerations where we operate.

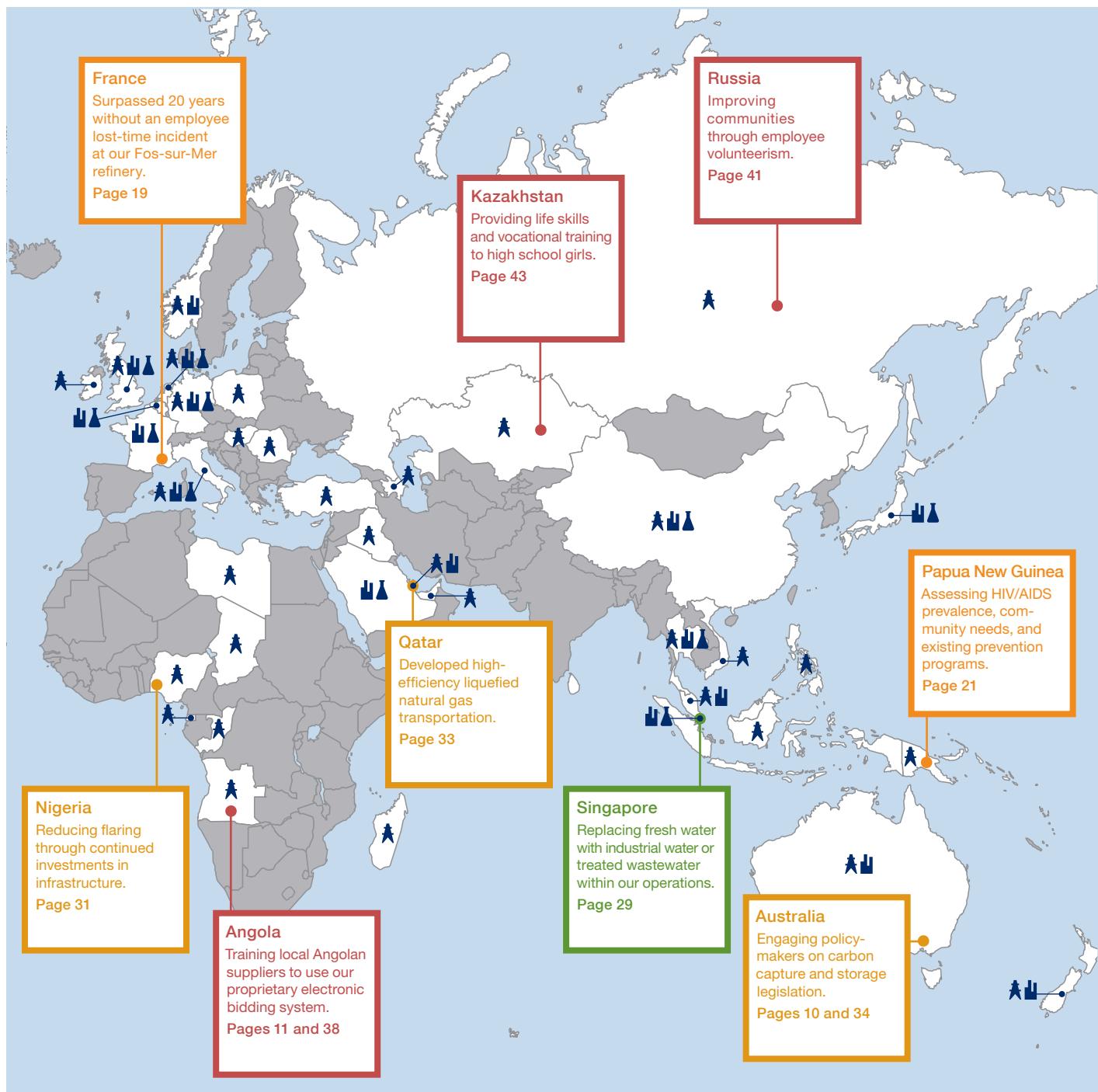
### ► ON THE WEB

Highlights and activities map

[exxonmobil.com/highlightsmap](http://exxonmobil.com/highlightsmap)



## Highlights



# Engagement

## Aligning business and sustainability goals through engagement

External engagement is a critical aspect of our business as the focus on energy-related issues, transparency, and accountability has grown among an increasingly diverse range of stakeholders. As one of the world's largest companies, we recognize the significant interest in how we are performing against stakeholder expectations and are committed to open and ongoing dialogue. In 2009, we engaged with governments, nongovernmental organizations (NGOs), communities, shareholders, customers, suppliers, employees, and others.

Our engagement efforts help us identify issues most material to our business operations, shape our approach to addressing such issues, and strengthen our daily operations. The dialogue developed between ExxonMobil and our key stakeholders allows us to better align our financial, social, and environmental goals with the priorities of wider society. At the same time, engagement can present challenges as our stakeholders' desired outcomes may not always align with each other or with what is practicable for our business. For example, some stakeholders wish us to begin transformation to a non-carbon energy

company, while others feel that we must expand our traditional business, especially in the United States, to help ensure continuity of vital supplies and increase energy security.

## Communication and engagement

We focus our worldwide engagement efforts on groups and individuals directly impacted by our operations or who can have a direct impact on our operations or reputation. Our engagement takes many forms, including internal and external one-on-one and group dialogues and briefings; senior executive speeches; quarterly earnings teleconferences; focus groups; community consultations; e-mail communications; publications such as the *Corporate Citizenship Report*, *Summary Annual Report*, and *The Lamp*; and content on our Web site.

### ► ON THE WEB

*Summary Annual Report*

[exxonmobil.com/sar](http://exxonmobil.com/sar)

*Financial & Operating Review*

[exxonmobil.com/fo](http://exxonmobil.com/fo)

*The Lamp*

[exxonmobil.com/lamp](http://exxonmobil.com/lamp)

Send us your feedback

[citizenship@exxonmobil.com](mailto:citizenship@exxonmobil.com)

## ExxonMobil Stakeholders

**Governments**  
39 countries with exploration and production acreage



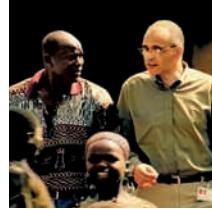
**GOAL:** Collaborate with public policy leaders on issues of mutual interest

**EXAMPLE:** Carbon capture and storage legislation

ExxonMobil is engaged with policymakers to address the potential risks posed by climate change. Through technical briefings, visits to our production facilities, and the provision of factual advice, we supplied valuable input into the Australian debate over passing the world's first legal framework for companies to pursue carbon capture and storage (CCS).

Given our expertise in CCS technology (see page 34), in April 2009, ExxonMobil Australia signed a Memorandum of Understanding with the Australian government to become a founding member of the Global Carbon Capture and Storage Institute (GCCSI). We believe the GCCSI can help overcome the commercial, regulatory, and technical barriers to wide-scale deployment of CCS demonstration projects. ExxonMobil and more than 20 national governments, 80 corporations, NGOs, and research organizations will collaborate on this initiative.

**Communities and NGOs**  
526 interactive sessions in 35 countries



**GOAL:** Enhance trust and communication by sharing information and listening to concerns

**EXAMPLE:** Community Leaders Gathering

We reach out to surrounding communities to provide a better understanding of our operations and community investments. Since 1978, our operation in the Naggroe Aceh Darussalam Province of Indonesia has been striving to build trust and a close relationship with local NGOs, community leaders, and government officials through community development projects. In 2009, ExxonMobil Indonesia hosted a Community Leaders Gathering in North Aceh. More than 300 community members attended the event, representing 15 local NGOs, government, media, and community groups. The event included displays from our NGO partners demonstrating each organization's community development programs in the area. This gathering provided our partners and stakeholders an opportunity to exchange information and gain firsthand understanding of our local programs. ExxonMobil Indonesia is planning another gathering in 2010.

**Shareholders**  
~2.5 million individuals and ~2000 institutions



**GOAL:** Discuss performance and concerns with individual and institutional shareholders

**EXAMPLE:** Socially responsible or sustainable investment groups

In 2009, we held 40 meetings and teleconferences with institutional investors and socially responsible or sustainable investment groups, including American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), California Public Employees' Retirement System (CalPERS), California State Teachers' Retirement System (CalSTRS), F&C Asset Management, Green Century Capital Management, Investor Network on Climate Risk (INCR), New York City Employees' Retirement System, Proxy Governance, Inc., RiskMetrics Group, Sustainable Investment Research Analyst Network (SIRAN), Walden Asset Management, and others. The topics discussed ranged from governance issues to managing climate risk and political contributions.

## ExxonMobil Community Engagement Process

Our commitment in every host nation and community where we operate is to help develop human, social, and economic capacity in a way that benefits people, communities, and our business over the long term. Achieving this is best accomplished by forming partnerships with community leaders and organizations to deliver sustainable societal and business benefits. Our *Best Practices in External Affairs* (BPEA) initiative focuses on building positive external relationships and is integrated with our *Operations Integrity Management System* (see page 15). BPEA is our strategic planning and management tool for external affairs, which allows ExxonMobil affiliates to practice excellence in community, government, media relations, and national content development (see pages 37 and 46). In 2009, about 40 of ExxonMobil's most strategic affiliates and close to 50 of our top installations underwent rigorous BPEA assessments. Actionable plans with measurable impacts were developed to improve our external relationships. BPEA ensures consistency in identifying and managing company interfaces with host communities through nine strategic goals.

<b>1</b> Demonstrate leadership commitment to proactive external relationships	<b>2</b> Engage host communities in open, forthright, and proactive dialogue	<b>3</b> Consult with communities in the design and implementation of external affairs programs
<b>4</b> Develop mutual understanding and respect through workforce involvement in the community	<b>5</b> Inform the community of relevant safety, health, and environmental issues	<b>6</b> Solicit, evaluate, and address employee and local community questions and concerns
<b>7</b> Provide employees with internal and external communications training	<b>8</b> Coordinate awareness efforts at sites with more than one operating organization	<b>9</b> Review community and external affairs practices annually

### Customers

Millions of drivers per day purchased fuel at our retail stations



**GOAL:** Provide trusted, quality products to customers at a good value

**EXAMPLE:** Extensive consumer research

ExxonMobil recently conducted a global study of changing customer desires and attitudes. Focus groups in more than a dozen countries discussed opinions on issues, including biofuels, efficiency, and emissions. Insights from these groups helped to develop quantitative survey tools to better understand consumer needs and future trends. Survey results drive technical research activities focused on providing customers with the quality fuels they need.

Our lubricants business continues to build close relationships with equipment manufacturers to better understand the future performance demands of customers. With their input, we develop a broad line of advanced lubricating oils and greases that help improve productivity, promote longer equipment life and fuel economy, contribute to lower emissions, and enable cost savings for industrial equipment operators and passenger and commercial vehicles.

### Suppliers

~175,000 suppliers of goods and services



**GOAL:** Train local suppliers to develop a reliable supply chain

**EXAMPLE:** Local Angolan businesses

ExxonMobil is committed to promoting the purchase of local goods and services by developing the capacity of local businesses (see page 38). Building on the success of a similar program in Chad, Esso Angola worked with Centro de Apoio Empresarial (CAE) to provide assistance to Angolan businesses to ensure their bids were complete and compliant. Our affiliate, Esso Angola, provides guidance and financial support to CAE, a center created to build the capacity of Angolan businesses. The center has certified 118 Angolan companies and provided 166 courses to 1322 companies and 2315 participants. In 2009, ExxonMobil used CAE to train local Angolan companies on how to use ExxonMobil's proprietary electronic bidding system to participate in tenders for ExxonMobil business. To date, 78 companies have already used the system, which increases transparency in the bidding process and expands local supplier understanding of the requirements to bid for Esso Angola contracts.

### Employees

~80,700 employees in 77 countries around the world



**GOAL:** Engage our workforce to promote long-term career development

**EXAMPLE:** Upstream technical skill development

ExxonMobil's upstream technical employees are spread around the world, but share a common career development system. About every 18 months, the Upstream Professional Development Committee, consisting of the technical vice presidents from the Upstream companies, travels the world to communicate, educate, and answer employee questions about how their careers are managed and to discuss opportunities in the Upstream business. Elements of the technical professional development system are explained, along with new initiatives designed to ensure technical depth and quality. In 2010, 17 sessions are scheduled, including two in the United States and 15 in global locations such as Doha, Jakarta, Lagos, and Sakhalin Island. These meetings give senior leaders a chance to regularly engage with technical employees who are an important part of ExxonMobil's competitive advantage.

## External Assessment Panel

### Improving corporate reporting through increased transparency

We seek to continuously improve our reporting on corporate citizenship and sustainability issues. Each year, we solicit feedback on our *Corporate Citizenship Report* from external experts and use this feedback in our reporting process for the following year. In 2010, prior to the publication of our *2009 Corporate Citizenship Report*, we convened our second independent External Assessment Panel to provide comments and suggestions to improve the content, usability, and relevance of our report. All panelists were external to ExxonMobil, and the panel did not undertake any form of endorsement or validation exercise of ExxonMobil's policies or procedures.

### Working with the panel

Panelists provided input on ExxonMobil's reporting process through a range of formal and informal contacts with company representatives as the report was prepared for publication.

In March 2009, the previous External Assessment Panel was asked to provide feedback on our *2008 Corporate Citizenship Report* and to identify areas for improvement and increased transparency. One of their suggestions was to broaden the membership of the panel and allow the panelists the opportunity to review an earlier draft. In response, we expanded the 2010 panel to include five members. Also, in addition to reviewing the final report, we asked them to comment on an early draft of the report and provide feedback on our materiality analysis. For a summary of the panel's feedback, please see our Web site.

### Incorporating panel recommendations

We reviewed last year's panel comments with senior management in the planning and development of our *2009 Corporate Citizenship Report*. Although we did not incorporate all of the panel's recommendations, we will continue to evaluate their comments for further improvement in future reports. Changes made based on the panel's feedback included:

- Providing additional charts and historical data and using a common baseline where feasible;
- Expanding discussion of several content issues. Examples include: shareholder proposals, lobbying, employee engagement, hydraulic fracturing, freshwater consumption, and risks and opportunities associated with a carbon constrained world (see pages 17, 22, 27, 28-29, and 34);
- Expanding focus on specific actions taken during the reporting year; and,
- Incorporating several design and organizational recommendations including a map of our global operations (see pages 8-9).

#### ► ON THE WEB

Materiality analysis

[exxonmobil.com/analysis](http://exxonmobil.com/analysis)

Panel feedback

[exxonmobil.com/panelfeedback](http://exxonmobil.com/panelfeedback)

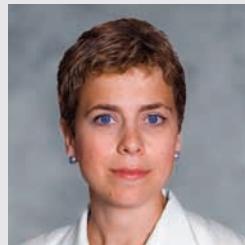
### Profile of Panelists



**Amy Augustine**  
Manager, Diversity and International Labor Relations  
Calvert Group, Ltd.



**Mark Cohen**  
Vice President for Research  
Resources for the Future



**Elizabeth McGeiveran**  
Senior Vice President,  
Governance and Sustainable Investment  
F&C Management Limited



**Tim Smith**  
Director and Senior Vice President,  
Environment, Social, and Governance Group  
Walden Asset Management



**Salil Tripathi**  
Director of Policy  
Institute for Human Rights and Business

# Performance Data

To ensure the data provided in our performance data table are relevant, we selected indicators based on guidance provided by the International Petroleum Industry Environmental Conservation Association (IPIECA) and cross-referenced against the Global Reporting Initiative (GRI) G3 *Sustainability Reporting Guidelines*.

**Interpretation:** An interpretation indication is provided where we consider the performance trend to be generally desirable (●), undesirable (●), or mixed (○) by ExxonMobil. No interpretation is provided if not applicable. For more analysis and interpretation of data, please see corresponding pages.

	2006	2007	2008	2009	Interpretation	Page #
<b>Corporate Governance</b>						
Corporate political contributions—U.S. state campaigns and national 527s, millions of dollars	0.41	0.27	0.45	<b>0.49</b>	●	17
<b>Safety, Health, and the Workplace</b>						
Fatalities—employees	3	0	0	<b>4</b>	●	19
Fatalities—contractors	7	8	5	<b>4</b>	●	19
<sup>1,2</sup> Lost-time incident rate—employees (per 200,000 work hours)	0.049	0.031	0.049	<b>0.036</b>	●	19
<sup>1,2</sup> Lost-time incident rate—contractors (per 200,000 work hours)	0.052	0.065	0.049	<b>0.040</b>	●	19
<sup>1,2</sup> Lost-time incident rate—total workforce (per 200,000 work hours)	0.051	0.047	0.049	<b>0.038</b>	●	19
<sup>1,2</sup> Total recordable incident rate—employees (per 200,000 work hours)	0.33	0.33	0.36	<b>0.30</b>	●	19
<sup>1</sup> Total recordable incident rate—contractors (per 200,000 work hours)	0.43	0.43	0.49	<b>0.39</b>	●	19
<sup>1,2</sup> Total recordable incident rate—total workforce (per 200,000 work hours)	0.38	0.38	0.43	<b>0.35</b>	●	19
<sup>3</sup> Number of regular employees at year end, thousands	82	81	80	<b>81</b>		23
Percent of workforce—non-U.S.	63	63	63	<b>63</b>		23
Percent women—global workforce (excluding company-operated retail stores)	24	25	25	<b>26</b>	●	23
Percent management and professional new hires—women	41	38	39	<b>38</b>	●	23
Percent management and professional new hires—non-U.S.	72	71	69	<b>63</b>		23
<b>Environmental Performance*</b>						
Marine vessel spills (owned/operated and long-term leased), number of hydrocarbon spills > 1 barrel	0	0	0	<b>0</b>	●	26
Other spills (not from marine vessels), number of oil, chemical, and drilling fluid spills > 1 barrel	295	252	211	<b>241</b>	○	26
Hydrocarbons spilled, thousands of barrels	40	8	20	<b>18</b>	○	26
Controlled hydrocarbon discharges to water, thousands of metric tons	1.9	1.7	1.8	<b>1.4</b>	●	26
Sulfur dioxide (SO <sub>2</sub> ) emitted, millions of metric tons	0.24	0.21	0.19	<b>0.16</b>	●	26
<sup>2</sup> Nitrogen oxides (NO <sub>x</sub> ) emitted, millions of metric tons	0.18	0.16	0.15	<b>0.13</b>	●	26
Volatile organic compounds (VOCs) emitted, millions of metric tons	0.31	0.29	0.26	<b>0.22</b>	●	26
VOCs emitted, metric tons per 100 metric tons of throughput or production						
Upstream	0.071	0.073	0.071	<b>0.069</b>	●	26
Refining	0.016	0.015	0.013	<b>0.011</b>	●	26
Chemical	0.043	0.039	0.043	<b>0.036</b>	●	26
<sup>2</sup> Total hazardous waste disposed from operations, thousands of metric tons	122	117	386	<b>816</b>	●	26
Environmental expenditures, billions of dollars	3.2	3.8	5.2	<b>5.1</b>		27
<b>Managing Climate Change Risks*</b>						
Greenhouse gas emissions, absolute (direct equity, CO <sub>2</sub> -equivalent emissions), millions of metric tons	146	141	131	<b>128</b>	●	31
Greenhouse gas emissions, normalized (direct equity, CO <sub>2</sub> -equivalent emissions, excluding cogeneration and Hong Kong power), metric tons per 100 metric tons of throughput or production						
Upstream	22.5	21.3	19.0	<b>18.2</b>	●	31
Downstream	17.6	17.4	17.0	<b>16.8</b>	●	31
Chemical	43.9	41.6	42.2	<b>40.4</b>	●	31
Energy intensity, normalized versus Global Energy Management System (GEMS) base year (2000)—refining	93.9	93.2	93.4	<b>92.6</b>	●	32
Energy intensity, normalized versus GEMS base year (2001)—chemical steam cracking	91.6	90.6	91.3	<b>90.3</b>	●	32
Cogeneration capacity in which we have interest, gigawatts	4.3	4.5	4.6	<b>4.9</b>	●	32
Hydrocarbon flaring (worldwide activities), millions of metric tons	8.2	8.1	5.7	<b>4.5</b>	●	31
<b>Economic Development</b>						
Number of employee participants in corporate and technical training (thousands)	52	35	48	<b>52</b>		38
Total corporate and technical training expenditures, millions of dollars	60	61	69	<b>71</b>		38
U.S. spending with minority- and women-owned businesses, millions of dollars	592	583	603	<b>863</b>	●	39
Community investments, millions of dollars	170.0	206.6	225.2	<b>235.0</b>	●	41
United States	109.1	124.1	144.6	<b>143.0</b>		41
Rest of world	60.9	82.5	80.6	<b>92.0</b>		41
<sup>4</sup> Number of EITI-participating countries	6	6	8	<b>8</b>	●	40
<b>Human Rights and Security</b>						
<sup>5</sup> Number of countries in which affiliates received dedicated human rights awareness training	N/A	N/A	7	<b>8</b>	●	45
<sup>5</sup> Percent of private security contracts with enhanced language	N/A	N/A	50+	<b>60</b>	●	46

<sup>1</sup> Incidents include injuries and illnesses.

<sup>2</sup> Historical data was updated to reflect improved information.

<sup>3</sup> Regular employees are defined as active executive, management, professional, technical, and wage employees who work full-time or part-time for ExxonMobil and are covered by ExxonMobil's benefit plans and programs.

<sup>4</sup> In countries where ExxonMobil has an upstream business presence. *Extractive Industries Transparency Initiative* (EITI).

<sup>5</sup> Data first reported in 2008.

\* Some uncertainty exists in environmental data depending on measurement methods. Data represents best available information at the time of publication.

## Highlights

**10 of 10**  
rating from  
GovernanceMetrics  
International, among  
top 1 percent of  
companies rated

**Ranked above  
97.6%**  
of companies in the  
energy group by  
RiskMetrics Group

**7000+**  
**employees** received  
anti-corruption law  
training in 2009

**83%**  
**of outstanding shares**  
were represented at  
our Annual Meeting of  
Shareholders

# Corporate Governance

## Priority Issues



## Responsible operations

Effectively manage risks and opportunities  
and support shareholder value



## Strategy development

Incorporate corporate citizenship issues into  
business strategy and communicate these  
initiatives to stakeholders



## Political involvement

Track legislation, engage with governments to  
advocate our position, and, where appropriate,  
make political contributions

## Performance Overview

## What we said in 2008

- Continue to manage succession of non-employee directors to maintain effective independent oversight
- Hold frequent meetings and discussions with socially responsible or sustainable investors, including Sustainable Investment Research Analyst Network (SIRAN), institutional investors, and other interested parties
- Complete major shareholder engagement best practices study to identify appropriate means of communication with various stakeholder groups and implement learnings

## What we did in 2009

- Elected one new non-employee director after two non-employee directors retired
- Increased engagement with socially responsible or sustainable investors (including SIRAN) through 28 conference calls and 12 meetings
- The chairman met with the Investor Network on Climate Risk to discuss their concerns about our management of potential climate risks
- Following our shareholder engagement study, the vice president of investor relations discussed sustainability issues with key investors

## What we plan to do

- Continue recruiting highly qualified non-employee director candidates
- Continue outreach to institutional and socially responsible or sustainable investors and other interested parties
- Participate in SIRAN calls on greenhouse gas emissions reduction technologies and other environmental, safety, and governance issues
- Review and update corporate policies and procedures based on potential regulations from the U.S. Securities and Exchange Commission or Congressional legislation

GOOD GOVERNANCE IS ESSENTIAL FOR CREATING AN ECONOMIC CLIMATE CONDUCIVE TO LARGE-SCALE INVESTMENTS—LEADING TO THE LONG-TERM VIABILITY OF BUSINESS AND THE ECONOMIC DEVELOPMENT OF THE COMMUNITIES WHERE WE OPERATE. Our disciplined approach and long-standing commitment to corporate governance have contributed to our continued success during the global recession of 2009.

## Management systems

ExxonMobil complies with all applicable laws and regulations, and where laws and regulations do not exist, we maintain the use of our high standards. Our commitment to high ethical standards, legal compliance, and integrity is reflected in our global policies and practices. The metrics we track and report demonstrate how effective our management systems are at guiding our performance. Our management systems enable us to comply with new regulations efficiently, providing us with a competitive advantage.

**Standards of Business Conduct.** ExxonMobil's culture of compliance is embedded in our *Standards of Business Conduct*. No one at ExxonMobil has the authority to make exceptions or grant waivers with respect to compliance with our *Standards*. The *Standards* consist of guiding principles, 16 foundation policies, and open-door communication procedures. While we are not a signatory of the United Nations *Global Compact*, its values regarding human rights, labor standards, the environment, and anti-corruption are embedded in the *Standards*.

**Control systems.** Our *System of Management Control Basic Standards* defines the basic principles, concepts, and standards that drive our business controls. Our *Controls Integrity Management System* provides a structured approach for assessing financial control risks, establishing procedures for mitigating concerns, monitoring conformance with standards, and reporting results to management. Our financial controls meet or exceed the requirements of the Sarbanes-Oxley Act and the New York Stock Exchange (NYSE) listing standards. An independent assessment by PricewaterhouseCoopers LLP concluded that our internal controls system is effective. Regular self-assessments and audits ensure our controls and standards are implemented by every operating unit.

**Operations Integrity Management System.** We introduced our *Operations Integrity Management System* (OIMS) in 1992. Today, it provides a set of expectations embedded into everyday work processes at all levels of the organization and addresses all aspects of managing safety, health, security, environmental, and social risks at our facilities worldwide. It is designed to identify hazards and manage risks inherent to our operations and associated with the full life cycle of projects.

The overall effectiveness of OIMS is reviewed every five years and enhanced accordingly. As a result, OIMS has gradually evolved to enhance behavior-based safety, leadership, security, environmental aspects, and community involvement. Lloyd's Register Quality Assurance, Inc. (LRQA) has reviewed our ongoing performance and has attested that OIMS meets the requirements of the standard for environmental management systems (ISO<sup>1</sup> 14001:2004) and the Occupational Health and Safety Assessment Series for health and safety management systems (OHSAS 18001:2007).

### UP CLOSE

#### Industry-wide sustainability reporting

We are actively involved in an industry-wide effort to update the IPIECA Oil and Gas Industry Guidance on Voluntary Sustainability Reporting. This industry guidance document will help companies develop a strategic approach to sustainability and the management of material issues. It also provides a series of social and economic, environmental, and health and safety performance indicators, which can help to improve the comparability of nonfinancial reporting across companies. We expect the updated *Guidance* will be ready for use in 2011.

### Eleven Elements of Operations Integrity Management System (OIMS)



## Board of Directors

Our Board of Directors provides independent oversight of the management of the Corporation. All directors stand for election at our Annual Meeting of Shareholders. At year-end 2009, 9 of 10 directors and all members of key Board committees, including the presiding director, were independent, as defined by NYSE guidelines. ExxonMobil seeks candidates with a diverse set of business or academic experiences as well as gender and ethnic diversity. Two women, one of whom is African-American, and one African-American male served on the Board. In 2009, the Board of Directors met 11 times and our Audit, Board Affairs, Compensation, and Public Issues and Contributions Committees each met between 5 and 11 times. The Board evaluates its performance and effectiveness annually. Corporate citizenship topics are routinely reviewed at Board and Board committee meetings. For more information about the Board, see our Proxy Statement.

**Presiding director.** The independent members of the Board annually select an independent director to serve as presiding director to act as a liaison with the chairman and chair Board meetings in his absence. The presiding director chairs executive sessions of the non-employee directors and provides feedback to the chairman. All directors have the authority to call executive sessions, which are regularly scheduled without management present.

**Board committees.** Corporate citizenship topics are generally overseen by the Board Affairs, Compensation, and Public Issues and Contributions Committees, and are routinely reviewed at committee meetings. Each committee's charter is available on our Web site along with more information about the citizenship topics overseen by each committee.

**Executive compensation.** At ExxonMobil, the most senior executives—including the chief executive officer (CEO), named executive officers, and 1200 other U.S. executives—participate in a common compensation program. Compensation decisions are evaluated over multiple-year periods and are subject to company performance. Key criteria include company performance factors such as earnings; safety, health, and environmental performance; and effective actions that support the long-term, strategic direction of the company.

**“ExxonMobil has a very good governance profile. The company has a comprehensive corporate governance program and discloses an extensive set of policies and procedures.”**

**GovernanceMetrics International**

Each year, the executives are assessed on both an absolute basis and relative to companies of comparable size and scope, and on how well they are executing the long-term strategies outlined for their operating unit and the Corporation as a whole.

**Communicating with directors.** ExxonMobil's directors welcome and encourage communication with shareholders. On average, five letters are received per month. The most common subjects include executive compensation, environmental or other public issues, dividends, gasoline prices, and corporate governance. Individuals may send e-mails directly to our non-employee directors from the corporate governance page of our Web site or may send written letters in care of the Secretary of the Corporation.

## Ethics

We believe that an unwavering commitment to high ethical standards and business integrity is critical to our competitive advantage and shareholder value. We expect our employees to integrate our commitment to ethical behavior into their activities and decision-making, including complying with all applicable laws and recording all transactions accurately in our books and records. Employees are required to annually confirm they have read the policies set forth in our *Standards of Business Conduct*. We provide detailed training on our ethics policy to all employees every four years. Regular training is provided on international trade laws applicable to our business, including the anti-trust and competition laws of the United States and other countries where we do business.

**Bribery and corruption.** ExxonMobil's *Anti-Corruption Legal Compliance Summary* lays out policies that govern our anti-corruption compliance program and our commitment to compliance with the U.S. Foreign Corrupt Practices Act (FCPA) and global anti-corruption conventions in all business relationships, including those with consultants, agents, and intermediaries. In compliance with the FCPA and other anti-corruption laws, all ExxonMobil employees and contractors are prohibited from making improper payments to, or engaging in improper transactions with, government officials to influence the performance of their official duties. As required under the FCPA, we maintain appropriate internal controls and keep accurate and complete records of the transactions in which we engage.

Our formal anti-corruption law training program includes annual training for employees in sensitive positions who might engage with government officials in countries reputed to be at high risk for corruption. In 2009, over 7000 employees received this focused training. Biennial, basic anti-corruption training is also provided worldwide for personnel who may interact with government agencies or officials; the next will occur in 2010. Every four years, all employees worldwide are required to attend a half-day Business Practices Review, which includes anti-corruption training. Business Practices Reviews were held in 2008 and are scheduled for 2012.



Our Board of Directors provides independent oversight of the management of the Corporation.

Doing business in some developing countries or remote areas in which oil and gas are found can be challenging in that there may be a limited number of local businesses and a small population of educated citizens. As a result, there may be a small community of government officials and business owners, many of whom are connected by a network of social and family relations. These conditions do not alter ExxonMobil's commitment to full compliance with the FCPA and local laws and may require extensive analysis of business relationships to ensure they are at arm's length, transparent, and based on fair market value. Our standard language for all contracts includes a corruption prevention and business ethics clause.

**Internal audits.** On average, our internal auditors conduct comprehensive audits of one-third of our corporate operating units and business activities each year. In 2009, this included an audit of the reporting processes behind the previous *Corporate Citizenship Report*. Approximately 240 trained internal auditors have unrestricted access to facilities, business units, personnel, and records and are empowered to investigate all potential noncompliance with the *Standards* and anti-corruption laws.

**Reporting and investigating suspected violations.** The Corporation provides a number of mechanisms to employees for reporting suspected violations of company policies, including a 24-hour hotline

#### ► UP CLOSE

#### Shareholder proposals and proxy statements

Every year, ExxonMobil receives suggestions from shareholders on ways to improve the company. Management and the Board consider these suggestions and, typically, seek a dialogue with the proposal sponsor. This dialogue enables both parties to present their positions and often produces a satisfactory solution.

When agreement is not reached, the proposal and the Board's response and recommendation are published in our proxy statement for review at the Annual Meeting of Shareholders. In 2009, over 4 billion—or nearly 83 percent—of the outstanding shares were represented at the annual meeting. Shareholders voted on directors, independent auditors, and 11 shareholder proposals. The Board is evaluating those proposals that received significant support. ExxonMobil thanks the many shareholders who returned their proxy votes in 2009.

Annual Meeting Proxy Items	Percent Votes For <sup>1</sup>		
	2007	2008	2009
<sup>2</sup> Election of Directors	93.0	95.1	95.2
<sup>2</sup> Ratification of Independent Auditors	98.0	98.0	98.5
Advisory Vote on Executive Compensation	41.3	40.7	41.4
Special Shareholder Meetings	47.7	N/A	40.8
Amendment of Equal Employment Opportunity Policy	37.7	39.6	39.3
Board Chairman and CEO	40.0	39.5	29.5
Greenhouse Gas Emissions Goals	31.1	30.9	29.0
Cumulative Voting	31.9	N/A	28.6
Renewable Energy Policy	N/A	27.5	27.3
Executive Compensation Report	11.6	10.9	11.6
Climate Change and Technology Report	N/A	10.4	10.0
Corporate Sponsorships Report	N/A	9.7	7.9
Incorporate in North Dakota	N/A	N/A	4.8

<sup>1</sup> Abstentions count for quorum purposes, but not for the voting of these proposals.

<sup>2</sup> Proposals submitted by the Board

phone number and mailing address. A Hotline Steering Committee, comprising security, audit, law, and human resources personnel, handles suspected violations and provides a report to the Audit Committee on a quarterly basis. Internal auditors and management investigate suspected violations of law, business practices, or internal control procedures. Each case is thoroughly investigated, while maintaining confidentiality, and significant matters are reported to the Audit Committee. No action can be taken or threatened against any employee for asking questions, voicing concerns, or making complaints in conformance with company procedures. Violations by employees lead to disciplinary actions up to, and including, separation from the company. The Board makes no exception for cases involving an executive officer or director.

#### Political involvement

ExxonMobil makes political contributions to candidate committees, political parties, associations, and other political organizations, as permitted by applicable laws in the United States and Canada, and as authorized by the Board of Directors. In 2009, Exxon Mobil Corporation contributed a total of \$282,350 to legislative and gubernatorial candidates and caucuses in 15 U.S. states. Information about our political activities policy, guidelines in this area, and an itemized list of all corporate political contributions are available on our Web site. In 2009, ExxonMobil's employee- and retiree-funded political action committee (PAC) disbursed \$344,450, mostly to federal candidates. Based on 2009 contributions, CQ *Moneyline* listed the ExxonMobil PAC #174 in size compared to other PACs, candidate, and party committees. Among corporate PACs, ExxonMobil PAC ranked #50 in size in terms of receipts from employees and retiree shareholders, and #77 in size of total contributions to candidates. All rankings are compiled from publicly available data filed with the Federal Election Commission.

**Political lobbying and advocacy.** ExxonMobil tracks proposed legislation and engages with governments around the world to advocate our position on policies that impact our operations. We actively lobby the U.S. Congress and state legislatures on a number of important public policy issues such as access to resources, taxes, energy policy, trade, and climate policy. A complete list of federal issues lobbied by ExxonMobil in the United States in 2009 can be found in the public disclosure section of the U.S. Senate Web site. We fully comply with regulations by reporting all federal lobbying in quarterly disclosure reports to Congress. In 2009, ExxonMobil incurred lobbying expenses totaling \$27.4 million under the Internal Revenue Code 162(e) reporting definition, including direct and indirect expenses and overhead costs such as building rental and utilities.

#### ► ON THE WEB

Management systems and policies

[exxonmobil.com/managementsystems](http://exxonmobil.com/managementsystems)

Corporate governance

[exxonmobil.com/governance](http://exxonmobil.com/governance)

Proxy statements

[exxonmobil.com/proxymaterials](http://exxonmobil.com/proxymaterials)

Political action committee disbursements

[fec.gov](http://fec.gov)

Political contributions

[exxonmobil.com/political](http://exxonmobil.com/political)

Federal issues lobbied (search "Exxon Mobil" as registrant)

<http://soprweb.senate.gov/index.cfm?event=selectfields>

## Highlights



# Safety, Health, and the Workplace

## Priority Issues



### Protecting our workforce

Implement policies to protect the safety and security of our employees and contractors



### Improving workplace health

Address health risks through malaria control, HIV/AIDS prevention, and management of emerging health issues



### Developing a skilled workforce

Foster a diverse work environment that encourages employee growth and is free of harassment and discrimination

## Performance Overview

### What we said in 2008

- Continue industry-leading safety record
- Recommend metrics to facilitate a step-change in safety performance that shows sustainable improvement over time
- Refresh our existing *Operations Integrity Management System* (OIMS) framework
- Identify the best candidates for an increasingly diverse workforce through practical work experience, scholarships, and internships

### What we did in 2009

- Continued to lead industry with combined employee and contractor workforce lost-time incident rates at best-ever levels
- Developed new personnel safety metrics and processes to improve performance
- Progressed process safety enhancements and new indicators
- Updated the OIMS framework
- Granted 40 U.S. technical scholarships and sponsored 1097 global internships and co-op assignments

### What we plan to do

- Implement proposed enhancements to personnel safety metrics and stewardship processes
- Implement leading process safety metrics
- Deploy enhancements introduced through 2009 updates to the OIMS framework
- Participate in cross-industry efforts to understand predictors of serious injuries and fatalities
- Continue to attract, develop, and retain a premier workforce from the broadest possible pool of talent

OUR EMPLOYEES ARE OUR MOST VALUABLE RESOURCE AND ARE AT THE CORE OF EXXONMOBIL'S ACHIEVEMENTS. We invest in the safety, health, development, and training of our workforce to ensure that we attract and retain the most capable individuals.

## Safety and health management

ExxonMobil is committed to conducting business in a manner that protects and promotes the safety and health of our employees, those involved with our operations, and the communities where we work. These commitments are documented in our safety, health, and product safety policies and security expectations, which are implemented through our OIMS framework (see page 15). To drive continuous improvement, OIMS is periodically updated. The latest revision, completed in 2009, includes strengthened expectations with respect to leadership, process safety, and assessments of OIMS effectiveness. As countries have varying standards for safety and health, our expectation is that we operate either to our own standards or those of the local country, whichever are most stringent.

**Workforce safety.** In 2009, we recorded best-ever combined employee and contractor workforce lost-time incident rates. Since 2005, we have reduced our workforce lost-time incident rate by an average of 11 percent per year and 23 percent since 2008. Incident investigation and analysis revealed that employee awareness of potential hazards as well as the degree to which they comply with critical procedures are often significant contributors to accident prevention. As a result, we are concentrating on the deployment and enhancement of behavior-based safety tools and are promoting the development of a “culture of intervention” where everyone takes responsibility for their own safety and the safety of others. We are also emphasizing conformance with critical operating procedures.

We continue to focus on improving the safety performance of our contractors. A key factor contributing to the risk of injury for contractors is that they can be less experienced or “short-service” workers. Pre-job planning tools, training, mentoring, and short-service worker programs contributed to our improved 2009 performance.

We are saddened to report that we experienced eight worker fatalities in 2009. We have thoroughly investigated all causes and contributing factors associated with each incident to learn from them and to prevent similar events. For example, a landscaping contractor was fatally injured while removing a fallen tree limb when he touched a utility pole guy wire, which was inadvertently in contact with a live wire. After investigating, a number of corrective actions were taken, including enhancing protocols for contractors in identifying and mitigating hazards, conducting a safety stand-down for all relevant workers, and issuing a global alert to raise awareness about electrical safety. At the close of 2009, a global “Safety Time-Out” was conducted

for all ExxonMobil workers in an effort to underscore the risks inherent in our day-to-day activities, to emphasize the importance of hazard recognition and awareness, and to reinforce the role everyone plays in the prevention of incidents in the workplace. We will not be satisfied until we have workplaces in which *Nobody Gets Hurt*.

To help achieve our vision, our employees and contractors receive rigorous training before commencing work in our facilities. They participate in safety teams, conduct safety observations, and suggest ongoing improvements to procedures. For example, in 2009, more than 1900 contractor supervisors and managers participated in ExxonMobil Development Company's safety leadership workshops, an increase of more than 20 percent since 2008.

**Risk management and emergency preparedness.** Risks associated with safety, security, health, and the environment are inherent in our business. Recognizing these risks and the critical role of energy supply in an emergency situation, ExxonMobil takes a disciplined approach to business continuity planning and emergency preparedness. To respond quickly and effectively to operational incidents, we routinely test the trained teams at our operating sites on a range of possible scenarios, including simulated product spills, fires, explosions, natural disasters, and security incidents. In 2008, consistent standards were developed for business continuity planning; in 2009, more than 1100 people were trained at over 30 workshops around the world. Our response to the H1N1 influenza virus was coordinated across ExxonMobil, utilizing business continuity plans developed in prior years.

### UP CLOSE

#### Celebrating safe operations

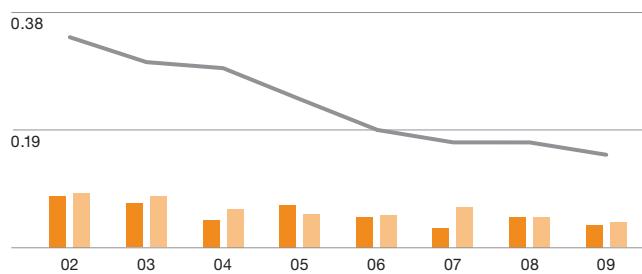
In 2009, a number of our facilities celebrated significant safety milestones demonstrating that ExxonMobil's high standards for safety performance are achievable.

- Our Talco field in the United States celebrated 40 years of operations without a lost-time incident—the longest time in our operations in the United States. Among other factors, we attribute this accomplishment to an emphasis on people looking out for each other.
- The Fos-sur-Mer refinery in France surpassed 20 years without an employee lost-time incident.
- The Port Dickson refinery in Malaysia achieved five years without an employee or contractor recordable incident.
- Three U.S. Gulf Coast refineries (Baton Rouge, Baytown, and Beaumont) and the Dartmouth refinery in Canada all surpassed 10 million hours worked without an employee or contractor lost-time incident.

#### LOST-TIME INCIDENT RATE<sup>1</sup>

(incidents per 200,000 work hours)

■ ExxonMobil employees ■ ExxonMobil contractors  
— API U.S. petroleum industry employee benchmark<sup>2</sup>

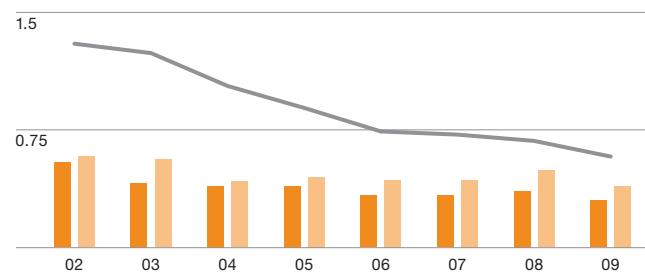


<sup>1</sup> Incidents include injuries and illnesses.

#### TOTAL RECORDABLE INCIDENT RATE<sup>1</sup>

(incidents per 200,000 work hours)

■ ExxonMobil employees ■ ExxonMobil contractors  
— API U.S. petroleum industry employee benchmark<sup>2</sup>



<sup>2</sup> Source: American Petroleum Institute benchmarking survey of occupational injuries, illnesses, and fatalities in the U.S. petroleum industry.

## ■ UP CLOSE

### Focus on process safety: Managing worker fatigue

Lessons from industry incidents play a major role in continuing to strengthen our operating management practices. The Chemical Safety Board investigation of another oil company's 2005 refinery incident in Texas City highlighted that worker fatigue could have been a contributing factor in the incident and recommended the development of fatigue management guidelines for industry use.

At ExxonMobil, employees globally operate offshore production platforms, refineries, chemical plants, and marine vessels around the clock, and we recognize the potential risk that fatigue in the workplace can create. In response, we are enhancing our own programs while assisting other stakeholders and consultants in the development of an American National Standards Institute (ANSI) standard to improve fatigue-related safety in the petroleum and petrochemical industries.

The new ANSI standard outlines the elements of a comprehensive *Fatigue Risk Management System* (FRMS) and is designed for integration into existing safety management systems. The FRMS includes elements such as balancing workload and available staff, training employees and supervisors, enhancing alertness by modifying the work environment, assessing fitness for work, investigating incidents, and measuring system performance to ensure objectives are met.

OIMS includes many of these components and we are implementing a variety of initiatives to progress key elements. For example, training has been designed to provide employees with the knowledge and skills they need to maximize their alertness. Supervisors will receive supplemental training to help them identify and address signs of excess employee fatigue. We are investigating how best to enhance alertness by modifying lighting levels in control rooms while avoiding glare and computer monitor "washout." These initiatives are designed to enhance our strong safety performance and, through leadership in developing an ANSI standard, help the industry as a whole do the same.

**Workplace security.** At ExxonMobil, *Security is Everybody's Business* and we provide security and safeguards to protect our people, operations, facilities, business information, and other assets. In 2009, we continued to improve these programs and measures and further integrated them into our OIMS framework. Security is an ongoing activity at all our facilities, from production to large petrochemical and refining complexes; office buildings and computer systems; and transportation systems such as pipelines, rail, or marine vessels. We anticipate that efforts to strengthen security at our facilities will be complete in the first half of 2010. For more information about security at ExxonMobil, see page 46.

**Process safety.** Our process safety management framework focuses on reducing risks and incidents through flawless execution of OIMS. Lessons learned from incidents in our own operations or in industry provide opportunities to enhance our facilities design, operations integrity management, and operating practices. The goal is to use a disciplined approach to consistently deliver exemplary performance in designing, operating, and maintaining our assets.

### Employee health

Successful businesses rely on a healthy workforce. At ExxonMobil, we provide support programs and services to help our employees live healthier lives. By incorporating workforce and community health considerations into project planning, we play a constructive role in addressing the broader economic and social development of the communities in which we operate (see national content development on page 37).

Our Environmental, Socioeconomic, and Health Impact Assessment (ESHIA) process helps us identify opportunities to manage potential health impacts associated with our projects. We strategically track employee health and develop prevention programs and health care services to respond to emerging health issues in a timely manner.

For example, in locations such as Papua New Guinea, our employees face particular health challenges due to tropical diseases such as malaria, dengue fever, lymphatic filariasis, Japanese encephalitis, and scrub typhus. ExxonMobil Development Company requires that all personnel working in malaria-prone environments take malaria prevention medications and use long-lasting insecticide-treated clothing



Employees and contractors of our Papua New Guinea liquefied natural gas project gathered to discuss safety incidents that occurred in 2009 in our global operations. The group was reminded of the importance of hazard recognition and awareness, and the role everyone plays in incident prevention.

**“We believe ExxonMobil to be among the industry leaders in the extent to which health and safety management considerations have been integrated into its business processes for ongoing operations and for the planning and development of new projects.”**

**Lloyd's Register Quality Assurance, Inc.**

and skin repellents. We also use control services to effectively identify and reduce disease vectors (the means by which diseases are transmitted to humans such as biting insects). We use a variety of methods, including breeding source reduction, mechanical barriers, and education of the worker. Insecticide use is kept to a minimum to protect the health of our workers and to minimize environmental impacts.

**Workplace Malaria Control Program.** Malaria is a life-threatening disease affecting more than 100 countries in four regions of the world. ExxonMobil's comprehensive *Malaria Control Program* covers both employees and contractors working in malaria-prone areas. The program combats malaria through awareness, mosquito bite prevention, anti-malaria medication, and early diagnosis and treatment. We track employee and contractor incidences of malaria in 10 countries with upstream operations. In 2009, we recorded our first case of malaria among our nonimmune (expatriate) employees since 2005. As a result, we emphasized the need for employees to report symptoms early and to be diligent in the use of insect repellent and insecticide-treated clothing. There were no serious cases of malaria reported among our national (semi-immune) employees. While we have successfully implemented consistent malaria prevention and control measures for our employees in all sites located in endemic areas, we continue to work with contractors to help them adopt controls similar to our own.

In 2009, ExxonMobil celebrated World Malaria Day in Angola, Cameroon, Chad, Equatorial Guinea, and Nigeria both in the workplace and in local communities to raise malaria awareness and increase compliance with protective measures.

To reduce the burden of malaria, ExxonMobil works on several fronts within our fence-line, with surrounding communities, and with national health care systems, including project partnerships with governments and agencies, local and international nongovernmental organizations, and community leaders. While these investments may be outside our core business, we know that keeping the population healthy creates value for shareholders and for society over the long term by building healthy communities and prosperous operating environments (see page 39).

**Employee StopAIDS.** Our workplace HIV/AIDS program, *StopAIDS*, combines risk mitigation education with access to community-based care and treatment to keep healthy workers disease-free and to educate HIV-positive workers on how to live safely with the illness. ExxonMobil does not test for HIV, and HIV status is not a factor in determining an employee's ability to work.

In relevant operations, we analyze existing population data on the prevalence of HIV to understand local risk factors for HIV transmission in the general population. In addition, we assess the capacity of local

and national health services infrastructure to support the diagnosis, treatment, and care of HIV/AIDS. Based on our findings, we determine the level of access to care provided to employees and families via company health plans.

For example, in 2009, ExxonMobil affiliates in Angola provided multiple HIV/AIDS awareness opportunities to employees and contractors, including safety moments; brochures; calendars; condom distribution; HIV/AIDS Walk for Life; and a collection of food, toys, and clothing for an HIV/AIDS orphanage. The *StopAIDS* committee in Equatorial Guinea organized an employee awareness session and a community training session. In Papua New Guinea, we conducted initial HIV/AIDS prevalence studies, developed relationships with local organizations to better understand their needs and existing prevention programs, and developed employee-focused educational materials.

## Product stewardship and product safety

ExxonMobil is dedicated to minimizing adverse risks and impacts associated with the manufacture, use, and disposal of our products. We actively identify and evaluate potential risks to ensure minimal adverse effects on both people and the environment while improving product performance.

During the development of and prior to marketing our upstream, chemical, lubricant, specialty, and fuels products, we assess safety, health, and environmental (SHE) aspects as well as compliance with product safety legislation, both where the products are made and in their intended markets. Rigorous assessments required by government authorities are conducted and updated as new information becomes available to assure the safety of a new or modified product. Products used in particular markets, such as those that come in contact with food, undergo additional SHE assessments as appropriate.

In addition, we provide information to those who transport, use, and dispose of our products, including appropriate uses, potential health and environmental effects, personal protection and exposure controls, first aid measures, and disposal considerations. We monitor and assess changing and emerging science to ensure our products

### UP CLOSE

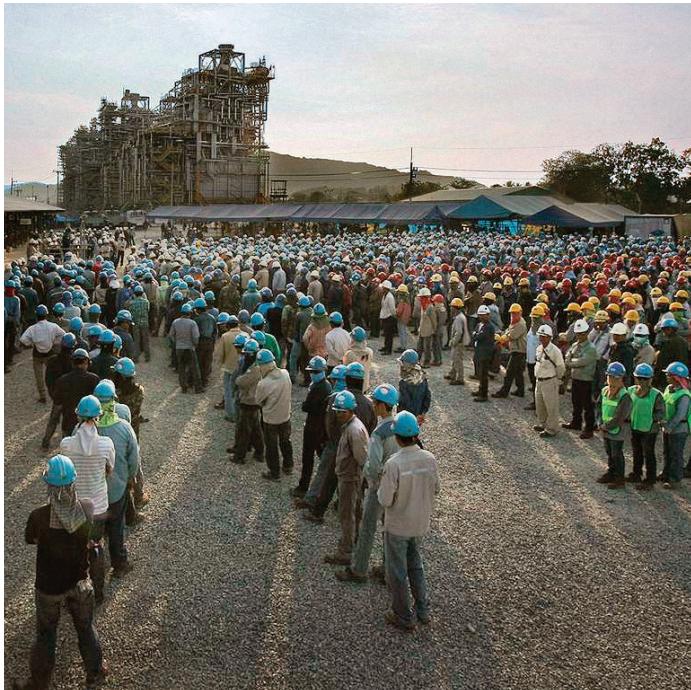
#### Building a *Culture of Health*

The rapidly increasing number of individuals with chronic health conditions related to lifestyle choices, such as poor nutrition and lack of physical activity, is a concern for businesses, governments, and individuals. In 2003, we added *Partners in Health* components to the ExxonMobil U.S. medical plan to put a greater emphasis on disease management, prevention, and lifestyle change. Building on this, we are exploring ways to create a *Culture of Health* by promoting and reinforcing healthy behavior within the work environment.

In 2009, we implemented a two-year, U.S. pilot program at the Joliet refinery in Illinois and the Brookhollow office complex in Texas. The program includes on-site biometric screenings, a health assessment, individualized lifestyle coaching, work site programs, and fun health challenges. The initial response has been encouraging, with hundreds of employees participating in one or more of the program offerings. Additional efforts in 2010 will be directed toward increasing healthy dining and vending options, and addressing fitness and weight-loss challenges.

continue to be safe for use. We tailor our product safety warning to comply with local regulations. In those countries that currently do not have product safety regulations, we apply responsible standards. We provide Safety Data Sheets for our products via an automatic system, the Internet, or work procedures to our customers. In 2009, more than 350,000 Safety Data Sheets were distributed to customers in more than 80 languages.

ExxonMobil is an active member of the International Council of Chemical Associations (ICCA), which developed a Global Product Strategy (GPS) in 2006 to improve product stewardship within the chemical industry. A component of GPS is to make relevant product stewardship and safety information (known as Product Safety Summaries) publicly available. The ultimate goal of GPS is to increase public and stakeholder awareness and confidence that chemicals in commerce are safely managed throughout their life cycle. We are committed to completing our work on these summaries.



Our employees and contractors receive rigorous training prior to commencing work. Here, approximately 3000 workers in Thailand receive a morning safety briefing before starting construction on multiple furnaces for eventual shipment to Singapore for our Parallel Train project.

#### ► ON THE WEB

Safety and health policies

[exxonmobil.com/managementsystems](http://exxonmobil.com/managementsystems)

ExxonMobil Malaria Initiative

[exxonmobil.com/health](http://exxonmobil.com/health)

Highlights and activities map

[exxonmobil.com/highlightsmap](http://exxonmobil.com/highlightsmap)

Safety, health, and environment awards

[exxonmobil.com/awards](http://exxonmobil.com/awards)

## Employment policies and practices

Our employment practices are governed by our *Standards of Business Conduct*, which support our commitment to equal employment opportunity, prohibit harassment and discrimination in the workplace, and are consistent with applicable laws and regulations of the countries in which we operate.

**Policies against discrimination.** Any form of discrimination by or toward employees, contractors, suppliers, and customers in any ExxonMobil workplace is strictly prohibited. Our global, zero-tolerance policy applies to all forms of discrimination, including discrimination based on sexual orientation and gender identity. We have deployed a comprehensive education, training, and stewardship program to ensure this policy is implemented and followed by our employees throughout our worldwide operations. Each affiliate has adopted ExxonMobil's global standards, with modifications as required for compliance with country law.

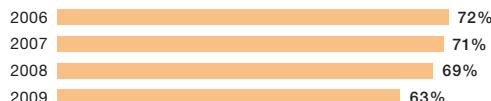
**Employee benefits and programs.** We provide all employees with a competitive package of benefits and programs, which varies based on the legal requirements and culture of countries. Benefit coverage for spouses is based on legally recognized spousal relationships in the individual countries where we operate. In the United States, we have adopted the definition of spouse used in federal law, which provides benefits to heterosexual couples. Employees in countries where national law recognizes same-sex relationships are provided spousal benefits under the ExxonMobil programs.

We take seriously our benefit plan commitments. The funding levels of all qualified pension plans are in compliance with standards set by applicable law or regulation. All defined benefit pension obligations are fully supported by the financial strength of the Corporation or the respective sponsoring affiliate.

**Employee engagement.** ExxonMobil seeks to create an environment of open communication with our more than 80,000 employees. Employee forums provide an opportunity for senior managers to engage with employees on a variety of topics such as business performance,

#### MANAGEMENT AND PROFESSIONAL NEW HIRES

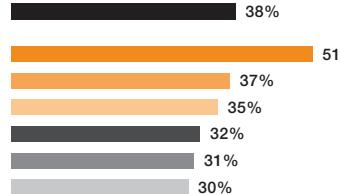
■ Percent women ■ Percent outside the United States



#### 2009 PERCENT FEMALE MANAGEMENT AND PROFESSIONAL NEW HIRES BY GEOGRAPHIC REGION

■ Worldwide total ■ Asia Pacific ■ Europe ■ Latin America

■ North American (excluding United States) ■ United States ■ Africa/Middle East



importance of safety, policy matters, and future plans for the company. During these forums, employees may ask questions on any topic. For example, in 2009, Management Committee members held 32 employee forums of which 16 were held outside the United States in 14 different countries. Additionally, during the annual performance assessment and development process, all employees have a structured, documented discussion with their supervisor about their work goals, training objectives, and development needs. This process provides the basis for ongoing employee coaching and continuous improvement.

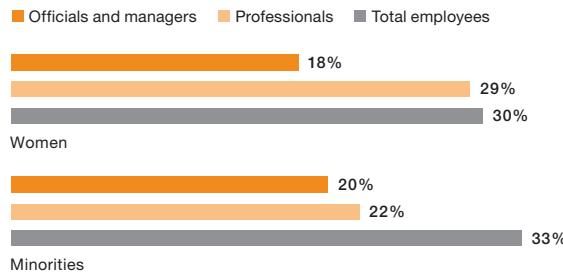
**Diversity.** ExxonMobil's greatest strength is the quality and diversity of our employees who differ in age, gender, race, nationality, sexual orientation, and religious beliefs and operate across multiple cultures and languages. Their diversity reflects the countries and communities in which we operate. Our *Global Workforce Diversity Framework* is intended to attract, develop, and retain a premier workforce; actively foster a work environment where individual and cultural differences are respected and valued; and identify and develop leadership capabilities of employees to perform effectively in a variety of environments.

At year-end 2009, about 37 percent of our employees were located within the United States and 63 percent internationally. In 2009, approximately 33 percent of our executives were non-U.S. employees. We hired more than 3200 management and professional employees worldwide, of whom approximately 63 percent were outside the United States.

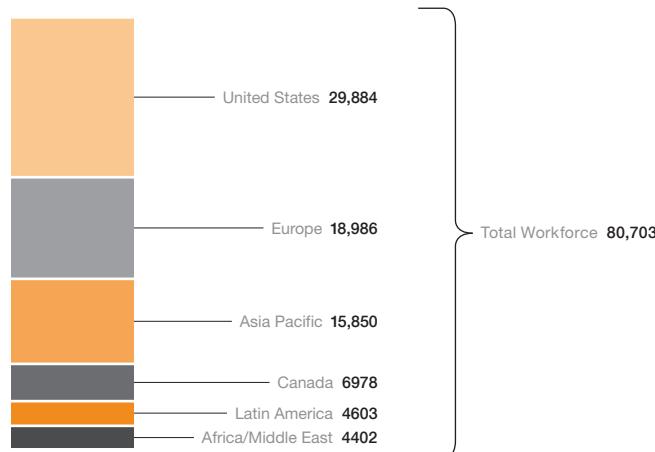
ExxonMobil is committed to promoting leadership opportunities for women globally and improving the gender balance within our company. Currently, women account for about 26 percent of our worldwide workforce, excluding company-operated retail stores. This represents a 1-percent increase from 2008 and a 3-percent increase from 2005.

#### 2009 PERCENT OF WOMEN AND MINORITIES BY POSITION IN THE UNITED STATES

Based on U.S. Equal Employment Opportunity Commission reporting



#### 2009 WORKFORCE BY GEOGRAPHIC REGION\*



\*Data excludes company-operated retail store employees.

In 2009, 38 percent of management and professional new hires were women, significantly higher than the percentage of women in our broader employee population. Approximately 13 percent of executive employees worldwide are women, compared to 12 percent in 2008. One significant challenge in attaining gender balance in technology companies like ExxonMobil is a long-standing trend of fewer women selecting college majors and careers in science, technology, engineering, and mathematics. ExxonMobil is working to ensure that access to science, technology, engineering, and mathematics education is widely available, particularly to women and minorities in the United States (see page 40).

We are also working to increase the representation of minorities, including African-Americans, Hispanics, Asians, and Native Americans in our U.S. operations. For example, hiring programs include outreach to ensure diverse candidates are identified. As part of this effort, ExxonMobil awards scholarship grants to minority intern and co-op candidates who have successfully completed internships with the company. Early identification of minority employees with leadership potential is part of the ongoing staffing and development effort in each organization. Based on U.S. Equal Employment Opportunity Commission reporting, minorities made up approximately one-third of our U.S. workforce and about 20 percent of officials and managers in 2009.

ExxonMobil has long supported employee networks that provide career development information, act as an advisory group to management, build cultural awareness, and support community outreach for our diverse employees. Networks in the United States include the Asian Connection for Excellence (ACE); Black Employee Success Team (BEST); Global Organization for the Advancement of Latinos (GOAL); People for Respect, Inclusion, and Diversity of Employees (PRIDE); and Women's Interest Network (WIN).

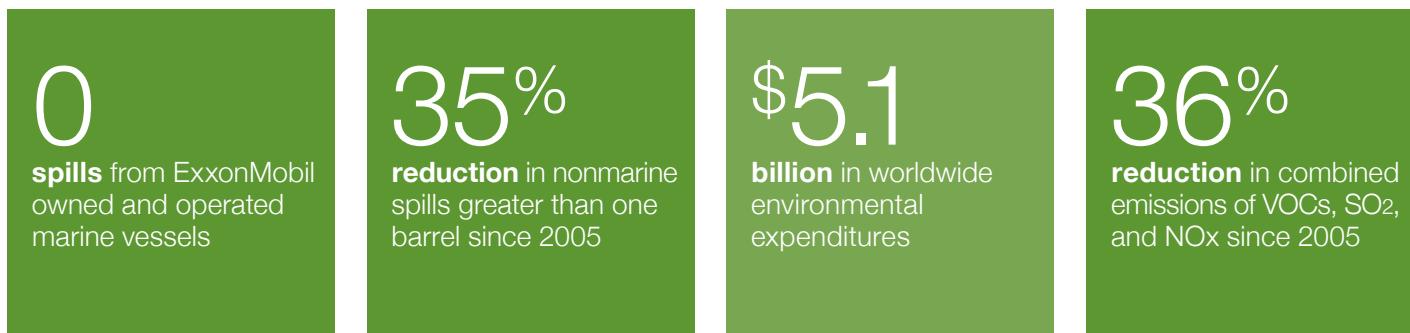


Diversity and inclusion of thought, skill, knowledge, and culture make us more competitive, more resilient, and better able to navigate the complex and constantly changing global energy business.

#### ON THE WEB

U.S. employment diversity data  
[exxonmobil.com/diversity](http://exxonmobil.com/diversity)

## Highlights



# Environmental Performance

## Priority Issues



### Reducing spills

Prevent spills from our operations through effective operations integrity management



### Managing water

Reduce freshwater consumption and preserve water quality through the design and operation of our facilities



### Protecting biodiversity

Reduce our environmental footprint by incorporating high standards to protect and mitigate potential impacts to biodiversity

## Performance Overview

### What we said in 2008

- Continue historical trend in spill reduction
- Reduce normalized emissions of volatile organic compounds (VOCs) and nitrogen oxides (NO<sub>x</sub>) from our chemical operations by 5 percent per year
- Further reduce our environmental footprint, particularly in sensitive ecosystems

### What we did in 2009

- Achieved zero marine spills from our owned and operated marine vessels
- Achieved our second-best spill performance for nonmarine spills, but did not meet our expectations for improvement
- Reduced normalized emissions of combined VOCs and NO<sub>x</sub> from our chemical operations by more than 10 percent
- Expanded project *Environmental Standards* across our upstream companies
- Recognized by the Wildlife Habitat Council for our efforts in biodiversity conservation at our Fife ethylene plant in Scotland

### What we plan to do

- Introduce *Corporate Environment Data Management System*, a computer-based system to improve data integrity and analysis capability
- Re-emphasize spill prevention measures to re-establish our improvement trend
- Expand application of project *Environmental Standards* across the Corporation
- Expand the number of facilities participating in wildlife habitat enhancement programs

THE SCALE AND COMPLEXITY OF DEVELOPING HYDROCARBON RESOURCES CONTINUES TO INCREASE ACROSS THE PETROLEUM INDUSTRY, AND THE EXPECTATIONS TO BRING VITAL ENERGY SUPPLIES TO MARKET WHILE REDUCING ENVIRONMENTAL IMPACTS CONTINUES TO GROW. As our diverse portfolio of projects spans the globe and requires us to work in remote and sensitive environments—arctic locations, deep water, and biodiverse onshore locations—we are committed to operating in a way that protects the environment.

## Managing our environmental performance

Environmental management processes are guided by our *Protect Tomorrow. Today.* initiative, which outlines our expectations for each business to deliver superior environmental performance, drive environmental incidents with real impact to zero, and achieve industry-leading performance in focus areas of importance to each business. Progress toward these goals is managed through *Environmental Business Planning*, which integrates environmental improvement efforts with other business plans. Our continued efforts to identify areas for environmental improvement have reduced impacts to the environment, improved safety, and decreased operating costs.

## A sustainable approach to environmental protection

Understanding the full life cycle of our operations is important to operating in an environmentally sustainable manner and involves four key steps.



## ■ Assessing our surroundings

Our approach to environmental protection begins with a thorough understanding of our surroundings and operating environment.

Access to sound data on environmental aspects and biodiversity is an important input to the assessment process. ExxonMobil works with the United Nations World Conservation Monitoring Centre (WCMC) on the Proteus Partnership, a project designed to provide ready access to comprehensive, high-quality information and data on worldwide environmental conservation activities and biodiversity. We conduct Environmental, Socioeconomic, and Health Impact Assessments (ESHIAs) and integrate the results into project evaluation, planning, and decision-making. Early identification of potential impacts is essential for developing project alternatives and appropriate impact avoidance and mitigation actions. These early decisions help to reduce a project's environmental footprint by addressing energy needs, water use, land use, air emissions, impacts on sensitive environments, effects on local communities, and biodiversity protection.

**Protecting biodiversity.** Our sites incorporate biodiversity protection in their efforts to limit impacts in sensitive areas. We identify biodiversity protection objectives and actions for each location through our *Environmental Business Planning* efforts. Our mitigation actions include participating in initiatives to enhance the wildlife and habitat attributes of our properties as well as modifying engineering design, construction, and operating practices to protect particular species and sensitive habitats.

ExxonMobil is actively involved in a worldwide, multiyear industry research effort on the effects of exploration and production sound on marine life. Launched in 2004, under the auspices of the International Association of Oil and Gas Producers, the goal of the program is to enhance scientific knowledge to help assess the potential impacts of sound on marine life, assist in improving industry risk assessment and mitigation, and improve the scientific knowledge base used to develop regulations and mitigation strategies. To date, this program has improved research by characterizing industry sound sources; developing PAMGUARD, a marine mammal identification software; and improving satellite tags for animal tracking.

## ■ 2 Designing our facilities and operations

We comply with all applicable host-country regulatory requirements and, where there are none, we perform to standards that are protective of the environment. In 2010, we plan to expand the application of project *Environmental Standards* to address environmental focus areas of importance to each business. These *Standards* will be developed and integrated over a three-year period into existing management systems such as *Operations Integrity Management System* (OIMS, see page 15) and the *ExxonMobil Capital Projects Management System* (EMCAPS), providing a framework to guide project development and execution.

The ExxonMobil Development Company's *Environmental Standards* set the basis for responsible environmental performance in regions of the world that do not have comprehensive environmental protection requirements. *Standards* include control of NOx emissions, flare and vent reduction, energy efficiency, drill cuttings discharge, water, waste, land use, and socioeconomic management. *Standards* for air emissions (sulfur oxides, VOCs, and particulate matter) were developed in 2009, and a marine geophysical operations standard will be developed in 2010. Upstream companies are expected to adopt both new *Standards* in 2010.

**Reducing our physical footprint.** ExxonMobil seeks to reduce the footprint of our operations through project design assessments, enhancements to ongoing operations, and advances in technology. For example, at Imperial Oil's Cold Lake Nabiye expansion in Alberta, Canada, advances in drilling and recovery technology allowed our engineers to redesign the project to require only nine initial well pads rather than 23, reducing the surface footprint of the initial phase of pad development by 40 percent. As a result, potential effects on wetlands and wildlife habitat were also reduced.

Through the use of enhanced technologies such as directional drilling and Multi-Zone Stimulation technology in developing tight gas resources, we can now drill up to nine wells from a single location, reducing our footprint and impact on surface acreage and wildlife habitat. Wells completed with this technology in the Piceance Basin in the United States produce significantly more gas than conventionally fractured wells, and at less cost. For more information about hydraulic fracturing and natural gas, see pages 27, 28, and 33.

## ■ 3 Operating with integrity

OIMS is the cornerstone of our approach to communicating expectations, measuring progress, and striving to continuously improve environmental performance.

**Spill prevention.** In 2009, there were approximately 27,000 marine vessel voyages, and there was only one leak of trace amounts of oil from a long-term leased vessel. There were no spills from ExxonMobil marine affiliate owned and operated vessels or barges. We attribute this performance in part to our rigorous screening process for all marine vessels, which examines hundreds of technical,

operational, and other noncommercial factors. Only those vessels that meet the highest criteria are considered for hire to ensure high levels of overall safety and quality.

In 2009, the total volume of hydrocarbons spilled from nonmarine sources was about 18 thousand barrels, most of which was recovered at the site of the spill. This represents a decrease of 13 percent from 2008. The number of nonmarine spills greater than 1 barrel in 2009 was 35 percent lower than in 2005, making it our second-best performance, but increased by 14 percent from 2008. We did not meet our expectation for continued improvement of our spill performance in 2009. As a result, we have increased emphasis on equipment reliability, individual accountability in daily activities to reduce human error, training to address high spill risk areas, and increased infrastructure inspections.

**Air emissions from operations.** In 2009, our combined emissions of volatile organic compounds (VOCs), sulfur dioxide (SO<sub>2</sub>), and nitrogen oxides (NOx) decreased by 14 percent from 2008 and 36 percent from 2005 levels. By year-end 2009, our U.S. refining facilities achieved a more than 65-percent reduction of combined NOx and SO<sub>2</sub> emissions compared to 2005. This keeps us on track to meet our commitment to achieve a 70-percent reduction compared to 2000 baseline levels by 2012. Since 2005, our global chemical operations have been averaging

a reduction of 7 percent per year for VOCs and 5 percent per year for NOx per unit of production. Greenhouse gas emissions are discussed in the Managing Climate Change Risks section of this report.

**Freshwater management.** In the communities where we operate, we evaluate how our activities may impact freshwater availability and demand. We use a wide range of approaches to reduce freshwater use and preserve water quality such as on-site recycling and water reuse, purchase of treated wastewater for use as process water, and enhancements in processes to decrease water needs (see water case study on page 28). In 2009, the net consumption of fresh water at our operations was 2150 million barrels, representing a 3-percent reduction from 2008. Since 2005, we have recycled over 50 percent of fresh water used, which aids in effectively managing our consumption.

**Waste management.** ExxonMobil uses a tiered approach to reduce both hazardous and nonhazardous waste. We first work to reduce waste at its source, then we recycle or reuse materials where possible. Any remaining waste is either treated to render it nonhazardous or disposed of in compliance with local regulations.

Since 2005, we successfully reused or recycled on average about 37 percent of the hazardous waste generated from our operations. The amount of hazardous waste disposed in 2009 from our ongoing operations totaled 816,000 metric tons, an increase of around 430,000 metric tons from 2008. The majority of this volume—about 696,000 metric tons—was produced water, which is typically not considered hazardous, but which has been classified as hazardous waste by one local authority. The produced water at this operation is disposed of by reinjection in properly designed disposal wells in an environmentally responsible manner, compliant with local regulations and consistent with global industry practices. Excluding this produced water, our operational hazardous waste was 120,000 metric tons, a 10-percent reduction from 2008.

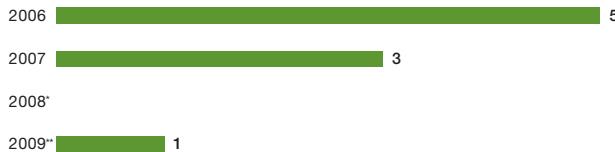
The above-listed hazardous waste amounts do not include quantities generated during site remediation activities. In general, the volumes of remediation waste vary from year to year due to the nature and timing of remediation and reclamation projects. In 2009, we experienced an increase in remediation waste associated with closure activities

#### MARINE VESSEL SPILLS (OWNED/OPERATED AND LONG-TERM LEASED)

Number of hydrocarbon spills less than 1 barrel

\*0 spills

\*\*This spill was from a long-term leased vessel.



#### OTHER SPILLS (NOT FROM MARINE VESSELS)

Number of oil, chemical, and drilling fluid spills greater than 1 barrel

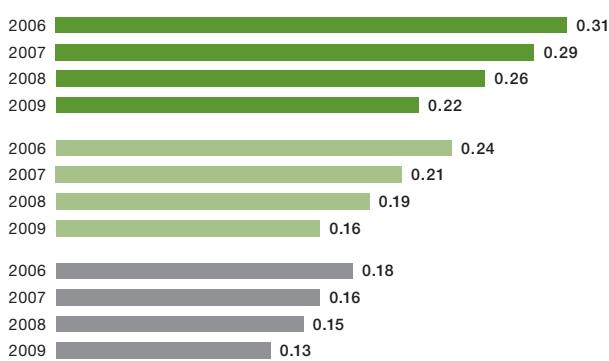
■ Spills to water ■ Spills to soil



#### AIR EMISSIONS (VOCs, SO<sub>2</sub>, AND NOx)

(millions of metric tons)

■ VOCs ■ SO<sub>2</sub> ■ NOx



In 2009, the Fife ethylene plant in Scotland received two environmental certifications from the Wildlife Habitat Council: the *Corporate Lands for Learning* certification for successful site-based environmental education programs and the *Wildlife at Work* certification for employee involvement.

“Business both impacts and relies on the availability and health of our natural resources. In recognizing this connection and protecting wildlife habitat and biodiversity in and around their operations, ExxonMobil sets a standard for responsible corporate stewardship.”

Robert Johnson, President, Wildlife Habitat Council

for a third-party fertilizer manufacturing site. Through these projects, ExxonMobil is working to enhance property and community value while creating opportunities for beneficial reuse of inactive properties.

**Regulatory compliance and expenditures.** Our worldwide environmental expenditures in 2009 totaled about \$5.1 billion. This includes about \$2.5 billion in capital expenditure and about \$2.6 billion in operating expense. Fines and settlements paid in 2009 account for less than one-tenth of 1 percent of total environmental expenditures.

## 4 Restoring the environment

Remediation and restoration activities are a critical step in reducing our overall environmental impact and are a commitment of our environment policy. We have improved company-wide remediation results through the execution of a disciplined, globally consistent approach to manage a portfolio of projects.

**Site remediation.** Collectively, our employees, contractors, and sub-contractors worked 8 million hours on remediation projects in 2009. For example, at the Golden Pass liquefied natural gas terminal in Texas, we are rehabilitating 99 hectares of eroded coastal marshland into high-value wetlands in the J.D. Murphree Wildlife Management Area to meet mitigation requirements under the Clean Water Act. Starting in 2007, we used sediment to fill eroded open water areas to serve as a platform for renewed plant growth, support a diverse wetlands ecosystem, and enhance a popular recreation area for the local community. To further supplement natural revegetation and satisfy the three-year, 80-percent revegetation requirement, we planted nearly 200,000 sprigs of marsh grass in 2009.

**Natural land management.** Through our natural land management strategy and proactive stakeholder engagement, we work to create opportunities for beneficial reuse of inactive properties. For example, on Long Island, New York, ExxonMobil Environmental Services (EMES) is evaluating restoration options of two former petroleum bulk storage terminal sites on ecologically valuable land. EMES is considering the environmental attributes of the sites and the interests of external stakeholders in the preservation of open spaces and natural resources such as wetlands.

### ► ON THE WEB

*Environmental Business Planning*  
[exxonmobil.com/ebp](http://exxonmobil.com/ebp)

Conserving biodiversity  
[exxonmobil.com/biodiversity](http://exxonmobil.com/biodiversity)

Safety, health, and environment awards  
[exxonmobil.com/awards](http://exxonmobil.com/awards)

### ► UP CLOSE

#### Hydraulic fracturing

Hydraulic fracturing is the use of water pressure to create small cracks or fissures in rocks deep underground so the oil or natural gas can flow to the well. The industry has over 60 years of experience with the technique; still, the use of hydraulic fracturing in the growing development of unconventional gas resources has prompted public interest.

Much of the oil and gas in the United States cannot be produced without hydraulic fracturing. The combination of hydraulic fracturing with horizontal drilling, Multi-Zone Stimulation, and other technologies has enabled the recovery of unconventional gas trapped in low permeability rock such as shale, tight sandstones, and coal beds. Together, these technologies have increased total natural gas resource estimates in the United States by 35 percent in the last two years. At current rates of use, estimated resources amount to about a century of domestic natural gas supply.

**Groundwater protection.** The oil and gas resources exist in reservoirs that are separated from groundwater by layers of impermeable rock. State, federal, and independent analyses have found that the hydraulic fracturing process poses no risk to groundwater supplies. Additionally, steel pipe, known as surface casing, is cemented into place for the explicit purpose of protecting groundwater.

**Transparency.** For projects using hydraulic fracturing, transparency around the composition of injected fluids is important to address local concerns. Hydraulic fracturing fluid is typically 98 to 99.5 percent water and sand, with the balance consisting of additional ingredients that make the process more effective by reducing friction and preventing pipe corrosion and bacteria growth. We support the disclosure of ingredients used, including disclosure on a site-specific basis, and we are working with industry associations on a comprehensive policy. Material Safety Data Sheets, which list the major components in the fluid, are already available on-site for government officials, employees, and emergency response workers.

**Water use and disposal.** Local geology, geography, hydrology, and other factors shape water requirements for hydraulic fracturing as well as the most effective method for wastewater treatment, reuse, or disposal. Hydraulic fracturing does require a significant amount of water, and a large proportion of the water used is returned to the surface and must be managed. We are committed to recycling water where possible (see page 28). Hydraulic fracturing uses about one-tenth of the water used by coal per unit of energy produced. Some estimates state that ethanol production can use 1000 times more water than hydraulic fracturing per unit of energy produced. States regulate water use and disposal under the Clean Water Act, the Safe Drinking Water Act, and other statutes. There is nothing unique to the development of unconventional gas that creates different water management issues than the industry has already been working with states for years to address.

ExxonMobil has a long history with hydraulic fracturing both domestically and globally, and our own experience demonstrates that these operations can be conducted safely. We are committed to working with communities and landowners to address environmental concerns while providing jobs and income associated with the safe and efficient production of cleaner-burning natural gas (see page 33).

## Case Study

# Water: A global issue requiring local solutions

Water is an essential, life-sustaining resource. Sustainable and reliable availability of fresh water is critical to society and our industry.



At ExxonMobil, we are committed to helping develop human, social, and economic capacity in a way that benefits communities and our business over the long term. We recognize our responsibility to surrounding communities and the environment to manage our freshwater use in a sustainable manner, and to respect human rights.

Energy and water are intimately connected, as it takes water to produce energy and energy to extract, treat, and transport water. The industry's freshwater demand is likely to increase as many of the low-carbon and renewable energy sources being considered as alternatives to traditional fuels are more water-intensive. A reliable supply of water is essential for the development of all sources of energy, both traditional and renewable.

Ensuring sufficient freshwater quantity and quality involves understanding supply and demand trends, assessing potential impacts on quality, and implementing steps to address trends and impacts. While water is a global issue, each situation requires an assessment of local supply, demand, and quality in order to determine appropriate and sustainable water uses. Our challenge is to apply technology and operational practices to enhance water use efficiency and protect water quality while delivering energy.

## Effective water resource management

ExxonMobil takes seriously our responsibility to manage freshwater consumption in our operations. Our environment policy outlines our commitment to operating in a way that protects the environment and takes into account the economic and social needs of the communities where we operate, including effective management of fresh water. We apply a systematic approach to managing our freshwater consumption by assessing the availability and demands on water resources (using inputs such as the water scarcity map on page 29); seeking opportunities to reduce, reuse, and recycle fresh water; and treating any discharged water to acceptable levels.

For example, ExxonMobil Development Company's *Environmental Standard for Water Management* requires projects in regions with limited fresh water to conduct an assessment of available resources and to identify mitigation options to reduce freshwater consumption. Options may include substituting lower-water-use technologies, reusing fresh water multiple times, reducing water losses, and using

alternative sources such as produced water—the naturally occurring salt water that is brought to the earth's surface with oil or natural gas. Our operations integrate water improvement targets in their respective *Environmental Business Planning* efforts.

In 2009, we established the Freshwater Issue Management Team to better understand the water-related risks and opportunities facing the company. The team assesses the potential impacts of emerging public water policies on our business and identifies available technologies and technology development opportunities to improve water management.

## Sustaining freshwater availability by reducing consumption

**Natural gas development in Colorado.** Our natural gas project in the Piceance Basin in Colorado is being managed to increase natural gas production while reducing its environmental impact. One key challenge in producing natural gas from the Piceance Basin is the low permeability of the rock containing the gas. To enable the gas to flow, sand and high-pressure water must be forced through wells into the rock to create a network of fractures.

While fresh water was typically used for this purpose, we strive to make productive use of the nearly 14 million barrels a year of recovered water. This water is recycled and used for well completions stimulation and for drilling the deeper sections of Piceance wells. We expect to reduce our freshwater usage by about 35 percent in 2010 and 75 percent over the next few years compared to 2009 levels. This allows development areas of Piceance to use as little as one cup of fresh water for each 1000 cubic feet of gas produced. Fresh water will continue to be used for drilling shallow sections of the well to avoid contamination of surface water and soils.

**Oil sands development in Alberta.** A secure water supply is crucial for Imperial Oil's Cold Lake *in situ* oil sands operation and the Kearl oil sands mining project, both situated in Alberta, Canada. In Alberta, about 5 percent of licensed water is allocated for use by the oil sands industry. Currently, only one-third of this allocation is used. The growth of the oil sands industry is located in Northern Alberta, where about 85 percent of the province's water supply is located. Alberta Environment regulates freshwater use and has established a target to increase water use efficiency by 30 percent in all sectors by 2015.

Our *in situ* operation uses 9000 to 11,000 cubic meters of fresh water per day from Cold Lake. Water treatment, recycling, and the use of produced water as an alternative allowed Imperial to reduce freshwater use by about 88 percent, equivalent to 0.5 cubic meters of water per cubic meter of oil, compared to 4 cubic meters of water per cubic meter of oil in the 1970s.

Imperial plans to implement additional projects over the next several years at Cold Lake, which, if successful, will reduce freshwater consumption by 30 percent and result in a step change improvement in freshwater use efficiency. For more information about oil sands, see page 33.

**Refining and chemical operations in Singapore.** Because fresh water is a very limited resource in Singapore, the government has adopted steps to meet increasing demand, including desalination, recycling wastewater, and collecting storm water.

Working in such an environment reinforces the importance of responsible water use in our operations. A significant amount of nonpotable industrial water and treated or recycled wastewater is used at our integrated manufacturing site in Singapore. In 2009, approximately 16 million cubic meters, or 87 percent of the Singapore manufacturing site's water consumption, were supplied from either low-grade industrial water or treated wastewater. Our second petrochemical project currently being built in Singapore will, when completed, employ a variety of water-saving technologies, including wastewater treatment, sea water for certain cooling systems, and air coolers.

Through responsible and efficient water use, we have not only helped to reduce the pressure on local water resources, but also reduced annual operating costs. Two of the water saving projects in Singapore resulted in combined savings of approximately \$1.7 million.

**Lube oil blending in Colombia.** Our Cartagena plant staff reduced freshwater consumption by well over 50 percent since 2007. The employee-led program entitled *Cuidemos el Agua* (Let's Preserve our Water) consists of general education on conservation techniques, reuse of separator water for landscaping, and installation of automatic shutoffs on faucets. These efforts have reduced water use by nearly 8000 cubic meters per year.

## Improving local freshwater supply

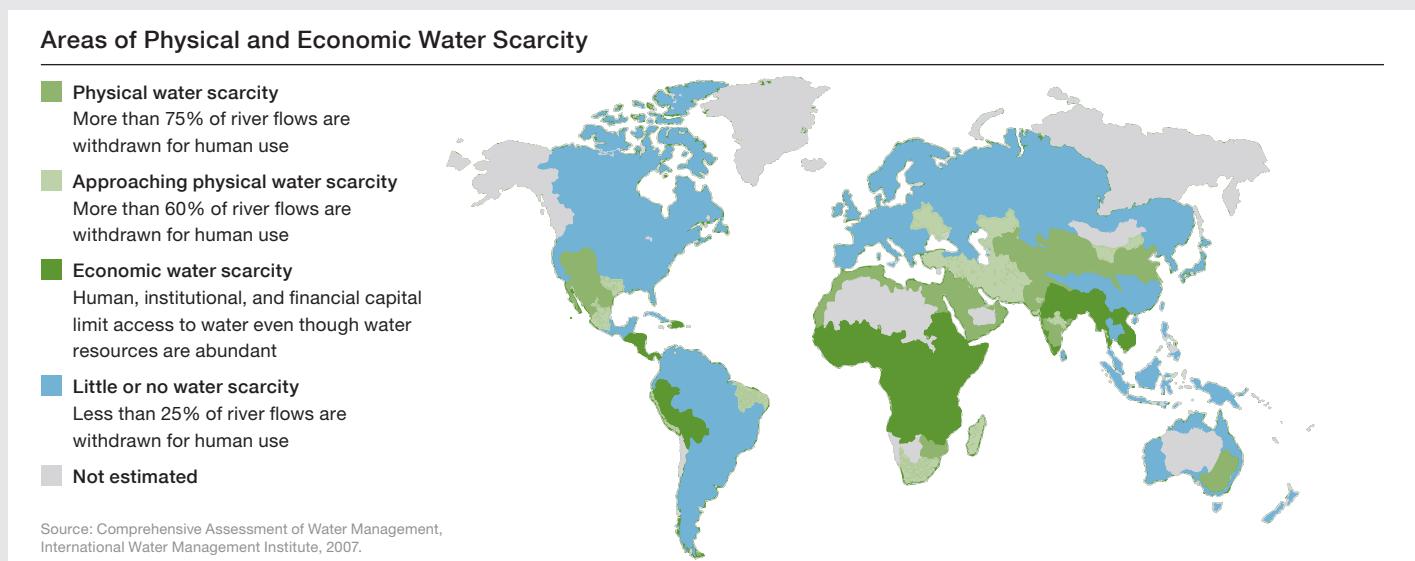
Safe water supplies and sanitation are essential for the health and social stability of a community. According to the World Health Organization, almost one-fifth of the world's population lives in water-scarce areas and one-quarter lives in countries that face water shortages due to a lack of infrastructure. The United Nations *Millennium Development Goals*

seek to halve the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015. Water scarcity forces people to store water in unsanitary conditions or to utilize unsafe sources, increasing their risk of disease and providing breeding habitats for disease-carrying mosquitoes. The health impacts associated with inadequate water supplies undermine productivity and economic growth, particularly in developing countries.

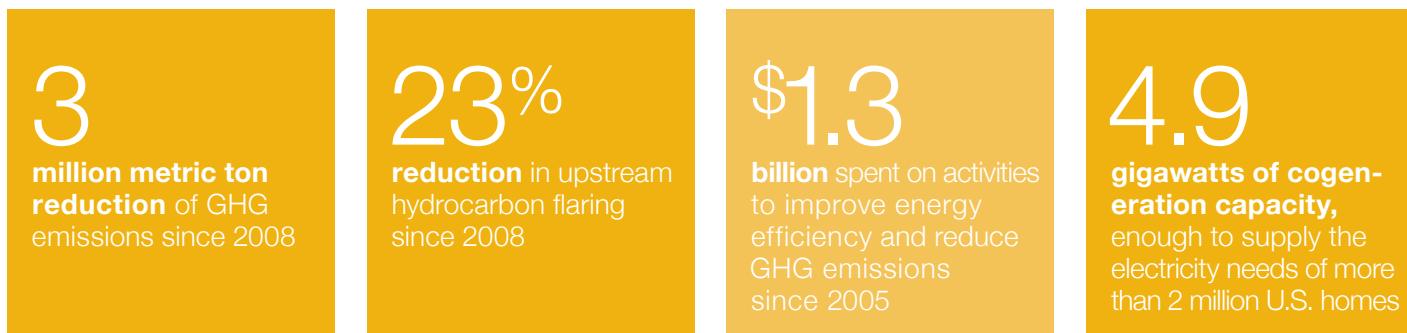
**Improving freshwater supply and sanitation in Indonesia.** The lack of clean water is a serious risk for both public health and general prosperity in many areas of Indonesia. In an effort to eliminate the problems associated with lack of water and foster a positive relationship with local communities, we created a water and sanitation program to broaden access to clean water for Mobil Cepu Limited's surrounding communities. The project incorporates community involvement through well drilling programs and water and sanitation committees. Community participation is a critical aspect in planning, designing, constructing, monitoring, and maintaining the water and sanitation distribution system (see photo page 28). Eleven water and sanitation committees were developed and organized by villagers to build capacity and the technical knowledge to drill and construct their own water wells.

Prior to the initiation of the project in 2008, residents had to travel by foot or bicycle over 3 kilometers to access clean water. Now, over 3000 households from 11 villages have access to clean water 24 hours a day. In addition, education about water and hygiene has greatly reduced the incidence of digestive diseases and increased a responsible attitude toward water management.

**Providing potable water in the Philippines.** Mapun Island in the Philippines is the closest community to ExxonMobil's drilling and exploration operations in the South Sulu Sea. In May 2009, ExxonMobil and the Alternative Center for Organizational Reforms and Development (ACORD) conducted a community needs assessment of Mapun Island. About 130 representatives from five barangays (wards) participated to identify priority community needs on the island. The most critical need was access to potable water. Water access concerns include extended periods without rain (up to six months) and a water storage and distribution system in need of upgrading. Our community project will rebuild the pumping station that takes water from Singuwang Lake, build a new water distribution network, and install a generator. When completed in June 2010, the project will supply potable water to 13,000 residents, about half of the island's total population. ACORD is preparing the island's residents to take ownership of the water distribution system, together with the local government, to ensure the project continues to serve the community in the years ahead.



## Highlights



# Managing Climate Change Risks

## Priority Issues



## Reducing GHG emissions

Focus on flare reduction, cogeneration, and efficiency in our own operations and technology for reducing energy use by consumers



## Developing technologies

Research and develop technologies with transformative potential for the economy and the environment



## Engaging policymakers

Help shape energy policies that support long-range thinking and long-term investment and allow for an integrated set of solutions

## Performance Overview

## What we said in 2008

- Improve energy efficiency by at least 10 percent between 2002 and 2012 across our worldwide refining and chemical operations
- Reduce upstream hydrocarbon flaring volumes by more than 20 percent over the next several years from 2008 levels
- Advance low-carbon energy alternatives through sponsored and in-house research and development
- Monitor developments and engage with governments on climate change policy

## What we did in 2009

- Improved energy efficiency by about 1 percent across our refining and chemical operations, keeping us on track to meet our 2012 goal
- Achieved our upstream hydrocarbon flaring target with a 23-percent reduction from 2008
- Launched research alliance to explore algae as a commercially viable source of transportation fuel
- Established Global GHG Manager position to help our businesses identify and address GHG challenges and opportunities
- Maintained active involvement with governments around the world through integrated climate policy issue teams

## What we plan to do

- Improve energy efficiency by at least 10 percent between 2002 and 2012 across our worldwide refining and chemical operations
- Continue efforts to reduce upstream hydrocarbon flaring
- Advance technology solutions for reducing GHG emissions
- Engage with governments globally on developments in climate change policy

SOCIETY CURRENTLY FACES, AND WILL CONTINUE TO FACE, TWO MAJOR GLOBAL ENERGY-RELATED CHALLENGES. The first is to maintain and expand energy supplies to meet growing global demand. The second challenge is to address the societal and ecological risks posed by rising greenhouse gas (GHG) emissions.

Managing GHG emissions and meeting growing energy demand requires action by individuals, companies, and governments. This will require an integrated set of solutions, and for ExxonMobil, this includes increasing efficiency, advancing lower-carbon energy technologies, and supporting effective national and international policies. Our efforts aim not only to reduce emissions from our operations, but also to reduce emissions by end users of energy.

## Mitigating operational greenhouse gas emissions

At ExxonMobil, our strategy to reduce GHG emissions is focused on increasing energy efficiency in the short term; implementing current proven emission-reducing technologies in the near and medium term; and developing breakthrough, game-changing technologies for the long term (see case study on page 35). In our own operations, we focus on flare reduction, cogeneration of power and steam, and improving energy efficiency as the key levers to reduce GHG emissions. Since 2005, we have invested \$1.3 billion in activities that improve energy efficiency and reduce GHG emissions. In addition, we have invested over \$5 billion in gas utilization and commercialization projects to reduce routine natural gas flaring.

In 2009, our direct GHG emissions<sup>1</sup> from our equity operations were 128 million metric tons.<sup>2</sup> This is a reduction of about 3 million metric tons or over 2 percent from 2008, and equivalent to removing about 600,000 cars from U.S. roads. Approximately 2 million metric tons

of this change were due to reduction actions taken in 2009, including a 23-percent reduction in upstream flaring and energy efficiency improvements in refining and chemical. The remainder was due to normal variations in our operations and improved GHG emissions measurement at some of our facilities.

Our indirect GHG emissions from purchased electricity and steam from our equity operations were estimated to be 15 million metric tons. After subtracting the equity GHG emissions from production of electricity and steam exported from our operations (included in our direct emissions), our net indirect equity GHG emissions were estimated to be -4 million metric tons.<sup>2</sup>

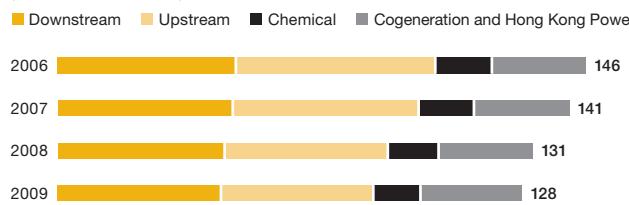
**Flaring.** Gas flaring in our upstream operations is the process of burning surplus associated gas—a blend of hydrocarbon gases brought to the surface during crude oil extraction—either as a safety measure or as a means of disposal. Commercial alternatives for associated gas require a business environment with the right conditions, including available markets, infrastructure investments, fiscal terms, and appropriate regulations—currently not available in many countries. Gas is flared only when all options to utilize the associated gas have been exhausted.

In 2009, our upstream flaring averaged 445 million cubic feet per day, a reduction of about 23 percent from 2008 and a 43-percent improvement from 2005. In the last two years, we achieved a 55-percent reduction in flaring in Nigeria due to our continued investments in infrastructure. In Equatorial Guinea, we reduced flaring by 40 percent. One of the key contributors was improved management of the gas-to-oil ratio of our production. Together, these two countries accounted for about 80 percent of our upstream flaring. In addition, in the United States, we are designing flare gas recovery projects at our Beaumont, Billings, and Chalmette refineries to be completed in 2012.

**Investing in technologies.** ExxonMobil has invested in researching new technologies that have transformative potential for the economy and the environment. Our research efforts involve proprietary in-house research and collaborations with other businesses, as well as research partnerships with universities—such as the *Global Climate and Energy Project* at Stanford University, California—and government laboratories.

### GREENHOUSE GAS EMISSIONS (ABSOLUTE)

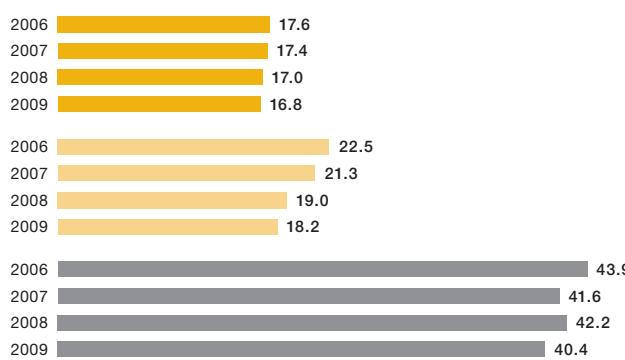
Direct equity, CO<sub>2</sub>-equivalent emissions  
(millions of metric tons)



### GREENHOUSE GAS EMISSIONS (NORMALIZED)

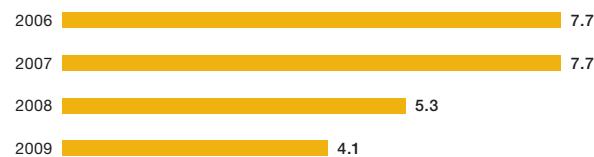
Direct equity, CO<sub>2</sub>-equivalent emissions (excluding cogeneration and Hong Kong Power)  
(metric tons per 100 metric tons of throughput or production)

■ Downstream ■ Upstream ■ Chemical



### HYDROCARBON FLARING FROM UPSTREAM OIL AND GAS PRODUCTION

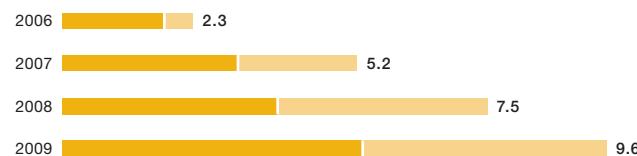
(millions of metric tons)



### GREENHOUSE GAS REDUCTIONS FROM EXXONMOBIL ACTIONS

Direct equity, CO<sub>2</sub>-equivalent emissions  
(millions of metric tons)

■ Energy efficiency and cogeneration ■ Flare reduction



<sup>1</sup> We report our GHG emissions on a direct equity basis for all of our business operations. This captures our percent ownership in an asset. Sites that are jointly owned with partners, but are 100-percent operationally controlled by others, are included in our equity calculation at the appropriate ExxonMobil share of ownership.

<sup>2</sup> Our calculations are based on the guidance provided in the *Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry* (American Petroleum Institute) and the *Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions* (International Petroleum Industry Environmental Conservation Association).

Our research portfolio includes a wide range of promising technologies, such as carbon capture and storage (CCS), hydrogen production, biomass conversion, and algae-based biofuels (see case study on page 35). We continuously monitor the competitive environment for game-changing technology breakthroughs that could impact our long-term forecasts.

**Cogeneration.** Cogeneration is the simultaneous production of electricity to power our operations while capturing useful heat or steam for industrial processes. ExxonMobil has interests in about 4900 megawatts of cogeneration capacity in over 100 individual installations at more than 30 locations around the world. This is enough capacity to supply the electricity needs of more than 2 million U.S. homes.

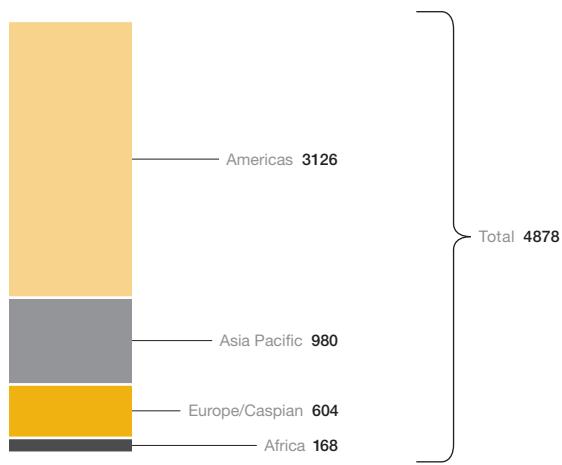
One of our newest high-efficiency cogeneration plants at our Antwerp refinery in Belgium generates 125 megawatts, enough energy to power the refinery as well as meet the needs of most of ExxonMobil's other Belgian manufacturing operations. The new plant will reduce Belgium's carbon dioxide (CO<sub>2</sub>) emissions by approximately 200,000 metric tons per year. We began operation of a new 250-megawatt cogeneration facility in China in 2009 and another similarly sized unit is under construction in Singapore that will increase our cogeneration capacity to more than 5000 megawatts in the next few years.

## Efficiency: A powerful energy source

Energy efficiency is one of the largest and lowest cost ways to extend our world's energy supplies and reduce GHG emissions. Curbing demand reduces the amount of oil, natural gas, coal, and other energy sources that must be developed and delivered. Gains in energy efficiency through 2030 will curb energy-demand growth by about 65 percent.

**Efficiency in ExxonMobil operations.** In 2009, our operations consumed approximately 1.47 billion gigajoules of energy. Energy efficiency technologies and day-to-day operational efficiency activities enabled us to achieve best-ever energy efficiency in our refining and chemical operations. Our Port Dickson refinery in Malaysia was able to achieve a 6-percent improvement in efficiency from 2008 to 2009 by optimizing unit operations through online energy monitoring tools, improving heat exchanger monitoring, and revising heat exchanger cleaning procedures. Additionally, our Baton Rouge chemical plant olefins unit delivered an estimated 3.5 percent energy savings, with a focused project to improve overall energy efficiency of the refinery gas recovery unit.

### COGENERATION CAPACITY BY REGION (megawatts)



Since 2000, we have used our *Global Energy Management System* (GEMS) to systematically identify and address operational efficiency opportunities. We have identified ways to improve energy efficiency at our refineries and chemical plants and reduce costs by 15 to 20 percent. We have captured over 60 percent of these opportunities to date. In 2009, as a result of GEMS, we installed a power generator at our Kawasaki refinery in Japan, improving the refinery's energy efficiency by nearly 2 percent.

We are on track to achieve our goal of improving energy efficiency across our worldwide refining and chemical operations by at least 10 percent between 2002 and 2012. Third-party benchmarking of our energy intensity indicates that ExxonMobil consistently operates more efficiently than the industry average. One of the challenges in achieving energy efficiency at our manufacturing sites is reliability. Optimal energy use can only be achieved if plants are running reliably, as unplanned downtimes cause inefficient use of energy. We manage this through our *Global Reliability System* (GRS), a subset of OIMS.

### ExxonMobil Energy Efficiency and Weatherization Program.

In March 2009, we launched a new partnership with the National Community Action Foundation (NCAF). ExxonMobil's \$5 million grant is the largest-ever private contribution to community organizations that work with the U.S. Department of Energy's *Weatherization Assistance Program*. Through the grant, ExxonMobil and NCAF are advancing the shared goals of protecting the environment, promoting energy efficiency, and expanding career opportunities.

## Expanding energy supply while managing GHG emissions

As noted throughout this report, the core sustainability challenge for the energy industry is how to provide the energy that enables economic development while reducing the environmental footprint associated with energy use. Meeting this challenge will require the use of all economically viable energy sources. Therefore, we are focused on improving the efficient supply of current energy sources, such as oil and natural gas, while developing potential new sources of energy, such as algae.



Start-up of one of our newest cogeneration facilities in Antwerp, Belgium, with 125 megawatts of capacity, is a significant step toward using energy more efficiently and reducing greenhouse gas emissions.

**The benefits of natural gas.** Global demand for cleaner-burning natural gas is expected to increase by more than 50 percent by 2030, making it the fastest-growing major energy source for power generation. Compared to coal, it has substantially fewer emissions of nitrogen oxides and sulfur oxides and can reduce CO<sub>2</sub> emissions by up to 60 percent.

Concerns over climate change have led to growing interest in the use of natural gas as a means of reducing GHG emissions from electric power generation. In cases where governments adopt policies to place a cost on GHG emissions, natural gas becomes an increasingly attractive alternative for new-build power plants. As the cost of CO<sub>2</sub> emissions increases, fuel switching from coal to natural gas and other less carbon-intensive sources of power becomes more attractive. While new gas or coal power plants with CCS technology present additional options for reducing GHG emissions, for the near term these alternatives will remain challenging and very expensive.

As the leading private equity holder of gas reserves and a leader in liquefied natural gas (LNG) technology, we are well positioned to play a role in meeting rising demand for natural gas. For example, in Qatar, we worked with our partners to build four of the world's largest LNG trains, the first of their kind. The trains will allow natural gas from Qatar's North Field to be super-cooled into liquid form and then transported by specially designed carriers to markets around the world. We also developed with our partner, Qatar Petroleum, new LNG carriers that can transport up to 80 percent more LNG than current conventional-size carriers. Compared to conventional carriers, these vessels reduce energy use per delivered unit of LNG by 40 percent.

**Developing oil sands.** As noted earlier, we recognize there is concern among a range of stakeholders regarding the increased energy intensity and water use associated with developing oil sands—bitumen embedded in sand and clay. The oil sands industry accounts for 5 percent of Canada's GHG emissions and less than 0.1 percent of the world's total emissions. In Canada, our affiliate Imperial Oil Limited selected the most energy-efficient and cost-effective technologies that are commercially available to minimize air emissions, including GHGs associated with the Kearl project. The project's design incorporates a low-energy extraction process and cogeneration for steam and electricity production. Cogeneration will reduce GHG emissions by half a million tons a year, for just the first phase of the project. According to a 2009 Alberta Energy Research Institute study on life cycle GHG emissions, oil from the Kearl project will have about the same life cycle GHG emissions as many conventional crude oils refined in North America.

#### UP CLOSE

#### Reducing GHG emissions through chemicals

The products of modern chemistry are essential for a more sustainable energy future. A recently published, industry-commissioned, and independently validated study concluded that for every unit of CO<sub>2</sub> emitted by the chemical industry over the product life cycle, two units of CO<sub>2</sub> are saved through the use of these products. The net effect is that the world's GHG emissions are 8 to 13 percent lower today than they would be without the use of chemical products.



The Q-Max carriers are longer than three football fields, tower 20 stories tall from keel to masthead, and are equipped with the largest membrane containment tanks ever built. With a total capacity of up to 266,000 cubic meters, each ship carries enough natural gas to meet the energy needs of 70,000 U.S. homes for one year.

### Improving Efficiency in Transportation

As the number of vehicles in the world continues to rise, energy efficiency in the transportation sector will become increasingly important. According to the International Energy Agency, approximately 90 percent of petroleum-related GHG emissions are generated when customers use our products, and the remaining 10 percent are generated by industry operations. To improve the efficiency of the global vehicle fleet, ExxonMobil is working to develop near-term and long-term advances in vehicle, fuel, and lubricant technology, offering significant potential for reductions in GHG emissions.

Advanced plastics make vehicles lighter. For every 10 percent drop in vehicle weight, fuel economy improves by ~7 percent.

New tire-lining technology keeps tires properly inflated. Cars with properly inflated tires may save an extra tank of gas annually.

*Mobil 1 Advanced Fuel Economy* can improve fuel economy by up to 2 percent versus motor oils most commonly used.<sup>1</sup>

Fuel cells with onboard hydrogen generation could be up to 80 percent more fuel-efficient than today's internal combustion engine.

Advanced internal combustion engine and fuel system technologies could achieve significant gains in fuel economy.

Alternative fuels research could make fuels more available and affordable with lower life cycle GHG emissions.



<sup>1</sup> Actual savings are dependent upon vehicle/engine type, outside temperature, driving conditions, and current engine oil viscosity.

The Kearl project will also use advanced technologies developed at Imperial's Cold Lake operation to recycle process water and reduce water demand. During low flow periods, water storage will reduce water withdrawals from the Athabasca River. For more information about water conservation at ExxonMobil, see page 28.

## Impacts of climate change

**Business risks.** Meeting growing energy demand will require navigating a host of risks—technological, political, regulatory, social, environmental, and physical. Since ExxonMobil's operations include activities in a variety of environments, severe weather events can disrupt supplies or interrupt operations. While current scientific understanding of climate change provides limited guidance on how the risks of weather extremes may change in the future, we manage these risks through robust design and operations contingency planning.

Due to concerns over the risks of climate change, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce GHG emissions, including cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. When adopted, related requirements could increase our compliance costs for monitoring or reducing GHG emissions, raise the cost of energy across the economy, and shift energy demand to less carbon-intensive energy sources. International accords and underlying regional and national regulations for GHG reduction are evolving with uncertain timing and outcome, making it difficult to predict their business impact. We test a range of potential costs for energy-related GHG emissions in our long-term

*Outlook for Energy* (see page 4), which is used for assessing the business environment and in our investment evaluations. Through 2030, the *Outlook* anticipates significant growth in global energy demand including oil and natural gas. Natural gas is expected to be the fastest growing major energy source, and ExxonMobil is well-positioned to help meet this demand.

**Public policy debate.** ExxonMobil is engaged in the public discussion to create national and international policies to address climate change risks. Recognizing the long-term nature of these risks, the climate policy debate has shifted from a focus on near-term emissions targets to include targets for longer-term stabilization of GHG concentrations.

The international negotiations to develop a post-2012 framework for international cooperation have highlighted many aspects of the climate policy challenge. Steps to reduce risks will require the broad deployment of currently noncommercial technologies, requiring massive investments globally. Designing equitable policies to limit emissions and to create acceptable frameworks for the massive investments and financial transfers has been, and will continue to be, contentious.

Our scientists, engineers, and management participate in research and assessment activities such as the Intergovernmental Panel on Climate Change (IPCC). We also work with legislative and regulatory processes around the globe to assist in the design of practical, cost-effective ways to implement climate policies.

**Carbon tax.** Throughout the world, policymakers are considering a variety of legislative and regulatory options to address the risks of climate change. ExxonMobil believes that any cost policymakers put on GHG emissions should be uniform across the economy and predictable over time. It is important to allow this cost to drive the development and selection of steps to reduce emissions, rather than having governments select solutions. We believe an economy-wide, revenue-neutral GHG tax is the most transparent, efficient, and cost-effective way to establish such a cost at a national level. This tax, sometimes referred to as a carbon tax, could be tailored to specific national circumstances and could form a transparent basis for equitable international efforts to mitigate emissions. In any national program, the initial tax profile should be periodically adjusted to reflect new scientific knowledge of climate change risks, technological developments, policy experience, and the evolution of international cooperation.

### ► UP CLOSE

#### Carbon capture and storage: One approach for managing GHG emissions

CCS technology presents the opportunity to safely and effectively capture, transport, and store CO<sub>2</sub> in underground geologic formations such as saline reservoirs, depleted oil or gas reservoirs, or deep coal beds. In some upstream operations, where CO<sub>2</sub> is already being separated from natural gas, this CO<sub>2</sub> can be used for enhanced oil recovery operations and stored cost-effectively with current technologies. To achieve meaningful reductions in GHG emissions by separating CO<sub>2</sub> from the exhaust of power plants and industrial facilities, CCS will require additional technological breakthroughs; construction of large-scale, integrated demonstration projects; regulatory and legislative support at all levels; and public acceptance.

Through projects in Australia, Norway, the United States, and other areas of the world, ExxonMobil engineers and scientists are developing and validating leading-edge technologies that could help expand opportunities for the use of CCS over time. Our LaBarge Shute Creek facility in Wyoming has been capturing, transporting, and selling CO<sub>2</sub> since 1987. We are currently expanding this capability by nearly 50 percent and significantly reducing overall emissions.

We have committed more than \$100 million to develop and test an improved natural gas treating technology for CO<sub>2</sub> removal called CFZ™. The technology is undergoing commercial-scale qualification in a new demonstration plant at our LaBarge facility. The CFZ™ technology more efficiently separates CO<sub>2</sub> and other impurities from natural gas, and discharges the CO<sub>2</sub> as a high-pressure liquid, ready for injection into underground storage.

### ► ON THE WEB

Climate and emissions

[exxonmobil.com/climate](http://exxonmobil.com/climate)

Carbon Disclosure Project response

[exxonmobil.com/cdp](http://exxonmobil.com/cdp)

Research contributions

[exxonmobil.com/climateresearch](http://exxonmobil.com/climateresearch)

Our actions to reduce GHG emissions

[exxonmobil.com/emissions](http://exxonmobil.com/emissions)

Global Climate and Energy Project

[gcep.stanford.edu](http://gcep.stanford.edu)

Oil sands

[imperialoil.com/oilsands](http://imperialoil.com/oilsands)

Climate change risks

[exxonmobil.com/10k](http://exxonmobil.com/10k) (see page 4)

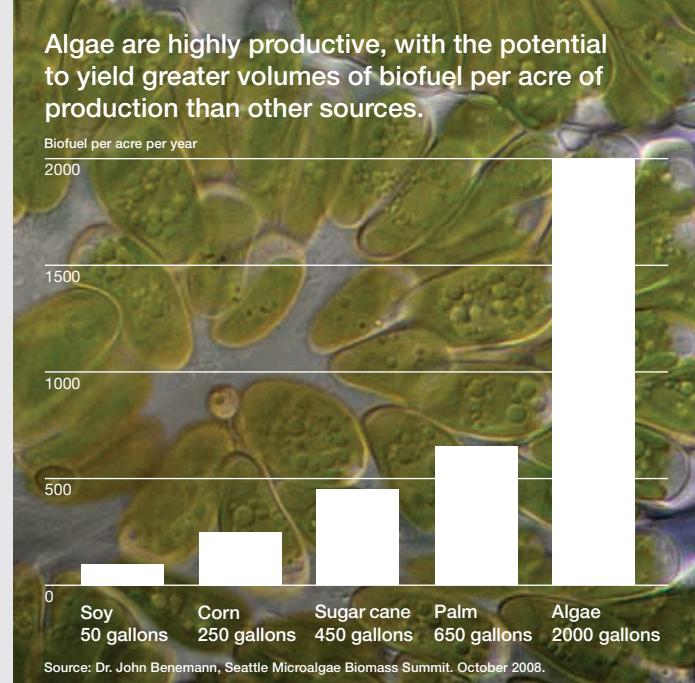
Algae biofuels

[exxonmobil.com/algae](http://exxonmobil.com/algae)

## Case Study

# Algae: Next-generation fuels

Meeting the world's long-term energy needs while also protecting the environment will require developing alternative and next-generation fuels. Algae-based biofuels may provide an attractive option, which could be used within the current supply system and with the existing vehicle fleet.



## Harnessing the power of algae

Certain algae produce oils with molecular structures similar to today's petroleum products. Thus, it could be possible to convert these oils into gasoline and diesel in existing refineries, transport it through existing pipelines, and sell it to consumers from existing service stations for use in their vehicles. One thing scientists do not know is whether algae fuel can be generated in affordable, large-scale quantities to help meet the world's growing energy demand.

**Investing in research on algae biofuels.** ExxonMobil Research and Engineering Company teamed up with Synthetic Genomics, Inc., a California-based biotech firm led by genomics pioneer J. Craig Venter and Nobel Prize-winning scientist Hamilton Smith, to explore photosynthetic algae as a commercially viable option for transportation fuels. This research and development program is a long-term effort, and if milestones are successfully met, we expect to invest over \$600 million in the next 10 years. Overcoming the technical challenges to develop and broadly deploy algae-based biofuels is likely to require future investments of billions of dollars.

**Environmental benefits of algae biofuels.** Through the natural process of photosynthesis, algae consume CO<sub>2</sub> and convert it to useful products like oils and oxygen. Since algae would need a significant amount of CO<sub>2</sub> for commercial production, an algae-based fuel production site could act as a carbon capture and conversion project.

While today's biofuels made from plants like corn and sugar cane are an expanding energy source, they can impact global food supplies by requiring fertile land and fresh water. Algae can be grown using land unsuitable for food production and can thrive in treated wastewater and brackish or salt water. Unlike other crops, algae can be grown year-round in special manmade ponds or enclosed photobioreactors exposed to abundant sunlight.

**Unraveling the biological mysteries of algae.** The algae biofuels research and development program will involve multiple phases, each having its own unique set of challenges. Different types of algae produce oil with different molecular structures. The program will investigate thousands of different algae strains, looking for new properties that help overcome the biological challenges to making affordable, large-scale quantities of biofuels.

The biological challenge is to identify and develop an algae strain that is productive and robust when converting CO<sub>2</sub> into oil with the desired molecular structures. Current algae technologies that yield oil are not yet economical and must be optimized to maximize their oil production. Challenges include determining what the best production systems are for growing the algae and how to develop the large integrated systems required for full-scale economic production.

**"We're delighted to have ExxonMobil as our partner to try and scale up this technology to make it economically viable. The challenges are not minor for any of us, but we have the combined teams and the scientific and engineering talents to give this the best chance of success."**

**J. Craig Venter, Founder and CEO, Synthetic Genomics, Inc.**

**Turning algae into "single-cell oil wells."** Harnessing the power of algae to generate large-scale quantities of fuel is not going to be easy. The solution will require combined innovations in biology, process chemistry, and engineering. Through our joint effort with Synthetic Genomics, Inc., ExxonMobil is committed to researching algae-based fuels to help meet the world's growing energy demand while reducing GHG emissions.

## Highlights

**~63%**

**of our employees**  
are located outside  
the United States

**52+**

**thousand participants**  
received corporate  
and technical training

**\$860+**

**million** spent with  
U.S.-based minority-  
and women-owned  
businesses

**\$235**

**million** in combined  
corporate giving in the  
form of cash, goods,  
and services worldwide

# Economic Development

## Priority Issues



### Promoting national content development

Fund programs that promote economic growth and reduce barriers to development



### Training and development

Train our employees to develop necessary leadership capabilities and perform effectively in a variety of workplaces



### Investing in education

Improve educational programs worldwide to enhance mathematics and science skills and support development and economic growth

## Performance Overview

### What we said in 2008

- ▶ Begin work to better understand our social impacts and contribution to the United Nations *Millennium Development Goals*
- ▶ Speak at the 2009 *Extractive Industries Transparency Initiative* (EITI) Global Conference
- ▶ Work with the International Center for Research on Women (ICRW) to further refine the focus of our *Women's Economic Opportunity Initiative* and evaluate the impact of our women's economic development projects

### What we did in 2009

- ▶ ExxonMobil Production Company president spoke at the 2009 EITI Global Conference
- ▶ Established clear objectives, focus areas, and an evaluation framework for our women's economic development signature program and renamed it the *Women's Economic Opportunity Initiative*
- ▶ Launched a program with Ashoka's Changemakers and ICRW to advance women's economic opportunities through technology
- ▶ Held the first *Sally Ride Science Academy* for 100 teachers

### What we plan to do

- ▶ Spend \$1 billion a year with U.S. minority- and women-owned businesses by year-end 2012
- ▶ Work with the governments of Cameroon, Equatorial Guinea, Kazakhstan, and Nigeria to advance their EITI validation efforts before the March 2010 deadline
- ▶ Study the benefits of our operations-related and social investments to host communities
- ▶ Continue to expand the *ExxonMobil Malaria Initiative* to relevant tropical countries outside of Africa

WE SEEK TO CONTRIBUTE TO ECONOMIC DEVELOPMENT IN THE COUNTRIES WHERE WE OPERATE. Rather than focusing on short-term benefits, we pursue long-term projects with strategic goals. Yet, achieving sustainable impact is no small challenge, especially when faced with competing local priorities, inflated expectations of the pace of progress, and shifting political agendas. In our effort to overcome the many barriers to economic growth, we utilize a variety of support and incentive programs to help strengthen local economies such as skills development, job creation, and opportunities for investment.

## National content development

Oil and gas operations can contribute to the economic growth of a local area, region, or nation. ExxonMobil's multilayered approach to capacity building focuses on creating local jobs; educating and training national employees, contractors, and suppliers; transferring knowledge and skills; purchasing local goods and services; and making strategic community investments. Collectively, we refer to this approach as national content development.

We created *National Content Development—Guidelines, Strategies, and Best Practices*, which allows us to develop location-specific plans as a function of existing infrastructure, industrial base, local supplier capabilities, and government laws and regulations.

**Local hiring.** The employment of nationals is a key component of our national content development strategy. With about 63 percent of our employees located outside the United States, local hiring ensures that our workforce remains culturally diverse and representative of the countries in which we operate (for our employment policies and practices and diversity data, see pages 22 and 23). In addition, many of our contractor and supplier agreements include national employee hiring and training plans. Meeting local hiring objectives may pose significant challenges due to an insufficient pool of experienced candidates and limitations of in-country training infrastructure. In such cases, we implement training and development programs to increase technical skills.

ExxonMobil expatriates (individuals working in a country other than their country of permanent residence) are deployed around the globe to share their expertise as well as train and mentor nationals for operational and leadership roles. In 2009, expatriates accounted for approximately 5 percent of our total workforce. This approach helps us accelerate the development of our local nationals, ensures the introduction of global best practices, and facilitates understanding of local culture. Ultimately, we believe our hiring practices benefit not only ExxonMobil, but also the economic, educational, and professional development in countries where we operate.

We have made significant strides in hiring host country nationals. For example, in Indonesia, nationals make up 99 percent of the employees working on the Aceh production operations and about 85 percent of ExxonMobil Oil Indonesia Inc., Mobil Cepu Limited, and other new exploration affiliate employees. For our Sakhalin-1 project in Russia, more than 500 nationals are employed directly by Exxon Neftegas Limited (ENL), representing about 75 percent of the company's workforce. In 2010, we expect to hire over 170 Russian employees to support future operations. This, combined with the continuing decline in expatriate employees, will result in Russian nationals making up nearly 85 percent of the workforce by year end. Currently, Nigerians hold 76 percent of all senior leadership positions and represent 90 percent of the Erha workforce (ExxonMobil's deepwater operations in Nigeria). Specifically, Nigerians fill approximately 75 percent of Executive Director and General Manager positions and 60 percent of Field Area Operations Manager positions. Across Nigeria, 89 percent of our total workforce is Nigerian. In Qatar, as of year-end 2009, 25 percent of the permanent workforce was Qatari, steadily progressing toward the

## Making Progress Toward the United Nations Millennium Development Goals

Achieving progress toward recognized development targets such as the United Nations *Millennium Development Goals* can only be made through a collaborative effort by governments, business, development institutions, and civil society. Economic growth is a precondition for achieving the goals, which range from environmental sustainability and combating HIV/AIDS, malaria, and other diseases to promoting gender equality, empowering women, and achieving universal primary education. As we expand our operations into developing countries, ExxonMobil has the opportunity to act as a catalyst for economic development and support efforts to help achieve the *Millennium Development Goals*.

**1** Reducing poverty and hunger by creating local employment and business opportunities (see page 37) through strategic community investments (see page 38) and by providing energy

**2** Achieving universal primary education through strategic community investments (see page 38) and our *Women's Economic Opportunity Initiative* (see page 39)

**3** Promoting gender equality and empowering women through our employment practices (see pages 22 and 23), supply chain development (see page 38), and our *Women's Economic Opportunity Initiative* (see page 39)

**4** Reducing child mortality through the *ExxonMobil Malaria Initiative* and our *Women's Economic Opportunity Initiative* (see page 39)

**5** Improving maternal health through the *ExxonMobil Malaria Initiative* and our *Women's Economic Opportunity Initiative* (see page 39)

**6** Combating HIV/AIDS, malaria, and other diseases through *StopAIDS* (see page 21) and the *ExxonMobil Malaria Initiative* (see page 39)

**7** Ensuring environmental sustainability through our environmental performance and our technologies to reduce environmental impacts (see pages 25-29)

**8** Developing a global partnership for development by supporting the *ETI principles* and the *Universal Declaration of Human Rights*, and by partnering with various organizations to further our signature initiatives (see pages 39, 40, and 45)

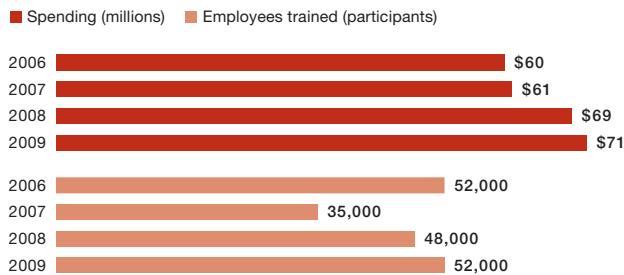
national target of a 50-percent Qatari workforce. In Angola, our national workforce has grown from 31 employees in 1999 to over 500 today, representing more than two-thirds of total personnel.

**Training and development.** Training is a critical component of workforce development. In 2009, ENL in Russia conducted approximately 70,000 hours of training for employees. To continue the success of their technician training program, a new group of 116 trainees will start their full-time learning course in 2010. In Papua New Guinea, our affiliate Esso Highlands Limited expects to hire and train 400 nationals to support our project during its production life. In addition, \$60 million has been committed to the construction of two facilities to train approximately 1000 graduates per year over the next four years to support the construction of Esso's liquefied natural gas facility. The training will conform to the Australian Qualifications Framework so that qualifications will be recognized both within Papua New Guinea and overseas.

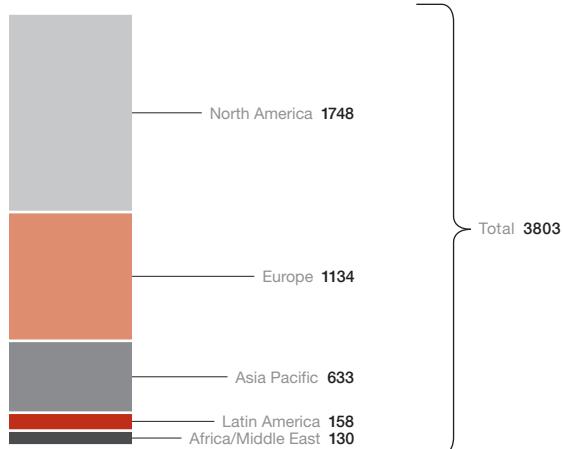
We also provide corporate and technical training to help employees progress in their careers. In 2009, our major business units together spent more than \$71 million on training, reaching over 52,000 participants. To strengthen our technical capacity, approximately 26,000 participants attended more than 1700 professional technical training sessions.

In 2009, more than 3500 employees at various levels of management participated in ExxonMobil's leadership development training programs. Approximately 25 percent of participants were women and 58 percent were non-U.S. employees. Additionally, ExxonMobil and the University of North Carolina celebrated 10 years of developing business leaders around the world through ExxonMobil's *Enterprise Leadership Program*. Over 5000 employees have graduated from the custom-designed program offered in North America, Europe, and Asia.

#### TRAINING EXPENDITURES AND EMPLOYEES TRAINED



#### EXPATRIATES BY REGION OF ORIGIN



**Supplier development.** Local suppliers are strategically important to the success of our operations, and we are committed to working with host governments, nongovernmental organizations (NGOs), and other stakeholders to develop local companies and a competitive industrial base.

We provide our suppliers, contractors, and vendors with training programs to help them meet our supplier prequalification requirements and global industry standards, including safety, competitiveness, and consistent quality. All our suppliers and contractors must adhere to local and national laws and regulations as well as the specific requirements of ExxonMobil policies and procedures. This includes compliance with our requirements regarding safety, health, security, human rights, and the environment, as well as the principles of our *Standards of Business Conduct*, as specified in the terms and conditions of our contracts.

We typically conduct two types of supplier audits. Prior to the award of a contract, we conduct technical audits to assess technical capabilities and capacity building opportunities. Following the award of a contract, general contractor audits assess compliance with our terms and conditions. General contractor audits can be scheduled during the contract term and up to three years after the contract has ended. Once a contract is awarded, we provide supervision, mentoring, and performance feedback to ensure successful execution. If an audit indicates noncompliance by a contractor, we address the identified deficiencies in accordance with the specific provisions within that contract.

In Angola, we support training and assistance programs through the Centro de Apoio Empresarial, which resulted in local suppliers signing 260 contracts valued at \$110 million and representing over 2400 jobs (see page 11) with the oil, non-oil, and gas industries between 2005 and 2009. Esso Angola expenditures with Angolan companies totaled \$546 million in 2009, or 41 percent of in-country spending.

Over the next four years, Mobil Cepu Limited expects to spend \$1 billion on Indonesian goods and services to complete the Cepu Block project. Spending in 2009 with Indonesian companies totaled \$128 million, representing approximately 80 percent of our spending on domestically produced materials and services.

In Nigeria, we utilize various supplier development strategies to help local suppliers meet international standards, including technical audits, training, secondment of our experienced employees to supplier locations, support of partnerships with international companies, and other structured capacity-building activities. Following years of focused development, Nigerian suppliers now provide services that were previously performed by international companies, including the fabrication and installation of pipes and platforms, major engineering activities, and well testing. In 2009, we awarded contracts totaling more than \$1.8 billion to Nigeria-registered companies with 43 percent of total in-country spending being retained in Nigeria.

In these and the other countries in which we operate, our presence has a multiplier effect. Our capital and operating expenses generate direct income for local suppliers and contractors and indirect income to their employees and vendors. As a result, local workers have higher disposable incomes, leading to increased consumer spending and stimulation of the local economy.

#### Strategic community investments

We attempt to make strategic community investments that are aligned with global and social priorities as well as our business strengths and goals. By focusing a large part of our spending on a few major challenges of significance in the regions where we operate, we seek to enable more impactful programs; develop

stronger, sustainable partnerships with governments, NGOs, and development agencies; and secure the direct engagement of our senior management and employees.

Our signature programs address three long-term challenges: eliminating malaria; advancing economic opportunities for women; and improving education, especially in mathematics and science. All three address important social needs, including *Millennium Development Goals* 2, 3, 4, and 6, but can also directly impact the success of our own business over the long term.

**ExxonMobil Malaria Initiative.** Despite the fact that malaria is both preventable and completely curable, between 1 million and 3 million people die from it each year, making it one of the world's leading infectious killers. This disease not only destroys lives, but also slows the growth of entire developing economies.

#### ► UP CLOSE

#### Purchasing from minority- and women-owned businesses

Purchasing from minority- and women-owned (MWBE) businesses strengthens the communities where we live and work and helps us meet the diversity requirements of our key clients. In the United States, our *Supplier Diversity Program* ensures that qualified MWBE suppliers are included in our procurement sourcing process. We establish objectives within each commodity, service area, and business line as part of our procurement planning process. In 2009, we purchased materials and services valued at \$863 million from more than 2800 U.S.-based MWBEs, representing a 161-percent increase since 2003 and 43 percent since 2008. Continuous growth is a challenge as MWBEs merge and become majority-owned suppliers, thus losing their minority status. Despite this, the *Supplier Diversity Program* successfully contracts with new suppliers and develops and grows existing MWBE suppliers.

For the fourth year, the Women's Business Enterprise National Council recognized ExxonMobil as one of America's Top Corporations for our efforts to proactively integrate women-owned businesses into our supply chain. Our goal is to procure materials and services worth \$1 billion annually from MWBEs by year-end 2012, representing 7 percent of our total procurement-managed spending in the United States. We are planning to extend the reach of MWBE spending through a number of programs in countries outside the United States, such as Australia, Canada, China, and the United Kingdom.



Over a decade, ExxonMobil's approach has shifted from concern about malaria's impact on our own operations to being a corporate leader in the fight against the disease. Since 2000, ExxonMobil has spent more than \$68 million (formerly through the *Africa Health Initiative*) to help fund malaria programs in 17 African countries, making us the largest nonpharmaceutical corporate donor to malaria initiatives. In 2009, the Foundation awarded \$15 million to 19 organizations for 25 different projects across Africa and in Papua New Guinea.

One of these projects, the U.S. President's *Malaria Initiative*, is working with the *Angolan National Malaria Control Program* to cut malaria mortality and incidence in half by 2010. To date, ExxonMobil Foundation grants of \$3 million have enabled the U.S. Agency for International Development to distribute over 75,000 mosquito bed nets, prepare a national malaria communications strategy, provide training, and support a National Malaria Accounts Survey. It further provided sub-grants to NGOs in nine provinces to help with the training and supervision of health workers on malaria diagnosis and treatment of infected people and pregnant women.

**Women's Economic Opportunity Initiative.** Our *Women's Economic Opportunity Initiative* helps women in developing countries fulfill their economic potential and drive positive change in their communities. In 2009, ExxonMobil made grants totaling more than \$11 million—bringing our cumulative investment (formerly through our *Educating Women and Girls Initiative*) since 2005 to more than \$31 million—to provide women with training, resources, and support (see case study on page 42).

In 2008, we started working with the International Center for Research on Women to refine our strategic focus on opportunities for economic development of women. As the scope of our projects continues to evolve, we plan to more systematically measure and evaluate their impacts and how they contribute to economic and social development. We began to implement a measurement and evaluation framework in 2009 and will begin to see outcomes in 2010.

**Education.** We rely on technology and innovation in every aspect of our business. Investments in education—especially mathematics and science—are critical to ensuring the development of a future pool of



ExxonMobil is participating in a program to make more bicycles available to local health workers in the fight against malaria.

talented candidates for employment. Since 2005, our contribution to education efforts has totaled nearly \$354 million. In 2009 alone, we directed more than \$98 million to education worldwide, of which \$24 million was dedicated to math and science education in the United States.

**International education initiatives.** Around the world, improving education can have different meanings. ExxonMobil addresses this challenge by relying on local country affiliates to evaluate educational needs and make country-specific community investment decisions.

For example, in China, we are working with the Beijing Cultural Development Center for Rural Women to provide literacy classes in remote areas. In 2009, about 450 women from southern China's Guizhou province learned elementary characters for everyday use, basic mathematics skills, and farming skills to help support their families.

According to the World Bank, 100 million Arab youths will enter the job market over the next 15 years. ExxonMobil supports INJAZ al-Arab, a collaborative effort between corporate volunteers and ministries of education to provide experiential education and training to Arab youth. Since 2004, ExxonMobil employees have volunteered in Egypt, Qatar, and the United Arab Emirates to help teach subjects such as

#### ■ UP CLOSE

#### Promoting revenue transparency

With good governance and accountability, the value generated from the natural resources of a country can flow to its people, providing a better standard of living and increasing opportunities for its citizens. Revenue transparency is a key component of good governance. As part of our commitment to honest and ethical behavior, ExxonMobil is an active participant in transparency and anti-corruption programs. Corruption—the abuse of public power for private gain—can significantly distort markets, stifle growth, and undermine the rule of law. Transparency initiatives are designed to increase disclosure of government revenues from the production of oil, gas, and minerals, with the goal of greater accountability by governments on how they spend revenues. Greater accountability helps reduce corruption and promotes greater economic stability.

We provide assistance to countries seeking to implement greater transparency and support initiatives such as the *Extractive Industries Transparency Initiative* (EITI), the Group of Eight (G-8) *Transparency Initiative*, and the United Nations *Convention Against Corruption*. EITI is a unique collaboration between governments, companies, civil society, institutional investors, and international organizations. Together, we share the goal of implementing global principles that support improved governance through the verification and disclosure of extractive industry payments to governments and government revenue from those companies.

Collectively, we need to continue to encourage the cooperation and consent of sovereign host governments in promoting transparency and good governance practices. Mandating disclosure of financial information by companies without regard for host government consent is not the way to encourage the cooperation or accountability necessary to improve governance in resource-rich countries. As such, ExxonMobil believes that individual countries must elect to disclose revenue received from oil, gas, and mining companies at a country level, rather than individual companies reporting this information. The ultimate goal is for citizens to have access to complete information about the revenues that governments receive, so that they can help ensure that government manages those revenues on their behalf.

economics, entrepreneurship, leadership, and personal life planning. In Egypt alone, INJAZ has reached over 25,000 students over the last four years and ExxonMobil volunteers have delivered courses to 2300 of them. In addition, ExxonMobil developed the *Middle East and North Africa Scholars Program* in 2008 to provide qualified applicants from 14 countries across the region with full graduate tuition for a master's degree in geoscience, engineering, or business at a U.S. university. Eleven students are currently participating in this program.

**Focusing on math and science in the United States.** Three decades ago, the United States ranked third among developed nations for college students pursuing science and engineering degrees. Today, the United States ranks 17th in science and engineering and 26th in math. By investing in education, we are addressing a critical need and contributing to our own competitiveness and that of the U.S. workforce. We support programs that increase the number and effectiveness of math and science teachers; encourage students to learn math and science; and increase the number of minorities and women pursuing science, technology, engineering, and mathematics degrees. In the United States, we support programs such as:

- *National Math and Science Initiative* (NMSI): We have committed \$125 million to support NMSI, which helps participating states expand Advanced Placement (AP) teaching and testing and encourages math and science undergraduates to pursue careers in teaching under the *UTeach* program. In its first year, the number of passing AP scores increased by 52 percent at 67 high schools in six states. In Fall 2009, the program expanded to 142 high schools. Similarly, *UTeach* Fall 2009 enrollment more than doubled to 2500 math and science undergraduates at 13 participating universities and are projected to reach over 11 million students during their teaching careers.
- *Mickelson ExxonMobil Teachers Academies*: Each summer, 600 third-through fifth-grade teachers from all 50 states attend the five-day *Mickelson ExxonMobil Teachers Academies* in Louisiana, New Jersey, and Texas to acquire the skills necessary to motivate students to pursue careers in math and science.
- *Dr. Bernard Harris Programs*: Through a free, two-week summer science camp, underprivileged middle school students learn about science, technology, engineering, and mathematics. More than



Literacy classes in rural China help women to build self-confidence and the necessary competencies to better support their families.

1500 students participated in the 2009 camps. ExxonMobil also underwrites Dr. Harris' *Dream Tour* program that in 2009 inspired more than 25,000 middle school students, teachers, and parents.

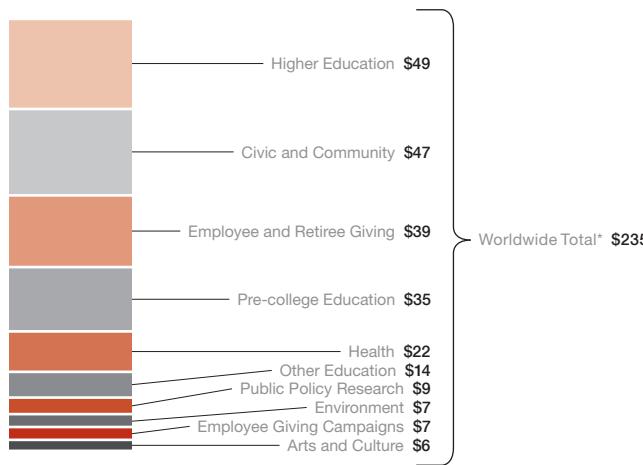
- **Sally Ride Science Academy:** The first Sally Ride Science Academy was held in 2009 to help 100 U.S. elementary and middle school teachers (grades 4 to 8) raise student interest in science.

We continued to support diversity-based education programs such as the Hispanic Heritage Foundation, National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers, and the National Action Council for Minorities in Engineering, among others.

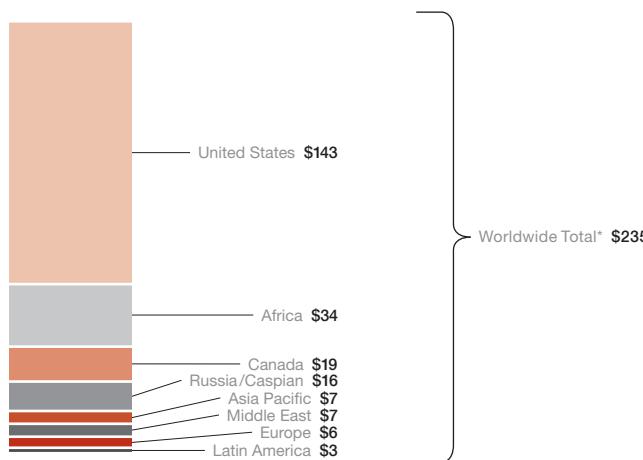
## Community investments and employee volunteerism

**Worldwide community investments.** Our worldwide spending includes contributions to nonprofit organizations as well as funds invested in social projects through various joint-venture arrangements, production-sharing agreements, projects operated by others, and contractual social bonus arrangements. In 2009, Exxon Mobil Corporation, its divisions and affiliates, and the ExxonMobil Foundation provided a combined \$196 million in cash, goods, and services worldwide. Of the total, \$107 million supported communities in the United States and \$89 million supported communities in other countries globally.

**2009 COMMUNITY INVESTMENTS BY FOCUS AREA**  
(millions)



**2009 COMMUNITY INVESTMENTS BY GEOGRAPHIC REGION**  
(millions)



**Employee volunteerism and giving.** In 2009, more than 23,800 ExxonMobil employees, retirees, and their families worldwide donated more than 678,000 volunteer hours to 5100 charitable organizations in 35 countries through company-sponsored volunteer programs. Of the total volunteers, 12,300 participants donated more than 96,600 hours to more than 1000 organizations in countries outside the United States. For example, in Russia, Exxon Neftegas Limited employees created a volunteer committee to coordinate volunteer activities. In 2009, over 100 employees, contractors, and their families contributed more than 1600 volunteer hours to more than 50 projects, including beach cleanups, repairs to local orphanages and schools, beautification of a senior center, educational programs at local universities, and collecting Christmas gifts for orphans.

Employees and retirees donated \$39 million through ExxonMobil's matching gift, disaster relief, and employee giving programs. When combined with corporate donations, ExxonMobil—together with our employees and retirees—contributed \$235 million to community investments around the world.



ExxonMobil employee volunteers collect trash along a stretch of the Potomac River shoreline at the Occoquan Bay National Wildlife Refuge in the United States.

### ► ON THE WEB

- ExxonMobil Malaria Initiative**  
[exxonmobil.com/health](http://exxonmobil.com/health)
- Women's Economic Opportunity Initiative**  
[exxonmobil.com/womensinitiative](http://exxonmobil.com/womensinitiative)
- Worldwide giving**  
[exxonmobil.com/contributions](http://exxonmobil.com/contributions)
- Highlights and activities map**  
[exxonmobil.com/highlightsmap](http://exxonmobil.com/highlightsmap)
- National Math and Science Initiative**  
[nationalmathandscience.org](http://nationalmathandscience.org)
- Transparency**  
[exxonmobil.com/transparency](http://exxonmobil.com/transparency)

\*Total contribution includes ExxonMobil corporate donations and employee and retiree giving through ExxonMobil's matching gift, disaster relief, and employee giving programs.

## Case Study

# Women: Advancing economic opportunities

ExxonMobil is focused on three key strategies to improve women's economic opportunities globally: build the next generation of business leaders and entrepreneurs, reduce barriers to women's economic participation, and help identify and deploy technologies for women.



## Global challenges for women

More than 1.4 billion people live in extreme poverty on \$1.25 a day or less. The majority of them are women. Worldwide, three-fourths of workers in the informal sector are women, where work is often seasonal, low-wage, insecure, and without benefits. Women can face challenging cultural, legal, and practical obstacles in generating economic rewards for themselves and their families.

### Women's Economic Opportunity Initiative

Making all citizens valued and productive members of society helps create a stable operating environment, where companies have access to the best talent for recruitment and supply chain development. Reflecting our belief in the role women play as catalysts for economic advancement, we launched our signature women's economic development program in 2005. This global effort strives to build the next generation of female business leaders and entrepreneurs, reduce the barriers to women's economic participation, and help identify and deploy technologies for women. Our country affiliates play an integral role in shaping these investments by ensuring that projects align with national needs and government priorities.

To date, ExxonMobil has invested more than \$31 million in programs ranging from leadership and skills training to mentoring and network development. We have supported in-country projects in Angola, Chad, Colombia, Egypt, Equatorial Guinea, Indonesia, Kazakhstan, Malaysia, Nigeria, Qatar, and Thailand, and enabled women from 64 developing countries to participate in leadership and skills development programs.

### Building the next generation of business leaders and entrepreneurs

Consistent with our national content development initiatives, we support capacity building and skills training for women business leaders and entrepreneurs. To this end, we support the establishment of businesswomen's networks, which enable economic organizing among female entrepreneurs and increase the number of women succeeding in the corporate world.

**Businesswomen's network development.** This year, we worked with the Vital Voices Global Partnership to launch the *Africa Businesswomen's Network* program, which builds and supports a network of businesswomen's organizations in Cameroon, Ghana, Kenya, Nigeria, South Africa, and Uganda. These organizations have already provided 4100 women with business training, advocacy support, business-to-business initiatives, and capacity building. Over the coming year, we will expand this program to Latin America and support the work of the *Middle East and North Africa Businesswomen's Network*. We also plan to align the work of the *Businesswomen's Networks* with our own supplier development initiatives, providing the training and resources to equip network members to be competitive as suppliers of ExxonMobil.

**Small business development and income generation.** In 2008, ExxonMobil and Africare initiated a \$1.75 million project to empower rural women in southern Chad. The goal is to increase incomes of participating entrepreneurs by 80 percent over the three-year period, by strengthening the capacity of women's associations and increasing access to microcredit. In 2009, more than 100 local women's associations collaborated to train and mentor participants. Approximately 2500 women, who had either never attended or dropped out of school, received fundamental business training. Some of the participants were able to establish business enterprises for market gardening, bread-baking, tailoring, cheese production, grain milling, and arts and crafts. Since October 2009, two of the market gardening sites have sold vegetables to one of ExxonMobil's food suppliers for the Chad-Cameroon Doba Basin project.

In Indonesia, ExxonMobil developed a microfinance program. The program makes small loans, utilizes peer monitoring, and builds new skills and capacity for entrepreneurs. From May 2006 to October 2009, over 6000 Indonesian women benefited from the program, with approximately \$450,000 available in a revolving fund and \$320,000 loaned out. The women have used the funds to increase capital for existing businesses, to improve efficiency by purchasing equipment, and to purchase inventory.

**Life skills and vocational training.** Through a multistakeholder initiative in Kazakhstan, the Atyrau Life Skills Training program was introduced in 14 high schools and vocational schools in 2009. The program seeks to prepare 400 high school girls for the labor market by developing their leadership skills, financial literacy, career planning, and basic computing skills. Prior to implementation, ExxonMobil Kazakhstan and others conducted an assessment to identify the most significant needs of the high school girls. The partners found that 80 percent were afraid to express their opinions in a group setting and 60 percent could not write a resume. Based on the results of the first pilot cycle, we hope to expand the program to all 35 regional schools in 2010.

## Reducing barriers to women's economic participation

Through our partnership with Vital Voices, we are providing training to women entrepreneurs and advocates in Africa to implement projects to help reshape laws and policies that strengthen the financial, physical, and legal well-being of women, ultimately fostering a business-enabling environment. To date, we have reached more than 3000 women.

For example, Kah Walla, a Cameroonian businesswoman, created the *Cameroon Market Women Project*—an initiative to support the more than 900 women vendors at the Sandaga produce market in Douala. Although women make up 60 to 70 percent of market traders, they are some of the most vulnerable and abused participants in the areas of business registration, tax payments, and space management. Ms. Walla worked with the women traders to understand and defend their rights and develop initiatives to facilitate the tax-paying process. After eight months of project implementation, market women created the first female traders association with more than 400 members. More than 150 have been trained in small business management and tax-payment processes. The results of the training and advocacy support have directly impacted their ability to generate more income—the market women achieve better sales performance and are less likely to be victims of corrupt practices in the market.

## Helping identify and deploy technologies for women

This newest focus area of the *Women's Economic Opportunity Initiative* presents enormous opportunity to connect ExxonMobil's business and technology expertise with our belief that technology holds the potential to improve women's livelihoods.

At the 2009 annual meeting of the *Clinton Global Initiative* in New York, ExxonMobil announced *Women | Tools | Technology: Building Opportunities & Economic Power*, an innovative global challenge that will identify transformative solutions to promote women's economic advancement through technology. Working with Ashoka's Changemakers and the International Center for Research on Women (ICRW), innovators from around the world will be invited to submit their ideas for discussion and collaboration.

Additional direction and focus for the challenge will be provided by a new research study entitled "Bridging the Gender Divide in Technology," which was conducted by ICRW. Throughout the year, progress will be monitored by the *Clinton Global Initiative* and communicated via its Web site and next annual meeting. Our aim is to review entrants' projects and consider their potential for impact and alignment with our work in the *Women's Economic Opportunity Initiative*.

## Executive leadership: Commitment from the top

As with any long-term investment we undertake, we look at all the resources we can bring to bear. Our executives are among those resources. At the *Clinton Global Initiative*, our Chairman and Chief Executive Officer, Rex W. Tillerson, participated as a panelist during

**"When you advocate for a friendlier and transparent business environment for women entrepreneurs, you ultimately create a better environment for the private sector and improve a country's overall competitiveness."**

**Marilyn Carlson Nelson, Chairman of the Board, Carlson; and Director and Chair, Board Affairs Committee, ExxonMobil Board of Directors**

a session highlighting the role of the private sector in leveling the playing field for women. At the end of 2009, Mr. Tillerson was invited to join the Global Private Sector Leaders Forum, an initiative of the World Bank, whose 23 members are committed to promoting women's economic empowerment through best-practice sharing. The Forum also provides research to support the business case for increasing women's opportunities in the private sector.

We recently created an internal advisory group comprising 10 senior women executives who lead various parts of our business and have primarily international responsibilities. They help shape our work on women's economic advancement, math, and science, and serve as ExxonMobil ambassadors to engage with key audiences. In the future, our advisory group is eager to connect their skills and expertise with on-the-ground needs.



At the *Clinton Global Initiative* 2009 annual meeting, Marilyn Carlson Nelson and Kah Walla spoke about inspiring examples of partnerships between companies, governments, and civic leaders to build economic opportunities in a way that makes sound business sense.

## Highlights

8

**country affiliates**  
received security  
and human rights  
awareness training

~60%

**of private security  
contracts** include  
language to address  
human rights issues

8

**years** of active involve-  
ment in the *Voluntary  
Principles on Security  
and Human Rights*

10%

**of Imperial Oil's  
Cold Lake workforce**  
is Aboriginal

# Human Rights and Security

## Priority Issues



## Respecting human rights

Promote respect for human rights and serve as a positive influence in communities where we operate



## Training employees

Conduct employee training to address human rights challenges facing our industry and specific operations



## Addressing security concerns

Continue to improve security to further enhance the protection of people and assets while respecting human rights

## Performance Overview

## What we said in 2008

- Continue human rights awareness training for appropriate management and staff in 2009 and 2010
- Assist ExxonMobil affiliates to understand different aspects of human rights and their role in respecting human rights
- Continue to improve security measures while respecting human rights
- Continue active participation in the *Voluntary Principles on Security and Human Rights*

## What we did in 2009

- Conducted dedicated security and human rights training in eight countries and increased awareness among lead country managers
- Published a comprehensive human rights overview document for affiliates and other interested parties
- Began to implement improvement opportunities identified through security and human rights self-assessments
- Continued as an active member of the *Voluntary Principles on Security and Human Rights*

## What we plan to do

- Continue deployment of security and human rights training to appropriate staff
- Further implement our *Framework on Security and Human Rights* through self-assessments and other processes
- Engage in international dialogues such as the *Voluntary Principles on Security and Human Rights*, the Fund for Peace, and consultations with United Nations Special Representative on Business and Human Rights, John Ruggie
- Continue to integrate human rights concerns into existing business operations

EXXONMOBIL OPERATES FACILITIES AND MARKETS PRODUCTS IN SOME OF THE MOST COMPLEX ECONOMIC, SOCIAL, AND POLITICAL ENVIRONMENTS IN THE WORLD. As a global company, our role in helping address these complexities has expanded over the years. We promote respect for human rights, not just because doing so fosters a stable and productive business environment, but more importantly, because it is the right and responsible thing to do. We believe our business presence should have a positive influence on the people in the communities in which we operate.

## Respecting human rights

ExxonMobil's approach to respecting human rights consists of several core elements, including building local economic capacity (see page 37), adhering to corporate policies and expectations (see pages 15-17), applying national laws and universally recognized principles, and engaging with external groups (see page 10).

Our commitment to human rights is supported by our *Standards of Business Conduct*, which is consistent with the spirit and intent of the United Nations *Universal Declaration of Human Rights* and the 1998 *Declaration on Fundamental Principles and Rights at Work* of the International Labor Organization (ILO). Our *Statement on Labor and the Workplace* articulates our support for the principles of the ILO *Declaration*, namely the elimination of child labor, forced labor, and workplace discrimination, and the recognition of the right to freedom of association and collective bargaining. All employees are required to comply with our policies.

We seek business partners that observe similar standards. Our standard contract language requires adherence to all national laws and regulations. We pre-screen suppliers and mandate they comply with all applicable laws regarding business practices and human rights (such as laws prohibiting child labor and forced labor). We include specific language regarding child and forced labor in all new Upstream Major Capital Project (engineering, procurement, and construction) contracts. These extra safeguards may pose additional challenges in locating qualified suppliers; however, we believe they will raise our partners' and suppliers' awareness of the need to respect human rights.

**Providing human rights training.** Employee training is an important element of our effort to address human rights challenges facing our industry and specific operations. By providing training and raising awareness of human rights issues, we help prevent potential human rights abuses in countries where we operate.

In 2009, we continued to provide dedicated human rights training to key affiliates and staff, including lead country managers (LCMs). We conducted training sessions in eight additional countries, bringing the total number of countries in which our employees have been trained to 15. Countries were prioritized on the basis of a variety of criteria, including acute/dynamic issues, external nongovernmental organization (NGO) ratings, and the specific level of security threat. We are now encompassing a wider spectrum of affiliates and will continue to roll out the training and awareness program to other affiliates throughout 2010.

Our training is based on guidance by the International Petroleum Industry Environmental Conservation Association (IPIECA) and its member companies, but has been expanded to include ExxonMobil guidelines, practices, and priorities. Training materials are periodically updated to reflect new developments in the human rights arena as well as to incorporate feedback from trainees. The training's primary focus is to raise employee awareness, educate them on company policies and approaches, provide information on resources, and demonstrate our commitment to respecting human rights. Each session also includes



Aboriginal community concerns typically relate to water use and how development will impact traditional land uses. Here, representatives from Imperial Oil's Kearl project discuss water management plans with the Fort McKay Elders' Advisory Group.

information on the *Voluntary Principles on Security and Human Rights*, the requirements of our *Framework on Security and Human Rights*, and the status of implementation of the *Framework* in the given country.

More generally, we published a brochure to provide a comprehensive overview of human rights issues from our perspective and our approach to addressing them. We also established human rights awareness as a separate component of the orientation process for all new employees and new LCMs. Human rights will be a recurring topic in LCM communications.

**Utilizing existing systems.** Human rights is an umbrella issue that encompasses many distinct topics, including labor and workplace rights, social and environmental concerns, treatment of communities and indigenous peoples, security, and relationships with host governments. We have been working on these topics for years and have a variety of processes in place to manage them (see page 15). We believe the most effective way to incorporate human rights considerations into our operations is to leverage existing mechanisms familiar to our managers and employees, rather than create new, stand-alone processes.

To this end, we are incorporating security and human rights processes into our *Operations Integrity Management System* (OIMS) and we will continue to advance this model in 2010 and beyond. Compliance with OIMS, including human rights, is monitored and subject to periodic assessments.

**Participating in external initiatives.** Through meetings, conferences, and publications, we engage with external groups to provide information and develop guidance on critical human rights issues. We work closely with business associations, such as IPIECA, the U.S. Council for International Business, the International Association of Oil & Gas Producers, Business for Social Responsibility, and the International Business Leaders Forum.

Since 2002, we have been an active participant in the *Voluntary Principles on Security and Human Rights*, a forum that provides for discussion and information sharing among extractive industry companies, governments, and NGOs.

The responsibilities of transnational corporations to respect human rights and the responsibility of governments to protect human rights are core principles of a policy framework issued in 2008 by John Ruggie, the United Nations Special Representative on Business and Human Rights. We participated in Special Representative Ruggie's consultations on the topic of business and human rights. We are examining how our systems compare to his 2008 framework and expectations for corporate responsibilities. We look forward to his final report and suggestions for how to "operationalize" the framework.

## Addressing security concerns

We are committed to safeguarding company personnel and property (see page 20) in a manner that respects human rights and fundamental freedoms.

**Framework on Security and Human Rights.** To help implement the Voluntary Principles, ExxonMobil's *Framework on Security and Human Rights* provides a comprehensive set of expectations for our majority-owned operating affiliates. The *Framework* includes guidance on working with host government security personnel, memorandums of understanding regarding host government-assigned security personnel, approaches for interacting with private security providers, and reporting and recordkeeping templates.

In 2008, as part of a continuing improvement effort, global majority-owned affiliates conducted self-assessments of their implementation of the *Framework*. In 2009, results were used to address improvement opportunities. Implementation and assessment of the *Framework* are ongoing.

We are enhancing private security personnel contracts to include provisions to address human rights concerns by requiring all personnel to be trained on, and to act consistently with, our *Statement of Principles on Security and Human Rights*, applicable laws, provisions of the United Nations *Universal Declaration of Human Rights*, the *Fundamental Principles and Rights at Work* of the 1998 ILO *Declaration*, United Nations *Code of Conduct for Law Enforcement Officials*, and United Nations *Principles on the Use of Force and*

*Firearms by Law Enforcement Officials*. Such language has already been incorporated into about 60 percent of our contracts and will be incorporated into the remaining contracts as they come up for renewal.

## Community relations management

Wherever ExxonMobil operates, we work with stakeholders through consultation and act with respect toward individuals with diverse cultures. We use our *Best Practices in External Affairs* (BPEA, see page 11) to ensure implementation of community awareness programs, including information provision, dialogue, and collaboration with local communities. This includes emergency planning and preparedness programs that are essential for the protection of the public, the environment, and company personnel and assets in the event of an incident.

Guided by our *Upstream Socioeconomic Management Standard*, we conduct public consultations during and after our Environmental, Socioeconomic, and Health Impact Assessment (ESHIA) process. We encourage interested parties to ask questions and provide input about the current local and socioeconomic environment and our potential impacts on their communities. We respond by providing additional information; incorporating impact avoidance and mitigation plans in our project planning; and in some cases, modifying aspects of the project design or execution schedule. We often engage with NGOs to help ensure our public consultation initiatives are as effective as possible. The *Standard* provides for grievance mechanisms where appropriate.

**Indigenous communities.** In some of the places where we operate, indigenous groups are a key stakeholder community (see case study on page 47). ExxonMobil mediates and works to resolve indigenous community concerns in a timely manner. Our approach is consistent with the principles of the ILO *Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries*, the United Nations *Declaration on the Rights of Indigenous Peoples*, and the World Bank *Operational Policy and Bank Procedure on Indigenous Peoples*. When addressing the concerns of indigenous communities, we seek to develop and implement focused engagement activities respecting their traditions and cultures, such as subsistence lifestyles.

**Property rights and resettlement.** We respect property rights in the countries where we operate. Only with the free, prior, and informed consultation of impacted communities will we implement new operations. Direct compensation and community programs that provide micro-development projects are incorporated into our plans. The last major resettlement program was associated with the Chad Export project, which occurred between 2000 and 2004. Our next resettlement will be for the Papua New Guinea liquefied natural gas project.

### ► ON THE WEB

Human rights policies and practices

[exxonmobil.com/humanrights](http://exxonmobil.com/humanrights)

*Best Practices in External Affairs*

[exxonmobil.com/managementsystems](http://exxonmobil.com/managementsystems)



We conduct public consultations during which we encourage interested parties to provide input about the current local and socioeconomic environment and our potential impact on their communities.

## Case Study

# Indigenous peoples: Engaging Aboriginal communities in Canada

We conduct our business in a manner that respects the land, environment, rights, and cultures of Aboriginal communities. Through open consultation, we seek to understand Aboriginal perspectives on issues of mutual interest and to deal constructively with differing views.

Our Canadian affiliate, Imperial Oil Limited, operates and develops opportunities within a number of Aboriginal communities or on their traditional lands. In Canada, First Nation, Inuit, and Métis people—collectively recognized as the Aboriginal people of Canada—make up 4 percent of the population. In 2008, Imperial established five guiding principles focused on respect, consultation, recruitment, Aboriginal business, and community needs to support Aboriginal relations. These principles are supported by guidelines for consultation, workforce and business development, and community relations.

An Aboriginal Relations Network of 24 employees encourages best practice sharing across Imperial. The network is integral to implementing and sustaining the company's Aboriginal relations strategy, as embodied in our principles and guidelines.

**Consultation.** As part of ongoing consultation work at the Kearl project site in Alberta, Canada, the community relations team provides tours to members of the Fort McKay, Athabasca Chipewyan, and Mikisew Cree First Nations. The visits provide an opportunity for community members to see our work firsthand and to ask questions.

Aboriginal community concerns typically relate to water use and how development will impact traditional land uses. For example, consultation related to winter drilling and seismic activities at the Kearl project

**“Imperial’s Native Internship Program breaks down barriers by eliminating common challenges experienced by Aboriginal peoples who want to pursue technical careers in the oil and gas industry.”**

**Rick Janvier**, Human Resources Manager for Seven Lakes, an Aboriginal-owned business and a key contractor for Imperial's Cold Lake operations



revealed concerns about restricting the movement of caribou and moose populations. Community groups emphasized the need for expedited winter operations. Imperial also committed to communicate with trappers working in the vicinity of winter drilling activities. In other cases, we have responded to feedback by incorporating traditional ecological knowledge into project designs and providing hunting and traditional land use access to areas of our leases not being actively mined.

**Workforce development.** Our goal is to build a workforce that is representative of the available, qualified Aboriginal people in the labor market. To increase the involvement of Aboriginal people, we are developing and supporting educational programs, including an Aboriginal scholarship program.

Additionally, we have implemented internal training programs that enhance retention of Aboriginal employees and address workplace barriers. On the Kearl project, Aboriginal cultural awareness training is included in the site orientation process. We expect about 4000 people to participate in the training over the next two years.

At our Cold Lake Operations in northeast Alberta, a *Native Internship Program* provides paid, on-the-job training for Aboriginal people from local communities. Since the program's introduction in 1998, more than 30 students have participated, helping to increase total Aboriginal employees from 3 to 10 percent of Cold Lake's total workforce.

**Business development.** We have been involved in a number of successful Aboriginal business ventures in Alberta and the Northwest Territories, benefiting Aboriginal communities and our company. As part of the Horn River Basin shale-gas exploration project in northeast British Columbia, Imperial has held procurement and safety workshops for local contractors from the Fort Nelson First Nation.

**Community relations.** By working collaboratively to design and implement community relations programs, we build lasting relationships with Aboriginal communities. In partnership with the Canadian-based Coady International Institute, we are developing a new program to enhance the leadership potential of First Nation, Inuit, and Métis women. Participants will attend a three-week leadership program, followed by a three-month community placement, and interaction with an experienced mentor. The first program is being planned for 2011.

## IPIECA/GRI Content Index

Our corporate citizenship reporting was guided by the International Petroleum Industry Environmental Conservation Association/American Petroleum Institute (IPIECA/API) *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (April 2005). This report also cross-references the Global Reporting Initiative (GRI) *G3 Sustainability Reporting Guidelines*. These standards can be downloaded at [ipieca.org/activities/reporting/reporting\\_about.php](http://ipieca.org/activities/reporting/reporting_about.php) and [Globalreporting.org/ReportingFramework/G3Guidelines](http://Globalreporting.org/ReportingFramework/G3Guidelines).

Reporting Overview	IPIECA/API	GRI	Where Reported
About this report and assurance statement		2.1, 2.3, 2.4, 2.6, 2.9, 3.1-8, 3.11, 3.12, 3.13	Inside cover, 48, inside back cover, back cover
Letter to our stakeholders		1.1, 4.2	1
Sustainability		1.2	2-3
A View to 2030		1.2, EC2	4-5
About ExxonMobil	ECO1, ECO2, ECOA2, ECO3	2.2, 2.3, 2.6-9, EC1	6-7
ExxonMobil global operations		2.5	8-9
Engagement	SOC8	2.8, 4.4, 4.8, 4.14-4.17, SO1, <i>PR5</i>	10-12
Performance data	ENV1, ENV2, ENVA3, ENV3, ENV4, ENVA6, H&S4, SOC3, SOCA4	3.10, EC1, EN3, EN16, EN20, <i>EN22</i> , EN23, EN30, LA1, LA7, LA10, <i>HR2</i> , <i>HR3</i> , SO6	13

Citizenship Focus Areas	IPIECA/API	GRI	Where Reported
<b>Corporate Governance</b>			
Management systems	ENV6, SOC7	2.10, 4.8, 4.13, <i>DMA-EC</i>	14-15
Board of Directors		4.1, 4.3-5, 4.9, 4.10, 4.16, 4.17, <i>LA13</i>	16-17
Ethics	SOC2, SOC6	SO3, SO4	16-17
Political involvement	SOC3, SOCA1	SO5, SO6	17
<b>Safety, Health, and the Workplace</b>			
Safety and health management	H&S1, H&S2, H&S4	4.8, DMA-LA, <i>LA7</i>	18-20
Employee health	H&S3	<i>LA8</i>	20-21
Product stewardship and product safety	H&S5	4.11 4.12, 4.13, <i>DMA-PR</i> , <i>PR1</i> , <i>PR3</i>	21-22
Employment policies and practices	SOC4	2.10, DMA-LA, LA1, LA3, LA12, LA13, <i>EC3</i>	22-23
<b>Environmental Performance</b>			
Managing our environmental performance		4.8, DMA-EN, <i>EN30</i>	24-25
Assessing our surroundings	ENVA9	DMA-EN, EN14, EN26	25
Designing our facilities and operations	ENV6	4.8, DMA-EN	25
Operating with integrity	ENV1, ENVA3, ENVA6, ENVA7	2.10, 4.8, <i>EN8</i> , EN20, <i>EN22</i> , EN23, <i>EN28</i> , EN30	25-27
Restoring the environment		<i>EN13</i>	27
Case study: Water	ENVA7	<i>EN8</i> , <i>EN10</i>	28-29
<b>Managing Climate Change Risks</b>			
Mitigating operational greenhouse gas emissions	ENV3, ENV4	3.9, EN16, EN18	30-32
Efficiency: A powerful energy source	ENV5	<i>EN3</i> , <i>EN5</i> , <i>EN7</i>	32
Expanding energy supply while managing GHG emissions	ENVA8	EN6, EN18, EN26	32-33
Impacts of climate change		1.2, EC2, SO5	34
Case study: Algae	ENVA8	<i>EN6</i> , EN26	35
<b>Economic Development</b>			
National content development	SOC5, SOCA3, SOC8, SOCA5	2.10, 4.8, 4.12, EC6, EC7, EC9, LA10, <i>LA11</i>	36-39
Strategic community investments	SOCA4, SOCA5	EC8, EC9	38-41
Promoting revenue transparency	ECOA1	4.12, 4.13	40
Community investments and employee volunteerism	SOCA4	EC1	41
Case study: Women	SOCA5	EC1, EC8, EC9	42-43
<b>Human Rights and Security</b>			
Respecting human rights	SOC1, SOC7	4.8, 4.12, 4.13, DMA-HR, <i>HR2</i> , <i>HR3</i> , <i>HR5</i> , <i>HR6</i> , <i>HR7</i> , <i>HR8</i>	44-45
Addressing security concerns	SOC9	4.8, 4.12, <i>HR8</i>	46
Community relations management	SOCA6, SOCA7, SOC8	4.8, 4.12, SO1	46
Case study: Indigenous peoples	SOCA6, SOC8	EC8, EC9, SO1	47
<b>On the Web</b>			
Corporate Governance Guidelines		4.1-10	<a href="http://exxonmobil.com/governance">exxonmobil.com/governance</a>

DMA: Disclosure on Management Approach.

GRI indicators in italics are partially reported. Indicators not in italics are fully reported, but may not be fully reported in individual sections.

## Assurance Statement

**Scope of the assurance.** Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by Exxon Mobil Corporation (ExxonMobil) to assure the reporting processes used in the creation of the *ExxonMobil 2009 Corporate Citizenship Report* ("the Report"). The objectives of the assurance engagement were to verify the integrity of the processes used for determining material issues and for reporting, and to evaluate consistency with the following industry guidelines:

- IPIECA/API, *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (April 2005); and,
- API, *Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry* (February 2004).

The LRQA scope of assurance was limited to processes for the reporting of safety, health, and environmental core IPIECA performance indicators and ExxonMobil-selected additional indicators. Verification of the accuracy of data and information was not included in the review scope. ExxonMobil has prepared and approved the Report and fully acknowledges its sole responsibility for the accuracy of all data and information contained within it.

**Approach.** The assurance engagement was based on interviews with key personnel to identify the processes in place to fulfill the core IPIECA indicators followed by reviews of the processes for collecting, compiling, and reporting these indicators at the corporate, functional-business, and operating-unit levels.

These reviews comprised:

- A review of the reported information to confirm the inclusion of all core safety, health, and environmental performance indicators referenced in the IPIECA/API *Guidance*;
- A review of the documented reporting requirements against the applicable industry guidelines to assure consistency of scope, definition, and reporting for each of the relevant indicators;
- A review of the reporting processes at Headquarters and at each of the functional business levels to evaluate the processes used by ExxonMobil to assure completeness, consistency, and conformance to reporting requirements across its global operations;
- Reviews of the data-reporting processes at a sample of selected operating sites to assess local understanding and implementation of reporting requirements;

- A Headquarters review of the stakeholder engagement process; and,
- A review of the processes used to aggregate the data and information at the corporate level for inclusion in the Report.

**Conclusions and findings.** Based on the scope of the LRQA assurance engagement and the data and information presented for review, objective evidence was available to support the following conclusions:

- Processes are in place that ensure sites contributing to core safety, health, and environmental metrics understand corporate reporting obligations and are included in corporate safety, health, and environmental reporting;
- The methods used for calculating each metric are clearly defined and communicated;
- Data collection begins at the operating-site level and is ultimately collated and combined into Corporation-wide metrics;
- Processes are in place to ensure that the quantitative indicators are checked for completeness, consistency, and accuracy;
- Responsibility for annually reviewing and updating reporting guidelines is clear and improvement in methodology is regularly undertaken;
- Guidelines for greenhouse gas emissions reporting are consistent with, and specifically refer to, the API *Compendium for GHG Emissions Methodologies for the Oil and Gas Industry* (February 2004);
- Active engagement with external stakeholders provides feedback for determining material issues; and,
- LRQA believes the ExxonMobil reporting system is effective in delivering safety, health, and environmental indicators that are useful for assessing corporate performance and reporting information consistent with IPIECA/API *Guidance*.



Andrea M. Bockrath

On behalf of Lloyd's Register Quality Assurance, Inc.

8 April 2010



**Third party liability.** LRQA, its affiliates and subsidiaries and their respective officers, employees or agents are, individually and collectively, referred to in this clause as the 'Lloyd's Register Group'. The Lloyd's Register Group assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register Group entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

**LRQA's Competence and Independence.** LRQA ensures the selection of appropriately qualified individuals based on a rigorous appraisal of their training, qualifications, and experience. The team conducting the assurance of the Report was multidisciplinary and has been involved in assurance assessments from the outset of external verification of nonfinancial performance reports. LRQA's internal systems have been designed to manage and review assurance and certification assessments. This involves independent review by senior management of the outcome derived from the process applied to the assurance of corporate reports.

**Independence of LRQA from ExxonMobil.** LRQA and ExxonMobil operate as discrete and independent legal entities. LRQA provides ExxonMobil with third-party attestation assessment services to ISO 14001 and OHSAS 18001. The assurance and attestation assessment services are the only work undertaken by LRQA for ExxonMobil.

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$$T = \frac{1}{2}I_1\theta^2 + \frac{1}{2}I_1\phi^2 \sin^2\theta + \frac{1}{2}I_3(\psi + \phi \cos\theta)^2 \quad \nabla \times \vec{E} = -\frac{\partial \vec{B}}{\partial t}, \quad \nabla$$

$$\eta_t = \frac{W}{Q_H} = \frac{Q_H - Q_L}{Q_H} = 1 - \frac{Q_L}{Q_H} \quad \Delta H_T = m(C_p \Delta T_{(amb-dew)} -$$



$$T = \frac{1}{2}I_1\theta^2 + \frac{1}{2}I_1\phi^2 \sin^2\theta + \frac{1}{2}I_3(\psi + \phi \cos\theta)^2 \quad \Delta H_T = m(C_p \Delta T_{(amb-dew)} - \Delta H_V) \quad C_nH_m + \left(n + \frac{m}{4}\right)(O_2 + 3.76N_2) \Rightarrow nCO_2 + \frac{m}{2}H_2O + \left(n + \frac{m}{4}\right)3.76N_2$$

$$\eta_t = \frac{W}{Q_H} = \frac{Q_H - Q_L}{Q_H} = 1 - \frac{Q_L}{Q_H} \quad T = \frac{1}{2}I_1\theta^2 + \frac{1}{2}I_1\phi^2 \sin^2\theta + \frac{1}{2}I_3(\psi + \phi \cos\theta)^2$$



$$\nabla \times \vec{E} = -\frac{\partial \vec{B}}{\partial t}, \quad \nabla \times \vec{H} = \vec{J} + \frac{\partial \vec{D}}{\partial t} \quad C_nH_m + \left(n + \frac{m}{4}\right)(O_2 + 3.76N_2) \Rightarrow nCO_2 + \frac{m}{2}H_2O + \left(n + \frac{m}{4}\right)3.76N_2$$

$$\eta_t = \frac{W}{Q_H} = \frac{Q_H - Q_L}{Q_H} = 1 - \frac{Q_L}{Q_H} \quad \nabla \times \vec{E} = -\frac{\partial \vec{B}}{\partial t}, \quad \nabla \times \vec{H} =$$

$$T = \frac{1}{2}I_1\theta^2 + \frac{1}{2}I_1\phi^2 \sin^2\theta + \frac{1}{2}I_3(\psi + \phi \cos\theta)^2$$



$$Li_{1-x}CoO_2 + Li_xC_6 \rightleftharpoons C_6 + LiCoO_2 \quad \eta_t = \frac{W}{Q_H} = \frac{Q_H - Q_L}{Q_H} = 1 - \frac{Q_L}{Q_H} \quad T = \frac{1}{2}I_1\theta^2 + \frac{1}{2}I_1\phi^2 \sin^2\theta + \frac{1}{2}I_3(\psi + \phi \cos\theta)^2$$

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