



**ExxonMobil**

Taking on the world's toughest energy challenges.™

# 2008 Corporate Citizenship Report

## Table of contents



**Sustainability.** A key goal of our corporate citizenship strategy is to address the challenge of sustainability—balancing economic growth, social development, and environmental protection. See page 2



**Managing Climate Change Risks.** Meeting the enormous energy demand growth and managing the risk of greenhouse gas emissions are the twin challenges of our time. See page 30



**Economic Development.** Barriers to economic development may be reduced through skills development, job creation, and investment opportunities. See page 34

### 1 A Long-Term Vision

A letter from the Chairman and CEO

### 2 Sustainability

Balancing economic growth, social development, and environmental protection

### 4 About ExxonMobil

2008 events and operations

### 6 Performance Overview

Progress and plans

### 8 Engagement

Activities and outcomes of our stakeholder engagement

### 10 Issues and Indicators

Determining and reviewing material issues

### 11 Performance Data Table

Business highlights and citizenship performance data

### 12 A View to 2030

*Outlook for Energy*

### 14 Corporate Governance

Managing with standards and systems

### 20 Safety and Health

Working toward an incident-free workplace

### 24 Environmental Performance

*Protect Tomorrow. Today.*

### 30 Managing Climate Change Risks

Meeting growing demand, reducing greenhouse gas emissions

### 34 Economic Development

Local actions, global results

### 42 Human Rights and Security

Fostering a stable business environment

### 44 IPIECA/GRI Content Index

## About this report

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*.

Our *2008 Corporate Citizenship Report* describes our efforts in a range of areas relating to the financial, environmental, and social performance of the Corporation. The report is intended for anyone interested in learning more about our corporate citizenship efforts.

We value your feedback on this report and our performance in addressing financial, environmental, and social issues. For additional information and to provide comments, please go to our Web site ([exxonmobil.com/citizenship](http://exxonmobil.com/citizenship)) or contact:

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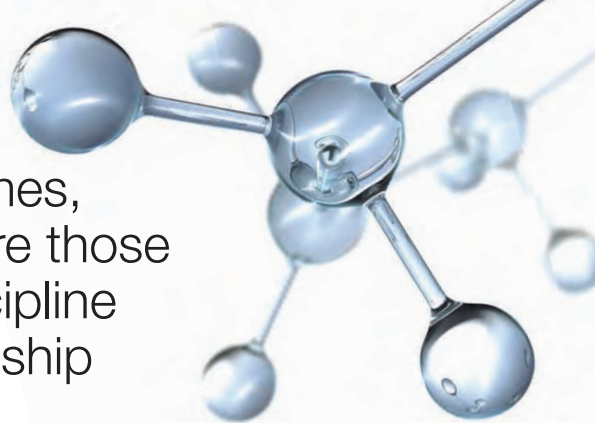
**LRQA Assurance Summary Statement.** Lloyd's Register Quality Assurance, Inc. (LRQA) believes the ExxonMobil reporting system is effective in delivering safety, health, and environmental indicators, which are useful for assessing corporate performance and for reporting information consistent with the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

*Note: 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. The report reviews our corporate citizenship performance as of December 31, 2008. There were no significant structural changes in 2008. Most environmental data are reported in metric units. Financial information is reported in U.S. dollars.*



“In such turbulent times, successful companies are those that see business discipline and corporate citizenship as interlinked.”

Rex W. Tillerson, Chairman and CEO



# A Long-Term Vision

A letter from Rex W. Tillerson, Chairman and CEO

By nearly any measure, 2008 was a year of extremes. Oil prices reached nearly \$150 per barrel and later fell to below \$50 a barrel. Our industry's earnings, while near the average of most other industries' in relative terms, broke records in absolute terms. At the same time, turmoil in global financial markets shook investor and consumer confidence, and again brought questions of corporate governance, business ethics, free market principles, and the role of government into the public spotlight.

In such turbulent times, successful companies are those that see business discipline and corporate citizenship as interlinked. We consider ExxonMobil's philosophy of investing with a long-term perspective—rather than reacting to short-term market fluctuations—as a cornerstone of our successful business model. We believe companies that retain a systematic focus on corporate governance, ethics, safety, environmental performance, and community engagement in the down-cycle will be best placed to succeed in the up-cycle.

ExxonMobil's role is to provide energy to sustain and improve standards of living for people worldwide while delivering a return to our shareholders. We are committed to taking on this challenge in a manner that reflects our own culture of integrity while balancing

the components of sustainability—economic growth, social development, and environmental protection. Given the scale of our business and the diversity of cultures in which we operate, we find that the best way to achieve this is to embed the many aspects of corporate citizenship directly into our global business processes, so that they are clearly understood wherever we operate.

Despite the current economic downturn, we anticipate global demand for energy will grow significantly over the long term, particularly in the developing world. All economic energy sources will be important in meeting that demand. This includes sources such as nuclear, wind, solar, and biofuels, which will make important and growing contributions. It also includes hydrocarbon energy sources, such as oil, natural gas, and coal. Because of their relative availability, affordability, and versatility—and given the enormous scale of global energy demand—they will continue to be the predominant energy sources for the foreseeable future.

We recognize our responsibility to help meet this growing energy demand while working to reduce the impact on the environment. To that end, we are taking action—improving our own energy efficiency, helping consumers improve theirs, and seeking new technologies that could be the game-changers that tomorrow's vast global energy system will require.

In all areas of corporate citizenship, we listen to others in order to understand different perspectives, to regularly assess our progress, and to know where we need to improve. While proud of our achievements, we are not complacent. Five contractor fatalities in 2008 was five too many, which is why we maintain a relentless focus on safety at our facilities. In 2008, our safety performance continued to lead the industry.

The goal of our *2008 Corporate Citizenship Report* is to detail our performance and commitment in our most significant citizenship areas: corporate governance, safety and health, environmental performance, managing climate change risks, economic development, and human rights and security.

I hope you find this information helpful in understanding our commitment to corporate citizenship and our progress to date. We welcome any comments you may have.

Rex W. Tillerson  
Chairman and CEO

## Citizenship focus areas



► **Corporate Governance.** Our responsibilities to our employees, shareholders, customers, and the communities in which we operate are integral to the way we do business. See page 14



► **Safety and Health.** ExxonMobil protects the safety of our employees, contractors, customers, and the public by implementing policies to manage personnel and process safety. See page 20



► **Environmental Performance.** ExxonMobil is committed to conducting business throughout the world in a manner that protects the environment. See page 24

# Sustainability

Balancing economic growth, social development, and environmental protection

Finding, developing, and delivering reliable and affordable supplies of energy to support economic progress have long been the foundation of ExxonMobil's business.

A key goal of our corporate citizenship strategy is to address the challenge of sustainability—balancing economic growth, social development, and environmental protection, so that future generations are not compromised by actions taken today.

Meeting the world's growing demand for energy will not be achieved without environmental impact. Reducing this impact, while not diminishing society's access to energy, is a critical step toward a sustainable energy system for the future. We address this challenge through a focus on improving the efficiency and environmental performance of our current operations and products while developing technologies that can substantially reduce the environmental footprint of energy use for the long term.

As a driver of economic growth and individual prosperity, the energy business is essential to modern society and development. We impact societies through the jobs we create; the revenues we generate for governments; the impact of our social investments in areas such as local capacity building, education, and health; and the way we engage and work with external parties. We are mindful of the

scale and perceived influence of our business, and believe that by operating in a responsible manner we significantly contribute to economic and social development.

By embedding corporate citizenship into our business processes, we link our nonfinancial performance with our business strategy. This enables us to focus our efforts on long-term value drivers that contribute to the success of our company and progress for society at large.

We address the challenge of sustainability through six citizenship focus areas:

### ► Corporate Governance

ExxonMobil manages safe, reliable, and ethical operations worldwide as well as corporate citizenship issues through our globally deployed management systems. We expect our employees to integrate corporate citizenship into their work-related activities and decision-making processes. Our management and controls systems are designed to support that goal.

### ► Safety and Health

ExxonMobil protects the safety of our employees, contractors, customers, and the public by implementing policies to manage personnel and process safety. Our commitment to safe, secure, and incident-free operations contributes to improved operations reliability, lower costs, and higher productivity.

### ► Environmental Performance

ExxonMobil is committed to conducting business throughout the world in a manner that protects the environment. We integrate environmental improvement into our business plans and strategies, and address key environmental issues that are specific to the processes and activities of each business.

### ► Managing Climate Change Risks

Our strategy to reduce greenhouse gas emissions from our operations and consumer use of products includes improving our own energy efficiency, advancing proven emissions-reducing technology, and developing breakthrough technologies for the long term.

### ► Economic Development

ExxonMobil seeks to create long-term economic and social benefits from our projects and presence. We employ a variety of economic support and incentive programs, including workforce development, supplier development, and strategic community investments—collectively referred to as national content development. Our contributions to economic development allow us to reduce barriers to development in the communities where we operate and are consistent with the objectives of the United Nations *Millennium Development Goals*.





► **Managing Climate Change Risks.** We are working on ways to reduce greenhouse gas emissions from our own operations and from energy use by consumers. See page 30



► **Economic Development.** We seek to create long-term economic and social benefits from our projects and presence. See page 34



► **Human Rights and Security.** We believe our business presence can, and should, have a positive influence on the treatment of people in the communities in which we operate. See page 42

## ► Human Rights and Security

We actively promote respect for human rights, which is essential for helping to create a stable business environment. We believe our business presence can, and should, have a positive influence on the treatment of people in the communities in which we operate.

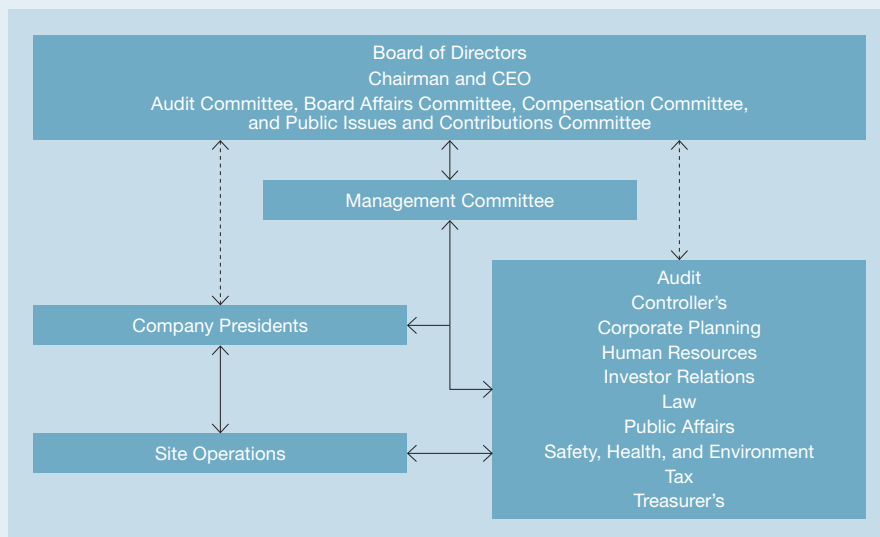
### A balanced strategy

Being a successful business over the long term requires a thoughtful, proactive approach to each of these focus areas. By balancing economic growth, social development, and environmental protection, we are able to address today's energy challenges while maintaining our license to operate in communities around the world.

#### up close:

### Managing corporate citizenship issues at ExxonMobil

Good corporate citizenship is embedded in our business model. Citizenship issues are managed at, and communicated through, all levels of the Corporation. For more information about how the Board of Directors manages these issues, see page 14.



#### Example of management in action

**Issue:** Improving 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. Site operations management implements facility-level energy intensity improvement measures to achieve this goal, under the guidance of the presidents of Refining and Chemical. Corporate Safety, Health, and Environment 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.

#### on the Web:

Directors, officers, and committees  
[exxonmobil.com/governance](http://exxonmobil.com/governance)

## Operational profile



**Upstream.** The company holds exploration and production acreage in 38 countries and conducts production operations in 23 countries around the world.



**Downstream.** We have interests in 37 refineries, and fuels and lubes marketing activities around the world. We are the largest global refiner, manufacturer of lube basestocks, and supplier/marketer of petroleum products.



**Chemical.** We are a global leader in the petrochemical industry. Over 90 percent of our chemical businesses rank first or second, by market position, worldwide.

# About ExxonMobil

## 2008 events and operations

### First Quarter

#### January

- Production from the first stage of the Kizomba C development began from the Mondo field in Block 15, offshore Angola. Full production from the Mondo and Saxi/Batuque (which started up in Q3, 2008) Projects are expected to recover 600 million barrels of oil (gross). See page 37

#### February

- Participated in Kazakhstan's first national *Extractive Industries Transparency Initiative* conference. See page 41

#### March

- Announced plans to invest more than \$125 billion in capital spending over the next five years to help meet growing world energy demand. See page 14
- Started production from the East Area Natural Gas Liquids II Project, offshore Nigeria. The project is expected to recover 300 million barrels of natural gas liquids (gross). This is part of our integrated plan to significantly reduce gas flaring and improve oil recovery. See page 33
- Launched *Enable*™ metallocene polyethylene, which produces strong and clear films that reduce packaging weight and deliver energy savings throughout the supply chain.

### Second Quarter

#### April

- Launched *Mobil 1 Advanced Fuel Economy* synthetic motor oil, designed to improve fuel economy for passenger cars. See page 32
- Announced plans to donate \$10 million to anti-malaria efforts through the "Idol Gives Back" episode of *American Idol*, which will benefit *Malaria No More*. See page 37

#### May

- ExxonMobil Chemical launched its Sustainable Development Web site.
- Announced a commitment of more than \$100 million to complete development and testing of CFZ™ technology, an improved natural gas treating technology, which could make carbon capture and storage from natural gas treatment more affordable and reduce greenhouse gas emissions. See page 31

#### June

- The U.S. Supreme Court reduced the punitive damages award for the 1989 *Exxon Valdez* oil spill to \$508 million. As of December 31, 2008, the Corporation has paid out \$383.4 million of the \$508 million. See page 26
- Chairman and CEO Rex W. Tillerson received the Hispanic Heritage Foundation's *Inspira Award* for his leadership role in breaking barriers and creating opportunities for Hispanic youth, and for inspiring a new generation of Hispanic leaders.

### Third Quarter

#### July

- Announced plans to invest \$1.1 billion to develop more than 270 million oil-equivalent barrels (gross) from the Turrum field in the Bass Strait, offshore southeast Australia.

#### August

- Committed \$3.5 million to the Global Health Group at the University of California, San Francisco to expand the University's support for an unprecedented malaria elimination effort in southern Africa. See page 37
- Started up facilities to manufacture a revolutionary new tire material, expected to improve fuel economy. See page 32

#### September

- Supported the Centre for Development and Population Activities to conduct a *Global Women in Management* Spanish-language workshop in Mexico City. See page 38
- Donated \$6.5 million for disaster relief assistance to U.S. communities along the coast of the Gulf of Mexico in the aftermath of Hurricanes Gustav and Ike. See page 23



**Technology.** Over the past five years, ExxonMobil has invested more than \$5 billion in technology.

up close:

# Global operations

ExxonMobil is the world's largest publicly traded petroleum and natural gas company. We operate facilities and market products around the world and explore for oil and natural gas on six continents. Below are a few highlights and examples of our global operations.



## Fourth Quarter

### October

- ExxonMobil Chemical won the 2008 ICIS Chemical Business Award for Best Product Innovation for its new battery separator film technology. We also broke ground on a new battery separator film plant in South Korea. See page 32

- Announced a collaboration to develop next-generation technology with Pratt & Whitney Rocketdyne to convert coal, coke, or biomass to synthesis gas, which would facilitate the use of carbon capture and storage to reduce greenhouse gas emissions. See page 31

### November

- The Board of Directors announced changes to ExxonMobil's *Corporate Governance Guidelines* to enhance the role of the Presiding Director. See page 17

### December

- ExxonMobil and Africare initiated a \$1.75 million, three-year project designed to empower rural women in southern Chad by developing their entrepreneurial capacity in small business development. See page 36
- Shared corporate citizenship strategies and best practices with the Riyadh Chamber of Commerce and Saudi businesses.
- Announced plans to invest over \$1 billion to increase supplies of cleaner-burning diesel by approximately 6 million gallons per day.

### 1 Canada

Commenced exploration drilling and evaluation of a shale gas play in the Horn River Basin in northeastern British Columbia.

### 2 United States

Maintain a significant position in all major producing regions, including the Gulf of Mexico, the mid-continent, onshore and offshore California, and Alaska.

### 3 Brazil

Commenced drilling operations in offshore Block BM-S-22 in the Santos Basin.

### 4 Norway

Operating or participating in more than 24 fields, ExxonMobil provides 10 percent of total Norwegian oil and gas production.

### 5 Libya

Operator of three deepwater exploration blocks, with first drilling expected to commence in 2009.

### 6 West Africa

ExxonMobil affiliates in Angola, Chad, Equatorial Guinea, and Nigeria are among the largest oil producers in those countries.

### 7 Qatar

Working with Qatar Petroleum to develop the world's largest nonassociated natural gas field, to develop more than 25 billion oil-equivalent barrels (gross).

### 8 China

ExxonMobil, along with our partners, is progressing an expansion project that will triple our refining capacity in the country and will also include a world-scale integrated chemical plant.

### 9 Russia

Potential recoverable resources from the Sakhalin-1 Project area are estimated at 2.3 billion barrels of oil and 17.1 trillion cubic feet of gas (gross).

### 10 Malaysia

Natural gas production began from the offshore Jerneh B platform in 2008, and is expected to bring total production from the field to 500 million cubic feet of gas per day (gross).

### 11 Singapore

Own and operate a 605-thousand-barrel-per-day integrated refining and chemical complex, our largest in the world.

### 12 Indonesia

Development of the Banyu Urip field in the Cepu Block continues and is expected to produce 165 thousand barrels per day (gross).

### 13 Australia

Gippsland operations have yielded almost two-thirds of Australia's cumulative oil production and almost 30 percent of Australia's gas production.

## Highlights

### Revised Corporate Governance Guidelines to enhance the role of the Presiding Director

#### Challenge:

Ensuring corporate governance practices facilitate effective management of enterprise risks and support growth in shareholder value

# 12%

### average annual reduction

in lost-time  
incident rate since 2000

#### Challenge:

Reducing incidents and  
injuries to zero

# 60%

### reduction

in the number of spills  
greater than one barrel since 2001

#### Challenge:

Minimizing the environmental  
footprint of oil sands operations

# Performance Overview

## Progress and plans

### ► Corporate Governance

#### What we said in 2007

- Manage succession of non-employee directors to maintain effective independent oversight
- Continue to demonstrate high ethical standards
- Hold frequent meetings and discussions with socially responsible investors, institutional investors, and other interested parties
- Continue to review and enhance corporate governance policies and procedures to ensure best approaches are in place

#### What we did in 2008

- Elected two independent directors to the Board following the retirement of two independent directors
- Held face-to-face sessions with all professional employees to reinforce the *Standards of Business Conduct*
- Conducted three calls with the Sustainable Investment Research Analyst Network (SIRAN)
- Revised *Corporate Governance Guidelines* to enhance the role of the Presiding Director
- Began senior-level benchmarking study on major shareholder engagement best practices
- Stewarded investments of \$26 billion in our Upstream, Downstream, and Chemical businesses
- Replaced 103 percent of production in 2008

#### What we plan to do

- Continue to manage succession of non-employee directors to maintain effective independent oversight
- Hold frequent meetings and discussions with socially responsible investors, institutional investors, and other interested parties
- Participate in SIRAN engagement processes
- Continue to review and enhance corporate governance policies and procedures to ensure best approaches are in place for current operating context
- Complete major shareholder engagement best practices study and implement learnings

### ► Safety and Health

#### What we said in 2007

- Emphasize hazard recognition and reduce risk tolerance in our workforce
- Enhance use of human factors technology to address issues such as worker fatigue and ergonomics
- Work through the American Petroleum Institute (API) to develop industry indicators for process safety
- Continue to improve security measures to further enhance the protection of our people and assets

#### What we did in 2008

- Emphasized hazard recognition through effective use of tools, such as *Last Minute Risk Assessment* and ongoing training on “risk tolerant behavior”
- Established a global Human Factors Technology Center of Excellence to champion the application of human factors technology and to support our vision of *Nobody Gets Hurt*
- Worked with API on the development of new standards for fatigue management and industry indicators for process safety
- Developed best practices to mentor and integrate new workers into the workplace
- Developed and launched an *Operations Integrity Management System* (OIMS) for office-based personnel, including a globally consistent baseline office ergonomics template for all ExxonMobil employees and an *Office Behaviors Observation Tool*
- Reinforced the *Security Is Everybody's Business* campaign, including awareness training and improved reporting and analysis of security metrics

#### What we plan to do

- Continue industry-leading safety record
- Recommend an updated mix of leading and lagging metrics to facilitate a step-change in safety performance that shows sustainable improvement over time
- Complete the development of process safety indicators through API
- Refresh our existing OIMS framework

### ► Environmental Performance

#### What we said in 2007

- Continue historical trend in spill reduction
- Reduce normalized emissions of volatile organic compounds (VOCs) and nitrogen oxides (NOx) from our chemical operations by 5 percent per year

#### What we did in 2008

- Reduced spills greater than one barrel by over 60 percent since 2001
- Achieved zero spills from ExxonMobil-operated and long-term chartered marine vessels, sustaining an impressive performance trend
- Reduced normalized emissions of VOCs and NOx from our chemical operations by more than 5 percent per year since 2004
- Built the world's first Q-Max liquefied natural gas carrier with Qatar Petroleum, which will carry up to 80 percent more cargo, but require approximately 40 percent less energy per unit of cargo than conventional ships

#### What we plan to do

- Continue historical trend in spill reduction
- Reduce normalized emissions of VOCs and NOx from our chemical operations by 5 percent per year
- Further reduce our environmental footprint, particularly in ecosystems with sensitive characteristics
- Through the International Petroleum Industry Environmental Conservation Association, improve existing industry environmental reporting indicators to facilitate benchmarking and improvement in overall sector results
- Progress research to develop new solvents-based processing techniques to further lower freshwater use in oil sands development



**\$1.5+**

**billion invested**

to increase energy efficiency and reduce greenhouse gas emissions since 2004

**Challenge:**

Meeting increased energy needs while decreasing greenhouse gas emissions

**~\$225**

**million**

combined corporate giving in cash, goods, and services worldwide

**Challenge:**

Effectively implementing and managing national content programs in developing countries

**7**

**priority affiliates**

provided with dedicated human rights awareness training

**Challenge:**

Maintaining security at operations within a framework that promotes respect for human rights

**What we said in 2007**



**What we did in 2008**



**What we plan to do**

**► Managing Climate Change Risks**

**What we said in 2007**

- 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 50 percent over the next several years as our planned projects are implemented
- Develop cost-effective technologies to increase future energy supplies, improve energy efficiency, and reduce greenhouse gas emissions

**What we did in 2008**

- Remained on target to improve energy efficiency by at least 10 percent between 2002 and 2012 across our worldwide refining and chemical operations
- Reduced upstream hydrocarbon flaring by about 30 percent
- Established flare management protocol in Nigeria, Angola, and Malaysia to rigorously monitor and manage flare events
- Continued to make energy efficiency improvements both internally and for our customers
- Added 125 megawatts of electric capacity through the start-up of new energy-efficient cogeneration facilities in Antwerp, Belgium

**What we plan to do**

- 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
- Increase our interests in cogeneration capacity
- Monitor developments and engage with governments, including the new U.S. Congress and Administration, about climate change policy around the world

**► Economic Development**

**What we said in 2007**

- Create economic opportunities for local businesses, develop locally competitive supply chains, and expand and publicize details of national content development on our Web site
- Support transparency initiatives that apply to all companies and protect proprietary information
- Expand the geographic reach of the *Global Women in Management Program* (GWIM) to Nigeria and Mexico in 2008 and to the Middle East and Latin America in 2009
- Host three Mickelson ExxonMobil Teachers Academy sessions in 2008

**What we did in 2008**

- Completed supplier development survey in Papua New Guinea
- Served on the Board of the *Extractive Industries Transparency Initiative* (EITI)
- Held GWIM workshops in Nigeria, Mexico, and the United States as well as one coaching workshop
- Hosted three Mickelson ExxonMobil Teachers Academy sessions and 25 Bernard Harris Science Summer Camps
- Provided \$750,000 to *Medicines for Malaria Ventures* for development of the first pediatric malaria drug to be recognized by the World Health Organization

**What we plan to do**

- Begin work to understand our social impacts and contribution to the United Nations *Millennium Development Goals*
- Speak at the 2009 EITI Global Conference
- Offer four GWIM workshops in Brazil, Cameroon, Egypt, and the United States and one coaching workshop
- Work with the International Center for Research on Women to further refine the focus of our *Educating Women and Girls Initiative* and evaluate the impact of our women's economic development projects

**► Human Rights and Security**

**What we said in 2007**

- Conduct human rights awareness training
- Host human rights conference for companies, nongovernmental organizations, and governments in Latin America to provide information and tools for managing human rights challenges

**What we did in 2008**

- Provided dedicated human rights awareness training to seven priority affiliates
- Co-hosted the Human Rights and the Oil & Gas Industry Conference in Latin America
- Initiated affiliate self-assessments of implementation of our *Framework on Security and Human Rights*
- Enhanced private security personnel contracts to include language to address human rights issues
- Served on the Steering Committee of the *Voluntary Principles on Security and Human Rights* as well as on a special Governance Group
- Developed and approved language regarding child and forced labor for inclusion in certain engineering, procurement, and construction contracts
- Participated in consultation sessions conducted by John Ruggie, United Nations Special Representative on Business and Human Rights
- Published an op-ed commemorating the 60th anniversary of the United Nations *Universal Declaration of Human Rights*

**What we plan to do**

- 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 the affiliates' role in promoting respect for human rights
- Continue to improve security measures while respecting human rights
- Continue active participation in the *Voluntary Principles on Security and Human Rights*

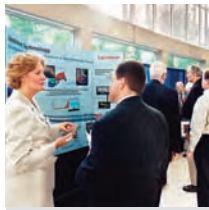
## Stakeholders



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



**Communities  
and NGOs**  
440 interactive  
sessions in  
34 countries



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



**Customers**  
~7 million  
drivers per day  
purchased fuel at  
retail stations



**Suppliers**  
~175,000  
suppliers of  
goods and  
services



**Employees**  
~80,000  
employees in  
80 countries  
around the world

# Engagement

Activities and outcomes of our stakeholder engagement

Engagement is an increasingly important component of our corporate citizenship strategy. Our engagement efforts help ExxonMobil identify those issues that are most material to our business operations and shape our approach to addressing a range of areas relating to the financial, social, and environmental performance of the Corporation.

## Communication and engagement

We are continually working to enhance the quality of our community engagement and external relations, with the goal of fostering understanding, trust, and cooperation on key issues. To be effective, our outreach efforts must be built on honest, transparent, accurate, and timely information. Over the past year, our engagement activities covered a wide range of topics, including environmental, governance, and social issues.

Successful dialogue entails a deep understanding of our business parameters, operations, and industry issues by key stakeholders. We address this challenge by gathering senior policy analysts, executive directors of non-governmental organizations (NGOs), and social investment professionals for in-depth dialogues with senior management at ExxonMobil.

Worldwide, we engage with the communities in which we operate as well as with governments, NGOs, shareholders, customers,

suppliers, employees, and others to help identify and manage issues of mutual concern and interest. We seek dialogue with those groups and individuals that our operations directly impact or that 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; 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.

In 2009, Chairman and CEO Rex W. Tillerson will be recognized by *IR Magazine* through its *Best Investor Relations by a CEO Award* for his efforts to engage investors in 2008. The award is based on survey results from more than 3500 financial analysts.

## Improving corporate reporting through stakeholder feedback

ExxonMobil is committed to continuous improvement in reporting. Each year, we solicit feedback on our *Corporate Citizenship Report* from external experts and use this feedback in our report planning process.

In 2008, we conducted interviews with NGOs, socially responsible investment firms, academia, international organizations, and industry analysts to identify information gaps, strengths, and weaknesses in our

*2007 Corporate Citizenship Report*. As a result of this feedback, this year's report was developed to give the greatest attention to our most material issues (see page 10).

In addition, stakeholder engagement on the *2007 Corporate Citizenship Report* resulted in:

- Increased focus on challenges and outcomes, and less on processes;
- Discussion of our business case and strategy for sustainability;
- Inclusion of a specific example of a high-profile shareholder resolution and the Corporation's response;
- Greater discussion on certain issues such as oil sands, public policy, and flaring; and,
- Enhanced review and assurance of the report through an External Assessment Panel.

### 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)

E-mail communications to  
[citizenship@exxonmobil.com](mailto:citizenship@exxonmobil.com)

# Worldwide dialogue

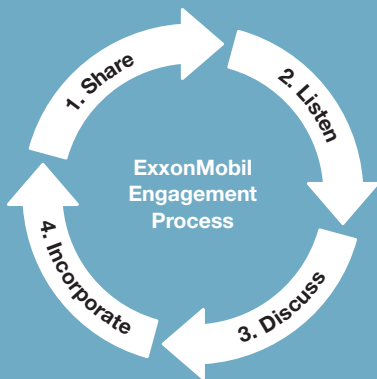
Engagement takes many forms and includes in-depth conversations with governments, NGOs, shareholders, customers, suppliers, employees, and others. The outcome of these dialogues is described below in three examples of our efforts to enhance corporate policies and practices, address environmental issues, and respond to concerns in the communities where we operate.

## Share

We enter into engagement in a spirit of respect and openness, to share a general understanding of our position throughout a project or program's life cycle.

## Incorporate

We act on our engagement commitments and incorporate them as appropriate into our operations.



## Listen

We seek to develop a comprehensive understanding of whom our stakeholders are, what their expectations are, and how they relate to us.

## Discuss

Through interactive dialogue, we develop an action plan to address the issues that are identified.

### Using stakeholder dialogue outcomes to improve corporate governance

We engage with institutional and individual shareholders, socially responsible investors, and pension funds to discuss our performance and approach to corporate governance. Over time, the following policies and practices evolved through engagement:

- Adopted a Confidential Voting Policy;
- Implemented *Director Resignation Guidelines* in support of majority vote principles;
- Approved policies against “Poison Pills” (i.e., strategies to make a hostile takeover of the company prohibitively expensive);
- Adopted a policy against option re-pricing;
- Enhanced *Incentive Pay Recoupment Guidelines*;
- Established procedures, for public use, to communicate with independent directors;
- Enhanced the role of the Presiding Director;
- Improved our Compensation Discussion and Analysis disclosure in the proxy; and,
- Conducted conference calls in 2008 to engage on environment, human rights, and corporate governance.

### Addressing environmental challenges in the United Arab Emirates

In the United Arab Emirates, population growth and accelerated economic development are leading to a rapid increase in energy consumption. While the country's per capita energy consumption and greenhouse gas (GHG) emissions rates remain among the highest in the world, leaders are taking a proactive approach to addressing future energy challenges. In partnership with ExxonMobil and others, the Abu Dhabi National Oil Company has greatly reduced gas flaring and has reduced GHG emissions per barrel produced to among the lowest in the industry.

In consultation with local businesses, community groups, and government leaders, ExxonMobil identified energy efficiency improvements as a significant opportunity. Encouraged by positive stakeholder feedback, we established a partnership with the Emirates Foundation, a leading philanthropic organization in the United Arab Emirates. We committed \$5 million over three years, with a particular focus on the Foundation's environmental programs. ExxonMobil will serve on the Foundation's Environment Program Council and is collaborating on a major project to improve the country's energy conservation and efficiency.

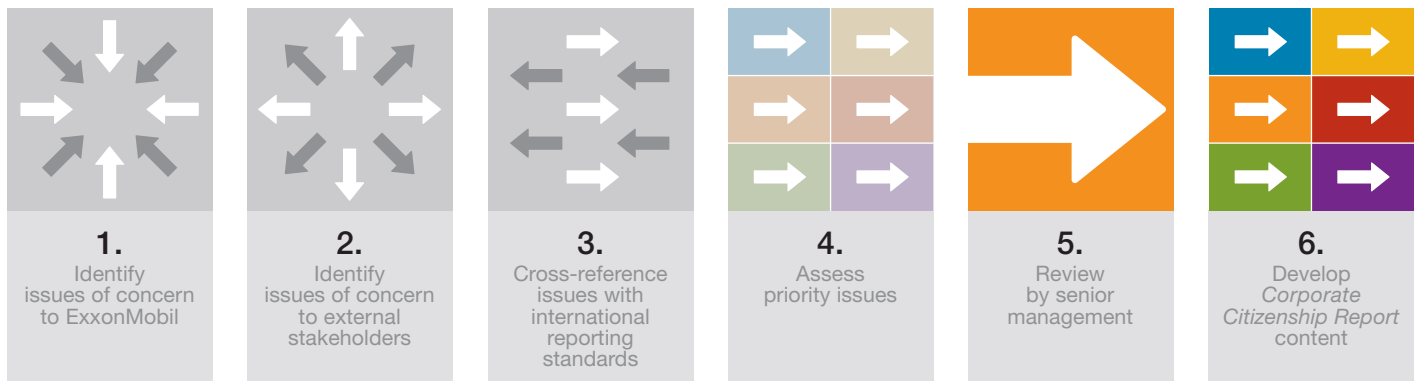
### Responding to community expectations in Thailand

As part of any major new project, we conduct Environmental, Socioeconomic, and Health Impact Assessments (ESHIA) to address possible environmental, socioeconomic, and health concerns. In Thailand, we coordinated site visits with the leaders of 22 communities within a 5-kilometer radius of our project to understand their concerns. We held additional sessions with the 10 communities closest to the project.

Feedback indicated that the communities have two basic expectations: 1) to be informed about environmental planning, monitoring results, project activities, and progress and 2) to improve their economic circumstances through skills development.

We are addressing these issues through an integrated external affairs plan for 2009, which includes a quarterly newsletter for local communities, annual site visits, opinion surveys, and participation in community activities. Through our *Educating Women and Girls Initiative* (see page 38), we are exploring options to develop skills training centers as well as other community investment projects as part of our national content development strategy (see page 34). Our engagement efforts have enhanced the relationship between project managers and the community.

## Materiality analysis process



# Issues and Indicators

## Determining and reviewing material issues

### Performance Data

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

A critical step in publishing this report is ensuring that the content accurately reflects the most current and emerging topics of relevance to our company and to our industry. Therefore, the report must focus on our most significant or material issues. As such, material issues are those that may have a significant current or potential impact on our company and expand beyond purely financial issues.

### Materiality analysis

To identify the social, economic, and environmental challenges, opportunities, and issues of particular concern to our stakeholders, we utilize a materiality analysis. 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.

This process also promotes internal understanding of corporate citizenship and sustainability issues, and shapes our ongoing approach by aligning high-priority issues with our business strategies. We discuss these material issues within the context of ExxonMobil operations specifically.

### External Assessment Panel

In 2008, we established our first independent External Assessment Panel to serve an advisory role in ExxonMobil's reporting process. The panelists provided feedback on what we did well and areas for future improvement. The 2008 panel consisted of four members, each with recognized expertise in nonfinancial reporting and/or our corporate citizenship focus areas. Panelists were external to ExxonMobil and conducted an independent and impartial review of the materiality analysis process and draft *2008 Corporate Citizenship Report*.

Panelists gave input on ExxonMobil's reporting process via two conference calls and a half-day, face-to-face meeting where they offered page-by-page feedback on a draft version of the report. For a complete summary of the panel's feedback, please see our Web site.

### on the Web:

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

**Panel feedback**  
[exxonmobil.com/panelfeedback](http://exxonmobil.com/panelfeedback)

### up close:

#### Profile of panelists



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



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



**Richard Newell**  
 Professor, Nicholas School of the Environment, Fuqua School of Business  
 Duke University



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



## Business highlights data

	2005	2006	2007	2008
<b>Company Profile</b>				
Net income, billions of dollars	36.1	39.5	40.6	45.2
<sup>1</sup> Sales and other operating revenue, billions of dollars	359	365	390	460
Net liquids production, millions of barrels per day	2.5	2.7	2.6	2.4
Natural gas production available for sale, billions of cubic feet per day	9.3	9.3	9.4	9.1
<sup>2</sup> Oil-equivalent production, millions of oil-equivalent barrels per day	4.1	4.2	4.2	3.9
Refinery throughput, millions of barrels per day	5.7	5.6	5.6	5.4
Petroleum product sales, millions of barrels per day	7.5	7.2	7.1	6.8
Chemical prime product sales, millions of metric tons	26.8	27.4	27.5	25.0
<sup>3</sup> Taxes to governments, billions of dollars	99	101	106	116
Benefits to employees, billions of dollars (wages, salaries, pensions, and other benefits)	12	12	13	13
Spending with suppliers, billions of dollars	211	212	230	286
Long-term debt at year end, billions of dollars	6.2	6.6	7.2	7.0
Total assets at year end, billions of dollars	208	219	242	228

## Citizenship performance data

**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.

	2005	2006	2007	2008	Interpretation
<b>Corporate Governance</b>					
Capital and exploration expenditures, billions of dollars	18	20	21	26	
<sup>4</sup> Distributions to shareholders, billions of dollars	23	33	36	40	
<sup>5</sup> Corporate political contributions—U.S. state campaigns and national 527s, millions of dollars	0.34	0.41	0.27	0.45	
<sup>6</sup> Number of regular employees at year end, thousands	84	82	81	80	
Percent women—global workforce (excluding company-operated retail stores)	23	24	25	25	●
<b>Safety and Health</b>					
Fatalities—employees	3	3	0	0	●
Fatalities—contractors	5	7	8	5	●
<sup>7</sup> Lost-time incident rate—employees (per 200,000 work hours)	0.069	0.049	0.031	0.047	●
<sup>7</sup> Lost-time incident rate—contractors (per 200,000 work hours)	0.054	0.052	0.065	0.050	●
<sup>7</sup> Lost-time incident rate—total workforce (per 200,000 work hours)	0.061	0.051	0.047	0.048	●
<sup>7</sup> Total recordable incident rate—employees (per 200,000 work hours)	0.39	0.33	0.33	0.35	●
Total recordable incident rate—contractors (per 200,000 work hours)	0.45	0.43	0.43	0.49	●
<sup>7</sup> Total recordable incident rate—total workforce (per 200,000 work hours)	0.42	0.38	0.38	0.42	●
<b>Environmental Performance</b>					
Marine vessel spills (owned/operated and long-term leased), number of hydrocarbon spills > 1 barrel	0	0	0	0	●
Other spills (not from marine vessels), number of oil, chemical, and drilling fluid spills > 1 barrel	370	295	252	211	●
Hydrocarbons spilled, thousands of barrels	12	40	8	20	●
Controlled hydrocarbon discharges to water, thousands of metric tons	2.0	1.9	1.7	1.8	●
Sulfur dioxide (SO <sub>2</sub> ) emitted, millions of metric tons	0.25	0.24	0.21	0.19	●
Nitrogen oxides (NO <sub>x</sub> ) emitted, millions of metric tons	0.16	0.16	0.15	0.14	●
Volatile organic compounds (VOCs) emitted, millions of metric tons	0.36	0.31	0.29	0.26	●
VOCs emitted, metric tons per 100 metric tons of throughput or production					
Upstream	0.084	0.071	0.073	0.071	●
Refining	0.018	0.016	0.015	0.013	●
Chemical	0.049	0.043	0.039	0.043	●
<sup>8</sup> Total hazardous waste disposed, thousands of metric tons	297	246	168	339	●
Environmental expenditures, billions of dollars	3.3	3.2	3.8	5.2	
<b>Managing Climate Change Risks</b>					
Greenhouse gas emissions, absolute (direct equity, CO <sub>2</sub> -equivalent emissions), millions of metric tons	138	146	141	131	●
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	21.2	22.5	21.3	19.0	●
Downstream	17.3	17.6	17.4	17.0	●
Chemical	44.3	43.9	41.6	42.2	●
Energy intensity, normalized versus <i>Global Energy Management System</i> (GEMS) base year (2000)—refining	93.8	93.9	93.2	93.4	●
Energy intensity, normalized versus GEMS base year (2001)—chemical steam cracking	92.2	91.6	90.6	91.3	●
Cogeneration capacity in which we have interest, gigawatts	4.3	4.3	4.5	4.6	●
Hydrocarbon flaring (worldwide activities), millions of metric tons	7.7	8.2	8.1	5.7	●
<b>Economic Development</b>					
Percent of workforce—non-U.S.	63	63	63	63	
Percent new professional hires—non-U.S.	73	72	71	69	
Community investments, millions of dollars	167.6	170.0	206.6	225.2	●
United States	112.7	109.1	124.1	144.6	
Rest of world	54.9	60.9	82.5	80.6	
<sup>7,9</sup> Number of countries with transparency agreements	4	6	6	8	●
<b>Human Rights and Security</b>					
<sup>10</sup> Percent of private security contracts with enhanced language	N/A	N/A	N/A	50+	●
<sup>10</sup> Number of affiliates receiving dedicated human rights awareness training	N/A	N/A	N/A	7	●

<sup>1</sup> Sales and other operating revenue includes purchases/sales contracts with the same counterparty in 2005.

<sup>2</sup> Gas converted to oil-equivalent at 6 billion cubic feet = 1 million barrels.

<sup>3</sup> Income, sales-based, and other taxes and duties.

<sup>4</sup> Cash dividends to ExxonMobil shareholders and share purchases to reduce shares outstanding.

<sup>5</sup> 2007 data was corrected to reflect contributions to both U.S. state campaigns and national 527s.

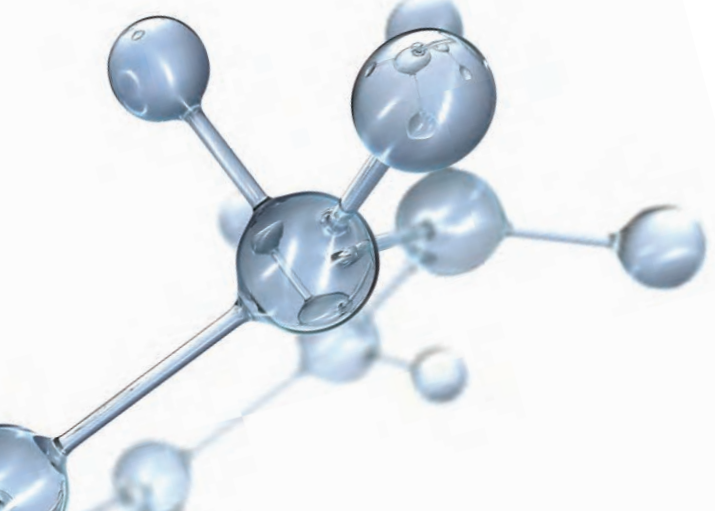
<sup>6</sup> Regular employees are defined as active executive, management, professional, technical, and wage employees who work full-time or part-time for ExxonMobil, and are covered by ExxonMobil's benefit plans and programs.

<sup>7</sup> Historical data was updated to reflect improved information.

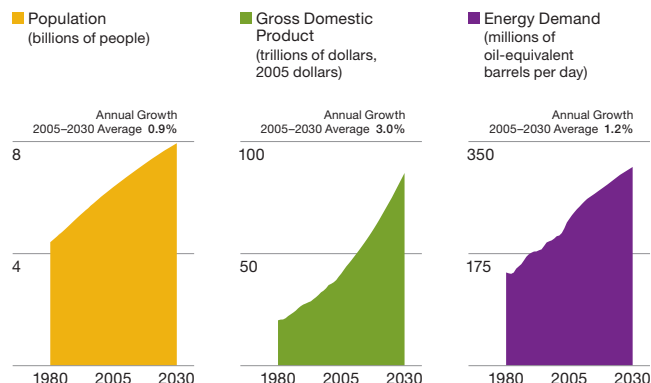
<sup>8</sup> For a description of changes in hazardous waste classification, see page 27.

<sup>9</sup> In countries where ExxonMobil has an Upstream business presence.

<sup>10</sup> Data first reported in 2008.



#### Worldwide Economics and Energy



# A View to 2030

## Outlook for Energy

Energy—in all its forms—is critical to economic growth, development, and social welfare. We are faced with the challenge of meeting the projected increase in energy demand to support growing populations and expanding economies while also protecting the environment and reducing greenhouse gas emissions. Addressing these challenges effectively requires a multi-dimensional approach and an integrated set of solutions.

To help us prepare for the future energy marketplace, each year ExxonMobil develops *The Outlook for Energy*—a broad, in-depth look at the long-term global trends for energy demand and supply and their impact on carbon dioxide (CO<sub>2</sub>) emissions. The results of this comprehensive study provide a foundation for ExxonMobil's business planning and are shared publicly to help build understanding of the world's energy needs and challenges.

### The link between economic growth and energy

Today, the world uses approximately 245 million barrels of oil-equivalent energy per day to fuel transportation, run farms and factories, power schools and businesses, heat and cool homes, and enable improved living standards. Energy and economic growth have long been entwined: the availability of energy supports long-term economic and social development; and economic growth drives increased energy usage.

Despite current economic conditions, global economic output, as measured by Gross Domestic Product (GDP), is expected to increase by an average of 3 percent annually through 2030.

Importantly, the global economy is becoming more energy efficient. From 1980 to 2005, energy intensity—the amount of energy used per unit of economic output—improved by 1 percent per year on average. Going forward, we anticipate the rate of improvement will be 70 percent faster than in the past.

Even with substantial efficiency gains, we expect that by 2030 global energy demand will be 35 percent higher than it was in 2005. The vast majority of this increase will occur in developing countries where populations and economic output are growing most rapidly.

Much of the increase in energy demand will be driven by growing transportation needs. Moving people and goods across town, across countries, and around the world requires tremendous amounts of energy, and that will not change in the foreseeable future. While we expect dramatic efficiency gains, energy demand for transportation will likely increase by 40 percent from 2005 to 2030.

Energy needs for power generation will also rise significantly. Electricity is something many take for granted, yet around 1.5 billion people still do not have access to reliable electricity supplies. As economies grow and access increases, global demand for electricity is

projected to increase 75 percent by 2030 versus 2005. To meet this need, energy for power generation will remain the largest and fastest growing segment of global demand, driven in large part by strong growth in Asia Pacific.

### Global energy in perspective

Viewed globally, it is clear that the world's energy mix is highly diverse. Today, oil, natural gas, and coal provide approximately 80 percent of world energy. Our *Outlook* projects that by 2030, oil will remain the largest source of energy supply at approximately 35 percent. Natural gas will grow the fastest of the fossil fuels and will overtake coal as the second largest energy source, accounting for nearly 25 percent.

Nuclear power will increase significantly, surpassing coal in terms of absolute growth and becoming the fourth largest fuel source. Hydro and geothermal will also grow, but they are limited by the availability of natural sites. We expect wind, solar, and biofuels to increase at about 9 percent per year on average, the highest growth rate of all fuels.

In developing this *Outlook*, we anticipate significant efficiency improvements over time. Compared to 2005 energy intensity levels, these improvements translate to energy savings of approximately 170 million oil-equivalent barrels per day by 2030—about double the corresponding growth in demand. Achieving these gains will be critical to helping meet global energy challenges.

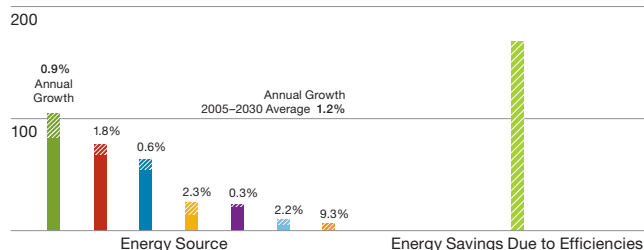
## Growth in Global Energy Demand

(millions of oil-equivalent barrels per day)

■ 2005 Demand ■ 2030 Demand

Energy Source:

■ Oil ■ Gas ■ Coal ■ Nuclear ■ Biomass and Other  
■ Hydro and Geothermal ■ Wind, Solar, and Biofuels



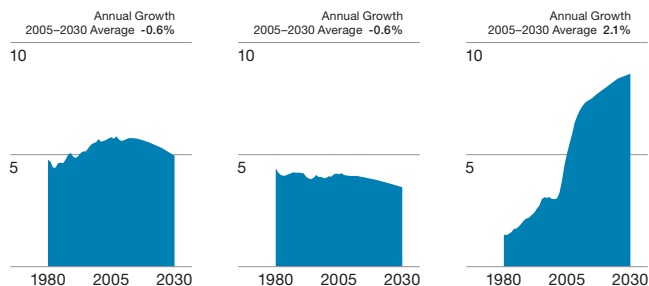
## CO<sub>2</sub> Outlook by Region

(billions of metric tons CO<sub>2</sub> per year)

United States

European Union

China



**35%**  
increase

in energy demand from 2005 to 2030, despite substantial energy savings from efficiencies

**28%**  
growth

in global energy-related CO<sub>2</sub> emissions likely from 2005 to 2030, even as developed countries' emissions plateau and decline

**+1**  
billion

in global population growth by 2030

**~80%**  
of global energy

needs through 2030 will continue to be met by oil, natural gas, and coal

**100%**  
increase

likely in global economic output from 2005 to 2030, led by developing countries

Alternative sources of energy are evolving. Factors such as technology, costs, and availability will continue to shape the composition of the world's energy supplies over time. Given the tremendous scale of the energy marketplace, major shifts in the types of energy used around the world require ongoing advances in technology and substantial investments over decades.

To help ensure reliable and affordable supplies to meet growing needs, all economically viable sources of energy should be pursued. For example, unconventional oil and natural gas resources are expected to contribute more significantly to global supplies over time. Technology is more important than ever, since a significant portion of the world's oil and gas resources are located in challenging environments that require innovative approaches to energy production. Advances in technology are also spurring development of a global market for liquefied natural gas, which is expected to more than triple in volume from 2005 to 2030.

To expand energy options for the future, ExxonMobil is actively supporting research in a number of areas, both internally and through partnerships with universities. Research areas include hydrogen fuel cell technology, photovoltaic solar cells, and biomass conversion.

## Growing energy demand and carbon dioxide emissions

The outlook for energy-related CO<sub>2</sub> emissions is linked directly to projections of the amount and type of energy required globally. While the United States and other developed countries will be reducing emissions, the economic growth and associated energy needs of developing countries will drive global CO<sub>2</sub> levels higher. This highlights a key challenge ahead for the world—how to continue to provide the energy necessary to bring billions of people up the economic ladder while mitigating the growth of CO<sub>2</sub> emissions.

Breakthrough technologies—including some pioneered by ExxonMobil—have helped keep pace with rising global energy demand by making more energy supplies available while also reducing the environmental footprint of energy development. We continue to actively support the development of advanced technologies to promote all viable sources of energy, improve energy efficiency, and mitigate CO<sub>2</sub> emissions.

### on the Web:

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

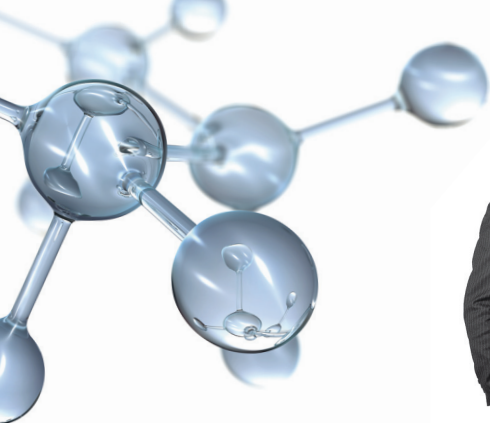
### up close:

## Taking on the world's toughest energy challenges

This *Outlook for Energy* makes clear that the world's energy challenges are formidable. We believe that meeting these global energy challenges requires an integrated set of solutions that includes:

- Moderating demand through new technologies that improve energy efficiency in our vehicles, homes, and businesses;
- Expanding access to all economically viable energy sources—oil, natural gas, coal, nuclear, and alternative and renewable sources; and,
- Mitigating the risks of climate change through technologies that advance energy efficiency and provide energy with lower CO<sub>2</sub> emissions.

Looking to 2030 and beyond, we realize that the scale of our global challenge is enormous, but so too is our commitment to succeed and our capacity to innovate. We are confident that by pursuing an integrated set of solutions—while working with governments to create reliable policy and investment environments for these solutions to thrive—the world can achieve both energy and environmental security to support growing economic prosperity.



2008 ExxonMobil  
Board of Directors



# Corporate Governance

Managing with standards and systems

Good governance—both by the public and private sector—is essential for creating an economic climate that is conducive to large-scale investments, leading to the long-term sustainability of business. At ExxonMobil, our disciplined approach and long-standing history of leadership in corporate governance are critical to our success. We comply with all applicable laws and regulations, and where laws and regulations do not exist, we operate using the highest industry standards in all aspects of our business.

## Management systems

Our commitment to high ethical standards is implemented through our global policies and practices—in every aspect of our business, at every location where we operate. Corporate citizenship at ExxonMobil is integrated in the 16 policies that make up our *Standards of Business Conduct*. We ensure long-term sustainable performance through our management systems, which include *System of Management Control Basic Standards*, *Controls Integrity Management System* (CIMS), *Operations Integrity Management System* (OIMS), and *Best Practices in External Affairs* (BPEA).

ExxonMobil supports the ideals of the United Nations *Global Compact* in the areas of human rights, labor standards, the environment, and anti-corruption. While we are not a signatory of the *Global Compact*, its basic

values are embedded in our *Standards of Business Conduct*, which govern how we operate around the world.

## Long-term financial resource management

It is our responsibility to help meet the world's growing energy needs while providing competitively priced supplies to our customers and delivering value to our shareholders. Our investment decisions have impacts that resonate for decades and, therefore, we do not base our long-term investment strategy on short-term trends in commodity prices. In 2008, we continued investing at record levels—more than \$26 billion for the year—and we expect to spend more than \$125 billion over the next five years.

ExxonMobil has a development portfolio of more than 120 projects expected to produce over 24 billion oil-equivalent barrels (net) during their lifetime. We participated in eight major upstream project start-ups in 2008, with another nine anticipated in 2009. At peak production, these 2009 projects are expected to add over 485 thousand oil-equivalent barrels per day (net).

**Creating shareholder value.** Disciplined capital investment, operational excellence, and a long-term, consistent industry perspective allow us to achieve our goal of delivering superior shareholder value. 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.

In 2008, total shareholder distributions were \$40 billion, including \$32 billion in share purchases. For more than 100 years, the Corporation has paid dividends. Annual dividend payments per share have increased in each of the past 26 years—by 13 percent in 2008 and 58 percent since 2003.

**Reserves replacement.** In 2008, our world-wide proved oil and gas reserves totaled nearly 23 billion oil-equivalent barrels or 15 years of reserve life at current production levels. Reserve replacement totaled 103 percent of production. Our five-year average replacement ratio is 110 percent.

## Board of Directors

As of year end 2008, 10 of the 11 directors on our Board were independent as defined by New York Stock Exchange guidelines, and all directors stand for election at our Annual Meeting of Shareholders. In 2008, the Board of Directors met 10 times, and our Audit, Board Affairs, Compensation, and Public Issues and Contributions Committees each met between four and 11 times. The Board evaluates its performance and effectiveness on an annual basis.

Corporate citizenship topics are generally overseen by the Board Affairs, Compensation, and Public Issues and Contributions Committees. In 2008, key topics reviewed by the committees included:



## Priority issues



**Responsible Operations.** Ensure that corporate governance practices effectively manage enterprise risks and opportunities, and support superior returns across the business lines.



**Strategy Development.** Incorporate corporate citizenship issues into business strategy and communicate these initiatives to interested stakeholders.



**OIMS Case Study.** Conduct safe, secure, and incident-free operations on Sakhalin Island, Russia.

**25%**  
of workforce

worldwide  
is composed  
of women

**10 of 10**  
rating

by GovernanceMetrics  
International,  
among top 1 percent  
of companies rated

**98%**  
above

others in energy  
group for corporate  
governance, as rated  
by RiskMetrics Group

**\$26**  
billion

in capital and  
exploration  
expenditures,  
a record level

**110%**  
of production

replaced  
on average over  
last five years

- **Audit Committee:** Reviewed our risk management process, the annual independent audit findings, and audit and controls performance, and appointed independent auditors, subject to shareholder ratification.

- **Board Affairs Committee:** Recommended director candidates and reviewed independent director compensation and other corporate governance practices.

- **Compensation Committee:** Oversaw compensation for executive officers and other senior executives (about 25 positions), including salary, bonus, incentive awards, and succession plans for key executive positions.

- **Public Issues and Contributions Committee:** Reviewed our safety, health, and environmental performance as well as latest trends and developments in climate science and other public policy issues.

**Communicating with directors.** ExxonMobil's directors welcome and encourage communications with our shareholders. On average, 10 letters are received per month and responded to as appropriate. Interested persons may send e-mails directly to non-employee directors of the Corporation from the corporate governance page of our Web site. Additional instruction is provided in the proxy statement.

## Ethics

ExxonMobil expects employees to adhere to all company policies and to be responsible for reporting suspected violations of the law or

corporate policy to management. Employees are required to annually confirm that they have read and are familiar with the policies set forth in our *Standards of Business Conduct*, which include a Code of Ethics and Business Conduct to prevent bribery and corruption (for information on our transparency initiatives, see page 41). Detailed training is provided to all employees on a regular basis to ensure they understand company expectations.

**Internal audits.** On average, our internal audit department conducts annual audits of one-third of corporate operating units and business activities (including preparation of the *2007 Corporate Citizenship Report*). Approximately 250 specially trained internal auditors have unrestricted access to all facilities, business units, personnel, and records and are empowered to investigate all potential noncompliances with ExxonMobil's *Standards of Business Conduct*.

**Reporting and investigating suspected violations.** Suspected violations are identified through internal control procedures, supervisory reviews, hotline calls, and employee or third-party tips. 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. Violations by

## up close:

### Executive compensation

At ExxonMobil, the most senior executives—including the CEO, named executive officers, and 1200 other U.S. executives—participate in a common compensation program.

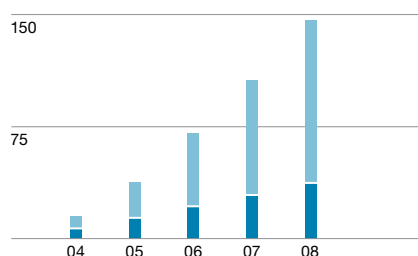
Compensation is designed to fully support our long-term business model and to contribute to shareholder value. A significant portion of executive compensation is at risk of forfeiture if the executive leaves before standard retirement age, which reinforces the career orientation of the company. Executives do not have employment contracts, severance agreements, or change-in-control arrangements, which further strengthens the at-risk principle of the executive compensation program.

Compensation decisions are evaluated over multiple-year periods and are subject to company performance. Key criteria include a range of factors such as net income; safety, health, and environmental performance; and effective actions that support the long-term, strategic direction of the company.

## Cumulative Distributions to Shareholders (over past five years)

(billions of dollars)

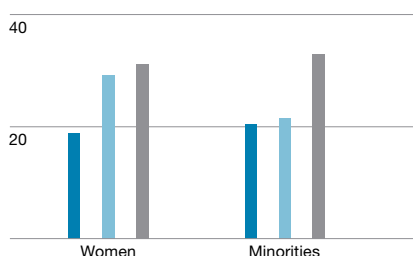
■ Dividends  
■ Share Purchases (to reduce shares outstanding)



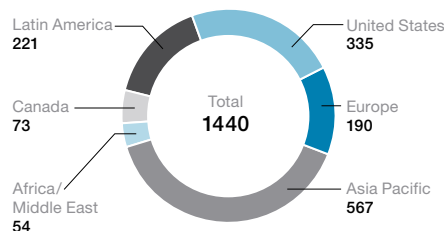
## 2008 Percent of Women and Minorities by Position in the United States

Based on U.S. Equal Employment Opportunity Commission reporting

■ Officials and Managers ■ Professionals  
■ Total Employees

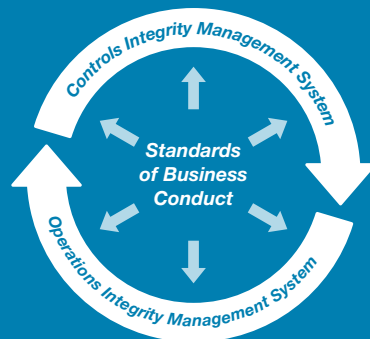


## 2008 Female Management and Professional New Hires by Geographic Region



### Our Standards of Business Conduct

provide each employee with guidelines on ethics, conflicts of interest, nondiscrimination, and harassment in the workplace.



### Our Controls Integrity Management System and Operations Integrity Management System

form the framework by which we manage safe, reliable, environmentally responsible, and ethical operations globally as well as corporate citizenship issues.

employees lead to disciplinary actions up to, and including, separation from the company. Significant matters are reported to the Audit Committee of the Board of Directors. The Board makes no exception for cases involving an executive officer or director.

## Employment policies and practices

ExxonMobil strives to create a work environment that is safe and rewarding for each of our approximately 80,000 people—our success as a company depends on their individual contributions. To retain and recruit the most talented people, we provide employees with numerous opportunities for development, interaction with senior management, and open-door communications.

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.** ExxonMobil does not tolerate any form of discrimination or harassment in the workplace. Our all-inclusive global standards are intended to leave no doubt that discrimination and harassment for any reason are unacceptable, including discrimination based on sexual orientation

and gender identity. 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 each country in which we operate. 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 all 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.

**Diversity.** ExxonMobil's greatest strength is the quality and diversity of our employees. We developed our *Global Workforce Diversity Framework* to attract, develop, and retain a premier workforce; actively foster a work environment where individual and cultural differences are respected and valued; and

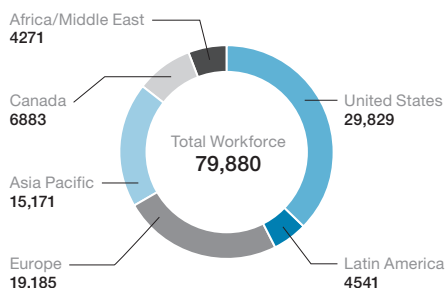
identify and develop leadership capabilities of employees to perform effectively in a variety of environments.

ExxonMobil is committed to promoting leadership opportunities for women globally and improving the gender balance in our company. Currently, women comprise about 25 percent of our worldwide workforce, excluding company-operated retail stores. Approximately 12 percent of executive employees are women, compared to 9 percent in 2000. We are also working to increase the representation of minorities, including African-Americans, Hispanics, Asians, and Native Americans in our U.S. operations. 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 2008.

ExxonMobil has long supported diversity 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).

## 2008 Workforce by Geographic Region\*

\*Data excludes company-operated retail store employees.



## 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 2008, Exxon Mobil Corporation contributed a total of \$242,200 to legislative and gubernatorial candidates and caucuses in 11 U.S. states. Information about our policy and guidelines in this area, and an itemized list of all corporate political contributions are available on our Web site.

In 2008, ExxonMobil's employee-funded political action committee disbursed \$515,032, mostly to federal candidates.

**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, and fully comply with regulations by reporting all federal lobbying in quarterly disclosure reports to the Congress. In 2008, ExxonMobil incurred lobbying expenses totaling \$29 million under the Internal Revenue Code 162(e) reporting definition, including direct and indirect expenses and overhead costs such as building rental and utilities. A complete list of federal issues lobbied by ExxonMobil in the United States in 2008 can be found in the Public Disclosure section of the U.S. Senate Web site.

**Grassroots advocacy.** Through our Citizen Action Team (CAT), we encourage our employees and retirees to communicate with their elected officials as private citizens on pending legislation and matters of personal importance. In 2008, employees and retirees used CAT e-tools to send over 28,000 messages to their elected officials. Additionally, more than 600 U.S.-based employees and 350 expatriates registered to vote through the CAT *Get Out the Vote* initiative.

### on the Web:

Management systems and policies  
[exxonmobil.com/managementsystems](http://exxonmobil.com/managementsystems)

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

Corporate Governance Guidelines  
[exxonmobil.com/governance](http://exxonmobil.com/governance)

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

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

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 in the lobbying database)  
[senate.gov](http://senate.gov)

### up close:

## Shareholder proposals and proxy statements

Every year, ExxonMobil receives suggestions from shareholders on ways to improve the company. Management and the Board carefully 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 Boards' response and recommendation are published in our proxy statement. Shareholders vote on each proposal at the Annual Shareholders' meeting. The Board evaluates those proposals receiving significant support and acts as appropriate.

**Example:** Proposal to separate the positions of Chairman of the Board and CEO.

**Shareholder request:** Amend bylaws to require that an independent director serve as Chairman of the Board and that the Chairman of the Board does not concurrently serve as the CEO. Proponents argue that an independent Chairman would provide better governance through increased Board independence.

**Board response:** The Board believes that the decision as to who should serve as Chairman and CEO, and whether the offices should be combined or separated, is the proper responsibility of the Board. The members of the Board possess considerable experience and unique knowledge of the challenges and opportunities the Corporation faces. They are, therefore, in the best position to evaluate the current and future needs of the Corporation, and to judge how the capabilities of the directors and senior managers can be most effectively organized to meet those needs. At this time, the most effective leadership structure for the Corporation is for Mr. Tillerson to serve as both Chairman and CEO.

The Board believes there is no single best organizational model that would be most effective in all circumstances, and retains the authority to separate the positions of Chairman and CEO if deemed appropriate in the future.

The Board made changes to the *Corporate Governance Guidelines* in 2008 to enhance the role of the Presiding Director. The Presiding Director has the authority to call and chair executive sessions and provide feedback to the Chairman, and also to chair Board meetings in the absence of the Chairman.

# OIMS in action

ExxonMobil is committed to conducting business in a manner that protects human safety, security, health, and the environment wherever we operate. We have defined policies that enable responsible operations, and we put these into practice through our structured and rigorously applied *Operations Integrity Management System* (OIMS).

## Global concern

Nothing receives more attention than the safety, security, and health of our employees, contractors, customers, and the people who live and work in the areas where we operate. OIMS provides the discipline and structure to enable safe, secure, and incident-free operations.

## Our approach

- Improve operations reliability, manage risk, and lower our operating costs
- Establish common worldwide expectations for every operating unit
- Implement OIMS over the complete life cycle of a project from exploration to development and production to project completion
- Ensure that management is continuously accountable for results



## The Arctic, one very tough place to work

Off Russia's eastern coast, the Sakhalin-1 Project encompasses the offshore Chayvo, Odoptu, and Arkutun-Dagi fields, with Chayvo already producing and the others in the development phase. A pipeline across Sakhalin Island and the Tatar Strait links the fields to the DeKastri tanker loading terminal in Khabarovsk Krai, on the Russian mainland. It is one of ExxonMobil's first ventures in Russia and is operated by our affiliate, Exxon Neftegas Limited (ENL).

Recognized as one of the most technically challenging projects undertaken by the industry, the Sakhalin-1 Project presents some of the most extreme conditions in which we have ever worked. ENL faced harsh arctic conditions, featuring five-foot-thick pack ice and earthquake activity, and worked in a remote location with very little existing infrastructure. Despite these challenges, the Sakhalin-1 Project progressed on schedule and within budget to accomplish what some initially doubted was even possible. In early 2007, the project reached its targeted peak production rate of 250 thousand barrels of oil per day. This success is due to our employees' commitment to excellence and integrity that emphasizes safety, security, health, and environmental protection.

## OIMS as a foundation for success

OIMS was implemented in 1992 to respond to opportunities for improvement in operations integrity and to institute a broad safety and environmental management framework globally. Today, OIMS—consisting of 11 elements—is embedded into everyday work processes at all levels of the global organization to proactively manage risk. Over time, it has become a part of our culture and the way our organization works, improving operations reliability and lowering our operating costs.

When ENL first started exploration and development on Sakhalin Island, the principles of OIMS were embedded at project inception. The project included establishing plans and setting expectations for employees for managing all project risks, including those involving safety, security, health, and the environment. When the project transitioned to operations in 2006, processes were in place to ensure continuity in OIMS implementation. During a 2008 OIMS assessment, ENL demonstrated practical application of the system and received one of the highest ratings for a new affiliate.

**Leading-edge technology in the pursuit of project excellence.** With input from Russian research and design institutes, engineering design studies were conducted to reduce the safety, security, health, and environmental

risks of our facilities and operations. These included plans to build double-hulled tankers to ship crude oil from the DeKastri terminal, escorted safely in the winter by two large icebreakers equipped with the latest ice-navigation technology. Leading-edge technology was applied to drill extended-reach wells from the shoreline to the Chayvo field, which allowed for horizontal drilling under the sea floor and eliminated the need for a second offshore platform while minimizing and in some cases eliminating environmental risks.

**Environmental leadership.** In order to develop an effective and successful environmental plan, ENL engaged with federal, regional, and local regulators to establish a reputation of respect, trust, and credibility among Russian authorities. To address the concerns of Russian environmental protection agencies regarding potential impacts on salmon populations, the 225-kilometer pipeline was routed to reduce the number of stream crossings, which were carefully selected relative to salmon-spawning areas. Additionally, construction was scheduled during the winter months to minimize potential impacts due to sedimentation.

ENL has co-sponsored several studies since 1997 to better understand and protect the critically endangered Western Gray Whale, which feeds in the shallow waters off Sakhalin Island. Plans for constructing a permanent





Within two years of agreeing to assist with the update of the Okha Municipal District regional healthcare system, Exxon Neftegas Limited (ENL) provided the Okha Regional Medical Center with modern emergency medical care equipment, ranging from surgical tools to diagnostic equipment. Because no illness can be treated by equipment alone, ENL also arranged for healthcare professionals to be trained on how to utilize the equipment. For example, in 2008, a leading Russian surgeon conducted 14 demonstration operations and trained local physicians on a new endoscopic unit for video diagnostics and therapy.

jetty along the shoreline were modified in the area used by the whales for feeding in the summer and early fall.

Additionally, conservation measures to protect the endangered Steller's Sea Eagle (Orlan) populations included restricted buffer zones near nests to minimize disturbance to the eagles, and construction of artificial nests and perches to attract the birds to new coastal sites away from project facilities.

**Building a local workforce.** ExxonMobil and its affiliates seek to hire, train, and develop a local workforce to meet business needs. The personnel selection, training, and competency verification of our technical and professional employees and contractors on Sakhalin Island greatly contributed to the success of the project. Russian technician trainees went through a rigorous two-year training program that began with an intensive English language program and concluded with job-specific advanced training in North America. In 2008, 47 trainees graduated and were hired from the locally operated Sakhalin Technical Training Center. More than 500 nationals work directly for ENL, and 75 percent of our total workforce in Russia is national. For more information on national content development, see page 34.

**Safety excellence.** On Sakhalin Island, personnel know that safety is a way of life and not just a message on a bulletin board.

We ensure that the workforce is provided with proper training through our personnel safety and occupational health programs. As a result, by the end of 2008, the construction project had achieved a lost-time incident rate that was five times better than the worldwide average for the oil and gas construction industry. This safety excellence continued during the operations phase with no lost-time incidents in 2008. By early 2009, employees will have worked over 80 million hours with industry-leading safety performance.

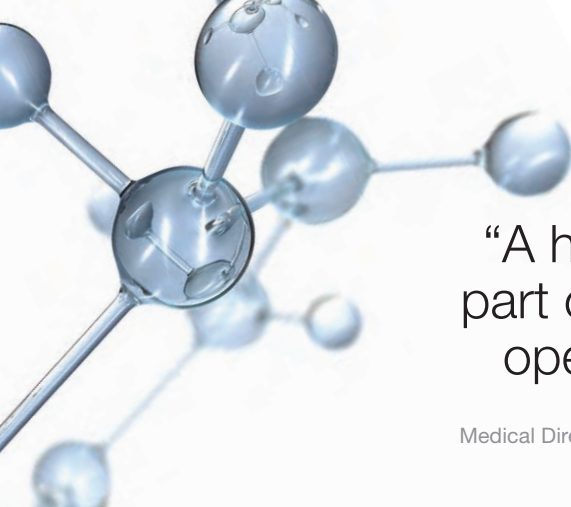
**Ensuring safety among our contract workers.** Management and safety professionals have also worked hard to help the contractor workforce develop and enhance their capabilities to perform in a manner that is consistent with our safety, security, health, and environmental policies and expectations. The management team acts as safety champions, who work to bring the entire team—not just safety and environmental professionals—into the process. This involves observing safety practices in the workplace, helping contract personnel correct potentially hazardous practices, and providing remedial training for worker safety. An annual Contractor Safety Forum held in Yuzhno-Sakhalinsk helped maintain alignment of our contractors with ExxonMobil's objectives and expectations, and provided them with various safety and environmental management tools.

**Our community.** ExxonMobil is committed to supporting the communities of Sakhalin Island and Khabarovsk Krai by investing in community infrastructure projects such as hospitals, roads, bridges, airports, and seaport facilities; power, water, and sanitation upgrades; and supporting education, health care, and cultural projects in the region.

## Success in a new frontier

As an integral part of OIMS, procedures, site standards, facilities, and personnel are continuously evaluated to ensure that the Sakhalin-1 Project and operations are executed with integrity and in accordance with the highest industry standards. This helps maintain the support and strong relationships that have been established over the years with local residents and the federal, regional, and local government authorities.

In 2008, the Sakhalin-1 Project was recognized with the prestigious *Award for Excellence in Project Integration* at the International Petroleum Technology Conference, in particular for its construction and facilities engineering practices; safety, health, and environmental processes; human resources policies; community programs; and overall project teamwork.



“A healthy workforce is part of the foundation for operational success.”

Clarion Johnson, M.D.  
Medical Director, Global Medical and Occupational Health



# Safety and Health

Working toward an incident-free workplace

At ExxonMobil, excellence in safety and health in the workplace is a core value. A healthy workforce is a necessary foundation for economic growth and critical to achieving our business objectives wherever we operate. By conducting operations in ways that safeguard our workforce and the surrounding public from unacceptable risk, we enhance the economic and social benefits to communities.

## Safety and health management

Our vision is that *Nobody Gets Hurt*. To achieve this goal, all employees and contractors must accept responsibility and accountability for safe performance on the job. Effective safety, health, and environmental leadership behaviors are essential. We are incorporating advanced leadership concepts into our management systems and training, and enhancing core career development tools and processes so everyone in our workforce can be a safety, health, and environmental leader.

The company-wide *Operations Integrity Management System* (OIMS) is our primary tool for managing personnel and process safety as well as workforce health. Lloyd's Register Quality Assurance has recognized OIMS as meeting all requirements of the international occupational health and safety management system specification (OHSAS 18001:2007). Through OIMS, work processes are clearly described, risks are identified and

mitigated, critical procedures are developed, and workforce responsibilities are defined.

**Workforce safety.** We lead the industry with our low incident rates for work-related injuries and illnesses. Based on analysis of incidents and risks, we continuously work to improve the safety and health of our employees and contractors. Since 2000, we have reduced our workforce lost-time incident rate by an average of over 12 percent per year.

Tragically, however, we experienced five contractor fatalities in 2008. Our challenge is to learn from every incident so we can achieve our vision of *Nobody Gets Hurt*.

As part of our effort to achieve this 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 in safety procedures. In 2008, more than 1600 of our contractor supervisors and managers participated in leadership workshops conducted by ExxonMobil Development Company, an increase of more than 20 percent since 2007.

In addition, during 2008, we continued to emphasize hazard recognition and reduced risk tolerance in our workforce by promoting the effective use of tools like *Last Minute Risk Assessments*. Ongoing training helps to address “risk tolerant behavior” and improve hazard recognition skills.

**Process safety.** Safety standards and procedures are incorporated in our facility design, construction, and start-up activities. Our quality assurance processes verify that materials received meet design specifications and that construction is in accordance with applicable standards.

Working with the American Petroleum Institute, we are contributing to the development of common industry metrics for process safety for the refining and petrochemical industries. By enhancing measurement in this area, we expect industry will further improve safety performance.

To help ensure compliance with applicable regulations, we have structured inspection and maintenance programs, regular testing of integrity-critical equipment, and strict procedures to maintain safe operations. Additionally, we apply advanced technologies in many of our manufacturing facilities to alert operators to investigate potentially abnormal operating events.

**Workplace security.** The primary objectives of our security programs are the safety and security of all employees and contractors. In 2008, we made additional progress toward achieving these objectives, through continuation of the campaign to reinforce that *Security is Everybody's Business*, including awareness programs and training of site personnel on

## Priority issues



**Workforce Safety.** Protect the safety and security of our employees, contractors, customers, and the public by implementing policies to manage personnel and process safety and workplace security.



**Workplace Health.** Address employee and community health risks through workplace malaria control, HIV/AIDS prevention programs, and strategic management of emerging health issues.



**Hurricane Preparedness Case Study.** Respond to natural disasters in a way that protects the safety and health of our workforce, their families, and communities while reducing potential environmental impacts.

**12%**  
reduction

in lost-time  
incident rate on  
average, each year  
since 2000

28 HIV/AIDS  
awareness  
events and  
training  
sessions held  
in Angola

**425**  
thousand

Material Safety  
Data Sheets  
distributed to  
customers

**0**  
cases

of malaria  
recorded among  
nonimmune expatriate  
employees

**20%**  
increase

in contractor supervisor  
safety leadership  
workshop participation  
from 2007

various security program elements. Further integration of security into existing processes such as OIMS continued as well.

Efforts to strengthen our facilities are well underway. Sound physical security is a cornerstone of our security program. In the United States, Department of Homeland Security regulations are being implemented at affected sites, including the *Transportation Worker Identification Credential Program* and *Chemical Facility Anti-Terrorism Standards*.

Improvements in the reporting and analysis of security metrics will help us drive additional security enhancements through the next year and beyond. For more information about security at ExxonMobil, see page 42.

**Risk management and emergency preparedness.** Risks associated with safety, security, health, and the environment are inherent in the energy and petrochemical business. Recognizing these risks, ExxonMobil takes a disciplined and systematic approach to business continuity planning and emergency preparedness (see page 23). To strengthen our capability to respond quickly and effectively to operational incidents, we routinely test the trained teams at our operating sites on a range of possible scenarios. These scenarios include responding to simulated product spills, fires, explosions, natural disasters, and security incidents.

## Workplace health

We believe that a successful business relies on a healthy workforce—and we take seriously those health issues that impact our workforce—whether work-related or not. We identify health risks related to our operations so that we can implement programs to control such risks. In 2008, we developed and launched *OIMS for Office Personnel*, which includes a globally consistent office ergonomics template to assess proper office configuration as well as observation tools for behavior-based safety. We expect these enhancements will help us improve injury and illness rates related to ergonomic factors.

**Strategic health management.** ExxonMobil maintains an active commitment to the communities in which we work. We believe that self-sustaining improvements in public health are a key enabler for broader economic and social gains. In developing countries, ExxonMobil employs a strategic management approach to track employee health and to develop prevention programs and healthcare services to respond to emerging health issues in a timely manner.

Our Environmental, Socioeconomic, and Health Impact Assessment (ESHIA) process helps us identify opportunities for addressing potential health impacts associated with our projects. By incorporating workforce and community health considerations into project

planning, we play a role in addressing the broader economic and social development of the communities in which we operate (see national content development on page 34).

For example, Papua New Guinea has limited public health reporting systems, making understanding the full scope of disease particularly challenging. In response, we conducted health impact assessments and launched disease prevalence surveys to determine the scope of disease to which our workforce may be exposed.

### **Workplace Malaria Control Program.**

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. Since 2005, we have recorded no cases of malaria among our (nonimmune) expatriate employees, and there were no reported cases of serious malaria among our national (semi-immune) employees. As our contractors adopt controls similar to our own, their rates of malaria continue to drop, with only six recorded malaria cases among nonimmune contract personnel in 2008.

**Employee StopAIDS.** Now in its fifth year, our comprehensive workplace HIV/AIDS program, *StopAIDS*, combines risk mitigation education with access to community-based care and



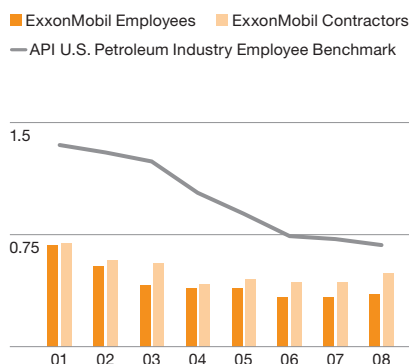
## up close:

### Landmark U.S. health study

In 2008, the results of a long-term health study revealed that ExxonMobil employees in the United States enjoyed healthier lives than those of the comparable U.S. population. The study—the largest of its kind for the petroleum industry—was conducted by comparing employee public death records to what would be expected among Americans in general. Among 177,000 ExxonMobil employees, deaths from heart disease and from all external causes, such as accidents, were more than 30 percent lower than expected for the general U.S. population. These positive findings can be partially attributed to the “healthy worker effect,” where people who are able to maintain employment are generally healthier than the overall population. ExxonMobil’s long-term corporate commitment to safety and health is a contributing factor as well. The study is part of our efforts to better understand and manage any health risks of our products and operations.

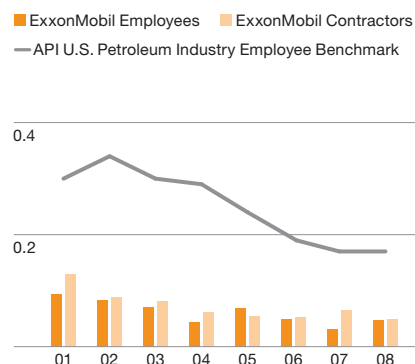
#### Total Recordable Incident Rate

(incidents per 200,000 work hours)



#### Lost-Time Incident Rate

(incidents per 200,000 work hours)



treatment to keep healthy workers disease-free and 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.

Throughout our operations, we analyze existing population data on the prevalence of HIV to understand local risk factors for HIV transmission in the general population; as well as the capacity of local and national health services infrastructure to support the diagnosis, treatment, and care of HIV/AIDS; and determine the level of access to care provided to employees and families via company health plans.

In 2008, ExxonMobil affiliates in:

- Angola conducted 16 workplace training sessions; three community training sessions; and nine employee events, such as HIV/AIDS Family Day;
- Cameroon assisted over 1200 women and parents with AIDS in the Nyon District hospital, through direct employee contributions and matched funds from the Cameroon Oil Transportation Company; and,
- Indonesia established a committee to conduct a Knowledge, Attitude, and Practice Survey; blood-borne disease awareness sessions; and a workplace gap assessment within ExxonMobil facilities in Aceh, Jakarta, and Cepu.

### Product stewardship and product safety

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

During the development of—and prior to marketing—our chemical, lubricant and specialties, and fuels products, we assess safety, health, and environmental (SHE) aspects as well as compliance with product safety legislation in intended markets. Rigorous assessments required by government authorities are conducted to assure a new product’s safety. We update these assessments as new information becomes available. These same considerations are also addressed during product modification. Products used in sensitive markets, such as food contact, undergo additional SHE assessments.

We conduct SHE and regulatory assessments of marketed products to assure compliance and to provide appropriate information to those that transport, use, and dispose of our products. Examples of these assessments and corresponding communications include appropriate uses, potential health and environmental effects, appropriate personal protection and exposure controls, first aid measures,

and disposal considerations. Our disciplined process ensures that our products comply with the safety requirements of the more than 180 countries where we have a presence. We monitor and assess changing and emerging safety requirements to ensure that our products continue to be safe for use by the public. In those countries that currently do not have product safety regulations, we apply responsible standards. We tailor our product safety warning to local regulations and do so in more than 80 languages. In 2008, more than 425,000 Material Safety Data Sheets (MSDS) were distributed to customers to communicate this information.

ExxonMobil continues to conduct and support research to improve our understanding of the SHE effects of the products and substances that we manufacture. We use computer-based tools to help us predict potential risks to human health, safety, and the environment, and to improve the design of our products.

#### on the Web:

Safety and health policies  
[exxonmobil.com/managementsystems](http://exxonmobil.com/managementsystems)

Emergency preparedness  
[exxonmobil.com/emergencyresponse](http://exxonmobil.com/emergencyresponse)

Product stewardship policy  
[exxonmobil.com/products](http://exxonmobil.com/products)

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



# Hurricane preparedness

At ExxonMobil, risks are mitigated with appropriate contingency planning and the application of a comprehensive risk management system. Business continuity planning and emergency preparedness are two essential elements to manage risk, so we can continue supplying fuels for transportation and electrical power as well as chemicals for consumer products, which are vital to the nation's economy.

## Global concern

With an increasing number of people living in coastal areas and critical infrastructure located along the Gulf Coast of the United States, the risks of casualties, property damage, and financial hardship are severe when hurricanes make landfall. In the event of an extreme weather event, our most important priority is to protect the safety and health of our workforce, their families, and our communities, and to secure our operations to reduce potential impacts to the environment.

## Our approach

- Early and coordinated action to respond rapidly and effectively
- Availability of fuel supplies along evacuation routes and for emergency responders
- Business continuity and emergency response plans to protect the safety of our employees and operations
- Worse-case scenario emergency response exercises to practice coordination and logistical response, and propose upgrades to standard processes and contingency plans



In 2005 and 2008, Hurricanes Katrina, Rita, Gustav, and Ike impacted coastal manufacturing facilities and offshore oil and gas production, resulting in equipment damage, operations interruptions, and supply chain disruptions. When these events occur, our focus is on two things: 1) safety of people and the environment and 2) maintaining critical fuel supplies.

**Operational challenges.** ExxonMobil has extensive operations along the Gulf Coast, across Texas, Louisiana, and Alabama, both on- and offshore. The Houston, Texas area alone is home to six headquarters of ExxonMobil's operating companies and ExxonMobil's largest employee population of approximately 16,000 employees and 5500 retirees.

Critical to our preparation and response is accurate tropical weather forecasting, including intensity, size, and potential hurricane landfall. Advanced weather information and forecasting tools allow for faster decision-making.

**How ExxonMobil prepares and responds.** All ExxonMobil operations, especially along the Gulf Coast, have extensive hurricane preparedness plans, which include procedures for preparation, response, and recovery. In 2005, following Hurricanes Katrina and Rita, we created a Regional Response Coordination Team to improve our ability to respond to significant events—such as hurricanes—impacting multiple business units simultaneously. The Coordination Team was created

to act as a focal point for approximately 20 ExxonMobil business units and functional emergency support groups. This ensures that common business needs—such as employee communications; human resources benefits; IT support; procurement of materials, supplies, and equipment; and interface with the local and state government—are communicated and managed jointly across multiple business units.

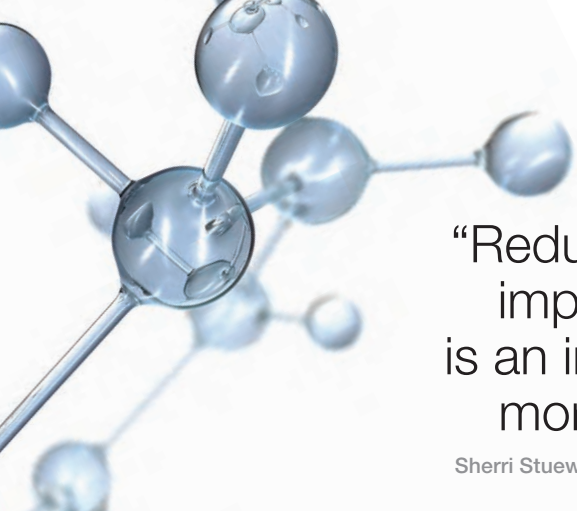
Hurricane preparedness planning is initiated prior to the start of hurricane season by updating response procedures, training personnel, and ongoing monitoring of hurricane activity. Within approximately 10 days of hurricane landfall, personnel and equipment preparations are started, including travel out of potentially impacted areas.

**How we did.** Prior to Hurricane Ike's landfall on the Gulf Coast in 2008, we relocated response teams and critical personnel to alternate sites in north Texas, away from the directly impacted area. Three days ahead of hurricane landfall, approximately 60 staff had been relocated to our alternate office in Dallas, followed by nearly 500 critical business continuity staff, together with their families. We flew our offshore upstream operations crews to safety onshore and pre-positioned emergency generators to minimize power disruptions at critical operations such as pipelines, terminals, refineries, and key service stations. We also stored crude oil, products, and lubricants at our refineries and terminals outside of

impacted areas to sustain operations. Once the storm had passed, we followed recovery procedures, including return-to-work plans, which focused on arrangements for alternate employee workspace, support for critical operations, and damage assessments to initiate necessary repairs.

ExxonMobil's preparation and response planning was executed through the operating organizations and the Coordination Team. As a result of our coordinated response effort, the majority of our operations were able to return to normal business operations within 10 days of hurricane landfall. However, our Beaumont chemical plant experienced significant flooding due to the storm surge of Hurricane Ike, which delayed restart. Overall, our actions also minimized impacts to communities and maintained critical supplies.

**Ongoing improvement plans.** Based on our experience with Hurricanes Gustav and Ike, we will continue to improve our business continuity and emergency response plans. Through ongoing training and enhancements to our recovery procedures, we are focused on safely and quickly resuming operations without disruptions to the supply of critical products and services during future extreme events. We will also continue to strengthen relationships with external groups, including state and federal governments, to expedite key response and recovery actions necessary to increase available fuel supplies during periods of shortfall.



“Reducing the environmental impact of today’s energy is an important step toward a more sustainable future.”

Sherri Stuewer, Vice President of Safety, Health, and Environment



# Environmental Performance

*Protect Tomorrow. Today.*

ExxonMobil is committed to operating throughout the world in a way that protects the environment and takes into account the economic and social needs of the communities where we operate. Our goal is to achieve excellent environmental performance in each of our businesses to *Protect Tomorrow. Today.* It is our objective to operate responsibly everywhere we do business by implementing scientifically sound and practical solutions that consider the needs of the communities in which we operate.

## Managing our environmental performance

Our commitment to operating in an environmentally sustainable manner is anchored in our environmental policy. Our policy emphasizes individual responsibility; fosters appropriate operating practices and training; and requires our facilities to be designed, operated, and managed with the goal of preventing incidents, and controlling emissions and waste to below harmful levels. Not only is this our central commitment to environmental responsibility, but pursuing it year after year has helped ExxonMobil reduce operating costs, improve safety, and reduce impact to the environment.

We maintain strong management processes in our *Operations Integrity Management System* (OIMS) and adhere to all applicable laws

and regulations. Our environmental management processes are guided by our *Protect Tomorrow. Today.* initiative, which outlines our expectations for delivering superior environmental performance, driving environmental incidents with real impact to zero, and achieving industry-leading performance in priority areas of importance to each business.



## A sustainable approach to environmental protection

Understanding the full life cycle of our operations is important to operating in an environmentally sustainable manner. There are four key steps, which are integral to the life cycle of our operations. The first step is to assess the surroundings prior to development. The second step is to design and construct facilities to minimize their environmental footprint. The third is to ensure the integrity of the facilities we operate, and the fourth is to

restore the environment when operations are concluded. We have numerous examples of incorporating this full life cycle concept into our projects around the world.

### Assessing our surroundings

Because our business spans the globe, we operate in a variety of ecosystems, some with sensitive characteristics. Our approach to environmental protection begins with a thorough understanding of our surroundings and operating environment.

#### Conducting impact assessments.

Throughout a potential project or development's life cycle, we conduct Environmental, Socioeconomic, and Health Impact Assessments (ESHIA) and integrate the results into project evaluation, planning, and decision-making. Our assessments consist of an evaluation of biological, chemical, and physical characteristics, including people's health and socioeconomic needs as an integral part of the environment. With the help of scientists and engineers, map builders, and land use experts, we typically analyze surrounding land use in each project's development area. We use satellite imagery to better assess how areas may be impacted by a project and to identify ways in which facilities could be redesigned to reduce their impacts. Our *Environmental Aspects Guide* helps us identify and address all significant environmental impacts associated with our operations.

## Priority issues



**Biodiversity.** Minimize our environmental footprint by incorporating high standards to protect and mitigate potential impacts to biodiversity.



**Water Management.** Reduce water use and preserve water quality through the design and operation of our facilities, recycling and reuse, and measures to prevent water pollution.



**Oil Sands.** Conduct research to improve land reclamation, energy efficiency, and water use while developing oil sands.

**60%**  
reduction

in the number  
of spills greater  
than one barrel  
since 2001

**0**  
spills

from ExxonMobil-  
operated and  
long-term chartered  
marine vessels

**5**  
U.S. sites

certified by the  
Wildlife Habitat  
Council

**\$5.2**  
billion

in worldwide  
environmental  
expenditures

**+50%**  
reduction

of combined  
NOx and SO<sub>2</sub>  
emissions  
since 2000

**Protecting biodiversity.** ExxonMobil believes that biodiversity conservation can be balanced with economic development through careful management of environmental impacts. Our sites incorporate biodiversity protection through their efforts to limit impacts in sensitive areas. Our *Environmental Business Planning* (EBP) efforts are designed to identify environmental and biodiversity protection objectives and actions that are specific to each location. Our mitigation actions around the world include modifying engineering design, and construction and operating practices to protect specific species and sensitive habitats; undertaking extensive reclamation efforts to restore degraded sites to environmentally acceptable conditions; and participating in initiatives that enhance the wildlife and habitat attributes of our properties.

## 2 Designing our facilities and operations

Wherever we operate, we meet local regulations for environmental performance, and where there are no local regulations, we operate to standards that we believe are protective of the environment. We base these standards on sound science and comprehensive risk assessments.

For example, ExxonMobil Development Company, which manages ExxonMobil's major new upstream projects worldwide, has developed *Environmental Standards* for nitrogen oxides emissions, flare and vent reduction,

energy efficiency, drill cuttings discharge, water, waste, land use, and socioeconomic management. The *Standards*, which are being expanded for application across all upstream operations, allow us to identify environmental improvement opportunities early in project planning when they can be implemented most effectively.

## 3 Operating with integrity

Operating our facilities with integrity is critical to minimizing potentially adverse environmental impacts. OIMS helps us manage our safety, health, and environmental risks worldwide. Through OIMS, we communicate expectations, measure progress, and drive continuous improvement in environmental performance. OIMS meets the standard for environmental management systems (ISO 14001:2004) established by the International Organization for Standardization.

**Spill prevention.** ExxonMobil is committed to the prevention of spills from our operations. In 2008, the number of spills greater than one barrel was down by over 60 percent since 2001. Our total volume of hydrocarbons spilled in 2008 was about 20 thousand barrels, most of which was recovered at the site of the spill. Our industry-leading spill performance is a result of effective operations integrity management, ongoing upgrades, key equipment replacements, and comprehensive inspection and surveillance programs.

## up close:

### Designing to minimize impact

We look for opportunities to reduce our environmental footprint in the design phase of every new project.

**Canada.** At the Kearl Oil Sands Project in Alberta, a water storage system will be used to reduce water withdrawal from the Athabasca River during low-flow winter periods.

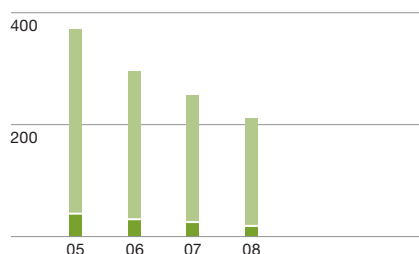
**Italy.** At the Adriatic Liquefied Natural Gas facility, project plans incorporated the creation and monitoring of an artificial reef to be installed in the spring of 2009. Based on input from regulators and local marine experts, the reef will be situated to enhance the environmental productivity of several natural outcrops.

The reef foundation will be built from a series of pyramid structures known as a "technoreef," which will be enhanced with artificial seaweed bundles to provide habitat for eggs and larvae. In consultation with local fishermen, additional structures with net-snagging devices will be located around the perimeter of the reef to prevent trawling activities. Italy has extensive experience with creating artificial reefs. Since 2005, 10 reefs have been successfully installed.

### Other Spills (Not From Marine Vessels)

(number of oil, chemical, and drilling fluid spills greater than 1 barrel)

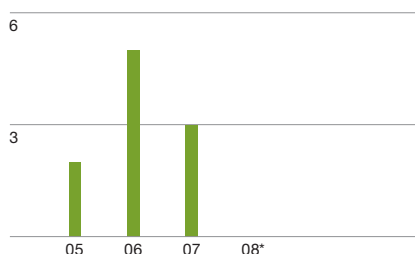
Spills to Water Spills to Soil



### Marine Vessel Spills (Owned/Operated and Long-Term Leased)

(number of hydrocarbon spills less than 1 barrel)

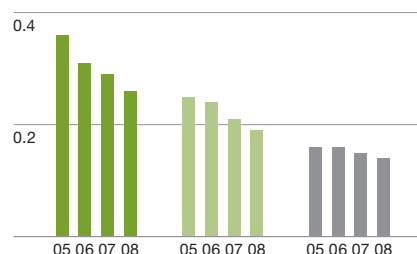
\*0 Spills



### Air Emissions (VOCs, SO<sub>2</sub>, and NO<sub>x</sub>)

(millions of metric tons)

VOCs SO<sub>2</sub> NO<sub>x</sub>



In 2008, there were zero spills from ExxonMobil-operated vessels or those on long-term lease, sustaining an impressive performance trend.

On March 24, 1989, the tanker *Exxon Valdez* ran aground in Prince William Sound in Alaska. The company took immediate responsibility for the spill, cleaned it up, and voluntarily compensated more than 11,000 Alaskans and businesses who claimed direct damages. We have spent over \$3.8 billion on compensation, clean-up efforts, and settlements and fines. The clean-up was declared complete by the State of Alaska and the U.S. Coast Guard in 1992. In June 2008, the U.S. Supreme Court set maximum punitive damages of \$508 million in its ruling in the *Valdez* litigation, following a lengthy legal process.

We have worked hard over many years to address the impacts of the spill and to prevent such accidents from recurring. Our current maritime performance reflects this commitment.

In 2008, there were zero spills from ExxonMobil-operated vessels or those on long-term lease, sustaining an impressive performance trend. We consider this strong performance encouraging and it serves as a solid platform for continuous improvement efforts. ExxonMobil marine affiliates continue to receive external recognition for their long-standing, industry-leading safety and environmental performance.

Given the projected growth and important role that marine transportation plays in global commerce, ExxonMobil marine affiliates continue to find innovative ways to provide safe, secure, and reliable marine transportation.

ExxonMobil marine affiliates are active participants in the development of important voluntary industry quality initiatives, including implementation of the Oil Companies International Marine Forum's (OCIMF) *Tanker Management and Self Assessment*, a best practice guide for ship operators that complements existing quality standards. ExxonMobil marine affiliates are also working with OCIMF to expand the *Ship Inspection Report Exchange* (SIRE) program to barges. SIRE promotes a uniformly high standard of common inspections that may be used within vessel screening and inspection processes for member companies.

**Air emissions from operations.** ExxonMobil is committed to reducing the emissions of volatile organic compounds (VOCs), sulfur dioxide (SO<sub>2</sub>), and nitrogen oxides (NO<sub>x</sub>) from our operations. We have implemented cost-effective new technologies and adopted new operating practices to reduce air emissions, driven in part by new regulatory requirements, but also in response to community priorities. As a result of these efforts, our combined emissions of VOCs, SO<sub>2</sub>, and NO<sub>x</sub> decreased by 25 percent from 2005 levels. By year end 2008, we achieved more than a 50-percent reduction of our combined NO<sub>x</sub> and SO<sub>2</sub> emissions from our 2000 baseline levels at our U.S. refining facilities. We are on track to meet our commitment to achieve a 70-percent reduction compared to 2000 baseline levels by 2012.

**Water management.** Developed and developing nations are increasingly faced with issues of water scarcity and reduced water quality. ExxonMobil continually seeks ways to reduce water use and preserve water quality through the design and operation of our facilities, recycling and reuse, and measures to prevent water pollution. Our approaches include on-site water reuse, purchase of treated wastewater for use as process water, and enhancements in processes to decrease water needs. In 2008, the net consumption of fresh water at our operations was 2200 million barrels.

We manage water use in our operations around the world, just as we do any other potential environmental impact associated with our operations. ExxonMobil Development Company's *Environmental Standard* for water management requires major upstream projects to conduct an assessment of the local water resources. The *Standard* also establishes project planning and design requirements for major upstream projects to consider mitigations for reducing unnecessary usage of water resources. ExxonMobil operations around the world evaluate water use issues and undertake water improvement initiatives, where appropriate, as part of their respective EBP efforts.

For example, our Cold Lake operations in Canada have significantly reduced the amount of water required for the production of oil sands that are buried too deeply for





ExxonMobil environmental scientists pioneered a strategy for natural land management, which brings together technical, legal, and regulatory approaches to conserve or enhance ecological services while delivering lower management costs and higher property returns.

surface mining. Large amounts of steam are necessary for injection into the underground deposits to soften the hydrocarbon resource so it can be pumped to the surface for extraction. As a result of improvements since the mid-1980s, more than 95 percent of the water used during recovery operations is recycled to produce more steam.

**Waste management.** ExxonMobil uses a tiered approach to reduce both hazardous and nonhazardous waste. We first work to reduce waste at its source. If the waste is not fully eliminated, 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 2004, we successfully reused or recycled on average about 40 percent of the hazardous waste generated. The amount of hazardous waste disposed in 2008 totaled 339 thousand metric tons, an increase of about 45 percent from our 2005 to 2007 average. Excluding hazardous waste from three temporary remediation projects, where country regulations required disposal rather than recycling or re-use, our 2008 disposed volume was about equal to 2007 performance.

**Regulatory compliance and expenditures.** In 2008, our worldwide environmental expenditures totaled about \$5.2 billion. This includes about \$2.5 billion in capital expenditure and about \$2.7 billion in operating

expense. Fines and settlements paid in 2008 represent about one-quarter of 1 percent of our total environmental expenditures.

#### 4 Restoring the environment

Remediation and restoration activities are a critical step in reducing our overall environmental impacts. Ultimately, these efforts enhance asset and community value while creating opportunities for beneficial use of idle properties and protecting the safety and health of ExxonMobil employees, contractors, and neighbors.

**Site remediation.** As a result of ExxonMobil's continued focus on environmental excellence, ExxonMobil Environmental Services (EMES) was established in 2007 to consolidate and enhance management of remediation activities around the world. EMES is responsible for developing and implementing strategies and programs to address soil and groundwater contamination at company facilities, idle properties, and formerly owned properties. EMES is committed to apply strategies intended to help prevent, contain, and mitigate environmental risks through best-in-class remediation and property management services. In 2009, we plan to enhance EMES by standardizing project management and improving the global sharing of best practices.

#### up close:

##### Evaluating our leased land

All over the world, ExxonMobil looks to develop and to actively pursue commercially producible oil in an environmentally responsible way, including activities on leased land.

It costs millions of dollars to acquire and maintain leases, and many millions more to evaluate resource potential and develop new technologies to make production possible in increasingly challenging environments.

A typical lease-term held by ExxonMobil, in the United States, is five or 10 years and must be relinquished if production or other activity does not occur within a specified term. We are either producing or evaluating 78 percent of our leased acreage; most of the remainder that we have analyzed and deemed not prospective expires within the next 12 months, and will be returned to the government.

## up close:

### Developing oil sands responsibly

Globally, about 13 percent of the world's known oil reserves are buried in oil sands—bitumen embedded in sand and clay. To help meet the world's growing energy demand, we are developing oil sands reserves in Canada. Where deposits are found near the surface, oil extraction operations use open-pit mining, which has a visible impact on the land while in operation. We are working to minimize these impacts through concurrent reclamation efforts.

Our Canadian affiliate, Imperial Oil Limited, is one of several companies funding leading-edge reclamation research conducted by the Canadian Oil Sands Network for Research and Development. We invest millions of dollars annually to research revegetation, watershed management, and improved reclamation materials.

Imperial Oil Limited has a 25 percent interest in Syncrude, which operates an oil sands project in northern Alberta. Our improved reclamation activities make better use of the first few inches of top soil—home to the seeds, roots, and nutrients vital to forest health. So far, the project has permanently reclaimed 22 percent of its original mining area lease—the largest share in the oil sands industry. In 2008, Syncrude received the industry's first provincial land reclamation certificate for a 104-hectare parcel known as Gateway Hill. We have planted 5 million seedlings and are in the process of reclaiming 4500 hectares. Reclaimed land is being put to productive reuse, including a 4.5-kilometer hiking trail and grazing grounds for a herd of 300 bison.

Producing and upgrading oil sands consumes more energy and water than conventional oil production. According to the Canadian Association of Petroleum Producers, full life cycle GHG emissions could be up to 15-percent higher for fuel derived from oil sands than for fuel derived from onshore light crude oil. We are focused on finding and developing ways to improve both energy and water use efficiency. Imperial Oil is a founding sponsor of the Imperial Oil-Alberta Ingenuity Centre for Oil Sands Innovation at the University of Alberta, which seeks breakthrough technologies for more energy-efficient extraction processes. Imperial Oil has also helped to pioneer state-of-the-art water recycling techniques through 40 years of technical innovation at our Cold Lake operation.



For example, in 1989, we ceased operation of a phosphate ore mine in Fort Meade, Florida, and sold the property in 1998. ExxonMobil remained responsible for reclaiming mined land and restoring wetlands across the entire 5260-hectare site. Over the course of mining operations, approximately 49 hectares of wetlands had been mined, leaving large depressions in the ground. As part of ExxonMobil's commitment to this land, we have planted over 20,000 trees to restore the wetlands. ExxonMobil is also completing more natural and passive stormwater control systems throughout the site, having removed old wooden spillways, pumps, piping, and culverts. To date, over 4850 hectares of the former mine site have been reclaimed and much of the reclaimed land is being used for pasture, wetland habitat, and residential developments. Reclamation and wetland restoration activities have been ongoing at this site since about 1992 and are expected to be completed by about 2011.

**Natural land management.** ExxonMobil environmental scientists pioneered a strategy for natural land management, which brings together technical, legal, and regulatory approaches to conserve or enhance ecological services while delivering lower management costs and higher property returns. Our strategy includes a site analysis of future ecological and commercial use. Results are used in the development of our restoration and redevelopment actions.

For example, we applied this approach in a recent divestment of our decommissioned research campus in Florham Park, New Jersey. The process revealed that the ecological services associated with 80 hectares of wetlands on the site had significant financial value. Our future use strategy, therefore, included conserving 60 percent of the property as open space and contributed to a 30-percent higher sale price. Surrounding communities are benefiting from portions of the open space, part of which will be converted into sports fields and part of which will remain conserved wetlands, essential for flood control and groundwater recharge.

## on the Web:

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

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

*Air emissions*  
[exxonmobil.com/airemissions](http://exxonmobil.com/airemissions)

*Oil sands*  
[imperialoil.com/oilsands](http://imperialoil.com/oilsands)

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

# Biodiversity

ExxonMobil is involved in a partnership to improve the accuracy and completeness of data in the World Database of Protected Areas. The database provides high-quality biodiversity data for use in Geographic Information Systems technology, which can be used to accurately identify sensitive areas.



## 1 United States

ExxonMobil has been a member of the Wildlife Habitat Council since it was created in 1988. Five of our sites across the United States have been certified by the Wildlife Habitat Council. Projects at our certified sites range from enhancing bluebird habitat and nesting grounds for osprey to habitat protection for spawning trout.

## 2 Canada

ExxonMobil—in partnership with the Nature Conservancy of Canada, local government, and the community—is protecting a critical mass of sensitive habitat on Nova Scotia's Aspotogan Peninsula. Our contribution is helping to protect over 336 hectares at Deep Cove, an ecologically important area for both its landscape and the presence of rare lichens.

## 3 France

Working with Le Renard, a nonprofit environmental organization in southern France, ExxonMobil helped to restore wildlife biodiversity on 150 hectares of unused fields. The surrounding areas near one of ExxonMobil's refineries had seen significant decreases in local wildlife due to invasive plants. By working with local authorities and nonprofit organizations to eliminate the invasive plants, wildlife habitat has been enhanced and fauna and flora biodiversity has been restored.

## 4 Norway

ExxonMobil's Slagen refinery in Oslofjord is located within an area protected for its high ecological and recreational value. Our biological characterization studies of the forested area have shown that areas within the refinery fence line—which have seen only restricted human entry since the refinery start-up in 1960—have greater ecological value than areas outside the fence line, harboring more than 20 endangered plant and animal species. These studies have been so successful that they will be continued in 2009. The results of these studies will be shared and used to achieve sustainable mixed use of the overall protected area.

## 5 Nigeria

ExxonMobil helped sponsor a research project on the negative effects of desert encroachment and dry land degradation, including poverty, hunger, and loss of biodiversity and natural resources in northern Nigeria and other countries bordering the Sahara Desert. The project plans to plant nearly 1 million trees to serve as a buffer to prevent further desert encroachment along a 16,000-kilometer stretch across 20 countries from western Africa to Europe.

## 6 Qatar

At our Qatargas II Project, pipelines running from offshore fields to shore must cross hard coral habitat that extends along the coastline. To mitigate overall impacts on corals in the region, over 4500 individual coral heads were relocated out of proposed pipeline corridors into recovering coral habitat, where they will contribute to habitat recovery. Monitoring performed in 2007 and 2008 indicated that over 99 percent of the relocated coral are surviving and healthy.


## 7 Singapore

To help develop public awareness and foster conservation of the rich flora and fauna in Singapore, ExxonMobil joined the Raffles Museum of Biodiversity Research to create educational materials. The most recent guidebook, *Private Lives—An Exposé of Singapore's Mangroves*, was published in 2008. To date, the various books have sold over 5000 copies.

## 8 New Zealand

ExxonMobil conducted a voluntary program to observe location, movement, and abundance of marine mammals and birds during exploration activities in the Great South Basin. The results, released to the government and the iwi people (the indigenous Maori population), provided insight into marine mammals and birds in the region, including the traditionally important mutton bird.





“Our scientists and researchers are committed to finding and applying technological advances to help confront the challenge of rising CO<sub>2</sub> emissions.”

Pat Brant, Chief Polymer Scientist



# Managing Climate Change Risks

Meeting growing demand, reducing greenhouse gas emissions

With increased global energy demand, energy-related carbon dioxide emissions are expected to rise by an average of 1 percent per year through the year 2030. As was recently summarized in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), the risks to society and ecosystems from increasing greenhouse gas (GHG) emissions are significant. Meeting the enormous energy demand growth and managing the risk of GHG emissions are the twin challenges of our time.

We all must engage in the search for solutions if we are to succeed at mitigating these risks. Progress can be achieved through climate change policy frameworks that enable countries to pursue economic progress while promoting the development of technologies necessary to generate and use energy more efficiently. As the largest publicly traded international energy company, the energy ExxonMobil produces meets 2 percent of the world's needs. We share the responsibility to take action with scientists, citizens, and governments around the world and are doing so in several substantive ways. Over the years, we have supported major climate research projects, and we contribute to an array of public policy organizations that research and promote discussion on climate change and other domestic and international issues.

**Assessing risks associated with climate change policy.** We regularly consider risks to operations and investments from a wide variety of perspectives: technological, physical, political, and regulatory. A number of organizations have attempted to quantify the potential implications of climate-related policies for oil and gas industry shareholders. However, these efforts are based on regulatory assumptions that are only speculative given the current status of negotiations on climate-related policies.

## Reducing greenhouse gas emissions from our operations

In 2008, our direct GHG emissions from our equity operations were 131 million metric tons\*, which is a reduction of about 10 million metric tons from 2007. Over 2 million metric tons of this change were due to reduction actions taken in 2008, including reduced hydrocarbon flaring in Nigeria. The remainder was due to normal variations in our operations and improved GHG emissions measurement at some of our facilities.

**Energy efficiency improvements.** In 2008, our operations consumed approximately 1.5 billion gigajoules of energy. By applying new energy-efficient technologies, we use less energy to run our business, extend the life of the world's energy reserves, and reduce GHG emissions. Since 2004, we have invested more

than \$1.5 billion in activities to increase energy efficiency and reduce GHG emissions. In the next few years, we plan on spending at least \$500 million on additional energy efficiency initiatives.

In 2008, our energy efficiency performance in our refining and chemical operations was about even versus 2007, largely due to changes in plant operations. However, over the past several years, we have improved at a rate about two to three times faster than the industry. We remain on track to meet our target of improving energy efficiency across our worldwide refining and chemical operations by 10 percent between 2002 and 2012. This target is consistent with the American Petroleum Institute's *Voluntary Climate Challenge Program* in the United States.

**Cogeneration.** With cogeneration, we can produce electricity to power our operations while also capturing heat to make steam to transform raw materials into consumer products. This provides a more efficient power source than purchasing from a local utility, in some cases by up to 50 percent more efficient.

As an industry leader in cogeneration applications, we have interests in about 100 cogeneration facilities in more than 30 locations worldwide. We have invested in cogeneration projects for several decades.

\*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).



## Priority issues



**Reducing Greenhouse Gas Emissions.** Improve energy efficiency and reduce greenhouse gas emissions from our own operations as well as from energy use by consumers.



**Policy Engagement.** Help shape energy policies that support long-range thinking, encourage long-term investment, and allow for an integrated set of solutions.



**Flare Reduction.** Employ a combination of technology, processes, and engagement with host governments to address operational and regional barriers to natural gas flaring reduction.

**\$1.5+**  
billion

invested to increase energy efficiency and reduce GHG emissions since 2004

**30%**  
reduction

in upstream hydrocarbon flaring since 2007

**~4**  
million

metric tons per year of CO<sub>2</sub> captured and transported from LaBarge Shute Creek facility

**10**  
million

metric ton reduction in GHG emissions from 2007

**~4.5**  
gigawatts

of electricity produced through cogeneration, enough to supply 2 million U.S. homes

These projects have the capacity to produce more than 4.5 gigawatts of electricity, enough to supply the needs of more than 2 million U.S. homes. In 2008, we expanded the use of cogeneration and added 125 megawatts of power capacity, with the start-up of new facilities at our refinery in Antwerp, Belgium. With new facilities under construction, we expect to increase our cogeneration capacity to more than 5 gigawatts by 2011.

We routinely evaluate cogeneration development opportunities when considering new investments that require both power and steam. For example, in Singapore, we are developing the nation-state's largest owned and operated petrochemical project, and cogeneration is expected to meet 100 percent of the project's electricity needs.

**Carbon capture and storage.** ExxonMobil is a leader in the development and use of component technologies essential for carbon capture and storage (CCS), which we have focused on in our oil and gas operations for many years. The ability to capture, transport, and store CO<sub>2</sub> safely and efficiently represents an important opportunity for reducing global GHG emissions. For example, at our LaBarge Shute Creek facility in Wyoming, we have been capturing, transporting, and selling CO<sub>2</sub> since 1987, at rates up to 4 million metric tons of CO<sub>2</sub> per year. We are currently expanding this capability by nearly 50 percent

## Policy options for curbing greenhouse gas emissions

Remarks by Rex W. Tillerson, Chairman and CEO



"With a new U.S. Congress and Administration, we have an opportunity to expand the dialogue about how America can best make an impact on this important global issue—reducing greenhouse gas emissions. As this dialogue goes forward, we must be mindful that sound public policy must not impede innovation, inhibit competition, or add market uncertainties by picking winners and losers. Good policy sets aspirational goals that represent the needs of the people and then provides the broad framework for entrepreneurs and innovative thinkers to achieve these goals.

One policy option that is intended to reduce emissions—and which has received much attention—is a cap-and-trade system. Before we rush to enact such a system, we must ask whether it can best achieve our shared goal of actually reducing greenhouse gas emissions. Cap-and-trade systems inevitably introduce unnecessary cost and complexity that undercut their effectiveness. It is important to remember that a cap-and-trade system requires a new market infrastructure for traders to trade emissions allowances. This new "Wall Street" of emissions brokers will take the emphasis away from the goal of reducing carbon emissions and focus on trading on price volatility instead.

There is another policy option that should be considered, and that is a carbon tax. A carbon tax avoids the costs and complexity of having to build a new market for securities traders or the necessity of adding a new layer of regulators and administrators to police companies and consumers. And a carbon tax can be more easily implemented. It could be levied under the current tax code without requiring significant new infrastructure or enforcement bureaucracies. A carbon tax is also the most efficient means of reflecting the cost of carbon in all economic decisions—from investments made by companies to meet their fuel needs to the product choices made by consumers. In addition, such a tax should be made revenue neutral. There should be reductions or changes to other taxes—such as income or excise taxes—to offset the impacts of the carbon tax on the economy.

Finally, there is another potential advantage to the direct-tax, market-cost approach. A carbon tax may be better suited for setting a uniform standard to hold all nations accountable. Given the global nature of the challenge, and the fact that economic growth in developing economies will account for a significant portion of future greenhouse gas emissions increases, policy options must encourage and support global engagement."

## ExxonMobil's actions to reduce greenhouse gas emissions

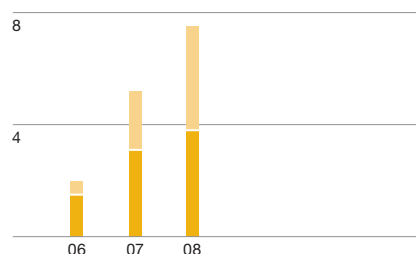
Our strategy to achieve reductions in GHG emissions is focused on increasing our own energy efficiency in the short term; advancing current proven emissions-reducing technologies in the medium term; and developing breakthrough, game-changing technologies for the long term. These initiatives will reduce emissions generated both internally by our own operations and externally by consumers.

Internally, new energy efficiency technologies and day-to-day operational efficiency activities generate significant energy savings and reduce GHG emissions. Since the launch of our *Global Energy Management System* in 2000, we have identified opportunities to improve energy efficiency by 15 to 20 percent at our refineries and chemical plants and have already implemented about 60 percent of these.

### Greenhouse Gas Reductions From ExxonMobil Actions From 2006 to 2008

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

■ Energy Efficiency and Cogeneration ■ Flare Reduction



#### Near-term solutions

Reducing GHG emissions from energy production

- Energy efficiency improvements
- Cogeneration
- Flare reduction
- Carbon storage



#### Longer-term solutions beyond 2030

- Next generation biofuels
- Carbon capture and storage
- Energy efficiency
- Gasification
- Solar energy

Improving consumer use of energy

- Engine research
- Tire and automotive parts technology
- Lithium-ion battery materials
- Advanced fuel economy motor oil



- Advanced transportation
- Energy storage
- Hydrogen for vehicles
- Advanced engine and fuel systems technologies

and significantly reducing overall emissions. Most of the CO<sub>2</sub> marketed at Shute Creek is used for enhanced oil recovery. ExxonMobil is also a partner in the Sleipner Field in the North Sea, which has injected over 10 million tons of CO<sub>2</sub> (for storage) over the past decade.

ExxonMobil supports a robust research program on CCS through a variety of partnerships—*Global Climate and Energy Project* (GCEP) at Stanford University, CO<sub>2</sub>ReMoVe, U.S. Department of Energy's *Regional Carbon Sequestration Partnership Program*, the International Energy Agency's *Greenhouse Gas R&D Programme*, and the Gulf Coast Carbon Center as well as research at the Georgia Institute of Technology, the University of Texas, and the Massachusetts Institute of Technology.

### Improving consumer use of energy

Ongoing advances in vehicle and fuel technology offer significant potential for efficiency gains and reductions in GHG emissions. However, solutions must be affordable to consumers in the developed and developing world and they must allow for continued economic growth and improvement in global living standards.

ExxonMobil conducts and supports research aimed at developing innovative, efficient, low-emissions technologies to improve how the world uses and produces energy. We focus on steps that can be deployed in the short term as well as options for the longer term, beyond 2030. Longer-term research is aimed at creating low-carbon or no-carbon options for energy supply and use, which could become part of our future business. We conduct research through our in-house staff, in partnership with academic and private groups, and through programs such as GCEP. GCEP's 2008 research portfolio included promising research activities in biomass and solar energy.

#### Conventional fuel-saving technologies.

Together with automobile manufacturers and other partners, ExxonMobil is using its expertise in chemicals and fuels to improve the efficiency of current vehicle technologies.

- **Automotive parts and tires.** ExxonMobil has developed advanced plastics for use in car parts such as bumpers and fuel tanks, which make vehicles lighter. For every 10-percent drop in vehicle weight, fuel economy improves by about 7 percent. ExxonMobil has also worked with tire manufacturers to develop a new tire-lining technology that uses up to 80 percent less material in the manufacturing

process, making tires lighter while reducing air permeability. Cars with under-inflated tires burn more gasoline.

- **Motor oil.** ExxonMobil introduced *Mobil 1 Advanced Fuel Economy*, a lower-viscosity synthetic motor oil that can improve fuel economy by up to 2\* percent versus motor oils most commonly used. Because less energy is required to circulate oil in the engine, more energy is available for driving the car.

If one-third of U.S. vehicles used technologies such as these, it would save about 5 billion gallons of gasoline and prevent GHG emissions equivalent to taking about 8 million cars off the road each year.

**Advanced vehicle technologies.** ExxonMobil is collaborating with vehicle and engine manufacturers and others to develop breakthrough engine technologies that could produce step-changes in fuel efficiency and hold the potential to diversify energy sources for transportation.

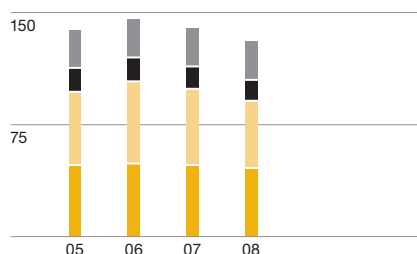
- **Lithium-ion battery materials.** ExxonMobil Chemical and our affiliate in Japan, TonenGeneral, have developed a new generation of separator films for the lithium-ion batteries used in hybrid vehicles. Lighter, smaller, and more durable batteries are expected to help improve the reliability, energy efficiency, and affordability of hybrid vehicles. To meet growing demand for new and existing

\*Actual savings are dependent upon vehicle/engine type, outside temperature, driving conditions, and current engine oil viscosity.

### Greenhouse Gas Emissions (Absolute)

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

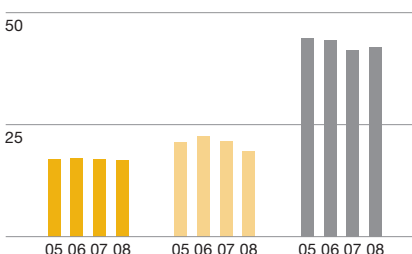
■ Downstream ■ Upstream ■ Chemical  
■ Cogeneration and Hong Kong power



### Greenhouse Gas Emissions (Normalized)

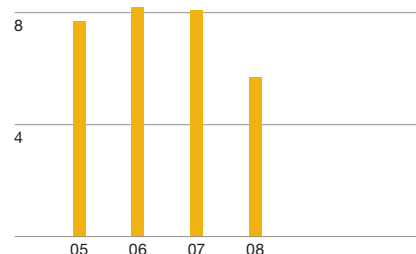
Direct equity, CO<sub>2</sub>-equivalent emissions (excluding cogeneration and Hong Kong power) (metric tons per 100 metric tons of throughput)

■ Downstream ■ Upstream ■ Chemical



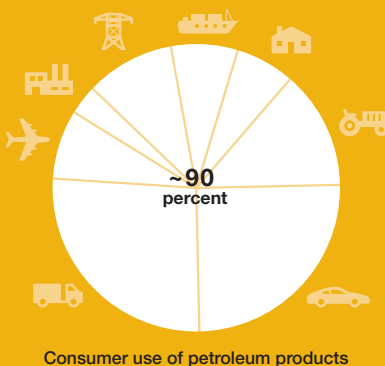
### Hydrocarbon Flaring From Upstream Oil and Gas Production

(millions of metric tons)



### Distribution of GHG emissions from use of petroleum

The International Energy Agency estimates that, on average, about 10 percent of petroleum-related GHG emissions are from industry operations while 90 percent are from consumer use. This being the case, we recognize the importance of developing technologies that help consumers reduce their environmental impacts.



applications, we began construction of a new separator film plant in Gumi, South Korea, which is expected to start up in 2009.

- **Advanced engine and fuel systems technologies.** ExxonMobil is contributing to the development of advanced internal combustion engine and fuel systems technologies with a long-term goal of achieving significant improvement in fuel economy and lower GHG emissions.

- **Hydrogen fuel cells.** Together with partners in industry and the research community, ExxonMobil is developing an innovative on-board hydrogen-powered fuel cell system. Measured on a "well-to-wheels" basis, this system could be up to 80 percent more fuel-efficient and emit 45 percent less CO<sub>2</sub> than today's internal combustion engine. We are focusing on industrial applications in the near term, with the long-term research goal being application in passenger vehicles.

### on the Web:

Research contributions  
[exxonmobil.com/climate/research](http://exxonmobil.com/climate/research)

Our actions to reduce GHG emissions  
[exxonmobil.com/emissions](http://exxonmobil.com/emissions)

Flaring  
[exxonmobil.com/flaring](http://exxonmobil.com/flaring)

Global Climate and Energy Project  
[gcep.stanford.edu](http://gcep.stanford.edu)

### up close:

#### Nigerian flare reduction

Flaring—burning gas under controlled conditions—serves as a safety device to protect people, equipment, and facilities during operation disruptions or maintenance. It also enables oil and gas production when gas injection or gas utilization pipeline infrastructure is not available, as has been the case in Nigeria. ExxonMobil is committed to increasing gas utilization in Nigeria and is actively progressing projects that will end routine gas flaring from our operations.

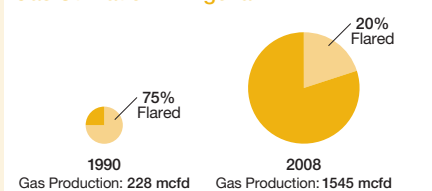
ExxonMobil has focused on improving gas utilization as oil and gas production have increased. Even as gas production has increased six-fold, we have successfully increased gas utilization from 25 to 80 percent. In 2008, several gas utilization projects were commissioned, helping to reduce flaring in Nigeria by nearly half versus 2006 to 2007 levels.

Our approach to gas utilization and flare reduction in Nigeria has been to extract natural gas liquids (NGL) for sale and inject produced gas, which maximizes oil recovery by maintaining reservoir pressure. We have invested over \$5 billion to increase gas utilization, with each project requiring years of engineering design, construction, and installation. We have made significant progress over the last decade, with the installation of six gas re-injection facilities, two

offshore NGL extraction plants, and higher efficiency flare stacks. The most recent of these projects is the East Area Project, which includes a gas compression platform that injects gas to maintain reservoir pressure and an extraction platform that recovers NGL from the gas stream. The project's gas utilization capacity will continue to increase through 2011 as additional gas gathering facilities are installed. In 2008, three flare reduction projects were commissioned, which reduced flaring by approximately 120 million cubic feet per day (mcf/d).

By the end of 2008, we reduced our flaring in Nigeria to less than 300 mcf/d. We aim to reduce flaring even further through future projects and operational efforts, which include existing flaring protocols and improving equipment reliability. Our ability to commission these projects in a timely manner and to realize flare reductions relies on a cooperative approach with our partners in Nigeria to maintain funding, enhance security, and improve the overall infrastructure for gas utilization.

#### Gas Utilization in Nigeria





“Making the most of energy resources is about more than oil and gas production—it is about forming global partnerships for economic development.”

Rich Kruger, President of ExxonMobil Production Company



# Economic Development

Local actions, global results

Widespread poverty, restricted access to education, insufficient business and technical skills, lack of employment opportunities, and corruption are just a few of the barriers to economic growth in many countries where ExxonMobil operates. These barriers will not be eliminated through aid alone, but through the creation of business frameworks that enable the development of local economies through skills development, job creation, and opportunities for investment. Making the most of energy resources is about more than oil and gas production—it is about forming global partnerships and creating long-term benefits for local communities. When the communities where we operate are successful, our business thrives.

Throughout the life cycle of our projects, our presence generates revenues and taxes, creates jobs, supports community development projects, and helps to increase transparency through government disclosure of financial information in countries supporting the *Extractive Industries Transparency Initiative* (EITI). As a company with a long-term focus, we work to ensure that the benefits from our projects are sustainable over time and that governments and communities do not depend solely on our presence. These initiatives lead to lasting economic growth by creating a stable operating environment and encouraging diverse future investments.

## National content development

For decades, we have employed a variety of economic support and incentive programs for capacity building—collectively referred to as national content development. ExxonMobil focuses on job creation and supporting local businesses, in conjunction with strategic community investments. In doing so, we develop solutions that address current economic and social needs while also contributing to sustainable development in the long term. This is just one aspect of our *Best Practices in External Affairs* (BPEA) and *Production Operations Best Practices* that develops local workforce and suppliers as well as enhances our community relationships (see page 36).

Our approaches to national content development differ between countries as a function of existing infrastructure, industrial base, local supplier capabilities, and local needs. To address the challenge of allowing for flexibility among varying infrastructures and capabilities, while promoting a common language to encourage sustainable capacity building, we developed the *National Content Development—Guidelines, Strategies, and Best Practices*. The *Guidelines* are now used by our operations around the world to develop unique, location-specific plans, which are formalized through business processes at the local, regional, and global level.

We are currently in the front-end engineering and design phase of a proposed liquefied natural gas project in Papua New Guinea. When developed, the project could represent the single largest private-sector investment ever undertaken in the country, with projected total direct cash flows of more than \$30 billion to the government and landowners during its 30-year lifetime. Integrated cross-functional ExxonMobil teams are in the process of developing a national content plan to maximize the economic and social benefits of the project for the people of Papua New Guinea. The proposed national content plan will include training of the local workforce to participate during project construction and ongoing operations; purchasing local goods and services; building local supplier capacity, with an improved focus on safety and training; and contributing to the development of the communities in the project area by supporting health, education, infrastructure, and agriculture projects.

## Workforce development

ExxonMobil is committed to attracting, developing, and retaining the best people from the broadest possible employee pool to meet our business needs worldwide (for our employment practices and policies, see page 16). At year end 2008, ExxonMobil's workforce numbered nearly 80,000 employees, of which about 37 percent were located within the United States and 63 percent internationally.



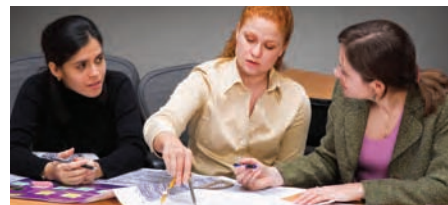
## Priority issues



**National Content.** Fund programs that promote economic growth and reduce known barriers to development in the countries in which we operate.



**Strategic Community Investments.** Improve educational programs worldwide to enhance math and science skills and support development and economic growth.



**Training and Development.** Provide our employees with the necessary training to develop the leadership capabilities to perform effectively in a variety of workplaces.

~\$**225**  
million

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

~**33%**  
of executives

at ExxonMobil  
are non-U.S.  
employees

\$**50+**  
million

invested to  
support efforts  
to fight malaria  
since 2000

**9 of 10**  
members of the  
workforce

working on the  
Chad-Cameroon  
project are nationals

+**48**  
thousand

participants  
received corporate  
and professional  
technical training

In 2008, about 33 percent of our executives were non-U.S. employees. We hired more than 3600 management and professional employees worldwide, of which approximately 39 percent were women and 69 percent were hired outside the United States.

**Workforce nationalization.** We believe we have a responsibility to build a legacy of economic progress by maximizing the number of local employment opportunities, and by investing in the workforce of our host countries, in particular in emerging and developing economies. Our strategy is to increase the number of national employees over the life span of a project and to train them in technical and professional skills necessary for working on existing and future projects and operations. Over the long term, this helps us develop a pool of talented employees to meet future business needs around the world, beyond supporting local operations.

For example, when ExxonMobil began production in Nigeria, meeting local hiring requirements posed a significant challenge due to the skill level and lack of training opportunities in the country. To date, ExxonMobil affiliates in Nigeria have hired nearly 500 process, mechanical, instrumentation, and electrical graduates from our Technical Training Center in Eket, Akwa Ibom State, Nigeria. Of the graduates employed, half are from the local community and the other half are from other Nigerian states. With a 95-percent graduation rate, the Center's apprentice program

provides students with the training needed to be internationally competitive. In 2008, some of those who graduated from the Center supported our newest project, East Area Natural Gas Liquids II.

We apply our global experience to local challenges through best practices, operational excellence, and leading technology. Over the short term, we employ expatriates to share their experience and expertise as well as train and prepare the national workforce for both operational and leadership roles. In 2008, expatriates comprised nearly 4 percent of our total workforce. This helps us integrate into the communities in which we operate and enables the long-term success of our projects.

**Training and development.** We strive to provide our employees with the best career opportunities in our industry and encourage individual growth and achievement. In 2008, corporate and professional technical training expenditures in our major business units totaled more than \$69 million and reached over 48,000 participants. To strengthen our technical capacity, approximately 24,000 participants attended more than 1200 professional technical training sessions.

Through a combination of work assignments and training, our employees develop the necessary leadership capabilities for performing effectively in a variety of workplaces. In 2008, more than 3300 employees at various levels of management from around the world

### up close:

#### Making progress toward the United Nations *Millennium Development Goals*

The United Nations *Millennium Development Goals*—which range from combating HIV/AIDS, malaria, and other diseases to promoting gender equality, empowering women, and achieving universal primary education—form a blueprint for meeting the needs of the world's poorest people by 2015.

Although governments are primarily responsible for achieving the eight goals, progress toward achieving each goal can be made only through a collaborative effort by governments, business, development institutions, and civil society.

Through our *Africa Health Initiative*, *Educating Women and Girls Initiative*, and other initiatives such as national content development, ExxonMobil strategically focuses investments to reduce known barriers to development and promote economic growth. In 2009, we plan to begin work on a project to help understand our social impacts and contribution toward the *Millennium Development Goals*.

## Chad-Cameroon pipeline: Investing in local goods and services

Five years after oil was first produced from the Doba Basin in southern Chad, our project continues to contribute to the economic growth and development of the country and its residents. Because Chad is a landlocked country, an underground pipeline carries crude oil from Chad to a marine shipping terminal in Cameroon. This benefits not only Chad, but also the people of Cameroon.

Since development began in 2000, we have spent \$1.8 billion on goods and services from approximately 2200 Chadian and Cameroonian businesses. In 2008, project spending on local goods and services totaled nearly \$160 million, further contributing to a local supply chain that did not exist before the project.

We also committed to hiring locally. Currently, nine out of 10 employees are Chadians and Cameroonians, with the majority working in skilled, semi-skilled, or supervisory positions. Some employees have also successfully transitioned from worker to entrepreneur. For example, one former employee founded a small environmental consulting firm in 2005, after having worked with one of our construction contractors for five years. The firm specializes in environmental impact studies and often performs baseline studies for ExxonMobil as well as a project on behalf of the World Bank.

Our additional contributions to the region are far-reaching and include:

- Extensive and comprehensive public consultation with some 300,000 Chadians and Cameroonians about the project's development plans and operations;
- Project contributions of more than \$9 million to an array of community, educational, and environmental initiatives in Chad and Cameroon; and,
- The renovation of three clinics in the oilfield development area to significantly improve health services to surrounding villages.

participated in ExxonMobil's leadership development training programs. Approximately 25 percent of participants were women and 68 percent were non-U.S. employees.

Our commitment to training extends beyond ExxonMobil employees. In some cases, personnel from national oil companies work in our offices and participate in technology workshops and training programs. For example, in 2008, we signed a Memorandum of Understanding to share our training curriculum with INSTEP, the education arm of Malaysia's national oil company. In Abu Dhabi, local nationals received formal training as well as on-the-job training, working in the ExxonMobil Technology Center, which opened in 2007.

In 2009, corporate and professional technical training in our major business units is planned for approximately 50,000 participants.

### Supplier development

One of the cornerstones of our national content strategy is creating economic opportunities for local businesses and investing in developing the capabilities of local contractors, suppliers, and vendors to help them meet global industry standards to qualify for contracts with ExxonMobil and others. We promote local capacity by helping suppliers meet our supplier prequalification requirements, providing training for entrepreneurs, and creating business opportunities for local small and medium enterprises.

By purchasing goods and services in-country and developing long-term supplier relationships, ExxonMobil supports the development of the local business community. Our presence has a multiplier effect, as our capital and operating expenses generate direct income for local suppliers and contractors as well as indirect payments to their vendors. As a result, local workers have higher disposable incomes, leading to increased consumer spending and greater national income. As the capacity of local suppliers continues to expand, we are increasing the amount and value of work executed locally.

Our suppliers and contractors must adhere to local and national laws and regulations as well as the specific requirements of ExxonMobil policies and procedures on safety, health, security, human rights, and the environment, including the principles of our *Standards of Business Conduct*, as required in the terms and conditions of our contracts. We periodically conduct audits and reviews of our suppliers and contractors to ensure adherence to our terms and conditions.

### Community relations management

Wherever ExxonMobil operates around the world, we form collaborative partnerships and consult with community leaders to help build economic and social capacity that benefits communities and our business over

the long term. Our *Best Practices in External Affairs* (BPEA) initiative, which is part of our *Operations Integrity Management System* (OIMS), is our strategic planning tool for global external affairs.

Because understanding and respecting local customs are critical for our continued presence in communities, we meet with community leaders and associations to exchange information to better address local issues. We conduct public consultations during 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 potential impacts to their communities. We respond by providing additional information, incorporating mitigation plans in our project planning, and in some cases, modifying aspects of the project design. We engage with nongovernmental organizations (NGOs) to help ensure that our public consultation initiatives are as effective as possible. For an example of our ESHIA in Thailand, see page 9.

### Strategic community investments

ExxonMobil strives to make positive contributions to the communities and economies in which we operate through programs that seek to reduce barriers to development, including health, education, and infrastructure. This



Based on our innovation, leadership, and commitment to building a better future, the U.S. Ambassador to Angola nominated Esso Angola for the 2007 U.S. Secretary of State's *Award for Corporate Excellence*. Esso was one of 11 finalists worldwide and the only company reaching this level in Africa.

allows us to have a greater impact on the long-term sustainability of communities. We partner with local institutions, NGOs, governments, and development agencies to design strategic investment programs, which not only address recognized needs, but are also consistent with our own business goals. For example, through the ExxonMobil Foundation, we provide grants to fund projects in our two signature initiatives—the *Africa Health Initiative* and the *Educating Women and Girls Initiative*.

**Africa Health Initiative.** ExxonMobil has had a presence in Africa for over 100 years and we have felt firsthand the devastating human toll malaria has on communities. Improving health is also a necessary foundation for economic growth and development, and contributes to a stable and productive workforce.

Since the inception of the *Africa Health Initiative* in 2000, we have committed over \$50 million to support efforts to fight malaria through disease prevention, control, and treatment programs. In 2008, we awarded \$14 million in grants to support projects such as *NetsforLife*. Building on the success of *NetsforLife* in Angola, ExxonMobil supported the program's expansion to fight malaria in Nigeria, in 2008. The distribution of long-lasting, insecticide-treated bed nets has provided assistance to nearly 550,000 people in Angolan and Nigerian communities with a high prevalence of reported malaria cases.

#### up close:

### Managing external affairs in Angola

Esso Exploration Angola Limited (Block 15) has been applying the principles of *Best Practices in External Affairs* to manage all aspects of our external affairs, including national content development, government and media relations, community relations, and workforce involvement. This has helped us optimize the impact and value of our outreach programs by better managing our relationships with Angolan stakeholders through improved understanding of their viewpoints and concerns.

The Kizomba A, B, and C development projects spent \$3.5 billion on Angolan employee salaries and purchases from Angolan vendors and suppliers. In 2008, Esso's Block 15 maintained its high safety record and was operational 99 percent of the time—an industry-leading accomplishment.

We are committed to turning over line and staff jobs to qualified Angolans as soon as they have developed the skills to ensure safe and efficient business operations. In 2008, 11 Angolans were on expatriate assignments, 88 participated in technical skill development courses overseas, and 40 were in supervisory and management positions. Over one-third of Esso Angola's national employees were promoted to higher levels within the company during the year.

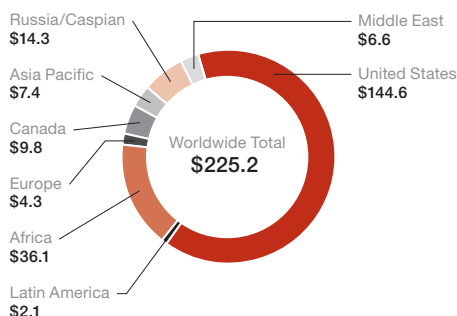
From 2005 to 2008, Esso Angola increased local spending from 16 to 30 percent. In 2008, total spending to 140 local suppliers exceeded \$900 million. We continue working with Angolan suppliers to ensure that they can meet our needs for quality, safety, and schedule. In 2008, a supplier forum and training on ExxonMobil's e-bidding system enhanced the competitive ability of over 300 Angolan suppliers. In partnership with CAE (an organization for business support), Esso Angola conducted training sessions for more than 1300 participants from 350 micro-, small-, and medium-size businesses.

Esso Angola provided over \$12 million in 2008 to help develop skills and capacity in public health and education. We conducted extensive consultations with a diverse range of stakeholders to ensure that our community investments help the government of Angola to make progress toward their national priority goals and the United Nations *Millennium Development Goals* in these areas.

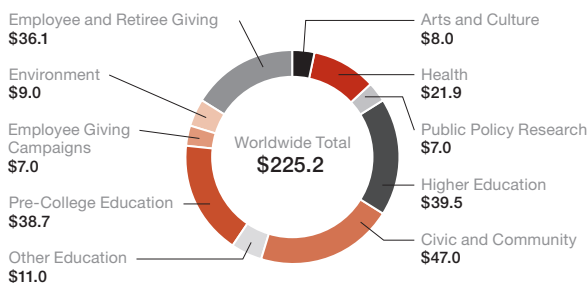
In 2008, Esso Angola employees and families volunteered over 1100 hours to renovate orphanages, churches, public health facilities, community centers, and remote schools.



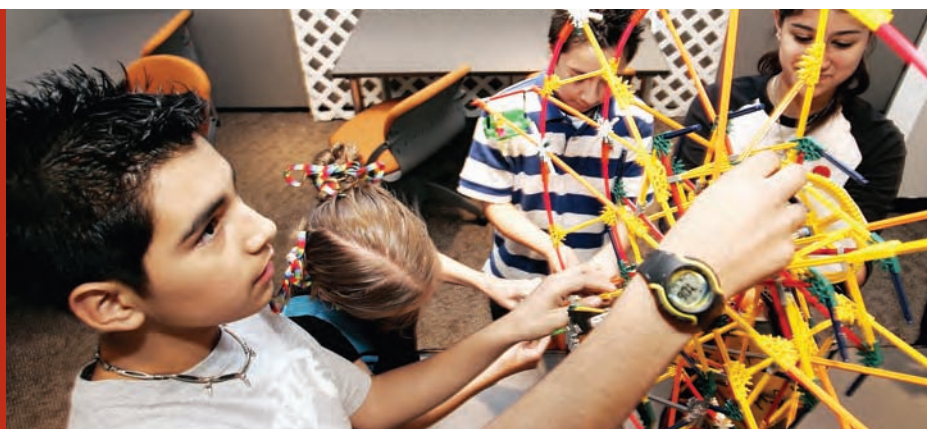
## 2008 ExxonMobil Community Investments by Geographic Region (millions)



## 2008 ExxonMobil Community Investments by Focus Area (millions)



We rely on technology and innovation in every aspect of our business, and knowledge of math and science is critical in the energy sector. In 2008, we directed more than \$89 million to education worldwide, making our total contribution over the last 30 years over \$1.2 billion.



Research shows that when three-quarters of the people in a community use the nets, the incidence of malaria infection decreases, along with a 90-percent reduction in the actual mosquito population. Through 2008, *NetsforLife* has distributed 1 million bed nets in 15 African nations and estimates that these bed nets have saved the lives of about 27,000 children.

Our support is more than financial. We are actively partnering with governments and agencies in affected countries, empowering them to combat malaria with the same disciplined, results-based business practices that ExxonMobil employs in its global operations.

For example, ExxonMobil is represented on the Board of *Malaria No More*. Chairman and CEO Rex W. Tillerson co-chairs the *Malaria Capital Campaign*—a joint initiative of *Malaria No More* and the *Global Business Coalition*. The *Campaign* supports the global malaria action plan established by *Roll Back Malaria*, which seeks to provide universal coverage through malaria interventions to all African people at risk by 2010. To support partners working to overcome barriers to large-scale deployment of malaria prevention tools, the *Campaign* also plans to secure \$100 million mainly through private sector contributions—including our own three-year, \$10 million grant. ExxonMobil funding is being used to improve delivery and use of prevention tools

such as bed nets; provide technical assistance to help countries significantly increase their capacity to control malaria; and monitor and promote progress through integrated communications methods.

### **Educating Women and Girls Initiative.**

Research demonstrates that investing in the education, training, and leadership of women and girls delivers high returns for economic and social development, including lower infant and child mortality rates, disease prevention, women's empowerment, and higher income and productivity rates. Healthy and educated communities, where all citizens are valued and productive members of society, help create a stable and prosperous operating environment. Preparing women to participate competitively in the economy allows companies, including ours, to have access to the best talent for employee recruitment and supply chain development, regardless of gender.

The ExxonMobil Foundation's *Educating Women and Girls Initiative* aims to equip women and girls in developing countries with the resources they need to fulfill their economic potential. In 2008, the Foundation made grants totaling more than \$8 million—bringing our cumulative investment since 2005 to almost \$20 million—to provide women with training, resources, and support structures to help them drive economic and social change in their communities. To date, we have supported programs in Angola,

Chad, Colombia, Egypt, Equatorial Guinea, Indonesia, Kazakhstan, Malaysia, Mexico, Nigeria, and Qatar. Our country affiliates play an integral role in shaping our investments by ensuring that our projects align with national needs and governmental priorities.

In 2008, we continued our support for the Centre for Development and Population Activities' (CEDPA) *Global Women in Management Program* (GWIM), bringing the cumulative totals to 199 ExxonMobil Foundation-funded GWIM graduates from 35 countries and 45 CEDPA alumnae coaches from 24 countries. GWIM helps strengthen program and financial management skills of women managers working in community organizations in developing countries. In 2008, CEDPA conducted GWIM workshops in Nigeria, Mexico City, and Washington, D.C., reaching a total of 79 women as well as a coaching workshop for 22 women. In 2009, we plan to support four GWIM workshops in Brazil, Cameroon, Egypt, and the United States as well as one coaching workshop.

As the scope of our projects continues to evolve, we plan to measure and evaluate their impacts and how they contribute to economic and social development. In 2008, we started working with the International Center for Research on Women to refine our strategic focus on women's economic development and evaluate the success of our investments.



## up close:

### Fostering self-awareness, self-esteem, and professional development in Brazil

Esso, along with CIEE (School-Business Integration Center) and CDI (Committee for the Democratization of Information Technology), formed *Programa Mais* to foster the personal, professional, and cultural development of low-income, Afro-Brazilian public school students between the ages of 16 and 24.

The program has trained 138 students in the art of public speaking, computer skills, entering the labor market, and preparing for college entrance exams. The program also offers cultural workshops that include visits to universities, museums, theaters, and businesses. Visits to companies like Esso introduce students to the business world and the professional paths taken by executives. Ultimately, we plan to include *Programa Mais* participants in our trainee program and hire them as employees.



## 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 2008, Exxon Mobil Corporation, its divisions and affiliates, and the ExxonMobil Foundation provided a combined \$189.1 million in cash, goods, and services worldwide. Of the total, \$110.9 million supported communities in the United States and \$78.2 million supported communities in other countries globally.

**Employee volunteerism and giving.** In 2008, more than 24,900 ExxonMobil employees, retirees, and their families worldwide donated more than 690,000 volunteer hours to 5350 charitable organizations in 30 countries through company-sponsored volunteer programs. Of the total volunteers, 14,300 participants donated more than 87,200 hours to more than 1000 organizations in countries outside the United States.

Employees and retirees donated \$36.1 million through ExxonMobil's matching gift, disaster relief, and employee giving programs. When combined with corporate donations, ExxonMobil—together with its employees and retirees—contributed \$225.2 million to community investments around the world.

## Education: Focusing on math and science

ExxonMobil has a long history of supporting and improving educational programs as an important business priority. In 2008, we directed more than \$89 million to education worldwide, making our total contribution over the last 30 years more than \$1.2 billion. Our strategic focus in education is on math and science, since they are now—and will increasingly be—the universal languages of the global workplace, and are critical tools for success in today's high-tech world.

### Key U.S. partnerships and initiatives

In 2008, ExxonMobil continued investing heavily in math and science education in the United States. We supported initiatives that encourage students to take an active interest in careers in the math and science fields, encourage the professional development of highly qualified teachers, and promote involvement of women and minorities in these subjects.

#### **National Math and Science Initiative.**

ExxonMobil became a founding sponsor of the *National Math and Science Initiative* (NMSI) in 2007 and committed \$125 million to support it. Since inception, NMSI has also attracted more than \$32 million in funding from other organizations. NMSI was launched to improve math and science education by preparing

talented students and teachers to enter the world of engineering, technology, and science. NMSI focuses on replicating proven programs with quantifiable results—such as the *Advanced Placement* (AP) and *Pre-Advanced Placement Training and Incentives Programs*™ and *UTeach*—through a competitive process and to ensure those programs are sustainable within five years.

NMSI has already proven to be successful. In 2008, enrollment in math, science, and English AP classes rose by nearly 60 percent in the 143 schools participating in the AP and *Pre-AP Programs*. *UTeach* provided full teaching certification to more than 70 undergraduate majors in math, science, and computer science. *UTeach* is currently being implemented at 13 universities across the country and enrollment is expected to total 5600 students over the next five years. About 70 percent of *UTeach* graduates are still teaching five or more years after entering the field, compared with less than 50 percent nationally.

**Diversity initiatives.** We work to ensure that access to science, technology, engineering, and mathematics education is made widely available, particularly to women and minorities in the United States. We continued to support the Hispanic Heritage Foundation, United Negro College Fund, American Indian College Fund, National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers,

## Supporting regional science competitions

ExxonMobil's commitment to developing education programs around the world creates excitement in young students about working in the energy sector and other math and science related careers.

**France.** ExxonMobil has supported *Les Olympiades de la Physique* (Physics Olympics) over the last three years and *Les Olympiades de la Chimie* (Chemistry Olympics) for the last 20 years. The Olympics transform high-school students into researchers who must defend the scientific value of their work in front of a panel of professionals. Each year, over 2500 students participate in about 27 regional competitions for the Chemistry Olympics and about 60 finalist teams participate in the national competition for the Physics Olympics.

**Qatar.** ExxonMobil contributed to the first national Gas/N<sub>a</sub> competition organized by Qatar University's Gas Processing Center. Based on age group, students compete in the categories of poster, essay, or scientific experiment. In 2008, 711 students, representing 111 schools, participated in the competition. Competitions such as this motivate students to enter the engineering field, boost the scientific capacity of the Qatari workforce, and develop the country's natural resource base.

**Kuwait.** Kuwait's first ever national science fair is being sponsored by ExxonMobil, Kuwait Energy Company, Kuwait Motor Sports Club, and the Scientific Center. To generate student interest in math and science, the best 100 entries from over 150 high schools were invited to participate in the final competition in March 2009.

**Kazakhstan.** ExxonMobil has supported the Zhautykov National Specialized Physics and Math High School in Kazakhstan since 2004. By updating the school's computers and sponsoring English classes, we seek to improve the students' ability to compete for placement in the best universities in the world. In 2008, we became one of three official sponsors of the school's *International Physics and Math Olympiad*, which brings together over 200 participants from 16 countries. The Minister of Education officially recognized ExxonMobil's continuous support of educational opportunities for Kazakh students.



and the National Action Council for Minorities in Engineering. The Corporation also funded programs at universities and national associations to increase the enrollment of women and minority students in geoscience degree programs.

## International education initiatives

ExxonMobil strives to meet educational needs that are specific to individual countries. In the developing world, we focus on improving basic education and infrastructure. Local country affiliates evaluate local educational needs and make community investment decisions focusing on literacy, math and science, girls' access to education, and primary education.

For example, in Malaysia, geographical remoteness, absenteeism, and high dropout rates are some of the educational challenges facing the children of the Orang Asli ("original peoples") community. ExxonMobil worked with UNICEF Malaysia to publish a book based on Orang Asli folklore to teach children reading and writing skills. Besides preserving their cultural heritage, the use of traditional stories is aimed at igniting the children's interest in learning and attending school. The book will be published in early 2009 and will benefit 94 Orang Asli schools, reaching about 13,000 students. Teachers at Orang

Asli schools will be provided with training to help make teaching and learning fun for the children.

In Egypt, ExxonMobil is actively involved in education, child welfare, and entrepreneur training. Through a three-year, \$1 million grant to Save the Children's *Ishraq Program*, 1000 girls between the ages of 12 and 17 will be given a second chance at education. The program also offers social sessions to educate families about the importance of encouraging their daughters, sisters, and wives to continue their education.

## on the Web:

National content development highlights  
[exxonmobil.com/nationalcontent](http://exxonmobil.com/nationalcontent)

Africa Health Initiative  
[exxonmobil.com/health](http://exxonmobil.com/health)

Educating Women and Girls Initiative  
[exxonmobil.com/womenandgirls](http://exxonmobil.com/womenandgirls)

Worldwide giving  
[exxonmobil.com/contributions](http://exxonmobil.com/contributions)

Supporting math and science education  
[exxonmobil.com/mathandscience](http://exxonmobil.com/mathandscience)

National Math and Science Initiative  
[nationalmathandscience.org](http://nationalmathandscience.org)

International education initiatives  
[exxonmobil.com/intleducation](http://exxonmobil.com/intleducation)

Transparency  
[exxonmobil.com/transparency](http://exxonmobil.com/transparency)

# Transparency initiatives

The extraction of natural resources generates revenues that can foster economic growth and development. Transparency initiatives seek to strengthen accountability and good governance, reduce corruption, and promote greater economic stability.

## ★ Qatar

### Fourth Global Extractive Industries Transparency Initiative (EITI) Conference

Continuing the tradition of ExxonMobil speakers at the first three global EITI conferences, Rich Kruger, president of ExxonMobil Production Company, will be speaking at the fourth Global EITI Conference in Doha, Qatar, in February 2009. He will address how international oil companies contribute to the economic development of countries not only by supporting transparency and EITI, but also through our core economic mission and through corporate citizenship programs.



We believe transparency initiatives should apply universally to all companies—publicly traded, private, and state-owned—with an interest in a country's extractive industries; protect truly proprietary information; and respect the laws of a host government or a company's contractual obligations. We 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*.

**Extractive Industries Transparency Initiative.** Established in 2002, EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. It sets forth global principles for companies to report what they pay governments and for governments to disclose what they receive from companies.

ExxonMobil has served on the EITI Board since 2006. In 2008, the EITI Secretariat invited Chairman and CEO Rex W. Tillerson to co-author with EITI's chairman the foreword of the *EITI Business Guide: How companies can support implementation*. The *Business Guide* will assist international companies in conveying expectations and appropriate roles to affiliates around the world, on reporting payments to governments for natural resource extraction, and on engaging with governments and other stakeholders in the implementation of EITI.

**Working to implement EITI.** As part of our commitment to honest and ethical behavior, we offer our assistance to countries seeking to implement greater transparency and disclose financial information.

### ① Equatorial Guinea

ExxonMobil provided significant support to assist the government in achieving its designation by the EITI Board as a Candidate Country. We drafted a Memorandum of Understanding for engagement by all participating stakeholders, reporting templates and guidelines, and a draft work plan for EITI implementation. ExxonMobil serves on a Steering Committee to help Equatorial Guinea meet its EITI validation deadline of March 2010.

### ② Nigeria

Results of the audit of oil and gas activities from 1999 to 2004 are posted on the Nigeria EITI Web site. ExxonMobil provided advice and support for the implementation of Nigeria's version of EITI, which includes a three-part audit of financials, management processes, and physical volumes.

### ③ Cameroon

The government has published two reports, and held a meeting in 2008 to evaluate the EITI process and consider EITI validation criteria. An official Cameroonian EITI Web site is planned to launch in early 2009.

### ④ Chad

Since its inception, our project has been governed by conventions and contracts that promote transparency. Payments to the Chadian government have now exceeded \$4.3 billion. This information is posted on the Esso Chad and World Bank Web sites. In 2008, Esso Chad and TRACE International sponsored an anti-corruption conference.

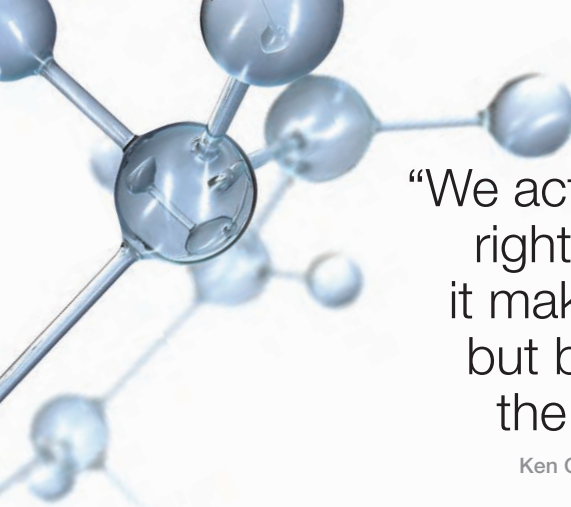
### ⑤ Azerbaijan

In 2008, the government of Azerbaijan published its ninth report on its oil and gas revenues. ExxonMobil assisted the State Oil Fund to develop the reporting templates, guidelines, and the Memorandum of Understanding signed by stakeholders. Azerbaijan initiated an EITI validation process in 2008 and is the first country, among the 26 countries achieving EITI Candidate Country status, to do so.

### ⑥ Kazakhstan

ExxonMobil participates in the National Stakeholders Council, which published its first report on oil and gas revenues in Kazakhstan in 2008, with a second report due out in 2009. During 2008, we presented on behalf of the industry at Kazakhstan's first national EITI conference. We have also been invited to be part of the Kazakh delegation to international conferences, including the 2009 Global EITI Conference.





“We actively promote human rights not just because it makes business sense, but because it is simply the right thing to do.”

Ken Cohen, Vice President of Public Affairs



# Human Rights and Security

Fostering a stable business environment

Just as ExxonMobil is committed to meeting the world's growing demand for energy to power economic progress, we are also committed to playing an important role in respecting and promoting human rights. ExxonMobil actively promotes human rights, not just because doing so fosters a stable and productive business environment, but more importantly, because it is simply the right thing to do. We believe our business presence can, and should, have a positive influence on the treatment of people in the communities where we operate.

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. Along with other stakeholders, we participated in Special Representative Ruggie's consultations on the topic of business and human rights.

Our commitment to human rights is supported by our *Standards of Business Conduct*, which are consistent with the spirit and intent of the United Nations *Universal Declaration of Human Rights* and with 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, 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 that they comply with all applicable laws regarding business practices and human rights (such as laws prohibiting child labor and forced labor). We are taking steps to include specific language regarding child and forced labor in certain engineering, procurement, and construction contracts. This extra safeguard may pose additional challenges in locating qualified suppliers; however, we believe these additional measures will raise awareness and help ensure our partners and suppliers are committed to respecting human rights.

**Security.** Safeguarding company personnel and property is a priority, and must be done in a manner that complies with applicable laws and respects human rights. Our security programs are guided by global standards, ensuring that the measures taken are commensurate with local threats and in line with our commitment to the communities near our operations.

Our security programs are designed to be flexible, especially given the dynamic threat environments in which we operate. The value of this flexibility was demonstrated numerous times in 2008, as additional measures were implemented during periods of heightened security around the globe—varying from a response to terrorist attacks in Mumbai, India to heightened security measures in Nigeria following threats by militants.

We are enhancing private security personnel contracts to include language to address human rights issues. Private security contracts will include provisions 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 been incorporated into more than 50 percent of our contracts.

## **Framework on Security and Human Rights.**

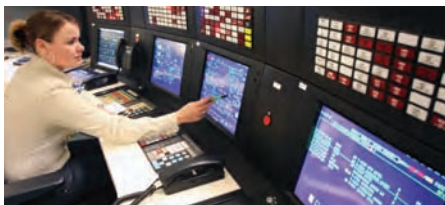
Our *Framework on Security and Human Rights* provides a comprehensive set of expectations to our majority-owned operating affiliates on how to manage interactions with



## Priority issues



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



**Security.** Continue to improve security measures to further enhance the protection of people and assets while respecting human rights concerns.



**Training.** Employee training is an important element of our effort to address human rights challenges facing our industry in general and specific operations in particular.

Co-hosted the Human Rights and the Oil & Gas Industry Conference in Latin America

**60<sup>th</sup>**  
anniversary  
of the United Nations  
*Universal Declaration  
of Human Rights*  
commemorated  
in 2008

Re-elected  
to serve on the  
Steering  
Committee  
of the *Voluntary  
Principles on  
Security and  
Human Rights*

**7**  
priority affiliates  
provided  
with dedicated  
human rights  
awareness training

**+50%**  
of private security  
contracts  
enhanced  
to address human  
rights issues

both host government-assigned security and private security providers. Implementation and assessment of the *Framework* are ongoing.

To facilitate implementation, affiliates are provided with material such as model guidelines for dealing with government security forces, language for Memorandums of Understanding for government-provided security, and language for contracts with private security providers. These documents support our efforts to promote respect for human rights in locations in which we do business. In 2008, as part of a continuing effort for improvement, global majority-owned affiliates conducted assessments of their implementation of the *Framework*. Results of the assessment identified areas for additional attention, and will be used to formulate further guidance aimed at enhancing the effectiveness of the *Framework*.

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

In 2008, we reviewed internal and external information regarding regions where a range of potential human rights risks—such as child labor, forced labor, and security—may arise.

We then developed an ExxonMobil human rights awareness training presentation and provided dedicated human rights training to key affiliate management and staff in seven countries. A more general rollout will be conducted in other affiliates throughout 2009 and 2010.

The 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. Its primary focus is to raise employee awareness, educate them on company policies and approaches, provide information on resources, and demonstrate our commitment to promoting respect for human rights.

### Participating in external initiatives.

ExxonMobil has been an active participant in the *Voluntary Principles on Security and Human Rights* dialogue since 2002, and has worked extensively with other participants to devise criteria and procedures for expanding and carrying on the work of the *Voluntary Principles*. In 2008, ExxonMobil was re-elected to serve on the *Voluntary Principles'* Steering Committee and was also selected for the *Voluntary Principles'* Governance Group. In these leadership positions, we have advocated for a practical and inclusive approach to raising awareness of human rights and to implementing efforts to eliminate abuses.

We also engage with external stakeholders to raise awareness of regional human rights issues and discuss ways of addressing human rights challenges. In 2008, we partnered with IPIECA and ARPEL (Latin America's petroleum association) to co-host the Human Rights and the Oil & Gas Industry Conference. Nearly 90 participants from Latin American countries attended, including government officials, members of local and national NGOs, and representatives of global oil and gas companies. Topics included human rights and community relations, tools to support the oil and gas industry in the management of human rights issues, the perspective of the United Nations on business and human rights, human rights and indigenous peoples, and human rights and security.

### on the Web:

Human rights policies and practices  
[exxonmobil.com/humanrights](http://exxonmobil.com/humanrights)

Indigenous communities  
[exxonmobil.com/indigenous](http://exxonmobil.com/indigenous)

Property rights  
[exxonmobil.com/proprights](http://exxonmobil.com/proprights)

## 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*.

Reporting Overview	IPIECA/API	GRI	Where Reported
About this report and assurance statement		2.1–4, 2.6, 2.9, 3.1, 3.4–6, 3.8, 3.12, 3.13	inside cover, 44, inside back cover, back cover
Chairman and CEO statement		1.1, 4.2	1
Sustainability		1.2, <i>EC9</i>	2–3
About ExxonMobil		2.1–3, 2.5, 2.7, 2.9–10	4–5
Performance overview		1.2, 4.12–13, SO5	6–7
Engagement	SOC-8	2.8, 2.10, 3.2, 3.3, 4.4, 4.8, 4.14–17, SO1	8–9
Issues and indicators	ECO-1, ECO-2, ECO-A2, ECO-3, ENV-1, ENV-2, ENV-A3, ENV-3, ENV-4, ENV-A6 SOC-3, SOC-A4, H&S-4	2.8, 3.5, 3.7, 3.9, 3.11, 3.13, EC1, SO6, <i>LA1, LA7, LA13, EN3, EN16, EN20, EN22, EN23, EN30</i>	10–11
A View to 2030		1.2	12–13

Citizenship Focus Areas	IPIECA/API	GRI	Where Reported
<b>Corporate Governance</b>			
Management systems		4.8, 4.12	14
Long-term financial resource management	ECO-2, ECO-3	2.9–10, EC1	14–15
Board of Directors		4.1–5, 4.9–10, 4.16–17	14–15, 17
Ethics	SOC-2	SO3	15–16
Employment policies and practices	SOC-4	<i>EC3, LA1, LA3, LA13</i>	16–17
Political involvement	SOC-3, SOC-A1	SO5, SO6	17
OIMS in action	SOC-A3, SOC-5, SOC-A4, SOC-8, ENV-6, H&S-1	2.10, 4.11, <i>EC7, EN14</i>	18–19
<b>Safety and Health</b>			
Safety and health management	H&S-1, H&S-2, H&S-4	4.8, 4.11, DMA-LA, <i>LA7, LA8</i>	20–22
Workplace health	H&S-3	<i>LA8</i>	21–22
Product stewardship and product safety	H&S-5	<i>DMA-PR, PR1, PR3, EN26</i>	22
Hurricane preparedness		4.11	23
<b>Environmental Performance</b>			
Managing our environmental performance	ENV-6	4.8, DMA-EN	24
Assessing our surroundings	ENV-A9	2.10, 4.11, <i>EN12, EN13, EN14</i>	24–25, 29
Designing our facilities and operations		4.8, <i>EN26</i>	25
Operating with integrity	ENV-1, ENV-A3, ENV-A6, ENV-A7	4.11, <i>EN8, EN10, EN20, EN22, EN23, EN28, EN30</i>	25–27
Restoring the environment		<i>EN13</i>	27–28
<b>Managing Climate Change Risks</b>			
Reducing greenhouse gas emissions from our operations	ENV-3, ENV-A8, ENV-5	3.9, <i>EC2, EN3, EN7, EN16, EN18, SO5</i>	30–33
Improving consumer use of energy	ENV-4, ENV-A8	EN6, EN18, <i>EN26</i>	32–33
<b>Economic Development</b>			
National content development	SOC-8	4.8, DMA-EC, EC8, EC9	34
Workforce development	SOC-5, SOC-A3	<i>EC7, LA1, LA10, LA11</i>	34–36
Supplier development	SOC-A5	4.8, <i>EC6, EC8, EC9</i>	36
Community relations management	SOC-8	SO1	36
Strategic community investments	SOC-A4, SOC-A5, SOC-8	EC8, EC9, <i>LA8</i>	36–38
Community investments and employee volunteerism	SOC-A4	4.13, EC1	38–40
Transparency initiatives	ECO-A1, SOC-A5	4.12, 4.13	41
<b>Human Rights and Security</b>			
Introduction	SOC-7	DMA-HR	42
Security	SOC-9	4.8, <i>HR2, HR8</i>	42
Providing human rights training	SOC-1	<i>HR6, HR7</i>	43
Participating in external initiatives	SOC-1	4.12, 4.13	43
<b>On the Web</b>			
Corporate Governance Guidelines		4.1–10	<a href="http://exxonmobil.com/governance">exxonmobil.com/governance</a>
Reporting and investigating suspected ethics violations	SOC-6		<a href="http://exxonmobil.com/ethics">exxonmobil.com/ethics</a>
Indigenous communities	SOC-A6	4.12	<a href="http://exxonmobil.com/indigenous">exxonmobil.com/indigenous</a>
Property rights and resettlement	SOC-A7	4.12	<a href="http://exxonmobil.com/proprihts">exxonmobil.com/proprihts</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.

 Environmental Resources Management, Inc. (ERM) reviewed ExxonMobil's 2008 Corporate Citizenship Report against the International Petroleum Industry Environmental Conservation Association/American Petroleum Institute (IPIECA/API) *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (April 2005) and the Global Reporting Initiative (GRI) *G3 Sustainability Reporting Guidelines*. We found that the report contents address the indicator requirements shown in the IPIECA/GRI content index.

## Assurance statement

**Scope of the assurance.** Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by Exxon Mobil Corporation to review the reporting processes used in the creation of the ExxonMobil 2008 *Corporate Citizenship Report*. The objectives of the review were to validate the integrity of the reporting processes 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 scope of the assurance was limited to processes for the reporting of safety, health, and environmental core IPIECA performance indicators and ExxonMobil-selected additional indicators. Verification of data accuracy was not included in the review scope. ExxonMobil fully acknowledges its sole responsibility for the accuracy of all information contained within the report.

**Approach.** The assurance was based on interviews with key personnel to identify the processes in place to fulfill the 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 to assure completeness, consistency, and accuracy of metrics reporting across ExxonMobil's global operations;

- Reviews of the data-reporting processes at a sample of selected operating sites to assess local understanding and implementation of reporting requirements; and,

- A review of the processes used to aggregate the information at the corporate level for inclusion in the final report.

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

- ExxonMobil has processes in place that ensure sites that contribute to 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 of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry* (February 2004); and,
- LRQA believes the ExxonMobil reporting system is effective in delivering safety, health, and environmental indicators that are useful for assessing corporate performance and for reporting information consistent with IPIECA/API *Guidance*.



Thomas F. Sliva  
On behalf of Lloyd's Register Quality Assurance, Inc.  
April 9, 2009

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SP-122