# Corporate Citizenship Report

# ExonMobil

Energy lives here<sup>™</sup>



Community and social impact

- Respecting human rights
- Managing community impacts
- Strategic community investments
- Employee participation



Case study: Responsible production in Papua New Guinea



Local development and supply chain management

- Local economic growth and development
- Supply chain management



- Ethics and integrity
- Board of directors
- Shareholder relations
- Political advocacy and contributions

support from ExxonMobil, the school is participating in the National Math and Science Initiative's College Readiness Program, which is dramatically improving student performance in math and science in high schools in the United States.



Throughout the report, additional content is available by clicking the icons shown above.

# Chairman's letter

ExxonMobil's Corporate Citizenship Report details some of the work we do each day to provide the energy needed to improve standards of living throughout the world in a safe, ethical and environmentally and socially responsible manner.

Our employees share a commitment to safety, integrity, operational excellence and good corporate citizenship; they work every day to protect the environment, maximize benefits for the communities in which we work, and maintain a safe, secure and healthy workplace. By focusing on creating long-term benefits for communities, we are contributing to society's broader sustainability objectives, creating a more stable business environment and improved quality of life.



Ten years ago, this report first introduced *Protect Tomorrow. Today.*, a set of corporate-wide expectations to achieve superior environmental performance. This year's report is an opportunity to highlight many of our accomplishments over the past decade, while discussing the environmental and socioeconomic challenges we continue to face.

#### Meeting global energy demand

As outlined in ExxonMobil's *Outlook for Energy: A View to 2040*, energy demand has dramatically increased in recent years and will continue to grow by an estimated 35 percent from 2010 to 2040. Oil and natural gas will be essential to meeting the rising need, in conjunction with nuclear and renewable energy supplies. No matter the economic and geopolitical climate, we will maintain the safety, operational and ethical diligence that has driven ExxonMobil's success, so we can continue to provide the energy that is vital to progress. From the startup of eight new Upstream projects around the world to our ongoing developments in the Alaskan and Russian Arctic, we will continue our work to meet the increasing demand for energy.

#### Commitment to excellence

Our goal of *Nobody Gets Hurt* is at the heart of what we do every day. We are proud to be an industry leader in safety culture and performance, and in 2014 achieved our best-ever safety record. Examples of our safety leadership are included throughout this report.

We strive to reduce environmental impacts across the life cycle of our projects. In 2014, we worked extensively in locations such as Alaska, Australia, Qatar and Russia to protect the ecosystems and biodiversity near our sites. We continue to look for ways to reduce our greenhouse gas emissions, as well as our water and energy usage. We also engaged with local communities in countries around the world to enhance the social benefits from our operations. The case study about our work in Papua New Guinea (page 54) illustrates our holistic approach to corporate citizenship.

#### Investing in the future

Managing the risks of climate change is an important responsibility for our business and society at large. We continue to take steps to improve efficiency, reduce emissions and contribute to effective long-term solutions to manage these risks. In 2014, we invested approximately \$1 billion in research and technology development in areas that include existing and next-generation energy sources and products that can enable more efficient energy consumption.

By the end of 2014, we actively managed 7,200 acres of land for the benefit of wildlife, promoting environmental awareness in our work-force and local communities. We also work to remediate sites we are no longer using so they can be beneficially reused in the future.

To ensure the continuity of our operations, we place an emphasis on hiring local workers and providing them with the technical and leadership skills that can serve them throughout their careers. This approach also enables us to contribute to economic development in the countries where we do business.

We also continue to support a variety of long-term community investments. Our ongoing efforts to combat malaria and other infectious diseases enabled us to mobilize swiftly to help address the Ebola virus outbreak in West Africa in 2014, as detailed on page 22. We fund initiatives that focus on science, technology, engineering and math (STEM) education, as well as the economic empowerment of women through our women's economic opportunity initiative, now in its 11th year. Advancements in these areas will benefit our society now and in the future.

As always, we welcome input from all of our stakeholders at exxonmobil.com/citizenship.

Rex W. Tillerson Chairman and CEO



exxonmobil.com/citizenship

# About ExxonMobil

ExxonMobil is a global provider of the energy that is critical to driving progress and improving the lives of people around the world. We recognize the significant responsibilities we have to our shareholders, neighbors, customers and communities in our daily operations as we find safe, efficient and responsible ways to bring affordable energy to a global market. Our employees, technical expertise, financial strength, global reach and management practices provide ExxonMobil with a competitive advantage and long-term investment value.

As the world's largest publicly held oil and gas company, ExxonMobil has a diverse and balanced portfolio of highquality assets, projects and resources across our Upstream, Downstream and Chemical businesses. We seek to maintain a large, diverse and balanced portfolio of opportunities to ensure profitable growth through a wide range of investment and geopolitical environments.

## ExxonMobil's integrated businesses



#### Upstream

Our Upstream business encompasses high-quality exploration opportunities across all resource types and geographies, an industry-leading resource base, a portfolio of world-class projects and a diverse set of producing assets. We have an active exploration or production presence in 36 countries.

#### Downstream

Our balanced Downstream portfolio includes refining facilities in 17 countries. We are one of the largest integrated refiners and manufacturers of lube basestocks and a leading marketer of petroleum products and finished lubricants. Our high-quality products, combined with a strong global refining and distribution network, position us as a premier supplier around the world.

#### Chemical

ExxonMobil Chemical is one of the largest chemical companies in the world. Our unique portfolio of commodity and specialty businesses delivers superior returns across the business cycle. We manufacture high-quality chemical products in 16 countries. Our products serve as the building blocks for a wide variety of everyday consumer and industrial products.

million oil-equivalent barrels of net oil and gas production per day



million barrels of petroleum product sales per day



million metric tons of prime product sales<sup>1</sup>

<sup>1</sup>Prime product sales are total product sales, excluding carbon black oil and sulfur. Prime product sales include ExxonMobil's share of equity company volumes and finished product transfers to the Downstream.

# Contributing to progress

Energy flows through every product and enables nearly every human endeavor. Current global energy demand is estimated to be about 550 quadrillion BTUs, which is equivalent in energy to more than 12 billion gallons of gasoline daily. Energy provides comfort and security, enables personal mobility, powers commercial buildings, supports travel and trade, and fuels modern manufacturing. ExxonMobil plays a role in providing the energy crucial for continued economic prosperity and human progress.

Not only does ExxonMobil provide energy throughout the world, but we also make significant positive impacts on the global economy through capital and exploration expenditures, shareholder distributions and tax payments that totaled \$196 billion in 2014. For more information about our financial performance, see our 2014 *Summary Annual Report*.

ExxonMobil 2014 Summary Annual Report

## Global economic flows from ExxonMobil in 2014





exxonmobil.com/citizenship

# The Outlook for Energy

The coming decades are poised for a dramatic step in human progress. Economic growth in China, India and other non-OECD<sup>1</sup> countries will enable some 3 billion people to enter the middle class — the largest collective increase in living standards in history. This transition will increase demand for food, travel, electricity, housing, schools, hospitals and businesses to meet countless needs.

Ongoing progress results in the dual challenge of meeting the world's energy needs while managing the environmental effects — including climate change — of energy use. The good news is that practical options to meet people's needs for reliable, affordable and cleaner energy continue to expand.

We update our long-term energy outlook each year — taking into account the most up-to-date demographic, economic and technological information available. This analysis serves as a foundation for our long-term business strategies and investments. By sharing our *Outlook for Energy* with the public, we hope to broaden that understanding among individuals, businesses and governments. Energy matters to everyone, and we all play a role in shaping its future.

The following are highlights from this year's Outlook for Energy:

- The global population is projected to rise to 9 billion in 2040, as global economic output more than doubles. Energy demand will increase about 35 percent, even with significant efficiency gains. Essentially all the growth in energy demand will come from developing countries.
- Oil is expected to remain the world's primary energy source, with demand rising by almost 30 percent, driven largely by growth in commercial transportation requirements and the chemical industry's need for feedstock. At the same time, natural gas is expected to see demand growth of about 65 percent, rising to second place in the overall energy mix, as a wide range of consumers choose natural gas for its affordability, reliability, versatility and low emissions.

## World liquids supply by type

Million oil-equivalent barrels per day



2040 global demand by fuel

Quadrillion BTUs



- Oil and gas are likely to meet about 65 percent of the global energy demand growth to 2040. At that time, unconventional supplies enabled by technology are expected to account for 35 percent of global gas production and about 45 percent of global liquids production.
- New development of traditional conventional oil deposits is expected to rise significantly, but not quite enough to offset declines in developed fields, as seen in the chart above.
- From 2010 to 2040, global electricity demand is projected to increase by about 85 percent, as living standards rise, economies expand and the electrification of society continues. The demand for fuel to produce that electricity is projected to rise by only about 50 percent, reflecting improved

efficiency in power generation and transmission. By 2040, more than 70 percent of the world's electricity is likely to come from natural gas, nuclear and renewable energies.

 We expect that most every nation will seek to curb CO<sub>2</sub> emissions without harming the prospects of greater prosperity for its own citizens. By improving energy efficiency and reducing the CO<sub>2</sub> content across the energy mix, we anticipate global energy-related CO<sub>2</sub> emissions will rise by about 25 percent from 2010 to 2030, and then decline approximately 5 percent to 2040.

#### Outlook for Energy: A View to 2040

<sup>1</sup>Refer to the Organization for Economic Cooperation and Development (OECD) website (*oecd.org*) for a listing of its members.

# Sustainability

ExxonMobil is committed to addressing the challenge of sustainable development — balancing economic growth, social development and environmental protection so future generations are not compromised by actions taken today. By designing our approach to corporate citizenship around six key focus areas, we contribute to society's broader sustainability objectives and manage the impact of our operations on local economies, societies and the environment.



# Engaging with our stakeholders

For a company of our size, building and maintaining relationships with a diverse group of stakeholders are both priorities and ongoing challenges. Many people, organizations and communities are impacted directly by, and have a direct impact on, our business. Energy issues are complex, and our stakeholders represent multiple viewpoints. The discussions we undertake with our stakeholders help us understand a variety of perspectives. Regular stakeholder engagement helps us continue to improve our company and remain a responsible corporate citizen.

We engage our stakeholders using a variety of mechanisms, including community meetings, the Internet and social media, corporate publications, and one-on-one and group discussions, among others. We include examples of stakeholder engagement throughout this report. Our stakeholders, and topics in which each is interested, include:

# Employees

 Benefits; diversity; development opportunities; safety, health and wellness

# Customers

 Product sustainability; supply chain management; greenhouse gas emissions

# Suppliers

 Expanding local supply network; supplier diversity

# Communities

 Community development; human rights; economic development; grievances

# Nongovernmental organizations

• Biodiversity; climate change; human rights

# Governments

• Taxes; local supplier development; job creation; impact assessments; ethics; education; governance practices

# Shareholders

 Governance practices; board composition; policy engagement; sustainability

# External Citizenship Advisory Panel

ExxonMobil has engaged an External Citizenship Advisory Panel (ECAP) since 2009 to provide an annual, independent review of the company's corporate citizenship activities, including this report. The ECAP members are experts in social and environmental topics and are leading academics, nongovernmental organization (NGO) representatives and former government employees. Each year, the ECAP reviews an early draft of this report and provides feedback, which we evaluate and incorporate into the report as appropriate. To view the ECAP's statement on the 2014 report, please see our website.

## 2014 ECAP statement

Based on the panelists' feedback on the 2013 report, we have made strides in this year's report to provide additional details or metrics in particular areas. Three such examples follow.

"The candid recognition of challenges helps to enhance the report's credibility with stakeholders. We encourage the company to continue developing content in future years to provide more granular examples of where the company has set goals for itself and met the goal, or explain challenges the company is working through to meet the goal."

On the following pages, we include a candid discussion with Vice President of Public and Government Affairs Ken Cohen on key sustainability issues and challenges, including a response about the company's approach to setting goals. We have also explained more clearly in this year's chapter on managing climate change risks (beginning on page 33) why we do not set corporate-wide energy efficiency or greenhouse gas emission goals, but rather have targets at the facility- or business unit-level. "We would like to see the company go one step further in future reports to provide more transparency and clarity about its community engagement practices and the topics being discussed, and the company's response to these. For example, what are the specific concerns being raised; are systematic processes in place to ensure an inclusive and safe process for women and underprivileged community members to participate in the engagement exercise; are grievance mechanisms available; and where does the company disagree with community stakeholders?"

In response to this feedback, we have included a discussion on the grievance management mechanisms we utilize in Papua New Guinea (beginning on page 54) and provided metrics in several examples throughout the report to put this topic into greater context. In addition, we have included several community engagement examples in the community and social impact chapter (beginning on page 43), including initiatives in Cameroon, Canada and Indonesia. We will strive to continue to include these types of community engagement references in future reports.

"We acknowledge that standards-based human rights reporting lags behind environmental metrics across all sectors. But by incorporating the same approaches it uses for environmental and safety reporting, ExxonMobil has the opportunity to be among the leading companies in the area of reporting about its human rights activities as well."

We recognize the collection and disclosure of human rights metrics is an ongoing challenge and are working to develop additional meaningful metrics. In this report, we disclose grievance management mechanism metrics on pages 47 and 55. We have also begun to explore this issue as it relates to our supply chain, and we completed phase two of our pilot supplier human rights risk assessment program.



Mark Cohen Professor of Management and Law Vanderbilt University Owen Graduate School of Management



Sarah Labowitz Co-director of Center for Business and Human Rights New York University Stern School of Business



Frank Loy Former Under Secretary of State for Global Affairs U.S. Department of State



Jane Nelson Director of Corporate Responsibility Initiative Harvard University Kennedy School of Government



Salil Tripathi Director of Emerging Issues Institute for Human Rights and Business

# Key sustainability issues and challenges

Our stakeholders are increasingly interested in how we are addressing sustainability challenges in our operations. Ken Cohen, ExxonMobil's vice president of public and government affairs, answers some of the most frequently asked stakeholder questions below.

# How do you respond to those advocating divestment from companies involved in producing fossil fuels?

Climate change is a significant risk management challenge facing society today. Much is currently being done, but we need to continue to do more, especially in the areas of energy efficiency and new technology.

At ExxonMobil, we are interested in solutions, not symbolism. We are helping to meet the challenge by supplying cleanerburning natural gas, which has contributed to reducing U.S. greenhouse gas (GHG) emissions to 1990s levels; developing emissions-reducing technologies; encouraging energy efficiency; and pursuing research with our university partners to advance the search for solutions.

#### The Lac Megantic accident in Canada seems to show that shipping crude by rail is dangerous. Why do you continue to move crude by rail?

Lac Megantic was a tragic accident and a reminder that no industrial activity is risk-free. While this particular incident did not involve ExxonMobil, it does show that rail transport has risks — and no matter how small, these risks can have terrible consequences. Rail is a critical part of the North American energy infrastructure, connecting areas of new crude oil production that are not served by pipelines to the marketplace. Rail transport of liquids has a record of safety and efficiency going back many decades, but the risks do require careful management and mitigation.

In planning our own operations, ExxonMobil conducts extensive and comprehensive risk analysis assessments on every segment of our logistics system, including rail transportation of crude oil and petroleum products. Those assessments guide ExxonMobil's transportation decisions and management of the risks associated with the transport of such materials. Rail transportation safety requires managing rail maintenance, train operations, car integrity and emergency response. We are focused on the areas we can manage and have taken several steps to ensure safe rail transportation of our products, including:

- The design, construction and leasing of rail cars that meet the highest safety standards in the industry;
- Robust management processes to ensure appropriate inspections and maintenance of our rail car fleet; and
- Engagement with the railroads through industry trade associations and work groups to share best practices in safety management programs; ensure appropriate emergency response planning; and implement programs to support an effective response to any incident.

#### Oil and natural gas production is on the rise worldwide. Why must you seek more sources in extreme locations like the Arctic?

Our industry has been producing oil and natural gas in the Arctic region for nearly a century. Continuing development is important to meeting the world's growing energy needs and will help alleviate poverty, raise living standards and increase economic opportunity for millions of people around the world.

The process of safely finding, producing and marketing oil and natural gas can take decades, and we are careful never to progress faster than our technology will safely allow. With recent technological advances in offshore drilling, ice management and oil spill prevention, we are capable of developing Arctic resources safely and responsibly. Doing so today will enable us to meet the world's economic and energy security needs tomorrow.



Ken Cohen has worldwide responsibility for the company's public policy, government relations, communications, media relations and corporate citizenship activities. Ken authors our *Perspectives* blog, laying out some of the energy challenges we face and encouraging active discourse about their solutions.

# How are you managing your water use and water quality in communities where you are conducting hydraulic fracturing?

The amount of water needed to hydraulically fracture a typical shale gas well ranges from 3–4 million gallons, but it is important to put that number into perspective. For example, natural gas production in Texas accounts for only 1 percent of overall water use as compared with other industries, such as agriculture. Additionally, according to a recent study by the U.S. Department of Energy's National Energy Technology Laboratory, shale gas production uses about 10 times less water than is used for fuel ethanol or biodiesel production. In Texas, researchers concluded that fracking for natural gas actually saves water compared with other fuels used to produce electricity.

But that does not mean we should not work hard to reduce our water use. We understand the necessity to conserve water and, in fact, our global net freshwater consumption decreased by 15 percent between 2007 and 2014.

# Why doesn't your company acknowledge the link between the use of hydraulic fracturing injection wells and earthquakes?

ExxonMobil recognizes that no matter the cause – natural or human induced – local communities and residents have concerns about seismic activity in their area. In some instances, seismic activity has been associated with the long-term injection of wastewater from oil and gas operations into deep underground disposal wells.

As a leader in the development and production of unconventional resources, we believe it is important to gain a better understanding of all types and sources of seismic activity. As discussed on page 28, we are working with experts both inside and outside the company to improve our scientific understanding of the risks and how they can best be mitigated.

# What are you doing to resolve issues resulting in local fracking bans?

There is a lot of misinformation about hydraulic fracturing. We believe those of us in the industry can help alleviate concerns by explaining — forthrightly and in terms that everyone can understand — what we do and how we do it safely. We engage with local communities in several ways, including: providing speakers and technical experts for community events; delivering regular operational updates to inform local officials and community leaders of planned activity; and hosting open houses to allow community members to meet with our teams and learn more about our operations in their area.

We also post our company name and contact information, along with the appropriate safety signage, at all of our operating sites, and we address inquiries in a timely manner. Examples of community concerns that we have addressed include:

- Limiting truck traffic during school transit hours and through neighborhoods;
- Using sound mitigation technology at compressor stations and around active drilling sites; and
- Working with conservation organizations on site restoration projects, including reintroducing native plant life and trees.

# You say you support a carbon tax, but how are you actively advocating for this policy?

When governments are considering policy options, we advocate an approach that ensures a uniform and predictable cost of carbon; allows market prices to drive solutions; maximizes transparency to stakeholders; reduces administrative complexity; promotes global participation; and is easily adjusted to future developments in climate science and policy impacts.

We continue to believe a revenue-neutral carbon tax is better able to accommodate these key criteria than cap-and-trade regimes. We engage stakeholders directly and through trade organizations around the world to encourage such sound policy options. For more details, please see the managing climate change risks chapter, beginning on page 33.

#### How can you defend continuing production of oil and natural gas when its use is contributing to climate change? Although natural gas is cleaner-burning than coal, won't it displace renewables and lead to higher GHG emissions overall?

Society continues to face the dual challenge of expanding energy supplies to support economic growth and improve living standards, while simultaneously addressing the risks posed by climate change. Continued production of hydrocarbons is essential to meeting growing energy demand worldwide, and in preventing consumers — especially those in the least developed and most vulnerable economies — from themselves becoming stranded in the global pursuit of higher living standards and greater economic opportunity.

ExxonMobil's Outlook for Energy and all credible forecasts, including that of the International Energy Agency, predict carbon-based fuels will continue to meet about three-quarters of global energy needs through 2040. For more details, please see the managing climate change risks chapter, beginning on page 33, and our Energy and Carbon — Managing the Risks report that was released in March 2014.

Energy and Carbon — Managing the Risks

# Why don't you set environmental goals, such as GHG emissions or flaring targets?

ExxonMobil signed on to a U.S. refining industry 10-year objective in 2002, as part of an initiative with the American Petroleum Institute, to improve energy efficiency by 10 percent over 10 years. We were the only signatory to meet the target and, in fact, expanded the goal to include our global refining and chemical manufacturing operations.

All of our businesses and individual facilities set a wide array of environmental goals and targets each year. Each business is responsible for operational integrity-related metrics, and they are closely stewarded. While we do not set corporate-wide environmental targets, we do indeed have environmental goals, which are tailored locally to drive significant improvements in environmental performance.

We believe this rigorous bottom-up approach is a more effective way to drive efficiency improvement, including reductions in GHG emissions, than simply setting high-level corporate targets. We also believe continuing to use this approach will yield further improvements in all sectors of our business.

#### Why don't you provide more social metrics in your report?

We are committed to understanding the impacts of our social investments on local communities. We are currently working in close collaboration with many of our partners to design more robust measurement and evaluation plans and enhance their measurement capacity.

In 2012–2013, for example, we partnered with the United Nations Foundation to produce *A Roadmap for Promoting Women's Economic Empowerment*. This report, which summarized the findings of 18 research studies, identified the most effective interventions that directly advance a woman's economic standing over the long term, not just those that have attracted the greatest number of participants.

ExxonMobil Perspectives blog

# Safety, health and the workplace

A worker at our Fawley integrated refining, chemical and lubricant manufacturing complex in the United Kingdom. We are relentless in our pursuit of safety so every employee and contractor comes home from work each day safe and healthy.



We are invested in our employees' futures – working every day to ensure *Nobody Gets Hurt*. The continued success of our company is embedded in our commitment to health and safety and our dedication to the development of our workforce.

# 50%

reduction in lost-time injuries and illnesses rate for employees and contractors over the past 10 years

"A lot of people look at Nobody Gets Hurt as simply a statement of desired results. While Nobody Gets Hurt does accurately reflect the desired results we are looking for, it is so much more in that it reflects our safety culture at its deepest core. Nobody Gets Hurt is an expressed value that demonstrates ExxonMobil's care and commitment to the communities in which we work and the families of the workers in our operations."

Jack Toellner, P.E., CSP
Senior safety consultant



# Safety

Safety is more than just a priority at ExxonMobil — it is a core value and an integral part of our culture. Protecting the safety and health of our workforce is fundamental to our business. We are relentless in our pursuit of safety so every employee and contractor comes home from work each day safe and healthy. This commitment also extends to members of the communities where we operate. We will never stop working toward our goal of *Nobody Gets Hurt*.

All of our employees and third-party contractors have the responsibility to work safely, regardless of job function. We take a disciplined approach to safety, grounded in the foundation of our *Operations Integrity Management System* (OIMS). OIMS is embedded in our everyday work processes at all levels, and we continuously work to improve our own performance. An important element of OIMS is assessment of our work processes and risk management actions. An independent team of qualified professionals regularly audits our processes and shares best practices and lessons learned across the company. For more information about OIMS, see page 24.

Although the number is declining, safety incidents and nearmisses do occur. To prevent serious injuries, there is an elevated focus on "life-saving" practices for work activities that have the potential for serious injuries if not done properly. Examples include lifting heavy loads, operating equipment and working with electrical power or at elevated heights.

When a safety incident or near-miss does occur, we investigate the incident and all potential outcomes and evaluate barriers required to avoid future occurrences. This analysis helps improve our work processes and practices in our pursuit of operational excellence.

As part of our commitment to continuous improvement, we look at leading indicators that could help with risk prevention and mitigation to reduce incidents further. These leading indicators will allow for a closer analysis of incidents with potentially severe consequences and will contribute to the reinforcement of leadership and organizational behaviors consistent with our relentless pursuit of operational excellence.

## Lost-time incident rate<sup>1</sup>





## Total recordable incident rate<sup>2</sup>

Incidents per 200,000 work hours



<sup>1,2</sup>Incidents include injuries and illnesses. Safety data are based on information available at the time of publication. Workforce includes employees and contractors. "We have a relentless focus on eliminating high potential consequence events — it's not just about what happened, but what could have happened and how do we best ensure that it never does."



#### Bob Bailes

Downstream and Chemical safety, security, health and environment manager

#### Personnel safety

Every ExxonMobil employee has a common responsibility in every assignment we undertake: identify, assess and mitigate the risks associated with our operations. We continued to work toward our goal of *Nobody Gets Hurt* in 2014. When compared with 2013, our workforce lost-time incident rate decreased by 30 percent. Over the past 10 years, we have reduced this rate by 50 percent. However, we know we still have work to do to reach our goal.

We deeply regret that three contractors were fatally injured in three separate incidents related to ExxonMobil operations in 2014. Two of the incidents were related to working with wellhead and drilling equipment, and the third occurred at a construction site. We thoroughly investigated these and all incidents to learn how to prevent similar incidents in the future, and then enhanced our work practices and facilities accordingly. We have implemented processes to look at all incidents, even those with no injuries, to understand the potential of the incident. By applying this process, we seek to learn from any incident with the potential for a more serious outcome. This process is in line with studies we have conducted to target serious injuries, in an effort to eliminate any high-potential consequence event. We will relentlessly pursue this goal until we achieve our stated vision of *Nobody Gets Hurt*. We broadly share the results of our findings with our organization, so our employees and contractors can learn how to better protect themselves and their coworkers.

As part of our operations-wide dedication to safety, we strive for a partnership between all workers, including third-party suppliers and contractors. Every day, our contractors take part in safety training and safety meetings alongside our employees. For example, since we started our Major Projects Group in Western Canada, we have conducted safety orientations for more than 72,000 people, ensuring the vision of Nobody Gets Hurt extends to everyone. A key element in our strategy for our contractors is to enhance their leadership practices and safety management systems. Since 2000, we have conducted annual safety leadership forums with our major project contractors, with the focus on a partnership that leads to an injury-free workplace. In 2014, ExxonMobil Development Company hosted a contractor safety forum for approximately 70 contract companies with the theme of Safety Partnerships and Culture of Caring.

Our operations in LaBarge, Wyoming, passed a safety milestone in December 2014, completing two full years without a recordable injury across all work groups and functions. This accomplishment represents more than 1.6 million safe work hours and is the safest-ever period for this location. This success was achieved through clear alignment on safety expectations, commitment by the workforce and visible leadership engagement. Another key aspect of this success was an "our house" mindset that established a sense of family and ownership within the work teams. This sense of family translates into a culture where our workers are ensuring that everyone goes home in the same condition as they came to work.

"Excellence in safety performance is achieved through strong leadership, formal and informal, at all levels in the organization, driving effective management system practices and nurturing a supportive culture."



Jim Seale Upstream safety, security, health and environment manager

# Up Close: Demonstrating safety leadership

We are proud of our culture of safety, and we strive to be a global safety leader not only in our industry but among all companies worldwide. In 2014, ExxonMobil and our affiliates around the world received the following honors and awards for our commitment to safety:

The Australian Petroleum Production & Exploration Association (APPEA) honored ExxonMobil Australia with its 2014 Safety Excellence Award for ExxonMobil Australia's record year in 2013, achieving zero lost-time injuries across all operations in the country. ExxonMobil Australia achieved this safety record in the midst of the completion of the Kipper Tuna Turrum project, which saw a new offshore production facility brought online.

Though we have had many safety accomplishments, we continue to look for ways to improve so we can meet our goal of *Nobody Gets Hurt*. For example, our Downstream business analyzed safety data from projects over a five-year period and noticed the majority of incidents occurred during the final 20 percent of a construction project. As a result, we developed the "Finish Strong" program to help project management teams understand the dynamics associated with the end of a project, as well as communicate tips that have helped other teams maintain their safety focus throughout the life of a project. This focus has resulted in a strong improvement in safety performance. For example, in 2010, up to 80 percent of safety incidents occurred near the end of a project. In 2013, we reduced this number to approximately 10 percent and achieved zero in 2014.

#### **Process safety**

Our position as a safety leader includes diligent management of process safety: equipment, procedures and training that prevent

- ExxonMobil Colombia was the recipient of the 2013 Emerald Cross Award from the Colombia Safety Council in February 2014. ExxonMobil received 99.4 out of 100 points on safety, health and environmental performance, the top score in Colombia during 2013.
- ExxonMobil received three Construction Industry Safety Excellence awards from the Construction Users Roundtable (CURT) in 2014. These awards recognized Downstream projects in the United States and Saudi Arabia. This marks the first time a company has won three CURT awards in the same year.
- Mobil Oil Nigeria received the 2014 award for best health, safety and environmental standards in West Africa from Capital Finance International. The panel of judges recognized Mobil Oil Nigeria for "always placing health, safety and environmental concerns at the heart of its operating strategy."

the uncontrolled release of hydrocarbons and hazardous substances. Our goal is to prevent incidents with the potential for serious injuries or fatalities, widespread environmental impact or property damage. To that end, we employ multiple layers of protection, or barriers, to help prevent a loss of containment, as illustrated in the graphic on the following page.

We subscribe to the American Petroleum Institute (API) Recommended Practice 754 and the International Association of Oil & Gas Producers No. 456, which are industry standards. These standards define process safety indicators and use a process safety incident triangle to represent events from Tier 1 through Tier 4. Tiers 1 and 2 include incidents resulting in a loss of primary containment. According to the API, loss of primary containment is defined as an unplanned or uncontrolled release of any material from primary containment, including nontoxic and nonflammable materials. Tiers 3 and 4 represent nearmisses and leading performance measures such as on-time maintenance performance. In 2014, we had 65 Tier 1 process



Richard Owen of ExxonMobil Australia (right) receives the 2014 Safety Excellence Award from APPEA Vice Chairman Warren Ford at the APPEA Conference in Perth, Australia.

safety events. Although this is slightly higher than in 2013, our focus on process safety remains high, with a continued emphasis on barrier health and effective risk discovery and mitigation.

Collaborating with our peers and industry associations on process safety is a company priority. We serve on industry work groups and initiatives focused on improving safety. For example, we are actively engaged in the Advancing Process Safety Initiative, a collaborative effort between the American Fuel and Petrochemical Manufacturers and the API, representing nearly all of the U.S. refining capacity. This initiative is focused on improving process safety performance across the industry by sharing experiences and knowledge about process safety events, hazard identification and performance metrics, and industry-proven practices. This effort recognizes that when a significant process safety event occurs at any site, it affects everyone in the industry by eroding stakeholder trust.



# Layers of protection: effective barrier implementation through OIMS

Layers of protection help reduce risk. OIMS execution ensures effective barriers are intact.

#### Product safety and responsibility

As part of product stewardship, we assess the safety, health and environmental aspects of our products, as well as compliance with product safety legislation for all intended markets. Our rigorous *Product Stewardship Information Management System* applies common global processes and computer systems to capture and communicate information on the safe handling, transport, use and disposal of our products, as well as emergency contact information. It also ensures compliance with regulations in more than 150 countries. Due to the evolving nature of regulatory requirements, we continually monitor developments to ensure our products comply with regulations, including:

- United Nations Globally Harmonized System of Classification and Labelling of Chemicals (GHS);
- Registration, Evaluation, Authorization and Restriction of Chemicals (REACH);
- United Nations Strategic Approach to International Chemicals Management (SAICM); and
- Clean fuel standards in the United States and the European Union.

#### Product transport by rail

Our stakeholders have been increasingly interested in the industry's management of safe product transport by rail. In the North American market, ExxonMobil manages one of the largest shipper fleets in our industry to move our plastics, chemicals, lubricants and fuels products to our customers. Over the past five years, the industry has seen a significant increase in the utilization of rail transport for crude oil, primarily due to new unconventional production sources. In 2015, ExxonMobil will start up a new joint venture crude rail terminal in Edmonton, Alberta, which will ship Western Canadian crude to our U.S. Gulf Coast and midcontinent refineries. We have comprehensive risk management plans in place to ensure rail transportation of all products is managed in the safest manner. These plans address rail car design and loading and unloading procedures to ensure safe transit.

Safe transport by rail is a shared accountability, covering rail maintenance, train operations, car integrity and emergency response. The API and Association of American Railroads joint working group works to ensure all entities — suppliers, customers, railroads and local emergency responders — have the resources and training necessary to prevent, and when necessary, respond effectively to any potential emergency events.

ExxonMobil is also engaging with railroads that are transporting our products to understand the capabilities of all involved entities and find areas where we can assist. Through this engagement, we believe the proper equipment, procedures and people are in place to react to any potential emergency situation. We will continue to work with our industry peers and railroads to ensure safe transport of oil products.

# Growth in crude oil transported by rail, 2008–2014<sup>3</sup>

#### Thousands of carloads



<sup>3</sup>2014 data are based on preliminary information available at the time of publication. Data provided by API and represent carloads across the industry.

# Emergency preparedness and response

The ability to respond to emergencies promptly is a critical aspect of our business. Effective emergency preparedness and response depends on competent response teams. To develop and practice emergency response strategies and complement on-site responders, we establish strategic Emergency Support Groups (ESGs) around the world, consisting of a wide range of ExxonMobil employees. We routinely train ESG members on a range of possible scenarios, including simulated spills, fires, explosions, natural disasters and security incidents. In 2014, nearly 500 employees participated in more than 40 ESG training sessions.

Our emergency preparedness and response model builds on a foundation of rapid and comprehensive response. Regardless of the size of an event, each ExxonMobil facility and business unit has access to a wide array of trained responders, including our Regional Response Teams (RRTs). Our three RRTs – North America; Europe, Africa and Middle East; and Asia Pacific – comprise approximately 500 ExxonMobil personnel trained on one consistent system with common roles and responsibilities. They provide rapid professional support when needed.

# Workplace security

Ensuring the security of our people, physical assets and intellectual property is deeply embedded in our daily operations. We have developed consistent worldwide security practices and have trained site-security contacts to meet challenges in the diverse locations where we do business. Each new facility goes through a security analysis that takes into account potential risks, the application of countermeasures, relationships with communities and compliance with applicable laws.

Our security personnel regularly participate in government and industry forums to enhance our established risk-management methodologies, threat-assessment capabilities and technical security applications. In higher-threat locations, we monitor local conditions and maintain detailed security preparedness plans. For more on security and human rights, see page 44.

We continue to protect our business against the growing risk of cyberattacks, which can potentially affect our data, facilities and ongoing operations. On average, our cybersecurity screening programs block more than 70 million emails, 140 million Internet access attempts and 150,000 other potentially malicious actions each month. We have an ongoing awareness program to reinforce safe computing behaviors with our workforce through periodic communications and mock email phishing tests. In 2014, 100 percent of our employees and contractors

completed Web-based cybersecurity training on how to identify and respond to potential cybersecurity risks.

# Health and wellness

ExxonMobil cares about the health and well-being of our employees and their families. We offer a variety of programs ranging from infectious disease prevention to help with living a healthier life. Being a global company, an ongoing challenge is the range of health concerns prevalent in the different locations in which we work. Some locations expose our workforce and their families to a higher risk of infectious disease, so we have established a structured program for infectious disease control to monitor and address related issues. As part of this program, we developed a multiyear plan that focuses on implementing programs in locations with a significant threat of malaria and other vector-borne diseases, infectious outbreaks, tuberculosis and HIV/AIDS. For more information about how we work to keep our employees and communities safe from these infectious diseases, see our case study on page 20.

# Up Close: Emergency response training

In 2014, 120 members of the Europe, Africa and Middle East RRT participated in a three-day event in Hampshire, United Kingdom. The exercise involved a tanker berthed at a refinery marine terminal. In the scenario, the offloading pipe from the tanker was ruptured, and oil was released into the water. While the refinery team dealt with securing the jetty, the RRT worked with representatives of the Port, Coastguard and Environment Agency to contain and clean up the hypothetical spill.

The team called upon a range of training and technical innovations, including handheld survey tools for beach assessment and an unmanned aerial vehicle to take photographs and video. The team worked closely with Oil Spill Response Ltd., based in Southampton, to deploy emergency response equipment, including containment booms. Our public and government affairs employees responded to the challenge of engaging with local residents who would have been directly affected by such an oil spill, as well as handling the resulting media impact. They used on-demand communications software to manage incoming inquiries and establish an incident website for the exercise.

In September 2014, the North America RRT also held a three-day exercise in Valdez, Alaska, involving more than 100 ExxonMobil and SeaRiver personnel and nearly 200 representatives from regulatory agencies, tribes, communities and response contractors. The exercise involved a simulated tanker spill of 200,000 barrels of oil and provided an invaluable opportunity to strengthen existing relationships in Valdez, as well as build new ones. "We put a lot into this year's exercise in order to stretch the team and make use of the range of equipment and technologies we have at hand. The teams performed well, and we continue to build on our strengths and make improvements to our operations."



Mark Wentworth Emergency preparedness and response adviser

Our workplace HIV/AIDS program in Africa, *StopAIDS*, combines educational programs with access to community-based care and treatment for those affected by HIV. ExxonMobil does not test for HIV, nor is HIV status a factor in determining an employee's ability to work. However, ExxonMobil encourages voluntary counseling and testing conducted by community partners.

ExxonMobil also invests in preventive health care to reduce health care costs by providing resources to better manage chronic conditions such as heart disease, diabetes, respiratory ailments and depression. ExxonMobil's *Culture of Health* is our U.S.-based preventive health and wellness program.

Outside the United States, we are piloting culturally relevant programs within the context of different health care systems, health needs and available resources in the countries where we have offices and operations. Currently, our pilot programs are in Argentina, Malaysia, Nigeria and the United Kingdom.

# Workforce

We are committed to our employees' professional development and supporting their career goals. We seek to foster a diverse workforce of highly talented individuals committed to achieving our business priorities. We use a long-term, career-oriented approach that includes recruiting outstanding talent and developing individuals by providing them the opportunity to complete a wide range of assignments. Our employee culture is grounded in a shared commitment to safety, integrity, high-quality work and good corporate citizenship.

#### **Employment practices and policies**

ExxonMobil has operations around the world. The diversity of ideas, perspectives, skills, knowledge and cultures across our company facilitates innovation and is a key competitive advantage. Through a range of programs, activities and investments, we strive to create and maintain a diverse workforce representative of the numerous geographies where we do business. Our *Global Diversity Framework* is the foundation for our long-term, career-oriented approach to employment, with three interrelated objectives:

- Attract, develop and retain a premier, diverse workforce from the broadest possible pool to meet our business needs worldwide;
- Actively foster a productive work environment where individual and cultural differences are respected and valued, and where all employees are encouraged to contribute fully to the achievement of superior business results; and
- Identify and develop leadership capabilities to excel in a variety of international and cultural environments.

Our Standards of Business Conduct govern all aspects of our employment, including recruitment, hiring, work assignments, promotions, transfers, terminations, wage and salary administration, and selection for training. The Standards support our commitment to equal employment opportunities, prohibit

# Up Close: ExxonMobil's *Culture of Health*

At ExxonMobil, a focus on employee health is a priority. Our U.S. *Culture of Health* (CoH) program is a sound, evidence-based program designed to support the health of our employees and reduce health care costs.



CoH features multiple components to promote wellness and healthy living: personal health assessments, health screenings, health coaching and worksite educational activities. These activities help employees address wellness issues such as physical activity, nutrition, stress and disease prevention. Each year, individuals can earn cash incentives and gain useful health information by completing certain components of the program. This program is available to all ExxonMobil U.S. employees and family members (age 18 and older) eligible to enroll in an ExxonMobil Medical Plan. Retirees who are enrolled in an ExxonMobil Medical Plan are also eligible to participate.

Andrew Hanna, a sales account manager based in our Fairfax, Virginia, office, became involved in the CoH program in his first year at ExxonMobil, as he experienced challenges maintaining a healthy lifestyle. Moving to a new city, learning a new job and spending most of his time in the office all contributed to unhealthy habits. Through participation in CoH and lifestyle coaching, Andrew's main health objectives became nutrition and exercise. He transitioned from evening to morning workouts, and received help developing weekly grocery lists of nutritious foods to bring to work.

"I am working with my health coach to achieve these goals and find ways to improve my nutrition, exercise and lifestyle. Having a personal health coach who is dedicated to helping me achieve my health goals is a phenomenal resource."



Andrew Hanna Sales account manager

harassment and discrimination in the workplace, and align with applicable laws and regulations in the countries where we operate. We strictly prohibit any form of discrimination by or toward employees, contractors, suppliers or customers in any ExxonMobil working environment.

### Standards of Business Conduct

Our zero-tolerance policy applies to all forms of discrimination, including discrimination based on sexual orientation and gender identity. In January 2015, we updated our U.S. *Equal Employment Opportunity and Harassment in the Workplace* policies to include sexual orientation and gender identity, which is consistent with ExxonMobil's long-standing practice of listing enumerated protected classes as defined by federal law. Harassment, even in its most subtle forms, directly conflicts with company policy and is not tolerated. Every employee is subject to disciplinary action, including termination, for any

## 2014 workforce by geographic region<sup>4</sup>

Thousands of employees



<sup>4</sup>Data exclude company-operated retail store employees.

act of harassment. We employ a comprehensive education, training and stewardship program to ensure employees world-wide understand, implement and follow our anti-harassment policy. We provide training on the *Standards* for new employees and offer regular refresher courses to existing employees.

#### **Diversity and inclusion**

We support local employee networks globally to foster a work environment committed to diversity and inclusion. These 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); Veteran Advocacy and Support Team (VAST); and Women's Interest Network (WIN). We also support diversity-based education programs and professional organizations such as the National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers and the National Action Council for Minorities in Engineering, among others. We believe these strategic investments in education will help build a global, diverse pool of talent to advance technologies to help meet future energy needs. For more information on our education initiatives, see pages 50 and 51.

We remain committed to improving the gender balance within our company. ExxonMobil promotes leadership opportunities for women throughout all aspects of the employment relationship, including recruitment, hiring, training, promotions, transfers, and wage and salary administration.

Currently, women account for about 28 percent of our worldwide workforce. In 2014, 40 percent of management and professional new hires were women, significantly higher than the percentage of women in our broader employee population. In the United States, 34 percent of our newly hired engineers were female, higher than the U.S. percentage of female engineering students. Approximately 17 percent of executive employees worldwide are women — an increase of 55 percent over the past decade. This increase is a result of continued focus on early identification of female management development candidates. Notably, approximately 29 percent of our early career stage executive employees worldwide are women. For more information on how we advance opportunities for women worldwide, see pages 49, 52 and 62.

## 2014 percentage of women and minorities by position in the United States

# Based on U.S. Equal Employment Opportunity Commission reporting





ExxonMobil husband and wife engineering duo are a mechanical engineer and electrical engineer.

## 2014 percentage of female management and professional new hires by geographic region



To increase the representation of minorities in our U.S. operations, our hiring programs include outreach to identify diverse candidates. For example, through our technical scholarship program, we award scholarships to ExxonMobil minority interns to assist them in completing their college degrees. In 2014, we provided 62 technical scholarships, an increase of 240 percent over the past 10 years. In the United States, our minority representation among management and professional new hires was 32 percent in 2014. Further, 35 percent of our newly hired engineers were minorities, significantly higher than the percentage of U.S. minorities in our broader population. Approximately 13 percent of our U.S. executives in 2014 were minorities, an increase of 55 percent over the past decade. Consistent focus on early identification of minority management development candidates has further enhanced our bench strength in this area: 23 percent of early career U.S. executive employees are minorities.

#### Retention and engagement

Our global, diverse workforce represents a competitive advantage for ExxonMobil. We retain and develop our employees

# Training expenditures and number of employees trained<sup>5</sup>



Employees trained (non-unique participants)

<sup>5</sup>2014 increase in expenditures impacted by change in cost reporting practices.

by providing an environment where personal and professional growth is encouraged, and career objectives are developed and achieved. During the annual performance assessment and development process, all employees have a structured, documented discussion with their supervisors about work accomplishments, training objectives, growth opportunities and career interests. This process provides the basis for ongoing employee coaching and continual performance improvement. The company's training programs, mentorships and networking opportunities also help employees throughout their time at ExxonMobil.

Another aspect of our retention and engagement strategy involves providing a robust corporate and technical training program. Our major business units spent \$117 million on training employees in 2014, reaching 79,000 non-unique training participants. To maintain our position as a technical leader in the industry, we directed 75 percent of our investment toward professional and technical training. Additionally, 4,540 employees at various levels of the company participated in ExxonMobil's leadership development training programs in 2014, of which 33 percent were women and 58 percent were employees from outside the United States.

"Over my career, I have been fortunate to hold many varied assignments, providing the opportunity to grow and develop my skills and capabilities. As a leader, the key is to provide an environment where everyone can develop to his or her potential, applying unique capabilities to further the business."



Sara Ortwein Upstream Research president

#### **Employee benefits**

Our benefits programs are an integral part of a total remuneration package designed to support our long-term business objectives, as well as attract, retain and reward the most qualified employees. The goal is to be responsive to the needs of employees throughout their careers and into retirement.

Ensuring access to affordable health care helps employees manage health care issues and reduce related financial concerns. Benefits coverage for spouses is based on legally recognized spousal relationships in each country where we operate.

The funding levels of qualified pension plans comply with applicable laws or regulations. Defined benefit pension obligations are fully supported by the financial strength of ExxonMobil or the respective sponsoring affiliate. The company provides retirement benefits that support our long-term career orientation and business models.

# Case study

Combating infectious diseases, both inside and beyond our fence line



Mother and child in a President's Malaria Initiative (PMI)-supported community. ExxonMobil partners with PMI in Angola. (Photo credit: Lilia Gerberg, PMI)

Keeping our employees safe and healthy is a long-standing ExxonMobil commitment. Infectious diseases have no boundaries, and our globally mobile workforce can be exposed to those with potential for severe health consequences. Our corporate-wide Medicine and Occupational Health (MOH) organization assists company sites by helping ensure adequate resources are in place to protect the health of our workers. In addition, ExxonMobil's commitment to health extends beyond our employees to reach the communities where we work. ExxonMobil has witnessed firsthand the devastating human and economic toll malaria takes on its workforce, families and communities. Encouraged by the signing of the Abuja Declaration and the Millennium Development Goals, the company took seriously the call for the private sector to join the fight against diseases of poverty, which kill millions. We believe that by playing a role in improving public health, we can foster healthier communities and ultimately, stronger economies.

#### Protecting employees from malaria

Malaria is one of the infectious diseases prevalent in areas where we operate in both Africa and Asia and is therefore one of several diseases we focus on in our workforce health programs. In 2000, MOH initiated a corporate workplace malaria control program, adopting the World Health Organization framework for malaria control and prevention, and combining awareness, bite prevention, the use of chemoprophylaxis, and early diagnosis and treatment. The impact was dramatic and resulted in a significant decrease in malaria cases. Over the past decade, this program has helped avert an estimated 2,000 malaria cases among non-immune workers, and since 2007, no ExxonMobil employees or contractors have died from malaria. The integration of new technology for testing urine for malaria chemoprophylaxis as a verification measure has helped achieve these results. We partnered with the Biomedical Research Institute of the French Army to support development of a related rapid diagnostic test, which saved more than \$1.1 million total in laboratory expenses in 2013 and 2014.

## Annual number of reported malaria cases among ExxonMobil non-immune workers



Employee non-immune malaria cases

"As a physician for ExxonMobil in Angola, I have been inspired by the integrated approach the company takes to address malaria. Having seen the way malaria impacts workers, their families and communities in sub-Saharan Africa, ExxonMobil introduced a workforce malaria program and support for community malaria control efforts more than a decade ago. However, ExxonMobil is not alone in our commitment to fight malaria. We are part of a larger effort of businesses partnering with the public sector to drive a comprehensive response to the disease. In sub-Saharan Africa, this joint support has made a powerful impact, and it is emblematic of how corporations can be agents of change across a spectrum of control efforts."



**Dr. Ana Margarida Setas-Ferreira** Regional adviser for community and public health

# Providing community support for malaria prevention and control

Recognizing the broader impact of malaria in some communities where we work, ExxonMobil started collaborating with nonprofit organizations in the fight against malaria in 2000. Since then, malaria programs funded by ExxonMobil have reached more than 124 million people. Our support has helped distribute more than 13.5 million bed nets, 2.1 million doses of antimalarial treatments and 2.2 million rapid diagnostic kits, as well as trained more than 400,000 health workers. Our cash grants during that period totaled more than \$130 million, making us the largest private-sector grant-maker in the fight against malaria.

We are involved in a wide range of global initiatives that include partnerships with corporations, philanthropic organizations and NGOs to prevent, treat and find a vaccine for this disease. One such partner is Grassroot Soccer, an NGO that educates youth on how to prevent malaria and HIV/AIDS using



PMI training lab technicians in Angola on malaria parasite detection. (Photo credit: Catholic Relief Services)

soccer-based games and activities. ExxonMobil began working with Grassroot Soccer and its local partners to combat malaria through the *Skillz Malaria* program in Nigeria in 2011. Since then, we have invested nearly \$1.8 million to expand the program to 30,000 youth in Nigeria, Equatorial Guinea and Tanzania. Grassroot Soccer works with local partners who work directly with youth in schools, community centers and on soccer fields in areas endemic to malaria. Through a series of soccer-themed games and activities delivered by local role models, the participants address knowledge gaps, build their skills and access health services that help prevent them and their families from contracting and potentially dying from malaria. For our efforts in working with organizations such as Grassroot Soccer to prevent and treat infectious diseases in Nigeria, ExxonMobil was named the Best Company in Healthcare for 2014 at the country's Social Enterprise Report and Awards gala.

In 2015, we plan to continue successful in-country programs with our affiliates in Africa and add programs to encourage greater surveillance and additional research to address drug and insecticide resistance. We will focus on prioritizing direct service delivery of bed nets and other health care commodities to Nigeria and Angola, investing in improved surveillance systems and resistance research, and ensuring a pipeline of new antimalarial drugs.





"Fight Malaria" teaching the importance of using treated bed nets to school participants at the World Malaria Day football tournament in Lagos, Nigeria.

#### Protecting employees from other infectious diseases

ExxonMobil established a steering committee for infectious disease control in 2011, expanding the focus from malaria to include tuberculosis, infectious disease outbreak management, vector-borne diseases and HIV/AIDS. Concurrently, we rolled out an Infectious Disease Outbreak Management (IDOM) program around the world, with oversight from the steering committee. The IDOM program provides prevention, preparedness and response protocols for disease outbreaks in our workplaces, combining a set of globally applicable procedures and including a tool kit for investigation. Following the IDOM program implementation, the average number of workers affected during outbreaks decreased by nearly 50 percent the first year. The program has proven to be effective at remote sites and offshore facilities, and other oil and gas companies are adopting ExxonMobil's approach for the prevention and control of infectious disease outbreaks. In 2014, ExxonMobil received the first Safety Leadership Award from the Center for Offshore Safety for its IDOM and Hurt Free programs, in recognition of the programs' effectiveness in successfully

protecting the health and safety of workers and our broad sharing of these best practices across the industry.

#### Our response to Ebola in West Africa

Global companies with internationally mobile workforces have a unique challenge when it comes to the prevention and control of infectious diseases like Ebola that can have significant health, economic and business continuity consequences. The 2014 Ebola epidemic affected multiple countries in West Africa. In Nigeria, Africa's most populous nation and a country where we have a large operational presence, there were 20 reported cases of Ebola following the arrival of an infected traveler from Liberia. The country was able to respond quickly to contain the outbreak and return Nigeria to Ebola-free status. During the initial stages of the outbreak, our Houstonbased Africa Emergency Support Group implemented regular communications with ExxonMobil's Nigerian and other West African affiliates to review established site preparedness and response measures. Concurrently, we launched awareness communications with dedicated Web-based information.

while also coordinating efforts with company medical providers, local health authorities, the U.S. Centers for Disease Control (CDC) and international health organizations.

Further, ExxonMobil provided grants to partners to support their efforts across West Africa, including Plan International to aid Ebola prevention and recovery efforts in Liberia; the Red Cross as the outbreak worsened in Liberia; and the U.S. CDC Foundation to support the CDC's response to the outbreak in Nigeria.

In Nigeria, Liberia and other African countries, we took every possible precaution to protect our workers and their families and successfully maintain our business activities without compromising safety, security, health or the environment. As part of capacity building in Nigeria, ExxonMobil contracted with the Baylor College of Medicine — home to the National School of Tropical Medicine — which sent a six-person team to train nearly 1,500 employees, community members and public health officials on how to prevent and treat the virus. Additionally, ExxonMobil provided Ebola-related training; expert advisory resources, materials and equipment; personal protective gear; and vehicles to government agencies in Nigeria during the outbreak.

"Our work in Nigeria demonstrates a teachable moment: When confronting a public health emergency, a nation needs a unified, uniform and standardized response."



**Dr. Bobby Kapur** M.D., M.P.H, lead for sixperson team from the Baylor College of Medicine

Our experience with Ebola in West Africa has demonstrated the value of a unified approach under strong national leadership in combating deadly infectious diseases. The lessons learned on the role a company can play will inform our planning for responses to potential future outbreaks.

# Environmental performance

**Employees working at our Kearl wetlands reclamation project in Canada.** Globally, our projects are carried out in a diverse range of settings that have varying environmental, social and health risks, which we systematically identify, assess, manage and monitor throughout the life cycle of our work.



Our commitment to Protect Tomorrow. Today. has led us on a decade-long journey toward superior environmental performance. Our employees demonstrate their dedication to this goal every day by helping the organization achieve environmental leadership, caring about the communities where we work, and sharing our lessons learned with industry and our stakeholders for the benefit of all.

# 7,200 acres

of land managed for the benefit of wildlife over the past 10 years, starting with our first four programs, which were certified in 2005

"Protect Tomorrow. Today. is a challenge as we look at the global range of our operations. Being able to assess how the environment will change naturally and in response to a range of potential developments from us and the rest of the community requires insight, a broad range of data and analytical skills. Through my travels and interactions with many affiliates globally, I see we have great people working the issues, and I have the confidence in them to assess these changes, and identify environmental management strategies and studies to reduce or eliminate our impacts."

Russell Tait
Chief environmental scientist



# Environmental management

Ten years ago, this report introduced *Protect Tomorrow. Today.*, a set of expectations that serves as the foundation for our environmental performance. Guided by a scientific understanding of the environmental impacts and related risks of our operations, as well as the social and economic needs of the communities in which we do business, these principles have become an integral part of our day-to-day work. The three key principles of *Protect Tomorrow. Today.* are:

- Delivery of superior environmental performance, leading to a competitive advantage;
- Driving environmental incidents with real impact to zero, through a process of continuous improvement; and
- Achieving industry leadership in focus areas valuable to the business.

These principles, along with the existing corporate environmental policy, helped define a set of environmental performance expectations. We outline our approach to achieving these expectations throughout this chapter.

Environmental management is important for our business, as well as the world in which we live and operate. Globally, our projects are carried out in a diverse range of settings that have varying environmental, social and health risks. We systematically identify, assess, manage and monitor these risks throughout the life cycle of our work. Our pursuit of superior environmental performance is founded on a thorough understanding of local regulatory, environmental, socioeconomic and health contexts. Early on and throughout an asset's life cycle, we identify potential risks through our Environmental Aspects Assessment (EAA) and Environmental, Socioeconomic and Health Impact Assessment (ESHIA) processes. We also prepare Environmental, Socioeconomic and Health Management Plans and Environmental Business Plans (EBPs) to guide the implementation of mitigation and monitoring strategies aimed at effectively managing impacts and their associated risks. We integrate stakeholder engagement into this effort throughout the asset life cycle.

Environmental risk management, along with risk management in all facets of our business, is guided by our *Operations Integrity Management System* (OIMS). This disciplined approach establishes a common framework for addressing safety, security, health, environmental and social risks and their related impacts. It also provides a systematic, structured approach to measure progress and track accountability across business lines, facilities and projects. Visit our website for more detailed information about OIMS and our overall environmental, regulatory and socioeconomic management approach.

ExxonMobil's OIMS brochure

# Biodiversity and ecosystem services

Biodiversity and ecosystem services — the direct and indirect benefits people obtain from the environment, such as food, water, shelter, clean air and cultural identity — are important for society, and we work to protect them wherever we operate. Our approach recognizes factors such as the rarity of individual species, their roles in different ecosystems and habitats, their vulnerabilities and their cultural significance. As part of the expectations of *Protect Tomorrow. Today.*, we strive to be a leader in safeguarding the ability of the environment to provide these ecosystem services. For our major Upstream projects, we identify and evaluate environmental, social and health risks and opportunities through the ESHIA process. Additionally, biodiversity and ecosystem services are taken into account during the EAA and EBP processes throughout the life of an asset.

Environmental Aspects Guide

#### **Protecting biodiversity**

We continually look for new tools and analytical methods to improve our understanding of local biodiversity conditions and ecosystem services in our areas of operation. In 2014, we continued our study of the ecosystem services in the Gulf of Mexico in collaboration with the Harte Research Institute for Gulf of Mexico Studies. As part of this effort, we engaged local businesses, federal agencies, researchers and NGOs in an

# Up Close: Ecosystem management on Alaska's North Slope

The Arctic region represents one of the world's largest remaining areas of undiscovered oil and gas resources, and we expect the Arctic to play a critical role in helping to meet the world's growing energy demand. We understand that operating in this region presents unique technological, environmental and social challenges.



ExxonMobil conducted caribou migration monitoring near our Point Thomson Project.

ExxonMobil's Point Thomson Project is on the North Slope of Alaska, adjacent to the Beaufort Sea. Initial production is set to begin in 2016. From the outset of the project, ExxonMobil has worked to understand the local physical, biological and social environment. We engage with stakeholders in local communities and with government and regulatory agencies to help us address biodiversity and sustainability challenges. ExxonMobil has participated in meetings and workshops with North Slope Borough officials and residents, and hosted regular community meetings in the village of Kaktovik to develop a deeper understanding of local concerns and priorities. This dialogue resulted in project design modifications, cooperation to avoid conflicts with traditional subsistence hunting, cultural resource protection, education and research programs, and wildlife monitoring surveys to understand present-day conditions and mitigate possible impacts on caribou and fish. Two of these monitoring surveys are summarized below.

 ExxonMobil conducted aerial surveys in June 2013 and June 2014 to count caribou in the project area and



An ExxonMobil contractor conducting a fish population survey in the Beaufort Sea.

document calving locations. We deployed motion-activated cameras between May and September in both years to document caribou movements near planned infrastructure (2013) and behavior around constructed facilities (2014). The project team worked with the state of Alaska to collar nine female caribou in the area to improve our understanding of the animals' migration patterns. Analysis of the data indicated the installed pipeline had no observable effects on the movements of caribou within the study area.

 In 2013 and 2014, ExxonMobil performed near-shore fish and sediment surveys in the summer months using fyke and gill nets to identify the types and numbers of marine fish near the project's location. Some fish tissue and sediment testing was conducted to understand present-day levels of specific chemical compounds. We concluded that fish catch patterns and relative abundance were similar for each year, and the concentrations of the targeted chemical compounds in sediment and fish were consistently low and typical of the natural Beaufort Sea environment. attempt to prioritize ecosystem services provided by the Gulf. Results of this study are currently being prepared for submission to a peer-reviewed journal.

"Understanding the value that stakeholders place on the services provided by the offshore environment is important to the scientific community, ocean industries, government entities and NGOs. ExxonMobil is a key partner in advancing this knowledge."



Professor David Yoskowitz Endowed chair for socioeconomics at the Harte Research Institute and renowned ecosystem services expert

Several of our biodiversity experts also published a peerreviewed article in 2014 that outlined an ecosystem services approach to marine environmental management. Using the deepwater Gulf of Mexico as a case study, our researchers developed a methodology, adaptable for use in a variety of environmental settings, that can be used for prioritizing monitoring efforts to protect the health of ecosystem services.

Rapid prioritization of marine ecosystem services and ecosystem indicators

ExxonMobil is also proud to support innovative research for improved biodiversity management. In 2014, we contributed approximately \$5 million to organizations focused on biodiversity protection and land conservation. For example, ExxonMobil Research Qatar is collaborating with Qatar University and Texas A&M University at Galveston to study the dugong population — a marine mammal species that the International Union for Conservation of Nature (IUCN) has listed as vulnerable to extinction — in Qatar's coastal waters. "It is essential to both Qatar and ExxonMobil to increase our understanding of the marine environment, and we hope the data gathered in this study can be utilized by other academic, regulatory and research stakeholders in support of management and conservation plans for the dugong population."

 Dr. Jennifer Dupont, research director, ExxonMobil Research Qatar

#### Working in protected areas

To ensure adequate plans are in place at our sites to manage elevated biodiversity or species risks, we periodically screen the locations of our major operating facilities against databases of the IUCN and World Protected Areas. We confirmed an estimated 20 percent of our major operating facilities are within five kilometers of designated environmentally protected areas. These data are also used when developing emergency response contingency plans that prioritize areas needing protection, as well as in environmental impact surveys during new or brownfield development.

We continue to collaborate with the Wildlife Habitat Council (WHC) to develop educational and outreach programs through the Corporate Lands for Learning (CLL) program. Currently, we have five CLL programs certified at or near our facilities, including at our Billings (Montana) Refinery, Baton Rouge (Louisiana) Complex, Clinton (New Jersey) Research Facility, Fife (United Kingdom) Ethylene Plant and Lentol Gardens in Greenpoint, Brooklyn, New York. These programs help us promote environmental awareness, biodiversity and science initiatives in our workforce and local communities.

By the end of 2014, we actively managed 7,200 acres of land for the benefit of wildlife at 18 of our sites through 21 certified programs. Our newest WHC Wildlife at Work site is at our North Houston Campus, which features 195 acres of wildlife habitat. Surveys at the campus identified 343 ecologically valuable trees, of which 213 were preserved in place. Professional arborists moved the remaining trees to other locations within the campus and are providing observation and care to ensure their continued health. Ongoing monitoring programs on the campus focus on the presence of bird species and the detection and removal of invasive plant species.

# Up Close: Monitoring the Steller's sea eagle

In the vicinity of Exxon Neftegas Limited's operations on Sakhalin Island in Russia, we have studied and monitored the Steller's sea eagle, an IUCN Red List species, for many years. Since 2006, we have focused on 13 pairs of the eagles near our Chayvo project location. We have built 35 perches and 15 nesting platforms to improve the habitat and promote nesting and hatching success. The eagles have shown their ability to adapt to our presence as they continue to hunt and nest in the area. Since the monitoring program began, we have observed the average nesting capacity of fledglings per occupied nest near Chayvo is higher than the average for the island as a whole. We will continue to monitor this important species in the coming years.



A Steller's sea eagle sits on a perch near ExxonMobil's operations on Sakhalin Island.

# Up Close: Protecting whales in the Gulf of Mexico and Australia

ExxonMobil helped fund a sperm whale tagging and monitoring study in the U.S. Gulf of Mexico in 2014. Professor Bruce Mate of Oregon State University — one of the world's foremost experts on whale tagging and tracking — led the study, which enabled mapping of key sperm whale habitat areas. We are using the results in our environmental stewardship programs to continue to safeguard calving areas and other key whale habitats.

In collaboration with the U.S. Bureau of Ocean Energy Management and other industry partners, ExxonMobil is also a key sponsor of a research effort to study the behavioral response of Australian humpback whales to seismic surveys. The main objectives of the study are to improve risk assessments for seismic surveys and apply new science to the process of impact assessment and management. We completed the final field season in 2014, and a team of internationally recognized experts from several Australian universities is now analyzing the significant amount of data. Results to date are available at soundandmarinelife.org.



Australian humpback whale.

## How much water is needed to produce one quart of oil-equivalent energy?<sup>1</sup>

Freshwater intensity is the total amount of freshwater needed to produce an identical unit of energy for a variety of energy sources and transportation fuels.



#### Natural gas

One oil-equivalent quart of natural gas requires anywhere from a bit more than a tablespoon to a bit more than a cup of water. Unconventional or "fracked" natural gas is at the higher end of the range.



#### Extracted coal

One oil-equivalent quart of extracted coal requires less than two quarts of water.



#### Ethanol

One oil-equivalent quart of ethanol requires from six quarts to as much as seven barrels of water (depending on irrigation). This is typical of most biofuels.

<sup>1</sup>Adapted from the freshwater intensity page at exxonmobil.com.



#### Petroleum

One quart of petroleum requires from one to twoand-a-half quarts of water. (Extraction itself requires less than a cup — most of the water goes toward cooling in the refinery.)



#### Electric power from coal

One oil-equivalent quart of electric power from coal requires anywhere from 11 to 18 quarts of water for cooling. (Gas-fired turbines also require cooling water, but are a bit more efficient and require less water than coal-fired plants.)



#### Hydroelectric power

One oil-equivalent quart of hydroelectric power requires from 15 quarts to as much as 30 barrels of water because of evaporation and subsurface seepage from reservoirs.

# Water management

Water and energy are interrelated, and both are critical for society, economic development and the environment. ExxonMobil manages water resources with care, using the same systems, processes and policies that govern our overall approach to environmental management. In 2014, we published four key commitments in a framework for water management that focus on preventing adverse impacts to water resources while carefully managing the water we do use.

For more information about how ExxonMobil manages water, visit our website.

ExxonMobil's approach to water use

We are committed to minimizing the impacts of our water withdrawals, consumption and discharges. In 2014, the net freshwater consumption at our operations was 270 million cubic meters, representing a continued decline since 2011.

## Global freshwater consumption<sup>2</sup>

#### Millions of cubic meters



<sup>2</sup>This year, for the first time, we are reporting freshwater intensity alongside consumption data in our performance data (pages 71–73). Freshwater intensity is the ratio of net freshwater consumption to the amount of throughput or production. Normalized in this way, we can better understand how efficiently we are using freshwater in our operations. Data collection began in 2007. Includes XTO Energy data beginning in 2011.

We have reduced our freshwater consumption by 15 percent since 2007, in part due to local water management strategies. ExxonMobil's total water consumption includes use by Downstream refineries and Chemical plants, Upstream oil and gas production, and XTO Energy for onshore shale development in the United States. The vast majority of our water consumption occurs in Downstream refineries and Chemical plants, with XTO Energy accounting for only approximately 4 percent of the total.

We recognize some of our operations can use significant amounts of water, and we engage with stakeholders regarding their concerns about the use and protection of local water resources. We consider local water requirements and alternatives when sourcing water for our activities, including identifying and managing the risks related to water availability and quality. Of our major operating sites, approximately 30 percent are located in areas identified with the potential for water stress or scarcity. We develop and implement local water management strategies, including the use of freshwater alternatives such as recycled municipal and industrial wastewater, seasonal water management and rainwater harvesting.

Local water management efforts at key sites have contributed to the gradual decline in our water consumption since 2011. For example, the wastewater treatment facility at our Singapore chemical plant uses state-of-the-art membrane bioreactor (MBR) technology to treat wastewater, enabling it to be reused as cooling water. This reduces the overall amount of freshwater used in the plant by 3 percent, and the remaining treated wastewater to be discharged is well within the specifications set by the Singapore government. Since reuse of the MBR-treated water started in May 2014, on average, 30 to 40 percent of treated water is reused as cooling water, and further increases are planned.

We use alternative water sources where appropriate and seek opportunities to reduce, reuse and recycle water. We assess actual costs, quality and availability, as well as potential tradeoffs, such as varied operational efficiencies, increased energy use or the consequences of producing more concentrated waste streams.



XTO Energy drilling rig in Bakken, North Dakota.

# Up Close: Management of seismicity in unconventional operations

Some stakeholders have expressed concern about the risk of induced seismicity near unconventional operations. ExxonMobil takes a diligent risk management approach toward limiting induced seismicity in our operations. We are exploring research opportunities focused on improved understanding of the phenomenon of induced seismicity to share with communities, academia and regulators, and further strengthen our risk management systems.

The science of earthquakes can be complex. Earthquakes are caused mostly by natural processes. The U.S. Geological Survey estimates there are more than 1 million natural earthquakes each year, whereas according to a 2012 National Academy of Sciences report, there have been only 155 cases of induced or man-made seismicity documented globally over the past 80 years. Seismicity due to wastewater injection wells is uncommon, and events due to hydraulic fracturing are even rarer.

We have a cross-functional team of experts in our company studying induced seismicity and examining our operations and the related science. This team developed a protocol that we now use at XTO Energy to assess the existing underground geology in more detail, focusing on the risks of potentially inducing seismicity when we are siting new wastewater disposal wells. Further, we are highly engaged in academic and regulatory discussions; the U.S. Environmental Protection Agency and other regulatory bodies have asked us to present our perspectives and peer-review their reports. Another example, from the Upstream operations, shows our continual efforts to use research and operational analysis to improve capabilities and performance. Imperial, an ExxonMobil affiliate in Canada, committed to freshwater reduction projects at its Cold Lake operations as part of a water license renewal in 2011. By 2014, the projects were completed and successfully reduced freshwater consumption by 30 percent compared with the 2006–2008 average. Imperial is also a member of Canada's Oil Sands Innovation Alliance (COSIA), an industry group focused on improvements in environmental performance in Canada's oil sands through collaborative action and innovation. One key focus area for COSIA is to reduce freshwater intensity for in situ oil sands operations, which will require COSIA members to improve water use efficiency and recycle rates within their operations.

# Spill performance

ExxonMobil focuses on implementing preventive measures to avoid spills and, if a spill does occur, ensure a rapid, comprehensive response. We continually seek to develop and improve risk management, operations integrity, spill prevention processes and containment capabilities. The total volume of hydrocarbons spilled to soil and water was 9,100 barrels in 2014; more than 60 percent was recovered at the spill sites. The majority of these spills do not affect third parties or the communities that surround us. Over the past decade, we have reduced the number of spills greater than 1 barrel by approximately 10 percent.

In 2012, we started measuring significant spills to the environment (SSEs) across the corporation. SSEs are spills to surface water and groundwater, sensitive environments or communities. We had 20 significant spills in 2014, including a spill from a time-chartered marine vessel involving a small amount of gasoil to water during a cargo transfer. These SSEs represent approximately 6 percent of the total number of spills. We are increasing focus on these spills to learn from them so we can prevent their reoccurrence.

## Significant spills to the environment<sup>3</sup>

#### Number of spills of any fluid type that warrant greater focus



## Spills (not from marine vessels)<sup>4</sup>

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



<sup>4</sup>Includes XTO Energy data beginning in 2011.

Every day, ExxonMobil Pipeline Company transports approximately 2.6 million barrels of petroleum and chemical feedstocks and products through approximately 8,000 miles of pipelines in the United States. We diligently maintain and inspect our pipelines to ensure their integrity and prevent and detect corrosion, third-party damage or intrusions onto our rights of way. We also patrol our pipeline routes on the ground and in the air, and we monitor pipeline operations around the clock using state-of-the-art systems, alarms and other monitoring technologies. For information on how we are managing products transported by rail, see page 15.

We have implemented enhanced surveying techniques and are applying state-of-the-art inspection technologies and analyses on our pipelines. These surveys and inspection findings are identifying areas where we can strengthen our pipeline integrity and risk management systems. In addition, we are working closely with others in the industry to evaluate and capture technology advancements for pipeline integrity assurance.

"Our company is built on the foundation of risk management for everything we do. During my career, I have had the opportunity to work in Refining, Chemical and Lubricant manufacturing roles around the world. I firmly believe if we manage risks right, we can prevent significant process safety events, including spills to the environment. Effectively managing risks is fundamental to successful business performance."



Lynne Lachenmyer Safety, security, health and environment vice president

The worldwide marine business of ExxonMobil's affiliates, which involves about 500 vessels in daily service, logged nearly 20,000 voyages and 42,000 port calls in 2014, safely transporting approximately 1.35 billion barrels of crude oil and refined products. In 2014, our marine affiliate, SeaRiver Maritime Inc., launched a new crude oil tanker, *Liberty Bay*, to transport crude oil from the Alaska North Slope to refineries along the U.S. west coast. While all of the vessels owned and operated by SeaRiver have mandatory double-hull cargo tanks, *Liberty Bay* also features the latest safety, navigation and

Environmental performance



ExxonMobil employees conducting ice testing in the Kara Sea to measure the thickness and robustness of the ice. In 2014, we successfully completed drilling of the University-1 well in this Arctic environment.

engine room technologies, including double-hull fuel tanks, fully redundant navigation systems and high-efficiency engines with electronic tuning. An advanced ballast water treatment system will provide additional environmental protection, in advance of international requirements.

#### Offshore oil spill response

As part of our commitment to operational excellence, we have developed specialized spill response tactics. We have the industry's leading, dedicated, in-house oil spill response research program, which includes a focus on Arctic research. ExxonMobil also participates in multiple joint industry projects for improving oil spill response in the Arctic and elsewhere, including the American Petroleum Institute (API) joint industry task force, the International Association of Oil and Gas Producers (IOGP) Arctic oil spill response technology joint industry program, an IOGP and IPIECA joint industry project, and the API oil sands technical subcommittee. These projects allow us to share best practices and learn from our peers. For more information, visit the following websites:

API joint industry task force

Arctic oil spill response technology

IOGP-IPIECA joint industry project

Since 2010, we have collaborated with others in our industry through our membership in the Marine Well Containment Company (MWCC) to develop an oil spill containment system for the Gulf of Mexico. In support of MWCC, ExxonMobil led a Marine Well Containment System project, which commenced delivery of an expanded containment system (ECS) in 2014. The ECS significantly increases the response capability of MWCC both in terms of capacity and flexibility. For more information about the ECS, visit MWCC's website.

Marine Well Containment Company

In 2014, an ExxonMobil and Rosneft joint venture conducted drilling operations at the University-1 well in Russia's Kara Sea. This was the capstone of extensive preparations that included environmental studies, seismic operations, employment of an advanced ice management system and integration of a winterized drilling rig. A fleet of multifunctional support vessels accompanied the rig to maintain operations integrity, conducting safe operations hundreds of miles from the shore base.

The preparations for and completion of operations at the University-1 well demonstrated our ability to integrate the people, technologies and best practices needed to operate in an Arctic offshore environment safely and effectively, and further added to our knowledge base for operations in the Arctic.

# Air emissions

We continue to seek opportunities to reduce the environmental impacts from our operations and our products. Our combined emissions of volatile organic compounds (VOCs), sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NOx) have decreased more than 40 percent over the past 10 years across all of our operations. Our Baytown (Texas) refining and petrochemical complex has also achieved near double-digit improvements in energy efficiency and air quality during the past decade. Despite its size and complexity, the Baytown Refinery now uses energy more efficiently than 90 percent of all other U.S. refineries. Over the past decade, energy efficiency across the Baytown complex has improved by 10 percent, and NOx and VOC emissions have been reduced by 46 percent and 40 percent, respectively. During this same period, air-related incident performance has improved by 64 percent.

"As a community partner in Baytown for 95 years, we are proud of our accomplishments. We remain committed to maintaining operational excellence and pioneering new ways to reduce emissions and improve air quality. Our mission is clear: Protect Tomorrow. Today."



Matt Crocker Baytown Refinery manager



Workers at our clean fuels expansion project in Saudi Arabia.

In 2014, we completed our clean fuels project at our refinery in Saudi Arabia, a joint venture of ExxonMobil and Saudi Aramco. This project's desulfurization facilities are designed to cut sulfur levels in gasoline and diesel by more than 98 percent. The ultra-low sulfur fuels produced as a result of this investment will allow for reduced emissions when used in modern engines.

#### Air emissions



exxonmobil.com/citizenship

# Environmental compliance

We comply with all applicable host-country environmental laws and regulations, and we apply responsible standards where they do not exist. Wherever reasonable, we strive to go beyond compliance and demonstrate leadership in environmental management. One example of where we have gone beyond compliance is the installation of a denitrification facility as part of our biological oxidation basin replacement project at our Baton Rouge (Louisiana) Refinery. This additional voluntary capital investment for denitrification reduces our nitrate emissions to the Gulf of Mexico by up to 500 tons annually.

Our worldwide environmental expenditures in 2014 totaled approximately \$6 billion. This included an estimated \$2.5 billion in capital expenditures and approximately \$3.5 billion in operating expenses. In 2014, 74 penalties, fines and settlements were paid — the same as in 2013 — accounting for less than 1 percent of total environmental expenditures, or about \$15 million.

# Rehabilitating the environment

As part of our life cycle approach to protecting the environment, we continue to enhance the rehabilitation of our no-longer-needed properties so they can have a beneficial next use. By taking actions today, we can ensure the land we use is available for environmental benefits and development in the future. Since its creation in 2008, ExxonMobil Environmental Services (EMES) — our global functional organization that provides guidance and support on remediation and surplus-site stewardship — has managed more than \$5.1 billion on remediation work and returned more than 1,400 properties to beneficial end use. In 2014 alone, we monitored 5,600 active sites in our EMES global portfolio.

# Up Close: Rehabilitation projects in the Arctic

Working in Arctic environments provides unique challenges for every phase of our operations, including remediation. The extreme climate, coupled with limited transportation options and waste disposal infrastructure, require ExxonMobil Environmental Services to use innovative techniques when reclaiming the environment.

In Alaska, our Point Thomson Project conducted multiple tundra sod experiments to expand our knowledge of tundra rehabilitation techniques. One experiment used freshly harvested tundra sod and organic soil from the Point Thomson gravel mine to rehabilitate a portion of an existing gravel pad and create a vegetated buffer for a nearby stream. Another experiment involved placing tundra sod on a gravel slope to test its ability to provide slope stabilization. In addition, tundra sod was stacked, overwintered and transplanted the following summer to determine whether harvested sod would survive for later use. Monitoring of these experimental sites suggests these trials have been successful.

"Tundra is inherently complex, and rehabilitation can take decades in the harsh Arctic environment. This work represents an innovative approach to using valuable natural materials and accelerating the rehabilitation process. We have shared these techniques with industry partners, agencies and other stakeholders."



**Brien Reep** Safety, security, health and environment manager, Point Thomson Project At Tununuk Point in Canada, Imperial Environmental Services is working with the federal government to remediate a site that was a federal radar station after World War II and an Imperial Oil exploration logistics base from 1971 through 1984. We are also using bioremediation techniques and installing engineered containment systems on two site landfills. As with all of our projects, we employ a disciplined and structured risk management approach to ensure we are protecting the environment while also working safely.



ExxonMobil employees and contractors working on the tundra sod project at Point Thomson.

# Managing climate change risks

An employee at our Joliet Refinery in Channahon, Illinois. The Joliet Refinery is one of the newest refineries in the United States and is the most energy-efficient refinery in the country.



As we seek to increase production of oil and natural gas to meet growing global energy demand, we continue to take steps to reduce emissions and contribute to effective long-term solutions to manage climate change risks.

# 41%

reduction in flaring over the past 10 years

"I find working in the area of climate change fascinating. It is a global challenge, requiring solutions that balance geopolitical and economic considerations of diverse nations and communities around the world, with an understanding of the complex field of climate science. ExxonMobil brings significant capabilities to this discussion and the intellectual curiosity to pursue an understanding of the science behind the changes to our climate. In my role, I get to see the nexus of these issues, analyze the impact on the organization and shape our efforts."

 Susan Blevins
U.S. greenhouse gas and climate change issue manager



Society continues to face the dual challenge of expanding energy supplies to support economic growth and improve living standards, while simultaneously addressing the societal and environmental risks posed by rising greenhouse gas (GHG) emissions and climate change. Our climate change risk management strategy includes four components: engaging on climate change policy and planning; mitigating GHG emissions in our operations; developing future technology; and developing products that reduce GHG emissions for customers.

# Engaging on climate change policy and planning

Managing the risks of climate change requires the participation of governments, private companies, consumers and other stakeholders. We engage stakeholders directly and through trade associations around the world to encourage sound policy solutions for addressing these risks.

#### Attributes of sound climate policy

ExxonMobil believes the long-term objective of a climate change policy should be to reduce the risk of serious impacts to humanity and ecosystems at minimum societal cost, while recognizing the importance of abundant, reliable and affordable energy to enable improved living standards worldwide. Both developed and developing countries need to work together in crafting policies aimed at mitigating global  $CO_2$  emissions, while recognizing the potential for differing priorities.

If policymakers choose to take action to address the risks of climate change, we believe effective policies will be those that:

- Promote global participation;
- Let market prices drive the selection of solutions;
- Ensure a uniform and predictable cost of GHG emissions across the economy;

- Minimize complexity and administrative costs;
- Maximize transparency; and
- Provide flexibility for future adjustments to react to developments in climate science and the economic impacts of climate policies.

We believe a properly designed, revenue-neutral carbon tax is a more effective policy option for imposing a cost on carbon than cap-and-trade schemes, regulations, mandates or standards. Properly designed, a revenue-neutral carbon tax:

- Is a more efficient means of reflecting the cost of carbon in all economic decisions, and thus is more transparent and predictable;
- More easily lends itself to global application;
- Avoids the complexity of building additional carbon security markets;
- Can be implemented through the existing tax infrastructure; and
- Is better-suited for setting a uniform standard to hold all nations accountable.

#### **Engaging stakeholders**

ExxonMobil engages a variety of stakeholders — including policymakers, investors, consumers, academia, NGOs and the public — on climate change issues of direct relevance to the company. We align our internal positions and external communications via a corporate-wide global climate change and GHG issue management team with national and regional subteams. This team applies corporate level policy principles and positions to external issues that arise at local, state, national and regional levels to ensure consistency across the globe. ExxonMobil employees also hold key leadership positions, including board of director positions, with many trade associations that engage on climate change issues, including the API, IOGP and IPIECA, the global oil and gas industry association for environmental and social issues. Additionally, we contribute to a wide range of academic and policy organizations that research and promote dialogue on domestic and foreign policy issues. We annually review our support of tax-exempt organizations and make appropriate adjustments. We publish a list of the 501(c)(3) organizations we support on our website and update the list annually.

#### ExxonMobil Worldwide Giving Report

Our scientists have been involved in climate change research and related policy analysis for more than 30 years, yielding more than 50 papers in peer-reviewed publications. Experts from our organization have participated in the United Nations Intergovernmental Panel on Climate Change (IPCC) since its inception. Most recently, our scientists contributed to the IPCC Fifth Assessment Report in lead author, review editor and reviewer roles. Our scientists also participate in the work of the National Academy of Sciences, including its work to review the third U.S. National Climate Assessment Report and provide advice to the U.S. Global Change Research Program.

# Mitigating greenhouse gas emissions in our operations

We have a robust set of processes designed to improve efficiency, reduce emissions and contribute to effective long-term solutions to manage climate change risks. These processes include, where appropriate, setting tailored objectives at the business, site and equipment levels, and then stewarding progress toward meeting those objectives. Based on decades of experience, ExxonMobil believes this rigorous bottom-up approach is a more effective way to drive efficiency improvement and GHG emissions reduction than simply setting highlevel corporate targets. We also believe that continuing to use this approach will yield further improvements in all sectors of our business.

Our chairman and members of the management committee have primary responsibility for — and are actively engaged in — managing climate change risks. The board of directors receives annual in-depth briefings that cover updates on public

## GHG emissions (net)<sup>1</sup>

#### Net equity, $CO_2$ -equivalent emissions Millions of metric tons





<sup>1</sup>Our calculations are based on the guidance provided in API's Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry and IPIECA's Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions.

policy, scientific and technical research, and company positions and actions related to climate change. To drive improvement, our merit-driven employee development and compensation systems integrate performance in environmental areas, including emissions and energy efficiency.

In the near term, we are working to increase energy efficiency while reducing flaring, venting and fugitive emissions in our operations. In the medium term, we are deploying proven technologies such as cogeneration and, where technically and economically feasible, carbon capture and sequestration. Longer term, we are conducting and supporting research to develop breakthrough, game-changing technologies.

In 2014, ExxonMobil's net equity GHG emissions were 122 million  $CO_2$ -equivalent metric tons. Over the past several

## GHG emissions (normalized)

#### Net equity, $CO_2$ -equivalent emissions Metric tons per 100 metric tons of throughput or production



# GHG reductions from ExxonMobil actions<sup>2</sup>

#### Net equity, CO<sub>2</sub>-equivalent emissions Millions of metric tons



Energy efficiency and cogeneration

<sup>2</sup>Cumulative since 2005.

years, our GHG emissions have remained relatively flat, as our efficiency improvements have essentially offset increases in production intensity. Relative to our 2013 performance, our 2014 emissions decreased by approximately 3 million  $CO_2$ -equivalent metric tons. This decrease was primarily driven by efficiency improvements outpacing production intensity increases, as well as asset divestments.

2014 Carbon Disclosure Project response

#### **Energy efficiency**

In 2014, energy used in our operations totaled 1.6 billion gigajoules, which is similar to our 2013 energy usage. Despite an increase in energy intensity in some parts of our business, our focus on efficiency has allowed energy consumption to remain essentially flat over the past five years. Energy consumed in our operations generates more than 80 percent of our direct GHG emissions and is one of our largest operating costs. As such, we have focused on energy efficiency for several decades. Since 2000, we have used our Global Energy Management System in the Downstream and Chemical businesses, and our Production Operations Energy Management System in our Upstream businesses to identify and act on energysavings opportunities.

Between 2002 and 2012, we improved energy efficiency by more than 10 percent in our global refining and chemical manufacturing operations. This began as a U.S. refining industry 10-year objective in 2002 as part of an initiative with the API, which we expanded to include our global refining and chemical manufacturing operations. In the 2012 Solomon Survey,<sup>1</sup> ExxonMobil had five of the 10 most energy-efficient refineries in the Americas, with our Joliet (Illinois) Refinery being the most energy-efficient in the United States. This is an example of how our bottom-up approach has yielded industry-leading energy efficiency and GHG emissions reduction results.





# Up Close: The role of natural gas

One of the greatest opportunities for society to reduce GHG emissions is through the use of natural gas in power generation. Natural gas is a flexible, abundant and low-emissions fuel that is available across the globe. On a life-cycle basis, from extraction through electricity consumption, using natural gas emits 50 percent fewer GHG emissions than coal. It is also the ideal partner for intermittent renewable energy sources, such as solar or wind, as it can provide power when these renewable sources are not available. As the world moves toward a lower carbon-intensive energy mix over the coming decades, natural gas will be one of the most important fuels to enable reductions in GHG emissions.

Since our merger with XTO Energy in 2010, ExxonMobil has been one of the largest natural gas producers in the world. Coupled with our leadership in the development and production of liquefied natural gas (LNG), ExxonMobil is well-positioned to meet growing demand for this clean energy source.



An ExxonMobil employee working at our XTO Energy Means Compressor Station in Midland, Texas.
### Hydrocarbon flaring

#### Millions of metric tons



#### Flaring

In 2014, flaring volume from our combined Upstream, Downstream and Chemical operations totaled 4.5 million metric tons. This represents an increase of 0.8 million metric tons compared with our 2013 performance.

The increase in flaring in 2014 was primarily due to typical startup activities at our new LNG facility in Papua New Guinea, and assuming operatorship of the existing Usan production field in Nigeria, where we previously did not report flaring emissions since we did not operate the field. As we begin to apply our operating practices and procedures in the Usan field, we anticipate flaring to decrease. Consistent with the Global Gas Flaring Reduction Initiative, of which ExxonMobil is a charter member, and as specified in our *Upstream Flaring and Venting Reduction Environmental Standard for Projects*, our aim is to avoid routine flaring and venting operations.

## Up Close: Managing the business risks of climate change

ExxonMobil believes producing our existing hydrocarbon reserves is essential to meeting growing global energy demand. We enable consumers — especially those in the least-developed and most-vulnerable economies — to pursue higher living standards and greater economic opportunity. We believe all economic energy sources will be necessary to meet growing demand, and the transition of the energy system to lower carbon sources will take many decades due to its enormous scale, capital intensity and complexity. As such, we believe that none of our proven hydrocarbon reserves are, or will become, stranded.

#### Energy and Carbon — Managing the Risks

ExxonMobil makes long-term investment decisions based in part on our comprehensive annual analysis that underpins our global *Outlook for Energy*. We project an energy-related CO<sub>2</sub> emissions profile through 2040. This can be compared with the energy-related CO<sub>2</sub> emissions profiles from various scenarios outlined by the IPCC. When we do this, our *Outlook* emissions profile would closely approximate the IPCC's intermediate Representative Concentration Pathways 4.5 emissions profile in shape, but is slightly under it in magnitude.

We address the potential for future climate change policy, including the potential for restrictions on emissions, by estimating a proxy cost of carbon. This cost, which in some geographies may approach \$80 per ton by 2040, has been included in our *Outlook* for several years. This approach seeks to reflect potential policies governments may employ related to the exploration, development, production, transportation or use of carbon-based fuels. We believe our view on the potential for future policy action is realistic and, by no means represents a "business as usual" case. We require all of our business lines to include, where appropriate, an estimate of GHG-related emissions costs in their economics when seeking funding for capital investments.

### Energy-related CO<sub>2</sub> emissions

#### Billion metric tons



As the world's population grows and living standards increase, we believe GHG emissions will plateau and start decreasing around 2030. In the OECD countries, energy-based GHG emissions have already peaked and are declining. To see the full report, visit our website.

<sup>3</sup>Represents OECD members minus Mexico and Turkey, which are included in the key growth category.

We evaluate potential investments and projects using a wide range of economic conditions and commodity prices. We apply prudent and substantial margins in our planning assumptions to help ensure competitive returns over a wide range of market conditions. We also financially "stress test" our investment opportunities, which provides an added margin against uncertainties, such as those related to technology development, costs, geopolitics, availability of required materials, services and labor. Stress testing, which differs from alternative scenario planning, further enables us to consider a wide range of market environments in our planning and investment process.



Sunset over our Kearl Oil Sands project facility in Alberta, Canada, where in 2014 we completed construction of an 84-megawatt cogeneration facility.

#### Venting and fugitive emissions

In 2014, our venting and fugitive emissions totaled 3 million CO<sub>2</sub>-equivalent metric tons. This represents an increase of 0.8 million metric tons of CO<sub>2</sub>-equivalent GHG emissions compared with our 2013 performance. While venting and fugitive emissions, most of which are methane, represent less than 3 percent of our direct GHG emissions, we recognize the importance of reducing these emissions. We continue to look for cost-effective ways to reduce methane and other hydrocarbon emissions in our operations, such as replacing high-bleed pneumatic devices with lower-emission technology and conducting green well completions in targeted Upstream operations.

Additionally, we are working with academia, NGOs and governments to better understand the magnitude and characteristics of oil and gas industry methane emissions. One example is XTO Energy's participation in University of Texas and Environmental Defense Fund studies. These studies quantified the methane leakage rate in the United States from Upstream gas production activities at 0.4 percent of the total gas produced, validating Environmental Protection Agency estimates.

#### Cogeneration

Through the ongoing incorporation of cogeneration into many of our facilities, ExxonMobil is able to generate power more efficiently than many local utilities. Cogeneration captures heat generated from the production of electricity for use in production, refining and chemical processing operations. Due to its inherent energy efficiency, the use of cogeneration also leads to reduced GHG emissions; our cogeneration facilities alone enable the avoidance of approximately 7 million metric tons per year of GHG emissions.

We have interests in approximately 5,500 megawatts of cogeneration capacity in more than 100 installations at more than 30 locations around the world. This capacity is equivalent to the annual energy needs of 2.5 million U.S. homes. In 2014, we added 250 megawatts of additional capacity at our Kearl and Cold Lake sites in Alberta, Canada, as well as 30 megawatts of additional capacity at our Grossenkneten facility in Germany. Since 2005, we have invested more than \$1 billion in cogeneration projects, and we continue to develop additional investment opportunities.

#### Carbon capture and sequestration

Carbon capture and sequestration (CCS) involves capturing, transporting and sequestering CO<sub>2</sub> in underground geologic formations such as saline reservoirs, depleted oil or gas reservoirs, or deep coal beds. In the future, CCS will likely be one of several important technologies used to help reduce CO<sub>2</sub> emissions, with the greatest opportunity being in the coal- and natural gas-fired power sectors.

ExxonMobil has extensive operating experience with the component technologies of carbon capture and sequestration; we captured more than 6 million metric tons for sequestration in 2014 alone. Our LaBarge plant in Wyoming, which sells CO<sub>2</sub> to third parties for enhanced oil recovery, is one of the largest CO<sub>2</sub> capture operations in the world. We have also successfully concluded operations at our Controlled Freeze Zone<sup>™</sup> (CFZ<sup>™</sup>) commercial demonstration unit at LaBarge. The technology is ready for commercial deployment and could provide a more cost-efficient approach to separating CO<sub>2</sub> from natural gas, allowing for the CO<sub>2</sub> to be geosequestered or used in enhanced oil recovery.

Additionally, together with partners, we have been capturing and sequestering  $CO_2$  at the Sleipner field in Norway since 1996. ExxonMobil is also a joint-venture participant in the Gorgon natural gas project in Australia, which includes CCS. Once operational, Gorgon will have the largest reservoir  $CO_2$  injection facility in the world. We continue to look for economic opportunities to expand the use of existing CCS technologies and are pursuing proprietary research aimed at developing more efficient and cost-effective methods for CCS than traditional techniques have demonstrated.

For additional details regarding ExxonMobil's historical performance related to GHG emissions and climate change mitigation measures, see page 72.

## Developing future technology

ExxonMobil is conducting scientific research to discover innovative approaches to developing existing and next-generation energy sources, while at the same time developing products that can enable more efficient energy consumption. We spend approximately \$1 billion per year on research and technology development and have approximately 11,000 active patents. ExxonMobil's Corporate Strategic Research (CSR) laboratory is a fundamental research institution, with approximately 150 Ph.D. scientists and engineers focused on addressing the company's long-range science needs. The laboratory's scientists are recognized as world experts and authorities in their field. Our research portfolio includes a broad array of programs, including alternative energy, CCS, biofuels, life-cycle analysis, climate science and materials science.

The CSR laboratory also conducts strategic research with leading universities around the world. In 2014, ExxonMobil signed an agreement to join the MIT Energy Initiative, a collaboration aimed at working to advance and explore the future of energy. Additionally, ExxonMobil was a founding member of the Global Climate and Energy Project at Stanford University, which seeks to develop fundamental, game-changing scientific breakthroughs that could lead to lower GHG emissions and a less carbon-intensive global energy system. Other university collaborations cover a wide range of scientific topics, from understanding the impacts of black carbon and aerosols (University of California, Riverside) to the fundamentals of biomass pyrolysis used to make biofuels (Iowa State University).

For more than a decade, we have also worked with automotive partners to study combustion fundamentals and devise concepts to improve the efficiency and reduce the emissions of engines. As an example, we developed an innovative onboard system that converts conventional hydrocarbon fuels such as gasoline or diesel into hydrogen for a fuel cell, eliminating the need for separate facilities to produce and distribute hydrogen. Measured on a "well-to-wheels" basis, this fuel system could be significantly more fuel-efficient and emit less CO<sub>2</sub> than a traditional internal-combustion engine. We have also worked with Corning and Toyota to develop an onboard system that can increase the fuel efficiency of gasoline engines by about 10 percent, using energy that would normally be wasted in the exhaust. For more examples of industry engagement, see the case study beginning on the next page.

In addition, ExxonMobil and Synthetic Genomics Inc. are co-funding a basic research program to develop advanced biofuels from algae. If successful, this technology could significantly reduce GHG emissions in comparison with conventional fuels. While we have progressed since beginning this work in 2009, algae biofuels research and development is a long-term endeavor that could take decades or more to commercialize at scale.

We also utilize in-house capabilities to conduct life cycle assessments (LCAs) of our products and activities. Recently, we published a report that details the life cycle GHG emissions for electricity generated from shale gas, including, for the first time, actual field data for natural gas produced from the Marcellus and Barnett shales in the United States. These studies found the "well-to-wire" GHG emissions associated with shale gas are about half those of coal, and are not significantly different from the well-to-wire emissions of gas produced from traditional reservoirs.

Life Cycle Greenhouse Gas Emissions and Freshwater Consumption of Marcellus Shale Gas

## Up Close: Engineering resiliency into our operations

While most scientists agree climate change could pose risks related to extreme weather, sea level rise, temperature extremes and precipitation changes, the limited scientific understanding of the likelihood, magnitude, frequency or geographical distribution of these events poses a challenge in planning. Our facilities are designed, constructed and operated to withstand a variety of extreme climactic and other conditions, with safety factors being built in to cover a number of engineering uncertainties, which cover those associated with potential climate change impacts. We continue to engage with major engineering societies, international organizations and industry groups to develop sound engineering perspectives on managing the risks of extreme weather.



ExxonMobil facilities, such as our Baytown (Texas) Refinery, are constructed and operated to withstand a variety of extreme conditions.

## Case study

## Innovation drives sustainability in Downstream and Chemical businesses

Sustainability is an ongoing journey at ExxonMobil. Our employees are committed to innovation and continuous improvement. In both our Downstream and Chemical businesses, we have sustainability steering teams that meet regularly to drive our longer-term vision into multiyear strategic plans to improve our own operations, as well as provide sustainability benefits, such as increasing efficiency and reducing waste, for the entire value chain. We have the ability to make a sizable positive impact on society. Our products help customers and consumers conserve energy and reduce raw material use, which in turn can help reduce costs and lower greenhouse gas (GHG) emissions around the world.

Case study – Innovation drives sustainability in Downstream and Chemical businesses

#### Chemical product benefits

Among the many product offerings in our Chemical business, our materials used in automotive applications provide

manufacturers and consumers with quantifiable benefits. For example, we manufacture butyl rubber — invented by ExxonMobil researchers in 1937 — which is utilized to produce tire innerliners. This material helps maintain optimal tire air pressure, which in turn contributes to improved vehicle fuel economy, tire durability and performance. Our next-generation tire innerliner materials have the potential to deliver further leading-edge air retention performance. Tires incorporating these new technologies provide the potential to reduce weight in the innerliner by up to 90 percent, while also improving rolling resistance and fuel efficiency.

In the United States, it is estimated that 25 percent of vehicle tires are underinflated, leading to inefficient driving. If drivers in the United States kept their tires properly inflated, they could save up to 1 billion gallons of gasoline per year. Our

#### ExxonMobil Chemical auto applications



exxonmobil.com/citizenship

ongoing development of lighter, more efficient products aims to address this problem.

ExxonMobil products can be found in a variety of automotive parts. Plastic parts are typically much lighter than comparable metal parts, allowing drivers to save on fuel costs and reduce their cars' emissions. To learn more, view this American Chemistry Council video.

#### ( American Chemistry Council video

We also are developing innovative resins for use in plastic packaging products. According to a recent life cycle study, substituting a variety of plastics packaging with non-plastic alternatives — such as glass, paper, aluminum or steel — would increase the amount of packaging generated annually in the United States by 55 million tons. Plastics help significantly reduce packaging weight, which results in more products per shipment, fewer trucks on the road, less energy used, fewer GHG emissions and less material to reuse, recover and/or recycle.

ExxonMobil Chemical is continuing to help the food packaging industry "do more with less." Innovations such as our Exceed<sup>™</sup> and Enable<sup>™</sup> metallocene polyethylene (mPE) product lines have allowed the average film thickness of high-performance heavy-duty bags to decrease from 200 microns in 1990 to 80 microns today, while providing similar or sometimes better performance. In a peer-reviewed study conducted by ExxonMobil Chemical researchers, heavy-duty sacks used for packaging made with our Exceed<sup>™</sup> mPE product use 45 percent less energy, 70 percent less water, weigh half as much and provide more protection to the product as compared with a similar paper sack.

ExxonMobil plastic products also contribute to safety within the food industry. According to the Food and Agriculture Organization of the United Nations, one-third of the food produced in the world goes to waste each year. Plastic packaging can help reduce spoilage, increase access to food and improve food safety for consumers around the world.

#### Food and Agriculture Organization

## Life-cycle impacts of plastic packaging versus alternatives<sup>1</sup>



<sup>1</sup>Based on 2010 data.

Franklin Associates 2014 study for the American Chemistry Council

#### Fuels & Lubricants product benefits

ExxonMobil works on research and development of new lubricants, fuels and powertrains, often directly with automakers and original equipment manufacturers, in pursuit of higher vehicle efficiency and lower emissions. In 2014, important strides were made in integrating sustainability efforts of the consolidated Fuels & Lubricants company, with each global business unit contributing actions specific to its industry.

A sustainability feature of synthetic lubricants, for vehicle or industrial use, is a longer drain interval than conventional mineral oils. The lubricant may be replaced less often, reducing the amount of waste oil to dispose or recycle. It also means personnel change the oil less often, increasing efficiency while limiting exposure to machinery and elements, and lowering costs. These advantages are especially important in wind turbine applications, where the machinery can be hundreds of feet in the air and exposed to weather. Mobilgear SHC XMP 320 is used in more than 40,000 wind turbines worldwide.

Mobil<sup>™</sup> industrial lubricant products are designed to help customers extend the life of their equipment, reduce maintenance and improve efficiency within their operations. We collaborate with our customers to ensure our products are used to their highest potential for efficiency within the context of each customer's specific operations. Specific examples from industrial customers around the world include:

- Chantilly Crushed Stone, a Virginia aggregate quarry, relies on two large-haul trucks to move more than 60 85-ton loads of stone per day from its quarry pit. Previously, the company overhauled its truck engines after 12,000 hours and struggled to maintain oil drain intervals of 250 hours. After investigation and analysis by ExxonMobil engineers, coupled with implementing ExxonMobil's Mobil Serv<sup>SM</sup> Lubricant Analysis, the company now uses Mobil Delvac<sup>TM</sup> 1300 Super 15W-40. It reports extending its engine overhaul intervals beyond 21,000 hours and doubling its drain intervals. Allowing for reduced waste, increased production and minimal downtime has helped generate nearly \$1.2 million in production value savings for Chantilly Crushed Stone.\*
- Coeur Mexicana, S.A de C.V, a Mexican mining company, operates a ball mill that was previously lubricated with a standard mineral oil, leading its gearbox to run at temperatures reaching as high as 90 degrees Celsius. When the components exceed a certain high temperature threshold,



Our lubricant products, such as those produced at our Tianjin Lubricant Plant in China, are designed to help customers improve efficiency within their operations. the system automatically shuts down to avoid potential equipment breakdown, bringing production to a halt. After engaging with ExxonMobil, the company now uses Mobil SHC<sup>™</sup> 632 synthetic oil, scientifically engineered to reduce overall friction, increase efficiency in sliding mechanisms and potentially reduce operation temperatures. Coeur Mexicana reports successfully reducing temperatures by more than 10 degrees Celsius and generating annual savings of \$470,000, as well as improving operational safety, limiting employee interaction with machinery for maintenance.\*

 Mamut Peru SAC, a Peruvian mining contractor, lubricates the heavy-duty engines in its entire fleet of trucks with Mobil Delvac MX<sup>™</sup> 15W-40 heavy-duty diesel engine oil. The company maintained oil drain intervals of 10,000 kilometers before experiencing increased production and demand for more equipment availability. Working with ExxonMobil engineers, the company reports extending its drain intervals to every 20,000 kilometers, reducing waste and leading to an annual cost savings of more than \$96,000.\*

"Having ExxonMobil and its distributor Nor Oil as a lubrication partner has been enormously beneficial. Through the use of Mobil Delvac MX<sup>™</sup> 15W-40 heavyduty diesel engine oil and the implementation of ExxonMobil's Mobil Serv<sup>SM</sup> Lubricant Analysis, we have seen a number of operational benefits, from increased equipment availability to reduced waste oil generation. With its vast range of expertise, products and services, ExxonMobil and its distributor Nor Oil continue to support the successful operation of our fleet."

 Juan David Narva Novoa, maintenance coordinator, Mamut Peru SAC

\*This proof of performance is based on the experience of a single customer. Actual results may vary depending upon the type of equipment used; its maintenance, operating conditions and environment; and any prior lubricant used. We recognize our journey will not be achieved overnight — it will take continued engagement with our employees and customers to ensure our operations are as efficient as possible. We will continue on the path to ensure our products and services provide tangible sustainability benefits for customers and consumers.

For more information on these and other lubricant products, please see our website.

🖉 ExxonMobil lubricant products

# Community and social impact

Women in Tanzania utilizing an irrigation pump provided by KickStart International, an ExxonMobil partner. We seek to engage with stakeholders in local communities on a regular basis to share information and identify any issues or concerns. ExxonMobil's Protect Tomorrow. Today. expectations serve as the foundation of the company's commitment to operating in a manner that is both environmentally and socially responsible. This commitment includes addressing social and economic needs to ensure stronger futures for the communities where we work.

## \$835 million

contributed to education programs around the world over the past decade

"It is not black and white when it comes to helping create development opportunities. There is no easy solution to any issue, but the best answers always come from within the community itself. We can't operate our business without our communities — and we don't. Having strong local relationships through a commitment to maintaining dialogue is critical; it helps ensure that the impact we make is beneficial and sustained by all parties." o

 – Sisa Kini
 Community development support manager,
 Papua New Guinea



## Respecting human rights

ExxonMobil actively promotes respect for human rights and is committed to complying with all applicable laws and regulations. Our fundamental approach to human rights is consistent with the United Nations *Framework and Guiding Principles on Business and Human Rights*. The *Guiding Principles*, released in 2011, outline the different, yet complementary, roles of government and business with regard to human rights: the government's duty to protect human rights and corporations' responsibility to respect them. ExxonMobil ensures awareness of potential adverse human rights impacts and implements appropriate prevention measures. For information on detecting and preventing potential human rights risks in our supply chain, see page 60.

We work closely with governments, civil society and industry to strengthen implementation of the *Guiding Principles*. We actively support IPIECA in its human rights-related work and provided input into the 2013 application of the *Guiding Principles* to the oil and gas industry guidance document, as well as a 2014 manual on community grievance mechanisms. The manual, which also forms part of the industry response on operational due diligence relating to the *Guiding Principles*, provides practical, step-by-step guidance on how to plan and implement community grievance mechanisms at the operational level, as well as how to design and manage corporate community grievance mechanism frameworks.

Since 2002, we have actively participated in the Voluntary Principles on Security and Human Rights, a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights. Our Statement and Framework on Security and Human Rights helps implement the Voluntary Principles and includes guidance on working with host governments and private security personnel. ExxonMobil consistently emphasizes the importance of respect for human rights with host governments and private security firms. In addition, we have agreements with the private security firms with which we work that contain requirements to uphold human rights. These include expectations for compliance with relevant local, U.N. and other security-related frameworks.

For years, ExxonMobil has conducted human rights awareness training for personnel who work in high-risk areas. This training includes information about the *Voluntary Principles on Security and Human Rights*, the requirements of ExxonMobil's *Statement and Framework on Security and Human Rights* and expectations regarding the implementation of the *Framework* in a given country. In 2014, we completed a pilot of a new computer-based human rights training module aimed at further strengthening human rights awareness among employees and select business partners working in high-risk areas. We plan to roll out the training module formally in 2015. ExxonMobil has also developed other training programs that contain a human rights component, including a training module for our socioeconomic team. We have trained people from 17 countries to date, with more training sessions scheduled for 2015.

Our commitment to human rights extends to our workforce and is supported by our *Standards of Business Conduct* and our *Statement on Labor and the Workplace*, the latter of which articulates our support for the principles of the International Labor Organization (ILO) 1998 *Declaration on Fundamental Principles and Rights at Work*, namely the elimination of child labor, forced labor and workplace discrimination.

ExxonMobil's standard contract language requires adherence to all applicable laws and regulations, including those related to safety, security, health and the environment. Our procurement group includes clauses in requests for quotations that require our business partners to abide by the prohibition of child and forced labor and the payment of wages in accordance with local regulations.

## Managing community impacts

The success and sustainability of our business depend on how well we manage socioeconomic impacts and address the interests of the communities in which we work. Proactively identifying, avoiding and managing potential impacts, while also enhancing community benefits, is integral to completing projects successfully and developing long-term, positive relationships.

Our Upstream Socioeconomic Management Standard for Projects, released in 2010, is designed to help us identify potential socioeconomic impacts and their associated risks early in the Upstream asset life cycle, then develop and implement appropriate avoidance, reduction, remedy and monitoring measures. The socioeconomic aspects of our business fall into seven broad categories, as depicted below.



These topics reach across multiple disciplines within the corporation and are discussed throughout the report. Four topics will be covered below: community relations, indigenous peoples, cultural heritage and diversity, and land use and resettlement. For information on transparency and corruption, see the corporate governance chapter (beginning on page 63), and for economic development, see the local development and supply chain management chapter (beginning on page 57).

#### **Community relations**

As part of any proposed project activity, we seek to engage with stakeholders in local communities on a regular basis to share information and identify any issues or concerns. We then integrate the results of these discussions into our project decision-making process. Early consultation allows us to avert or reduce our impacts on communities, prevent project disruptions, avoid delays, reduce costs and prevent the escalation of issues. According to external studies,<sup>1</sup> nearly 75 percent of

## Up Close: Community engagement in Cameroon

The modification of the existing Chad Export Project's pipeline was completed in 2014 to support the construction of the Lom-Pangar hydroelectric dam in Cameroon. Construction of the dam and creation of its associated reservoir required the modification of 27 kilometers of the existing Chad Export Project's pipeline. Cameroon Oil Transportation Company (COTCO) – partly owned by Esso Pipeline Investments Limited, an ExxonMobil affiliate - and the government-overseen Dam Project signed an agreement to manage the environmental and socioeconomic interfaces between the two projects. Their teams conducted joint community engagement sessions so the collective impacts and mitigation approaches for both projects could be identified and discussed. Employment opportunities were also addressed jointly, with both projects in the same area agreeing to better utilize the local worker pool and ensure work continuity between the two projects.

One concern was that the new roads constructed for the projects could make access into the adjacent and newly created Deng Deng National Park (DDNP) more difficult to control. In response, COTCO entered into a memorandum of understanding with the Ministry of Forest and Fauna to construct two guard posts at the DDNP entrance points and provide additional vehicles for eco-guards. In response to engagement with the local village of Biboko, COTCO

project delays are due to non-technical issues such as changes in regulations, the political environment or stakeholder issues.

Our Best Practices in External Affairs (BPEA) and a project's Environmental, Social and Health Impact Assessment (ESHIA) and/or Environmental, Social and Health Management Plan define location-specific community awareness programs and



COTCO-provided vehicles for Deng Deng National Park eco-guards.

## funded a community house, which villagers had decided would best benefit the entire community.

The overlap between the two projects made the filing of grievances or complaints initially confusing to some local villagers. The projects collaborated to address those community concerns, with clear guidance as to which entity grievances should be directed. This approach allowed both projects to respond effectively to community concerns and maintain a good relationship with neighboring communities.

government relations protocols. The BPEA process helps us identify the specific needs, expectations and interests of host communities and aligns those needs with our community investment programs. The ESHIA process helps us identify the potential impacts a project could have and the ways to

<sup>1</sup>The New Politics of Natural Resources, ERM, June 2009; data source: Goldman Sachs.

eliminate, reduce or remedy those impacts. Once a project starts, we provide local groups and individuals with a way to air grievances and concerns without fear of retribution. For more information about our grievance management process, see pages 47 and 55.

#### Indigenous peoples

Our operations are sometimes based in areas inhabited or historically used by indigenous peoples. We respect and work with these communities to protect their cultures and customs and provide mutually beneficial training, employment and business opportunities through local content programs and strategic community investments. Our approach to interacting with indigenous peoples around the world is consistent with the principles of the ILO Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries, the United Nations Declaration on the Rights of Indigenous Peoples, the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability, and the World Bank Operational Policy and Bank Procedure on Indigenous Peoples.

We participate on the IPIECA task force on Free Prior and Informed Consent (FPIC), which focuses on gaining clarity on the definition and best practices for implementation. In 2014, IPIECA continued to monitor developments in the international policy environment and hold periodic calls, sessions and webinars to share local knowledge and discuss emerging issues.

Our key objective is to determine how these communities prefer to be engaged. The community establishes its preference for how often and how long its members meet with ExxonMobil representatives, and who will provide its viewpoints or represent its wishes. We are sensitive to concerns around balancing cultural heritage with the desire for economic development, even after our operations have ceased.

#### Cultural heritage and diversity

At ExxonMobil, our respect for the cultural heritage and customs of local communities carries into our business practices, where we leverage specific studies to deepen the knowledge among our workforce. For more information on our local workforce initiatives, see page 58. We incorporate

## Up Close: Working with indigenous peoples in Western Canada

Preventing or mitigating adverse social impacts and promoting opportunities with local communities are integral parts of ExxonMobil affiliate Imperial's development plan in the Fort McMurray region of Alberta, Canada. Throughout the planning, development and construction phases of our projects, we have collaborated with local aboriginal groups, provincial and local governments, and other industries on shared key issues, including infrastructure development, land and water use, regulatory policy, local community support and capacity building.

However, our engagement does not stop once we have regulatory approval. Continuing to build and strengthen our relationships with the indigenous peoples who have historic cultural connections to the land where our operations are located continues to be important. These communities are our closest neighbors in remote northern Alberta. Working together provides business, training and employment opportunities, which in turn brings economic prosperity to the region. However, the remoteness and isolation of some communities creates other challenges.

Through our ongoing engagement and strong positive relationships with local aboriginal groups, we recognized there were multiple community priorities. For example, the Mikisew Cree First Nation wanted to build a new elder care center in Fort Chipewyan. It would be the first and only long-term care facility in the remote community, and would provide an alternative to relocating seniors who require assisted living to Fort McMurray or other parts of Alberta. Imperial contributed \$1 million between 2013 and 2014 toward the development of the facility, which is now available to all Elders in the community. The contribution from Imperial, and those from several other industry sponsors, provided funding for the critical phases of the facility's construction.



considerations such as cultural, spiritual or sacred heritage sites and areas; biodiversity conservation; traditional knowledge; and sustainable resource management into project planning, design, execution and ongoing operations. We use an established cultural heritage identification process prior to the start of work in an area and identify potential sites of cultural significance through our community stakeholder engagement process. Working with our contractors, we take a careful approach to preserving cultural sites and artifacts.

For example, early consultation with the local communities near our Banyu Urip project in Indonesia revealed there were a number of *sendangs*, or water springs, that would be impacted by the project development. Local communities use *sendangs* to meet a variety of their water-related needs and consider them to be holy places. Working together with the communities, we hosted appropriate ceremonies to relocate the spirits from one *sendang* to another *sendang*.

"In regards to people's safety and ExxonMobil Cepu Limited's (EMCL) commitment to preserve local wisdom, EMCL agreed to reconstruct the *sendangs* that were inside the project perimeter to the spacious Sendang Legung. We appreciate EMCL's effort to relocate the *sendangs* and renovate Sendang Legung."

 Setyo Yuliono, head of Gayam subdistrict, Bojonegoro, Indonesia

As another example, in 2013 our exploration for unconventional gas resources in western Argentina led to the discovery of significant dinosaur fossils during access-road construction. The fossils were from a herd of Titanosaurus Sauropods and a cranium from a Theropod — one of only two Theropods found in the area in the past 100 years. We immediately stopped work and diverted our operations to ensure the integrity of the discovery site. ExxonMobil provided materials and services to a team of four paleontologists, two assistants and one photographer. The team is finishing the cleaning of the fossils and comparing them with other fossils in nearby museums.



We conduct town hall meetings to listen to community concerns and foster close relationships with local stakeholders.

## Up Close: Grievance management mechanism in Indonesia

ExxonMobil has a long history in Indonesia — Socony, a Mobil predecessor, opened a marketing office in Java in 1898, and Esso entered Indonesia in 1912. Initial oil production from the Banyu Urip field began in 2008. Construction activities for the project, which produces oil onshore and transports it by pipeline for deliveries from an offshore floating storage and offloading vessel, started in December 2011. As of December 2014, the project was 92 percent complete, and is expected to reach daily production capacity of 165,000 barrels in 2015.

This project is located in the densely populated area of Bojonegoro, on the eastern part of the island of Java. Over the past several years, we have actively worked with local communities in the project area to address some inherent challenges they face. There is a high unemployment rate among community members of working age, and the communities have had increasingly high expectations related to job and business opportunities and community support programs throughout the progression of the Banyu Urip project. Land ownership disputes have also been a particular challenge.

We approached the challenge proactively by forming a socioeconomic team that included specialized disciplines, as well as project personnel ready to develop close relationships with community stakeholders. In 2012, the project established a Grievance Management Procedure with a commitment to resolve outstanding grievances and ensure concerns are addressed in a timely manner through open dialogue with the community. By the end of 2014, all but 14 of the 424 total received grievances had been resolved.

"The findings during the two excavations have been extraordinary. We found two samples of the Theropod species, a completely articulated Titanosaur, including the cranium, and various fossils of freshwater turtles, fish and dinosaur eggs. These results demonstrate the richness of this region that will allow further studies and understanding of the formation. We want to thank ExxonMobil for their continuous support and contribution to the preservation of the area."

Leonardo Filippi, director of the Museum Argentino
 Urquiza of Rincon de los Sauces and lead paleontologist
 of the project

#### Land use and resettlement

We understand community members often have concerns about how our operations may affect their land and way of life. We take a structured approach to respecting property rights in communities where we operate, and we pay particular attention to those areas populated by indigenous peoples. Wherever land is required for Upstream projects, we adhere to the applicable host-country regulatory requirements that govern land acquisition activities and our Land Use Standard. If projects are externally financed, we also comply with land use, access and resettlement requirements stipulated by the lender(s).

Site selection is a key process when managing land userelated impacts, including in those areas inhabited or used by indigenous peoples. Several locations are typically assessed based on technical criteria such as availability, accessibility, safety, security and constructability, as well as other criteria such as reducing environmental and social impacts. The criteria are then evaluated and locations are ranked to determine the lowest overall risk and preferred options.

For example, ExxonMobil is currently partnering in a potential offshore gas and LNG plant development project in the southern coastal region of Tanzania. Early in the exploration phase, the partners agreed to conduct a site selection process aligned with national environmental impact legislation and IFC *Performance Standards* requirements. Initially, the partners conducted the process independently, using Tanzanian and international experts to gather and analyze the available technical, environmental and social data on potential sites. Most sites were disgualified or eliminated because of elevated impacts or risks in one or more of these categories, resulting in a short list of six sites that were ranked in terms of differential impacts and risks across seven technical and 10 environmental and social criteria. The evaluation criteria were aimed at ensuring the site selection process focused on the technical feasibility and cost of construction and operation, while at the same time avoiding significant adverse risks and impacts and enhancing benefits to the local population, the environment and Tanzanian society. Upon completion of the assessment, a site selection report and recommendation on the preferred site were provided to the government. The government of Tanzania supported the preferred site location and has initiated its statutory process to acquire the site while recognizing the partners' requirements.

## Up Close: Providing humanitarian assistance in Kurdistan

In response to a request from the Kurdistan Regional Government, ExxonMobil and our affiliate ExxonMobil Kurdistan Region of Iraq Limited contributed \$1.5 million to International Medical Corps (IMC) to aid both Syrian refugees and Internally Displaced Persons near our exploration operations. IMC used the funds to deploy mobile medical units to fill gaps in health care and scale up health education and outreach, particularly among women, children and the elderly. The grant enabled more than 33,000 people to receive primary health care consultations, of which 86 percent were women, children and the elderly. Additionally, more than 27,000 people participated in health education sessions. Given the ongoing challenges in the Kurdistan region of Iraq, ExxonMobil is committed to caring for our neighbors in this region.

## Strategic community investments

Our strategic community investments complement our business and are aligned with a country's economic and social goals. In 2014, we contributed \$279 million to communities around the world. We focus the majority of our spending on our signature, corporate-led initiatives to improve education, combat malaria and advance economic opportunities for women. We then supplement our corporate-led initiatives with local, community-specific programs that range from workforce development efforts to responding to natural disasters. We consider the development goals of each community when

## 2014 community investments by focus area<sup>1</sup>

Millions of dollars



<sup>1</sup>Total contributions include donations from Exxon Mobil Corporation, our divisions and affiliates, and the ExxonMobil Foundation, as well as employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs. deciding where, when and how best to invest, and we often participate in public-private partnerships and ongoing stakeholder engagement to improve social and economic conditions.

In order to maximize the long-term sustainability and benefits of our efforts, we continue to improve our understanding of our programs' impacts. In 2013, we enhanced the measurement frameworks of our philanthropic programs. We continue to incorporate our findings, in close collaboration with our partners, into designing more robust measurement and evaluation plans and enhancing our partners' measurement capacity. Throughout this report, wherever possible, we have described outcomes of our investments, beyond dollars spent and activities conducted.

#### **Education initiative**

We invest in education programs that focus on inspiring students to pursue careers in science, technology, engineering and mathematics (STEM), including programs that support teacher development and training. Global economic growth relies upon highly skilled individuals, particularly those well-



trained in STEM fields. No single classroom factor is more important to improving educational outcomes than the quality of the teacher. This initiative has a direct impact on our business, as scientists and engineers are critical to addressing the

energy challenges of today and tomorrow. Over the past 15 years, we have contributed more than \$1 billion for education programs around the world, with \$95 million contributed in 2014 alone. Furthermore, in 2014 we launched Be An Engineer, an initiative to help students better understand the engineering field and the opportunities it offers. The program, which includes a broad range of original and shared content, highlights the meaningful contributions engineers make in the world. For more on our efforts on education initiatives in 2014, see the Up Close boxes on the following two pages.

#### Malaria initiative

In several countries where we operate, malaria continues to have a significant impact on local communities. The good news, however, is the number of deaths and infections continues to decline. Since 2000, mortality rates have decreased by 47 percent worldwide — and by 54 percent in Africa. From



2000 to 2014, antimalarial programs we funded have reached more than 124 million people. Our support has helped distribute more than 13.5 million bed nets, 2.1 million doses of antimalarial treatments and 2.2 million rapid diagnostic kits, as well as train

their well-being and

that of their families and

programs proven to pro-

and resources needed to

and income. Our invest-

communities. We invest in

vide women with the skills

increase their productivity

Photo credit: Catholic Relief Services

more than 400,000 health workers. We describe our efforts on malaria in more detail in the case study on page 20.

#### Women's economic opportunity initiative

Identifying and implementing community investment programs that enhance local economic development is a business objective. One of the most effective ways to do so is through economically empowering women. According to a 2014 World Bank *Gender at Work* report, women are key drivers of economic progress and development: they consistently invest in their children and communities.

The goal of our women's economic opportunity initiative is to help women fulfill their economic potential and improve



ments focus on three key areas: supporting research to identify effective interventions; developing women farmers, entrepreneurs and business leaders; and improving women's access to technology. Over the past 10 years, ExxonMobil has invested more than \$82 million in promoting economic opportunities for women. This support has reached tens of thousands of women in more than 90 countries. Our contributions in 2014 totaled \$12 million. See the Up Close boxes on pages 52 and 62 for more information on our efforts with this initiative.

More information about these signature initiatives can be viewed on our website.



## 2014 community investments by geographic region<sup>2</sup>

Millions of dollars



<sup>&</sup>lt;sup>2</sup>Total contributions include donations from Exxon Mobil Corporation, our divisions and affiliates, and the ExxonMobil Foundation, as well as employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs.

## Up Close: Education initiative: United States

Education is the fundamental building block of individual opportunity and economic growth, and STEM skills, in particular, are critical to ensuring today's students are prepared for the jobs of the 21st century. Over the past few years, we have narrowed the focus of our U.S. education programs to help address the STEM challenge and are investing in fewer but larger-scale programs — ones with the potential to make a national impact. We focus on three key areas: training highly qualified teachers in math and science; encouraging students from all backgrounds to pursue math and science; and graduating more students from high school ready for success in college and careers. In 2014, we invested \$26 million in STEM-related programs in the United States and \$26 million in international education programs.

## First-year increase in math and science AP test scores



U.S. students
 Students in NMSI College Readiness Program

In 2007, ExxonMobil joined with other companies and foundations to initiate a national public-private partnership to meet the STEM challenge in the United States: the National Math and Science Initiative (NMSI). NMSI's College Readiness Program provides training for teachers to help students master Advanced Placement (AP) courses in math, science and English. Based on College Board data, the first-year increase in qualifying math and science exam scores among NMSI partner schools was 76 percent — nearly 10 times the national average. Performance among traditionally underserved students in the NMSI program was equally impressive: The first-year increase in qualifying scores in math and science among African-American and Hispanic students was 93 percent, nearly nine times the national average. For female students, the increase was 79 percent, more than 10 times the national average.

Another key NMSI program, UTeach, encourages undergraduate math and science majors to enter the teaching profession by offering an integrated-degree plan, financial assistance and early teaching experience. As of spring 2014, more than 2,100 students have graduated from UTeach programs at 39 universities in 19 states.

In partnership with professional golfer Phil Mickelson and his wife, Amy, we also support teachers through the Mickelson ExxonMobil Teachers Academy. Since its inception 11 years ago, more than 4,500 elementary school teachers have been trained at the Academy in innovative teaching methods and hands-on applications of math and science, impacting the lives of more than 300,000 students nationwide.

Since 2006, we have partnered with former astronaut Bernard Harris to increase diversity in STEM fields. Through the Bernard Harris Summer Science Camp, we have helped more than 8,700 middle-school students from underrepresented and underserved populations attend these all-expensepaid residential camps to improve student knowledge of STEM subjects, encourage youth to stay in school, and foster leadership and citizenship.



Students in Fort Worth, Texas, participating in NMSI's College Readiness Program.

#### **Common Core State Standards**

Forty-three states and the District of Columbia have adopted the Common Core State Standards (CCSS) to improve students' chances of success in college and their careers. ExxonMobil is actively voicing its support for the adoption and full implementation of the CCSS and their related assessments. The states developed the Standards in a process initiated and led by the nation's governors, state school superintendents, local educators, parents and business leaders. We are supporting states as they work to implement the Standards in their schools and are encouraging business leaders to advocate for improved educational outcomes for our students.

## Up Close: Education initiative: international

Education ranks as one of the most important policy issues to improve global economic development. The World Bank has concluded education is a powerful driver of development and improved health, peace and stability. As a result, we award scholarships in developing nations and establish local partnerships with organizations that have close ties with a country's educational system. The following examples are just three of many country-led education initiatives that ExxonMobil affiliates support. For additional information on these programs and other examples of our global corporate citizenship initiatives, please see the global stories section of our website.

Global stories

#### Egypt

ExxonMobil Egypt recently partnered with the Misr El-Kheir Foundation, a local NGO, and the Ministry of Education on a three-year initiative to create a new STEM education program at the Advanced Technical Industries School of Suez. The program's goal is to create a higher-quality educational environment by enhancing teacher quality and providing a successful model of STEM education for schools.



Students participating in a STEM program at the Advanced Technical Industries School of Suez in Egypt.

ExxonMobil Egypt's contribution helped with curricula development, capacity building of teachers and administrators in cooperation with training provided by the American University in Cairo, and funding for lab equipment. In the first academic year of the program (2013–2014), the school ranked first among vocational schools in Egypt, and of the 68 students enrolled in the program, nine won first place in the regional science competition and third place countrywide. Furthermore, the Ministry of Education plans to replicate the curricula in all vocational schools across Egypt.

"The program is a real addition to us in the industrial education field and a breakthrough in the technical education field that Suez never experienced before."

 Engineer Khaled Fahim, headmaster, Advanced Technical Industries School of Suez

#### Qatar

ExxonMobil Qatar partnered with the National Center for Educator Development at Qatar University and the Supreme Education Council to pilot a program to help enhance teaching skills and motivate students to pursue careers in math and science. Now in its third year, the Qatar University ExxonMobil Teachers Academy is a week-long training program aimed at enhancing teachers' understanding of math and science content, facilitating student learning through problem solving and inquiry, and equipping teachers with interactive learning tools to support differentiated instruction. Since 2012, more than 120 teachers have taken part in the program, enhancing math and science education at more than 85 schools. The Academy, modeled after the Mickelson ExxonMobil Teachers Academy in the United States, has become a flagship community program in Qatar, and received positive recognition from senior levels of government.

"Qatar has a responsibility to invest in the education needed to help develop people and communities, and foster the intellectual capacity required to address society's future challenges. With our partner, ExxonMobil Qatar, we will continue to work together on projects such as the Qatar University ExxonMobil Teachers Academy to enhance educational excellence in science and mathematics, so that

## Qatar's students can excel in leadership roles in Qatari society and the global workforce."

 Dr. Sheikha Abdulla Al-Misnad, president, Qatar University

#### China

ExxonMobil China affiliates partner with organizations such as Junior Achievement (JA) China to volunteer and organize events to educate children in local communities. In 2014, 24 volunteers from ExxonMobil China affiliates conducted a "Let's Go Green" workshop for 120 children of migrant workers at Shanghai's Tangwan Primary School in Minhang district, located near ExxonMobil's Shanghai Technology Center. The innovative curriculum on sustainable city development and energy efficiency helped spark curiosity about new subjects the children had little or no exposure to previously. ExxonMobil employee volunteers also went to three universities to deliver "Career Go" workshops to university students. These programs are examples of how ExxonMobil and its affiliates continue our long-standing support of JA in multiple countries throughout the world.



Students in China learning about sustainable city development and energy efficiency.

"We're proud that 300 employees have donated more than 4,500 hours of volunteer service since 2010 to educate students who typically do not have access to such resources."

 Teoh Song Ping, general manager, ExxonMobil (China) Investment Co., Ltd.

## Up Close: Deploying technologies that accelerate women's economic advancement

Several leading organizations and research projects have identified improved access to technology as a key driver in promoting women's economic empowerment. Through our women's economic opportunity initiative, we bring simple life-changing technologies to women entrepreneurs and farmers. Our efforts have included developing a global technology challenge to help find and nurture the most promising innovations, and supporting efforts to enable closer collaboration among innovators, development experts and investors on ways to bring them to market more efficiently. Examples of technology programs we support and their direct impacts on women include:

#### KickStart

We partner with KickStart International to integrate manually powered irrigation pumps into our existing women's farmer programs in Angola and Chad, helping women access water more easily, saving the time, expense and labor required to transport it. In the process, women farmers are able to scale up production from their commercial vegetable gardens. Since 2012, KickStart has delivered nearly 2,000 pumps to farmers in Chad and Angola and conducted on-the-ground training to ensure proper operation.

Alsabour Djemil, a farmer in Chad, started using the pump through the program in February 2013. Since then, she has increased her income fivefold and doubled the size of her farm. With the extra income, Alsabour is paying for her children's education, purchased a piece of land to build a house, bought basic supplies, and spent less time farming, while still realizing a greater production yield. She says she is now empowered to contribute to family decision-making and there is more equity in her relationship with her husband.

#### Solar Sister

Solar Sister was formed to empower women in rural Uganda by providing modern energy access. Using a neighbor-to-neighbor distribution system, the program helps women entrepreneurs deliver solar and clean-cooking technology solutions to their communities. In 2013, Solar Sister launched operations in Nigeria, with 45 entrepreneurs participating in three regions. In the pilot program, they sold more than 500 solar lights and clean cookstoves — devices aimed at improving air quality and sustaining community health. As of year-end 2014, 184 Nigerian women have joined the organization, selling nearly 2,500 products across 14 states.



Solar Sister participant in Nigeria.

Iniobong Okon, a retired nurse who opened a maternity clinic, first heard of Solar Sister through her patient, Blessing, a Solar Sister team member. Iniobong bought a cookstove and solar lights, which she used in her clinic to provide health services after dark and when there was no electricity. Iniobong has also shared the benefits of solar technologies with shopkeepers in her community who were experiencing business difficulties due to interruptions in the national power grid. Iniobong uses the extra income from her Solar Sister activities to continue providing care for the women in her community and delivering children in bright rooms with no open flames or fumes.

For more information about our women's economic opportunity initiative and the programs we support, please see our website.

### Employee participation

We foster a culture that encourages employees to contribute to the communities where they live and work, by granting time off from work to volunteer with charitable organizations. Around the world, our employees are involved in local communities by becoming mentors to students, supporting local food banks and providing environmental education opportunties, among other activities. We also encourage our employees to bring their professional expertise to programs that enhance math and science education.

ExxonMobil offers several programs that allow our employees and retirees to maximize their charitable impacts. Our Volunteer Involvement Program (VIP) encourages employees, retirees and their families to volunteer with charitable organizations, either individually or in teams. In the United States, the program provides a \$500 donation on their behalf for every 20 hours volunteered, up to four times per volunteer per year. Our Educational Matching Gift Program matches employee and retiree donations to U.S. higher education institutions at a ratio of 3-to-1. In 2013, 4,800 employees and retirees donated \$13.6 million to nearly 865 colleges and universities, as well as minority scholarship programs — which the ExxonMobil Foundation then matched with \$30.4 million in 2014.

"Knowing that my management supports my own volunteer work makes me more willing to volunteer for company-sponsored activities. As a project lead with the United Way Day of Caring and with Rebuilding Together Houston, I had a chance to hone my mentoring skills with younger employees and volunteers in sharing technical knowledge, as well as developing my own project planning, budgeting and project execution skills. I also had the opportunity to engage my children in some of the volunteer projects."



**Jim Robin** Data consultant, ExxonMobil Information Technologies

Other examples of our community-level efforts in 2014 include:

- United Way of Greater Houston: ExxonMobil employees and retirees raised more than \$9 million, the largest donation in the region, during the company's 2014 fundraising campaign. Nearly 3,000 employees volunteered a combined 21,063 hours at Houston-area nonprofit agencies, which was supported by \$275,200 in VIP team grants.
- Introduce a Girl to Engineering: Employees serve as role models and lead hands-on activities connecting math and science to real-life applications. Since its inception 12 years ago, more than 11,000 students have participated in the event, which is held during National Engineering Week.
- Junior Achievement (JA): Nearly 1,000 of our employees volunteered with JA chapters in eight U.S. cities in 2014. Internationally, ExxonMobil employees volunteered with chapters in 16 additional countries. We contributed approximately \$1.77 million to JA initiatives worldwide. We earned the Junior Achievement Silver Presidential Award in March 2014 for accumulating more than 10,000 volunteer hours in the previous year. Additionally, 13 ExxonMobil employees sit on JA boards of directors.

In total, nearly 20,000 ExxonMobil employees, retirees and their families donated more than 645,700 volunteer hours to almost 5,000 charitable organizations in 34 countries in 2014. The global stories section of our website has additional examples of our employee volunteerism activities around the world.

Global stories

ExxonMobil Worldwide Giving Report



exxonmobil.com/citizenship

## Responsible production in Papua New Guinea



Community members in PNG attending an ExxonMobil-sponsored drama performance; we use drama troupes to engage on issues of importance to both our business and local communities.

Our work in Papua New Guinea (PNG) demonstrates our holistic approach to managing key sustainability issues across our operations. PNG is a unique, diverse country that has a highly complex and challenging operating environment. More than 800 language dialects are spoken by its 7 million inhabitants, and 97 percent of the land is under customary land tenure. An estimated 7 to 10 percent of the world's biodiversity is present in the country, as well as the world's third-largest moist tropical forest. Through our careful approach to environmental management, community engagement and local economic development, we have successfully worked with PNG's communities and local organizations. These efforts helped us to begin liquefied natural gas (LNG) production in April 2014, several months ahead of schedule.

Our current operations in PNG include gas production wells and a processing plant in the Highlands; LNG production and shipping facilities on the south coast; and more than 500 miles of pipeline in between. Over the life of the PNG LNG Project, we expect to produce and sell more than 9 trillion cubic feet of gas.

Independent third parties regularly evaluate ExxonMobil PNG (EMPNG) to ensure conformance with external financing requirements related to environmental and social protection and performance. To see examples of these reports, visit *pnglng.com*. For an academic review of the construction phase of the Project, including details on grievance management mechanisms and other engagement efforts, please see the Harvard Kennedy School report *Building the foundations for a long-term development partnership*.

Harvard Kennedy School report

exxonmobil.com/citizenship



We invest in women entrepreneurs through the Livelihoods Restoration Program.

#### Engagement with local communities

Before we began construction, we worked to establish meaningful relationships to benefit both the communities and the company. Support from local communities was a key factor that enabled us to complete the PNG LNG Project construction phase early. Community engagement in PNG is challenging, given that many communities are located across diverse geographic and often mountainous terrain, and engagements need to accommodate many dialects. By the start of production, we hosted approximately 8,700 community meetings, with more than 190,000 in attendance. The meetings used multiple methods of communication, including roadshows, school meetings, community forums and drama performances. For example, using locally created theater, a culturally appropriate medium, we reached more than 3,000 people in 25 communities with our message about the importance of safety along the onshore pipeline.

Since 2007, ExxonMobil has invested \$268 million in community and infrastructure programs in PNG, including women's economic empowerment, education and health initiatives. One example is our contribution to support a Texas Children's Hospital initiative to improve PNG's health infrastructure, specifically in the areas of child and maternal health. For more information about specific donations and programs, see our quarterly environmental and social reports at *pnglng.com*.

#### Grievance management mechanism

In order to enhance our engagement with communities, and in keeping with the International Finance Corporation's (IFC) *Performance Standards on Environmental and Social Sustainability*, we established a grievance management mechanism to address individual and community concerns about the project. Dedicated project personnel were responsible for developing and managing a comprehensive process to map, track,

#### Grievances received by category





analyze and respond to community grievances. Since the start of construction, we have received nearly 1,700 grievances, of which only three are not yet closed. Grievances have related mainly to compensation for land use, questions arising from the resettlement of some residents, access to land, impacts on food resources, and perceived threats to the environment and cultural sites.

#### Resettlement

Our global objective is to avoid or minimize resettlement. When resettlement is unavoidable, we incorporate our internal sustainability principles, which are in line with the IFC's Performance Standards, into the resettlement process so that livelihoods and standards of living are, at a minimum, restored. Throughout the resettlement process, EMPNG provided support to resettled households and implemented ongoing standard of living and livelihood restoration monitoring. Local organizations provided another layer of independent monitoring and advocacy. For example, a local third party, formerly called the Environmental Law Center, acted as an advocate on behalf of resettled people and helped keep them informed about the resettlement process, as well as their rights and obligations.

#### Engagement with the PNG government

As part of our company's commitment to ethics and integrity, we support the PNG government's candidacy in the *Extractive Industries Transparency Initiative* (EITI). This voluntary initiative aims to improve governance in resourcerich countries through the disclosure and verification of company payments and government revenues from oil, gas and mining projects. More information about EITI can be found on page 65.

We have also engaged with the PNG government about security and human rights in relation to EMPNG's operations. Our company has a Memorandum of Understanding with the Royal PNG Constabulary, in which it agreed its actions would meet the requirements of the Voluntary *Principles on Security and Human Rights*. Further, the Constabulary agreed that government security forces deployed in project areas will have received training on the Voluntary Principles.

#### Community and workforce safety

The safety of our workers and the communities in the areas where we operate is paramount. During construction, we implemented several community and worker safety initiatives. For example, more than 14,000 workers participated in the LNG plant's Incident and Injury Free training program, and we trained more than 2,000 Safety Champions. The Safety Champion program identifies opinion leaders and natural role models and encourages them to instill a safety culture within their work teams.

During startup and early production, contractor safety leadership workshops were conducted with nearly 200 people from more than 20 different companies. The workshops focused on transferring lessons learned during construction to the production phase and solidifying the expectation of *Nobody Gets Hurt*. At the end of 2014, our ongoing commitment to safety enabled us to reach 23 million work hours without a losttime incident across all EMPNG Upstream operations for the year.

#### Local workforce and supplier development

Wherever we operate, we strive to maximize employment opportunities for local workers. During peak construction at the end of 2012, the project employed approximately 21,220 workers, 40 percent of whom were Papua New Guineans. In production, EMPNG employs 2,178 workers, more than 70 percent of whom are Papua New Guineans. To help develop the technical and professional skills of our workforce, we established a variety of training programs during construction. Many of these have continued in production.

EMPNG also remains committed to the development of local suppliers. Since the start of construction, we have used local companies for the supply of goods and services such as camp equipment, labor hire, transport and materials. Our business development team played an important role in transferring knowledge and skills to increase the capability of PNG suppliers to meet ExxonMobil's global standards.

In 2010, we helped establish the Enterprise Centre, a resource center that provides business training, mentoring and advisory services to local businesses. To date, the Centre has assisted more than 17,000 Papua New Guinean entre-preneurs with business assessments so they can develop nationally competitive companies. By the end of 2014, we had spent approximately \$4.4 billion on goods and services in PNG, including more than \$1.7 billion spent with companies owned by local landowners.

#### Biodiversity and environmental management

Maintaining forests and conserving ecosystems are priorities of EMPNG's biodiversity strategy. We have implemented management and monitoring measures aimed at minimizing or mitigating the effects of our activities on biodiversity. There are challenges with managing the biodiversity-related expectations of a wide spectrum of stakeholders, and active consultation has been and remains critical to the development and delivery of our biodiversity program. Through a consistent and ongoing consultation process, we have developed partnerships and built a trustworthy reputation with many communities, conservation organizations, government departments and other stakeholders.

One example of a species we have been helping to protect, in partnership with our stakeholders, is the pig-nosed turtle, known locally as the Piku. The meat and eggs of the turtle have long been a source of food for local people, but increased harvesting has led to a decline in the population of this species. Working with local communities and marine conservation experts, we have contributed nearly \$1 million for ongoing research and conservation of this turtle, with a shared determination to return the Piku population to a sustainable level. This program, led by the University of Canberra and the University of Papua New Guinea, has already had an impact on community attitudes, with a community-led protected area now established for turtle nesting.



As we continue to build our long-term presence in PNG, we remain committed to our culture of responsible corporate citizenship by engaging with local communities and the government; training and developing a local workforce and supplier base; and implementing environmental and biodiversity programs. We will continue to apply lessons learned from the project to other ExxonMobil projects in PNG and around the world. For additional information on the PNG LNG Project, please visit *pnglng.com*.

# Local development and supply chain management

An employee supporting operations in Angola. Our detailed approach to local content development includes building and sustaining local economic growth while also improving social conditions.



We strive to have a lasting, positive effect on local communities by providing direct and indirect economic benefits through creating new jobs, developing a technically skilled workforce, strengthening business practices, purchasing local goods and services, and creating investment opportunities.

## **\$8.2** billion

in spending with minority- and women-owned suppliers in the United States over the past 10 years

"Seventeen years ago, the company hired me as part of a local content initiative in Canada. When I first started, local content was a relatively new concept. Now, it is a regular part of our business, no matter where you go. We realize there is a symbiotic relationship with communities that is very powerful. Every day, in every corner of the world, there are teams of ExxonMobil people developing inclusive and healthy local supply chains and workforces that will have a positive impact for years to come."

Natalie Stirling-Sanders
 Global manager, local
 content, supplier diversity
 and sustainable procurement



ExxonMobil's local content strategy is core to our business. Its elements are formally integrated into our daily processes and guide the way we work today and plan for tomorrow. We have clearly defined management processes, templates and global best practices outlined for use around the world. Rather than focus simply on short-term benefits, we pursue enduring and shared goals with our partners in national and local governments and the community. Using a multi-tiered approach, ExxonMobil focuses on building workforce and supplier capabilities in conjunction with our strategic investments in the local community.

## Local economic growth and development

An important aspect of our business is our detailed approach to local content development — which includes building and sustaining local economic growth while also improving social conditions. We often focus on training and educating the local workforce, developing the capacity and capabilities of local vendors who can provide us with goods and services, and improving the livelihoods of community members through strategic community investments. We describe our approach to community investment on page 48 of this report.

We tailor our local content approach to the specific needs of each location. We develop local strategies based on factors such as the government's development priorities, stakeholder expectations, the regulatory environment, the existence and quality of infrastructure, the business environment and social capacity. ExxonMobil participates in various committees and working groups on local content, including co-chairing IPIECA's local content task force.

#### Local hiring and training

Hiring locally can help advance economic development in the countries where we operate and contributes to the continuity of our operations. We provide local employees and contractors with technical and leadership skills that will benefit them throughout their careers, including after their work on ExxonMobil projects. This approach enhances the overall capability of the workforce over the long term. We continued to make progress in hiring host country nationals in 2014. For example:

- In Angola, 82 percent of our personnel are Angolan, 15 percent of whom are in supervisory or managerial positions.
- In Chad, 94 percent of our personnel are Chadian, 62 percent of whom are in supervisory or managerial positions.
- In Equatorial Guinea, nearly 75 percent of employees are Equatoguinean, 13 percent of whom are in supervisory or managerial positions.
- In Indonesia, more than 85 percent of employees are Indonesian, 26 percent of whom are women; local staff hold more than 75 percent of supervisory or managerial positions.
- In Nigeria, 92 percent of employees are Nigerian, 14 percent of whom are women; 21 percent of local staff are in supervisory or managerial positions.

"The rigorous recruitment process at Esso Exploration and Production Chad Inc. allows us to identify and recruit top-quality candidates well-suited for our accelerated professional development model. Through training, mentoring and challenging job assignments, we have developed a highly skilled local workforce. The company and industry's impact on the broader community has also been positive, as evidenced by significant local business growth."



**Borkam Ban-Orngue** Esso Exploration and Production Chad Inc. HR manager

Our ability to hire locally depends on the supply of qualified individuals. Generally, as economic activity in a particular area increases, the demand for local skilled workers also increases,



which can result in a shortage of available workers. This is an ongoing challenge, and we address such situations by supporting education and training initiatives aimed at increasing the pool of individuals from which we can hire.

Additionally, to help develop the skills of locally hired employees, we place experienced ExxonMobil expatriates — individuals working in a country other than their country of permanent residence — in countries where they can share their expertise and mentor local workers for operational and leadership roles. For information on how we developed a local workforce in Papua New Guinea, see the case study beginning on page 54.

In addition to supporting businesses in the communities where we operate, we have opened several business support centers that provide services to our global operations. We have 10,000 people working in centers around the world, including in the Czech Republic, Brazil and Thailand. They support our operations with financial, IT and customer services and provide jobs and business opportunities for the communities in which they are located. The Czech Republic Ministry of Health recently recognized the center in the Czech Republic with its "Health Promoting Enterprise" award. The ministry praised the center for its "well-designed programs of caring for workers from various cultural environments and the effort for their well-being at the workplace, and the system of physical activities at the workplace, aimed at reducing the risks of sedentary jobs." The Ministry of Work and Social Affairs, in cooperation with the Family Friendly Society and the European Union, also honored the center as a "Family Friendly Company" for its work and family life balance, overall work environment, corporate social responsibility activities and pro-family support.

#### Local supplier development

Developing and using local vendors for the supply of goods and services are important components of ExxonMobil's business strategy of nurturing entrepreneurship and fostering competitive businesses. Our goal is to build and maintain a qualified, competitive and sustainable supply chain wherever we operate.

In some of the more remote locations where we operate, local suppliers do not always have the experience or capacity to provide goods and services to support our business competitively. Our goal, however, is to help them become globally competitive over time. To realize this goal, we conduct training programs covering topics such as health, safety and security; business ethics; costing and bidding; finance and credit; and international standards and codes. We also provide guidance to suppliers when they are unsuccessful in competing for work with us, so they are better positioned for future opportunities with ExxonMobil or other international investors.

In Liberia, for example, ExxonMobil Exploration and Production Liberia Limited (EMEPLL), a subsidiary of ExxonMobil, has been working to link local vendors with established global companies to fill gaps in supplier capabilities. EMEPLL fostered a partnership between Orion Group and Corporate Resource Specialists International (CRSI), a local supplier, which both provide workers to ExxonMobil operations at the global and country levels, respectively. Through this partnership, CRSI is benefiting from the use of Orion Group's global infrastructure, such as database

## Up Close: A local workforce development success story — Thailand

Suda Na Songkhla, a Thai national, started with the company in 1991 in an information services support position in the Bangkok office. Utilizing the company's tuition reimbursement program, she earned her master's degree in business from Purdue University and moved into more senior positions. Suda is currently the lead manager at the Bangkok Business Support Center, which employs 1,900 staff, 99 percent of whom are also Thai nationals.

"I have thoroughly enjoyed my time with ExxonMobil. I learn something new every day. But what I value the most at ExxonMobil is the equal opportunity that is available to each and every employee, whether they are male or female, and no matter their nationality. If you do your best, you will have many opportunities to succeed and develop. I also really appreciate the work flexibility programs at ExxonMobil. As a mother of two young children, the flexibility to balance work and home priorities is critical to my success."



#### Suda Na Songkhla

Manager, corporate processes, applications and Bangkok Business Support Center site leader systems and financial processes. This is shortening the company's learning curve, while ensuring EMEPLL receives service that meets global standards. Partnerships of this nature are likely to contribute to bridging capacity gaps and ensure inclusion of local enterprises in ever-expanding supply chains.

## Supply chain management

Our business success is directly linked to how well we manage those who work on our behalf. Our global footprint often reaches beyond our own fence line. Anyone who does business with ExxonMobil can affect our operations and our reputation. We rely on our approximately 165,000 suppliers of goods and services to uphold our commitment to operational integrity. Purchases from these suppliers continue to make a significant positive impact on the economies and living standards in the countries where we operate.

Supplier selection can take into account issues such as the increased participation of the local community and of historically underrepresented segments of the population, including, but not limited to, women, minorities and indigenous peoples. We comply with specific supplier-related requirements in each country where we do business, and we engage with suppliers and provide feedback where they may need to correct deficiencies. We have the option to terminate contracts with third parties if their performance is not acceptable. For information about how ExxonMobil expects suppliers to uphold labor laws and human rights, see page 44.

In 2014, we completed phase two of our pilot supplier human rights risk assessment program. The 2014 pilot program objectives were to increase our capacity to identify potential human rights risks in our supply chain and further test the risk assessment process. We used a systematic approach to analyze potential human rights risks, select suppliers and conduct field assessments. While no human rights violations were identified during the pilot, we continue to identify areas for improvement in our suppliers' ability to prevent issues from occurring. Planned program enhancements in 2015 include new prevention and detection tools focused on improving our social performance and that of our supply chain.

#### Promoting supplier diversity

Ensuring we have a diverse supply chain is a company priority. In 2000, we began tracking our spending with minority- and women-owned business enterprises (MWBEs), so we could better understand our impact. In 2008, we began to consider the full reach of our supply chain, not just our direct spending, and made efforts to encourage and track the progress of our suppliers in this space. We refer to this as our Tier 2 program.

In 2010, we set a goal to spend \$1 billion annually on U.S. MWBEs by 2012. We met this goal in 2011 and have maintained a level of spending greater than \$1 billion in each of the past four years. Over the past 10 years, we have seen our spending with diverse suppliers double. In addition, since 2008, we have seen an annual increase in the amount our

### ExxonMobil spending on U.S. minority- and women-owned suppliers<sup>1</sup>

#### Millions of dollars



<sup>1</sup>Includes direct ExxonMobil spending and that of our suppliers (Tier 2 spending).

suppliers have spent on procurement from MWBEs on our behalf.

As our program has matured, we have started to expand our demographic reach inside the United States. Our supplier diversity database, where interested suppliers from traditionally underrepresented groups in the United States can register an interest in working for ExxonMobil, allows for the self-identification of many groups other than women and minorities. Over the years, we have added more categories to this database. In 2014, we added categories for businesses owned by members of the Lesbian, Gay, Bisexual and Transgender (LGBT) community and by Persons with Disabilities.

Efforts to ensure a diverse supply chain outside the United States are also a priority. Participation of businesses owned by indigenous peoples has been one of our focus areas in many countries. We are also working closely with WEConnect International to increase the participation in our supply chain of women-owned businesses around the world. In addition to providing financial support, we have participated in WEConnect International advisory councils in Brazil, Canada, India, Mexico, Nigeria, Peru, South Africa and Europe. In 2014, we spent \$405 million with women-, indigenous- and other minority-owned businesses outside the United States.

#### WEConnect International

ExxonMobil is consistently recognized as a leader in supplier diversity efforts. In 2014, ExxonMobil Canada, as operator of the Hebron Project, accepted the inaugural Corporation of the Year Award from the Newfoundland & Labrador Organization of Women Entrepreneurs (NLOWE) for the Hebron Project's contribution to the development of women entrepreneurs and the active inclusion of women-owned businesses in the supply chain.

(▷) NLOWE award video

## Up Close: Working with diverse suppliers in the United States

ExxonMobil seeks to build constructive, long-lasting and mutually beneficial relationships with our suppliers. Two of our suppliers in the United States, Valdes Engineering and Cole Chemical, have been working with ExxonMobil for many years.

Valdes Engineering, a Hispanic-owned company, began working with Mobil Oil in 1994. The company provides project development, execution and off-site detailed engineering services for ExxonMobil's Joliet (Illinois) Refinery. Valdes Engineering has grown its business by focusing efforts on learning about the culture of safety, a commitment to quality and an expectation of high performance standards from ExxonMobil and other companies. By incorporating these values into its business model, Valdes has grown from 10 employees to more than 200 today.



Robert (Bob) Valdes, president, Valdes Engineering Company.

Throughout its 20-year history with ExxonMobil, Valdes Engineering has completed nearly 1,000 company jobs, ranging from general engineering support to major capital projects.

Cole Chemical is a distributor of chemicals, lubricants, fuels, resins and specialty gases, with blending, warehousing and custom-packaging capabilities for domestic and international markets. Since Cole Chemical's start in 1980, the company has been a supplier to ExxonMobil. The company began blending, drumming and warehousing chemicals for ExxonMobil's operations in Beaumont, Texas, and has now expanded to sales of additional chemical supplies.

"ExxonMobil was one of my first four clients when I began in 1980. They have constantly challenged us to evolve and improve with them and are a big reason we now generate revenues of \$85 million per year."



**Donna Fujimoto Cole** President and CEO Cole Chemical & Distributing Inc.

Cole Chemical is a minority- and women-owned company with a commitment to hiring and including minorities and women in its own supply chain, in direct alignment with ExxonMobil's values and goals.

## Up Close: Diverse supplier development in Nigeria

In 2014, the ExxonMobil Foundation partnered with WEConnect International — an organization that empowers women business owners to access global supply chains — to host more than 300 women during four "meet the buyer" sessions in Nigeria. These one-day workshops in Abuja, Akwa Ibom, Lagos and Port Harcourt afforded the women business owners the opportunity to network with ExxonMobil and WEConnect International representatives. The goals of the sessions included:

- Providing insight into the barriers and options that exist in accessing corporate business opportunities;
- Training women-owned businesses on how to interact with multinational companies;

- Enabling women entrepreneurs to become more competitive suppliers through training on procurement practices, total system cost reduction and strategic collaboration; and
- Educating women-owned businesses on ExxonMobil diversity programs.

The one-day workshops allowed participants to share business profiles, strategies, challenges and future plans, and introduced the women to several ExxonMobil Foundation-supported partners and programs, including Vital Voices, Solar Sister and Plan International's Global Women in Management workshop. Additionally, linkages were made with government agencies focused on women to help ensure women are able to access the resources needed to grow and sustain their businesses.

As a result of the workshop, two Nigerian women-owned companies, Le Look Nigeria and Mazuka Nigeria Ltd., secured business with ExxonMobil. We are working with WEConnect International to use the results from these workshops to continue mentoring and fostering the sustainability of women-owned businesses in Nigeria.



## Corporate governance

**Exxon Mobil Corporation headquarters, located in Irving, Texas.** A commitment to ethics and integrity is a core aspect of ExxonMobil's company culture. Everyone is expected to uphold the highest ethical standards of business integrity.

## 75,000

employees, the company's entire worldwide workforce, that are expected to adhere to our high standards of business conduct and ethics every day

"The methods we employ to attain results are as important as the results themselves. The corporation's directors, officers and employees are expected to observe the highest standards of integrity in the conduct of the corporation's business."  $\sim$ 

Rex Tillerson
 Chairman and CEO, from
 Standards of Business Conduct



## Ethics and integrity

A commitment to ethics and integrity is a core aspect of our corporate culture. Our presence in nearly every country of the world requires that employees, officers, directors and those working on our behalf comply with U.S. anti-corruption, antitrust, anti-boycott, trade sanctions and export controls laws, as well as laws in other countries applicable to our business. Everyone is expected to uphold the highest ethical standards of business integrity.

#### Standards of Business Conduct

Employees are subject to disciplinary action, including termination, for violations of our policies. Employees receive training on our *Standards of Business Conduct* every four years through business practice reviews, including a detailed review of the company's anti-trust, anti-corruption, and gifts and entertainment policies. Employees are also required to read the *Standards* annually and confirm compliance. These *Standards* set the ethical conduct expectations of our corporation and our majority-owned subsidiaries. While ExxonMobil is not a formal signatory of the United Nations Global Compact, its values represent key elements of our *Standards*.

Standards of Business Conduct

#### Internal audits

Regular internal audits and self-assessments help ensure the rigorous implementation of our control systems and the *Standards of Business Conduct*. ExxonMobil's internal team of more than 200 auditors annually reviews approximately one-third of the corporation's operations, conducting detailed assessments of facilities, business units, personnel and records, and thoroughly investigates any noncompliance with the *Standards* across all functions of the company.

#### Systems and practices for reporting violations

As part of our commitment to ethics and high standards of business conduct, we encourage employees and contractors to ask questions, voice concerns and make appropriate suggestions regarding business practices or any suspected violations of law and company policies. In addition to our opendoor communication procedures, ExxonMobil has several confidential mechanisms for reporting, including a 24-hour phone number and a mailing address. Employees can also report violations during supervisory reviews. Confidentiality is respected throughout the process, subject to legal requirements; retaliation against any employee is strictly prohibited.

A Hotline Steering Committee comprising security, internal audit, law and human resources personnel reviews reports of suspected violations. The Audit Committee receives a quarterly report that summarizes the Steering Committee's findings, including any violations or major issues. Violations lead to disciplinary actions, including dismissal.

#### Anti-corruption efforts

ExxonMobil is committed to the highest standards of business conduct and anti-corruption compliance wherever we operate. Our *Anti-Corruption Legal Compliance Guide* outlines ExxonMobil's commitment to comply with the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act and global anti-corruption standards in our business relationships. It also describes elements of the corporation's anticorruption compliance program. ExxonMobil employees and contractors acting on our behalf are prohibited from making payments to or engaging in transactions with government officials to influence improperly the performance of their official duties. Maintaining internal controls and keeping accurate and complete transaction records are required.

Anti-Corruption Legal Compliance Guide

ExxonMobil's law department conducts comprehensive annual training sessions for employees on anti-trust and anti-corruption compliance. In 2014, approximately 29,000 employees participated in anti-corruption training. Employees in relevant positions receive in-person training within three months of entering their positions and every year thereafter. Other managers and professional employees receive training every two years. The effectiveness of our compliance program is evaluated regularly.

#### Transparency

Our efforts to promote revenue transparency have helped fight corruption, improve government accountability and promote greater economic stability around the world. We believe the most successful transparency initiatives are those that ensure each relevant public, private and societal entity is fully engaged and properly represented. In addition, initiatives must respect national sovereignty and local norms and apply to every company in all sectors: public, private, foreign and domestic. ExxonMobil has supported multistakeholder engagement in many countries to achieve revenue transparency for years.

We continually monitor and participate in public policy and regulatory developments with respect to transparency initiatives. In 2012, the U.S. Securities and Exchange Commission (SEC) published new rules for global government payment reporting as required by the Dodd-Frank Act. A U.S. District Court vacated the initial SEC rules in 2013, as they were deemed to cause potential commercial and competitive harm to U.S. companies. The American Petroleum Institute, of which ExxonMobil is a member, submitted recommendations to the SEC outlining a potential new approach to transparency reporting, focused on government receipts by resource type and production method, that protects companies from disclosing commercially sensitive information. The recommendations also give citizens of resource-producing countries the information they need to determine their country's resource revenues. The SEC has indicated it may release a draft of the revised rules in October 2015.

In July 2013, the European Union (EU) approved a revised accounting directive that mandates government payment reporting. Each of the EU member states has 24 months to implement rules at least as stringent as, but not limited to, the directive. We remain concerned about the inconsistency between the new EU rules and the direction given to the SEC to revise its rules, which could result in multiple and potentially contradictory reporting requirements in different jurisdictions. Such a fragmented approach would not give civil society a means to compile and analyze government revenue or give companies protection from disclosing commercially sensitive information. Nevertheless, we are preparing data gathering, verification and reporting systems and processes to comply with new requirements as the directive is transposed into local law in each EU member state.

One important global program that encourages transparency and collaboration among governments, companies, civil society and financial institutions is the *Extractive Industries Transparency Initiative* (EITI). This initiative is dedicated to strengthening governance by improving transparency and accountability in the extractives sector. Companies and governments participating in EITI separately report payments and revenues, respectively, allowing EITI to reconcile any differences between the totals and publish validated total government revenues.

ExxonMobil has had an active role in EITI at both the secretariat and country levels. An ExxonMobil representative has served on the EITI board as either a primary or alternate member since its inception. In 2013, the program released an expanded *EITI Standard* outlining how countries can implement the EITI. The *Standard* requires commitment from all participants as stated in Principle 5: "We underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability."

Our efforts in 2014 focused on helping the EITI member countries where we operate comply with the expanded application and reporting requirements in its new *Standard*. ExxonMobil supports the EITI application, validation and implementation processes of 17 countries, and we are working with governments in Australia, Equatorial Guinea, Germany and Mexico, all of which are considering joining EITI. There are currently 48 countries that are compliant members or have been accepted as candidates to begin reporting under the *EITI Standard*. For more information about this initiative, visit *eiti.org*.

### Board of directors

Our board of directors provides independent oversight of the corporation's affairs. All directors are required to stand for election at our annual meeting of shareholders. At year-end 2014, 11 of 12 directors, including the presiding director and all members of the Audit, Compensation, Public Issues and Contributions, and Board Affairs committees, were independent as defined by New York Stock Exchange guidelines. In 2014, the board met 10 times, and the Public Issues and Contributions Committee (PICC) visited XTO Energy operations in Fort Worth, Texas. For more information about that visit, see the Up Close box on the next page.

The board's PICC is charged, among its other duties, with reviewing the effectiveness of the company's policies, programs and practices with respect to the environment. The committee hears reports from operating units on environmental activities and also visits operating sites to observe and comment on current practices. The entire board has ongoing access to environmental and climate information via periodic briefings by employees whose primary expertise is in the area of environmental management and stewardship.

#### Board leadership structure

At this time, the board believes the best interests of shareholders are served through a leadership model that combines the roles of chairman of the board and chief executive officer (CEO). With nearly 40 years of service in both domestic and international positions, our current CEO possesses in-depth knowledge of the corporation and the challenges of an evolving energy industry. Additionally, the independent board members select an independent director to serve a minimum of two years as presiding director. For more information about our board structure, visit the corporate governance section of our website.



#### Board appointment process

Maintaining a diverse board — of gender, race, geography, experience and fields of expertise — is important for the company to succeed in a globalized market. The Board Affairs Committee recommends candidates for nomination by the full board of directors based on the *Guidelines for the Selection* of *Non-Employee Directors*, and diversity is a key consideration. The committee looks for highly qualified non-employee candidates with demonstrated leadership and competency in a particular field and a commitment to represent the interests of our shareholders. Other desirable qualities include:

- · Financial expertise;
- Experience as the CEO or senior executive of a significant company or organization with responsibilities for global operations;
- Experience on one or more boards of significant public organizations or NGOs; and
- Expertise resulting from significant professional or academically based scientific or research activities.

In 2014, the board included female, African-American and international perspectives. Three of the six most recent additions to the board demonstrate gender and/or ethnic diversity. We describe current director qualifications in our proxy statement.

2015 proxy statement

Board committees overview

#### Executive compensation and strategic advantage

At ExxonMobil, we have structured our compensation program carefully in support of long-term shareholder value given the nature of our business: capital-intensive, long investment lead times and the critical importance of risk management. The most senior executives — including the CEO, Named Executive Officers and more than 1,000 other executives in the United States — participate in a common compensation program.

## Up Close: Board committee visit to XTO Energy

The Public Issues and Contributions Committee (PICC) of ExxonMobil's board of directors oversees the corporation's contributions, public engagement, and safety and environmental performance. Each year, the PICC visits an operations site within ExxonMobil to gain a deeper understanding of the corporation's activities and practices.

In October 2014, the PICC, along with other board members, visited XTO Energy in Fort Worth, Texas. The two-day visit

provided the directors with an opportunity to meet with XTO Energy personnel and learn more about unconventional oil and gas operations. The directors also visited XTO Energy's operations in the Barnett Shale, which included a walking tour of an XTO Energy drilling site, a visit to a hydraulic fracturing site and a tour of a completed well site and compressor station.

The directors also had an opportunity to visit with Fort Worth Mayor Betsy Price and other civic leaders from charitable organizations that involve XTO Energy personnel. These meetings underscored XTO Energy's strong commitment to the community and demonstrated how ExxonMobil employees are working to improve the quality of life in Fort Worth.



The PICC visited XTO Energy operations in Fort Worth, Texas, in October 2014. From left: Randy Cleveland (XTO Energy president), Jack Williams (ExxonMobil senior vice president), Henrietta Fore (board and PICC member), Ken Frazier (board and PICC member), Steven Reinemund (board member and PICC chairman), Larry Faulkner (board member), Andy Swiger (ExxonMobil senior vice president), Jeff Woodbury (vice president, investor relations and secretary) and Keith Carwile (XTO Energy vice president of operations, Fort Worth division).\*

This photo was taken outside of any hazardous areas that would require safety goggles.

exxonmobil.com/citizenship

Compensation for executives is highly differentiated, based on a rigorous annual individual performance assessment that takes into account several key factors, including results in the areas of safety, security, health and environmental performance, corporate governance, diversity, and other goals pertinent to the performance of the company. ExxonMobil executives understand their compensation reflects how effectively they manage risk and contribute to operations integrity and sustainable growth in shareholder value.

The design of our compensation program strongly aligns with the ExxonMobil business model. The stock-based awards have long holding periods that are not accelerated upon retirement and remain at risk of forfeiture, i.e., 50 percent vests in 10 years from grant date or retirement, whichever is later, and the other 50 percent vests in five years. These design features reinforce expected behaviors and ensure senior executives have a strong financial incentive to focus on the long-term integrity of our operations. This focus, in turn, protects the safety and security of our employees, the communities and environments in which we operate and creates long-term sustainable shareholder value.

The 2014 advisory vote on executive compensation received nearly 90 percent of votes "for" the company's program as outlined. The Compensation Committee of the board continues to support this compensation program, as it more effectively achieves the results for our business and is in the best interests of our long-term shareholders. For more information, see ExxonMobil's 2015 proxy statement.

#### Communicating with directors

ExxonMobil's directors encourage open and transparent communication on corporate citizenship topics. Individuals can email our non-employee directors through the Corporate Governance page of our website or send written correspondence in care of the Secretary of the Corporation. ExxonMobil employees work with directors as appropriate in responding to these letters and emails. Directors sometimes request that senior managers meet with shareholders to address particular topics.

### Shareholder relations

We value the constructive dialogue we have with our shareholders on a variety of governance, social and environmental topics throughout the year. In 2014, we had 37 shareholder dialogues with labor, religious organizations, and pension fund and institutional investors. At the corporation's 2014 annual meeting, shareholders owning approximately 3.56 billion — or nearly 83 percent — of outstanding shares were represented. Shareholders voted on directors, independent auditors, executive compensation and five shareholder proposals. The five proposals represented a decrease from 2013, due in part to our continued engagement with our shareholders.

ExxonMobil often receives suggestions from shareholders on ways to improve the company. Management and the board consider these suggestions and engage with shareholders, as appropriate. Our direct engagement with shareholders helps us align on the facts and understand the objectives of their proposals. These dialogues have allowed us to reach common ground with our shareholders in many instances. The Corporate Citizenship Report, Outlook for Energy and ExxonMobil's website have helped build an understanding of the company's strategic outlook, performance and risk management practices. In some cases, we publish additional reports as a direct result of our engagement to provide further information about certain issues. In 2014, we published three such reports — two on climate change and one on unconventional resources — as a direct result of shareholder dialogue.

Climate risk reports

Unconventional resources report

When agreement on a shareholder proposal is not reached, the proposal and the board's response and recommendations are published in our proxy statement for review at the annual meeting. No first-year shareholder proposals were voted on at the 2014 meeting.

2015 proxy statement

#### 2014 proxy vote summary

#### Percent vote for<sup>1</sup>

Proxy item	2014	2013	2012	2011	2010
<ol> <li>Election of directors (average)<sup>2</sup></li> </ol>	97.5	96.1	97.4	96.0	95.3
2. Ratification of independent auditors <sup>2</sup>	99.0	98.9	98.6	98.8	98.9
3. Advisory vote on executive compensation <sup>2</sup>	89.8	70.6	77.8	67.2	-
4. Independent chairman	-	34.9	35.1	31.3	-
5. Majority vote for directors	44.9	45.2	43.3	-	-
6. Limit directorships	4.8	5.8	-	-	-
7. Report on lobbying	21.1	24.9	-	-	-
8. Political contributions policy	-	5.7	-	-	-
9. Amendment of EEO policy	19.5	19.8	20.6	19.9	22.2
10. Report on natural gas production	-	30.2	29.6	28.2	26.3
11. Greenhouse gas emissions goals	22.0	26.7	27.1	26.5	27.2

<sup>1</sup>Abstentions count for quorum purposes, but not toward voting on these proposals. <sup>2</sup>Proposals submitted by the board.

## Political advocacy and contributions

Public policy decisions made at all levels of government can have significant impacts on ExxonMobil's current and future operations. Sound public policy is best achieved when a variety of informed voices participate in the political process. Accordingly, ExxonMobil exercises its right and obligation to participate in the dialogue on public affairs by supporting policies that promote a stable investment climate for long-term business viability.

ExxonMobil, like many U.S. companies, labor unions and NGOs, communicates its positions to the U.S. Congress and state legislatures. Lobbying activities include direct communication with members of Congress, state legislators, administration and regulatory officials, trade associations and other groups that engage in lobbying activities. We fully comply with registration and reporting regulations related to our lobbying activities. In 2014, the corporation reported total federal lobbying expenses of \$12.65 million in its disclosure reports to Congress.

ExxonMobil also makes political contributions to candidate committees, political parties, political associations and other political organizations as permitted by applicable laws in the United States and Canada, as well as authorized by the board of directors. The corporation refrains from making political contributions in any country other than the United States and Canada. In 2014, we contributed \$307,500 to state legislative and gubernatorial candidates and caucuses in 15 U.S. states. Our *Political Activities Policy and Guidelines*, as well as an itemized list of our corporate political contributions, are available on our website.

#### Political Activities Policy and Guidelines

Eligible employees and retiree shareholders may participate in the U.S. political process by contributing to a companysponsored political action committee (PAC). Participation in the PAC is completely voluntary. PAC contributions are reported monthly to the Federal Election Commission and are a matter of public record. During the 2013–2014 election cycle, ExxonMobil's PAC disbursed \$1.9 million to federal and state candidates and committees. Based on these contributions, Congressional Quarterly's *Moneyline* listed the ExxonMobil PAC No. 34 in size relative to other corporate PACs. The ExxonMobil PAC ranked No. 37 in terms of receipts from employees and retiree shareholders. The rankings are compiled from publicly available data filed with the Federal Election Commission.

The political contributions of the corporation, as well as the contributions from the political action committees established by the corporation, are reviewed with the board of directors annually. Corporate political contributions are subject to a strict internal review process that requires approval from the chairman. Procedures for making political contributions are routinely verified during internal audits of the corporation's public affairs activities.

ExxonMobil engaged on a variety of issues last year in support of responsible economic, energy, education and environmental policies. Our positions on a few key issues are described below.

- Hydraulic fracturing and horizontal drilling: ExxonMobil supports the global use of horizontal drilling and hydraulic fracturing – safe and successful technologies that have been used for decades – to enable energy development. With the combination of these technologies, energy security is enhanced through a significant increase in oil and gas production.
- Keystone XL pipeline: ExxonMobil fully supports the permitting of the Keystone XL pipeline to bring Canadian oil to U.S. refineries, grow the U.S. economy, provide jobs for workers and increase American energy security with needed infrastructure.
- Tax policy: ExxonMobil supports stable tax policies that enable the energy industry to remain competitive in the global marketplace. Energy development benefits our economy, and sound tax policy is needed to encourage investment, job creation and productivity through strong industries.

- International trade: ExxonMobil supports free trade policies for all products, including energy products such as oil and natural gas. Robust trade policies benefit consumers and encourage more investment, sustain high-paying jobs and foster economic growth.
- Renewable fuel standard (RFS): ExxonMobil opposes fuel mandates such as the RFS because they distort free markets, do not provide claimed environmental benefits and ultimately increase costs to consumers. Transportation fuels should be reliable and affordable to meet consumer needs, consistent with automobile and engine manufacturers' recommendations, and compatible with transportation fuel infrastructure.
- Education: Improving educational performance is vital to the success of our industry and to global competitiveness. We support sensible, forward-looking efforts to raise academic standards and help teachers and students. We support STEM education initiatives as part of a path to competitiveness.

In light of the importance and implications of sound public policies, ExxonMobil will continue to engage actively with stakeholders who have an interest in key issues that affect the company and industry.

ExxonMobil Perspectives blog

## About this report

This report was created in accordance with the reporting guidelines and indicators of IPIECA, the International Association of Oil and Gas Producers (IOGP) and the American Petroleum Institute (API) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010). The majority of these indicators are also consistent with the indicators used by the Global Reporting Initiative (GRI) in the G3.1 Sustainability Reporting Guidelines. We continue to receive requests for corporate citizenship-related information from customers, suppliers, investors and external ranking institutions. To help these stakeholders easily access this information, we have mapped relevant IPIECA and GRI indicators on page 74 of this report and on our website.

This Corporate Citizenship Report covers ExxonMobil's operations from Jan. 1, 2014, through Dec. 31, 2014, unless otherwise indicated. The report uses both qualitative descriptions and quantitative metrics to explain our policies, programs and practices. For environmental and climate change performance data, units of measure are metric where noted. Financial information is reported in U.S. dollars. Exxon Mobil Corporation has numerous affiliates, with many names that include *ExxonMobil, Exxon, Mobil, Esso* and *XTO Energy.* For convenience and simplicity, those terms (and terms such as corporation, company, our, we, us and its) are sometimes used as abbreviated references to specific affiliates or affiliate groups. ExxonMobil includes the above-mentioned operations as part of our company performance data, as seen on pages 71–73.

The term "project" as used in this publication can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency report.

#### Continual improvement

External feedback on our report is a key component of our engagement strategy and commitment to improve our *Corporate Citizenship Report*. Management reviews all comments, which, in many instances, are incorporated into the materiality assessment and report content. We welcome all feedback on this 2014 report. For additional information, to view previous reports or to provide comments, visit exxonmobil.com/citizenship or contact:

Editor, Corporate Citizenship Report Exxon Mobil Corporation 5959 Las Colinas Blvd. Irving, Texas 75039 citizenship@exxonmobil.com

#### Assurance

Third-party assurance provides an independent evaluation of how well we report our corporate citizenship information and gives our reporting processes additional integrity. Lloyd's Register Quality Assurance Inc. conducts an annual third-party assurance of ExxonMobil's safety, health and environmental reporting system. For the full assurance statement, see page 75.

#### **Cautionary note**

Statements regarding future events and conditions in this publication are forward-looking statements. Actual future results, including energy demand growth and supply mix; demographic changes; project plans, results, costs and capacities; the impact of new technology; future emission reductions and efficiency gains; and future capital expenditures may differ materially due to changes in oil and gas prices and other factors affecting supply and demand for oil, gas and petrochemicals; changes in government policy and regulation; future technological developments; the occurrence and duration of economic recessions; the outcome of commercial negotiations; unexpected technical and operating difficulties; and other factors discussed in this publication and in Item 1A of ExxonMobil's most recent annual report on Form 10-K. These factors are also set forth under the heading "Factors Affecting Future Results" on the Investors page of ExxonMobil's website.

## Incorporating stakeholder feedback

We spoke with a variety of stakeholders — including representatives from NGOs, academia, investors, industry experts and employees — about our 2013 Corporate Citizenship Report. We have identified several recurring comments from stakeholders and show where we have incorporated changes within this report.

#### Show more data and use consistent time periods for trends.

Where possible, we have included 10 years of data in this report as compared with four in past reports, and we have used the same reference year for trends wherever possible.

#### Tell more human impact stories.

Two of our case studies this year focus on human impact: impacts on residents in Papua New Guinea and impacts on employees and community members in areas affected by malaria and Ebola around the world. We also include additional human impact stories in Up Close boxes throughout the report.

#### Quantify impacts of community investment programs.

Our community and social impact chapter includes more quantifiable impacts of our three signature programs. Many of our global stories online also include quantifiable impacts of community investments.

Global stories

#### Talk more transparently about challenges.

On pages 9 and 10, we have included a Q&A with Ken Cohen, vice president of public and government affairs, in which he discusses the key sustainability challenges the company is facing on topics that interest our stakeholders.

### Materiality

A key step in developing this *Corporate Citizenship Report* is ensuring the content reflects ExxonMobil's most material issues. According to IPIECA, the global oil and gas industry association for environmental and social issues, material issues for sustainability reporting are those that, in the view of both the company's management and its external stakeholders, have the potential to affect sustainability performance significantly. We outline our materiality process below.

#### Issue identification

We used the following sources to identify the list of potential material issues:

- International reporting guidelines
- Topics covered in previous reports
- · Feedback on the 2013 report from both internal and external stakeholders
- Customer and investor questionnaires
- Current legislation

1

- Public debate issues
- Online and media coverage

### 2 Issue prioritization

We then prioritized the identified issues by rating each on the following criteria:

- Frequency that stakeholders raised the issue
- Presence in the public domain
- Occurrence under international standards and frameworks
- Coverage by our industry and peers
- Online and media coverage
- Strategic importance to ExxonMobil
- Future business opportunities and challenges

### 3 2014 material issues

We identified the following issues as the most material and discussed each in this report:

#### Safety, health and the workplace

- Emergency preparedness and response
- Employee benefits
- Employment practices
- Personnel safety
- Process safety
- Product safety and responsibility
- Product transportation safety
- Retention and engagement
- Training and development
- Workplace security
- Worksite health and wellness

#### **Environmental performance**

- Air quality
- Biodiversity and ecosystem services
- Environmental compliance
- Spill performance
- Water

#### Managing climate change risks

- Climate change policy and planning
- Energy use/efficiency
- Greenhouse gas emissions

#### Community and social impact

- Community relations
- External stakeholder engagement
- Human rights
- Indigenous peoples

## Local development and supply chain management

- Economic impacts and development
- Supply chain management

#### Corporate governance

- Board leadership
- Ethics and integrity
- Executive compensation
- Political advocacy and contributions
- Shareholder relations/returns
- Transparency

## Business operations (included throughout report)

- Arctic operations
- Canadian oil sands
- Energy future
- Management systems
- Offshore drilling
- Unconventional oil and gas operations

## Performance data

We are committed to continual improvement in all our corporate citizenship focus areas. This means we assess our performance at many levels of the organization, from individual operational sites to the business lines. We provide data interpretations where we consider the performance trend to be generally desirable (green), undesirable (red) or mixed (yellow) for applicable data. For certain metrics, no interpretation is necessary. For other metrics, we interpret trends based on performance over a multi-year period and consider other factors in our assessments, such as production volumes and economic climate. We conduct much of this detailed analysis at the operational level. When we see unfavorable trends at any level, we identify them and aim to correct underlying causes. Starting in 2011, performance data include XTO Energy information.

Citizenship data table	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Interpretation	Page #
Safety, health and the workplace*												
Fatalities — employees	3	3	0	0	4	0	0	1	0	0	-	13
Fatalities – contractors	5	7	8	5	4	3	9	4	6	3	-	13
<sup>1</sup> Fatal accident rate — total workforce (per 1,000,000 work hours)	0.017	0.021	0.018	0.011	0.017	0.006	0.017	0.010	0.011	0.006	-	N/A
<sup>2</sup> Lost-time incident rate — employees (per 200,000 work hours)	0.069	0.050	0.031	0.054	0.043	0.048	0.064	0.041	0.050	0.032	-	N/A
<sup>2</sup> Lost-time incident rate — contractors (per 200,000 work hours)	0.054	0.052	0.065	0.049	0.040	0.031	0.086	0.049	0.041	0.030	-	N/A
<sup>2</sup> Lost-time incident rate — total workforce (per 200,000 work hours)	0.061	0.051	0.048	0.051	0.041	0.038	0.077	0.046	0.044	0.030	-	13
<sup>2</sup> Total recordable incident rate — employees (per 200,000 work hours)	0.39	0.33	0.33	0.37	0.32	0.25	0.30	0.25	0.22	0.19	-	N/A
<sup>2</sup> Total recordable incident rate — contractors (per 200,000 work hours)	0.45	0.43	0.43	0.49	0.39	0.34	0.41	0.37	0.32	0.29	-	N/A
<sup>2</sup> Total recordable incident rate — total workforce (per 200,000 work hours)	0.42	0.39	0.38	0.43	0.36	0.30	0.37	0.33	0.28	0.26	-	13
Number of process safety Tier 1 events (API RP 754 guidance)	NA	NA	NA	NA	69	62	70	63	62	65	-	14
<sup>3,4</sup> Number of regular employees at year end, thousands	84	82	81	80	81	84	82	77	75	75		18
<sup>4</sup> Percent of workforce — outside the United States	63	63	63	63	63	60	61	59	59	58		18
<sup>4</sup> Percent women — global workforce	23	24	25	25	26	26	26	28	28	28	-	18
Percent management and professional new hires — women	42	41	38	39	38	40	44	39	39	40	-	19
Percent management and professional new hires — outside the United States	70	72	71	69	63	70	79	68	66	61		N/A
Number of non-unique employee participants in corporate and technical training, thousands	51	52	35	48	52	61	65	76	87	79		19
Total corporate and technical training expenditures, millions of dollars	52	60	61	69	71	77	80	88	96	117		19
Environmental performance*												
<sup>5</sup> Number of acres of managed wildlife habitat	220	370	370	370	380	6,400	6,900	7,000	7,000	7,200	-	26
Freshwater consumption, millions of cubic meters	NA	NA	320	350	340	330	370	330	280	270	-	27
Freshwater intensity, metric tons of water consumed per metric tons of throughput or production												
Upstream	NA	NA	0.07	0.08	0.09	0.10	0.26	0.26	0.22	0.17	-	N/A
Downstream	NA	NA	0.81	0.90	0.85	0.87	0.88	0.82	0.74	0.74	-	N/A
Chemical	NA	NA	2.36	2.56	2.46	2.41	2.64	2.41	1.98	1.79	-	N/A
Marine vessel spills (owned and long-term leased), number of hydrocarbon spills > 1 barrel	0	0	0	0	0	0	0	0	0	1		29
Spills (not from marine vessels), number of oil, chemical and drilling fluid spills > 1 barrel	370	295	253	211	242	210	484	356	330	335		29
Hydrocarbons spilled (oil spilled), thousands of barrels	11.5	35.3	7.5	20.3	17.4	7.7	17.8	8.5	11.1	9.1		29
Other spills, thousands of barrels	0.3	4.7	0.5	0.4	0.5	40.4	2.0	1.6	0.9	3.4	-	N/A

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Interpretation	Page #
Environmental performance* (continued)									1			
Controlled hydrocarbon discharges to water, thousands of metric tons	2.0	1.9	1.7	1.8	1.4	1.3	1.3	1.2	1.1	1.2	-	N/A
Sulfur dioxide (SO <sub>2</sub> ) emitted, millions of metric tons	0.26	0.24	0.21	0.19	0.16	0.14	0.13	0.13	0.12	0.10	-	31
Nitrogen oxides (NOx) emitted, millions of metric tons	0.18	0.18	0.16	0.15	0.13	0.12	0.15	0.15	0.15	0.14	-	31
Volatile organic compounds (VOCs) emitted, millions of metric tons	0.36	0.34	0.31	0.25	0.23	0.23	0.24	0.20	0.19	0.20		31
VOCs emitted, metric tons per 100 metric tons of throughput or production												
Upstream	0.092	0.084	0.084	0.069	0.071	0.076	0.078	0.073	0.074	0.078	-	N/A
Refining	0.018	0.016	0.015	0.012	0.011	0.012	0.011	0.010	0.009	0.008	-	N/A
Chemical	0.050	0.043	0.039	0.043	0.036	0.036	0.032	0.036	0.034	0.029	-	N/A
Environmental expenditures, billions of dollars	3.3	3.2	3.8	5.2	5.1	4.5	4.9	5.5	6.0	6.2		32
<sup>6</sup> Total hazardous waste disposed from operations, millions of metric tons	0.3	0.2	0.1	0.4	0.8	1.3	1.9	2.0	0.3	0.3	-	N/A
Managing climate change risks*												
$^7$ Greenhouse gas emissions, absolute (net equity, CO $_2$ -equivalent emissions), millions of metric tons	136	139	135	126	123	126	128	125	125	122	-	35
<sup>8</sup> Direct (excluding emissions from exported power and heat)	127	129	125	117	114	117	119	117	117	114	-	N/A
<sup>9</sup> Emissions associated with imported power	9	10	10	9	9	9	9	8	8	8	-	N/A
CO <sub>2</sub> (excluding emissions from exported power and heat)	131	134	131	122	119	122	125	122	122	118	-	N/A
Methane (CO <sub>2</sub> -equivalent)	4	4	3	3	3	3	2	2	2	3	-	N/A
Other gases (CO <sub>2</sub> -equivalent)	1	1	1	1	1	1	1	1	1	1	-	N/A
Emissions from exported power and heat	12	14	14	13	14	13	15	15	16	7	-	N/A
<sup>7</sup> Greenhouse gas emissions, normalized (net equity, CO <sub>2</sub> -equivalent emissions), metric tons per 100 metric tons of throughput or production												
Upstream	22.5	22.6	21.7	21.0	20.1	20.5	20.7	22.3	22.4	23.0	-	35
Downstream	22.0	21.8	21.5	21.0	21.0	20.8	20.1	19.5	19.7	19.1	-	35
Chemical	63.9	60.9	62.1	59.8	60.7	57.9	57.2	56.3	57.0	53.5	-	35
Energy use (billion gigajoules)	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.6	-	35
Energy intensity, normalized versus Global Energy Management System (GEMS) base year (2002) — refining	95.1	94.8	94.2	93.7	92.8	91.8	90.9	90.0	90.5	90.3	-	N/A
Energy intensity, normalized versus GEMS base year (2002) — chemical steam cracking	91.2	90.4	89.6	90.4	88.6	87.6	87.3	88.2	88.8	86.4		N/A
Hydrocarbon flaring (worldwide activities), millions of metric tons	7.7	8.2	8.0	5.7	4.4	3.6	4.1	3.6	3.7	4.5		37
<sup>5</sup> Cogeneration capacity in which we have interest, gigawatts	4.3	4.3	4.5	4.6	4.9	4.9	5.0	5.2	5.3	5.5	•	38

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Interpretation	Page #
Community and social impact												
<sup>10</sup> Community investments, millions of dollars	167.6	170.0	206.6	225.2	235.0	237.1	278.4	255.6	269.5	279.5		48
United States	112.7	109.1	124.1	144.6	143.0	154.8	161.3	156.5	156.3	150.2		49
Rest of world	54.9	60.9	82.5	80.6	92.0	82.3	117.1	99.1	113.2	129.3		49
Local development and supply chain management												
U.S. spending with minority- and women-owned businesses, millions of dollars	492	576	582	615	887	841	1,068	1,001	1,024	1,108		60
Corporate governance												
<sup>11</sup> Number of Extractive Industries Transparency Initiative (EITI) participating countries	4	6	6	8	8	7	7	7	9	10	•	N/A
Percent of shares represented at Corporation's Annual Meeting	84.6	84.0	84.9	84.8	82.9	80.7	81.9	83.0	82.3	82.9		67
Corporate political contributions — U.S. state campaigns and national 527s, millions of dollars	0.34	0.41	0.27	0.45	0.49	1.10	0.51	1.03	0.70	1.17		N/A

#### Notes on performance table:

<sup>1</sup>For the past 10 years, ExxonMobil's fatal accident rate has been equivalent to our fatal incident rate. Workforce includes employees and contractors.

<sup>2</sup>Incidents include injuries and illnesses. Safety data are based on information at the time of publication. Workforce includes employees and contractors.

<sup>3</sup>Reduction from 2011 primarily due to divestment and restructuring activity in the Downstream business.

<sup>4</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. Employees at our company-operated retail stores are not included.

<sup>5</sup>Cumulative figure.

<sup>6</sup>The value for hazardous waste from ongoing operations includes produced water classified as hazardous waste by one local authority, which is approximately 95 percent of the reported figure in 2008–2012.

<sup>7</sup>The net equity greenhouse gas (GHG) emissions metric was introduced in 2011 as a replacement for the direct equity GHG metric. Information has been restated back to 2005 according to the new metric. The net equity GHG metric includes direct and imported GHG emissions and excludes emissions from exports (including Hong Kong Power through mid-2014). ExxonMobil reports GHG emissions on a net equity basis for all our business operations, reflecting our percent ownership in an asset.

<sup>8</sup>The addition of direct emissions and emissions associated with exported power and heat is equivalent to World Resources Institute (WRI) Scope 1.

<sup>9</sup>These emissions are equivalent to WRI Scope 2.

1ºTotal contributions include ExxonMobil corporate and foundation donations, and employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs.

<sup>11</sup>In countries where ExxonMobil has an Upstream business presence.

\*Some uncertainty exists in environmental and safety data, depending on measurement methods. Data represent best available information at the time of publication. Environmental, health and safety data are reported for our affiliates and those operations under direct ExxonMobil management and operational control. Includes XTO Energy performance beginning in 2011. NA is used to indicate that data are not available.

Our corporate citizenship reporting is guided by our materiality process (see page 70), through which we determine the most important issues to our stakeholders and our business. Our reporting is also consistent with the International Petroleum Industry Environmental Conservation Association (IPIECA), the International Oil and Gas Producers Association (IOGP) and the American Petroleum Institute (API) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010). This report also cross-references the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines. These standards can be downloaded at ipieca.org and globalreporting.org.

Reporting overview	IPIECA/IOGP/API GRI		Page reported
Chairman's letter		1.1	3
About ExxonMobil and Contributing		2.1, 2.2, 2.3, 2.5, 2.7,	4-5
to progress		2.8, EC1	4-5
The Outlook for Energy		1.2, EC2	6
Sustainability and Engaging with our stakeholders	SE16	1.2, 4.14, 4.16, 4.17	7
External Citizenship Advisory Panel		4.16, 4.17	8
Key sustainability issues and challenges		1.2, 4.16, 4.17	9–10
Safety, health and the workplace			
Safety	HS1, HS3, HS4, HS5	2.10, 4.8, 4.11, 4.12, 4.13, EN29, DMA-LA, LA7, DMA-PR	12–15
Emergency preparedness and response	E8, SE17	4.11	15–16
Workplace security	SE17	4.11	16
Health and wellness	HS2	LA3, LA8	16–17
Workforce	SE15, SE16, SE17	4.8, EC3, DMA-LA, LA1, LA2, LA3, LA11, LA12, LA13	17–19
Case study: Combating infectious diseases, both inside and beyond our fence line	HS2, SE1, SE4	2.10, EC8, EC9, LA8	20-22
Environmental performance			
Environmental management		4.8, 4.11, DMA-EN	24
Biodiversity and ecosystem services	E5, SE1	EN11, EN12, EN13, EN14, EN15	24–26
Water management	E6, E9	4.11, EN8, EN9, EN10	27–29
Spill performance	E8	4.13, EN23, EN29	29-31
Air emissions	E7	EN20	31
Environmental compliance		EN21, EN28, EN30	32
Rehabilitating the environment		EN13, EN30	32
Managing climate change risks			
Engaging on climate change policy and planning	SE14	4.13, 4.14, 4.16, 4.17, EC2, SO5	34-35
Mitigating greenhouse gas emissions in our operations	E1, E2, E4	EC2, <i>EN3, EN5, EN7,</i> EN16, EN18	35–39
Developing future technology	E3	EC2, EN6, EN26	39
Case study: Innovation drives sustain- ability in Downstream and Chemical businesses		EN6, EN26, <i>DMA-PR</i>	40-42

Reporting overview	IPIECA/IOGP/API	GRI	Page reported
Community and social impact			reported
Respecting human rights	SE1, SE8, SE9, SE10, SE17	4.8, 4.12, DMA-HR, HR1, HR2, HR3, HR6, HR7, HR10	44
Managing community impacts	SE1, SE2, SE3	4.8, 4.12, 4.13, EC8, HR9, HR11, DMA-SO, SO1, SO9, SO10	44-48
Strategic community investments	SE4	EC1, EC8, EC9	48-52
Employee participation	SE4	2.10, EC1	52-53
Case study: Responsible production in Papua New Guinea	E5, HS1, SE1, SE3, SE4, SE5, SE6, SE7, SE8, SE10, SE13, SE17	4.12, EC1, EC6, EC7, EN12, EN13, EN14, LA2, LA7, LA11, HR8, HR11, SO1, SO9, SO10	54-56
Local development and supply chain mana	igement		
Local economic growth and development	SE5, SE6, SE7, SE17	2.10, 4.13, EC6, EC7	58-60
Supply chain management	SE7, SE9, SE12	2.10, EC6, HR1, HR2	60-62
Corporate governance			
Ethics and integrity	SE11, SE12, SE13, SE16, SE17, SE18	4.8, SO2, SO3, SO4	64-65
Board of directors		4.1, 4.2, 4.5, 4.7, 4.9, 4.10, LA13	65–67
Shareholder relations		4.4, 4.16, 4.17	67
Political advocacy and contributions	SE14	4.17, SO5, SO6	68
About this report		3.1, 3.2, 3.3, 3.4, 3.6, 3.8, 4.16, 4.17	69
Materiality		3.5	70
· · ·	E1, E2, E4, E5, E6, E7, E8, E9, E10, HS3, HS5,	3.7–3.11, EC1, EN8, EN13, EN16, EN20, EN22, EN23,	71 70
Performance data	SE4, SE7, SE13, SE14, SE15, SE17	EN30, LA1, LA2, LA7, LA13, SO6	71–73
Performance data IPIECA/GRI content index	SE4, SE7, SE13, SE14,		74

ExxonMobil fully reports on all GRI indicators listed above, unless they are in italics, in which case they are partially addressed. Where indicators require multiple pieces of information located in different sections of the report, we list the indicator in every section where the related information appears. For the GRI portion of this index, DMA refers to the Disclosure on Management Approach. The IPIECA indicators in this index include, at minimum, all common reporting elements.



Environmental Resources Management Inc. (ERM) reviewed ExxonMobil's 2014 Corporate Citizenship Report against the IPIECA/IOGP/API Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010) and the GRI G3.1 ERM Sustainability Reporting Guidelines. ERM found that the report contents address the indicators shown in this index.



#### LRQA Assurance Statement

Relating to Exxon Mobil Corporation's Corporate Citizenship Report for the calendar year 2014.

This Assurance Statement has been prepared for Exxon Mobil Corporation in accordance with our contract but is intended for the readers of this Report.

#### Terms of engagement

Lloyd's Register Quality Assurance Inc. (LRQA) was commissioned by Exxon Mobil Corporation (ExxonMobil) to assure its processes for reporting safety, health and environmental IPIECA performance indicators used in the *Corporate Citizenship Report* (CCR) for the calendar year 2014, to a reasonable level of assurance using LRQA's verification approach.

Our assurance engagement covered ExxonMobil's operations and activities worldwide and specifically the following requirements:

- Verifying the integrity of the processes used for determining which material issues to report
- Evaluating consistency with the following industry guidelines:
  - IPIECA/API, Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010)
  - API, Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry (2009)

Our assurance engagement did not include verifying the accuracy of data and information reported.

LRQA's responsibility is only to ExxonMobil. LRQA disclaims any liability or responsibility to others as explained in the end footnote. ExxonMobil's management was responsible for preparing the CCR and for maintaining effective internal controls over the reporting processes and CCR. LRQA's responsibility was to carry out an assurance engagement on the reporting processes in accordance with our contract with ExxonMobil. Ultimately, the CCR has been approved by, and remains the responsibility of, ExxonMobil.

#### LRQA's opinion

Based on LRQA's approach, we believe that ExxonMobil's reporting processes were effective in delivering safety, health and environmental indicators that are useful for assessing corporate performance and reporting information consistent with IPIECA/API Guidance.

The opinion expressed is formed on the basis of a reasonable level of assurance and at the materiality of the professional judgement of the Verifier.

#### LRQA's approach

LRQA's assurance engagement was carried out in accordance with our Verification procedure; the following tasks were undertaken as part of the evidence-gathering process for this assurance engagement:

- Reviewing the reported information to confirm the inclusion of all core safety, health and environmental performance indicators referenced in the IPIECA/API Guidance
- Reviewing the documented reporting requirements against the applicable industry guidelines to assure consistency of scope, definition and reporting for each of the relevant indicators
- Reviewing the reporting processes at Headquarters and at each of the functional business levels to evaluate the processes used by ExxonMobil to assure completeness, consistency and conformance to reporting requirements across its global operations
- Reviewing the stakeholder engagement processes
- Reviewing the processes used to aggregate the data and information at the corporate level for inclusion in the CCR
- Reviewing ExxonMobil's data collection tools to assess use in the reporting processes
- Reviewing the data-reporting processes at a sample of nine operating sites to assess local understanding and implementation of reporting requirements. Sites selected were Naticoke Refinery, Canada; Anchorage Chemical Terminal, United States; Geophysical Operations headquarters, United States; and lubricant facilities in Paulsboro, and Cicero, United States; Ulsan, Korea; Uddevalla, Sweden; Taichung, Taiwan; and Asher, Egypt.

#### Observations

Further observations and findings, made during the assurance engagement, are:

- Processes were in place to ensure that sites contributing to core safety, health and environmental metrics understood corporate reporting obligations and were included in corporate safety, health, environmental and climate change reporting
- Methods used for calculating each metric were defined clearly and communicated
- Processes were in place to ensure that the quantitative indicators were checked for completeness, consistency and accuracy
- Responsibility for annually reviewing and updating reporting guidelines
  was clear, with improvement in methodology regularly undertaken
- Guidelines for greenhouse gas emissions reporting were consistent with, and specifically refer to, the API Compendium for GHG Emissions Methodologies for the Oil and Gas Industry (February 2004)
- Active engagement with external stakeholders provided information for determining material issues

Observations and areas for potential improvement were provided in a report to ExxonMobil's management. These recommendations do not affect our opinion.

#### LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is ExxonMobil's certification body for ISO 9001 and ISO 14001 (Lubricants operations) and Responsible Care (Chemical operations) and the California ARB GHG verification. The certification assessments are the only work undertaken by LRQA for ExxonMobil and as such do not compromise our independence or impartiality.

Signed

Dated: March 26, 2015

Anne frem

Andrea M. Bockrath

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

LRQA Reference: UQA0110889

LRQA's Verification procedure is based on current best practice and uses the principles of AA1000AS (2008) — Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.

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

The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © Lloyd's Register Quality Assurance Limited, 2014. A member of the Lloyd's Register Group.

## **E**xonMobil



Explore our complete 2014 Corporate Citizenship Report at exxonmobil.com/citizenship.

Note: Exxon Mobil Corporation has numerous affiliates, with many names that include ExxonMobil, Exxon, Mobil, Esso, Mobil 1 and XTO Energy. 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.

ExxonMobil is a publicly traded company. The New York Stock Exchange (NYSE) is the principal exchange on which Exxon Mobil Corporation common stock (symbol XOM) is traded. The term "project" as used in this publication can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

Exxon Mobil Corporation 5959 Las Colinas Blvd. Irving, Texas 75039-2298

exxonmobil.com