

2012

ExxonMobil

Taking on the world's toughest energy challenges.™

CORPORATE CITIZENSHIP REPORT



Letter from the Chairman and CEO



“ExxonMobil’s role is to create the technologies and techniques to develop and supply energy to growing populations and economies — in a safe, secure and environmentally responsible manner.”

— Rex W. Tillerson, Chairman and CEO

Welcome to the *2012 Corporate Citizenship Report*. Our commitment — to our employees, shareholders and the communities and countries where we work — to operate safely and responsibly starts with our planning, management and accountability systems. It flows from the expertise and diligence of thousands of employees and contractors around the world. Each day, it is their integrity, attention to detail and concern for the local communities in which they live and work that shape our culture of safety and drive our citizenship and operational performance. Their efforts — and commitment to continuous improvement — are what we highlight in this report.

Our Role

In the coming decades, society will continue to face complex challenges related to a growing world population, economic growth, climate change, food security and public health, among others. Most of these issues can only be tackled through effective dialogue and cooperative action between governments, business and civil society. We must recognize that none of the challenges we face can be addressed without reliable and affordable access to energy. Energy powers our offices and schools. It runs life-saving medical equipment and operating rooms. It manufactures vaccines and transports medical personnel. ExxonMobil’s role is to create the technologies and techniques to develop and supply energy to growing populations and economies — in a safe, secure and environmentally responsible manner.

Our Long-Term Responsibility

ExxonMobil is focused on the long term. Our projects — and their impacts — span generations, not business or political cycles. Our long-term perspective helps us focus on our responsibilities for environmental protection, social development and economic growth. That’s why we are committed to providing our employees and contractors with a safe workplace, and we expect everyone to strive to reduce safety incidents. We discuss this culture of safety on page 37.

Our commitment to operating in an environmentally responsible manner is anchored in our Environmental Policy. Our approach starts with gaining a thorough understanding of the local surroundings. This understanding is critical to our performance. We discuss this process on page 17.

We also recognize the importance of understanding and managing the environmental and social risks associated with climate change. ExxonMobil is taking steps to reduce our own greenhouse gas emissions, investing more than \$330 million this year alone, as you will read on page 30.

In the communities where we operate, we continue to work to foster responsible economic growth by partnering with international institutions to develop suppliers and train workers in transferrable skills. We discuss one such example in our Sakhalin case study on page 56, where decades of collaboration have led to increased local capacity.

Commitment to Performance

We have established systematic policies and processes to measure, monitor and improve our economic, social and environmental performance. Strong results require effective risk management. They require long-term planning, undeterred by the episodic ups and downs of regional and global economic performance. They also require a relentless focus on operational integrity and best practices. As you will read in this report, we focus on long-term, incremental improvements that drive sustainable results. For example, we have used a variety of methods to improve safety performance, reducing our lost-time incident rate from 2000 to 2012 by 70 percent.

In early 2013, ExxonMobil Pipeline Company responded to a crude oil spill in Mayflower, Arkansas — a regrettable event for which we are deeply sorry. We responded immediately with a focus on community safety, restoring the environment and understanding the cause of the

incident. When working to ensure operational integrity, our goal is to manage risk to avoid incidents such as these. But it is also important that if they do occur, we have the competency and the capability to respond and a process to integrate lessons learned into future operations to reduce the risk of reoccurrence.

Building Stakeholder Trust

Industry must work to build stakeholder trust. With every new technological advance comes a renewed obligation to address public questions and concerns. That is why we must continue to engage with communities about how we systematically mitigate risk in our operations. You will read more about this engagement throughout this report. For example, the movement to unlock unconventional natural gas resources in the United States has spurred economic growth and contributed to reducing the nation’s greenhouse gas emissions to levels not seen in 20 years. It has also prompted questions from stakeholders about methods industry employs to access these resources, and the proximity of operations to local communities. It is important that we continue listening to those who have a shared stake in this and other issues so that we can continue to build their trust. We look forward to continually improving our performance and contributing to innovation and growth in the decades to come.

We appreciate your interest in ExxonMobil, and we welcome your comments on this report at exxonmobil.com/citizenship.

A handwritten signature in black ink that reads "Rex W. Tillerson". The signature is written in a cursive, flowing style.

Rex W. Tillerson
Chairman and CEO

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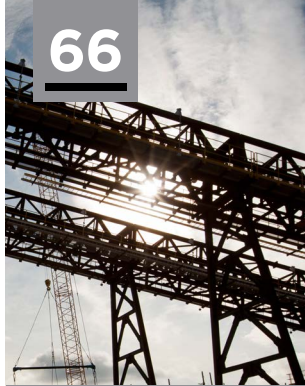
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Assurance Statement



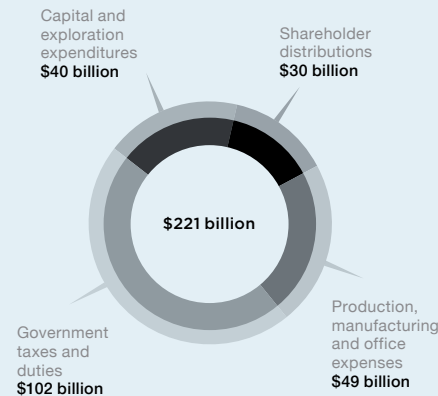
Featured on the cover of the 2012 Corporate Citizenship Report is a natural gas rig in Bad Laer, Germany.

About ExxonMobil

ExxonMobil is the world's largest publicly traded oil and gas company. We help provide energy that is fundamental to improving the lives of billions of people around the world. Access to energy underpins human comfort, mobility, economic prosperity and social progress. It touches nearly every aspect of modern life.

We take our role to supply energy seriously, and we recognize that it comes with many responsibilities — to our shareholders, neighbors, customers and communities. Our employees, technical expertise, financial strength, global reach and the management practices that we build into the fabric of our operations provide ExxonMobil with long-term investment value and a competitive advantage.

ExxonMobil's 2012 Global Economic Contribution

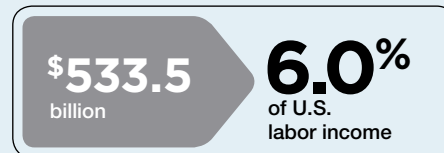


Oil and Gas Industry Contributions to the U.S. Economy

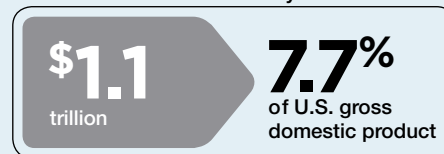
Jobs Supported



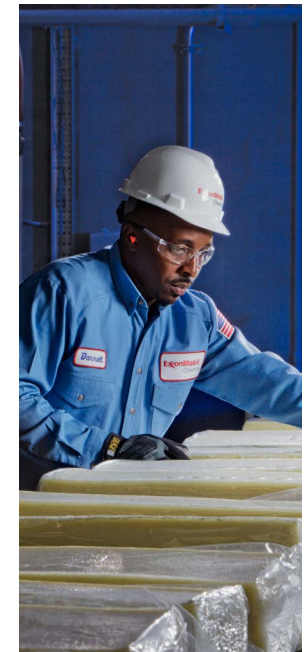
Labor Income



Value Added to U.S. Economy

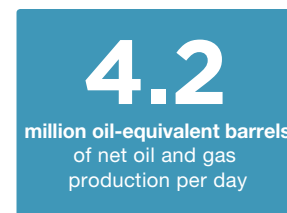


Source: PricewaterhouseCoopers, May 2011



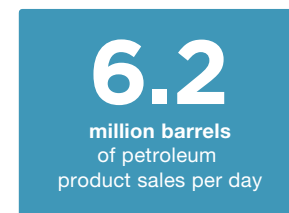
Upstream

ExxonMobil has an Upstream asset base that is geographically and geologically diverse, with exploration and production acreage in 36 countries, production sites in 23 countries and sales of natural gas in 33 countries. Our total portfolio of 28 major development projects is expected to produce 1 million net oil-equivalent barrels per day in new production by 2017.



Downstream

As the largest global refiner, ExxonMobil has interests in 32 refineries in 17 countries, supplying fuels, lubricants and other high-value products and feedstocks to our customers. We are a market leader of high-technology and globally recognized synthetic lubricant brands, as well as a leading supplier of asphalt and specialty products.



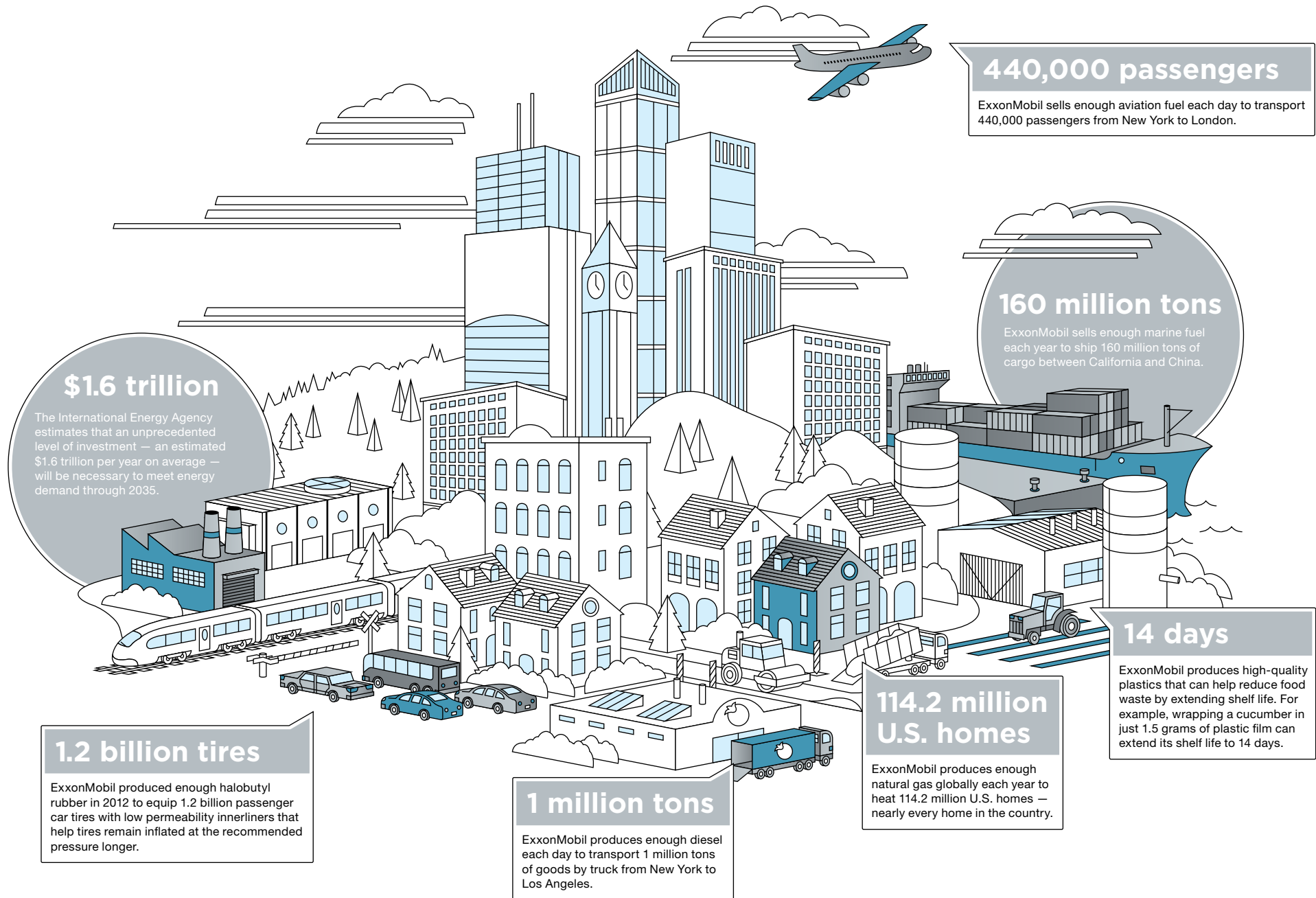
Chemical

ExxonMobil is a leader in the chemical industry, with interests in 46 wholly owned and joint-venture manufacturing locations worldwide. ExxonMobil is the largest producer of polyolefins, including plastics and polymers, and one of the largest producers of basic petrochemical building blocks, such as aromatics and olefins.



¹Prime product sales include ExxonMobil's share of equity-company volumes and finished-product transfers to the Downstream.

About ExxonMobil



The Outlook for Energy: A View to 2040

Each year, ExxonMobil takes a comprehensive look at long-term trends in energy supply, demand and technology to help guide our own long-term strategies and investments.

The *Outlook* provides a window to the future. Over the next five years, ExxonMobil expects to invest approximately \$190 billion in energy projects. The *Outlook's* data-driven approach gives us a detailed picture of energy trends to guide our business investments over the long term.

Population growth fuels energy demand

Our world runs on energy. It is fundamental to our way of life, growing our economy and improving standards of living. But the world is changing. An expanding population, economic growth, new technology development and changes in the nature and scope of regulations are all transforming the energy landscape. We are becoming more energy efficient and moving to cleaner fuels. At the same time, population growth, urbanization and expanding economic prosperity will drive demand higher, especially in Africa and Asia Pacific. ExxonMobil estimates that energy demand in developing nations (non-OECD¹) will rise 65 percent by 2040 compared with 2010, while overall global energy demand will grow 35 percent. The International Energy Agency's World Energy Outlook New Policies Scenario also projects a 35 percent increase in energy demand from 2010 to 2035.

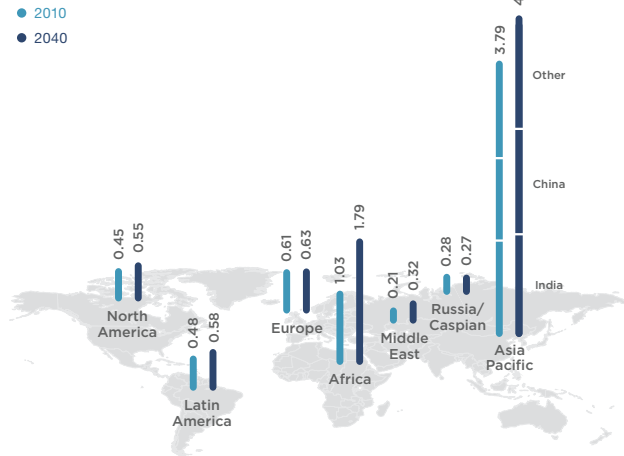
35 percent increase in global energy demand by 2040

Trends in electricity generation

Even as energy availability increases, the International Energy Agency estimates that

World Population by 2040

Billions of people



An additional 2 billion people worldwide by 2040 means rising electricity needs. By 2040, 75 percent of the world's population will reside in Asia Pacific and Africa.

around 1.3 billion people — or slightly less than 20 percent of the world's population — do not have access to electricity. Electricity generation represents the largest energy use across sectors, and this will continue through 2040. In addition to population growth, we expect urbanization to play a role in the growing energy needs through 2040. The United Nations estimates that the percentage of the world's population living in urban areas will increase from about 50 percent in 2010 to more than 60 percent by 2040. An average urban resident consumes more electricity than his or her rural counterpart.

Today, coal and natural gas are competitive economic options for generating electricity. However, as costs rise due to policies aimed at addressing greenhouse gas (GHG) emissions, natural gas will continue to be competitive due to the fact that it emits up to 60 percent less carbon dioxide (CO₂) than coal when generating electricity. That is why by 2030, ExxonMobil

expects the implied cost of CO₂ emissions to reach \$60 per ton in OECD countries, and we anticipate global coal demand to begin a long-term decline for the first time in modern history.

Emissions reductions

Over the past decade, countries around the world have been working to address the risks associated with rising GHG emissions. Global emissions growth patterns are already changing — reflecting the more widespread use of energy-efficient technologies and less carbon-intensive energy sources. After decades of growth, energy-related GHG emissions are expected to plateau around 2030, despite a steady rise in overall energy demand.

Technology and trade

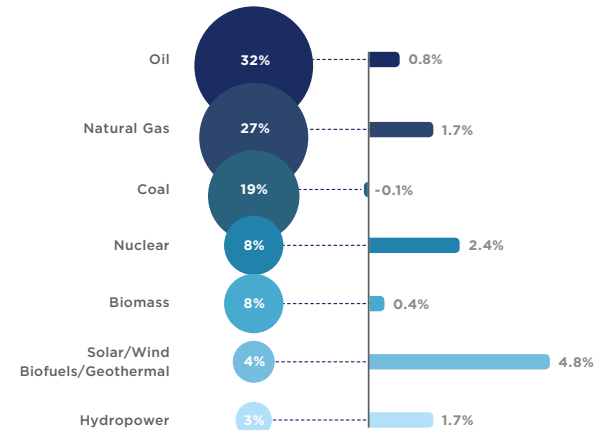
As global demand increases, advanced technologies to boost energy supplies are becoming more important. Thirty years from now, oil and natural gas are expected to meet

Evolving Energy Mix

Energy mix in 2040

Size relative to percent of total mix

Average demand growth per year between 2010 and 2040



By 2040, only about 55 percent of the world's liquid fuel supply will come from conventional crude oil production. The rest will be provided by deepwater, unconventional oil and natural gas liquids and biofuels, as technology enables increased development of these resources.

about 60 percent of global demand, and an increasing share of this supply will be produced from unconventional oil and gas resources and deepwater fields. ExxonMobil is developing new technologies to support the safe and economical development of these resources, which are not always located where energy demand is highest.

International trade plays an important role in ensuring the wide distribution of energy around the world. Around 2025, we expect North America will transition to a net exporter of energy, which will help grow the U.S. economy while providing much-needed energy to other regions of the world.

For more information about the projections included in ExxonMobil's *Outlook for Energy*, visit exxonmobil.com.

¹Refer to the Organization for Economic Cooperation and Development (OECD) website — oecd.org — for a listing of its members.

Engagement

Many people, organizations and communities are directly impacted by — or have a direct impact on — our business. Our engagement approach creates opportunities to provide information, as well as to listen to concerns, identify material issues and benchmark performance against expectations. Issues related to energy are multifaceted, and our stakeholders' desired outcomes may not always align with each other or with the majority of our shareholders' interests. Nevertheless, we will continue to participate in conversations with interested parties representing all points of view. The dialogue developed between ExxonMobil and our key stakeholders allows us to maintain the global perspective necessary to grow our business.

We solicit feedback and identify information gaps, strengths and weaknesses through a variety of mechanisms, including internal and external one-on-one and group dialogues and briefings, senior executive speeches, quarterly earnings teleconferences, focus groups, community consultations, email communications and our corporate blog at exxonmobilperspectives.com. We also use our publications such as the *Corporate Citizenship Report*, *Summary Annual Report* and our shareholder magazine, *The Lamp*, as well as content on our websites to communicate with our interested stakeholders. In each focus area of the *2012 Corporate Citizenship Report*, we include examples of how we engage with stakeholders.

ExxonMobil's Stakeholders



External Citizenship Advisory Panel

In 2009, ExxonMobil created an External Assessment Panel to provide an independent review of our corporate citizenship reporting process. The panel, comprising leading academics, non-governmental organization representatives and socially responsible investors, reviewed and commented on the *2008–2011 Corporate Citizenship Reports*.

In 2011, the External Assessment Panel became the External Citizenship Advisory Panel (ECAP), with an expanded focus on providing strategic and objective advice on ExxonMobil's corporate citizenship activities. The ECAP reviewed an early draft of the *2012 Corporate Citizenship Report*, and we evaluated this feedback and made revisions as appropriate. As with prior reports, the ECAP provided a publicly available statement summarizing key feedback. For the panel's statement on this report, visit exxonmobil.com/panelfeedback.

During 2012, the ECAP visited ExxonMobil Development Company's global headquarters in Houston, Texas, to discuss social issues and provide feedback on the *Upstream Socioeconomic Management Standard*. The panel's feedback encouraged us to continue to engage external stakeholders on this subject.

In 2013, the ECAP will visit ExxonMobil's Upstream Research Company in Houston to discuss the Corporation's approach to operating in the Arctic.



Mark Cohen
Professor of management and law
 Owen Graduate School of Management,
 Vanderbilt University



Jane Nelson
Director of Harvard Kennedy School's Corporate Responsibility Initiative



Salil Tripathi
Director of policy
 Institute for Human Rights and Business



Elizabeth McGeveran
Sustainability and investment consultant and former senior vice president, Governance and Sustainable Investment
 F&C Asset Management



Tim Smith
Director and senior vice president, Environment, Social and Governance
 Walden Asset Management

About this Report

Our 2012 Corporate Citizenship Report marks a decade of formally detailing our plans, progress and commitments that demonstrate our evolution as a corporate citizen. The 2012 Corporate Citizenship Report highlights our performance and approach across six key citizenship focus areas: environmental performance (see page 15); managing climate change risks (see page 28); safety, health and the workplace (see page 35); corporate governance (see page 43); economic development and supply chain management (see page 49); and human rights and managing community impacts (see page 58). Across these focus areas, we recognize challenges, set high standards, define clear metrics and strive for continuous improvement by measuring progress.

Reporting standards and scope

This report was produced in accordance with the reporting guidelines and indicators of the International Petroleum Industry Environmental Conservation Association (IPIECA), the International Oil and Gas Producers Association (OGP) 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*.

Increasingly, we 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 GRI and IPIECA indicators on page 12 of this report and at exxonmobil.com.

The report covers ExxonMobil's operations from Jan. 1, 2012, through Dec. 31, 2012, unless otherwise indicated. The report uses both qualitative descriptions and quantitative metrics to explain our policies, programs and practices. For environmental 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. 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 company performance data (see page 10).

The term "project" as used in this publication does not necessarily have the same meaning as under U.S. Securities and Exchange Commission Rule 13q-1 relating to government payment reporting. For example, a single project for purposes of the rule may encompass numerous properties, agreements, investments, developments, phases, work efforts, activities and components, each of which we may also informally describe herein as a "project."

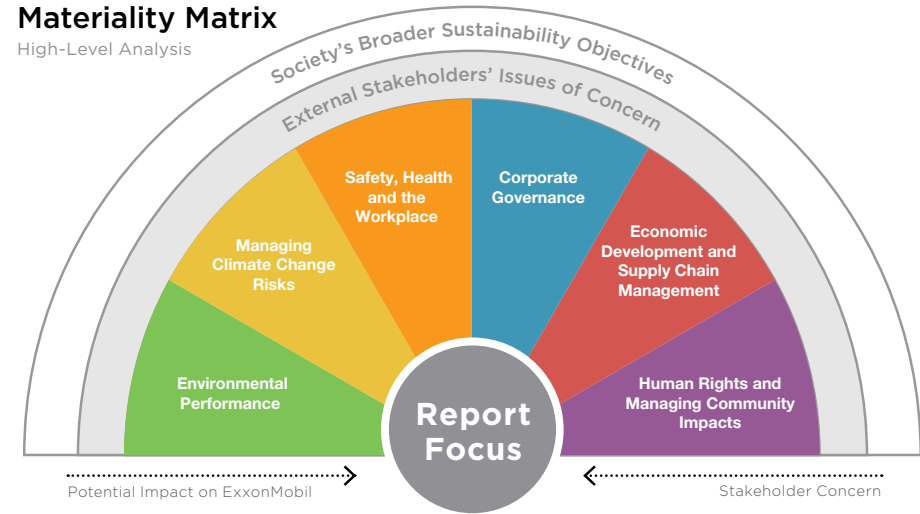
Materiality

A critical step in publishing this report is ensuring that the content accurately reflects the most current and relevant topics. ExxonMobil's materiality analysis process identifies economic, environmental and social issues of particular interest and concern to our stakeholders, our industry and our business operations. We identify issues of external significance by monitoring stakeholder expectations and concerns through direct dialogue, public debate, legislation, media coverage, international agreements and feedback on our *Corporate Citizenship Report*.

In 2012, ExxonMobil assessed customer, supplier and investor questionnaires related to corporate citizenship performance as part of our materiality analysis. We also reviewed international reporting standards and expectations to ensure a comprehensive, globally focused analysis. In addition, community panels — such as

Materiality Matrix

High-Level Analysis



Through our materiality analysis, we identify and rank issues of significance both to our business and stakeholders in the context of society's sustainability objectives. This process helps us inform and focus the content of this report.

those near our Baytown, Texas, and Baton Rouge, Louisiana, refineries and chemical plants — commented upon the report. These comments were incorporated into material issues and improvements.

Material issues have or may present a significant current or future impact on our company. We determine priority issues by rating each issue based on its level of significance to stakeholder groups, presence in the public domain, occurrence under international standards and frameworks, strategic importance to ExxonMobil and potential impact on our business objectives. Through this process, we are able to stratify the issues into three tiers, where tier 1 issues are most material. While this process continues to identify recurring issues, it also allows us to identify new and emerging issues. ExxonMobil's management reviewed the results of the 2012 materiality analysis. We address all tier 1 and tier 2 issues in this *Corporate Citizenship Report*.

Continuous improvement

External feedback on our report is a key component of our engagement strategy and commitment to

continuously improve our *Corporate Citizenship Report*. Management reviews all comments, which, in many instances, are incorporated into the materiality assessment and report content. We look forward to receiving feedback from stakeholders on our 2012 *Corporate Citizenship Report*. For additional information, to view previous reports or to provide comments, see exxonmobil.com/citizenship or contact:

Ms. Amber Howard

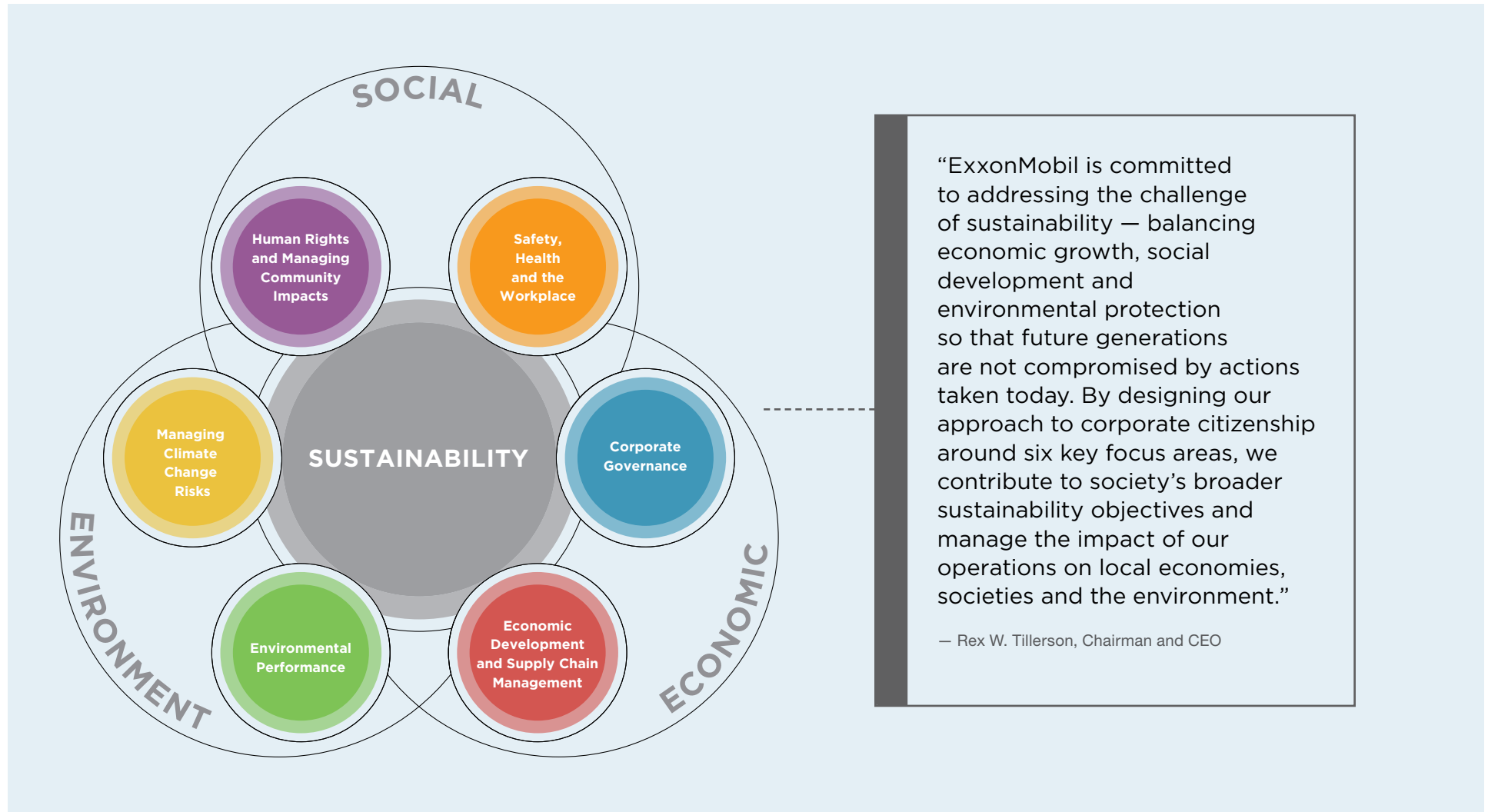
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Assurance

Third-party assurance provides an objective evaluation of how well we report our corporate citizenship information and gives our reporting processes additional credibility. Lloyd's Register Quality Assurance, Inc. conducts an annual third-party assurance of ExxonMobil's safety, health and environment reporting system. For the full assurance statement, see page 66.

Managing Sustainability Issues

ExxonMobil's primary responsibility is to provide the energy needed to sustain and improve standards of living for people worldwide, while delivering a return to our shareholders. But our responsibility does not end there. The size and scope of our operations mean that we become part of local communities and economies wherever we operate. We seek to improve lives and create opportunities throughout the world. We do this not only because it is the right thing to do, but also because it helps create robust communities and stronger economies. This, in turn, is good for our business.



Performance Data

ExxonMobil collects data on a wide range of indicators to track performance. We continuously work to improve our performance across our citizenship focus areas. This means assessing performance at many levels of the organization, from our operational sites to the business lines. We provide data interpretations where we consider the performance trend to be generally desirable (■), undesirable (■) or mixed (■) 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 and aim to correct underlying causes. We describe in further detail within the text how we plan to address these issues. Starting in 2011, performance data include XTO Energy Inc. information.

Citizenship Data Table

	2009	2010	2011	2012	Interpretation	Page #
Environmental Performance*						
Marine vessel spills (owned and long-term leased), number of hydrocarbon spills > 1 barrel	0	0	0	0	■	21
Other spills (not from marine vessels), number of oil, chemical and drilling fluid spills > 1 barrel	242	210	484	355	■	21
Hydrocarbons spilled (oil spilled), thousands of barrels	17.4	7.7	17.8	8.7	■	21
Other spills, thousands of barrels	0.5	40.4	2.0	1.6	■	N/A
Controlled hydrocarbon discharges to water, thousands of metric tons	1.4	1.3	1.3	1.2	■	N/A
Sulfur dioxide (SO ₂) emitted, millions of metric tons	0.16	0.14	0.13	0.13	■	22
Nitrogen oxides (NOx) emitted, millions of metric tons	0.13	0.12	0.14	0.14	■	22
Volatile organic compounds (VOCs) emitted, millions of metric tons	0.22	0.22	0.23	0.20	■	22
VOCs emitted, metric tons per 100 metric tons of throughput or production						
Upstream	0.068	0.073	0.076	0.073	■	22
Refining	0.011	0.012	0.011	0.010	■	22
Chemical	0.036	0.036	0.032	0.036	■	22
¹ Total hazardous waste disposed from operations, millions of metric tons	0.8	1.3	1.9	2.0	■	22
Environmental expenditures, billions of dollars	5.1	4.5	4.9	5.5		23
Freshwater consumption, millions of barrels	2,186	2,141	2,340	2,083	■	20
² Number of hectares of protected wildlife habitat	140	2,600	2,700	3,000	■	18
Managing Climate Change Risks*						
³ Greenhouse gas emissions, absolute (net equity, CO ₂ -equivalent emissions), millions of metric tons	123.3	125.7	128.8	125.0	■	30
³ Greenhouse gas emissions, normalized (net equity, CO ₂ -equivalent emissions), metric tons per 100 metric tons of throughput or production						
Upstream	20.1	20.5	20.6	22.3	■	30
Downstream	21.0	20.8	20.3	19.5	■	30
Chemical	60.7	57.9	57.2	56.2	■	30
Energy intensity, normalized versus <i>Global Energy Management System</i> (GEMS) base year (2000) – refining	91.4	90.8	89.1	88.9	■	30
Energy intensity, normalized versus GEMS base year (2002) – chemical steam cracking	88.6	87.5	87.3	88.2	■	30
² Cogeneration capacity in which we have interest, gigawatts	4.9	4.9	5.0	5.2	■	31
Hydrocarbon flaring (worldwide activities), millions of metric tons	4.4	3.6	4.1	3.6	■	30

Notes on performance table:

¹The 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. Excluding this produced water, the trend for hazardous waste generation from ongoing operations is favorable.

²Cumulative figure

³The above 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 2008 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. ExxonMobil reports GHG emissions on a net equity basis for all our business operations, reflecting our percent ownership in an asset.

*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.

Performance Data

	2009	2010	2011	2012	Interpretation	Page #
Safety, Health and the Workplace*						
Fatalities – employees	4	0	0	1	■	37
Fatalities – contractors	4	3	9	4	■	37
⁴ Fatal accident rate – total workforce (per 1,000,000 work hours)	0.017	0.006	0.017	0.010	■	N/A
⁵ Lost-time incident rate – employees (per 200,000 work hours)	0.043	0.048	0.062	0.037	■	37
⁵ Lost-time incident rate – contractors (per 200,000 work hours)	0.040	0.031	0.086	0.049	■	37
⁵ Lost-time incident rate – total workforce (per 200,000 work hours)	0.041	0.038	0.077	0.045	■	N/A
⁵ Total recordable incident rate – employees (per 200,000 work hours)	0.32	0.25	0.30	0.24	■	37
⁵ Total recordable incident rate – contractors (per 200,000 work hours)	0.39	0.34	0.41	0.37	■	37
⁵ Total recordable incident rate – total workforce (per 200,000 work hours)	0.36	0.30	0.37	0.33	■	N/A
^{6,7} Number of regular employees at year end, thousands	81	84	82	77		42
⁷ Percent of workforce – non-U.S.	63	60	61	59		42
⁷ Percent women – global workforce	26	26	26	28	■	41
Percent management and professional new hires – women	38	40	44	39	■	41
Percent management and professional new hires – non-U.S.	63	70	79	68		41
Number of employee participants in corporate and technical training, thousands	52	61	65	76		42
Total corporate and technical training expenditures, millions of dollars	71	77	80	88		42
Corporate Governance						
Corporate political contributions – U.S. state campaigns and national 527s, millions of dollars	0.49	1.10	0.51	1.03		48
Percent of shares represented at Corporation's Annual Meeting	82.9	80.7	81.9	83.0		46
Economic Development and Supply Chain Management						
U.S. spending with minority- and women-owned businesses, millions of dollars	863	812	869	788	■	54
⁸ Number of <i>Extractive Industries Transparency Initiative</i> (EITI) participating countries	8	7	7	7		55
Human Rights and Managing Community Impacts						
⁹ Community investments, millions of dollars	235.0	237.1	278.4	255.6	■	64
United States	143.0	154.8	161.3	156.5		64
Rest of world	92.0	82.3	117.1	99.1		64
Number of countries in which affiliates received dedicated human rights awareness training	8	1	5	3	■	61
Percent of private security contracts with human rights language	60	75	79	99	■	61

Notes on performance table:

⁴For the past several years, including 2009–2012, ExxonMobil's fatal accident rate has been equivalent to our fatal incident rate.

⁵Incidents include injuries and illnesses. Safety data are based on information at the time of publication.

⁶Reduction from 2011 primarily due to divestment and restructuring activity in the Downstream business.

⁷Regular 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.

⁸In countries where ExxonMobil has an Upstream business presence

⁹Total contributions include ExxonMobil corporate and foundation donations, and employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs.

*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.

IIPECA/GRI Content Index

Our citizenship reporting is guided by the International Petroleum Industry Environmental Conservation Association (IIPECA), the International Oil and Gas Producers Association (OGP) 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 iieca.org and globalreporting.org.

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ExxonMobil fully reports on all GRI indicators listed above, unless they are in italics, in which case they are only 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. DMA refers to the Disclosure on Management Approach for the GRI portion of this index. The IIPECA indicators in this index include, at a minimum, all common reporting elements. Environmental Resources Management, Inc. (ERM) reviewed ExxonMobil's 2012 Corporate Citizenship Report against the IIPECA/OGP/API *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (2010) and the GRI *G3.1 Sustainability Reporting Guidelines*. ERM found that the report contents address the indicators shown in this index.

Key Processes and Management Systems

ExxonMobil seeks to conduct business in a manner that is compatible with the environmental, social and economic needs of the communities in which we operate. At the same time, we focus on protecting the safety, security and health of our employees; those involved with our operations; our customers; and the public.

Across ExxonMobil's global operations, we rigorously apply management systems to enable high operational performance. We use these management systems to identify, track and report the metrics that demonstrate and guide our performance. These systems enable us to comply with regulations and, where laws and regulations do not exist, they provide a framework for maintaining our high standards. From the drilling of a well to the delivery of petroleum products, these expectations provide the foundation for managing risk and achieving excellence in performance in each of our business lines. Below is a partial list of our key processes and management systems, in alphabetical order.

- **Best Practices in External Affairs (BPEA)** — Our strategic planning and management tool for practicing excellence in all community relationships. The BPEA process helps us identify specific needs, expectations and interests of host communities and aligns these needs with our community investment efforts.
- **Controls Integrity Management System** — A system for assessing and measuring financial control risks, identifying procedures for mitigating concerns, monitoring compliance with standards and reporting results to the appropriate operations and management groups within ExxonMobil.
- **Environmental Aspects Guide** — Provides guidance for identifying, evaluating and assessing the potential risks for various environmental issues.
- **Environmental Business Plans** — A corporate-wide framework for addressing environmental requirements and expectations as part of the annual business cycle.
- **Environmental Data Management System (EDMS)** — A system to collect, collate and consolidate site-level data at the corporate level to help manage our environmental performance indicators globally. EDMS is being integrated with existing site-based emissions monitoring and measurement systems to allow us to collect up-to-date, site-specific information.
- **Environmental, Socioeconomic and Health Impact Assessment** — A formal analysis to identify key risks and develop strategies to manage these risks through the asset life cycle.
- **ExxonMobil Capital Projects Management System (EMCAPS)** — Provides a framework to guide project development and execution and facilitates the consideration of environmental concerns and regulatory requirements.
- **Global Energy Management System** — A management system that rigorously identifies and addresses operational energy efficiency opportunities for the Downstream and Chemical business lines.
- **IMPACT** — A single corporate-wide database for capturing and analyzing safety and environmental data on incidents, near-misses, observations, assessment findings, lessons learned and follow-up activities.
- **National Content Guidelines, Strategies and Best Practices** — Contains the key elements of a national content strategy and plan, models and tools for the successful development of national content, and roles and responsibilities at the corporate, country and project levels.



- **Operations Integrity Management System (OIMS)** — Establishes common expectations for addressing safety, security, health, environmental and social risks. OIMS provides a systematic, structured and disciplined approach to measure progress and track accountability across business lines, facilities and projects.
- **Product Stewardship Information Management System** — Applies common global processes and a global computer system to capture and communicate information on the safe handling, transport, use and disposal of our products.
- **Production Operations Energy Management System** — Incorporates a systematic approach to energy management to improve energy efficiency in Upstream operations.
- **Project Environmental Standards** — Establish environmental requirements for new projects, which provide an additional layer of environmental and social protection to the applicable regulatory requirements.
- **Standards of Business Conduct** — Define the global ethical conduct of the Corporation and its majority-owned subsidiaries. These *Standards* uphold values related to human rights, labor, the environment and anti-corruption.
- **Technology Management System** — Processes for technology investments that follow a gated management system from early technical innovation to final deployment.
- **Upstream Socioeconomic Management Standard** — Provides a combination of best management practices and minimum expectations for managing the socioeconomic considerations throughout the Upstream life cycle.

Key Processes and Management Systems

Implementing OIMS

ExxonMobil's disciplined management system, the *Operations Integrity Management System* (OIMS), establishes a common framework for addressing safety, security, health, environmental and social risks. Developed in the early 1990s,

OIMS provides a systematic, structured approach to measure progress and track accountability across business lines, facilities and projects. At the global corporate level, the OIMS Framework is built around 11 Elements, each covering a key aspect of risk across the breadth of ExxonMobil's

operations. Each Element comprises a number of Expectations, 65 in all, that provide greater detail for each Element.

OIMS Element 1, *Management Leadership, Commitment and Accountability*, outlines the

expectations of managers as they lead their organization through effective use of OIMS.

OIMS Element 11, *Operations Integrity Assessment and Improvement*, describes the requirements associated with how each operating unit evaluates the extent to which it is meeting the Expectations of OIMS.

These two Elements are often referred to as the "book-ends" of OIMS, with Element 1 being the "driver" and Element 11 providing the feedback mechanism to ensure continuous improvement. Elements 2 through 10 address the more operational, day-to-day aspects of OIMS, like Risk Assessment and Management, Facilities Design and Construction, Personnel and Training, and Incident Investigation and Analysis, among others.

In order for the 11 Elements and 65 Expectations of the OIMS Framework to be consistent and relevant across ExxonMobil's diverse operational portfolio, each unit across the Upstream, Downstream and Chemical businesses has established detailed OIMS Guidelines. These Guidelines describe how each business unit addresses the 65 Corporate Expectations relevant to that business unit's operations.

To address the Guidelines described above, and to satisfy the Expectations outlined by the 11 Elements of the OIMS Framework, every site or operating entity has in place a number of discrete, comprehensive Management Systems that provide step-by-step details of OIMS execution at the site level.



01

ENVIRONMENTAL PERFORMANCE

37%

reduction in spills since 2002

42%

reduction in combined emissions
of volatile organic compounds,
sulfur dioxide and nitrogen
oxides since 2002

An exploration vessel performing deepwater seismic activities in the Kara Sea, off the coast of Russia.

With 90 years of operations, ExxonMobil has the industry's longest history of Arctic experience.



Highlighting a Decade of Performance

Our priorities since 2002

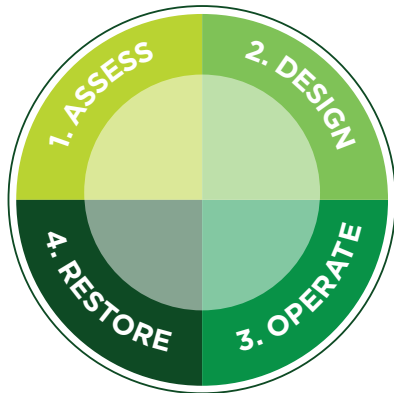
- Reduce spills to land and water with a focus on mechanical integrity and human factors**
Reduced spills 37 percent since 2002
- More fully understand and mitigate biodiversity impacts**
Assessed 108 major operating sites against International Union for Conservation of Nature (IUCN) and World Protected Areas databases, starting in 2011
- Develop *Project Environmental Standards* informed by industry good practice and other international benchmarks**
Developed *Environmental Standards* for Upstream projects and manufacturing activities on key environmental topics such as air emissions, water use and discharges, and waste management
- Increase understanding of water use and stress across our operational sites**
Assessed all 108 major operating sites using the World Business Council for Sustainable Development (WBCSD) global water tool
- Develop an internal function to remediate inactive properties and formerly owned sites**
Established ExxonMobil Environmental Services in 2007, which has stewarded the successful remediation and restoration of 860 sites

Our continued responsibilities

- Further improve our spill performance by learning from and preventing spills with high severity potential**
- Understand and manage water use and risks by identifying efficiency and reuse options in stressed areas**
- Demonstrate the safety and efficacy of hydraulic fracturing operations and build community trust around the development of unconventional natural gas**
- Proactively remediate and restore inactive properties and formerly owned sites for beneficial subsequent use**
- Develop next-generation technologies that enable continued development in Arctic regions while protecting the surrounding environment**
- Develop an approach to identifying and conserving ecosystem services around ExxonMobil sites**

Ongoing Completed

Reliable and affordable energy is essential to human progress. At the same time — like all industrial processes — energy development involves risk. ExxonMobil considers risk at every stage of development, and we continuously work to reduce environmental impacts. Rigorous standards and good practices that consider the needs of the communities where we operate guide our efforts.



Our commitment to operating in an environmentally responsible manner is anchored in our Environment Policy, which fosters appropriate operating practices and training, and requires our facilities to be designed, operated and managed with the goal of preventing environmental incidents.

Our *Protect Tomorrow. Today.* initiative guides our management processes to continuously improve environmental performance. Our business operations continue to drive enhancements in environmental performance by incorporating *Environmental Business Planning* into the annual business planning cycle.

1. Assessing our Surroundings

Our business spans the globe, and no two operating environments are the same. Our approach to environmental protection begins with a thorough understanding of local environmental and socioeconomic surroundings. This understanding is critical to superior performance.

Conducting impact assessments

For new Upstream projects, we conduct risk-based *Environmental, Socioeconomic and Health Impact Assessments* (ESHIA) to identify community concerns, environmental aspects and social and economic conditions. We then apply an “avoid, reduce, remedy” strategy to address potential risks. Our goal is to manage risks to the lowest level practical. This hierarchical mitigation approach ensures that we first consider modifying aspects of a project’s design or execution plan to avoid an impact.

The ExxonMobil *Environmental Aspects Guide* provides guidance for identifying, evaluating and assessing potential risks for various environmental aspects (defined as “elements”). We then analyze potential risks for avoidance and reduction options, and consider practical alternatives early in the project design phase. When we applied this iterative approach

during the drilling program associated with our Point Thomson project in Alaska, it led to the identification of a new environmental aspect: several polar bear dens were found near a project ice road. To avoid these dens, we re-routed the road and maintained active monitoring. Local environmental regulatory agencies have recognized this initiative.

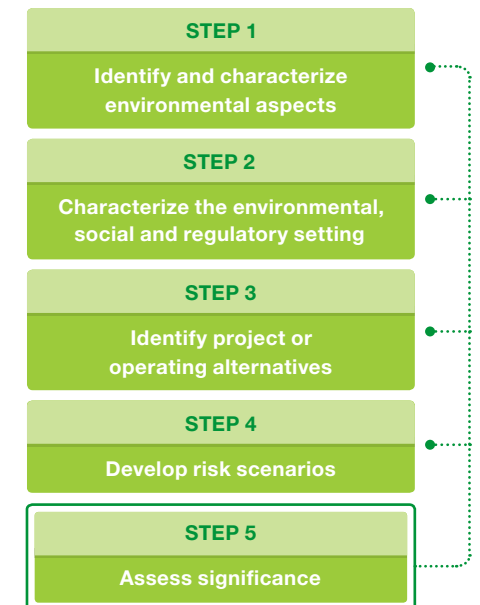
Protecting biodiversity

ExxonMobil uses a systematic approach for protecting biodiversity and ecosystem services that recognizes factors such as the rarity of individual species, their habitats, their vulnerability and their cultural value. Ecosystem services are defined as the direct and indirect benefits people obtain from the environment, such as food, water and recreation. Safeguarding the ability of the environment to provide important services is a key risk management focus for ExxonMobil.

We identify biodiversity protection objectives and consider ecosystem services through the ESHIA process, the preparation of *Environmental Management Plans* and our *Environmental Business Planning* efforts. We are continuously looking for new tools and analytical methods to better understand local biodiversity conditions and ecosystem services. For example, ExxonMobil researchers developed a new framework to characterize marine environmental sensitivities by prioritizing ecosystem services depending upon habitat types and ecosystem components in the region of interest. During 2012, we piloted this framework in an analysis of the Gulf of Mexico. This pilot identified high-value ecosystem services and helped select appropriate monitoring indicators for ecosystem health. Further development work will involve seeking stakeholder input on the framework and sharing the good practice more widely.

In 2012, we screened our major sites against databases of the IUCN and World Protected Areas. We confirmed that less than 20 percent of our 108 major Upstream, Downstream and Chemical facilities are within five kilometers of designated environmentally protected areas. As part of the Upstream ESHIA process for projects, we develop plans if elevated biodiversity or species risks exist.

Identification and Assessment of Environmental Aspects is an Iterative Process



When undertaking major projects, we start by identifying aspects — such as roads, pipelines or equipment — that have the potential to interact with the environment, and then we develop strategies to avoid or manage those aspects.

Environmental Performance

We also assess existing environmental management practices to safeguard local biodiversity. For an expansion project at our Longford gas processing and crude oil stabilization plant in Australia, we conducted an ecological assessment that identified biologically diverse woodland areas in the immediate vicinity. To avoid disturbances from construction, we relocated some of the roadways in our expansion plans.

In 2012, we continued to roll out the Papua New Guinea liquefied natural gas project's biodiversity offset program. Based on recommendations from Conservation International, and following extensive engagement with local organizations and communities, the biodiversity offset program was designed both to strengthen existing protected areas and establish new protected areas. In addition to on-the-ground conservation, the program includes a capacity-building component to further the conservation platform in Papua New Guinea, work at the regional level to support development of a regional protected area system, and work at the national level to support the implementation of Papua New Guinea's commitments under the Convention of Biological Diversity.

By the end of 2012, we actively managed more than 3,000 hectares of land for the benefit of wildlife at 21 ExxonMobil sites, compared with 140 hectares in 2009. A noteworthy accomplishment in 2012 was that the Kearl site, located in Canada, received Wildlife Habitat Council (WHC) Wildlife at Work certification. ExxonMobil plans to continue engaging with WHC in the development of educational and outreach opportunities on company sites through a Corporate Lands for Learning (CLL) program. Currently, ExxonMobil has five programs achieving CLL status for promotion of environmental awareness, biodiversity and science initiatives.

In 2012, we held the first ExxonMobil Wildlife Workshop with individuals representing ExxonMobil projects, operations and contractors

from across the United States, Canada, the United Kingdom and Singapore. The workshop covered the effects of oil on wildlife, incident-response good practices, invasive-species awareness and lessons learned. A second Wildlife Workshop is planned for 2013 to continue strengthening ExxonMobil's capacity in wildlife emergency response.

3,000
hectares of land managed
for the benefit of wildlife

We seek to partner with non-governmental organizations to implement biodiversity- and conservation-related programs with measurable, scientific results. In 2012, ExxonMobil contributed nearly \$1.3 million to organizations dedicated to biodiversity protection and land conservation. We also support organizations focused on improving the quality and quantity of species data, such as the United Nations World Conservation Monitoring Centre and NatureServe, to enhance industries' environmental protection and planning.

2. Designing our Facilities

Wherever we operate, we follow local environmental regulations. In places where regulations are not fully developed or implemented, we operate to standards that are protective of the environment.

Our *ExxonMobil Capital Projects Management System (EMCAPS)* provides a framework to guide project development and execution. EMCAPS facilitates the consideration of environmental concerns and regulatory requirements early in the project design and implementation process. We continue to develop *Project Environmental Standards* for each of our business lines. The standards focus on the most common types of



Local workers returning to the southern beaches of Bioko Island after taking supplies to an expedition camp in the Gran Caldera de Luba volcanic crater. The Bioko Island Biodiversity Protection Program provides more than 40 local residents with employment. Photo by Caroline Laine.

Stakeholder Engagement: Biodiversity Protection

For more than 15 years, ExxonMobil has supported the Bioko Island Biodiversity Protection Program (BBPP) in Equatorial Guinea, in association with Drexel University in the United States and the National University of Equatorial Guinea (UNGE). The cultural exchange between U.S. and Equatorial Guinea professors and students extends far beyond the scientific scope of this biodiversity protection program.

“ExxonMobil recognized early on that the BBPP was effective in both saving the biodiversity of Bioko Island and in building capacity in rural communities and at UNGE.”

— Dr. Gail Hearn, Drexel University

Bioko Island, located 20 miles off the Gulf of Guinea coast in West Africa, is considered biologically diverse, with critical habitat for seven species of endangered monkeys and four species of nesting sea turtles. These rare species are frequent targets of poachers and commercial hunters, but with ExxonMobil's support, the BBPP deploys wildlife patrols to monitor the legally protected areas of the island through a monthly census. The ExxonMobil Foundation also provided funding to open the Moka Wildlife Center, the country's first biological field station. The center hosts training sessions and wildlife research programs. BBPP's efforts have also contributed to passing legislation that promotes conservation and bans the hunting of endangered primates throughout Equatorial Guinea. In 2013, BBPP plans to implement educational outreach programs for local school children.

Environmental Performance

environmental and socioeconomic impacts associated with the oil and gas industry. As a part of the process, we studied existing and proposed regulations of a number of countries, as well as the environmental guidelines established by several international organizations, including the World Health Organization. These standards, which apply to new projects, can constitute an additional layer of protection beyond host country regulatory requirements and help ensure that we operate in an environmentally and socially responsible manner.

To date, we have developed standards in the areas of air emissions; flaring and venting reduction; energy efficiency; marine geophysical operations; socioeconomic management (see page 60); water management; drill cuttings discharge; land use and waste management. We assess our facilities every three to five years using our *Environmental Aspect Assessment* to verify that our standards are being implemented and to facilitate continuous improvement.

Arctic resources

The Arctic represents the world's largest remaining region of undiscovered conventional oil and gas resources. Developing these resources

presents technological, environmental and social challenges. ExxonMobil has a strong portfolio of assets and opportunities in a range of Arctic environments, some of which we have held for 30 years or more.



ExxonMobil's portfolio of assets and opportunities is located in a range of Arctic environments. This map is representative of our assets through year-end 2012.

The company's efforts in the Arctic begin by gaining a scientific understanding of the environment. For example, ExxonMobil conducted extensive environmental baseline studies in the Canadian Beaufort Sea to gather credible data to support our recent offshore seismic program. We are also participating in environmental habitat studies offshore Greenland that include whale migration, fisheries resource assessment, migratory bird habitats and understanding the impact of resource development on indigenous communities. Detailed environmental and fishery studies conducted in the Kara Sea, north of Siberia, during the summer of 2012 included observations of marine mammals. In 2013, we also plan to conduct field monitoring for detecting sensitive coastal areas in the region.

Design and operational plans in Arctic locales, similar to everywhere we operate, are based on the goal of reducing adverse environmental impacts. On Sakhalin Island, our extended reach drilling technologies have allowed for field development from land by drilling 40,000 feet horizontally under the sea. Extended reach drilling technology reduces underwater noise and limits our offshore presence. We also use special earthquake- and frost-resistant pipelines in some northern areas.

3. Operating with Integrity

ExxonMobil reduces potentially adverse environmental impacts by operating our facilities with integrity. Employees are expected to prevent environmental incidents and respond quickly and effectively when incidents do occur.

Freshwater management

In the communities where we operate, we evaluate how our activities impact water quality, availability and demand. We actively manage our water consumption and seek opportunities to reduce, reuse and recycle water in our operations.

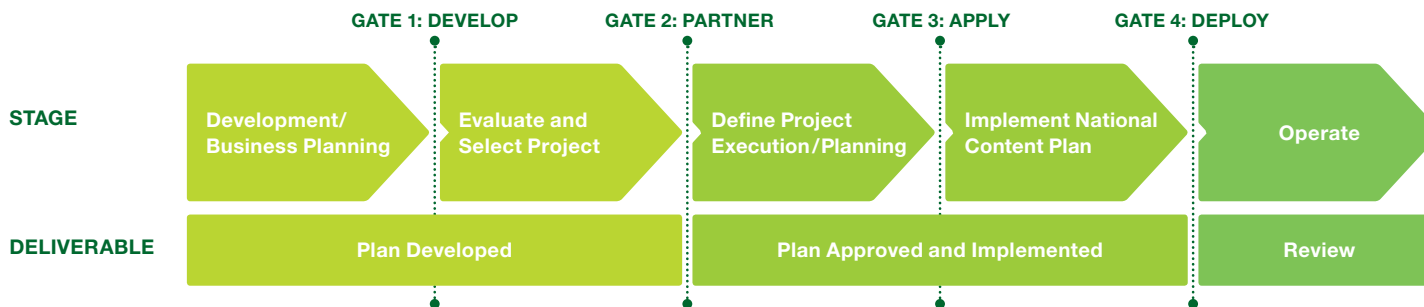
The oil and gas industry requires water, including freshwater, in its operations. We use water in the extraction, processing and refining of hydrocarbons and for cooling at our facilities. Globally, agriculture is the major user of water at about 70 percent of total water withdrawals. Industry use (including the oil and gas industry) is less than 5 percent of total withdrawals, even in the highest income countries.

In 2012, the net freshwater consumption at our operations was 2,083 million barrels, representing an 11 percent decrease from 2011. We use a wide range of approaches to reduce water use and preserve water quality, including on-site recycling and water reuse, sourcing treated wastewater for use as process water, employing processes to decrease water needs and appropriately treating wastewater prior to its discharge.

In Nigeria and Germany, rain is harvested for use in preparing drilling fluids. During heavy rain days, up to 500 barrels can be collected, and in most cases, the rainwater accumulated exceeds the water amount needed at the rig site.

At the Cold Lake operations of our Canadian affiliate, Imperial Oil, we pioneered produced water-recycling techniques in the oil sands industry in Western Canada for steam generation. As a result of this long-term investment, coupled

ExxonMobil Capital Projects Management System



ExxonMobil integrates and stewards environmental and social considerations into project planning through ExxonMobil's Capital Projects Management System (EMCAPS). This system consists of several gates, each of which must be completed prior to moving to the next stage of project development or execution.

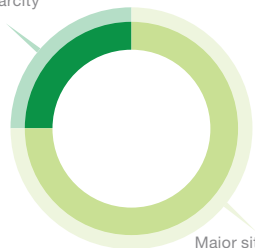
Environmental Performance

with research and the use of alternative saline groundwater sources, we have been able to reduce our freshwater-use intensity by 90 percent since 1985. We have additional conservation initiatives under way targeted to continue to further reduce freshwater use by 2014.

To reduce the potential impact on other water users, we compare our water usage requirements with availability during various seasons to identify sensitivities, associated risks and opportunities. We continue to use the WBCSD global water tool to identify regions where we operate that may have water scarcity concerns. Information about water stress and scarcity in the vicinity of our operations serves as an important part of risk management. Of our 108 major operating sites, we identified about 25 percent operating in regions that may have some degree of water stress or scarcity. These areas are located in 15 countries. ExxonMobil performs this screening exercise each year after the WBCSD updates the global water tool with new sensitivity data. As a result, the company has a greater focus on water supply resources in *Environmental Business Plans* for each operation site, which take a five-year look ahead.

Regional Water Availability¹

Major sites located in areas with some degree of water stress or scarcity
25%



Major sites located in areas with no degree of water stress or scarcity
75%

¹Results based on an assessment of our 108 major operating sites using the WBCSD's global water tool.

Wastewater management

Oil and gas production and refining operations produce wastewater that requires treatment before its discharge or disposal. Treatment methodologies range from the removal of suspended hydrocarbons and solids from produced water brought to the surface during oil and gas production to multi-stage biological treatment systems for refinery wastewater. Regardless of the treatment type, we closely monitor wastewater effluent to protect local surface and groundwater resources. For example, the Baton Rouge Refinery has started construction of an advanced biological wastewater treatment facility that reduces total nitrogen loading by an additional 500 tons per year. This voluntary reduction will have direct environmental benefits on the Gulf of Mexico, where high levels of nitrogen over several years has created a dead zone, or an area of low oxygen.

Spill prevention

When assessing potential impacts to water or land, spill prevention is a top priority. ExxonMobil's OIMS requirements help prevent spills by building in layers of redundancy, outlining procedures for the proper inspection and maintenance of equipment, providing comprehensive training materials for our operators, emphasizing regular performance of tests and drills, and allowing us to maintain a relentless focus on safety.

In 2012, we maintained our commitment to spill prevention and improved performance relative

Freshwater Consumption

(millions of barrels)



ExxonMobil Upstream Research Company President Sara Ortwein and Qatar University President Professor Sheikhha Abdulla Al Misnad sign a partnership between ExxonMobil and Qatar University to research industrial wastewater reuse technologies.

Up Close: Partnering for Water Research

Technological advancements allow ExxonMobil to drive continuous improvement in mitigating the environmental impact of energy development. In October 2012, Qatar University and ExxonMobil entered into a year-long partnership to research industrial wastewater reuse technologies. In particular, researchers plan to study phytoremediation, a process using plants to clean and process industrial wastewater naturally in an engineered wetlands system. Treated wastewater could then be reused in non-potable applications, such as park or green-space irrigation.

“Qatar University is proud to contribute research that addresses Qatar’s need for increased water resources, and partnering with ExxonMobil in these efforts highlights the importance we place on the wider community’s needs in terms of water reliability and sustainability. We believe this research will contribute to the goals and objectives stated in the Qatar National Vision 2030 and the National Development Strategy 2011–2016.”

— Professor Sheikhha Abdulla Al Misnad, Qatar University President

Environmental Performance

to 2011. The total volume of hydrocarbons spilled to land or water in 2012 was about 9,000 barrels, with nearly 40 percent recovered at the spill sites. The number of hydrocarbon spills greater than one barrel in 2012 was 24 percent lower than in 2011.

In 2012, ExxonMobil continued implementation of the *Global Human Factors Best Practice Guide* in the Downstream business. This *Guide* focuses on spill prevention by acting on human risk assessment and prevention considerations, including training, awareness and sharing lessons learned.

Marine vessel spill performance

During 2012, vessels owned and operated by ExxonMobil's marine affiliates surpassed more than six years without any spills to water. Additionally, the vessels we utilize on long-term lease had no cargo or fuel spills for a third consecutive year. The marine fleet, which represents approximately 650 vessels in daily service, safely transported more than 1.8 billion barrels of crude oil and refined products worldwide in 2012. Safe marine transportation involves many factors, such as management policies and procedures, crew training and competencies, vessel design and maintenance, port infrastructure and regulatory oversight.

Offshore spill response

The first component of protecting the environment during offshore activities is preventing spills from happening. In the event of a spill, we work to make effective containment equipment and dispersants readily available.

ExxonMobil partnered with several companies in 2010 to form the non-profit Marine Well Containment Company (MWCC) to develop a rapid-response oil spill containment system for the Gulf of Mexico. As part of this initiative, ExxonMobil continues to lead a multi-disciplined project team, in partnership with nine other

companies, to expand the capabilities of MWCC's existing containment system. This specially designed equipment will be usable in water depths of up to 10,000 feet and can capture up to 100,000 barrels of oil per day. The expanded containment system, expected to be completed in 2013, will be able to process, store and offload captured oil safely.

Oil spill response strategies are designed to reduce environmental impacts to the extent practicable. Although mechanical recovery is favored for its ability to remove oil from the environment directly, this approach has limitations when responding to large offshore spills. Therefore, ExxonMobil has developed two new treating agents to aid oil spill response efforts. The first is a new dispersant that treats conventional oils with two-thirds less product than other formulas. The second supports the controlled burning of oil in icy environments.

Arctic spill response

As more of ExxonMobil's opportunities are located in Arctic and cold weather climates, we developed a new training program focused on spill response tactics in these environments. In 2012, the course was offered in Edmonton, Alberta. Participants came from across the Corporation, including projects, operations, pipelines and corporate representatives from Canada and the United States. While many of the basic oil response techniques remain unchanged, the addition of ice and frozen conditions creates a number of logistical and environmental challenges. Training such as this, along with participation in drills and exercises related to oil spill response, are key components of ExxonMobil's emergency response framework. We have the industry's only

We have the industry's only dedicated, in-house oil spill response research program.

dedicated, in-house oil spill response research program and have led several joint industry projects to enhance oil spill response in ice-bearing waters. Most recently, ExxonMobil, along with eight other companies, formed the International Oil and Gas Producers' Arctic Oil Spill Response Joint Industry Program. This three-year, \$20 million initiative will expand industry knowledge of, and capabilities for, Arctic oil spill prevention and response.

Pipeline spill prevention and response

ExxonMobil Pipeline Company (EMPCo), a subsidiary of ExxonMobil, is committed to operating its pipelines in a way that protects

public safety and the environment. Each day, we transport about 2.8 million barrels of petroleum and chemical products through approximately 8,000 miles of pipeline in 11 U.S. states and the Gulf of Mexico. We use a comprehensive integrity management program that guides us in operating our facilities and pipelines safely, reliably and with environmental care. We regularly test and maintain our pipelines to detect corrosion and other integrity concerns. We patrol pipeline routes on the ground and in the air and closely monitor pipeline operations around the clock. State-of-the-art systems, alarms and other technologies are used to control and monitor pipeline systems. We work diligently to prevent pipeline incidents, but in the event of a pipeline emergency, we are prepared to respond quickly. We regularly communicate, plan and practice with local fire and police departments to ensure that our response to an incident will be well-coordinated and effective.

In accordance with government regulations, we post our company name and 1-800 emergency notification telephone numbers on signs along the right of way for all buried pipelines at road and rail crossings. We also maintain a robust, documented public education program that includes biannual distribution of pipeline safety awareness bulletins to our neighbors in the communities near our pipelines. In the event of a significant incident, EMPCo may set up a hotline for community requests and go door-to-door to help address community concerns.

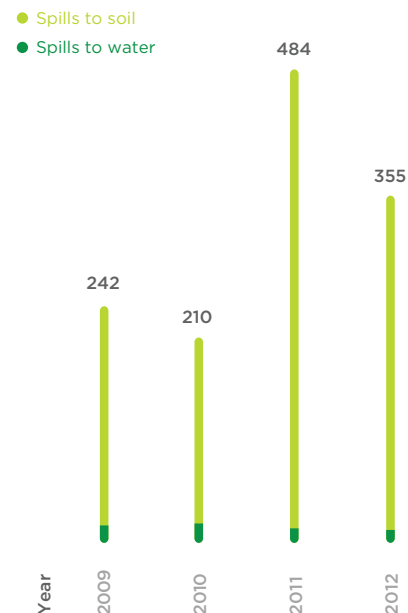
Air emissions

We continue to seek opportunities to reduce environmental impacts from our operations by reducing air emissions.

In 2012, our combined emissions of volatile organic compounds (VOCs), sulfur dioxide (SO₂) and nitrogen oxides (NOx) decreased by

Other Spills (Not from Marine Vessels)

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



Environmental Performance

nearly 8 percent from 2011, and has decreased 42 percent from 2002 levels.

For new projects, we evaluate the purchase of equipment like gas turbines that can reduce NOx emission levels. At our Baytown Olefins Plant, we deployed enhanced programs using a “SMART LDAR” camera that detects leaks and other fugitive emissions sources. In its first full year, the site estimates a 10 percent reduction in VOC emissions. We have purchased additional cameras and are increasing use of them globally.

Waste management

Our first waste management priority is to avoid its generation, and then to reuse or recycle waste wherever possible. As a simple example, our newly designed work gloves offer better hand protection and can be washed and reused. Following the introduction of these gloves in Malaysia, conventional glove disposal dropped more than 85 percent.

The remote locations associated with our Papua New Guinea liquefied natural gas project pose waste management challenges due to the lack of existing acceptable waste management infrastructure. To reduce the amount of waste sent to project incinerators and landfills, we developed a waste disposal hierarchy and monthly waste metrics to visualize progress toward improved waste management. Every month, contractors prepare graphs showing the amount of waste landfilled, incinerated and reused or recycled. In 2012, the Papua New Guinea onshore pipeline contractor employed a number of waste reduction and recycling measures, which yielded an 80 percent decrease in the amount of expected waste for the year.

In our Fuels & Lubricants business, we have undertaken a “zero net waste” program. During 2011, we tracked waste data and set a baseline for major waste categories, including cardboard,

Air Emissions

(millions of metric tons)



used oil, pallets and plastic. In 2012, we focused on a few pilot locations to identify waste reduction and disposition practices that can be integrated into site programs when the “zero net waste” findings are implemented globally.

In 2012, we safely disposed of 2 million metric tons of hazardous waste from our ongoing operations. Of this amount, 1.9 million metric tons, or 95 percent, was produced water, which is classified as a hazardous waste by only one local authority. Across all other countries where we operate, produced water is not classified as a hazardous waste and is usually reinjected using deep disposal wells or discharged offshore after having first been treated to remove residual oil to meet regulatory limits. In total, we reused or recycled about 60 percent of the hazardous waste generated by our operations (excluding produced water).



Up Close: Environmental Sustainability in the Supply Chain

We have made significant strides in improving supply chain environmental sustainability to make our business more efficient. Our Procurement Sustainability Network aims to align our key suppliers with our environmentally sustainable supply chain initiatives. In 2012, this group taught 200 staff members about the importance of procurement sustainability and initiated a specific process to brainstorm improvements with key suppliers. We are planning to add environmental and social sustainability metrics to our strategic sourcing process to reduce our impact further. In addition, ExxonMobil Global Procurement is working with other large corporations to improve our understanding of methods to assess environmental compliance and social responsibility beyond first-tier suppliers.

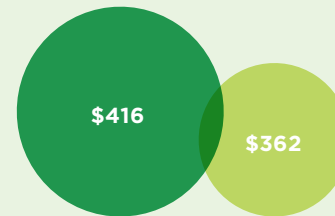
Our strategic sourcing specialists are already identifying opportunities to procure more environmentally sustainable products. For example, we now purchase high-efficiency electric motors used to power pumps in our operations. There are hundreds of these pumps in many of ExxonMobil’s manufacturing facilities or chemical plants. Compared with conventional motors, these motors reduce electricity use by 3 percent and long-term costs by 13 percent. To date, we have purchased more than 1,000 high-efficiency motors for U.S. Gulf Coast manufacturing sites.

ExxonMobil’s Total System Cost philosophy drives the optimization of shipping routes for our materials and equipment. Recently, one of our key shipping suppliers, Maersk, achieved energy-efficiency savings and a 16 percent reduction in carbon dioxide emissions with an optimized supply chain configuration.

Conventional Versus High-Efficiency Motors

Total life-cycle cost (in thousands)

● Normal motor ● High-efficiency motor



Life-cycle cost breakdown (in thousands)

● Normal motor ● High-efficiency motor



Environmental Performance

We also produce hazardous waste, such as contaminated sediments and sludges, from remediation activities. In 2012, remediation activities generated approximately 1.7 million metric tons or 43 percent of our hazardous waste, which was safely disposed of in compliance with applicable regulations.

Drilling waste

Waste at drilling sites is separated into major categories — such as chemical, organic, inorganic and metal — to be disposed of or recycled appropriately. When disposing of cuttings from drilling operations, ExxonMobil analyzes a variety of local factors to determine optimal techniques that are both cost-effective and protective of the environment.

We may send cuttings to designated landfills, grind and inject them into deep wells, or treat and discharge them into the sea. Before disposing of cuttings, we collect and analyze samples to confirm that we are meeting local regulatory criteria.

Compliance record

Our worldwide environmental expenditures in 2012 totaled about \$5.5 billion. This included about \$2 billion in capital expenditures and approximately \$3.5 billion in operating expenses. In 2012, 80 penalties, fines and settlements were paid, which accounted for less than 1 percent of total environmental expenditures, or about \$2 million.

In 2011, ExxonMobil Pipeline Company (EMPCo) experienced a breach in its Silvertip Pipeline, resulting in the release of an estimated 1,509 barrels of crude oil into Yellowstone River near Laurel, Montana. EMPCo entered into an agreed-upon Administrative Order on Consent (AOC) with the Montana Department of Environmental Quality in 2012 to resolve civil and related liabilities under state environmental laws resulting from the July 2011 spill. Under the AOC, EMPCo agreed to

pay a civil penalty totaling \$1.6 million, including \$300,000 in cash payments and \$1.3 million in Supplemental Environmental Projects that will be initiated in 2013. EMPCo reimbursed the state approximately \$760,000 for past costs incurred by the state in responding to the release. We also agreed to conduct any needed additional remediation activities associated with the release and to reimburse the state for future oversight costs.

4. Restoring the Environment

Efficiently remediating and restoring disturbed land is central to reducing our overall environmental impact. To that end, we use a consistent approach that leverages ExxonMobil's remediation practices around the world.

The ExxonMobil Environmental Services (EMES) functional organization remediates impacted soil and groundwater at operating facilities, inactive properties and formerly owned sites. EMES works to enhance asset and community value and also supports new business development, while creating opportunities for the beneficial subsequent use of inactive properties.

8,000
cases monitored
by EMES

In 2012, EMES continued to monitor more than 8,000 cases in its portfolio. Our remediation and reclamation activities included the disposition of nearly 2,400 hectares of land for beneficial use. Since EMES' inception in late 2007, we have spent more than \$3.8 billion in project activities and returned some 860 properties to beneficial use. EMES pursues its environmental stewardship mission with nearly 300 employees working with approximately 40 environmental consulting firms.



Workers at our Kearl development in Canada. In 2012, Kearl became the first oil sands mining development to receive the Wildlife Habitat Council's Wildlife at Work certification.

For example, as part of remediation activities for a former Virginia-Carolina Chemical Company fertilizer plant, ExxonMobil developed a habitat reclamation plan to return property back to grassland and forest. The plant operated from 1897 to 1932 in Blacksburg, South Carolina. Remediation work included reinstating a stream and wetland traversing through the site using native species, and improving water quality by installing a vegetated stream. ExxonMobil is donating the 13-acre site to the Town of Blacksburg for conservation use. The town is working with a local land trust, Upstate Forever, to develop the property for the local community to access for recreational use. We anticipate this transfer of property will occur in 2013.

In Baltimore, Maryland, a developer has begun construction of a shopping mall, offices and a town center on land that was once part of our Baltimore refinery and products terminal. Operations ceased at the site in 1998, and at the portion of the property that will be developed, we have completed remediation activities, including product recovery, soil treatment and pipe removal. EMES is currently working with the developer

to finalize additional construction plans, while upgrading a major city storm drain and working with the city and state on a planned light-rail extension. The first stores are planned to open in November 2013.

Technology

A combination of proven and new technologies is required to investigate, model and remediate impacted soil or groundwater. One of the ways EMES promotes technological advancement and stays abreast of cutting-edge developments is through financial support and active participation in the University Consortium for Field-Focused Groundwater Contamination Research, an affiliation of eight North American research institutes that collaborate with an additional 14 organizations around the world. At our Bayonne, New Jersey, facility, we recently partnered with a researcher to test several innovative technologies to understand and quantify some of the fundamental natural processes associated with hydrocarbon migration and biological decay, and new methods to enhance the speed of the remediation process.

Environmental Performance

Another example of a technology application related to remediation is Imperial Oil Environmental Services' specialized soil treatment facility for soil salvage and land reclamation activities in Canada. This innovative, technologically advanced facility accepts hydrocarbon-impacted soil from inactive sites and uses a bioremediation system to clean and rehabilitate it. Once the soil in treatment is determined to meet applicable guidelines, it goes back to the original site for use as backfill. This system has provided 47,000 metric tons of treated soil to nine remediation projects since 2008.

Land conservation

Since 2002, ExxonMobil has engaged with the Land Trust Alliance (LTA), contributing more than \$500,000 toward LTA's annual conference and general education programs. EMES also participates in an LTA work group to advance corporate engagement efforts related to land conservation. Through the application of natural land management strategies and proactive stakeholder engagement, EMES continues to consider land conservation as a viable end use option, which includes transfer of ownership to

enact permanent environmental protection as a disposition option for surplus sites. This latter approach was successfully employed at two former waterfront terminals located along the Long Island Sound on Long Island, New York.

In 2012, ExxonMobil transferred ownership of our former Cold Spring Harbor Terminal along Cold Spring Harbor and Oyster Bay Estuary in Huntington, New York, to the North Shore Land Alliance. As part of this transaction, ExxonMobil also worked with the local Peconic Land Trust to

steward a conservation easement to ensure the property was preserved in perpetuity as natural habitat and open space.

In a similar transaction, ExxonMobil, the Peconic Land Trust, the Town of Southold, New York, and the Village of Greenport collaborated to reclaim and preserve a former terminal property. ExxonMobil transferred the land to the Peconic Land Trust to oversee the reclamation, and donated a deed of conservation easement to Southold, with Greenport as a party to the easement.



An aerial view of the Mobil Adelaide Refinery in South Australia. ExxonMobil mothballed the refinery in 2003 and the site will be remediated to a standard suitable for future industrial use.

Up Close: Site Decommissioning and Demolition in Adelaide, Australia

ExxonMobil mothballed the Mobil Adelaide Refinery at Port Stanvac in South Australia in 2003 and began demolition in 2012. By the end of 2013, demolition of above-ground infrastructure is expected to be completed. The site will then be remediated to a standard suitable for future industrial use. Preparation for demolition work of the refinery began in early 2010, and the property was transferred to the EMES portfolio. The project team includes experienced refinery personnel to assist with the decommissioning strategy development, validation of the plant condition, identification of associated hazards and preparation for demolition.

Following the closure of the refinery, ExxonMobil engaged a South Australian Environment Protection Authority (SA EPA)-accredited Site Environmental Auditor to oversee regular environmental assessments of the refinery site and ensure there were no offsite impacts from former refinery operations, particularly on adjacent marine waters. ExxonMobil's environmental consultants are collecting and analyzing samples from nearly 150 groundwater wells around the site, and they are monitoring the health of the offshore marine environment. Much of the work to assess the environmental condition of the site and prepare remediation plans will be completed following the demolition of the refinery.

In the meantime, ExxonMobil has entered into a Voluntary Site Contamination Assessment Proposal with the SA EPA, under which we have committed to carry out certain environmental assessment and remediation activities. We are taking every precaution to limit the impacts of this project on our neighbors and keep them informed of our project activities. We give periodic briefings to the local city council. We also regularly provide updates about our activities to the adjacent community by attending community meetings, publishing briefings in the community newsletter, sending out mailings and conducting in-person visits as necessary. Although we have not operated the refinery for many years, ExxonMobil has continued its contributions to schools and other community organizations neighboring the facility.

"Many corporations today have significant land holdings... ExxonMobil recognizes the important role companies can play in our vital work to make communities healthy and vibrant places to live, work and play. As a founding member of the Land Trust Alliance's Corporate Council, ExxonMobil's leadership has been instrumental in helping us partner with other like-minded companies interested in supporting land conservation."

— Rand Wentworth,
President, Land Trust Alliance



Photo courtesy of the Land Trust Alliance, Katherine Lambert, photographer.



CASE STUDY

UNCONVENTIONAL NATURAL GAS DEVELOPMENT



It is in everyone's benefit for the industry to respond to public concerns and build community trust around the development of unconventional natural gas.

By 2040, we expect that natural gas will account for more than 25 percent of the world's energy, and will have overtaken coal as the second-largest energy source. The economic and environmental implications of this shift are promising. For example, the switch to natural gas has already contributed to a reduction in greenhouse gas (GHG) emissions in the United States. In addition, in 2012, unconventional oil and gas production contributed \$62 billion in federal, state and local government revenues in the United States, according to IHS Global Insight.

Yet high-volume hydraulic fracturing, which is used to develop unconventional natural gas, continues to prompt significant questions from stakeholders. It is in everyone's benefit for the industry to respond effectively to these public concerns. Establishing trust with local communities and stakeholders supports a stable regulatory environment, which, in turn, allows energy producers, electricity providers and manufacturers to make long-term decisions about investments in new power plants, labor, energy efficiency initiatives and future production. These benefits can have significant economic multiplier effects in society.

In the past 60 years, oil and gas producers have employed hydraulic fracturing to access more than

1 million wells safely and effectively. In recent years, combining hydraulic fracturing with horizontal drilling has enabled the energy industry to produce oil and gas economically from shale formations. These technologies and responsible practices used for drilling unconventional natural gas wells are the same as those used in conventional oil and gas wells, geothermal wells and water wells; these practices are well established and are effectively regulated.

Regulations and Responsible Practices

Stable regulatory frameworks, coupled with sound operational practices, can assure the public that unconventional natural gas can be developed in a safe and environmentally responsible manner. Experience shows that the most effective approach to implementing regulations utilizes the knowledge and expertise of regulators who are familiar with the geological and environmental conditions in their home state.

States have regulated hydraulic fracturing for decades in the United States. Nearly 99 percent of all natural gas exploration activities in the United States take place in 27 states, all of which have permitting requirements that govern

the siting, drilling, completion and operation of wells, including hydraulic fracturing. As the development of unconventional natural gas continues to grow, it is important that state governments maintain their capacity for appropriate oversight and regulation. For this reason, ExxonMobil and General Electric initiated unconventional oil and gas training for state regulators and policymakers and are each investing \$1 million to help regulators gain the most up-to-date knowledge to enable effective oversight as resource development grows.

In the Marcellus Shale region in the northeast United States, ExxonMobil and other members of the Marcellus Shale Coalition are developing and publishing guidelines covering key aspects of oil and gas development, including well construction, site reclamation, air quality and water management. These guidelines represent good practices learned from our drilling experience in the Appalachian region of the United States. For the past three years, ExxonMobil has chaired the American Petroleum Institute working group that developed three recommended-practice documents encompassing the life cycle of unconventional hydrocarbons. A fourth guidance document, focusing on community engagement, is now being developed.

Addressing Challenges Through Research and Innovation

Technological advances brought us the unconventional resource "revolution," and industry

continues to research and innovate to improve operations and address environmental challenges. A few examples of ExxonMobil's engagement efforts in this area include:

- Collaborated on a major study (to be published in 2013) that provides precise measurements of methane releases to help guide improved policymaking;
- Used data from XTO for a life-cycle analysis of GHG emissions and water use (published April 2013);
- Partnered with a major service company to explore substituting reused produced water instead of freshwater for hydraulic fracturing in certain basins; technical results indicated a potential net savings of an estimated 8 million gallons of freshwater and approximately 1,400 avoided truck hauls of wastewater;
- Conducted research within the ExxonMobil Upstream Research Company to increase performance in hydraulic fracturing operations and reduce our environmental footprint;
- Created an internal scientific team to understand seismicity issues and facilitate the development and application of science-based risk management principles regarding this issue; members of the team have discussed findings and mitigation approaches with industry colleagues, academics and government officials in Asia, Europe, South America and the United States.

Key Public Policy Issues

All industrial processes have risks, and the production of unconventional natural gas is no different. Stakeholders are concerned about how industry manages risks close to their homes and businesses, including those related to groundwater, methane venting, wastewater management, vehicle traffic and other related effects. We will continue to take a leadership role in working collaboratively with communities, regulators and industry associations to manage operational risks and address these questions and concerns.



Reducing Community Impacts

Our industry has made strides to reduce the surface footprint of our operations and facilities, as well as traffic and sound disruptions. For example, directional drilling techniques enable us to drill multiple wells from a single location, significantly reducing the surface area required to develop this resource. To lessen traffic disruptions, we discuss truck requirements and schedules with local communities; for example, traffic required to carry equipment, materials and fluids to the site can use designated routes during specific hours of the day and week. To reduce noise, acoustic sound barriers can be installed around the perimeter of a drilling well.



Water and Wastewater Management

A typical well employing hydraulic fracturing requires approximately 3 million to 5 million gallons of water, which is equivalent to three to six Olympic-sized swimming pools. Although this amount of water is significant, shale gas is one of the more water-efficient sources of energy. For example, coal mining typically utilizes two to four times more water per unit of energy, and corn-based ethanol production often uses more than 1,000 times more water per unit of energy.

Where feasible, ExxonMobil recycles water to limit environmental impacts and reduce the burden on local water infrastructure. As necessary, we also lay pipelines to transport freshwater to our sites, which reduces truck traffic and the need for pits to store freshwater temporarily. In all cases, ExxonMobil appropriately treats or disposes of remaining by-products according to local, state and federal regulations.



Groundwater

When drilling a well, we install a series of protective steel piping and cement layers that create an impermeable barrier between the well and groundwater zones. Each layer is tested and monitored to ensure the well's integrity throughout its life. When performed properly, fracturing fluids do not come into contact with drinking water reservoirs at any point in the process. In fact, hydraulic fracturing typically takes place thousands of feet below the water table — isolated from drinking water by multiple layers of impermeable rock.

One vital component of building community trust is transparency. ExxonMobil supports the disclosure of the ingredients used in hydraulic fracturing fluids, including on a site-specific basis. In the United States, disclosures appear on the publicly accessible FracFocus.org website. In Canada, the public can access FracFocus.ca for industry disclosures in British Columbia and Alberta. We are pursuing similar disclosure approaches in Europe and other areas where we are exploring internationally. In addition, ExxonMobil works with first responders in local communities to provide training and information in case of a spill.

Since local groundwater conditions, geology and well needs vary across our operations, we conduct risk assessments at every site, and then develop comprehensive, tailored risk mitigation measures. In accordance with government regulations, our industry is conducting water quality tests within 2,500 feet of Pennsylvania drilling sites. In addition, the Marcellus Shale Coalition is developing a robust pre-drill water quality database. This first-of-a-kind library will serve as an important environmental and public health tool to help address water quality challenges that have persisted in rural communities for decades.



CASE STUDY

EMPLOYING NEW TECHNOLOGY TO UNLOCK CANADIAN OIL SANDS

ExxonMobil and Imperial Oil understand there is concern among a range of stakeholders regarding the development of oil sands. Innovation in oil sands technology underpins our ability to continue to develop this resource safely and responsibly.

Canada's oil sands are an immense resource, ranking third behind Saudi Arabia and Venezuela in proven reserves. Future development of Canadian oil sands reserves will likely provide a measure of energy security in the United States and economic benefits throughout North America.

Nevertheless, stakeholders have raised concerns about the development of oil sands, particularly regarding greenhouse gas (GHG) emissions, land use, water use and tailings ponds. Our challenge as an industry is to ensure that we continue to move forward in developing this globally important resource in a thoughtful and responsible fashion. ExxonMobil and our Canadian affiliate, Imperial Oil, are developing and deploying incremental and game-changing technologies to improve efficiency and reduce environmental impacts at our oil sands facilities. Taken together, new technologies will enable ExxonMobil to produce Canada's oil sands with about the same life-cycle GHG emissions levels as many other crude oils refined in the United States.

Oil Sands Production

Oil sands are a naturally occurring mixture of heavy oil — called bitumen — water and sand. Producers use mining or in-situ extraction methods to recover bitumen, depending on the depth of the reserves. For in-situ recovery,

producers inject steam into underground reservoirs that contain bitumen. The steam heats the bitumen and reduces its intensity, enabling it to flow and be produced. About 80 percent of Canada's oil sands reserves are recoverable using in-situ techniques. The remaining 20 percent are shallow enough to be recovered through mining operations. The footprint of these operations is considerable, requiring careful environmental planning and management.

New Recovery Techniques

Advances in technology are the key to economic and responsible development of oil sands resources. Over the past 40 years, ExxonMobil has invested more than 2,000 work years in heavy oil research. These efforts include developing proprietary in-situ recovery processes, enhancing surface-related technologies and creating technologies to increase the value of heavy oil and aid in its transport. In an effort to reduce our environmental impact further and improve efficiency, Imperial Oil researchers continue to deploy new inventions, including:

LASER: After more than a decade of research and pilot testing, Imperial Oil is deploying a new technology called LASER (liquid addition to steam to enhance recovery) that involves the co-injection of low concentrations of pipeline

diluent (natural gas condensate) with steam into underground reservoirs. The diluent helps reduce the viscosity of the bitumen, improves the bitumen's ability to flow and increases the amount of produced bitumen per unit of steam. This leads to decreasing the bitumen's GHG emissions intensity by more than 25 percent.

Continuous Infill Steam-Flooding: Imperial Oil also piloted a steam-flooding technology to improve resource recovery in mature fields. Results from the pilot showed that the technology can improve resource recovery and reduce GHG emissions intensity for bitumen by up to 30 percent.

Cyclic Solvent Process: This technology is under development for in-situ oil sands sites. The cyclic solvent process uses solvent instead of steam to produce bitumen. By eliminating the use of steam, the process significantly improves energy efficiency, reducing produced-bitumen GHG emissions intensity by about 90 percent, and virtually eliminates water use. Imperial is constructing a \$100 million field pilot to test this promising technology; it is expected to start in early 2014.

Paraffinic Froth Treatment: The Kearn oil sands mining operation in Alberta will use proprietary paraffinic froth treatment technology to process bitumen on-site. The process blends the bitumen with natural gas condensates to create a diluted bitumen product suitable for transportation directly to markets. This technology eliminates the need for a traditional on-site "upgrading" process, reducing life-cycle GHG emissions.

Non-Aqueous Extraction (NAE): Scientists at Imperial Oil and ExxonMobil are working to reduce the amount of water required during oil sands mining operations. NAE could potentially reduce the use of water during extraction by more than 90 percent. NAE also produces dry tailings, facilitating early, progressive remediation.

Supporting Oil Sands Research

In addition to the research carried out at Imperial's Calgary Research Center, Imperial Oil sponsors a wide range of energy research programs at Canadian universities and other institutions. Imperial Oil is the founding sponsor of the Centre for Oil Sands Innovation at the University of Alberta, which aims to conduct breakthrough research to reduce the use of water and energy, thereby reducing the environmental footprint of oil sands development. During 2012, in another research endeavor, Imperial Oil, along with 13 other major oil sands companies, created the Canadian Oil Sands Innovation Alliance, designed to mobilize the best thinking, experience and technology available to deliver environmental improvements to the oil sands sector.

ExxonMobil and the industry as a whole have made and continue to make major technological strides in advancing processes, increasing efficiency and reducing the environmental impact of oil sands development. We recognize that stakeholders have concerns, and we understand the importance of ensuring that we do business safely and responsibly. We will continue to leverage technologies in order to find more efficient ways to develop Canada's oil sands. For more information, see our Oil Sands Brochure and the *2011 Corporate Citizenship Report*.

02

MANAGING CLIMATE CHANGE RISKS

220

megawatts of new
cogeneration capacity
added globally in 2012

\$330 million

invested to improve energy efficiency,
reduce flaring and decrease
greenhouse gas emissions

An employee working at our refinery in Singapore.

ExxonMobil is working on multiple projects to improve energy efficiency. Since 2002, the Singapore Refinery has achieved a 16 percentage-point reduction in energy intensity.



**8.4
million**

metric tons in avoided greenhouse gas emissions from energy efficiency, cogeneration and flare reduction since 2009

Highlighting a Decade of Performance

Our priorities since 2002

- ✔ **Improve energy efficiency 10 percent by 2012 across our worldwide refining and chemical operations**
Achieved a 12 percent improvement in energy efficiency across ExxonMobil chemical manufacturing since 2002

Achieved a 10 percent improvement in energy efficiency across ExxonMobil refining since 2002
- **Reduce Upstream and Downstream flaring**
Reduced flaring by 18 percent in Upstream operations and 43 percent in Downstream operations between 2002 and 2012
- **Advance cogeneration**
Added 2,000 megawatts of cogeneration capacity between 2002 and 2012
- **Focus on technological innovations to reduce emissions**
Invested in technology development such as carbon capture and storage, advanced biofuels, transportation efficiency and energy efficiency to support emissions reductions

Established a demonstration plant to evaluate our proprietary Controlled Freeze Zone™ technology in 2010
- **Participate in global policy discussions and scientific research related to climate change**

Our continued responsibilities

- **Increase energy efficiency across our worldwide refining and chemical operations**
- **Diversify the world's global energy supplies with lower carbon fuels, such as natural gas**
- **Develop and implement innovative technologies to reduce emissions further**
- **Enhance operations and maintenance practices and progress projects to reduce flaring in our Upstream and Downstream operations**
- **Identify and evaluate alternative energy sources and energy efficiency opportunities**

○ Ongoing ✔ Completed

02

MANAGING CLIMATE CHANGE RISKS

The multifaceted risks of climate change warrant action by governments, companies and citizens. ExxonMobil's strategy to manage climate change risks is focused on reducing greenhouse gas (GHG) emissions through increased energy efficiency, enhanced operations of our facilities and technological innovation. As we work to reduce emissions, our challenge is to create solutions that protect the environment without undermining global economic growth.

Mitigating GHG Emissions in our Operations

At ExxonMobil, our strategy to reduce GHG emissions focuses on increasing our own energy efficiency in the short term, implementing current proven emissions-reducing technologies in the medium term, and developing breakthrough, game-changing technologies in the long term. We focus on flare reduction, cogeneration of power and steam, and improving energy efficiency as the key levers. In 2012, we invested \$330 million to improve energy efficiency, reduce flaring and decrease GHG emissions.

GHG emissions

In 2012, ExxonMobil's net equity GHG emissions¹ were 125 million metric tons. Relative to our 2011 performance, this represents a decrease of about 4 million metric tons, or 3 percent.

Flaring and venting

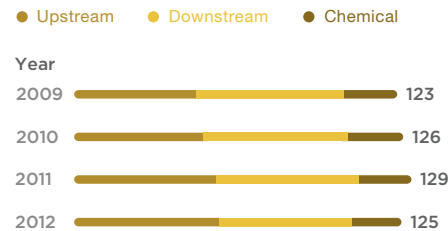
During crude oil extraction, a blend of hydrocarbon gases often accompanies oil to the surface. In certain situations, we flare or vent this gas either as a safety measure or as a means of disposal when there are no economic means of capturing and using it. In order to pursue commercial alternatives for associated gas, we need business environments with the right conditions, including

available markets, nearby infrastructure and appropriate regulations. Many of these conditions are not currently available in some locations where we operate. Therefore, reducing the amount of flared gas is an ongoing challenge for ExxonMobil's operations in these areas.

Venting is the release of methane emissions without flaring. Venting volumes are typically small in our industry and are often associated with protocols to ensure the safety of an operation and our personnel.

Greenhouse Gas Emissions (Net)

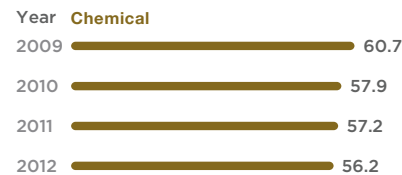
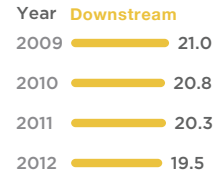
Net equity, CO₂-equivalent emissions (millions of metric tons)



In accordance 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 of produced fluids in new projects. We also design new projects to avoid venting reservoir carbon dioxide (CO₂) that is produced, where practical.

Greenhouse Gas Emissions (Normalized)

Net equity, CO₂-equivalent emissions (metric tons per 100 metric tons of throughput or production)



In 2012, our Upstream and Downstream flaring averaged 361 million cubic feet per day, a decrease of 14 percent from 2011 and a reduction of 60 percent from 2006. Our operations in Nigeria and Equatorial Guinea account for most of our flared gas, contributing about 60 percent of our total Upstream flaring.

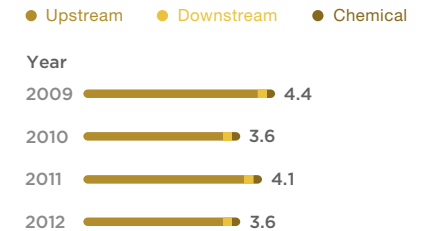
Energy efficiency

In 2012, energy used in our operations totaled 1.5 billion gigajoules, which remains unchanged relative to our 2011 energy usage. ExxonMobil pursues a variety of projects to improve energy efficiency. Since 2000, we have used our *Global Energy Management System* (GEMS) in the Downstream and Chemical business lines to identify and act on energy-savings opportunities. The GEMS equivalent in the Upstream business is the *Production Operations Energy Management System* (POEMS).

From 2002 to 2012, we improved energy efficiency by approximately 10 percent in refining and 12 percent in chemical manufacturing. For example, to help reduce energy consumption at

Hydrocarbon Flaring

(millions of metric tons)



¹Our calculations are based on the guidance provided in the *Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry* (American Petroleum Institute) and the *Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions* (International Petroleum Industry Environmental Conservation Association).

Managing Climate Change Risks



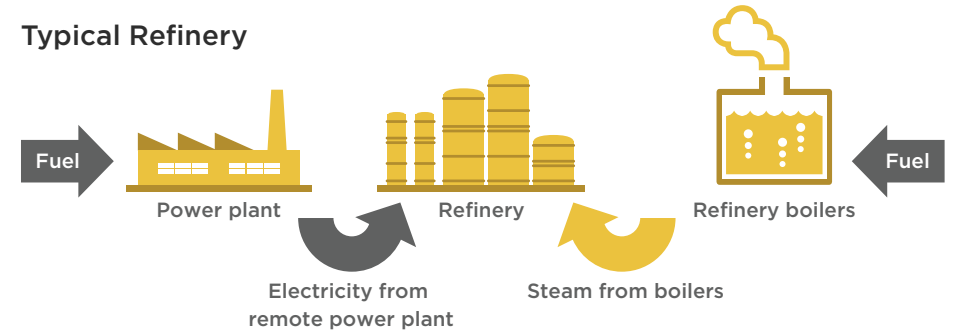
ExxonMobil invests in long-term scientific research that benefits the economy and the environment. The cogeneration plant at ExxonMobil's refinery in Antwerp, Belgium, reduces CO₂ emissions by nearly 200,000 metric tons annually.

our polymer manufacturing facility in Cologne, Germany, a local team inspected the plant's steam system to identify areas for potential savings. System improvements reduced steam consumption by 90 tons per month, a 20 percent reduction. At many of our sites, recovering waste heat to generate needed steam provides heat to processes that would otherwise require the combustion of additional fuel. ExxonMobil's Global Real Estate and Facilities Group has been working on an initiative to reduce the environmental footprint of our offices. In 2012, we continued construction of our new 155-hectare campus just north of Houston, Texas. We carefully considered energy conservation during the design phase of the campus. By optimizing daylight availability and incorporating other energy efficiency measures, we

expect to reduce our energy demand in the office buildings by more than 40 percent compared with traditional office buildings. ExxonMobil will install systems to monitor energy consumption to ensure campus buildings achieve a U.S. Environmental Protection Agency Energy Star rating.

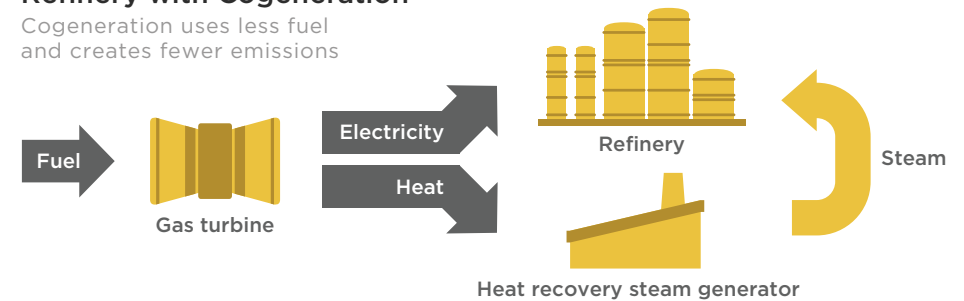
In Calgary, Alberta, we are working with the developer of the new Imperial Oil campus to incorporate sustainable design practices into the construction process, buildings and associated green spaces. The use of high-efficiency heating and cooling systems, and lighting and motion sensors will make the campus 40 to 50 percent more efficient than our existing office buildings. In addition, we plan to launch energy conservation, waste minimization and recycling programs when this campus becomes

Typical Refinery



Refinery with Cogeneration

Cogeneration uses less fuel and creates fewer emissions



operational. The new Aviation Lubricants Blending & Packaging Plant in Port Allen, Louisiana, will also have a sustainability focus that extends to the design, construction and operational phases.

Cogeneration

ExxonMobil is developing innovative ways to generate power more efficiently and with less environmental impact compared with purchasing electricity from a local utility. Cogeneration captures heat generated from the production of electricity for use in production, refining and chemical processing operations. ExxonMobil has interests in approximately 5,200 megawatts of cogeneration capacity in more than 100 individual installations at more than 30 locations around the world. This capacity is equivalent to the electricity

needs of approximately 2.5 million U.S. homes. In 2012, we added 220 megawatts of additional capacity from our new cogeneration facility in Singapore. We have additional projects approved, which will add more than 300 megawatts by 2015, and several other projects are in various stages of development. Since 2004, we have invested more than \$1 billion in cogeneration projects.

Cutting-Edge Technology

ExxonMobil invests in new technologies with transformative potential to increase energy supplies, reduce emissions and improve operational efficiency. Our research efforts involve proprietary in-house research and collaborations with other businesses, as well as research partnerships with universities — such as the Global

Managing Climate Change Risks

Climate and Energy Project at Stanford University. This pioneering research program focuses on identifying breakthrough energy technologies ranging from solar fuels to CO₂ storage.

At our Upstream, Downstream and Chemical research facilities, we have spent nearly \$9 billion on research and development over the past decade, including on technologies specifically related to reducing emissions. Our research portfolio includes a wide range of promising technologies, such as carbon capture and storage, biomass conversion and algae-based biofuels. We continuously monitor the competitive environment for game-changing opportunities.

Carbon capture and storage

After years of research, evaluation and practice, we have concluded that carbon capture and storage (CCS) is a technically feasible way to reduce the amount of CO₂ released into the atmosphere. CCS involves capturing, transporting and storing CO₂ in underground geologic formations such as saline reservoirs, depleted oil or gas reservoirs, or deep coal beds. In the future, CCS technologies

can offer other approaches to help reduce CO₂ emissions, with the greatest opportunity in the coal- and gas-fired power sector. CCS economics can be improved when the CO₂ is applied to enhanced oil and gas recovery in some amenable locations. However, CCS application will likely be limited until improved technologies are developed and countries adopt effective legal and regulatory frameworks to manage its use and potential impacts over time. Through our natural gas operations in Wyoming and our equity interest in the Sleipner field in Norway, among other projects, we captured approximately 4.5 million metric tons of CO₂ for underground injection in 2012, bringing the total to more than 21 million metric tons since 1996. We also have a 25-percent interest in a CCS plant in Australia, associated with the Gorgon development project that will be the largest saline reservoir CO₂ injection facility in the world, once operational.

4.5 million
metric tons of CO₂
captured for underground
injection in 2012

For the past year, ExxonMobil's Controlled Freeze Zone™ (CFZ™) commercial demonstration unit in Wyoming has been separating CO₂ from natural gas in a stream that could be efficiently re-injected for geo-sequestration or enhanced oil recovery. Cost advantages provided by the proprietary CFZ™ technology could expand the global supply of natural gas and contribute to the reduction of GHG emissions.

Algae

ExxonMobil's algae biofuels program was announced in 2009. In the early stages of this research effort, we remain focused on understanding the fundamental science of algae

growth and harvesting necessary to produce algae-based biofuels. However, there are significant technological hurdles to developing economically competitive fuel from algae. We expect that commercialization, if eventually successful, would take a decade or more.

Improving product performance

ExxonMobil develops products that reduce energy use and emissions throughout our customers' activities and supply chains, including *Mobil Delvac 1™ LE 5W-30* — a fully synthetic, heavy-duty diesel engine oil that combines advanced engine protection with enhanced fuel economy potential; *Mobil 1™ Advanced Fuel Economy* — a high-performance synthetic engine oil that can help improve fuel economy by up to 2 percent; and *Mobil DTE 10 Excel™* — a series of hydraulic oils that increases equipment output, resulting in potential for reduced energy consumption and operating costs. For information on how we are improving energy efficiency with our chemical products, see page 34.



Public Policy Debate

Public policy will play a key role in reducing GHG emissions in the future. The long-term objective of a climate change policy should be to reduce the risks posed by climate change while considering the importance of energy to global economic development. Any policy response aimed at mitigating global CO₂ emissions will require participation from both developed countries and the major developing economies.

Policymakers have available a range of strategies to reduce GHG emissions, including cap-and-trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Where regulated emissions trading schemes exist, ExxonMobil has traded allowances, when cost-effective, and will continue

to do so in the future. For example, we have been active participants in the European Union Emissions Trading Scheme, New Zealand Emissions Trading Scheme and recent California cap-and-trade programs. However, we believe a well-designed, revenue-neutral carbon tax mechanism provides a more cost-effective alternative to a cap-and-trade regime for reducing GHG emissions.

International agreements and other regional and national regulations for GHG emissions reduction are still evolving, making it difficult to predict potential business impacts. We test a range of potential cost scenarios for energy-related GHG emissions in our *Outlook for Energy*. These forecasts use a cost of CO₂ emissions to represent future climate policy options. Over time, ExxonMobil anticipates OECD³ member states' CO₂ costs to rise to about \$80 per ton by 2040, with many non-OECD nations approaching \$20 per ton. We use these forecasts as part of our financial analysis for major investment evaluations.

Global engagement on climate change

ExxonMobil scientists have undertaken climate change research and related policy analysis for nearly 30 years. Their work has resulted in the publication of more than 45 papers in peer-reviewed literature. In addition, two of our scientists are among only a few from our industry who have participated as authors in assessments of the United Nations Intergovernmental Panel on Climate Change since its inception. We will continue to participate actively and constructively in advancing the state of climate science.

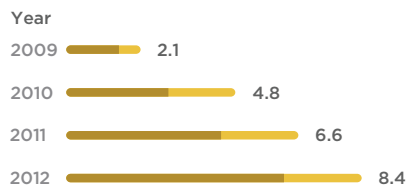
For more information on the Corporation's approach to managing climate change risks, see our Carbon Disclosure Project submittal at cdproject.net.

³Refer to the Organization for Economic Cooperation and Development (OECD) website — oecd.org — for a listing of its members.

Greenhouse Gas Reductions from ExxonMobil Actions²

Net equity, CO₂-equivalent emissions (millions of metric tons)

- Energy efficiency and cogeneration
- Flare reduction



²Cumulative since 2009



ExxonMobil and Air Products partnered to construct this hydrogen production plant in Rotterdam, the Netherlands.

Stakeholder Engagement: Partnering for GHG Reductions

In a unique partnership, and after nearly 1 million man-hours of construction work, ExxonMobil and Air Products inaugurated a new world-scale hydrogen production plant in Rotterdam, the Netherlands. From the early planning phase through detailed engineering and startup of the facilities, ExxonMobil and Air Products worked closely together to maximize synergies and environmental benefits. The new plant connects to the extensive Rotterdam hydrogen pipeline network, which supplies hydrogen to several other customers in the region.

The Air Products plant uses ExxonMobil's excess refinery gas to produce hydrogen, and the refinery uses the hydrogen to manufacture petrochemicals and in refinery processes. The new hydrogen plant uses the most advanced processes and technologies, making it much more efficient than its predecessor. The hydrogen plant also delivers steam out of surplus heat to the refinery, replacing steam produced in traditional boilers. The synergy in the production processes of the two plants improves overall energy efficiency by more than 15 percent and reduces related CO₂ emissions by 200,000 metric tons per year, comparable to taking 90,000 cars off the road annually.

“We need plants like this one nationally as well as internationally to achieve our European mid-term and long-term environmental ambitions. Air Products and ExxonMobil show that by a targeted investment and integration of industrial processes, a substantial energy saving and CO₂ reduction are being achieved.”

— Joop Atsma, State Secretary for Infrastructure and the Environment, the Netherlands



CS

CASE STUDY

SUSTAINABLE PRODUCTS IN THE CHEMICAL BUSINESS

ExxonMobil Chemical's product packaging solutions work to extend the shelf life of food products and provide lighter-weight packaging options. These innovations help reduce food waste and reduce transportation-related energy use.

Around the world, approximately 870 million people — one in eight — suffer from hunger and malnutrition, according to the United Nations Food and Agriculture Organization (FAO). At the same time, a 2011 FAO-commissioned study reports that roughly one-third of the food produced for human consumption every year — approximately 1.3 billion tons — is lost or wasted. Improving the food supply chain to reduce food loss and waste is critical to ensuring that more people have enough food to live healthy and productive lives.

While this issue is large and involves multiple factors, one lever is as simple as the way we package food. ExxonMobil Chemical's products are helping to provide packaging solutions that address the challenges that exist in the food supply chain. The end goal is less waste and

increased food availability. From bread bags to milk containers, packaging made from ExxonMobil Chemical's high-performance products, such as Exceed™ and Enable™ metallocene polyethylene, can help extend freshness, deter spoilage and reduce food waste.

Plastic film can extend a cucumber's shelf life to 14 days.

Increased Shelf Life

Food often spoils due to improper or suboptimal storage. According to a 2013 Institution of Mechanical Engineers study, vast quantities of foodstuffs, estimated at between 30 percent and 50 percent of total global production, are

lost or wasted between the field and consumer. Packaging has an important role to play in the reduction of these numbers. Plastic packaging solutions that ExxonMobil Chemical has developed can help preserve freshness and protect products, from farms to grocery shelves to kitchen tables. A cucumber, for example, which is 96 percent water, begins to dehydrate as soon as it is picked. After three days, it has lost so much water that it becomes dull, limp and unsellable. Wrapping it in just 1.5 grams of plastic film, however, can extend its shelf life to 14 days.¹

Lightweight Plastic Packaging

ExxonMobil Chemical's products may also enable lighter-weight packaging solutions. According to the American Chemistry Council (ACC), reduced packaging weight has the potential to benefit the entire value chain by reducing shipping costs, energy consumption, emissions and waste. The ACC notes that plastic jars can use up to 90 percent less material by weight than their glass counterparts, and lightweight, flexible packaging made from plastic or plastic-and-foil composites

can use up to 80 percent less material than traditional bag-in-box packages. According to another ACC study of plastics used in packaging, a lightweight plastic tuna pouch can reduce greenhouse gas emissions by 77 percent during transportation compared with a steel can.

Compared with other types of polyethylene, ExxonMobil's metallocene-based polyethylene products have enabled customers to make thinner films, while also improving the ease of film processing. Our advanced metallocene polyolefin resins, including Exceed™ and Enable™, can help consumer product companies reduce the amount of film used in packaging. For instance, the amount of film used in packaging applications such as bottled water and soda; bread and produce bags; frozen food bags; and prepared fish, meats and cheeses can be reduced by up to 30 percent over non-metallocene polyethylene grades. At the same time, these advanced polyolefins maintain or improve the properties of the finished film while enhancing overall packaging strength and durability.

¹Source: Cucumber Growers Association

03

SAFETY, HEALTH AND THE WORKPLACE

48%

reduction in total workforce
lost-time incident rate
since 2002

\$88
million

spent on training

Workers supporting operations at a liquefied natural gas train in Qatar. Thousands of contractors support our operations and those of joint ventures every day. We encourage collaborative efforts regarding safety.



39%
of management and professional
new hires in 2012 were women

Highlighting a Decade of Performance

Our priorities since 2002

- 🕒 **Continually improve workforce safety and health performance**
Brought our lost-time incident rate from 0.086 in 2002 to 0.045 in 2012
- 🕒 **Maintain and continuously improve emergency response preparedness**
Conducted multiple emergency response drills each year at every level of the organization
- 🕒 **Monitor and address emerging community health issues**
Established a new infectious disease committee in 2011
- ✅ **Develop a management program for product responsibility**
Started a Life-Cycle Analysis Center of Expertise at our Baytown, Texas, facility in 2010
- 🕒 **Attract and retain top talent**
Hired more than 26,000 professional employees worldwide since 2002

Retained a world-class workforce that averages more than 15 years of company service
- 🕒 **Build a diverse workforce by ethnicity, gender and region**
Built our current workforce, of which nearly 59 percent is located outside the United States, 28 percent represent females and 24 percent represent U.S. minorities

Our continued responsibilities

- 🕒 **Strive toward a workplace where *Nobody Gets Hurt***
- 🕒 **Implement comprehensive risk management and identification**
- 🕒 **Focus on effective process safety management**
- 🕒 **Conduct life-cycle assessments of chemical and lubricant products**
- 🕒 **Attract, develop and retain a talented and diverse workforce**
- 🕒 **Enhance training programs to help our employees excel at each stage of their careers**

🕒 Ongoing ✅ Completed

03

SAFETY, HEALTH AND THE WORKPLACE

ExxonMobil's commitment to excellence in protecting the safety, security and health of our employees, our contractors and the communities where we work is a core value — one that shapes decision-making at every level.

Safety, Security and Health Management

Excellence in safety, security and health in the workplace is a core value for our company. Our *Operations Integrity Management System* (OIMS) puts our safety commitment into action. Every ExxonMobil employee and contractor accepts safety, security and health as job requirements, whether working at a desk, on an oil platform, in a refinery or at any of our facilities.

Personnel safety

In 2012, we moved closer to our goal of *Nobody Gets Hurt*. We have reduced our workforce lost-time incident rate by an average of 4 percent per year since 2002 and by 42 percent from 2011 to 2012. XTO safety performance improved significantly from 2011 to 2012. The XTO team will continue OIMS implementation in 2013 with a significant focus on safety leadership.

It is with deep regret that we report that five workers were fatally injured in four separate incidents in 2012 in connection with ExxonMobil operations. We thoroughly investigated each incident, determined root causes and identified steps to prevent similar events in the future. Together with other industry leaders, ExxonMobil is working to improve our understanding of ways to more effectively prevent fatalities or life-altering injuries.

Through more robust planning for potential consequences, especially those associated with

higher-risk activities, we will better protect our workforce from unacceptable risks. Our analysis of safety incidents in the past several years has led us to embrace the importance of recognizing and reacting to the potential and actual outcomes of an incident. Through careful analysis, we learned that a subset of incidents, usually associated with higher-risk activities, has the potential to become serious injuries or fatalities. This awareness enables teams to better focus efforts on those activities.

The journey to safety excellence requires us to seek opportunities to continuously improve our approaches to the prevention of injuries and illnesses. In this regard, our analysis indicates that human factors continue to be primary contributors to incidents. We have learned that this, in part, has to do with the personal choices each of us makes to either accept or reject risk. At ExxonMobil, we refer to this notion as "risk tolerance."

The concept of risk tolerance involves recognizing and identifying the risk, understanding it and then making the choice to either accept or reduce the risk. This has created an important dialogue that helps elevate awareness and reinforces expectations across all levels of our workforce.

We also continued to orient global safety awareness efforts around "Actively Caring and Approaching Others" — an integral characteristic of an established and effective safety culture

where workers take ownership and accountability for their own and each other's personal safety.

During 2012, we began developing content for a new training experience called the OIMS Leadership Academy. The training is aimed at enhancing the OIMS leadership skills of middle-level line managers. We plan to pilot this training in mid-2013.

We are rolling out a new leadership development program focused on enhancing the ability of our leaders to more effectively communicate about safety performance, incidents, challenges and successes. This program will help positively impact behavior and performance and make safety more personal.

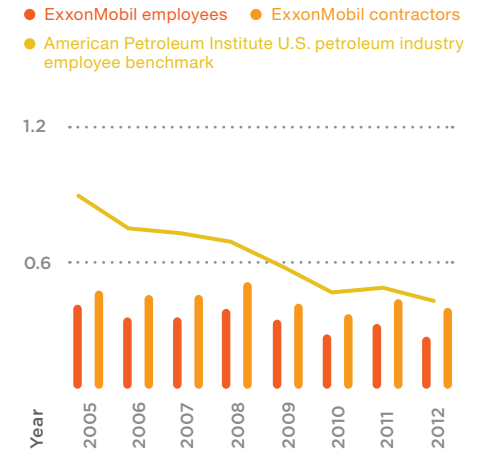
In October 2012, the National Safety Council (NSC) announced that ExxonMobil had been awarded the 2013 Green Cross for Safety® medal for our comprehensive commitment to safety excellence. Presented annually, NSC awards the Green Cross for Safety® medal to organizations with outstanding performance and achievements in workplace safety, community service, environmental stewardship and responsible citizenship.

Driver safety

Nearly 1.3 million people die every year from vehicle-related incidents, and up to 50 million are injured. In an effort to improve safety on the road, the United Nations has marked 2011 to 2020 as the Decade of Action for Road Safety. ExxonMobil is contributing to that effort. In 2012, we enhanced our defensive driving training program with a course that teaches drivers to detect and avoid other drivers on the road who may be distracted. We partnered with the Smith System Driver Improvement Institute to develop the custom training, which is available to all ExxonMobil

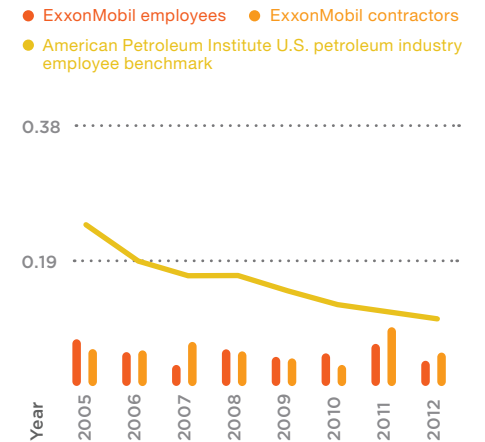
Total Recordable Incident Rate¹

(incidents per 200,000 work hours)




Lost-Time Incident Rate¹

(incidents per 200,000 work hours)




¹Incidents include injuries and illnesses. Safety data are based on information available at the time of publication.


Safety, Health and the Workplace




WORK AUTHORIZATION
Only do work that is authorized and follow work permits and job safety analyses




ENERGY ISOLATION
Lock, verify and demonstrate zero energy




BREAKING CONTAINMENT
Manage ignition sources and exposure to hazardous substances




CRITICAL DEVICES
Bypass only when authorized — implement alternative controls




HOT WORK
Remove flammable materials and gas test continuously




WORKING AT HEIGHT
Wear a harness with 100 percent tie-off and secure tools and materials



CONFINED SPACE ENTRY
Establish and maintain safe entry conditions



LIFTING AND HOISTING
Use certified lifting gear and stay clear of suspended loads



CRITICAL PROCEDURES
Review and understand them — do not deviate without approval

Up Close: Nine Life-Saving Actions

To continue improving safety performance, ExxonMobil Production Company (EMPC) reviewed the significant injuries experienced in the past decade. Results showed that although injury rates were decreasing, employees and contractors experienced some serious injuries while undertaking higher-risk activities. This study led to the development of Nine Life-Saving Actions that, when effectively implemented, are the practices most important in preventing serious injuries. EMPC developed a series of awareness and education tools to ensure that every employee and contractor understands the life-saving actions and applies them at all EMPC work sites.

efforts between our employees and contractors regarding safety. At our Baytown, Texas, complex, we identified barriers to safe practices among our contractors. To address this issue, we developed a set of site safety standards for all contract companies at Baytown that outlined critical roles and expectations of managers to improve safety accountability. The standards encourage a greater focus on hazard management and recognition, job hazard analysis and root cause analysis for incidents. By actively engaging contractors and their managers in this effort, Baytown's contractor total recordable incident rate has decreased significantly in recent years.

Process safety

Process safety management calls for managing the integrity of operating systems by applying good design principles and engineering, as well as sound operating and maintenance practices. Effective process safety management prevents the uncontrolled release of hydrocarbons and other hazardous substances with the aim of avoiding significant incidents with the potential

for serious injuries and fatalities, widespread environmental impact and property damage.

Our approach focuses on reducing risks and incidents through the flawless execution of OIMS. This includes cataloging risks and scenarios and employing a risk matrix to help focus overall risk-reduction efforts. Then we identify mitigation measures and design multiple safety barriers.

We subscribe to industry standards — the American Petroleum Institute Recommended Practice 754 and International Association of Oil & Gas Producers No. 456 — that define process safety indicators and use a process safety incident triangle to represent events from tier 1 through tier 4. Process safety events fall into two categories: tier 1 and tier 2. Tier 3 represents process safety “near-misses,” and tier 4 represents leading performance measures, such as on-time maintenance performance. The lower tiers are measured and tracked to prevent events in tiers 1 and 2. During 2012, we had 63 tier-1 process safety events. Incident analysis indicates that human factors, procedures, training and supervision were the primary contributing elements for these events.

We investigate incidents and near-misses, capture incidents in a common database and share them with engineering networks. We also collaborate with the American Petroleum Institute, the American Fuels and Petrochemical Manufacturers and the American Chemistry Council to share lessons learned associated with process safety events. We report process safety performance metrics at a prescribed frequency to our company presidents, management committee and chief executive officer.

Emergency Preparedness

Effective emergency preparedness depends on competent response teams. To develop and practice emergency response strategies, we establish emergency support groups comprising representatives from business lines; human



The “Actively Caring and Approaching Others” focus stems from ExxonMobil’s desire to eliminate all incidents and ensure Nobody Gets Hurt.

resources; law; safety, security, health and environment; public and government affairs; and other technical advisors. We routinely test these trained teams on a range of possible scenarios, including simulated spills, fires, explosions, natural disasters and security incidents. Every site conducts emergency drills in accordance with regulatory requirements and OIMS Guidelines.

We operate in some countries that do not have clear emergency response requirements. In those cases, we apply global good practices to determine the frequency of emergency drills.

In 2012, we conducted comprehensive drills in Australia, Canada, Singapore, Romania, Russia and the United States. Each drill resulted in a list of good practices and potential improvement areas. ExxonMobil Production Company (EMPC) conducted a comprehensive drill during 2012 simulating a subsea release at one of our deepwater platforms in the Gulf of Mexico. More than 300 employees, contractors and specialists, the Marine Well Containment Company and several representatives from the U.S. Coast Guard and the Bureau of Safety and Environmental Enforcement participated. The three-day drill included the time frame from initial response to simulating the lowering of a capping stack that

Safety, Health and the Workplace

would seal off a leaking well. Lessons learned included the need to better understand how to estimate flow rates from such an event and ways to improve coordination between response teams.

Employee Health

ExxonMobil provides support programs and services to help our employees live healthier lives. We consider workforce and community health issues to be key aspects of our project planning.

Infectious disease management

Exposure to infectious diseases — especially those found in tropical climates — can affect our workforce, their families and surrounding communities. We have established a steering committee for infectious disease control to monitor and address emerging disease-related issues built on the successful organizational structure of our *Malaria Control Program*. The committee plans to focus on developing and implementing programs in countries with a significant threat of vector-borne diseases, such as malaria, dengue fever and Japanese encephalitis; infectious disease outbreaks due to norovirus, pandemic influenza, cholera and other pathogens; tuberculosis; and HIV/AIDS. The committee is working to design and disseminate plans and awareness tools and review disease control programs of various affiliates.

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

In 2012, our Angolan affiliate, Esso Angola, held an HIV/AIDS counseling and testing campaign that *StopAIDS* spearheaded. In partnership with the Ministry of Health's National Institute in the Fight

Up Close: Emergency Response Training

It is ExxonMobil's objective to respond rapidly and effectively to any type of incident that could occur, from a spill to a hurricane. Our specialized three-day training program equips employees with the skills needed to plan for and carry out a response using an Incident Command System structure, a process utilized by the U.S. Federal Emergency Management Agency, the U.S. Coast Guard and other organizations.

Classroom instruction includes presentations on such topics as hazard recognition, spill containment and recovery, protective equipment, decontamination procedures, environmental sensitivities, oil spill behavior and effects, risk management, media relations, government affairs and the use of dispersants. We follow two days of classroom sessions with a day of outdoor hands-on training using oil spill response equipment.

Training sessions began in 2009, and more than 400 employees have participated. In 2012, we expanded this program internationally. Upon completing the course, students have the basic training required to serve as incident commanders.

Against AIDS and the Committee for Businesses in Fighting HIV/AIDS, Esso Angola held a two-day campaign to provide optional testing and counseling to more than 300 employees.

We track employee and contractor incidences of malaria in eight countries. In 2012, 10 malaria cases were reported, compared with 10 in 2011, out of the thousands of non-immune workers located in or visiting endemic areas. Thus far, we estimate our workplace *Malaria Control Program* has averted 16 deaths and 1,739 cases of malaria among non-immune workers.

We have rolled out a new technology for field-testing company workplaces in West Africa and Papua New Guinea. The tests are used to ensure non-immune workers are taking chemoprophylaxis, which is prescription medication used to prevent malaria. The new technology obtains test results within 10 minutes, rather than four weeks, and costs 90 percent less. To learn about our efforts to eradicate malaria in the communities where we operate, see page 64.

Preventative health

Multiple studies point to the fact that investing in preventative health care is an effective way of reducing the incidence of chronic conditions, such as heart disease, diabetes, respiratory ailments, cancer and depression. ExxonMobil's *Culture of Health* is our U.S. site-based preventative health and wellness program. ExxonMobil gradually introduced health awareness campaigns and seminars to employees at work sites across the United States in 2012 on topics ranging from workplace ergonomics to eating habits to fitness.

Another example of a local wellness program can be found at our Singapore petrochemical expansion project. Since construction began in 2007, nearly 87,000 construction personnel from 40 countries have performed work at the site. Because of the site's remote location, the project team developed a fitness-to-work program that includes a full-service medical team on-site, a checklist to screen workers for illness or injury, training on illness recognition,



An ExxonMobil spill training class in Paradis, Louisiana. The training is designed to provide employees with the skills they need to respond to an incident quickly and efficiently.

routine health and hygiene inspections and return-to-work medical exams. This commitment to comprehensive health care is critical to managing the health and safety aspects of such a large workforce.

We apply a similar approach at our Chad/Cameroon pipeline project. Health care is a valued employee benefit in Chad and Cameroon because it can be difficult to access, especially in rural areas. In 2012, project health care clinics provided more than 19,000 free consultations to ExxonMobil workers.

Workplace Security

ExxonMobil continually assesses our vulnerability to security breaches — both to our physical assets and to our intellectual property. In 2005, we formally integrated security into OIMS, allowing us to embed it more deeply into day-to-day operations. Since then, ExxonMobil has developed consistent worldwide security practices and appointed and trained site-security contacts to meet challenges in the diverse locations where we operate.

Safety, Health and the Workplace

Each new facility goes through a security analysis that takes into account perceived risks, the application of potential countermeasures, relationships with communities, compliance with applicable laws and recognition of social norms. Our security managers regularly participate in governmental and industry forums to further 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.

As information technology continues to evolve, cyber attacks present a risk to the safety and security of ExxonMobil's data, facilities and ongoing business operations. During 2012, employees and contractors received cyber security training to learn to recognize and protect ExxonMobil against such threats. For more information about security at ExxonMobil, see page 61.

Product Stewardship and Safety

ExxonMobil works to minimize the risks and impacts associated with the manufacture, use and disposal of our products.

Compliance and product safety disclosure

As part of product stewardship, we assess safety, health and environmental aspects, as well as compliance with product safety legislation, both where our products are made and in their intended markets. OIMS and other management systems help ensure compliance with product stewardship regulations in more than 150 countries. Our *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.

A comprehensive regulatory surveillance process is in place to monitor and evaluate a

growing number of new regulatory requirements that may apply to our products. For example, the United Nations Globally Harmonized System of Classification and Labelling of Chemicals (GHS) for hazard communication is being progressively introduced around the world. By the end of 2012, approximately 20 countries in which ExxonMobil has an interest had introduced local adaptations of GHS. The pace of implementation is expected to accelerate over the next few years as additional countries, including the United States, adopt GHS.

In Europe, the chemical regulatory framework, Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), requires manufacturers and importers to provide extensive information about the environmental and health impacts of their products through a dedicated registration process. ExxonMobil has developed and implemented rigorous programs at our European manufacturing plants, and along the entire supply chain, to meet REACH requirements. To date, we have successfully completed more than 200 substance registrations, approximately 50 percent of the total required for completion by 2018.

As members of the American Chemistry Council (ACC), we promote product stewardship in our Chemical business by implementing the United Nations Global Product Strategy Program, a voluntary program that provides public information on the safe use of chemicals. ACC members, including ExxonMobil, have posted more than 3,000 product safety summaries online and have completed this effort for all high-priority chemicals in 2012.

We provide contact information on the back label of all Mobil engine oil packages sold in the United States for *Earth911.com*, an organization



Up Close: Combatting Tuberculosis in Papua New Guinea

Wherever we operate, we uphold our commitment to building sustainable health capacity and infrastructure. At our Papua New Guinea liquefied natural gas project, we partnered with the Papua New Guinean government and key non-governmental organizations to provide new medical equipment to combat tuberculosis. This disease represents a health challenge in most developing countries.

To date, the Papua New Guinea liquefied natural gas project has contributed nearly \$1.25 million to support tuberculosis control. This includes assisting the Papua New Guinea Institute of Medical Research in securing three state-of-the-art tuberculosis diagnostic machines for health facilities in the community. Traditionally, patients had to wait six to eight weeks for test results. These new machines provide a same-day response with high accuracy, allowing for early intervention and immediate treatment.

that offers consumers information on where they can properly dispose of used motor oil at specific product-collection locations. We recently signed another three-year contract with *Earth911.com* to extend this important service to our customers.

Life-cycle assessments

ExxonMobil employs life-cycle thinking to help manage the full range of potential safety, health and environmental impacts associated with our operations and products. The United Nations Environment Programme's Life Cycle Initiative is a partnership between the United Nations and the Society for Environmental Toxicology and Chemistry that is intended to put life-cycle thinking into practice globally. As an active participant, we contribute to studies and training initiatives related to life-cycle assessment (LCA), including for oil

sands and tight gas. Our Chemical business follows the International Organization for Standardization (ISO 14040:2006 and 14044:2006) in developing LCAs. During 2012, we began an LCA of Marcellus Shale gas used for power generation. We based this analysis on extensive data from actual gas production and power generation operations. We submitted the results for publication in a peer-reviewed journal.

Employment Policies and Practices

ExxonMobil focuses on developing a diverse workforce of highly talented individuals to achieve our business objectives. We use a long-term, career-oriented approach that begins with global recruitment of outstanding talent and continues with development from within through a wide range of assignments and experiences.

Safety, Health and the Workplace

Diversity

ExxonMobil conducts business in almost every part of 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 this approach with three interrelated objectives: attract, develop and retain a premier, diverse workforce; actively foster a productive work environment where individual and cultural differences are respected and valued; and identify and develop leadership capabilities to excel in a global environment. We use a series of web-based trainings and tools to support this framework and help our employees understand effective cross-cultural communication and cultural sensitivities.

We support local employee networks around the world 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); and Women's Interest Network (WIN). These groups facilitate professional development programs, sponsor educational and community service programs to raise cultural awareness, and actively mentor and assimilate new employees to ExxonMobil.

Our comprehensive diversity and inclusion efforts also include educational partnerships and supplier diversity initiatives designed to improve the quality of life where we live and work. We support diversity-based education programs, such as the Hispanic Heritage Foundation, National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers and

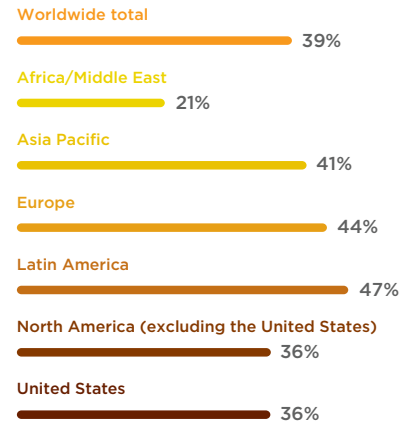
the National Action Council for Minorities in Engineering, among others. We believe these strategic investments in education will help build a global pool of talent in science, technology, engineering and mathematics fields to support the further development of the oil and gas industry. Without education today, we cannot advance technological innovation to help meet our future energy needs. For more information on our educational initiatives, see page 64.

Regarding our geographic workforce footprint, at the end of 2012, approximately 41 percent of our employees were located within the United States and 59 percent were located internationally. In 2012, approximately 33 percent of our executives were non-U.S. employees. We hired more than 2,500 management and professional employees worldwide, about 68 percent of whom were outside the United States. In addition, we sponsored more than 1,200 global internships and cooperative assignments.

ExxonMobil is committed to promoting leadership opportunities for women globally and improving the gender balance within our company. This commitment extends to all aspects of the employment relationship, including recruitment, hiring, training, promotion, transfer and wage and salary administration. Currently, women account for about 28 percent of our worldwide workforce, excluding company-operated retail stores. In 2012, 39 percent of management and professional new hires were women, significantly higher than the percentage of women in our broader employee population. Approximately 15 percent of executive employees worldwide are women, an increase of 50 percent over the past decade.

To increase the representation of minorities in our U.S. operations, our hiring programs include outreach to identify diverse candidates. This emphasis includes our technical scholarship program, which awards scholarships to

2012 Percentage of Female Management and Professional New Hires by Geographic Region

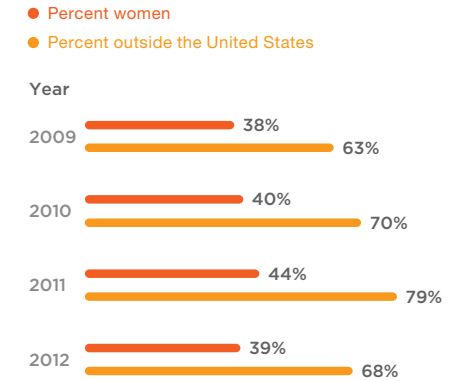


ExxonMobil interns to assist them in completing their college degree. In 2012, we provided 60 technical scholarships, an increase of 50 percent from 2009. From a U.S. recruiting perspective, our minority representation of management and professional new hires was 31 percent in 2012. Based on U.S. Equal Employment Opportunity Commission reporting, minorities made up approximately 24 percent of our U.S. workforce and about 16 percent of officials and managers in 2012. Approximately 12 percent of our U.S. executives in 2012 were minorities, representing a 33 percent increase over the past decade.

Policies against discrimination and harassment

ExxonMobil's programs and policies are designed to employ the best people, recognize and reward superior job performance and create an environment in which employees can maximize their contributions and reach their full potential. A discrimination-free environment is essential to meeting these objectives.

Management and Professional New Hires



Our *Standards of Business Conduct* govern all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, wage and salary administration and selection for training. These *Standards* support our commitment to equal employment opportunities, prohibit harassment and discrimination in the workplace and align with applicable laws and regulations in the countries where we operate. Any form of discrimination by or toward employees, contractors, suppliers and customers in any ExxonMobil workplace is strictly prohibited.

Our global zero-tolerance policy applies to all forms of discrimination, including discrimination based on sexual orientation and gender identity. Harassment, even in its most subtle forms, directly conflicts with company policy and will not be tolerated. All employees are subject to disciplinary action, including termination, for any act of harassment. We employ a comprehensive education, training and stewardship program to ensure that employees worldwide understand, implement and follow our anti-harassment policy.

We also provide training programs for new employees and refresher courses for existing

Safety, Health and the Workplace

employees. Our annual reporting and compliance procedures include a letter to all senior managers emphasizing their responsibilities to maintain work environments free from harassment and discrimination. Each affiliate has adopted ExxonMobil's global standards, with modifications only as needed to comply with country laws.

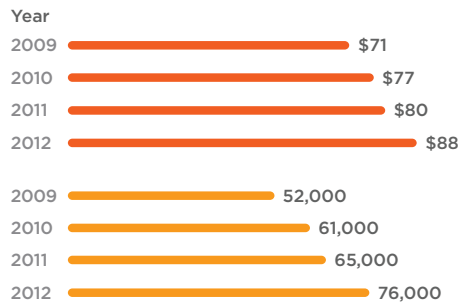
Employee benefits and programs

Exxon Mobil Corporation is committed to being the world's premier petroleum and petrochemical company. Our benefits programs are 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.

Providing access to affordable health care helps employees manage health care issues and reduce related financial concerns, assisting them in being productive and focused on job responsibilities. Strong preventive health care plans and health-related programs also reinforce the Corporation's commitment to wellness.

Training Expenditures and Number of Employees Trained

- Spending (millions of dollars)
- Employees trained (participants)



Benefit coverage for spouses is based on legally recognized spousal relationships in each country where we operate. In the United States, we have adopted the definition of "spouse" used in federal law. In countries where national law recognizes same-sex relationships, employees receive spousal benefits under ExxonMobil programs.

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 the Corporation or the respective sponsoring affiliate. The company remains committed to providing retirement benefits that support our long-term career orientation and business models.

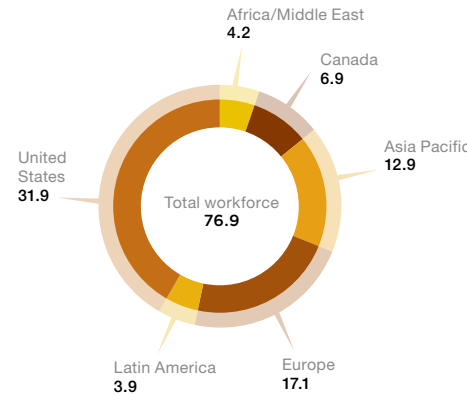
Performance review process

ExxonMobil supervisors foster an environment where personal and professional growth is encouraged and where employees understand company expectations of high performance and individual development. During the annual performance assessment and development process, all employees have a structured, documented discussion with their supervisors about work accomplishments, training objectives, development opportunities and career interests. This process provides the basis for ongoing employee coaching and continuous performance improvement. Employees are actively improving throughout the course of their careers with training, mentoring and opportunities to join professional networks.

Flexible work environment

Our workplace flexibility programs improve business and operational results by helping us attract and retain talent, address individual employee needs and maximize employee productivity. ExxonMobil offers a variety of workplace flexibility programs, which may be customized and used individually or in combination to meet individual needs. Each

2012 Workforce by Geographic Region² (thousands of employees)



²Data exclude company-operated retail store employees.

country's workplace flexibility program differs based on legal requirements, infrastructure and culture. Examples of employee programs include an adaptable workplace, modified work weeks, part-time regular employment, extended part-time employment and adjustable work hours.

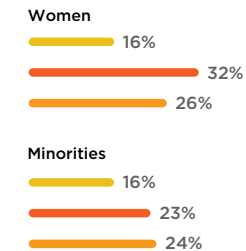
Training and development

One component to retaining and maximizing the talent of a high-performing workforce for the long term is a comprehensive corporate and technical training program. In 2012, our major business units together spent more than \$88 million on training, reaching more than 76,000 participants. To strengthen our technical capacity, more than 70 percent of our investment was directed to professional technical training. In addition, more than 3,500 employees at various management levels participated in ExxonMobil's leadership development training programs in 2012, of which 29 percent were women and

2012 Percentage of Women and Minorities by Position in the United States

Based on U.S. Equal Employment Opportunity Commission reporting

- Officials and managers
- Professionals
- Total employees



57 percent were non-U.S. employees. Our Upstream companies continued strategic investment in capability development by rolling out a technical and commercial leadership training program that enhances the operational and business skills of our professional workforce.

In addition to formal training, ExxonMobil provides a variety of job experiences and development tools tailored to individual needs through various assignments during an employee's career.

Employee engagement

ExxonMobil strives to communicate openly with our nearly 77,000 employees. In 2012, presidents of the functional companies held more than 60 town-hall-style forums and interactive meetings with employees, addressing topics such as safety, business performance and strategic initiatives, as well as answering employee questions.

04

CORPORATE GOVERNANCE

34

shareholder dialogues were conducted with labor unions, religious organizations, state pension funds, socially responsible investors and institutional shareholders



31,000



employees took part in anti-corruption training

Exxon Mobil Corporation headquarters, located in Irving, Texas. Performing with the highest ethical standards of business conduct is a key competitive strength and is critical to maintaining our global license to operate.




Highlighting a Decade of Performance


Our priorities since 2002


-  **Manage succession of non-employee directors in order to maintain a diverse and independent board**
Added 11 new board members, including two women, two minorities and one international member
-  **Drive high expectations for ethical standards and integrity across our global operations**
Added a corporate anti-corruption policy to the *Standards of Business Conduct* in 2011

Conducted business practices review sessions every four years for all employees
-  **Enhance disclosure and description of ExxonMobil's executive compensation program**
Included management proposals on shareholder advisory votes regarding executive compensation in proxy statements, compensation discussion and analysis, brochures and a webinar
-  **Engage with shareholders**
Participated in shareholder dialogues or meetings on topics ranging from climate change to executive compensation

Our continued responsibilities

-  **Recruit highly qualified non-employee director candidates**
-  **Apply the highest ethical standards in all aspects of our business**
-  **Engage with shareholders to maintain long-term business value**

 Ongoing

 Completed

At ExxonMobil, our disciplined approach to corporate governance is a part of our success. We believe that an unwavering commitment to high ethical standards and business integrity is critical to our competitive advantage and securing shareholder value.

Board of Directors

Our board of directors provides independent oversight of the Corporation's affairs. All directors stand for election at our annual meeting of shareholders. At year-end 2012, 11 of 12 directors, including the presiding director and all members of key board committees, were independent as defined by New York Stock Exchange (NYSE) guidelines. In 2012, the board of directors met 10 times, and visited LaBarge, Wyoming, to review affiliated operations.

Board leadership structure

The independent board members select an independent director to serve a minimum of two years as presiding director. The presiding director chairs executive sessions of the independent directors and works closely with the chairman to develop board agendas, topics and schedules. All directors may request agenda topics for board or board committee meetings, and all have the authority to call special meetings of the independent directors.

At this time, the board serves the best interests of the shareholders through a leadership model with a combined chairman of the board and chief executive officer (CEO). With more than 37 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.

Board appointment process

Achieving a board of directors that is diverse in gender, race, geography, experiences and fields of expertise is critical to successful business in a globalized market. The Board Affairs Committee nominates director candidates in accordance with the *Guidelines for the Selection of Non-Employee Directors*. The committee looks for highly qualified non-employee candidates with demonstrated competency in a particular field and a commitment to represent the interests of all 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 or non-governmental organizations
- Expertise resulting from significant professionally or academically based scientific or research activities

In 2012, the board included female, African-American and international members. Two new directors, Henrietta Fore and Ursula Burns, were identified, recruited and appointed for election in 2012. We describe current director qualifications in our proxy statement.

Board committees

Corporate citizenship topics fall under the purview of the Public Issues and Contributions Committee



Our board of directors provides independent oversight of the Corporation's affairs. Board members seated from left to right: Edward E. Whitacre, Jr., Michael J. Boskin, Jay S. Fishman, Ursula M. Burns, Peter Brabeck-Letmathe and Samuel J. Palmisano. Board members standing from left to right: Steven S. Reinemund, Henrietta H. Fore, Larry R. Faulkner, Rex W. Tillerson, William W. George and Kenneth C. Frazier.

(PICC), the Board Affairs Committee and the Compensation Committee, and are routinely reviewed at board committee meetings. Only independent directors serve on these committees, each of which met between five and eight times in 2012.

The entire ExxonMobil board of directors receives in-depth briefings at least annually that cover updates on public policy and scientific and technical research, as well as company positions and actions in these areas. The board is responsible for risk oversight; committees help the board focus on risk aspects relevant to each committee.

For example, the board's PICC is responsible for the oversight of safety, health, social responsibility and environmental performance, including climate change risk. The PICC reviews the effectiveness of the Corporation's policies, programs and practices in these areas. The PICC also hears reports from operating units on safety and environmental activities, and visits operating sites to observe and comment on current operating practices. Each committee's charter is available on our website.

Executive compensation and strategic advantage

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

Safety is a core value for ExxonMobil. Compensation decisions for executives take into account several strategic key criteria, including results in the areas of safety, security, health and environmental performance. The *Operations Integrity Management System (OIMS)*, which establishes common expectations for addressing inherent risks in our business, takes priority over other business and financial objectives. Compensation is based on a rigorous annual individual performance assessment process, and ExxonMobil executives understand that their compensation will reflect how effectively they implement OIMS. The design of the compensation program, including long holding

Corporate Governance

periods for stock-based awards and risk of forfeiture of these awards, ensures that senior executives have a strong financial incentive to focus on long-term operations integrity as they protect the safety and security of our employees, the communities and environments in which we operate, and the sustainable value of the company for shareholders.

The Compensation Committee carefully considered the results of the 2012 advisory vote on executive compensation, in which more than 77 percent of votes cast were “for” the company’s compensation program. The committee considered shareholder feedback on executive compensation received through a wide-ranging dialogue between management and numerous shareholders, including the company’s largest shareholders, many of whom have held ExxonMobil stock for more than a decade. All shareholders were invited to a webinar in 2012 to facilitate their understanding of the linkage between our compensation program and business priorities. These outreach initiatives provided an excellent opportunity to discuss the relationship between pay and business results, including the company’s safety and environmental results

and our long-standing philosophy that executive compensation should be based on long-term performance. A more detailed description of the company’s dialogue with shareholders and considerations by the Compensation Committee regarding the advisory say-on-pay vote can be found on page 62 of the proxy statement issued April 12, 2013.

ExxonMobil is committed to continued engagement with shareholders to fully understand diverse viewpoints and to discuss the important connections between the company’s compensation program, business strategy and long-term financial and operating performance.

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 closely with directors in responding to these letters and emails. Directors sometimes request that senior managers meet with shareholders to address particular topics.

Up Close: Board Affairs Committee

The Board Affairs Committee (BAC) reviews and provides advisory direction on compliance and corporate governance guidelines and identifies individuals qualified to become board members. The role allows the BAC to plan for non-employee director successions and review candidates nominated by shareholders and other outside sources.

In 2012, one ExxonMobil board member retired and the BAC identified, recruited and nominated two new directors — Henrietta Fore and Ursula Burns. Both women are now active members of the board. Current directors, working with an executive search firm, identified these candidates. At the BAC’s direction, ExxonMobil personnel conducted extensive research on both candidates to verify their credentials. The BAC then nominated these two candidates as potential board members, and the full board elected them.

Shareholder Relations

We engage in constructive dialogue with our shareholders on a variety of issues throughout the year. In 2012, we had 34 shareholder dialogues with labor unions, religious organizations, state pension funds, socially responsible investors and

institutional shareholders. At the Corporation’s 2012 annual meeting, shareholders owning approximately 3.9 billion — or nearly 83 percent — of the outstanding shares were represented. Shareholders voted on directors, independent auditors, executive compensation and six other shareholder proposals.



ExxonMobil Chairman and CEO Rex Tillerson greeting participants at the annual meeting of shareholders.

ExxonMobil has engaged with shareholders on a variety of important topics, including:

- Board diversity
- Human rights policy
- Executive compensation
- Renewable energy
- Amendment of Equal Employment Opportunity policy
- Independent chairman
- Health in Africa
- Political contributions
- Climate risk
- Security in Aceh, Indonesia
- Equatorial Guinea
- Biodiversity impact
- Energy technology
- Special shareholder meetings
- Cumulative voting
- Shareholder advisory vote on executive compensation
- Community environmental impact
- Arctic National Wildlife Refuge drilling
- Climate change and technology
- Greenhouse gas emissions goals
- Canadian oil sands
- Shale gas operations
- Water
- Wetlands restoration

Corporate Governance

Every year, ExxonMobil receives suggestions from shareholders on ways to improve the company. Management and the board consider these suggestions and typically seek a dialogue with the proposal sponsor. The *Corporate Citizenship Report*, *Energy Outlook*, Carbon Disclosure Project submission, and ExxonMobil's website content have been helpful in discussions with shareholders. Our public disclosures demonstrate that we report on matters important to our shareholders, which helps build understanding regarding the company's progress on certain issues. In the past five years, proponents have withdrawn 18 proposals on governance, social and environmental issues from labor, individuals, religious groups and socially responsible investors.

When an agreement is not reached, the proposal and the board's response and recommendation are published in our proxy statement for review at the annual meeting of shareholders. For example, in 2011 and 2012, ExxonMobil received a shareholder proposal requesting the separation of the positions of chairman of the board and CEO. The board evaluated this proposal and believes that the decision as to who should serve as chairman and CEO and whether those offices should be combined or separated is the proper responsibility of the board. Shareholder support of this proposal was approximately 35 percent.

Ethics

Performing with the highest ethical standards of business conduct is a key competitive strength — critical to maintaining our global license to operate. Our presence in nearly every country of the world requires training on international trade laws, including U.S. anti-corruption and anti-trust laws, as well as those in other countries where we do business. All employees are expected to uphold the highest ethical standards of business integrity. Each must comply with all applicable laws and accurately record and track all business transactions.

Employees are subject to disciplinary action, including termination, for violations of our policies. Employees receive training on our ethics policy every four years through business practices reviews, including a detailed review of our *Standards of Business Conduct*, implementation guidelines and procedures, and the Corporation's anti-trust and anti-corruption policies. These general training sessions, in addition to more comprehensive training given to relevant functions on a more frequent basis, are a condition of employment at ExxonMobil.

Standards of Business Conduct

Our *Standards of Business Conduct* define the global ethical conduct of the Corporation and its majority-owned subsidiaries. These *Standards*, adopted and administered by the board of directors, uphold the values of human rights, labor, the environment and anti-corruption. While ExxonMobil is not a formal signatory of the United Nations *Global Compact*, its values represent key elements of our *Standards*. No one has authority to make exceptions or grant waivers to the *Standards*, and employees are expected to review the *Standards* each year. Disciplinary action is taken against any employee who violates them.

Internal audits

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

Bribery and corruption

Anti-corruption practices are an essential component of our compliance program, given that we operate globally and in many challenging environments.

2012 Proxy Vote Summary

Proxy item	Percent vote for ¹		
	2012	2011	2010
1. Election of Directors (average) ²	97.4	96.0	95.3
2. Ratification of Independent Auditors ²	98.6	98.8	98.9
3. Advisory Vote to Approve Executive Compensation ²	77.8	67.2	—
4. Independent Chairman	35.1	31.3	—
5. Majority Vote for Directors	43.3	—	—
6. Report on Political Contributions	23.6	23.6	—
7. Amendment of Equal Employment Opportunity Policy	20.6	19.9	22.2
8. Report on Natural Gas Production	29.6	28.2	26.3
9. Greenhouse Gas Emissions Goals	27.1	26.5	27.2

¹Abstentions count for quorum purposes, but not toward voting on these proposals.

²Proposals submitted by the board.

The *Anti-Corruption Legal Compliance Summary* 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 all business relationships. It also describes elements of the Corporation's anti-corruption compliance program.

ExxonMobil employees and contractors are prohibited from making payments to, or engaging in transactions with, government officials to influence the performance of their official duties improperly. Maintaining internal controls and keeping accurate and complete transaction records are required. Our standard language for procurement contracts includes a requirement to

comply with all laws, keep accurate books and records, and where appropriate, contains specific anti-bribery commitments.

Training

Oil and gas exploration and production often take us to remote parts of the world, with changing political and regulatory climates. In 2012, approximately 31,000 employees took part in anti-corruption training. This training covers the basics of the FCPA, the United Kingdom Bribery Act, global anti-corruption standards, recent developments in enforcement, and compliance with our internal anti-corruption policy, guidelines and processes. Employees in positions assessed to be higher-risk receive training every year and within three

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months of entering their positions. Every two years, managers and professional employees not in higher-risk positions receive training. Every four years, all ExxonMobil employees are required to attend half-day business practices reviews that include anti-corruption issues. In 2012, employees around the world attended business practices review sessions. Additionally, we monitor legal and regulatory developments and advise employees as appropriate.

Reporting violations

We reinforce our commitment to ethics and high standards of business conduct with the expectation that all employees will report suspected violations of laws and company policies. The Corporation provides 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 investigation process subject to legal requirements; penalizing or threatening an employee for filing a report is prohibited. A Hotline Steering Committee comprising security, audit, law and human resources personnel reviews all reports of suspected violations. The Hotline Steering Committee provides a quarterly report to the Audit Committee, including any violations or major issues. Violations lead to disciplinary actions, including dismissal.

Control systems

ExxonMobil's *System of Management Control Basic Standards* defines essential principles and concepts that drive our business controls. Our *Controls Integrity Management System* is designed to assess and measure financial control risks, including procedures for mitigating concerns, monitoring compliance with standards and reporting results to the appropriate operations and management groups within ExxonMobil.

These company-wide financial controls meet or exceed the requirements of the Sarbanes-Oxley Act and New York Stock Exchange listing standards. PricewaterhouseCoopers LLP conducted an independent assessment that determined our internal controls system is effective for financial reporting. Regular self-assessments and audits help ensure that every operating unit consistently implements our controls and standards.

Political Advocacy and Contributions

ExxonMobil continues to support policies that promote stable investment climates for long-term business viability. ExxonMobil 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 and as authorized by the board of directors. The Corporation refrains



In 2012, ExxonMobil board members visited our operations in LaBarge, Wyoming, to learn about natural gas processing and technological innovations in carbon sequestration.

from making political contributions in any nation other than the United States and Canada. In 2012, Exxon Mobil Corporation contributed a total of \$282,400 to legislative and gubernatorial candidates and caucuses in 15 states. Information about our *Political Activities Policy and Guidelines* and an itemized list of corporate political contributions to national political organizations and state candidates and caucuses is available on our website.

ExxonMobil's employee- and retiree-shareholder-funded political action committee (PAC) disbursed \$1,064,000 to federal candidates in 2012. Based on the 2011–2012 election cycle contributions, CQ *Moneyline* listed the ExxonMobil PAC No. 86 in size compared with other PACs. Among corporate PACs, the ExxonMobil PAC ranked No. 39 in terms of receipts from employees and retiree shareholders and No. 33 in total contributions to candidates. All rankings are compiled from publicly available data filed with the Federal Election Commission.

ExxonMobil, like many U.S. companies, labor unions and other entities, lobbies the U.S. Congress and

state legislatures and complies fully with regulations by reporting federal lobbying expenses in quarterly disclosure reports to Congress. In 2012, ExxonMobil reported lobbying expenses of \$12.97 million. CQ *Moneyline* ranked ExxonMobil No. 22 for lobbying expenses. We lobbied on a number of public policy topics, including energy policy, trade, taxes, pipeline safety, security and climate policy. There is widespread interest from many constituent groups on how the United States pursues sound national energy policy. We anticipate and look forward to many active discussions with those who have an interest in this area.

ExxonMobil also engages with trade associations at national, state and local levels. Participation in these organizations helps support our positions on issues critical to shareholder interests. Some of the support we provide to trade associations may be used for lobbying activities. ExxonMobil requires trade associations to report to us the portion of dues used for lobbying purposes, and we include these amounts in quarterly public Lobby Disclosure Act filings.

Stakeholder Engagement: SIRAN

The Sustainable Investment Research Analyst Network (SIRAN) is a network within the Forum for Sustainable and Responsible Investment that supports sustainable investment research analysts from more than 50 North American investment firms, research providers and affiliated investor groups. SIRAN's goals include serving as a resource to companies and an educational forum for analysts. In 2012, ExxonMobil participated in three SIRAN teleconferences: one on operating at Kearl, one discussing stakeholder engagement related to Canada's indigenous people and one on climate policy.

05

ECONOMIC DEVELOPMENT AND SUPPLY CHAIN MANAGEMENT

160,000

suppliers of goods and services support our global operations

76,000

participants received corporate and technical training

An ExxonMobil subsea wellhead being prepared and tested at a fabrication yard in Luanda, Angola. As we develop oil and gas resources to meet the world's growing energy needs, we work to build and sustain local economic growth and improve social conditions.

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Highlighting a Decade of Performance

Our priorities since 2002

- Contribute to economic growth in local communities**
Established the expectation for national content as part of our Upstream business planning process in 2008

Implemented and stewarded national content programs in all countries where the majority of our Upstream operations are concentrated
- Develop strong local workforces and suppliers**
Established a national workforce that on average accounts for 87 percent of the workers in Angola, Cameroon, Chad, Indonesia, Malaysia, Nigeria and Russia through aggressive local recruitment efforts and world-class training and development programs

Helped establish and maintain Enterprise Centers in Angola, Chad, Kazakhstan and Papua New Guinea
- Reach \$1 billion in spending with U.S. minority- and women-owned businesses by 2012**
Achieved \$1 billion in spending with U.S. minority- and women-owned businesses in 2011, and again in 2012, through direct purchases and spending leveraged from our suppliers on our behalf
- Partner with local governments to bring the benefits of oil and gas development to local populations**
Supported the application to, and validation of 14 countries with the *Extractive Industries Transparency Initiative* (EITI)

Our continued responsibilities

- Leave a positive economic impact in the countries where we operate by continuously improving our national content approach**
- Advance local hires into senior technical, supervisory and managerial positions**
- Focus our training and development programs on expanding our global workforce and equipping nationals with industry-competitive skills to ensure sustainable employment beyond the project life cycle**
- Conduct supplier monitoring reviews to confirm that our partners implement high standards**
- Support revenue transparency through active participation in EITI**

Ongoing Completed

The global community's shared goals for economic prosperity and progress cannot be achieved without access to energy. In the countries where we operate, we seek to contribute to economic development, creating long-term benefits for local communities and for our business.

Economic Growth

History demonstrates that energy demand and economic growth go hand in hand. More than 1 billion people worldwide have no access to a reliable source of energy. Improving availability of energy supplies helps develop economies and enhance livelihoods. Development barriers are complex, and the private sector is limited in its ability to address them. We need the creation of business frameworks that enable local economies to thrive through skills development, job creation and opportunities for investment.

Partnerships and collaborations can also facilitate economic progress and help steward development targets, such as the United Nations *Millennium Development Goals*, which range from environmental sustainability and combatting HIV/AIDS, malaria and other diseases, to promoting gender equality, empowering women and achieving universal primary education.

National Content

As we develop oil and gas resources to meet the world's growing energy needs, we work to build and sustain local economic growth and improve social conditions. This defines our national content approach.

We work collaboratively with host governments and other stakeholders to implement our national content initiatives, which include developing a

local workforce and supplier base, and making strategic community investments. We provide detailed information on ExxonMobil's strategic community investments at both the country and corporate level on page 64 of this report.

To ensure a systematic, long-term approach, we integrate national content into overall project planning and execution through the *ExxonMobil Capital Projects Management System (EMCAPS)*; see page 18.

Our *National Content Guidelines, Strategies and Best Practices* contain the key elements of a national content strategy and plan; models and tools for the successful development of national content; and roles and responsibilities at the corporate, country and project levels. A unique, fit-for-purpose, project-specific *National Content Plan* is required for new Upstream projects in emerging markets.

We operate in many countries throughout the world, each with different needs, challenges and requirements. Therefore, we aim to create and implement successful *National Content Plans* and strategies by considering local factors, such as regulatory requirements, development goals, stakeholder expectations, infrastructure, social capacity and the business environment. During 2012, we updated EMCAPS national content requirements to include broader socioeconomic objectives, such as human rights, project impact

mitigation and community relations. We also worked on integrating national content into key project planning and execution processes. For example, we now regularly gather and exchange national content best practices and lessons learned among our project teams.

Workforce Development

We have a responsibility to build a legacy of economic progress in all places where we operate by developing a globally competitive workforce and maximizing local employment opportunities. Our national content programs help us overcome obstacles in identifying and attracting skilled

labor and professionals, matching workforce skills to business requirements and retaining and developing local technical and management excellence over the long term.

Local hiring

While local employment helps us meet our hiring needs, it also advances economic development and education in the countries where we operate. To find qualified individuals, we conduct on-campus recruiting and employee networking, attend trade shows and utilize referrals and external search firms — all good practices in the industry. Such efforts have brought the



Workers at the fabrication yard for our Telok A project in Malaysia, where 95 percent of our personnel are Malaysian. We strive to provide our employees with career opportunities and training that are the best in the industry.

Economic Development and Supply Chain Management

percentage of nationals in our workforce in Chad and Cameroon to nearly 88 percent. In addition:

- In Angola, 78 percent of our personnel are Angolan, 24 percent of whom are women.
- In Malaysia, 95 percent of personnel are Malaysian, 32 percent of whom are women. Additionally, 90 percent of managers and supervisors are Malaysian and 19 percent of managers and supervisors are women.
- In Nigeria, 92 percent of employees are local, 14 percent of whom are women; 17 percent of local staff are in supervisory and managerial positions.
- In Indonesia, 89 percent of employees are local, 31 percent of whom are women; 14 percent of local staff are in supervisory and managerial positions.

Russian nationals make up more than 80 percent of the workforce at our Sakhalin operations, but we are facing a number of challenges to achieving our 90 percent nationalization target (see page 56). The pool of qualified engineering and technical specialists is limited, and the competition for local talent is strong. In order to develop and retain a diverse and skilled workforce, we conduct extensive searches in other regions of Russia, and provide critical training, experience and mentoring to ensure that local staff reach required levels of expertise. We also advance the skills and industry knowledge of many of the host country nationals we hire by providing training opportunities and expatriate assignments in other countries.

Where applicable, our contracts include requirements to hire and train a national workforce. We work collaboratively with our suppliers and contractors to overcome challenges related to the availability of qualified candidates and in-country training capabilities.

ExxonMobil expatriates (individuals working in a country other than their country of permanent

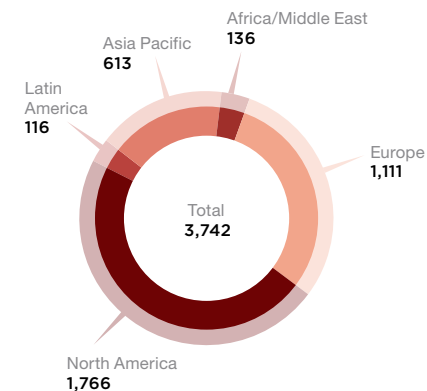
residence) share their expertise, train and mentor nationals for operational and leadership roles. In addition, a large number of expatriates from company locations around the world are on development assignments in other countries to enhance their skills. They will share the lessons learned on their return to their own country, further enhancing local capacity. In 2012, expatriates accounted for approximately 5 percent of our global workforce.

Training and development

We strive to provide our employees with career opportunities and training that are the best in the industry, encouraging growth and achievement. We provide education and skills development through a proven global training curriculum customized to our operational environment. Over the long term, this helps us develop competent and committed employees fully prepared to meet future business needs both locally and around the world.

In Papua New Guinea, we continue to exceed our workforce forecast for hiring nationals. The current construction workforce at our liquefied natural

2012 Expatriates by Region of Origin



Up Close: A Decade of Workforce Development in Chad

ExxonMobil and our affiliates have been working on the Chad production and Chad/Cameroon pipeline projects since 2002. Over the years, we have seen significant development in local capacity, in part due to our comprehensive training programs. For example, our Business Skills Training Program helps prepare Chadian and Cameroonian staff for management and leadership positions. Since its inception in 2003, more than 900 employees have participated in the program. The training consists of project-based and interactive classes on topics ranging from business writing to effective teamwork to problem-solving. The success of the program is evident by the fact that many participants have been promoted to supervisory or management roles. As of 2012, more than 50 percent of the projects' supervisors are Chadian and Cameroonian nationals.



In 2012, Chadians and Cameroonians made up approximately 88 percent of our total workforce in these two countries and almost 80 percent of them are employed in the semi-skilled, skilled or supervisory job categories.

Another example of long-term capacity building is the Technical Trainee Program, now in its 11th year. In the first class of 2001, Thierry Njip and 21 other candidates were hired to be pipeline operators. Training consisted of one year of paid study at a university in northern Cameroon, followed by one year of on-the-job instruction in the United States. After graduation, Thierry worked as a pump station operator trainee, mentored by an expatriate. More than a decade later, Thierry is still with ExxonMobil and was recently promoted to maintenance field superintendent. Eighteen members of his class are also still employed with ExxonMobil; most are in senior roles.

“The training we received at Cameroon Oil Transportation Company Consortium (COTCO) was very important for our success here. Those two years I spent as a trainee were some of the best years of my life. I believe this project has already delivered a lot to Cameroon — for example, in public health efforts like fighting malaria, in community outreach efforts and in creating local jobs. The company’s philosophy of honesty, fairness and ethics stands out.”

— Thierry Njip, field superintendent

Economic Development and Supply Chain Management

gas project includes more than 8,400 Papua New Guinean workers, and they make up approximately 40 percent of the total construction workforce for the project. In 2011, the first group of trainees began operations and maintenance technician training. They have now completed their advanced skills training in Nova Scotia, Canada. Shortly after returning, the 62 trainees began on-the-job training, including mentoring from experienced operations and maintenance personnel in Papua New Guinea. ExxonMobil also aims to develop and hire Papua New Guinean nationals in other fields. For example, several environmental field advisors were appointed to full-time positions with Esso Highlands Limited in 2012.

In Kazakhstan, continuous training and development of national staff remains a primary long-term focus. In 2012, we spent a total of 1,554 hours and more than \$224,000 delivering training to 34 employees, 26 of whom were women. We provided technical and general training, as well as international training assignments to ensure long-term development of local staff. ExxonMobil employees in Kazakhstan are also gaining valuable expertise on international assignments in Australia, Canada, Kurdistan, Norway and the United States.

Supplier Development

In addition to developing a local workforce, ExxonMobil works to develop local suppliers, which further boosts host country economic development and supports our business objectives. We promote local capacity building by helping local suppliers meet our prequalification requirements, providing training for entrepreneurs and creating business opportunities for local small and medium enterprises. Our goal is to establish and maintain a reliable, sustainable and globally competitive supply chain wherever we operate.

We sometimes face difficulties obtaining local suppliers due to a lack of capabilities and limited local business expertise. To overcome these

issues in Angola, Esso Angola, along with several other oil and gas companies, helped establish a local business center, known as Centro de Apoio Empresarial, to administer Angola's Supplier Training Initiative (STI). STI enables local suppliers to participate more effectively in the competitive bidding processes by helping them develop adequate business plans, build relationships with the procurement departments of oil and gas companies, and improve their contract management capabilities. Through STI, companies or individuals can receive training, consulting and mentoring. To date, STI has trained 248 suppliers. Of these, 150 have met ExxonMobil's rigorous qualification standards to become certified bidders. More than 1,650 additional suppliers are in the process of working with STI to become future suppliers.

In Indonesia, we initiated a similar program to educate potential suppliers about our bidding process and provide training. Working with the local government, ExxonMobil held the first session in November 2012, targeting approximately 80 local suppliers. The session helped educate vendors on the prequalification program and local content requirements to enable them to register for Mobil Cepu Limited's potential bidder list. To see how we are developing suppliers in Sakhalin, see page 56.

Supply Chain Management

Third parties providing services to ExxonMobil can impact our operations and reputation. We rely on more than 160,000 suppliers of goods and services. Because our global reach expands well beyond our fence lines, we seek and develop relationships with suppliers that uphold our commitment to operational integrity.

Procurement process

Our supply chain management process begins when any of ExxonMobil's business lines identifies operational or project needs requiring

the procurement of third-party goods, services or materials. We apply a standardized procurement approach that allows our operations to share the same rigorous standards, accountability and good practices worldwide. Our procurement staff is trained to conduct supplier prequalification assessments (which include anti-corruption due

diligence where appropriate), perform restricted-parties screening and incorporate standard legal terms and conditions into contracts. After prequalification, our procurement professionals communicate project expectations or operational requirements that a potential or existing supplier must meet.



ExxonMobil promotes opportunities to advance local manufacturing and workforce capacity. Above, Nigerian workers celebrate the completion of the first of three wellhead platforms developed entirely in Nigeria.

Up Close: Nigeria Supply Chain Development

Limited manufacturing capacity and lack of skilled workers have been obstacles to expanding our local supplier base in Nigeria. After many years of development and proactive engagement with local manufacturers, we celebrated the completion of the first of three floating platforms developed entirely in Nigeria. ExxonMobil implemented the project with the objective of developing local engineering workforce capability and increasing the capacity of local fabricators. The project was performed to international standards, including more than 4.3 million hours worked with no lost-time safety incidents. To complete the project, 30 locals were trained to National Content Development and Monitoring Board standards in technical skills like welding and fitting. The project delivered on the government's objectives of increasing the country's oil and gas production, employing local workers, and ensuring the long-term availability and viability of in-country goods and services. The results demonstrate the long-term value of increasing Nigeria's local engineering, welding and fabricating workforce capacity. Platforms were successfully placed in permanent offshore locations, and drilling began in late 2012.

Economic Development and Supply Chain Management

Supplier qualifications

ExxonMobil has in place a disciplined qualification process for suppliers. Once the business line has determined the operational requirements, procurement clearly communicates those requirements to potential suppliers through the proposed contract language. This process is used whether ExxonMobil is procuring a pump for a refinery, janitorial services at an office building or hiring a fabricator to build an offshore structure. Potential suppliers and their capabilities are then assessed based on operational criticality and level of risk associated with the material or service required. Considerations include:

- Health, safety and security requirements
- Technical qualifications
- Environmental requirements
- Design, construction and project assurance and procedures
- Product quality assurance, including product stewardship
- Supplier operational, maintenance and control processes
- Financial qualifications

Additionally, supplier selection takes into account both regulatory and ExxonMobil policies regarding local hiring, material use, supplier diversity, indigenous peoples support, historically underutilized segments of the population and the local economy. We comply with specific supplier-related requirements in each country where we operate. When selecting a supplier, we evaluate the bids submitted and make a determination based on quality, technical capabilities and cost.

When we are procuring a component for a specific project, the safety and viability of the project may rely on assurances of product quality. For example, if we need to purchase pipe for one of our Upstream projects, we perform extensive analysis and testing to confirm the pipe complies with project specifications.

\$1 billion
in spending with U.S. minority- and women-owned businesses in 2012 through direct purchases and spending by our suppliers on our behalf

Supplier diversity

We cultivate diversity across our supply chain through our U.S.-based Supplier Diversity Program. This program proactively includes qualified minority- and women-owned business enterprises (MWBES) in our procurement sourcing process. In 2012, we purchased materials and services worth \$788 million directly from MWBES. An additional \$213 million was leveraged through contracts where suppliers purchased from MWBES on our behalf, for a total annual expenditure of more than \$1 billion. The Women's Business Enterprise National Council has recognized ExxonMobil as one of America's Top Corporations for Women's Business Enterprises for the past seven years. Our Supplier Diversity Program is steadily expanding into the international arena through our active involvement with WEConnect International and the National Minority Supplier Development Council's International Program Advisory Council. Both have a mission to identify, certify and develop MWBES in a number of countries outside the United States.

Procurement transparency

Our suppliers must adhere to local and national laws, regulations and the specific requirements of ExxonMobil policies and procedures on safety, health, security and the environment. Our *Statement on Labor and the Workplace* articulates our support for the principles of the International Labor Organization (ILO) 1998 *Declaration on*

Up Close: North Baton Rouge Industrial Training Initiative

ExxonMobil's 105-year-old Baton Rouge complex is located in a neighborhood that accounts for 13 percent of the city's population and 30 percent of its homicides. Only 35 percent of the neighborhood population has a high school degree, and the unemployment rate is 40 percent. Through engagement with our contracting partners and the local community, ExxonMobil identified an opportunity to help meet an industry demand for a technically trained workforce and help our neighbors secure training and employment.

Launched in August 2012, the North Baton Rouge Industrial Training Initiative is a collaborative effort among the Capital Area Technical College, Baton Rouge Community College, ExxonMobil, other industrial leaders, non-profit organizations and community resource partners. The initiative provides selected participants with free training in one of three concentrations — pipefitting, welding or electrical. The technical college accepted and enrolled 59 of the 200 individuals that applied for the pilot course, which ran from Oct. 1, 2012, to Feb. 18, 2013, and produced 46 graduates, exceeding the first-year goal of 45.

In addition to technical training, the students learned skills that will help them get and keep a job after graduation. HOPE Ministries and representatives from stakeholder companies, including an ExxonMobil retiree volunteer group, served as mentors and are helping program participants understand industry expectations, create resumes and prepare for job interviews. Plans are currently in place to replicate the pilot program.



Students participating in the North Baton Rouge Industrial Training Initiative receive tutoring and mentoring from retired ExxonMobil employee volunteers to help prepare them for future employment.

“Through the leadership of Steve Blume and the entire ExxonMobil team, we have been able to bring together a diverse group of local industry and community leaders, with the goal of connecting local residents with career opportunities and filling high-demand jobs. We must provide our students with the tools they need to succeed... and when our students succeed, our community succeeds. That has been the goal of the North Baton Rouge Training Initiative from its inception.”

— Andrea Lewis Miller, Chancellor of Baton Rouge Community College

Economic Development and Supply Chain Management

Fundamental Principles and Rights at Work, namely the elimination of child labor, forced labor and workplace discrimination. Through our regimented procurement process, we seek business partners who observe similar standards. Purchases arranged for by our global procurement organization typically include contract language that requires adherence to all applicable laws and regulations, which would include all laws and regulations regarding safety, security, health, the environment and human rights. Furthermore, requests for quotations issued by our procurement staff typically include clauses relating to the prohibition of forced or child labor and the payment of wages in accordance with local laws. Participants in such tenders are required to adhere to those requirements as a condition of participating in the tender process.

Supplier monitoring

We use our *Operations Integrity Management System (OIMS)* to manage risk across our operations. The OIMS Framework establishes expectations for managing and mitigating safety, security, health, environmental and social risks in every aspect of our business, including our supply chain.

After selecting suppliers, each business line is responsible for managing the supplier relationship. Implementing OIMS Element 8, *Third-Party Services*, calls for the monitoring and stewardship of third-party performance. We provide feedback to suppliers and, when necessary, request that they correct deficiencies. In certain cases, we terminate the contractual relationship if performance does not meet expectations.

Currently, we are exploring expansion of our standard internal supplier review process to include environmental and social responsibility compliance. This process will allow us to raise our confidence that suppliers are adhering to legal and contractual expectations for environmental protection and social responsibility.

Transparency

Revenue transparency can be a practical and effective means to fight corruption, improve government accountability and promote greater economic stability in developing and developed countries around the world. The most successful transparency initiatives are those that ensure all relevant players in the public and private sectors and in civil society are fully engaged and properly represented. The initiatives also must respect national sovereignty and local norms and apply to all companies operating in a country. This is why ExxonMobil has supported multi-stakeholder engagement to achieve revenue transparency for the past decade.

Extractive Industries Transparency Initiative

One important global program that encourages transparency and collaboration among governments, companies, civil society and financial institutions is the *Extractive Industries Transparency Initiative (EITI)*, which is dedicated to strengthening governance by improving transparency and accountability in the extractives sector. Companies and country 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.

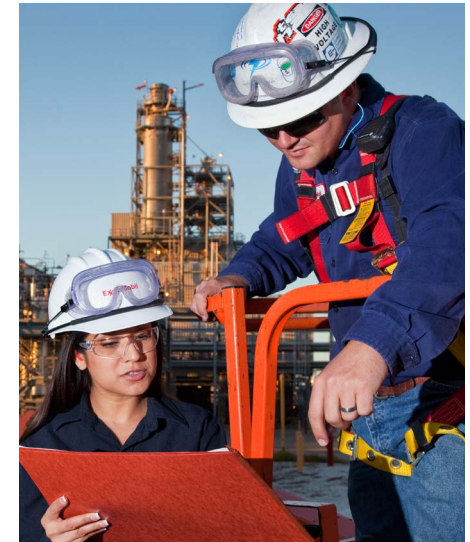
ExxonMobil has actively participated in EITI since its inception in 2002, at both the secretariat and country levels, including continuous participation on the EITI board as either a primary or alternate member. Our efforts in this area during the past year have focused on intensive work together with the extractive industry, investor groups and civil society representatives to make sound progress in the EITI process. Nearly 20 countries where we have operations are working on becoming, or have become, EITI members. The Corporation is supporting the EITI application, validation and membership processes of countries such as

Azerbaijan, Cameroon, Chad, Indonesia, Iraq, Kazakhstan, Madagascar, Nigeria and Norway, and of potential new applicant EITI countries including Australia, Colombia, Papua New Guinea, Ukraine and the United States.

In August 2012, the U.S. Securities and Exchange Commission (SEC) published new rules for global government payment reporting. These rules require an unprecedented degree of cost and complexity that will generate a significant volume of data from publicly traded extractive companies. The rules do not apply to state-owned and privately held companies not registered with the SEC, and do not reconcile government revenues with company payments. As a result, the new rules will not enable total government extractive industry revenues to be gathered or reported, which will limit the extent to which this reporting will help improve country governance and government accountability. Compliance will require companies to design and build costly new accounting processes to gather, validate and report many different payment streams. Many key elements in the rules are undefined or unclear. The SEC estimates the cost of compliance for the industry may reach \$14 billion.

It is ExxonMobil's policy to comply with all governmental laws, rules and regulations applicable to its business. However, because of the unprecedented cost and complexity of these rules, as well as the potential for conflict with other laws, ExxonMobil is also supporting efforts by the National Foreign Trade Council, U.S. Chamber of Commerce, Independent Petroleum Association of America and American Petroleum Institute to overturn these rules so that they can be replaced with a more reasonable approach.

The European Union is also in the process of revising government revenue reporting rules through new accounting and transparency directives. ExxonMobil supports efforts of the



Employees at the Mont Belvieu Plastics Plant in Texas receive on-the-job training.

International Association of Oil and Gas Producers to seek directives that strike a reasonable balance between disclosure and economic harm.

We will continue to work constructively with all proponents of increased revenue transparency toward policies and programs that reduce corruption and improve governance. Initiatives that pursue those goals provide for a more stable business climate which, in turn, supports stronger and more sustainable economic development in the countries where we operate.

ExxonMobil is also developing procedures, consistent with new SEC rules under the Dodd-Frank Act, to confirm that any "conflict minerals" (currently including gold, tin, tungsten and tantalum) that may be necessary to the production or functionality of our products do not originate from the Democratic Republic of the Congo or adjoining countries.

The logo consists of the letters 'CS' in a bold, white, sans-serif font, positioned above a horizontal white line. The background is a solid red color.

CASE STUDY

DEVELOPING LONG-TERM CAPACITY IN SAKHALIN

Supporting long-term development in the communities where we live and work reaps benefits for ExxonMobil and our stakeholders.

Our Sakhalin-1 project in Russia is a good example of the long-term benefits that systematic investments can bring. Exxon Neftegas Limited (ENL), a subsidiary of ExxonMobil, operates the Sakhalin-1 project, which is located off the northeast coast of Sakhalin Island in the Russian Far East. Production of these fields is challenged by the presence of pack ice, three- to five-foot thick six to seven months out of the year, and severe wave activity year-round in an active seismic area. Overcoming these daunting weather-related barriers, coupled with the need to build a complete oil and gas infrastructure in such a remote location, has created unique challenges.

Although discovered several decades ago, the Sakhalin-1 fields were not developed until new technologies became available as a result of successful partnerships between Russian and international companies. After a decade in development, first production flowed from the Chayvo field in early October 2005. Today, Sakhalin-1 includes the Chayvo, Odoptu and Arkutun-Dagi oil and gas fields, with potential recoverable resources estimated at 2.3 billion barrels of oil and 485 billion cubic meters of natural gas.

As one of the largest single international investments in Russia, Sakhalin-1 is expected to bring more than \$89 billion in taxes, royalty payments and the state's share of oil and gas to the country.

Developing a Local Workforce

Developing a national workforce and supporting the community are key factors to the project's ongoing success. Today, ENL and its contractors currently employ more than 600 Russian nationals, making up more than 80 percent of the Sakhalin-1 project workforce.

To compete successfully for national workers and meet its needs for skilled field personnel, ENL invests in the training and development of national personnel. ENL has recruited and hired more than 230 Russian operations technicians and engineers for its production facilities. Each of the technicians completes a multi-year training program. Some have been sent to ExxonMobil facilities in the United States and Canada for hands-on-training. Currently, training for operations technicians includes a combination of classroom instruction and

on-the-job training at Sakhalin-1 facilities. These operations technicians and engineers reach early competency milestones required for their positions through mentorship and on-the-job training. In addition to work responsibilities, ENL encourages these trainees to take additional classes to enhance their job skills. Through our training programs, 19 Sakhalin-1 trained technicians have been promoted to supervisory positions, and another four technicians took on technical advisory roles. In 2013, another 30 trainees are expected to complete the training and receive their first assignments with ENL.

In May 2012, ENL completed a gravity-based structure for the Arkutun-Dagi platform — the largest in Russia. More than 4,000 Russian nationals worked on the design and construction of the structure.

Developing Local Suppliers

Developing local suppliers is also a key component of our business model. As a direct result of the company's efforts to enhance Russian capacity within the Sakhalin-1 project, the value of contracts awarded to Russian companies during implementation has totaled about \$7.9 billion, representing nearly two-thirds of the total contracts awarded to date.

\$7.9 billion
in contracts to
Russian companies

This ongoing support has allowed many local suppliers to expand their businesses. For example, the SFERA Limited Liability Construction Firm has been in the Sakhalin construction industry since 1988. SFERA started as a building cooperative with only 30 employees. With mentorship and continued business from ENL, SFERA has grown to more than 1,500 employees and is now one of the largest and most successful construction companies in Sakhalin.

ENL encourages collaboration between international service providers and local companies to ensure local suppliers can meet the key performance criteria of ExxonMobil projects and execute safe and efficient operations.

Training

Our technical training programs for suppliers and contractors continue to reach more Sakhalin residents. In 2012, we hosted

DEVELOPING LONG-TERM CAPACITY IN SAKHALIN

contractor-development workshop for Russian-owned-and-operated businesses and companies interested in becoming contractors for the project. A total of 83 companies registered for the workshop, 95 percent of which were locally based. They represented a wide range of industries, including construction, transportation, catering, electrical, medical and other oil- and gas-oriented businesses.

Providing Sakhalin's indigenous residents with a voice in the project has been a primary goal of ENL. Local reindeer herders were hired to assist environmental scientists and rendered invaluable cooperative efforts in the development of the Odoptu field. In 2009, they were also trained and certified as oil spill responders. As local hunters and fishermen, they understand the coastal environment and can support the Sakhalin-1 oil spill response team in an emergency. Approximately 20 indigenous residents are trained in Arctic spill response.

Building Infrastructure

In addition to government revenues that will flow into infrastructure, the project is contributing directly to infrastructure enhancements, including improved roads, bridges, airport and seaport facilities and public medical facilities.

Since 2001, ENL and the Sakhalin-1 Consortium have provided more than \$190 million for community infrastructure projects. New bridges and improved roads in North Sakhalin make the six-hour trip from Nogliki settlement to Okha city safer and faster. Advanced medical equipment provided to hospitals ensures timely emergency response for Sakhalin-1 personnel and local communities.

Supporting Communities

ExxonMobil also supports education, health and cultural programs in the Sakhalin region. In 2012, ENL and the Sakhalin-1 Consortium contributed \$5 million to the Sakhalin Technical Oil and Gas Institute to support students preparing for careers in the oil and gas industry. The donation helped fund the purchase of a wide range of laboratory equipment and enabled Sakhalin State University to open an oil-and-gas-formations physics lab and a drilling-well-training simulation center.

ENL provides medical equipment to local clinics and hospitals, including modern ultrasonic examination and diagnostic equipment. To date, ENL has contributed more than \$11 million to community programs that support education, infrastructure, health care, civic organizations and the arts.

\$11 million
contributed to
community programs

To encourage the development of small- and medium-sized local businesses, ENL and Sakhalin-1 Consortium partners support a microcredit program focused on microfinance loans and business training. More than \$700,000 was contributed for microfinance loan funding that created or sustained more than 1,000 local jobs and 200 businesses on Sakhalin Island and in the Ulchi District of Khabarovsk Krai. Between 2010 and 2012, ENL continued providing support and funding training for local business people.



Development of the Odoptu field at ExxonMobil's Sakhalin-1 project. The produced oil and gas is piped and processed at the main facility in Chayvo, and then exported or used domestically.

Up Close: Supporting Energy Infrastructure Improvements in Sakhalin

ExxonMobil's Sakhalin-1 project has helped deliver critical energy supplies to many parts of Eastern Siberia and Russia's Far East, areas that previously lacked access to stable energy sources. After the Russian government started the Far East Gasification Program to help bring infrastructure to these remote areas, ENL entered into the first-ever production-sharing agreement with domestic gas suppliers in 2005. Since then, Sakhalin-1 has delivered more than 10 billion cubic meters of natural gas to Far East domestic customers. As a result, many small- and medium-sized businesses, as well as public utility companies that supply heat and electric power to residents, use a more environmentally friendly energy source.

06

HUMAN RIGHTS AND MANAGING COMMUNITY IMPACTS

**\$256
million**

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

Children benefiting from a community-based clean water program launched in Indonesia. Through effective communication and consultation, ExxonMobil seeks to establish and maintain community relationships while actively promoting respect for human rights.

99%

of private security contracts
include language to address
human rights issues





Highlighting a Decade of Performance

Our priorities since 2002

- Demonstrate our respect for human rights with a systematic approach to managing issues at our projects and operations**

Joined the *Voluntary Principles on Security and Human Rights* and increased the number of private security contracts with human rights language from 50 percent in 2008 to 99 percent in 2012

Engaged in the development of the United Nations *Framework and Guiding Principles on Business and Human Rights*

Trained individuals in human rights from 18 affiliates in 17 countries where ExxonMobil has operations
- Engage with indigenous groups near our operations to ensure respect for local cultures and customs**

Implemented feedback submitted by indigenous populations near our operations in Cameroon, Canada, Papua New Guinea, Russia and the United States
- Assist the global effort to end deaths from malaria**

Invested \$106.6 million toward the fight against malaria since 2002, reaching more than 83 million people in 17 countries
- Increase the number of students pursuing degrees in math and science**

Became a founding sponsor of the National Math and Science Initiative, committing \$125 million since its inception in 2007

Helped train more than 72,000 teachers through our global education programs
- Improve women's economic participation across the developing world**

Invested \$60 million toward promoting economic opportunities for 20,000 women in 85 countries over the past seven years
- Implement *Best Practices in External Affairs (BPEA)* as a part of the *Operations Integrity Management System (OIMS)***

Our continued responsibilities

- Identify and manage socioeconomic conditions across our global operations**
- Implement the United Nations *Framework and Guiding Principles on Business and Human Rights* and the *Voluntary Principles on Security and Human Rights***
- Expand our human rights training to more employees**
- Identify partnership opportunities with organizations that focus on specific strategic community investment areas at the country level**

Ongoing Completed

ExxonMobil strives to have a positive impact on the communities where we operate. Stakeholder engagement demonstrates our fundamental respect for human rights and our belief that strong, informed communities lead to a stable business environment.

Community Impacts and Relationships

Through effective communication and consultation, ExxonMobil seeks to establish and maintain community relationships while actively promoting respect for human rights. We address socioeconomic issues by adhering to corporate policies and expectations (see page 47), complying with host-country regulatory requirements, applying universally recognized principles, engaging with external groups (see page 7) and building local economic capacity (see page 51).

In 2012, we approved our *Upstream Socioeconomic Management Standard* for use across the Upstream companies. The *Standard* provides a set of best management practices and minimum expectations when managing the socioeconomic considerations throughout the Upstream life cycle. Implementing the *Standard* helps us identify considerations and risks early. We then develop and implement appropriate avoidance measures. We believe a consistent approach helps our employees, contractors and partners effectively manage socioeconomic issues and maintain our global license to operate.

In 2012, ExxonMobil established an Upstream Socioeconomic Management Functional Advisory Team, comprised of various functional and Upstream company representatives. This team meets quarterly to review and discuss strategy, alignment and direction regarding

socioeconomic considerations. We also launched a system to capture lessons learned from any incidents with socioeconomic causes and effects. When incidents happen, it will be beneficial for these causes and effects to be identified to help improve how we manage socioeconomic impacts.

Identifying Socioeconomic Aspects

At ExxonMobil, risk management shapes our business and investment decisions. This includes evaluating and managing the risks and opportunities related to social, health, environmental, economic and cultural matters. When starting major Upstream projects, we conduct an *Environmental, Socioeconomic and Health Impact Assessment* (ESHIA) to identify key risks that we might encounter throughout the asset life cycle and develop strategies to manage or mitigate these risks appropriately. A key aspect of conducting an ESHIA involves engaging directly with affected communities, relevant governmental agencies, international organizations and local non-governmental organizations as appropriate to solicit feedback on a project and gain information

For the past decade, ExxonMobil has actively participated in the *Voluntary Principles on Security and Human Rights*.



Oil and gas projects can affect individuals, communities and the environment. Building relationships with community members and providing open communication channels to local groups are important components of our stakeholder engagement approach.

that can be used to improve the project or its execution. As part of the process, stakeholders are given the opportunity to review and comment on ESHIA drafts.

Since 2007, ExxonMobil has undertaken or participated in nearly 110 ESHIAs for projects and activities around the world, ranging from single-well exploration drilling programs to new technology evaluation pilots to large development mega-projects. Conducting ESHIAs is integral to successful project implementation and developing long-term, positive relationships in the communities where we operate.

Respecting Human Rights

Our approach to human rights is consistent with the policy framework outlined in the 2008 report of John Ruggie, the United Nations Special Representative on Business and Human Rights. That framework recognizes the distinctly different roles of government and business with regard to human rights — the government's duty to protect human rights and corporations' responsibility to respect them.

The United Nations *Framework and Guiding Principles on Business and Human Rights* was released in 2011 to provide further guidance on implementing the “protect, respect, remedy” framework. These *Guiding Principles* emphasize operational due diligence: corporations should be aware of potential adverse impacts and implement prevention measures. In 2012, the International Finance Corporation (IFC) published revised *Performance Standards on Environmental and Social Sustainability* to reflect the *Guiding Principles*.

In 2012, the International Petroleum Industry Environmental Conservation Association (IPIECA) continued efforts to coordinate an industry position on the *Guiding Principles*, with a focus on industry due diligence. ExxonMobil recognizes the importance of successful voluntary initiatives and supports IPIECA's effort to address the expectations of the *Guiding Principles* for the oil and gas industry proactively.

Providing human rights training

Our human rights awareness training program is based on ExxonMobil guidelines, practices and

Human Rights and Managing Community Impacts

priorities. Training focuses primarily on employee awareness, company policies and approaches, company resources and our commitment to respect human rights. Each session also includes information on the *Voluntary Principles on Security and Human Rights*, the requirements of our *Framework on Security and Human Rights* and implementing the *Framework* in a given country.

We pursue a risk-based approach to providing human rights training in our highest-priority operating areas. It is ExxonMobil's intent to facilitate the training of employees working on projects globally and to broaden the scope of those designated for training. In 2012, we coordinated training for approximately 50 site-based security personnel in Nigeria, Chad and Sakhalin, and more than 100 employees at our annual conference for socioeconomic professionals. We also continued to evaluate methodologies to reach additional personnel and expand the content of this training. Our plans include development of computer-based modules to provide greater access to security and human rights training. We will also evaluate combining this training with reviews of other business practice standards.

Policies and labor practices

Our commitment to human rights extends to our workforce and is supported by our *Standards of Business Conduct* and *Statement on Labor and the Workplace*, which is consistent with the spirit and intent of the United Nations *Universal Declaration of Human Rights* and the International Labor Organization (ILO) 1998 *Declaration on Fundamental Principles and Rights at Work*, specifically the elimination of child labor, forced labor and workplace discrimination. Employees are required to comply with all employment policies and practices.

We seek business partners that observe similar standards. Our contract language requires adherence to all national laws and regulations.

We prescreen suppliers and mandate compliance with all applicable laws, which include those regarding business practices and human rights. Formal requests for quotations typically include clauses relating to the prohibition of forced or child labor and the payment of wages in accordance with all local laws.

Addressing Security Concerns

Security and respect for human rights can and should be compatible. ExxonMobil is committed to ensuring the security of company personnel and operations in a manner that respects human rights and fundamental freedoms.

Framework on Security and Human Rights

For the past decade, ExxonMobil has actively participated in the *Voluntary Principles on Security and Human Rights*, a forum that provides for discussion and information sharing among extractive industry companies, governments and non-governmental organizations. These *Voluntary Principles* affirm the constructive role that businesses can play in supporting and advancing human rights and security.

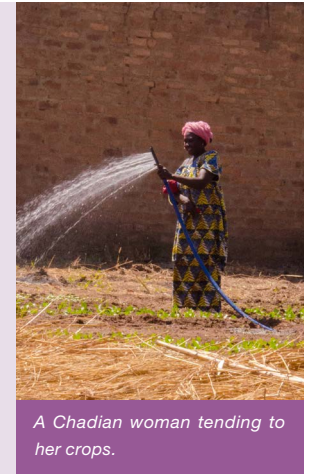
In 2012, IPIECA completed an Implementation Guidance Tool for introducing these *Principles* in countries that are not members of the *Voluntary Principles on Security and Human Rights*. ExxonMobil personnel attended implementation workshops in Indonesia and Peru.

Most countries with ExxonMobil operations rely on the use of unarmed private security providers. However, in some instances, host governments provide security personnel. In these cases, the expectation to uphold human rights remains the same. ExxonMobil's *Statement and Framework on Security and Human Rights* helps implement the *Voluntary Principles*. The *Statement and Framework* includes guidance on working with host government security personnel, instituting memoranda of understanding



Up Close: Stakeholder Consultation in Chad and Cameroon

Since the Chad/Cameroon pipeline project began in 2002, ExxonMobil has held thousands of public consultation sessions. In 2012, engagements focused on the 242 villages near the pipeline. With increasing development activity in the countries, active and early communication with villagers is a priority. During these meetings, villagers received relevant information about the pipeline right of way, including how to identify hazards, safe farming practices and key points of contact. Project staff also took the opportunity to provide villagers with health messages about cholera, currently a serious concern in Chad and Cameroon.



A Chadian woman tending to her crops.

regarding host government-assigned security personnel, developing approaches for interacting with private security providers, and reporting and establishing recordkeeping templates. Approximately 99 percent of our private security personnel contracts include requirements to address human rights concerns.

Establishing strong partnerships with the local community is the foundation of the Papua New Guinea liquefied natural gas project's security strategy. We have faced some challenges and delays from work stoppages due to community disruptions and land access issues. We address these challenges through the implementation of our *Security Plan* and work done by our land and community affairs team to engage with communities directly. Consistent with expectations set out in a Memorandum of Understanding between the Royal Papua New Guinea Constabulary and Esso Highlands Limited, Papua New Guinea government security personnel are to receive appropriate training, including human rights awareness training. We continue to encourage assigned government security personnel to provide human rights awareness training to personnel supporting community policing initiatives near project areas. Project personnel also work with project contractors to ensure workers have the appropriate training,

tools and support to perform their duties safely and effectively.

Consultation with Stakeholders

We aim to help develop human, social and economic capacity in a way that benefits people, communities and our business. Achieving this goal requires collaborative partnerships and active consultation with a range of stakeholders. Our *Best Practices in External Affairs* (BPEA) governs our community awareness programs, government relations and national content development. The BPEA process helps us identify the specific needs, expectations and interests of host communities and align these needs with our community investment efforts.

Through early external stakeholder engagement, we are able to identify community concerns and implement mitigation measures during the project planning phase. By attempting to address these issues up-front, we are able to minimize community concerns throughout the life of the project.

Ensuring mutual understanding, trust and respect in our stakeholder relationships means that interested parties are represented as project agreements are established. Once a project starts, we provide local groups and individuals with a communication channel to voice and resolve concerns related to a development project without fear of retribution. Our *Upstream Socioeconomic Management*

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Standard includes provisions for establishing a systematic and transparent grievance process.

For example, at our Papua New Guinea liquefied natural gas project, we apply an approach consistent with IFC *Performance Standards* to identify and manage community grievances. The project provides numerous mechanisms for receiving grievances from members of the community, such as the use of grievance cards by the project team when they are interacting with communities. The public can also submit grievances in writing, in person or over the telephone. As may be expected with a project of this scale and complexity, and in a country with customary land rights, many community concerns relate to compensation for land access. Additionally, community members raised concerns about environment- and economic-related issues.

We review all grievances and capture them in a centralized database that coordinates and manages grievances through to their closure. Once a grievance is closed, the project team evaluates the effectiveness of the resolution. The team also conducts weekly reviews of the grievance process looking for trends, lessons learned and opportunities for improvement.

As activities continue in Papua New Guinea, the project team has been engaging with communities to build relationships and trust to ensure all grievances are addressed both appropriately and in a timely manner.

Indigenous peoples

ExxonMobil is committed to engaging with indigenous communities in a manner that is respectful of their cultures and customs. Through open consultation, we work to understand and incorporate indigenous perspectives into project planning, design, execution and ongoing operations. Our approach is consistent with the

principles of the ILO *Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries*, the United Nations *Declaration on the Rights of Indigenous Peoples*, the IFC *Performance Standards on Environmental and Social Sustainability* and the World Bank *Operational Policy and Bank Procedure on Indigenous Peoples*. Our projects and operations in Alaska, Cameroon, Canada, Papua New Guinea and Sakhalin Island all involve working in communities of indigenous peoples. Often, the first consultation with any group of indigenous people is to determine how they prefer to be engaged. Each community establishes its own preference for how often members meet with us, for how long and whom the community chooses to represent its wishes.

At Kearl in Alberta, Canada, Imperial Oil consulted with First Nations' Industry Relations Corporations to develop a Reclamation Planning Group. This group, which seeks First Nations' input on the Kearl Closure and Reclamation Plan, has improved our understanding of the Aboriginal cultural and historical connection to the land and has helped formulate a more holistic reclamation approach that now features activities, such as the selection of native plants like beaked hazelnut and muskeg tea, for reclaimed areas. We also continue to assess a recommendation to create islands in a man-made lake to help moose protect their calves. This unique initiative is not only improving relationships and enhancing the company's reputation, but is facilitating local stakeholder input at the start of the project.

Similarly, in Kaktovik, Alaska, we regularly engage with the 300 residents of this local indigenous community regarding the operations of our North Slope Point Thomson Project. The Kaktovik-Point Thomson Working Group, comprising leadership from Kaktovik and ExxonMobil, meets several times a year. We also conduct community meetings open to all residents twice a year to



Stakeholder Engagement: Socially Responsible Investors

We were asked:

Does ExxonMobil's approach to engagement with indigenous people apply to Imperial Oil operations and, if so, how? In particular, how are the provisions of international standards and conventions reflected in the policies that govern Imperial Oil operations and what programs are in place to implement them?

— Email from a socially responsible investor

Our response:

Imperial's approach is consistent with the United Nations *Declaration on the Rights of Indigenous Peoples*, including free, prior and informed consent in the context of Canadian law. While the United Nations *Declaration on the Rights of Indigenous Peoples* was adopted by the United Nations General Assembly in 2007, Canada did not support the declaration until 2010. Canada, in its endorsement, emphasized that it views the United Nations *Declaration* as "a non-legally binding aspirational document which speaks to the individual and collective rights of indigenous peoples," and emphasizes that the *Declaration* is a "non-legally binding document that does not reflect customary international law nor change Canadian laws." Based on Supreme Court of Canada rulings, Aboriginal people do not have a veto over development projects.

The IFC *Performance Standards* require companies to undertake free, prior and informed consent under certain circumstances; for example, in cases of resettlement or significant impacts on cultural heritage sites. Imperial's projects do not result in resettlement; although at times, we must work with registered trapline owners to move cabins and compensate for loss of fur. There is an established protocol and formula for completing this in western Canada, including consent from the trappers.

ExxonMobil complies with legal requirements in every country where we operate. The global functional model means that ExxonMobil processes and good practices are shared with each affiliate and adopted by its functions, as appropriate. Affiliates will also conduct business in a way that is respectful of local customs and traditions and that establishes strong community partnerships to secure a local social license to operate.

provide project updates. In 2012, the project hired a Kaktovik resident as the project's liaison to enhance communications during project construction and to disseminate information on local hire opportunities.

Respecting indigenous heritage

We are sensitive to local community concerns about balancing their cultural heritage with the need for economic development, even after our

operations have ceased. Wherever we work with indigenous peoples, we support both local employment initiatives and cultural heritage programs through national content and strategic community investments, respectively.

In Alaska, our North Slope Point Thomson Project Master Plan defines specific development expectations. This past year, ExxonMobil supported a project aimed at connecting

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Kaktovik Inupiat elders with local youth, using aerial imagery and interviews to document traditional knowledge. This project will help young people understand the stories, values and social relations that exist in North Slope coastal locations and their contribution to the survival, preservation and evolution of Inupiat culture. At the same time, it will help connect generations and facilitate the sharing of important knowledge within and between communities. In Papua New Guinea, we work to preserve significant cultural heritage located in the project impact area and implement measures that manage known cultural heritage resources. To this end, we follow a *Cultural Heritage Management Plan* for our project activities and implement a cultural heritage tracking system, which collates and manages data collected since 2005. Any sites identified with cultural heritage components are either subject to salvage activities or protection from disturbance by construction activities. Throughout Papua New Guinea, caves, ponds, lakes and trees all have deep cultural heritage meanings that have been passed down for generations. We work closely with clan and tribal leaders to identify, preserve and protect sacred cultural heritage sites. For example, we engaged with the Wapiako Takima clan to protect a local spirit lake in the Komo region.

Training our construction and field contractor personnel is another way we manage potential cultural heritage impacts. For example, our onshore pipeline contractor trained brush-clearing crews on how to recognize areas of cultural significance to landowners.

Land use and resettlement

We respect property rights in the countries where we operate, including those of traditional land users. The IFC-revised *Performance Standards*, effective in 2012, require clients to obtain the free, prior and informed consent of indigenous peoples before initiating development activities on traditional lands.

Our *Upstream Socioeconomic Management Standard* includes expectations for securing free, prior and informed consultation. We strive to act consistently within the parameters of free, prior and informed consent by working collaboratively and transparently with local communities, including indigenous peoples, to foster ongoing support for our activities. We minimize involuntary resettlement through project design; when resettlement is unavoidable, we seek to ensure appropriate restoration of the livelihoods of displaced persons. In all cases when some resettlement is unavoidable, like at our Papua New Guinea liquefied natural gas project, we apply international good practices aligned with the IFC's *Performance Standards*, in conjunction with applicable host-country regulatory requirements.

When physical and economic displacement occurs, we develop and implement *Resettlement*

Action Plans that include landowner consultation and surveying and mapping of housing structures, gardens and other assets. We identify locations based on project needs through a consultative process. The company holds awareness sessions and takes note of any general issues or concerns. If it is determined that the household does not want to move, or wants to move but may have some sensitivities related to moving, then ExxonMobil works to identify alternatives, or provide special assistance. There are a few cases where we have re-routed or chosen an alternative site as a result of resettlement-related sensitivities.

As part of this process, we negotiate appropriate compensation with affected landowners or users in the presence of an independent advocacy professional. The resettled landowners or users then identify a new home and garden site. They receive assistance to re-establish a

household and gardens at the new location, including the provision of rations until the household can re-establish its livelihood, as well as the introduction of improved agricultural techniques. We conduct livelihood restoration activities through the project's Food and Agriculture Program and monitor and evaluate progress for two years against a pre-resettlement baseline. We also have an assessment team identify resettled individuals or groups who may be more affected by displacement than others. We closely monitor these individuals or groups and assign them priority resettlement assistance programs.

ExxonMobil tracks resettled areas based on the number of *Resettlement Action Plans* in place. There are some areas that were not conceptualized at the beginning of construction of the Papua New Guinea liquefied natural gas project, such as quarries or access roads. We are identifying these sites as construction moves



A Papua New Guinean farmer cultivating his garden.

Up Close: Papua New Guinea's Food and Agriculture Program

In countries such as Papua New Guinea with traditional landownership tenures, a social license to operate is a critical part of our business. We gain license to operate through our relationships with local communities, which not only own the land but also reside within the area where we operate. We recognize that it is their livelihood environment as much as it is our business environment.

The Papua New Guinea liquefied natural gas project's Food and Agriculture Program provides assistance for displaced or impacted people. Helping families generate income and grow a nutritious food supply is the key objective. As many people in Papua New Guinea practice subsistence agriculture, the Papua New Guinea liquefied natural gas project has helped many resettled families establish gardens through training, as well as providing agricultural tools, planting materials for important food staple crops, vegetables and fruit trees, and small livestock, such as poultry and pigs. Households also receive training in nutrition and hygiene, and learn how to bake products that are then sold in local markets. The benefits of this program have extended well beyond resettled households, with community members around the project area now also participating in some of the activities.

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into each area and developing *Resettlement Action Plans*. ExxonMobil has adjusted the number of sites accordingly. Thus far in Papua New Guinea, 27 locations have been identified where resettlement is deemed necessary.

Strategic Community Investments

ExxonMobil invests in long-term social challenges that directly impact our business. We make strategic community investments at both the corporate and country level, and each serves different needs. Our signature corporate programs focus on advancing economic opportunities for women, combatting malaria and other infectious diseases in the developing world and improving education. Through public-private partnerships and ongoing stakeholder engagement, we believe we can achieve these shared goals.

Malaria Initiative

Ending the spread of malaria requires an integrated approach, including prevention, education and treatment. Over the past several years, ExxonMobil has emerged as a corporate leader in the fight against malaria. Since 2002, our funding has supported the distribution of 13.1 million bed nets, nearly 1.8 million doses of anti-malarial drugs, 942,863 rapid diagnostic kits, and training for 249,904 health care workers. In total, we have reached more than 83 million people in 17 countries throughout Africa and Asia with an investment of \$106.6 million. In 2012 alone, ExxonMobil provided \$12.4 million to 20 organizations for 24 different projects, benefiting 16.7 million people in 10 countries.

Women's Economic Opportunity Initiative

Investing in women's economic participation provides long-term benefits to them, their families, their societies and their countries. In 2012, ExxonMobil invested more than \$8 million toward promoting women's economic opportunities. Through our partnerships, we have reached more

than 20,000 women in 85 countries. Over the past seven years, we have invested more than \$60 million in this global program.

Math and Science Initiative

Globally, a strong focus on education empowers communities and builds the foundation for human progress. Since 2002, we have provided nearly \$818 million for education programs, with \$140 million directed specifically toward teacher training programs in the United States. Our education programs have helped train more than 72,000 teachers. In 2012 alone, we directed more than \$116 million toward education initiatives worldwide, of which \$38 million was dedicated to math and science education in the United States, with a focus on teacher development, teacher training and inspiring kids to pursue these critical subjects.

Country-level investments

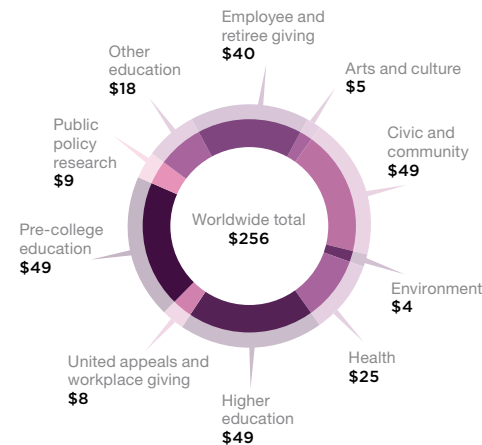
We focus country-level community investments on specific social and economic challenges in an area. We identify these challenges through the application of our *Upstream Socioeconomic Management Standard* and with our *National Content Plans* (see page 51). Around the world, country-specific investments address needs ranging from community water access to inoculations against disease. When determining where and how to invest, we consider the development goals of each community, as well as the potential benefit to our operations. We also monitor conditions in each country where we operate and provide emergency support. In 2012, we responded to severe flooding in Nigeria, as well as to Hurricane Sandy, which hit the eastern coast of the United States.

Volunteerism and Giving

Our worldwide spending includes contributions to non-profit organizations; we also invest in social projects through various joint-venture arrangements, production-sharing agreements

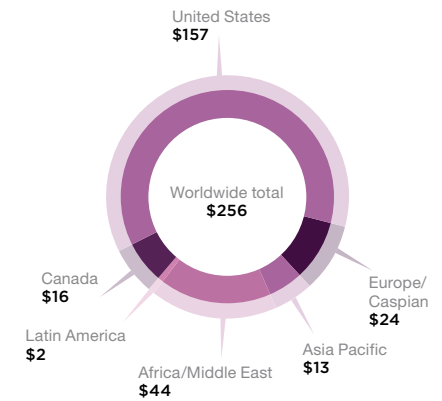
2012 Community Investments by Focus Area¹

(millions of dollars)



2012 Community Investments by Geographic Region¹

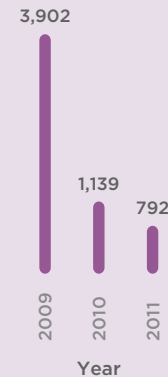
(millions of dollars)



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

Up Close: Combatting Malaria in Angola

Malaria-Caused Deaths in Benguela, Angola²



With support from ExxonMobil and the Benguela Provincial Malaria Control Program, the Benguela Consortium — a collaborative effort between Humana People to People, the International Health Organization and the Circle Rastafarian of Benguela — has helped reduce reported malaria cases and malaria-related deaths in Benguela, a province in western Angola.

The consortium provides families and municipal health posts with mosquito nets, organizes community cleanup campaigns in mosquito breeding areas, and trains teachers and students in prevention and treatment methods. Consortium representatives also host community awareness rallies aimed at educating local citizens on effective prevention techniques.

Between 2009 and 2011, the Consortium reached more than 178,000 individuals in the province, and the results have been significant. This team effort helped decrease reported malaria cases in Benguela by more than 44 percent between 2009 and 2011. The number of malaria-related deaths decreased by approximately 80 percent during the same time period.

²Data from a Presidential Malaria Initiative-financed study conducted by Catholic Relief Services.

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and projects operated by others. In 2012, Exxon Mobil Corporation, our divisions and affiliates and the ExxonMobil Foundation provided a combined \$216 million in cash, goods and services worldwide. Of that total, \$120 million supported U.S. communities and \$96 million supported communities in other countries.

Through company-sponsored volunteer programs, more than 23,200 ExxonMobil employees and retirees and their families donated approximately 776,300 volunteer hours to more than 5,300 charitable organizations in more than 40 countries in 2012. Employees and retirees donated \$40 million through ExxonMobil's matching gift, disaster relief and employee giving programs. When combined with corporate and foundation donations, ExxonMobil, together with our employees and retirees, contributed \$256 million to community investments worldwide.

Implementing Strategic Community Investments Country-Led Initiatives: 2012 Highlights



Kazakhstan

Combatting infant morbidity and mortality is one of Kazakhstan's most significant social issues. ExxonMobil Kazakhstan Inc. (EMKI) supported the *Breathe, Baby* project at the Atyrau Regional Perinatal Center. Underweight babies — typically those born at less than 5.5 pounds — are at a greater risk of dying in infancy. EMKI worked with the regional health care department of Atyrau to identify equipment needed to improve infant survival rates, including breathing machines, resuscitation tables, fetal monitors and X-ray devices. In addition, EMKI's donation funded training for medical personnel in perinatal and neonatal practices through a partnership with a medical academy in the Ukraine. EMKI also covers the tuition of medical students who commit to working in public health care institutions of the Atyrau region for three years after graduation. This helps address the area's lack of specialized medical personnel.



Indonesia

ExxonMobil's affiliate in Indonesia, Mobil Cepu Ltd. (MCL), launched a community-based clean water program to reduce the incidence of water-borne diseases and promote healthier living in the Cepu Block of Indonesia. During the dry season, many residents in this area lack reliable access to clean water. To help manage this program and make it sustainable, the community established a committee responsible for managing the budget, constructing and monitoring water facilities and handling distribution of water. For example, in the Ngasem Village, a new water tower serves as the key source of potable water and is distributed to community households through an installed pipeline network. Thus far, this program has benefited more than 25,000 community members in 17 villages.

Corporate-Level Initiatives: 2012 Highlights



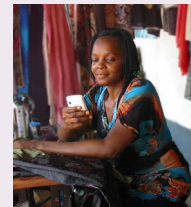
Malaria Initiative

With ExxonMobil support, Malaria No More launched its *NightWatch* program in Chad and Tanzania during 2012, building on successful programs in Senegal and Cameroon. *NightWatch* uses the voices of local and international celebrities in nightly reminders urging people to sleep under protective mosquito bed nets. A recent evaluation of the Cameroon *NightWatch* program published in *Malaria Journal* indicates that, among Cameroonians with at least one net at home, exposure to the *NightWatch* campaign was associated with a 6.6 percentage-point increase in last-night net use among adults and a 12 percentage-point increase among children under age five. Furthermore, the results indicate that approximately 298,000 adults and more than 221,000 of their children under age five slept under a bed net as a result of knowledge, motivation or a timely reminder provided by *NightWatch*. For more information, see exxonmobil.com/malaria and malariajournal.com.



Math and Science Initiative

With a \$125 million commitment from ExxonMobil, the National Math and Science Initiative (NMSI) continues to improve math and science education significantly in the United States. Since its inception in 2007, NMSI has reached 2.1 million students. NMSI's Advanced Placement (AP) program has been particularly successful, achieving record-setting results over the past five years. As of 2012, NMSI had implemented its AP program in 462 schools throughout 18 states. After just one year, the number of students with qualifying AP math, science and English exam scores increased by 79 percent, 11 times the national average. Gains for traditionally underrepresented groups have also been substantial — the program increased the qualifying scores of African-American and Hispanic students by 107 percent after just one year in the program. For more information, see exxonmobil.com/citizenship and nationalmathandscience.org.



Women's Economic Opportunity Initiative

In 2012, the ExxonMobil Foundation and the Cherie Blair Foundation for Women released a comprehensive study examining how mobile phone applications and services can help women entrepreneurs develop and grow their businesses. The resulting report, *Mobile Value Added Services: A Business Growth Opportunity for Women Entrepreneurs*, outlines the main business challenges that women entrepreneurs in Indonesia, Nigeria and Egypt face; identifies existing and new mobile value-added services that could be used to address these challenges; and prepares a business case for scaling up the services that would likely have the greatest impact on women entrepreneurs. Based on the research findings, the Cherie Blair Foundation for Women and the ExxonMobil Foundation are providing women entrepreneurs in Nigeria and Indonesia with a tailored mobile phone application and training. The program will be expanded to Mexico and Tanzania in 2013. For more information, see exxonmobil.com/womensinitiative and cherieblairfoundation.org.

Terms of Engagement

This Assurance Statement has been prepared for Exxon Mobil Corporation.

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by Exxon Mobil Corporation (ExxonMobil) to assure its processes used in the creation of the *Corporate Citizenship Report* (CCR) for the calendar year 2012.

Our terms of engagement were to review the processes for reporting safety, health and environmental core International Petroleum Industry Environmental Conservation Association (IPIECA) performance indicators and ExxonMobil-selected additional indicators. This did not include verifying the accuracy of data and information reported.

LRQA has reviewed ExxonMobil's reporting processes since 2005 (for the 2004 CCR).

Management Responsibility

ExxonMobil's management was responsible for preparing the CCR and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the CCR in accordance with our contract with ExxonMobil.

Ultimately, the CCR has been approved by, and remains the responsibility of, ExxonMobil.

LRQA's Approach

Our verification has been conducted against the requirements of LRQA's Report Verification procedure. The objectives of the assurance engagement were to verify the integrity of the processes used for determining which material issues to report, and to evaluate consistency with the following industry guidelines:

- The IPIECA, the International Oil and Gas Producers Association (OGP) and the American Petroleum Institute (API) *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (2010)
- The API *Compendium of Greenhouse Gas Emission (GHG) Estimation Methodologies for the Oil and Gas Industry* (February 2004)

To form our conclusions, the assurance was undertaken as a sampling exercise and covered the following activities:

- 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 the data-reporting processes at a sample of 12 operating sites to assess local understanding and implementation of reporting requirements. Sites selected were Rotterdam Plastics, Netherlands; Torrance Refinery, United States; Kearl Project, Canada; Beaumont Polyethylene Plant, United States; Baytown Olefins Plant, United States; and lubricant facilities in Vado, Italy; Vallejo, Mexico; Sarnia, Canada; Cartagena, Colombia; Olathe, United States and Port Allen, United States

Level of Assurance

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance.

LRQA's Opinion

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

It should be noted that:

- 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 and environmental 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.

LRQA's Recommendations

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



Andrea M. Bockrath

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

19 March 2013

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LRQA Reference: UQA0110889



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