



# Corporate Citizenship Report

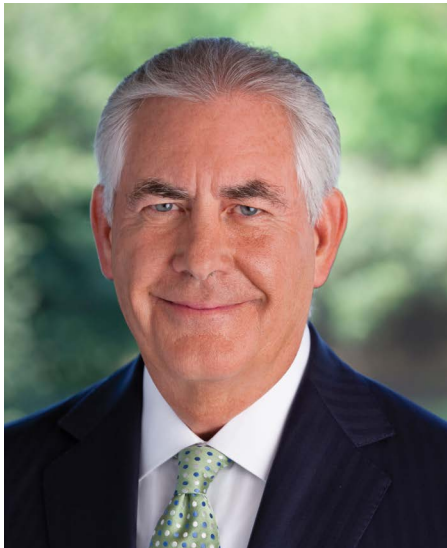
# 2013





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"We strive to be responsible corporate citizens, and our success along that path is underpinned by our technological expertise, operational excellence, safety performance and unwavering ethical standards."

— Rex W. Tillerson, Chairman and CEO

Welcome to the 2013 *Corporate Citizenship Report*. This report is an opportunity to reaffirm the commitments we make to our shareholders, employees, customers and communities regarding our corporate citizenship performance. We strive to be responsible corporate citizens, and our success along that path is underpinned by our technological expertise, operational excellence, safety performance and unwavering ethical standards.

Modern society consumes energy on a much wider and more complex scale than ever before. Over the coming decades, the world's population is projected to rise from 7 billion to nearly 9 billion, and the global economy will more than double. As energy needs evolve, ExxonMobil will continue investing in the research and technology necessary to find, develop and deliver energy resources to our customers in the most efficient way possible. Working together with our stakeholders, we can help shape the landscape of energy consumption in the future.

#### ECONOMIC GROWTH

Access to energy is crucial to economic prosperity and human progress. In developing countries, it is fundamental to reducing poverty, improving health, increasing productivity, enhancing competitiveness and promoting long-term economic growth. Improving access to reliable and affordable energy in order to sustain and improve standards of living is the biggest and most impactful contribution we make to local communities and economies. But, our responsibility to society does not end there.

Wherever we do business, we look to establish a skilled local workforce through aggressive recruitment and world-class training and development programs. We continued to make significant progress in hiring host country workers in 2013. For example, in Angola, Equatorial Guinea, Indonesia and Nigeria, we have established a national workforce that on average accounts for 83 percent of our workers. We also develop the capacity of and utilize local vendors to supply ExxonMobil with goods and services. Our goal is to help local communities and businesses fuel their economies and positively contribute to long-term economic growth for generations to come.

#### COMMITMENT TO SAFETY

At ExxonMobil, our *Operations Integrity Management System* establishes common expectations for addressing safety, security, health, environmental and social risks. Our goal that *Nobody Gets Hurt* is more than just three words; it is a core value that drives us to be a successful business, a responsible employer and a good neighbor. In 2013, ExxonMobil was honored with the *Green Cross for Safety*® medal. Established in 2000, the U.S. National Safety Council awards the medal to an organization that exhibits safety leadership at all levels, boasts an outstanding safety record and is committed to improving the quality of life in the communities where its employees work and live.

The commitment of our nearly 75,000 employees, as well as our third-party contractors, helped ExxonMobil continue to be among the industry leaders again in 2013.

Compared with 2012, our workforce lost-time incident rate decreased by nearly 9 percent. Since the inclusion of XTO Energy in 2011, we have reduced our workforce lost-time incident rate by 45 percent. The unwavering dedication of every worker allows for continual improvement — a goal always at the forefront of our safety culture.

#### ENVIRONMENTAL PERFORMANCE

Careful management of our environmental performance, through a focus on operational excellence, is an essential responsibility for our business. Our *Operations Integrity Management System* helps us align our environmental priorities with our business objectives and allows us to find new areas of opportunity to reduce environmental incidents.

Spill prevention is a core component of ExxonMobil's environmental performance. We continually seek to develop and improve risk management, operations integrity, spill prevention processes and containment capabilities, and, as a result, we had fewer spills in 2013 compared with 2012.

As always, we welcome input from all of our stakeholders at [exxonmobil.com/citizenship](http://exxonmobil.com/citizenship).

A handwritten signature in dark ink, reading "Rex W. Tillerson".

Rex W. Tillerson  
Chairman and CEO


## KEY REPORT HIGHLIGHTS

**\$209**  
billion



contributed to the global economy, including \$91 billion in taxes and duties

**45%**



decrease in total workforce lost-time incident rate compared with 2011

**39%**



of management and professional new hires in 2013 were women

**7,000**




acres of land actively managed for the benefit of wildlife at 21 sites

**1,000**



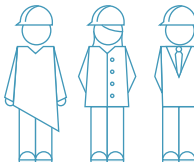
properties remediated and returned to beneficial end use since 2008

**24%**



reduction in freshwater consumption compared with 2011

**83%**



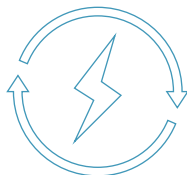
average workforce in Angola, Equatorial Guinea, Indonesia and Nigeria comprised of nationals

**\$1**  
billion



spent with minority- and women-owned businesses in the United States in 2013

**10%**



improvement in energy efficiency in refining and chemical manufacturing over the past decade

**169**



*Environmental, Socioeconomic and Health Impact Assessments* conducted since 2007

**\$269**  
million



contributed to communities around the world in 2013

**11**



years of active involvement in the *Voluntary Principles on Security and Human Rights*



As an energy supplier, we have many responsibilities — to our shareholders, neighbors, customers and communities. Our employees, technical expertise, financial strength, global reach and the management practices we build into the fabric of our operations provide ExxonMobil with long-term investment value and a competitive advantage.

### UPSTREAM

Our Upstream business encompasses high-quality exploration opportunities across all resource types and geographies, an industry-leading resource base, a portfolio of world-class projects and a diverse set of producing assets. We have an active exploration or production presence in 39 countries.

### DOWNSTREAM

As the largest global refiner, ExxonMobil has interests in 31 refineries in 17 countries, supplying fuels, lubricants and other high-value products and feedstocks to our customers. We are a market leader of globally recognized synthetic lubricant brands, as well as a leading supplier of asphalt and specialty products.

### CHEMICAL

ExxonMobil is one of the largest chemical companies in the world. We manufacture high-quality chemical products in 15 countries. Our products serve as the building blocks for a wide variety of everyday consumer and industrial products.



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



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

## Key Corporate Responsibility and Sustainability Issues: Challenges and Opportunities

### HUMAN RIGHTS AND MANAGING COMMUNITY IMPACTS

Understanding and addressing the interests of societies and communities that may affect, or be affected by, our business is critical to our success. As our work continues to extend to remote locations, we must constantly find new ways to engage these stakeholders, identify priority issues and develop solutions that are beneficial for communities and our business.

### SAFETY, HEALTH AND THE WORKPLACE

The safety and health of our workforce are at the core of our commitment to integrity. In 2013, we progressed toward our goal of *Nobody Gets Hurt*. However, we are still not where we need to be. We are focused on continuous improvement.

### CORPORATE GOVERNANCE

Our shareholders are varied, and each views our operations differently. We constructively engage with shareholders — including labor unions, religious organizations, state pension funds, socially responsible investors and institutional shareholders — to identify areas of opportunity and improvement. This engagement includes shareholder dialogues and our annual meeting.

### ECONOMIC DEVELOPMENT AND SUPPLY CHAIN MANAGEMENT

Ensuring a lasting, positive impact in the places where we do business is an ongoing focus. As supply chains become increasingly complex, we continually seek and develop relationships with suppliers that uphold our commitment to operational integrity and help us develop local capacity.

### ENVIRONMENTAL PERFORMANCE

It is important for the viability of our business that we understand the potential effects our business has on the local environment in the areas where we operate. We conduct impact assessments, stakeholder engagement and other due diligence to ensure we operate in a safe, respectful and environmentally protective manner.

### MANAGING CLIMATE CHANGE RISKS

We manage our climate change risks by focusing on reducing greenhouse gas (GHG) emissions through increased energy efficiency, enhanced operations at our facilities and technological innovation. As we work to reduce emissions, our challenge is to create solutions without undermining global economic growth.





## MATERIALITY

A key step in developing this *Corporate Citizenship Report* is ensuring the content reflects ExxonMobil's most material issues. According to the International Petroleum Industry Environmental Conservation Association (IPIECA), material issues for sustainability reporting are those that, in the view of both the company's management and its external stakeholders, have the potential to significantly affect sustainability performance. We outline our materiality process to the right.

### ISSUE IDENTIFICATION

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

- International reporting standards
- Topics covered in previous reports
- Feedback on the 2012 report, from both internal and external stakeholders
- Customer and investor questionnaires
- Current legislation
- Public debate issues
- Online and media coverage

### ISSUE PRIORITIZATION

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

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

### 2013 MATERIAL ISSUES

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

- |                                       |                                   |  |   |
|---------------------------------------|-----------------------------------|--|---|
| ▪ Air quality                         | ▪ Employment practices            | ▪ Personnel safety                     | ▪ Transparency                          |
| ▪ Arctic operations                   | ▪ Energy future                   | ▪ Political advocacy and contributions | ▪ Unconventional oil and gas operations |
| ▪ Biodiversity                        | ▪ Energy use/efficiency           | ▪ Process safety                       | ▪ Waste management                      |
| ▪ Board leadership                    | ▪ Environmental compliance        | ▪ Product safety and responsibility    | ▪ Water                                 |
| ▪ Canadian oil sands                  | ▪ Ethics and integrity            | ▪ Remediation                          | ▪ Workplace security                    |
| ▪ Climate change policy and planning  | ▪ Executive compensation          | ▪ Retention and engagement             | ▪ Worksite health and wellness          |
| ▪ Community relations                 | ▪ External stakeholder engagement | ▪ Shareholder relations                |   |
| ▪ Economic impacts and development    | ▪ Greenhouse gas emissions        | ▪ Shareholder returns                  |   |
| ▪ Emergency preparedness and response | ▪ Human rights                    | ▪ Spill performance                    |   |
| ▪ Employee benefits                   | ▪ Indigenous peoples              | ▪ Supply chain management              |   |
|                                       | ▪ Management systems              | ▪ Training and development             |   |
|                                       | ▪ Offshore drilling               |  |   |



ExxonMobil builds relationships with a diverse group of stakeholders through timely and transparent communication. For a company of our size and scope, this is an ongoing challenge. Many people, organizations and communities are impacted directly by — and have a direct impact on — our business. Energy issues are complicated, and our stakeholders represent multiple viewpoints. The dialogue we develop with our stakeholders helps us understand all points of view and maintain a global perspective on our most material issues. This, in turn, helps us continue to improve our company and remain a responsible corporate citizen.

We use a variety of mechanisms to engage our stakeholders, including:

- Internal and external one-on-one and group dialogues and briefings
- Senior executive speeches
- Quarterly earnings teleconferences
- Focus groups
- Community consultations
- Email communications
- Twitter feeds
- Corporate blog at [exxonmobilperspectives.com](http://exxonmobilperspectives.com)
- Publications such as the *Corporate Citizenship Report*, *Summary Annual Report* and our shareholder magazine, *The Lamp*, as well as community newsletters and content on our websites

## External Citizenship Advisory Panel

The External Citizenship Advisory Panel (ECAP) — comprising experts in social and environmental topics — annually provides an independent review of our corporate citizenship activities, including the *Corporate Citizenship Report*.

 [View the panel's statement on this report](#)

In 2013, the ECAP visited our Upstream Research Company in Houston, Texas, to discuss our approach to operating in the Arctic. The panelists also visited our headquarters in Dallas, Texas, to discuss how we measure and manage GHG emissions.

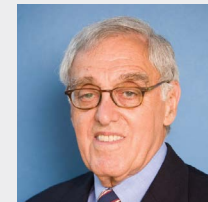
Starting in 2014, two new members have joined the ECAP. Frank Loy is the former Under Secretary of State for Global Affairs at the U.S. Department of State, and Sarah Labowitz is the co-director of the Center for Business and Human Rights at New York University's Stern School of Business. We thank Elizabeth McGeeveran and Tim Smith for sharing their perspectives with us as members of the panel from 2009 through 2013.



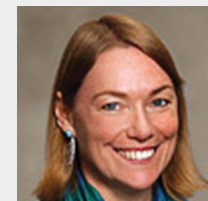
**Mark Cohen**  
*Professor of Management and Law*  
Vanderbilt University Owen  
Graduate School of Management



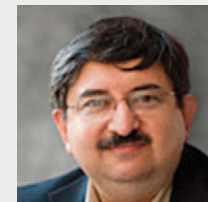
**Sarah Labowitz**  
*Co-director of Center for Business  
and Human Rights*  
New York University Stern School  
of Business  
Joined ECAP in January 2014



**Frank Loy**  
*Former Under Secretary of State for  
Global Affairs*  
U.S. Department of State  
Joined ECAP in January 2014



**Jane Nelson**  
*Director of Corporate  
Responsibility Initiative*  
Harvard Kennedy School



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



## Our Stakeholders

### ~160,000 SUPPLIERS

of goods and services

Approximately 160,000 suppliers throughout the world provide goods and services to our company to help ensure the continuity of our business. Engagement with suppliers in 2013 focused on expanding our supply chain in the areas where we work.

### ~75,000 EMPLOYEES

in 64 countries around the world

Our nearly 75,000 employees are the drivers for our continued business success. We strive to foster an engaging work environment throughout our business. We have an ongoing dialogue with our employees about a wide range of issues, including benefits, development opportunities and diversity.

### MILLIONS OF CUSTOMERS

including individual consumers and industrial customers

ExxonMobil's millions of customers range from consumers purchasing our lubricants and fuels to large-scale industrial customers of oil, natural gas and petrochemicals. We engage with customers about supply chain management, GHG emissions and the sustainability of our products across their life cycle, among other topics.

### 120 COUNTRIES

in which we conduct business

ExxonMobil interacts with governments at all levels in the countries where we do business. In 2013, our discussions with government representatives focused on taxes, development of local suppliers, job creation, impact assessments, ethics, education and governance.

### 2.5 MILLION SHAREHOLDERS

and more than 2,000 institutions

More than 2.5 million individuals and 2,000 institutions invest in the continued success of our business. Through ongoing engagement, we discuss topics such as governance practices, board composition, policy engagement and sustainability.

### 45,000 INDIVIDUALS

in 530 interactive sessions

Community members, nongovernmental organizations (NGOs) and academic institutions remain engaged in all phases of our business. In 2013, ExxonMobil held 530 interactive sessions with these groups to discuss topics ranging from biodiversity and climate change to community development and human rights.



## ENERGY OUTLOOK

Energy supply and demand are significant drivers of the global economy, and, as a key player in the energy market, we know that our actions have the power to improve lives. Technology and energy advances have helped bring about an unprecedented improvement in the key indicators of human well-being, including incomes, literacy rates and average life expectancy in many parts of the world. Going forward, we are challenged not only to meet basic needs, but also to improve living standards. For that reason, we update our long-term energy outlook each year — taking into account the most up-to-date demographic, economic, energy and technology information available. This analysis serves as a foundation for our business strategies and investments.

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

- From 2010 to 2040, the world's population is projected to rise from 7 billion to nearly 9 billion, and the global economy will more than double. Over that same period, global energy demand is likely to rise by about 35 percent, even with substantial efficiency gains. Nearly all of the growth will occur in non-OECD<sup>1</sup> countries.
- China and India will account for half of the projected growth in global energy demand through 2040. By then, nine of the world's 20 most populous cities — and one of every three people on the planet — will be in these nations.
- While oil will remain the fuel of choice for transportation, natural gas is emerging strongly as a growing fuel of choice for multiple sectors. It will be the world's fastest-growing major energy source, with global demand projected to rise by close to 65 percent from 2010 to 2040. By roughly 2025, natural gas is expected to overtake coal as the second-largest energy source, behind oil.
- About 65 percent of the growth in natural gas supplies through 2040 is expected to be from unconventional

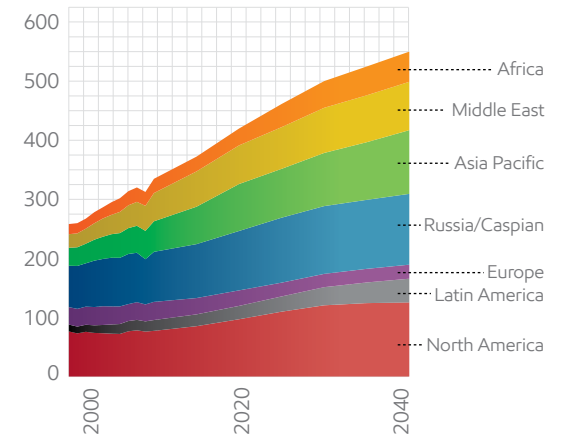
sources, which will account for one-third of global production. During the same period, emerging sources such as oil sands, tight oil, deepwater, natural gas liquids and biofuels will account for more than 40 percent of global liquids supply, with tight oil supply growing more than 10 times — faster than any other liquid source. Advances in technologies, such as those used for well drilling and completion, have enabled the energy industry to reach new sources of oil and natural gas, while helping to reduce the environmental impact of energy production.

- Worldwide electricity use is projected to increase by 90 percent from 2010 to 2040, with developing countries accounting for approximately 85 percent of the growth. With an increased trend of people moving from rural to urban areas, electricity will likely account for around one-third of residential energy demand by 2040.
- After decades of growth, we expect worldwide energy-related carbon dioxide (CO<sub>2</sub>) emissions to plateau around 2030 before gradually declining, despite a steady rise in overall energy use. Climate policies that target GHG emissions are likely to play a significant role in the world's energy future by affecting people's energy choices. These policies will likely raise electricity costs, slowing demand growth and shifting electricity generation away from coal toward lower-emission fuel sources like natural gas, nuclear and renewables.
- Maintaining a robust global energy marketplace is critical to meeting rising global energy demand. We expect that about half of global liquid fuels demand will continue to be met via international trade by 2040, while traded volumes of natural gas are expected to be two-and-a-half times the 2010 level by 2040.

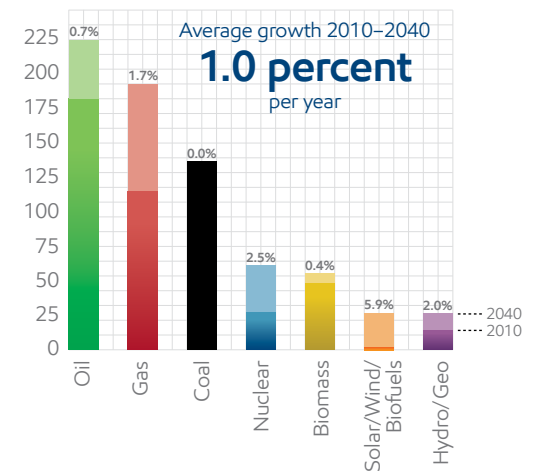
 [View the full Outlook for Energy](#)

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

NATURAL GAS PRODUCTION BY REGION  
Billion cubic feet per day



ENERGY MIX CONTINUES TO EVOLVE  
Quadrillion BTUs



## PERFORMANCE DATA

At ExxonMobil, we are focused on continuously improving 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 multiyear period and consider other factors in our assessments, such as production volumes and economic climate. We conduct much of this detailed analysis at the operational level. When we see unfavorable trends at any level, we identify them and aim to correct underlying causes. This report describes in detail our plan for addressing these issues. Starting in 2011, performance data include XTO Energy information.

### Citizenship Data Table

	2010	2011	2012	2013	Interpretation	Page #
<b>Safety, Health and the Workplace*</b>						
Fatalities — employees	0	0	1	0	■	17
Fatalities — contractors	3	9	4	6	■	17
<sup>1</sup> Fatal accident rate — total workforce (per 1,000,000 work hours)	0.006	0.017	0.010	0.011	■	N/A
<sup>2</sup> Lost-time incident rate — employees (per 200,000 work hours)	0.048	0.063	0.039	0.047	■	18
<sup>2</sup> Lost-time incident rate — contractors (per 200,000 work hours)	0.031	0.086	0.049	0.040	■	18
<sup>2</sup> Lost-time incident rate — total workforce (per 200,000 work hours)	0.038	0.077	0.046	0.042	■	N/A
<sup>2</sup> Total recordable incident rate — employees (per 200,000 work hours)	0.25	0.30	0.25	0.21	■	18
<sup>2</sup> Total recordable incident rate — contractors (per 200,000 work hours)	0.34	0.41	0.37	0.32	■	18
<sup>2</sup> Total recordable incident rate — total workforce (per 200,000 work hours)	0.30	0.37	0.33	0.28	■	N/A
Number of process safety Tier-1 events (API RP 754 guidance)	–	–	–	61		18
<sup>3,4</sup> Number of regular employees at year end, thousands	84	82	77	75		21
<sup>4</sup> Percent of workforce — outside the United States	60	61	59	59		21
<sup>4</sup> Percent women — global workforce	26	26	28	28	■	21
Percent management and professional new hires — women	40	44	39	39	■	21
Percent management and professional new hires — outside the United States	70	79	68	66		N/A
Number of non-unique employee participants in corporate and technical training, thousands	61	65	76	87	■	23
Total corporate and technical training expenditures, millions of dollars	77	80	88	96		23
<b>Environmental Performance*</b>						
<sup>5</sup> Number of acres of protected wildlife habitat	6,400	6,900	7,000	7,000	■	31
Marine vessel spills (owned and long-term leased), number of hydrocarbon spills > 1 barrel	0	0	0	0	■	33
Spills (not from marine vessels), number of oil, chemical and drilling fluid spills > 1 barrel	210	484	356	330	■	33
Hydrocarbons spilled (oil spilled), thousands of barrels	7.7	17.8	8.5	11.1	■	33
Other spills, thousands of barrels	40.4	2.0	1.6	0.9	■	N/A
Controlled hydrocarbon discharges to water, thousands of metric tons	1.3	1.3	1.2	1.1	■	N/A
<sup>6</sup> Total hazardous waste disposed from operations, millions of metric tons	1.3	1.9	2.0	0.3	■	34

#### Notes on performance table:

<sup>1</sup>For the past several years, including 2010–2013, ExxonMobil's fatal accident rate has been equivalent to our fatal incident rate.

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

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

<sup>4</sup>Regular employees are defined as active executive, management, professional, technical and wage employees who work full-time or part-time for ExxonMobil and are covered by ExxonMobil's benefit plans and programs. Employees at our company-operated retail stores are not included.

<sup>5</sup>Cumulative figure

<sup>6</sup>The value for hazardous waste from ongoing operations included produced water classified as hazardous waste by one local authority for 2010 through 2012. Beginning in 2013, this authority no longer classifies produced water as hazardous waste.

\*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

	2010	2011	2012	2013	Interpretation	Page #
<b>Environmental Performance* (continued)</b>						
Sulfur dioxide (SO <sub>2</sub> ) emitted, millions of metric tons	0.14	0.13	0.13	<b>0.12</b>	■	34
Nitrogen oxides (NO <sub>x</sub> ) emitted, millions of metric tons	0.12	0.14	0.14	<b>0.15</b>	■	34
Volatile organic compounds (VOCs) emitted, millions of metric tons	0.23	0.24	0.20	<b>0.19</b>	■	34
VOCs emitted, metric tons per 100 metric tons of throughput or production						
Upstream	0.076	0.078	0.073	<b>0.072</b>	■	N/A
Refining	0.012	0.011	0.010	<b>0.009</b>	■	N/A
Chemical	0.036	0.032	0.036	<b>0.034</b>	■	N/A
Environmental expenditures, billions of dollars	4.5	4.9	5.5	<b>6.0</b>		34
Freshwater consumption, millions of cubic meters	330	370	330	<b>280</b>	■	37
<b>Economic Development and Supply Chain Management</b>						
U.S. direct spending with minority- and women-owned businesses, millions of dollars	812	869	788	<b>744</b>	■	49
<sup>7</sup> Number of <i>Extractive Industries Transparency Initiative</i> (EITI) participating countries	7	7	7	<b>9</b>	■	51
<b>Managing Climate Change Risks*</b>						
<sup>8</sup> Greenhouse gas emissions, absolute (net equity, CO <sub>2</sub> -equivalent emissions), millions of metric tons	126	129	125	<b>126</b>	■	54
<sup>8</sup> Greenhouse gas emissions, normalized (net equity, CO <sub>2</sub> -equivalent emissions), metric tons per 100 metric tons of throughput or production						
Upstream	20.5	20.7	22.2	<b>22.7</b>	■	54
Downstream	20.8	20.3	19.5	<b>19.7</b>	■	54
Chemical	57.9	57.2	56.3	<b>56.7</b>	■	54
Energy intensity, normalized versus <i>Global Energy Management System</i> (GEMS) base year (2000) — refining	90.8	89.1	88.9	<b>89.4</b>	■	N/A
Energy intensity, normalized versus GEMS base year (2002) — chemical steam cracking	87.5	87.3	88.2	<b>88.8</b>	■	N/A
Hydrocarbon flaring (worldwide activities), millions of metric tons	3.6	4.1	3.6	<b>3.7</b>	■	55
<sup>5</sup> Cogeneration capacity in which we have interest, gigawatts	4.9	5.0	5.2	<b>5.3</b>	■	58
<b>Human Rights and Managing Community Impacts</b>						
Number of countries in which affiliates received dedicated human rights awareness training	1	5	3	<b>8</b>	■	68
Percent of private security contracts with human rights language	75	79	99	<b>99</b>	■	68
<sup>9</sup> Community investments, millions of dollars	237.1	278.4	255.6	<b>269.5</b>	■	68
United States	154.8	161.3	156.5	<b>156.3</b>		70
Rest of world	82.3	117.1	99.1	<b>113.2</b>		70
<b>Corporate Governance</b>						
Percent of shares represented at corporation's annual meeting	80.7	81.9	83.0	<b>82.3</b>		78
Corporate political contributions — U.S. state campaigns and national 527s, millions of dollars	1.10	0.51	1.03	<b>0.70</b>		N/A

### Notes on performance table:

<sup>5</sup>Cumulative figure

<sup>7</sup>In countries where ExxonMobil has an Upstream business presence and is supporting the EITI process

<sup>8</sup>The net equity greenhouse gas (GHG) emissions metric was introduced in 2011 as a replacement for the direct equity GHG metric. Information has been restated back to 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 of our business operations, reflecting our percent ownership in an asset.

<sup>9</sup>Total contributions include donations from Exxon Mobil Corporation, our divisions and affiliates, and the ExxonMobil Foundation, as well as employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs.

\*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.

## IPIECA/GRI CONTENT INDEX

Our corporate citizenship reporting is guided by our materiality process (see page 7), through which we determine the most important issues to our stakeholders and our business. Our reporting is also consistent with IPIECA, the International Oil and Gas Producers Association (OGP) and the American Petroleum Institute (API) *Oil and Gas Industry Guidance on Voluntary Sustainability*

Reporting Overview	IPIECA/OGP/API	GRI	Page Reported
Letter from the Chairman and CEO		1.1, 2.10	3
Key Report Highlights and About ExxonMobil		2.1, 2.2, 2.3, 2.5, 2.7, 2.8, EC1	4–5
Managing Sustainability Issues		1.2	6
Materiality		3.5	7
Engagement	SE16	2.4, 2.8, 4.4, 4.14–4.17	8–9
Energy Outlook		1.2, EC2	10
Performance Data	HS3, HS5, E1, E2, E4, E5, E6, E7, E8, E9, E10, SE4, SE7, SE9, SE10, SE13, SE14, SE15, SE17	3.7–3.11, EC1, EN8, EN13, EN16, EN20, EN22, EN23, EN30, HR2, LA1, LA2, LA7, LA13, SO6	11–12
<b>Safety, Health and the Workplace</b>			
Safety	HS1, HS3, HS4, HS5	2.10, 4.8, 4.11, 4.12, DMA-PR, DMA-LA, LA7	15–19
Workplace Security		4.11	19
Emergency Preparedness and Response	E8, SE17	4.11, LA11	19–20
Health and Wellness	HS2	LA8	20
Workforce	SE15, SE16, SE17	DMA-LA, LA1, LA2, LA3, LA10, LA11, LA12, LA13, EC3	20–23
Case Study: Preventing and Mitigating Environmental Impacts in the Arctic	E5	EN11, EN12, EN13, EN14, EN26, EN30	24–26
<b>Environmental Performance</b>			
Environmental Management		4.8, 4.11, 4.16, DMA-EN, EN26	28–30
Biodiversity and Ecosystem Services	E5	4.8, 4.12, 4.16, 4.17, EN11, EN12, EN13, EN14	31–32
Wastewater Management	E9	EN21	32–33
Spill Performance	E8	EN23, EN29	33–34
Waste Management	E10	EN22	34
Environmental Compliance	E7	EN20, EN28, EN30	34–35
Restoring the Environment		4.13, EN13, EN26	35–36
Case Study: Responsible Water Management	E6, E9	2.10, EN8, EN9, EN10, EN21, EN25	37–39
Case Study: Unconventional Oil and Gas Development	SE1, SE4	4.16, 4.17, EN26, EN29, SO5, SO9, SO10	40–42

*Reporting* (2010). This report also cross-references the Global Reporting Initiative (GRI) G3.1 *Sustainability Reporting Guidelines*. These standards can be downloaded at [ipieca.org](http://ipieca.org) and [globalreporting.org](http://globalreporting.org).

Reporting Overview	IPIECA/OGP/API	GRI	Page Reported
<b>Economic Development and Supply Chain Management</b>			
Economic Growth and Development	SE5, SE6, SE7, SE17	4.11, DMA-SO, EC7, EC9, LA11	44–47
Supply Chain Management	SE7, SE9, SE12	4.16, 4.17, EC6, HR1, HR2, HR7	48–50
Transparency	SE13	4.11, 4.12	50–51
<b>Managing Climate Change Risks</b>			
Mitigating Greenhouse Gas Emissions	E1, E2, E4	3.9, EN3, EN5, EN6, EN7, EN16, EN18	53–56
Developing Cutting-Edge Technology	E3	EN18, EN30	57–58
Engaging on Climate Change Policy and Planning	SE14	EC2, SO5	59
Case Study: Advancing the Environmental, Socioeconomic and Health Impact Assessment Process	SE1	4.11, 4.16, 4.17, SO1	60–61
<b>Human Rights and Managing Community Impacts</b>			
Managing Community Impacts	SE1, SE2, SE3	4.8, 4.12, 4.16, 4.17, DMA-SO, SO1, SO9, SO10, HR9, HR11	63–67
Respecting Human Rights	SE8, SE9, SE10, SE17	4.8, 4.12, 4.13, DMA-HR, HR2, HR3, HR6, HR7	67–68
Strategic Community Investments	SE4	4.13, EC1, EC8, EC9, LA8	68–73
Employee Participation	SE4	EC1	70
<b>Corporate Governance</b>			
Board of Directors		4.1–4.5, 4.7, 4.9, 4.10, LA13	75–78
Shareholder Relations		4.2, 4.4, 4.16, 4.17	78
Ethics and Integrity	SE11, SE12, SE16, SE17, SE18	4.8, SO2, SO3, SO4, LA10	78–80
Political Advocacy and Contributions	SE14	4.17, SO5, SO6	80
About this Report, Assurance Statement and Back Cover		2.3, 2.4, 2.6, 3.1, 3.4, 3.6, 3.8, 3.13	81–84

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



Environmental Resources Management, Inc. (ERM) reviewed ExxonMobil's 2013 *Corporate Citizenship Report* against the IPIECA/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.





01

# SAFETY, HEALTH AND THE WORKPLACE

Workers at a morning safety briefing during the construction of our petrochemical expansion in Singapore. Safety is a core value at ExxonMobil, and everyone has a common responsibility to identify, assess and mitigate risks in our operations.







## Safety

Safety is more than just a priority at ExxonMobil — it is a core value.

Our safety performance in 2013 continued to be among the best in the industry.

Regardless of an employee's job function, all of us at ExxonMobil have a common responsibility in every assignment we undertake: identifying, assessing and mitigating the risks associated with our operations. The Valdez oil spill incident, which occurred 25 years ago this spring, was a turning point in our history. In its aftermath, we launched a top-to-bottom review of our operations and then implemented our *Operations Integrity Management System* (OIMS), which guides the activities of each of our nearly 75,000 employees, as well as our third-party contractors. It is embedded in our everyday work processes at all levels, and we strive for continuous improvement.



Learn more about OIMS

**"Leaders establish the vision, communicate the core values including safety, provide the tools and resources, engage the workforce, monitor progress, adapt to change and recognize accomplishments. With the right leadership approach, you really can change the culture."**

— Dan Egging, Sakhalin-1 Safety, Security, Health and Environment Manager

Unfortunately, personnel and process safety incidents and near-misses do occur. When they do, we investigate what transpired, considering both the actual and potential

consequences, to determine how to prevent similar incidents in the future. Many of our business lines use an in-house tool, called the Incident Risk Assessment Tool, to analyze the actual and potential consequences and the layers of protection in place to prevent the incident from having a more serious outcome. We then share each incident through

our global networks to ensure we implement those lessons in our operations around the world.

A critical element of any comprehensive management system approach is honest and objective self-assessment. Without it, no system is sustainable. OIMS requires us to audit the health



### Up Close: "Mining the Diamond"

To continue improving our safety performance, we must dive deeper into safety incidents to understand their contributing factors. While the industry rate of total safety incidents has continued to decrease in recent years, the serious injury and fatality rate has not decreased at the same pace. Many oil and gas companies use a traditional safety pyramid to evaluate and think about safety incidents. The pyramid represents the actual outcome of events that have taken place — not taking into account the potential outcomes. Recognizing this challenge, ExxonMobil Development Company (EMDC) refers to this as a "diamond of knowledge" buried within the traditional pyramid, shown to the right.

The diamond is a realization that on any given day, multiple incidents under different circumstances could have had a much more serious outcome. For example, when someone drops a wrench from the top of a drilling rig derrick, the outcome is typically a near-miss — an event that does not result in an illness, injury or fatality. However, a serious injury or fatality could have occurred if, for example, someone were standing in the wrong place.

The "mining the diamond" approach recognizes these higher-risk activities and reacts to the potential outcomes of an incident, as well as the actual outcomes. For example, our Arctic Projects team at EMDC analyzed its safety incidents in a recent year and found only a small number of actual first aid or near-miss events — noted within the diamond below — could have reasonably resulted in a serious incident with a life-altering consequence. This analysis helped the project team focus on activities that had the potential for serious outcomes.

DIAMOND ANALYSIS



of our risk management approach regularly in each of our operating environments. These assessments are performed not only by qualified professionals, but also by cross-functional, cross-regional teams drawn from our global organization. In this way, all workers are responsible for each other's safety. We are also continuing to improve the effectiveness of our "life-saving" practices, which we developed to reduce the potential for the most severe injuries and fatalities.

#### PERSONNEL SAFETY

In 2013, we progressed toward our goal of *Nobody Gets Hurt*. When compared with 2012, our workforce lost-time incident rate decreased by nearly 9 percent. Since the inclusion of XTO Energy in 2011, we have reduced our workforce lost-time incident rate by 45 percent. However, we are still not where we want to be.

We deeply regret that six workers were fatally injured in five incidents related to ExxonMobil operations in 2013. We have thoroughly investigated each of these incidents, determined the contributing factors and then identified steps to prevent similar events in the future.

We do not believe safety management is proprietary. In collaboration with other industry leaders, we are working to improve our understanding of ways to prevent fatalities and life-altering injuries more effectively.

▶ Watch our Sakhalin employees talk about personal safety

The expansion of our Singapore Chemical Plant set an industry-leading record in construction safety with more than 83 million hours worked without a lost-time injury. In addition, the construction of our new campus in Houston reached more than 7 million work-hours without a lost-time injury and an



### Up Close: U.S. National Safety Council Honors ExxonMobil

In 2013, the U.S. National Safety Council awarded ExxonMobil its prestigious *Green Cross for Safety*® medal "...in recognition of leadership and commitment to corporate and social responsibility efforts in safety." The following is part of an interview with ExxonMobil's Chairman and CEO, Rex Tillerson, that appeared in an issue of the Council's *Safety+Health* magazine.

▶ Watch our *Green Cross for Safety* video

🌐 View *The Lamp* 2013 #1 to read the full interview

#### Why is safety a core value at Exxon Mobil Corporation?

I've heard people say they've made safety a "top priority" for their company or organization. That's commendable, but I believe that a commitment to safety must run much deeper than simply being a priority. Priorities can — and do — evolve over time, depending on business conditions and other factors. A commitment to safety, however, does not change or evolve. A commitment to safety is a value that shapes all decision-making at every level.



Rex Tillerson  
ExxonMobil Chairman  
and CEO

#### What is the biggest obstacle to safety for Exxon Mobil Corporation, and how do you work to overcome it?

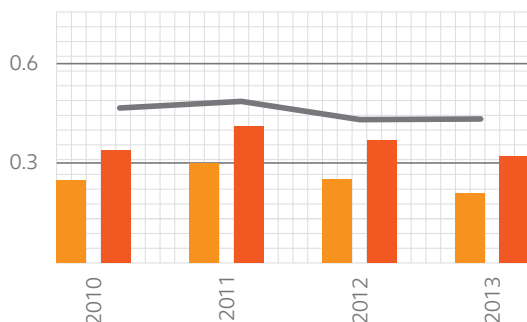
The journey to safety excellence requires that we seek opportunities to continuously improve our approaches to the prevention of injuries and illnesses. In this regard, our analysis indicates that human factors continue to be primary contributors to incidents. We have learned that this, in part, has to do with the personal choices each of us makes to either accept or reject risk, or what we call "risk tolerance." The concept of risk tolerance involves first recognizing or identifying the risk, understanding it, and lastly, making the choice to either accept or reduce the risk. It is in this last step, in particular, that we find significant opportunity. To facilitate progress in this area, we are continuing to reinforce the importance of workers looking out for each other in the workplace, encouraging and empowering people to intervene on behalf of others when faced with a potential at-risk situation. We refer to this as "actively caring." Our focus is on training people to be more effective at intervention, as well as being intervened upon. Both of these — risk tolerance and actively caring — may sound very simple, but they represent some of the more perplexing challenges we face related to human factors in safety management.

injury incidence rate one-fourth of the industry average for U.S. construction projects. This is particularly commendable given the scope of the work, with more than 20 buildings in various phases of construction and up to 4,500 workers on site every day. ExxonMobil plans to share lessons learned and incorporate best practices at our facilities and projects around the world.

ExxonMobil merged with XTO Energy in 2010, and since that time we have worked together to implement improved safety standards in the organization. XTO Energy safety performance improved in 2013 compared with 2012. XTO Energy continues to implement OIMS and is committed to continuous improvement. In 2013, XTO Energy completed training front-line supervisors, superintendents and engineering managers in safety leadership, enabling them to promote behavior-based safety principles and techniques.

TOTAL RECORDABLE INCIDENT RATE<sup>1</sup>  
(incidents per 200,000 work hours)

● ExxonMobil employees ● ExxonMobil contractors  
● American Petroleum Institute U.S. petroleum industry employee benchmark



### PROCESS SAFETY

Process safety refers to equipment, procedures and training that prevent the uncontrolled release of hydrocarbons and hazardous substances. Our goal is to prevent incidents with the potential for serious injuries and fatalities, widespread environmental impact or property damage. Recent industry events have further reinforced ExxonMobil's long-standing resolve to excel in process safety management.

We subscribe to the American Petroleum Institute (API) Recommended Practice 754 and International Association of Oil & Gas Producers No. 456, which are industry standards. These standards define process safety indicators and use a process safety incident triangle to represent events from Tier 1 through Tier 4. Tiers 1 and 2 represent incidents resulting in a loss of primary containment. According to the API, loss of primary containment is defined as an unplanned or

uncontrolled release of any material from primary containment, including nontoxic and nonflammable materials. Tiers 3 and 4 represent near-misses and leading performance measures such as on-time maintenance performance. During 2013, we had 61 Tier-1 process safety events. After careful analysis, we determined human factors, procedures and preventive maintenance were the primary contributing elements to the occurrence of these events, allowing us to develop and enhance prevention strategies more effectively.

ExxonMobil serves as a contributing member to a variety of groups and initiatives focused on improving safety in the industry. For example, we contribute to the Advancing Process Safety Initiative, a collaborative effort between the American Fuel and Petrochemical Manufacturers and the API. The goal of this initiative is to improve process safety performance across the industry, and nearly all of the refining capacity in the United States is represented in this initiative. The program creates more opportunities to communicate and share experiences and knowledge about process safety events, hazard identification and performance metrics, and industry-proven practices. This effort recognizes that when a significant process safety event occurs at any site, large or small, it affects everyone in the industry by eroding stakeholder trust.

▶ Watch operational integrity in action in Australia

### PRODUCT SAFETY AND RESPONSIBILITY


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. Our rigorous management systems help ensure compliance with product stewardship regulations in 120 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. Due to the evolving nature of regulatory requirements, we continually monitor developments

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



to ensure our products comply with regulations. With regard to our products, we follow guidelines and regulations that include:

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

 View page 40 of our 2012 Corporate Citizenship Report for more information on these guidelines

## Workplace Security

We are constantly assessing potential threats to our people, physical assets and intellectual property.

Security is deeply embedded into our day-to-day operations. We have developed consistent worldwide security practices and have appointed and trained site-security contacts to meet challenges in the diverse locations where we operate. Each new facility goes through a security analysis that takes into account potential risks, the application of countermeasures, relationships with communities and compliance with applicable laws. Our security personnel regularly participate in governmental and industry forums to enhance our established

risk-management methodologies, threat-assessment capabilities and technical security applications. In higher-threat locations, we monitor local conditions and maintain detailed security preparedness plans.

As information technology continues to evolve, cyber-attacks present a greater risk to the safety and security of ExxonMobil's data, facilities and ongoing business operations. On average, our cybersecurity screening programs block more than 80 million emails, 90 million Internet access attempts and 30,000 other potentially malicious actions each month. In addition, we have trained all of our employees and contractors on how to identify and respond to potential cyber-security situations.

## Emergency Preparedness and Response

An important aspect of our business is the ability to respond to emergencies as soon as they arise. ExxonMobil conducts extensive training and drills in preparation for such situations.

Effective emergency preparedness depends on competent response teams. To develop and practice emergency response strategies and to relieve the burden on field responders, we establish strategic Emergency Support Groups (ESGs) consisting of a wide range of ExxonMobil employees. We routinely train these groups on a range of possible scenarios, including simulated spills, fires, explosions, natural disasters and security



## Up Close: Regional Response Teams

ExxonMobil's emergency preparedness and response model builds on a foundation of rapid and comprehensive response. Regardless of the size of an incident, each ExxonMobil facility and business unit has access to a wide array of trained responders, including, but not limited to, Regional Response Teams (RRTs). Our three RRTs — North America; Europe, Africa, Middle East; and Asia Pacific — comprise approximately 450 ExxonMobil personnel trained on one consistent system with common roles and responsibilities. They provide rapid response support, as well as professional support and assistance, when needed.

Emergency response requires a disciplined command and control approach based on clear communication. In total, the RRTs completed six training exercises in 2013, with approximately 350 ExxonMobil participants and more than 200 external responders.

As an example, our North America RRT conducted an exercise in San Francisco in 2013 in which more than 100 employees, along with approximately 150 regulatory agency members and contractors, participated. This exercise simulated a major spill of 148,000 barrels of Alaska North Slope crude off the coast of San Francisco. The major objectives of this training included validating and identifying areas for potential enhancement of response capability for hypothetical vessel spills offshore San Francisco, and building working relationships with key federal, state and local stakeholders. The exercise was successful in achieving its objectives, and we continue to share lessons learned with other RRT members. The North America RRT also responded to the Mayflower, Arkansas, incident in 2013. For more information, see page 33.

incidents. In 2013, an estimated 750 ExxonMobil employees participated in approximately 50 ESG training classes.

Every site also conducts emergency drills in accordance with regulatory requirements and OIMS guidelines. Site response teams are supplemented with Emergency Response Strike Teams and RRTs, as needed. Both site and supplemental emergency response personnel train and exercise together on a regular basis. Our specialized three-day training program, which includes two days of classroom sessions and a day of outdoor hands-on training using oil spill response equipment, gives employees the skills they need to plan for and carry out a response using an Incident Command System structure. In 2013, we held 15 training classes around the globe, and approximately 250 ExxonMobil employees participated.

Our training sessions in 2013 focused on recent advancements in emergency response, such as subsea injection of dispersants and enhanced shoreline cleanup assessments. We operate in some countries that do not have clear emergency response requirements, and in those cases, we apply global good practices to determine the frequency of emergency drills.

## Health and Wellness

ExxonMobil supports programs and services that help our employees live healthier lives.

### INFECTIOUS DISEASE CONTROL

We operate in a variety of countries throughout the world, and each location has its own health challenges. Some locations expose our workforce and their families to higher infectious disease risks. We have established a structured program for

infectious disease control to monitor and address related issues. As part of this program, a multiyear plan was developed that focuses on implementing programs in locations with a significant threat of malaria and other vector-borne diseases, infectious outbreaks, tuberculosis and HIV/AIDS.

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

The recently developed infectious disease outbreak management program for offshore sites and camps successfully reduced the spread of infections like norovirus to less than 5 percent of workers in affected sites. The program is now being adopted as a best practice by others within the oil and gas industry.

Malaria is a significant concern at our operations in Africa and parts of Asia Pacific. Our *Malaria Control Program* covers both employees and contractors working in malaria-endemic countries. In 2013, 18 malaria cases were reported — compared with 203 in 2002 before the program matured — out of the thousands of our non-immune workers located in or visiting endemic areas. In the past 10 years, we estimate our workplace *Malaria Control Program* has averted 1,800 malaria cases among non-immune workers. For more information about our efforts to eradicate malaria in the communities where we operate, see page 69.

### PREVENTIVE CARE

Investing in preventive 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 preventive health and wellness program. This program includes

resources for employees and family members to achieve personal health goals. In 2013, quarterly seminars focused on healthy food choices, fitness, stress management and quality sleep. A monthly awareness campaign highlighted employees who used the program tools and resources to make healthy lifestyle behavior changes.

Outside the United States, we are piloting culturally relevant programs within the context of different health care systems, health needs and available resources in the countries where we have offices and operations. The benefits plans we offer comply with or exceed applicable country laws or regulations, including requirements mandated by the Patient Protection and Affordable Care Act in the United States.

## Workforce

ExxonMobil's nearly 75,000 employees contribute to the success of our business; we are committed to contributing to their career goals and professional development.

Our employees are our greatest asset, and we seek to foster a diverse workforce of highly talented individuals committed to achieving our business priorities. We use a long-term, career-oriented approach that includes recruiting outstanding talent and developing individuals internally by providing them the opportunity to complete a wide range of assignments.

### EMPLOYMENT PRACTICES AND POLICIES

ExxonMobil has operations around the world, and we foster the ideas, perspectives, skills, knowledge and cultures of our

diverse employees. We also sponsor a range of programs, activities and investments to create, develop and maintain a diverse workforce that represents the broad geographies where we do business.

Our *Global Diversity Framework* is the foundation for our long-term, career-oriented approach to employment, with three interrelated objectives: attract, develop and retain a premier, diverse workforce; 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.

Our *Standards of Business Conduct* govern all aspects of our employment, including recruitment, hiring, work assignments, promotions, transfers, terminations, wage and salary administration, and selection for training. Our *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. We strictly prohibit any form of discrimination by or toward employees, contractors, suppliers or customers in any ExxonMobil working environment.

 [View our Standards of Business Conduct](#)

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 is not tolerated. Every employee is subject to disciplinary action, including termination, for any act of harassment. We employ a comprehensive education, training and stewardship program to ensure employees worldwide understand, implement and follow our antiharassment policy. We provide training on the

*Standards of Business Conduct* for new employees and offer refresher courses to existing employees on a regular basis. Our annual reporting and compliance procedures include a letter to senior managers emphasizing their responsibility 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.

#### DIVERSITY AND INCLUSION

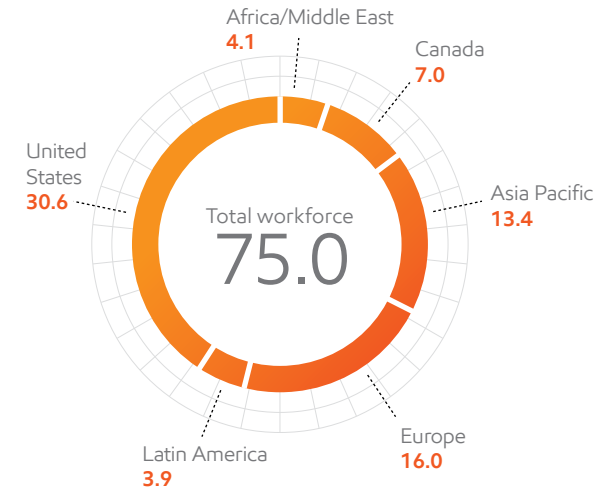
We support local employee networks around the world to foster a work environment dedicated to diversity and inclusion. These include the Asian Connection for Excellence (ACE); Black Employee Success Team (BEST); Global Organization for the Advancement of Latinos (GOAL); People for Respect, Inclusion 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 new employees.

**Regarding the importance of leveraging employee networks: "It speeds assimilation and builds confidence. Our company culture embraces diversity and encourages networking, which builds breadth, depth and relationships."**

— Tony Lewis, Global Marketing and Growth Manager,  
ExxonMobil Chemical, Houston, Texas

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 the science, technology, engineering and mathematics fields to support further development of the oil and gas industry. Without education today, we cannot advance

2013 WORKFORCE BY GEOGRAPHIC REGION<sup>2</sup>  
(thousands of employees)



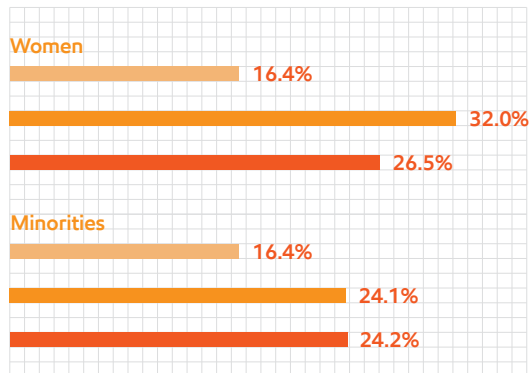
<sup>2</sup>Data exclude company-operated retail store employees.

technological innovation to help meet our future energy needs. For more information on our educational initiatives, see page 69.

ExxonMobil promotes leadership opportunities for women and works to improve the gender balance within our company through all aspects of the employment relationship, including recruitment, hiring, training, promotions, transfers, and wage and salary administration. Currently, women account for about 28 percent of our worldwide workforce. In 2013, 39 percent of management and professional new hires were women, significantly higher than the percentage of women in our broader employee population. In the United States, 30 percent of our newly hired engineers were female, higher than the U.S. percentage of female engineering students. Approximately 16 percent of executive employees worldwide are women — an increase of

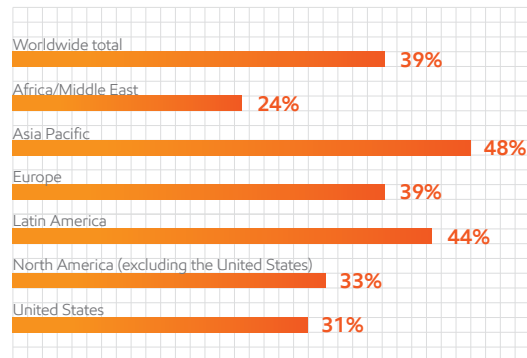
2013 PERCENTAGE OF WOMEN AND MINORITIES  
BY POSITION IN THE UNITED STATESBased on U.S. Equal Employment  
Opportunity Commission reporting

- Officials and managers
- Professionals
- Total employees



60 percent over the past decade. For more information on how we advance opportunities for women worldwide, see page 69.

To increase the representation of minorities in our U.S. operations, our hiring programs include outreach to identify diverse candidates. For example, through our technical scholarship program, we award scholarships to ExxonMobil minority interns to assist them in completing their college degree. In 2013, we provided 76 technical scholarships, an increase of 90 percent from 2010. From a U.S. recruiting perspective, our minority representation among management and professional new hires was 29 percent in 2013. Further, 32 percent of our newly hired engineers were minorities, significantly higher than the percentage of U.S. minorities in our broader population. Based on U.S. Equal Employment

2013 PERCENTAGE OF FEMALE  
MANAGEMENT AND PROFESSIONAL NEW HIRES  
BY GEOGRAPHIC REGION

Opportunity Commission reporting, minorities made up approximately 24 percent of our U.S. workforce and about 16 percent of officials and managers in 2013. Approximately 12 percent of our U.S. executives in 2013 were minorities, an increase of 33 percent over the past decade.

## RETENTION AND ENGAGEMENT

Our global, diverse workforce represents a source of competitive advantage for ExxonMobil. We retain and develop our employees by fostering an environment where personal and professional growth is encouraged, and career objectives are developed and achieved. During the annual performance assessment and development process, every employee has 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. The company's training programs, mentorships and networking opportunities also help employees grow and develop throughout their time at ExxonMobil.

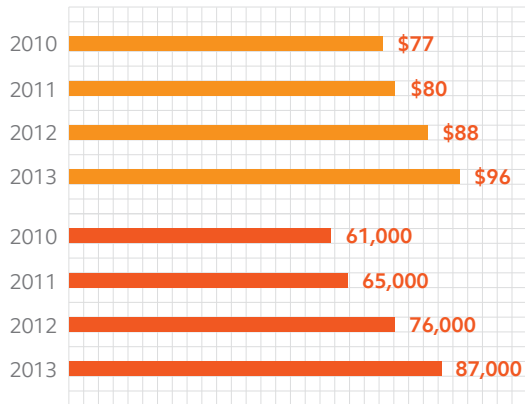


An ExxonMobil employee monitoring equipment at our Baton Rouge refinery. ExxonMobil promotes leadership opportunities for women and works to improve the gender balance within our company.



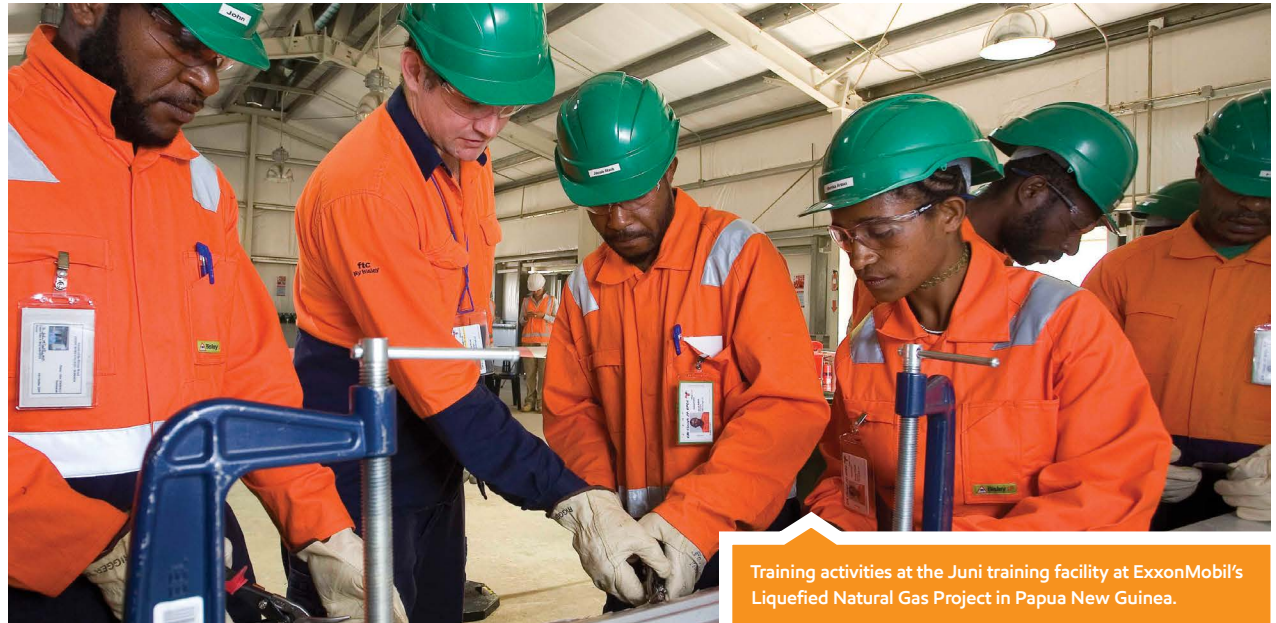
TRAINING EXPENDITURES AND  
NUMBER OF EMPLOYEES TRAINED

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



Another aspect of our retention and engagement strategy involves providing a robust corporate and technical training program. Our major business units spent \$96 million on training employees in 2013, reaching more than 87,000 non-unique training participants. To maintain our position as a technical leader in the industry, we directed more than 71 percent of our investment toward professional technical training. Additionally, more than 3,900 employees at various levels of the company participated in ExxonMobil's leadership development training programs in 2013, of which 30 percent were women and 59 percent were employees outside the United States.

Our workplace flexibility programs assist in maintaining employee engagement by addressing individual employee needs and maximizing employee productivity. ExxonMobil offers a variety of workplace flexibility programs, which may



Training activities at the Juni training facility at ExxonMobil's Liquefied Natural Gas Project in Papua New Guinea.

be customized and used individually or in combination to meet individual needs. Each country's workplace flexibility program differs based on legal requirements, infrastructure and culture. Examples of workplace flexibility programs include adaptable workplace arrangements, modified workweeks, part-time regular employment and adjustable work hours.

ExxonMobil communicates openly with employees, through frequent one-on-one and team discussions, as well as larger organizational meetings. In 2013, ExxonMobil's business line presidents held nearly 50 town hall-style forums and interactive meetings with employees, addressing topics such as safety and future business plans, as well as answering employee questions.

## EMPLOYEE BENEFITS

Our benefits programs are an integral part of a total remuneration package designed to support our long-term

business objectives, as well as attract, retain and reward the most qualified employees. The goal is to be responsive to the needs of employees throughout their career and into their retirement.

Ensuring access to affordable health care helps employees manage health care issues and reduce related financial concerns, assisting them in being productive and focused on their personal and professional responsibilities. Benefits coverage for spouses is based on legally recognized spousal relationships in each country where we operate.

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

# Case Study

## Preventing and Mitigating Environmental Impacts in the Arctic



Orlan offshore platform. ExxonMobil scientists and engineers spent several years studying the ice environment offshore Russia's Sakhalin Island.

The Arctic represents one of the world's largest remaining regions of undiscovered conventional oil and gas resources, and we expect it to play a critical role in helping to meet the world's growing energy demand. Arctic operations present unique technological, environmental and social challenges, and we know stakeholders are understandably interested in how the industry will address those challenges.

Our *Operations Integrity Management System* (OIMS) is a foundational framework to manage risks. We apply OIMS to identify the risks associated with projects and operating activities, and work to eliminate or reduce such risks, with the aim of preventing negative environmental and social impacts. It enables us to understand the unique physical, ecological, cultural and economic

characteristics of project and operational locations. We then ensure the appropriate design capabilities and operating practices are in place to conduct our activities safely and sustainably.

We have been conducting exploration and production operations in the Arctic for more than 90 years, and are among the industry leaders in oil spill prevention. Based on extensive industry experience, we know that incidents can be avoided and managed safely. This requires that wells are properly designed for the range of risks anticipated, established procedures are followed, layers of redundancy are built in, equipment is properly inspected and maintained, operators are trained, tests and drills are conducted, and the focus remains on safe operations and risk management.

The Arctic is a complex and diverse environment. As we do with all of our projects, ExxonMobil prioritizes our activities based on a number of factors, such as safety, environmental and social. We typically extend the planning and development phase of the more challenging areas as we progress technologies to enable safe and environmentally sound activities. We take a careful approach to each project to ensure we have the capability to manage operational and environmental risks safely before we proceed. Some of the ways we do this are described in this case study.

In the unlikely and unfortunate event of a spill, ExxonMobil has the technical expertise, experienced personnel, qualified responders, access to response equipment and financial resources that enable us — while working closely with local

# Case Study

## PREVENTING AND MITIGATING ENVIRONMENTAL IMPACTS IN THE ARCTIC

governments and communities — to conduct the safest and most effective response possible, regardless of location.

 [Learn more about our Arctic operations](#)

 [View our \*Offshore Arctic Oil Spill Prevention, Preparedness and Response\* publication](#)

 [View our \*Arctic Leadership\* publication](#)

### PREDRILLING STUDIES AND SURVEYS

We conduct extensive studies and surveys before we commence drilling operations in every location, including in the Arctic. We know a scientific understanding of the local environmental surroundings is critical to preventing an incident.

First, we undertake a thorough analysis of the literature and technical data available. Second, we conduct a comprehensive field survey designed specifically for the area of interest. Typically, we map several square kilometers in the targeted drilling location to identify potential hazards and sensitive environments. We use tools such as a multibeam echo sounder, which provides a highly detailed, three-dimensional underwater map of the seabed, to identify larger obstructions such as rock outcrops and sunken vessels, or a sub-bottom profiler, which provides high-resolution views of what is buried below the seabed, such as pipelines and telecommunications cables. We also procure and analyze satellite imagery and other remote sensing data to inform our planning and decision-making processes.

The data collected in the field surveys include precise GPS location information, allowing us to compile detailed maps of the identified hazards in the immediate area. We then use these maps to plan activities associated with drilling a well. As another precaution, we typically employ a remotely operated

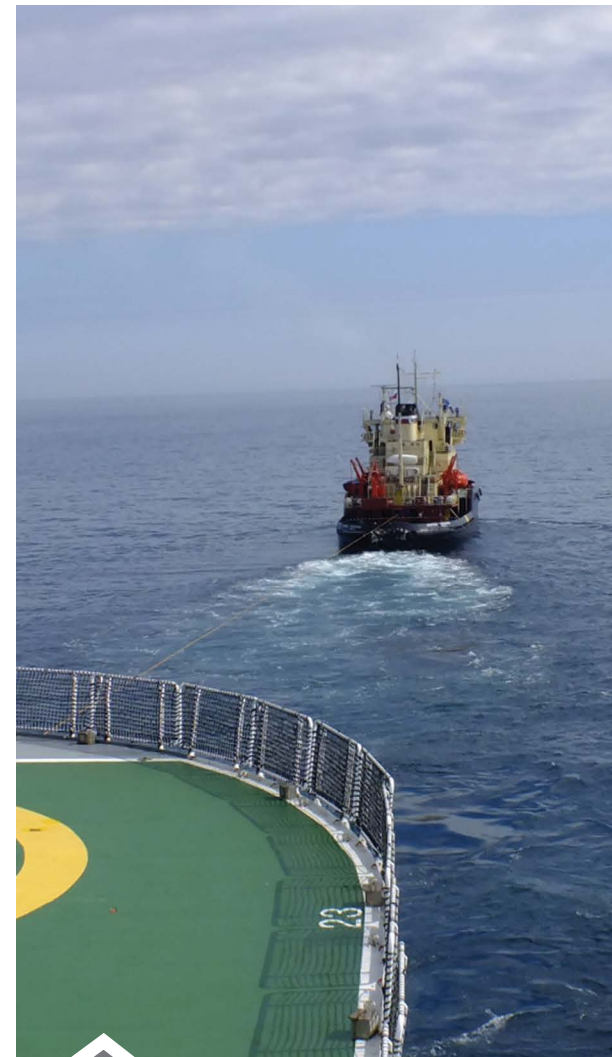
vehicle or sonar system to check the seabed around a well site again immediately before drilling begins.

### ICE MONITORING, MANAGEMENT AND STRUCTURAL DESIGN CONSIDERATIONS

Each area of the Arctic has its own unique ice environment. In order to prevent spills and other potential environmental impacts, we must understand each setting so we can design suitable operations and facilities that can safely operate under the most extreme conditions.

For example, beginning nearly a decade before first oil production, ExxonMobil scientists and engineers, in partnership with Russian research institutes, studied the ice environment offshore Russia's Sakhalin Island. We studied satellite images of ice formation and movement, installed seafloor-mounted ice drift and thickness monitoring stations, conducted on-ice drilling and strength testing of ice features, and completed seafloor ice gouge surveys.

We conducted similar studies in advance of planned exploration drilling programs in Russia's Kara Sea. With our partner Rosneft, we have conducted several ice characterization expeditions aboard icebreaking vessels with the aid of the Russian Arctic and Antarctic Research Institute. The aim of these expeditions was to gain a better understanding of the local marine environment. We used satellite imagery and vessel observations to locate, count and measure the size of sea ice flows and icebergs in the area, and we deployed GPS tracking buoys to track drift patterns. We analyzed decades of ice coverage data and satellite images to understand the range of conditions that could be encountered. In 2013, during the time of year ExxonMobil expects to undertake drilling and construction activities in the future, we conducted field testing of our planned Kara Sea ice reconnaissance program using daily satellite images, on-site testing of advanced marine radar systems and testing of fixed-wing ice surveys to identify and track drifting ice within 100 kilometers of our proposed drill site.

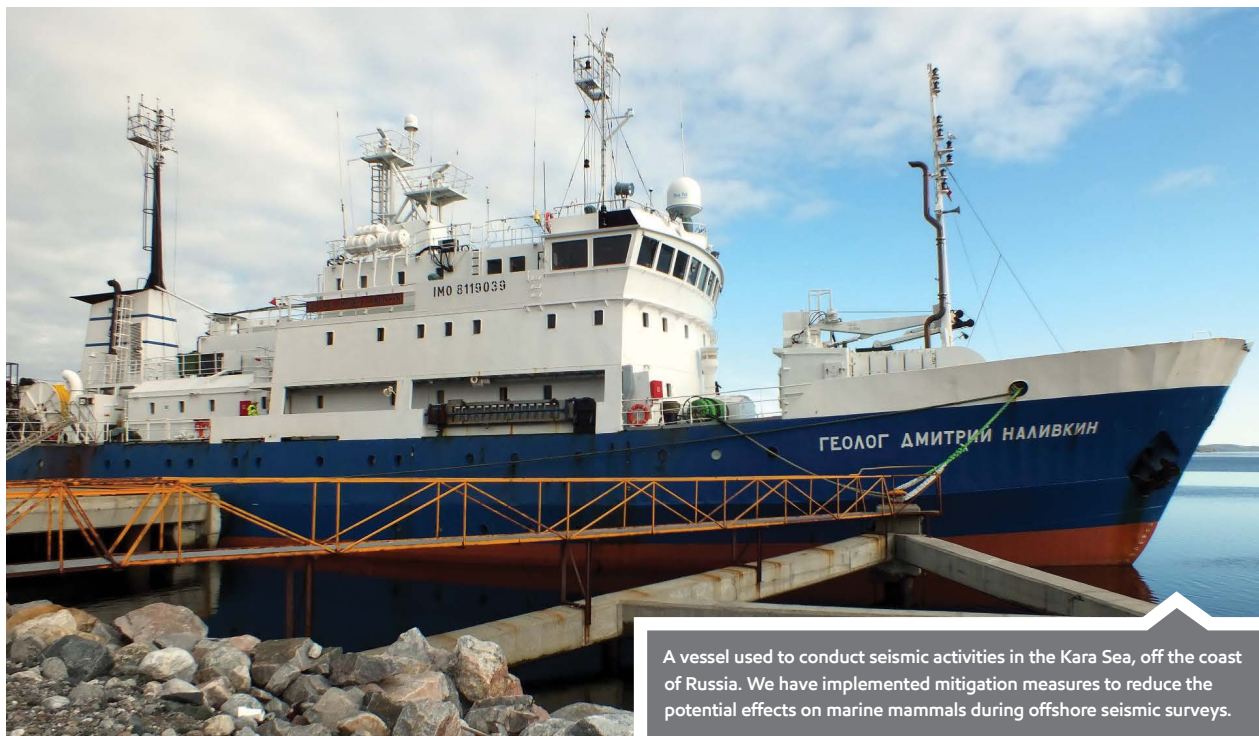


An exploration vessel performs seismic activities in the Kara Sea, off the coast of Russia. With 90 years of operations, ExxonMobil has the industry's longest history of Arctic experience.



# Case Study

## PREVENTING AND MITIGATING ENVIRONMENTAL IMPACTS IN THE ARCTIC



A vessel used to conduct seismic activities in the Kara Sea, off the coast of Russia. We have implemented mitigation measures to reduce the potential effects on marine mammals during offshore seismic surveys.

### SOUND AND MARINE LIFE

In addition to our focus on spill prevention, we work to gain a better understanding of the Arctic ecosystem so we can identify how, when and where our activities might interact with marine life.

We have assisted an international group of Arctic marine biologists and oceanographers — led by Dr. Arne Bjørge at the Norwegian Marine Research Institute in Bergen — to improve understanding of habitats and foraging traits for five seal species across Northeast Greenland, Svalbard and Novaya Zemlya. As a result, we are better able to map ecosystem parameters through space and time to avoid or mitigate potential impacts on the

Arctic ecosystem. A partnership with scientists at the University of California at Santa Cruz — led by Dr. Dan Costa — has resulted in important advances in the understanding of how much energy is required for the life functions of elephant seals and gray whales. This work has helped us avoid affecting these mammals.

In addition, our scientists have been involved with research on western gray whales off Sakhalin Island since 1997. This work — which involves monitoring, photographing and cataloguing gray whales in the area — represents one of the most extensive research programs involving a whale species. The studies have increased scientific knowledge of this whale population and its broad-range habitat. Monitoring their population has

demonstrated that our actions have resulted in no significant impact to the whales or their habitat in our operating area. Their population continues to increase, and whales that utilize the habitat offshore Sakhalin Island commingle with the larger population of eastern gray whales in North American waters.

As part of our effort to avoid or reduce risks to marine life, we assess the potential effects of sound generated by our offshore activities during seismic surveys. Three decades of world-wide seismic surveying activity and scientific research have demonstrated that such surveys can be conducted safely and without any adverse effects on marine mammal populations. Further, we have implemented mitigation measures to reduce the potential effects on marine mammals. We set ship traffic guidance and establish marine mammal exclusion zones with calibrated buffer distances. We have specially trained observers onboard survey vessels to detect marine mammals within a defined safety zone, and we use hydrophones to detect vocalizing marine mammals. If we detect mammals within the safety zone, we immediately halt a survey until the area is clear. We also use a slow ramp-up procedure when starting or restarting a seismic survey that gradually increases sound level, allowing animals to leave the area if they react to sound.


We are also working to improve our understanding of the complex characteristics of sounds in the marine environment, how they propagate, how marine life uses sound and what sound levels and frequencies different forms of marine life receive. In 2004, ExxonMobil and several other energy companies formed the Sound and Marine Life Joint Industry Program, which funds research on the effects of sound on marine life. To date, the program has invested \$35 million on 70 research projects conducted by scientists in Australia, Canada, Denmark, Norway, the United Kingdom and the United States. These projects include understanding the magnitude and frequencies of sounds from engineered sound sources, and how seismic surveys affect whale and seal behaviors and the hearing capabilities of loggerhead turtles. To learn more about the Joint Industry Program, visit [soundandmarinelife.org](http://soundandmarinelife.org).





02

## ENVIRONMENTAL PERFORMANCE



**A worker supporting operations in Argentina.** Wherever we operate, we employ structured environmental management processes across a project's life cycle to ensure we are effectively addressing risks.



## Environmental Management

Globally, our projects and operations are set in a diverse range of environments that carry different sets of environmental, social and health risks, which we carefully identify, assess, manage and monitor throughout their life cycle.

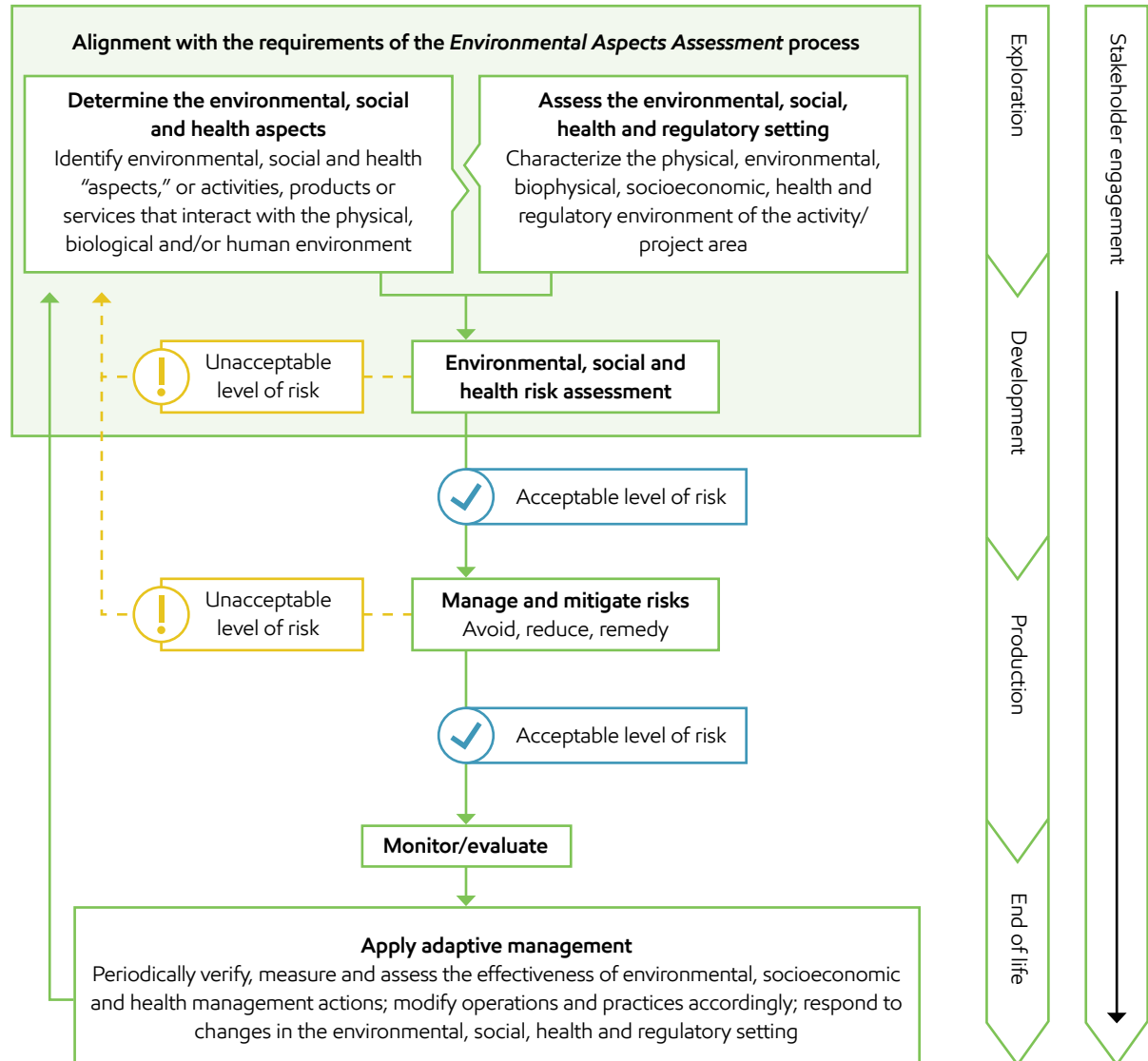
Wherever we operate, we employ structured environmental management processes across a project's life cycle to ensure we are effectively addressing environmental, social and health risks. Our corporate Environmental Policy and *Protect Tomorrow, Today.* initiative serve as the foundations of our efforts, which are guided by a scientific understanding of the environmental impact of our operations, as well as the social and economic needs of the communities in which we do business. Our approach to environmental protection begins with a thorough understanding of local environmental, socioeconomic and health surroundings. This understanding is critical to superior performance.

We identify potential risks through the *Environmental Aspects Assessment* and *Environmental, Socioeconomic and Health Impact Assessment* (ESHIA) processes. For more information about our ESHIA process, see page 60. We also prepare *Environmental, Socioeconomic and Health Management Plans* and *Environmental Business Plans* to implement monitoring and mitigation strategies to manage the risks effectively. We engage with stakeholders throughout the entire life of a project or operation.

 [Learn more about OIMS and our other management systems](#)

 [Learn more about our environmental management approach](#)

### UPSTREAM ENVIRONMENTAL, SOCIOECONOMIC AND HEALTH MANAGEMENT PROCESS







## Up Close: Innovation in Oil Sands Technology

Canada's oil sands are a key global resource and are critical to North America's energy security. We believe technology and innovation provide solutions for managing the environmental impacts associated with oil sands development. Imperial, an ExxonMobil affiliate, has dedicated facilities, scientists and engineers that work closely with ExxonMobil's research teams to focus on game-changing oil sands innovations that could improve environmental performance, such as reducing GHG emissions and water use and improving the management of tailings. Imperial is investing more than \$100 million per year in research and is participating in multiple industry collaborations.

▶ Watch one of our employees talk about our Kearl oil sands operation

One technology that holds promise to improve environmental performance related to oil sands processing is tailings dewatering. Tailings, which are a byproduct of oil sands mining, consist of a mixture of water, clay, sand and residual bitumen; they have been a focus of concern due to their growing footprint. Imperial's research team is developing a technology to bind the clay and sand together with solid particles, allowing them to separate from the water. Compared with liquid tailings, these separated particles provide a solid surface that can accelerate reclamation, while the separated water can be recycled back into the mining process, reducing the amount of freshwater needed.

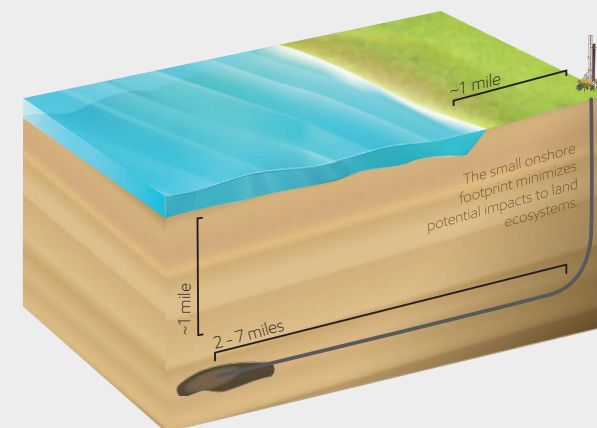
▶ Watch Imperial's video about oil sands research



An Imperial employee completes work in the physical model experiment unit at the Calgary Research Center.



## Up Close: Extended Reach Technology



Extended reach drilling allows for the directional drilling of very long horizontal wells. By using this technology, we can access oil and gas resources in complex and challenging environments, such as the Arctic, and reduce potential environmental impacts by limiting or eliminating our interaction with the marine environment. For example, at the Sakhalin-1 project in Russia, operated by ExxonMobil subsidiary Exxon Neftegas Limited (ENL), wells are drilled from a location on land to access the oil and gas reservoirs under the seafloor. ENL has drilled nine of the world's 10 longest-reach horizontal wells, and holds the current world record with a well that extends 12,700 meters — more than 7.5 miles.

▶ Watch our extended reach drilling video

## Biodiversity and Ecosystem Services

Our approach to protecting biodiversity and ecosystem services recognizes factors such as the rarity of individual species, their roles in different ecosystems and habitats, their vulnerability and their cultural significance.

Ecosystem services are the direct and indirect economic benefits people obtain from the environment, such as food, water, shelter, clean air and cultural identity. Safeguarding the ability of the environment to provide such benefits is an important focus area for ExxonMobil.

### PROTECTING BIODIVERSITY

We are continuously looking for new tools and analytical methods to better understand local biodiversity conditions and ecosystem services in support of our management strategies. For example, ExxonMobil researchers developed a new framework for characterizing marine environmental sensitivities by prioritizing ecosystem services within regions of interest. During 2012, we piloted this framework in an analysis involving the Gulf of Mexico. In 2013, with the help of academic partners from the Harte Institute of Gulf of Mexico Studies, we expanded on this work by incorporating stakeholder input into the prioritization process. We held a stakeholder workshop in Houston, Texas, that included participants from the federal government and several industries,

including oil and gas, wind energy, fishing and recreation. The results from this workshop indicated food, raw materials and recreation rank highest on the list of valued ecosystem services in the Gulf region. By assessing how ecosystem services and biodiversity can be impacted by different development strategies, we can incorporate sustainability considerations into our development plans.

In Papua New Guinea, our biodiversity offset program is progressing. The five components of the program include:

- **Component 1** — Work at the regional level to support the Papua New Guinea Department of Environment and Conservation (DEC) in the development of a protected area system for the Kikori River Basin
- **Component 2** — Work at the national level to support the DEC in furthering its objectives under the National Biodiversity Strategy and Action Plan
- **Component 3** — Enhance conservation capacity, which involves technical capacity-building related to conservation through the University of Papua New Guinea in a program to be led by the Mama Graun Conservation Trust Fund
- **Component 4** — Enhance and strengthen one or more existing protected areas in the Kikori River Basin
- **Component 5** — Establish one or more new community-based protected areas in the Kikori River Basin

In April 2013, we advanced Component 3 above, based on an agreement with the Mama Graun Conservation Trust Fund, to establish a conservation management course, award scholarships for participation in the course and provide work placements for graduates. In September, the University of Papua New Guinea announced it would offer a Diploma in Conservation Management as part of this initiative.

ExxonMobil is also proud to support innovative research for improved biodiversity management. In 2013, we contributed approximately \$4 million to organizations focused on biodiversity protection and land conservation. We have partnered with the Biodiversity Institute of Ontario at the University of Guelph for the past three years on DNA-based technologies for biodiversity management. Advances in the technology used for DNA sequencing and the development of global databases that store sequencing information have made it possible to assess and monitor species by analyzing the DNA left behind by various organisms in water and soil. This DNA analysis technique allows scientists to better understand biodiversity in any region of the world. We piloted this technology in the Canadian Beaufort Sea to test whether various samples can provide sufficient data to assist in determining the presence of species and habitat use, as well as in identifying rare or endemic species. We have also done work in Qatar to evaluate the use of DNA-based technology to determine the health of coral and sea grass. We plan to expand our research to other areas to test this approach in habitats ranging from tropical areas to temperate and arid environments.

 Learn more about industry best practices for biodiversity management

### WORKING IN PROTECTED AREAS

We periodically screen our major operating facilities against databases of the International Union for Conservation of Nature (IUCN) and World Protected Areas. We confirmed an estimated 21 percent of our 89 major facilities are within five kilometers of designated environmentally protected areas. We ensure adequate plans are in place at our sites to mitigate elevated biodiversity or species risks.

By the end of 2013, we actively managed more than 7,000 acres of land for the benefit of wildlife at 21 of our sites, including assessing the wildlife and habitat, developing a plan to enhance or sustain them, implementing the plan and monitoring the

status. ExxonMobil continues to collaborate with the Wildlife Habitat Council for the development of educational and outreach programs at our sites through the Corporate Lands for Learning (CLL) program. Currently, we have five programs with CLL status; this helps us promote environmental awareness, biodiversity and science initiatives.

In 2010, we initiated a substantial multiyear, cooperative wildlife research program in conjunction with Colorado State University and Colorado Parks and Wildlife. The research program is designed to identify ways for industry to reduce its environmental impacts and improve the compatibility of resource extraction activities with wildlife. XTO Energy has provided \$5 million to assess and enhance habitats for large animals and sage grouse in the Piceance Basin in Colorado.

## Wastewater Management

**We are committed to finding ways to reduce the quantity and improve the quality of the wastewater managed in our operations.**

Oil and gas production and refining and chemicals manufacturing operations typically produce wastewater that requires treatment before its reuse, discharge or disposal. Treatment methodologies range from the removal of hydrocarbons and suspended solids from produced water, to multistage biological systems for treating refinery, chemical plant and other Upstream wastewaters. We seek innovative solutions for addressing wastewater issues throughout our operations. For example, in Colorado, XTO Energy's coal-bed methane operations in the Raton Basin produce an average of 1.5 million gallons of water per day. This produced water, which is a naturally occurring

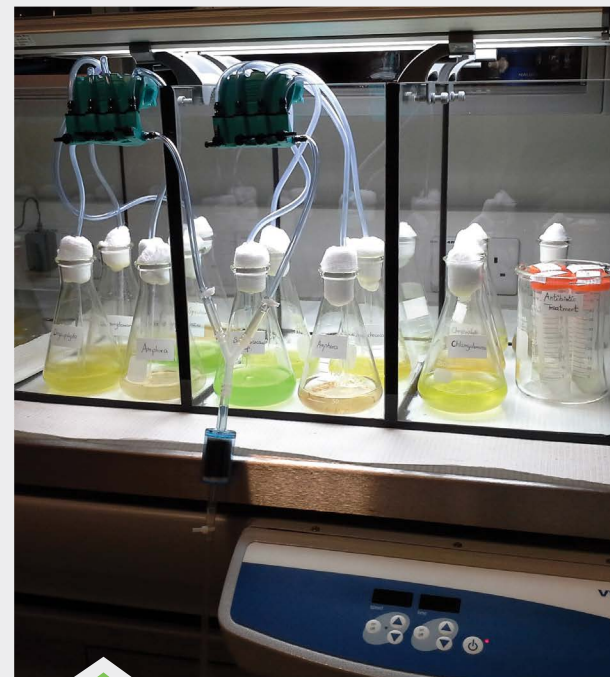


## Up Close: Marine Environment Research in Qatar

The Environmental Management Research Program at ExxonMobil Research Qatar (EMRQ) targets a better understanding of the marine environment in Qatar. A key component of the work underway is environmental risk studies involving marine life, including photosynthetic organisms such as algae.

Working in collaboration with Qatar University's Environmental Studies Center, EMRQ has isolated and grown single-species algae cultures that will be used to develop methods for determining the biological effects of compounds discharged to the Qatar marine environment from industrial processes. These studies will incorporate cutting-edge technologies such as delayed fluorescence from high-sensitivity luminometers. This work will complement other studies undertaken at EMRQ using species higher in the food chain. When completed, a comprehensive set of methods spanning the major levels of the food chain will provide a valuable scientific tool for environmental risk screening for Qatar and the Arabian Gulf.

Concurrently, EMRQ is working with the Qatar Ministry of Environment and Hamad Hospital on a related study to map the microbial diversity in the Qatar marine zone. This information will be integrated with other environmental data in a geographic mapping framework, which EMRQ and others can use to address questions related to microbial diversity and correlate changes with varying environmental effects of human activities.



The Environmental Management Research Program at ExxonMobil Research Qatar is conducting environmental risk studies involving marine life such as algae.

**"Research conducted by ExxonMobil Research Qatar is undertaken to provide a sound scientific basis for environmental risk assessment, which is key to the development and implementation of effective environmental management strategies for Qatar. This type of industry-government research collaboration undertaken on the local environment allows for knowledge transfer and scientific enrichment for all involved."**

— Eng. Ahmad Mohammed Al-Sada, Acting Undersecretary for Environmental Affairs and Director of Environmental Assessment Department, Ministry of Environment, State of Qatar



byproduct, is released into the environment after being treated in accordance with applicable regulatory requirements and benefits agriculture, wildlife and recreation in this often water-scarce region. XTO Energy manages this produced water stream in a way that blends it into the natural environment, such as introducing it into what were once dry streambeds.

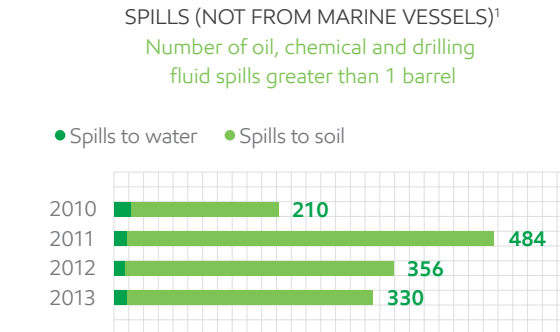
For information on how ExxonMobil manages freshwater throughout our operations, see page 37.

## Spill Performance

We are focused on implementing preventive measures to avoid spill incidents and ensuring a rapid response if spills do occur. We had about 7 percent fewer spills in 2013 compared with 2012.

We continually seek to develop and improve risk management, operations integrity, spill prevention processes and containment capabilities. The total volume of hydrocarbons spilled to soil and water was 11,000 barrels in 2013; more than 60 percent was recovered at the spill sites. The number of hydrocarbon spills greater than 1 barrel in 2013 was 7 percent lower than in 2012.

Every day, we transport approximately 2.7 million barrels of petroleum and chemical products through approximately 8,000 miles of pipelines throughout the world. We maintain and test our pipelines regularly to ensure their integrity and detect corrosion and other concerns. We patrol pipeline routes on the ground and in the air, and we closely monitor pipeline



<sup>1</sup>XTO Energy performance included beginning in 2011.

operations around the clock using state-of-the-art systems, alarms and other technologies.

On March 29, 2013, we had a crude oil spill in Mayflower, Arkansas — a regrettable incident for which we are deeply sorry. We responded immediately, with a focus on community safety and restoring the environment. More than 700 people assisted with the response and cleanup during the first week following the incident, and we are grateful for the support from local officials and the community during the response. We continue to work with the Arkansas Department of Environmental Quality to complete remediation activities, and we are committed to remaining in Mayflower until the job is done. We are taking the necessary measures to ensure a similar incident does not happen again.

The worldwide marine business of ExxonMobil's affiliates, which involves about 650 vessels in daily service, logged more than 20,000 voyages and 45,000 port calls in 2013, safely transporting about 1.5 billion barrels of crude oil and refined products. We experienced the first release of hydrocarbons to water of any kind from our marine affiliate-operated vessels in more than seven years, when 1 cup of hydraulic

oil escaped onboard containment. A third-party vessel on long-term charter also had a cargo spill of about 1 quart of lubricant oil. Our marine affiliates continue to conduct in-depth investigations and implement measures designed to eliminate spills and incidents.

### OFFSHORE OIL SPILL RESPONSE

In order to maintain a high level of operational performance everywhere we work, we establish specialized spill response capabilities and tactics. We have a dedicated, in-house Arctic oil spill response research program, and we have led several joint-industry projects to enhance spill response efforts in ice-bearing waters. We have also commercialized the use of biodegradable surfactants that can be sprayed onto the water surface around the perimeter of an oil slick, causing the oil to retract and rethicken so that it can be burned in a controlled fashion without using a fire-resistant boom. This technology may be particularly useful in remote Arctic locations. We are also studying the use of fast-moving, small helicopters to deliver the surfactants to the site of a spill; we think this technology can also expand the use of in situ burning in non-Arctic open-water conditions.

 [View our Offshore Arctic Oil Spill Prevention, Preparedness and Response publication](#)

Since 2010, we have collaborated with others in our industry to develop an oil spill containment system for the Gulf of Mexico through our membership in the Marine Well Containment Company (MWCC). In 2013, MWCC enhanced the containment system by expanding its capacity to handle fluids up to 350 degrees Fahrenheit and pressures up to 15,000 pounds per square inch, making it the only system in the world with such a capability. These enhancements allow us to drill wells safely at greater depths, pressures and temperatures, which contributes to continued safe operations offshore in the Gulf.

 [Learn more about the MWCC](#)

In addition, we have helped lead the establishment of the Center for Offshore Safety (COS). The COS serves the U.S. offshore oil and gas industry with the purpose of adopting standards of excellence to ensure continuous improvement in safety and offshore operational integrity.

## Waste Management

Our first priority is to avoid waste generation, and then to reuse or recycle waste wherever and whenever safely possible.

Waste management presents challenges in some of our more remote operating locations, such as in Papua New Guinea. Accordingly, we have developed innovative approaches for handling some of the waste streams produced during construction of our Papua New Guinea Liquefied Natural Gas Project's facilities. For example, to divert used tires away from landfills, we pursued EcoFlex technology. This methodology allows tires to be used in civil and environmental engineering applications, including the construction of containment and diversionary structures, road and paving systems, and soil stabilization and erosion control devices. The Papua New Guinea Department of Environment and Conservation has shown interest in EcoFlex for potential use in other parts of the country.

Biological digesters have also been used at one of the project's construction camps to manage food wastes, and these devices have proven to be efficient in handling this particular waste stream. The product is combined with topsoil and used during land reinstatement.

Our Fuels & Lubricants business continues to pursue its "zero net waste" program. We focused initially on a few ExxonMobil lubricant locations to identify beneficial reduction and disposition practices for various types of wastes. Subsequently, we benchmarked against waste management companies and facilities in other industries to identify best practices and processes that we could broadly integrate into Fuels & Lubricants site programs around the globe. We plan to begin a formal rollout of this program in 2014.

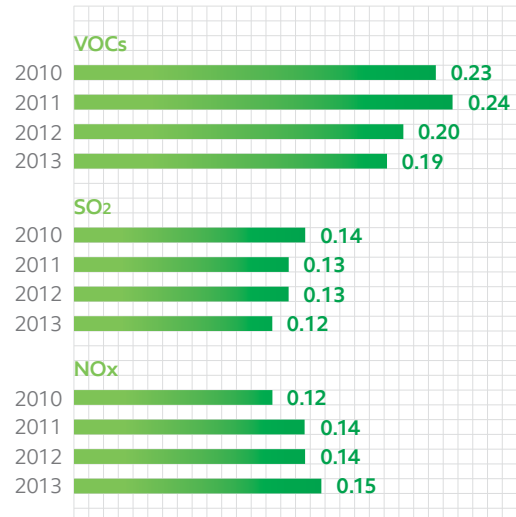
We take a comprehensive approach to managing waste effectively in our drilling operations. At each drilling site, we

manage our operations to avoid, reduce, reuse and recycle waste streams as much as possible. When planning for the offshore discharge of certain drilling waste materials, ExxonMobil analyzes local environmental and regulatory factors to help determine optimal, cost-effective methods that are protective of the environment and are in compliance with regulatory requirements and internationally recognized industry practices.

 [Learn more about our environmental drilling initiatives](#)

In 2013, we safely disposed of 280,000 metric tons of hazardous waste from our ongoing operations. In total, we reused or recycled about one-third of the hazardous waste generated by our operations. In 2013, our property remediation activities generated approximately 75 percent of our hazardous waste, which we safely disposed of in compliance with applicable regulatory requirements.

AIR EMISSIONS  
(millions of metric tons)



We continue to seek opportunities to reduce environmental impacts from our operations by reducing air emissions. In 2013, our combined emissions of volatile organic compounds (VOCs), sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) decreased by 3 percent from 2012.

## Environmental Compliance

We comply with all applicable environmental laws and regulations, and apply responsible standards where laws and regulations do not exist.

Our worldwide environmental expenditures in 2013 totaled approximately \$6 billion. This included an estimated \$2.5 billion in capital expenditures and approximately \$3.5 billion in operating expenses. In 2013, 74 penalties, fines and settlements were paid — compared with 80 in 2012 — accounting for less than 1 percent of total environmental expenditures, or about \$2 million.

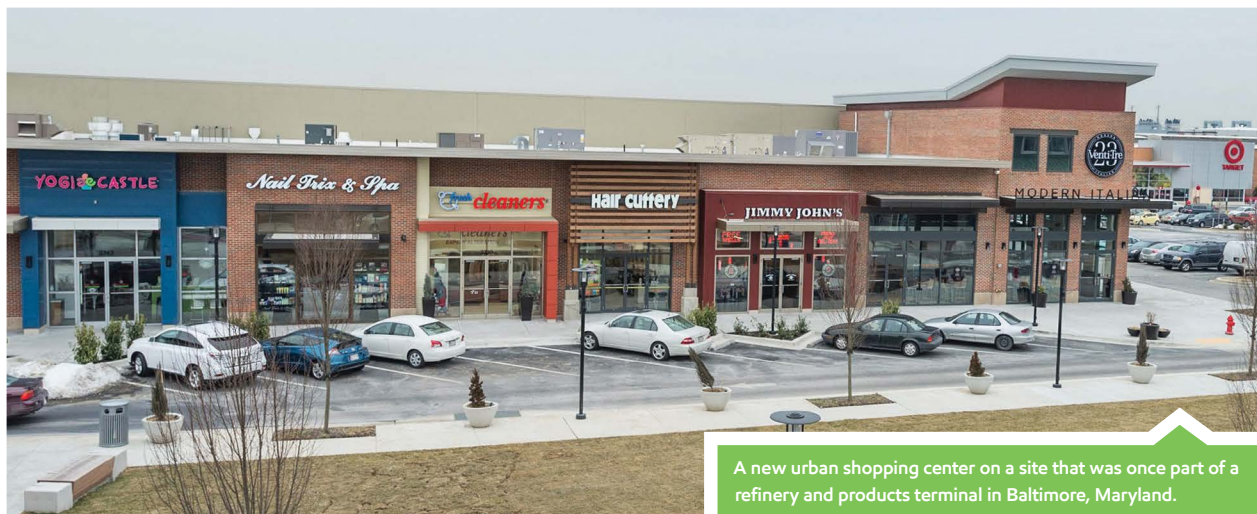
ExxonMobil commenced the startup of a new diesel hydrotreater at the Singapore refinery in 2013. This brings ExxonMobil's investments in ultralow-sulfur diesel facilities around the world to more than \$3 billion. In addition to the new unit in Singapore, ExxonMobil has constructed diesel hydrotreaters at its refineries in Baytown and Baton Rouge in the United States, Antwerp in Belgium, Sriracha in Thailand and Yanbu in Saudi Arabia. When used in modern engines in tractor trailers, buses, marine vessels, locomotives and heavy construction equipment, ultralow-sulfur diesel can greatly reduce emissions and improve air quality.

## Restoring the Environment

Efficiently remediating and restoring the lands we affect is central to reducing our overall environmental impact.

Over the past six years, we have actively enhanced our approach to the remediation of affected properties and the transfer of non-operating surplus properties to beneficial end use. Since 2008, ExxonMobil Environmental Services (EMES) has spent more than \$4 billion in remediation activities and returned more than 1,000 properties to beneficial end use.<sup>2</sup> In 2013, EMES monitored more than 6,500 active projects in our global portfolio, compared with more than 8,000 projects in 2012.

Our focus on site reclamation continues to lead us toward innovative ways to remediate and to enhance the pace of disposition of surplus properties to enable their beneficial end use. In 2013, ExxonMobil completed the donation of an approximately 13-acre site to Blacksburg, South Carolina.



A new urban shopping center on a site that was once part of a refinery and products terminal in Baltimore, Maryland.

The town will work with a local land trust, Upstate Forever, to develop the property for recreational use. In Baltimore, Maryland, on a site that was once part of a refinery and products terminal, a developer has completed construction of a new urban shopping center that includes a small park, which will serve as a much-needed resource for nearby neighbors. A 58-acre property in Olean, New York — a former refinery that operated from 1872 to 1955 — was sold to a developer that will proceed with redevelopment and the required cleanup under the New York State Department of Environmental Conservation Brownfields Cleanup Program (BCP). While the criteria and requirements of the BCP are rigorous, it provides incentives intended to enhance private-sector cleanup and redevelopment of brownfield sites, including tax credits for developers, a tax credit for real estate property taxes and an environmental remediation insurance credit. These incentives help bring needed economic development to communities.

The process of remediating a property, determining a beneficial end use and ultimately transferring the property out of the EMES portfolio can be challenging and time-consuming.

Additionally, there are a variety of complex regulatory requirements that come into play during the process. To overcome some of these challenges, ExxonMobil collaborates with a wide variety of stakeholders, including local, state and federal regulators and, in some cases, the new property owners. Realizing other companies across a variety of industries face similar challenges, ExxonMobil is leveraging its depth of experience in remediation and creative end use to help establish a Surplus Property Roundtable (SPR). The SPR is a forum for more than 15 companies to share best practices and ideas for beneficial and innovative end uses of surplus properties. In addition, our partnership with the Land Trust Alliance and collaborations with land trusts across the United States continue as we endeavor to advance land conservation as an end-use option for future properties.

<sup>2</sup>The total number of surplus properties in the portfolio changes as we transfer properties out and as new properties come into the portfolio. In 2013, we had almost 3,000 properties, 100 less than in 2012, in the surplus-site portfolio. We expect the 2014 number of surplus properties to decrease by an additional 150 properties, demonstrating we are effectively implementing our land management strategies.



## Up Close: Technological Advancements in Environmental Remediation

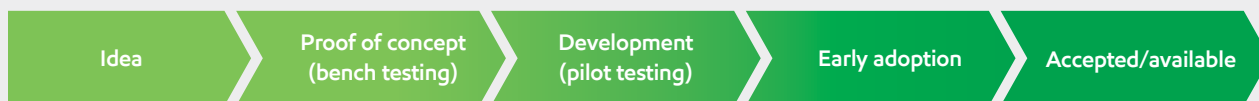
Among the challenges we face is determining the most effective remediation approach for a property, which can be a technically complicated and lengthy process. No two sites are the same — each has a unique geological, ecological and regulatory setting. Only through science-based investigations can the current condition of the soil and groundwater at a site be determined and the most effective approach to remediation be identified. In addition, science-based technological advancements take time to identify, test and verify. ExxonMobil works with a number of academic institutions and organizations to help develop and advance scientific approaches that underpin soil and groundwater remediation technology, as well as identify and develop new, effective approaches for land reclamation.



Tom Sale,  
Associate Director of the  
University Consortium  
for Field-Focused  
Groundwater Research

For example, through our involvement with the University Consortium for Field-Focused Groundwater Research, we developed a more complete understanding and quantification of a managed approach to natural attenuation — the breakup and digestion of contamination by microorganisms — called Natural Source Zone Depletion (NSZD). Recent pilot tests monitoring this phenomenon in Bayonne, New Jersey, indicated the rate of natural depletion may be at least 10 times faster than existing conventional physical oil recovery rates at this site. This knowledge will help craft a more sustainable long-term remediation approach for this and other properties. Based on the results of the pilot tests, NSZD studies are underway at several sites around the United States, and we plan to test this application at remediation sites around the world.

### TECHNOLOGY PIPELINE



Scientific technologies and advancements go through a considerable research and gestational period before (and if) they are commercialized and become widely available. Our scientists and engineers work together with academic researchers, trade groups and industry organizations throughout each stage of the technology development spectrum.

“Over the past 40 years, we have been on a remarkable journey of evolving environmental practices. We have made great strides in advancing technology to address the legacies of past practices. ExxonMobil’s leadership in supporting the work of the University Consortium has helped to further advance leading-edge research and foster successful collaborations between academia and industry. Building on ExxonMobil’s support over the past decade, our vision is to continue to work together to look beyond what we know today and to find new solutions that are more effective and more sustainable.”

— Tom Sale, Associate Director of the University Consortium  
for Field-Focused Groundwater Research



# Case Study

## Responsible Water Management



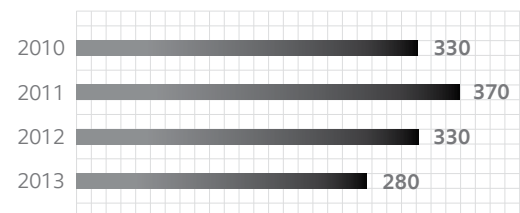
The global population is estimated to increase by nearly 2 billion people between now and 2040. This population increase, coupled with growing economic prosperity, will increase demand for natural resources, including water. When taken in total, the volume of freshwater on the planet is enough to support the world's population; however, water is not always available where and when it is needed. Its availability is subject to seasonal and annual variability, and may be restricted by poor infrastructure or socioeconomic factors in a given region.

The industrial sector, including the oil and gas industry, accounts for 5 to 10 percent of total water withdrawals in even the highest-income countries — far less than the water needs for agriculture or electric power generation, for example.<sup>1</sup>

However, the oil and gas industry can be a material user of water at local levels. We recognize that stakeholders have concerns about the use and protection of this resource. As such, we focus our efforts on preventing adverse impacts to water resources and prudently managing the water we do use. As part of our comprehensive risk management approach, we are committed to managing the interaction of our activities with water. We aim to protect human health and the environment, consider local water availability and needs, continuously improve our capabilities and performance regarding our use of water, and engage stakeholders in the development of sustainable solutions.

<sup>1</sup>2014 United Nations *World Water Development* and U.S. Geological Survey *Estimated Use of Water in the United States in 2005* reports

GLOBAL FRESHWATER CONSUMPTION  
(millions of cubic meters)



# Case Study

## RESPONSIBLE WATER MANAGEMENT



An employee testing water quality in Australia. We develop and implement local water management programs in locations where we identify potential water-related risks.

### PROTECTING HUMAN HEALTH AND THE ENVIRONMENT

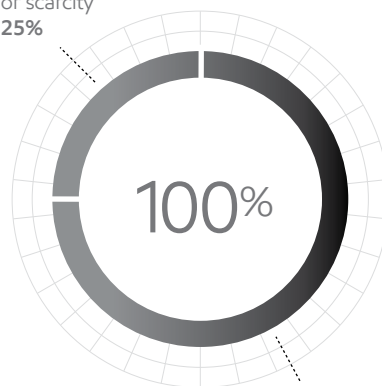
We are committed to protecting human health and the environment by preventing spills and leaks and limiting the impacts of our water withdrawals, consumption and discharges. In 2013, net freshwater consumption at our operations was 280 million cubic meters. This represents a 24 percent decrease compared with 2011.

**Designing to improve water quality** — Our environmental practices and standards ensure that risk management measures are incorporated into the design and operation of our facilities. For example, we have begun constructing an

advanced biological wastewater treatment facility at our Baton Rouge, Louisiana, refinery that will reduce total nitrate discharges by 500 tons per year. While the refinery is a relatively small contributor to overall nitrate discharges into the Mississippi River basin, this voluntary reduction will have direct environmental benefits for the Gulf of Mexico, where high levels of nitrates over several years have created a dead zone, or an area of low dissolved oxygen. The refinery received awards from the Louisiana governor and the U.S. Environmental Protection Agency in recognition of these voluntary efforts.

### REGIONAL WATER AVAILABILITY<sup>2</sup>

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%

<sup>2</sup>Results based on an assessment of our 89 major operating sites using the WBCSD's Global Water Tool.

**Spill prevention** — We employ a rigorous approach to prevent spills and leaks in our operations. To learn more about our focus on spill prevention and response, see page 33.

### CONSIDERING LOCAL WATER NEEDS

We consider local water needs and alternatives when sourcing water for our activities, including identifying and managing risks related to water availability and quality. We have been active in collaborative industry initiatives to develop a suite of standard tools for systematic water resource management. The IPIECA Global Water Tool for Oil and Gas is a version of the World Business Council for Sustainable Development (WBCSD) Global Water Tool that has been customized for the oil and gas sector. The IPIECA tool helps companies map water use and assess risks. ExxonMobil performs a screening exercise each year using this tool after the WBCSD updates its Global Water Tool with new data. Of our 89 major operating sites, approximately one-quarter are located in areas identified with the potential for water stress or scarcity. These areas are located in 13 countries.

We develop and implement local water management programs in locations where we identify potential water-related risks. In some cases, this entails a review of freshwater consumption rates to identify improvement opportunities. A more focused water tool is sometimes used to identify and rank risks associated with the availability and reliability of local water sources and wastewater discharge locations. ExxonMobil worked with IPIECA and the Global Environmental Management Initiative to develop such a tool for the oil and gas industry to complement the IPIECA Global Water Tool.

**Replace, reduce, reuse and recycle** — Our operations use alternative water sources, where appropriate, and seek opportunities to reduce, reuse and recycle water. We consider multiple factors in determining the right approach for a given process or site. We assess actual costs, as well as potential

# Case Study

## RESPONSIBLE WATER MANAGEMENT

trade-offs, such as varied operational efficiencies, increased energy use or the consequences of producing more concentrated waste streams. Together, these factors help us determine an implicit value of water, which varies from site to site due to local conditions and availability.

Our Torrance, California, refinery purchases and uses recycled wastewater from a local municipal treatment plant for cooling tower makeup and boiler feed water, representing nearly 70 percent of the facility's water consumption. Water is also a key consideration in our oil sands developments in Alberta, Canada. We designed the Kearl oil sands operation to run on stored water during the low-flow winter months in order to reduce withdrawals from the Athabasca River during this period. In our heavy oil operations at Cold Lake, Canada, we employ a variety of water-use reduction measures, and about 90 percent of water used on-site is non-potable water that comes to the surface along with bitumen during production.

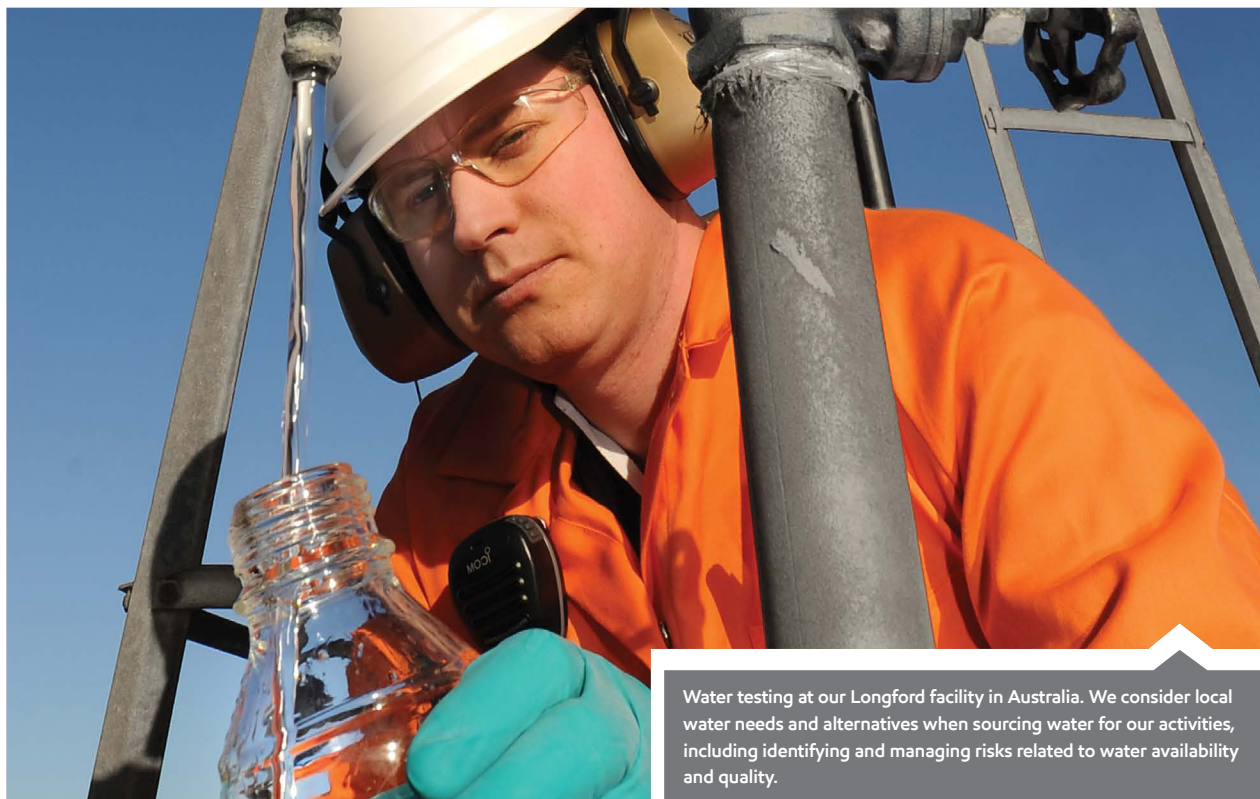
### CONTINUOUSLY IMPROVING CAPABILITIES AND PERFORMANCE

We use research and operational analyses to support the continuous improvement of water-related technologies, practices and performance. Our researchers have published life cycle assessments in peer-reviewed journals on topics such as algae biofuel technology options and shale gas production, including their impacts on water. We conduct cutting-edge research and development through in-house efforts and partnerships with other industries, and by funding academic and other non-governmental research projects. Some of these investigations deal with water-related challenges and opportunities. For example, Imperial, along with 11 other major operators, created the Canadian Oil Sands Innovation Alliance (COSIA) in 2012. Currently, 13 companies, including Imperial, participate in COSIA. It was created to develop and share technologies that improve environmental performance in the Canadian oil sands sector. Water is one of the priority areas for COSIA.

### ENGAGING STAKEHOLDERS IN THE DEVELOPMENT OF SUSTAINABLE SOLUTIONS

We collaborate with stakeholders to promote the long-term viability of source waters, watersheds and related ecosystems in areas where we work. For example, in October 2012, Qatar University and ExxonMobil entered into a partnership to research industrial wastewater reuse technologies. In particular, researchers are studying phytoremediation, a process that uses select native plants to clean water in an engineered wetlands system. Treated wastewater can then be reused in non-potable applications, such as park or green-space irrigation.

**Community water projects** — In some communities where we operate, safe drinking water is not available on a consistent basis. As part of our approach to starting new operations, we consider opportunities that bring benefits to the local community and our business, including potentially investing in community water projects. For example, ExxonMobil's affiliate in Indonesia, Mobil Cepu Limited (MCL), launched a community-based water program to reduce the incidence of waterborne diseases and promote healthier living in the Cepu Block area of Indonesia.



Water testing at our Longford facility in Australia. We consider local water needs and alternatives when sourcing water for our activities, including identifying and managing risks related to water availability and quality.



# Case Study

## Unconventional Oil and Gas Development



Shale oil play in the Bakken. ExxonMobil and our subsidiary XTO Energy have been involved in unconventional oil and gas development for many years. We believe it is in everyone's interest for industry to respond to public concerns and build trust around the development of unconventional resources.

ExxonMobil and our subsidiary XTO Energy have been involved in unconventional oil and gas development for many years. Our approach begins with successful stakeholder engagement and continued diligence managing environmental, social and health risks and performance.

 Watch our unconventional resources timeline video

Natural gas is an abundant, reliable and versatile fuel source. In the United States, vast new supplies of natural gas are providing strong economic benefits and helping the nation meet shared environmental priorities. The U.S. Energy Information Administration estimated that in 2012, energy-related U.S. CO<sub>2</sub> emissions fell by 3.8 percent to levels not seen since 1994. A key reason for this is the increased use of natural gas, as it emits up to 60 percent less CO<sub>2</sub> than coal when used for power generation. ExxonMobil continues to invest in this important resource.



Karen Matusic,  
Public and Government  
Affairs Manager for XTO  
Energy in the Appalachia  
Division

### How does XTO Energy identify and engage with stakeholders in the Appalachia region?

Karen: We think open and active dialogue with community members is vital to our long-term operations in the region. Before we enter a specific township or county, we do extensive research on who lives and works in the area and we identify key community leaders — local officials, leaders in education,

business community members, emergency and first responders, land and mineral rights owners, and local charitable organizations. We meet with representatives from each of these groups to find out what is important to the community, and to listen to their questions and concerns.

### How important is stakeholder engagement to XTO Energy's operations in the Appalachia region of the United States?

Karen: It goes to the heart of what we do. XTO Energy wants to be a welcomed member of the community and a partner of choice. Headlines in major newspapers do not always capture what is important to local community members in the places where we work.

There is no substitute for actually sitting down and talking to the community. Though the Appalachian states have a long history of energy production, shale development is new. It is important that we explain to community members what they can expect when we begin operations, and keep them informed regularly.

# Case Study

## UNCONVENTIONAL OIL AND GAS DEVELOPMENT



XTO Energy employees hold an open house with community members in Butler County, Pennsylvania.

To that end, we prepare regular activity reports in select areas, which we send via email to key stakeholders.

It is also important that we hear their concerns, not just at the beginning of the project but throughout the entire life cycle. We have undertaken several approaches in our division to establish a two-way dialogue with our stakeholders. In some situations, we create a community advisory panel in select areas to establish regular face-to-face meetings between a cross-section of the community and XTO Energy employees. We also participate in meetings with local officials, as needed, and provide site tours to community members so they can observe and ask questions about drilling, hydraulic fracturing and processing. XTO Energy workers in our divisions address local organizations and participate in school events. We also support workforce training initiatives to enable local residents to find employment supporting our industry.

### What are the biggest challenges you face when trying to address community concerns?

Karen: Naturally, people living near our operations are concerned our work will disrupt their way of life. That is why it remains important for us to understand the setting and issues, and then implement practices from the onset that will minimize potential impacts, such as altering our traffic routes to avoid disrupting school bus traffic. Our industry can provide significant benefits for local communities and provide them with the means to preserve their way of life. For example, we sign leases with a number of farmers, and the money they receive from signing bonuses and royalties enables them to build new barns or buy new farming equipment.

The biggest challenge we face from a public affairs standpoint is combating the misinformation about our industry and its operations. This is why it is crucial that XTO Energy and other

operators maintain direct contact with our communities and address concerns about what we do and how and why we do it. XTO Energy engineers and geologists are on hand at public meetings to explain the steps XTO Energy takes to safeguard the community and the environment.



Paul Krishna,  
Environmental, Health  
and Safety Issue Manager  
for XTO Energy

### Some stakeholders have raised concerns about the potential environmental and community impacts associated with unconventional oil and gas development. What is XTO Energy doing to manage those potential impacts?

Paul: All energy resources have potential impacts. Unconventional oil and gas development is no different. ExxonMobil has been rigorously evaluating the proven scientific risks and mitigations for hydraulic fracturing, methane emissions, water usage, groundwater protection, community health, seismicity and chemical use, to name a few.

I lead the Unconventional Resources Development Issue Management Team (URD IMT), which is responsible for assessing these issues and for positioning the company ahead of the ever-changing landscape of concerns and challenges regarding unconventional resource development. The team consists of 60 ExxonMobil employees, including managers; researchers; engineers and scientists; environmental, health and safety professionals; lawyers; and public and government affairs experts.

Unconventional resource development has attracted attention from a wide range of interested parties, including investors,

# Case Study

## UNCONVENTIONAL OIL AND GAS DEVELOPMENT

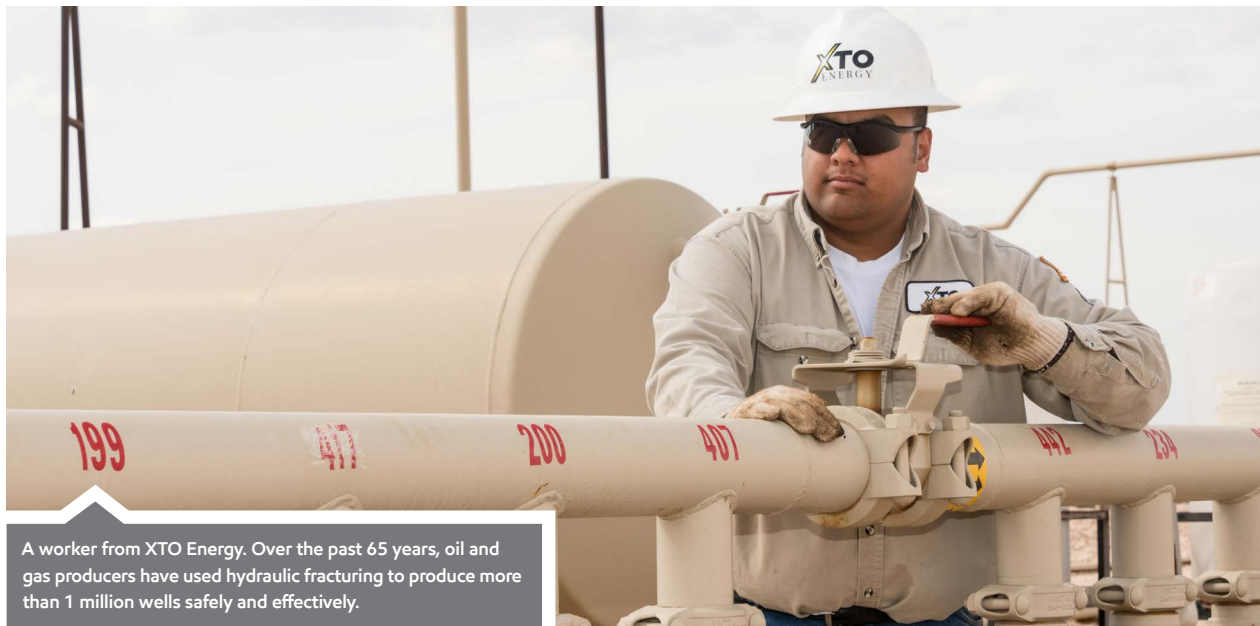
governments, regulators, opinion-makers, think tanks, academics, media and NGOs. Our team engages with these groups to ensure that ExxonMobil, as a responsible operator and credible partner, is able to develop resources in the United States and abroad. The IMT's work spans legislative activities, regulatory advocacy, scientific evaluation and speaking openly to concerned communities about risks and mitigations involved in resource development.

### What has XTO Energy been working on regarding technology innovation in unconventional resource development?

Paul: Research and innovation continue to improve both our operations and how we manage our footprint. We are involved in many studies that have been published in peer-reviewed publications. We share the results of these studies with our stakeholders to improve the dialogue and to allow science and facts to inform policy decisions.

One example is our participation in the groundbreaking University of Texas study that measured methane at 190 natural gas well sites in every region of the United States where hydraulic fracturing is occurring. This study was led by Dr. David Allen and included the Environmental Defense Fund and several industry companies. This survey was the most extensive yet, and it highlighted new evidence that methane emissions generated by hydraulic fracturing and shale gas production are at the low end of recent U.S. Environmental Protection Agency estimates.

We are also participating in collaborative research projects to more fully understand other impacts of unconventional resource development. Our seismology researchers are studying induced seismicity, which is a rare occurrence, particularly when associated with oil and gas activities such as injection and hydraulic fracturing. With regard to water, our Permian Basin operations published a study with Halliburton about tests where recycled produced water was utilized to hydraulically fracture wells. We also conducted a Marcellus shale gas life cycle assessment to determine GHG emissions and freshwater consumption from well activities through power plant and consumer consumption. Results showed natural



gas produces significantly fewer GHG emissions and utilizes less water compared with coal (see page 58).

### What does XTO Energy see as its biggest opportunity in the next few years regarding unconventional resource development?

Paul: We have a huge opportunity to gain public confidence not only in what we can do now and in the future, but also in how the business is effectively regulated to produce safe and environmentally protective outcomes. ExxonMobil is working to communicate effectively the scientific realities of producing shale oil and gas to people who are rightfully skeptical due to the contrarian and, in some cases, unfounded messaging from antidevelopment activists. We welcome responsible dialogue and conversation on this topic.

In addition, the industry needs regulations that provide protective benefits without constraining innovation, development or

technology. In the United States, our operations are subject to federal, state and local regulations. Every state with unconventional resource development potential has acted or is acting to adjust its oil and gas oversight regulations, and federal agencies with jurisdiction are doing the same.

Looking to the future, we are going to need more regulators at the state level that have an understanding of oil and gas operations. It is for this reason that ExxonMobil and General Electric each contributed \$1 million to three universities to develop a curriculum aimed at training the regulators of tomorrow. We made the contribution in 2012, and the universities had their first curriculum session in August 2013, with more to come. With a track record of responsible development, we can attain and maintain public confidence. There is tremendous economic potential now and into the next century.





03

## ECONOMIC DEVELOPMENT AND SUPPLY CHAIN MANAGEMENT

Employees in Angola receiving on-the-job training. ExxonMobil supports education and training initiatives aimed at increasing the number of local workers at our facilities and offices.

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Worldwide, access to energy underpins economic prosperity and human progress. Our business presence serves as a long-term economic driver in the communities where we live and work.

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## Economic Growth and Development

We support the economic growth and development of communities where we do business, primarily through hiring, training and utilizing local workers and suppliers.

Wherever we operate, we provide and spread the direct and indirect economic benefits of a competitive oil and gas sector by creating new jobs, developing a technically skilled workforce, strengthening business practices, purchasing goods and services, and creating investment opportunities. By collaborating with NGOs, other companies and governments, we are also able to help achieve community development goals. Access to energy underpins many of the United Nations Millennium Development Goals, for example.

 Learn more about the United Nations Millennium Development Goals

Building and sustaining local economic growth, while also improving social conditions, is at the core of our approach to local content development. We specifically focus on training and educating a local workforce, developing local vendors who can provide goods and services to our business, and improving the livelihoods of community members through strategic community investments. We describe our community investments in more detail on page 68 of this report.

Our *National Content Guidelines, Strategies and Best Practices* contain the key elements of our local content strategy and

plan, provide models and tools for the successful development of local capacity, and detail roles and responsibilities at the corporate, country, and project and operations levels. Because we work in a variety of countries and communities, each with different challenges and opportunities, we tailor our local content approach for each location based on specific needs. We base our strategy on local factors such as the development

goals outlined by the government, stakeholder expectations, the regulatory environment, the existence and quality of infrastructure, the business environment and social capacity.

### LOCAL HIRING AND TRAINING

Hiring locally helps us advance economic development and education in the countries where we operate, and contributes



### Up Close: Economic Development from the Baytown Expansion Project

ExxonMobil is working to expand our Baytown Olefins and Mont Belvieu Plastics Plants located near Houston, Texas. This large-scale expansion, which will add a new ethane cracker and premium product facilities to capitalize on abundant supplies of natural gas, will create new jobs, spur economic development and generate additional tax revenue. As part of our planning process, we conducted an economic benefits study to understand the potential impacts of this project. In the greater Houston area, the expansion is estimated to create approximately 10,000 construction jobs, 350 permanent ExxonMobil jobs in the Baytown area and 3,700 related jobs in the local community. Nationally, the project will create 18,000 jobs during its three-year construction phase and more than 22,000 permanent jobs when the expansion's facilities become fully operational. These jobs are not limited to the petrochemical and supporting industries, but will spread throughout the entire U.S. economy, including many consumer product and service industries. This project could generate regional economic benefits of \$870 million annually and \$3.3 billion each year nationally.



The Baytown Olefins Plant located near Houston, Texas. The expansion of this facility will create new jobs and spur economic development.



to the continuity of our operations. We maximize the number of local employment opportunities wherever we do business. We made significant progress in hiring host country nationals in 2013.

- In Angola, 80 percent of our personnel are Angolan, 14 percent of whom are in supervisory and managerial positions.
- In Equatorial Guinea, nearly 70 percent of employees are Equatoguinean, 13 percent of whom are in supervisory and managerial positions.
- In Indonesia, nearly 90 percent of employees are Indonesian, 27 percent of whom are women; local staff hold nearly 75 percent of supervisory and managerial positions.
- In Nigeria, 91 percent of employees are Nigerian, 15 percent of whom are women; 21 percent of local staff are in supervisory and managerial positions.

Our ability to increase local employment depends on the supply of qualified individuals. Generally, as economic activity in an area increases, the demand for local, skilled workers also increases. This can result in a shortage of available workers. To address this challenge, we support education and training initiatives aimed at increasing the number of individuals from which we can select.

Further, in order to help develop the skills of locally hired employees, we place experienced ExxonMobil expatriates — individuals working in a country other than their country of permanent residence — in countries where they can share their expertise and train and mentor nationals for operational and leadership roles.

#### SUPPLIER DEVELOPMENT

Developing and using local vendors for the supply of goods and services is a central component of ExxonMobil's business strategy. By developing a variety of capable local suppliers,



## Up Close: Workforce Development in Angola

In the countries where we work, our strategy is to develop a strong and high-performing national workforce to meet business requirements through appropriate training, challenging and rewarding career opportunities, and sustainable succession plans. At the early stages of our work in Angola in 2004, we brought in a group of experienced ExxonMobil employees who were already familiar with our company's standards of project execution. We immediately established training programs and hired local individuals, bringing economic benefits to the country. Since 2004, as more Angolans received training and on-the-job experience, the hiring of nationals has accelerated, resulting in a significant reduction in the number of expatriates working in the country. At the end of 2013, we had 75 Angolans in leadership positions, including 16 offshore supervisors. National workers now account for 80 percent of our workforce in the country.

Felicio Neves was the first Angolan to join Esso Angola 18 years ago. He started his career in the accounting department and worked in various roles over the next seven years. After two years on an expatriate assignment in Houston, Texas, he returned to Angola and held supervisory positions for the next 10 years. Since 2012, he has assumed leadership responsibilities as a planning manager.

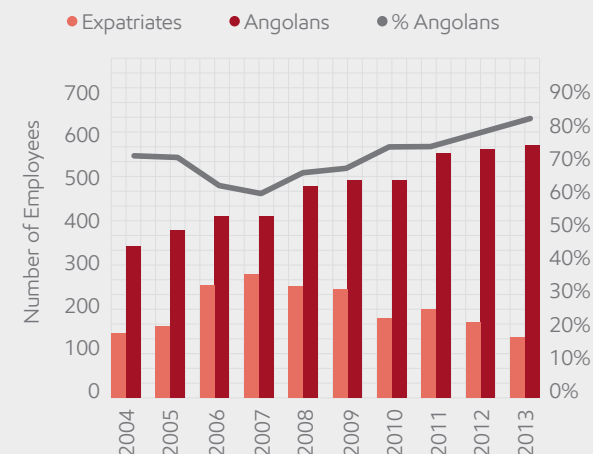
**"My career development process was hard work but rewarding. I encourage everyone that would like to pursue a leadership position within ExxonMobil to have a good attitude and to perform your best at all times. It is very important to be curious and always willing to learn."**

— Felicio Neves, Planning Manager



Felicio Neves, the first Angolan to join Esso Angola 18 years ago, has held various positions during his career, including his current leadership role as a planning manager.

#### WORKFORCE DEVELOPMENT IN ANGOLA



we are able to nurture entrepreneurship and foster globally competitive businesses. Our goal is to build and maintain a qualified, competitive and sustainable supply chain wherever we operate.

In some of the more remote locations where we operate, local suppliers sometimes do not have the experience or capacity to provide competitive goods and services to support our business. We use a number of tools to overcome this challenge. For example, in areas where we are growing our business, we conduct business process training covering topics such as health, safety and security; business ethics; costing and tendering; finance and credit; and international standards and codes. We look for opportunities to reach out to new suppliers either through membership in chambers of commerce or similar organizations, or through advertising. In some cases, we also advertise supplier requirements early in the contracting process in order to allow local suppliers sufficient time to prepare their bids.

At our Sakhalin-1 project in Russia, Exxon Neftegas Limited (ENL), a subsidiary of ExxonMobil, has developed an effective program to increase participation of Russian companies. We use a systematic outreach program to inform Russian companies of the opportunities and project requirements in advance of when goods and services are required. The end result is a healthier and more competitive supply chain for the project, increased business opportunities for Russian companies and more jobs in the regional economy. Approximately \$13.3 billion in contracts — two-thirds of the total contract value with third-party vendors — has been awarded to Russian companies or joint ventures from 1996 to 2013.



## Up Close: Training Local Workers in Indonesia

Training a local workforce is one of our priorities. In Indonesia, Mobil Cepu Ltd. and ExxonMobil Oil Indonesia Inc., ExxonMobil subsidiaries, offer an Industry Vocational Training Program for local men and women to hone their skills. To date, we have helped train more than 1,200 young people from areas nearby our Arun and Banyu Urip fields in welding, plumbing, carpentry, forklift operation and electrical

installation. One local resident who has reaped the benefits of having participated in the training program, Sri Yuni Setyawati, graduated from the school of Marine Engineering at Sepuluh Nopember Institute of Technology in November 2013. Of her experience, Yuni said, “I hope every youth around the Banyu Urip project is able to participate in this training so that he or she has the opportunity to enhance his or her skills and the internship to develop his or her skills and attitude.”

ExxonMobil’s approach to training and hiring Indonesians has led to a workforce composition that is more than 90 percent Indonesian. In addition, we have 110 Indonesian trainees, some of whom are working as expatriates in Angola, Cameroon, Malaysia, Nigeria and the United States to expand their skills before returning to join their fellow graduates and support our operations in Indonesia.



Sri Yuni Setyawati, a graduate from our Industry Vocational Training Program in Indonesia.



## Up Close: Helping to Improve Supplier Safety Performance

ExxonMobil's high standards for safety extend to those with whom we do business, and our suppliers are no exception. In addition to using safety performance as a screening tool for potential suppliers, we consider safety in the bid evaluation. Standard procurement language provides us the ability to suspend or cancel work if a vendor is not meeting our safety expectations. We constantly engage with our suppliers and share our expectations regarding safety. Many of our suppliers have improved their safety performance and have established a stronger safety culture after working for ExxonMobil.

For example, AMEC Black & McDonald (ABM), a Canadian company that provides project management, engineering, construction and maintenance services, has been a supplier to ExxonMobil Canada since 2004. In that time, the company has adopted a number of ExxonMobil's safety programs to improve its safety culture and performance. The Step Back 5x5 program, one of the first programs adopted and still used today as an integral part of ABM's employee orientation, is a brief hazard assessment program completed before each task. ABM also introduced this program to a number of its own contractors, driving the culture of safety further down the supply chain.



ABM personnel conducting safety assessments and job observation reporting at an ExxonMobil Canada site.

**"AMEC Black & McDonald Limited has been working with ExxonMobil Canada for almost 10 years as a contractor. Our cultural growth in safety performance has been powerfully impacted by our relationship with ExxonMobil in an extremely direct and positive way. Our world-class safety record would have not been possible without ExxonMobil's guidance and support. We have a very strong safety culture, with a belief that all incidents are preventable and zero total recordable incident rate is achievable. We have proven this with our record only because of our involvement with ExxonMobil and their expectation that Nobody Gets Hurt."**

— Mark Healy, President, AMEC Black & McDonald Limited

## Supply Chain Management

The success of our business depends on how well we manage those who work on our behalf.

Anyone who does business with ExxonMobil can affect our operations and our reputation. Our global footprint often reaches beyond our own fence line. We rely on our approximately 160,000 suppliers of goods and services to uphold our commitment to operational integrity. Purchases from these suppliers have made a significant positive impact on the economies and living standards in the countries where we operate.

Our supply chain management process begins when any ExxonMobil business line identifies project or operational needs requiring the procurement of third-party goods, services or materials. We apply a standardized procurement approach that allows us to share the same rigorous standards, accountability and good practices worldwide. Our staff is trained to conduct supplier prequalification assessments (which include anti-corruption due diligence screening where appropriate), perform restricted-parties screening and incorporate standard legal terms and conditions into contracts. After prequalification, we communicate project expectations or operational requirements that a potential or existing supplier must meet. We then assess potential suppliers and their capabilities based on operational criticality and the level of risk associated with the material or service being procured. Considerations can include elements such as:

- Health, safety, security and environmental requirements
- Technical qualifications
- Design, construction and project assurance and procedures



- Product quality assurance, including product stewardship
- Supplier operational, maintenance and control processes
- Financial qualifications

Additionally, supplier selection can take into account other issues, such as the increased participation of the local community and of historically underrepresented segments of the population, including, but not limited to, women, minorities and indigenous peoples. We comply with specific supplier-related requirements in each country where we do business. We engage with suppliers and provide feedback where they may need to correct deficiencies. In certain cases, we terminate our contracts with third parties if their performance does not meet ExxonMobil's standards. For information about how ExxonMobil expects suppliers to uphold labor laws and human rights, see page 68.

In 2013, we began enhancing our detection of potential issues, such as forced labor, in our supply chain. We developed a structured approach that includes screening of our supply chain, considering issues like the risk status of particular countries and high-risk commodities, coupled with targeted interviews. In 2013, we analyzed our supply chain and completed our first field assessment with a vendor; we did not identify any issues. In 2014, we plan to evaluate our program and enhance it as appropriate.

Ensuring we have a diverse supply chain is another one of our priorities. In the United States, we have a supplier diversity program that proactively includes minority- and women-owned business enterprises (MWBEs) in our procurement process. In 2013 alone, we purchased \$744 million in goods and services directly from MWBEs in the United States. In addition, our suppliers spent \$280 million on procurement from MWBEs on our behalf, bringing our total expenditure to more than \$1 billion. For the past eight years, the Women's Business Enterprise National Council has recognized ExxonMobil as one of America's Top Corporations for Women's Business Enterprises.



## Up Close: Diverse Supplier Development in Mexico

In 2012 and 2013, ExxonMobil, the U.S. State Department, Vital Voices and WEConnect International — an organization that empowers women business owners to access global

supply chains — joined efforts to support women entrepreneurs and business professionals in Latin America. The two-year project is building a diverse network of local women suppliers through education, self-registration and certification of women business owners who own and control at least 51 percent of their businesses. The program is helping the certified women-owned businesses access new markets by connecting them with buyers from several large multinational corporations. The goal in Mexico is to reach out to more than 1,000 businesses, provide business training for 400 businesses, and enter 200 self-registered and 60 certified businesses into WEConnect International's online eNetwork database of women-owned businesses based in more than 70 countries.



Women business owners attend a WEConnect International Forum. ExxonMobil supports WEConnect efforts to assist women entrepreneurs and business professionals in Latin America and around the world.





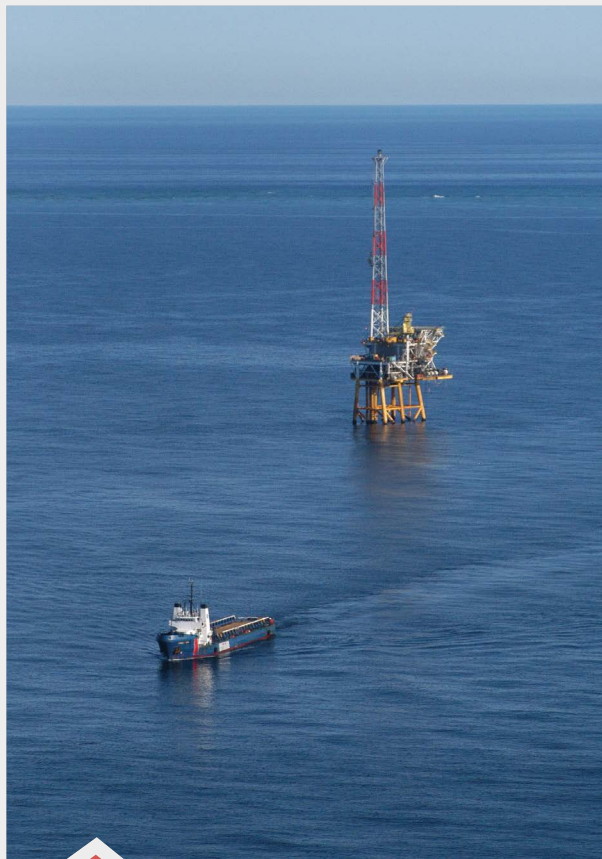
## Stakeholder Engagement: Sustainability in the Supply Chain

Collaborating with our suppliers to find efficiencies throughout our supply chain benefits everyone involved. Over the past several years, we have engaged with our marine vessel suppliers and operators to reduce fuel consumption of the vessels used off the east coast of Canada. We installed fuel-monitoring equipment on board the vessels to help operators reduce the amount of fuel used. So far, we have seen an average reduction in fuel consumption of approximately 10 percent. This initiative has not only reduced fuel costs, but has decreased associated GHG emissions and reduced maintenance costs for these vessels.

**“Maersk Supply Service has benefited greatly from working closely with ExxonMobil Canada. Initiatives such as adjusting vessels’ operations based on feedback from newly installed fuel-monitoring systems on our N class vessels, continued focus from both onboard management and shoreside management to ensure new ideas such as the benefits of hull cleaning, and the close communication between the vessels and the Hibernia platform in conducting daily operations as efficiently as possible, have led to lower fuel consumption on board, less maintenance on vessels’ engines and increased productivity.”**

— Jeff Penton, HSE Manager, Maersk

**“In early 2009, Secunda Canada was approached by ExxonMobil Canada East and challenged to develop a fuel stewardship program and improve our fuel consumption efficiencies within our fleet. This program has exceeded all expectations, with a realization alone in the first year of**



A Secunda Canada supply vessel near the Venture Platform. Collaboration between ExxonMobil and our suppliers has yielded an average reduction in vessel fuel consumption of approximately 10 percent. Photo by Prisma Photo.

**implementation of a decrease in airborne pollutants of 30 percent and reduced fuel consumption by an average of 10 percent. This program has proven to be successful and sustainable, realizing improved efficiencies year over year.”**

— Darrell Sheppard, VP Operations, Secunda Canada

## Transparency

**Revenue transparency can reduce corruption and make the benefits of resource development more widely available.**

ExxonMobil is committed to the highest standards of business conduct and anti-corruption wherever we operate. Our efforts to promote revenue transparency have helped fight corruption, improve government accountability and promote greater economic stability around the world. We believe the most successful transparency initiatives are those that ensure each relevant public, private and societal entity is fully engaged and properly represented. In addition, the initiatives must respect national sovereignty and local norms and apply to every company in all sectors working in a country. ExxonMobil has supported multistakeholder engagement to achieve revenue transparency for many years.

We continuously monitor public policy and local regulatory requirements with respect to transparency initiatives. The U.S. Dodd-Frank Act requires companies like ExxonMobil to undertake certain supply chain due diligence with respect to any “conflict minerals” (currently including gold, tantalum, tin and tungsten) that may be necessary for the production or functionality of the company’s products. Tin and tungsten are ingredients in certain catalysts we use in our refineries and chemical plants. Accordingly, we have established due diligence procedures with our conflict mineral suppliers and amended our relevant supply contracts to help ensure the conflict minerals we use do not originate from the Democratic Republic of the Congo (DRC) or adjacent countries. Based on our due diligence program, we have no reason to believe any of the conflict minerals used in the manufacture or function of

any ExxonMobil product in 2013 may have originated in the DRC or any adjoining country.

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 this sector. Companies and governments participating in EITI separately report payments and revenues, respectively, allowing EITI to reconcile any differences between the totals and publish validated total government revenues.

ExxonMobil has actively participated in EITI since the program's 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 related to EITI during the past year have focused on working with the board to develop and implement its new standards for member country participation. Numerous countries where we have operations are working on becoming, or have become, EITI members. ExxonMobil supports the EITI application, validation and implementation processes of Azerbaijan, Cameroon, Chad, Equatorial Guinea, Indonesia, Iraq, Kazakhstan, Madagascar, Mexico, Nigeria, Norway, Ukraine and the United States, and of potential new applicant EITI countries including Australia, Colombia, Papua New Guinea and the United Kingdom.

In August 2012, the U.S. Securities and Exchange Commission (SEC) published new rules for global government payment reporting as required by the Dodd-Frank Act. The initial SEC rules were vacated by a U.S. District Court, so the SEC must now develop new reporting rules. The American Petroleum Institute (API), of which ExxonMobil is a member, has developed and submitted recommendations to the SEC outlining a new approach to transparency reporting that we believe is superior both to the original SEC approach and to other approaches currently being considered around the world. The

API proposal protects companies from disclosing commercially sensitive information, while at the same time giving citizens of resource-producing countries the information they need — in a form that is readily usable — to hold their governments accountable. This approach is consistent with ExxonMobil's long history of leadership in pioneering transparency efforts, such as through EITI.



Learn more about the API proposal to the SEC


In July 2013, the European Union (EU) approved a revised accounting directive that mandates government payment reporting, similar to the now-vacated SEC rules. Each of the EU member states has 24 months to implement rules at least as stringent as but not limited to the directive. We are concerned about the inconsistency between the new EU rules and the direction given to the SEC to revise its rules, which will result in multiple and potentially contradictory reporting requirements in different jurisdictions. Such a fragmented approach would not give civil society a means to compile and analyze government revenue or give companies protection of commercially sensitive information.

We will continue to work constructively with the proponents of increased revenue transparency toward fair and equitable 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.



# 04

## MANAGING CLIMATE CHANGE RISKS



An employee working at our chemical plant in Singapore. ExxonMobil is working on multiple projects to improve energy efficiency. Over the past decade, we improved energy efficiency by approximately 10 percent in refining and chemical manufacturing.





Our climate change risk management strategy includes four components: mitigating GHG emissions in our operations, developing cutting-edge technology, encouraging the responsible use of our products and engaging on climate policy and planning.

 View our 2013 Carbon Disclosure Project response

 View our *Energy and Carbon — Managing the Risks and Energy and Climate* reports

## Mitigating Greenhouse Gas Emissions

In 2013, we continued to manage our greenhouse gas emissions through enhanced equipment reliability and increased energy efficiency.

Since energy use is pervasive in every aspect of life around the world, and since policies to address GHG — and more specifically CO<sub>2</sub> — emissions will tend to raise the cost of energy and related activities, many countries are taking care in structuring both the nature and the pace of GHG policy initiatives. This approach is understandable as a way to manage climate risks associated with GHG emissions while also minimizing related policy impacts on local economies, industrial competitiveness, energy security and people's ability to pay higher costs.

To help model the potential impacts of a broad mosaic of future GHG policies, we use a simple cost of carbon as a proxy



ExxonMobil installed additional compression systems to increase sales of carbon dioxide at the Shute Creek plant in Wyoming.

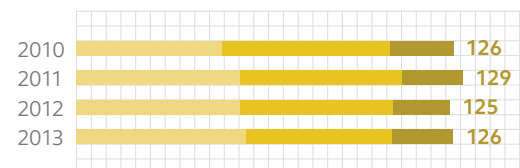
mechanism. For example, in most OECD nations, we assume an implied cost of CO<sub>2</sub> emissions that will reach about \$80 per metric ton in 2040. OECD nations are likely to continue to lead the way in adopting these policies, with developing nations gradually following, led by China.

At the operational level, we work to lower GHG emissions by increasing energy efficiency and managing flaring and venting in our operations in the short term, implementing proven reduction technologies in the medium term, and developing breakthrough, game-changing technologies in the long term.

One of the most effective opportunities for society to lower GHG emissions is through the use of natural gas in electric power generation. As one of the largest natural gas producers

### GREENHOUSE GAS EMISSIONS (NET) Net equity, CO<sub>2</sub>-equivalent emissions (millions of metric tons)

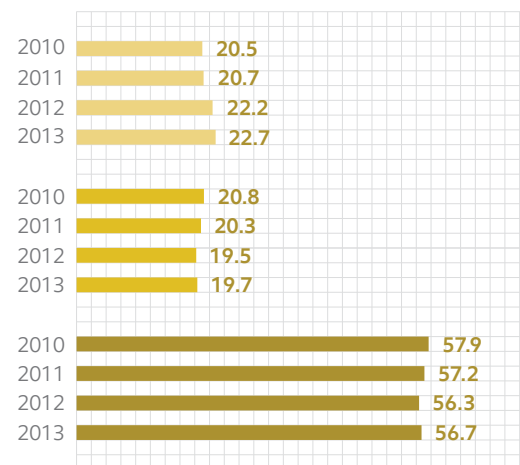
● Upstream ● Downstream ● Chemical



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

### GREENHOUSE GAS EMISSIONS (NORMALIZED) Net equity, CO<sub>2</sub>-equivalent emissions (metric tons per 100 metric tons of throughput or production)

● Upstream ● Downstream ● Chemical



in the world, ExxonMobil is well-positioned to provide access to this clean energy source for power generation.

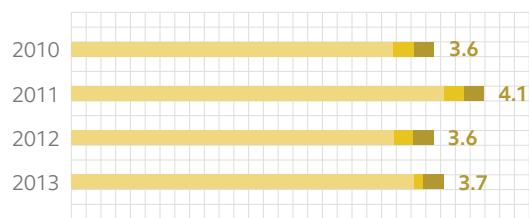
In 2013, ExxonMobil's net equity GHG emissions were 126 million metric tons, which is essentially flat compared with our 2012 performance. We continue to seek opportunities to lower our GHG emissions. For example, the new steam cracker at our Singapore refining and petrochemical complex can process an unprecedented range of feedstocks, including crude oil. Converting crude directly into chemicals saves energy and reduces emissions by eliminating the refining steps required to produce naphtha.

#### 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 options for capturing and using it. In order to pursue commercial alternatives for utilizing 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, particularly in Nigeria and Equatorial Guinea.

HYDROCARBON FLARING  
(millions of metric tons)

● Upstream ● Downstream ● Chemical



Therefore, the reduction of gas flaring is an ongoing challenge for ExxonMobil's operations in these areas. Since 2007, ExxonMobil has reduced its rate of flaring in Nigeria by 74 percent due to significant investments in oil production enhancement projects with flaring reduction benefits, the implementation of an improved equipment maintenance program and the application of a senior management-supported Flaring Reduction Protocol. Mobil Producing Nigeria Limited, an ExxonMobil affiliate, is also active in the Nigeria Flare Reduction Committee, a collaboration between international oil and gas companies operating in the country, the Department of Petroleum Resources and the federal government.

Venting is the release of methane without flaring. We minimize venting volumes to ensure the safety of our personnel and facilities, and to reduce our impact on the environment. Methane emissions from all sources, including venting, represent less than 4 percent of our direct GHG emissions.

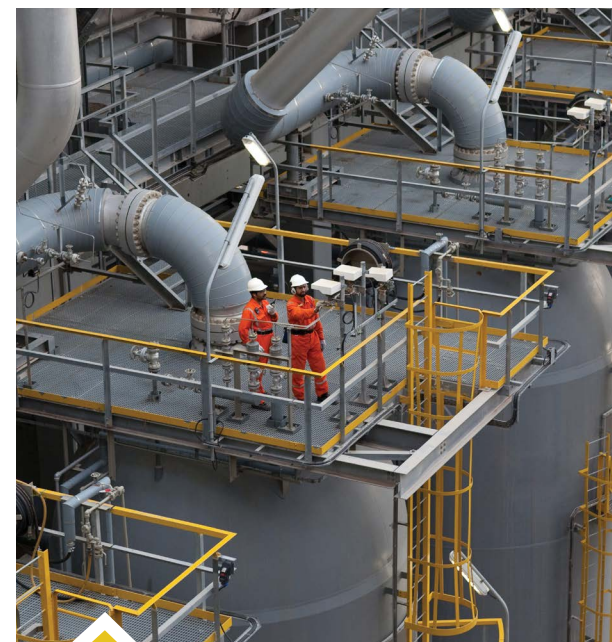
In accordance with the Global Gas Flaring Reduction Initiative, of which ExxonMobil is a charter member, and as specified in our *Upstream Flaring and Venting Reduction Environmental Standard for Projects*, our aim is to avoid routine flaring and venting of natural gas in new projects. We also design new projects to avoid venting reservoir CO<sub>2</sub> that is produced, where practical. In 2013, our combined Upstream, Downstream and Chemical flaring volume was 3.7 million metric tons, or approximately 10 million metric tons of CO<sub>2</sub>-equivalent GHG emissions. This performance is essentially flat compared with 2012, but represents a reduction of approximately 50 percent over the past decade.

#### ENERGY EFFICIENCY

In 2013, energy used in our operations totaled 1.5 billion gigajoules, which is consistent with our 2012 energy usage. Over the past decade, we improved energy efficiency by approximately 10 percent in refining and chemical manufacturing. We pursue 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).

ExxonMobil's Global Real Estate and Facilities Group has been working on an initiative to analyze energy use, water use and waste generation across our office facilities. In 2013, we continued construction of our new energy-efficient 383-acre campus in Houston, Texas. The new office buildings are designed to be 40 percent more energy efficient than a typical Houston office building.



Workers supporting operations at a natural gas processing facility in Qatar. One of the most effective opportunities for society to reduce GHG emissions is through the use of natural gas in electric power generation.






## Stakeholder Engagement: Sustainability in Motion

Our Fuels & Lubricants customers want to reduce their environmental impacts, respond to industry trends as regulations tighten on fuel economy and meet the needs of their customers. Our customers are looking for products that increase energy efficiency, extend equipment and lubricant life, improve fuel economy and reduce GHG emissions. It is critical to our business that we engage with our customers on sustainability topics.

The most visible way we address sustainability challenges is through providing advanced products, from industrial lubricants and vehicle engine oils to marine and aviation lubricants. We focus on creating innovative, high-performance products and services that help deliver both business and sustainability benefits. For example, we work with our customers to help increase equipment life and find operational efficiencies. This benefits equipment builders as well as users, creating value throughout the supply chain. ExxonMobil Research and Engineering Company collaborated with customers to field test *Mobil SHC Pegasus™ 30*, a synthetic oil that is used in advanced natural gas engines like those that power schools or hospitals. *Mobil SHC Pegasus™ 30* helps users keep their engines running longer and cleaner. It also improves energy efficiency by up to 1.5 percent compared with conventional lubricants.

 Learn more about sustainability efforts in our Fuels & Lubricants business



ExxonMobil employees field testing *Mobil SHC Pegasus™ 30* in an advanced natural gas engine. *Mobil SHC Pegasus™ 30* helps users keep their engines running longer and cleaner.

“[The] combination of longer oil drain intervals and energy-efficiency benefits has helped to reduce engine downtime and the amount of waste oil generated, delivering cost savings and productivity benefits ... without compromising the protection of the engine.”

— Dr. James Zurlo, Staff Engineer, Waukesha Gas Engines, GE Energy

## Developing Cutting-Edge Technology

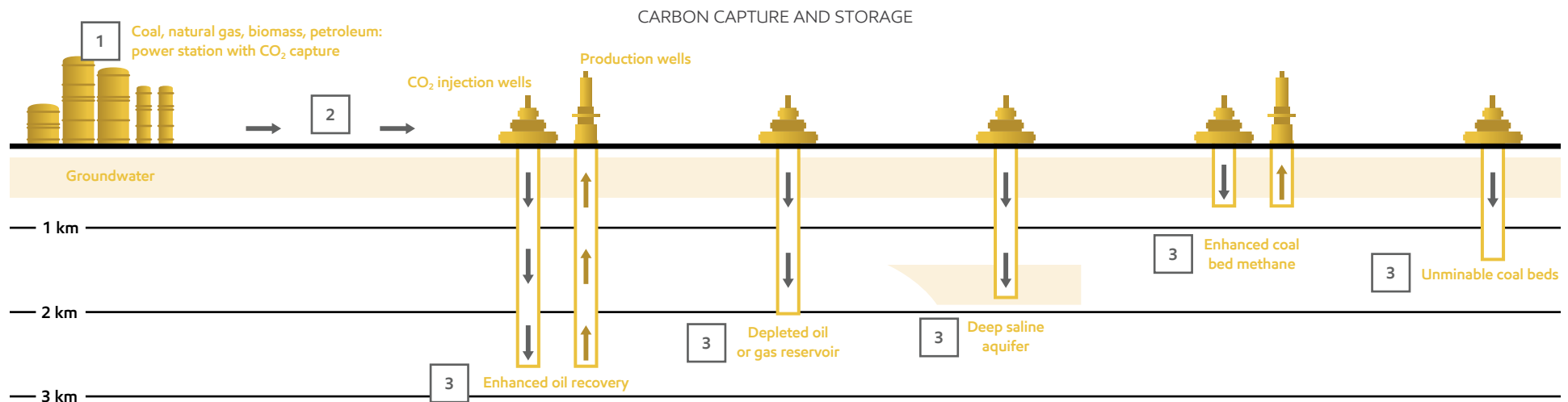
We invest in new technologies with transformative potential to increase energy supplies, reduce emissions and improve operational efficiency.

We have spent nearly \$5.2 billion on research and development since 2009, including on technologies specifically related to reducing GHG and other air emissions. Our research portfolio includes a wide range of technologies, such as carbon capture and storage, cogeneration, biomass conversion and biofuels. We continue to monitor the competitive environment for game-changing opportunities.

### CARBON CAPTURE AND STORAGE

Carbon capture and storage (CCS) involves capturing, transporting and storing CO<sub>2</sub> in underground geologic formations such as saline reservoirs, depleted oil or gas reservoirs, or deep coal beds. In the future, CCS could be

one of several important technologies needed to help reduce CO<sub>2</sub> emissions, with the greatest opportunity being in the coal- and natural gas-fired power sector. However, the application of CCS will likely be limited in the nearer term by the high cost of carbon capture and the need for effective legal and regulatory frameworks — including long-term responsibility for stored CO<sub>2</sub> — public acceptance, industry infrastructure and the commercial demonstration of the entire CCS process in power sector applications. CCS economics can be improved when the CO<sub>2</sub> is applied to enhanced oil recovery in some amenable locations. ExxonMobil has extensive experience in the critical components of CCS, and we continue to conduct in-house research to improve the economics of this technology.



#### STEP 1: CAPTURING CO<sub>2</sub>

The first step in the CCS process is capturing, or separating, the CO<sub>2</sub> from the fuel source used at power generation plants or industrial manufacturing facilities.

#### STEP 2: TRANSPORTING CO<sub>2</sub>

The second step is transporting the captured CO<sub>2</sub> to the storage site — underground geologic formations such as depleted oil or gas reservoirs.

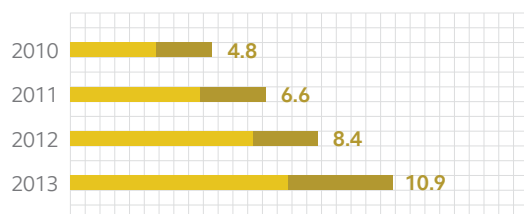
#### STEP 3: INJECTING CO<sub>2</sub>

The third and final component of CCS is injecting CO<sub>2</sub> into underground reservoirs for storage.

### GREENHOUSE GAS REDUCTIONS FROM EXXONMOBIL ACTIONS<sup>2</sup>

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

- Energy efficiency and cogeneration
- Flare reduction



<sup>2</sup>Cumulative since 2010

### COGENERATION

Through ongoing incorporation of cogeneration into our facilities, ExxonMobil is able to generate power more efficiently than many local utilities. Cogeneration captures heat generated from the production of electricity for use in production, refining and chemical processing operations. Due to its inherent energy efficiency, the use of cogeneration also leads to reduced GHG emissions. We have interests in approximately 5,300 megawatts of cogeneration capacity in more than 100 installations at more than 30 locations around the world. This capacity is equivalent to the annual energy needs of 2.5 million U.S. homes. In 2013, we added 42 megawatts of additional capacity at our Augusta refinery in Italy. We plan to add approximately 300 megawatts by 2015 through other projects. Since 2004, we have invested more than \$1 billion in cogeneration projects.



## Up Close: Life Cycle Assessment

We use life cycle assessment (LCA) in accordance with the guidance set by the International Organization for Standardization (ISO 14040:2006 and 14044:2006). ExxonMobil's experts contribute to studies and training programs related to LCA. In the past three years, our experts have published three peer-reviewed articles on LCA and have collaborated with well-known academics and other third-party experts on the development of new approaches to improve LCA methodologies. We participated in the United Nations Environment Programme's Life Cycle Initiative to encourage the increased use of life cycle thinking globally. In addition, ExxonMobil experts spearheaded the development and publication of the International Council of Chemical Association's *LCA Executive Guide*, a short educational document for executives and decision-makers.

In 2013, ExxonMobil experts conducted an LCA to determine the GHG emissions associated with the production of natural gas in the Marcellus Shale region of the United States. This analysis accounted for all phases of the shale

gas life cycle — from drilling and production to transmission and generation of electricity. The study concluded that activities associated with hydraulic fracturing contributed less than 2 percent of the life cycle GHG emissions associated with the produced gas. Approximately 87 percent of emissions are attributable to power generation, and approximately 11 percent are associated with the use of natural gas to fuel compressors. The combustion of gas at power plants to generate electricity is the primary source of emissions. Investment in increased efficiencies and new technologies throughout the entire life cycle will continue to reduce emissions. In total, the GHG emissions and freshwater consumption associated with the production of shale gas are about 50 percent lower than that of coal, regardless of the source or composition of the gas. In addition, hydraulic fracturing operations only account for approximately 6 percent of the life cycle freshwater consumption.

We also conducted a comparative LCA to quantify the potential environmental impacts of synthetic passenger vehicle and industrial gear lubricants. The scope of this study included the entire lubricant life cycle, from raw materials extraction to the end-of-life phase. The results indicate there are significant environmental advantages associated with the use of synthetic lubricants due to improved equipment efficiency and long drain intervals. The longer drain intervals translate into reduced material use and waste generation. For example, by using *Mobil SHC 600* in gearboxes, a typical industrial plant could save up to 250 megawatt-hours of electricity annually, equal to the power consumed by 22 U.S. households in one year.

### OTHER RESEARCH INVESTMENTS

ExxonMobil also invests in research to reduce energy use and emissions related to the use of our products. We recognize the responsibility to assist our customers in reducing emissions throughout their activities. For example, our Fuels & Lubricants business has started to embed sustainability throughout the

entire customer engagement process. Products such as *Mobil Delvac 1TM LE 5W-30* and *Mobil DTE 10 Excel™* allow for reduced energy consumption and operating costs for our customers, as well as reduced GHG emissions.



## Engaging on Climate Change Policy and Planning

We engage with policymakers directly and through trade associations around the world to encourage sound policy solutions for addressing the risks of climate change.

### PUBLIC POLICY ENGAGEMENT

Reducing GHG emissions hinges on appropriate public policies that seek to reduce the risks posed by climate change at minimum cost to society, while recognizing the importance of abundant, reliable, affordable energy for global economic development. Developing countries already account for more than half of current GHG emissions globally, and by around 2020, cumulative historical GHG emissions from developing and developed economies will be equal. Therefore, both developed countries and the major developing economies need to participate in crafting policies aimed at mitigating global CO<sub>2</sub> emissions. Policy discussions in developed countries should also recognize the role of energy in economic development.

 View our 2013 Carbon Disclosure Project response for a discussion of climate change risks

 View our *Energy and Carbon — Managing the Risks and Energy and Climate* reports

A variety of policy strategies can contribute to GHG emissions reductions, such as cap-and-trade rules, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. ExxonMobil participates in GHG emissions trading when cost-effective, in areas of our operations where regulated trading schemes exist. However, we believe a well-designed, revenue-neutral carbon tax program provides a more cost-effective alternative to a cap-and-trade regime for reducing GHG emissions. We believe this approach ensures a uniform and predictable cost of carbon, lets market prices drive solutions, maximizes transparency to stakeholders, reduces administrative complexity, promotes global participation, and is easily adjusted to future developments in climate science and policy impacts.

Our scientists have been involved in climate change research and related policy analysis for nearly 30 years. This undertaking has yielded more than 45 papers in peer-reviewed publications. Experts from our organization have served on the United Nations Intergovernmental Panel on Climate Change since its inception, and continue to be engaged today. ExxonMobil funds or collaborates on climate-related research at the University of Illinois, the University of California at Riverside, Pacific Northwest National Lab, Massachusetts Institute of Technology, Stanford University and the Bermuda Institute of Ocean Sciences. In 2013, we collaborated with the University of California at Riverside on a study aimed at improving computer modeling of black carbon in the atmosphere. ExxonMobil also played an integral role in organizing a major industry workshop through IPIECA on short-lived climate forcers (SLCFs). The workshop explored the basic science of SLCFs, natural and anthropogenic emission sources of SLCFs, and the role of the oil and gas industry.

### CLIMATE CHANGE ADAPTATION

Our *Operations Integrity Management System* (OIMS) is the cornerstone to managing safety, security, health and environmental risks in our operations worldwide, including potential

physical risks associated with climate change. While most scientists agree climate change poses risks related to extreme weather, sea level rise, temperature extremes and precipitation changes, current scientific understanding provides limited guidance on the likelihood, magnitude or time frame of these events. Anticipating the likelihood of an event at the regional or local level in comparison to global averages is even more difficult. Nevertheless, our facilities are designed, constructed and operated to withstand a variety of extreme conditions, with safety factors built in to cover a number of engineering uncertainties, including those associated with potential climate change impacts. We continue to engage with major engineering societies, international organizations and industry groups to develop sound engineering perspectives on managing the risks of climate change.



An ExxonMobil researcher at the Controlled Freeze Zone™ demonstration plant in Wyoming. Controlled Freeze Zone technology could expand the global supply of natural gas and contribute to the reduction of GHG emissions.

# Case Study

## Advancing the Environmental, Socioeconomic and Health Impact Assessment Process



ExxonMobil employees and contractors meeting with stakeholders in northern Cameroon as part of a review of the process used to develop the *Environmental, Socioeconomic and Health Impact Assessment* for the Chad/Cameroon pipeline project.

Although our projects and operations offer a variety of benefits to local communities and host countries, they can also carry environmental, socioeconomic and health (ESH) risks and challenges that need to be addressed during project planning, implementation and operations. Our goal is to maximize the benefits and prevent or manage the risks. Impact assessments help us do this — when starting major Upstream projects, we identify and evaluate ESH risks and opportunities by conducting an *Environmental, Socioeconomic and Health Impact Assessment* (ESHIA).

When conducting an ESHIA for a project, we first study and understand the ESH setting. We then identify how our activities will or could interact with the physical, biological and human environment; consult with stakeholders; identify and evaluate positive and negative actual and potential impacts; determine the risks associated with these impacts; avoid the

identified risks or reduce the level of risk to an acceptable level; and develop an appropriate monitoring plan. We capture the findings and recommendations from the impact assessment process and translate them into a management plan, most often referred to as an Environmental, Socio-economic and Health Management Plan (EMP). The EMP is implemented, tracked and modified as necessary throughout the life of the activity.

Since 2007, ExxonMobil has conducted or participated in 169 ESHIAs for projects and activities of varying scopes around the world. Conducting impact assessments is integral to implementing a project successfully and developing long-term, positive relationships with the communities and host countries where we operate. In 2013, we developed an ESHIA Guide for our Upstream professionals to help ensure a consistent approach when conducting these assessments.

We recently performed a review of the process used to develop the ESHIA and EMP for the Chad/Cameroon pipeline project, which encompasses activities and facilities in the west-central African countries of Chad and Cameroon. Construction began in 2000, and full production commenced in 2004. ExxonMobil conducted an ESHIA for the project between 1993 and 1999, and we produced the EMP thereafter. The ESHIA and EMP development process included nearly 900 village-level stakeholder engagement sessions in both countries, and public consultation and engagement continues to this day.

Our review of the ESHIA/EMP development process for the Chad/Cameroon pipeline project allowed us to capture lessons learned, identify opportunities to improve the overall process, and develop and implement enhanced risk management strategies and measures. The review team included ExxonMobil



# Case Study

ADVANCING THE ENVIRONMENTAL, SOCIOECONOMIC  
AND HEALTH IMPACT ASSESSMENT PROCESS



A woman working at a composting facility in southern Chad. Esso Exploration and Production Chad Inc., ExxonMobil's affiliate in Chad, has provided technical assistance to this facility, which manages a number of nonhazardous biodegradable waste streams. We purchase the compost produced by the facility for use in land reclamation activities. A noteworthy feature of this facility is its commitment to the economic empowerment of local women.

personnel and consultants who had participated in the ESHIA/EMP development process, as well as other ESH subject matter experts who brought a fresh perspective to the study.


Based on the review, the team determined a key strength of the ESHIA/EMP development process for the project was its far-reaching and sustained stakeholder engagement process. The extensive multiyear consultation process helped build support for the project, avoid disruptions and schedule delays, develop and implement appropriate environmental and socioeconomic safeguards, and deliver compensatory and social development programs for the most affected communities. The review team also identified several areas of improvement for the company's ESHIA/EMP development process, including:

- The need for a greater emphasis on full life cycle land use, supported by a comprehensive and continuously updated environmental, health and social database that can better inform compensation and social development programs
- The design and delivery of compensation, resettlement and social development programs that have a higher probability of long-term sustainability and success
- A more detailed evaluation of the ESH ramifications of obtaining certain construction materials such as water, sand, gravel and rock

Overall, the review demonstrated the ESHIA/EMP development process for the Chad/Cameroon pipeline project was successful in identifying and evaluating the highest-level ESH risks and appropriately managing them. We have subsequently applied this information to improve our overall ESHIA process for new opportunities going forward.



## HUMAN RIGHTS AND MANAGING COMMUNITY IMPACTS

A photograph of two indigenous women in Papua New Guinea. They are wearing traditional red and yellow dresses with black collars and headwraps. They are holding large bunches of root vegetables, possibly taro or yam, in front of a traditional thatched hut. The background shows lush greenery and trees.

Women who participated in the Papua New Guinea Liquefied Natural Gas Project's baking and agriculture programs. We strive to work collaboratively and transparently with local communities, including indigenous peoples.



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Understanding and addressing the interests of societies and communities where we work is an important component of maintaining a successful and sustainable business.

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We work in communities all over the world, each with their own unique cultures, needs and sensitivities. Responsibly managing our economic and social impacts on communities, maintaining a fundamental respect for their human rights and making valued social investments in their livelihoods help us maintain our license to operate.

## Managing Community Impacts

We aim to develop human, social and economic capacity in a way that benefits people, communities and our business. Achieving this goal requires us to manage our social and economic impacts actively and responsibly in the communities where we live and work.

### CONSULTATION WITH STAKEHOLDERS

Consulting with communities during the early stages of a project allows us to identify opportunities and concerns and design effective risk management measures during the project planning phase. By endeavoring to avoid or mitigate as many concerns as possible at the onset, we are able to avert project disruptions, avoid delays, reduce costs and prevent the escalation of issues. Our *Best Practices in External Affairs* (BPEA) governs our community awareness programs and



## Stakeholder Engagement: Community Engagement in South Africa and Colombia

As we extend our reach into new areas, it is imperative that we engage with local communities from the onset. For example, in 2013, ExxonMobil began considering new operations in the Transkei/Algoa Exploration Area on the South African coastline. In partnership with our co-venturer, Impact Africa, a team of ExxonMobil employees and consultants led a series of community engagement meetings in the area. The key objectives were to communicate currently envisioned project options, develop relationships with community members and discuss environmental sensitivities with key stakeholders. Audience members included local environmental authorities, NGOs, marine researchers and community members. Three stakeholder meetings were held in Port St. Johns, East London and Port Elizabeth in June. Through this process, we were able to open communication channels between the project team and these communities. We were also able to collect informed comments about how the public could be impacted by the proposed exploration activities. We look forward to advancing potential exploration activities in South Africa and growing our presence in that country.

We are also progressing plans to start onshore exploration in the Middle Magdalena Valley region in Colombia. To address local citizens' potential concerns, ExxonMobil led a team to begin community engagement in this area. Community engagement specialists have held more than 100 meetings to date in three different regions, focusing on social engagement,

environmental studies and other topics. More than 3,600 local citizens have attended these meetings to date. The meetings have helped establish an ongoing dialogue and identify key community needs, such as potable water treatment systems, which ExxonMobil may be able to provide. ExxonMobil strives to have a positive impact in each community in which we operate. We believe strong, informed communities pave the way for a successful business environment.



A community member from El Juncal, Colombia, participates in an engagement meeting. ExxonMobil has held more than 100 community meetings to date in the country.



government relations. The BPEA process helps us identify the specific needs, expectations and interests of host communities and align those needs with our community investment programs.

Ensuring mutual understanding, trust and respect in our stakeholder relationships means that interested parties are represented as agreements are established. It also helps us establish constructive relationships with stakeholders who can provide valuable input into the decision-making process over the long term. Once a project starts, we provide local groups and individuals with a communication channel to voice and resolve concerns without fear of retribution. For information about our grievance process, see page 66.

#### MANAGING SOCIOECONOMIC IMPACTS AND RISKS

Oil and gas-related projects have the potential to impact individuals, communities and the environment. Early identification, planning and engagement are essential to optimize opportunities for creating and enhancing positive socioeconomic effects and for successfully implementing appropriate avoidance and risk mitigation measures.

In 2012, we endorsed and implemented our *Upstream Socio-economic Management Standard for Projects*. This *Standard* is designed to help ExxonMobil identify potential socioeconomic issues and risks early in the Upstream life cycle and develop and implement appropriate avoidance and prevention, control, mitigation, compensation and monitoring measures.

The *Standard* outlines different expectations that are intended to be implemented based on the identification of relevant socioeconomic risks, including indigenous peoples, impact assessment and mitigation, human rights, transparency and corruption, cultural heritage and diversity, community relations, land use and resettlement, and economic development.

#### INDIGENOUS PEOPLES

Our operations can take place in areas inhabited by indigenous peoples. We respect and engage indigenous communities, and we work to protect their cultures and customs. We believe developing opportunities for indigenous communities to participate in training and employment benefits these communities and our business. Our approach to interacting with indigenous peoples around the world is consistent with the principles of the International Labor Organization (ILO) *Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries*, the United Nations *Declaration on the Rights of Indigenous Peoples*, the International Finance Corporation (IFC) *Performance Standards on Environmental and Social Sustainability*, and the World Bank *Operational Policy and Bank Procedure on Indigenous Peoples*. Our operations in Alaska, Cameroon, Canada, Indonesia, Nigeria, Papua New Guinea and Sakhalin Island involve working directly with indigenous peoples. Our first objective is to determine how each group prefers to be engaged. The community establishes its preference for how often and how long their members meet with ExxonMobil representatives, and whom the community chooses to provide its viewpoints or represent its wishes.

We are sensitive to local communities' concerns about balancing their cultural heritage with the desire 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 local content and strategic community investments.

#### LAND USE, RESETTLEMENT AND GRIEVANCE MECHANISMS

We employ a number of practices for respecting property rights in communities where we operate, and we pay particular attention to those areas where indigenous peoples live. The revised IFC *Performance Standards*, effective in 2012, require companies to obtain the free, prior and informed consent of indigenous peoples before initiating development activities on



A resettled family in Papua New Guinea grows crops near their new home. We employ a number of practices for respecting property rights in communities where we operate, and we pay particular attention to those areas where indigenous peoples live.

traditional lands. In 2013, IPIECA launched a project on free, prior and informed consent to gain clarity on its definition and best practices for implementation. An ExxonMobil employee is part of this task force, which is ongoing. Our *Upstream Socioeconomic Management Standard for Projects* includes expectations for free, prior and informed consultation with indigenous peoples.

We strive to work collaboratively and transparently with local communities, including indigenous peoples, to foster ongoing support for our activities. We minimize involuntary resettlement through consultations with local communities and project design and implementation. When resettlement is unavoidable, like for our Papua New Guinea Liquefied Natural Gas Project, we seek to ensure restoration of the livelihoods of displaced persons, and we apply international best practices aligned with the IFC's *Performance Standards*. All of our activities are authorized by law and are conducted in consultation with and subject to approval by appropriate government agencies.

When physical and economic displacement occurs, we develop and implement *Resettlement Action Plans* that are informed by landowner consultation and surveying and mapping of housing structures, gardens and other assets. If it is determined a household does not want to move, or wants to move but may have some reservations related to moving, ExxonMobil works to identify alternatives or provide additional assistance, as needed. There are several cases where we have rerouted infrastructure or chosen an alternative site for a facility to address resettlement-related concerns.

As part of this process, we work with the landowners to confirm what assets are to be compensated, agree to the rates and establish the final compensation amount. In Papua New Guinea, the process also included the presence of an independent advocacy professional who ensured the landowner understood his or her rights, what would be compensated and



## Stakeholder Engagement: Learning from Our Stakeholders in Papua New Guinea

The Papua New Guinea Liquefied Natural Gas Project spans a large geographic area of challenging terrain, including remote locations with either limited or no forms of telecommunication, electricity or infrastructure. In addition, there are approximately 800 different languages spoken in Papua New Guinea, along with a wide range of culturally acceptable engagement protocols that apply to tribal clans. We have found the use of nontraditional methods of stakeholder engagement to overcome geographic, language and cultural boundaries is advantageous in Papua New Guinea. This approach has helped us identify new opportunities and adjust field activities to better meet the needs of our stakeholders.

To engage effectively with landowners, community organizations, NGOs, multiple levels of government and other interested stakeholders, we use diverse methods of stakeholder engagement, including a combination of both formal group meetings and informal engagements as we encounter members of the community along roads and in villages near project sites. We learned about the value of using a variety of engagement methods — such as drama, a common form of learning in Papua New Guinea — to deliver important construction and safety messages to communities more effectively.

We also give community members the opportunity to provide input. In some cases, communities have raised concerns about project activities, so as part of our stakeholder engagement



Community members in Papua New Guinea participate in stakeholder engagement meetings.

we have implemented a grievance mechanism that allows stakeholders to register their concerns with field officers, who then enter the details into a central information management system. The grievance mechanism features a five-step process: publicizing the process; receipt and registration of grievances; grievance review and investigation; resolution and response; and monitoring and evaluation. Through the grievance mechanism and the project's broader stakeholder engagement process, we have been able to identify trends and work with people to find solutions. Issues and grievances received during the construction phase related mainly to concerns about compensation for land use, the resettlement of some residents, access to land, impacts on food resources and perceived threats to the environment and cultural sites.

The project's stakeholder engagement process, including its related grievance mechanism process, has also helped us learn about what we did well in communities and where people wanted us to extend community-based programs. It has also enabled stakeholders to contribute to continuous improvement. For example, members of one village raised an issue, so project personnel and local community members worked together to establish water catchment facilities that benefited both the villagers and the project.

▶ Watch one of our employees in Papua New Guinea talk about how we work with the community

the rates of compensation. In developing countries, resettled landowners or users then identify a location to build their new home, and we provide assistance to re-establish their household at the new location. We also monitor and evaluate their livelihood restoration progress for up to two years. We have an assessment team identify resettled individuals or groups who may be more vulnerable to not being able to re-establish their livelihoods than others, such as single-parent households, handicapped individuals or the elderly. We provide special assistance to these vulnerable households.

## Respecting Human Rights

Human rights are fundamental to society; we strive to respect human rights everywhere we do business through training and compliance with guiding principles.

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. This framework recognizes the distinctly different but complementary roles of government and business with regard to human rights — the government's duty to protect human rights and corporations' responsibility to respect them.

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; in other words, corporations should be aware of potential adverse impacts with human rights



### Up Close: Working with Indigenous Peoples in Northern Alaska

In the vicinity of our Point Thomson Project in northern Alaska, we work with the local communities and government authorities to understand their concerns and avoid conflicts with their traditional lifestyle. Through a comprehensive assessment and regular engagement, we have identified several areas of concern to the local people, and we have adopted corresponding measures to address these concerns.

For example, the Kaktovik community — located 60 miles to the east of the Project — relies, in part, on hunting and fishing for its food supply. The 22-mile Point Thomson Export Pipeline runs through caribou habitat, which occurs in many locations throughout northern Alaska. Consequently, we designed the pipeline to be 7 feet high to minimize the deflection of caribou migration patterns. Additionally, we have applied a non-glare metallic coating on the outside of the pipeline to reduce visual effects to wildlife in the area. Through consultation with the residents of Kaktovik, we also designed the pipeline with thicker walls in certain areas to provide protection against accidental strikes from coastal hunters.



Explore the Point Thomson Project interactive content on ExxonMobil's app



We designed our Point Thomson Export Pipeline to be 7 feet high to minimize the deflection of caribou migration patterns.



implications and implement prevention measures as appropriate. The IFC's revised *Performance Standards on Environmental and Social Sustainability*, published in 2012, reflect the *Guiding Principles* regarding human rights matters. In 2013, IPIECA issued a guidance document with suggestions for implementing the *Guiding Principles* in the oil and gas industry. ExxonMobil recognizes the importance of successful voluntary human rights initiatives and supports IPIECA's proactive efforts to address the expectations of the *Guiding Principles* for our industry.

We provide a human rights awareness training program for personnel who work in high-risk areas. This training includes information about the *Voluntary Principles on Security and Human Rights*, the requirements of ExxonMobil's *Statement and Framework on Security and Human Rights* and expectations regarding the implementation of the *Framework* in a given country. In 2013, we provided security and human rights training to approximately 500 ExxonMobil employees and security personnel in Chad, Colombia, Indonesia, Iraq, Nigeria, Papua New Guinea, Russia and the United Arab Emirates. In addition, we are in the process of working with a consultant to develop a computer-based human rights training program. We expect to roll out a pilot of this instructional module later this year.

Since 2002, ExxonMobil has actively participated in the *Voluntary Principles on Security and Human Rights*. Most countries where ExxonMobil works rely on the use of unarmed private security providers. However, in some locations, the local governments provide security personnel. In these cases, we still expect these personnel to uphold human rights. Our *Statement and Framework on Security and Human Rights* helps implement the *Voluntary Principles*, and includes guidance on working with host government security personnel, developing approaches for working with private security providers, reporting and establishing recordkeeping templates. Over the past five years, the portion of our private security contracts containing specific requirements to uphold human rights has increased from 60 percent to approximately 99 percent.

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 articulates our support for the principles of the ILO 1998 *Declaration on Fundamental Principles and Rights at Work*, namely the elimination of child labor, forced labor and workplace discrimination. We also seek business partners that observe similar standards. Our standard contract language requires adherence to all applicable laws and regulations related to safety, security, health and the environment. ExxonMobil's procurement group also includes clauses in requests for quotations that require our business partners to abide by the prohibition of child and forced labor and the payment of wages in accordance with local regulations.

## Strategic Community Investments

Our strategic community investments are aligned with a country's economic and social goals, and complement our business focus. In 2013, we contributed \$269 million to communities around the world.

We engage in public-private partnerships and ongoing stakeholder engagement to improve social and economic conditions. We do so by focusing the majority of our spending on our signature, corporate-led initiatives to advance economic opportunities for women, improve education and combat malaria. We supplement our corporate-led initiatives

with community-specific programs, ranging from improving access to clean, potable water to tackling public health issues. We consider the development goals of each community when deciding when, where and how best to invest.

2013 COMMUNITY INVESTMENTS BY FOCUS AREA<sup>1</sup>  
(millions of dollars)



<sup>1</sup>Total contributions include donations from Exxon Mobil Corporation, our divisions and affiliates, and the ExxonMobil Foundation, as well as employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs.

### WOMEN'S ECONOMIC OPPORTUNITY INITIATIVE

Research shows that when women have control over their incomes, they are able to invest more fully in the health, education and well-being of their families. They also tend to reach out and propel other women forward, creating a powerful multiplier effect that benefits society as a whole. In 2013, ExxonMobil invested more than \$10 million in promoting economic opportunities for women. This support has reached tens of thousands of women in more than 90 countries. Over the past nine years, we have provided more than \$70 million worldwide. In 2012, we partnered with the UN Foundation to produce a report about the most effective interventions that directly advance women's economic opportunities. For information about the UN Foundation Research Partnership report, see page 72.

### MATH AND SCIENCE INITIATIVE

Scientists and engineers are critical for addressing the challenges of the 21st century. From medicine to energy development to computing, we need a strong global workforce that helps solve problems and creates new opportunities. This is why we invest in education programs that focus on inspiring students to pursue careers in science, technology, engineering and mathematics (STEM), including programs that focus on teacher development and training. Over the past 14 years, we have contributed \$937 million for education programs globally. In 2013 alone, we directed \$100 million toward education initiatives worldwide, with \$38 million specifically for math and science education in the United States.

### MALARIA INITIATIVE

Significant progress has been made in the global fight against malaria. Between 2000 and 2012, the scale-up of prevention interventions and enhanced access to proper diagnosis and treatment helped to reduce the global malaria mortality rate by 45 percent. However, there are still more than 200 million



A microfinance mentor in Indonesia provides a lesson to her class.



## Up Close: Supporting the Common Core State Standards in the United States

The United States lags behind other countries when it comes to education. The most recent international testing shows U.S. students rank 17th in reading, 21st in science and 26th in math. Millions of American jobs remain vacant today, even in the face of high unemployment. One problem is there are not enough applicants with adequate STEM skills.

One meaningful step to improve U.S. educational outcomes is to ensure the Common Core State Standards are fully implemented across the country so we can begin to encourage deeper learning and more critical thinking among students. The Common Core State Standards establish expectations for critical mathematics and language arts knowledge and the skills that students from kindergarten to 12th grade should master for college and career readiness. They stipulate what each student should know and be able to do, but how students are taught is determined at the local level.

We are working with many others to advocate for successful implementation of the Common Core because we recognize improving U.S. educational performance is vital to the success of our industry and to broader national competitiveness in the years to come. Our chairman and CEO has publicly voiced ExxonMobil's support for the Standards and their potential to improve all students' ability to succeed, regardless of race, gender or socioeconomic status. His leadership on the issue serves as a model for other business leaders to emulate. To learn more about this topic, visit [thecommoncore.com](http://thecommoncore.com).

2013 COMMUNITY INVESTMENTS BY GEOGRAPHIC REGION<sup>2</sup>  
(millions of dollars)



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

cases of the disease each year, and it continues to have a devastating impact across sub-Saharan Africa and Asia. We have been working to help build a better future for communities in affected regions by investing in the fight against malaria — a preventable and treatable disease. Working with a variety of partners, between 2000 and 2013 our funding has reached more than 105 million beneficiaries. Our support has helped distribute more than 13 million bed nets, nearly 2 million doses of antimalarial drugs, more than 1 million diagnostic tests and training for more than 355,000 workers. Since 2000, we have

invested more than \$120 million in cash grants to organizations fighting malaria. In 2013 alone, we provided \$13 million to 18 organizations, benefiting 22 million people in 12 countries.

A number of factors, including heavier than normal rainfall, led to a spike in malaria cases in Chad and Cameroon in 2013. ExxonMobil has a strong presence in these countries, and we worked with our partners to coordinate an effective response strategy. We provided additional funding to replenish bed net supplies, increase utilization of bed nets through public messaging campaigns, and advocate for treatment of pregnant women in clinics and health posts. For more information about our response in Chad, see page 71.



## Up Close: Measuring Our Impact

We continually strive to improve our understanding of the impact of our community investments in order to ensure their sustainability and maximize the benefits of our efforts and resources. In 2013, we invested new resources into our measurement work and began conducting a thorough internal analysis of our philanthropic programs and measurement frameworks. Working closely with our partners, we are designing a more robust system to capture outcomes — beyond dollars spent and activities conducted — and develop transparent, data-driven methods to maximize the design of our philanthropic activities to have the greatest impact.

## Employee Participation

ExxonMobil and our employees support community projects through financial contributions and volunteer time.

Our worldwide spending includes contributions to nonprofit organizations, but we also invest in social projects through collaboration with other organizations. In 2013, Exxon Mobil Corporation, our divisions and affiliates, and the ExxonMobil Foundation provided a combined \$228 million in cash, goods and services worldwide. Of that total, \$118 million supported U.S. communities and \$110 million supported communities in other countries.

Through company-sponsored volunteer programs, more than 21,200 ExxonMobil employees, retirees and their families donated approximately 711,500 volunteer hours to more than 5,100 charitable organizations in 32 countries in 2013. Employees and retirees donated \$41 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 \$269 million to community organizations worldwide.



Learn more about our worldwide giving



Learn more about our employee volunteer activities around the world



## Corporate Signature Initiatives

### 2013 Highlights

#### WOMEN'S ECONOMIC OPPORTUNITY INITIATIVE

In the summer of 2013, ExxonMobil partnered with the George W. Bush Institute to host the African First Ladies Summit — “Investing in Women: Strengthening Africa.” The summit served as a useful platform for Africa’s first ladies as they work to cultivate change for millions of women in their respective nations and around the world. First ladies from Burkina Faso, Ethiopia, Mozambique, Sierra Leone, South Africa, Tanzania, Uganda and Zambia attended the event, as well as government officials, academics, business leaders and a variety of representatives from organizations worldwide. President and Mrs. Bush kicked off the two-day event, and First Lady Michelle Obama participated in a question-and-answer session. Among other topics, representatives discussed the role of technology in creating new economic opportunities for women. For more information, see [exxonmobil.com/womensinitiative](http://exxonmobil.com/womensinitiative).

#### MATH AND SCIENCE INITIATIVE

To improve math and science education in the United States, ExxonMobil has supported the National Math and Science Initiative (NMSI) since its inception in 2007. Thus far, ExxonMobil has committed \$125 million to this important endeavor. Over the past six years, the program has reached 551 schools in 22 states, improving the lives of more than 2 million students who have had the opportunity to learn from a NMSI-trained instructor. Each year, a growing number of schools benefit from NMSI. The schools that implemented NMSI’s Advanced Placement (AP) program in the 2012–2013 school year saw immediate results; the average first-year increase in the number of qualifying AP math, science and English scores at NMSI schools was 72 percent — 10 times the national average. In addition, the number of qualifying scores on AP math and science exams achieved by female students has tripled from 2007 to 2013. For more information, see [exxonmobil.com/mathandscience](http://exxonmobil.com/mathandscience) and [nmsi.org](http://nmsi.org).

#### MALARIA INITIATIVE

The 2013 emergency malaria outbreak in Chad and the Extreme North Province of Cameroon affected more than 600,000 people. Officials from Esso Chad and the ExxonMobil Foundation met with local, national and international health authorities to assess the impact of the epidemic on our employees and the communities where we live and work. They specifically discussed strategies to coordinate the response and reduce malaria cases in the Komé area of Chad, where 46 percent of our Chadian work-force lives. ExxonMobil awarded a grant to Malaria No More (MNM) to design an emergency response plan aimed at preparing and training health practitioners to detect and respond to malaria outbreaks. Working with the Chad National Malaria Control Program, MNM is updating the National Malaria Health Care Handbook and is training health care professionals in the 1,238 health centers in Chad on how to use the handbook. For more information, see [exxonmobil.com/malaria](http://exxonmobil.com/malaria).



#### QUALIFYING AP TEST SCORES FOR MINORITY STUDENTS IN NMSI

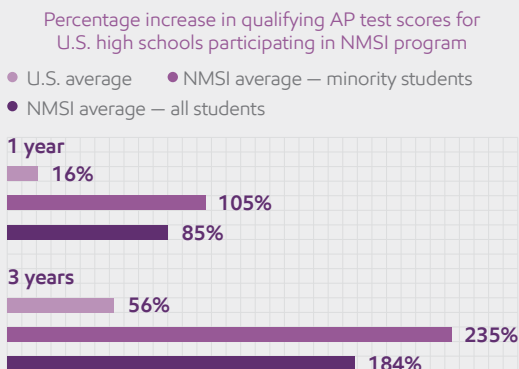


Photo by Jhpiego.



## Up Close: UN Foundation Research Partnership

Research has demonstrated that when women are economically empowered, communities and nations benefit. Yet practitioners still faced a crucial knowledge gap regarding the most effective interventions that directly advance women's economic opportunities. To address this gap, the UN Foundation and the ExxonMobil Foundation joined forces in 2012 to produce *A Roadmap for Promoting Women's Economic Empowerment*. The study, led by Mayra Buvinic, an international expert on gender and social development issues, brought together the work of more than 35 economists and other professionals from universities, international agencies and nonprofit groups.

The report summarizes the findings of 18 research studies with a focus on programs in four categories: entrepreneurship, farming, wage employment and young women's employment. Based on these studies, the project compiled a database of 136 published empirical evaluations of programs and policies. The report systematically evaluated the evidence through three lenses: what works, for whom and where. It also looked at the cost-effectiveness and sustainability of programs. Key findings from the report include:

**Proven and promising interventions:** Based on empirical evidence, the roadmap identifies nine proven and nine promising interventions; they include savings accounts, proven to increase women's productivity and earnings, and the use of mobile phones, which promise to deliver financial services and

market information in a cost-effective way to women farmers and entrepreneurs.

**The very poor need more:** Very poor women need a more intensive package of services than less poor women to break out of subsistence production.

**In-kind assistance:** Providing in-kind assistance rather than cash can help nudge women microentrepreneurs to keep capital in their businesses and avoid pressure to divert it to family members or to meet other household needs.

**Wage employment:** Access to child care increases women's wage employment levels and earnings, but design and delivery matter to ensure affordable care.

**Young women:** Cash grants to poor and very poor young women may increase their employment options and resulting income, which can have sizeable social benefits.

**Country context:** Whether an intervention works depends on the economic situation of a woman and the context in which she lives. In high-fertility, agrarian economies, for example, programs for women farmers need to be complemented by interventions seeking to reduce women's work and time burdens, including access to quality family planning and reproductive health services. In resource-rich economies and small island nations, programs should seek to identify and develop domestic and niche export markets that are accessible to women producers.

The report provides funders, NGOs and governments with a framework for making investment decisions and recommendations on evidence-based programs. At ExxonMobil, we are using the report's findings to help us develop and fund more effective women's economic empowerment programs around the globe. For more information, see [womeneconroadmap.org](http://womeneconroadmap.org) and [exxonmobil.com/womensinitiative](http://exxonmobil.com/womensinitiative).



**"There is no silver bullet. The investments that work depend on the characteristics of the woman and her environment. We discovered a simple truth: The very poorest women need more interventions because they face so many constraints."**

— Mayra Buvinic, UN Foundation Senior Fellow and lead author of the report

## Country-Led Initiatives

### 2013 Highlights



#### BRAZIL

Thanks to support from ExxonMobil, the Refazer Institute in Brazil was able to expand its support to low-income families with chronically ill children in Rio de Janeiro. The institute's volunteers had been providing quality-of-life improvements to the families with hospital supplies, medicine, food and discussions about health and wellness. Now, under an ExxonMobil-sponsored program called Grife Refazer, the group is offering professional training to patients' mothers with the goal of developing skills that can lead to work-from-home income. The first class of 18 mothers began training in September 2013, learning crafts such as embroidery and making jewelry, purses and home decorations. The products are sold from a recently rented building near the institute. Local businesses also place orders for specific products they design, which the mothers then produce at home. Participants say the program is an uplifting experience. "With a chronically ill child, we are unable to enter the workforce and this hurts our families financially," one mother in the program said. "We have the capacity to be productive as we care for our families, and now we have the tools to make it happen."



#### SAUDI ARABIA

ExxonMobil Saudi Arabia is one of the founding members of the Prince Salman Center for Disability Research (PSCDR), which provides disabled individuals in Saudi Arabia with the tools and support they need to become productive members of society. PSCDR's mission is to advance insights into the causes of disabilities and develop new strategies to prevent or reduce their impacts. The center conducts basic and applied research and promotes the application of new knowledge to benefit individuals living with disabilities. Last year, ExxonMobil Saudi Arabia joined PSCDR to celebrate its 20th anniversary and to commemorate the center's many national and international accomplishments related to disability research.



Learn more about our community investments





06

## CORPORATE GOVERNANCE

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



Ethics and high standards  
of business conduct are at the heart  
of ExxonMobil's business success  
and are a part of every employee's  
job expectations.

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## Board of Directors

The ExxonMobil board of directors and board committees provide oversight of the corporation's operations.

Our board of directors provides independent oversight of the corporation's affairs. All directors are required to stand for election at our annual meeting of shareholders. At year-end 2013, 12 of 13 directors, including the presiding director and all members of key board committees, were independent as defined by New York Stock Exchange (NYSE) guidelines. In 2013, the board of directors met 11 times and visited an integrated refining and chemical plant in Europe to review affiliated operations.

### BOARD LEADERSHIP STRUCTURE

Each year, 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 coordinates with the chairman on board agendas, topics and schedules. Any director may request agenda topics for board or board committee meetings and has the authority to call special meetings of the independent directors.

At this time, the board believes the best interests of the shareholders are served through a leadership model that combines the roles of chairman of the board and chief executive officer (CEO). With more than 38 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

The diversity of our board members as it relates to gender, race, geography, experience and fields of expertise is important to succeeding in a globalized market. The Board Affairs Committee

nominates director candidates in accordance with the *Guidelines for the Selection of Non-Employee Directors*, and diversity is a key consideration. The committee looks for highly qualified non-employee candidates with demonstrated leadership and competency in a particular field and a commitment to represent the interests of our shareholders. Other desirable qualities include:

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

In 2013, the board included female, African-American and international perspectives. William C. Weldon joined the board



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



in 2013 following election by shareholders. We describe current director qualifications in our proxy statement.

 [View our 2014 proxy statement](#)

### BOARD COMMITTEES

Corporate citizenship topics fall under the purview of the Public Issues and Contributions Committee, 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 four and seven times in 2013.

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

 [View our committees' charters](#)

### 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 risks. The most senior executives — including the CEO, Named Executive Officers and more than 1,000 other executives in the United States — participate in a common compensation program.

Compensation for executives is based on a rigorous annual individual performance assessment process taking into account several key performance factors, including results in the areas of safety, security, health and environmental performance. ExxonMobil executives understand that their compensation will reflect how effectively they manage risk.

The design of the compensation program, including long holding periods for stock-based awards and risk of forfeiture of these awards, ensures that senior executives have a strong financial incentive to focus on the long-term integrity of our operations. This in turn protects the safety and security of our employees, the communities and environments in which we operate and the long-term sustainable value of the company for shareholders.

The Compensation Committee carefully considered the results of the 2013 advisory vote on executive compensation, in

which 70.6 percent of the votes cast were “for” the company’s compensation program. The committee considered shareholder feedback on executive compensation received through management engagement with shareholders, including the company’s largest shareholders, many of whom have held ExxonMobil stock for more than a decade. The committee determined that the company’s current compensation program continues to support ExxonMobil’s business model. See pages 60–62 of ExxonMobil’s proxy statement issued on April 11, 2014, for a more in-depth discussion of the say-on-pay vote.



## Up Close: Board Visit to the Gravenchon Platform in Europe

ExxonMobil’s Gravenchon Platform is an integrated Downstream and Chemical facility strategically located approximately 15 miles from the deep-sea port of Le Havre on the English Channel in France. ExxonMobil and its predecessor firms have operated the site for more than 80 years. Today, refined fuels, lubricants and chemicals are produced at the facility.

In June 2013, ExxonMobil directors and executives visited the Gravenchon Platform. During the visit, which encompassed tours of various production facilities such as the automated lubricant oil blending plant, participants viewed how ExxonMobil’s competitive advantages have been successfully implemented in this major, mature industrial site. The visit also included a tour of the state-of-the-art offsite operations hub and control room, and presentations by site employees.



The refinery on ExxonMobil’s Gravenchon Platform in France.

### 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.

## Shareholder Relations

Constructive engagement with our shareholders allows us to identify areas of opportunity and improvement throughout our business.

We engage in constructive dialogue with our shareholders on a variety of topics throughout the year. In 2013, we had 32 shareholder dialogues with labor unions, religious organizations, state pension funds, socially responsible investors and institutional shareholders. At ExxonMobil's 2013 annual meeting, shareholders owning approximately 3.7 billion — or more than 82 percent — of outstanding shares were represented. Shareholders voted on directors, independent auditors, executive compensation and eight shareholder proposals.

Every year, shareholders submit suggestions on ways to improve the company. Management and the board consider these suggestions and engage with the proposal sponsors. The *Corporate Citizenship Report*, *Energy Outlook*, Carbon Disclosure Project response and ExxonMobil's website content have been helpful in building understanding regarding the

### 2013 PROXY VOTE SUMMARY

Percent vote for<sup>1</sup>


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

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

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

company's achievements. We report transparently on issues important to our shareholders through these and other sources. Over the past five years, shareholders have withdrawn 17 proposals on governance, social and environmental issues as a result of our engagement efforts.

When agreement on a shareholder proposal is not reached, the proposal and the board's response and recommendations are published in our proxy statement for review at the annual meeting. For example, a proposal submitted in 2013 requested ExxonMobil to report on its lobbying policies and procedures, as well as lobbying expenses beyond what we currently do in conformity with applicable laws. After careful consideration, the board determined the company's current transparency and accountability around lobbying activities were appropriate. Shareholder support for this proposal was approximately 25 percent.

 View the issues raised by shareholders in our 2014 proxy statement

## Ethics and Integrity

ExxonMobil's *Standards of Business Conduct* guide the daily actions of each employee — from our board to our personnel working in front-line operations — and ensure we operate at the highest level of ethical and operational integrity.

Performing with the highest ethical standards of business conduct is a key competitive strength and is critical to maintaining our global license to operate. Our presence in nearly every

country of the world requires training of employees, officers, directors and those acting on our behalf on U.S. anti-corruption, anti-trust, anti-boycott, trade sanctions and export controls laws, as well as those in other countries applicable to our business. All directors, officers and employees are expected to uphold the highest ethical standards of business integrity.

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 practice reviews, including a detailed review of our *Standards of Business Conduct*, implementation guidelines and procedures, including the corporation's anti-trust, anti-corruption, gifts and entertainment, and international operations policies. In addition to these business practice reviews, our law department conducts live, comprehensive training sessions annually on anti-trust and anti-corruption compliance for directors, officers, employees and third parties acting on ExxonMobil's behalf. In addition, regular training is provided on anti-boycott, trade sanctions and export controls for employees with relevant job functions.

#### 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, cover labor, the environment and anti-corruption, among other topics. 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*. Each year, employees complete a certification process confirming they have reviewed and are familiar with the *Standards*. We take disciplinary action against any employee who violates the *Standards*.

#### INTERNAL AUDITS

Regular internal audits and self-assessments help ensure the rigorous implementation of our control systems and the

*Standards of Business Conduct*. ExxonMobil's internal team of more than 200 auditors annually 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

The *Anti-Corruption Legal Compliance Guide* outlines ExxonMobil's commitment to comply with the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act and global anti-corruption standards in our business relationships. It also describes elements of the corporation's 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 and keep accurate books and records, and, where appropriate, contains specific anti-bribery commitments.

#### TRAINING


The nature of our business often takes us to remote parts of the world with changing political and regulatory climates; this makes it imperative we train our employees on ethics and integrity topics. In 2013, approximately 18,000 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




## Stakeholder Engagement: Learning from Our Shareholders

Engaging our shareholders is an important way to receive feedback and participate in a dialogue regarding their concerns. In December 2013, we met with approximately 25 climate proponents and advocates from state and city pension funds, socially responsible investors and other interested parties. The meeting focused on topics such as our *Energy Outlook*, carbon assets, public policy and GHG emissions goals. Following our presentation, we received questions related to investments in sustainable energy, planning scenarios for outcomes different from those in the *Energy Outlook* and carbon asset risk.

The group requested we take an even more active public role in explaining the consequences of climate change. The attending shareholders said they came away with a better understanding of ExxonMobil's actions and positions. They also gained a keener appreciation for energy industry supply and demand and the consequences, especially for the less fortunate, if needed energy were arbitrarily capped. We will continue to communicate with these groups regarding climate-related shareholder proposals.

 [View shareholder proposals in our 2014 proxy statement](#)

 [View our \*Energy and Carbon — Managing the Risks\* and \*Energy and Climate\* reports](#)



months of entering their positions. Every two years, we provide training to managers and professional employees not in higher-risk positions. Additionally, we monitor legal and regulatory developments and advise employees as appropriate.

#### SYSTEMS AND PRACTICES FOR REPORTING VIOLATIONS

We reinforce our commitment to ethics and high standards of business conduct by encouraging employees to report suspected violations of law and company policies or any other concerns. 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; retaliation against an employee for filing a report is strictly prohibited. A Hotline Steering Committee comprising security, internal audit, law and human resources personnel reviews reports of suspected violations. Internal audit provides a quarterly report to the Audit Committee that summarizes the Steering Committee's findings, including any violations or major issues. Violations lead to disciplinary actions, including dismissal.

## Political Advocacy and Contributions

Annually, ExxonMobil lobbies in support of policies that are in the best interest of the company.

ExxonMobil continues to support policies that promote stable investment climates for long-term business viability. We make

political contributions to candidate committees, political parties, political associations and other political organizations as permitted by applicable laws in the United States and Canada, as well as authorized by the board of directors. The corporation refrains from making political contributions in any nation other than the United States and Canada. In 2013, Exxon Mobil Corporation contributed a total of \$269,850 to legislative and gubernatorial candidates and caucuses in 16 U.S. 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.



Learn more about our political contributions and lobbying

ExxonMobil's employee- and retiree shareholder-funded political action committee (PAC) disbursed \$640,003 to federal and state candidates in 2013. Based on these contributions, CQ Moneyline listed the ExxonMobil PAC No. 57 in size compared with other corporate PACs. The ExxonMobil PAC ranked No. 41 in terms of receipts from employees and retiree shareholders. The 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. We comply fully with regulations by reporting federal lobbying expenses in quarterly disclosure reports to Congress. In 2013, ExxonMobil reported lobbying expenses of \$13.4 million. We lobbied on a number of issues last year, including the Keystone XL pipeline, onshore development of domestic resources, tax policy, international trade and education.

**Keystone XL pipeline:** ExxonMobil fully supports the permitting of the Keystone XL pipeline project to bring Canadian oil to U.S. refineries. This will help grow the economy, provide jobs for our workers and increase American energy security.

**Hydraulic fracturing:** The United States sits atop tremendous natural resources, many of which have been locked away in difficult-to-reach formations. ExxonMobil supports the combined use of horizontal drilling and hydraulic fracturing to enable the safe and economical production of these important energy sources. These technologies have been in use for decades; by combining them, the United States has seen a significant increase in domestic oil and gas production.

**Tax policy:** Tax policy can either help or hinder the ability of U.S. oil and gas companies to develop worldwide energy resources. ExxonMobil supports stable tax policies that enable the industry to remain competitive in the global marketplace. Energy development clearly benefits our economy, and sound tax policy that encourages investment and capital formation bolsters productivity and fosters job creation.

**International trade:** International trade is an important U.S. policy issue. ExxonMobil supports free trade of all products, including energy products such as oil and natural gas. Increasing trade benefits U.S. consumers and encourages more investment, sustains high-paying jobs and fosters economic growth.

**Education:** Improving U.S. educational performance is vital to the success of our industry and to national competitiveness. We applaud sensible, forward-looking efforts to raise academic standards and help teachers and students. We support STEM education initiatives and the Common Core State Standards as part of a path to renewed competitiveness.

There is widespread interest from many constituent groups on how the United States pursues sound policy on these issues. We anticipate and look forward to many active discussions with those who have an interest in these areas.



View our *Perspectives* blog for more information on relevant policy issues

This report was created 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 13 of this report and at [exxonmobil.com](http://exxonmobil.com). The report covers ExxonMobil's operations from Jan. 1, 2013, through Dec. 31, 2013, 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 Energy*. For convenience and simplicity, those terms (and terms such as corporation, company, our, we, us and its) are sometimes used as abbreviated references to specific affiliates or affiliate groups. ExxonMobil includes the above-mentioned operations as part of company performance data (see page 11).

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

### 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 *2013 Corporate Citizenship Report*. For additional information, to view previous reports or to provide comments, see [exxonmobil.com/citizenship](http://exxonmobil.com/citizenship) or contact:

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800 Bell Street  
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### ASSURANCE

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

### CAUTIONARY NOTE

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



## LRQA Assurance Statement

Relating to Exxon Mobil Corporation's *Corporate Citizenship Report* for the calendar year 2013.

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

### Terms of Engagement

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by Exxon Mobil Corporation (ExxonMobil) to assure its processes for reporting safety, health and environmental IPIECA performance indicators used in the CCR for the calendar year 2013, to a reasonable level of assurance using LRQA's verification approach.

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

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

Our assurance engagement did not include verifying the accuracy of data and information reported. LRQA's responsibility is only to ExxonMobil. LRQA disclaims any liability or responsibility to others as explained in the end footnote. ExxonMobil's management was responsible for preparing the CCR and for maintaining effective internal controls over the reporting processes. LRQA's responsibility was to carry out an assurance engagement on the reporting processes in accordance with our contract with ExxonMobil. Ultimately, the CCR has been approved by, and remains the responsibility of, ExxonMobil.

### LRQA's Opinion

Based on LRQA's approach, we believe that ExxonMobil's reporting processes were effective in delivering safety, health and environmental indicators that are useful for assessing corporate performance and reporting information consistent with IPIECA/API Guidance. The opinion expressed is formed on the basis of a reasonable level of assurance and at the materiality of the professional judgment of the Verifier.

### LRQA's Approach

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

- Reviewing the reported information to confirm the inclusion of all core safety, health and environmental performance indicators referenced in the IPIECA/API Guidance
- Reviewing the documented reporting requirements against the applicable industry guidelines to assure consistency of scope, definition and reporting for each of the relevant indicators
- Reviewing the reporting processes at Headquarters and at each of the functional business levels to evaluate the processes used by ExxonMobil to assure completeness, consistency and conformance to reporting requirements across its global operations
- Reviewing the stakeholder engagement processes
- Reviewing the processes used to aggregate the data and information at the corporate level for inclusion in the CCR
- Reviewing ExxonMobil's data collection tools to assess their use in the reporting processes
- Reviewing the data-reporting processes at a sample of six operating sites to assess local understanding and implementation of reporting requirements. Sites selected were Fawley Refinery, United Kingdom; Refining Headquarters, United States; Imperial Pipeline & Distribution, Canada; Exploration and Production, Malaysia; and lubricant facilities in Naantali, Finland; Beaumont, United States; and Pernis, Netherlands.

### Observations

Further observations and findings made during the assurance engagement are:

- Processes were in place to ensure that sites contributing to core safety, health and environmental metrics understood corporate reporting obligations and were included in 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 GHG reporting were consistent with, and specifically refer to, the API *Compendium for GHG Emissions Methodologies for the Oil and Gas Industry* (February 2004).
- Active engagement with external stakeholders provided information for determining material issues.

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

### LRQA's Competence and Independence

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

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

Signed

Dated: 19 March 2014

Andrea M. Bockrath  
LRQA Lead Verifier

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

LRQA Reference: UQA0110889

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Because of the inherent limitations in any internal control, it is possible that fraud, error or noncompliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above, as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls was on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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





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**Mobil**



ExxonMobil is a publicly traded company. The New York Stock Exchange (NYSE) is the principal exchange on which Exxon Mobil Corporation common stock (symbol XOM) is traded.

**ExxonMobil**

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