

Corporate Citizenship Report

**ExxonMobil**  
Energy lives here™

2015



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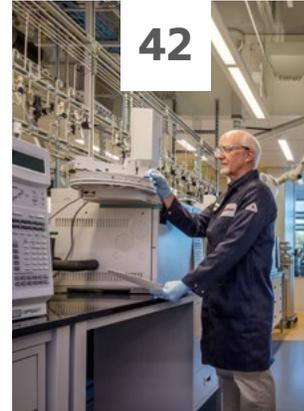
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In December 2015, students at the Federal Housing Estate Primary School in Lagos, Nigeria, learn about malaria prevention and proper bed net use through Grassroot Soccer's community-based program. To learn more about this program, see page 69.



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# Chairman's letter

Energy makes life as we know it possible. Energy provides the fundamental underpinnings for quality of life. Energy powers the world's economies and allows us to improve our standards of living.

ExxonMobil's core mission is to power the world's progress by expanding energy supplies safely, securely and responsibly. We believe our industry will be instrumental to meeting a fundamental and universal human need. Our successes are a reminder that new technologies and proven techniques are the key to unlocking abundant sources of energy. We uphold the highest standards of safety and environmental protection in supplying the world's energy.

Our work enables billions to access the energy that supports their livelihoods. We understand the need to thoughtfully invest to expand the benefits of modern energy while protecting the environment and addressing the impacts of rising greenhouse gas emissions and climate change.

This *Corporate Citizenship Report* provides a view of how we work to help power the world's progress. It shares our priorities and our plans for the future. It provides data and examples that chart our progress and describe our approach. Some of the highlights related to our priorities include:

**Safety, health and the workplace.** The effort to develop energy resources takes our company to some of the most difficult and challenging places on earth. We make a commitment to do the right thing, the right way, every time each employee and contractor does his or her job. In 2015, we continued our journey toward our goal of *Nobody Gets Hurt*. We will never stop working to achieve and sustain this goal.

**Managing climate change risks.** Managing the risks of climate change is an important responsibility for our business and society at large. We believe that sound policy, free markets, innovation, technology and efficiency are essential in addressing the risks of climate change. We continue to advance research and development, leading to innovation in areas such as advanced biofuels, carbon capture and sequestration, and energy efficiency. Managing our own greenhouse gas emissions is a core element of our operations. We have and will continue to engage relevant stakeholders to further develop climate science and broaden its understanding by society at large.

**Environmental performance.** Rigorous, science-based environmental management is a critical element of what we do. *Protect Tomorrow. Today.* sets the principles that guide our efforts to protect biodiversity, manage water use and air emissions, avoid spills, decommission sites and rehabilitate the environment.

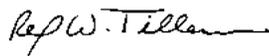
**Community and social impact.** Maintaining respect for human rights, responsibly managing our impacts on communities and making valued social investments are integral to the success and sustainability of our business. In 2015, we contributed \$268 million to communities around the world, focusing on areas such as improving education, combating malaria and advancing economic opportunities for women. ExxonMobil's local content and supply chain management strategies are designed to deliver lasting and shared value to host countries, local communities and our business.

**Governance.** Upholding the highest ethical standards of business conduct is critical to maintaining our global license to operate. A commitment to ethics and integrity is the foundation of our corporate culture. We seek to maintain the highest anti-corruption compliance in all aspects of our operations.

The challenge of powering the world's progress is one that defies simple solutions. There are many stakeholders with strongly held views and differing opinions. We work to understand them and strive to strike an appropriate balance that maximizes the benefits to society. The approach we take will be grounded in facts and science, and will be guided by practical choices backed by human ingenuity. The good news is that practical options to meet people's needs for reliable, affordable energy continue to expand.

I'm pleased to share this *Corporate Citizenship Report* to show how we approach these challenges, the actions we're committed to taking and the performance of the capable men and women who make up ExxonMobil.

We continue to encourage feedback from all of our stakeholders at [exxonmobil.com/citizenship](http://exxonmobil.com/citizenship).



Rex W. Tillerson  
Chairman and CEO

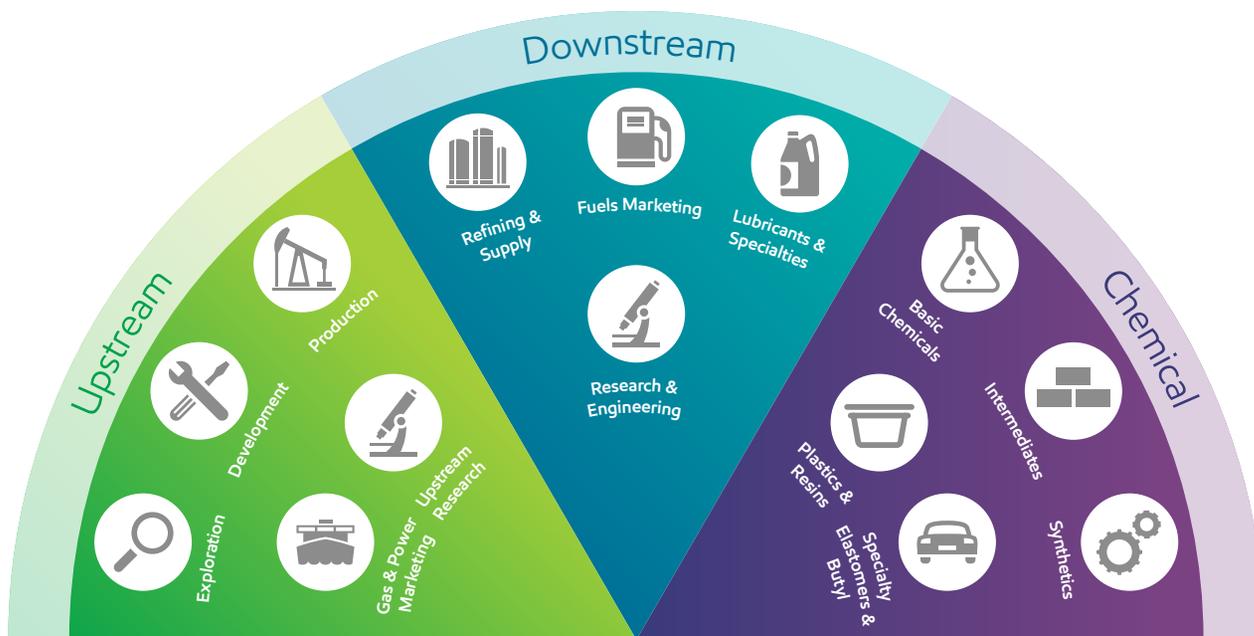


# About ExxonMobil

As a global provider of energy, ExxonMobil's core mission is to safely and responsibly deliver the energy needed to power the world's economic, social and technological progress. Every day, we work to do this with integrity, ingenuity and a commitment to good corporate citizenship. We recognize the significant responsibilities we have to our shareholders, neighbors, customers and communities as we find ways to bring affordable energy to a global market. We believe our employees, technical expertise, financial strength, global reach and disciplined approach provide ExxonMobil an advantage in addressing the challenges of meeting global energy demand.

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

## ExxonMobil's integrated businesses



### Upstream

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

### Downstream

Our balanced Downstream portfolio includes refining facilities in 14 countries. We are one of the largest integrated refiners and manufacturers of lube basestocks and a leading marketer of petroleum products and finished lubricants. Our high-quality products, combined with a strong global refining and distribution network, position us as a premier global supplier.

### Chemical

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

**4.1** million oil-equivalent barrels of net oil and gas production per day<sup>1</sup>

**5.8** million barrels of petroleum product sales per day<sup>2</sup>

**24.7** million metric tons of prime product sales<sup>3</sup>

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

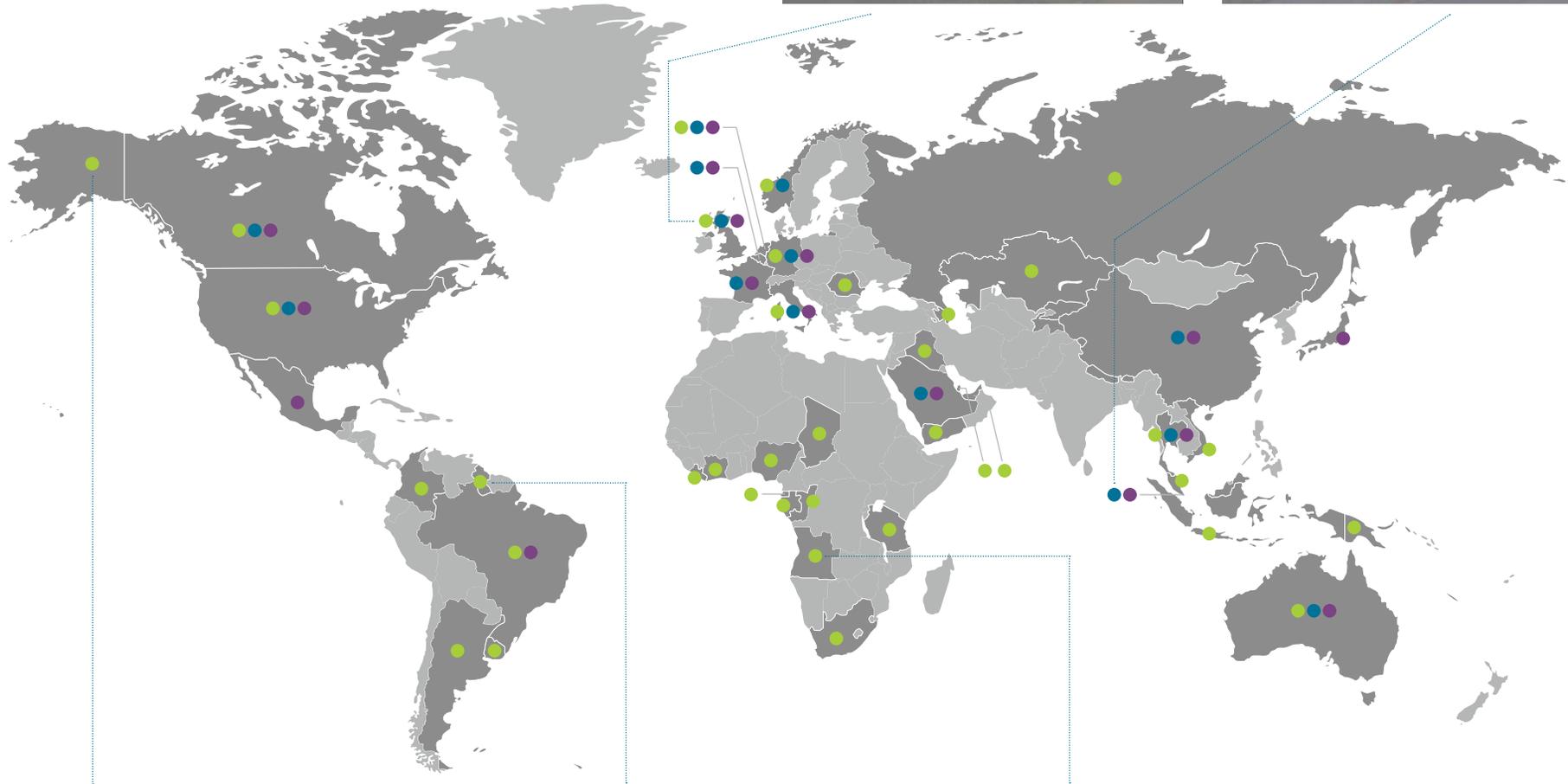
<sup>2</sup>Petroleum product sales data reported net of purchases/sales contracts with the same counterparty.

<sup>3</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.

# Global operations

As the world's largest publicly held oil and gas company, ExxonMobil has a diverse and balanced portfolio of high-quality operations, projects and new opportunities across our Upstream, Downstream and Chemical businesses.

● Upstream ● Downstream ● Chemical



Locations as of December 31, 2015. Map indicates major Upstream, Downstream and Chemical operating assets.



Energy is integral to our lives in the 21st century.

## Powering the world's progress

At every link in the energy supply chain, ExxonMobil seeks to advance innovation and technology to deliver the energy the world needs — to support growth, opportunity and progress for all citizens. Powering the world's progress means expanding the benefits of modern energy while protecting the environment and addressing the impacts of greenhouse gas emissions and climate change. ExxonMobil's approach to powering the world's progress is founded on our core belief that a relentless pursuit of operational excellence, coupled with the power of science, technology and engineering in the hands of people with integrity, can solve even the most challenging problems.

ExxonMobil plays a key role in providing the energy needed for continued economic prosperity and human progress. The immense size of global energy needs can be difficult to conceptualize. Global energy demand in 2015 is estimated to be about 560 quadrillion British thermal units (BTUs), equivalent to about 12 billion gallons of gasoline daily, and this number is increasing.

To put that number into perspective, the ExxonMobil-operated Hebron project in eastern Canada will produce approximately 700 million barrels of oil over the course of 30 years, enough to satisfy about three days of current global demand. For information on the global, economic, social and technological factors that determine the world's energy needs, see the discussion on our *Outlook for Energy* on the following page.

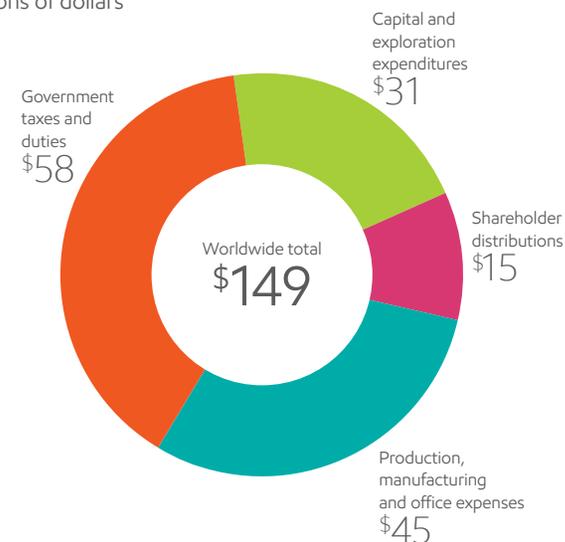
In addition to providing oil and gas resources, we strive to make significant contributions around the world through our capital and exploration expenditures and investments in research and development, as well as our community investments and local content development. In 2015, our capital and exploration expenditures, shareholder distributions, production, manufacturing and office expenses, and government taxes and duties totaled \$149 billion. For more in-depth analysis of our financial performance and investment decisions, see our 2015 *Summary Annual Report* and 2015 *Financial and Operating Review*.

 [ExxonMobil 2015 Summary Annual Report](#)

 [ExxonMobil 2015 Financial and Operating Review](#)

## Global economic flows from ExxonMobil in 2015

Billions of dollars



ExxonMobil is a significant contributor to the global economy. In 2015, global economic flows from ExxonMobil totaled \$149 billion, with the highest contribution in government taxes and duties.

# The Outlook for Energy

Energy matters to everyone, and we all play a role in shaping its future. Understanding the factors that drive the world's energy needs, and likely choices to meet those needs, is the mission of ExxonMobil's *Outlook for Energy*. By sharing the *Outlook* with the public, we hope to broaden that understanding among individuals, businesses and governments.

Every day, all over the world, energy makes modern life possible. We rely on it for food production, mobility, shelter, security, communication and modern health care. Energy also drives growth, opportunity and progress. The global population is projected to rise to 9 billion in 2040, while economic growth in China, India and other non-OECD<sup>4</sup> countries will enable significantly more people to improve their living standards. We estimate that global energy demand will be 25 percent higher in 2040 than it was in 2014, led by a 45 percent increase in non-OECD countries.

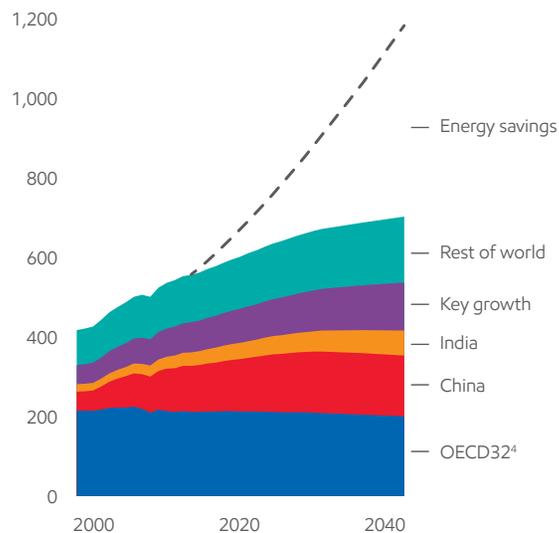
Improved living standards will require meeting the world's energy needs while managing the environmental impacts of energy use, including climate change. Practical options to help meet the needs for reliable, affordable and cleaner energy continue to expand. We expect that as efficiencies improve and society shifts toward lower-carbon fuels, the amount of energy-related carbon dioxide (CO<sub>2</sub>) emissions per dollar of global gross domestic product (GDP) will be cut in half by 2040.

We update our long-term energy outlook each year, taking into account the most up-to-date demographic, economic and technological information available. The following are some highlights from this year's *Outlook for Energy*:

- **Energy is fundamental to standards of living** — As incomes rise, billions of people in developing nations will rise into the middle class; many will be able to afford amenities such as temperature-controlled homes, cars and appliances. In 2014, there were about 10 cars per 100 people in China. By 2040, this number is expected to rise to about 30 cars per 100 people.
- **Developing nations will lead gains in GDP and living standards** — We expect that China, India and many other developing nations will see strong growth in GDP and

## Energy demand

Quadrillion BTUs

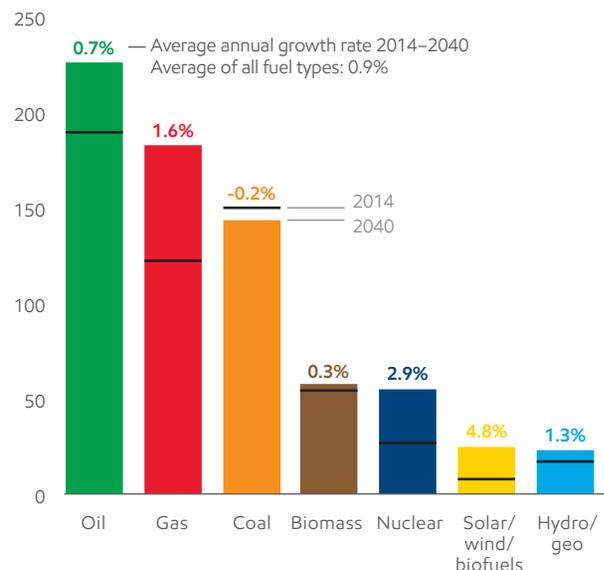


living standards to 2040. Per capita income in non-OECD nations is expected to rise by about 135 percent between 2014 and 2040; in OECD nations, it is expected to rise almost 60 percent.

- **Economics and policies will impact the energy mix** — Increasingly, the mix of fuels that consumers use to meet their energy needs will be reshaped by economics, technology and government policies. In general, demand will shift toward cleaner fuels like natural gas, renewables and nuclear. The share of the world's electricity generated by coal will likely drop to about 30 percent in 2040, from more than 40 percent in 2014.
- **Oil will remain the world's primary fuel** — We expect oil to continue to be the world's leading energy source, driven by demand for transportation fuels and by the chemical industry. One-third of the world's energy is expected to be provided by oil in 2040.

## Global fuel demand in 2040 — projections

Quadrillion BTUs



- **Natural gas grows more than any other energy source** — Demand for natural gas is growing rapidly, in part due to its abundance and ability to meet a wide variety of needs as the cleanest-burning major fuel. Around 40 percent of the growth in global energy demand from 2014 to 2040 is projected to be met by natural gas.
- **Technology has the highest potential and the greatest uncertainty** — Advances in technology have tremendous potential to help meet our energy and environmental goals, but the pace of change is difficult to predict. There is also significant emphasis on technological advances to improve energy efficiency. Global average fuel economy for light-duty vehicles is expected to improve by 80 percent from 2014 to 2040, reflecting advances in technology.

 *The Outlook for Energy: A View to 2040*

<sup>4</sup>The Organization for Economic Cooperation and Development. Refer to the Organization for Economic Cooperation and Development website ([oecd.org](http://oecd.org)) for a listing of its members.

# Sustainability

ExxonMobil is faced with the complex challenge of providing the energy needed to support economic growth and improved standards of living while balancing impacts on society and the environment. ExxonMobil views corporate citizenship as a key component of sustainable development. By designing our approach to corporate citizenship around six key areas, we contribute to society's broader sustainability objectives and manage the impact of our operations on local economies, societies, climate and the environment. These six areas of corporate citizenship — which include safety, health and the workplace; managing climate change risks; environmental performance; community and social impact; local development and supply chain management; and corporate governance — are discussed in detail throughout this report.

We are committed to aligning our long-term business objectives with these areas of corporate citizenship. As a global provider of energy, our primary objective is to responsibly meet the world's energy needs while increasing shareholder value. To help evaluate the success of our corporate citizenship initiatives and cultivate strong investor relations, we employ eight strategies that help guide and measure our commitment to good corporate citizenship and address society's diverse sustainability objectives. These strategies include:

- Integration
- Investment and cost discipline
- Operational excellence
- Portfolio management
- Project execution
- Risk management
- Technology leadership
- World-class workforce

Powering the world's progress depends on developing and retaining a world-class workforce. By pairing technical expertise and industry-leading research capabilities, ExxonMobil is able to identify and develop the high-quality oil and gas resources needed to help sustain economic development. We are also committed to developing innovative products and services that deliver superior performance for consumers and long-term value for shareholders.

We make strategic decisions on issues that directly affect the sustainability of our business. Our diligent investment and cost discipline approach allows us to execute deals with attractive valuations in a competitive industry environment. We work to deliver complex, integrated projects on time and on budget. Our goal is to maintain a diverse and balanced portfolio of high-quality resources, projects and assets across our businesses.

In every aspect of our business, we work to sustain safety, reliability and environmental stewardship of our operations through an unwavering commitment to operational excellence. We apply a systematic approach to identifying, evaluating and managing risks across our operations and relentlessly work to be the partner, neighbor, employer and supplier of choice around the world. For information on how our *Operations Integrity Management System* guides risk management throughout our operations, see page 15.





Papua New Guinea Prime Minister Peter O'Neill on board the *Spirit of Hela* for loading of the first liquefied natural gas cargo. ExxonMobil is committed to engaging with stakeholders wherever we operate.

## Engaging with stakeholders

As a global company, our business directly affects and is directly affected by many people, organizations and communities around the world. For a company of our size, building and maintaining relationships with a diverse group of stakeholders are both priorities and ongoing challenges. Energy issues are complex and our stakeholders represent multiple viewpoints. The discussions we undertake with our stakeholders help us understand a variety of perspectives. Regular stakeholder engagement helps us continue to improve our company and remain a responsible corporate citizen.

We interact with our stakeholders using a variety of mechanisms, including community meetings, Web and social media content, corporate publications, and one-on-one and group discussions, among others. We include examples of stakeholder engagement throughout this report. While ExxonMobil recognizes that our stakeholders may have a diverse set of interests, the following list demonstrates our different stakeholders and their typical areas of interest.

## Employees

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

## Customers

- Product safety and sustainability; supply chain management; greenhouse gas emissions

## Suppliers

- Expectations for suppliers; expanding local supply network; supplier diversity

## Communities

- Community development; economic development; grievance management; human rights; operational impacts

## Governments

- Taxes; local supplier development; job creation; impact assessments; ethics; education

## Non-governmental organizations

- Biodiversity; water management; climate change; air quality; transparency

## Shareholders

- Governance practices; board composition; policy engagement; sustainability

# External Citizenship Advisory Panel

ExxonMobil has engaged an External Citizenship Advisory Panel (ECAP) since 2009 to provide an annual independent review of the company's corporate citizenship activities, including this report. ECAP members are experts in social and environmental topics and are leading academics, non-governmental organization (NGO) representatives and former government employees. Each year, the ECAP reviews a draft of this report and provides feedback, which we evaluate and incorporate into the report as appropriate.

## ECAP statement on 2015 Corporate Citizenship Report

To the readers of this report,

We are pleased to share our independent opinion on ExxonMobil's 2015 *Corporate Citizenship Report*. Over the course of our engagement period in 2015–2016, we participated in teleconference, email and in-person discussions with ExxonMobil's corporate citizenship team and subject matter experts. While the Panel's mandate includes engaging with the company on policy and strategy issues, this statement focuses on its transparency efforts through reporting.

We had an opportunity to review and provide feedback on a draft of the report, some of which was adopted. We hope that ExxonMobil will consider the remainder of our feedback to inform its future corporate citizenship reporting.

This letter is not an official endorsement of the report, the corporation or its policies, but rather our individual and collective views on the quality and progress made in ExxonMobil's citizenship practices and reporting. In recognition of substantial time spent during the engagement period, ExxonMobil provided a donation on behalf of the panelists to nonprofit organizations of our choice and reimbursed ECAP-related travel expenses.

## 2015 commentary

We appreciate the wide scope of reporting and the number of issues included in this report. In particular, we recognize the company's ongoing work to provide additional performance data to back up statements made in the report. The country-specific case studies are effective in providing readers with relevant examples that demonstrate how ExxonMobil's policies and approaches are employed. While we believe that the report's scope is extensive with many interesting and appropriate stories, there are several areas where we have recommendations for the company's future reporting efforts.

## Climate change

In his introductory statement, Chairman Tillerson mentions that "managing the risks of climate change is an important responsibility for our business and society at large." However, as a whole, the report needs greater clarity regarding the breadth and effectiveness of the company's steps to address those risks.

With regard to the topics of climate-related research, the development of innovative technologies, and improving energy efficiency in its own operations, ExxonMobil describes considerable progress. However, the largest contribution to greenhouse gas emissions comes not from ExxonMobil's internal operations, but from the use of its products. If society is to take significant actions to reduce the risks of climate change, which ExxonMobil states as an important responsibility, it must adopt appropriate public policies that reduce greenhouse gas emissions from fossil fuels. Future reports would benefit from more specificity about the company's support for a carbon tax, as well as its engagement on other policy issues in the United States and internationally.

Additionally, we would encourage the company to discuss more fully its continued focus primarily on oil and gas, relative to plans for moving toward lower-carbon sources of energy. Many of the world's leading companies — including some in the oil and gas sector — are publicly announcing science-based goals to transition their businesses toward

a low-carbon economy. As investors and stakeholders increasingly call for disclosure of corporate strategic goals, we believe ExxonMobil would benefit from becoming a leader in this regard.

The generation of methane emissions is another issue where we believe the company could describe its efforts more broadly. The Up Close example on page 37 provides insight into XTO Energy's efforts to reduce methane emissions at its hydraulic fracturing sites throughout the United States. We would welcome a broader description of ExxonMobil's efforts to reduce these emissions. First, what are the company's efforts to reduce methane emissions in its other operations worldwide? Second, we would welcome learning of the company's stance on various public policy options to reduce these emissions, including whether there are any U.S. federal or state regulations that it supports or is actively advocating.

## Human rights and social reporting

While we understand that social reporting lags behind environmental, safety and economic reporting across all sectors, we believe ExxonMobil could discuss its approach to respecting human rights across its operations and in its supply chain in greater depth and with more specificity. For example, we would like to see ExxonMobil describe its approach to upholding the *Voluntary Principles on Security and Human Rights* in the report. We commend the company for assuming a leadership position on the steering committee of the *Voluntary Principles* in 2015. As we recommended last year, we would like the report to reflect greater rigor in presenting its approach and the outcomes of its efforts to respect security and human rights, especially using metrics to evaluate its performance vis-à-vis other companies.

We appreciate the reporting on outcomes of ExxonMobil's community investment initiatives, particularly the malaria examples described on pages 69–70, and the company's support for women's economic empowerment. In future reports, we would like the company to provide insight on how the grievance mechanisms at its various projects are used in practice.

**Role of suppliers, contractors and other partners**

We commend the ongoing work that the company is undertaking to better understand and influence the environmental, social and human rights performance of the companies with which it does business. We recognize there are thousands of such companies as well as other partners that are working with ExxonMobil, but feel that the company could further describe how it is working proactively with these entities to improve their sustainability performance, both individually and collectively.

**Comparison and benchmarks**

ExxonMobil provides useful industry benchmarking data for its annual safety performance data. However, outside of this topic,

ExxonMobil does not give the readers of this report adequate context to determine the company's performance relative to others in the industry. We would recommend that ExxonMobil consider including industry benchmark information around its other material issues. In addition, we would recommend ExxonMobil further enhance its descriptions on performance and progress made compared with prior years.

**Conclusion**

We are grateful for the opportunity to provide our collective feedback on ExxonMobil's transparency and disclosure efforts directly in this report. We are encouraged to see that the company's reporting continues to evolve and improve each

year, and we look forward to sustained engagement to identify and discuss other opportunities for continual improvement.

Sincerely,

Mark Cohen  
Sarah Labowitz  
Frank Loy  
Jane Nelson  
Salil Tripathi

April 11, 2016



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



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



Salil Tripathi  
*Senior adviser, global issues*  
Institute for Human Rights and Business



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



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

# ExxonMobil's key sustainability issues and challenges

Our stakeholders are increasingly interested in how we are incorporating sustainability and addressing challenges in our everyday operations. Suzanne McCarron, ExxonMobil vice president of public and government affairs, answers some of these questions from stakeholders in the discussion below.

## With low oil prices and concerns about stranded assets, does ExxonMobil have any plans to diversify its energy mix?

We believe prices over the long term will continue to be driven by market supply and demand, with the demand side largely being a function of global economic growth. On the supply side, prices may be significantly impacted by political events, the actions of OPEC and other large government resource owners, and other factors. To manage the risks associated with price, ExxonMobil evaluates annual plans and all investments across a wide range of price scenarios. Our assessment is that operations will exhibit strong performance over the long term. This is the outcome of disciplined investment, cost management, asset enhancement programs and application of advanced technologies.

Our analysis confirms our long-standing view that all energy sources are necessary to meet rising global energy demand and to support improving living standards worldwide. All of ExxonMobil's current hydrocarbon reserves will be needed, along with substantial future industry investments, to address global energy needs. ExxonMobil's *Outlook for Energy* and all credible forecasts, including that of the International Energy Agency, predict that carbon-based fuels will continue to meet about three-quarters of global energy needs through 2040.

We also have a team within the company – the ExxonMobil Emerging Technologies team – that studies every aspect of the energy business, from oil and natural gas to alternatives. It looks into areas outside our company's current business focus. If a technology could have a material effect on the future of energy, the Emerging Technologies team works to understand and evaluate it. We work hard to keep our research aperture wide.



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

## What are ExxonMobil's views of the climate agreement reached at the COP 21 climate conference in Paris?

The recently concluded talks reflected the complexities of enacting thoughtful policies that address climate risks in a meaningful way while also ensuring accessible and affordable energy supplies for societies throughout the world.

As policymakers develop mechanisms to meet the goals set in Paris, ExxonMobil encourages them to focus on reducing the greatest amount of emissions at the lowest cost to society.

At the same time, we urge them to recognize important shared humanitarian needs, including providing reliable and affordable energy to improve living standards.

As a global issue, climate change requires global solutions. Both developed and developing countries must now work together in crafting policies aimed at mitigating greenhouse gas emissions, while recognizing differing national priorities.

## What is ExxonMobil doing to address the risks of climate change?

We believe the risks of climate change are real and warrant thoughtful action. Climate change is a global issue that requires the collaboration of governments, companies, consumers and other stakeholders to create global solutions. ExxonMobil continues to support and contribute to efforts to reduce greenhouse gas emissions.

For more than three decades, we have continuously funded and participated in research to improve understanding of climate science, often in conjunction with government bodies and leading research universities. This has resulted in hundreds of publicly available documents on climate-related topics, including more than 50 peer-reviewed publications. We promote discussion on issues of direct relevance to the company and contribute to a wide range of academic and policy organizations that research and promote dialogue on significant domestic and foreign policy issues.

We value scientists and research, and we collaborate with the world's smartest minds in partnership with more than 80 universities around the world. With more than 2,200 Ph.D. scientists and engineers and more than 5,000 employees at our research and technology divisions around the world, we work day in and day out to explore the new energy solutions of the future. We spend about \$1 billion annually on energy research, a total that includes commitments to biofuels, carbon capture and sequestration, bio-products, non-hydrocarbon energy supply, power generation, transportation, energy efficiency and climate science.

Since 2000, we have spent nearly \$7 billion on technology to reduce greenhouse gas emissions, including on energy efficiency, cogeneration, flare reduction, carbon capture and sequestration, and research on lower-emission energy solutions. This includes investments of more than \$3.8 billion since 2000 to address energy efficiency and flare mitigation at our Upstream facilities around the world. Additionally, since 2001, more than \$2 billion has been invested in our Upstream and Downstream cogeneration facilities to more efficiently produce electricity and reduce greenhouse gas emissions at our manufacturing sites.

We are proud of the progress we've made, and we recognize the importance of continuing our research and development to help further expand the understanding of climate science. Our efforts have enabled us to take meaningful action to mitigate the risks of climate change, and we will continue to build on this foundation as we work with governments and stakeholders to further address the issue.

### Increasingly, a number of oil and gas companies are terminating their exploration activities in the Arctic. Does ExxonMobil still believe Arctic development is financially and environmentally viable?

The Arctic represents the world's largest remaining region of undiscovered conventional oil and gas resources. While developing these resources presents a variety of challenges, ExxonMobil has a strong portfolio of assets and opportunities in a range of Arctic environments. The company has operated in the region for nearly a century. We began by gaining a scientific understanding of the environment. Design and operational plans in Arctic locales, similar to everywhere we operate, are founded on our commitment to operating in an environmentally responsible and sustainable way. For example, our extended-reach drilling technologies have allowed for field development from land by drilling horizontally under the sea. This approach reduces the number of offshore

structures required to recover oil and gas resources by drilling multiple, long-reach wells from the same location, which helps to reduce both underwater noise and our environmental footprint. We also use special earthquake- and frost-resistant pipelines in some northern areas.

ExxonMobil developed the industry's only dedicated, in-house Arctic research program more than 40 years ago. Continued Arctic technology development has allowed us to design, build and operate gravity-based platforms capable of withstanding 6-million-ton icebergs in the North Atlantic and operating year-round in ice-covered waters offshore Sakhalin Island in Russia.

Additionally, we piloted and enhanced technologies in 2015 to monitor local wildlife and improve our environmental performance on Alaska's North Slope. State-of-the-art technologies, including satellite-based remote sensing technology, ground surveillance radar and unmanned aerial systems, help us to monitor local wildlife near our operations and reduce our environmental impact. For more information about our technological innovations in Arctic wildlife protection, see the case study on page 56.

### How does ExxonMobil manage the risks associated with operating in water-stressed areas?

We have a systematic process for assessing and managing the risks of our operations wherever we operate, and this includes, for example, how we manage water. This process includes a reassessment over the life of the project to identify changes in operations or environmental conditions. 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, including costs, varied operational efficiencies, increased energy use or the consequences of producing more concentrated waste streams. Together, these factors help us determine site-specific approaches, which vary from site to site due to local conditions and availability.

### What impact has the company experienced since expanding its equal employment protections to include sexual orientation and gender identity in early 2015?

ExxonMobil's global policies have always prohibited all forms of discrimination in any company workplace, anywhere in the world. In the United States, ExxonMobil's equal employment opportunity and harassment in the workplace policies were updated last year to explicitly include sexual orientation and gender identity, which is consistent with ExxonMobil's long-standing practice of listing enumerated protected classes as defined by federal law.

ExxonMobil supports a work environment that values diversity and inclusion, and has numerous inclusive programs and policies that help make ExxonMobil a great place to work. These include support for employee networks that foster a work environment committed to diversity and inclusion, such as People for Respect, Inclusion and Diversity of Employees (PRIDE), which supports lesbian, gay, bisexual and transgender employees.

### Following the incident at the Torrance refinery, what measures has the company taken to address the potential for similar safety incidents at its other refineries?

We deeply regret the incident. Thankfully, no one was seriously hurt. ExxonMobil takes all incidents seriously and is committed to learning from them and taking steps to prevent a recurrence. In addition to cooperating with all agencies investigating the incident, we have conducted our own, separate internal investigation led by a team of subject matter experts from across the corporation. The team spent several months on site interviewing witnesses, reviewing documents, inspecting equipment and preparing a comprehensive report that identified the direct cause of the incident, and made recommendations to prevent a recurrence. We are implementing the recommended changes in operating procedures, monitoring equipment and training at ExxonMobil refineries, and will share what we've learned with the refining industry.

## There have been a number of pipeline releases over the past several years; what is ExxonMobil doing to ensure the integrity of its pipelines?

Pipeline transport is recognized as the safest means for moving oil and petroleum products. The immense system in the United States is a critical part of the country's energy infrastructure, moving vital products from locations where they're produced to the markets where they're consumed — to fuel cars, heat our homes and power our economy.

That said, we are committed to improving pipeline safety and carefully maintaining and monitoring our infrastructure. We have implemented enhanced surveying techniques and state-of-the-art inspection technologies and analyses of our pipelines. These surveys and inspection findings are helping us identify areas where we can strengthen our pipeline integrity.

## What is ExxonMobil doing to improve community relations in areas where it is conducting hydraulic fracturing operations?

We believe an open dialogue is vital to our long-term success. Unconventional development is still relatively new in many areas where we operate, and we meet with local leaders and community members to find out what is important to the community and to listen to their questions and concerns. Naturally, people living near our operations are concerned that our work could disrupt their way of life. We strive to address their concerns, and we take actions to limit potential impacts, such as altering our traffic routes to avoid disrupting school bus traffic. We also provide site tours to community members so they can observe and ask questions about drilling, hydraulic fracturing and processing.

No two communities are the same, and we have undertaken several approaches across the United States to establish a two-way dialogue with our stakeholders. These approaches include weekly community notices, community advisory panels, land conservation projects and town hall meetings. Our goal is more than just getting our work done — we want to be a good neighbor and productive member of the community, both before we begin work and throughout the life cycle of our projects.

## Do you find your approach to risk management to be effective in helping employees identify and address relevant safety, security, health and environmental risks and issues?

ExxonMobil remains steadfast in its commitment to excellence in safety, security, health and environmental performance and operations integrity. Many of our operations and products represent potential risks to people and to the environment. Recognizing and managing these risks is inherent in our business, and we believe the best way to meet our commitment is through a capable, committed workforce, and practices designed to enable safe, secure and environmentally responsible operations. We accomplish this through clearly defined policies and practices and with rigorously applied management systems designed to deliver results. The *Operations Integrity Management System*, or OIMS, is a cornerstone of our commitment to managing risks and achieving excellence in performance. More than just a set of guidelines, OIMS is part of ExxonMobil's corporate culture and the way we run our business.

 ExxonMobil Perspectives blog

# Case Study

## ExxonMobil's Operations Integrity Management System

Clive Smith, who worked at our Fawley refinery in the United Kingdom for more than 25 years, ensures the integrity of our equipment. ExxonMobil's OIMS framework establishes common expectations for addressing the safety, security, health and environment risks inherent in our business.

ExxonMobil remains steadfast in our commitment to excellence in safety, security, health and environmental (SSH&E) performance, referred to collectively as operations integrity. Operations integrity extends to all aspects of our business that can impact SSH&E performance. We believe the best way to manage the integrity of our business is through a capable, committed workforce coupled with policies, practices and

management systems designed to enable safe, secure and environmentally responsible operations.

### **The Operations Integrity Management System**

The *Operations Integrity Management System* (OIMS) is the cornerstone of our commitment to managing SSH&E risk and achieving operational excellence.



Since the inception of OIMS in the early 1990s, we have significantly reduced our lost-time incident rates, demonstrated a remarkable decline in marine spills and contributed to continuing emission reductions.

OIMS establishes a common framework for addressing SSH&E risk across all aspects of our operations, including our supply chain. At the global corporate level, the OIMS framework is built around 11 elements, as illustrated below, each covering a key aspect of risk across the breadth of ExxonMobil's operations. Each element is comprised of a number of expectations, 65 in all, that provide greater detail.

OIMS element 1 — management leadership, commitment and accountability — outlines the expectations of managers as they lead their organization through OIMS. OIMS element 11, operations integrity assessment and improvement, describes the requirements associated with how each operating unit evaluates the extent to which it is meeting the expectations of OIMS. These two elements are often referred to as the "bookends" of OIMS, with element 1 being the "driver" and element 11 providing the feedback mechanism to ensure continuous improvement. Elements 2 through 10 address the operational, day-to-day aspects of OIMS, such as risk management, facilities design and construction, and personnel and training.

All operating organizations are required to conform to the expectations described in OIMS. In order for the 11 elements and 65 expectations to be consistent and relevant across ExxonMobil's diverse operational portfolio, our Upstream, Downstream and Chemical businesses have established detailed OIMS guidelines. These guidelines describe how each business unit addresses the 65 corporate expectations relevant to that business unit's operations. Additionally, management is responsible for ensuring that management systems satisfying the framework are in place at each operating unit.

OIMS includes a systematic, disciplined approach to measure progress and track accountability across business lines, facilities and projects. To drive continuous improvement, we evaluate opportunities to improve the OIMS framework by periodically reviewing and upgrading it.

## External standards and OIMS

OIMS addresses the management of SSH&E risks at our operations worldwide. OIMS conforms to recognized safety, security, health and environmental standards, such as the International Organization for Standardization (ISO), the Occupational Health and Safety Assessment Series for occupational health and safety management systems (OHSAS) and the American Chemistry Council (ACC) Responsible Care® requirements.

In 2013, Lloyd's Register Quality Assurance Inc. (LRQA) reviewed our ongoing performance and attested that OIMS is consistent with the intent and meets the requirements of the environmental management system ISO 14001:2004 and the occupational health and safety management system

OHSAS 18001:2007. This attestation is valid for three years, and our next attestation is scheduled to take place in 2016.

Responsible Care® is the chemical industry's comprehensive health, safety, security and environmental performance improvement initiative. Lloyd's Register Quality Assurance Inc. also certifies OIMS conformance to Responsible Care Management System® Technical Specification RC101.04 per ACC's requirements. Systems within OIMS are linked to the relevant Responsible Care Management System® expectations. This approach allows ExxonMobil to run its business through one SSH&E management system, OIMS, and align with local and global standards.

## The OIMS framework



The Operations Integrity Management System framework is built around 11 elements, each covering a key aspect of risk across ExxonMobil's global operations.

### ExxonMobil's culture of risk management

Application of OIMS is required across all of ExxonMobil's operations, with particular emphasis on design, construction and operations. Regardless of job function, all ExxonMobil employees and third-party contractors have the responsibility and expectation to identify, assess and mitigate the risks associated with their activities and ExxonMobil operations.

**"OIMS is the way we do business. It ensures that we manage SSH&E risks in a consistent and reliable manner to achieve operational excellence. OIMS is embedded in our culture and has resulted in behaviors that reflect our core values."**



**Paul Schubert**

Upstream safety, security, health and environment manager

OIMS enables ExxonMobil — a large organization that operates across diverse cultures and geographies — to speak the same language when it comes to safety and risk management. The OIMS framework is embedded in ExxonMobil's company culture. In 2013, as part of our commitment to continual improvement, we introduced a new training experience called the OIMS Leadership Academy. The training is aimed at enhancing the OIMS leadership skills of supervisors and managers, who then lead and run the business with more effective utilization of OIMS, thus improving SSH&E performance and minimizing incidents. In total, we have trained more than 1,000 supervisors in 36 courses.

### OIMS and corporate citizenship

Our approach to corporate citizenship is intended to contribute to society's broader sustainability objectives. We believe OIMS plays a key role in ExxonMobil's corporate citizenship efforts by communicating expectations to employees, measuring progress and helping ensure results adhere to our SSH&E commitments. For example, OIMS element 6 requires the leadership teams running our facilities to anticipate and meet all applicable laws, regulations, permits and other governmental requirements and ensure the resulting operating requirements are documented and communicated

to those affected. We periodically verify compliance of our operations with these obligations.

We recognize that the impact of our operations extends beyond our work sites, and therefore element 10 of OIMS addresses community awareness and emergency preparedness. Effective management of stakeholder relationships is important to enhance the trust and confidence of the communities where we operate. Emergency planning and preparedness are essential to ensure that, in the event of an incident, all necessary actions are taken for the protection of the public, our personnel, the environment and our assets.

For example, continued application of OIMS principles in our drilling operations helps us achieve our vision of *Nobody Gets Hurt*. In 2005, our drilling operations developed the hurt-free approach to personnel safety. The hurt-free approach was developed as an alternative to traditional treatment-based programs to align with the vision of *Nobody Gets Hurt*. It provides a framework that enables a culture of caring while also allowing for insightful trends analysis through consistent assessment of actual incident severity and potential consequence. In response to its success in our drilling operations, we rolled out the approach to the Upstream business in 2012 and are now implementing it company-wide.

We hold internal and external workshops and collaborative meetings to promote the hurt-free approach across the corporation and across our industry. We have been able to demonstrate that drilling operations can be performed all over the world in a safe and environmentally sound manner, whether in an Arctic environment or other high-risk environments with appropriate application of risk management principles and programs. We will not sacrifice the safety of our employees or our contractors in order to deliver on our commitments to business partners and shareholders.



Kristen Kuhn standing aboard the Maersk Viking drill ship in the Julia field, Gulf of Mexico.

## Safety, health and the workplace

Jessica Berkey, a worker at our Joliet Refinery in Illinois, United States. The Joliet Refinery employs more than 600 people and is a leader in energy efficiency among U.S. refineries. No matter where in the world we work, we are relentless in our pursuit of *Nobody Gets Hurt*.

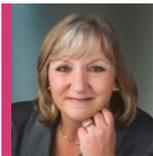


At ExxonMobil, our efforts to protect the safety and health of our employees, contractors and communities are fundamental to our long-term business success. As such, we are committed to providing the energy needed to power the world's progress safely and responsibly. We seek to promote a culture of safety and health by attracting, developing and retaining individuals who share our core values and our commitment to integrity and operational excellence.

## Safety

At ExxonMobil, safety is more than just a priority — it is a core value and an integral part of our culture that applies to every aspect of our operations. Wherever we are in the world, we are committed to doing the right thing, the right way, every time so that every employee and contractor comes home from work safe and healthy each day. We will never stop working toward our goal of *Nobody Gets Hurt*.

**“We all have a responsibility to manage risk as part of our roles, be that technical, operational or financial. Identifying, assessing and managing the risks is key to our operations integrity. I am proud to see the leadership and commitment toward safety everywhere I go, embedded in our corporate culture around the world. We are truly relentless as we work toward our goal of *Nobody Gets Hurt*.”**



**Lynne Lachenmyer**

Safety, security, health and environment vice president

ExxonMobil's *Operations Integrity Management System* (OIMS) drives the sustainability of our disciplined approach to safety. OIMS is embedded in our everyday work and serves as the foundation for managing our risks. For more information about OIMS, see page 15. As a result of our disciplined approach, we continue to reduce incidents and work toward our goal of *Nobody Gets Hurt*. However, when an accident or near miss does occur, we investigate the incident and all potential outcomes and evaluate barriers to preventing future occurrences. As part of our commitment to continuous improvement, we look at leading indicators

that allow for a closer analysis of incidents with potentially severe consequences in order to enhance our risk prevention and mitigation. We then share incidents through our global networks to ensure lessons learned are implemented across our worldwide operations.

### Personnel safety

Regardless of job function, all ExxonMobil employees and third-party contractors have the responsibility and expectation to identify, assess and mitigate the risks associated with our operations. Over the past 10 years, we have reduced our workforce lost-time incident rate by more than 30 percent. We will continue to work toward our goal of *Nobody Gets Hurt*.

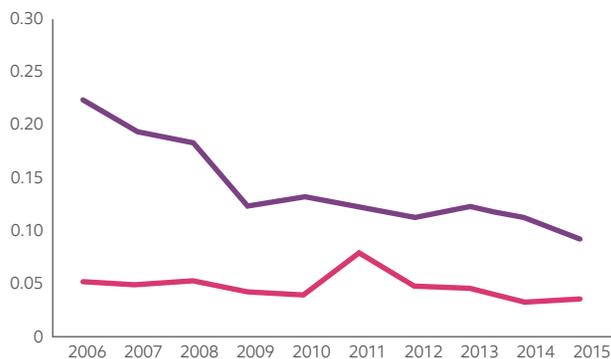
We deeply regret that two of our contractors were fatally injured in two separate incidents related to ExxonMobil operations in 2015. The incidents were related to work at one

of our fueling stations and installation of electrical hardware at one of our major projects. We thoroughly investigated these incidents to determine contributing factors, then identified steps to prevent similar incidents and enhanced our work practices and facilities accordingly. We have processes in place to look at all incidents, even those that did not result in injuries, to understand the potential consequences. By applying this process, we seek to learn from any incident. We will relentlessly pursue this goal until we achieve our stated vision of *Nobody Gets Hurt*.

As part of our operations-wide dedication to safety, we strive for effective collaboration between all workers, including third-party suppliers and contractors. Every day, our contractors take part in safety training and safety meetings alongside our employees. A key element in our strategy for contractors is the enhancement of leadership

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

Incidents per 200,000 work hours



● ExxonMobil workforce ● American Petroleum Institute U.S. petroleum industry workforce benchmark

*In 2015, our workforce lost-time incident rate per 200,000 work hours was 0.034, slightly higher than the previous year. Over the past decade, we have reduced this rate by more than 30 percent. When compared with the American Petroleum Institute U.S. petroleum industry workforce benchmark, ExxonMobil continues to be below the industry average.*

<sup>1</sup>Workforce includes employees and contractors. Incidents include both injuries and illnesses. Depending on the reporting year, around 5 to 10 percent of the incidents are illness-related.

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

Incidents per 200,000 work hours



● ExxonMobil workforce ● American Petroleum Institute U.S. petroleum industry workforce benchmark

*In 2015, ExxonMobil's total recordable workforce incident rate per 200,000 work hours was 0.24, a slight decrease from 2014. Over the past decade, we have reduced this rate by more than 30 percent. When compared with the American Petroleum Institute U.S. petroleum industry workforce benchmark, ExxonMobil continues to be below the industry average.*

<sup>2</sup>Workforce includes employees and contractors. Incidents include both injuries and illnesses. Depending on the reporting year, around 5 to 10 percent of the incidents are illness-related.

practices and safety management systems. Since 2000, we have conducted ongoing safety leadership forums with the contractors working on our major projects, with the focus on establishing a partnership between ExxonMobil and our contractors that leads to an injury-free workplace.

For example, within our portfolio of Arctic projects, the Sakhalin-1 project held its 12th annual contractor safety forum on Sakhalin Island for about 200 people. Local authorities, contractors and Exxon Neftegas Limited managers emphasized the importance of making a difference with our core safety, security, health and environmental (SSH&E) values including *Nobody Gets Hurt* and *Protect Tomorrow. Today.* The forum covered topics including eliminating high consequence incidents, health awareness, environmental protection and community contributions. For more information about *Protect Tomorrow. Today.*, see page 46.

Our affiliate, Esso Angola, achieved its best safety performance during significantly expanded activity in production, drilling and project execution, including the completion of Phase 2 of the Kizomba Satellites project. This notable safety performance was a result of the continuous hard work of affiliate personnel as well as strong engagement in safety programs, such as “boots on the ground,” a program designed to increase supervisor and employee engagement at the workplace. By increasing this interaction, supervisors can better mentor newly hired staff around our desired safety culture, one in which our employees care for each other.

 Boots on the ground program

**“Achieving success has a lot to do with effective collaboration and a team approach with all involved, including our contractors, co-ventures and the government of Angola.”**



**Edson Dos Santos**  
Kizomba C operations superintendent

## Up Close: Safety milestones and awards

We are proud of our culture of safety, and we strive to be a global safety leader. One of the most significant measures for ExxonMobil as a company is our safety performance. In 2015, ExxonMobil and our affiliates around the world achieved the following safety milestones and awards:

- The Odoptu Stage 2 project on the northeastern coast of Sakhalin Island, Russia, safely completed 3.8 million hours of work at the Odoptu site in 2015, and a total of 7.7 million hours since project site work began in late 2012, without a recordable or lost-time injury. The strong safety performance is the result of engaged leadership and a team-wide commitment to embracing the core values in safety, security, health and environment.
- In June 2015, ExxonMobil’s Rotterdam refinery in the Netherlands received a **VOMI Safety eXperience Award**. VOMI is a trade organization in the Netherlands for companies in the process industry. The **VOMI Safety eXperience Award** is a new initiative aimed to increase the level of safety awareness perceived by people working “on the shop floor.” Through this award, VOMI gives a voice to an especially important group of people for whom this level of safety is critical.

- ExxonMobil’s venture office in Rio De Janeiro, Brazil, passed a safety milestone in 2015, achieving more than 1 million hours of safe work. This achievement represents an accumulation of 18 years of team effort and safety focus.
- In 2015, the **Malaysian Society for Occupational Safety and Health** honored our Kuala Lumpur business support center (KLBSC) with the **2014 Occupational Safety and Health Gold Class I Award**, the highest award given in the sector. The award recognizes our exceptional safety and health management and performance in various areas.

**“We could not have achieved this honor without strong support from the other functions in Malaysia such as facilities and SSH&E, as well as the management team. The prestigious award highlights the strong commitment toward safety by KLBSC employees and is a testament to ExxonMobil’s commitment to strong safety programs.”**



**Chin Chien Hoong**  
Site lead, KLBSC



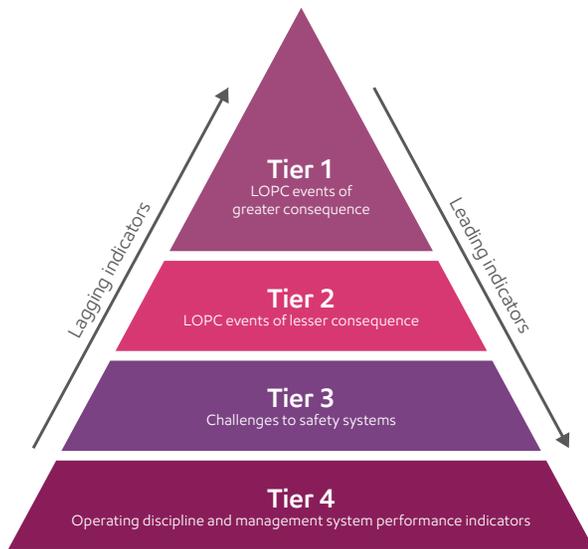
Workers commemorate safety performance at our Odoptu site on Sakhalin Island in 2015.

In 2015, we continued to look for ways to prevent high-potential incidents in our operations. For example, we are exploring technologies that detect a worker's presence in the blind spots of heavy construction equipment to avoid accidents. We have taken our experience and shared it in construction industry forums to advance these technologies by encouraging use beyond the oil and gas industry.

### Process safety

Our commitment to process safety – the equipment, procedures and training that prevent the uncontrolled release of hydrocarbons and hazardous substances – is a core value that shapes risk management across our operations. We seek to ensure our facilities are well-designed and safely operated to prevent potential safety incidents. To that end, we use a comprehensive and disciplined approach to identify, eliminate or manage process safety risks associated with our operations, which employs layers of preventive and mitigative barriers, including equipment, processes and people, as illustrated in the graphic on the right.

## Process safety incident triangle



As part of the American Petroleum Institute Recommended Practice 754 and the International Association of Oil & Gas Producers No. 456 industry standards, the process safety incident triangle is used to represent events from Tier 1 through Tier 4.

## Eliminate serious incidents

At ExxonMobil, we look to ensure effective barriers are intact.

### Know the major hazards

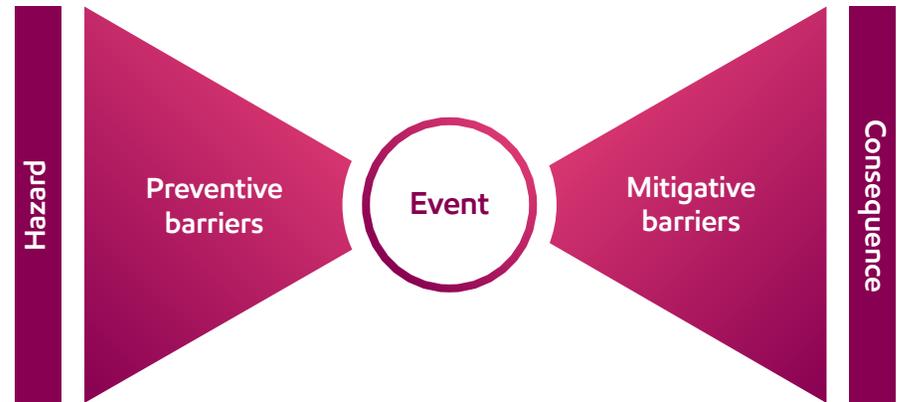
Major asset-specific hazards are known.

### Understand the barriers

Barriers are defined and individual responsibilities are assigned to protect from and mitigate risks.

### Maintain barrier health

Barrier effectiveness is assessed and regularly discussed.



**“When managing process safety, we focus on both facility risks and human performance risks. It takes relentless leadership throughout the organization with mechanisms to ensure accountability at all levels and verification that these risks are managed effectively 24 hours a day, 7 days a week, 365 days a year.”**



**Bob Bailes**

Downstream and Chemical safety, security, health and environment manager

We subscribe to the American Petroleum Institute (API) Recommended Practice 754 and the International Association of Oil & Gas Producers No. 456, which are industry standards. These standards define process safety indicators and use a process safety incident triangle to represent events from Tier 1 through Tier 4, as seen on the left. Tiers 1 and 2 include incidents resulting in a loss of primary containment (LOPC). According to the API, LOPC 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. In 2015, we had 74 Tier 1 process safety events, which is slightly higher than

2014. Tier 1 process safety events are tracked and analyzed in our overall efforts to prevent significant events. In 2015, events occurred in various phases of our operations and include equipment malfunction and person or equipment interface. Event analysis is used to enhance our prevention efforts and organizational learning.

Our focus on process safety remains high, with a continued emphasis on ensuring that preventive and mitigative barriers are in place. We recognize that a significant process safety event at any site affects everyone in the industry by eroding stakeholder trust. When such incidents do occur, we are committed to learning from them and taking steps to prevent a recurrence. We deeply regret the incident that occurred on February 18, 2015, at the Torrance refinery and are thankful there were no serious injuries or community health impacts. We are working with regulators to thoroughly investigate the incident, and we are applying the lessons learned by enhancing operating procedures, monitoring equipment and training at ExxonMobil refineries. We will share our findings with the refining industry to help prevent future occurrences.

Collaborating with our peers and industry associations on process safety is paramount to sharing lessons learned within our company and across our industry. ExxonMobil serves as a contributing member to a variety of groups and

initiatives focused on improving safety in the industry. For example, we actively engage in the Advancing Process Safety initiative, a collaborative effort between the American Fuel and Petrochemical Manufacturers and the API, representing nearly all of the U.S. refining capacity. This initiative is focused on improving process safety performance across the industry by sharing experiences and knowledge about process safety events, hazard identification metrics and industry-proven practices.

### Product safety and responsibility

We recognize the importance of managing and communicating product safety information to those who handle and use ExxonMobil products, including employees and contractors within our operations as well as with our customers, consumers, governments and regulators. To promote product stewardship, we carefully assess the safety, health and environmental aspects of our products, as well as compliance with product safety legislation for all intended markets.

ExxonMobil's approach to product safety is defined by the product safety policy, found within ExxonMobil's *Standards of Business Conduct*. Each ExxonMobil business unit has developed management systems that address the key elements in our product safety policy. These management systems are reviewed on a routine basis to ensure compliance with the policy. Additionally, components of the management systems are in line with product safety guidelines developed by IPIECA, the global oil and gas industry association for environmental and social issues, and the International Council of Chemical Associations.

A key component of these systems is the communication of the potential hazards and risks from the use of our products. Our rigorous *Product Stewardship Information Management System* applies common global processes and computer systems to capture and communicate information on the safe handling, transport, use and disposal of our products, as well as emergency contact information. This system enables ExxonMobil businesses to comply with changing regional and national hazard communication regulations with the adoption of the Globally Harmonized System of Classification and Labelling Chemicals developed by the United Nations. In the past year, more than 27,000 safety data sheets for ExxonMobil products and manufacturing streams have been authored and distributed as part of the implementation of this guidance by several national and regional regulatory authorities, including:

- Argentina
- Brazil
- Israel
- Korea
- Malaysia
- New Caledonia
- Singapore
- Turkey
- United States

In 2015, the **Association of International Chemical Manufacturers (AICM)** awarded ExxonMobil China the **Chairman's Award in Responsible Care** for exemplary achievement in safety, health and environmental performance. This is the second time that our operations in China have been recognized by AICM for its safe chemical product management and handling.

Over the past several years, the industry has seen a significant increase in the utilization of rail transport for crude oil, primarily due to new unconventional production sources. In the North American market, ExxonMobil manages one of the largest shipper rail fleets in our industry to move our crude oil, plastics, chemicals, lubricants and fuels products to customers. We believe safe transport by rail is a shared responsibility, covering rail maintenance, train operations, rail car integrity and emergency response. We have comprehensive risk management plans in place to help ensure rail transportation of all products is conducted in a safe manner. These plans address rail car design as well as loading and unloading procedures. Additionally, we regularly engage with our industry peers and emergency responders to promote the safe transport of oil products and develop improved training programs for public responders across North America.

## Emergency preparedness and response

The ability to respond to emergencies promptly is critical, and we conduct extensive training and drills to prepare for such situations. At ExxonMobil, we believe effective emergency preparedness requires competent response teams. To that end, we establish strategic emergency support groups (ESGs) around the world to develop and practice emergency response strategies and assist field responders. We routinely train ESG members, a wide variety of ExxonMobil employees, on a range of possible scenarios, including simulated spills, fires,

explosions, natural disasters and security incidents. In 2015, 550 employees participated in 35 ESG training sessions.

ExxonMobil takes a disciplined and structured "command and control" approach to emergency preparedness that is based on clear communication. Regardless of the size of an event, each ExxonMobil facility and business unit has access to a wide array of trained responders, including our regional response teams (RRTs), which provide rapid tactical support when needed. Our three RRTs — North America; Europe, Africa and Middle East; and Asia Pacific — address tactical issues associated with the field response. The RRTs comprise approximately 500 ExxonMobil personnel trained in one consistent management system with common roles and responsibilities. In total, the RRTs completed four training exercises in 2015, with approximately 400 ExxonMobil participants.

In May 2015, the North America RRT held a two-day exercise in Seattle, Washington, for ExxonMobil affiliate SeaRiver Maritime. As part of the exercise, participants responded to a simulated release of 80,000 barrels of oil from a marine vessel. One key objective of the exercise included educating participants on the value and use of a net environmental benefit analysis



Workers deploy a containment boom as part of an emergency response training exercise in Australia.

## Up Close: Expanding emergency preparedness and response capabilities

ExxonMobil is committed to improving our emergency preparedness by enhancing our response programs, processes and training offerings. In 2015, the emergency preparedness and response center of excellence supported ExxonMobil Upstream affiliates in implementing a global incident command system (ICS). By implementing this system globally, ExxonMobil can utilize common response processes that allow personnel from different affiliates to easily assist one another if needed. The ExxonMobil RRTs also use ICS, which allows them to seamlessly integrate into affiliate teams.

Our use of ICS is aligned with the National Incident Management System and allows us to respond in a seamless fashion with federal, state, local and tribal responders in the United States and abroad.

In addition to ICS, we are rolling out a common operating picture (COP). COP is a computing platform based on geographic information system (GIS) technology that provides a single source of data and information to improve situational awareness and accelerates decision-making for emergency response or project planning activities. The GIS data and information can be from ExxonMobil sources as well as publicly available information to depict “big picture” images of places and situations. Both ICS and COP have been successfully implemented in the United States, with an emphasis on the Gulf of Mexico, as well as piloted internationally during Upstream exercises in Australia, Indonesia and Russia. We have also rolled out ICS to our operations in Angola, Canada, Equatorial Guinea, Malaysia and Norway.



In 2015, regional response team members in Australia pilot the incident command system and common operating picture.

to mitigate impacts from a crude oil release. Additionally, in October 2015, ExxonMobil executed an oil spill response deployment exercise at our Baytown complex in Texas. The exercise was intended to meet regulatory requirements as well as demonstrate our North America RRT's response readiness abilities. In total, more than 120 personnel were involved in the training event, including volunteers from our refining and supply, midstream, chemical and production operations.

immersive 3-D simulator technology for conducting emergency response training for plant operators. This technology uses ultra-realistic virtual reality operating conditions to create lifelike training scenarios. We are currently testing a full-scale simulator of an actual gas processing facility in Qatar to provide realistic training on more than 300 interactive control devices in six gas processing units.

enhance our established risk management methodologies, threat-assessment capabilities and technical security applications. In higher-risk locations, we monitor local conditions and maintain detailed security preparedness plans, such as evacuation and intruder response plans. Security-related response plan review and training was a key area of interest for ExxonMobil in 2015. Employees traveling to and residing in severe- and high-threat countries received specialized training designed to provide information about potential threats and appropriate responses in challenging security environments. Security-related plans were also reviewed and refreshed to better ensure response to events were effective and efficient.

**“The quality of the exercise and high degree of professionalism by all involved is a clear demonstration of ExxonMobil’s commitment to emergency preparedness and response. I was also very encouraged to see such a strong partnership with the regulatory agencies that participated.”**



**Lisa VanderLaan**

Safety, security, health and environment support manager

## Workplace security

Ensuring the security of our people, physical assets and intellectual property is systematically embedded in our daily operations. We employ consistent worldwide practices to address security challenges in the diverse locations where we do business. Our new facilities go through a security analysis that takes into account potential risks, the application of countermeasures, relationships with communities and compliance with applicable laws.

As the threat of cybersecurity continues to evolve, we must protect our business against the growing risk of cyberattacks, which can potentially affect our data, facilities and operations. In 2015, 100 percent of our employees and contractors completed Web-based cybersecurity training on how to identify and respond to potential cybersecurity risks, in addition to an ongoing awareness program to reinforce safe computing behaviors. On average, our cybersecurity screening programs block more than 64 million emails, 139 million Internet access attempts and 133,000 other potentially malicious actions each month.

We continually look for innovative ways to provide emergency preparedness and response training in a safe and controlled environment. For example, we are exploring the use of

## Health and wellness

ExxonMobil cares about the health and well-being of our workforce and their families. Our health policy communicates the corporate expectations for identifying and evaluating health risks related to our operations that can potentially affect our employees, contractors or the public. We seek to address the diverse health considerations prevalent in the different locations in which we work by creating effective and efficient solutions that protect our workforce and operations from major health threats. We also provide voluntary health programs to our employees that are designed to promote enhanced well-being and productivity.

To ensure our occupational health risks are credibly assessed, prioritized and documented, we utilize an exposure assessment strategy to identify and evaluate health risks related to our operations, as identified by OIMS. Health hazard exposure assessments for field work activities are conducted by our industrial hygiene professionals using a comprehensive global approach that not only identifies and evaluates health hazards, but also provides for risk-based prioritization.

To protect our workers and their families while preventing potential operation disruptions, ExxonMobil developed prevention, control and monitoring programs that address the threat of infectious diseases such as malaria, tuberculosis, HIV/AIDS, Ebola and other outbreaks. For example, our *Malaria Control Program* is designed to prevent and quickly manage malaria cases among employees and contractors working in or traveling to malaria-prone areas. Since 2007, no malaria-related deaths among ExxonMobil workers have been reported. In addition, no operational disruptions due to an infectious disease outbreak have been reported in company workplaces since 2010. For information about our efforts to eliminate malaria in the communities where we operate, see page 66.

Leveraging our ongoing efforts to combat infectious diseases enabled us to swiftly mobilize to help communities address the Ebola virus outbreak in West Africa, which took a toll on the region and resulted in more than 11,000 deaths from 2014 to 2015. During that time, ExxonMobil worked to ensure the safety of our employees and contractors in the region, none of whom were directly impacted by the virus.

In total, ExxonMobil contributed more than \$670,000 to Ebola-related community health investments.

ExxonMobil's *Culture of Health* is our U.S.-based health and wellness program, which is designed to support the health of our employees and reduce health care costs. We provide collaborative health education, nutrition and fitness programs that are formatted to meet the needs of a variety of work environments such as offices and manufacturing sites. Additionally, we offer employees health coaching and disease management.

Supporting a culture of health outside the United States is also a priority. Our *Culture of Health* pilot programs in Argentina, Malaysia, Nigeria and the United Kingdom moved into sustainment phase at the end of 2015. In each country, we develop programs within the context of different health care systems, health needs and available resources. We offer benefits plans that comply with or exceed applicable country laws or regulations.

In recent years, ExxonMobil has taken a leadership role in minimizing and mitigating worker fatigue, which has the potential to impact the health and safety of our workforce. Studies show that, in addition to being safer, individuals who are rested and alert are less likely to experience personal health issues including cardiovascular, immune and psychosocial conditions. Because of this, we have implemented relevant programs at a variety of our sites, including refineries, chemical plants and pipeline operations in the United States, as well as some of our Upstream facilities in Canada. Additionally, we have started integrating personal fatigue management into our *Culture of Health* programs.

## Workforce

We consider our approximately 73,500 employees to be our greatest asset. For this reason, ExxonMobil seeks to foster a diverse workforce of highly talented individuals who are dedicated to integrity, high-quality work and good corporate citizenship. Our career-oriented approach to developing an exceptional workforce includes recruiting outstanding talent and supporting long-term professional development.

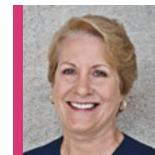
### Employment practices and policies

As a global organization, the diversity and inclusion of thought, skill, knowledge and culture across our company facilitates innovation and is a key competitive advantage. Through a range of programs, activities and investments, we strive to create and maintain a diverse workforce representative of the numerous geographies where we do business. Our *Global Diversity Framework* is the foundation for this approach, with three interrelated objectives:

- Attract, develop and retain a premier workforce from the broadest possible pool to meet our business needs worldwide.
- Actively foster a productive work environment that allows every employee to contribute fully to the achievement of superior business results — an environment where individual and cultural differences are respected and valued, and where all employees are encouraged to achieve their ultimate potential.
- Identify and develop leadership capabilities for performing effectively in a variety of international and cultural environments.

 *Global Diversity Booklet*

**"I have worked in several geographies and financial positions with individuals from many different backgrounds and cultures. I am constantly reminded that we have a large number of capable individuals with differing skills and approaches throughout this company. It is important that they are all engaged in furthering our business objectives. We accomplish this by providing an environment where everyone can contribute and can continually grow and develop both personally and professionally."**



**Carol Peters**

Associate general tax counsel

## Up Close: ExxonMobil's Houston campus

In 2015, ExxonMobil completed construction of a new state-of-the-art campus in Houston, Texas, which hosts around 10,000 employees in our Upstream, Downstream and Chemical companies and associated service groups. We believe the campus will foster improved health and wellness among employees and enhance our ability to attract, develop and retain the top talent in the industry. The campus design is based on extensive research into best practices in workplace health, wellness and collaboration.

For example, the campus is designed with an open floor plan that optimizes the use of natural light and encourages collaborative opportunities for its co-located businesses and services. Specifically, the campus features highly networked, shared, multipurpose work spaces that create a collaborative work environment. In addition to increased collaboration, research indicates that the open floorplan concept can lead to improved productivity, engagement and innovation over the long term.

**“The combination of our new central SSH&E organization and co-location at the new campus has brought our environment, regulatory and socioeconomic professionals together like never before. It has enabled collaboration within our organization and across our business lines both on a large and small scale, facilitating learnings and sharing of best practices. Individuals who may have interacted once or twice every couple years previously now see each other on a daily basis and seek input from individuals from diverse backgrounds.”**



**Christine Byrne**  
Environment manager

The campus also features an extensive network of paths and walkways linking it with natural and cultivated landscapes. Surveys at the campus identified 343 ecologically valuable



ExxonMobil employees collaborating at the Houston campus.

trees, of which 213 were preserved in place. Professional arborists moved the remaining trees to other locations within the campus and are providing observation and care to ensure their continued health. We also installed a system to collect rainwater from the property. More than 80 percent of the water used on site is reclaimed and reused for cooling and irrigation needs. Overall, the campus uses 90 percent less potable water than the national average for commercial buildings.

To support a healthy lifestyle among employees, the Houston campus includes a 100,000 square-foot wellness center complete with a three-story glass atrium, cardio and strength training facilities, a basketball court and personal training services.

By the end of 2015, more than 30 percent of the campus residents had enrolled in the campus wellness center. ExxonMobil cares about the well-being of our employees as well as their families. The on-campus Explorers Club is designed to provide ExxonMobil employees with quality child care services for children ages six weeks to pre-kindergarten.

Additionally, campus residents enjoy a wide array of on-site healthy dining venues to support a sustainable diet. Dining selections include a variety of nutritional options and choices for special diets, all of which align with ExxonMobil's *Culture of Health* program. Menu boards at the respective stations outline the most current *Culture of Health* menu options, which are periodically offered at employee events.

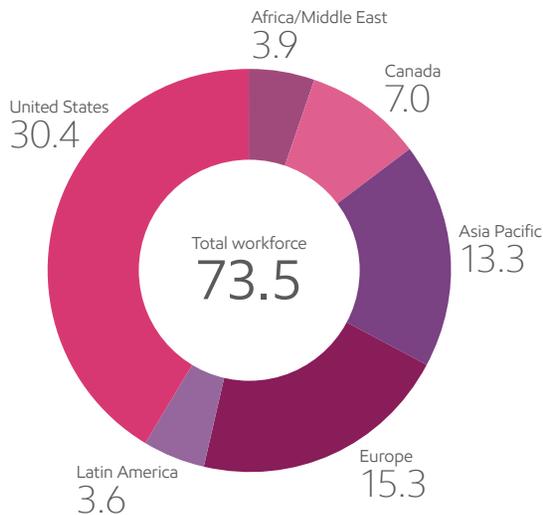
Our *Standards of Business Conduct* govern all aspects of our employment, including recruitment, hiring, work assignments, promotions, transfers and terminations, as well as wage and salary administration. The *Standards* support our commitment to provide equal employment opportunities, prohibit harassment and discrimination in the workplace and align with applicable laws and regulations in the countries where we operate.

We provide training on the *Standards* for new employees and offer regular refresher courses to current employees. Additionally, we use a series of Web-based trainings and tools to help our employees understand effective communication and cultural sensitivities across a diverse workforce. We strictly prohibit any form of discrimination by or toward employees, contractors, suppliers or customers in any ExxonMobil working environment.



## 2015 workforce by geographic region<sup>3</sup>

Thousands of employees



In 2015, our total workforce was approximately 73,500, slightly lower than the total workforce in 2014. The largest concentration of ExxonMobil employees is in the United States with 30,400, followed by Europe and Asia Pacific with 15,300 and 13,300, respectively. Our global reach directly contributes to the diversity of our workforce and the success of our business.

<sup>3</sup>Data exclude company-operated retail store employees.

Our global policies promote diversity and inclusion and prohibit any form of discrimination, including those based on sexual orientation and gender identity. At ExxonMobil, 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 training and stewardship program to ensure employees worldwide understand, implement and follow our anti-harassment policy. Additionally, our annual reporting and compliance procedures include a letter to senior managers emphasizing their responsibility to maintain work environments free from harassment and discrimination.

### Diversity and inclusion

We support local employee networks to foster an environment committed to diversity and inclusion. The voluntary, employee-led groups offer networking, development programs and community service, and proactively mentor and assimilate new employees. Some of these networks include:

- Asian Connection for Excellence (ACE)
- Black Employee Success Team (BEST)
- Global Organization for the Advancement of Latinos (GOAL)
- People for Respect, Inclusion and Diversity of Employees (PRIDE)
- Veteran Advocacy and Support Team (VAST)
- Women's Interest Network (WIN)

We engage a wide range of education programs and recruiting activities that are intended to reach out to a diverse pool of highly qualified employment candidates. ExxonMobil's internships and financial aid initiatives play a key role in our diversity recruiting, through practical work experience, scholarships and university grants. We also support professional organizations such as the National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers and the National Action Council for Minorities in Engineering, among others. ExxonMobil believes these strategic investments in education will help build a source of diverse, talented individuals. For more information on our education initiatives, see page 66.

**"My WIN leadership team's role is to promote individual and collective growth to support women to achieve their ultimate potential. We serve as a catalyst to improve business acumen, promote fellowship to enhance contributions to the business and cultivate hundreds of successful mentoring relationships that help women achieve their career goals. I am proud of our WIN accomplishments, which are reflected in the growth and advancement of women in technical and leadership roles."**



**Sujata Bhatia**

Project manager, gas and power marketing  
Women's Interest Network chair

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

## 2015 percentage of women and minorities by position in the United States

Based on U.S. Equal Employment Opportunity Commission reporting



In the United States, women accounted for approximately 26 percent of our U.S. workforce in 2015, with more than 16 percent in leadership positions. Similarly, in 2015 minorities accounted for 25 percent of total U.S. employees and our minority representation in leadership was 17 percent.

## Up Close: Employee resource groups

We believe the training, skills and experiences of veterans are a valuable component to a diverse, productive organization. In 2014, we created our newest employee resource group, the Veteran Advocacy and Support Team (VAST), which provides mentoring, coaching and networking opportunities designed to enhance the personal and professional development of our veterans and those who continue to serve. VAST also welcomes non-veteran employees to participate in the program. In total, VAST supports more than 690 employees.

In addition to helping onboard ExxonMobil employees who are former or current military service personnel, VAST also focuses on facilitating recruitment, assimilation, retention and advancement of veterans. In November 2015, VAST hosted a Veterans Day event at our Houston campus. The event brought together veterans and veteran supporters

from across ExxonMobil's operations. In total, more than 200 people attended the event, during which U.S. Air Force Major General Giovanni Tuck discussed the similarities and interdependencies between defense logistics and the energy industry, as well as the skills and experiences veterans provide to the business community.

**"As veterans and ExxonMobil employees, my wife Ruth and I co-founded VAST to be a resource for veterans seeking to leverage their proven leadership skills and diverse life experiences. We seek to provide mentorship and professional development, which is beneficial both for employees and the company."**

### Jeff Vargo

Construction supervisor, ExxonMobil Development Company  
VAST co-founder



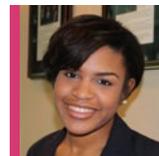
U.S. Air Force Major General Giovanni Tuck presents to VAST members during a Veterans Day event hosted at the Houston campus.

administration. In 2015, 41 percent of our worldwide management and professional new hires were women. This is significantly higher than the percentage of women in our broader employee population at 28 percent. In the United States, 33 percent of our 2015 engineering hires were female, higher than the U.S. percentage of female engineering students.

Approximately 17 percent of our executive employees worldwide are women, an increase of 50 percent over the past decade. This increase, in part, is a result of continued focus on early identification of female management development candidates. Notably, 29 percent of our early career stage executive employees worldwide are women. For more information on how we advance opportunities for women worldwide, see page 66.

To increase the representation of minorities in our U.S. operations, our hiring programs include outreach initiatives to identify diverse candidates. For example, through our technical scholarship program, we award scholarships to ExxonMobil minority interns to assist them in completing their college degrees. In 2015, we provided 44 technical scholarships, an increase of 80 percent over the past 10 years.

**"As a technical scholarship recipient, I was able to grow academically and professionally in the chemical industry. The scholarship program helped me build a quick network of peers and mentors. ExxonMobil has provided the opportunity to apply the concepts and skills I learned at Howard University, and I am excited to continue learning and developing in my role as a process contact engineer since joining the company in 2015."**

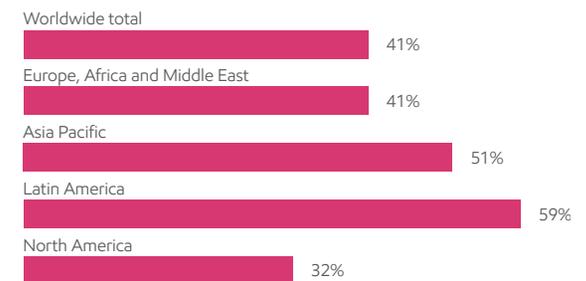


### Jamille Jamison

Contact engineer

In 2015, 35 percent of management and professional new hires in the United States were minorities. Further, 37 percent of our engineering hires were minorities, significantly higher than the percentage of U.S. minorities in our broader population. Of our U.S. executives, approximately 14 percent are minorities, an increase of 70 percent over the past decade facilitated by a consistent focus on minority management development. Notably, 14 percent of early career U.S. executive employees in 2015 were minorities.

## 2015 percentage of female management and professional new hires by geographic region



In 2015, 41 percent of our worldwide management and professional new hires were women, significantly higher than the percentage of women in our broader employee population.

## Retention and engagement

Our global, diverse workforce represents a competitive advantage for ExxonMobil. We retain and develop our employees by providing an environment where personal and professional growth is encouraged and career objectives are developed and achieved.

We communicate openly with our employees through frequent one-on-one and team discussions as well as larger organizational meetings. All employees undergo an annual performance assessment and development process, during which they have the opportunity to engage in a structured, documented discussion with their supervisors about work accomplishments, learning objectives, development opportunities and career interests. This process, coupled with company training, mentorship programs and networking opportunities, provide the basis for ongoing employee growth and continual performance improvement.

ExxonMobil offers robust corporate and technical training programs designed to engage employees in professional development. In 2015, our major business units spent \$124 million on training employees. Of that, we directed 84 percent toward professional and technical training. In 2015, more than 5,000 employees at various levels of the company participated in ExxonMobil's leadership development training programs, of which 32 percent were women and 48 percent were employees from outside the United States.

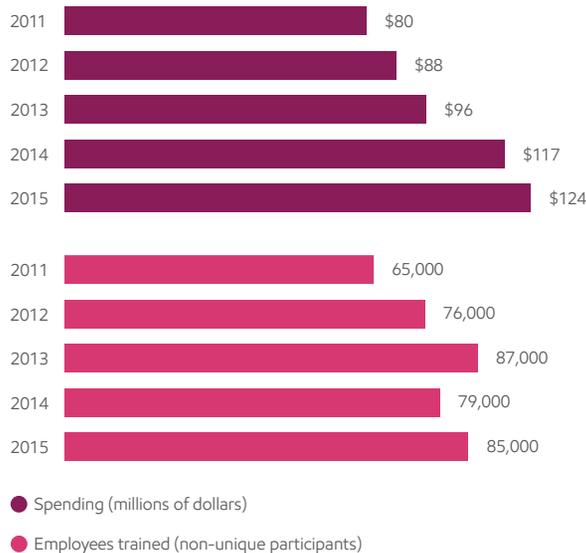
ExxonMobil also offers a variety of workplace flexibility programs to maintain engagement and maximize productivity by addressing individual employee needs. These workplace flexibility programs differ based on the legal requirements, infrastructure and culture of locations where we do business. Examples of workplace flexibility programs include adaptable workplace arrangements, modified workweek, part-time regular employment and adjustable work hours.

## 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. Our goal is to be responsive to the needs of employees throughout their careers and into retirement.

Ensuring access to affordable health care helps employees effectively manage health care issues and reduces related financial concerns. Our funding levels of qualified pension plans comply with applicable laws and 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.

## Training expenditures and number of employees trained



*In 2015, ExxonMobil spent \$124 million on training employees. In total, 85,000 non-unique participants at various levels of the company participated in ExxonMobil training programs in 2015, a 31 percent increase since 2011.*

## Up Close: Sustainability training for Chemical employees

We view all of our employees as ambassadors for ExxonMobil. Our employees can help communicate our internal efforts and explain our positions on important topics to the outside world. By including the topic of sustainability in our company training offerings, we can help ensure employees understand our approach to sustainability and can effectively communicate our sustainability objectives to people outside the company.

Since 2011, we have offered face-to-face training on sustainability to commercially facing ExxonMobil Chemical Company (EMCC) employees. In 2015, we expanded our sustainability training to all EMCC employees as part of a new computer-based training platform to help broaden exposure to the topic beyond just the commercial organization.

This computer-based training includes introductory-level information such as the definition of sustainability, how EMCC incorporates sustainability into its operations, emerging sustainability challenges and how individuals can contribute to sustainability at home and at work. Since the computer-based training was launched in August 2015, 857 Chemical employees and 75 other employees have taken the course.



For information on ExxonMobil's approach to sustainable development, see page 8.

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## Managing climate change risks

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Harold Johnson, lab technician at our Products Technology Center in Paulsboro, New Jersey, examines a motor oil sample. Since 2000, ExxonMobil has spent approximately \$7 billion to develop lower-emission energy solutions.



Society continues to face the dual challenge of meeting energy demand to support the economic growth needed for improved living standards, while simultaneously addressing the risks posed by rising greenhouse gas emissions and climate change. While future temperature changes and the associated impacts are difficult to accurately predict, we believe the risks of climate change are real and warrant thoughtful action.

ExxonMobil supports advancement of the scientific understanding of climate change and is committed to providing affordable energy to support human progress while advancing effective solutions to address the risks of climate change. Our climate change risk management strategy includes four components: engaging on climate change policy, developing future technology, mitigating greenhouse gas emissions in our operations and developing solutions that reduce greenhouse gas emissions for our customers.

## Engaging on climate change policy

Climate change is a global issue that requires the collaboration of governments, companies, consumers and other stakeholders to create global solutions. We believe countries need to work together to craft policies aimed at mitigating greenhouse gas emissions that recognize the priorities and needs of both developed and developing countries. We engage stakeholders directly and with trade associations around the world to encourage sound policy solutions for addressing these risks.

### Attributes of sound climate policy

ExxonMobil believes the long-term objective of effective policy is to reduce the risks posed by climate change at minimum societal cost, in balance with other societal priorities such as poverty eradication, education, health, security and affordable energy.

We fundamentally believe that free markets, innovation and technology are essential to addressing the risks of climate change. Success in developing and deploying impactful technologies will highly depend on governments creating a

policy landscape that enables innovation and competition. Policies need to be clear and guard against duplicative, overlapping and conflicting regulations, which send mixed signals to the market and impose unnecessary costs on consumers. We believe that effective policies are those that:

- Promote global participation;
- Let market prices drive the selection of solutions;
- Ensure a uniform and predictable cost of greenhouse gas emissions across the economy;
- Minimize complexity and administrative costs;
- Maximize transparency; and
- Provide flexibility for future adjustments to react to developments in climate science and the economic impacts of climate policies.

Policies based on these principles minimize overall costs to society and allow markets to help determine the most effective and commercially viable solutions.

Given the wide range of societal priorities and limited global resources, all policies, including climate change policy, must be as economically efficient as possible. ExxonMobil believes that market-based systems that impose a uniform, economy-wide cost on greenhouse gas emissions are more economically efficient policy options than mandates or standards. This is because market-based policies more effectively drive consumer behavior and technology innovation, while mandates and standards eliminate consumer choice and can perpetuate ineffective technologies.

Since 2009, ExxonMobil has held the view that a properly designed, revenue-neutral carbon tax is a more effective market-based option than a cap-and-trade approach. A carbon tax is more transparent, can be implemented in existing tax infrastructure, avoids the complexity of creating and regulating carbon markets where none exist and reduces greenhouse gas emissions price volatility, thus delivering a clearer, more consistent long-term market price signal.

Only through a sound global policy framework will the power of markets and innovation enable society to find cost-effective solutions to address the risks of climate change, while at the same time continuing to address the many other challenges the world faces.

### Engaging stakeholders

Managing the risks of climate change will require increased innovation and collaboration. Therefore, ExxonMobil engages a variety of stakeholders — including policymakers, investors, consumers, non-governmental organizations (NGOs), academics and the public — on climate change issues of direct relevance to the company.

## Up Close: Attributes of sound market-based policy

While market-based systems may have different designs and regional applications, we believe effective systems are those that promote global participation and are characterized as follows:

- Apply to all greenhouse gas emissions across the economy;
- Provide a uniform price for all greenhouse gas emissions;
- Apply the costs of greenhouse gas emissions to the parties most able and likely to alter behavior in response to a price signal;
- Prevent shifting of greenhouse gas emissions to unregulated jurisdictions;
- Provide for linkages with other market-based systems outside the regulated jurisdiction;
- Return revenue generated from the system back to the economy in an equitable fashion that encourages economic growth and limits regressive income effects; and
- Provide for accurate and cost-effective greenhouse gas emissions measurement, verification and reporting.

## Up Close: Outcomes from COP 21

In December 2015, parties to the United Nations (UN) Framework Convention on Climate Change convened in Paris for the 21st Conference of the Parties (COP 21). COP 21 resulted in a global agreement which, for the first time, commits all parties to undertake action on climate change and report on related progress. Key commitments of the agreement include:

- “Each party shall prepare, communicate and maintain successive nationally determined contributions that it intends to achieve.”
- “Each party shall communicate nationally determined contributions every five years.”
- “Each party shall regularly provide ... a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases” and “information necessary to track progress made in implementing and achieving its nationally determined contribution.”

ExxonMobil actively advocates for responsible policies that would be effective in addressing the risks of climate change. When we encounter proposals, we offer informed data and policy analysis and engage in thoughtful debate. We have had hundreds of meetings with policymakers in the United States, the European Union and Canada to share our views on carbon pricing policy. We will continue to meet with policymakers and other stakeholders to discuss effective approaches to reduce greenhouse gas emissions. For additional information on ExxonMobil’s approach to political advocacy and contributions, see page 86.

Our chairman and members of the management committee have primary responsibility for — and are actively engaged in — managing climate change risks. The board of directors receives annual in-depth briefings that cover updates on public policy, scientific and technical research, and company positions and actions related to climate change.



Participants at the 21st Conference of the Parties in Paris, December 2015.

ExxonMobil believes that these commitments are a positive step in achieving global participation to address climate change risks.

For many years, ExxonMobil’s *Outlook for Energy* has taken into account the potential for climate policies to become increasingly stringent over time and impose rising costs on energy-related carbon dioxide emissions. Preliminary analyses of the aggregation of intended nationally determined contributions, which were submitted by governments as part

To drive improvement, our merit-driven employee development and compensation systems integrate performance in environmental areas, including emissions and energy efficiency.

In order to ensure that our corporate communications accurately reflect our internal policy positions, we employ a corporate-wide global climate change and greenhouse gas issue management team. As issues arise at the local, state, national and regional levels, our global team of experts evaluate and develop a company position on the issue. ExxonMobil employees also hold key leadership positions, including board of director positions, with many trade associations that engage on climate change issues, including the American Petroleum Institute (API), the International Association of Oil and Gas Producers (IOGP) and IPIECA, the global oil and gas industry association for environmental and social issues.

of the COP 21 process, indicate a greenhouse gas emissions trajectory similar to that anticipated in our *Outlook*.

ExxonMobil continues to support and contribute to efforts to reduce greenhouse gas emissions. We believe the risks of climate change are real and warrant thoughtful action. Meeting the climate change challenge will require action from all parts of society, including governments, civil society and the private sector. We believe it is possible to address climate change risks while also meeting growing global energy demand and supporting economic development.

We believe an effective policy response to climate change requires a thorough understanding of the climate system. Our scientists have been involved in climate change research and related policy analysis for more than 30 years. This has resulted in hundreds of publicly available documents on climate-related topics, including more than 50 peer-reviewed publications.

While our long-standing and continuous involvement with climate science research, often conducted in collaboration with governmental bodies and leading universities, has advanced the company’s understanding of the climate system, ExxonMobil is committed to continued engagement with the climate science community in an effort to further develop the science. ExxonMobil contributes to a wide range of academic and other organizations that research and promote dialogue on addressing climate change risks.

 Peer-reviewed articles on climate research



We engage with IPIECA on a number of issues, including climate change risks. Rick Mire, environment, regulatory and socioeconomic manager, has represented ExxonMobil at IPIECA for more than a decade and has served as chair since 2012.

Experts from our organization have participated in the UN Intergovernmental Panel on Climate Change (IPCC) since its inception. Most recently, our scientists contributed to the IPCC Fifth Assessment Report in lead author, review editor and reviewer roles. For additional information on the IPCC's Fifth Assessment Report, see the adjacent Up Close. Our scientists also participated in the work of the U.S. National Academy of Sciences, including its work to review the third U.S. National Climate Assessment Report and provide advice to the U.S. Global Change Research Program.

### Engaging industry

ExxonMobil recognizes the growing interest in climate change risks and understands that stakeholders seek a better understanding of the positions of the oil and gas industry, as well as how individual companies approach the management of climate change risks within their own businesses.

IPIECA was established in 1974 at the request of the United Nations Environmental Program. As an active IPIECA member, ExxonMobil engaged with member companies in advance of the December 2015 COP 21 meeting in Paris in order to

help develop a common industry position on global efforts to address and mitigate climate change risks. That work culminated in *The Paris Puzzle* — a publication on the challenges and responses needed to address the risks of climate change.

### IPIECA Paris Puzzle

Recognizing the desire of stakeholders for more accessible and clear information, in 2015 we also took a key role collaborating with IPIECA and its member companies to create a voluntary reporting framework for oil and gas companies to publish their climate change risk management approach in a simple, straightforward and transparent manner. The resulting framework, which IPIECA will pilot during 2016, covers a wide range of climate-related issues and provides a consistent reporting methodology for the oil and gas industry. This framework should enable interested stakeholders to understand an individual company's views on the issues central to addressing climate change risks.

### IPIECA Climate Change Reporting Framework

## Up Close: ExxonMobil and the IPCC

For more than 25 years, the IPCC has provided periodic assessments of climate change, including information on the causes and impacts as well as potential response strategies. Experts from ExxonMobil have participated in the IPCC since its inception. In October 2014, the IPCC completed its Fifth Assessment Report, which offers an update of materials related to climate science, including the socioeconomic aspects of climate change and its implications for sustainable development. Our scientists contributed to the IPCC Fifth Assessment Report in lead author, review editor and reviewer roles.

The Fifth Assessment reports high confidence in the scientific certainty of many aspects of climate change, including that atmospheric greenhouse gas concentrations are rising in response to emissions, the earth's temperature has warmed over the last century and that the risks associated with climate change will increase with the magnitude of atmospheric greenhouse gas concentration and temperature increases. The assessment notes that the ability to forecast the magnitude and pattern of future climate change remains less certain and confidence declines when moving from a global to local scale.

While the current scientific understanding of climate change leaves some unanswered questions, it is clear that the risks are real and warrant thoughtful action. ExxonMobil employs a risk management strategy and continually strives to improve our understanding of the impacts of climate change. As part of our *Outlook for Energy* analysis, we project an energy-related carbon dioxide (CO<sub>2</sub>) emissions profile through 2040. This can be compared with the energy-related CO<sub>2</sub> emissions profiles from various scenarios outlined by the IPCC. When we do this, our *Outlook* emissions profile approximates the IPCC's intermediate Representative Concentration Pathways 4.5 emissions profile in shape, but is slightly under it in magnitude.

### IPCC's Fifth Assessment Report

## Developing future technology

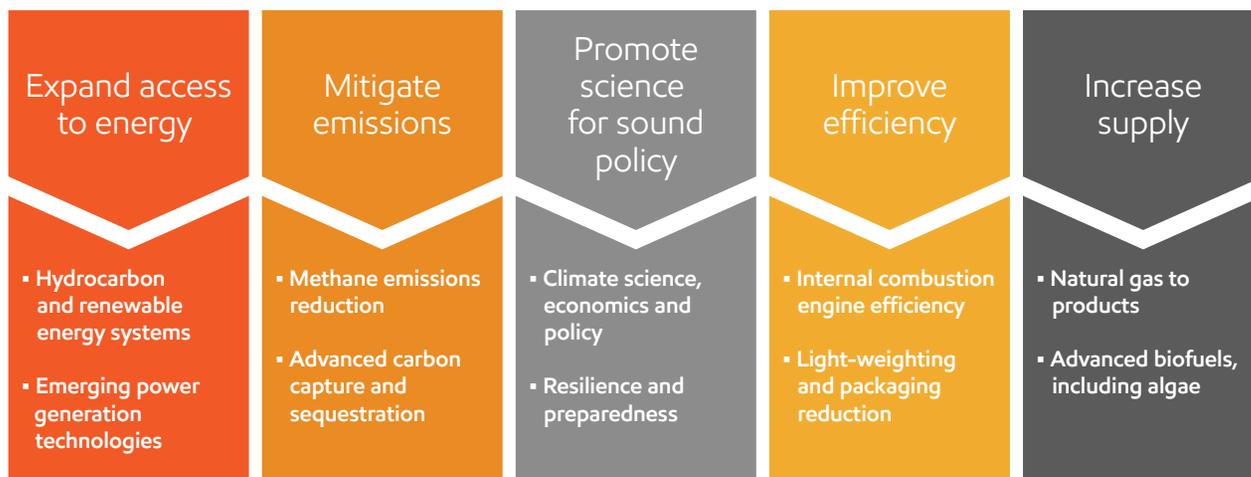
As society transitions to lower greenhouse gas emission energy solutions, technological advancements that change the way we produce and use energy will be instrumental in providing the global economy with the energy it needs while reducing greenhouse gas emissions. Recognizing the limitations associated with most existing low greenhouse gas emissions energy technologies, particularly in delivering the necessary economy and scale, we are conducting fundamental research to develop low greenhouse gas emission energy solutions that have the potential to be economically feasible without subsidies, standards or mandates. ExxonMobil is pioneering scientific research to discover innovative approaches to enhance existing and develop next-generation energy sources.

ExxonMobil's Emerging Technologies program brings together executives, scientists and engineers from across ExxonMobil's businesses to identify and evaluate technology research opportunities with a long-term strategic focus. The Emerging Technologies team seeks to understand a wide range of technology options and how they may impact the global energy system in the near term and as far as 50 years into the future. Our evaluation extends well beyond our base business and near-term focus. If a technology could have a material effect on the future of energy, we insist on knowing about it and understanding the related science. Understanding the fundamental science serves as a basis for our broader research efforts and may lead to further technology development aimed at practical application, such as our work on biofuels. Additionally, this awareness informs our internal analysis of the global energy landscape as reflected and encapsulated in our annual *Outlook for Energy*.

 *The Outlook for Energy: A View to 2040*

At the center of our research is ExxonMobil's Corporate Strategic Research laboratory, a fundamental research institution with approximately 150 Ph.D. scientists and engineers focused on addressing the company's long-range science needs. The laboratory's scientists are internationally recognized experts in their field. Our research portfolio, as illustrated in the graphic above, includes a broad array

## ExxonMobil's approach to developing future technology



of programs, including biofuels, carbon capture and sequestration, alternative energy and climate science.

**“ExxonMobil is a leader in its commitment to fundamental science and has a constancy of purpose when looking at emerging energy technologies. As part of our commitment, we continue to widen our research aperture through collaborations with academics and other third parties to better enable us to identify potential breakthroughs in lower-emission technologies.”**



**Vijay Swarup**

Vice president, research and development

In addition to in-house research, the Corporate Strategic Research laboratory conducts strategic research with leading universities around the world. For example, in 2014, ExxonMobil signed an agreement to join the Massachusetts Institute of Technology Energy Initiative, a collaboration aimed at working to advance and explore the future of energy. ExxonMobil was also a founding member of the Global

Climate and Energy Project at Stanford University, which seeks to develop fundamental, game-changing scientific breakthroughs that could lead to lower greenhouse gas emissions and a less carbon-intensive global energy system. Other university collaborations cover a wide range of scientific topics, from understanding the impacts of black carbon and aerosols at the University of California, Riverside to the fundamentals of biomass pyrolysis used to make biofuels at Iowa State University.

### Advanced biofuels

ExxonMobil funds a broad portfolio of biofuels research programs including ongoing efforts to develop algae-based biofuels, as well as programs for converting non-food based feedstocks, such as whole cellulosic biomass, algae-based feedstocks and cellulose-derived sugars, into advanced biofuels. We believe that additional fundamental technology improvements and scientific breakthroughs are still necessary in both biomass optimization and the processing of biomass into fuels. Specifically, scientific breakthroughs are needed to ensure that advanced biofuels can be scaled up economically and produced with the desired environmental benefit of lower life cycle greenhouse gas emissions.

## Up Close: Advanced biofuels partnership with Michigan State University

ExxonMobil is a leader in funding and conducting research on advanced biofuels. In 2015, ExxonMobil and Michigan State University (MSU) launched a partnership to advance biofuel research by developing the basic science required to progress algae-based fuels and bio-products.

Research has shown that algae photosynthesis can be highly efficient under optimal conditions in the laboratory but that this efficiency drops under realistic growth conditions. The partnership seeks to understand why some strains of algae are more efficient than others by using advanced technologies to study the photosynthetic processes of many cultures under different conditions.

The objective is to eventually process algae bio-oils in ExxonMobil refineries to supplement crude oil as the raw material to manufacture gasoline, diesel, aviation fuels and marine fuels. We are also researching potential applications for chemicals and lubricants.

Algae biofuel research and development is a long-term endeavor that could take decades to commercialize at scale. In this partnership, we are working to build on our significant progress since beginning this work in 2009.

**“Nature has provided us with a great potential for improvement, and there are many strains of algae that have adapted to work in different environments. We want to determine how they do this and which genes are responsible. Then, we can potentially combine traits to make strains that are more efficient under harsh conditions.”**

### David Kramer

Photosynthesis and bioenergetics professor, MSU-Department of Energy Plant and Research Laboratory

Our advanced biofuels research includes joint research collaborations with Synthetic Genomics Inc., Renewable Energy Group, the Colorado School of Mines, Michigan State University, Iowa State University, Northwestern University and the University of Wisconsin. For additional information on biofuel initiatives in 2015, see the adjacent Up Close.

 Energy investment in advanced biofuels

### Carbon capture and sequestration

Carbon capture and sequestration (CCS) is the process by which CO<sub>2</sub> gas that would otherwise be released into the atmosphere is captured, compressed and injected into underground geologic formations for permanent storage. With a working interest in approximately one-third of the world's total CCS capacity, ExxonMobil is a leader in one of the most important next-generation low-carbon technologies. In 2015, we captured 6.9 million metric tons of CO<sub>2</sub> for sequestration.

ExxonMobil believes the greatest opportunity for future large-scale deployment of CCS will be in the natural gas-fired power generation sector. While CCS technology can be applied to coal-fired power generation, the cost to capture CO<sub>2</sub> is about twice that of natural gas power generation. In addition, because coal-fired power generation creates about twice as much CO<sub>2</sub> per unit of electricity generated, the geological storage space required to sequester the CO<sub>2</sub> produced from coal-fired generation is about twice that associated with gas-fired generation.

ExxonMobil is conducting proprietary, fundamental research to develop breakthrough carbon capture technologies that have the potential to be economically feasible without government subsidies, standards or mandates.

### Environmental life cycle assessments

Every product has the potential to impact the environment. These impacts can be associated with use of the product itself, the manufacturing process or the acquisition of raw materials used to make the product. As a result, a holistic estimate of a product's environmental impact should reflect its entire life cycle.



Our LaBarge gas plant in Wyoming contributes to the total carbon dioxide ExxonMobil captures for sequestration each year.

To help direct our research efforts, we use in-house experts and tools to conduct environmental life cycle assessments of emerging products and activities. In doing so, we are able to assess which technologies have the potential to deliver the game-changing results that will be needed to transition the energy system to lower-emissions solutions.

ExxonMobil researchers also collaborate with researchers at national laboratories and universities around the globe to advance the science of life cycle assessments. In recent years, we have developed new approaches for quantifying environmental impacts associated with energy systems, and published our findings in prestigious peer-reviewed journals. Peer-review and collaboration with external scientists enhance dialogue with the academic research community and bring external expertise and perspective to ExxonMobil life cycle assessments, supporting sound science both within the company and in the greater scientific community.

# Mitigating greenhouse gas emissions in our operations

As we seek to increase production of oil and natural gas to meet growing global energy demand, we are committed to continuing to take actions to mitigate greenhouse gas emissions within our operations.

ExxonMobil has a robust set of processes designed to improve efficiency, reduce emissions and contribute to effective long-term solutions to manage climate change risks. These processes include, where appropriate, setting tailored objectives at the business, site and equipment levels, and then

stewarding progress toward meeting those objectives. Based on decades of experience, ExxonMobil believes this rigorous bottom-up approach is a more effective and meaningful way to drive efficiency improvement and greenhouse gas emissions reduction than simply setting high-level corporate targets. We also believe that continuing to use this approach will yield further improvements in all sectors of our business.

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

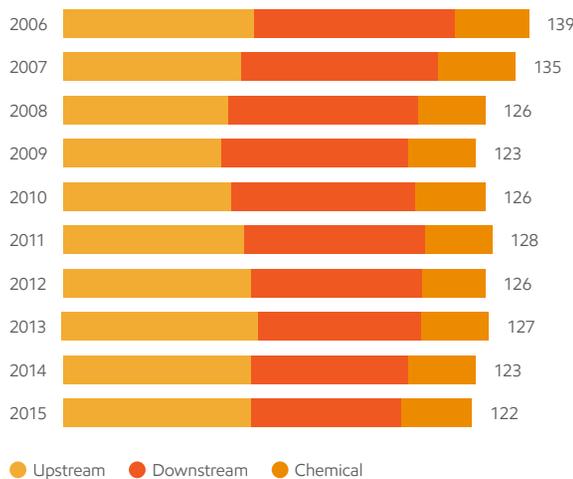
develop breakthrough, game-changing technologies. Since 2000, ExxonMobil has spent approximately \$7 billion to develop lower-emission energy solutions.

In 2015, ExxonMobil's net equity greenhouse gas emissions were 122 million CO<sub>2</sub>-equivalent metric tons. Relative to our 2014 performance, our 2015 emissions decreased by approximately 1 million CO<sub>2</sub>-equivalent metric tons. This decrease was primarily driven by energy efficiency improvement and asset divestment.

 2015 CDP (Carbon Disclosure Project) response

## Greenhouse gas emissions (net)<sup>1</sup>

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

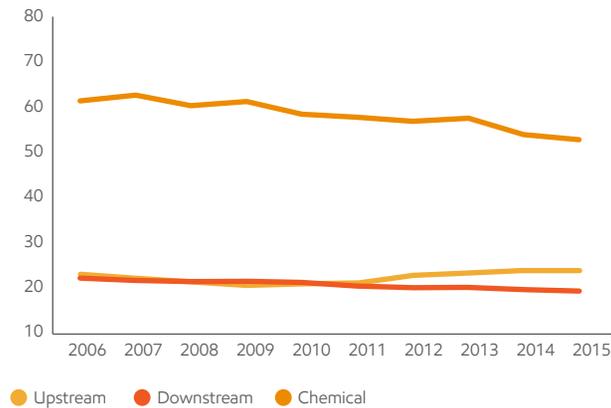


In 2015, ExxonMobil's net equity greenhouse gas emissions were 122 million CO<sub>2</sub>-equivalent metric tons. Relative to our 2014 performance, our 2015 emissions decreased by approximately 1 million CO<sub>2</sub>-equivalent metric tons.

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

## Greenhouse gas emissions (normalized)

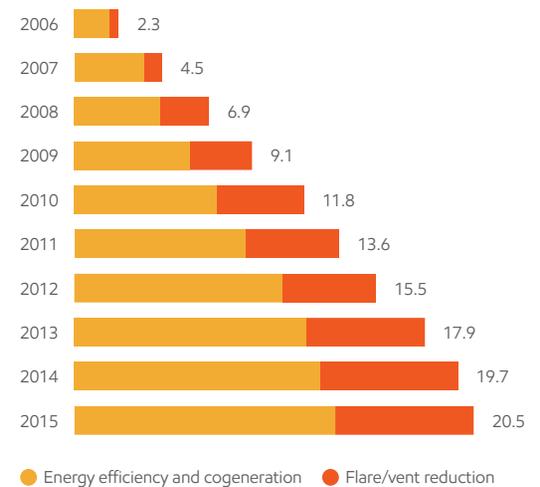
Net equity, CO<sub>2</sub>-equivalent emissions  
Metric tons per 100 metric tons of throughput or production



Through our commitment to energy efficiency, application of structured processes and continued use of a bottom-up approach, we continue to yield industry-leading results. For example, normalized greenhouse gas emissions from our Downstream business totaled 18.9 metric tons per 100 metric tons of throughput or production in 2015. This represents an improvement of 13 percent compared with our 2006 performance.

## Greenhouse gas emissions avoided from ExxonMobil actions<sup>2</sup>

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



In 2015, greenhouse gas emissions avoided from ExxonMobil actions were 20.5 million metric tons, cumulative since 2006. This represents an additional reduction of 0.8 million metric tons compared with our 2014 performance.

<sup>2</sup>Cumulative since 2006.

## Emissions reduction



>\$3.8 Billion

invested since 2000 at our Upstream facilities around the world on emission reduction efforts, including energy efficiency and flare mitigation



>\$400 Million

invested over the past 15 years at our refining facilities around the world to reduce greenhouse gas emissions



>\$2 Billion

in support of Upstream and Downstream cogeneration facilities since 2001 to more efficiently produce electricity and reduce greenhouse gas emissions

>\$200 Million

in capital expenditures at global Chemical facilities since 2004 to reduce greenhouse gas emissions

### Energy efficiency

In 2015, energy used in our operations totaled 1.7 billion gigajoules. Energy consumed in our operations generates more than 80 percent of our direct greenhouse gas emissions and is one of our largest operating costs. As such, we have focused on energy efficiency for several decades. Since 2000, we have used our Global Energy Management System in the Downstream and Chemical businesses, and our Production Operations Energy Management System in our Upstream businesses to identify and act on energy savings opportunities.

Through our commitment to energy efficiency, application of structured processes and continued use of a bottom-up approach, we continue to yield industry-leading results. For example, in the 2010, 2012 and 2014 Refining Industry Surveys,<sup>3</sup> ExxonMobil's global refining operations achieved first quartile energy efficiency performance.

### Flaring

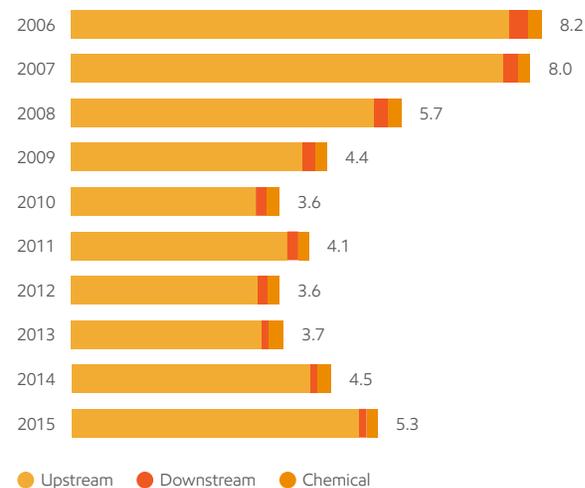
In 2015, flaring volume from our combined Upstream, Downstream and Chemical operations totaled 5.3 million metric tons. This represents an increase of 0.8 million metric tons compared with our 2014 performance.

The increase in flaring in 2015 was primarily due to operations in Angola, where a third-party-operated liquefied natural gas (LNG) plant was not operating. These increases were partially offset by flaring reductions resulting from the completion of commissioning work at our Papua New Guinea LNG plant and operational improvements at the Usan production field in Nigeria.

ExxonMobil is a charter member of the *Global Gas Flaring Reduction Partnership*. In addition, we put in place our own parameters, the *Upstream Flaring and Venting Reduction Environmental Standard for Projects*, in 2005. Accordingly, our goal is to responsibly avoid routine flaring in new Upstream projects and reduce "legacy" flaring in our existing operations.

## Hydrocarbon flaring

Millions of metric tons



In 2015, flaring volume from our combined Upstream, Downstream and Chemical operations totaled 5.3 million metric tons. This represents an increase of 0.8 million metric tons compared with our 2014 performance.

For example, our joint venture operations in Qatar have recently begun using a jetty boil-off gas (JBOG) recovery facility to recover the natural gas that was previously flared during LNG vessel loading at the marine berths located at the Ras Laffan Port. Approximately 1 percent of the LNG loaded onto the ships evaporates due to the difference in temperature between the LNG and the ship tank. The JBOG recovery facility collects the boil-off gas and returns it to the LNG plants to be used as fuel or converted back into LNG. During one year of operation, the JBOG facility has recovered more than 500,000 metric tons of gas and reduced LNG vessel loading-related flaring by around 90 percent.

<sup>3</sup>The Solomon Survey provides a global benchmarking assessment of the refining industry and is conducted every two years.



Paula Byrum inspects equipment at our XTO Energy operations site near Herbert Springs, Arkansas.

## Up Close: Mitigating methane emissions at XTO Energy

XTO Energy manages methane emissions as a matter of safety and environmental responsibility. Responsible methane containment practices are applied during drilling, completion and production operations to minimize methane emissions. We manage emissions through a mix of voluntary and regulatory actions, such as implementing leak detection and repair programs, reducing oil and gas completion emissions and targeting replacement of high-bleed pneumatics with lower-emitting devices.

After drilling and completion of a new well, our workers prepare the production equipment for decades of operation. A key part of these preparations is to ensure that the natural gas product is contained by the production equipment. We utilize optical gas imaging cameras to locate equipment leaks that would otherwise be invisible, which allows us to detect leaks and make repairs. This attention to detail is important to promote safety and environmental performance.

There is a growing interest within the scientific and policy communities on human-related methane emissions. In the United States, we are working with federal and state governments and within industry to ensure that regulations aimed at reducing emissions of methane and volatile organic compounds sufficiently support long-term operations, achieve emission reduction objectives and provide flexibility for technology.

We continue to seek greater understanding of the magnitude and characteristics of oil and gas industry-related methane emissions. XTO Energy participated in studies conducted by the University of Texas and Environmental Defense Fund which quantified the methane leakage rate in the United States from Upstream gas production activities at 0.4 percent of the total gas produced. The results of this study helped validate Environmental Protection Agency estimates. We are active in ongoing methane research including participating in a methane measurement reconciliation study with the Department of Energy's National Renewable Energy Laboratory to close the knowledge gap between methane measured at ground sources and methane measured from the air. We are also working with Stanford University on its new Natural Gas Initiative, which will focus on methane measurement and monitoring technologies.

### Venting and fugitive emissions

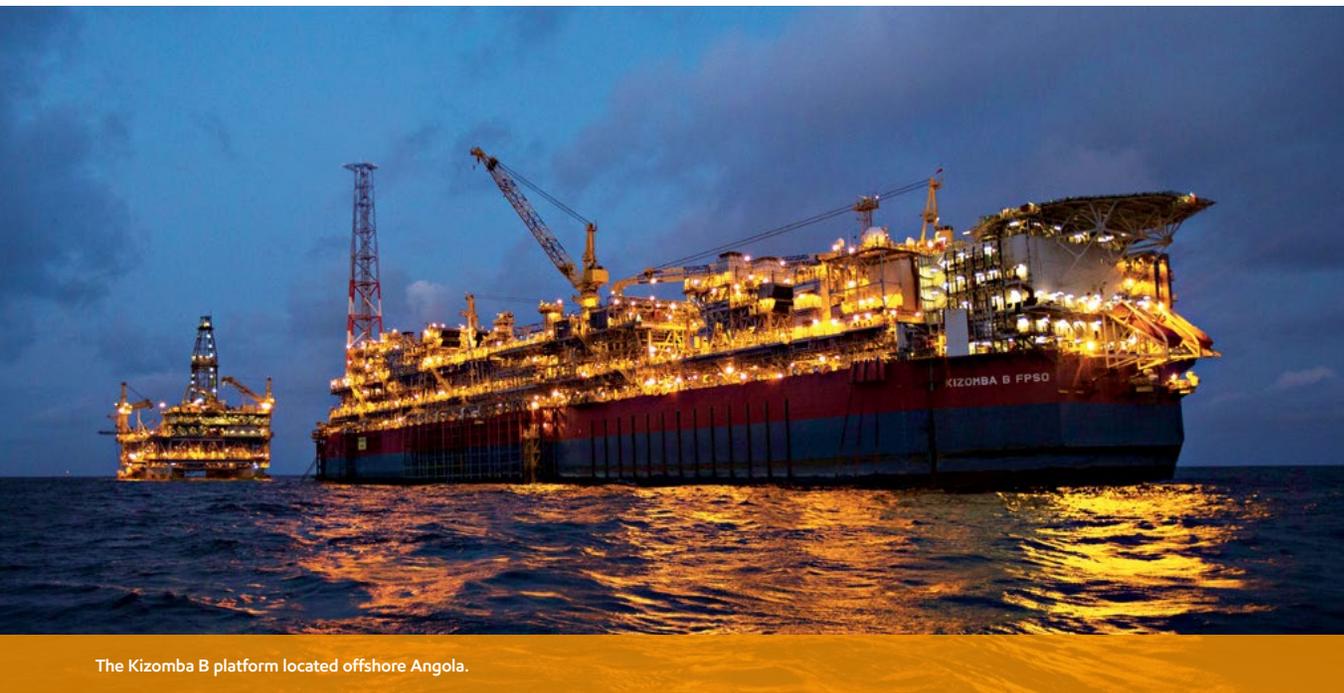
Our venting and fugitive emissions in 2015 totaled 6 million CO<sub>2</sub>-equivalent metric tons, which is essentially flat relative to our 2014 performance. While venting and fugitive emissions, most of which are methane, represent approximately 5 percent of our direct greenhouse gas emissions, we recognize the importance of reducing these emissions. We continue to look for cost-effective ways to reduce methane and other hydrocarbon emissions in our operations, such as replacing high-bleed pneumatic devices with lower-emission technology and conducting green well completions in targeted Upstream operations. For more information on how XTO Energy manages methane emissions, see the adjacent Up Close.

### Cogeneration

Cogeneration technology 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 leads to reduced greenhouse gas emissions. Our cogeneration facilities alone enable the avoidance of approximately 6 million metric tons per year of greenhouse gas emissions.

We have interests in approximately 5,500 megawatts of cogeneration capacity in more than 100 installations at more than 30 locations around the world. This capacity is equivalent to the annual energy needed to power 2.5 million U.S. homes. Over the past decade, we have added more than 1,000 megawatts of cogeneration capacity and continue to develop additional investment opportunities.

For example, ExxonMobil began the construction of a new 84-megawatt cogeneration facility at our Singapore refinery's Jurong site. When this facility is completed in 2017, ExxonMobil will have more than 440 megawatts of cogeneration capacity in Singapore, enabling our integrated refining and petrochemical complex to meet all its power needs.



The Kizomba B platform located offshore Angola.

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

By 2040, the world's population is projected to reach 9 billion — up from about 7.2 billion today — and global GDP will have more than doubled. As a result, we see global energy demand rising by about 25 percent from 2014 to 2040. In order to meet this demand, we believe all economic energy sources, including our existing hydrocarbon reserves, will be needed. We also believe that the transition of the global energy system to lower-emissions sources will take many decades due to its enormous scale, capital intensity and complexity. As such, we believe that none of our proven hydrocarbon reserves are, or will become, stranded.

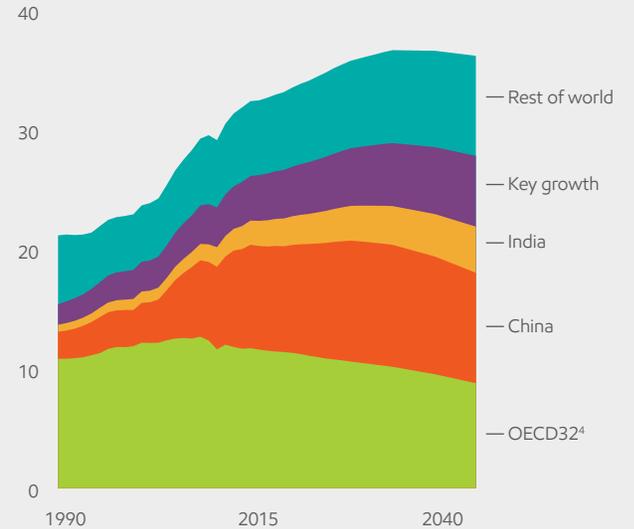
 Energy and carbon — managing the risks

ExxonMobil's long-range annual forecast, *The Outlook for Energy*, examines energy supply and demand trends for approximately 100 countries, 15 demand sectors and 20 different energy types. The *Outlook* forms the foundation for the company's business strategies and helps guide our investment decisions. In response to projected increases in global fuel and electricity demand, our 2016 *Outlook* estimates that global energy-related CO<sub>2</sub> emissions will peak around 2030 and then begin to decline. A host of trends contribute to this downturn — including slowing population growth, maturing economies and a shift to cleaner fuels like natural gas and renewables — some voluntary and some the result of policy.

ExxonMobil addresses the potential for future climate change policy, including the potential for restrictions on emissions, by estimating a proxy cost of carbon. This cost, which in some geographies may approach \$80 per ton by 2040, has been included in our *Outlook* for several years. This approach seeks to reflect potential policies governments may employ related to the exploration, development, production, transportation or use of carbon-based fuels. We believe our view on the

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

Billion metric tons



<sup>4</sup>The Organization for Economic Cooperation and Development. Refer to the Organization for Economic Cooperation and Development website ([oecd.org](http://oecd.org)) for a listing of its members.

potential for future policy action is realistic and by no means represents a “business-as-usual” case. We require all of our business lines to include, where appropriate, an estimate of greenhouse gas-related emissions costs in their economics when seeking funding for capital investments.

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

## Developing solutions that reduce greenhouse gas emissions for customers

Over the next few decades, population and income growth — and an unprecedented expansion of the global middle class — are expected to create new demands for energy. Meeting these demands will not just require more energy, but will also require energy to be used more efficiently across all sectors.

While ExxonMobil strives to improve efficiency throughout our own operations, we are also delivering solutions that enable our customers to reduce their own emissions and improve their own energy efficiency as well as increase reliability, performance and longevity of the associated products. These solutions can be characterized as:

- Expanding the supply of cleaner-burning natural gas to reduce emissions in power generation;
- Developing premium, high-efficiency fuels and lubricants; and
- Creating innovative chemical materials that can be applied in a range of consumer products.

### Cleaner-burning natural gas

One of the greatest opportunities for society to reduce greenhouse gas emissions is through the use of natural gas in power generation. Natural gas is a flexible, abundant and low-emissions fuel that is available across the globe. On a life cycle basis, from extraction through electricity consumption, using natural gas emits up to 60 percent fewer greenhouse gas emissions than coal. It is also the ideal partner for intermittent renewable energy sources, such as solar or wind, as it can provide reliable power when these renewable sources are not available. As the world moves toward a lower greenhouse gas emissions-intensive energy mix over the coming decades, natural gas will be one of the most important fuels to enable reductions in greenhouse gas emissions.



XTO Energy operations in the Marcellus Shale region of eastern United States.

In 2015, the Center for Liquefied Natural Gas released a technical study that compares the differences between life cycle greenhouse gas emissions from power generation fueled by U.S.-exported LNG versus that of coal in Germany, Japan, South Korea, China and India. The study analyzed emissions during each stage of the LNG life cycle process — from wellhead to power generation — and found that life cycle greenhouse gas emissions from coal were about twice as high as emissions from U.S.-produced LNG in these markets, which demonstrates the long-term potential benefits of LNG use in these markets.

### LNG and coal life cycle assessment of greenhouse gas emissions

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

Advances in technology have made it economically viable to ship natural gas all over the world, making it a truly

global resource. By converting natural gas into LNG, it can be delivered via tanker from distant production areas to intended markets. Given its flexibility, environmental benefits and large resource base, LNG is a natural choice to help meet the world's growing energy needs. ExxonMobil's experience spans across the entire LNG value chain, including Upstream development, pipelines, liquefaction plants, shipping and regasification terminals. Our ability to successfully link these complex elements distinguishes us from our competitors and enables us to provide a reliable gas supply to buyers and end users.

### Premium fuels and lubricants

ExxonMobil produces fuels and lubricants that deliver higher vehicle efficiency and lower emissions. In addition, we continue working on research and development of new fuels and lubricants. Our extensive family of high-performance lubricants includes synthetic lubricants that have sustainable customer benefits, such as longer drain intervals than conventional mineral oils, meaning they can be replaced with less frequency, therefore reducing the volume of used oil for disposal or recycle. In addition, extending lubrication service intervals increases efficiency

and lowers maintenance costs while reducing potential risks from worker and machine interactions. There are also specific application advantages for these products, including in wind turbine applications where machinery is several hundreds of feet in the air and exposed to weather. Mobil lubricants are used in more than 40,000 wind turbines worldwide.

### Innovative chemical materials

Materials developed by ExxonMobil provide manufacturers with quantifiable benefits in a multitude of consumer applications. These materials include resilient, lightweight plastics

that are used by automotive manufacturers to reduce vehicle weight and deliver greater efficiency for drivers. We have also developed advanced tire technologies that help maintain optimal tire pressure, improve rolling resistance and aid fuel efficiency, as around 25 percent of vehicle tires in the United States are underinflated. By addressing this issue, drivers could collectively save up to 1 billion gallons of gasoline per year.

Additionally, our next-generation plastic packaging reduces total product weight and allows more products per shipment, fewer trucks on the road, less gasoline and energy used, fewer greenhouse gas emissions and ultimately less material to be

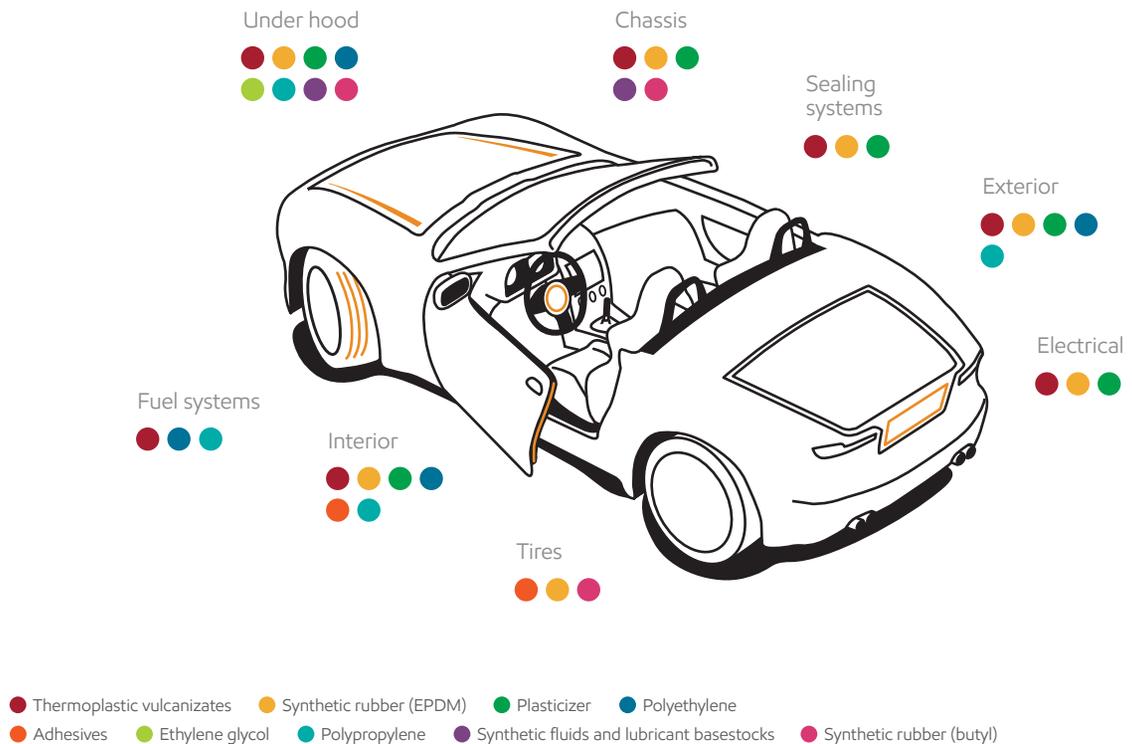
reused, recovered or recycled. ExxonMobil plastic products also contribute to safety within the food industry. Plastic packaging is lightweight, durable and flexible, which makes it ideal for preserving food. According to the Food and Agriculture Organization of the United Nations, one-third of the food produced in the world goes to waste each year. Plastic packaging can help reduce spoilage, increase access to food and improve food safety for consumers around the world.



Hanna Jokinen, an ExxonMobil lab chemist, studies the characteristics of a lubricant sample.

## Solutions in the automotive industry

Halobutyl and EPDM rubbers are used to make automotive products, such as tire innerliners, window and door seals, fan belts and radiator hoses.





ExxonMobil's Arkutun-Dagi topside offshore Sakhalin Island, Russia.

## Up Close: Engineering resiliency into our operations

ExxonMobil operates facilities in a wide range of challenging physical environments across the globe, and has done so for many decades. Our extensive design, construction and operating experience provides us great familiarity with the risks associated with different physical environments. The company is aware of the risks posed by extreme weather events and recognizes the risks that climate change could potentially introduce for facilities exposed to changes in extreme weather events over the life of an investment.

When considering weather-related risks, we evaluate the type and location of our current and planned facilities. As an example, offshore facilities could be impacted by changes in wave and wind intensity as well as by ice flow patterns, while onshore facilities could be vulnerable to sea level rise and changes in storm surge. In the Arctic, long-term changes in ice and permafrost could impact the design of structural foundations.

Our facilities are designed, constructed and operated to withstand a variety of extreme climatic and other conditions, with safety factors built in to cover a number of engineering uncertainties, including those associated with wave, wind and current intensity, marine ice flow patterns, permafrost stability, storm surge magnitude, temperature extremes, extreme rainfall events and earthquakes. Our consideration of changing weather conditions and inclusion of safety factors in design cover the engineering uncertainties that climate change and other events may potentially introduce.

After construction of a facility, we monitor and manage ongoing facility integrity, for example through periodic checks on key aspects of the structures. In addition, we regularly participate with major engineering societies and industry groups to assess and update engineering standards to manage the risks of extreme weather.

Once facilities are in operation, the risks of extreme weather are also addressed by disaster preparedness and response and business continuity planning. Detailed, well-practiced and continuously improved emergency response plans tailored to each facility help ExxonMobil prepare for extreme weather events. Regular emergency drills are practiced in partnership with appropriate government agencies to help ensure readiness and minimize the impacts of such events.

While most scientists agree climate change could pose risks related to extreme weather, sea level rise, temperature extremes and precipitation changes, the limited scientific understanding of the likelihood, magnitude, frequency and geographic distribution of these events poses a challenge in facility planning. ExxonMobil's comprehensive approach and established systems enable us to manage a wide variety of possible outcomes over the coming decades.

# Case Study

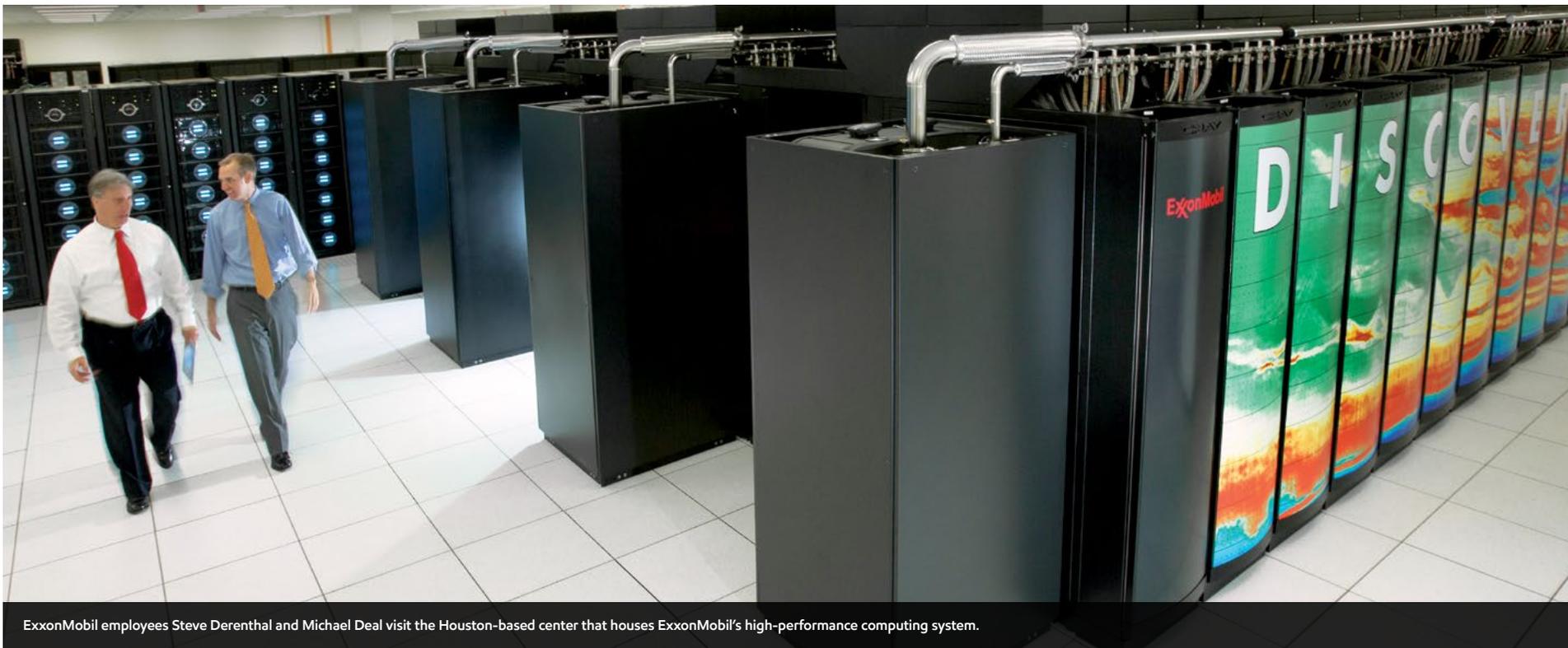
## ExxonMobil's research and development initiatives

Upstream researchers in our hydrocarbon systems analytical geochemistry laboratory perform gas chromatography and mass spectrometry measurements on hydrocarbon samples. We seek to develop breakthrough technologies that can benefit our business and have a positive impact on society.

We believe human ingenuity and innovation are critical to supplying the fuels and products that consumers need in a manner that is safe for our employees, communities and the environment. To support this, ExxonMobil is founded on a culture of science and technology. We employ more than 2,200 Ph.D. scientists and 5,000 employees at our research and technology divisions around the world.

Each year, we invest around \$1 billion on corporate research and development efforts. Our goal is to develop breakthrough technologies that can benefit our business and have a positive impact on society and the environment.

We are also collaborating with leading universities to research and discover next-generation energy solutions. We are proud



ExxonMobil employees Steve Derenthal and Michael Deal visit the Houston-based center that houses ExxonMobil's high-performance computing system.

to say that as a result of these and other such research and development initiatives, ExxonMobil was named one of the "Top Global 100 Innovators" by Thomson Reuters in 2015 for our leadership performance in overall patent volume, patent-grant success rates, global reach and invention influence.

Our scientists and engineers are presently working to develop technologies designed to produce energy in an increasingly safe, economical and environmentally responsible manner. Two examples are full wavefield inversion and advanced drilling technologies, both of which are enabled by high-performance computing. A supercomputer is a high-performance computer that executes at or near the current maximum operational rate for computers. Supercomputers play an important role in the field of computational science and are used in various fields, including quantum mechanics, climate research and oil and gas exploration. ExxonMobil uses high-performance

computing to find and develop the most challenging resource opportunities in the world.

With advanced algorithms and high-performance computing, we are able to process extremely large volumes of data from multiple sources to identify key trends and relationships to determine which decisions will yield the most positive outcome. By leveraging our computational sciences expertise to combine software, engineering and geoscience skills, we are able to deliver the advanced technical capabilities needed to execute technical computations on an unprecedented scale to analyze models, perform simulations and assess opportunities.

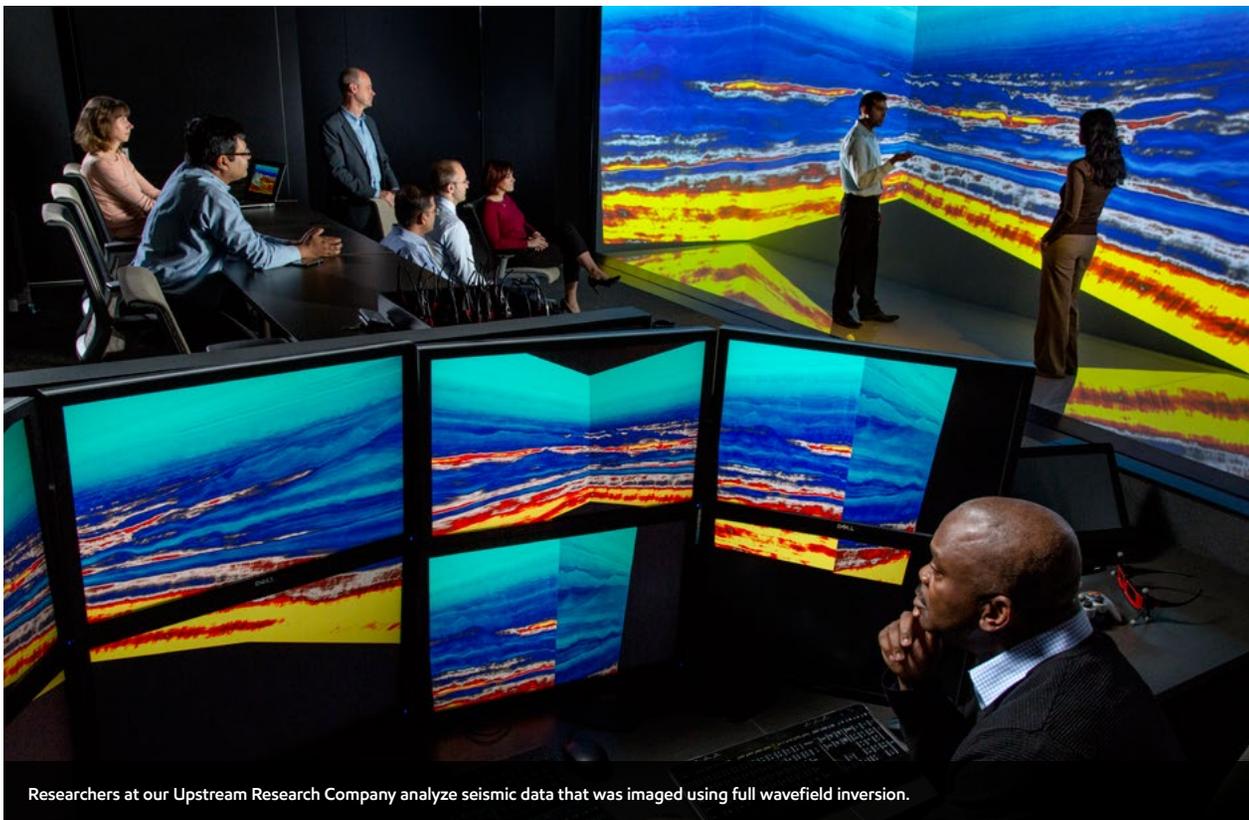
#### Full wavefield inversion

Full wavefield inversion (FWI), a key component of ExxonMobil's EMprise seismic capability, uses supercomputing technology to provide geoscientists unparalleled insights into the

physical characteristics of rocks and geologic structures in the subsurface. In the past, the oil and gas industry could only utilize a portion of the sound wave data in 3-D seismic processing technology because processing techniques could not handle the complexity and quantity of data.

FWI enables us to better leverage data from a seismic survey to produce high-definition images of the subsurface that could make development and production more efficient and less costly. In doing so, we can help make oil and gas resources easier to identify and target in exploration, development and production programs, which ultimately helps us reduce our impact on the environment. Specifically, FWI enables us to evaluate data with more certainty — and in a time frame that is practical for business applications — whether or not the rock that is surveyed has potential to contain hydrocarbons.

 Full wavefield inversion technology animation



Researchers at our Upstream Research Company analyze seismic data that was imaged using full wavefield inversion.

### Advanced drilling

Advances in technologies used for well drilling and completion have enabled the energy industry to reach new sources of oil and natural gas to meet rising demand around the world. Recent innovations in advanced drilling technology, such as ExxonMobil's proprietary Vybs software, are helping bring about new efficiencies and environmental benefits.

Vybs is the latest breakthrough technology used to overcome factors that limit drilling efficiency. In an effort to improve efficiency, Vybs uses sophisticated algorithms to understand and harness the vibrations at the end of a drill string. Vybs uses kinetic energy from the drill string, thus reducing the amount of energy needed from the rig to penetrate the subsurface. Improving drilling efficiency means wells can be drilled faster, which reduces costs and the amount of time spent with a drill rig on location.

In addition to helping reduce the costs associated with drilling, this technology also helps reduce the environmental impact of energy production and safeguard our employees and contractors by allowing more oil and gas to be produced with fewer wells and by reducing our well pad size.

### Partnerships with leading universities

ExxonMobil is partnering with approximately 80 universities around the world to explore next-generation energy technologies. We recently began collaborations with Princeton University and Massachusetts Institute of Technology (MIT) as part of our commitment to finding meaningful and scalable solutions to meet global energy demand.

In October 2014, ExxonMobil became a founding member of the MIT Energy Initiative, a unique collaboration that aims to advance and explore the future of energy by focusing on

new energy sources and more efficient uses of conventional energy resources. Since launching the collaboration with MIT, the joint research program has made inroads into several areas, including bio-inspired catalysts for the petrochemical industry and computational modeling to better understand the properties of iron and iron-based alloys used in pipelines. The program has also enabled ExxonMobil to expand research efforts to emerging areas like photovoltaic and nuclear power, as well as enhance our understanding of energy options and the interactions between them.

In 2015, ExxonMobil entered a five-year partnership with E-ffiliates, a program administered by Princeton University, to pursue transformational innovations in the fields of energy and environment. E-ffiliates has already started working with research groups across the university, including selected graduate students and post-doctoral researchers. The partnership will help accelerate research by creating an umbrella framework that makes it easy for any business unit of Exxon Mobil Corporation to undertake research projects with any department or lab at Princeton.

**“Meeting the world’s energy needs in a sustainable way is a formidable challenge. Developing economically viable solutions requires the collaborative efforts of industry, government and academia. We are delighted that ExxonMobil is joining E-ffiliates, broadening the vibrant collaboration between Princeton and leading industry partners in the energy and environmental sectors.”**

**Pablo DeBenedetti**

Dean of research, Princeton University

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## Environmental performance

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**XTO Energy drilling operations in Belmont County, Ohio.** ExxonMobil employs structured management processes across an asset's life cycle to ensure we effectively identify and understand the actual and potential impacts of our activities.



ExxonMobil is committed to operating in an environmentally responsible manner while providing the energy needed to power the world's progress. ExxonMobil's *Corporate Environment Policy* and *Protect Tomorrow. Today.* expectations serve as the foundation 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 operate.

## Environmental management

*Protect Tomorrow. Today.* is a set of corporate-wide environmental performance expectations. These expectations build upon the existing *Corporate Environment Policy*, which is incorporated in ExxonMobil's *Standards of Business Conduct*, and based on the following principles:

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

### *Standards of Business Conduct*

For more than 10 years, *Protect Tomorrow. Today.* has guided us toward our goal of superior environmental performance. Our employees demonstrate their dedication to this goal every day by helping the organization achieve environmental leadership, caring about the communities where we work and sharing our lessons learned with industry and our stakeholders for the benefit of all.

As we manage our operations, we must understand the impact of our business on the environment, adhere to a consistent risk management approach and maintain a relentless focus on operational excellence. Our *Operations Integrity Management System* (OIMS) drives our approach to environmental management.

OIMS defines a set of expectations that align our environmental objectives with our business activities and provides a framework to identify and manage environmental risks. For additional information on how OIMS guides ExxonMobil's approach to environmental management, see page 15.

ExxonMobil's projects and operations are set in a diverse range of environments that present a variety of environmental, social and health risks and opportunities. We employ structured management processes across an asset's life cycle to ensure we effectively identify and understand the actual and potential impacts of our activities.

Our *Environmental Aspects Assessment* (EAA) process allows us to systematically identify, assess, manage and monitor environmental and social risks throughout the life cycle of our assets. *Environmental Business Planning* is undertaken to plan, oversee and steward environmental performance. New developments are typically subject to an *Environmental, Socioeconomic and Health Impact Assessment* (ESHIA) process. *Environmental, Socioeconomic and Health Management Plans* (ESHMP) are then prepared to "operationalize" ESHIAs by defining the set of measures that will be employed during development and operations to avoid environmental and social risks, reduce them to acceptable levels or remedy the impact.

We integrate stakeholder feedback, scientific understanding and other due diligence into these processes to ensure we operate in a safe, respectful and environmentally protective manner. ExxonMobil has undertaken or participated in ESHIAs or EAAs for a wide variety of projects and activities around the world, including projects ranging from single-well exploration drilling programs to new technology evaluation pilots and large development mega-projects.

## Biodiversity and ecosystem services

As part of the expectations of *Protect Tomorrow. Today.*, ExxonMobil strives to be a leader in safeguarding the ability of the environment to provide ecosystem services — the direct and indirect benefits people obtain from the environment, such as food, water, shelter, clean air and cultural identity. Our approach to managing biodiversity and ecosystem services recognizes factors such as the rarity of individual species, their roles in different ecosystems and habitats, their vulnerabilities and their cultural significance. For our major projects, biodiversity and ecosystem services are taken into account during our environmental risk management processes.

### *Environmental Aspects Guide*



## Up Close: Protecting the biodiversity of Bioko Island

Bioko Island, located 20 miles off the Gulf of Guinea coast in West Africa, is one of the most biologically diverse places on earth, with critical habitat for seven species of endangered monkeys and four species of nesting sea turtles. For nearly 20 years, the ExxonMobil Foundation has supported the Bioko Island Biodiversity Protection Program (BBPP) in Equatorial Guinea, in association with Drexel University and the National University of Equatorial Guinea, to conserve the island's biodiversity through educational and research programs as well as conservation activities.

Since 2008, the ExxonMobil Foundation has provided core funding for the Moka Wildlife Center, the country's first and only biological field station. Here, BBPP hosts educational programs designed to illustrate the value of biodiversity and to foster an environmental ethic in local children. To build upon this initiative, we sponsored the construction of an interpretative nature trail in 2015.

The trail runs adjacent to the BBPP Moka Wildlife Center and allows visitors to observe the local fauna and flora up close. The trail is also marked with signs that display various facts about the biodiversity in the area. In addition to providing information on the various plants and animals, the signs explain their use or importance to the local community. Local children in Moka and other nearby villages can visit the center, walk the trail and learn more about the importance of preserving the biodiversity of Bioko Island.

**"The ExxonMobil-BBPP relationship is an internationally recognized model of successful corporate, government and international education cooperative activities. This two-decade relationship built a solid foundation for saving the biodiversity of Bioko Island, for providing sustainable livelihoods for Equatoguineans who depend on the nation's rich natural resources for survival and for improving the international profile of Equatorial Guinea."**



**Dr. Mary Katherine Gonder**

Director, Bioko Biodiversity Protection Program



Protecting the biodiversity in Equatorial Guinea



Local children reading a book series developed by BBPP learn about the importance of biodiversity in their lives and for their nation.

### Protecting biodiversity

We plan our activities based on a scientific understanding of the biodiversity in our areas of operation. As part of our commitment to operating in an environmentally responsible manner, we conduct research and support initiatives to help improve biodiversity management. In 2015, we contributed approximately \$4 million to organizations focused on biodiversity protection and land conservation.

For many years, we have sponsored research efforts to study the effects of sound on marine mammals to avoid potentially adverse impacts of our operations. In 2015, Exxon Neftegas Limited, an ExxonMobil subsidiary in Russia, conducted a seismic program covering all three Sakhalin-1 offshore license areas. Throughout the design and implementation of the program, being protective of the western gray whale — a species classified as critically endangered by the International Union for Conservation of Nature (IUCN) — was very important. Our detailed monitoring and mitigation strategy

was based on 17 years of research on these animals and their habitat and the best practices developed and enhanced during previous seismic operations, as well as knowledge of the timing and behaviors of whales in the area.

We also support research aimed at improving our management of biodiversity. For example, ExxonMobil's Upstream Research Company is investigating the application of environmental genomics in biodiversity assessment and monitoring. Advances in DNA technologies have enabled the rapid characterization of the biodiversity of environmental samples. This has the potential to improve our ability to manage environmental risks by significantly reducing the time required for environmental surveys and analyses compared with conventional methods.

### Working in protected areas

ExxonMobil manages elevated biodiversity or species risks by examining the environmental context of the areas where we operate and ensuring adequate protective measures are

developed and implemented. We periodically screen the locations of our major operating facilities against databases of the IUCN and World Protected Areas. In 2015, an estimated 25 percent of our major operating facilities were within 5 kilometers of designated environmentally sensitive areas. These data inform our emergency response contingency plans and environmental impact surveys by helping prioritize areas needing special protection.

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

In 2010, the Cold Lake operations of our Canadian affiliate, Imperial Oil, became the first oil and gas operator in Canada to be certified by the WHC. This site was re-certified in 2015, demonstrating our continued commitment to conservation excellence.

By the end of 2015, we actively managed approximately 7,100 acres of land for the benefit of wildlife, which includes assessing habitats, developing plans to enhance or sustain wildlife, implementing the plans and monitoring the status at 16 of our sites through 18 certified programs. Over the past year, there has been a reduction in the number of wildlife habitat programs and acreage certified through WHC. This change reflects the consolidation of sites to our Houston campus and the sale or disposition of previously owned sites. It is our hope that the new owners will continue management of the properties for wildlife habitat valuable to those communities. During the site consolidation process, our employees turned their efforts toward certification of the Houston campus property, achieved in 2014, and continue to seek opportunities at other locations for enhancing wildlife habitat and providing environmental education to local communities.



Rocky Mountain College wildlife biology students and members of the Billings Senior High School STEM Society engage in habitat research at ExxonMobil's Billings refinery's wildlife habitat area in Montana.

One of the recent highlights related to our long-term association with WHC is at our Billings refinery. The 110-acre WHC-certified wildlife habitat at our Billings refinery has served as a learning lab since 2002 for Rocky Mountain College and, starting in 2015, Billings Senior High School. The refinery's conservation efforts have earned international recognition by the WHC and the habitat program has received WHC certification for a decade. In 2015, the site achieved WHC CLL certification, allowing the refinery to more fully use the habitat area for education purposes, especially field research. The students from Rocky Mountain College and Billings Senior High School are making good use of the opportunity and have recently collaborated to install nets for a fishery and turtle survey in an effort to enhance their environmental curricula.

## Water management

Water and energy are interrelated. Water is essential for providing energy and energy is needed to deliver clean water to people. This connection, or nexus, between energy and water highlights the importance of these resources for society and the environment. As such, we work to prevent adverse impacts to water resources from our withdrawals and discharges and prudently manage the water we do use.

ExxonMobil develops and implements water management strategies, most notably at the local level, that take into consideration quality and availability, as well as potential trade-offs, such as varied operational efficiencies, increased energy use or the consequences of producing more concentrated waste streams. For more information about how ExxonMobil manages water, visit our website.

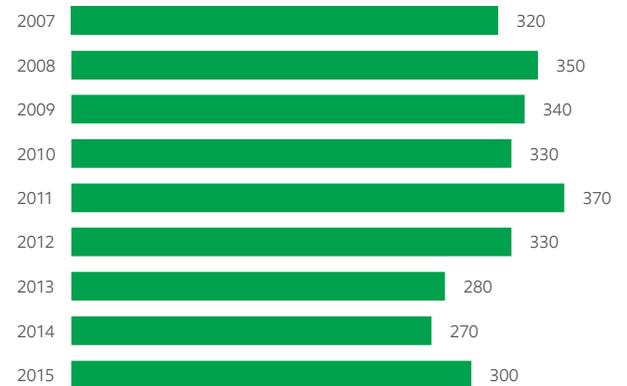
 ExxonMobil's approach to water use

### Water use

In 2015, the net freshwater consumption at our operations was 300 million cubic meters, representing more than a 5 percent decline since 2007, in part due to the development and implementation of local water management strategies. ExxonMobil's total freshwater consumption includes use by refineries and chemical plants, oil and gas production, and onshore shale resources development in the United States.

## Global freshwater consumption<sup>1</sup>

Millions of cubic meters



*ExxonMobil's global freshwater consumption in 2015 was 300 million cubic meters. This represents a 30 million cubic meter increase when compared to our 2014 global freshwater consumption. Since 2012, we have actively maintained our freshwater consumption below our 2011 performance.*

<sup>1</sup>We report freshwater intensity alongside consumption data in our performance data (pages 90-92). Freshwater intensity is the ratio of net freshwater consumption to the amount of throughput or production. Normalized in this way, we can better understand how efficiently we are using freshwater in our operations. Data collection began in 2007. Includes XTO Energy data beginning in 2011.

We recognize that some of our operations use significant amounts of water, and we understand the necessity to engage with stakeholders regarding their concerns about the use and protection of local water resources. For example, the amount of water needed to hydraulically fracture a typical shale gas well ranges from 3 million to 4 million gallons. However, it is important to put this quantity into perspective. For example, the World Resources Institute found that the average golf course in the United States uses 4 million gallons of water in less than one summer month. In fact, hydraulic fracturing operations account for less than 5 percent of our total water consumption. For more information on our water consumption, see the performance graph above.

As illustrated on the right, the amount of the freshwater needed to produce an identical unit of energy from natural gas is less than for a variety of other energy sources, including hydroelectric power and ethanol. According to a recent study by the U.S. Department of Energy's National Energy Technology Laboratory, shale gas production uses about 10 times less water than is used for coal production, and 1,000 times less water than is used for fuel ethanol or biodiesel production. Even so, we continue to look for opportunities to reduce our water use.

ExxonMobil seeks to continuously improve the development and implementation of water management strategies. Part of this effort involves improving our understanding of not only the quantity of our water consumption, but also when and where this consumption occurs. In 2015, ExxonMobil collaborated with ETH Zurich, one of the leading international universities for technology and the natural sciences, to co-author a peer-reviewed paper on improving the capability to assess water stress indices. The purpose of the paper was to explain the impacts of freshwater consumption in life cycle assessments (LCA) of comparative energy sources. In particular, the paper highlights the importance of regional and seasonal variations when considering water stress as part of an LCA.

 American Chemical Society water stress index paper

Based on our analysis using the latest version of the oil and gas industry global water tool, almost 40 percent of our major operating sites are located in areas identified with the potential for water stress or scarcity. Where appropriate, we conduct a detailed local analysis of specific water use-related risks and develop site-specific management strategies such as the deployment of water conservation technologies, the use of alternative freshwater sources, recycling of municipal and industrial wastewater and harvesting of rainwater.

For example, conventional methods of dust suppression can require large amounts of freshwater to maintain safe working conditions. By applying a biodegradable dust-control product to the roads at our oil sands operations in Kearn, Canada, we were able to significantly reduce the amount of water required to manage road dust. In 2015 alone, the Kearn oil sands operations saved an estimated 36 million gallons of water.

## How much water is needed to produce one quart of oil-equivalent energy?<sup>2</sup>

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



### Natural gas

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



### Petroleum

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



### Extracted coal

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



### Electric power from coal

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



### Ethanol

One oil-equivalent quart of ethanol requires from six quarts to as much as 1,176 quarts of water (depending on irrigation). This is typical of most biofuels.



### Hydroelectric power

One oil-equivalent quart of hydroelectric power requires from 15 quarts to as much as 5,040 quarts of water because of evaporation and subsurface seepage from reservoirs.



One quart of oil



Ten cyclists in a 10-hour race

OR



A team of 13 horses working one hour

OR



Heating up an 80-gallon water heater to shower temperature

<sup>2</sup>Adapted from the freshwater intensity page at [exxonmobil.com](http://exxonmobil.com).

## Wastewater management

ExxonMobil responsibly manages process wastewater and produced water from our operations, and we proactively look for opportunities to address any potential water quality issues. For our Upstream projects, our *Water Management Standard* outlines minimum expected environmental performance and mitigation measures. This *Standard* establishes the planning and design basis for reducing impacts to surface waters, groundwaters, estuarine and marine waters as well as to the associated habitats and users, from a use or consumption viewpoint as well as with regard to discharge quality.

Produced water, a byproduct of upstream oil and gas operations, is typically managed onshore by injection into deep underground reservoirs. For offshore production facilities, produced water is managed by re-injection into an associated reservoir or treatment and discharge into the marine environment in accordance with applicable regulatory requirements. From 2014 to 2015, ExxonMobil conducted a series of sampling and modeling initiatives in Australia to evaluate how produced water discharges might interact with the local marine environment. The results showed the amount by which the concentration of discharge constituents vary day-to-day and the way discharges mix in the sea with the surrounding currents. These factors are critical to understanding the overall environmental impacts of the discharges. The study will continue in 2016.

## Seismicity

The topic of induced seismicity has gained more attention over the past few years. In some instances, due to unique geologic conditions, oil and gas operations may trigger seismic activity. Such operations may include reservoir depletion, wastewater disposal injection and in rare situations, hydraulic fracturing. We recognize the issue of oil and gas operations inducing seismicity is a matter of public concern. No matter the cause — natural or human induced — local communities have concerns about seismic activity in their area.

We support risk management and mitigation approaches that consider various mitigation methods for the relative risks in a given context, including the assessment of factors such as fluid volumes, formation character, tectonic setting, operating experience and local construction standards. For example, at XTO Energy, we follow a disciplined injection well siting protocol, which uses available data, including federal, state or internal seismic information, to conduct a risk assessment prior to siting a disposal well. Some government agencies mitigate seismicity risk during development with operational “traffic light” systems.

We believe it is important to gain a better understanding of all types and sources of seismic activity. By supporting research at universities, cooperating with governmental agencies and conducting our own research, we are contributing to developing a better understanding of seismicity. We believe having a science-based risk management approach is an essential foundation for evaluating events and avoiding adverse effects of seismicity. In addition, ExxonMobil has been strengthening our risk management systems related to this challenge and proactively sharing our findings with local communities, academia and regulators.

In 2015, ExxonMobil provided technical leadership to *States First* — a multi-state initiative aimed at facilitating innovative regulatory solutions for oil and natural gas producing states — for its induced seismicity working group’s primer on potential injection-induced seismicity associated with oil and gas development. Specifically, the primer provides guidance on evaluating risks associated with induced seismicity from wastewater disposal wells and helps regulatory agencies develop strategies for managing and mitigating risks. Research findings for the primer indicate that risk management, risk mitigation and response strategies are most effective when specific local geologic conditions and operational situations are considered. Accordingly, the primer does not recommend specific policies, emphasizing that a one-size fits all regulatory scheme would not be flexible enough to account for area-specific risks and concerns.

**“State agencies are on the forefront of oil and gas regulation and are diligently working to address the safety and environmental issues surrounding modern energy development. Knowing how to best mitigate and manage the risk of induced seismic events requires multidisciplinary scientific understanding that often reaches beyond the domain expertise of any individual state agency or regulatory body. ExxonMobil’s technical leadership alongside the contributions of academia, environmental stakeholders and regulators provides a valuable contribution in helping States First develop a guide for regulators that is grounded in the best available science.”**



**Mike Paque**

Executive director,  
Groundwater Protection Council

 *Potential injection-induced seismicity associated with oil and gas development: A primer on technical and regulatory considerations informing risk management and mitigation*

## Spill performance

We implement preventive measures to avoid spills and continually seek to improve our risk management, operations integrity and containment capabilities. As a result of these efforts, we had fewer spills in 2015 compared with 2014. Over the past five years, we have reduced the number of spills greater than 1 barrel by more than 30 percent.

If a spill does occur, we ensure a rapid, comprehensive response. The total volume of hydrocarbons spilled to soil and water was 10,800 barrels in 2015, and more than 55 percent was recovered at the spill sites. The majority of these spills did not affect third parties or the communities that surround our assets. In 2012, we started measuring significant spills to the environment (SSEs) across the corporation. SSEs are a subset of our overall spills, which we define as spills that have impacted or have the potential to impact surface water, groundwater, sensitive environments or communities.

We had 11 SSEs in 2015, which represented approximately three percent of the total number of spills. Our largest SSE occurred when 10 U.S.-Midcontinent production facility tank releases occurred during a flooding event related to a tropical



Claire Madden, ExxonMobil manager of lubricants sales process and operations, celebrates at the christening ceremony for the *Eagle Bay* in Philadelphia, Pennsylvania.

## Significant spills to the environment

Number of spills of any fluid type that warrant greater focus



*In 2012, ExxonMobil began measuring significant spills to the environment (SSEs), the number of spills of any fluid type that warrant greater focus. In 2015, we had 11 SSEs, more than a 40 percent decrease from 2014.*

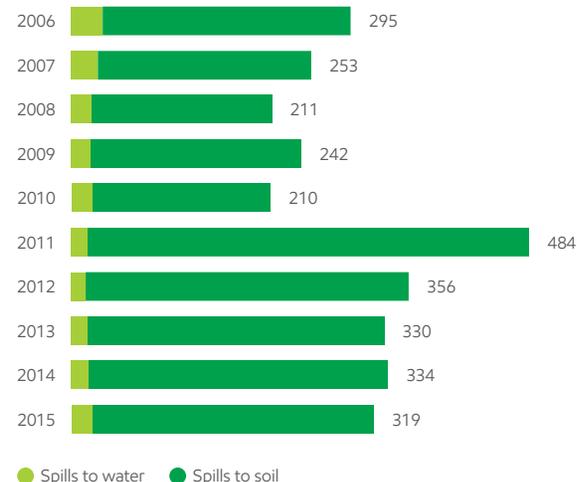
storm. Other SSEs that occurred were related to valve and flow line failures during normal operations. The findings from our SSEs have prompted further preventive work on facility integrity and reliability upgrades, as well as addressing human factor causal elements. We are increasing focus on learning from these spills to prevent their recurrence.

ExxonMobil recognizes the potential risk for spills from marine vessels and we take a diligent approach to safe and environmentally responsible marine transportation. The worldwide marine business of ExxonMobil's affiliates, which involves about 500 vessels in daily service, logged more than 21,500 voyages and 47,000 port calls in 2015, safely transporting approximately 1.5 billion barrels of crude oil and refined products. This year, ExxonMobil's marine affiliate, SeaRiver Maritime Inc., placed the *Eagle Bay*, the second of its two new U.S. crude oil tankers, into service transporting crude oil from Alaska's North Slope. This vessel incorporates the latest safety technologies and greatly reduces air emissions, which earned it the **2015 Green Ship Award** from the **Port of Long Beach**. For additional information on our efforts to reduce air emissions in our operations, see page 53.

In addition to marine transportation, ExxonMobil Pipeline Company transports approximately 2.6 million barrels of petroleum and chemical feedstocks and products through approximately 5,000 miles of active pipelines operated in the United States every day. We are committed to pipeline safety and carefully maintain and monitor our infrastructure to identify and prevent corrosion, third-party damage or illegal intrusions

## Spills (not from marine vessels)<sup>3</sup>

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



*In 2015, we had 319 oil, chemical and drilling fluid spills greater than 1 barrel (not from marine vessels), the majority of which were spills to soil. This number has decreased significantly over the past five years due to our relentless approach to operations integrity.*

<sup>3</sup>Includes XTO Energy data beginning in 2011.

onto our rights of way. We patrol our pipeline routes and monitor pipeline operations using state-of-the-art systems, alarms and other monitoring technologies. For more information on how we are managing products transported by rail, see page 22.

### Offshore oil spill response

As part of ExxonMobil's commitment to maintaining operational excellence everywhere we work, we have developed specialized offshore spill response capabilities and tactics. We have the industry's only dedicated, in-house oil spill response research program, which includes a focus on cold water and remote locations, such as the Arctic.

ExxonMobil has participated in and provided technical leadership to several joint industry projects to enhance industry offshore spill response capability. These initiatives include the



A worker descends an equipment access walkway onboard a Marine Well Containment Company vessel in the Gulf of Mexico.

American Petroleum Institute (API) joint industry task force, the International Association of Oil and Gas Producers (IOGP) Arctic oil spill response technology joint industry program, an IOGP and IPIECA joint industry project and the API oil sands technical subcommittee. These initiatives allow us to share best practices and learn from our peers. For more information about this topic, visit the following websites:

-  [API joint industry task force](#)
-  [Arctic oil spill response technology](#)
-  [IOGP-IPIECA joint industry project](#)

Additionally, for the past five years, ExxonMobil has been an active member of the Marine Well Containment Company (MWCC), an independent not-for-profit company that provides well containment equipment and technology in the deepwater U.S. Gulf of Mexico. In 2015, we re-entered a pre-existing exploratory well for development in the Gulf of Mexico's Julia oil field after receiving a cap-and-flow permit from the Bureau of Safety and Environmental Enforcement. This permit was awarded based on the enhanced response capability of MWCC capture vessels. MWCC added two modular capture vessels to its inventory in 2015. These vessels, which ExxonMobil took the lead in constructing, are maintained and operated on behalf of the MWCC's 10 member companies.

#### Marine Well Containment Company

We continually identify and develop advanced technologies to manage risks and improve offshore oil spill response. For example, we 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 thicken so that it can be burned in a controlled fashion without using a fire-resistant boom.

## Air emissions

We seek opportunities to reduce the air emissions associated with our operations and the products we deliver to increase shareholder value and meet regulatory requirements. As a result of these efforts, ExxonMobil's combined emissions of volatile organic compounds (VOCs), sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NOx) have decreased more than 45 percent over the past 10 years across all of our businesses.

One example of how we have reduced emissions from our Upstream operations involves Balder, one of ExxonMobil's permanent, floating production vessels stationed offshore Norway. From 2013 to 2015, the vessel's four main power engines were converted to low-NOx systems. The conversion has reduced annual NOx emissions by approximately 21 percent, equal to 290 metric tons of NOx per year. Another example involves our Antwerp refinery in Belgium. In 2015, the refinery began construction of a new tail gas cleanup (TGCU) system to reduce on-site SO<sub>2</sub> emissions by more than 2,300 metric tons per year. The TGCU is expected to be fully operational in 2017.



Balder, one of ExxonMobil's permanent, floating production vessels, stationed in Norway.

## Air emissions

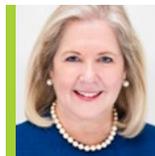
Millions of metric tons



In 2015, the combined SO<sub>2</sub>, NOx and VOC emissions from our operations totaled 0.39 million metric tons, representing a slight decrease from 2014.

In January 2015, the International Maritime Organization reduced the cap on the sulfur content in marine vessel fuels from 1.0 to 0.1 percent by mass for all ships operating in emission control areas (ECA). This action has reshaped the shipping landscape, particularly in Europe and North America, spurring new demand for fuels that help marine operators comply with the cap. In response, we introduced *ExxonMobil Premium Heavy Distillate Marine 50*, an ECA-compliant premium fuel that combines the low sulfur content of lighter marine oils with the lower volatility typically associated with heavy fuel oils.

**“By working collaboratively across the Downstream, ExxonMobil developed a wide and exciting array of solutions to lead the marine industry into this new era.”**



**Nancy Carlson**  
Vice president, aviation and marine

## Environmental compliance

ExxonMobil complies with applicable host-country environmental laws and regulations and applies responsible standards where laws and regulations do not exist. Wherever reasonable, we strive to go beyond compliance to demonstrate leadership in environmental management. One example of this is at our Baton Rouge refinery in Louisiana.

ExxonMobil's Baton Rouge refinery is the third-largest refinery in the United States, occupying 2,100 acres along the Mississippi River. In 2014, we upgraded the biological oxidation (BIOX) wastewater treatment system at the refinery. Our investment included an additional \$10 million to increase denitrification capacity. The new BIOX system became fully operational in January 2015 and has successfully cut effluent nitrate levels by 50 percent. The system has also helped reduce the refinery's overall reportable releases to the environment, including air emissions, water discharges and offsite waste transfers, by 30 percent.

**“This project is good for the environment and the Mississippi River. We're reducing nitrates and also making a small reduction in air emissions. This project will support our facility for decades and ensure our leadership in environmental stewardship.”**



**Irving (Junior) Sanders**  
Refinery senior water advisor, Baton Rouge

Our worldwide environmental expenditures in 2015 totaled approximately \$5.6 billion. This included an estimated \$1.8 billion in capital expenditures and approximately \$3.8 billion in operating expenses. In 2015, 53 penalties, fines and settlements were paid, accounting for less than one-tenth of one percent of total environmental expenditures, or about \$5.5 million.

## Rehabilitation and decommissioning

Effectively decommissioning onshore and offshore assets is essential to reducing our overall environmental impact. When operations reach the end of their useful life, we work to ensure the safe and responsible decommissioning of our assets. To do so, we develop decommissioning plans that utilize proven and cost-effective methods and consider potential risks, costs and benefits.

Since its creation in 2008, ExxonMobil Environmental Services (EMES) — our global functional organization that provides guidance and support on the remediation and stewardship of surplus sites — has managed more than \$5.7 billion of remediation work and returned more than 1,800 properties to beneficial end uses. In 2015 alone, EMES monitored 5,700 active sites in more than 30 countries.

In 2015, we collaborated with the Land Trust Alliance, a national land conservation organization, to create *Establishing Conservation Easements on Corporate Lands: A Guide for Corporations and Land Trusts*. This document will serve as a reference tool for many corporations, including those in the oil and gas industry, when managing land with inherent conservation value warranting permanent protection.

 *Establishing Conservation Easements on Corporate Lands: A Guide for Corporations and Land Trusts*

Whenever possible, we look for opportunities to repurpose former ExxonMobil sites and surplus properties for beneficial use. For example, Harris County, Texas, is home to an inland waterfowl rookery, which serves as a sheltered breeding spot for herons, egrets, spoonbills and other species of coastal water birds. To help protect the rookery, we donated more than five acres of surplus land located adjacent to the rookery for

stewardship by the Armand Bayou Nature Center. The former drill site now serves as a protective buffer to ensure that the rookery and its inhabitants are safe from future development.

### Rehabilitation

We continually seek to enhance our reclamation processes by integrating site remediation plans into life cycle planning for an asset. Before Imperial Oil, an ExxonMobil affiliate in Canada, began construction of the Kearl development, a pre-disturbance assessment was conducted. This assessment helped to document reference conditions for the site's soils and vegetation, which will be used to plan and execute end-of-life site reclamation work. In particular, topsoil was salvaged during the construction phase so that it could be used during reclamation.

Our focus on site rehabilitation leads us toward innovative ways to ensure the land we use is available for environmental and societal benefits in the future. For example, as areas of the Kearl oil sands mine in Canada are no longer needed, we prioritize them for progressive reclamation. Progressive reclamation not only prevents erosion in the short term, but also allows the land to be returned to the local boreal forest ecosystem more quickly. Reclamation planners at Kearl, working closely with local First Nations, aim to achieve a maintenance-free, self-sustaining landscape in the long term, the planning for which takes into account traditional knowledge of the area's wildlife, habitat and biodiversity. As of 2015, cumulative permanent reclamation on the Kearl lease was approximately 242 acres that include terrestrial, wetland and aquatic ecosystems.

ExxonMobil is committed to the responsible, sustainable and consistent stewardship of rehabilitated former operational sites. We support science-based, cost-effective approaches to remediation that utilize consistent criteria and seek to align the interests of a broad array of stakeholders. In 2013, EMES used an organic capping approach to treat marshland and a cove impacted by the Pegasus Pipeline incident. This technique promotes the most effective cleanup with the least environmental disturbance. Some of the affected soil and sediment in the cove was targeted for removal and reactive capping was employed in the open water area using a mixture of sand and clay. This multi-dimensional risk-based approach addresses residual sheening conditions observed in isolated areas in the western part of the cove.



Tricolored heron at the Armand Bayou waterfowl rookery in Harris County, Texas.

## Up Close: Offshore decommissioning in the Gulf of Mexico

The deepwater Gulf of Mexico is one of the largest sources of oil production in the United States and will likely play a key role in meeting rising global energy demand. However, Gulf of Mexico operations present a unique set of technological, environmental and social challenges throughout the life of an asset. ExxonMobil has been safely conducting exploration and production operations in the Gulf of Mexico for more than 60 years. Technological advances have enabled ExxonMobil to produce offshore oil and gas deposits in water depths that seemed unreachable a generation ago.

While ExxonMobil uses a systematic process for decommissioning offshore assets, our site-specific approach varies depending on the type of structure and unique characteristics of a location.

### Decommissioning

Throughout the Upstream asset life cycle — from exploration to decommissioning — care is taken to limit disruptions to local communities and protect the environment. Accordingly, ExxonMobil ensures that decommissioning activities are planned and conducted to appropriately manage risks. For our fixed manufacturing assets, the same care is taken. For example, in 2015, we completed decommissioning a steam cracker at our Fawley refinery in the United Kingdom, the largest demolition project ExxonMobil has carried out in Europe.

As part of the project, ExxonMobil worked to preserve materials that could be reused or recycled for other purposes. In total, we segregated and recycled around 15,000 metric tons of materials, which represented 89 percent of all materials recovered from the demolition site. Ferrous and non-ferrous metals were sold as scrap and the concrete was crushed and reused for land reclamation. Material that was unable to be recycled was disposed of according to local regulations.

In all cases, we evaluate potential strategies based on a number of factors including safety, environmental and social considerations. Certain decommissioning strategies have the potential to provide continued benefits to the environment. Accordingly, we use comparative assessments as well as ecological data to determine the best strategy.

One example of our approach to offshore decommissioning was demonstrated at a deepwater platform site offshore of Louisiana. To help understand the unique ecological environment supported by this offshore platform, ExxonMobil's Upstream Research Company (URC) used remotely operated vehicles (ROV) to complete an ecologically focused deep sea survey. URC partnered with a Gulf of Mexico fisheries expert from Louisiana State University, Dr. Mark Benfield, who assisted in developing new detection methodologies and reviewing the ROV data.

The survey data confirmed that the platform hosts a healthy and diverse biological community, including thriving communities of *Lophelia pertusa*, a deepwater coral species.

Additionally, the project incorporated environmental considerations. For example, some activities were rescheduled to avoid potential impact on nesting birds and annual bird migrations. The Fawley site also features a small population of wild bee orchids and particular care was taken not to damage the orchids during the flowering season.

**"It really is the end of an era. I hope this project can stand as an example to the petrochemical industry of how the demolition of large-scale units can be achieved in a safe and controlled manner."**



**Rob Tarbard**  
Project manager, Fawley demolition

▶ End of an era for a steam cracker at Fawley

*Lophelia pertusa* is an important species because it provides habitat for other invertebrates and fish in a similar manner to shallow water coral reefs. Many other deepwater invertebrates were also identified, including squat lobsters, sea stars, anemones and crabs. A variety of deepwater fish species were also identified on or very near the structure.

**"At this offshore platform site is a large oasis of healthy cold-water coral reef in an otherwise low-diversity, soft-bottom region of the northern Gulf of Mexico. The scientific analysis completed to date supports the opportunity of reefing in place. This overall area available for cold-water corals and their associated fish and invertebrate populations has established an important habitat for large, reproductively important groupers and other deepwater fishes and an opportunity to study the expansion of a cold-water coral reef community. Maintaining this habitat will also help to eliminate a population of invasive orange cup coral and associated Indo-Pacific lionfish."**

**Dr. Mark Benfield**  
Professor, Louisiana State University

Offshore assets present unique and complex decommissioning challenges due to a combination of factors, including the specific marine ecosystem at each site and the size and weight of facilities, as well as the inherent risks of removing such facilities in marine environments. As a result, the planning and preparation for decommissioning some offshore assets can start up to 10 years prior to the actual execution. During the planning phase, we seek to incorporate lessons learned from other decommissioning projects as well as expert advice from interested parties. These parties may include fishing communities, environmental organizations and academia. We believe stakeholder engagement is critical to helping us gain public support for the facility decommissioning recommendations we submit to the government.

In recognition of the unique challenges associated with offshore assets, we created an offshore decommissioning center of expertise (COE) in 2015. This COE is tasked with planning and managing the decommissioning of our offshore assets.

# Case Study

## Technological innovations in Arctic wildlife protection



Our Point Thomson project along the Beaufort Sea coast in Alaska. We have implemented technological advancements to improve our understanding of the tundra, wildlife, aquatic resources and subsistence activities near our operations.

ExxonMobil's Point Thomson project is located on state acreage along the Beaufort Sea coast, 60 miles east of Prudhoe Bay, Alaska. The Point Thomson reservoir holds an estimated 8 trillion cubic feet of natural gas and associated natural gas condensate, a high-quality hydrocarbon similar to diesel. These resources represent about 25 percent of the known natural gas reserves in Alaska's North Slope.

From the outset of the project, ExxonMobil has worked to understand the local physical, biological and social environment.

It is our goal to develop Point Thomson safely and responsibly. We believe that strong safety, security, health, environmental and social performance is integral to the overall success of the project. Throughout the planning, design and construction of



Polar bear sighted near the Point Thomson project.

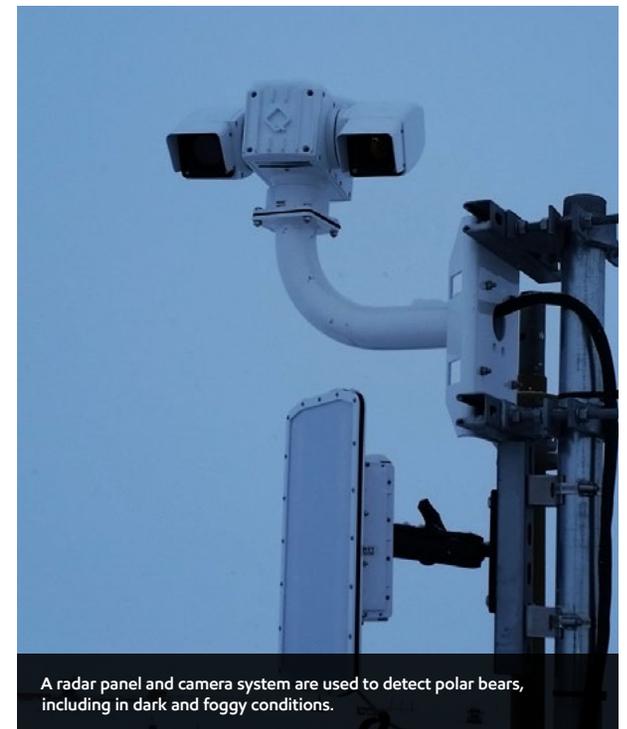
Point Thomson, ExxonMobil has made it a priority to effectively manage environmental impacts. We have implemented comprehensive measures to mitigate potential impacts on tundra, wildlife, aquatic resources and subsistence activities.

As part of the project, care is taken to ensure wildlife and wildlife habitat in the area are protected. We use marine mammal and wildlife protection plans that are recognized by the U.S. Fish and Wildlife Service as a North Slope industry best practice. We continually look for technological advancements to improve our understanding of the wildlife near our operations.

In 2015, we piloted and enhanced a series of emerging technologies in the oil and gas industry, including the use of satellite-based remote sensing technology, ground surveillance radar (GSR) and unmanned aerial systems (UAS) to monitor local wildlife and improve our environmental performance in the vicinity of our Point Thomson project site.

Polar bears, which are a protected species under the Marine Mammal Protection Act and a threatened species under the Endangered Species Act, travel through the Point Thomson area. ExxonMobil has taken several measures to identify and avoid potential contact with polar bears and polar bear dens, including the use of forward-looking infrared cameras to survey surrounding areas. We also provide training to Point Thomson employees and contractors on best practices for avoiding and mitigating interactions with wildlife. Early detection of polar bears helps workers to maintain a safe distance, improves our ability to monitor bear movement and, if necessary, allows us to warn workers to seek safe haven or safely redirect bears away from our facilities in accordance with procedures approved by the U.S. Fish and Wildlife Service.

In April 2015, we upgraded and expanded the use of GSR technology to detect polar bears and other large animals approaching from distances greater than one kilometer. This pilot program combines state-of-the-art radar with pan-tilt-zoom infrared and visual spectrum cameras to provide visual confirmation of objects detected by the radar.



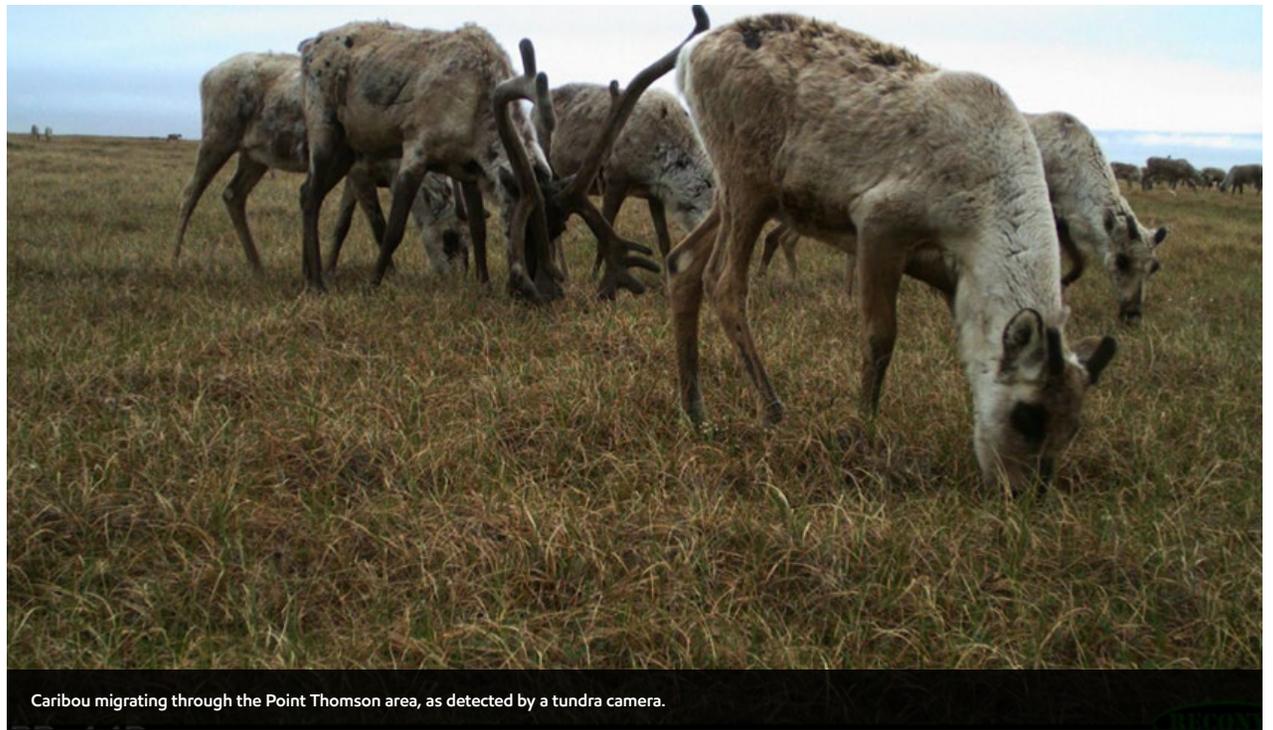
A radar panel and camera system are used to detect polar bears, including in dark and foggy conditions.

The technology put in place at Point Thomson is believed to be one of the most advanced detection and avoidance systems ever deployed in a remote Arctic environment — where both human safety and polar bear protection are vital concerns. We are enhancing the system in 2016 with additional radar panels and cameras to provide greater coverage around the facility.

A core component of ExxonMobil's vision for Point Thomson is to be a good neighbor. We work with the local communities and government authorities in the project area to understand their concerns and avoid conflicts with their lifestyle. Through a comprehensive assessment approach and regular engagement, we are able to identify areas of concern to the local residents, and we have adopted corresponding measures to address these concerns. We also engage with stakeholders in local communities and with government and regulatory agencies to help address biodiversity and sustainability challenges. For example, ExxonMobil participates in meetings and workshops with North Slope Borough officials and residents to develop a deeper understanding of local concerns and priorities.



A worker launching a PrecisionHawk fixed-wing UAS near the Point Thomson project.



Caribou migrating through the Point Thomson area, as detected by a tundra camera.

ExxonMobil monitors caribou in the Point Thomson project area to assess herd migration patterns. Traditional aerial surveys were conducted in June 2013 and June 2014 to count caribou in the project area and document calving locations. Between May and September 2013, we deployed motion-activated cameras to document caribou movements near planned infrastructure, and in 2014, we monitored caribou behavior around constructed facilities.

In response to feedback from North Slope communities about the use of low-flying aircraft in caribou surveys, we tested the capabilities of satellite-based remote sensing techniques to monitor the annual summer caribou migration near our project location in 2015. Following three years of monitoring, the number of caribou moving through the area suggested that the presence of the pipeline did not deter caribou movements.

Using remote sensing technology enabled us to augment aerial surveys and reduce the use of low-flying aircraft for caribou surveys. We used high-resolution imagery collected from three satellite platforms, in coordination with an

aircraft survey and caribou collar GPS data, to determine known caribou locations. Data from all three platforms were evaluated for visual and unique spectral signatures. The preliminary results from this initiative proved promising, and we will continue to test remote sensing and other emerging technologies to further enhance our wildlife monitoring initiatives. To our knowledge, this is the first attempt to use remote sensing methodologies to monitor caribou populations on the North Slope of Alaska.

ExxonMobil also seeks to protect wetlands, streams, lakes and marine waters in the Point Thomson area. For example, we designed roads, bridges and culverts in a manner that maintains natural drainage patterns and stream flows to the extent possible. Additionally, where appropriate, ExxonMobil uses bridges instead of culverts to mitigate potential impacts on fish passage and stream flows. In 2015, our engineers and scientists experimented with two UAS surveys at Point Thomson to evaluate tundra vegetation and water bodies as an alternative to traditional helicopter-based surveys.

The UAS proved to be more accurate and provided superior imagery for photographic monitoring of these important environmental sites. During the same experiment, we evaluated the ability to survey pipelines in the vicinity of our Point Thomson operations.

Point Thomson marks a new era both for ExxonMobil in Alaska and on the North Slope. ExxonMobil's investments will open the eastern North Slope to new development and lead to the prolonged use of the trans-Alaska pipeline system. Throughout the planning, design and construction of the Point Thomson project, ExxonMobil has made it a priority to avoid or reduce environmental and social impacts and their related risks. We have implemented a variety of mitigation measures with a focus on the tundra, wildlife, aquatic resources and subsistence activities to ensure our operations are conducted in a responsible manner.

▶ Unmanned aerial systems pilot at the Point Thomson project

## Community and social impact



Members of ADPP, an ExxonMobil Foundation grant recipient, participating in women's farmer clubs in Angola. ExxonMobil strives to have a positive impact around the world on the individual communities in which we live and operate.

We seek to contribute to the social and economic progress of the local communities where we operate. We believe that maintaining a fundamental respect for human rights, responsibly managing our impacts on communities and making valued social investments are integral to the success and sustainability of our business.

The socioeconomic aspects of our business fall into seven broad categories, as depicted below. While all of these socioeconomic aspects are discussed in this report, in this chapter we focus on the following five topics: human rights; community relations; indigenous peoples; cultural heritage and diversity; and land use and resettlement. For information on transparency and anti-corruption, see the corporate governance chapter beginning on page 81, and for economic development, see the local development and supply chain management chapter beginning on page 74.



## Respecting human rights

ExxonMobil is committed to respecting human rights. Our approach to human rights is consistent with the United Nations (UN) *Guiding Principles on Business and Human Rights*, which outline the distinct, yet complementary, roles of government and business with regard to human rights: the government's duty to protect human rights, and business' responsibility to respect them.

We believe that understanding and addressing the interests of communities where we operate, and the potential impact of our operations on them, is critical to maintaining a sustainable business. ExxonMobil actively engages with stakeholders in local communities and integrates these discussions into decision-making processes to identify any issues or concerns early on in a project. In 2015, we developed a risk assessment tool — as part of our *Environmental, Socioeconomic and Health Impact Assessment (ESHIA)* process — that enhances operational due diligence by strengthening awareness of potential human rights impacts and risks.

ExxonMobil operates in environments where engagement with host governments is needed to support security and respect for human rights in local operations. We have been a member of the *Voluntary Principles on Security and Human Rights* since 2002, and in 2015 we became one of the corporate representatives on the steering committee of the *Voluntary Principles*. Through our role on the steering committee, we work closely with governments, non-governmental organizations (NGOs) and industry to share and promote best practices in security and human rights.

Our *Statement and Framework on Security and Human Rights* includes guidance on working with both host governments and private security personnel in a manner that respects human rights. We also have agreements with private security firms with which we work that contain requirements to uphold human rights. These agreements include expectations for training and compliance with relevant local, UN and other security-related frameworks. In 2015, we updated our *Upstream Operations Integrity Management System (OIMS)* for security to address expectations regarding the *Framework*, including responsibilities for employees and contractors in our Upstream operations. We conduct assessments to verify implementation of the *Framework* as part of our OIMS process.

ExxonMobil complies with all applicable laws and regulations and seeks to work with suppliers and business partners who share our commitment to human rights. For information on detecting, preventing and managing human rights risks in our supply chain, see page 78. Within our own workforce, our commitment to human rights is supported by our *Standards of Business Conduct* and our *Statement on Labor*

and the *Workplace*. Our *Statement* reinforces support for the principles of the International Labor Organization (ILO) *1998 Declaration on Fundamental Principles and Rights at Work*, notably the elimination of child labor, forced labor and workplace discrimination.

## Up Close: Human rights general awareness training

ExxonMobil has conducted human rights training in select regions for many years. We believe our training builds understanding of human rights and awareness of potential impacts. In late 2015, we rolled out a new computer-based human rights training module to further enhance internal awareness of human rights. This training primarily targets employees working in locations with higher potential human rights risks, and it includes information about what human rights entail as well as their relevance to ExxonMobil. As of year-end 2015, more than 1,200 employees in over 40 countries have participated in the training, including personnel working on the development of the Chad-Cameroon pipeline system. This newest training module complements existing training programs that have been underway for several years in security and socioeconomics.

**“The Chad-Cameroon development project involves complex operational, environmental and social issues. We believe a commitment to respect human rights is critical to our license to operate in our producing areas and along the pipeline route. The computer-based training provides our employees with a more in-depth understanding of potential human rights risks, and helps increase awareness of employee responsibilities regarding this issue.”**



**Christian Lenoble**  
General manager, Esso Exploration and Production Chad Inc.

## Managing community engagement

ExxonMobil works in communities all over the world, each with their own unique cultures, needs and sensitivities. We strive to have a positive impact on the individual communities in which we live and operate. We believe proactively managing potential issues, while also enhancing community benefits, is integral to developing long-term, positive relationships.

ExxonMobil believes a consistent approach helps our employees, contractors and partners effectively manage socioeconomic issues. We use our *Upstream Socioeconomic Management Standard* to identify potential socioeconomic impacts and their associated risks early in the Upstream asset life cycle, and then develop and implement appropriate avoidance, reduction, remedy and monitoring measures.

In 2010, ExxonMobil established a socioeconomic management center of expertise (COE) to ensure a systematic approach to a dynamic and evolving arena. The COE utilizes a functional advisory team with various representatives from relevant company business lines, such as procurement, treasurers, land, security, medical and occupational health, and public and government affairs. The advisory team meets semiannually to review and discuss strategy, alignment and direction regarding socioeconomic considerations. The COE also meets with our External Citizenship Advisory Panel annually to review initiatives and gain insights and direction for future efforts.

Further, a socioeconomic management course regarding implementation of the *Upstream Socioeconomic Management Standard* and its elements is held twice a year. This course has provided a forum for more than 100 ExxonMobil employees from 18 countries to collaborate as well as exchange ideas and lessons learned.

We have found that in order to optimize opportunities for creating and enhancing positive socioeconomic effects and to successfully implement appropriate risk management measures, identifying actual and potential impacts early is essential.



The Hebron project under construction in Newfoundland and Labrador, Canada.

### Up Close: The Hebron project in Canada

Located offshore Newfoundland and Labrador, Canada, the Hebron project is estimated to produce more than 700 million barrels of recoverable resources over the next 30 years. The project requires a number of components, including a gravity-based structure (GBS) that stands on the seafloor and supports the topside modules, which contain living quarters and drilling and processing operations. Several of these components are being built at Bull Arm, one of Hebron's main construction sites in Newfoundland and Labrador. Since 2009, a number of programs have evolved from our ongoing community consultation, including construction site tours and ocean education programs.

The project launched a public tour program in 2013, through which more than 2,600 visitors have taken bus tours of the Bull Arm construction site. The tour route includes a view of the camp facilities and two lookout points: one overlooking the former dry dock area and the second overlooking the deepwater site. A dedicated tour facilitator accompanies each group and provides a safety overview, history of the site and an overview of activities to date for both the GBS and topside modules.

Through our consultation with various community groups in Newfoundland and Labrador, we learned of a common desire to increase the public's ocean awareness and education. In response, project personnel worked with local organizations to develop ocean education programs that support science education while reflecting the local community's oceanic culture and economy. Contributions made by the project also facilitated the establishment of the Oceans Learning Partnership, a multi-stakeholder organization dedicated to enhancing the awareness and interest in the ocean and ocean-related careers among the youth of Newfoundland and Labrador.

In 2012, the Hebron project funded the "Floating Classroom," a 42-foot-long, state-of-the-art research vessel designed to help K-12 students develop skills in oceanographic, biological and meteorological fields. The program engages students through hands-on learning experiences at sea, including identifying marine species and habitats and measuring water quality and weather conditions.

The project also contributed to the establishment of the Petty Harbour Mini Aquarium, a seasonal small-scale aquarium that showcases marine life found in Newfoundland's coastal waters. As a seasonal program, all of the marine life in the tanks is returned to the local waters at the end of each season. In each of its first three years of operation, more than 17,000 people have visited the aquarium.

## Up Close: Community advisory panels in Appalachia

Many areas in Appalachia have a long history of energy development. However, unconventional oil and gas development is still relatively new. Our approach to community relations is grounded in general principles that allow us to tailor our efforts to address the needs of a given community where we live and operate.

In order to tailor our approach to local issues, we have developed community advisory panels (CAP) near our operations in areas of Pennsylvania and Ohio. To form a CAP, we partner with community leaders who live and

work in the areas where we operate — local officials, leaders in education, business community members, emergency and first responders, land and mineral rights owners and local charitable organizations. Recognizing that there is no substitute for face-to-face communication, XTO Energy employees engage regularly with these community leaders to discuss the phases of our operations, including drilling, hydraulic fracturing, production and processing. Additionally, in order to give context to our discussions, we provide site tours to give an up-close look at our operations.

We believe that engaging in open dialogue with members of the community is vital to our long-term success in the region. Our regular meetings help us stay in direct contact with the community as we strive to address concerns that arise in real time, and help keep the community up to date about our activities. In addition to providing context to our operations,

XTO Energy engineers and geologists explain the steps we take to safeguard the community and the environment and to combat the misinformation about our industry that is prevalent in the media.

**“There is no ‘one-size-fits-all’ solution to community engagement. Every community has its own unique needs and challenges, and we work to maintain an ongoing dialogue with our neighbors, partners and local leaders. By developing strong relationships, we can better understand the needs of our communities and help ensure the work we do is creating a lasting benefit.”**



**Amy Dobkin**

Community relations manager, XTO Energy  
Appalachia Division

By outlining different expectations based on the identification of relevant socioeconomic aspects, the *Standard* ensures that our Upstream activities proactively identify socioeconomic risks and implement timely well-balanced solutions.

### Community relations

Working collaboratively and transparently with local communities is essential to promoting positive long-term relationships and fostering ongoing support for our activities. We make every effort to consult with community stakeholders on a regular basis for the purpose of exchanging information and proactively identifying issues or concerns. By integrating the results of these discussions into our decision-making processes, we can help avoid or reduce our impacts on communities, enhance benefits, avert delays, reduce costs and prevent the escalation of issues.

ExxonMobil defines our location-specific community awareness programs and government relations protocols using our *Best Practices in External Affairs* (BPEA) coupled with ESHIAs and/or *Environmental, Social and Health Management Plans* (ESHMPs). Our BPEA process is designed to help identify the specific needs, expectations and interests of host communities and aligns those needs

with our community investment programs. We utilize ESHIAs to identify the actual and potential impacts of a specific project and ways to avoid, reduce or remedy those impacts. Together, BPEA and ESHIAs help build and maintain a positive and transparent relationship in the communities in which we operate.

We seek to ensure interested stakeholders are fairly represented as community issues are discussed and decisions are made. Once a project starts, we provide local groups and individuals with communication channels to voice concerns. Our *Upstream Socioeconomic Management Standard* includes provisions for establishing a systematic and transparent grievance management process to address individual and community concerns about a project. When appropriate, dedicated personnel are responsible for developing and managing a process to map, track, analyze and respond to community grievances.

### Indigenous peoples

Our operations sometimes take place in areas inhabited or historically used by indigenous peoples. In locations such as this, we work with indigenous communities to respectfully protect their cultures and customs.

Our approach to interacting with indigenous peoples around the world is consistent with the following four guidelines:

- *ILO Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries*
- *United Nations Declaration on the Rights of Indigenous Peoples*
- *International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability*
- *World Bank Operational Policy and Bank Procedure on Indigenous Peoples*

When working with indigenous peoples, one of our key objectives is to determine how they prefer to engage. For example, communities can decide if they want us to meet with elected leaders, community elders or other representatives, and if those engagements are conducted in a public forum, either formal or informal. We empower the communities to establish their preference for how often and how long their members meet with ExxonMobil representatives, and who will provide their viewpoints or represent their wishes.

## Up Close: Working with indigenous peoples in Kaktovik, Alaska

The village of Kaktovik, located within the Arctic National Wildlife Refuge Coastal Plain on Barter Island, is home to approximately 250 to 300 residents of Inupiat Eskimo descent whose ancestors have lived in the area for centuries. During the 1890s and early 1900s, Barter Island was an important trading site for commercial whalers. Early inhabitants of the region were semi-nomadic and relied heavily on the availability of fish, game and marine mammals. Today, Kaktovik residents continue to maintain a strong connection to the cultural heritage of their ancestors.

Our Point Thomson project is located on state acreage along the remote Beaufort Sea coast, 60 miles west of Kaktovik. A

central tenet of our vision for Point Thomson is to be a good neighbor. Through regular and consistent communication with Kaktovik community leaders and residents, we learned about their long-standing desire to reconnect with a collection of more than 3,000 artifacts that were excavated and removed from the area in 1914 and curated at the Canadian Museum of History (CMH). The collection includes antler arrowheads, ivory harpoon heads, traditional copper slate knives and other remarkably preserved artifacts that represent a way of life extending back 1,000 years.

The Point Thomson project's multi-year cultural resources management program culminated in the return of this collection to Alaska for the first time since 1914. As part of a museum-to-museum loan, the CMH sent this iconic collection to the University of Alaska Museum of the North in Fairbanks, where ExxonMobil sponsored Kaktovik cultural experts to visit and assist researchers in the documentation and analysis process. The program soon evolved into a cultural exchange

where village residents were able to reconnect with the collection, helping bolster local elementary and secondary education programs that preserve and advance their rich Inupiat cultural heritage.

▶ Return of artifacts to Alaska fulfills century-old promise



Kaktovik artifacts preserved at the University of Alaska Museum of the North in Fairbanks, Alaska.

In addition, we seek to provide mutually beneficial training, employment and business opportunities to indigenous peoples through local content programs and strategic community investments. For additional information on our strategic community investment initiatives, see page 64.

A core component of our operations is ensuring the safety of our employees as well as neighboring communities. In 2015, ExxonMobil partnered with the Marine Exchange of Alaska, a nonprofit maritime organization, and two local indigenous villages to upgrade safety technology in their communication centers near our operations at Point Thomson, Alaska. Vessel tracking software and communication devices were used to help village residents monitor marine vessel traffic in relation to their traditional subsistence hunting areas. As a result of this effort, marine users were able to avoid conflicts with subsistence activities and carry out their operations in a safe manner.

We continue to participate on the global oil and gas industry association for environmental and social issues, IPIECA's, task force on free prior and informed consent, which focuses on gaining clarity on the definition and best practices for working

with indigenous peoples. In 2015, IPIECA continued to monitor developments related to this topic and held periodic calls, sessions and webinars to share local knowledge and discuss emerging trends.

### Cultural heritage and diversity

We are sensitive to concerns around balancing cultural heritage with the desire for economic development. Our respect for the cultural heritage and customs of local communities carries into our everyday business practices. For our Upstream projects, we incorporate into our project planning, design and execution considerations such as cultural, spiritual or sacred heritage sites and areas, biodiversity conservation, traditional knowledge and sustainable resource management.

Prior to starting work in an area, we identify potential sites of cultural significance using a cultural heritage identification process. Additionally, we leverage relevant studies to deepen the knowledge among our workforce and provide training to our construction and field contractor personnel on managing cultural heritage challenges. Our objective is to preserve cultural sites and artifacts appropriately.

### Land use and resettlement

ExxonMobil employs practices and policies to respect property rights in the locations where we operate, and we pay particular attention to those areas populated by indigenous peoples. Whenever land is necessary for projects, we adhere to applicable host-country regulatory requirements that govern land acquisition. If projects are externally financed, we also comply with land use, access and resettlement requirements stipulated by the lender(s). Additionally, consistent with the 2012 IFC *Performance Standards*, when working on traditional lands, we endeavor to obtain the free, prior and informed consent of indigenous peoples before initiating significant development activities.

We understand that community members often have concerns about how our activities may affect their land and way of life. When managing land-use-related impacts, we aim to minimize involuntary resettlement through a disciplined multi-dimensional site selection process. Several potential locations are typically assessed based on technical criteria such as availability, accessibility, safety, security and constructability,

as well as environmental and social considerations. All of these factors are then evaluated and locations are ranked to determine the lowest-risk options. There are several cases where we have rerouted infrastructure or chosen an alternative site for a facility to address resettlement-related concerns.

When physical or economic displacement is unavoidable, we seek to ensure the restoration of the livelihoods of displaced persons by developing and implementing location-specific resettlement action plans that are informed by consultations with landowners as well as surveying and mapping of housing structures, gardens, wildlife, natural products, harvesting areas and other assets. Assessment teams also identify resettled individuals or groups who may be more affected by the displacement than others. When appropriate, we closely monitor these individuals or groups and assign them to priority resettlement assistance programs. ExxonMobil was not involved in the resettlement of any individuals in 2015.

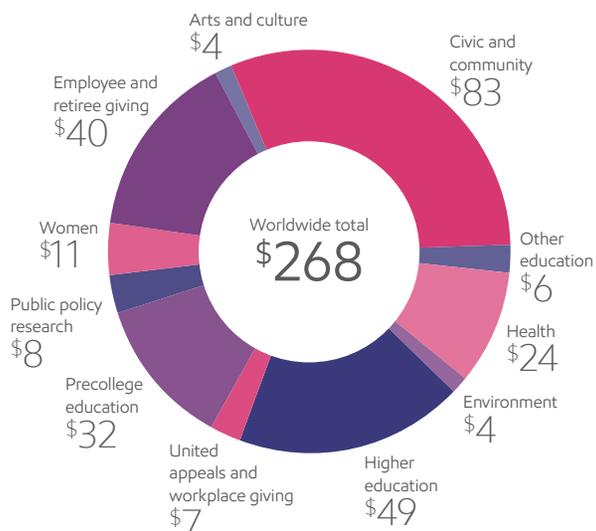
We did, however, complete our resettlement and livelihood restoration process in Papua New Guinea (PNG), including a two-year monitoring process. The project conducted internal outcome evaluation for both standard of living and livelihood restoration of affected households. This program, which was a lender requirement and part of the ESHMP for the PNG liquified natural gas project, was well-defined, well-communicated and well-managed. Closeout was achieved via a formal audit by the lenders, and ExxonMobil was commended for its overall performance and management of the program.

## Strategic community investments

ExxonMobil strives to be a good corporate citizen by working with governments, engaging with stakeholders and partnering with local and international organizations to help enhance the quality of life in the communities where we operate around the world. Whether through the U.S.-based ExxonMobil Foundation, the corporation or international affiliated company operations, we strategically invest in long-term social programs that directly impact our business and align with a host country's economic and social goals. In 2015, we contributed \$268 million to communities around the world.

## 2015 community investments by focus area<sup>1</sup>

Millions of dollars



ExxonMobil seeks to make meaningful community investments in a variety of focus areas. In 2015, total community investments were \$268 million, with the greatest investment in civic and community initiatives.

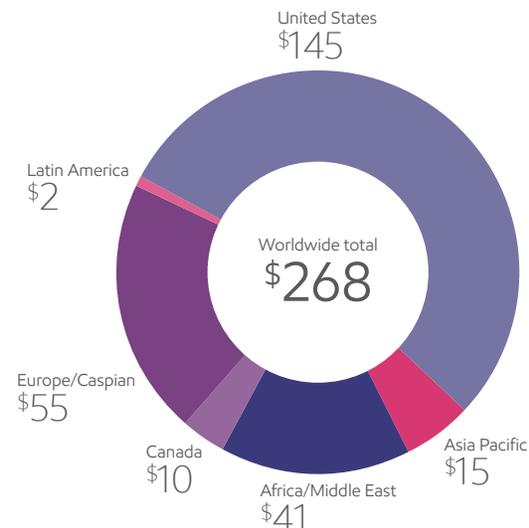
<sup>1</sup>Total contributions include donations from Exxon Mobil Corporation, our divisions and affiliates, and the ExxonMobil Foundation, as well as employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs. Investments do not include environmental capital and operating expenditures, which totaled approximately \$5.6 billion in 2015.

We focus the majority of our spending on our corporate-led signature initiatives: improving education, combating malaria and advancing economic opportunities for women. We concentrate on these three areas because we believe they help build a foundation for human progress.

In addition to our signature initiatives, we provide local investments tailored to address community-specific social and economic challenges such as workforce development, access to health care and natural disaster recovery support. We consider the development goals of each community when deciding where, when and how best to invest.

## 2015 community investments by geographic region<sup>2</sup>

Millions of dollars



ExxonMobil's community investments span across the many geographic regions in which we operate. In 2015, we invested a total of \$268 million in communities around the world.

<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.

One example of our local investment efforts in 2015 included the completion of a three-year community health center restoration project in Batete, Equatorial Guinea. This community-specific investment by ExxonMobil affiliate Mobil Equatorial Guinea Inc. is designed to provide local community members with access to the latest medical equipment and a full-time doctor on site. The health center in Equatorial Guinea supports around 3,000 residents in Batete and its surrounding villages.

Members of the Batete community are already experiencing the benefits of the ExxonMobil-funded improved health care services. Just two weeks after the center was completed, the first baby was successfully delivered in the facility under enhanced hygienic conditions. Additional information on our community-specific investments can be found on the global stories section of our website.

**“Batete is a good example of our community investment philosophy — how we not only prioritize large urban communities, but also rural areas of the country.”**



**David Findley**

Lead country manager, Mobil Equatorial Guinea Inc.

 Global stories

To help understand the impact of our strategic community investment program and maximize the long-term sustainability and benefits of our efforts, we work in close collaboration with our partners to design and implement robust measurement and evaluation plans. We also conduct research intended to contribute to the broader fields in which we invest. For example, in 2015, we made efforts to identify a set of common metrics that enable community investment program implementers and supporters to measure the qualitative and quantitative impact of programs aimed at providing economic opportunities for women. For the following examples, and wherever possible in this report, we seek to describe the outcomes of our investments beyond dollars spent and activities conducted.

## Up Close: The Teach For All Global STEM Initiative

Science, technology, engineering and mathematics (STEM) skills are critical to ensuring today’s students are prepared for the jobs of the 21st century. At ExxonMobil, we believe we can have the greatest impact on education by helping train highly qualified teachers in math and science, encouraging students from all backgrounds to pursue math and science, and preparing students for STEM-related college degrees and careers. For more than a decade, we have focused our education initiatives on a variety of programs that help address the STEM challenge.

The ExxonMobil Foundation is the founding partner of Teach For All’s Global STEM Initiative. The Initiative, launched with our support in 2015, has enabled Teach For All to help its nearly 40 partner organizations improve their recruitment, training, placement and support of STEM teachers across the network. The goal of the program is to increase the number and impact of STEM teachers around the world, including in Argentina,



A teacher participating in Enseña por Colombia mentoring his students on STEM subjects.

Colombia and Mexico. The initiative will also help Teach For All support network partner alumni who are leaders in STEM fields.

With funding from ExxonMobil, Teach For All has started prioritizing STEM education as part of their teacher recruitment, placement and development initiatives around the world. For example, nearly three-fourths of Teach For Qatar participants teach STEM subjects, as well as more than one-third of Enseña por Argentina and Enseña por México participants. Additionally, Teach For Sweden directs nearly 100 percent of its teacher participants toward STEM subjects, while Teach First United Kingdom has increased the number of teachers it assigns into STEM subjects by almost 50 percent over the past five years.

**“We are thrilled to have ExxonMobil join our global effort for educational and social equity. This important collaboration will give the students we serve a chance to learn the STEM skills they will need to solve the global challenges of the future, as well as improve their daily lives.”**



**Wendy Kopp**

Co-founder and CEO, Teach For All

In 2015, with the help of ExxonMobil, Teach For All also began identifying network-wide best practices for STEM. Part of this effort involved expanding STEM-related data collection to include the number of participants that partners place in STEM fields, as well as their targets for participant placement in each subject area. The data collected from the 4,322 STEM teachers currently in the Teach For All network will offer valuable insights and serve as a reference point to further enhance the STEM Initiative. Teach For All is also administering student-perception surveys to 20 network partners to help assess teacher effectiveness. These surveys will help Teach For All better understand teacher impact on students so partner organizations can improve by reflecting on their teacher development efforts.



Two young girls participate in the ExxonMobil Girls Engineering Festival at the Lonestar Convention Center in Conroe, Texas, in May 2015.



With the help of ExxonMobil, USAID collects blood samples for malaria tests at the Lucala municipal hospital in the Kwanza Norte province of Angola.



A Solar Sister participant uses a neighbor-to-neighbor distribution system to deliver solar technology solutions to her community.

### Education initiative

We believe global economic growth in today's high-tech world relies upon highly skilled individuals, particularly those well-trained in STEM. In the United States alone, the U.S. Department of Commerce estimates that STEM occupations are projected to grow almost twice as fast as non-STEM-related occupations from 2008 to 2018.

For this reason, we invest in education and teacher development programs designed to encourage students to pursue careers in the STEM fields. Over the past 16 years, we have contributed more than \$1.2 billion to education programs around the world. In 2015, we invested nearly \$100 million in education programs around the world.

In 2015, ExxonMobil continued to support the Alaska Native Science and Engineering Program (ANSEP) through a two-week middle school academy program designed to help students learn and complete Algebra I curricula. During the middle school academy, participating students in grades five through eight explore engineering and science career options and complete a hands-on activity designed to help prepare them for post-secondary STEM curricula. As a result of the program, more than 75 percent of ANSEP students complete Algebra I by the end of the eighth grade, compared with just 26 percent of students nationwide.

Additionally, 95 percent of participating students advanced a full grade level in math or science for each summer they enrolled in the program. For more information on our efforts on education initiatives in 2015, see the Up Close on the previous page.

### Malaria initiative

We care about the health of our employees, their families and members of the communities where we operate, which is why we invest in community health programs that help combat preventable or treatable illnesses. In several countries where we operate, including sub-Saharan Africa, malaria continues to have a significant impact on local communities. Each year, this preventable and treatable disease claims the lives of nearly half a million people. The good news, however, is that significant progress has been made in the global fight against malaria and the number of deaths and infections continues to decline. We believe ending deaths from malaria requires an integrated approach, including education, prevention and access to proper diagnosis and treatment.

In 2015, ExxonMobil contributed \$12.5 million to fight malaria. We are proud to say that 2015 marks ExxonMobil's 15th anniversary year working to reduce the human and economic toll of this disease. These contributions have supported a variety of research, educational and treatment programs in countries and communities that lack adequate health care systems.

To date, the antimalarial programs we have funded were able to reach more than 125 million people, and our support has resulted in the distribution of almost 14 million bed nets, 3.8 million doses of antimalarial treatments and 2.6 million rapid diagnostic kits, as well as the training of more than 520,000 health workers. Our cash grants during the past 15 years total more than \$146 million, making us the largest private-sector grant-maker in the fight against malaria. For more information on our community malaria initiatives in 2015, see the Up Close on page 69.

### Women's economic opportunity initiative

Economically empowering women is essential to enhancing local economic development. According to a 2014 World Bank report, *Gender at Work*, women are key drivers of economic progress and development because they consistently invest in their children and communities. Women also tend to help propel other women forward, creating a powerful multiplier effect that benefits society as a whole.

To promote economic opportunities for women, we invest in programs proven to provide the skills and resources needed to increase their productivity and income. Over the past 10 years, ExxonMobil has invested approximately \$94 million for the purpose of helping women fulfill their economic potential and improve their well-being and that

of their families and communities. Our investments focus on three key areas: supporting research to identify effective interventions; developing women farmers, entrepreneurs and business leaders; and improving women's access to technology. Our support has reached tens of thousands of women in more than 90 countries. In 2015 alone, our contributions totaled nearly \$12 million. See the adjacent Up Close and visit the ExxonMobil Foundation website for additional information on our efforts to improve women's economic opportunities.



### Employee participation

Volunteering and charitable giving are integral to ExxonMobil's culture. Around the world, our employees support local communities by becoming mentors to students, assisting local food banks and providing environmental education opportunities, among other activities. We encourage employees to contribute to the communities where they live and work by granting time off to volunteer with charitable organizations. Where applicable, ExxonMobil's modified workweek program provides supervisors the flexibility to work with employees to adjust their work schedules to participate in such events. For additional information on ExxonMobil's workplace flexibility programs, see page 28.

ExxonMobil offers several programs that allow our employees and retirees to maximize their charitable impacts. Our volunteer involvement program encourages employees, retirees and their families to volunteer and contribute their time and talent to charitable organizations, either individually or in teams. In the United States, the program provides a \$500 donation on their behalf for every 20 hours volunteered, up to four times per volunteer per year.

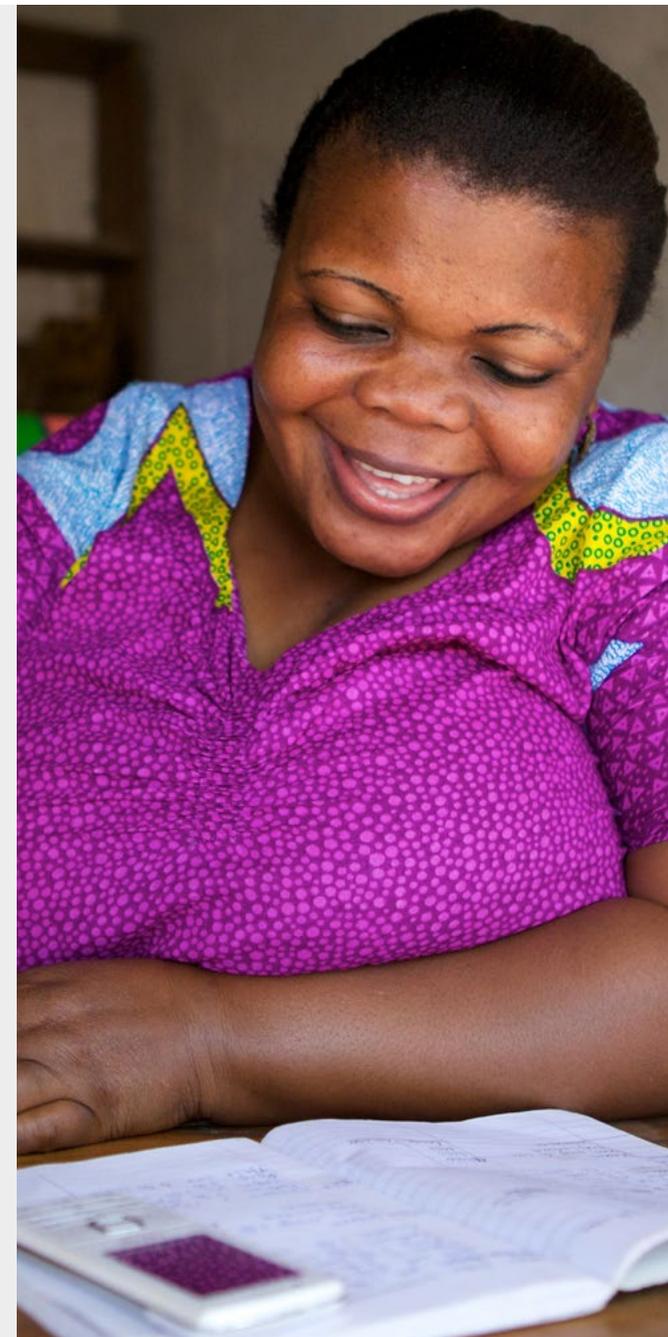
Additionally, our educational matching gift program matches employee and retiree donations to U.S. higher education institutions at a ratio of 3-to-1. In 2014, 6,000 employees and retirees donated \$19 million to nearly 4,000 colleges and universities, as well as minority scholarship programs — which the ExxonMobil Foundation then matched with \$34 million in 2015.

## Up Close: Empowering women with access to mobile savings

As part of ExxonMobil's commitment to empowering women economically, the ExxonMobil Foundation joined forces in 2012 with the United Nations Foundation to produce *A Roadmap for Promoting Women's Economic Empowerment*, a study outlining the most effective interventions to directly advance women's economic opportunities. The *Roadmap* identified providing women access to savings opportunities through mobile phone technology as a high-potential community investment. To build on the research findings from the *Roadmap*, the ExxonMobil Foundation began collaborating with TechnoServe, Mercy Corps and the Center for Global Development (CGD) in 2015 to pilot mobile saving opportunities and financial literacy training for women entrepreneurs in Indonesia and Tanzania.

A large number of women in Indonesia and Tanzania do not have access to banking and other financial services, live long distances from a bank branch or are deterred by burdensome bank fees and administrative requirements. This program, which runs through the end of 2016, will test the theory that women entrepreneurs and farmers with access to basic banking and insurance services through mobile telephones will be able to save more, invest their increased savings in their businesses and see increased income from those businesses. To streamline program efforts, TechnoServe and Mercy Corps are simultaneously providing mobile savings access and financial literacy training to 3,000 women farmers and entrepreneurs in Indonesia and Tanzania.

As part of our ongoing effort to evaluate program results and maximize positive outcomes, CGD is conducting a two-phase impact evaluation of the women entrepreneurs and farmers participating in the program. This evaluation will study the efficacy of the program and test the theory that access to mobile savings can increase business income. In 2015, key evaluation efforts included developing the initial surveys, piloting survey instruments and conducting preliminary research on methodologies for the pilot. Once approved, CGD will implement the study design and select a third-party organization to conduct the surveys in Tanzania and Indonesia.



Local Tanzanian, Asia Diwala, applies the skills she learned from the enterprise development training she received through support from the ExxonMobil Foundation, Cherie Blair Foundation for Women and the Tanzania Gatsby Trust.

In total, nearly 15,000 ExxonMobil employees, retirees and their families donated more than 629,000 volunteer hours to almost 5,000 charitable organizations in 34 countries in 2015.

 ExxonMobil 2015 *Worldwide Giving Report*

Since our initial investment in pro bono legal services in 1917, ExxonMobil's U.S. program has evolved from a grassroots effort to a fully defined program, and our attorneys give hundreds of people free legal support each year. In 2015, 171 volunteers in the United States, including 137 attorneys and 31 support staff, devoted 3,624 hours to pro bono service. These services included helping veterans, children, domestic violence survivors, immigrants and citizens with various legal issues, including family law matters, tax issues and will preparation. Our U.S. law management sponsors a pro bono committee in Houston that includes representatives from the various practice groups. The global stories section of our website has additional examples of our employee volunteerism activities around the world.

**"As lawyers, we have a duty to give a voice to those who don't have one. It seems so simple to share something you already know, but it's a big deal to the clients we help."**



**Susan Barrington Sanchez**

Co-coordinator of ExxonMobil's pro bono committee, 2010-2015



ExxonMobil volunteer Bill Carpenter participates in Introduce a Girl to Engineering Day in February 2015.

## Up Close: Fighting malaria in West Africa

ExxonMobil has witnessed the devastating human and economic toll malaria takes on our workforce and the communities in which we operate. In 2015, we continued making progress in the fight against malaria in high-endemic African countries where we have operations — in particular Angola, Nigeria, Tanzania, Equatorial Guinea, Chad and Cameroon.

### Angola

For 11 years, ExxonMobil has supported Africare, an NGO committed to finding solutions for health challenges, through its community-based malaria projects in Angola. This year, ExxonMobil helped Africare scale up its community-based malaria intervention program in Quipungo, Angola.

This project focuses on the control and treatment of malaria for children and pregnant women with the following goals:

- Ensuring 85 percent of pregnant women and children under the age of five sleep under long-lasting, insecticide-treated bed nets;
- 85 percent of pregnant women and children under the age of five receive appropriate malaria treatment within 24 hours of exhibiting symptoms;
- 85 percent of pregnant women receive two doses of malaria prophylaxis; and
- Local nurses are trained in malaria prevention, management and treatment.

In 2015, a network of 285 trained volunteers conducted 136,800 house visits focusing on these four international malaria control goals. Additionally, the ExxonMobil Foundation, in partnership with Africare, supports the Child Survival Collaborations and Resources (CORE) Group community malaria program in Angola. The CORE Group is a network of nonprofit international organizations committed to improving the health of women and children in high-risk malaria communities.



Africare volunteers provide bed nets and malaria awareness training to local community members in Angola.

In 2015, the CORE Group, working in 12 of the 16 provinces in the country, improved the health skills of more than 2,600 community volunteers, helped administer the first and second doses of malaria prophylaxis treatment for more than 35,000 pregnant women and disseminated key malaria messages to around 265,000 Angolan families.

### Nigeria, Tanzania and Equatorial Guinea

For the past four years, the ExxonMobil Foundation has supported Grassroot Soccer (GRS), an NGO that educates local youth in Nigeria, Equatorial Guinea and Tanzania on how

to prevent malaria, HIV/AIDS and other infectious diseases. The program's success stems from its community-based approach that uses soccer-based games and activities to engage and educate participants.

As part of this community-based approach, GRS recruits high-profile Africans, such as national team soccer players and local celebrities, to become ambassadors for the program. Since 2012, ExxonMobil has invested nearly \$2.3 million to expand the program to involve more than 63,000 boys and girls in Nigeria, nearly 10,000 in Tanzania and nearly

3,000 in Equatorial Guinea. In 2015, GRS was able to scale up its program in Equatorial Guinea by strengthening the organizational capacity of its national partners and working closely with the ministries of health and sport. More than 1,500 boys and girls graduated from the program in Equatorial Guinea in 2015. By the end of 2015, the total number of graduates supported by ExxonMobil was more than 76,000.

With the help of ExxonMobil, GRS was also able to find new opportunities in 2015 to educate young people on malaria

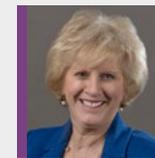
prevention. GRS and its local partner, Youth Empowerment and Development Initiative (YEDI), partnered with Special Olympics to launch SKILLZ for Life. This new program uses the organization's proven model for behavior change in public health among youth to educate children with intellectual disabilities. As part of the new partnership, YEDI and Special Olympics collaborated with GRS to offer malaria testing on World Malaria Day, which involved more than 2,600 attendees, including many families and individuals with intellectual disabilities.

### Chad and Cameroon

For the past nine years, ExxonMobil has supported Jhpiego, an affiliate of Johns Hopkins University, in its efforts to fight malaria using global best practices in disease prevention and treatment. In 2015, the ExxonMobil Foundation provided funding to Jhpiego to provide quality malaria prevention and treatment for more than 700,000 people living along ExxonMobil's 1,070-kilometer Chad-Cameroon pipeline.

Key activities included enhancing the quality and range of malaria-specific services for women in the parts of Chad and Cameroon where basic health care is limited; providing health education tailored to pregnant women; and procuring malaria prevention commodities like bed nets and anti-malarial drugs to ensure clinics in these areas are appropriately stocked. In 2015, the program was responsible for training 150 health providers and 30 supervisors to better oversee and provide malaria prevention and treatment services, as well as helping 159 community health volunteers educate communities about malaria at 71 health facilities.

*"For decades, malaria seemed to have the upper hand, claiming the lives of countless women and their families. But today, with leadership from governments and innovative partnerships like the one Jhpiego is privileged to have with the ExxonMobil Foundation in Chad and Cameroon — countries where few are willing to invest resources — we are seeing real progress in ending deaths from this preventable and treatable disease. As Jhpiego's longest-standing corporate partner, ExxonMobil has been an incredible colleague in our fight to improve the health of vulnerable populations in low-resource countries. Their flexibility, commitment to data-driven impact and willingness to tackle new challenges head-on inspires us to push the envelope of what is considered possible and save lives."*



**Leslie Mancuso**  
President and CEO, Jhpiego



Children at the Federal Housing Estate Primary School in Lagos, Nigeria, participate in Grassroot Soccer's mosquito net education program.

# Case Study

## New country entry in Guyana for the Upstream business

**Kaieteur Falls in Guyana, located on the northern mainland of South America.**

When ExxonMobil discovers new resources in countries where we do not have a significant footprint, we take a diligent, respectful approach to starting activities. This is the case for our new operations in Guyana.

In May 2015, ExxonMobil announced an oil and gas discovery in the Stabroek block, located approximately 120 miles offshore Guyana. This marks the first significant discovery for the country. We initiated oil and gas exploration activities in Guyana in 2008, collecting and evaluating substantial 2-D and 3-D seismic data that led to the company safely drilling its first exploration well.

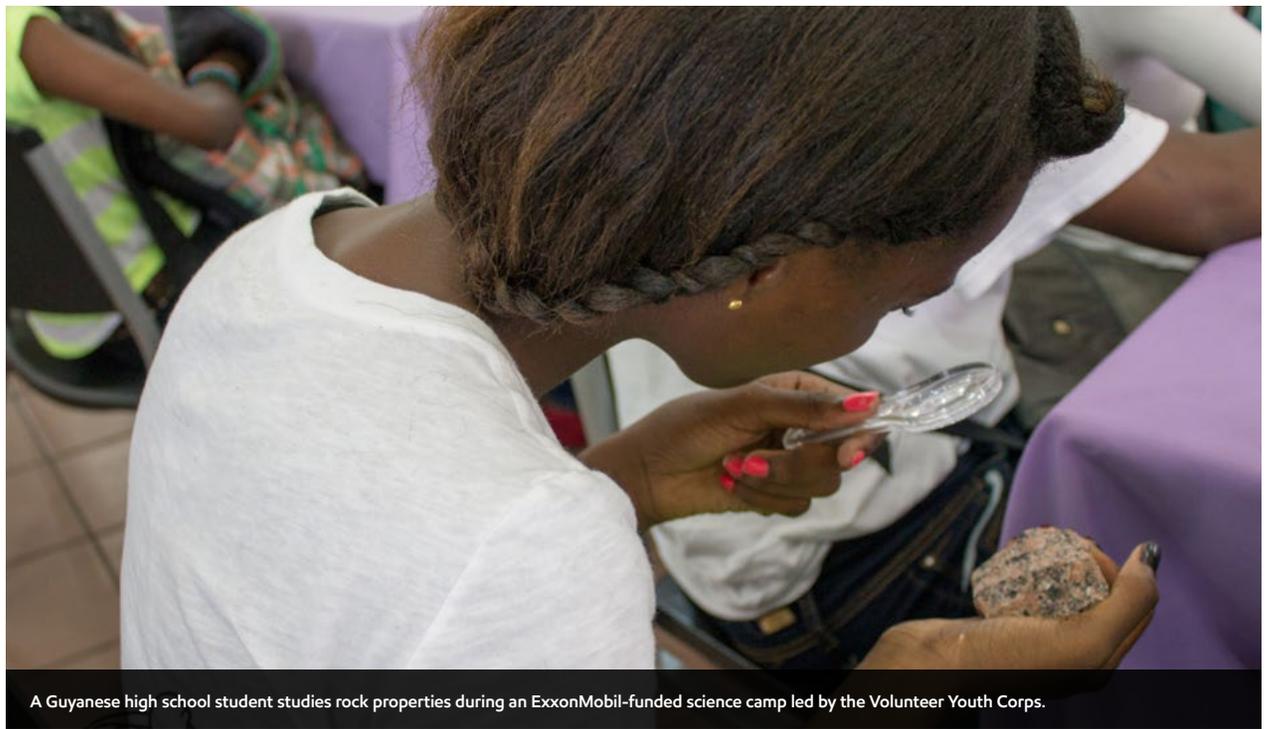
ExxonMobil works in many countries around the world and in a range of physical and socioeconomic environments, including regions with established industry presence and those where oil and gas is a newly emerging sector. Everywhere we work, we are committed to conducting business in a manner that is compatible with the environmental and economic needs of the communities in which we operate. We work in ways that protect the safety, security and health of our workers, our customers and the public.



**Environmental, regulatory and socioeconomic considerations**

Guyana is an example of the collaborative and thoughtful approach we take when entering a new country. Before drilling the first well, we engaged the Guyanese government, communities and environmental and socioeconomic experts to gain an understanding of the potential interactions and impacts of our activities with the environment and communities surrounding our operations.

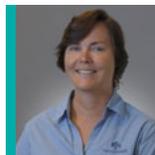
Our early engagement included consultations with key government agencies and stakeholders, including the general public, industry associations and non-governmental organizations. We worked closely with these stakeholders to identify and address potential impacts in our plans and develop appropriate protective measures. For example, engagement with the local community was instrumental in conducting coastal sensitivity mapping. This mapping included environmental and socioeconomic features along the Guyana coast, such as locations of coastal communities, farms, fisheries and other sensitive areas.



A Guyanese high school student studies rock properties during an ExxonMobil-funded science camp led by the Volunteer Youth Corps.

The effort also supports emergency response planning through identification of coastal access points and priority protection areas.

**“Our studies found a high level of biodiversity that included potential for the presence of dozens of marine mammals, several kinds of sea turtles and sensitive habitats with three kinds of mangrove species. The northwest coast also includes Shell Beach, a protected area known to be a valuable turtle nesting habitat. Project plans take into account proximity to densely populated communities, commercial and artisanal fishing, public health and safety, cultural heritage sites and Amerindian indigenous populations. All of these areas were considered prior to beginning any drilling activities.”**



**Kari Ehmling**  
Environmental, regulatory and socioeconomic advisor

**Engaging with the Guyanese government**

ExxonMobil’s commitment to responsible development extends beyond our own operations. We are also committed to supporting Guyana in its effort to achieve sustainable environmental, social and economic development. To this end, we are working with a number of government agencies to understand stakeholder priorities and objectives for industry growth, including a vision for responsible industry oversight and regulation.

ExxonMobil, in collaboration with the Guyana Geology and Mines Commission and the Guyana Environmental Protection Agency, has launched a technical workshop series covering topics such as oil and gas development, globally recognized best practices, international standards and environmental management technologies. Early engagement and continuous open dialogue have helped foster mutual understanding and effective relationships.



Touchau, a village leader, and teachers of the indigenous Mainstay-Whyaka Amerindian Reservation receive training in STEM subjects through the Youth Challenge Guyana program.

### Engaging with local communities

Before beginning exploration activities in a new country, ExxonMobil endeavors to establish meaningful relationships that benefit communities and the company for the long term. Based on consultation with stakeholders and an initial community needs assessment, our early entry support in Guyana primarily focused on promoting education, especially in the areas of science, technology, engineering and math (STEM). Since 2012, we have supported the Volunteer Youth Corps, a nonprofit organization in Georgetown that engages ninth- and tenth-grade students in a variety of STEM after-school learning programs. The programs include practical lessons in physics, chemistry, integrated science and information technology, as well as a three-day science camp at a local environmental facility.

For the past four years, we have also supported Youth Challenge Guyana, which provides STEM education training to teachers and science kits to primary school students. In 2015, we expanded our education support to include a sports,

literacy and leadership program in a traditionally Amerindian community as well as teacher training for a special needs school in Georgetown.

We are still in the early stages of our exploration in Guyana, and will continue to evolve and tailor our support for the community to reflect the needs and long-term goals of the Guyanese people, as learned through our ongoing community engagement.

### Local workforce and supplier development

Our vision of sustainability in Guyana is one in which stakeholders benefit from resource development today, while protecting and building opportunities for the future. To realize this vision, ExxonMobil will continue to safeguard people and the environment, support government endeavors to be responsible stewards of their natural and economic resources and invest in the community of which we have become a member.

Everywhere we operate, we strive to develop employment opportunities for local workers and suppliers. Our local office in Guyana is staffed by more than 40 nationals performing work in various disciplines including accounting, office administration, procurement, public and government affairs, and security, safety, health and environment. ExxonMobil is working with local businesses to help identify opportunities to develop local service providers and a skilled workforce.

As we study the commercial viability of the discovered resource and build our presence in Guyana, we remain committed to responsible corporate citizenship by engaging with the local government and communities, evaluating and developing a local workforce and supplier base, and protecting biodiversity by implementing responsible environmental standards and sound management practices.

A woman, Hilda Wagia, is shown in profile, wearing a white hard hat with 'WAGZ' on it, safety glasses, and yellow earplugs. She is wearing a tan work jacket with 'ExxonMobil' and 'Bulwark FR' logos. She is holding a blue handheld device in her gloved hands. The background shows industrial equipment with pipes and tanks. A red vertical bar is on the left side of the image.

## Local development and supply chain management

Hilda Wagia, instrumentation technician trainee, working in the Hides gas conditioning plant in Papua New Guinea. We have a responsibility to help advance economic development for the areas in which we operate.

As we develop oil and gas resources to meet the world's growing energy needs, we work to contribute to the economic and social development of the countries in which we operate. We also seek to ensure a healthy supply chain, one that respects human rights and the environment while creating opportunities for economic growth in the communities where we conduct business. ExxonMobil's local content and supply chain management strategies are designed to deliver lasting and shared value to host countries, local communities and our business. We do this by employing systematic and clearly defined processes, templates and global best practices to integrate local development into overall project planning and execution.

## Local economic growth and development

We believe local content — the added value brought to a host nation through the activities of the oil and gas industry — provides shared value to ExxonMobil and to the communities in which we operate, ensuring local participation is integrated into our daily processes. We align our goals with those of our partners to focus on establishing long-term economic benefits. We develop a local content plan specific to each country or area, taking into account social and economic conditions, the nature of the project and the community's needs.

Our efforts focus on employing and training the local workforce, supporting local suppliers and service providers, and improving the livelihoods of community members. This multi-tiered approach, combined with our strategic community investments, allows us to provide sustainable economic benefits, both direct and indirect, to the local communities where we operate. For additional information on our approach to community investments, see page 64.

As part of ExxonMobil's commitment to operational excellence, we participate in organizations and initiatives that improve local content management around the world. We are active participants in IPIECA, the global oil and gas industry association for environmental and social issues, and the Organization for Economic Cooperation and



Kanu Okechukwu, a production operator for Esso Exploration and Production Nigeria Limited, opens a manual valve to supply compressed air to equipment at the Erha North phase two project in Nigeria.

Development (OECD). In 2015, we contributed to IPIECA's local content task force and assisted in the development of IPIECA's *Local Content: A Guidance Document for the Oil and Gas Industry* and the OECD's *Framework on Public-Private Collaboration for Shared Resource-Based Value Creation from Extractive Projects*. Both of these documents were published in 2016.

### Local hiring and training

We believe we have a responsibility to create local employment opportunities to help advance economic development and contribute to the continuity of our operations. As part of our effort to enhance the long-term capability of local workforces, we provide locally hired individuals with opportunities to develop technical and leadership skills that will benefit them throughout their careers, including after their work on ExxonMobil projects. We continued to make progress in hiring, developing and retaining host country nationals in 2015.

For example:

- In Angola, 82 percent of our personnel are Angolan, of whom 16 percent are in supervisory or managerial positions.
- In Chad, 94 percent of our personnel are Chadian; 72 percent of supervisory or managerial positions are held by Chadians.
- In Equatorial Guinea, nearly 75 percent of our personnel are Equatoguinean, of whom 13 percent are in supervisory or managerial positions.
- In Indonesia, 87 percent of our personnel are Indonesian; local staff hold 83 percent of supervisory or managerial positions.
- In Nigeria, 94 percent of our personnel are Nigerian; 21 percent of local staff are in supervisory or managerial positions.

## Up Close: Partnering with the Institute of International Education to invest in local workforces

ExxonMobil is committed to providing long-term strategic investments related to the education and professional development of local workers, targeting various types of positions and levels. One of our key partners in developing local individuals for senior management positions is the Institute of International Education (IIE). IIE is a private, not-for-profit organization that creates programs of study and training for students, educators and professionals from all sectors. We have partnered with IIE since 2006 to provide academic scholarships to motivated students in Angola, Indonesia, the Middle East, North Africa, Romania and Russia.

To date, ExxonMobil scholarships have supported the educational and cultural development of 208 scholars in 13 countries. Scholarship recipients have pursued 36 different fields of study, and of those students who have graduated, 40 are currently employed by ExxonMobil.

Hakima Taoufiq, native to Rabat, Morocco, is one such student. Hakima earned her MBA from Tulane University in New Orleans, Louisiana, where she graduated first in her class in 2011. After graduation, Hakima joined ExxonMobil as a senior business analyst supporting the power and gas services group. Hakima is currently a senior business analyst supporting the liquefied natural gas group in Houston.

From 2014 to 2015, Hakima served as the supply and logistics coordinator responsible for the reliable and optimal supply of more than 15 terminals across the midwestern United States, which translates to more than 120,000 barrels per day of gasoline, distillate and biofuel.

**“IIE opened doors I did not know existed. Through this program, IIE enabled me to define the sky as the limit and a world beyond my hometown as a playing field. It solved the major stumbling block of financing my education — since a loan was never an option where I came from. IIE gave me the wings to choose where, how and what I wanted to study, instead of defaulting to what was an available and female-appropriate career path back home.”**

**Hakima Taoufiq**  
Senior analyst



Hakima Taoufiq, senior analyst, joined ExxonMobil following her studies with the Institute of International Education at Tulane University.

Our ability to hire locally depends on the availability of appropriately qualified individuals. We actively work to overcome challenges related to developing and retaining a local workforce, identifying and attracting skilled labor, and matching workforce skills with business requirements. For example, as economic activity in a particular area increases, the demand for local skilled workers also increases, which can result in a shortage of available workers.

We address such situations by supporting education and training initiatives aimed at increasing the pool of individuals from which we can recruit. Training programs include the provision of information on ethical business conduct, health and safety, management skills and fundamentals of the oil and gas industry, as well as relevant technical and vocational skills such as welding, construction and equipment operation.

To help develop the skills of locally hired individuals, we place experienced ExxonMobil expatriates — individuals working in a country other than their country of permanent residence — in countries where they can share their expertise and mentor local workers for operational and leadership roles. Additionally, a large number of local workers are placed in developmental assignments at ExxonMobil facilities around the world as a way to broaden their experience and accelerate their learning with the goal that when they return home, they will use and share this knowledge in their home countries' operations.

For example, Andreia Prata, a local hire in Angola, was placed on an assignment in the United States from 2010 to 2013. While in the United States, Andreia occupied several roles, including a senior planning and reporting analyst supporting the Downstream business and a project procurement associate

supporting Upstream drilling and exploration. After this experience, Andreia returned to Angola where she is currently working as the area procurement manager overseeing acquisitions, warehousing and payables in the country.

**“My time in the United States contributed to both my professional development and personal maturity. I was able to gain a deeper understanding of ExxonMobil’s global operations as well as expand my professional network, both of which helped prepare me for my management role today.”**



**Andreia Prata**  
Area procurement manager, Angola

## Up Close: Local contractor development in Nigeria

The Esso Exploration and Production Nigeria Limited Erha North project started production in September 2015, five months ahead of the planned February 2016 start date. The project, which is estimated to produce an additional 165 million barrels annually from the previously in-production Erha North field, was completed with more than 6 million man-hours in-country without a lost-time incident, and the final cost was \$400 million under budget.

The overall success of this project was in part due to strong performance by the local Nigerian suppliers and contractors that ExxonMobil employed, as well as a robust local content plan. The project team collaborated early in the project process with the Nigeria Content Management Board to identify local content opportunities to increase local supplier participation. The team also participated in regular communication with key stakeholders, including the Nigerian National Petroleum Corporation, co-venture partners, technical teams and suppliers to ensure strategic alignment and stay on schedule.



Personnel in Nigeria work with cargo barges and installation vessels belonging to a local supplier.

For example, more than 130 Nigerians were trained in various fields such as project engineering, scaffolding and fabrication, and 52 percent of trainees are now working full time on ExxonMobil projects. We also worked with several Nigerian companies to obtain necessary materials for the project, including sub-structures, pipes and mud mats. Throughout the project, ExxonMobil held multiple workshops with suppliers to help ensure that suppliers understood and complied with ExxonMobil's supplier standards.

In 2015, ExxonMobil was recognized for its extraordinary local content program in Nigeria as the **Best Company in Local Content** in Nigeria by **Businessday**, one of Nigeria's most respected business newspapers. The award further recognizes ExxonMobil's investments in Nigeria and the positive economic impact that our business has on communities where we operate.

**"The Erha North project demonstrates ExxonMobil's disciplined management approach and expertise, and leveraged strong performance from Nigerian contractors, which accounted for more than \$2 billion of project investment for goods and services, including subsea equipment, facilities and offshore installation. These contracts will bring direct and indirect benefits to the Nigerian economy through project spending and employment, consistent with project objectives."**



**Nolan O'Neal**

Lead country manager, Nigeria

We operate several business support centers (BSC) that offer services to our global operations. We have 10,000 people working in centers around the world, including in Argentina, Czech Republic, Hungary and Thailand. These centers support our operations with a broad range of services, including financial, IT and customer services, and provide jobs and business opportunities for the communities in which they are located. In December 2015, ExxonMobil held an opening ceremony for a new BSC in Bengaluru, India. One of the purposes of this office is to leverage the significant pool of technical talent in India. To date, there are more than 250 locally hired individuals working at the BSC, half of whom are women.

### Local supplier development

ExxonMobil works with a range of stakeholders, including host country governments, non-governmental organizations (NGOs) and local communities to develop local vendors for the supply of goods and services. We seek to build and maintain a qualified and globally competitive supply chain wherever we operate. Our goal is to nurture entrepreneurship and foster competitive businesses capable of contributing to the sustainable economic progress of host countries.



From left: Tom Walters, president of ExxonMobil Production Company; Alan Kelly, president of ExxonMobil Fuels, Lubricants and Specialties Marketing; and Bryan Milton, president of ExxonMobil Global Services Company celebrate the opening of the new business support center in Bengaluru, India.

In order to be a supplier for ExxonMobil, a local vendor must be able to meet our safety, technical, environmental and human rights expectations and requirements. In some of the more remote locations where we operate, we face difficulties with identifying qualified local suppliers due to limited local capacity. ExxonMobil routinely assists suppliers in understanding our requirements, developing business processes and procedures and increasing their technical skills to become more competitive. Our long-term goal is to develop globally competitive suppliers. When a supplier is unsuccessful in competing for work with us, we provide them with advice and guidance on how to become better positioned for future opportunities with ExxonMobil or other companies.

In October 2015, we held a workshop in Sakhalin, Russia, to educate potential contractors about our prequalification and bidding processes. The workshop included presentations by ExxonMobil personnel as well as roundtable interviews with local companies. In addition, participants received training on our safety, health and environmental expectations and requirements, and on how to effectively complete prequalification documents. In total, 26 companies from both Sakhalin Island and Russia's mainland attended, and we identified a number of potential opportunities for business between ExxonMobil and these contractors.

Since 2013, ExxonMobil Cepu Limited (EMCL) has partnered with local and national NGOs to offer training and capacity-building programs to local communities in the Banyu Urip project area on the island of Java in Indonesia. As part of this initiative, in 2015, EMCL collaborated with the Bina Swadaya Foundation and the local community to establish a new learning center. The center is intended to help build local capacity by assisting 550 local residents in Bojonegoro and Tuban regarding product development, financial management and business mentoring. In addition, the learning center will provide long-term marketing and supply chain opportunities that will help the community develop diversified businesses for long-term sustainable growth. The learning center has already helped the community identify business opportunities with various buyers around key commodities, including rice, goats, koi fish and water spinach seeds.

To help promote safety among local suppliers, we implemented a driver training program for local driver personnel in Ivory

Coast in 2015. The program was based on an earlier initiative in Madagascar, where ExxonMobil-employed drivers drove approximately 100,000 kilometers without any accidents or incidents. The goal of the training is to provide local drivers with practical skills as well as tools to respond to and mitigate driving risks. The extensive driver training includes a two-day defensive driving course, a first aid and passenger safety course and regular driver meetings to share lessons learned. The training program has helped the Ivory Coast venture office develop a local supply base while simultaneously improving the safety performance of our operations.

## Supply chain management

Because our global reach expands well beyond our fence line, we know the success of our operations and reputation are influenced by those who support our operations beyond the

workplace sites. ExxonMobil works with more than 165,000 suppliers of goods and services, and we develop relationships with suppliers that uphold our commitment to safety, the environment and human rights. We support supplier efforts for continuous improvement in these areas.

When surveying the market for potential suppliers, ExxonMobil seeks suppliers that can meet our safety and operational requirements. Our procurement staff is trained to conduct supplier prequalification assessments, which include anti-corruption due diligence when appropriate. Additionally, we seek out local suppliers or suppliers from historically underrepresented groups including, but not limited to, women, minorities and indigenous peoples.

ExxonMobil is committed to respecting human rights, and we expect the same of our contractors and suppliers.



Local personnel Luis Almeida and Diwalter Fortunado inspect equipment at our Kizomba project in Angola.

## Up Close: Meet the member event in Mexico City

At ExxonMobil, we strive to assist women business owners in finding opportunities to connect with our various business lines. Since 2011, the ExxonMobil Foundation has supported WEConnect International, an organization that empowers women business owners to access global supply chains. In November 2015, ExxonMobil Mexico hosted a “meet the member” event for women suppliers that are part of WEConnect’s Mexico chapter. This one-day workshop afforded women business owners the opportunity to network with ExxonMobil representatives from our various

businesses and service lines. The event included interactive workshops and one-on-one meetings between the women and ExxonMobil representatives as well as an overview of ExxonMobil’s supplier diversity strategy and goals.

In total, 60 women business owners and ExxonMobil personnel attended the event. To date, the meet the member event resulted in three new business opportunities for women-owned businesses in Mexico. These opportunities included catering services for the ExxonMobil venture office, design and event planning services for public and government affairs, and a supplier of hand sanitizer for medicine and occupational health. We expect new opportunities to emerge as we continue our efforts to develop women-owned suppliers in Mexico.



Women in Mexico City participate in a meet the member event.

In 2014, we conducted a pilot supplier human rights assessment program. In 2015, we tailored our efforts and engaged a selected group of key suppliers across various commodities. This process allowed us to gauge the level of human rights awareness among suppliers, as well as to gain a better understanding of how human rights practices, training and grievance mechanisms are used.

To improve social performance along the supply chain, in 2016 we will continue to use learnings from our supplier awareness assessments to provide key inputs to the tools we are developing. For example, we recently developed and published ExxonMobil *Supplier Expectations*, a set of guidelines that outlines our expectations of contractors and suppliers inclusive of human rights. These *Expectations* include references to key international human rights frameworks such as the United Nations *Guiding Principles on Business and Human Rights* and the ILO *Declaration on Fundamental Principles and Rights at Work*. We believe that by increasing our suppliers’ awareness of human rights, we can facilitate improvement in their own supply chains, creating a wider scope of positive impact and influence. For additional information on ExxonMobil’s positions and activities on human rights, see page 60.

In addition to respecting human rights, we require that all of our suppliers maintain our environmental performance standards. For example, ExxonMobil Nigeria conducts site visits at its local contractors’ sites and performs environmental inspections as a way to monitor supplier environmental performance. If a concern is identified, ExxonMobil will meet with that contractor’s leadership to provide feedback and assist in correcting the issue. In addition, expectations for our suppliers about environmental performance are included in the *Supplier Expectations*.

### Promoting supplier diversity

ExxonMobil values its diverse workforce and works to promote a diverse supply chain. In the United States, we have cultivated diversity across our supply chain through our supplier diversity program for more than 40 years. For the past 15 years, we have tracked our annual spending with minority- and women-owned business enterprises (MWBs). In 2008, we began to consider the full reach of our supply chain, and not just our direct spending, by making efforts to encourage and track the progress of our primary suppliers in the development and use of MWBs. We refer to this as our Tier 2 program.

As an example of our Tier 2 efforts, in 2015 the ExxonMobil Baytown facility sponsored a “meet and greet” session that attracted more than 75 attendees in an effort to provide diverse suppliers with an opportunity to engage with primary suppliers. As a result of this event, more than 25 diverse suppliers secured business contracts with a variety of primary suppliers. We believe this approach helps ensure the sustainability of our supplier diversity program by encouraging our primary suppliers to join in our efforts.

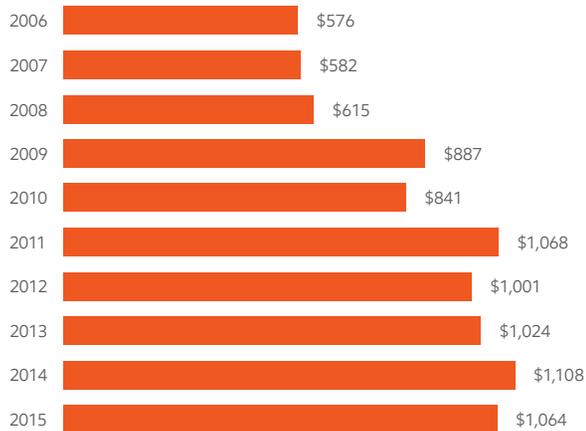
As part of our supplier diversity efforts, we take steps to encourage our suppliers to develop their own supplier diversity programs. We have started including discussions of best practices for supplier diversity in regular supplier relationship management meetings with our key suppliers. As a result of this engagement, several suppliers are now tracking and reporting their spending with diverse suppliers as part of their supplier stewardship.

We work closely with the **National Minority Supplier Development Council (NMSDC)** and the **Women’s Business Enterprise National Council (WBENC)** to help identify and develop relationships with certified diverse suppliers in the United States.

 ExxonMobil *Supplier Expectations*

## ExxonMobil spending with U.S. diverse suppliers<sup>1</sup>

Millions of dollars



Since 2011, we have consistently spent over \$1 billion a year on minority- and women-owned business enterprises in the United States. In 2015, we met our target by spending \$1,064 billion on diverse suppliers in the United States with the set of diverse classifications listed below.

<sup>1</sup>Includes direct ExxonMobil spending and that of our suppliers (Tier 2 spending). Total spending includes suppliers classified as minority-owned businesses; women-owned businesses; small businesses; lesbian-, gay-, bisexual- and transgender-owned businesses; veteran-owned businesses; service-disabled veteran-owned businesses; and businesses owned by people with disabilities.

ExxonMobil is consistently recognized as a leader in supplier diversity efforts. WBENC named ExxonMobil among **America's Top Corporations for Women's Business Enterprises** in 2015. This national award recognizes corporations with world-class programs and leadership in supplier diversity. In addition, at the **NMSDC National Conference**, ExxonMobil was awarded the **Gazelle Company Award** for a substantial increase in spending with minority-owned suppliers.

 National Minority Supplier Development Council

 Women's Business Enterprise National Council

In 2010, we set a goal to spend \$1 billion annually on MWBEs in the United States by 2012. We met this goal in 2011 and have maintained a level of spend with minority- and women-owned suppliers greater than \$1 billion per year for the past four years.

In 2015, we met our target of \$1 billion in spending with diverse suppliers in the United States, with the following classifications: minority-owned businesses; women-owned businesses; small businesses; lesbian-, gay-, bisexual- and transgender-owned businesses; veteran-owned businesses; service-disabled veteran-owned businesses; and businesses owned by people with disabilities. Suppliers from these groups have contributed to our total diverse spending in order to ensure a more inclusive supply chain. To complement this effort, our supplier diversity database allows suppliers from traditionally underrepresented groups in the United States to register an interest in being an ExxonMobil supplier.

 Supplier diversity database

Our supplier diversity program is steadily expanding into the international arena. In total, we spent \$277 million with women-, indigenous- and other minority-owned businesses in select areas outside the United States in 2015. We continue to partner with WEConnect International to increase the participation of women-owned businesses in our supply chain around the world. In addition to providing financial support, we have participated in WEConnect International advisory councils in Brazil, Canada, Europe, India, Mexico, Nigeria, Peru and South Africa.

In May 2015, ExxonMobil participated in the first WEConnect International Exhibition and Matchmaker event to help provide networking opportunities for women business owners drawn from the 36 states in Nigeria. At this event, ExxonMobil Upstream companies in Nigeria received two awards recognizing our support of WEConnect supplier diversity programs. One award was for contributing to the growth of WEConnect and recognized the success of a "meet the buyer" event that was sponsored by ExxonMobil and attended

by representatives from more than 300 women-owned businesses in Nigeria. At this event, attendees received training on how to conduct business with multinational programs and on ExxonMobil Foundation programs. The second award was for distinguished corporate sponsorship of WEConnect and our contributions toward inclusive economic growth in Nigeria. The event contributed to an increase in the number of registered suppliers and business contracts awarded in Nigeria. In 2015, ExxonMobil spending with women-owned businesses in Nigeria was \$16.8 million, an increase of 6.3 percent from 2014.

 WEConnect International



ExxonMobil supports WEConnect supplier diversity programs in Nigeria.

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# Corporate governance

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ExxonMobil headquarters in Irving, Texas.  
A commitment to ethics and integrity is a core  
value of our corporate culture.

Good governance is essential to ensuring the long-term viability of our business, promoting economic development of the communities where we operate and responsibly providing the energy needed to power the world's progress. ExxonMobil employs a variety of policies and processes to uphold good corporate governance, avoid corruption and promote transparency underpinned by a majority independent board of directors that provides oversight on our corporation's affairs.

## Ethics and integrity

For ExxonMobil, upholding the highest ethical standards of business conduct is critical to maintaining our global license to operate. A commitment to ethics and integrity is a core value of our corporate culture. All employees, officers, directors and those working on our behalf are required to comply with all applicable laws, including U.S. anti-corruption, anti-trust, anti-boycott, trade sanctions and export controls laws, as well as laws of other countries applicable to our business.

### Standards of Business Conduct

Our *Standards of Business Conduct*, adopted and administered by the board of directors, ensure we operate at the highest level of operational integrity by setting the ethical conduct expectations of our corporation and majority-owned subsidiaries. These *Standards* cover a range of topics including labor, the environment and anti-corruption. While ExxonMobil is not a formal signatory of the United Nations Global Compact, its values represent key elements of our *Standards*.

To establish a consistent understanding of our ethical standards of business integrity, all ExxonMobil employees receive training on our *Standards of Business Conduct* every four years, including a detailed review of the company's ethics, anti-trust, anti-corruption and gifts and entertainment policies.

Employees are required to read the *Standards* annually and confirm compliance. In addition to these business practice reviews, regular training is provided on anti-boycott, trade sanctions and export controls for employees with relevant job functions. No one has authority to make exceptions or grant waivers to the *Standards*. Employees are subject to disciplinary action, up to and including termination, for violations of our policies.

 *Standards of Business Conduct*

### Internal audits

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

### Systems and practices for reporting violations

ExxonMobil encourages employees and contractors to ask questions, voice concerns and report any suspected violations of company policies. In addition to our open-door communication procedures, ExxonMobil has several confidential mechanisms for reporting, including a 24-hour phone number and a mailing address. Employees can also report violations during supervisory reviews. Confidentiality is respected throughout the process, subject to legal requirements; retaliation against any employee is strictly prohibited.

As part of our commitment to reinforcing ethics and high standards of business conduct, a hotline steering committee comprising personnel from security, internal audit, law and human resources reviews reports of suspected violations. The board audit committee receives a quarterly report that summarizes the steering committee's findings, including any violations or major issues. Confirmed violations lead to disciplinary actions, up to and including dismissal.

### Anti-corruption efforts

We seek to maintain the highest anti-corruption compliance in all aspects of our operations. Our *Anti-Corruption Legal Compliance Guide* outlines ExxonMobil's commitment to comply with the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act and global anti-corruption standards in our business relationships. The *Guide* also describes elements of the corporation's anti-corruption compliance program. To ensure continued relevance and accuracy, ExxonMobil reviews the *Guide* annually and provides updates as needed.

ExxonMobil employees and contractors acting on our behalf are prohibited from making payments to or engaging in

transactions with government officials that improperly influence the performance of their official duties. Our standard language for procurement contracts includes requirements to keep accurate books and records, and, where appropriate, contains specific anti-bribery commitments.

 *Anti-Corruption Legal Compliance Guide*

Because we operate in parts of the world with changing political and regulatory climates, we believe it is imperative to train our employees on our anti-trust and anti-corruption policies. ExxonMobil's law department conducts comprehensive annual training sessions for employees on anti-trust and anti-corruption compliance. In 2015, approximately 19,000 employees participated in anti-corruption training. Employees in relevant job functions receive in-person training soon after entering their positions and every year thereafter. Other managers and professional employees receive training every two years. We monitor legal and regulatory developments and advise employees as appropriate. To ensure continuous improvement, we evaluate the effectiveness of our compliance program regularly.

### Transparency

For years, ExxonMobil has supported multi-stakeholder engagement in countries around the world for the purpose of increasing transparency of government revenues from the extractive industries. Our efforts to promote revenue transparency have helped reduce corruption, improve government accountability and promote greater economic stability worldwide. We believe the most successful transparency initiatives are those that ensure each relevant public, private and societal entity is fully engaged and properly represented. Successful initiatives must respect national sovereignty and local norms and apply to every company in all relevant sectors.

We continually monitor and participate in public policy and regulatory developments with respect to transparency initiatives. In 2012, the U.S. Securities and Exchange Commission (SEC) published a proposed rule for global government payment reporting as required by the Dodd-Frank Act. A U.S. District Court vacated the initial SEC rules in 2013, as they were deemed to cause potential commercial

and competitive harm to U.S. companies. The American Petroleum Institute (API), of which ExxonMobil is a member, submitted recommendations to the SEC outlining a potential new approach to transparency reporting that focuses on government receipts by resource type and production method and that protects companies from disclosing commercially sensitive information. The recommendations would also give citizens the information they need to determine their government's resource revenues.

In July 2013, the European Union (EU) approved a revised accounting directive that mandates government payment reporting. The United Kingdom implemented its reporting rule in 2015, and more EU member states are expected to do so this year. We remain concerned about the new EU rules, which impose a fragmented approach that will not give civil society a means to compile and analyze government revenue or give companies protection from disclosing commercially sensitive information. Nevertheless, we are preparing data gathering, verification and reporting systems and processes to comply with new requirements as the directive is transposed into local law in each EU member state.

The SEC published a revised draft payment disclosure rule on December 11, 2015, which largely adopts the EU model rather than the approach API is advocating. We oppose the SEC's new proposed rule on the same grounds of our opposition to its 2012 proposed rule and continue to encourage the adoption of a rule that generates data that host country citizens can access and use while simultaneously protecting companies from competitive harm.

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

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

Our efforts in 2015 focused on helping the EITI member countries where we operate comply with expanded requirements of the 2013 *Standard*. ExxonMobil supports the EITI application, validation and implementation processes in 20 countries, and we are working with governments in a number of other countries including Equatorial Guinea and Mexico, which are considering joining EITI. There are currently about 50 countries that are compliant members or have been accepted as candidates to begin reporting under the *EITI Standard*.

## Board of directors

ExxonMobil's 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 2015, 11 of 12 directors, including the presiding director and all members of the audit, compensation, public issues and contributions, and board affairs committees, were independent as defined by New York Stock Exchange guidelines. In 2015, the board met 11 times, including a board visit to Papua New Guinea to learn more about our Upstream activities and practices in that area. For more information about that visit, see the Up Close on the following page.

Corporate citizenship topics fall under the purview of the public issues and contributions committee (PICC), the board affairs committee and the compensation committee, and are routinely reviewed at board committee meetings. While risk oversight is the responsibility of the entire board, committees help the board focus on risk aspects relevant to each committee.

For example, the PICC is charged, among other duties, with reviewing the effectiveness of the company's policies, programs and practices with respect to the environment. The committee hears reports from operating units on environmental activities and also visits operating sites to observe and comment on current practices. The entire board receives briefings by internal experts on environmental stewardship and climate change.

### Board leadership structure

Each year, board members select an independent director to serve as the presiding director, with the expectation that person will serve for a minimum of two years. The presiding director sets the agenda and chairs executive sessions of the independent directors and coordinates with the chairman on the agenda for meetings of the full board. At this time, the board believes the interests of shareholders are best served through a leadership model that combines the roles of chairman of the board and chief executive officer (CEO). With more than 40 years of service in both domestic and international positions with the company, our current CEO possesses in-depth knowledge of the corporation and the challenges of an evolving energy industry. For more information about our board structure, visit the corporate governance section of our website.

 Corporate governance

### Board selection process

Maintaining a diverse board in regard to gender, race, geography, experience and fields of expertise is important for the company to succeed in a globalized market. The board affairs committee recommends board of director candidates in accordance with the *Guidelines for the Selection of Non-Employee Directors*, and diversity is a key consideration.

## Up Close: Board visit to Papua New Guinea LNG operations

In April 2014, ExxonMobil began liquefied natural gas (LNG) production in Papua New Guinea (PNG), an oceanic country in the southwestern Pacific Ocean that occupies the eastern half of the island of New Guinea and offshore Melanesia islands. Current operations include gas production wells and a processing plant in the highlands; LNG production and shipping facilities on the south coast; and more than 500 miles of pipeline. Over the life of the PNG LNG project, ExxonMobil expects to produce and sell more than 9 trillion cubic feet of gas.

In June 2015, ExxonMobil directors and executives visited the PNG LNG operations to view how ExxonMobil's holistic approach to managing key sustainability and community issues has been successfully implemented in this unique area. The visit encompassed an overview of the mountainside gas wells and the Hides gas processing plant, as well as a review of the pipeline that transports treated gas from the highlands to the LNG plant. The visit also included a tour of the LNG production and shipping facility, during which board members witnessed an LNG ship preparing for departure.

Through the visit, the board observed that the transition from construction phase to production is complete and appropriate environmental monitoring programs have been established. For example, the board saw that revegetation of our

construction sites is progressing well. As part of ExxonMobil's biodiversity strategy in PNG, local and international scientific research organizations specializing in tropical forest research are conducting regular biodiversity monitoring to ensure biodiversity values of the upstream area are retained. During the project's onshore construction, 16 plant and 77 animal species new to science were identified.

In addition to learning more about ExxonMobil's Upstream operations in that area, the board members had an opportunity to engage with the PNG community through presentations by local employees and villagers, as well as a meeting with the prime minister and the first lady of PNG.



CEO Rex Tillerson meets with local workers at our Papua New Guinea operations.



ExxonMobil directors and executives tour our liquefied natural gas operations in Papua New Guinea.



ExxonMobil directors and executives at our Papua New Guinea liquefied natural gas operations.

Supported by an independent executive search firm, the board affairs committee looks for highly qualified non-employee candidates with demonstrated leadership, competency and a commitment to represent the interests of our shareholders. Other desirable qualities include:

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

In 2015, 40 percent of the board's independent directors were female, African-American or from outside the United States. Four of the seven most recent additions to the board demonstrate this diversity. Also in 2015, Doug Oberhelman joined the board following election by shareholders. Currently, the ExxonMobil board stands at 13 directors, 11 of whom are non-employee directors; an additional independent director candidate has been nominated for election in the 2016 proxy statement. We describe current director qualifications in our proxy statement.

 [2016 proxy statement](#)

 [Board committees overview](#)

### Executive compensation and strategic advantage

ExxonMobil's business model is reflective of a capital-intensive industry, requiring long investment lead times and a significant focus on risk management. The structure of our compensation program fully supports this business model and is designed as such that it aligns the interests of our executives with those of our long-term shareholders.

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

ExxonMobil's compensation committee carefully considers the feedback on executive compensation we receive from our shareholders, some of whom have held ExxonMobil stock for more than a decade. During the 2015 proxy season, the advisory vote on executive compensation received 90.1 percent of votes "for" the company's program as outlined. During our extensive dialogue with shareholders, we also received positive feedback on our newly disclosed performance award matrix, which details how industry-leading operating and financial results over investment lead times of the business are linked to the level of individual bonus and stock-based awards.

Additionally, our stock-based awards have long holding periods, i.e., for executive officers 50 percent vests in five years and the other 50 percent vests in 10 years from grant date or retirement, whichever is later. Unvested stock awards are not accelerated upon retirement and remain at risk of forfeiture. These features of the compensation program provide executives with a strong incentive to maintain a sharp focus on operations integrity, which in turn protects the safety and security of our employees, the communities and environments in which we operate. For more details on our executive compensation program, see ExxonMobil's 2016 proxy statement.

### Communicating with directors

Constructive engagement allows us to identify areas of opportunity and improvement throughout our business. ExxonMobil's directors encourage open and transparent communication on corporate citizenship topics. Individuals can email our non-employee directors through the corporate governance page of our website or send written correspondence in care of the secretary of the corporation. ExxonMobil employees work with directors as appropriate in responding to these letters and emails. Directors will sometimes request that senior managers meet with shareholders to address particular topics.

## Shareholder relations

We value the dialogue we have with our shareholders on a variety of governance, social and environmental topics throughout the year. Management considers suggestions and engages with shareholders as appropriate. Our direct engagement with shareholders provides an effective forum to address issues, share relevant information and viewpoints, and align on the facts. In 2015, we had 42 shareholder dialogues with institutional investors, pension funds, and labor, religious, and NGO organizations. These dialogues have generally allowed us to reach common ground with our shareholders, in some cases avoiding the need for more formal shareholder proposals at the annual shareholders meeting.

At the corporation's 2015 annual meeting, shareholders owning approximately 3.5 billion — or nearly 84 percent — of outstanding shares were represented. In 2015, shareholders voted on directors, independent auditors, executive compensation and eight shareholder proposals. The summary table below shows the 2015 proxy vote results.

We seek to report transparently on issues important to our shareholders. The *Corporate Citizenship Report, Outlook for Energy* and ExxonMobil's website help communicate the company's strategic outlook, performance and risk

## 2015 proxy vote summary

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

Proxy item	2015
1. Election of directors (average) <sup>2</sup>	97.1
2. Ratification of independent auditors <sup>2</sup>	99.1
3. Advisory vote on executive compensation <sup>2</sup>	90.1
4. Independent chairman	33.8
5. Proxy access bylaw <sup>3</sup>	49.4
6. Climate expert on board <sup>3</sup>	21.0
7. Board quota for women <sup>3</sup>	4.3
8. Report on compensation for women <sup>3</sup>	5.8
9. Report on lobbying	21.0
10. Greenhouse gas emissions goals	9.6
11. Report on hydraulic fracturing	24.9

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

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

<sup>3</sup>First-year proposal.



ExxonMobil's management committee. From left: Mark Albers, senior vice president; Andy Swiger, principal financial officer and senior vice president; Darren Woods, president and board member; Rex Tillerson, chairman and CEO; Jack Williams, senior vice president; Mike Dolan, senior vice president.

management practices. In some cases, we publish additional reports to provide further information about certain issues. In response to our shareholder proposals, in 2014 we published three such reports — two on climate change and one on unconventional resources — which provide shareholders an enhanced description of global energy demand and supply, climate change policy, carbon asset risks and unconventional resource development. These reports continue to inform shareholders on how we evaluate and manage risks associated with these issues.

 Climate risk reports

 Unconventional resources report

### Political advocacy and contributions

Public policy decisions made at all levels of government can have significant effects on ExxonMobil's current and future operations. We believe that sound public policy is best achieved when a variety of informed voices participate in the political process. For this reason, ExxonMobil exercises its right to support policies that promote a stable investment climate for long-term business viability.

ExxonMobil, like many U.S. companies, labor unions and NGOs, communicates its positions to the U.S. Congress and state legislatures. Lobbying activities include direct communication with members of Congress, state legislators, administration and regulatory officials, as well as support for trade associations and other groups that engage in lobbying

activities. We fully comply with registration and reporting regulations related to our lobbying activities. In 2015, the corporation reported total federal lobbying expenses of about \$12 million in its disclosure reports to Congress.

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

- **Energy infrastructure:** ExxonMobil supports the continued development of necessary energy infrastructure, which will increase energy security and help grow the economy.
- **Hydraulic fracturing and horizontal drilling:** ExxonMobil supports the global use of horizontal drilling and hydraulic

fracturing — safe and successful technologies that have been used for decades — to enable energy development. With the combination of these technologies, energy security is enhanced through expanded oil and gas production.

- **Cybersecurity:** ExxonMobil is committed to protecting all information and assets related to our global operations. We support and participate in the development of risk-based industry guidelines and existing public-private frameworks to protect against cyber threats. Because of ExxonMobil's global operations, we are concerned about the potential fragmentation of mandatory security requirements. To the greatest extent possible, cybersecurity requirements need to be harmonized globally.
- **Tax policy:** ExxonMobil supports stable tax policies that enable the energy industry to remain competitive in the global marketplace. Energy development benefits our economy and sound tax policy is needed to encourage investment, job creation and productivity.
- **International trade:** Trade liberalization is among the top global issues for ExxonMobil. The company supports free trade policies for all products, including energy products such as oil and natural gas. ExxonMobil supports lifting restrictions on exports of energy products because expanding markets can benefit all consumers, since it encourages the development of new technologies, new business models and the efficient production and distribution of products. Robust trade policies benefit consumers and encourage more investment, sustain high-paying jobs and foster economic growth.
- **Regulatory improvement:** Common-sense reforms to improve transparency, accountability and objectivity of regulations would enable effective enforcement, improve public safety and minimize economic costs.
- **Renewable fuel standard (RFS):** ExxonMobil opposes fuel mandates such as the RFS because they distort free markets, do not provide claimed environmental benefits and ultimately increase costs to consumers. Transportation fuels should be reliable and affordable to meet consumer needs, consistent with automobile and engine

manufacturers' recommendations, and compatible with transportation fuel infrastructure.

- **Toxic Substances Control Act (TSCA):** ExxonMobil supports TSCA reauthorization and modernization to strengthen safety standards, mandate safety reviews for all new and existing chemicals, and balance state and federal regulations of chemicals. Reforming chemical regulation strengthens oversight and provides consumers with more confidence in the safety of chemicals, while also providing companies the certainty needed to support future investments.
- **Education:** Improving educational performance is vital to the success of our industry and to global competitiveness. We support sensible, forward-looking efforts to raise academic standards and help teachers and students. We support science, technology, engineering and mathematics education initiatives as part of a path to competitiveness.

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

 [ExxonMobil Perspectives blog](#)

ExxonMobil makes political contributions to candidate committees and political organizations as permitted by applicable laws. These contributions are authorized by the board of directors. The corporation refrains from making political contributions in any country other than the United States and Canada. In 2015, we contributed almost \$230,000 to state candidates and caucuses in 13 U.S. states. Corporate political contributions are subject to an internal review process that requires approval from the chairman. The political contributions of the corporation, as well as the contributions from the company-sponsored political action committee (PAC), are reviewed with the board of directors annually and are routinely verified during internal audits of the corporation's public affairs activities.

Eligible employees and retiree shareholders may participate in the U.S. political process by contributing to a voluntary company-sponsored federal PAC. PAC contributions are reported monthly to the Federal Election Commission

(FEC) and are a matter of public record. During 2015, ExxonMobil's PAC disbursed nearly \$822,000\* to federal and state candidates. Based on 2015-2016 election cycle disbursements, Congressional Quarterly's *Political MoneyLine* lists the ExxonMobil PAC No. 52 in size relative to other corporate PACs. The ExxonMobil PAC ranks No. 43 in terms of receipts from employees and retiree shareholders. The rankings are compiled from publicly available data filed with the FEC.

Our *Political Activities Policy and Guidelines*, as well as an itemized list of our corporate political contributions, are available on our website.

 [Political Activities Policy and Guidelines](#)

\*Totals may not reflect some candidates' failure to deposit, or returned contributions not yet posted.

## About this report

This 2015 *Corporate Citizenship Report* was created in accordance with the reporting guidelines and indicators of IPIECA — the global oil and gas industry association for environmental and social issues, the International Association of Oil and Gas Producers (IOGP) and the American Petroleum Institute (API) *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (2015). ExxonMobil was a key contributor to the updated industry guidance, and this report reflects the new indicators at a common reporting level. The majority of these indicators are also consistent with the indicators used by the Global Reporting Initiative (GRI) in its *G4 Sustainability Reporting Guidelines*; this report is informed by the G4 guidelines but has not been prepared to a particular GRI in accordance model. To help interested stakeholders easily access our key sustainability indicators, we have mapped relevant IPIECA and GRI indicators on page 93 of this report.

This report covers ExxonMobil's operations from January 1, 2015, through December 31, 2015, unless otherwise indicated. The report uses both qualitative descriptions and quantitative metrics to describe our policies, programs, practices and performance. For environmental and climate change data, units of measure are metric where noted. Financial information is reported in U.S. dollars. Exxon Mobil Corporation has numerous affiliates, with many names that include *ExxonMobil*, *Exxon*, *Mobil*, *Esso* and *XTO Energy*. For convenience and simplicity, those terms (and terms such as corporation, company, our, we, us and its) are sometimes used as abbreviated references to specific affiliates or affiliate groups. ExxonMobil includes the above-mentioned operations as part of our company performance data, which starts on page 90.

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

### Continual improvement

External feedback on our report is a key component of our engagement strategy and commitment to improve our annual *Corporate Citizenship Report*. Management reviews all comments, which, in many instances, are incorporated into the materiality assessment and report content.

We welcome all feedback on this 2015 report. For additional information, to view previous reports or to provide comments, visit [exxonmobil.com/citizenship](http://exxonmobil.com/citizenship) or contact:

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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 practices additional integrity. Lloyd's Register Quality Assurance Inc. conducts an annual third-party assurance of ExxonMobil's safety, health and environmental reporting system. For the full assurance statement, see page 94.

### Cautionary note

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

## Incorporating stakeholder feedback

Each year, we hold face-to-face and telephone dialogues with a variety of our stakeholders — including representatives from NGOs, academia, investors, industry experts and employees — about our *Corporate Citizenship Report*. We have identified several recurring comments from stakeholders on our 2014 report and describe where we have incorporated changes within this year's report.

**Discuss the technology and science ExxonMobil uses in greater detail.** We have dedicated a case study and several Up Close examples to provide more information about the leading-edge technology our employees are using each day.

**Describe the linkage between sustainability and ExxonMobil's key business objectives.** We have expanded our discussion on our business and how ExxonMobil contributes to progress by providing the energy the world needs. We also have featured our OIMS framework, which establishes common worldwide expectations for addressing the safety, security, health and environmental risks inherent in our business.

**Incorporate more third-party perspectives.** We have incorporated quotes from eight ExxonMobil academic partners and NGOs in this report to show our continual approach to collaborating with our stakeholders. We have also incorporated our External Citizenship Advisory Panel's statement on our citizenship activities directly in this year's report.

**Provide more context for performance data.** We have incorporated explanatory text with every chart throughout the report. Additionally, our performance data table beginning on page 90 has an expanded description of the scope of coverage in our company-wide data.

# Materiality

A key step in developing this *Corporate Citizenship Report* is ensuring the content reflects ExxonMobil's most material issues. According to IPIECA, the global oil and gas industry association for environmental and social issues, material issues for sustainability reporting are those that, in the view of both the company's management and its external stakeholders, have the potential to affect sustainability performance significantly. ExxonMobil has been conducting a materiality assessment to guide our reporting since 2006. For this 2015 report, we refreshed and built upon the process that was used to determine content for our 2014 report. We outline this materiality process below.

## 1 Issue identification

Using our list of potential material issues from 2014, we used the following sources to identify if there were any new issues to add or issues that may need to be reassessed:

- Media review
- Feedback sessions with external stakeholders
- Benchmarking of peer company reports
- Feedback sessions with ExxonMobil business line representatives
- Review of new IPIECA reporting guidance

## 2 Issue prioritization

We then prioritized the identified new issues or those that needed to be reassessed based on the following criteria:

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

## 3 2015 material issues

In 2015, two new issues emerged compared with last year: decommissioning and rehabilitation of the environment. While we have reported on these topics in the past, we have not addressed them in detail in recent years. Our materiality assessment results guided us to add them to the list of material topics in 2015.

### Safety, health and the workplace

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

### Managing climate change risks

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

### Environmental performance

- Air quality
- Biodiversity and ecosystem services
- Decommissioning
- Environmental compliance
- Rehabilitation of the environment
- Spill performance
- Water

### Community and social impact

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

### Local development and supply chain management

- Economic impacts and development
- Supply chain management

### Corporate governance

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

### Business operations (included throughout report)

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

# Performance data

We are committed to continual improvement in all six of our corporate citizenship areas. This means we assess our performance at many levels of the organization, from individual operational sites to the business lines. Starting in 2011, performance data include XTO Energy information. As part of our commitment to continual improvement, in 2014 we started reporting our data over a 10-year period to demonstrate performance trends over time. For data that is discussed in more detail in this report we reference the corresponding page number in the table.

Performance data table\*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Page #
<b>Safety, health and the workplace</b>											
Fatalities — employees	3	0	0	4	0	0	1	0	0	0	19
Fatalities — contractors	7	8	5	4	3	9	4	6	3	2	19
<sup>1</sup> Fatal accident rate — total workforce (per 1,000,000 work hours)	0.021	0.018	0.011	0.017	0.006	0.017	0.010	0.011	0.006	0.004	N/A
<sup>1</sup> Fatality incident rate — total workforce (per 1,000,000 work hours)	0.021	0.013	0.011	0.012	0.006	0.017	0.010	0.009	0.006	0.004	N/A
<sup>2</sup> Lost-time incident rate — employees (per 200,000 work hours)	0.050	0.031	0.054	0.043	0.048	0.064	0.042	0.050	0.032	0.043	N/A
<sup>2</sup> Lost-time incident rate — contractors (per 200,000 work hours)	0.052	0.065	0.049	0.040	0.031	0.086	0.049	0.041	0.030	0.029	N/A
<sup>2</sup> Lost-time incident rate — total workforce (per 200,000 work hours)	0.051	0.048	0.051	0.041	0.038	0.077	0.046	0.044	0.031	0.034	19
<sup>2</sup> Total recordable incident rate — employees (per 200,000 work hours)	0.33	0.33	0.37	0.32	0.25	0.30	0.25	0.21	0.19	0.21	N/A
<sup>2</sup> Total recordable incident rate — contractors (per 200,000 work hours)	0.43	0.43	0.49	0.39	0.34	0.41	0.37	0.32	0.29	0.26	N/A
<sup>2</sup> Total recordable incident rate — total workforce (per 200,000 work hours)	0.39	0.38	0.43	0.36	0.30	0.37	0.33	0.28	0.25	0.24	19
Process Safety Tier 1 Events (API RP 754 guidance)	N/A	N/A	N/A	69	62	70	63	62	65	74	21
<sup>3</sup> Number of regular employees at year end, thousands	82	81	80	81	84	82	77	75	75	73	26
<sup>4</sup> Percent of workforce — outside the United States	63	63	63	63	60	61	59	59	58	59	26
<sup>4</sup> Percent women — global workforce	24	25	25	26	26	26	28	28	28	28	27
Percent management and professional new hires — women	41	38	39	38	40	44	39	39	40	41	27
Percent management and professional new hires — outside the United States	72	71	69	63	70	79	68	66	61	61	N/A
Number of non-unique employee participants in corporate and technical training, thousands	52	35	48	52	61	65	76	87	79	85	28
Total corporate and technical training expenditures, millions of dollars	60	61	69	71	77	80	88	96	117	124	28
<b>Managing climate change risks</b>											
<sup>5</sup> Greenhouse gas emissions, absolute (net equity, CO <sub>2</sub> -equivalent emissions), millions of metric tons	139	135	126	123	126	128	126	127	123	122	35
<sup>6</sup> Direct (excluding emissions from exported power and heat)	129	125	117	114	117	119	118	119	115	114	N/A
<sup>7</sup> Emissions associated with imported power	10	10	9	9	9	9	8	8	8	8	N/A
Greenhouse gas emission constituents (excludes emissions from exported power and heat), millions of metric tons											
CO <sub>2</sub> (excluding emissions from exported power and heat)	134	131	122	119	122	124	120	119	116	115	N/A
Methane (CO <sub>2</sub> -equivalent)	4	3	3	3	3	3	5	7	6	6	N/A
Other gases (CO <sub>2</sub> -equivalent)	1	1	1	1	1	1	1	1	1	1	N/A
Emissions from exported power and heat	14	14	13	14	13	15	15	16	7	4	N/A
By-region greenhouse gas emissions (net equity, CO <sub>2</sub> -equivalent emissions), millions of metric tons											
Africa/Europe/Middle East	50	50	45	43	45	45	44	44	43	44	N/A
Americas	69	65	62	62	64	66	68	70	66	65	N/A
Asia Pacific	20	20	19	18	17	17	14	13	14	13	N/A

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Page #
<b>Managing climate change risks (continued)</b>											
By-division greenhouse gas emissions (net equity, CO <sub>2</sub> -equivalent emissions), millions of metric tons											
Upstream	57	53	49	47	50	54	56	58	56	<b>56</b>	N/A
Downstream	60	59	57	56	55	54	51	49	47	<b>45</b>	N/A
Chemical	22	23	20	20	21	20	19	20	20	<b>21</b>	N/A
Carbon dioxide – captured for sequestration, millions of metric tons	N/A	N/A	N/A	N/A	N/A	5.0	4.8	5.9	6.9	<b>6.9</b>	34
<sup>5</sup> Greenhouse gas emissions, normalized (net equity, CO <sub>2</sub> -equivalent emissions), metric tons per 100 metric tons of throughput or production											
Upstream	22.6	21.7	21.0	20.1	20.5	20.7	22.3	22.8	23.4	<b>23.4</b>	35
Downstream	21.8	21.5	21.0	21.0	20.8	20.0	19.6	19.7	19.2	<b>18.9</b>	35
Chemical	60.9	62.1	59.8	60.7	57.9	57.2	56.3	57.0	53.4	<b>52.3</b>	35
Energy use (billion gigajoules)	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.6	<b>1.7</b>	36
Energy intensity, normalized versus <i>Global Energy Management System</i> (GEMS) base year (2002) – refining	94.8	94.2	93.7	92.8	91.8	90.9	90.0	90.5	90.3	<b>91.2</b>	N/A
Energy intensity, normalized versus GEMS base year (2002) – chemical steam cracking	90.4	89.6	90.4	88.6	87.6	87.3	88.2	88.8	86.4	<b>86.6</b>	N/A
Hydrocarbon flaring (worldwide activities), millions of metric tons	8.2	8.0	5.7	4.4	3.6	4.1	3.6	3.7	4.5	<b>5.3</b>	36
<sup>8</sup> Cogeneration capacity in which we have interest, gigawatts	4.3	4.5	4.6	4.9	4.9	5.0	5.2	5.3	5.5	<b>5.5</b>	37
<b>Environmental performance</b>											
<sup>8</sup> Number of acres of managed wildlife habitat	370	370	370	380	6,400	6,900	7,000	7,000	7,200	<b>7,100</b>	48
Freshwater withdrawn, millions of cubic meters	N/A	N/A	N/A	N/A	N/A	550	520	430	420	<b>430</b>	N/A
Freshwater consumption, millions of cubic meters	N/A	320	350	340	330	370	330	280	270	<b>300</b>	48
Freshwater intensity, metric tons of water consumed per metric tons of throughput or production											
Upstream	N/A	0.07	0.08	0.09	0.10	0.26	0.26	0.22	0.17	<b>0.33</b>	N/A
Downstream	N/A	0.81	0.90	0.85	0.87	0.88	0.82	0.74	0.74	<b>0.73</b>	N/A
Chemical	N/A	2.36	2.56	2.46	2.41	2.64	2.41	1.98	1.79	<b>1.67</b>	N/A
Marine vessel spills (owned and long-term leased), number of hydrocarbon spills > 1 barrel	0	0	0	0	0	0	0	0	0	<b>0</b>	51
<sup>9</sup> Significant spills to the environment	N/A	N/A	N/A	N/A	N/A	N/A	20	18	19	<b>11</b>	51
Spills (not from marine vessels), number of oil, chemical and drilling fluid spills > 1 barrel	295	253	211	242	210	484	356	330	334	<b>319</b>	51
Oil spills, number of oil spills > 1 barrel	249	224	185	208	186	387	294	280	288	<b>280</b>	N/A
Other spills, number of chemical and drilling fluid spills > 1 barrel	46	29	26	34	24	97	62	50	46	<b>39</b>	N/A
Hydrocarbons spilled (oil spilled), thousands of barrels	35.3	7.5	20.3	17.4	7.7	17.8	8.5	9.3	9.1	<b>10.8</b>	51
Other spills, thousands of barrels	4.7	0.5	0.4	0.5	40.4	2.0	1.6	0.9	4.1	<b>0.4</b>	N/A
Controlled hydrocarbon discharges to water, thousands of metric tons	1.9	1.7	1.8	1.4	1.3	1.3	1.2	1.1	1.3	<b>1.1</b>	N/A
Upstream	1.4	1.2	1.3	1.1	1.1	1.1	1.0	1.0	1.2	<b>1.0</b>	N/A
Refining	0.5	0.5	0.5	0.3	0.2	0.2	0.2	0.1	0.1	<b>0.1</b>	N/A
Sulfur dioxide (SO <sub>2</sub> ) emitted, millions of metric tons	0.24	0.21	0.19	0.16	0.14	0.13	0.13	0.12	0.10	<b>0.10</b>	53
Nitrogen oxides (NOx) emitted, millions of metric tons	0.18	0.16	0.15	0.13	0.12	0.15	0.14	0.14	0.14	<b>0.14</b>	53
Volatile organic compounds (VOCs) emitted, millions of metric tons	0.31	0.29	0.23	0.21	0.20	0.21	0.17	0.16	0.17	<b>0.15</b>	53

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Page #
<b>Environmental performance (continued)</b>											
VOCs emitted, metric tons per 100 metric tons of throughput or production											
Upstream	0.074	0.073	0.059	0.058	0.061	0.063	0.056	0.059	0.061	0.053	N/A
Refining	0.016	0.015	0.012	0.011	0.012	0.011	0.010	0.009	0.008	0.008	N/A
Chemical	0.043	0.039	0.043	0.036	0.036	0.032	0.036	0.034	0.029	0.024	N/A
Environmental expenditures, billions of dollars	3.2	3.8	5.2	5.1	4.5	4.9	5.5	6.0	6.2	5.6	53
Total hazardous waste disposed from remediation, millions of metric tons	0.1	0.1	0.2	1.2	0.6	1.3	1.7	1.1	1.0	1.4	N/A
<sup>10</sup> Total hazardous waste disposed from operations, millions of metric tons	0.1	0.1	0.4	0.8	1.3	1.9	2.0	0.3	0.3	0.2	N/A
<b>Community and social impact</b>											
<sup>11</sup> Community investments, millions of dollars											
United States	170.0	206.6	225.2	235.0	237.1	278.4	255.6	269.5	279.5	267.8	64
Rest of world	109.1	124.1	144.6	143.0	154.8	161.3	156.5	156.3	150.2	145.6	64
	60.9	82.5	80.6	92.0	82.3	117.1	99.1	113.2	129.3	122.2	64
<b>Local development and supply chain management</b>											
<sup>12</sup> ExxonMobil spending with U.S. diverse suppliers, millions of dollars											
	576	582	615	887	841	1,068	1,001	1,024	1,108	1,064	80
<b>Corporate governance</b>											
<sup>13</sup> Number of Extractive Industries Transparency Initiative (EITI) participating countries											
	6	6	8	8	7	7	7	9	10	11	N/A
Percent of shares represented at Corporation's Annual Meeting											
	84.0	84.9	84.8	82.9	80.7	81.9	83.0	82.3	82.9	83.9	85
Corporate political contributions — U.S. state campaigns and national 527s, millions of dollars											
	0.41	0.27	0.45	0.49	1.10	0.51	1.03	0.70	1.17	0.58	N/A

**Notes on performance table:**

<sup>1</sup>Workforce includes employees and contractors. Accidents or incidents include both injuries and illnesses. From 2006 through 2015 all fatalities were injury-related.

<sup>2</sup>Workforce includes employees and contractors. Incidents include both injuries and illnesses. Depending on the reporting year, around 5 to 10 percent of the incidents are illness-related.

<sup>3</sup>Reduction from 2011 is 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>The net equity greenhouse gas emissions metric was introduced in 2011 as a replacement for the direct equity greenhouse gas metric. Information has been restated back to 2005 according to the new metric. The net equity greenhouse gas metric includes direct and imported greenhouse gas emissions and excludes emissions from exports (including Hong Kong Power through mid-2014). ExxonMobil reports greenhouse gas emissions on a net equity basis for all our business operations, reflecting our percent ownership in an asset.

<sup>6</sup>The addition of direct emissions and emissions associated with exported power and heat is equivalent to World Resources Institute (WRI) Scope 1.

<sup>7</sup>These emissions are equivalent to WRI Scope 2.

<sup>8</sup>Cumulative figure.

<sup>9</sup>ExxonMobil began measuring significant spills to the environment, the number of spills of any fluid type that warrant greater focus, in 2012.

<sup>10</sup>The value for hazardous waste from ongoing operations includes produced water classified as hazardous waste by one local authority, which is approximately 95 percent of the reported figure in 2008 through 2012.

<sup>11</sup>Total contributions include ExxonMobil corporate and foundation donations, and employee and retiree giving through ExxonMobil's matching gift, disaster relief and employee giving programs.

<sup>12</sup>In 2015, our spending encompassed an expanded set of diverse classifications that includes: minority-owned businesses; women-owned businesses; small businesses; lesbian-, gay-, bisexual- and transgender-owned businesses; veteran-owned businesses; service-disabled veteran-owned businesses; and businesses owned by peoples with disabilities. Prior to 2014, spending included minority- and women-owned businesses.

<sup>13</sup>In countries where ExxonMobil has an Upstream business presence.

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

# IPIECA/GRI content index

Our corporate citizenship reporting is guided by our materiality process (see page 89), through which we determine the most important issues to our stakeholders and our business. Our reporting is also consistent with the IPIECA, the International Oil and Gas Producers Association (IOGP) and the American Petroleum Institute (API) *Oil and gas industry guidance on voluntary sustainability reporting* (2015). This report also cross-references the Global Reporting Initiative (GRI) *G4 Sustainability Reporting Guidelines*. These standards can be downloaded at [ipieca.org](http://ipieca.org) and [globalreporting.org](http://globalreporting.org).

Report section	IPIECA/IOGP/API	GRI	Page reported
<b>Company overview</b>			
Chairman's letter		G4-1	3
About ExxonMobil and Contributing to progress		G4-4, G4-6, G4-8, G4-9, G4-17, G4- EC1	4-6
The Outlook for Energy		G4-2, G4- EC2	7
Sustainability and Engaging with our stakeholders	SE1, SE16	G4-2, G4-24, G4-26, G4-27	8-9
External Citizenship Advisory Panel		G4-26, G4-27	10-11
Key sustainability issues and challenges		G4-2, G4-26, G4-27, G4-36	12-14
Case study: ExxonMobil's Operations Integrity Management System	HS1, HS2, HS5, SE17	G4-14, G4-15, G4-LA10	15-17
<b>Safety, health and the workplace</b>			
Safety	HS1, HS3, HS4, HS5	G4-14, G4-56, G4-LA6	18-22
Emergency preparedness and response	E9, SE17	G4-14, G4-LA10	22-23
Workplace security	SE17	G4-14	23
Health and wellness	HS1, HS2	G4-LA2, G4-LA7	24
Workforce	SE15, SE16, SE17	G4-9, G4-10, G4-56, G4-EC3, G4-LA1, G4-LA2, G4-LA9, G4-LA10, G4-LA11, G4-LA12	24-28
<b>Managing climate change risks</b>			
Engaging on climate change policy and planning	SE14	G4-16, G4-26, G4-27, G4-35, G4-EC2	29-32
Developing future technologies		G4-EC2, G4-EN6, G4-EN7, G4-EN27	33-34
Mitigating greenhouse gas emissions in our operations	E1, E2, E4	G4-EC2, G4-EN3, G4-EN6, G4-EN15, G4-EN16, G4-EN18, G4-EN19	35-38, 41
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Case study: ExxonMobil's research and development initiatives	E1, E2, E5	G4-EN6, G4-EN19, G4-EN27	42-44
<b>Environmental performance</b>			
Environmental management		G4-14, G4-56	45-46
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Water management	E6, E7	G4-EN8, G4-EN10, G4-EN22	48-50
Spill performance	E9	G4-16, G4-EN24, G4-EN30	51-52
Air emissions	E8	G4-EN21	53
Environmental compliance		G4-EN22, G4-EN29, G4-EN31	53
Rehabilitation and decommissioning	E11	G4-EN13, G4-EN31	54-55
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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. The IPIECA indicators in this index include, at minimum, all common reporting elements.



Environmental Resources Management, Inc. (ERM) reviewed ExxonMobil's 2015 Corporate Citizenship Report against the IPIECA/IOGP/API *Oil and gas industry guidance on voluntary sustainability reporting* (2015) and the GRI *G4 Sustainability Reporting Guidelines*. ERM found that the report contents address the indicators shown in this index.

## LRQA Assurance Statement

Relating to Exxon Mobil Corporation's *Corporate Citizenship Report* for the calendar year 2015.

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

### Terms of engagement

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by Exxon Mobil Corporation (ExxonMobil) to assure its processes for reporting safety, health, and environmental IPIECA performance indicators used in the *Corporate Citizenship Report (CCR)* for the calendar year 2015, to a reasonable level of assurance using LRQA's verification approach.

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

- Verifying the integrity of the processes used for determining which material issues to report
- Evaluating consistency with the following industry guidelines:
  - IPIECA/API, *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2015)*
  - API, *Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Gas Industry (2009)*

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

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

### LRQA's opinion

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

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

### LRQA's approach

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

- Reviewing the reported information to confirm the inclusion of all core safety, health and environmental performance indicators referenced in the IPIECA/API Guidance
- Reviewing the documented reporting requirements against the applicable industry guidelines to assure consistency of scope, definition, and reporting for each of the relevant indicators
- Reviewing the reporting processes at Headquarters and at each of the functional business levels to evaluate the processes used by ExxonMobil to assure completeness, consistency and conformance to reporting requirements across its global operations
- Reviewing the stakeholder engagement processes
- Reviewing the processes used to aggregate the data and information at the corporate level for inclusion in the CCR
- Reviewing ExxonMobil's data collection tools to assess use in the reporting processes
- Reviewing the data-reporting processes at a sample of nine operating sites selected by LRQA to assess local understanding and implementation of reporting requirements. Sites selected were Rotterdam manufacturing complex, Netherlands; Paulinia solvents plant, Brazil; Imperial Oil Resources Limited Cold Lake, Canada; ExxonMobil Chemical Company headquarters, United States; ExxonMobil Development Company headquarters, United States; and lubricant facilities in Serviburnu, Turkey; Vado, Italy; Gravenchon, France; and Tai Cang, China.

### Observations

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

- Processes were in place to ensure that sites contributing to core safety, health and environmental metrics understood corporate reporting obligations and were included in corporate safety, health, environmental and climate change reporting
- Methods used for calculating each metric were defined clearly and communicated
- Processes were in place to ensure that the quantitative indicators were checked for completeness, consistency and accuracy
- Responsibility for annually reviewing and updating reporting guidelines was clear, with improvement in methodology regularly undertaken
- Guidelines for greenhouse gas emissions reporting were consistent with, and specifically refer to, the API Compendium for Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry (2009)
- Active engagement with external stakeholders provided information for determining material issues

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

### LRQA's competence and independence

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

LRQA is ExxonMobil's certification body for ISO 9001 and ISO 14001 (lubricants operations) and Responsible Care® (chemicals operations) and the California Air Resources Board greenhouse gas verification. The certification assessments are the only work undertaken by LRQA for ExxonMobil and as such does not compromise our independence or impartiality.

Signed

Dated: March 30, 2016



Andrea M. Bockrath

LRQA Lead Verifier

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

LRQA Reference: UQA0110889

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

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