

Key Processes and Management Systems (1 page)

ExxonMobil is committed to conducting business in a manner compatible with the environmental and economic needs of the communities in which we operate, and that protects the safety, security and health of our employees; those involved with our operations; our customers; and the public.

Across ExxonMobil's global operations, we rigorously apply consistent management standards to enable the highest operational performance. We use these management systems to identify, track, and report the metrics that demonstrate and guide our performance. These systems enable us to comply with new regulations; and where laws and regulations do not exist, they provide a framework for maintaining our high standards. From the drilling of a well to the delivery of petroleum products, these management standards provide the framework and foundation for managing risk and achieving excellence in performance in each of our 10 business lines.

Our [Standards of Business Conduct](#) govern our employment practices and support our commitment to equal employment opportunities, prohibit harassment and discrimination in the workplace, and align with applicable laws and regulations in all countries where we operate.

The [standards](#) set forth the foundation policies that we integrate into our daily decisions:

- [Ethics Policy](#)
- [Conflicts of Interest Policy](#)
- [Corporate Assets Policy](#)
- [Directorships Policy](#)
- [Gifts and Entertainment Policy](#)
- [Political Activities Policy](#)
- [International Operations Policy](#)
- [Antitrust Policy](#)
- [Health Policy](#)
- [Environment Policy](#)
- [Safety Policy](#)
- [Product Safety Policy](#)
- [Customer Relations and Product Quality Policy](#)
- [Alcohol and Drug Use Policy](#)
- [Equal Employment Opportunity Policy](#)
- [Harassment in the Workplace Policy](#)

These policies are put into practice through a disciplined management framework called the [Operations Integrity Management System \(OIMS\)](#). OIMS establishes common expectations for addressing safety, security, health, environmental and social risks. Using OIMS, we describe work processes, identify and mitigate risks, and develop critical procedures. OIMS provides a systematic, structured and disciplined approach to measure progress and track accountability across business lines, facilities and projects. The OIMS [framework](#) includes 11 [elements](#). Each [element](#) contains an underlying principle and set of expectations.

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Charmaine Cooper ..., 12/18/12 12:58 PM
Comment [14]: I wanted to get confirmation about lowercasing subsequent references to composition titles, so I asked the editor of the AP stylebook. Here is our Q&A exchange:

Q. When referring to a composition like a company's "Standards of Business Conduct" (or other compositions with rather generic titles), would you capitalize or lowercase subsequent references to the composition that is shortened to "Standards"? For example, "The Standards (standards) establish guidelines for ..." from Dallas on Mon, Dec 17, 2012 A. Lowercase the standards on follow-ups.

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Charmaine Cooper H..., 12/17/12 2:55 PM
Comment [15]: If these are documents, should they be in italics as well? (I still vote for quotes.)
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Comment [16]: Already defined in the chairman's letter, but I'm leaving it defined again here in case you want to redefine acronyms in each major section.

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Case Study: Sustainable Products in the Chemical Business (1 page)

Feeding the world's 7 billion people requires energy. In a world faced with increasingly scarce resources, significant opportunities exist to improve energy efficiency in the food chain. ExxonMobil Chemical's diverse product portfolio helps deliver these efficiencies.

Callout Box:

"Given the limited availability of natural resources, it is more effective to reduce food losses than to increase food production in order to feed a growing world population." – Food and Agriculture Organization

Amid growing social and political pressure to adopt more sustainable practices, our customers increasingly want chemical products with enhanced features that extend across a product's life cycle, from raw material sourcing and manufacturing to final consumption and disposal. Meeting this demand requires an unwavering focus on innovation, robust management systems and sustained investment in technology.

Food spoilage. Every year, about 1.3 billion tons of food, or one-third of the global food supply, is wasted, either due to losses in the system or spoilage. This comprises nearly 40 percent³ of all energy use in the food chain. Food often spoils due to improper or suboptimal storage. From food wraps to storage containers and bottles, plastic packaging helps extend freshness, minimize spoilage and reduce waste. For example, 1.5 grams of plastic film can extend the shelf life of a cucumber from 3 to 14 days. The sealing properties of our high-performance elastomer, **Santoprene TPV**, help protect food and beverages from microbial contamination and extend packaging shelf life. These properties make it useful for applications ranging from synthetic wine-bottle corks to closure liners and cap seals for nutritional and sports beverages.

Lightweight packaging. At ExxonMobil Chemical, we tackle tough challenges and provide customers with effective, environmentally responsible packaging solutions. "Downgauging" refers to reducing the amount of material in a product while maintaining or improving the properties of that material. Just a gram or two saved in the weight of a package can have a tremendous impact on the environment and energy efficiency, considering the millions of individual packages produced each year.

Polyethylene is one of the most common plastics created for commercial and industrial use. For the last 20 years, ExxonMobil's polyethylene innovations have enabled customers to make heavy-duty shipping bags thinner by 2 percent per year while also improving product strength and ease of processing. Our advanced metallocene polyolefins, including the **Exceed™** and **Enable™** product families, help consumer product companies downgauge their packaging while achieving greater strength and durability. Enable is often used in agricultural greenhouse films and to ship and store bottled water, beverages, canned goods, hand soaps, detergents, health products and beauty aids. Enable's innovative design reduces the amount of raw materials needed, because films can be made thinner but with equal strength, allowing film customers to use 20 to 30 percent less packaging material than with conventional grades. These reductions in material use have reduced packaging weight, shipping costs, energy

³ Food and Agriculture Organization of the United Nations

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Comment [34]: Of the United Nations, as the footnote says?

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Comment [35]: Will the audience know what a closure liner is?

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

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Board appointment process. Achieving a [board](#) of [directors](#) that is diverse in gender, race, geography, experiences and fields of expertise is critical to successful business in a globalized market. The Board Affairs Committee nominates director candidates in accordance with the *Guidelines for the Selection of Non-Employee Directors*. The [committee](#) looks for highly qualified nonemployee candidates with demonstrated competency in a particular field and a commitment to represent the interests of all shareholders. Other desirable qualities include:

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

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In 2012, the [board](#) included female, African-American and international perspectives. Two new female directors, Henrietta Fore and Ursula Burns, were identified, recruited and appointed for election in 2012. Current director qualifications are described in the proxy statement.

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Board committees. Corporate citizenship topics fall under the purview of the Public Issues and Contributions (PICC), Board Affairs, and Compensation Committees and are routinely reviewed at [board](#) and [board](#) committee meetings. Only independent directors serve on these committees, which met between X and X times in 2012.

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The entire ExxonMobil [board](#) of [directors](#) receives in-depth briefings at least annually that cover updates on public policy, scientific and technical research, as well as company positions and actions in these areas. The [board](#) is responsible for risk oversight; [committees](#) help the [board](#) carry out risk oversight by focusing on aspects relevant to their committee.

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For example, the [board's](#) [PICC Committee](#) is responsible for the oversight of safety, health and environmental performance, including [climate](#)-change risk. This committee reviews the effectiveness of the [corporation's](#) policies, programs and practices on safety, health, environment and social responsibility. The [committee](#) hears reports from operating units on safety and environmental activities and also visits operating sites to observe and comment on current operating practices. Each committee's charter is available on our website.

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

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Compensation decisions for executives take into account several key criteria, including results