

#### **UNITED STATES** SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549-4561

	March 17, 2011 11005943
Received SEC	
Lisa K. Bork Counsel Exxon Mobil Corporation MAR 1 7 201	1 Act: 1934
5959 Las Colinas Boulevard Irving, TX 75039-2298 Washington, DC	Rule, 174-8
Re: Exxon Mobil Corporation Incoming letter dated January 21, 2011	Public Availability: <u>3-17-11</u>

#### Dear Ms. Bork:

This is in response to your letter dated January 21, 2011 concerning the shareholder proposal submitted to ExxonMobil by the AFL-CIO Reserve Fund. We also have received a letter from the proponent dated February 18, 2011. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Gregory S. Belliston **Special Counsel** 

#### Enclosures

cc:

Robert E. McGarrah, Jr. Counsel, Office of Investment American Federation of Labor and Congress of Industrial Organizations 815 Sixteenth Street, N.W. Washington, DC 20006

### Response of the Office of Chief Counsel <u>Division of Corporation Finance</u>

Re: Exxon Mobil Corporation Incoming letter dated January 21, 2011

The proposal requests that the board prepare a report on the steps the company has taken to reduce the risk of accidents. The proposal further specifies that the report should describe the board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

There appears to be some basis for your view that ExxonMobil may exclude the proposal under rule 14a-8(i)(10). Based on the information you have presented, it appears that ExxonMobil's public disclosures compare favorably with the guidelines of the proposal and that ExxonMobil has, therefore, substantially implemented the proposal. Accordingly, we will not recommend enforcement action to the Commission if ExxonMobil omits the proposal from its proxy materials in reliance on rule 14a-8(i)(10). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which ExxonMobil relies.

Sincerely,

Hagen Ganem Attorney-Adviser

#### DIVISION OF CORPORATION FINANCE INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these noaction letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

## American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W. Washington, D.C. 20006 (202) 637-5000 www.affcio.org RICHARD L. TRUMKA PRESIDENT

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#### February 18, 2011

### Via Electronic Mail: shareholderproposals@sec.gov

U.S. Securities and Exchange Commission Office of the Chief Counsel Division of Corporation Finance 100 F Street, N.E. Washington, D.C. 20549

#### Re: ExxonMobil Corporation's Request to Omit from Proxy Materials the Shareholder Proposal of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Reserve Fund

Dear Sir/Madam:

This letter is submitted in response to the claim of ExxonMobil Corporation ("ExxonMobil" or the "Company"), by letter dated January 21, 2011, that it may exclude the shareholder proposal ("Proposal") of the AFL-CIO Reserve Fund ("Fund" or the "Proponent") from its 2011 proxy materials.

#### I. Introduction

Proponent's Proposal to the Company urges:

the Board of Directors (the "Board") to prepare a report, within ninety days of the 2011 annual meeting of stockholders, at reasonable cost and excluding

proprietary and personal information, on the steps the Company Letter to U.S. Securities and Exchange Commission has taken to reduce the risk of accidents. <u>The report should describe the Board's oversight of process safety management</u>, <u>staffing levels, inspection and maintenance of refineries and other equipment</u>. (Emphasis added.) Letter to U.S. Securities and Exchange Commission Page Two February 18, 2011

ExxonMobil's letter to the Commission states that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2011 annual meeting of shareholders. The Company argues that the Proposal, which was filed December 13, 2011, has been "substantially implemented" and is, therefore, excludable pursuant to Rule 14a-8(i)(10). In the alternative, the Company argues that the Proposal is excludable as a matter of "ordinary business," pursuant to Rule 14a-8(i)(7) because it "implicates every matter of the Company's safety efforts."

The Company, in fact, has not substantially implemented the Proposal because the Proposal's main objective--- a report describing the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment---simply doesn't exist. If the Company has, in fact, compiled such a report, it should make it available to the Commission as part of its No-Action request.

*ConocoPhillips* (available January 31, 2011) involved an identical proposal to the Proposal before ExxonMobil. The Staff was unable to concur with ConocoPhillips' view that it might exclude the proposal under rule 14a-8(i)(10).

Indeed, the only indication of any ExxonMobil Board oversight connected to the Proposal is contained in a portion of one sentence in the Company's request for a Letter of No-Action to exclude the Proposal. Describing the Board of Directors' Public Issues and Contributions Committee, the Company states that, among that Committee's responsibilities are

"to review and provide advice, as the Committee deems appropriate, regarding the Corporation's policies, programs and practices on public issues of significance, including their effects on safety, health and the environment..."

As for the Company's website, there is no indication of Board oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment.<sup>1</sup> To its credit, ExxonMobil does state that, after the disastrous Texas City Refinery explosion of 2005, it has begun to develop metrics

<sup>&</sup>lt;sup>1</sup> The Board does review data, according to the Company's 2009 Corporate Citizenship Report: "Our Corporate Safety, Security, Health, and Environment Department collects data on progress from the businesses and presents it annually to the Management Committee and the Public Issues and Contributions Committee of the Board for review and discussion." But there is no description of any Board review and oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

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to deal with process safety and worker fatigue, but there is nothing that demonstrates any Board oversight of these critical matters.

Moreover, given the significant public policy issue presented by the Proposal, namely, the actions taken by the Board in the wake of the worst environmental disaster in the history of the United States, the Company's argument that the Proposal merely constitutes a matter of "ordinary business," must be rejected. The Proposal raises a matter of great concern to all ExxonMobil investors, federal and state governments and the American people.

#### II. ExxonMobil has not substantially implemented the Proposal because it has not reported on the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

The core of this Proposal, submitted in the wake of the BP disaster in the Gulf of Mexico and its Texas City refinery explosion, is a report on Board oversight of critical components of oil drilling and refinery operations. ExxonMobil's January 21, 2011, letter to the Commission, stating its intention to omit the Proposal, however, relies entirely upon the information it has already reported on its website. There is no report on Board oversight of these critical matters.

*ConocoPhillips* (available January 31, 2011) involved an identical proposal to the Proposal before ExxonMobil. The Staff was unable to concur with ConocoPhillips' view that it might exclude the proposal under rule 14a-8(i)(10).

A review of the ExxonMobil's website and the documents it has submitted to the Commission, demonstrates that the Company places primary emphasis on its *Operations Integrity Management System* (OIMS) and its *2009 Corporate Citizenship Report*. Indeed, the OMIS contains an introduction by Chairman and CEO Rex Tillerson which states, "ExxonMobil remains steadfast in its commitment to excellence in Safety, Security, Health and Environmental (SSH&E) performance, referred to collectively as Operations Integrity." Yet a review of those documents finds not one word dealing with Board oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

Moreover, each of the Exhibits cited in the Company's Letter to the Commission reveals similar statements of intention, but no description of the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment, let alone the data considered in that oversight. For example, Chairman Tillerson states that "The Operations Integrity Management System is a cornerstone to managing SSH&E risk and Letter to U.S. Securities and Exchange Commission Page Four February 18, 2011

achieving excellence in performance." This is an admirable goal, but little more. It is not a report on process safety management, staffing levels, inspection and maintenance of refineries and other equipment, nor does it describe Board oversight of these matters. Similarly, ExxonMobil's website report that it is working to set metrics for process safety and worker fatigue is all well and good, but falls well short of the report and information sought by the Proponent.<sup>2</sup>

The same is true for the Company's description of the Board's Committee on Public Issues and Contributions. It describes process, but not a report or results. Even the reported process—the Committee's "review" of the Corporation's "policies, programs and practices on safety, health, environment and social issues; "an annual review of safety, health and environmental performance of major operating organizations" Health Safety and Environment Policy;" and "annual visit to one of ExxonMobil's operating sites"----is opaque. The Company does present some data on the total numbers of injuries and fatalities, but provides no data or summary of the data describing whether they have anything at all to do with process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

III. Upon receiving an identical shareholder proposal from the Proponent, Sunoco, Inc. agreed to report on Board oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

Proponent filed an identical proposal at Sunoco, Inc. for inclusion in that company's 2011 proxy statement. Rather than contest the proposal before the SEC, Sunoco's response was to begin a dialogue with the Proponent. The result was an agreement by Sunoco to report on the information sought by the Proposal and Proponent's agreement to withdraw the proposal (attached). In brief, Sunoco will now report to shareholders on its Tier 1 and Tier 2 Process Safety events as well as the metrics involved in determining these events.

<sup>&</sup>lt;sup>2</sup> Data on injuries and fatalities is a lagging indicator that does not provide valuable insight into the risks a serious explosion or a release. Just before the 2005 explosion at BP's Texas City refinery, BP reported excellent performance with regard to workplace injuries and fatalities at the refinery. Process Safety Management (29 CFR 1910.119) is a Federal standard for handling highly hazardous chemicals that have a risk of accidental releases. Process Safety Management relates to, among other things hazard analysis; the establishment of safe work processes; and training, staffing, mechanical integrity and maintenance. The disclosure provides no data or summary of the data that is collected and reviewed by the Board describing whether they have anything at all to do with process safety management, staffing levels, inspection and maintenance of refineries and other equipment.

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Sunoco will also disclose the number of pressure vessels and relief device inspections that have been overdue for inspections at refineries and other production facilities. In addition, Sunoco, unlike ConocoPhillips, will disclose in its 2012 Corporate Social Responsibility Report its worker fatigue policy and the steps it will take to implement that policy with the union representing its affected employees, the United Steelworkers.

While it is a fact that ExxonMobil also publishes a Corporate Social Responsibility report, it is silent on each of the matters that Sunoco will now disclose. Neither the ExxonMobil Corporate Social report, nor the Company's SEC filings describe Board oversight of the important safety information sought by the Proposal.

#### IV. In light of the catastrophic consequences from the BP Gulf explosion for shareholders, federal and state governments and the American people, this Proposal is not a matter of "ordinary business."

ExxonMobil would have the Commission believe that simply because the Company states that safety is one of its primary concerns, the Proposal's request for a report on the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment transforms the Proposal into a matter of ordinary business.

In this regard, Staff Legal Bulletin 14E is instructive:

[T]here is widespread recognition that the board's role in the oversight of a company's management of risk is a significant policy matter regarding the governance of the corporation. In light of this recognition, a proposal that focuses on the board's role in the oversight of a company's management of risk may transcend the day-to-day business matters of a company and raise policy issues so significant that it would be appropriate for a shareholder vote.

There is no reason to doubt that ExxonMobil makes safety one of its highest priorities. That is no reason, however, to deny the Company's shareholders a vote on whether the Board should report on its oversight of the Company's management of risks that in and of themselves raise significant public policy issues. Letter to U.S. Securities and Exchange Commission Page Six February 18, 2011

#### V. Conclusion

ExxonMobil has not met its burden of demonstrating that it is entitled to exclude the Proposal under Rule 14a-8(g). While the Company states that it already provides the information sought by the Proposal, a review of its filings with the SEC and its website demonstrate that it has not provide the core element of the Proposal, namely, a report describing the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment. Consequently, ExxonMobil has not substantially implemented the Proposal. It may not exclude the proposal pursuant to Rule 14a-8(i)(10).

The Proposal raises a matter of Board oversight of risk management that is a significant public policy issue. It is not a matter of ordinary business that may be excluded pursuant to Rule 14a-8(i)(7).

Please call me at 202-637-5335 if you have any questions or need additional information regarding this matter. I have sent copies of this letter for the Commission Staff to shareholderproposals@sec.gov, and I am sending a copy to the Company.

Sincerely,

Robert E. McGarrah, Jr.

Counsel, Office of Investment

Attachment

cc: Lisa K. Bork, Esq.

REM/sdw opeiu #2, afl-cio



Sunaco, Inc. 1735 Market Strivet Stell.L. Philadelphia PA 19103-7583

December 20, 2010

Via Facsimile

Mr. Daniel F. Pedrotty American Federation of Labor and Congress of Industrial Organizations 815 Sixteenth Street, N.W. Washington, D.C. 20006

#### Re: Withdrawal of Shareholder Proposal from the AFL-CIO Reserve Fund

Dear Mr. Pedrotty:

Our dialogue with regard to the AFL-CIO Reserve Fund's Proposal to improve safety and risk management reporting at Sunoco has been very productive. Sunoco has been committed to reporting and transparency in the health, environment and safety areas for many years and as such, has been publishing a Corporate Responsibility Report since 1992. As a result of our discussions, the Company has agreed to additional enhancements to improve reporting and transparency with regard to the oversight of process safety management, inspection and maintenance of refineries and other equipment, and refinery staffing levels and fatigue. Sunoco's 2011 Corporate Responsibility Report will:

- Report on the tracking and categorization of Tier 1 and Tier 2 Process Safety Management (PSM) events at refineries and other production facilities. The report will also describe the metrics used to produce these PSM events.
- Disclose the number of pressure vessels and relief device inspections that have been overdue for scheduled inspections at refineries and other production facilities. Sunoco will include a narrative explaining the inspection procedures in place at its refineries.
- Disclose and explain the Company's worker fatigue policy as well as an action plan to work with the United Steelworkers to develop a tracking system to report on the Company's performance in implementing the policy for the 2012 Corporate Responsibility Report. The types of metrics Sunoco will consider for inclusion in the 2012 Report may include metrics such as the following: open positions in process areas, exceptions to the fatigue policy, and the percentage of workers that are working the maximum amount of overtime or the maximum number of consecutive days allowable under the fatigue policy.

AFL-CIO Shareholder Proposal Page 2

The Fund has agreed to withdraw the Proposal as a result of these agreements. I would appreciate it if you would sign below, to confirm that the Proposal is withdrawn, and return a signed copy to me by facsimile at (866) 884-0297 no later than 5:00 p.m. Eastern time today, Monday December 20.

Thank you for the productive discussions regarding the Proposal and your interest in Sunoco. We all agree that these commitments will inure to the benefit of Sunoco, its employees and its shareholders.

Sincerely,

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Uin Vincent J. Kelley

SVP, Engineering & Technology

On behalf of the AFL-CIO Reserve Fund, I hereby confirm the withdrawal of the above-referenced

Proposal

Daniel F. Pedrotty Director Office of Investment

#### Exxon Mobil Corporation

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## **E**%onMobil

January 21, 2011

#### VIA E-mail: shareholderproposals@sec.gov

U.S. Securities and Exchange Commission Division of Corporation Finance Office of Chief Counsel 100 F Street, NE Washington, DC 20549

#### Re: Securities Exchange Act of 1934 -- Section 14(a): Rule 14a-8 Omission of Shareholder Proposal -- Report on Safety Management

Gentlemen and Ladies:

Exxon Mobil Corporation ("ExxonMobil" or the "Company") has received the shareholder proposal attached as <u>Exhibit 1</u> (the "Proposal") from the AFL-CIO Reserve Fund (the "Proponent") for inclusion in the Company's proxy material for its 2011 annual meeting of shareholders. ExxonMobil intends to omit the proposal from its proxy material pursuant to Rule 14a-8(i)(10) (substantial implementation) and Rule 14a-8(i)(7) (ordinary business). We respectfully request the concurrence of the staff of the Division of Corporation Finance (the "Staff") that no enforcement will be recommended if the Company omits the Proposal from its proxy materials. This letter and its enclosures are being sent to the Commission pursuant to Rule 14a-8(j).

#### The Proposal

A copy of the Proposal, along with related correspondence to and from the Proponent is set forth in <u>Exhibit 1</u>. The resolution is as follows:

"Resolved, that the shareholders of Exxon Mobil Corporation (the 'Company') urge the Board of Directors (the 'Board') to prepare a report, within ninety days of the 2011 annual meeting of stockholders, at reasonable cost and excluding proprietary and personal information, on the steps the Company has taken to reduce the risk of accidents. The report should describe the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment." Securities and Exchange Commission Page 2 January 21, 2011

#### Reason for Omission: Substantial Implementation (Rule 14a-8(i)(10))

#### Basis for Exclusion.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. [2598 (July 7, 1976) (the "1976 Release").

Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were "fully' effected" by the company. See Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the "previous formalistic application of [the Rule] defeated its purpose" because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. Exchange Act Release No. 20091, at § ILE.6. (Aug. 16, 1983) (the "1983 Release"). Therefore, in 1983, the Commission adopted a revision to the rule to permit the omission of proposals that had been "substantially implemented." 1983 Release. The 1998 amendments to the proxy rules reaffirmed this position, further reinforcing that a company need not implement a proposal in exactly the manner set forth by the proponent. See Exchange Act Release No. 40018 at n.30 and accompanying text (May 21, 1998).

Applying this standard, the Staff has noted that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." Texaco, Inc. (avail, Mar. 28, 1991). In other words, substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed both the proposal's underlying concerns and its essential objective. Sec. e.g., Eaclon Corp. tavail. Feb. 26, 2010); Anheuser-Busch Companies, Inc. (avail, Jan. 17, 2007); ConAgra Foods, Inc. (avail. Jul. 3, 2006); Johnson & Johnson (avail, Feb. 17, 2006); Talbots Inc. (avail. Apr. 5, 2002); Masco Corp. (avail. Mar. 29, 1999). Differences between a company's actions and a shareholder proposal are permitted so long as the company's actions satisfactorily address the proposal's essential objective: See, e.g., Hewlen-Packard Co. (avail, Dec. 11, 2007) (proposal requesting that the board permit shareholders to call special meetings was substantially implemented by a proposed bylaw amendment to permit shareholders to call a special meeting unless the board determined that the specific business to be addressed had been addressed recently or would soon be addressed at an annual meeting); Johnson & Johnson (avail. Feb. 17, 2006) (proposal that requested the company to confirm the legitimacy of all current and future U.S. employees was substantially implemented because the company had verified the legitimacy of 91% of its domestic workforce). Further, when a company can demonstrate that it has already taken actions to address each element of a shareholder proposal, the Staff has concurred that the proposal has been "substantially implemented." See, e.g., Exvon Mobil Corp. (avail. Mar. 23, 2009); Exvon Mobil Corp. (avail. Jan. 24, 2001); The Gap. Inc. (avail, Mar. 8, 1996).

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The Company believes that the Proposal has been substantially implemented, and can therefore be omitted from the Company's proxy statement under Rule 14a-8(i)(10).

Analysis

#### A. Overview of Documents Comprising the Company's Report

The first portion of the Proposal requests that ExxonMobil's Board prepare a report "on the steps the Company has taken to reduce the risk of accidents." We believe that the Company has met the requests for such a report, as the Company has discussed extensively in public statements and documents its comprehensive approach to managing safety - and other - risks at our facilities worldwide.

The following two publications, in particular, contain summaries of the Company's extensive processes relating to risk management and safety and ExxonMobil's commitment to excellence in safety:

(i) <u>The Company's Operations Integrity Management System</u> ("OIMS"), enclosed herewith as <u>Exhibit 2</u> and available on the Company's website at www.exionmobil.com, or by going directly to the following URL address:

#### http://www.exxonmobil.com/Corporate/Files/OIMS/Framework/Brochure.pdf

(ii) <u>The Company's "2009 Corporate Citizenship Report</u>", issued in 2010 (the "CCR") and available on the Company's website at *nown eccommobil.com*, or by going directly to the following URL address:

#### http://www.exxonmabil.com/Corporate/Imports/ccr2009/pdf/community\_cer\_2009.pdf

Both of the above publications are available through links on the same part of ExxonMobil's website. From the homepage, click on "community & society", then "safety, health and the workplace" and then "safety and health management."

The second portion of the Proposal requests that the report describe "the Board's oversight of process safety management, staffing levels, inspection and maintenance of refineries and other equipment." We believe this request has also been met, as the charter of the Board's Public Issues and Contributions Committee describes this committee's responsibility for oversight of process safety management. The charter is enclosed as <u>Exhibit 3</u> and is available on the Company's website at www.exconmobil.com.

The relevance of each of the documents listed above is described in more detail below.

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#### B. The Company's Safety Report - First Portion of Proposal

As noted above, the Company already provides significant amounts of information relating to its policy on safety, including steps taken to reduce the risk of accidents.

#### Operations Integrity Management System

ExxonMobil's comprehensive approach to managing safety, security, environmental and social risks at all our facilities is embedded in our OIMS, introduced in 1992. OIMS has evolved over the years to enhance safety, leadership, security, environmental aspects and community involvement with regard to all our projects.

OIMS consists of 11 separate elements that measure and mitigate safety, security, health and environmental risk to people, the environment and the communities in which we operate. Fundamental to OIMS is assessing the risk involved in our operations—from offshore platforms to our offices—and then developing plans to mitigate and manage that risk over the operation's life. Each project within the Corporation poses a different set of risks, and these risks are evaluated through the framework of OIMS.

The 11 elements of OIMS are set forth in <u>Exhibit 2</u>. Of particular relevance to the Proposal is Element 2: "Risk Assessment and Management":

Comprehensive risk assessments can reduce safety, health, environmental and security risks and mitigate the consequences of incidents by providing essential information for decision-making.

See Exhibit 2, page 6. Key processes within this element are further described on page 6 of Exhibit 2, and include the following:

"2.) Risk is managed by identifying hazards, assessing consequences and probabilities, and evaluating and implementing prevention and mitigation measures."

"2.3 Periodic risk assessments are performed by qualified personnel..."

"2:4 Risk assessments are updated at specified intervals and as changes occur."

"2.6 A follow-up process is in place to ensure that risk-management decisions are implemented."

In addition to the above key element (risk management and assessment), two other elements of OIMS that demonstrate the Company's commitment to maintaining a culture of safety are:

 Element 1: "Management Leadership, Commitment and Accountability." In regard to this important element, the Company's Chairman and CEO, Mr. Rex Tillerson. Securities and Exchange Commission Page 5 January 21, 2011

has stated that: "ExxonMobil managers are expected to lead the OIMS process by demonstrating a visible commitment to safety and operations integrity. In addition, safety leadership is a significant part of how a manager's overall performance is evaluated." See Exhibit 6, page 2, discussed in more detail below under "Other Company Resources." Key processes within this element include the following:

• "1.1 Systems for Operations Integrity management are established, communicated and supported at every level in the organization."

• "1.6 Clear goals and objectives are established for the Systems, and performance is evaluated against these goals and objectives."

• "1.7 Expectations are translated into procedures and practices."

• Element 11: "Operations Integrity Assessment and Improvement." Mr. Tillerson described the critical nature of this element, which together with Element 1 constitute the "bookends of OIMS": "Without leadership by example and without thoughtful, honest and objective self-assessment, no system is sustainable." Sev Exhibit 6, page 5, discussed in more detail below under "Other Company Resources." In accordance with one of the processes within this element, operations are assessed at predetermined frequencies, based on complexity of the operation, level of risk and performance history.

The Proponent requests that the Board prepare a report that sets forth "the steps that the Company takes to reduce the risk of accidents." OIMS comprehensively and clearly describes the steps the Company takes to reduce the risk of accidents (among other risks) - in all aspects of the Company's business. Accordingly, OIMS fully addresses this portion of the request made in the Proposal, nor is OIMS the only Company publication that addresses this important topic.

#### Corporate Citizenship Report (CCR)

The CCR is another Company publication that enhances the Company's discussion of actions taken to promote operational safety and reduce accidents. It is prepared and made available as part of ExxonMobil's ongoing effort to keep shareholders and the public informed of our views and plans regarding significant issues relevant to our business in a range of areas relating to the environmental, social and financial performance of the Company. It is regularly updated to provide comprehensive current information to our shareholders and other interested members of the public on many important aspects of our business.

Many parts of the CCR address matters relevant to the subject matter of the Proposal -safety and risk management. We call the Staff's attention in particular to the section entitled "Safety, Health, and the Workplace" (beginning on page 18 and attached as <u>Exhibit 4</u>). The following are some excerpts from this section relating to safety in the Company's operations:

(i) Discussion of ExxonMobil's commitment to safety (page 19 under "Safety and health management"):

Securities and Exchange Commission Page 6 January 21, 2011

ExxonMobil is committed to conducting business in a manner that protects and promotes the safety and health of our employees, those involved with our operations, and the communities where we work. These commitments are documented in our safety, health, and product safety policies and security expectations, which are implemented through our OIMS framework.[...] To drive continuous improvement, OIMS is periodically apdated.

(ii) Discussion of certain safety steps (page 19, under "Workforce safety"):

Incident investigation and analysis revealed that employee awareness of potential hazards as well as the degree to which they comply with critical procedures are often significant contributors to accident prevention. As a result, we are concentrating on the deployment and enhancement of behavior-based safety tools and are promoting the development of a "culture of intervention" where everyone takes responsibility for their own safety and the safety of others. We are also emphasizing conformance with critical operating procedures.

We believe this section of the CCR demonstrates ExxonMobil's recognition of the importance of safety and risk management throughout the Company's operations, and that, together with OIMS and the other documents described in this letter, it amply addresses the request made in first portion of the Proposal.

#### Other Company Resources

In addition to OIMS and the CCR described above, the Company has addressed the issue of safety through numerous other avenues, including the following:

- A new section on the Company's website, launched in 2010 to give people a look inside our OIMS system and how it helps ensure the safety and integrity of our global energy operations: www.exvonmobilsafety.com.
- A designated section about "Safety" on ExxonMobil's "Perspectives" blog, offering the Company's views specifically on the issue of safety. Sec Intp://www.excommobil/perspectives.com/category/sufety/. Recent entries include "Building a culture of safety"; and "A structure for safety."
- Various corporate reports, such as ExxonMobil's 2009 Financial and Operating Review. See Section entitled "Safety, Security, Health & Environment," specifically, "Guiding Principles" on page 6 and "Managing Risk" on page 7 (excerpts attached as Exhibit 5).
- Executive speeches, such as the Statement by Rex W. Tillerson, Chairman and CEO of ExxonMobil, to the National Commission on the BP Deepwater Oil Spill and Offshore Drilling, on November 9, 2010. A transcript is enclosed as <u>Exhibit</u>
   6. In discussing OIMS in his statement, Mr. Tillerson remarked (emphasis added):

Securities and Exchange Commission Page 7 January 21, 2011

> ...[1]n the early 1990s, ExxonMobil's management undertook what 1 consider to be a visionary approach. The goal was to wholly reorganize the company to make safety — of people, facilities and the environment — the center of everything we do. **Safety would come first, period.**

As can be seen from the discussions in the many ExxonMobil publications, speeches and websites highlighted above, the issues of safety and risk management figure prominently in corporate communications. Shareholders and members of the public are able to find significant amounts of information on the "steps the Company has taken to reduce the risk of accidents," as requested by the Proponent.

C. The Company's Safety Report - Second Portion of Proposal

In the second portion of the Proposal, the Proponent requests that the report describe the . Board's oversight of process safety management. As discussed in this section, the Board does maintain an oversight function regarding safety management, and a description of this oversight role is publicly available.

The Public Issues and Contributions Committee (the "Committee") of the Board is composed of four independent directors. As set forth in the Committee's charter, one of the primary purposes of the Committee is;

to review and provide advice, as the Committee deems appropriate, regarding the Corporation's policies, programs and practices on public issues of significance including their effects on safety, health and the environment....

The Committee's charter is enclosed as <u>Exhibit 3</u>. It is also available on the Company's website at *usua exconmobil.com*. The following activities relating to safety are explicitly listed in the Committee's charter (emphasis added):

- Review the Corporation's policies, programs and practices on public issues of significance and make such recommendations to the Board with respect thereto as it may deem advisable.
- Review the effectiveness of the Corporation's policies, programs and practices on safety, health, environment, and social issues and make such recommendations to the Board with respect thereto as it may deem advisable
- Complete an annual review of safety, health and environmental performance of major operating organizations.
- Complete an annual visit to one of ExxonMobil's operating sites to review matters such as safety, health, environment, and community relations programs and practices.

In 2010, the Committee's "annual visit" as required under the charter was to an operating site in-Louisiana. Securities and Exchange Commission Page 8 January 21, 2011

The clear description of the important oversight role that the Committee serves with regard to safety provides the information requested by Proponent in the second portion of the Proposal

#### D. The Form of the Company's Safety Report.

The Company's presentation of its safety disclosures on its website substantially implements the Proposal's request for a report on steps the Company has taken to reduce the risk of accidents. These disclosures are readily available to shareholders and thus substantially implement the Proposal within the meaning of Rule 14a-8(i)(10). Sec. e.g. Honey well International Inc. (avail, Feb. 21, 2007) (concurring in the exclusion of a shareholder proposal requesting a sustainability report where responsive disclosures were included on the company's website).

#### Reason for Omission: Ordinary Business (Rule 14a-8(i)(7))

#### Basis for Exclusion

Rule 14a-8(i)(7) permits the omission of a shareholder proposal dealing with matters relating to a company's "ordinary business" operations. According to the Commission release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission described the two "central considerations" for the ordinary business exclusion:

The first relates to the subject matter of the proposal. Certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers. However, proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.

The second consideration relates to the degree to which the proposal seeks to "micromanage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

Thus, when examining whether a proposal may be excluded under Rule 14a-8(i)(7), the first step is to determine whether the proposal raises any significant policy issue. If a proposal does not, then it may be excluded under Rule 14a-8(i)(7). If a proposal does raise a significant policy issue, it is not the end of the analysis. As discussed below, the Staff has concurred with

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Securities and Exchange Commission Page 9 January 21, 2011

the exclusion of shareholder proposals that raise a significant social policy issue when other aspects of the report or action sought in the proposals implicate a company's ordinary business.

The Staff also has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the substance of the report is within the ordinary business of the issuer. See Exchange Act Release No. 20091 (Aug. 16, 1983). In addition, the Staff has indicated, "[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business ... it may be excluded under rule 14a-8(i)(7)." Johnson Controls, Inc. (avail. Oct. 26, 1999).

#### Analysis.

The Company is the world's largest publicly traded international oil and gas company. The Company's policy, as discussed above, is to conduct its business in a manner that protects the safety of employees, others involved in its operations, customers and the public. Moreover, the Company is committed to continuous efforts to identify and eliminate or manage safety risks associated with its activities. The Proposal requests a report on "the steps the Company has taken to reduce the risk of accidents," As discussed below, this is a very broad request that implicates every aspect of the Company's safety efforts. Therefore, the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company's ordinary business operations.

The Proposal is similar to many other shareholder proposals that the Staff has concurred may be omitted under Rule 14a-8(i)(7) because they seek reports on information about a company's safety initiatives, including routine matters. For example, in Union Pacific Corp. (avail, Feb. 25, 2008), the Staff concurred with the exclusion of a proposal requesting disclosures of company efforts to safeguard the company's operations from terrorist attacks and other homeland security incidents. Union Pacific argued that the proposal was excludable because the proposal related to the company's day-to-day efforts to safeguard its operations - including not only terrorist attacks, but also earthquakes, floods, counterfeit merchandise and tainted cargo. The Staff's response noted that the proposal was excludable because it included matters relating to Union Pacific's ordinary business operations. Moreover, in CNF Transportation. Inc. (avail, Jan. 26, 1998), the Staff concurred with the exclusion of a proposal requesting that the board of directors develop and publish a safety policy accompanied by a report analyzing the long-term impact of the policy on the company's competitiveness and shareholder value. Likewise, in AMR Corp. (avail. April 2, 1987), the Staff concluded that a proposal requesting that the board of directors review and issue a report regarding the safety of the communy's airline operations was excludable as a matter relating to ordinary business operations. See also UAL Corp. (avail. Jan. 28, 1998) (proposal requesting UAL to undertake a complete and thorough technical evaluation of the U.S. Air Traffic Control system, develop a plan to correct deficiencies found in the evaluation and provide continuing oversight of the ATC system excludable as ordinary business); E.J. du Pont de Nemours and Co. (avail, Nov. 27, 1992) (concurring with the exclusion of a proposal as ordinary business because it related to "the safety of the Company's aviation operations").

As with the proposal in *Union Pacific*, the Proposal seeks information on "the steps the Company has taken to reduce the risk of accidents" and thus pertains to a broad array of day-to-

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Securities and Exchange Commission Page 10 January 21, 2011

day safety issues that confront the Company, not just those described in the Proposal's supporting statements. For example, the Proposal would encompass daily Company efforts such as measures to prevent slip-and-falls, provide adequate lighting levels and address housekeeping issues. These and other Company actions to prevent accidents are an important, but ordinary and day-to-day aspect, of the Company's operations. Thus, the Proposal's broad scope renders the Proposal excludable under Rule 14a-8(i)(7) because implementation of measures to prevent the wide variety of accidents covered by the Proposal is a central and routine element of the Company's ordinary business.

Moreover, even if the Proposal is viewed as addressing some non-ordinary business. matters, the Staff has consistently concurred that a proposal may be excluded in its entirety when it addresses both ordinary and non-ordinary business matters. For example, the Staff affirmed this nosition in Percerine Pharmacenticals Inc. (avail, July 31, 2007), concurring with the exclusion of a proposal under Rule 14a-8(18(7) recommending that the board appoint a committee of independent directors to evaluate the strategic direction of the company and the performance of the management team. The Staff noted "that the proposal appears to relate to both extraordinary transactions and non-extraordinary transactions. Accordingly, we will not recommend enforcement action to the Commission if Peregrine omits the proposal from its proxy materials." In General Electric Co. (avail, Feb 10, 2000), because a portion of the proposal related to ordinary business matters, the Staff concurred with the exclusion of a proposal requesting that the company (i) discontinue an accounting technique, (ii) not use funds from the GE Pension Trust to determine executive compensation, and (in) use funds from the trust only as intended. See also Medallion Financial Corp. (avail. May 11, 2004) (concurring with the exclusion of a proposal requesting that the company consult an investment bank to evaluate ways to increase shareholder value, and noting that it "appears to relate to both extraordinary transactions and non-extraordinary transactions"); and Wal-Mart Stores. Inc. (avail, Mar. 15, 1999) (concurring with the exclusion of a proposal requesting a report to ensure that the company did not purchase goods from suppliers using unfair labor practices because the proposal also requested that the report address ordinary business matters).

#### Conclusion

We believe that the publications, speeches and Web postings discussed above demonstrate that ExxonMobil already has addressed both portions of the Proposal. We thus believe the Proposal has been substantially implemented and may be omitted from the proxy material for our 2011 annual meeting under Rule 14a-S(i)(10). We also believe that the Proposal may be excluded pursuant to Rule 14a-S(i)(7) because the Proposal's broad request implicates every aspect of the Company's safety efforts and thus relates to the Company's ordinary business operations.

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2011 proxy materials. If you

Securities and Exchange Commission Page 11 January 21, 2011

have any questions or require additional information, please contact me directly at 972-444-1473. In my absence, please contact James E. Parsons at 972-444-1478.

A copy of this letter (and enclosures) is being sent to the Proponent.

Sincerely,

Lisa K. Bork

LKB

Enclosures

ce - wiene:

Proponent: AFL-CIO Reserve Fund **EXHIBIT 1** 

## American Federation of Labor and Congress of Industrial Organizations



815 Superint Street, N.W. Washington, D.C. 20008 (202) 507-5000 www.afcco.cm AICHARO L. TRUMKA

Gerakt W. McEnsee Michael Goodain Michael J. Sukkess Dyde Rivsics James Williams Lany Cohen Robie Sparks Robe Ann DeMono Matteew Loet Dians Woodard D. Michael Langford Baktomar Valiasquez Bruce R. Smith James Andrews Wohael Sacco William Lucy Harold Schaltberger Cect Roberts Vincert Giblin Warren Gaolge Narcy Wohlforth Mark H, Ayers Ranci Weingarten Patrick D, Ericey Robert McElinath John W, Wilhelm Pot Kins

EXECUTIVE COUNCIL

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Fredric V. Rolando

Newton B. Jones

ARLENE HOLT BAKER EXECUTIVE VICE PRESIDENT

Cellance F. Smith James Boland Lee A. Saunders Bob King Muna Elena Durazo Terence M. O'Sulliven December 13, 2010 SHAREHOLDER RELATIONS Sent by Facsimile and UPS DEC 14 2010 David S. Rosenthal, Secretary DEC 1 4 2010 Exxon Mobil Corporation NO. OF SHARES. 5959 Las Colinas Blvd. & ROSENTHP COMMENT: Irving, Texas 75039 ACTION:

Dear Mr. Rosenthal,

On behalf of the AFL-CIO Reserve Fund (the "Fund"), I write to give notice that pursuant to the 2010 proxy statement of Exxon Mobil Corporation (the "Company"), the Fund Intends to present the attached proposal (the "Proposal") at the 2011 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 3716 shares of voting common stock (the "Shares") of the Company. The Fund has held at least \$2,000 in market value of the Shares for over one year, and the Fund intends to hold at least \$2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund's custodian bank documenting the Fund's ownership of the Shares is being sent under separate cover.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to Rob McGarrah at 202-637-3900.

Sincerely,

Daniel F. Pedrotty Director Office of Investment

DFP/sw opeiu #2, afl-cio

Attachment

**Resolved**, that the shareholders of Exxon Mobil Corporation (the "Company") urge the Board of Directors (the "Board") to prepare a report, within ninety days of the 2011 annual meeting of stockholders, at reasonable cost and excluding proprietary and personal information, on the steps the Company has taken to reduce the risk of accidents. The report should describe the Board's oversight of process safety management, staffing levels, inspection and maintenance of refinerles and other equipment.

#### Supporting Statement:

The 2010 BP Deepwater Horizon explosion and oil spill in the Gulf of Mexico resulted in the largest and most costly human and environmental catastrophe in the history of the petroleum industry. Eleven workers were killed when the BP Deepwater Horizon drilling platform exploded. In 2005, an explosion at BP's refinery in Texas City, Texas, cost the lives of 15 workers, injured 170 others, resulting in the largest fines ever levied by the Occupational, Safety and Health Administration ("OHSA") ("BP Faces Record Fine for '05 Refinery Explosion," *New York Times*, 10/30/2009).

BP's accidents are not unique in the petroleum industry. A 2010 explosion at the Tesoro refinery in Anacortes, Washington, killed seven workers and resulted in more than six months of downtime at the 120,000 barrels per day refinery ("Tesoro Sees Anacortes at Planned Rates by mid-Nov.," *Reuters*, 11/5/2010). The director of the Washington State Department of Labor and Industry stated that "The bottom line is this incident, the explosion and these deaths were preventable," and levied an initial penalty of \$2.39 million ("State Fines Tesoro \$2.4 Million In Deadly Refinery Blast," *Skagit Valley Herald*, 10/4/2010).

We believe that OSHA's national emphasis program for petroleum refineries has revealed an industry-wide pattern of non-compliance with safety regulations. In the first year of this program, inspections of 14 refineries exposed 1,517 violations, including 1,489 for process safety management, prompting OSHA's director of enforcement to declare "The state of process safety management is frankly just horrible" ("Process Safety Violations at Refineries 'Depressingly' High, OSHA Official Says," BNA Occupational Safety and Health Reporter, 8/27/2009). OSHA has recorded safety violations at our Company. Since 2005, OSHA inspectors have revealed

24 safety violations (16 process safety management violations of which 12 were categorized as "Serious").

http://www.osha.gov/pls/imis/establishment.inspection\_detail?id=313030124&id=3135536 87&id=312598097&id=309912889&id=309909372&id=311360549&id=309904191&id=309 904183 Our Torrance Refinery's three accidents involved injuries: two in 2006 and one in 2009, resulting in the death of an employee. (\*Cal-OSHA Levies Proposed \$32,700 fine on ExxonMobil for Refinery Death, \* *AlBusiness*, September 17, 2009 http://www.allbusiness.com/legal/trial-procedure-fines-penalties/12971124-1.html )

In our opinion, the cumulative effect of petroleum industry accidents, safety violation citations from federal and state authorities, and the public's heightened concern for safety and environmental hazards in the petroleum industry represents a significant threat to our Company's stock price performance. We believe that a report to shareholders on the steps our Company has taken to reduce the risk of accidents will provide transparency and increase investor confidence in our Company.



# **Facsimile Transmittal**

SHAREHOLDER PROPOSAL

DEC 132010

NO. OF SHARES DISTRIBUTION: DSR: RME: RAL: LKB: JEP: DGH: SMD

Date: December 13, 2010

To: David S. Rosenthal, Exxon Mobil Corporation

Fax: 972-444-1199

From: Daniel F. Pedrotty, Office of Investment, AFL-CIO

Pages: <u>3 (including cover page)</u>



AFL-CIO Office of Investment 815 16th Street, NW Washington, DC 20006 Phone: (202) 637-3900 Fax: (202) 508-6992 invest@aflcio.org

## American Federation of Labor and Congress of Industrial Organizations



815 Suteenth Street, N.W. Washington, D.C. 2006 (202) 637-5000 www.shoo.ord RICHARD L TRUMKA

Garatid W. McEntee McChael Goodwin McChael J. Sciffvan Ciyde Rhwn Janes Willams Larry Cohen Roubie Sparks Roue Ann DeMoro Matthew Loob Diary Woodan Diary Woodan Diary Woodan Diary Woodan Diary Koodan Baldemar Vailangiord Baldemar Vailangiord Baldemar Vailangiord Baldemar Vailangiord Saldemar Vailangiord Saldemar Vailangiord ELIZABETH H. SHIRLER SECRETARY-TAGASURER William Likoy Roburt Hurold Scharzenger Bown Cecil Roberts William Vincent Gburn William Warren George Grego Nuncy Wohlforth Jannes Mark H. Ayers Richar Randi Weingarten Rogel Pagnok D. Finley Makou Popent McElmsth, Rober John W. Wildelm Ken W Boc Xing Gorge

Maria Bara Durazo

December 13, 2010

EXECUTIVE COUNCIL

Frans Hurt Robert A. Scardoletti Bown D. Nel William Burnus William Hite Gregory J. Junemans James C. Little Richard P. Hughes Jr. Rogelo 'Roy' A. Rones Mascula B. Furney Jr. Roberts Reardon Ken Howard Goneral Holdeled

Particia Priendi R. Thomas Duffenba Joseph J. Hunt Leo W. Gened John Gage Luins Rico Capt. John Preter Fredric V. Rotendo Mervice F. Snith James Boland

Ling & Seconders

ARLENE KOLT BAKER EXECUTIVE VICE PRESIDENT

Sent by Facsimile and UPS

David S. Rosenthal, Secretary Excon Mobil Corporation 5959 Las Colinas Blvd. Irving, Texas 75039

Dear Mr. Rosenthal,

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The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to Rob McGarrah at 202-637-3900.

Sincerely,

M.F. Pins

Daniel F. Pedrotty Director Office of Investment

DFP/sw opeiu #2, ali-cic

Attachment

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#### Supporting Statement:

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BP's accidents are not unique in the petroleum industry. A 2010 explosion at the Tesoro refinary in Anacortea, Washington, killed seven workers and resulted in more than six months of downtime at the 120,000 barrels per day refinery ("Tesoro Sees Anacortes at Planned Rates by mid-Nov.," *Reuters*, 11/5/2010). The director of the Washington State Department of Labor and Industry stated that "The bottom line is this incident, the explosion and these deaths were preventable," and levied an initial penalty of \$2.39 million ("State Fines Tesoro \$2.4 Million in Deadly Refinery Blast," *Skagit Valley Herald*, 10/4/2010).

We believe that OSHA's national emphasis program for petroleum refineries has revealed an industry-wide pattern of non-compliance with safety regulations. In the first year of this program, inspections of 14 refineries exposed 1,517 violations, including 1,489 for process safety management, prompting OSHA's director of enforcement to declare "The state of process safety management is frankly just horrible" ("Process Safety Violations at Refineries "Depressingly High, OSHA Official Says," *BNA Occupational Safety and Health Reporter*, 8/27/2009). OSHA has recorded safety violations at our Company. Since 2005, OSHA inspectors have revealed

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http://www.osha.gov/pis/imis/establishment.inspection\_detail?id=313030124&id=3135536 87&id=312596097&id=309912889&id=309909372&id=311360549&id=309904191&id=309 904183 Our Torrance Refinery's three accidents involved injuries: two in 2006 and one in 2009, resulting in the death of an employee. ("Cal-OSHA Levies Proposed \$32,700 fine on ExxonMobil for Refinery Death," *AllBusiness*, September 17, 2009 http://www.allbusiness.com/legal/trial-procedure-fines-genalties/12971124-1.html.)

In our opinion, the cumulative effect of petroleum industry accidents, safety violation citations from federal and state authorities, and the public's heightened concern for safety and environmental hazards in the petroleum industry represents a significant threat to our Company's stock price performance. We believe that a report to shareholders on the steps our Company has taken to reduce the risk of accidents will provide transparency and increase investor confidence in our Company. Exaon Mobil Corporation 5959 Las Colines Boulevant Irving, Texas 75039 Robert A. Luettgen Manager - Office of the Secretary

## **E**xonMobil

December 16, 2010

#### VIA UPS - OVERNIGHT DELIVERY

Mr. Daniel F. Pedrotty Director Office of Investment American Federation of Labor and Congress of Industrial Organizations 815 Sixteenth Street, N.W. Washington, D.C. 20006

Dear Mr. Pedrotty:

This will acknowledge receipt of the proposal concerning a report on safety management, which you have submitted on behalf of the AFL-CIO Reserve Fund (the "Proponent") in connection with EcconMobil's 2011 annual meeting of shareholders. However, as noted in your letter, proof of share ownership was not included with your submission.

In order to be eligible to submit a shareholder proposal, Rule 14a-8 (copy enclosed) requires a proponent to submit sufficient proof that he or she has continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Proponent does not appear on our records as a registered shareholder. Moreover, to date we have not received proof that the Proponent has satisfied these ownership requirements. To remedy this defect, the Proponent must submit sufficient proof that these eligibility requirements are met.

As explained in Rule 14a-8(b), sufficient proof may be in the form of (1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that, as of the date the proposal was submitted (December 13, 2010), the Proponent continuously held the requisite number of ExconMobil shares for at least one year; or (2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent's ownership of the requisite number of ExconMobil shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the requisite number of ExconMobil shares for the one-year period.

Mr. Daniel F. Pedrotty Page two

The SEC's rules require that any response to this letter must be postmarked or transmitted electronically to us no later than 14 calendar days from the date this letter is received. Please mail any response to me at ExxonMobil at the address shown above. Alternatively, you may send your response to me via facsimile at 972-444-1199.

You should note that, if the proposal is not withdrawn or excluded, the Proponent or his representative, who is qualified under New Jersey law to present the proposal on the Proponent's behalf, must attend the annual meeting in person to present the proposal.

If you intend for a representative to present your proposal, you must provide documentation signed by you that specifically identifies your intended representative by name and specifically authorizes the representative to present the shareholder proposal on your behalf at the annual meeting. A copy of this authorization meeting state law requirements should be sent to my attention in advance of the meeting. Your authorized representative should also bring an original signed copy of the authorization to the meeting and present it at the admissions desk, together with photo identification if requested, so that our counsel may verify the representative's authority to act on your behalf prior to the start of the meeting.

In the event there are co-filers for this proposal and in light of the SEC staff legal bulletin 14C dealing with co-filers of shareholder proposals, we will be requesting each co-filer to provide us with clear documentation confirming your designation to act as lead filer and granting you authority to agree to modifications and/or withdrawal of the proposal on the co-filer's behalf. We think obtaining this documentation will be in both your interest and ours. Without clear documentation from all co-filers confirming and delineating your authority as representative of the filing group, and considering SEC staff guidance, it will be difficult for us to engage in productive dialogue concerning this proposal.

We are interested in discussing this proposal and will contact you in the near future.

Sincerety,

**RAL/sjn** 

Enclosure

§ 240.14a-8 Shareholder proposals.

## 

Link to an amendment oublished at 75 FR 56782. Sect. 16, 2010.

#### Link to a delay published at 75 FR 64841. Oct. 20, 2010.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to 'you' are to a shareholder seeking to submit the proposal.

(a) Question 1: What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) in order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders: or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d–101), Schedule 13G (§240.13d–102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your whership level.

B) Your written statement that you continuously held the required number of shares for the one-year veriod as of the date of the statement, and

C) Your written statement that you intend to continue ownership of the shares through the date of the ompany's annual or special meeting.

c) Question 3: How many proposals may I submit? Each shareholder may submit no more than one roposal to a company for a particular shareholders' meeting.

1) Question 4: How long can my proposal be? The proposal, including any accompanying supporting

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statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal? (1) if you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10–Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d–1 of this chapter of the Investment Company Act of 1940, in order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency of the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's property determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a–8 and provide you with a copy under Question 10 below, §240.14a–8().

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization:

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the poard of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the property demonstrates otherwise.

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(2) Violation of law: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) Violation of proxy rules; if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240,14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) Personal grievance; special interest: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) Relevance: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) Absence of power/authority: If the company would tack the power or authority to implement the proposal;

(7) Management functions: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) Relates to election: If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) Conflicts with company's proposal; if the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (I)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) Substantially implemented: If the company has already substantially implemented the proposal;

(11) Duplication: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) Resubmissions: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received.

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) Specific amount of dividends: If the proposal relates to specific amounts of cash or stock dividends.

j) Question 10: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The company lo make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause or missing the deadline.

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(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) Question 11: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(i) Question 12: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) Question 13: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a–9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later han 30 calendar days before its files definitive copies of its proxy statement and form of proxy under i240.14a-6.

83 FR 29119, May 28, 1998; 63 FR 50622, 50623, Sept. 22, 1998, as amended at 72 FR 4168, Jan. 29, 1007; 72 FR 70458, Dec. 11, 2007; 73 FR 977, Jan. 4, 2008]

2023-235

SHAREHOLDER RELATIONS	PIOR OF
OFF West Monroe Chicago, Birols 50503-5301 Fax 312/257-8775 NO. OF SHARES COMMENT: ACTION: December 13, 2010	I-MALGATRUST

Sent by Fax (972) 444-1199 and US Mail

David S. Rosenthal, Secretary Exxon Mobil Corporation 5959 Las Colinas Blvd. Irving, Texas 75039



Dear Mr. Rosenthal,

AmalgaTrust, a division of Amalgamated Bank of Chicago, is the record holder of 3716 shares of common stock (the "Shares") of Exxon Mobil Corporation beneficially owned by the AFL-CIO Reserve Fund as of December 13, 2010. The AFL-CIO Reserve Fund has continuously held at least \$2,000 in market value of the Shares for over one year as of December 13, 2010. The Shares are held by AmalgaTrust at the Depository Trust Company in our participant account No. 2567.

If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3220.

Sincerely,

Hand a.

Lawrence M. Kaplan Vice President

cc: Daniel F. Pedrotty Director, AFL-CIO Office of Investment

## American Federation of Labor and Congress of Industrial Organizations



815 Sutmett Shaat, N.W. Weshington, O.C. 20006 (202) 537-5000 \* #Noto org

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Michael Goodwin

James Williams

Clyde Rivers

Larry Cohen

**Robbis Scaries** 

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Baidemar Velascuez

Metaal J. Scilleton

ELZABETH H. SHULER SECRETARY TREASURER

EXECUTIVE COUNCIL

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December 23, 2010

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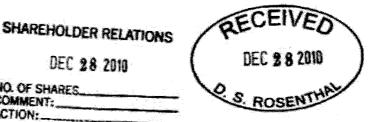
ARLENE HOLT BAKER EXECUTIVE VICE PRESIDENT

Sent by Facsimile and US Mail

David S. Rosenthal, Secretary Exxon Mobil Corporation 5959 Las Collinas Blvd. Irving, Texas 75039

DEC 28 2010

NO. OF SHARES COMMENTE ACTION:



Dear Mr. Rosenthal,

Please see the attached letter from the AFL-CIO Reserve Fund's custodian bank AmalgaTrust dated December 13th, 2010 documenting the AFL-CIO Reserve Fund's ownership of Exxon Mobil Corporation's common stock.

Sincerely,

F. Kennth

Daniel F. Pedrotty Director Office of Investment

**DFP/sw** opeiu #2. afl-cio

Attachment



One West Monroe Chicago, Illinois 60603-5301 Fax 312/267-8775

December 13, 2010

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If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3220.

Sincerely,

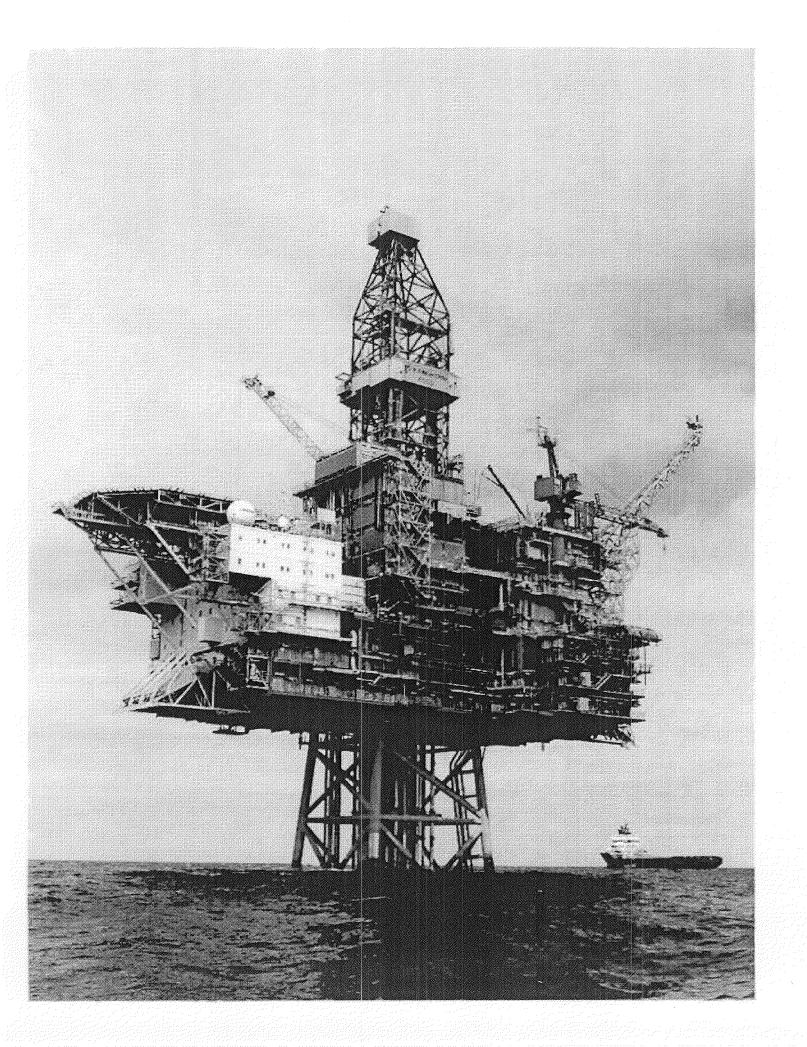
Han Lawrence M. Kaplan

Vice President

ce: Daniel F. Pedrotty Director, AFL-CIO Office of Investment **EXHIBIT 2** 

ExonMobil Taking on the world's toughest energy challenges.

# **Operations Integrity** Management System



OPERATIONS INTEGRITY MANAGEMENT SYSTEM ADDITIONAL STREAMER -

Executively in name steadast minis commitment to excellence in Satety. Security, Health and Environmental (SSH&E) performance, referred to collectively as Operations Integrity. Many of our operations and products present potential risks to people and to the environment. Recognizing these risks is inherent in our business, and we believe the best way to meet our ournatment is through a capable, committed workforce, and practices designed to enable sate, secure and environmentally responsible operations. We accomplish this through clearly defined policies and practices, and with rigorously applied management systems designed to defiver results.

The Operations Integrity Management System (OIMS) is a obmerstone of our commitment to managing SSH&E risk and achieving excellence in performance. Since the inception of OIMS, our SSH&E performance has improved substantially industry leading lost time incident rates have been reduced, with a remarkable decline in manie splits and continuing reductions in emissions. We have been olded by Lloyd's Register Quality Assurance for "being among the leaders in the extent to which environmental management considerations have been integrated into our ongoing business practices."

All operating organizations are required to maintain the systems and practices needed to conform to the Expectations described in the CIMS Framework.

To drive controuous moreovement, the Fremework is periodically updated. This revision strengthens Framework Expectations with respect to leadership, process safety, environmental performance, and the assessment of OIMS effectiveness and is intended to:

- reinforce our belief that all safety, health and environmental incidents are preventable; and to
- promote and maintain a work environment in which each of us accepts personal responsibility for our own safety and that of our colleagues, and in which everyone actively intervenes to ensure the safety, security and welfness of others.

We believe these measures withheip drive ExxonMobil closer to our vision of a workplace where "Nobody Gets Hurt," where "Security is Everybody'a Business," and where our environmental performance meets our expectations to "Protect Tomorrow Today."

#### Rex W. Tillerson

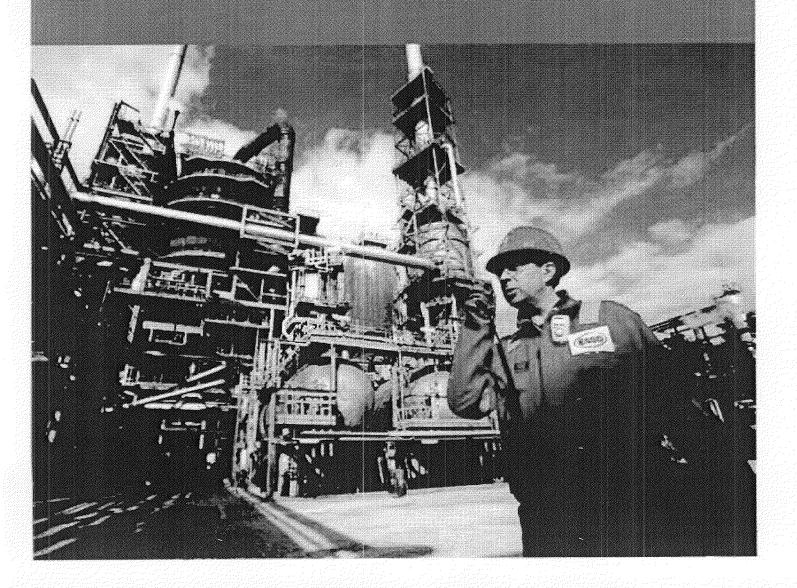
Chairman & Chief Executive Officer



OPERATIONS INTEGRITY MANAGEMENT SYSTEM the framework

a matter that is concluded to constrain growthing the intervent of and economic needs of the communities in which we operate and that protects the safety security and health of our on proyees, these involved with our prevalences are continuously and the cluble. These sometimes we documented are existent as Safety, Security work to be concerned as and the cluble. These sometimes we documented are existent software to be safety and the cluble of the safety security which. Encourteration are Product Safety before the concerned to be a safety and the cluble of the safety security which. Encourteration are produced and the cluble of the safety security which. Encourteration are produced and the cluble of the safety security there are produced as the safety the Safety security there are produced as the safety of the safety security there are produced as the safety of the safety security there are produced as the safety security the safety security security the safety security security the safety security security security the safety security security the safety security se

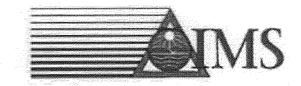
Deconvertaria OINS Framework estimates comprom wondwate appectations for autreasion rates thereat in doubleased. The term Operations Integrity (OI) is used by ExcerMent to Active wolf aspects of its business that can imply personnel for process sately, resulty again, and environmental performance.



OPERATIONS INTEGRITY MANAGEMENT SYSTEM Distances of

The OIMS Framework includes 11 Flements. Each Element contains an underlying principle and a set of Expectations. The OIMS Framework also includes the characteristics of, and processes for, evaluating and implementing OI Management Systems.

Application of the OMS Framework is required across all of ExcanMobil, with particular emphasis on design, construction and operations. Management is responsible for ensuring that management systems satisfying the Framework are in place. The scope, priority and page of management system implementation should be consistent with the risks associated with the business.



## **OIMS 11 Elements**

1. Management

 Management Leadership, Commitment and Accountability

draer

Has Assessment and Management
Facilities Design and Construction
anomation Documentation
Personnel and Training
Operations and Maintenance
Management of Change
B. Third-Party Sorvices
Incident Investigation and Analysis

Emergence Prepare dama

evaluation.

11. Operations Integrity Assessment and Improvement OPERATIONS INTEGRITY MANAGEMENT SYSTEM: STOTESTS 142

# element 1: management leadership, commitment and accountability

Management establishes policy, provides perspective, sets expectations and provides the resources for successful operations. Assurance of Operations integrity requires management leadership and commitment visible to the organization, and accountability at all levels.

 1.1 Systems for Operations integrity management are established, communicated and supported at every level in the organization.

1.2 Managers and supervisors credibly demonstrate commitment and personal accountability for Operations integrity, promote an open and trusting environment, and understand how their behaviors impact others. Commitment is demonstrated through active and usable participation.

1.3 Manager and supervisor knowledge and skills, including leadership skills and behaviors, are developed to effectively apply Operations integrity management tools and systems.

 4 Management establishes the scope, priority and pace for System implementation and improvement, considering the complexity and risks involved with their operations and products.

1.5 Roles, responsibilities, authorities and accountabilities within the Systems are known and exercised.

1.6 Clear goals and objectives are established for the Systems, and performance is evaluated against these goals and objectives.

1.7 Expectations are translated into procedures and practices. 1.8 The workforce is actively engaged in the Operations Integrity process, and relevant learnings are shared across the organization.

1.9 Performance is evaluated, and the degree to which expectations are met is assessed. The results are stewarded to corporate management.

 1.0 Managers responsible for businesses Operated by Others (OBO) communicate OIMS principles to the Operator and encourage the adoption of OIMS or similar systems.

# element 2: risk assessment and management

Comprehensive risk assessments can reduce safety, health, environmental and security risks and mitigate the consequences of incidents by providing essential information for decision-making.

2.1 Risk is managed by identifying hazards, assessing consequences and probabilities, and evaluating and implementing prevention and mitigation measures.

> 2.2. Risk assessments are conducted for angoing operations, for projects and for products in order to identify and address potential hazards to personnel, facilities, the public and the environment.

2.3 Periodic risk assessments are performed by qualified personnel, including expertise from outside the immediate unit, as appropriate.

2.4 Pisk assessments are updated at specified intervals, and as changes occur.

2.5 Assessed risks are addressed by specified levels of management appropriate to the nature and magnitude of the risk, and decisions are clearly documented.

2.6 A follow-up process is in place to ensure that riskmanagement decisions are implemented.

#### OPERATIONS INTEGRITY MANAGEMENT SYSTEM: Members 3

# element 3: facilities design and construction

inherent safety and security can be enhanced, and risk to health and the environment minimized, by using sound standards, procedures and management systems for facility design, construction and startup activities.

3.1 Project management procedures are documented, well understood and executed by qualified personnel.

3.2 Criteria are established and procedures are in place for conducting and documenting risk assessments at specific project stages to ensure that Operations integrity objectives are met.

3.3 The design and construction of new or modified facilities use accorded design practices and standards that

- THE or exceed applicable regulatory requirements
- encody responsible requirements where

vguillors are not achiquately protective

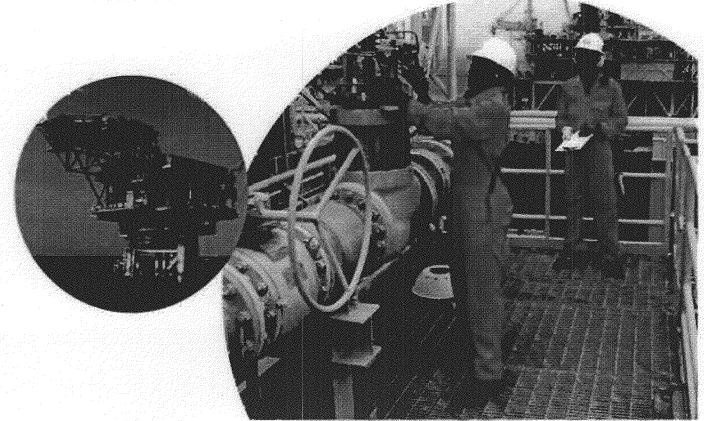
 address other important operations integrity considerations, including Environmental Aspects and Human Factors 3.4 Deviation from approved design practices and standards, or from the approved design, is permitted only after review and approvel by the designated authority, and after the rationale for the decision is documented.

3.5 A process is in place for evaluating the application of new or updated standards with operations integrity implications for existing facilities.

3.6 Quality-assurance processes are in place, which ensure that facilities and materials received meet design specifications and that construction is in accordance with the applicable standards.

3.7 A pre-startup review is performed and documented to confirm that:

- construction is in accordance with specifications.
- Operations integrity measures are in place.
- energency, operations and maintenance procedures are in place and adequate
- risk-management recommendations have been advessed and required actions taken
- training of personnel has been accomplished.
- requiatory and permit requirements are met.



# element 4: information/ documentation

Accurate information on the configuration and capabilities of processes and facilities, properties of products and materials handled, potential Operations integrity hazards, and regulatory requirements is essential to assess and manage risk.

4.1 Drawings, pertinent records, and documentation necessary for sound design, operation, inspection, and maintenance of facilities are identified, accessible, accurate and appropriately safeguarded.

4.2 Information on the potential flazards of materials revolved in operations is kept current and accessible.

4.3 information on potential baseds associated with cholusts, and guidance to enable proper handling, use and discreat, are documented and communicated.

4.4 Information on epplicable laws and regulations, wonses, permits, codes, standards and practices is obturhented and kept gurent.

# element 5: personnel and training

Control of operations depends upon people. Achieving Operations Integrity requires the appropriate screening, careful selection and placement, ongoing assessment and proper training of employees, and the implementation of appropriate Operations Integrity programs.

5.1 A process is in place for screening, selection, placement and origining assessment of the cuel fications and abilities of employees to meet specified job requirements.

5.2 Orterio are in place to ensure that necessary levels, of individual and collective expension and knowledge are maintained and are carefully considered when personnel changes are made. 5.3 Initial: origining and periodic reheater training is provided to meet job and legal requirements and to ensure understanding of the proper protective measures to mitigate potential Optications Integrity hazards. This training induces:

- assessment of employee knowledge and skills relative to requirements
- training documentation;
- assessment of training effectiveness.

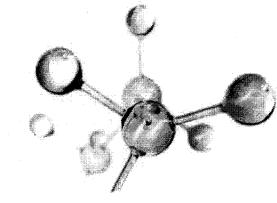
6.4 The assessment and documentation of, and foedback on, employee performance address. Operations Integrity elements.

5.5 Behavior-based processes for matucing risks of incidents, including personnel safety, process safety, security, and environmental considerations, are in place. It is exceeded that:

- employees and contractors consistently recognize and proactively milligate operational, procedural, and physical hazards
- employees and contractors proactively and routinely identify and eliminate their at risk behaviors and those of their co-workers
- Human Factors, workdorce engagement, and keldership behaviors are addressed
- behaviors, at-risk conditions, and other precursors that can lead to incidents are recorded, analyzed, and addressed

5.6 A process is in place to identify and evaluate health risks related to operations that potentially affect employees, contractors, or the public. Based upon issessed risk.

- oxposures are monitored.
- proper protective and prevension measures are implemented
- bary detector and pageness are provided
- certhent health data is recorded and reviewed.
- medical fitness for work is determined, as address hate



# element 6: operations and maintenance

Operation of facilities within established parameters and according to regulations is essential. Doing so requires effective procedures, structured inspection and maintenance programs, reliable Operations integrity critical equipment, and qualified personnel who consistently execute these procedures and practices.

6.1 Operating, maintenance, and inspection procedures, are developed, implemented, and consistently used. These procedures include, where appropriate.

- special procedures for activities with potentially higher risk
- operating envelope considerations.
- regulatory and Environmental Aspects considerations
- Human Factors considerations

Procedures are updated at specified intervals and when changes are made

6.2 A work permit process incorporates checks and authorizations that are consistent with mechanical and operational risks.

6.3 Critical explorment is identified and tested, and it undergoes preventive manienance

8.4 The temporary disarring, deachilation, or unavailability of critical equipment is managed.

6.5 Mechanical integrity programs are in place and stewarded to assure the testing, respection, and maintenance of equipment.

6.6 Interfaces between operations are assessed, and procedures are in place to manage combled risks.

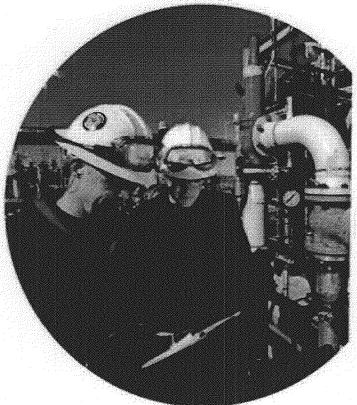
6.7 Environmental Aspects are addressed and controlled, consistent with policy, regulatory recurrements and business plans. Environmental Business Planning is conducted and integrated into cusiness plans.

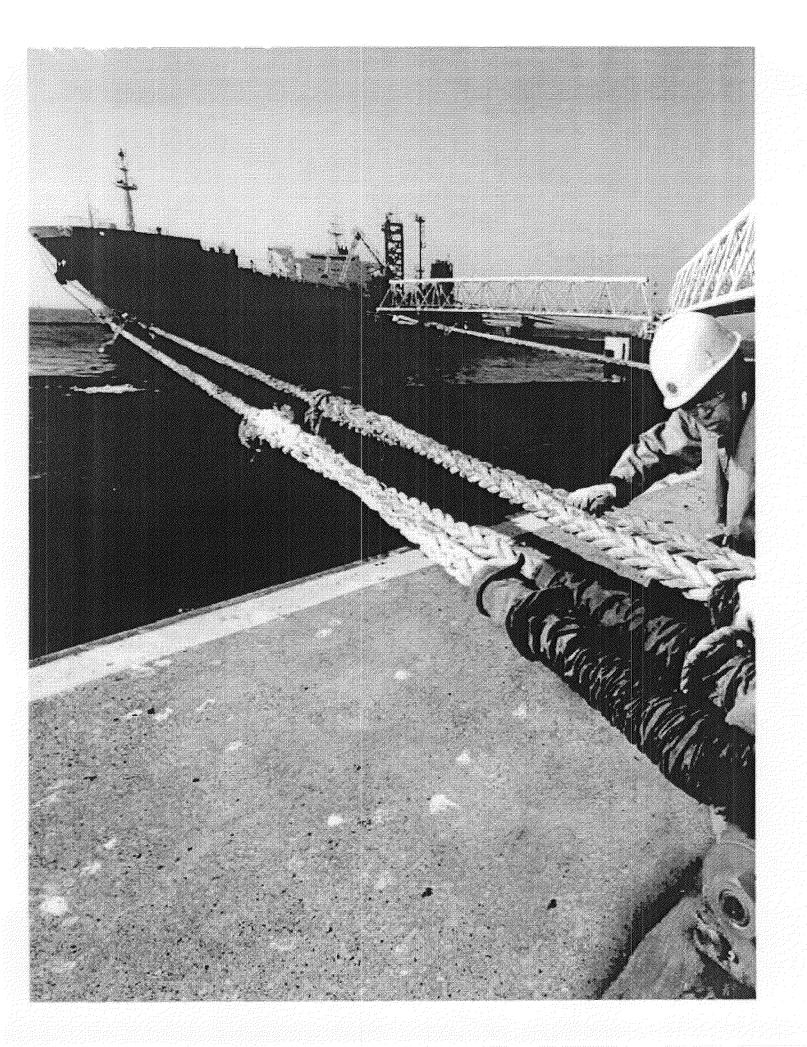
8.8 Environmental performance, including emissions, discharges, and wastes, is tracked and stewarced to meet performance goals.

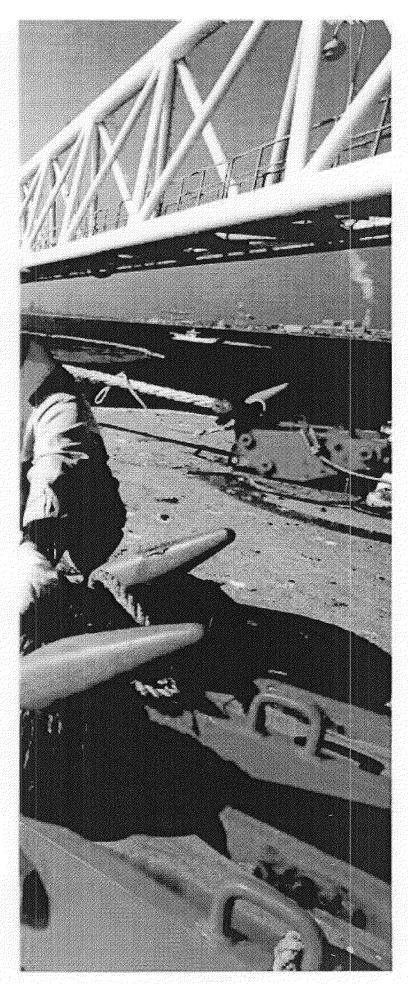
6.9 Applicable laws regulations, pentitis and other governmental requirements are antiopated and met, and the resulting operating requirements are documented and commonicated to those affected. Completice is periodically vertiled.

6.10 Proper long-term shutdown or abandonment of facilities is plenned and managed.

6.11 Quality-assurance processes are in place, ensuring that facilities and materials received meet designated specifications.







# element 7: management of change

Changes in operations, procedures, site standards, facilities, or organizations must be evaluated and managed to ensure that Operations Integrity risks arising from these changes remain at an acceptable level

 A process is in place for the management of both temporary and permenent changes

7.2 The process for managing change addresses

- · authority for approval of changes
- analysis of Operations Integrity implications
- · compliance with regulations and
- approved standards
- acquisition of needed permits
- · documentation, including reason for change
- communication of risks associated with the change and required mitigation measures
- time wreations
- \* training

7.3 Temporary changes do not exceed initial authorization for scope or time without review and approval.



OPERATIONS INTEGRITY MANAGEMENT SYSTEM ADDODED F

# element 8: third-party services

Third parties doing work on the company's behalf impact its operations and its reputation. It is essential that they perform in a manner that is consistent and compatible with ExxonMobil's policies and business objectives.

8 1 Trind party services are evaluated and selected using oritistia that include an assessment of capabilities to perform work in a safe and environmentally sound manner.

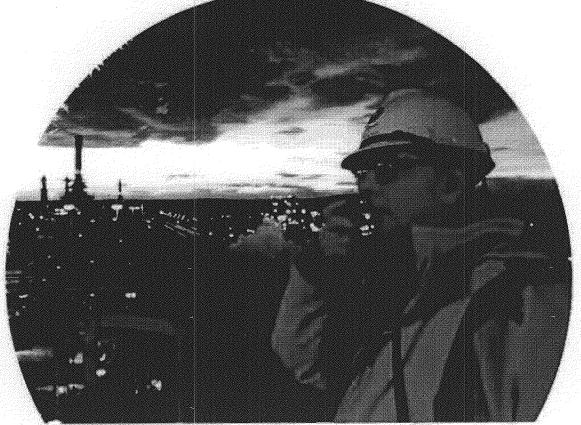
8.2 Third-party performance requirements are defined and communicated. They include

- responsibility for providing personnel appropriately screened, transd, qualified and askn to perform specified duties
- · a process for self-monitoring and stewardship

8.3 Interfaces between organizations providing and receiving services are effectively managed.

8.4 Trird party performance, including leadership, is monitored and assessed, leadback is provided, and deficiencies are connected.





# element 9: incident investigation and analysis

Effective incident investigation, reporting and follow-up are necessary to achieve Operations Integrity. They provide the opportunity to learn from reported incidents and to use the information to take corrective action and prevent recurrence.

9.1 A process is in place for reporting, investigating, analyzing and documenting actual safety, security, hearth, environmental and regulatory compliance incidents and significant near misses.

9.2 Procedures are in place for the Law Department to investigate, analyze and advise on incidents when necessary.

9.3 Procedures exist for actual incidents and near misses, other than those investigated by the Law Department, which

- provide for timely investigation
- consider potential consequences in determining the level of investigation
- · identify root causes and contributing factors
- determine and ensure implementation of actions needed to prevent recurrence of this and related incidents
- reflect legal input.

9.4 Findings are retained, periodically analyzed to determine where improvements to practices, standards, procedures or management systems are warranted, and used as a basis for improvement.

9.5 A process is in place to share lessons learned from actual incidents and near misses among Exconitional organizations, and to interact with others as appropriate to facilitate improvements in performance.

# element 10: 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, the environment and company personnel and assets.

> 10.1 Community expectations and concerns about our operations, including those of the workforce, are sought, recognized, and addressed in a timely manner.

10.2 Emergency preparechess, response, and business continuity plana are documented, accessible and clearly communicated. The plans, based on assessed Coerations integrity risks, include.

- response actions that address significant incident scenarios
- organizational structure, responsibilities and authorities
- Internal and external communications procedures.
- procedures for accessing personnel and equipment resources
- procedures for accessing essential Operations Integrity information
- procedures for interfacing with other company and external emergency response organizations
- process for periodic updates.

10.3 Equipment, facilities and trained personnel nileded for emergency response are defined and readily evaluable.

10.4 Simulations and difficure periodically conducted, which include consideration of external communications and involvement. Learnings are identified and addressed. OPERATIONS INTEGRITY MANAGEMENT SYSTEM

# element 11: operations integrity assessment and improvement

Assessment of the degree to which expectations are met is essential to improve Operations Integrity and maintain accountability.

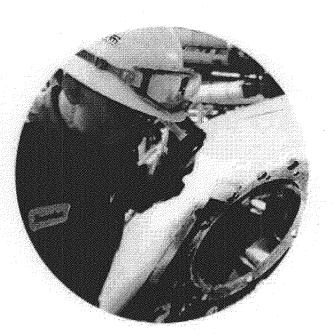
11.1 Operators are essessed at predetermined vectorizes to establish the degree to which the Operations Integrity expectations are met.

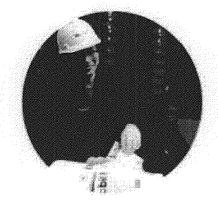
11.2 The frequency and scope of assessments reflect the complexity of the operation, level of risk and performance history.

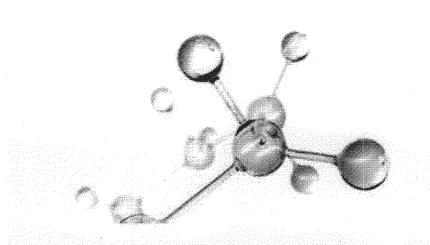
11.3 Assessments are conducted by multidisciplinary teams, including expansise from outside the immediate unit.

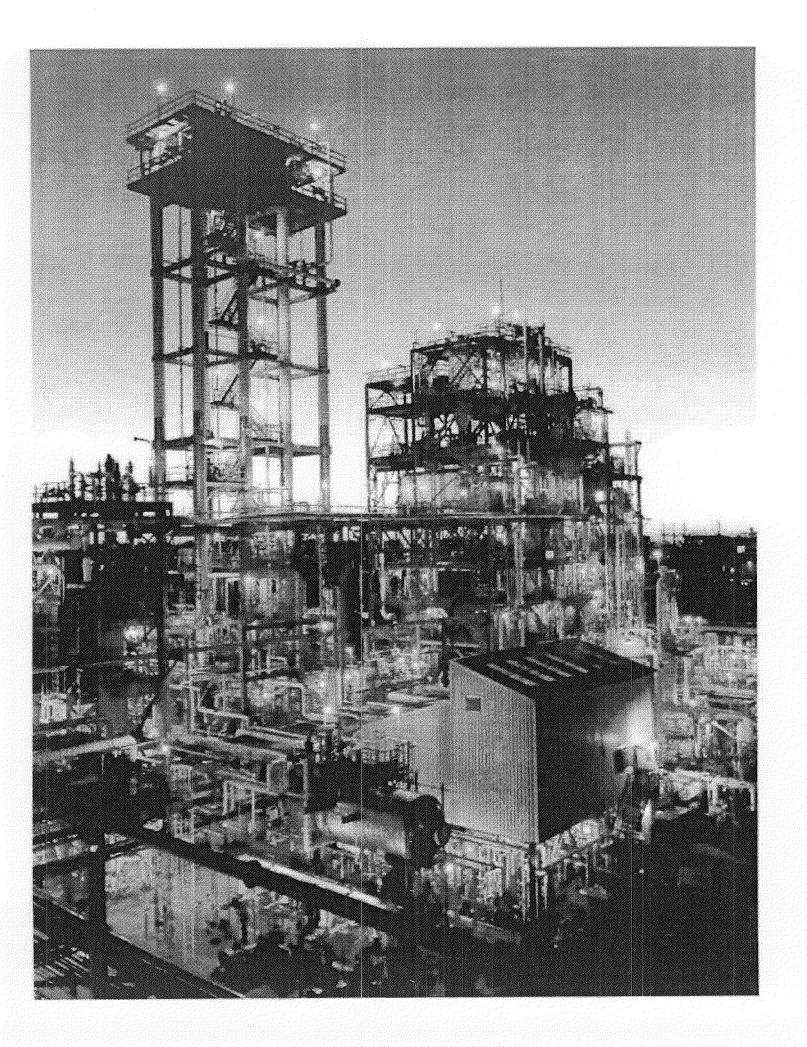
11.4 Findings from assessments are reached and documented.

1.1.5 The effectiveness of the assessment process, is reviewed periodically, and findings are used to make improvements.









DPERALIONS INTEGRITY MANAGEMENT SYSTEM: the characteristics of management systems

# the characteristics of management systems

Each operating unit must have in place properly designed and documented management systems that address all the Expectations set out in the OIM is framework. Management systems put in place to mes. OIMS Expectations must incorporate the following five characteristics to be effective. It is important for all five characteristics to be documented.

#### Set up and pressives.

Scope datage to system's pointienes and identified interface, with other systems, inconstants and lacitiles. Objective, clearly define the by Jern's purpose and expected results.

#### 

Environmentations free described describe what the System dates and how it functions. Procedures address the key tasks resource by a process.

#### responsible and accountable resources.

Approval authorities, experience and training requirements that quality people to carry out their rules and nesponsibilities are specified to both implementation and execution of the System

#### Concellion and measurement.

A System must no checked to see structed to a surcharing as designed and softwarring is stated perpose. There are two concernents. Write after determines that processes and perpositives are functioning and being after two executed Must remember of two the quality of System processes and determines that System objectives and results are being achieved

#### feudback and improvement mechanisms.

These mechanisms here beaue that actors an taken to contracted, improve the System. They use methys from moustance to only from contract in an financiamment actuation to orbital System autobality concluting and affectiveness. OPERATIONS INTEGRITY MANAGEMENT SYSTEM ANALOSISE

## evaluation

Ongoing evaluation is essential to make sure that the Expectations in the Framework are being met. OIMS employs internal and external assessment processes to gauge the degree to which the Expectations are being satisfied. Such evaluations provide the information needed to further improve both performance and supportive management systems.

The assessment process locuses on evaluation of management systems. Two system dimensions are included in the evaluation.

#### 1. system status

- Extent to which the five characteristics of an Operations Integrity Management System are built into the System design and properly documented.
- Extent of deployment, including communication, training and establishment of measurement, verification and teedback processes.

#### 2. system effectiveness

- Extent of conformance to System requirements and documentation.
- · Quality of System execution.
- How well the System is working and whether the stated objectives are being achieved.



## olms ratings

System Status and Effectiveness are both appraised during assessments. System Status receives a qualitative evaluation of either 'Meets Onteria' or 'Needs Improvement.' System Effectiveness receives a quantitative rating on a scale of 1 to 4, with 4 being the highest level.

The overall assessable unit Effectiveness rating is based on the average of the individual System Effectiveness ratings.

## assessment frequency

External assessments are conducted every three to five years, with the frequency within that range determined by the Operations integrity performance of the assessable unit and the level of risk in the unit's operation.

Internal assessments are conducted annually in the intervening years. Systems judged by Functional Business Unit management to have the greatest Operations Integrity impact for each assessable unit are assessed annually. Other OI Systems are assessed at approximately the midpoint of the interval between External OI Assessments. OPERATIONS INTEGRITY MANAGEMENT SYSTEM. REPORTED AND MANAGEMENT AND THE ASSESSMENT

# responsibilities for management above the assessable unit

The Elements and Expectations of the OIMS Framework are intended to provide guidance for Operations integrity management systems on an assessable unit (AU) basis. However, some aspects of OI management require oversight and support above the level of the AU. OIMS responsibilities for Above the AU system(s) and procedures should be in place to address these areas where applicable. The following guidelines address the processes that provide oversight and support to the AU systems and procedures.

Management Leadership, Commitment and Accountability

- Demonstrate commitment to and active engagement in OI activities across relevant areas of responsibility including participation in OIMS Assessments and provision of sufficient resources to meet OI requirements.
- Ensure functional Management Systems address OIMS Expectations and functional guidelines
- Establish, communicate, and steward assessable unit SSH&E performance and improvement goals across the business; recognize outstanding results/accomplishments.
- Establish and maintain processes to collect and report accurate and timely SSH&E data.
- Communicate expectations for and monitor progress with respect to the implementation of OMS for operations new to ExponMode.
- Managers responsible for businesses operated by others (OBOs), that are not included in an Assessable Unit, communicate OIMS principles to the Operator and encourage the adoption of OIMS or similar systems and monitor implementation.

Risk Assessment and Management

 Monitor the status of the risk proble for the function and associated mitigation activities.

Facilities Design & Construction

 Ensure there are responsible ninimum standards for facility design and construction, including where regulatory requirements are not adequately protective.



OPERATIONS INTEGRITY MANAGEMENT SYSTEM: responsibilities for management above the assessable unit

Frame processes are in place to marchin convertences important for Operations Megaring

#### Operations and Maintenance

- Montes for the open of the state of the spin.
- assurance processes. Monitor the status of compliance with regulations.

## 

Description of the state of boots

#### Incident Investigation and Analysis

Enclose processes our explore for processing and access calculation from contractly and

#### Community Awareness and Emergency Preparedness

enverses a proper strans, response, and traness a strandy for every conjusting environest doore. The

## **Operations Integrity Assessment and** In a recent set

- Ensure providences preprietave to analyze individual. and collective assessment results • Rentor the status of an discriment following
- A state of the sta effectiveness of assessments including a review of assessable unit size and approaches (e.g.,
- Memory is a sub-contense or with CIMS responsibilities ( ), how the association of



5969 cas Comas Boulevard Irving: Texas 75039-2296

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July 2009

EXHIBIT 3

#### Public Issues and Contributions Committee Charter

# Excontropy 3

Juding on the world's to great energy challenges

# **Public Issues and Contributions Committee Charter**

As reased by the Board of Directors on February 25, 2009

#### I. Purpose of the Committee

The primary purposes of the Public issues and Contributions Committee (the "Committee") are to review and provide advice, as the Committee deems appropriate regarding the Corporation's policies, programs and practices on public issues of significance including their effects on safety, health and the enveronment; and to review and provide advice on the Corporation's overall contributions objectives, policies and programs.

#### II. Committee Membership

The Committee shall have at least time members. Committee members anali be appointed by the Board from among its members and may be removed by the Board at any time. Each member of the Committee must satisfy such ordering of independence as the Board may establish and such additional regulatory or listing requirements as the Board may determine to be applicable or appropriate. Members of the Criminitee should be subably knowledgeable in matters penalising to public riskes. The anisat symbol of members shall be retrimined from times to time by resolution of the Board. Two members of the Committee shall consiste a ground formation.

#### III. Committee Structure and Operations

The Chair of the Committee shall be designated by the Board. The Committee shall fix its own rules of procedure and shall meet where and as provided by such rules of by resolution of the Committee. In addition to the regular meeting schedule established by the Committee; the Chair of the Committee may call a special meeting at any time.

The Secretary of the Corporation shall be the Secretary of the Public issues and Contributions Committee drivers the Committee designates otherwise.

In the assence of the Class during any Committee inceting, the Committee may designate a Class and lampore.

The Compiles shat act only on the affirmative vote of a majority of the rismbers at a meeting or by unanimous written construct.

The Committee may establish subcommittees consisting of one of more members in carry out such duties as the Committee may delegate

#### **JV.Committee Activities**

The following shall be the common recurring activities of the Committee in carrying out its purpose. These activities are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate gives the creamstances.

- 1 Review the Corporation's policies, programs and practices on public issues of significance and make such recommendations to the Board with respect (bereto as it may deam advisible.
- 2 Review the effectiveness of the Corporation's policies, programs and practices on safety, health, environment, and sucial issues and make such recommendations to the Board with respect thereto as it may deem advisable
- 3. Complete an annual review of safety, health and environmental performance of major operating organizations.
- Complete an annual visit to one of Excontribuli's operating cities to review matters such as safety, beath, environment, and community relations programs and practices.

http://www.exxonmobil.com/corporate/investor\_governance\_comm\_issues.aspx

### . ..... issues and Contributions Committee Charter

- Reverse each year, prior to the development of the following year's contributions trudgets, proposed overall contributions  $\widetilde{Y}_{1}^{\prime\prime}$ objectives, policies and programs, including, as appropriate, yoals and criteria, the level of comprate contraputoris, the . subject areas to which complutions are to be made and the relative weighting (hereof, and make such recommendations to the Board with respect thereto as it may deem advisable.
- 6. Review, prior to the regular meeting of the Board held in November of each year, the proposed contributions budgets of the Comportation and of its consolidated affiliates, as to the consistency of such budgets with the contributions objectives. policies and programs established by the Board in respect of each year, and possible contributions of an unusual amount and report to the Board
- / Taxy such obsy action and do such other things as may be referred to it from time to time by the Board

#### V. Committee Evaluation

The Constitute will annually complete a self-evaluation of the Constitute's own performance and effectiveness and welconsider whether any changes to the Committee's charter am appropriate

#### VI. Committee Reports

The Char of the Committee will report regularly to the full Board on the Committee's activities, findings, and recommendations, including the resides of the Committee's real-evaluation and any recommended changes in the Committee's charles.

#### VII. Resources and Authority of the Committee

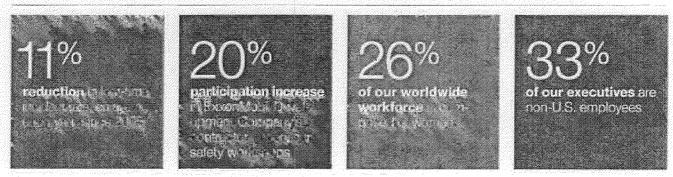
The Committee has the salarity to retain such outside advisors, including legal causes or other experts, as I deams eparechale, and to epprove the tees and expenses of such advisors

tp://www.exxonmobil.com/corporate/investor\_governance\_comm\_issues.aspx

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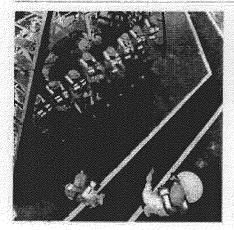
**EXHIBIT 4** 

#### Highlights



# Safety, Health, and the Workplace

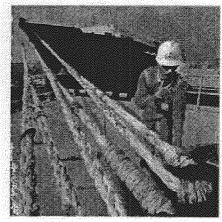
**Priority Issues** 



Protecting our workforce implement policies to protect the safety and security of our employees and contractors



Improving workplace health Address health risks through malaria control, HV/AIDS prevention, and management of emerging health issues



Developing a skilled workforce Foster a diverse work environment that encourages employee growth and is free of harassment and discrimination

#### Performance Overview

#### What we said in 2008

- Continue industry leading safety record
   Becommend metrics to familiars a step of angle is safety performance that shows
- Austeriatile introversing over time.
- Management System (CRNS) framework
- Identify the best cancidates for an
- Increasingly diverse workforce to caph producer work experience, scholarships and migraphics

#### What we did in 2009

 Continued to lead industry with combined employee and contractor work force tost-time incident rates at best over leads.

- Seveloped new personnel safety metrics
- and processes to improve performance
- Progressed process safety enhancements and new indicators
- Updated to CMS transvork
- Granted 40 U.S. technical scholarapina and sponsored 1097 clober internships and co-op assignments

#### What we plan to do

 Implement proposed enhancements to personnal safety metrics and stewardship processes

- Indement leading process safety metrics
- Deploy estimates its introduced through 2009 updates to the OKMS transwork
- Perholpsie in cross-industry efforts to understand predictors of second injuries and fatalities
- Continue to attract, develop, and retain, a pretruer worsforce from the proadest possible tool of talent.

CHIER EMPROPEES ARE OUR MESSY VALUEABLE RESCAPECY AND ARE AT THE OPE OF ENGLISH WITH A DAY, WANTS WE REAST IN THE LEWY, WHICH, seaths like the functions of eccelebrain for to private the Street and Manual Street and related the most conserve with the sec-

#### Safety and health management

ExactMode is converted to Detellized to be ness in a memory that protects and promotes the safety and mouth of our employees. those involved with our operations, and the communities where we work. These commitments are documented in our selety, health and crockert safety envices and security expectations, which are molemented through per CIMS humawork (see page 15). To drive contrasts represented. OMS is periodically updated. The atest revision, completed in 2009, includies strengthered expectations : a in respect to reacterable, process safety, and assessments of CBMS - "entries ets." At countries have strying standards for selfing and Analytic car expendiation is then we operate of the to pur own standards or more of the local baunity, which ever are most stringent,

Workforce salety. In 2009, we recorded boot-ever combined proper and contractor workforce loss are incident rates. Since 2005, we have induced our workforce lost time incident rate by an avarage of 11 percent per year and 23 percent since 2008, increant investigation and analysis revealed that employee awareness of potential bacards as well as the desires to which they comply with unitical procedures are often significant contributors to accident prevention. As a manif, we are conceptrating on the deployment. and enhancement of behavior-based safety books and we promoting he development of a "output of intervention" where everyons takes responsibility for their own safety and the safety of others. We are sito emphasizing conformance with other & operating procedures.

We contribute to focus on improving the safety performance of car contractors. A key factor compliciting to the risk of multy for contracttors is that they can be less experienced or "unor" service" workers. Pre-lob planning tools, training, memoring, and short-service worker programs contributed to our improved 2009 performance.

We are saddened to report that we experienced eight worker fatalities. in 2009. We have thoroughly investigated all causes and contributing factors associated with each arcident to earn how them and to prevent similar events. For example, a landscaping contractor was fit ally iquited while removing a taken tree limb when he pouched a which peaks got which which was interpretently of contact with a live with After Pvest galleg, a number of corrective actions were trian. makation whereing protocols for caritrictors in identifying and information to an exact a participation of a state of a state of the s workers, and legang a global alert to raise sourcevers atxn.? electrical safety. At the close of 2009, a clobal "Safety Time-Clot" was conducted. for all Exception within a an effort to undersome the GDA of West in our day, to day polygian, to english the importance of natural monipulation and gargeneiting, and to reinforce the total to service the the prevention of (absorbed) in the accelulator. We will real the total  $\gamma'$  of intel we have additioners in which Nobody Gels Have

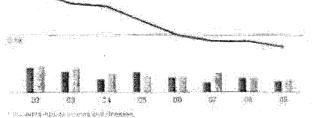
To be pachieve our vision, our employees and constanting receive Equipsions braining before commencing work in our Michigan Tree. participate in salety teams, conduct sately observations, and suggest origoing improvements to procedures. For example, in 2009, more than 1900 contractor supervisors and managers participated in EcoanMotol Davelopment Company's safety leadership workshops, an increase of more than 20 percent serve 2008.

Risk management and amorgancy preparedness. Roks associated with safety, security, health, and the environment are inherent or cotensions. Recording these risks and the chicks role of energy manay. it an environcy eduction. EccorMetal tokets a decipiered regression to being our continuity charactery and enveryonesy proprieties. To compared quickly and effectively to operational incidents, we marketly tool the trained learns of our operating sites on a range of possible oc markes. including simulated product tokis, fires, explosions, natural disastery. and security incidents. In 2008, consistent standards were devoluted for business continuity planning; in 2009, more than 1100 people were trained at over 30 workshops abound the world. Our response to the HINI industry virus was opendinated across Excentional, universal business contruity plans developed in prior years.

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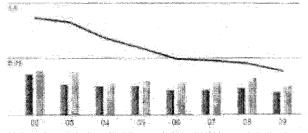
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Workplace security At Examination, Security of Even boos 3 Blackman and as provide security and softguards to protect our proble, coarts along, factories, business information, and other assets. In 2023, we continued to improve these programs and measures and further into grated them also our CIMS framework. Security is an origining activity at all our facilities, from production to large periodhemical and retricting complexes, office bundings and comparer systems, and transportation systems path of productions, rail, or marine visitette, and transportation systems path of production accurate systems, and transportation explores office bundings and comparer systems, and transportation systems path of produces, rail, or marine visitette, and transportation explores office bundings and comparer systems, and transportation systems path of produces, rail, or marine visitette, and transportation systems path of produces, rail, or marine visitette, and transportation systems path of produces, rail, or marine visitette, and transportation systems and the spectrate security at our factories to the first half of 2018. For more information, accurate potential of 2018 to apply the security of 45.

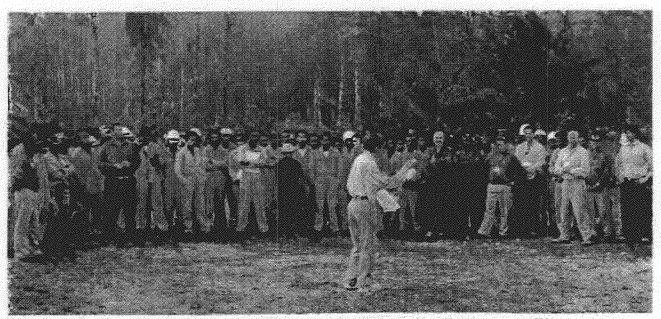
Process safety. Get process safety management framework focuses on reducing risks and incidents through flawless execution of OIMS. Leosons learned from incidents in our own operations or in Industry provide opportunities to contained our locations design, operations, integrity management, and operating practices. The goal is to use a decipiesed approach to consistently design execution, performance in designing, operating, and maintening our assets.

#### Employee health

Successful businesses rely on a healthy workforce. At Excentional, we provide support programs and services to help our employees two features and community health conscierations are the exceptionality and forward and community health conscierations are project particle, we play a constructive role in additionality the bracker accounts and appeal development of the communities in which we operate two national content development or page 37.

Ger Environmental, Social common and Health Impact Assessment (ESHIN) process helps up identify opportunities to manage differing health impacts seconded with our projects. We strategically track employee health and develop prevention programs and health care services to respond to emerging health bases in a timely manner.

For excitople, in locations such an Papua New Guinea, ser employees lace particular health cleateringes due to tropical diseases such as malaria, designe lever lympholic Nanadis, Japanese esception to and social typical. Executively Nanadis, Japanese esception to all personnel working to malaria proce environments take malaria prevention medications and use long-lasting insocial rested clothing



Employees and contractors of our Papua New Carnea Equipled natural gas project gethered to discuss safety incidents that occurred in 2009 in our global operations. The group was reminded of the Importance of hazard recognition and awareness, and the role everyone plays in incident prevention.

"We believe ExxonMobil to be among the industry leaders in the extent to which health and safety management considerations have been integrated into its business processes for ongoing operations and for the planning and development of new projects."

#### Court's Register Quality Association Inc.

and as a considert. We also use control services to effectively identify and reduce discuss we done (the means by which discuss are bland entropy to manage to base bring insects). We use a variety of methods are subjected interactions and reductive insect to a mean of the factors. The factor of the latter insects bland in sect to a mean which be entried to be repaire of the active continuation is sect to a mean which to entried to be repaire of the active continuation is sect to be mean and but

Workplace Malaria Control Program. Malarin is a Mathrestening distance attenting more than 100 countries in fair regions of the works Excervice's comprehensive Malaria Control Program courts The same was called the way way as a same way a second way as The propries concerns enables a theory of another and provide the pres only a sub-realized matched and and adding days and this ment. We track employee and contractor of dentes of malaria m 10 countries with upstonais operations. In 2029, www.occurdad.in.r. first case of mataca among our nonlinearse (manifolds) amologies amon 2005. As a result, we emphasized the relation encloses in report symptoms and and in the dispert in the use of match incolart and insertexis braiss defining. They ware no builded cases of matural reported among our righted (sensi-instant) and loyant. While he have successfully implemented consistent malaria prevention and control mediates: for star employees in all siles located in enderno areas, we apprimue to work with partnactors to help them adopt contagin pirning to the fact

to 2005, Excentrate antiposited mostal transit Day in Angola. Camercony Chad. Equatorial Galeica, and Migena both in the workpraceand in local communities to raise initiatia awareness and increase compliance with protective measures.

To neduce the burder of malaxis, Excernitional works on second transfers, and with support of partnerships, and with national heats are systems, including or fost partnerships, and with powerments and agencies, local and international nongoest mental organizations, and community leaders. While these mestioners (may be autalise our core business, we know that sampling the providence in the business, we know that sampling the providence in the business and communities and for society deather the business are powering to active the sharebolation meaning business and providence coefficients (agence and providence) coefficient (agence and providence) coefficient (agence and providence) coefficient (agence) (ag

Employee StepADS. Our workplace PRVAIDS program, StopADS, compares risk mitigation education with access to community have pure and treatment to keep healthy workers disease-treat and to educate hity-positive workers on how to live safely with the linese. Excentioned does not test for HPV, and HPV status is not a factor in determining an available is ability to Ach.

in micrash operations, we shall be saiding population data on the provisions of refly to understand local new factors for HIV transmission to multiplication to addition, we assess the capacity of local

and notional reactions and a second of the database of the database in the database of the dat

a an excercision is 1000. Excernitions at 5xates in Acigora provided multiple sectors the search of a opportunities to employees and contentations mission gradesy moments, benchares, calendars, conduce desirection MV AEPS Wate for Life, and a collection of food, why, and clothering far an HW/ADS operandge. The Stop AEDS committee in Equatorial Guinea organized an employee awardees season and a combunity maning setsion. In Pipous New Guines, we conducted hittel HW/ADS prevalence stop and developed relationships with food operations to define understand line ments and excellence proversion programs. and prevalence employee forces of excellence materials.

#### Product stewardship and product safety

Experimental is dealed on it is maximized advance costs and reports associated with the manufacture, and expension of the manufacture, and expension of the predicts. We append the statement of expension of the statement of t

Buring the development of and prior to marketing our upstream, chemical, latincant, specially, and fuels products, we assess safety, health, and emironmental. SHE) sepects as well as compliance with product selections, both where the products are made and on their interested markets. Reprovide assessments required by downtream authorities are conducted and updated as new of product, products available to assure the safety of a new or molected product. Products used in particular markets, such as more that compliance with ford, updated an advised by contact with band, updated and compliance with band, updated and compliance with band.

In edificial, we provide minimation to these who transport, use and dispose of our deprivate, including impropriate pass, obtained health and environments, altern, personal production and exposure controls, first aid measures, and disposal considerations. We monitor and assess changing and emerging science to ensure our products.

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**EXHIBIT 5** 

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## Safety, Security, Health & Environment

ExxonMobil remains steadtast in our commitment to excellence in satety, security, health, and environmental (SSH3E) performance. We continue to deliver results that demonstrate that commitment.

#### 2009 HIGHLIGHTS

4

- Record performance in workforce safety
- Reduced Upstream hydrocarbon flaring by more than 20 percent
- Zero spills greater than a barrel from company-operated marine vessels
- \* Expanded research in advanced biofuels

#### **Guiding Principles**

Executively is committed to conducting business in a manner that protects the safety, security, and health of our employees, these involved with our operations, our customers, and the public. We are committed to concluding business in a manner that is committed to concluding business in a manner that is committed to concluding business in a manner that is committed to concluding business in a manner that is committed to concluding business in a manner that is committed to concluding business in a manner that is committed to concluding business in a manner that are committed to concluding business in a manner that are committed to concluding business in a manner that are publicly the constant of the committed to committed to concluding business in the committed to committed to concluding business in provide the committed to concluding business in the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to the committed to committed to committed to committed to committed to the committed to committed

All operating organizations are required to maintain the systems and cractices needed to contomic the expectations described in the ORAS trainework. To drive continuous improvement, the framework is periodically updated. The latest revision, completed in 2009, strengthens trainework expectations with respect to leadership, process safety, environmental performance, and the elseephent of CRAS effectiveness. With this revision, we seek to:

- Renforce our beset that all safety, health, and environmental incidents are preventable; and,
- Promote and maintain a work environment in which each of us adoepts personal reconneitably for our own atticty and that of our colleagues, and in which everyone activity maintenes to ansure the safety, populity, and welfness of others.

Since the inception of OIMS, cur SSH&E performance has, improved substantially. We continue to lead the industry with cur low kicklent rates for work-related rearies and Brasses. Fields to the environment have been reduced, with a significant decline in names splits and continuing reductions in emissions. We are proud of these achievements and remain committed to maintaining and improving these high levels of performance.

We have been offset by Ubyd's Register Quarty Assumace, URQAy for "being among the leaders in the extern to which sharonmental management considerations have been integrated into our engoing business practices." We are pleased that in 2009 LRCA recognized OMS as moeting all requirements of the Occupational Health and Selety Assessment Series for health and selety recognizement systems (OHEAS 18001, 1999) and the Hiermational Organization for Standardization's specification for environmental management systems (ISO 14001, 2004)

#### Working Toward an Incident-Free Workplace

At Executively and health in the workplace is a core value. Our approach to satisfy and health in the workplace is a core value. Our approach to satisfy and health management is yielding good results. Since 2000, we have reduced our workforce lost-time incidents by an average of over 14 percent per year and achieved bestever performance for combined employee and contractor workforce incident rates is 2019. However, we are soldered to report that in 2009 we had eight workforce fetables. We will not be satisfied unlike workplace a workplace in which Nobody Gets Hert.

Experimental residues a long-standing commitment to the protection of our people, tacking, information, and other assets leading each bushess to reinforce the importance of security. Through the Security is Everybody's Bushess initiative, we continue to shress awareness of oncurity-related issues, from site security to cyber security.

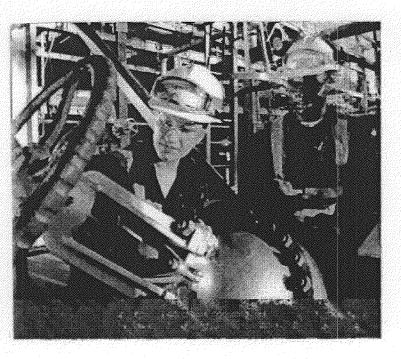
We believe that a successful business relies on a healthy acristonce – and we take believely those health issues that impact our worktance – whether work related or not. By providing voluctary realth promotion pergrams designed to enhance employees' well-being, productivity, and personal safety, we aim to morove the health of our workforce.

We also maintain an active commission to the communities in which we work. We believe that self-sustaining improvements in public health are a key enabler for croader occnomic and social gams.

#### Industry-Leading Salety

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#### Managing Risk

Operational excellence, enduring business controls, and high standards for the conduct of our business are nairmarks of EcolorMabil and Londamental to our approach to risk management.

Many of our operations and products present potential risks to proceed and to the environment, and we recognize that these risks are interent in our business. We believe the best way to effectively manage these risks is through clearly defined policies, standards, and practices embedded in reporticely applied management systems designed to definer versits.

(kisness contributy planning and emergency preparadness are two elements that hap us address risk. We place great emphasis on preparadness to hep-ensure an effective response to moderns. Response to the 2009 HTML influenza virus was operating across Excontrobil businesses utilizing business controlity plans developed in oncriveara.

#### Reducing Environmental Impact

ExectMobil recognizes that by reducing the environmental impact of today's energy, we are taking an important step toward a more sustainable kause. It is our objective to operate responsibly everywhere we do tolenets by implementing scientifically sound, practice solutions that consider the needs of the communities in which we operate. Cur goal is to eliminate incidents with real environmental impact.

To that end, our environmental management processes are guided by our Protect Tomorrow. Today, initiative, which quitines our expectations for being an industry leader in environmental protection.

# Balancing Energy Production with Water Scarcity

Natural gas is expected to be the tablet growing make fael source, driven largely by its moreased use to generate electricity. Executivabilis leases in the Processore Basin in Colorado hold a colorada recoverable resource of more than 45 tailon is bot feel of gas. This reage resource will take years to produce, and Executivability committed to increasing habital gas production more efficiently and with less senatorments impact.

Producing natural gas from the Picear on Basin has a number of citalianges. This gas is trapped within nock much tighter than concrete and requires the injection of a high-produce mixture of sand and water to show the gas to how to some areas of the vessel Unded States, water availability can be antifed and is a citatego issue that the oil and gas inductive is addressing.

water conservation is a top priority for our operations, and we are achievely engaged in managing value, uper Our approaches include technological and operational innovations to enhance water use efficiency and morovel water obtainty. For exarctly, formation water produced with gas can be treated and issueed observers for other processes. As we continue to morove our use of produced water in our operations, we expect to reclude our hestwater usage by about 70 to 30 percent over the next file years in our Processe Basin operators.

We have also significantly reduced the encurt of water required for the production of oil of our Cold Lake operators in Canada. Through efforts to recover and total water, we are now able to recycle 05 percent of the water of this in oilu freevolation applied.



At our operations in the Presence basin, we compare to use technology to boost production capacity and reduce environmental andact. Torough this initiative, we set goals to improve performance and drive incidents with real environmental impact to zero. Progress toward these goals a managed through Environmental Business Planning, which integrates environmental improvement efforts with other business plans.

Enrough strong environmental management, our bismesses have made made improvements in environmental performance. For example, since 2004, we have reduced total ox splits greater than one terms by about 50 percent. In 2009, we had zero apilis from company owned and operated marine vesses in ExxonMobil's service.

Managing Climate Change Risks

No decusion of environmental performance would be complete without taking about the risks of climate change. We have the same concerns as people everywhere - and that is now to provide the world with the energy it needs where reducing greenhouse gas (CHG) emissions.



Protect Tomorrow. Today.

We take the issue of climate change seriously and the risks warrant action. Our shategy to achieve raductions in GHG emissions is focused on increasing our own energy effortions and reducing fairing in the short term, advancing current proven emissions reducing technologies in the medium term, and developing traditionactic game changing technologies for long-term emissions reduction. These mitiatives will reduce emissions penerated both internally by our own operations and externally by our cuelomers.

Memory, new energy efficiency technologies and day to-day operational efficiency activities generate significant energy solvings and reduce GHG emissions. EcoerMobili has systematically worked to improve efficiency and environmental



performance throughout our facilities worldwide. Since, 2004, we have invested \$1.8 billion in activities that reduce greenhouse pas onkeachs and improve energy efficiency in our operations. In addition, we are sponding more than \$5 billion in gas utilization and commercialization projects to reduce rounce natural gas faring.

We are also investing in cogeneration, which provides significant environmental benefits because it uses less fusiand produces lewer Greenbouse cas emissions than

conventional power generation. Excendeds has interests in about 4.9 gigswalts of cogeneration capacity in more than 30 locations work/wide. These operations have the capacity to produce encodin electricity to supply the needs of more than 2 million U.S. homes.

Since the leanch of our Global Energy Management System in 2000, we have identified opportunities to improve energy

efficiency by 15 to 20 percent at our refinences and chemical plants and have already implemented over 60 percent of these. Across our operations, we are working to reduce flaring of gas. In 2009, we reduced Upstream hydrocartion flaring by about 23 percent.

Steps taken in these programs since 2005 have resided in reductions in greenhouse gas emissions of more than 8 million tannes in 2009, the equivalent of removing 1.7 million cars from U.S. roads.

#### **Researching Technologies to Reduce Emissions**

We also believe that it is critically important – and utimately most effective - to invest in research for fundamentally rew technologies and imovative approaches that will be efficient in reducing future emissions. Technology is the single sement that is common to all efforts to attain our energy and environmental goals. ExcenMobil is a world leader in carbon management technologies, and has researched and developed cerbon-handing technologies for more than 30 years.

We have an active portfolio of research in a wide range of future technologies, including carbon capture and storage, hydrogen production, biomass conversion, and algae.

We launched a bickles program with leading genomics innovator. Synthetic Genomics Inc. (SOE) to research and develop next generation bioluels from photosynthetic agae. We believe that bioluel produced by algan has the potential to be an economically wable transportation fuel with low net emissions of greenicouse gases.

We are also a founding sponsor of the Global Cirnate and Energy Project (SEEP) at Stanford University: a provising increasion effort to identity potentially game changing, breakthrough science to reduce GHG emissions. **EXHIBIT 6** 

# Extent/obil

Thing on the world's to grant energy childrenges.

# Statement to the National Commission on the BP Deepwater Oil Spill and Offshore Drilling

#### For W. Teersre

Criaiman and CEO, Exxer Mobil Corporation National Commission on the BP Deepwater On Spitt and Ohshore Onding Newtimber 9, 2019

Anexists of a strategies resources are the foundation of our nation's economy and the standard of long, and the essential thet we protect the safe production of these resources.

This country as well as the global energy industry — will benefit from a full understanding of the causes of the Deepwaler Honzon indicates it an confident that the commission's findings will belo ad rance for geal, which is to ensure that all our nation's energy facilities are ovairated at the tighest standards of safety.

So, I am grateful for the chance to come before the commission follow to share Excentificial's approach to safety, operational integrity and risk than agement. Many would say, especially now, that integrity companies must make safety a "top priority" — but thelieve that a commission to rateful a safety, must not much deeper than simply boiling a "priority."

A company's existizes can — and do — evolve over time depending on business conditions and other factors. A commitment to satisfy therefore should not be a priority, but a value mail of pass dependent making of the time, at every level.

Every company, desires sele operations — but the challenge is to but side this desire into action.

The answer is not found only in written rules, standards and procedures. While these are important and necessary, they alone are not encagt.

The enswer is utimately faund in a company's culture — the unwritten standards and norms that shape mindsets, attitudes and lishavors. Company's must develop a culture in which the value of safety is embedded in every level of the workforce, reinforced at every turn and upheld above all stoer considerations.

I've been asked lodes to explain how Excertifical approaches these critically important areas of systems and culture when it comes to calle, operations and real-management.

#### OMAS

The evolution of Exception's safety outline dates back to the 1960 Valdez spit. As I have said before. Valdez was a few point mount trackety. It was a thatmatic event, with enormous consequences for all involved. But it biso served as a datalyst and a turning point which promoted our management to completely reevaluate how ExxonMobil uncerstands and manages risk.

That is out taken that, prior to Waldez, we did not take safety seriously. Excentificial bad been in business for more than 160 years, and we had been in business for more than 160 years, and we had by taken steps to maintain safe operations as risks changes and energy technologies evolved.

We were proof of our solery record. We believed, as our safely credo at the one stated, that all applies and injuries are presentable. Like many companies, we worked to meet or especial industry safety standards, trained our employees is selety procedures, and tracked pertain motives that measured our success. But we did not have a comprehensive, systematic view of this espect of our business that we have taken today.

And so, in the early 1890s, Excentiobit's management undertook what I consider to be a visionary approach. The goal view to wholly universities the company to make safety — of people, facilities and the environment — the center of evenything we co. Safety would comp

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#### linst perfect

is was the territing of a king putter killour ofen any. And tehnold make it way clear to 5 is a parties that we have out cont, and if it is soon that we cannot ever an assort from the grap of driving allocative and antidents to zero. And we're not there.

But we have made significant progress. And los we have learned, for this progress to be achieved. Its imports had to come how within the company, we could not have government invoced - safety culture on us, or this someone to do it for us. Experts and consultants do in while a calculate solver. But for an equipment invoced is calculate, change madicipite from the procession and culture.

You care of Loy a collide of salely of the tried -- you have to could yourself

So we beyon. We began by creating a momentax's that puts out solidly commitment and action. Today, into Nathownik's office the operations integrally Management System, or OBAS Set short.

Exercise CH\*S is main-faceted, it can be held to describe tripilly. Here are the basics: CIMS is a suprover 11-point and accountability, design respectively hazards and manage risks. Its framework covers all aspects of sofety, management leadership and accountability, design, remember and maintenance of faceties: enumericy preparedness: management of change as ressment of performance; and, of course message incurves into accidents and receivants.

CLMS guides the activities of each of ExponNobilie more than 20.000 employees, as well as our bird party contractors, around the world -Over time, it has become embedded into everyday work processes at all fevels.

Tranugh OMS; Excented monitors, benchmerks and measures at aspects of our safety performance, the shuckure and standards are scared and communicated the world over. One of the greatest benefits of OIMS is that it has enabled Excented by a large organization that operates across disease cultures and peoplaphies — to be of one mind when it cames to safety and risk management. I can visit a refinery tallable or an offshore platform enywhere in the world and immediately be on the same page as the local employees and contractors regarding safety practices and expectations.

And Livent to stress that the contractom that we work with an embedded while our OTMS processors as well. We expect our contractors to be as knowledgeable and conveniant with the OTMS processes as our own employees. Not every company has this expectation, but we have found that when everyone in the workplace species the same language of safety — employees and contractors alike — everyone can work collaportatively, safety and effectively.

You may have means the process. If you can't measure it, you can't manage a " And it's hole. And that is why Exampled measures and analyzes it's safety performance — all the time, all the way down to every buildless level. We record not just our injuries, but we record our near misses and our close calls. Our goal is not just to analyze safety incidents after they happen, but to identify tisks and risky techanics before they load to a safety incident. The more elements of risk to be managed in an activity. The more frequently we test, measure and analyzes the safety approach in that access.

More broadly, CMMS requires us to audit the beath of the overall safety approach in all of our operating environments, on a regular basis, importantly, these audits at Excertification are performed not only by transplanted safety personnel, but by cross-functional, cross-regional teams of each from sill over our pictual commission. In this way, at employees are responsible for each other's safety. Also, the knowledge employees are responsible for each other's safety. Also, the knowledge employees participation to these audits is taken home to their plat, and spread threedow the organization.

#### Leadership

Yel. CIMB by itself is only one part of the organization. Even the best safety systems are not fully effective unless they exist as part of a broadly culture of safety within the parts of the organization

Main: Excent/coll and other energy companies use a lot of equipment — everything from steel pipe to supercomputers — it is people who wing this equipment to Me. And people's behavior is beaviry influenced by their outpre-

In analyzing the value of safety to our employees from the first day of their. Exmodiabilitatives to create a working employees from the first day of their sectors and the version and the version of the rest of the rest and the version of the rest of the rest and the version of the rest and the rest and the rest and the rest and the version of the rest and the rest

The culture of rafety starts with leadership — because leadership clifers behavior and behavior drives culture Leadert silicance culture by setting executives, building structure, teaching others and demonstrating stewardship.

And that is any the first element of CRAS is "management leadering and annumbability". "Excertilized management are superior to laid the OMS exceeds by demonstrating a visible commitment to safety and sparaters integrity. In addition, safety leaderstep's a significant part of

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beer a manager's reveral pier entitione is evaluated.

As created and that executive 1xnew that a constraint of safety and operational integral based and one and for met of 5 warehold is may operate them. But management acars execut — and should not — down the safet of that. For a suffice of suffic, the following one can be enceded directional the (equilibrium)

Therefore, safety leadership at Parenthing comes not just from sequencies and managers, but from employees and define bots, and managers and from employees and define bots, and managers are been from the set of and and a set of a set of

#### Achieving A Sustainable Culture of Safety

Life on want anyone to think — inside or outside our company — that pude in our callely systems include we can totax our commitment. The exact speciale is true. To get where we need to be go safely, continuous improvement is essential.

in an industry with as ours — which operates 24 leaves a day, unseed the work — the need to rearrages as never only. Ever the best solery industrial strend by veniculias a work in progress.

Developing a colline of safety therefore is not an event, but a journey, her Exxent/dobi, thet journey began more than 20 years ago, when we put our global safety framework of place.

Court that hardwark became embedded in our erganization, we saw the palate start to change and the results became extent to the overbe-formance. In turn, this allowed us to move from implementing the system to improving it.

That a week Excention's culture was really transformed. Over the years, i have seen people at all evaluenter thank that our traffic people systems are paint place for them. That they are should protecting them and their constraints and the packet, and not about calculate people down that there everal

Had or that bandomation is recognizing that every employee's job involves some degree of risk management — over those employee's job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management — over those employees, job involves some degree of risk management.

Action an programmer of post-affect everyone owns the system and believes in it, only then at that possil, the default of safety was operational integrity and been extensibled that can be sustained — when it waters the healts and minds of the people of the organization and becomes a very part of who we are.

We often me the phrase at ExxorMobil, "Nobody Gets Hurt" to describe our safety objective. Some distances of our company quantition that they say a const be done, that is a consider done. We have operating only locally that have grow years without a reconstructive injury.

Concentenge is to sustain that performance where it has been arrivered, and to replicate and grow that record of performance across the original state. It have no doubt that every single excellence shares this goal.

#### Risk Change

Consistence that many of Eccentricul's energy, projects can span decades, achieving the good of a neith supporting, sustainance energy culture treams we must be flexifier and adaptable to changes in the operating dividingent.

As a visibilit management of change is a key component of par UKKS system. Our management of change polyterskies and designful to encour that with any change in akit descrease or operations, we recognize the changed conditions, we actually dentify the new or changed risks, and we apply our disciplined procession for managing the risks and their polential consequences.

Risks are addressed and the charge is managed -typically basish either technological solutions, in sparading charges in response to the potential risk. But must importantly, it is clean who owns the management of charge and the addressed thilk management, and menty employee and contractor is important to that process.

These very deliberant well-established processes embedded in OllAS, have enabled Exxeditable to pursue challenging new resources and here development projects with the confidence that we will do so safely and responsibly.

Section approach is not negligible interests of expression and respect on server — but cleanly discars if the reference of the structure of the

#### Best Práctices

http://www.exxonmobil.com/corporate/news\_speeches\_20101109\_rwi.aspx

When leads me to my next point. Upholding the highest standards of safety and operational integrity is uniquel. The high thong to define make an sumetimes associate with an end of self-association and period self-indexed, because it makes for more competent, may approximate employates and organizations.

The report desceptione and degrade of accountability required to improve safety performance are included qualities that produce successful possively — sponarcinally and facally

Langer in our propositions. And he with the set and all states its set produces within hair managers and structures.

The sends to team from others: After the 2013 Columbia space-shallle explosion. ExactMobil assembled a future of explosion and safety expects to study the exclosion and organizational factors that may take led to the disacter, and whet P evil Are Ares, and exclosion for Exact Area and for Exact Area and the explosion of the exclosion of the ex

- is constantly learning and analyzing — by looking to best practices in other organizations, and by examiners escilled and rear mestal result on an analyzing — that we continuely improve our part performance.

#### Geopleter

There has commission has more a belanced the importance of deepwater energy opposes, but it been repeating. The technology that has another contributing to make the climit gas found in deepwater fields is one of the most significant energy-security developments of the list 20 years. Deepwater production, which bit not exist prior to 1989, foray makes up 15 percent of all rem-CREC, production. By 2030, it had grow to nearly 20 percent. Along with Brack and West Africa. the Guid of Mexico is one of the most important despaced productors in the model.

In 2108, there was mark oil and gas discovered in deep water than in orange and shallow water combined. For the sake of our energy security, and the economic growth and jobs that depend on the production of these supplies, we simply cannot afford to kee our hecks on this production.

Neither can we miss the chood unity to improve safety in the Gulf of Mexico. The Mooppool blowout cost 11 lives, and billions of dollars in according and environmental damages if we durit reamlessons from the disader of without been a double trapedy.

As Charman Relity and in this commission's test meeting back in any, we must "come to grips with this disaster to we can rever see its rise signini."

#### MWCS

I space earlier about ork management being a constant challenge. While Excentional believes that incidents like the Deepwater Horizon split should not happen if issuetry best practices are followed, the split did expose that our ration, and his energy industry, could have been being prepared for the possibility, however remote, or a deepwater well bloweut. That is why Excentionals is leading a multi-company effort, alway with my colleague (Maren Odam, Shell) index, to baild a new repid-response of constamment system in the Cast of Markov. This system — is volving a \$1 billion shall containment from the four scenario containment system in the Cast of Markov. This provide previous containeer and leaders and leaders containment from the bail scenario containeer. It constructed, and leaders containeer from the four scenario containeer — is constructed, and leaders containeer from the bail scenario containeer to be debloyed within 24 hours of a deepwater split in the Cast.

In activities' Excondiabilitated other operators in the Gulf of Mexico, in conjunction with the Department of Interior, have distinged over resourcements requiring medicition and periodicitions of biosocit preventions, well casing designs and contenting processors.

I believe that these steps in addition to be insertions performed on all deepwater rigs in the months following the Deepwater Horizon incident, will enable the Gulf region, and the entire country, to contract to develop our nation's energy resources with confidence.

#### Conclusion

In contracting Follow to share this thought. Exactly bit is some for wirewed as a catalous company, we te considered that terring the conduct of the provide growing domand for energy analysis a high degree of task, our employees operate some of the work's more some of the work's more complex technologies in some of the work's horehead environments.

How we conside to progress technologically while fielding with Significant risk is that human progress spectruck mean anticing risk it means messaging risk by identifying it, and taking steps to mitigate it. No company — including my own — can by claim to a one hummed porcent success rate in this endosver. Yet that remains our clear goal

in closing, there are three parts that I have the Commission will close in its deliberations:

First, a rulture of safety has to be born when the organization. You cannot any callure. You have to make it you'self

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Ser cost make no mistake: creating a strong, postalizable patient colorer is a long process, if an organization is truly going to mechanistic -splicated to solery, it has to be constituted from day one. But you card part part part water — and you're her existing to finish.

Traces: I went to riturate CitAS, immediated that there are elevent viewents, all of which are functionental to safe and responsible strategies of Excentrate. But the first and last elements — the box energy of ORIS — are the responsible strategies.

Tress are Management Leadening and Accountability', and "Operations becauly Assessment and Improvement" Wathout leadenship by responde and without throughtfull, hopest and objective sed-assessment, no system is gustainable.

On mixin, and us work compares to face characters. Meeting the earth's growing demand for energy — subly, and eith mechanic equation is being any energy of the Oceparate Honzari Mechanic equation is being any energy and energy and energy and energy and energy and energy and energy e

Executives survey supports your meany, and remains committed to requiring the range of safety within our company and targeted