

Bringing Sustainable Benefits to Societies

An Interview with Rex W. Tillerson,
Chairman and Chief Executive Officer,
Exxon Mobil Corporation, Irving, Texas

EDITORS' NOTE Rex Tillerson earned a B.S. in civil engineering from the University of Texas at Austin before joining Exxon Company USA (EUSA) in 1975 as a Production Engineer. In 1989, he became General Manager of EUSA's Central Production Division, and in 1992, was named Production Advisor to Exxon Corporation. Three years later, he was named President of Exxon Yemen Inc. and Esso Exploration and Production Khorat Inc., and in January 1998 became Vice President



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of Exxon Ventures (CIS) Inc. and President of Exxon Neftegas Limited. In December 1999, he became Executive Vice President of ExxonMobil Development Company. Tillerson was named Senior Vice President of Exxon Mobil Corporation in August 2001, and was elected President and a member of the board of directors in March 2004. He assumed his current position in January 2006. Tillerson is Chairman and a member of the Executive Committee and Policy Committee of the American Petroleum Institute. He is also a director of the U.S.-Russia Business Council, and a trustee of the Center for Strategic and International Studies. He is a member of the National Petroleum Council, the Business Roundtable and its Energy Task Force, an honorary trustee of the Business Council for International Understanding, and a member of the Emergency Committee for American Trade. He is also a member of the Executive Board of the Boy Scouts of America, a director of the United Negro College Fund, and a member of the Engineering Advisory Board for the University of Texas at Austin and the Society of Petroleum Engineers.

COMPANY BRIEF Exxon Mobil Corporation (NYSE: XOM) is the world's largest publicly traded international oil and gas company. The company (www.exxonmobil.com) is involved in the exploration and production of crude oil and natural gas; the manufacture of petroleum products; the manufacture and marketing of specialty commodity petrochemicals; and the transportation and sale of crude oil, natural gas, and petroleum products. ExxonMobil has interests in 40 refineries in 20 countries and close to 34,000 retail service stations. Its total 2006 oil and gas production available for sale averaged 4.2 million oil-equivalent barrels per day.

How important is social responsibility and

community involvement to the culture of ExxonMobil?

Throughout ExxonMobil's 125-year history, we have had a tradition of contributing to the communities and economies in which we operate. Our business philosophy demands high standards in our operations, as well as in our dealings with neighbors, governments, business partners, customers, and others who take an interest in what we do. We are committed to the safety and well-being of our workforce and to the communities in which we

operate, as well as to maintaining a responsible approach to broader global issues relevant to our industry. Doing these things well represents one of the greatest contributions that ExxonMobil can make to society, while enabling us to meet our primary goal of producing the energy the world needs in an economically, environmentally, and socially responsible manner.

What are the key focus areas for community involvement for ExxonMobil, and how do these efforts align with ExxonMobil's business strategy?

In a business such as ours, project timelines span several decades, meaning that we must build long-term relationships based on mutual interests and trust with host governments and communities. As such, community involvement is a much broader concept than just philanthropy. By contributing to economic growth – through investment, employment, education, the purchase of local goods and services, the payment of taxes, and other means – we bring sustainable benefits to societies. And when we promote stable operating environments, sound governance systems, and skilled workforces, we promote our own success. It's a win-win situation.

Health and education are two of our priorities, both of which I am personally passionate about. Let me provide some examples of how we are putting our financial and managerial strengths to use on these issues.

One of ExxonMobil Foundation's most successful philanthropic efforts is the Africa Health Initiative [AHI], launched in 2000 to help address the health and economic impacts of diseases. This effort began with the successful programs we had already developed for our workforce, and extended them more broadly to communities, regions, and countries in Africa. Since AHI's



launch, we have contributed about \$40 million, mainly in support of malaria prevention, control, and treatment.

Another important project is our Educating Women and Girls Initiative, launched in July 2005. Through this program, we are working to improve access to education and economic opportunities for women and girls in developing countries. Research consistently shows that educating women and girls yields a higher rate of return for societies than any other community investment in the developing world.

In the United States, we are working with partners to restore U.S. global competitiveness in math and science. One recent study showed that between 2000 and 2003, the U.S. fell five places among 32 countries ranked in terms of undergraduate science degrees earned. I believe that to innovate, we need to educate, and the threat of losing our competitive edge in innovation requires us to act. ExxonMobil is a founding sponsor of the National Math and Science Initiative [NMSI], a nonprofit organization created to improve math and science education in America's schools by scaling up proven programs to the national level. This past March, we committed \$125 million to NMSI, which is the largest private corporate gift to higher education in U.S. history.

These initiatives directly impact local communities; but our social responsibility efforts also encompass broader global issues. For example, to address the risks posed by rising greenhouse gas emissions, we are taking action, including improving energy efficiency across our global operations, partnering with auto and engine makers to improve fuel economy, and investing in programs that research and develop lower-emission energy technologies that can be applied globally – programs such as the Global Climate and Energy Project [GCEP] at Stanford University, which we initiated.

How do you measure the success of your efforts?

Our goal is to be selective in the initiatives we pursue, and to maximize the impact of our efforts. While measurement is critical in every aspect of our business operations, it is not always as straightforward in the philanthropic area. So we work closely with our partners on

An ExxonMobil physician meets with residents of a village in Chad to explain the causes of malaria and such preventive steps as the proper use of insecticide-treated bed nets.

the ground to identify and implement stronger or more appropriate performance metrics for individual projects.

Best Practices in External Affairs [BPEA] is a strategic planning and management tool we use to help our affiliates seek and practice excellence in community relationships at every level. As we continue to implement BPEA across our global operations, we focus strongly on continuous project evaluation and the development of necessary training courses and assessment scorecards, and the sharing of best practices.

In our support for malaria prevention and treatment in Africa, we are applying performance metrics to show the correlation between resources spent and results achieved. The World Bank has proposed a "Malaria Scorecard" that would serve as a common system of measuring and reporting results that reflect on-the-ground effectiveness. Covering 20 African nations, it tracks data such as the percentage of children sleeping under insecticide-treated bed nets, children diagnosed and treated, and households using insecticide.

Are you focused on partnering in your social responsibility programs, and would you highlight some of these relationships?

Yes, we do participate in partnerships with the belief that the most successful ones are those in which the strength of each partner is understood and leveraged. When we engage with an NGO or community partner, we bring to the partnership our management expertise, engineering know-how, monitoring and evaluation techniques, logistics and distribution systems, financial resources, and the strength that comes from being the world's largest publicly-traded energy company.

In the campaign to combat malaria, for example, ExxonMobil leveraged our business

strengths and pioneered the use of our retail service station network in four African countries, as a platform from which to distribute long-lasting insecticide-treated bed nets and related health-education information. As part of a six-member consortium, we also assisted with the transfer of technology to launch Africa's first textile factory for the production of long-lasting bed nets in Tanzania. And we have worked with the Measles Partnership to show that the distribution of long-lasting nets can inexpensively complement mass country-scale measles immunization campaigns. This approach has now been used to distribute over 10 million nets this year to children under five.

How do you engage employees in ExxonMobil's social responsibility and corporate citizenship efforts?

Among our employees, we have long-standing programs that encourage volunteerism, as well as participation in our cultural and educational matching-gift programs. In 2006, ExxonMobil employees, retirees, and their families donated \$31 million through ExxonMobil's higher education and cultural matching-gifts and employee-giving campaigns. When combined with corporate donations, ExxonMobil, together with its employees and retirees, contributed \$170 million to community investments around the world. Also in 2006, over 14,000 ExxonMobil employees, retirees, and their families worldwide donated more than 680,000



ExxonMobil's Global Women in Management Program helps women community leaders in developing countries strengthen their management skills and leadership abilities to help build local capacity.

volunteer hours to more than 5,800 charitable organizations in 22 countries.

How do you define the role of leadership in communicating ExxonMobil's efforts and programs to employees?

Leadership begins at the top. At ExxonMobil, the management team and I focus on the need to be active and involved citizens in the communities where we live and operate. In the end, how we achieve results is as important as the results themselves.

ExxonMobil applies a rigorous approach to corporate citizenship in all aspects of our business, everywhere we operate. Our corporation-wide management systems are designed to ensure that citizenship is directly integrated into our business practices and processes, so that expectations for citizenship performance are met in every part of our global operations. Operating ethically and responsibly is ingrained in our business culture, and monitored, enforced, and improved upon through our globally deployed Standards of Business Conduct and Operations Integrity Management System.

We actively encourage our employees to get involved, not only by contributing money, but also by volunteering their time and services. The value of that human interaction is higher than the financial contribution itself. We take our commitment to citizenship seriously, from corporate leadership to the individual employee.

Is there an effective public understanding of the good work that business leaders and companies do in regard to investing in society?

Public understanding of the social responsibility activities in which businesses engage has increased, I believe. We see more and more interest from the public about citizenship issues, such as climate change and human rights. However, we can still improve that understanding by effectively communicating our citizenship policies and performance as transparently as possible. ExxonMobil does this in a number of ways, but perhaps most thoroughly in our annual Corporate Citizenship Report, which can be found on our Web site. ●



Children at an orphanage, where mosquito bed nets help protect against malaria transmission