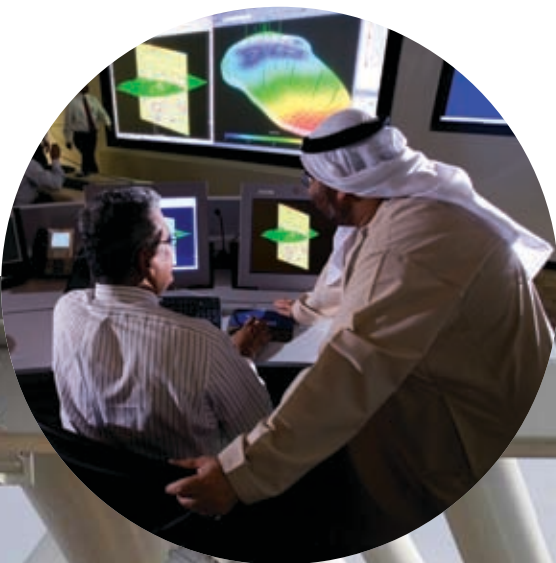


national content  
it's the way we do business



**ExxonMobil**

Taking on the world's toughest energy challenges.™



ExxonMobil's citizenship commitment in every host nation where we have operations is to help develop human, social and economic capacity in a way that benefits people, communities and business over the long term. We call this our National Content strategy.

ExxonMobil's global National Content strategy is an important component of our business, and its elements are embedded into our daily processes, procedures and plans. We view National Content as a critical partnership responsibility throughout the full lifecycle of our projects, and have a clearly defined and documented approach.

The company's approach to enhancing and developing National Content helps to underpin our commitment to corporate citizenship – which we define as the sum total of our efforts to work in a sustainable manner related to the economic, environmental and social impact of our operations.

This document is an executive summary of ExxonMobil's internal publication *Upstream National Content Guidelines, Strategies and Best Practices*.



nationally developed  
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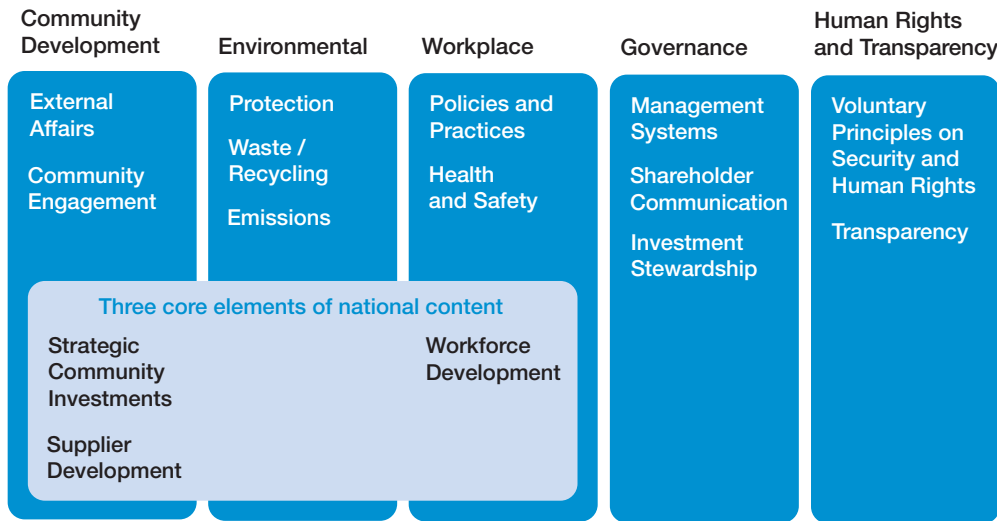




# corporate citizenship



Citizenship issues are wide ranging but generally fall into five categories



While all areas of Corporate Citizenship are vital to our operations, three components – Workforce Development, Supplier Development and Strategic Community Investments – are central to developing national content. In order to facilitate reporting and stewardship, they are defined as follows:

**Workforce Development** - The recruitment and development of qualified nationals/local employees.

**Supplier Development** - The development and use of qualified local vendors for the supply of goods and services. It is also the purchase of local goods and services.

**Strategic Community Investments** - Investments in health, education and infrastructure that assist in the development of local capabilities (capacity building) and improve the socio-economic environment in host communities and countries.



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## workforce development



Workforce development is structured to provide the experience and competencies needed to run the business.

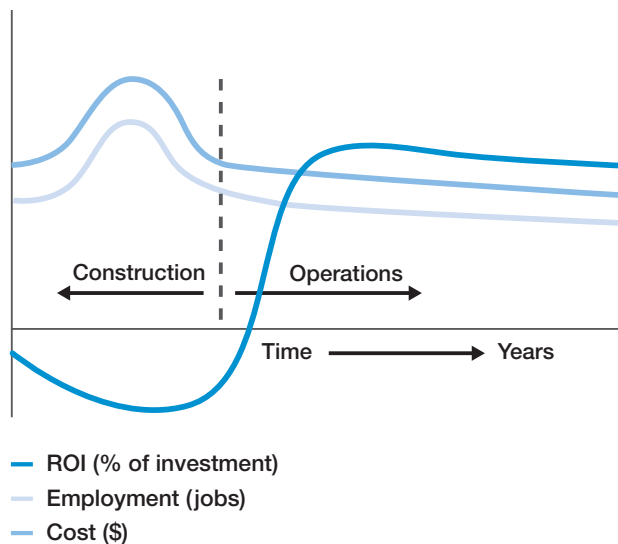
ExxonMobil and its affiliates are committed to employing as many qualified people as possible from the communities in which we operate. We develop our technical and professional employees and contractors in a manner consistent with company policy.

Examples of our structured approach to workforce development include affiliate nationalization plans, transfer of key roles from expatriates to nationals, competency assurance programs, on the job training and other affiliate training programs. Examples of how progress in workforce development can be measured include number of training hours, training expenditures and the percentage of positions nationalized in an affiliate.

Our contractors are expected to maximize the development of host country nationals and employ as many people as possible from local and national areas.

### Employment trends during construction and operations

Peak employment levels for national employees are during the construction phase of a project. As construction phases are completed, there is a decrease in overall direct employment as operations need a smaller, more technically trained workforce.







## supplier development



The challenge for ExxonMobil is to ensure that the employment and procurement opportunities generated by our projects are optimized in a way that contributes towards greater local economic development while at the same time managing local expectations.

The development of reliable, competitive supply chains can contribute to overall efficiency of our projects and operations. Our projects and operations target particular commodity areas for development.

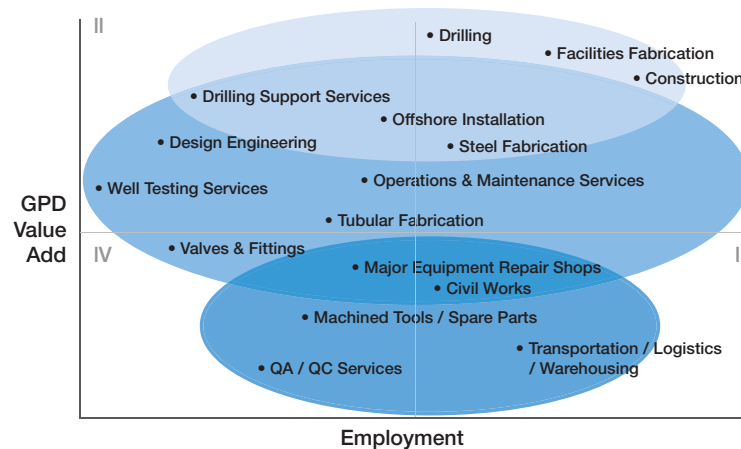
ExxonMobil promotes joint responsibility to develop local suppliers. Among others, host country responsibilities should include:

- Supporting a free market business environment
- Developing national business plans
- Leveraging international organizations
- Promoting the use of industry partnerships
- Education and development opportunities

ExxonMobil develops suppliers by finding and maintaining supplier information in appropriate databases, supplier surveys, supplier qualification and assessment, government or partner nomination process, and supplier communication including the use of websites, newsletters or supplier forums.

ExxonMobil has recognized that the “value creation matrix” (see below) is a tool that can be used to analyze oil and gas sector support industries and identify key focus areas for development in the short, medium and long term based on employment, GDP, value add, effort and time. This type of targeted development is also called cluster development and the model can be applied to operations or projects around the world (note: goods and services listed are not exhaustive and serve as references only).

### Value Creation Matrix



Effort / Investment – Time

- Low
- Medium
- High

The industries with the best opportunities for gains in employment and gross domestic product are those with low barrier to entry or low start up costs such as civil construction, transportation and catering. As investment in businesses grow and the industrial base has been created, more technology is leveraged and businesses grow in higher value industrial sectors such as design engineering and steel fabrication.



To overcome barriers to entry for suppliers, we can:

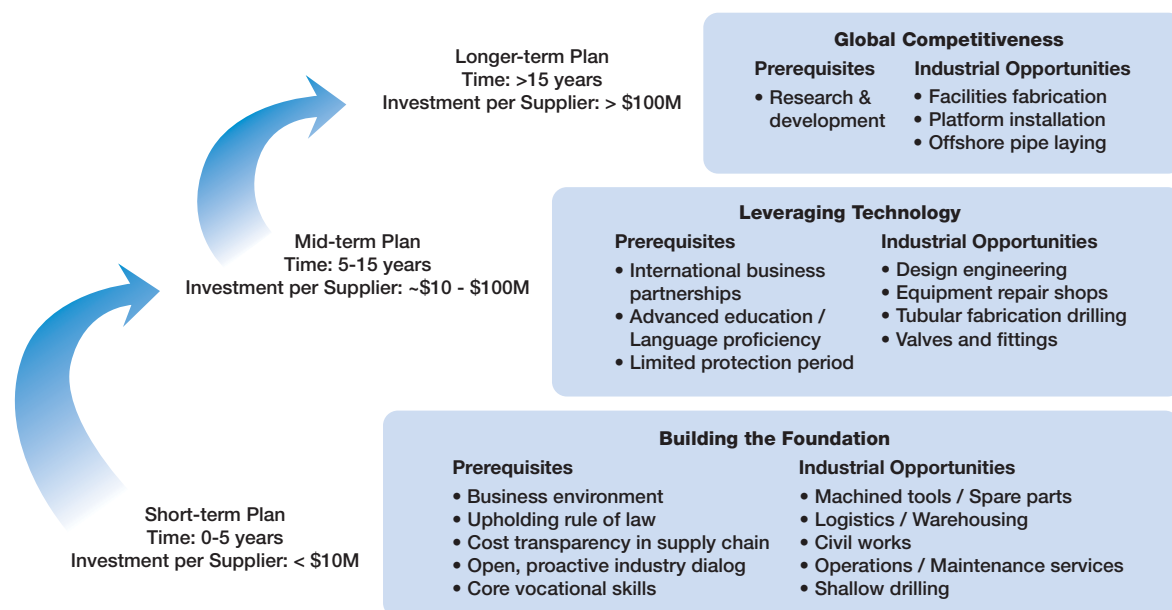
- Institute supplier financing and business process training
- Adjust the scope of bid packages
- Substitute non critical materials
- Target goods and services for long-term development
- Include national content wording in contracts including coordination procedures
- Bid weight to favor national content development
- Implement prequalification and tender feedback processes to include national content
- Create supplier joint ventures
- Develop product and process technology and business training

The Phased Implementation Model (see below) illustrates ExxonMobil's experience in supplier development. Industries with short-term plans have lower start-up costs than those with mid- and long-term plans. In addition, industries with longer-term plans will only be successful if the short- to mid-term plans have shown significant progress. It is also important to note that while the effort to enable supplier development is clearly long term in nature, both short- and mid-term goals for continuous growth in the national economy need to be planned.

Our progress in supplier development can be measured by the amount spent on local goods and services (as per our local definitions, regulations or requirements).



### Phased Implementation Model



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## strategic community investments



In developed and developing countries, our initial focus of strategic community investments is health, education and infrastructure. These have a tangible and direct effect on the community and on our business. Examples include major strategic programs such as our Educating Women and Girls Initiative and Africa Health Initiative; employee programs that can benefit communities like our StopAids campaign; and direct community spending, such as construction of local clinics, schools and roads.

Created in 2005, ExxonMobil Foundation's Educating Women and Girls Initiative (EWGI) addresses the unique challenges that keep women and girls in developing countries from realizing their full potential. EWGI is rapidly growing into one of ExxonMobil Foundation's foremost areas of community engagement and development, because extensive research confirms that educating women and girls is one of the most effective ways to improve economic and social conditions.

Projects supported by EWGI help to reduce barriers that prevent girls from being educated and equip women to become community, education, health and business leaders in many of the developing countries in which ExxonMobil has operations and investments.

### case study: Kibala Municipality, Kwanza Sul Province, Angola

ExxonMobil is providing support to Save the Children Federation, Inc. and Africare to address the education and health needs of women and children in Kibala Municipality, Kwanza Sul Province, Angola.

#### Goals:

- To establish and strengthen schools in Kibala that serve as anchors of support for vulnerable children, particularly girls, and create secure and high-quality learning environments.
- To equip the schools with separate bathroom facilities for girls, access to safe water and educational materials.
- To provide training to teachers and school board members and raise awareness of the benefits of girls' education among community members.
- To build community health centers to support the consistent availability of vaccines, essential medicines and primary care services in the region.





#### Program Achievements:

- Since 2006, 10 community schools have been built.
- Nearly 1500 girls are attending the newly-constructed schools.
- Three health facilities were constructed that are benefiting more than 6,500 community members.
- Grants made to Save the Children and Africare to complete these projects totaled nearly \$750,000.
- Our progress in Strategic Community Investments can be measured by contributions from Exxon Mobil Corporation, its divisions and affiliates, and the ExxonMobil Foundation to local community programs in addition to the total amount of taxes and royalties paid.

## conclusion

To ensure widespread implementation of our National Content strategy, plans are formalized within all ExxonMobil business lines at the venture, affiliate, project and operating affiliate level, and created for regional and/or global level use. Business lines define the appropriate approach for their operating structure while ensuring that National Content plans are incorporated into all segments of their business.

National Content development is currently integrated into the ExxonMobil Capital Projects Management systems (EMCAPs) as well as the Build The Production Organization (BTPO), the Production Operations Best Practices (POBP) and Best Practices for External Affairs (BPEA).

National Content development makes good business sense while demonstrating good corporate citizenship. If executed and implemented in a focused and strategic way, it can add tangible results to our business, our workforce, our suppliers, contractors and host nations. ExxonMobil's National Content initiatives are not intended to take the place of the responsibilities of the host governments in the areas of community investment, education, or economic enablers for business to grow. ExxonMobil recognizes that National Content cannot be developed as an isolated project or initiative; rather, it should be included as a material part of our business process and plans. ExxonMobil, host governments, suppliers, contractors, non profit organizations and community associations all have a unique part to play in the development of national content. The combined role of these parties, if synchronized correctly, can further a host nation's economic progress and development.





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