

R. M. Kruger Remarks
Extractive Industries Transparency Initiative (EITI)
Global Conference
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- Good morning and welcome to the fourth EITI Global Conference. ExxonMobil executives have been honored and privileged to speak at the three previous conferences.
- I'm pleased to be here today to continue this tradition and express our continuing support for EITI.
- Before I continue, I'd like to thank Sheikh Hamad bin Khalifa Al-Thani and the Government of Qatar for their leadership in serving as gracious hosts for this year's event.
- ExxonMobil was impressed by the host roles played by the governments of the U.K. and Norway at previous conferences, and Qatar has done its part to ensure that each conference keeps building upon the last and improving each time.

EXXONMOBIL EITI ACTIVITIES

- Simply put, ExxonMobil is a strong supporter of transparency and of EITI. We've been involved since EITI's beginning in 2002.
- We participated as the initiative was being shaped and helped guide its implementation by serving in the EITI Core Group – an advisory group to the U.K. government.
- We provided significant input to the International Advisory Group as EITI transitioned to a more formal and internationalized structure.
- Most recently, we have continued to support EITI by serving as one of the two international oil company representatives on the Board.
- In addition to our contributions to EITI in the international arena, we have also helped to enhance revenue transparency in countries where we have significant investments. Countries that include Chad, Azerbaijan, Kazakhstan, Nigeria and Equatorial Guinea.

ROLE OF EITI

- These countries, and many others around the world, are well endowed with natural resources such as oil, gas and minerals -- resources that have the potential to improve living standards and foster economic growth worldwide.
- At ExxonMobil, we believe that -- with good governance -- these resources can help countries develop to their full potential. Revenue transparency is a key component of good governance.
- EITI is helping to enhance good governance around the world with the support and commitment of its unique coalition of governments, companies, civil society and international financial institutions.
- That said, EITI is necessary, but it's not sufficient. The rule of law, civil liberties and a public voice are also needed to help combat poor economic policies and poverty.
- Together with transparency, these and other good governance policies discourage corruption and encourage the improved management of resources. Management for the betterment of the societies endowed with them.
- Fortunately, this is one of the key strengths of EITI. The voluntary, multi-stakeholder discourse, or process, that comes from implementing EITI is just as important as the revenue numbers disclosed.
- This cooperative, voluntary process is helping to create a culture of accountability in countries that are implementing EITI.
- Collectively, we need to continue to encourage the cooperation and consent of sovereign host governments in promoting transparency and the companion good governance practices.
- Mandating disclosure of financial information by companies without regard for host government consent is not the way to encourage cooperation or accountability.
- The economic rationale for transparent revenue streams is apparent in EITI's 7th founding principle, which recognizes the "enhanced environment for domestic and foreign investment that financial transparency may bring."
- Oil and gas projects involve massive capital investments and have life-cycles spanning decades. Well defined and stable business frameworks -- now and in the future -- are imperative.
- Imperative because a country's commitment to transparency serves to support investors' confidence in its overall business environment.
- So, ExxonMobil supports EITI because it helps improve the investment climate for all businesses and helps countries gain economically -- the principal focus for this conference session.

- But support for transparency is not the only way that ExxonMobil and other international oil companies help contribute to the economic development of the countries within which we operate.

ROLE OF CORPORATE CITIZENSHIP

- We view corporate citizenship programs as another aspect of fulfilling our economic responsibility. A responsibility that generates good jobs; helps support suppliers and contractors; provides competitive returns to our shareholders; and pays substantial taxes to host governments. By way of example, in 2008 alone, ExxonMobil paid more than \$120 billion in taxes -- nearly three times more than global earnings.
- By corporate citizenship programs, I mean voluntary investments in programs or initiatives that promote socioeconomic development or environmental protection for the benefit of external stakeholders.
- These efforts improve community health, education, infrastructure by building roads and improving water supply, by developing local suppliers, and enhancing skills through training.
- And by bringing these benefits, corporate citizenship programs help to build the capacity of local governments and community organizations.
- I'd like to note that within ExxonMobil we view corporate citizenship programs to be complementary to government social programs. We aren't trying to replace the role of governments. To the contrary, companies cannot and should not be a substitute for government.
- ExxonMobil's approach to corporate citizenship programs is embedded in our management systems.
- Management systems such as our Standards of Business Conduct, our Operations Integrity Management System, Best Practices in External Affairs, our Environmental Business Planning Model, and our Principles for Development of National or Local Content. We share these systems with our partners, suppliers, and host governments, seek their input, and ensure they understand our objectives.
- We integrate corporate citizenship programs into our ongoing business planning because we know that being a good corporate citizen is good business -- year-in and year-out.
- Our systematic management processes for identifying, designing, and implementing corporate citizenship programs help make ExxonMobil a good choice for governments, national oil companies and other international oil companies that seek a quality project partner.

- Obviously, programs of this sort are vital to many of the countries in which the petroleum industry operates around the world.
- So it is gratifying that the industry has a good record of participating in joint efforts to identify and share best practices in corporate citizenship. We try to learn from other companies, and hopefully they can learn from us as well.

CONCLUSION

- As I conclude my remarks today, I'd like to note that ExxonMobil doesn't pursue corporate citizenship programs to gain credit from the public or to enhance our reputation. We pursue our programs, including transparency, because we see the needs in host communities and the benefits that can be provided.
- Helping to meet these needs is the right thing to do as the people of these communities strive to improve their standard of living. And let's not forget that our employees and our contractors are a part of these very same communities.
- However, once these programs are pursued for the right reasons, there's no harm in sharing some of the success stories.
- We used to think that good works speak for themselves and that no public recognition was required or even desirable.
- But in these times of frequent criticism of the petroleum industry, sometimes good works need a voice to be heard and understood.
- This is one reason that we were pleased when our Chairman, Rex Tillerson, was invited to co-author the Foreword to the EITI Business Guide with Dr. Peter Eigen.
- This invitation served as much appreciated recognition of ExxonMobil's contributions in support of transparency and EITI.
- Since 2002 we have provided support in the international arena, in specific countries and in preparing the EITI Business Guide itself.
- I'm here in Doha today to assure you that ExxonMobil will continue to work with the other stakeholders to support EITI and to increase transparency and good governance around the world.
- Thank you for your time and attention.