

# 2014 Corporate citizenship summary report



# Committed to responsible development



For the energy industry, 2014 was an extraordinary year characterized by both significant accomplishments and significant challenges.

Most notably, market volatility marked by a dramatic decline in global crude prices and geo-political instability underscored the need to focus on the fundamentals – the things we can control. For Imperial, this means managing costs, maintaining high standards of operational and

environmental performance, continued investment in new technology and growth projects and supporting the communities within which we operate.

In this time of global market uncertainty one thing we do know: the world needs energy and in increasing quantities to support economic and social progress in order to build a better quality of life, in particular in developing countries. But providing this energy around the globe comes with a responsibility and commitment to developing and using our resources responsibly. We are committed to protecting both people and the environment and making positive economic contributions.

Developing resources responsibly requires a collective effort and everyone has a role to play. For industry, we must continue to operate in a safe and environmentally responsible manner and collaborate with communities in a mutually beneficial way. Industry invests in projects that build capacity to meet growing world demand for energy and we invest in research and innovation to improve environmental performance. Energy producers depend on government to develop policies that are based on sound science and balance social, economic and environmental goals. Regulatory processes should be clear, transparent and hold industry accountable for their performance. Consumers need to understand and value the importance of energy by increasing their knowledge of the issues and implications of resource development so you can make informed decisions and choices. Public participation in policy debates on energy should be framed in facts and science.

With more than a century of experience developing Canada's oil and gas resources, Imperial's long-term perspective and commitment to safe operations, minimizing our impact on the land, air and water and investment in our communities remains strong. Our focus on innovation and technology help us take on challenges to make meaningful progress towards managing the impacts of our businesses.

This corporate citizenship report highlights how we are meeting the demand for energy in an economically, environmentally and socially responsible way. While we strive to make continual progress, there are always opportunities to improve. Our business principles and approach provide a solid framework for developing our resources responsibly. We do this so future generations can enjoy the benefits of the actions we take today.

We welcome your thoughts on our performance at [imperialoil.ca/citizenship](http://imperialoil.ca/citizenship).

**Rich Kruger**  
*Chairman, President and CEO*

## Online

Visit our website at [imperialoil.ca/citizenship](http://imperialoil.ca/citizenship) to access links to learn more about Imperial's operations, including videos about our projects and more on our corporate citizenship efforts. Throughout this report, additional content is available by clicking on the underlined links provided.

 [View more on the Outlook for Energy](#)

# 2014 Highlights

## Safety

- ➔ 2014 safety performance was essentially our best-ever, working more than 52 million hours.
- ➔ Imperial's incident frequency rate continues to be less than half of the industry's safety incident rate.
- ➔ Successful turnarounds at Kearl, Cold Lake and at the Sarnia and Nanticoke refineries without a lost-time safety incident.
- ➔ More than 2,500 employees and contractors participated in a multi-day safety fundamentals training program.

## Environment

- ➔ Environmental and operating expenditures totaled \$1.7 billion and was spent primarily on water and tailings treatment and emissions reductions.
- ➔ Freshwater consumption at Cold Lake operations was reduced by 30 percent between 2010 and 2014 compared to the 2006-2008 average.
- ➔ 250 megawatts of additional cogeneration added at Kearl and Cold Lake increasing energy efficiency and reducing GHG emissions.
- ➔ 100 hectares of land at Kearl permanently reclaimed.
- ➔ Freshwater consumption reduced by using DusTreat technology for road dust suppression in oil sands mining operations.

## Economic contribution

- ➔ \$6 billion paid in taxes and royalties in 2014.
- ➔ More than \$1.5 billion spent with Aboriginal suppliers since 2009.
- ➔ 37 percent of new hires recruited for management, professional and technical positions were women.
- ➔ More than \$11 billion spent with suppliers both large, national companies and small, local businesses.

## Community

- ➔ More than \$20 million invested in communities across Canada.
- ➔ Almost 50,000 volunteer hours by employees and retirees.
- ➔ 25 percent increase in spending with Aboriginal businesses.



Our approach to resource development begins with a commitment to sustainable development – balancing economic growth, social development and environmental protection.

**Left:** Our continued investment in research and technology unlocks innovative solutions to reduce our impact on the environment. **Centre:** A red fox is a curious visitor to an area near the Kearl oil sands operation. **Right:** Like all Imperial employees and contractors, Chad Coish, Mine Operations Supervisor at the Kearl expansion project, takes safety seriously to ensure 'Nobody Gets Hurt'.



# Safety performance

The safety of our workforce is a company-wide priority and is a value that guides Imperial to strive to achieve a very simple objective – *Nobody Gets Hurt*. This is accomplished through a number of initiatives including:

- ➔ Training and prevention programs.
- ➔ Using behaviour-based systems to proactively identify at-risk behaviours.
- ➔ Applying rigorous management systems.
- ➔ Maintaining a highly disciplined framework of comprehensive internal controls called the Operations Integrity Management System (OIMS).

In place since the early 1990's, the OIMS framework establishes common expectations for addressing the risks that are inherent in our business, while building workforce accountability encouraging the sharing of best practices and lessons learned, helping us to reach our safety objectives. OIMS is a cornerstone of our commitment to managing safety and environmental risk and achieving excellence in performance.

Our commitment to workforce safety and operational integrity reinforces our belief that all safety incidents are preventable. We promote and maintain a work environment where each of us accepts personal responsibility for our safety and that of our co-workers and where workers intervene as necessary.

- ➔ Provided risk tolerance training internally and externally to influence the safety culture of the industry.
- ➔ More than 2,500 employees and contractors participated in multi-day safety fundamentals training programs in 2014.
- ➔ Collaboration with the University of Alberta to develop the next generation of Personal Protection Equipment (PPE) to protect against hot water and steam injuries.
- ➔ Our personal injury rates are less than half the industry rates.

We achieve high levels of process safety by utilizing engineering principles with operation and maintenance practices to prevent loss of containment. Process safety is directly tied to OIMS. We identify, evaluate and manage potential risks throughout the life of an asset.



Kearl workers Gabe Marquez and Randy Jackson review safety protocols. ♦

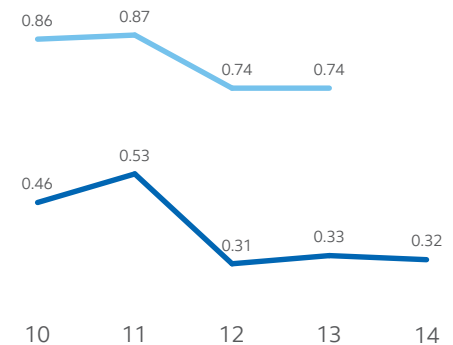
## 52 million hours

Workforce safety performance essentially matched our best-ever, while working more than 52 million hours, our highest on record.

## 2,500+

employees and contractors participated in multi-day safety training.

Total recordable incident rate  
(incidents per 200,000 hours worked)



- Total recordable incident frequency - Industry
- Total recordable incident frequency - Total Imperial workforce

2014 industry data not yet available.

## In focus

### Collaborating to protect all workers



The quality of the fire retardant clothing worn by our workers is the best it has ever been due to the availability of new fabrics, variety of weights, and a broad scope of protection characteristics and design enhancements. This, combined with our knowledge of exactly how burns occur and how the various outer layers and under layers of fabric work in conjunction with each other, provide optimal protection.

In 2014, we identified an area that needed improvement to ensure all workers were equally protected. While workers were provided fire retardant headwear such as hard hat liners, hoodies, balaclavas and toques, we recognized the need to provide the same protection to workers who wore head scarves and hijabs to ensure they were protected from flash fires and severe burns.

The safety team at Imperial's Strathcona refinery worked with a number of the manufacturers to find a fire retardant fabric that was light weight and comfortable and to create a design that met the exact requirements for a hijab. Support for testing the prototypes came from Rumana Sharmin, an Applications Engineer at the [Strathcona refinery](#).

Based on prototype testing, we can now offer workers in Canada two different fire retardant hijab designs either a single scarf or a two-piece design, both of which work with a hard hat. This new safety option will also be available to ExxonMobil companies globally.

### Emergency response

Being prepared for emergencies, in the unlikely event one occurs, is a responsibility we take very seriously. Our preparation begins with practices and policies that exceed regulatory requirements. Our plans allow us to respond to an incident and provide training personnel in a variety of scenarios. We are supported by regional and North American [emergency response](#) teams so that in the event of an emergency we can respond quickly and effectively to restore operations as quickly as possible and minimize any impact on people or the environment.

In 2014, Imperial partnered with [TRANSCAER®](#) (Transportation Community Awareness and Emergency Response). TRANSCAER® works with municipalities, emergency responders, and residents in communities along transportation routes, to make sure they are informed about the products being moved through their area, and are prepared to respond to potential incidents involving the transportation of dangerous goods.



Rail tank cars are filled at Imperial's new Edmonton rail terminal. The terminal, located beside the Strathcona refinery, is designed with initial capacity of 210,000 barrels per day and can be expanded to 250,000 barrels per day.

# Environmental performance

## Making progress through continuous improvement

We are committed to developing Canada's resources responsibly, and minimizing our impact on the land, air and water. We do this by strictly adhering to government regulations, following detailed management systems and by investing in innovation and technology.

While we are pleased with our progress in our environmental performance, we know there is still more work to be done. We will not relent in our efforts to reduce the impact of our operations.

We are guided by our [Environment Policy](#) and a proactive approach to the environmental planning process. We integrate environmental initiatives into our business plans and strategies to help mitigate our impact on the surrounding environment.

## Innovation and technology

Advances in technology not only have the potential to enhance production but may also reduce environmental impacts from our business. In 2014, Imperial invested \$175 million in research and technology to enhance environmental performance, improve efficiency and augment bitumen recovery. Through the development and application of new technology, Imperial brings innovative solutions to improving our environmental performance. In 2014, technology and innovation initiatives focused on:

- ➔ Continued refinement of in situ bitumen recovery technologies (Solvent Assisted-SAGD and Cyclic Solvent Process) that have the potential to significantly reduce water and GHG intensity through use of solvents in addition to or in place of steam.
- ➔ Development of next-generation mining technology (Non-Aqueous Extraction) that uses a solvent rather than water for the extraction process. This results in a significant reduction in water intensity, production of dry tailings and elimination of fluid tailings ponds while also reducing GHG intensity.
- ➔ Funding and collaboration with the University of Alberta and the Alberta government in the Imperial Oil Institute for Oil Sands Innovation to conduct fundamental research in the areas of tailings treatment and bitumen upgrading.

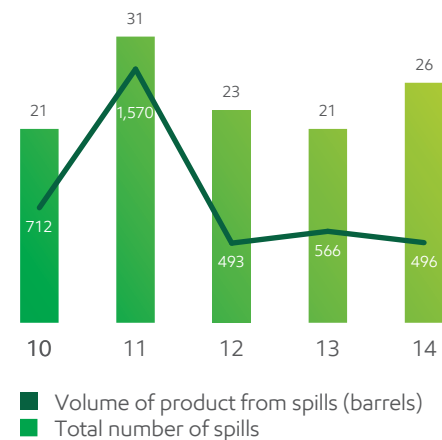
Our active participation in COSIA (Canada's Oil Sands Innovation Alliance) focuses on accelerating the pace of improvement in environmental performance in Canadian oil sands through collaborative action and developing innovative technology. Since 2012, COSIA member companies have shared more than 750 distinct technologies and innovations that cost over \$950 million to develop including technologies worth more than \$400 million that are focused on tailings improvement alone.



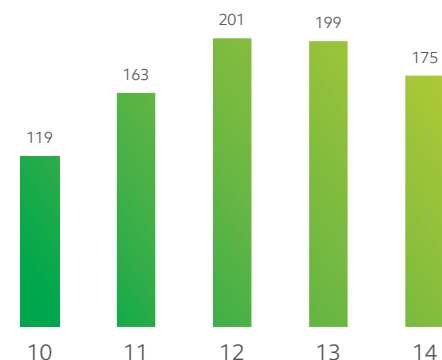
# 100 hectares

of land at our Kearl oil sands operation permanently reclaimed.

## Oil and chemical spills



## Investment in research (\$ millions)



🔍 [Explore Imperial's technologies](#)

Muskeg Lake near Imperial's Kearl oil sands development, was built to replace fish habitat that was disturbed by development. The lake, which connects to Kearl Lake, is deep enough for fish to overwinter.

## In focus

### Energy-efficient Imperial Campus



Our commitment to minimizing our impact on the environment doesn't just apply to developing and operating our resource assets. This approach also guided the design of the new head office, Imperial Campus, in southeast Calgary. The campus was developed on a large brownfield site and the construction of the campus did not disturb any wildlife or ecosystems. The formerly unusable tract of land is now a vibrant residential and business community.

Some of the features that make the campus about 35 percent more energy-efficient than our downtown office space include:

#### Reducing radiant heat

- ➔ solar-activated roller-shade window coverings retain heat in the winter and keep heat out in the summer.
- ➔ floor-to ceiling windows designed to reduce overall heating and cooling costs and provide natural light.
- ➔ a reflective membrane on the roof and the exterior building colours reduce heat in summer.

#### Building efficiency

- ➔ highly-efficient boilers, chiller units, and building envelope result in about 40 percent less energy use than typical, older buildings.

#### Local environmental control

- ➔ hundreds of thermostats placed throughout the campus allow delivery based on demand rather than heating or cooling an entire floor to a median temperature.

#### Elevators

- ➔ the destination-based elevator system recognizes traffic patterns, reducing the number of elevator cabs by five, therefore using less electricity.

#### Lighting

- ➔ meeting rooms and interior corridors (except emergency lighting) have energy-saving motion sensors that automatically turn lights on when a person enters the area.
- ➔ exterior perimeter lighting controlled by photo sensors and lighting is activated when insufficient natural light is detected.
- ➔ LED lights and energy-efficient fluorescent bulbs used throughout campus reduce the energy demand and extend the life of light bulbs.

#### Water

- ➔ low water-use fixtures in campus washrooms and showers.
- ➔ grounds are irrigated with recovered groundwater and captured rainwater stored in cisterns in the parkade (no municipal water use).

#### Other features

- ➔ up to 60 electric car plug-ins in the parkade.

 [Visit Imperial Campus](#)

## Managing the land

Managing the impact of our business on the land begins in the early stages of exploring for new resources. Our land management plans start with complying with all government regulations that support the sustainable development of Canada's oil and natural gas resources. We protect and consider the importance of the land in all stages of a project – from design to construction and operations, and ultimately through closure and reclamation. Our ultimate goal is to return disturbed lands to an equivalent state of use. Our approach is based on progressive reclamation – as soon as work in a specific area is completed the reclamation work begins.

We maintain ongoing dialogue with neighbouring communities throughout all phases of development and reclamation. This includes working with all levels of government, community members, special interest groups and Aboriginal people to protect wildlife and minimize impacts on the land. Our reclamation plans integrate both sound science and traditional knowledge. We take into consideration wildlife, biodiversity and traditional knowledge to ensure reclaimed lands are accessible for traditional use.

## Water use

Water is an essential component in resource exploration, production and processing. Imperial seeks ways to reduce water use and protect water quality through the design and operation of our facilities, by recycling water for reuse and preventing water pollution.

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# 50%

reduction in the size of tailings ponds and faster reclamation through technological enhancements and environmental commitments at our Kearl oil sands operation.

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## In focus

### Seed banking through Oil Sands Vegetation Cooperative



For oil sands operators, a key component of reclamation is to re-vegetate the land with species that are native to the boreal forest. It is predicted that over 20 million trees (five species) and 15 million shrubs (30 species) are needed for reclamation purposes in the next 10 years for the mineable oil sands region in Alberta.

Imperial, as a partner in COSIA (Canada's Oil Sands Innovation Alliance), is among 10 companies participating in the [Oil Sands Vegetation Cooperative](#). Through this collaborative initiative, seeds native to the region are collected and banked to support reclamation efforts. Seeds are collected from six seed zones in the oil sands region in northeastern Alberta. All seeds harvested are registered and banked using the Alberta Forest Genetic Resource and Conservation Management Standard.

Since 2009, more than 40 species of seeds from trees, shrubs, forbs and wetland plants have been collected. This initiative also provides an opportunity to leverage and share learnings with the NAIT (Northern Alberta Institute of Technology) Boreal Research Institute.



Protecting and preserving water requires us to have a strong understanding of government regulations, local water supplies and demand or usage, withdrawal rates and being able to accurately assess our water requirements. At our Kearl oil sands mining operation water was withdrawn from 2011 to 2013 to prepare for start-up, and to provide on-site water storage during low-flow winter periods on the Athabasca River for the Kearl initial development and the Kearl expansion project. These actions align with the Alberta government’s initiatives in the [Lower Athabasca Region Surface Water Quantity Management Framework](#) for the Lower Athabasca River.

By working with government, local stakeholders and other industry partners we can develop techniques and technologies that reduce the impact on local water sources, using water more efficiently by recycling and reusing it wherever practical.

☞ [Learn about river water intake facility and responsible water use](#)

### Reducing water use intensity for in situ oil sands

Innovation in thermal in situ oil sands extraction has led to a 50 percent reduction in water use intensity in the last 10 years. Our Cold Lake operation successfully completed initiatives that delivered a 30 percent reduction in freshwater use over the last five years. Since 2012, COSIA’s (Canada’s Oil Sands Innovation Alliance) Water Environment Priority Area has been working on innovative and sustainable solutions to further reduce water use and increase water recycling rates.

Imperial, as a member of COSIA, is working on various projects that target reducing water use intensity. Two of the projects are boilers-in-series and rifled tubes technology. They are being evaluated to increase the amount of steam produced from the same volume of water while reducing the amount of waste. These technologies may have an additional benefit of reducing GHG emissions.

### Protecting air quality

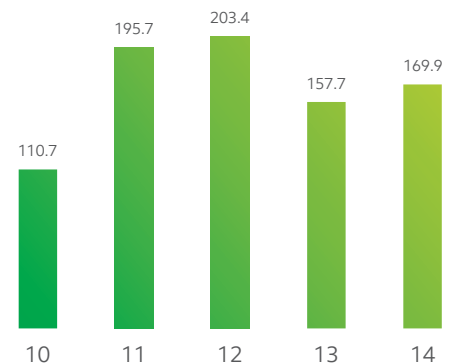
The quality of the air we breathe is an important part of our overall quality of life. Our air is affected by a number of factors including emissions from industrial and manufacturing processes, using fossil fuels for transportation (land, air and marine), electricity generation from coal and emissions from natural sources such as forest fires.

Imperial manages our impact on the air by adding emission controls, improving reliability of our operations, enhancing our ability to detect and repair small leaks of fugitive emissions and manufacturing products that are cleaner-burning. We reduce our emissions of sulphur dioxide (SO<sub>2</sub>), nitrogen oxide (NO<sub>x</sub>) and volatile organic compounds (VOCs) from our operations by implementing cost-effective technologies, such as the use of electrical cogeneration. For example, the cogeneration unit at the Sarnia refinery produces about 80 megawatts per day of electricity on an annual average basis, providing about 60 percent of the site’s electricity needs through cleaner-burning natural gas. Overall continuous improvement in operations at the Sarnia refinery has also led to a 60 percent reduction in sulphur dioxide emissions since 2006. The elimination of coke burning and the operation of a tail gas cleanup unit have also contributed to improved performance. And, nitrogen oxide emissions have been reduced by 23 percent since 2009, due in part to the use of cleaner fuels.

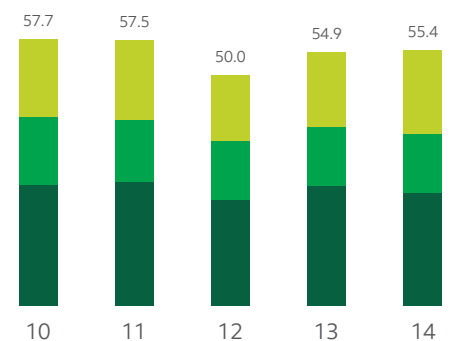
90%

reduction in the amount of freshwater used in bitumen recovery since mid-1970s. At Cold Lake we use less than one-third of a barrel of freshwater for each recovered barrel of bitumen.

Freshwater consumption (mmbbls)



NO<sub>x</sub>, SO<sub>2</sub> emissions and VOCs (thousand tonnes/year)



- Volatile organic compounds
- Nitrogen oxides
- Sulphur dioxide

### Managing greenhouse gas emissions

Globally, we continue to face the challenge of expanding energy supplies to support economic growth while simultaneously addressing the societal and environmental risks posed by greenhouse gas (GHG) emissions and climate change. While climate change is a global issue, managing and reducing GHG emissions begins at home. Imperial believes a climate change policy should reduce the risk of serious impacts to humanity and ecosystems at minimum societal cost, and recognize the need for abundant, reliable and affordable energy for global economic development. Effective climate change policy needs a predictable cost of GHG emissions across the economy to promote global participation, maximum transparency, flexibility for future adjustments to react to scientific developments in climate change and market prices need to drive the selection of solutions.

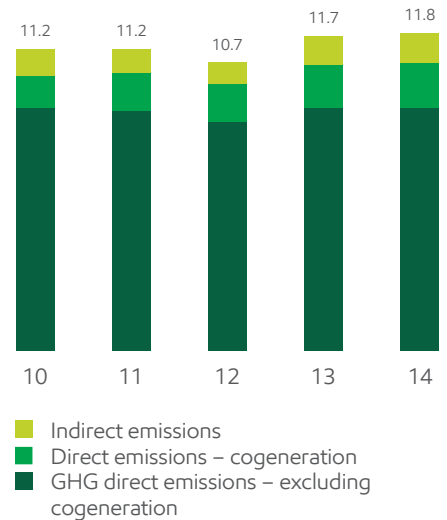
Imperial’s approach to managing GHG emissions focuses on increasing energy efficiency in our operations, implementing technology that reduces emissions, and investing in research and innovation.

Our goal is to reduce emissions from our operations and reduce emissions by end-users of energy. Addressing climate change is a shared global challenge and consumers of energy can play an important role.

- ➔ In 2014, we added 250 megawatts of additional capacity at our Kearl and Cold Lake operations, increasing our installed capacity to 525 megawatts. Another 40 megawatts of additional capacity is planned in the near term. Our cogeneration capacity allows us to reduce our reliance on electricity from the grid and the associated GHGs from coal-fired electricity.
- ➔ 2014 total GHG emissions from our operations remained at 2013 levels despite increased activity.

[Learn more about Kearl’s environmental commitment](#)

Total greenhouse gas emissions (million tonnes of CO<sub>2</sub>e)



### In focus

## Cogeneration lowers GHG emissions

Using cogeneration provides reliable electricity for industrial sites and can contribute to reducing the GHG emissions of the power grid. Combined heat and power (cogeneration) at facilities such as Imperial’s refineries and oil sands operations lowers GHG emissions when compared to electricity imported from other sources.

- ➔ Our cogeneration plant at the Sarnia refinery provides about 60 percent of the site’s electricity needs by using natural gas.
- ➔ Cold Lake’s cogeneration facilities reduce CO<sub>2</sub> emissions by 40 percent compared with generating electricity from coal-fired plants and processing steam from conventional boilers.
- ➔ Kearl’s cogeneration facility is estimated to reduce CO<sub>2</sub> emissions by half-a-million metric tonnes per year compared to purchasing power for the first phase of the project.

[Learn more about Imperial’s energy efficiency improvements](#)

# Economic development

Canada’s energy industry spurs economic growth across the country. Imperial contributes to the larger Canadian economy through taxes and royalties, by creating jobs, investing in technology, creating opportunities for suppliers to provide goods and services to our projects, and supporting education and training programs that develop a skilled workforce.

In 2014, Imperial’s strong financial and operating performance, competitively advantaged assets, integrated business model and focus on the fundamentals contributed to annual operating earnings and cash flow from operations. Our extensive, results-oriented approach strengthens our resiliency, ensuring the company remains well-positioned to achieve our long-term goals. Above all, our focus remains on delivering superior, long-term shareholder value in whatever business environment we operate.

## Contribution to the economy

Local communities benefit from our business in a variety of ways including workforce and supplier development, community investments and revenues to governments.

- ➔ \$11.6 billion spent with suppliers for goods and services in 2014.
- ➔ \$6 billion in taxes and royalties paid in 2014.
- ➔ \$5.6 billion in capital and exploration expenditures.
- ➔ \$1.4 billion in wages and benefits.

## Our workforce

Our workforce of approximately 5,200 employees is critical to our success. At Imperial, we offer a culture in which employees adhere to the values and behaviours needed to achieve our long-term goals and ensure we develop our resources responsibly.

Imperial provides a safe, respectful and harassment-free workplace with policies, guidelines and programs that support a diverse and inclusive workforce. Employees are supported in a number of ways through a wide range of professional development and networking programs.

- ➔ More than 800 new hires in 2014.
- ➔ Increase in the percentage of visible minorities and Aboriginal people employed.



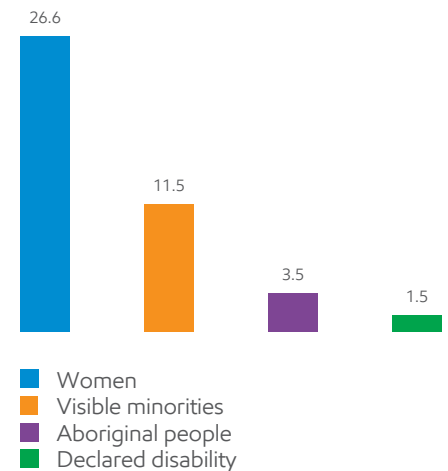
# 37%

of new hires recruited for management, professional and technical positions were women.

# \$6 billion

paid in taxes and royalties.

Workplace representation by designated group (percent of total)



Statistics are collected from self-identification questionnaires.

Discover what’s possible – a career at Imperial

**Left:** Oil sands heavy equipment operator, Rebekah Dahlin. **Right:** Employees at the new Imperial Campus collaborate in a new state-of-the-art meeting facility.

 In focus

Women Building Futures



Since 2012, Imperial has partnered with Women Building Futures (WBF) to recruit and train women as heavy-equipment operators. Now in its third year, the Imperial Heavy Equipment Operator program has trained 47 women.

Imperial has provided more than \$1.1 million to support this innovative program since its inception and has hired 31 women over the three years of the program.

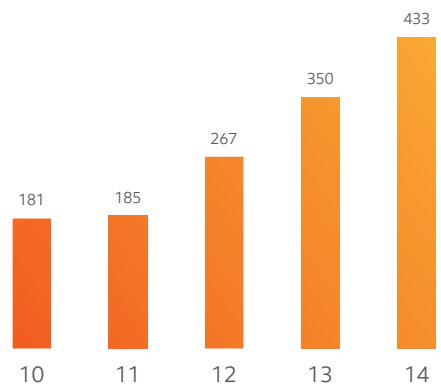
WBF’s Heavy Equipment Operator program provides trainees with the knowledge required to secure jobs in the industry. This is a transformational opportunity for underemployed women, resulting in an average income increase of 127 percent from previous employment.

WBF is a not-for-profit organization that provides formal training and preparation for women entering non-traditional careers in industrial or trades environments. Founded in 1998, the aim of the organization is to enhance economic prosperity for women through support during training, job placement and overall workplace retention.

**Building capacity through supplier development**

Supporting local businesses helps our company by ensuring we have the goods and services needed for our operations and growth projects. Sourcing and procuring goods and services locally builds capacity in the communities where we live and operate. In 2014, Imperial worked with more than 7,000 suppliers, both large, global companies and smaller, local businesses. We continue to work closely with major contractors for our growth projects at Kearl and Cold Lake to ensure there are opportunities for Aboriginal businesses. In 2014, we increased our spending with Aboriginal businesses by 25 percent increasing our total spend to almost \$440 million. Critical to the procurement of any goods and services is ensuring that potential suppliers comply with Imperial’s requirements for safety, health, security and the environment and that they abide by our Standards of Conduct.

Spending with Aboriginal businesses (\$ millions) (direct and subcontracted)



Leslie Dawson, Process Technician at the Sarnia Refinery.

# Community

We recognize that business success depends on the economic, social and environmental health of the communities where we operate. Imperial supports local programs and organizations through financial contributions, in-kind donations and through employee volunteers. As a member of the London Benchmarking Group (LBG) Canada, we follow standards in community investment management and reporting through third-party assurance.

## Our approach to giving

Our community investment initiatives support:

- ➔ **STEM** (science, technology, engineering and math) education with a focus on trades and technologies. [Thanking teachers – Imperial supports math and science education](#)
- ➔ Environment organizations focused on energy literacy and conservation initiatives.
- ➔ Capacity building and community focused Aboriginal initiatives.
- ➔ Our operating communities through a broad range of projects.

In 2014 we provided over \$20 million for education, Aboriginal and environmental initiatives as well as other support in our operating communities. Since 2011, Imperial has donated more than \$80 million to communities across the country.

Imperial and ExxonMobil Canada, along with our employees and retirees, raised more than \$4.7 million in 2014 for the United Way-Centraide to support positive social change. And more than 5,200 hours were volunteered for Days of Caring projects.

- ➔ Select pieces of art from Imperial's corporate art collection were auctioned to support the company's United Way partners across Canada resulting in a donation of almost \$300,000.
- ➔ Imperial's Strathcona refinery employees and retiree volunteers were recognized for their long-standing support and contribution to the community by the Sherwood Park and District Chamber of Commerce.

## Stakeholder engagement

Our stakeholders have an important voice in how we conduct our business. Open and constructive dialogue provides an understanding of the issues that concern government, community and environmental groups, Aboriginal communities and the public, and it helps us collaborate on solutions. [Building long-lasting relationships with our neighbours](#)

## Aboriginal relations

Imperial works closely with First Nations, Métis and Inuit peoples as many of our operations and development opportunities are located within Aboriginal communities or on their traditional lands. These relationships are founded on respect for the land, environment, and traditional ways of life, culture, language and the decision-making processes. Our [Aboriginal Relations Guiding Principles and Guidelines](#) guide our work in consultation, business and workforce development, and community relations. Some of our initiatives in 2014 included:

- ➔ Tour of the Kearl oil sands operation by First Nations community advisory and reclamation planning groups to observe progressive reclamation activities at Kearl and Muskeg Lake.
- ➔ Employees at Norman Wells and Sahtu community members travelled along the Mackenzie River together to learn about traditional knowledge and how to consider this in our operations.

# \$1 million

pledged in 2014 over four years to the Nature Conservancy of Canada.

# 48,000

volunteer hours by Imperial employees to 480 community organizations.

# 600 pieces

of office furniture donated to charities and non-profit organizations.



Last year employees and contractors at Kearl collected nearly 450 pairs of used work boots as part of the site's *Recycle Your Boots* campaign. The boots were donated to five organizations in Edmonton to help job-seekers obtain jobs and work safely.

# Governance

Effective governance, commitment to high ethical standards, meeting all government laws, rules and regulations and operational integrity provides a foundation for responsible development and continuous performance improvement in all areas of our business.

## Board of Directors

Our Board of Directors is responsible for the overall stewardship of the company. They provide direction and oversight to ensure corporate objectives are fulfilled. Various committees of the board oversee and review many areas of our business.

## Standards of Business Conduct

Imperial's comprehensive Standards of Business Conduct clearly communicate the expectations we have of our employees and directors. Policies within the Standards of Business Conduct ensure a common understanding of the business, legal and regulatory steps we must follow. The following policies guide us in our conduct and behaviour:

- ➔ ethics
- ➔ conflicts of interest
- ➔ corporate assets
- ➔ directorships
- ➔ gifts and entertainment
- ➔ political activities
- ➔ international operations
- ➔ anti-corruption
- ➔ anti-trust and competition law
- ➔ health
- ➔ safety
- ➔ environment
- ➔ product safety
- ➔ customer relations and product quality
- ➔ equal employment opportunity
- ➔ harassment in the workplace
- ➔ alcohol and drug

Imperial's open-door communication encourages employees to refer issues or concerns relating to any of the company policies or internal controls to their supervisors. These policies are reviewed on a regular basis and Imperial's operations are audited internally with unrestricted access to facilities, business units, personnel and records.

## Political advocacy and contributions

Energy-related decisions and policies made at all levels of government have the potential to impact Imperial's operations. As one of Canada's largest energy companies, Imperial engages with governments to advocate for economic competitiveness, safe and environmentally and socially responsible development.

Imperial complies with all applicable lobby legislation, including the Lobbying Act (Canada) and other provincial lobbying registries, and follows reporting requirements on lobbying government officers and employees.

We also provide political contributions, adhering to a code of company guidelines and legal requirements and limits when making contributions to registered political parties, riding associations and candidates. In 2014, Imperial's political contributions totaled \$70,250 and were not limited to a single party or province.

# 17 policies

form the Standards of Business Conduct which clearly outline expectations for conduct and behaviour for employees and directors of the company.



**Top:** Imperial's board members visit the Strathcona Refinery. **Bottom:** Robins return to treed areas each spring near Kearl. ❖

# Performance data

Safety	2010	2011	2012	2013	2014
Fatalities – employees and contractors	0	0	0	0	0
Lost-time incident frequency – employees per 200,000 hours worked	0	0.08	0	0.02	0.05
Lost-time incident frequency – contractors per 200,000 hours worked	0.03	0.05	0.01	0.01	0.04
Total recordable incident frequency – employees per 200,000 hours worked	0.18	0.34	0.15	0.14	0.27
Total recordable incident frequency – contractors per 200,000 hours worked	0.61	0.60	0.37	0.39	0.33
Environment	2010	2011	2012	2013	2014
Sulphur dioxide (thousand tonnes/year)	26.1	26.7	22.9	25.8	24.3
Nitrogen oxides (thousand tonnes/year)	14.7	13.6	12.7	12.9	12.8
Volatile organic compounds (thousand tonnes/year)	16.9	17.2	14.4	16.2	18.3
Gas flaring from oil production (million cubic feet per day)	1.1	0.5	0.6	1.7	1.3
Solution gas recovery from oil production (percent of total solution gas produced) <sup>1</sup>	99.9	99.9	99.9	99.9	99.9
Freshwater consumption (millions of barrels)	110.7	195.7	203.4	157.7	169.9
Freshwater use at Cold Lake operation (cubic metres of fresh water per cubic metre of bitumen produced)	0.33	0.26	0.29	0.29	0.31
Total energy use (million gigajoules)	171.5	175.2	147.9	173.4	170.3
Oil and chemical spills (total number)	21	31	23	21	26
Volume of product from oil and chemical spills (barrels)	712	1,570	493	566	496
Hazardous waste (thousand tonnes)	26.4	31.9	22.3	25.6	22.1
Number of environmental regulatory compliance incidents	24	31	28	46	31
Number of environmental exceedance incidents	16	9	12	15	18
Environmental fines and penalties (thousands of dollars)	\$5	\$0	\$0	\$0	\$0
Environmental expenditures (millions of dollars)	\$708	\$724	\$1,000	\$1,500	\$1,700
Greenhouse gas direct emissions – excluding cogeneration (million tonnes of CO <sub>2</sub> e) <sup>2</sup>	9.0	8.9	8.5	9.0	9.0
Direct emissions – cogeneration (million tonnes of CO <sub>2</sub> e)	1.2	1.4	1.4	1.6	1.7
Indirect emissions (million tonnes of CO <sub>2</sub> e)	1.0	0.9	0.8	1.1	1.1
Total (million tonnes of CO <sub>2</sub> e)	11.1	11.2	10.7	11.7	11.8
GHG emissions intensity, Upstream (tonnes of CO <sub>2</sub> e per barrel of oil equivalent produced)	0.064	0.064	0.065	0.070	0.069
GHG emissions intensity, Downstream and Chemicals (tonnes of CO <sub>2</sub> e per unit of normalized throughput)	1.32	1.39	1.38	1.40	1.38
Fuels refining energy intensity (normalized index) <sup>3</sup>	0.826	0.818	0.830	0.831	0.813
Hydrocarbon flaring – company total (hundred tonnes)	413	366	328	563	533
Gross crude oil and NGL production (thousands of barrels a day)	247	255	250	261	282
Gross natural gas production (millions of cubic feet a day)	280	254	192	201	168
Economic development	2010	2011	2012	2013	2014
Capital and exploration expenditures (millions of dollars)	\$4,045	\$4,066	\$5,683	\$8,020	\$5,654
Payments for goods and services (billions of dollars, approximate)	\$8.0	\$8.0	\$10.0	\$12.3	\$11.6
Spending with Aboriginal businesses (millions of dollars) (direct and subcontracted)	\$180.8	\$185.3	\$266.7	\$350.0	\$433.0
Taxes and royalties to government (billions of dollars)	\$5.2	\$6.4	\$5.8	\$5.7	\$6.0
Wages and benefits (billions of dollars)	\$1.3	\$1.3	\$1.4	\$1.4	\$1.4
Education assistance program (thousands of dollars)	\$632	\$548	\$569	\$505	\$478
Scholarships for employee dependents (millions of dollars)	\$3.6	\$3.0	\$3.5	\$2.8	\$2.3
Number of regular employees at year end <sup>4</sup>	4,969	5,083	5,263	5,328	5,498
Percentage of women at year end	27.1	27.7	27.0	26.7	26.6
Percentage of visible minorities at year end <sup>5</sup>	10.1	9.4	9.9	11.1	11.5
Percentage of Aboriginal Peoples at year end <sup>5</sup>	2.3	2.2	3.1	3.3	3.5
Percentage of persons with disabilities at year end <sup>5</sup>	0.7	0.9	1.4	1.5	1.5
Community engagement	2010	2011	2012	2013	2014
Volunteer hours (thousands of hours)	73	65	63	78	48
Community investment (millions of dollars)	\$14.8	\$15.0	\$15.0	\$17.2	\$20.3
Contributions to United Way–Centraide campaigns (millions of dollars) <sup>6</sup>	\$4.2	\$4.2	\$4.4	\$4.5	\$4.7
Corporate governance	2010	2011	2012	2013	2014
Corporate political contributions (thousands of dollars)	\$57	\$57	\$69	\$67	\$70
Common shares outstanding (millions of shares) <sup>7</sup>	848	848	848	848	848
Dividends (millions of dollars) <sup>7</sup>	\$356	\$373	\$398	\$407	\$441

NOTE: Adjustments may have been made to some data points to reflect internal updates. All references to financial information is in Canadian dollars.

A list of GRI and IPIECA indicators are available on our website [imperialoil.ca/citizenship](http://imperialoil.ca/citizenship)

<sup>1</sup> Measures the amount of gas recovered and used (as opposed to being flared or vented) as a percentage of total solution gas production in Imperial's Upstream business.

<sup>2</sup> Imperial reports both direct and indirect GHG emissions from all owned and operated facilities. Direct GHG emissions are from Imperial's own operations. Indirect GHG emissions result from the generation of electricity produced for Imperial by external sources.

<sup>3</sup> The energy intensity index is a measure of energy efficiency for petroleum refineries. A lower energy intensity index number indicates a more energy-efficient facility. In 2011, the index was restated for even years going back to 2002.

<sup>4</sup> All Imperial employees as of December 31, 2014.

<sup>5</sup> Statistics are collected from self-identification questionnaires.

<sup>6</sup> Represents combined donations from the company, employees and retirees.

<sup>7</sup> For complete disclosure and additional information, see the 2014 Management's Discussion and Analysis and Financial Statements at [www.imperialoil.ca](http://www.imperialoil.ca)



*After more than a century, Imperial continues to be an industry leader in applying technology and innovation to responsibly develop Canada's energy resources. As Canada's largest petroleum refiner, a major producer of crude oil and natural gas, a key petrochemical producer and a leading fuels marketer from coast to coast, our company remains committed to high standards across all areas of our business.*



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### [imperialoil.ca/citizenship](http://imperialoil.ca/citizenship)

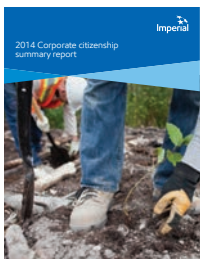
For additional information, to view previous reports or to provide comments

### [contact.imperial@esso.ca](mailto:contact.imperial@esso.ca)

Corporate Citizenship Report  
Imperial Oil Limited  
237 Fourth Avenue S.W.  
P.O. Box 2480, Station 'M'  
Calgary, Alberta T2P 3M9

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Our corporate citizenship reporting is guided using the International Petroleum Industry Environmental Conservation Association (IPIECA) and the American Petroleum Institute (API) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010). This report also cross-references Global Reporting Initiative (GRI) G3.1 indicators. These standards can be downloaded at [ipieca.org](http://ipieca.org) and [globalreporting.org](http://globalreporting.org).



**On the cover:** Imperial employee volunteers take care planting seedlings as part of a United Way Day of Caring.

❖ Images provided by Phil Fetterman, Kearsley Construction Advisor.