



Imperial Oil



A partner in the community

**SUMMARY
CORPORATE
CITIZENSHIP
REPORT
2009**

Our approach to corporate citizenship

Integrating social, environmental and economic considerations into all aspects of business

For Imperial, corporate citizenship means meeting the growing demands for energy in an economically, environmentally and socially responsible manner. This defines our role as a partner in the community and is integral to our business strategy.

Our business model underpins our commitment to responsible development. We place strong emphasis on six areas:

- Pursuing high standards of corporate governance
- Creating safe, healthy and supportive workplaces
- Minimizing our impact on the environment
- Managing the risk of climate change
- Contributing to a strong and vibrant economy
- Working with communities to address local needs and create long-term benefits

How we achieve our business results is as important as the results themselves. Our approach is to interlink our business and citizenship objectives because responsible development and maintaining a positive influence in the communities where we operate are essential to our long-term business success.

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On the cover

Elder Adeline Dickie and Wayne Andrews of Imperial Oil discuss project plans for the proposed Horn River Basin shale gas play in northeastern British Columbia at her home on the Fort Nelson First Nation reserve.

Citizenship is integral to our business

“Our long-term business success depends on our ability to provide energy responsibly. We believe we can accomplish this goal by integrating environmental protection, economic growth and social advancement into all aspects of our business planning.”



A letter to our stakeholders from Bruce March, president, chairman and CEO

The global economic downturn that began in late 2008 and carried throughout 2009 has affected energy demand and energy prices. For the time being, concerns over energy supply and the ability to sustain economic growth around the world have been put off. Those issues, however, have not disappeared and it won't be long before the question of how society is going to meet increasing energy demand in a responsible and affordable manner is back in the forefront.

Despite a challenging year, we did not lose sight of that question. Due to population growth and a desire to improve standards of living, particularly in developing countries, global energy demand is projected to be almost 35 percent greater in 2030 than in 2005. And, while all forms of energy will be required, oil and natural gas will continue to play a primary role.

For our part, our company chose to move ahead with a number of growth opportunities in 2009. Our Kearn oil sands project, the largest capital project in Imperial Oil's history, and our shale gas pilot project in the Horn River Basin in northeastern British Columbia are two such examples. The reasons we did so are clear. These unconventional resources hold a vast potential to make a difference to the world's growing energy demand, and Canada's political stability allows for long-term planning of responsible development.

Our long-term business success depends on our ability to provide energy responsibly. We believe we can accomplish this goal by integrating environmental protection, economic growth and social advancement into all aspects of our business planning. Providing energy responsibly is also how we execute our business day to day. This means conducting all of our work with a high standard of ethics and integrity; ensuring a safe work environment for our employees and contractors; continuing to look for effective ways to minimize our impact on the environment; expanding the bounds of innovation to help solve rising energy demand while mitigating the impact of greenhouse gas emissions; and engaging and interacting with the communities where we operate to ensure they benefit from our presence.

In 2009, we continued to make progress in all these areas. And, while we are proud of our successes, we know there is room for improvement. In fact, we are always looking for ways to be better at what we do.

In this report we endeavour to detail our efforts to provide responsible, affordable energy, protect the environment, and contribute to our society and economy. I hope you find this report useful in understanding Imperial Oil's commitments and progress to date.

Sincerely,

Bruce March
President, chairman and CEO

Corporate governance

Maintaining high ethical standards

In 2009

\$833 million

to shareholders through dividends and share repurchases

\$2.4 billion

in capital and exploration investments, a record

100%

average attendance of board members to committee meetings

33%

representation of women in managerial, professional and technical workforce



On the web

- Standards of business conduct | imperialoil.ca
- Imperial's 2009 Annual Report | imperialoil.ca
- Proxy statement | imperialoil.ca

The 2009 Imperial Oil Board of Directors



At Imperial, we have an unwavering commitment to high ethical standards and responsible operations everywhere we do business. This starts with our corporate governance practices and is rigorously carried out through our management systems and Standards of Business Conduct.

Management systems and standards

Our commitment to high ethical standards is implemented through our policies and practices in every aspect of our business and at every location where we operate. Corporate citizenship at Imperial Oil is integrated in the 16 policies that make up our Standards of Business Conduct. We ensure long-term performance through our management systems, which include the System of Management Control Basic Standards, Controls Integrity Management System (CIMS), Operations Integrity Management System (OIMS), and Best Practices in External Affairs (BPEA).

Long-term financial resource management

At Imperial, our role is to provide energy responsibly while delivering competitively priced products to customers and superior return to shareholders. In 2009, our capital and exploration investments were \$2.4 billion, an increase of 79 percent over 2008. In the next five years, we expect to invest record amounts – more than \$20 billion – primarily toward future growth projects that will more than double Upstream production volumes. Those opportunities include the Kearn oil sands project in Alberta, the next phase of expansion at our Cold Lake in situ operation in Alberta, as well as unconventional gas in northeastern British Columbia, natural gas and liquids from the onshore Mackenzie Delta region and other potential sites in the Athabasca region of Alberta.

Board of Directors

The primary role of Imperial's Board of Directors is to appoint the officers of the company and to ensure they carry out the board's directions. Of the eight directors on the board in 2009, five were independent as defined by New York Stock Exchange guidelines. Each director is elected to hold office until the close of the next annual meeting. In 2009, the board met 10 times with an average attendance rate of 100 percent, while each board committee met between three and five times. The various committees of the board oversee and routinely review aspects of corporate citizenship.

Ethics

Imperial is committed to meeting all applicable government laws, rules and regulations. Our Standards of Business Conduct outline policies and guidelines on such matters as ethics, conflict of interest, health and safety, environmental protection, equal employment opportunity and harassment in the workplace. Employees and directors are required to fully comply with the Standards of Business Conduct. Employees are required annually to confirm that they have read and are familiar with the policies in our Standards of Business Conduct, which include a Code of Ethics and Business Conduct to prevent bribery and corruption.

Internal audits

On average, our internal audit department conducts audits of a third of our corporate operating units annually. Approximately 24 trained internal auditors have unrestricted access to all facilities, business units, personnel and records and are empowered to investigate all potential non-compliances with our Standards of Business Conduct.

Employment policies and practices

We are committed to providing equal employment opportunity to all qualified individuals. Individual employment and career development are based on qualifications, ability and performance. Managers are responsible for maintaining a work environment that is free from discrimination and harassment. Each year managers are asked to review our equal opportunity and anti-harassment policies, and every four years, managers and employees receive updated training on these policies.

Diversity

We provide development opportunities, policies, programs and guidelines that support diversity in the workplace. We also have an employment equity program that supports our commitment to diversity with a formal policy prohibiting discrimination. At Imperial, for example, women make up one-third of the managerial, professional and technical workforce, an increase from less than 20 percent in 1990. Our aim is to have a workforce that reflects the representation of visible minorities and persons with disabilities in the current labour market.

Human rights

Imperial does not tolerate violations of human rights in any form in its business. Our Standards of Business Conduct provide a framework for operating responsibly and are consistent with the spirit and intent of the Canadian Charter of Rights and Freedoms and the United Nations' Universal Declaration of Human Rights as it applies to private companies.

Political contributions

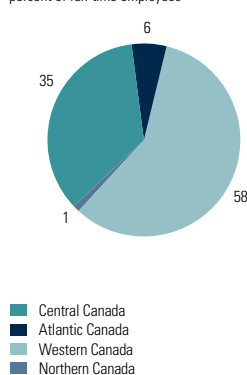
We support the democratic process through political contributions and adhere to company guidelines and legal limits when making contributions to registered political parties and riding associations. In 2009, Imperial's political contributions to provincial parties totalled \$53,300 and were not limited to a single party or province. We did not contribute to federal political parties, respecting government requirements that prohibit corporations from such contributions.

Political lobbying and advocacy

Imperial tracks proposed federal and provincial legislation and engages with governments to contribute to policy development on issues that impact our operations. We fully comply with all regulations governing corporate lobbying activities and report all federal lobbying in monthly reports to the Office of the Commissioner of Lobbying of Canada.

Employment by region

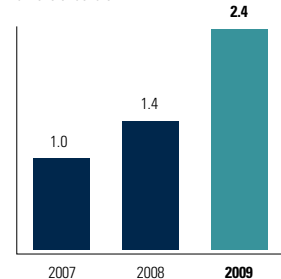
percent of full-time employees



(Note: Central Canada consists of Ontario and Quebec.)

Capital and exploration expenditures

billions of dollars



Safety and health

Safety is our number one priority

In 2009

Best ever

employee and contractor lost-time and total recordable incident rates

0

employee lost-time incidents

1

contractor lost-time incident, an 80 percent improvement over 2008

0

fatalities

~250

emergency response exercises conducted



On the web

• Safety and health policies | imperialoil.ca

“At Imperial, every person on site feels compelled to assess risks, intervene when necessary and suggest better, safer, more reliable ways of working and operating.”

Janet Matsushita

Nanticoke refinery manager

The people we employ are our most valuable asset and are at the core of Imperial's achievements. That's why we are relentless in our focus on safety, because at Imperial, nothing is more important.

Safety and health management

Our goal is that Nobody Gets Hurt. Excellence in safety and health in the workplace is a core value and we are committed to conducting business in a manner that protects the safety and health of our employees, those involved with our operations, and the public.

These commitments are documented in our Safety, Security, Health, and Product Safety policies, which are put into practice through a disciplined management framework called Operations Integrity Management System (OIMS). This framework is a cornerstone of our commitment to managing risk and achieving

excellence in performance. To drive continuous improvement, the framework is periodically reviewed and updated. The latest revision, completed in 2009, strengthens expectations with respect to leadership, process safety, environmental performance, and assessment of OIMS effectiveness.

Workforce safety

In 2009, we recorded best-ever combined employee and contractor workforce total recordable and lost-time incident rates. Total recordable and lost-time incident rates continue to be among the best in our industry.

There were no employee lost-time incidents and there was one contractor lost-time incident. There were no employee or contractor fatalities during the year.



The safety tools and programs we use have been chosen as a result of our experience in the field. We plan to continue to expand the deployment of behaviour-based safety tools and processes, and promote a “culture of intervention.”

Process safety

We ensure that rigorous safety standards and procedures are followed throughout facility design, construction and start-up activities. Additionally, we verify that materials received meet design specifications, conduct structured inspection and maintenance programs, regularly test integrity-critical equipment, and enforce strict procedures to maintain safe operations.

Workplace security

Imperial Oil has programs and measures in place to provide security to protect people, operations, facilities, business information and other assets. We are dedicated to preventing incidents and have a full range of response and contingency plans with appropriate local, provincial and federal agencies.

In 2009, we continued to improve these programs and measures and further integrated them into OIMS.

Risk management and emergency preparedness

Risks associated with safety, security, health and the environment are inherent in our business. We remain vigilant of these risks as well as the critical role that a secure supply of energy plays in mitigating a disaster situation. It’s the reason we take a disciplined and systematic approach to business continuity planning and emergency preparedness.

Emergency response plans are in place at all our facilities. Should an emergency occur, local trained personnel are deployed, supported by regional emergency response teams and senior management as needed, to control the situation, minimize impacts, and restore normal operations in as short a time as possible. To strengthen our capability to respond to operational incidents, we routinely test the trained teams at our operating sites. In 2009,

we carried out nearly 250 emergency response exercises. These included tabletop exercises and full-deployment events that involved other external response organizations.

Operating incidents

We track events that result in adverse impact to the environment or significant cost to our operations (involving direct costs of US \$50,000 or more). In 2009, there were 11 operating incidents, compared with 10 in 2008.

There were no injuries or adverse environmental impacts associated with these incidents. Thorough investigations were carried out for each incident, and as a result, we implemented improved procedures and training to prevent similar occurrences in the future.

Workplace health

We take all health issues seriously, whether work-related or not. Our goal is for our employees to be healthy throughout their careers and in retirement. Throughout Imperial’s eight health

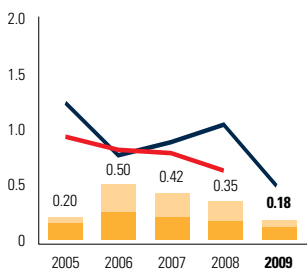
centres across the country, our occupational health (OH) professionals – physicians, nurses and industrial hygienists – are well situated to address issues in a timely manner, whether it is to provide advice on promoting a safe and healthy workplace or to respond to individual health concerns. We also offer support programs and services to help employees prevent, identify and manage personal and workplace illnesses.

Product stewardship and product safety

We apply a rigorous and consistent approach to identify and evaluate risks associated with new and modified products and their manufacture, use and disposal. Similarly, new technologies are continually adapted to improve product performance. Product safety and health hazard information are also monitored, and any risks requiring specific management processes are communicated to customers, third parties and the public.

Total recordable incident frequency – employees

incidents per 200,000 hours worked



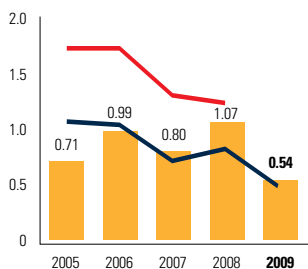
■ Imperial total recordable injury rate
■ Imperial total recordable illness rate
— Upstream oil and gas industry benchmark *
— Downstream industry benchmark **

Analysis

Recordable incidents are work-related incidents that require medical attention, could restrict a person’s ability to do his or her normal job, or prevent a return to work for one or more days. In 2009, our rate – 0.18 – was equivalent to about one injury or illness incident per 560 employees. To facilitate comparison against industry benchmarks, which include only total recordable injuries, we also show our total recordable injury frequency rates. In 2009, our rate was 0.11, substantially better than the latest industry benchmarks.

Total recordable incident frequency – contractors

incidents per 200,000 hours worked



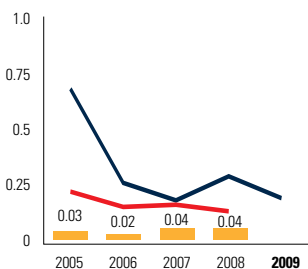
■ Imperial total recordable incident rate
— Upstream oil and gas industry benchmark *
— Downstream industry benchmark **

Analysis

The incident frequency rate for contractors was equivalent to about one incident per 200 workers and was 50 percent lower than 2008 levels.

Lost-time incident frequency – employees

incidents per 200,000 hours worked



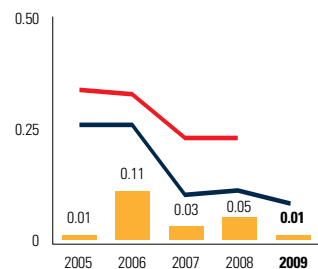
■ Imperial lost-time incident rate
— Upstream oil and gas industry benchmark *
— Downstream industry benchmark **

Analysis

Lost-time incidents refer to work missed due to an injury or illness sustained while at work. In 2009, there were no employee lost-time incidents, a best ever performance.

Lost-time incident frequency – contractors

incidents per 200,000 hours worked



■ Imperial lost-time incident rate
— Upstream oil and gas industry benchmark *
— Downstream industry benchmark **

Analysis

The one incident in 2009 was associated with a contractor working in the Upstream business.

* Based on data from Canadian Association of Petroleum Producers
 ** Based on data from Canadian Petroleum Products Institute

Environmental performance

Protect Tomorrow. Today

In 2009

\$770 million

invested in environmental and capital expenditures primarily on emissions reductions, remediation and protection of fresh water near our facilities

7%

decrease in the volume of spills

23%

decrease in combined emissions since 2005

7.5 million

cubic metres of water allocation voluntarily returned to the Alberta government in 2009 (this is twice the volume of fresh water used at our Cold Lake operation)

0

finances or penalties incurred during the year

88%

improvement in fresh water efficiency at the Cold Lake operation since the mid-1970s. Less than half a cubic metre of fresh water is used at Cold Lake to produce one cubic metre of oil



On the web

- Air emissions – Environment Canada | ec.gc.ca
- Oil sands | imperialoil.ca/oilsands

“In all of our projects, we are committed to minimizing the environmental footprint of our operations on the region’s land, forest and water ecosystems and wildlife.”

Neil Drummond

Upstream environment manager

Imperial Oil is committed to operating in a way that protects the environment and takes into account the economic and social needs of the communities where we operate. Our goal is to achieve excellent environmental performance in each of our businesses to Protect Tomorrow. Today.

Our approach to environmental protection

An important part of our systematic approach to delivering on our environmental commitments is Environmental Business Planning (EBP), an activity that integrates environmental improvement into business plans and strategies. Business units use the EBP process to identify key environmental priorities, set goals in focus areas and establish multi-year plans.

EBP has focused on a number of goals. In the Upstream business, we have focused on

actions to reduce flaring and improve spill prevention. The Downstream and Chemical businesses have goals to prevent environmental incidents, including spills, and to continuously reduce environmental emissions and wastes. Key priorities also include improving emissions, tailings, water use and land remediation.

1) Assessing our surroundings

Environmental and socio-economic impact assessments

Environmental and socio-economic impact studies are conducted to examine how a potential project may affect the surrounding environment. If any potential project activity is identified as having an unacceptable risk, the project design is revised or mitigation measures are developed.



Biodiversity

Careful consideration of biodiversity protection is an important part of our ongoing operations and project planning. Our Upstream exploration and production activities in particular can affect different wildlife areas, including foothills, prairie ecosystems, northern peatlands and Arctic areas.

For example, we are using low-impact technologies to minimize our footprint in environmentally sensitive areas. When drilling gas wells in prairie ecosystems in southern Alberta, we employ self-leveling rigs, which eliminates the need to a level surface. In the Horn River Basin of northern British Columbia, we are creating narrow and meandering seismic cutlines to reduce the impact of our exploration activity to vegetation and wildlife.

2) Designing to minimize impact

Imperial takes steps early in the design of its projects to minimize its environmental footprint. For example, at the Kearn oil sands project, we are incorporating sufficient water storage to allow reduced water withdrawals from the Athabasca River during low-flow periods.

We are also conserving the topsoil and peat that we need to remove to prepare the site for development. This topsoil and peat will be used later for progressive reclamation.

3) Operating with integrity

Spill prevention

Our goal is to have zero spills to land or water. In 2009, the number of spills greater than one barrel was 28, the same as in 2008. Our total hydrocarbon spill volume decreased by 7 percent to 587 barrels. Our spill performance is among the best in industry and is a result of our efforts to increase spill awareness through training, effective operations integrity management, and comprehensive inspection and surveillance programs.

Air emissions from operations

We are committed to reducing emissions of volatile organic compounds (VOCs), sulphur dioxide (SO₂) and nitrogen oxides (NO_x) from our operations. The main sources of our operations' SO₂, NO_x and VOCs are the combustion of fuels in petroleum production

and refining and minor leaks of fugitive emissions from equipment and facilities.

We manage our impact on air quality by investing in fuel reformulation; reducing energy use; adding emission controls; managing fugitive emissions; monitoring regional air quality; and applying best practices and procedures to reduce emissions. As a result of these efforts, our combined emissions of SO₂, NO_x and VOCs decreased by 2 percent from 2008 and 23 percent from 2005 levels.

Waste management

We are committed to safely and responsibly managing wastes. Our total hazardous waste disposal in 2009 was 26 thousand tonnes, a 23 percent increase from 2008. Contributing to this increase was new government restrictions limiting the use of on-site bioremediation at our refineries. In the Upstream, the increase was due to shutdowns and clean up of a well head failure at our Cold Lake operation as well as wastes generated from sulphur dioxide removal at the operation.

Environmental compliance

At Imperial, we view compliance as a minimum requirement to maintaining our public licence to operate. In 2009, there were 42 compliance notifications, compared with 34 compliance notifications in 2008. There were no enforcement actions during the year.

Five incidents were due to boiler opacity exceedances at our Sarnia site; six were due to SO₂ exceedances at Strathcona refinery, Sarnia refinery and Quirk Creek gas plant; and 20 were non-exceedance events that were administrative in nature, such as the improper or late filing of paperwork. In each of these incidents, we conducted an investigation, the cause was determined, and follow-up actions were taken to prevent reoccurrence.

4) Responsible development

Water management

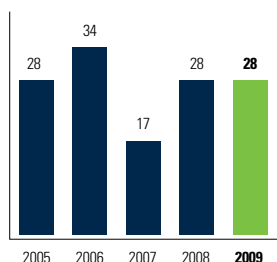
We focus on fresh water conservation opportunities and efficient use of water through the design and operation of our facilities. Company-wide, we are exploring opportunities to further reduce fresh water use and preserve water quality. In our Upstream business, we are increasingly meeting water needs through the recycling of produced water (water produced along with oil production) and the use of brackish water (water from saline aquifers that is not fit for consumption or agricultural use). In the Downstream business, our efforts are focused on preventing spills and ensuring that water returned to the environment meets high standards.

Land management

In our Upstream business, we work closely with governments, communities, Aboriginal people and other stakeholders to protect wildlife and minimize impacts on land. We also focus a great deal of effort on responsible maintenance and reclamation of former industrial sites. In 2009, we spent about \$125 million on assessment, risk management, land remediation and reclamation activities for non-operating sites. This includes former well sites, natural gas plants, refineries and retail service stations. We also sold or returned 59 properties to leaseholders, enabling land to be put into productive use. At our Cold Lake operation, we planted 85,000 trees and shrubs in 2009 as part of ongoing land reclamation.

Oil and chemical spills

number of spills greater than one barrel

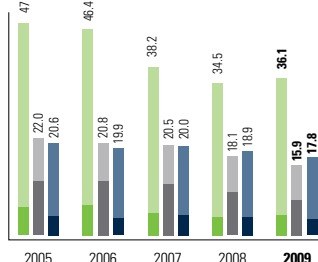


Analysis

Spill volumes decreased 7 percent from 628 barrels in 2008 to 587 barrels in 2009. We recorded 28 spills, unchanged from 2008. The largest spill during the year was a 200-barrel spill that occurred at the Sarnia site as a result of a tank overflow. It was contained on site.

SO₂, NO_x emissions and volatile organic compounds

thousand tonnes



- Upstream – SO₂
- Upstream – NO_x
- Upstream – VOC
- Downstream and Chemical – SO₂
- Downstream and Chemical – NO_x
- Downstream and Chemical – VOC

Analysis

In 2009, SO₂ emissions increased 5 percent from 2008 levels. NO_x emissions in 2009 were 12 percent lower than 2008 levels. In 2009, VOC emissions decreased 6 percent from 2008 levels.

Managing climate change risk

Meeting growing energy demand, reducing greenhouse gas emissions

In 2009

14%

decrease in total GHG emissions from 2005 levels

2nd largest

investor in the oil and gas sector in corporate R&D spending in Canada

16%

improvement in overall energy efficiency in our refineries since 1990

535 MW

in existing and planned energy-efficient cogeneration capacity, which contributes to lower GHG emissions

99.9%

of produced solution gas recovered



On the web

- Centre for Oil Sands Innovation | cosi.ualberta.ca
- Global Climate and Energy Project | gcep.stanford.edu
- RESEARCH Infosource survey on corporate R&D spending | researchinfosource.com

“Our scientists and researchers are developing and applying technological advances that will help reduce greenhouse gas emissions.”

Eddie Lui

vice-president of oil sands development and research

While climate change science remains complex, evidence makes it clear that rising greenhouse gas emissions pose risks to society and ecosystems. These risks justify the development and implementation of responsible actions by companies, governments and individuals.

Climate change strategies, however, also need to consider that the world will continue to have an increasing need for affordable energy to support a growing population and world economy. Despite advances in alternative energy sources, hydrocarbons will continue to play a significant part in meeting these energy needs and contributing to prosperity. Changing this basic energy picture will take time and require innovative energy technologies.

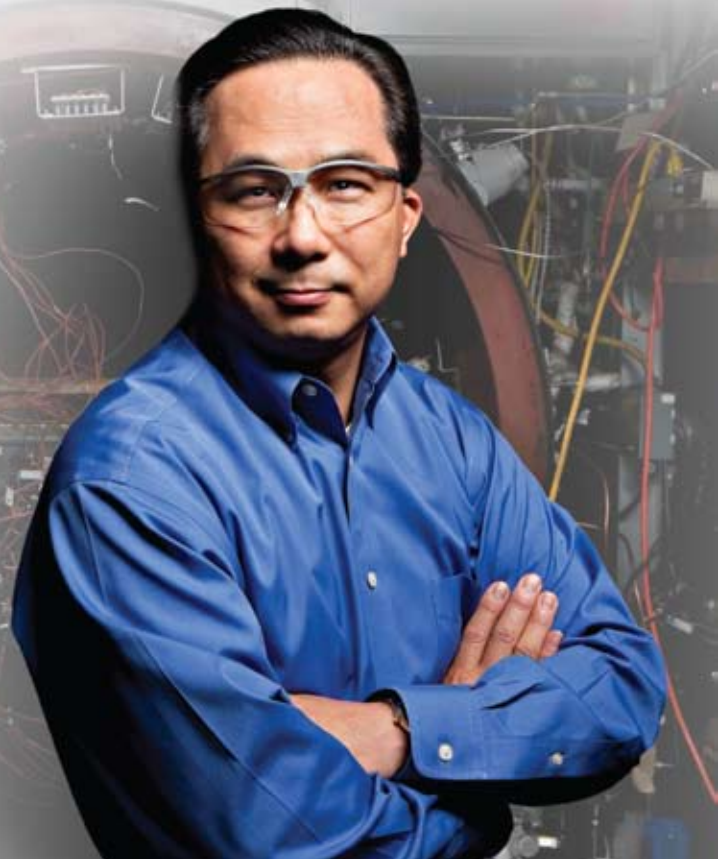
Reducing greenhouse gas emissions from our operations

In 2009, our direct GHG emissions from our operations were 10.3 million tonnes.

This is a reduction of about 0.8 million tonnes from 2008 or the equivalent of removing about 200,000 cars from our roads. Since 2005, we have more than doubled this figure, reducing direct GHG emissions by 1.7 million tonnes.

Energy efficiency improvements

At Imperial, our strategy to reduce GHG emissions is focused on increasing our own energy efficiency and advancing current proven emission-reducing technologies in the short term as well as developing breakthrough technologies for the longer term. In the near term, we are pursuing the efficient use of energy in a number of ways, including operating energy management systems; improving equipment



and procedures in operations; installing energy conservation technology at retail sites; providing leadership to encourage improvements; and incorporating energy technologies in projects.

Improving energy efficiency in our refining business

By diligently maintaining a sustained employee focus on day-to-day operations, we continued to make improvements in our energy usage. Since 1990, the overall energy efficiency of our refineries has improved by 16 percent. In 2009, our refinery operations were one percent more efficient than 2008. Our target is to improve energy efficiency across our manufacturing sites by at least one percent each year.

Improving energy efficiency in our Upstream

In our Upstream business, we are pursuing energy efficiency opportunities through new management systems, energy audits, waste heat recovery and new energy technologies. To improve energy efficiency at Cold Lake, we launched an on-line energy management

surveillance system to identify and sustain energy-saving initiatives. This system was leveraged from an existing Downstream best practice. At year end, the system helped us to identify opportunities and realize more than \$2 million in energy savings, which ultimately reduces our GHG intensity since this is equivalent to saving more than 15,000 tonnes of CO₂e per year.

Energy conservation at retail sites

We continued a multi-year program to install energy conservation technology at retail sites. To date, 115 of our largest sites have been upgraded. The automated building systems are designed to manage and reduce electricity and energy consumption. In addition, more than 180 retail sites have been retrofitted with energy-efficient outdoor lighting.

Incorporating energy-saving technologies in projects

Another way we can save energy is by incorporating technologies that reduce energy use and minimize GHG emission intensity in our project plans.

Our Kearl project and Nabiye expansion at Cold Lake will include a combined 270 megawatt (MW) of cogeneration, a clean and efficient method of producing electricity and steam at the same time. We estimate that Kearl's cogeneration facility will reduce GHG emissions by half a million tonnes annually compared with purchased power for the first phase of the project. The facilities will add to our 265 MW of existing cogeneration capacity at Cold Lake, Alberta and Sarnia, Ontario.

We also plan to use a new paraffinic froth treatment technology at Kearl to remove fine clay and water from the mined bitumen. The process involves mixing the bitumen with a solvent to reduce viscosity, precipitate asphaltenes and enhance separation, producing a clean bitumen that is easily transportable by pipeline. Kearl will be the first oil sands mining operation that does not require an upgrader to make a saleable crude oil. Processing bitumen once, rather than twice (in an upgrader and a refinery), reduces life cycle GHG emissions.

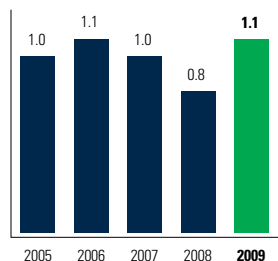
Research in energy technologies

For the longer term, we conduct our own research as well as work with academic experts to develop energy technologies that benefit our business and reduce emissions. We are conducting research at our Calgary research facility on heavy oil recovery processes that may significantly reduce GHG emissions, compared with thermal recovery processes. We are also the founding sponsor of the Centre for Oil Sands Innovation at the University of Alberta. Through the centre, university experts are conducting groundbreaking research to address a variety of environmental challenges associated with oil sands development, including climate change.

In addition, along with ExxonMobil, we support the Global Climate and Energy Project at Stanford University. This is the largest ever independent research effort to identify technologies that can meet energy demand with significantly lower GHG emissions. Study areas include solar, hydrogen, biomass energy and advanced transportation.

Gas flaring from oil production

million cubic feet per day

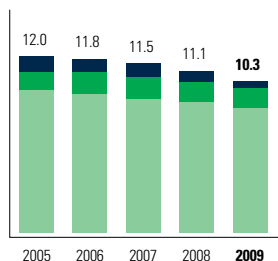


Analysis

Over the years, Imperial has taken steps to reduce flaring and now recovers and uses 99.9 percent of gas associated with oil production. This recovery rate is among the highest achieved by the top 50 oil producers in Alberta.

GHG emissions

million tonnes of CO₂e



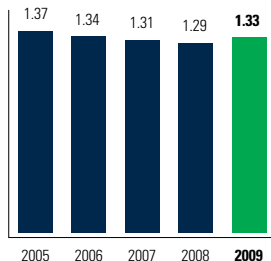
■ Indirect emissions
■ Direct emissions – cogeneration
■ Direct emissions – excluding cogeneration

Analysis

Indirect emissions result from electricity produced by external sources. Through cogeneration, we are reducing the amount of electricity purchased from the power grid. Our GHG emissions – most of which are CO₂ – come primarily from the burning of fuels required for petroleum production, crude oil refining and chemicals manufacturing. Total GHG emissions from operations have decreased 7 percent from 2008 and have decreased 14 percent from 2005.

GHG emission intensity – Downstream and Chemical

tonnes of CO₂e per unit of normalized throughput

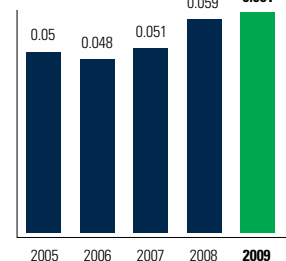


Analysis

Over the past five years, GHG emission intensity in the Downstream and Chemical businesses has improved 3 percent.

GHG emission intensity – Upstream

tonnes of CO₂e per barrel of oil equivalent produced



Analysis

GHG emission intensity in the Upstream business is based on gross production. Over the past five years, GHG emission intensity in this business has increased 22 percent as conventional production declines.

Economic development

Creating long-term economic and social benefits for our communities

In 2009

\$22.2 million

contributed to more than 600 projects across Canada

\$2.5 million

to support the creation of a national leadership program for First Nations, Métis and Inuit women

> 1000

supervisors and managers trained in diversity to date

\$4 billion

spent on the purchase of goods and services

5,000

suppliers ranging from large national companies to locally based businesses



On the web

• Imperial Oil Foundation | imperialoil.ca

“Supporting the communities where we operate is an integral part of our business strategy.”

Randy Broiles

senior vice-president of Resources

One of the ways we measure success is how well we contribute to the quality of life in the places where we live and work. We provide revenue for governments as well as economic support and incentive programs to our local communities, including workforce and supplier development, and strategic community investments.

Workforce development

At year-end 2009, Imperial's workforce numbered 5,015 employees. Based on the statistics we collected from self-identification questionnaires, 27 percent of Imperial's workforce was female, 10 percent was visible minorities, 2 percent was Aboriginal and 1 percent was persons with disabilities. In 2009, intern and co-op assignments were provided

to more than 150 university students. During the year, we also hired 135 new graduates. In 2009, we paid \$1.2 billion in compensation and benefits to employees, maintaining a robust compensation program in challenging economic times.

Training and leadership development

We provide employees with many opportunities to upgrade their skills and capabilities over the span of their careers through programs such as job rotation, classroom learning and performance feedback, and mentoring. In 2009, there were close to 1,900 attendees at the approximately 105 in-house courses offered across the company on topics with broad application and designed to help employees achieve their maximum potential.



Promoting diversity

We provide policies, programs and guidelines that support diversity in the workplace. We also offer a diversity education program designed to help managers enhance their understanding and support of our commitment to diversity. Close to 80 supervisors and managers attended the full-day course in 2009, and more than 1,000 have taken the course to date. During the year, we also launched a program that is available for all employees.

Supplier development

In 2009, we dealt with more than 5,000 suppliers ranging from large national companies to locally based businesses and spent about \$4 billion on the purchase of goods and services (excluding crude oil and petroleum products). Our suppliers provided services that included engineering, construction, transportation, security and facilities maintenance as well as materials required to support daily operations and projects. We have a particular focus on developing and contracting Aboriginal businesses in operating areas near or on traditional lands. In places

where Aboriginal businesses cannot provide the services we require, we encourage our prime contractors to subcontract to Aboriginal companies that are qualified to perform the work. For example, in 2009, about 12.5 percent of our goods and services purchases in the Horn River Basin in northeastern British Columbia went to Aboriginal contract and subcontract companies.

Strategic community investment

As a long-standing Canadian company, we view community investment not simply as a responsibility but as an essential component in building strong and healthy communities. We give back to local communities where we have a presence through financial contributions, in-kind donations and volunteer efforts. In 2009, we contributed a record \$22.2 million to more than 600 projects across Canada. Our main focus is on projects that promote math, science and technology education; environmental conservation and education; Aboriginal development; and civic and community programs.

Supporting math and science education

We sponsor education programs designed to spark Canadian students' interest in science, mathematics and technology – skills essential to our country's prosperity. These include math and science education, training in skill areas related to our industry, business and economic literacy, and education in remote regions. In 2009, we awarded almost \$2 million in renewed grants to university math and science programs.

Aboriginal community investment

In 2010, the Imperial Oil Foundation will support a new program for Aboriginal women. The program, based at the Coady International Institute at St. Francis Xavier University in Nova Scotia, is designed to inspire First Nations, Métis and Inuit women leaders to spearhead community development projects. The initiative will see the Imperial Oil and ExxonMobil Foundations donate a combined \$4 million over five years.

Employee volunteerism

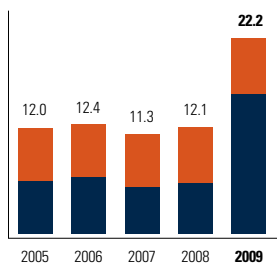
Imperial was one of the first oil and gas companies in Canada to offer grants to non-profit and charitable organizations where its people volunteer. In 2009, 272 employees, retirees and their spouses logged more than 7,500 hours of volunteer time as part of the program, and more than \$211,000 in grants was issued to 218 organizations. In the last five years, this program has awarded more than \$1.1 million to community organizations across the country.

United Way

Imperial recognizes the positive effects United Way-Centraide has made in communities and is a strong supporter of its campaigns across Canada. In 2009, our company, in partnership with employees and retirees from Imperial and ExxonMobil companies in Canada, contributed \$3.7 million to United Way-Centraide campaigns. Imperial's campaign saw more than 1,000 employees and retirees participate as volunteers in Day of Caring activities, which benefited agencies across Canada.

Total community investments

million dollars



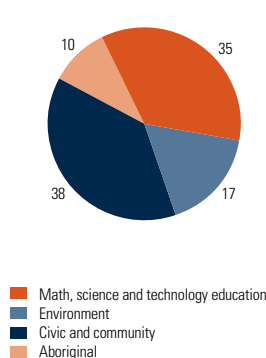
Imperial Oil Foundation
Other (includes in-kind donations and community investment activities outside the foundation)

Analysis

We contribute cash donations or goods and services to registered charities, non-governmental organizations and not-for-profit organizations. In 2009, we contributed a total of \$22.2 million, an 83 percent increase over 2008 levels. This represented an investment of about \$4,400 per employee.

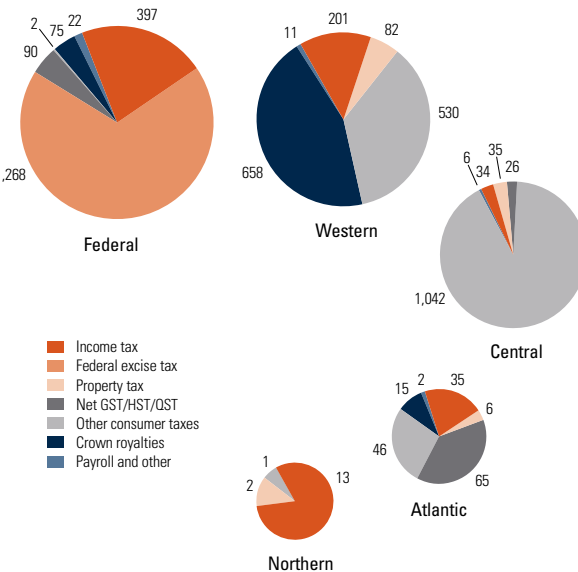
Allocation of community investment

percent of total by focus area



Payments to governments by region

million dollars



Community engagement

Building and maintaining strong relationships with our stakeholders

In 2009

570

employees and contractors trained in cultural awareness

\$92 million

awarded to Aboriginal businesses



On the web

- Aboriginal relations guiding principles and guidelines | imperialoil.ca
- Neighbour reports | imperialoil.ca

“We work to make lasting relationships with communities built on mutual trust and respect.”

Hart Searle
manager of community and Aboriginal relations



Hart Searle, Connie Tuharsky and Janet Maaten, members of the Aboriginal Relations Network

Engagement is an important component of our corporate citizenship strategy. Our engagement efforts help us to identify and shape the way we address the most significant issues related to our financial, social and environmental performance. To be effective, our outreach efforts must be built on honest, transparent, accurate and timely information. We seek dialogue with those groups and individuals that our operations directly impact or that can have a direct impact on our operations or reputation.

Aboriginal relations

We strive to develop and maintain lasting relationships with Aboriginal communities built on mutual trust and respect. We follow a set of guiding principles and guidelines to reinforce our approach to Aboriginal relations and provide guidance in our daily interactions. The principles cover consultation, workforce development, business development and community relations.

Employee networks

We have created a centre of excellence in Community and Aboriginal Affairs based in Calgary to support the development, implementation and stewardship of our

Aboriginal Relations Principles and Guidelines. Along with this, we established an Aboriginal Relations Network of 24 employees to encourage the sharing of best practices in Aboriginal relations across the company.

Workforce development

We are continuing our efforts to increase Aboriginal employment in our company. Our goal is to achieve a workforce that is representative of the number of available, qualified Aboriginal peoples in the labour market. By developing targeted recruitment strategies and networks and investing in scholarships, work placement and training programs, we hope to attract and employ more Aboriginal employees. In 2009, Aboriginal peoples represented about 2 percent of our employee workforce.

Business development

To help build local capacity, we identify and support the development of Aboriginal businesses in Alberta, British Columbia and the Northwest Territories – areas where we have growth projects with significant business opportunities. In 2009, about \$92 million in procurement contracts was awarded to Aboriginal businesses company-wide.

Business highlights data

	2005	2006	2007	2008	2009
Financial and operating ¹					
Net income, millions of dollars	\$ 2,600	\$ 3,044	\$ 3,188	\$ 3,878	\$ 1,579
Annual shareholders' return, percent ²	64.0	12.5	28.0	(24.3)	0.2
Return on average capital employed, percent	32.6	35.9	37.7	44.7	16.8
Gross crude oil and natural gas liquids production, thousand barrels per day	261	272	275	256	244
Gross natural gas production, million cubic feet per day	580	556	458	310	295
Refinery throughput, thousand barrels per day	466	442	442	446	413
Chemical sales volumes, thousand tonnes per day	3.0	3.0	3.1	2.8	2.8
Long-term debt, millions of dollars	\$ 1,439	\$ 1,437	\$ 146	\$ 143	\$ 140
Cash and cash equivalents at year-end	\$ 1,661	\$ 2,158	\$ 1,208	\$ 1,974	\$ 513

Citizenship performance data

	2005	2006	2007	2008	2009
Corporate governance					
Capital and exploration expenditures, millions of dollars	\$ 1,475	\$ 1,209	\$ 978	\$ 1,363	\$ 2,438
Common shares purchased, millions of dollars	\$ 1,795	\$ 1,818	\$ 2,358	\$ 2,210	\$ 492
Dividends, millions of dollars	\$ 317	\$ 311	\$ 324	\$ 334	\$ 340
Corporate political contributions, thousands of dollars	\$ 31	\$ 29	\$ 34	\$ 23	\$ 53.3
Number of regular employees at year-end ^{3,4}	5,096	4,869	4,785	4,843	5,015
Percent of women ³	24.9	25.8	25.7	26.4	26.7
Percent of visible minorities ³	7.3	7.6	8.1	8.9	9.6
Percent of Aboriginal peoples ³	1.7	1.8	2.0	1.8	1.9
Percent of persons with disabilities ³	0.9	0.9	0.9	0.9	0.8

Safety and health

Fatalities – employees	0	0	0	0	0
Fatalities – contractors	0	0	0	0	0
Lost-time incident frequency – employees per 200,000 hours worked	0.03	0.02	0.04	0.04	0.00
Lost-time incident frequency – contractors per 200,000 hours worked	0.01	0.11	0.03	0.05	0.01
Total recordable incident frequency – employees per 200,000 hours worked	0.20	0.50	0.42	0.35	0.18
Total recordable incident frequency – contractors per 200,000 hours worked	0.71	0.99	0.80	1.07	0.54

Environmental performance

Sulphur dioxide, thousand tonnes	47.9	46.4	38.2	34.5	36.1
Nitrogen oxides, thousand tonnes	22.0	20.8	20.5	18.1	15.9
Volatile organic compounds, thousand tonnes	20.6	19.9	20.0	18.9	17.8
Gas flaring from oil production, million cubic feet per day	1.0	1.1	1.0	0.8	1.1
Solution gas recovery from oil production, percent of total solution gas produced ⁵	99.9	99.9	99.9	99.7	99.9
Fresh water use at Cold Lake operation, cubic metres of fresh water per cubic metre of bitumen produced	0.41	0.43	0.43	0.47	0.42
Total energy use, million gigajoules	185.8	192.5	189.8	180.2	171.0
Oil and chemical spills, number	28	34	17	28	28
Volume of product from oil and chemical spills in barrels	199	8,389	126	628	587
Hazardous waste, thousand tonnes	12.5	21.6	14.5	21.2	26.0
Number of environmental regulatory compliance incidents	20	24	41	34	42
Environmental fines and penalties, thousands of dollars	\$ 125	\$ 0	\$ 0	\$ 1	\$ 0
Environmental expenditures, millions of dollars	\$ 620	\$ 524	\$ 474	\$ 620	\$ 770

Managing climate change risk

Greenhouse gas direct emissions – excluding cogeneration, million tonnes of CO ₂ e ⁶	9.7	9.6	9.2	9.0	8.5
Direct emissions – cogeneration, million tonnes of CO ₂ e	1.2	1.3	1.4	1.3	1.3
Indirect emissions, million tonnes of CO ₂ e	1.1	0.9	0.9	0.8	0.5
Total, million tonnes of CO ₂ e	12.0	11.8	11.5	11.1	10.3
GHG emission intensity, Upstream, tonnes of CO ₂ e per barrel of oil equivalent produced	0.050	0.048	0.051	0.059	0.061
GHG emission intensity, Downstream and Chemicals, tonnes of CO ₂ e per unit of normalized throughput	1.37	1.34	1.31	1.29	1.33
Fuels refining energy intensity, normalized index ⁷	0.830	0.841	0.837	0.847	0.839

Economic development

Community investment, millions of dollars	\$ 12.0	\$ 12.4	\$ 11.3	\$ 12.1	\$ 22.2
Contributions to United Way-Centraide campaigns, millions of dollars ⁹	\$ 3.0	\$ 2.9	\$ 3.0	\$ 3.2	\$ 3.7
Payments for goods and services, billions of dollars	\$ 3	\$ 3	\$ 3.2	\$ 3.6	\$ 4
Taxes and royalties to government, billions of dollars	\$ 5.4	\$ 5.2	\$ 5.8	\$ 5.8	\$ 4.6
Wages and benefits to employees, billions of dollars	\$ 1.3	\$ 1	\$ 1	\$ 1	\$ 1.2

Community engagement

Cultural awareness, number of people trained ⁸	n/a	n/a	n/a	n/a	570
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¹ For complete disclosure and additional information, see the 2009 Imperial Oil Annual Report at www.imperialoil.ca.

² Includes share appreciation and dividends.

³ Statistics are collected from self-identification questionnaires.

⁴ All Imperial employees as of December 31.

⁵ 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.

⁶ Imperial reports both direct and indirect GHG emissions from all owned and operated facilities. Direct GHG emissions are from Imperial's own operations. Indirect emissions result from the generation of electricity produced for Imperial by external sources.

⁷ 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.

⁸ Data first reported in 2009.

⁹ Represents combined donations from the company, employees and retirees.



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More detailed information on the statements and facts in this summary report can be found in our full 2009 Corporate Citizenship Report available on our website (imperialoil.ca/citizenship).

For additional information and to provide comments, please contact:

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Conventions used in this report

Most of this report focuses on activities in 2009. Where notable, we have added events from early 2010. Performance data are provided on all aspects of Imperial's business that is both owned and operated. We do not include data on operations that are operated by others such as Syncrude. For information on Syncrude's performance, visit www.syncrude.ca. Dollar figures are in Canadian currency, except where noted.

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