Conference Title: **Exxon Mobil Corporation Annual Meeting**

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Cautionary Statement:
Statements of future events, conditions, expectations, plans, or ambitions in this presentation or the subsequent discussion period are forward-looking statements. Similarly, discussions of future carbon capture, transportation and storage, as well as biofuels, hydrogen and other plans to reduce emissions are dependent on future market factors, such as continued technological progress, policy support and timely rulemaking and permitting, and represent forward-looking statements. Actual future results, including financial and operating performance; potential earnings, cash flow, and rates of return; total capital expenditures and mix, including allocations of capital to low carbon solutions; structural earnings improvement and structural cost reductions and efficiency gains, including the ability to offset inflationary pressures; ambitions to reach Scope 1 and Scope 2 net zero from operated assets by 2050, plans to reach net zero Scope 1 and 2 emissions in Upstream Permian Basin unconventional operated assets by 2030, eliminating routine flaring inline with World Bank Zero Routine Flaring, reaching near-zero methane emissions from its operations, meeting ExxonMobil's emission reduction plans and goals, divestment and start-up plans, and associated project plans as well as technology efforts; success in or development of future business markets like carbon capture, transportation and storage, hydrogen, biofuels or advanced recycling; maintenance and turnaround activity; drilling and improvement programs; shareholder distributions; planned integration benefits; resource recoveries and production rates; and product sales levels and mix could differ materially due to a number of factors. These include global or regional changes in oil, gas, petrochemicals, or feedstock prices, differentials, other market factors, economic conditions or seasonal fluctuations affecting the oil, gas, and petrochemical industries and the demand for our products; government policies and regulations supporting lower carbon investment opportunities such as the U.S. Inflation Reduction Act or policies limiting the attractiveness of investments such as European punitive taxes on the energy sector; variable impacts of trading activities each quarter; policy and consumer support for emission-reduction products and technology; the outcome of competitive bidding and project wins; regulatory actions targeting public companies in the oil and gas industry; changes in local, national, or international laws, regulations, and policies affecting our business including with respect to the environment; taxes, trade sanctions, and actions taken in response to pandemic concerns; the ability to realize efficiencies within and across our business lines and to maintain current cost reductions as efficiencies without impairing our competitive positioning; the outcome and timing of exploration and development projects; decisions to invest in future reserves; reservoir performance, including variability in unconventional projects; the level and outcome of exploration projects and decisions to invests in future resources; timely completion of construction projects; war, civil unrest, attacks against the company or industry, and other political or security disturbances; expropriations, seizures, and capacity, insurance or shipping limitations by foreign governments or international embargoes; changes in consumer preferences; opportunities for and regulatory approval of investments or divestments that may arise; the outcome of our or competitors' research efforts and the ability to bring new technology and businesses to commercial scale on a cost-competitive basis; the development and competitiveness of alternative energy and emission reduction technologies; unforeseen technical or operating difficulties including the need for unplanned maintenance; and other factors discussed here and in Item 1A. Risk Factors of our Annual Report on Form 10-K and under the heading "Factors Affecting Future Results" available through the Investors page of our website at exxonmobil.com. All forward-looking statements are based on management's knowledge and reasonable expectations at the time of this presentation and we assume no duty to update these statements as of any future date. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an

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This presentation and the subsequent discussion include references to third party scenarios such as the IEA's Net Zero Emissions by 2050 Scenario and the IPCC 74 Lower 2°C scenarios, made available through the IPCC SR 1.5 scenario explorer data. These third-party scenarios reflect the modeling assumptions and outputs of their respective authors, not ExxonMobil, and their use and inclusion herein is not an endorsement by ExxonMobil of their likelihood or probability. The analysis done by ExxonMobil on any such third-party scenario and the representation thereof aims to reflect the average or trends across a wide range of pathways. Where data was not or insufficiently available, further analysis was done to enable a more granular view on trends within these scenarios.

ExxonMobil reported emissions, including reductions and avoidance performance data, are based on a combination of measured and estimated data. Calculations are based on industry standards and best practices, including guidance from the American Petroleum Institute (API) and Ipieca. Emissions reported are estimates only, and performance data depends on variations in processes and operations, the availability of sufficient data, the quality of those data and methodology used for measurement and estimation. Emissions data is subject to change as methods, data quality, and technology improvements occur, and changes to performance data may be updated. Emissions, reductions and avoidance estimates for non-ExxonMobil operated facilities are included in the equity data and similarly may be updated as changes in the performance data are reported. ExxonMobil's plans to reduce emissions are good-faith efforts based on current relevant data and methodology, which could be changed or refined. ExxonMobil works to continuously improve its approach to identifying, measuring, and addressing emissions. ExxonMobil actively engages with industry, including API and Ipieca, to improve emission factors and methodologies, including measurements and estimates. Emissions reductions are calculated for Scope 1 and Scope 2 emissions of operated assets against a 2016 baseline.

Forward-looking statements contained in this release regarding the potential for future earnings, cash flow, shareholder distributions, returns, structural cost reductions, capital and exploration expenditures, and volumes, including statements regarding future earnings potential and returns in the Upstream and Product Solutions segments and in our lower-carbon investments, are not forecasts of actual future results. These figures are provided to help quantify for illustrative purposes management's view of the potential future results and goals of currently-contemplated management plans and objectives over the time periods shown, calculated on a basis consistent with our internal modeling assumptions. For all price point comparisons, unless otherwise indicated, we assume $60/bbl Brent crude prices and $3/mmbtu Henry Hub gas prices. Unless otherwise specified, crude prices are Brent prices. These are used for clear comparison purposes and are not necessarily representative of management's internal price assumptions. All crude and natural gas prices for future years are adjusted for inflation from 2022. Energy, Chemical, and Specialty Product margins reflect annual historical averages for the 10-year period from 2010—2019 unless otherwise stated. Lower-emission returns are calculated based on current and potential future government policies based on ExxonMobil projections. These assumptions are not forecasts of actual future market conditions. For example, the legal framework for carbon capture is still being developed. Capital investment guidance in lower-emissions investments is based on plan, however actual investment levels will be subject to the availability of the opportunity set and focused on returns.

Please see the following documents for definitions, footnotes, reconciliations, and supplemental materials covered in today's presentation: 2022 Corporate Plan Update, 4Q22 Earnings Call Presentation, Low Carbon Solutions Spotlight, and Frequently Used Terms.

Speaker: For more than 140 years, ExxonMobil has delivered the energy and products needed to improve quality of life and drive economic growth around the world. For us, providing the energy the global economy requires while also cutting greenhouse gas emissions shouldn't be an either-or choice. We think of it as an "and" equation, and that's an equation we're built to help solve.

Jennifer Driscoll: Good morning, everyone. Welcome to the ExxonMobil 2023 Annual Meeting of Shareholders. I'm Jennifer Driscoll, Vice President of Investor Relations. As we get started, I'd like to address some of the procedural aspects of today's meeting. Please note that this broadcast will be recorded and will consist of copyrighted material. You may not record or rebroadcast these materials without ExxonMobil's consent.

Consistent with best practices, our meeting today is being conducted virtually, which enables broader investor participation. Although we don't expect any technical challenges today, if for some reason we're unable to proceed with the meeting virtually, please be advised that the notice of the annual meeting has been properly served. A quorum is present. All proposals will be deemed to be properly presented before the meeting. Appointed proxies have cast all votes as set forth on the individual proxy cards. Polls will be closed at 10:30 central time and the meeting will be adjourned. Final votes will be posted on ExxonMobil investor website and filed with the SEC on a Form 8-K.

With that, let me remind you that we'll make forward-looking statements today. They're subject to a variety of risks and uncertainties. For more information on the factors that could cause our actual results to differ materially from any forward-looking statement, please refer to our cautionary statement on the slide, as well as the Risk Factors section of our most recent Form 10-K.

Now I'll summarize the rules including how proponents of shareholder proposals or their duly authorized representatives will be recognized and the items of business to be covered. In a few moments, I'll turn the meeting over to Darren Woods, our Chairman and CEO for the 2023 ExxonMobil Business Review. Darren will share his thoughts on the critical role we play in supplying the energy and products our world needs, the industry-leading results we delivered last year and our plans to create long-term shareholder as we work to be a leader in the energy transition.

The Business Review will be followed by 16 items of business, including four board proposals and 12 shareholder proposals. The proponent of item 17 has withdrawn the proposal. Therefore, item 17 will not be presented or voted upon at today's annual meeting, nor will any votes cast regarding item 17 be tabulated or reported.

The Board proposals include the election of directors, ratification of independent auditors, and advisory votes on current year executive compensation and future voting frequency to approve executive compensation. If you wish to vote or to change a prior vote, please follow the voting instructions displayed on your screen. Polls will then be closed and I'll provide the preliminary voting results from the inspectors of election. That will conclude the formal business of the meeting.

Next, we'll answer questions from our shareholders, and then Darren will provide a few closing remarks.

To ensure our meeting is conducted in an orderly and productive manner, the Board has established rules governing this event. The rules of conduct are available within the meeting materials on the virtual meeting website. The only ones entitled to participate during the meeting are shareholders as of the record date April 5 or their properly appointed proxies. We want to ensure we have adequate time to hear all the proposals as well as take shareholders questions.

As such, each presenter will keep their remarks to three minutes or less. To help keep us on time, there will be two audible notifications to remind the presenters they're nearing the end of their allotted time. The first sound will be heard when 30 seconds remain. A second and final notification will occur when 10 seconds remain. At the end of three minutes, the operator will conclude the proponent's remarks. I'll pause now so we can demonstrate the notification. Adhering to three minutes per presenter will ensure everyone is given an equal opportunity.

Prior to today's meeting, we received a number of shareholder questions through our website. For those of you who've registered as an identified shareholder and still want to submit a question, you may do so using the Ask a Question box in the lower left of your computer screen. Questions of general interest relating to ExxonMobil business will be considered during our question-and-answer period. In the interest of time, similar questions may be combined. While we may not get to every question, we'll do our best to answer as many as we can.

A list of shareholders entitled to vote is available for your inspection. Further instructions are included in the meeting materials on the virtual meeting website. Shirley Nessralla and Paula Buckley of Computershare have been appointed as the inspectors of election for this meeting and are participating remotely. They've taken an oath of office that has been delivered to the Secretary for filing with the minutes. Notice of this meeting has been properly given. The inspectors of election have determined that a quorum is present.

Now it's my pleasure to turn the call over to Darren Woods.

Darren Woods: Thank you, Jennifer. Good morning, everyone. I'd like to bring our 2023 annual shareholder meeting to order. The polls are now open. I declare a quorum present and the meeting ready for business.

Before we turn to this year's formal business, I'd like to spend a few minutes reviewing our progress over the past year and how we plan to carry that momentum forward. For more than 140 years, ExxonMobil has successfully delivered the energy and products needed to improve living standards and drive economic growth around the world.

At the heart of our long-running success is constant innovation and the hard work of our employees, allowing us to meet society's ever-changing needs. This ongoing evolution is the focus of our strategy, meeting the world's demand for reliable and affordable energy and products, even as we reduce our own emissions and help others do the same. We call this the “and” equation - increasing energy supply and reducing emissions - and it's critical for a thoughtful energy transition.

This has never been an either/or proposition. A modern society requires we do both, and our company is determined to do just that. In 2022, we grew year-over-year oil and natural gas production by the equivalent of about 170,000 barrels per day. The increase more than offset the loss of volumes from Sakhalin-1, and asset sales, which we no longer account for, but importantly remain part of global supply.

Net of our previous volumes now booked by others, we grew production by 25,000 barrels per day. On top of that, we reduced our corporate-wide emissions intensity by more than 10%, or about 15% on an absolute basis, since 2016. At the same time, we began the work to meaningfully reduce other companies’ emissions. In achieving these elements of the “and” equation, we delivered industry-leading value for you, our shareholders.

It wasn't easy. Our success frequently required us to make decisions that went against conventional wisdom. We invested during the down cycle despite heavy criticism. Quite simply, we stepped up to help meet the world's needs when many others stepped back. Yes, last year's results were helped by tight market, but we worked hard to grow the business and benefit from that market. Our success stems from the commitment, experience and capabilities of our people. Their skills, tenacity and resiliency are the bedrock on which our company is built.

People like Ashlika Persaud, one of our geoscientists on the team that had previously discovered more than a billion barrels of oil offshore her native country of Guyana; or Natalie Martinez, who used her expertise in materials engineering and equipment reliability to help build our advanced recycling operations in Baytown - a facility with a capacity to recycle 80 million pounds of plastic waste per year; or Matt Kolesar, our Chief Environmental Scientist, who led the team that cut methane emissions intensity across our operated assets by more than 50% as of the end of last year versus 2016.

These are just three examples. I could give 62,000 more. Attracting and retaining top talent is essential to achieving our long-term objectives, so is continuously developing our future leaders and maintaining a culture where employees feel respected and can deliver their best. Those are just a few of the reasons we've been recognized as the most attractive employer in the industry for U.S. engineering students in 2022 and for 10 years running.

We're equally committed to being an essential partner to others, working to create shared success with host governments, with customers, with other industries and with local communities. For example, we signed an agreement in 2022 with Qatar Energy to further develop the North Field East project. Together, we plan to expand LNG capacity in Qatar to 110 million metric tons per year by 2026, offering greater energy supply in a lower emissions alternative to coal.

In Texas, we started up Gulf Coast Growth Ventures in partnership with SABIC. This state-of-the-art chemical plant includes one of the world's largest steam crackers and equips us to meet growing demand for clothing, packaging, construction materials, and other performance products with lower lifecycle emissions.

In our low-carbon solutions business, we forged new partnerships that are gaining strong momentum. Our landmark CCS project with CF Industries is expected to capture 2 million metric tons of CO2 per year. And just last month, we announced a new CCS agreement with Linde, one of the world's leading industrial gas and engineering companies. This commercial off-take agreement is expected to capture, transport, and permanently store up to 2.2 million metric tons of CO2 emissions annually. Together, these two projects would capture the equivalent CO2 of replacing nearly 1.5 million gasoline powered cars with electric vehicles each year. That's more than double the number of electric vehicles that were sold in the U.S. last year.

On the technology front, our partnership with Mitsubishi Heavy Industries will advance carbon capture solutions with the potential to reduce the cost of CO2 capture for heavy emitting industrial customers. These partnerships and commercial agreements are sending a clear message to other potential customers. We're ready and uniquely able to help them meet their emissions reduction goals.

Of course, our ability to create value for others would not be possible without our portfolio of advantaged assets, which are driving higher production and attractive returns. For example, our assets in Guyana and in the Permian increased production by more than 30% last year. The Gulf Coast Growth Ventures project I just mentioned was cash flow positive within a few months of startup, a remarkable achievement for a facility of this scale. In Beaumont, we recently started up the largest U.S. refinery expansion in the last decade, adding 250,000 barrels per day of new capacity.

At the same time, we continue to high grade our portfolio with the divestments of $5 billion of non-core assets and strengthen our balance sheet by retiring $7 billion of debt during the year. Our strong balance sheet and cash position give us the flexibility to execute our capital-allocation priorities through the cycles, including investing in higher return projects and returning cash to our shareholders.

For all of our success last year, we're not complacent. We know we have to keep innovating. It's only by continuing to develop new technologies and improve our products that we can continue to improve modern life, enhance our efficiency, and reduce greenhouse gas emissions.

In our Product Solutions business, our customers want high value products and lower lifecycle emissions. In most cases, plastics have lower lifecycle GHG emissions than alternative materials. Our Baytown advanced recycling facility is an example of how we're providing circular solutions. Our proprietary Exxtend™ technology breaks down plastic waste to the molecular level to create the building block for many high-value products, including virgin-quality plastic.

Another way we drive innovative solutions is through strategic business combinations that align with our competitive advantages. A case in point is our acquisition of Materia, a company that pioneered a Nobel Prize winning technology for manufacturing a new class of hydrocarbon-based materials. These innovative light-weight materials can be used in a number of applications including wind turbine blades, electric vehicle parts, sustainable construction, and anti-corrosive coatings. The energy transition is increasingly enabled by lighter weight and stronger materials, many of which we produce.

ExxonMobil's 2022 performance among IOCs can be summarized in two words: industry leading. Our advantage portfolio, strong execution and capital discipline delivered industry-leading earnings, cash flows, return on capital employed and total shareholder returns.

Our production in Guyana and the Permian reached record levels. Our North America refineries delivered their best ever annual throughput on a same site basis and we generated nearly $7 billion in structural savings versus 2019. Our ability to significantly improve our cost structure while growing profitably helped improve earnings and fortify the balance sheet, further increasing flexibility to navigate future down cycles.

Through it all, we shared the success with you, reclaiming our position as the industry's leader in total shareholder returns, increasing the annual dividend for the 40th consecutive year and returning approximately $30 billion to our shareholders, which included $15 billion in share repurchases.

Looking ahead, we're well positioned to build on this success. We've evolved our operating model and consolidated into three core businesses: Upstream, Product Solutions and Low Carbon Solutions. This structure improves our effectiveness, efficiency, and earnings resiliency. The five-year plan we shared in December is designed to maximize the value of our business model, our advantage portfolio, and our competitive strengths.

By 2027, we expect to double earnings and cash-flow potential, driven by growth in low cost-per-barrel Upstream assets, the expansion of high-value products in the Product Solutions business and structural cost savings are on track to reach $9 billion this year compared to 2019. Central to this plan is continued progress in reducing emissions, our own and others'. For an example of how we aim to do this look, no further than one of our largest and most important assets, the Permian Basin.

We successfully eliminated routine flaring at our operated assets by the end of last year and we're on a path to achieve net zero emissions in the Permian by 2030, all while growing production to a million barrels per day. Overall, we plan to invest about $17 million on lower-emissions initiatives through 2027. Of our total investment, about 60% is focused on reducing our own emissions, while 40% is directed toward profitably growing our Low Carbon Solutions business, which is focused on carbon capture and storage, hydrogen and lower emission fuels.

These three technologies are part of our proven experience and competitive advantages. They're also critical to reducing emissions in the highest-emitting and hardest to decarbonize sectors of the economy, such as manufacturing, power generation and commercial transportation.

Our Low Carbon Solutions business leverages all of our core capabilities, giving us the ability to invest in the largest and highest-return opportunities anywhere in the world. At ExxonMobil, we've earned a reputation as a high-performing, high-integrity organization that meets our commitments, delivers large-scale capital-efficient projects on time and on budget, and sets the highest standards for safe and reliable operations.

Our track record differentiates us from others and makes us a preferred partner. We see a bright future for this business. With clear and consistent government policy, the development of a carbon market and technology advancements, we'll continue to grow our pipeline of lower emissions opportunities and generate strong double-digit returns.

In closing, let me express my confidence that ExxonMobil has the right people, the right assets, and the right strategy to play a leading role in solving the "and" equation. As the energy system evolves, our focus on the fundamentals and investments in an integrated and diversified portfolio of advantaged businesses, anchored in a common set of core capabilities, positions us for industry-leading success. The strategy that we've developed, the organization we've built, and the businesses we're focused on ensure ExxonMobil will continue to grow and create value for our shareholders for many decades to come.

We know you have choices when it comes to investing your money, and we thank you for the trust you've placed in us to guide ExxonMobil into the future. As we move forward, we will strive to earn it every day.

With that, let's turn to the business of the meeting. I'm now placing the 16 items of formal business listed in the meeting notice, including the election of directors before the meeting for a vote. The first proposal is the election of 12 directors. The Board nominates the 12 persons identified in the proxy statement. All 12 are highly qualified to serve on the Board. All the nominees are currently serving as ExxonMobil Directors and are participating in this meeting remotely.

They are Michael Angelakis, Susan Avery, Angela Braly, Gregory Goff, John Harris, Kaisa Hietala, Joseph Hooley, Steven Kandarian, Alexander Karsner, Lawrence Kellner, Jeffrey Ubben, and myself.

I also want to take this opportunity to recognize one of our directors who's retiring from our Board, Ursula Burns. Ursula has served on our Board since 2012 and as Chair of our Audit Committee since 2017. It has been a great pleasure working with her over the years. Ursula, we appreciate the leadership and wise counsel you've provided and we're extremely grateful for your years of service on our Board of Directors. I know I speak for everyone who had the chance to work with you over the years. We'll miss you and wish you all the best in whatever your future holds.

Then the next item on the agenda is the ratification of Pricewaterhouse Coopers as the independent auditor. The Board's Audit Committee has appointed PwC to audit ExxonMobil's financial statements for 2023. PwC is represented today by Chuck Chang, who's also participating remotely. The Audit Committee's reasons for recommending PwC appear in the proxy statement. The Audit Committee recommends a vote for ratification of that appointment.

The next Board proposal calls for a shareholder advisory vote to approve executive compensation. The Board recommends a vote in favor of this proposal.

Moving on to resolution number four. This Board proposal calls for a shareholder advisory vote on the frequency of advisory votes on executive compensation. The options are to hold a vote every one, two, or three years. The Board recommends that the vote be held every year.

The next order of business is consideration of shareholder proposals, the details of which can be found in the proxy statement posted within the meeting materials on your display. Jennifer will introduce each of the presenters.

Jennifer Driscoll: Thank you, Darren. As a reminder, all presenters will be given up to three minutes to present their proposals. The first shareholder proposal calls for a new Board Committee on decarbonization risk. I understand that David Bahnsen has submitted a recording to present the proposal. Operator, please play the recording.

Speaker: Hello. My name is David Bahnsen. I am a financial advisor, an ExxonMobil shareholder and an investor, but I am not a shareholder activist. I make investment decisions in accordance of my duty to optimize the financial success of our client. I do not use my influence as an investor to pull companies into various political or social causes as is often done with these shareholder resolutions.

My intention in this proposal is the opposite. It's for shareholder interest by getting politics out of the company, not by pushing more politics into the company. ExxonMobil is one of the best run companies in the world. It has done well by my clients and by me. I come here as a friend, not a critic, and I invite the company to do something which shareholder activists never do, to defend the business that you as a company are in. I believe that oil and gas resources have vastly increased the standard of living for the human race and that our company has been part of that.

Each year the company is besieged by proposals from activist groups who don't seem to like oil companies. They push for politically determined phase outs of fossil fuels or confessions from the company about all the alleged harm, which comes from powering the modern economy in an economical way to count the alleged risk of being a producer of carbon-based energy. I come with a very different request. I would like to ask the company to tell us what the risk would be if the company actually gave in to activist demands and divested itself from fossil fuels.

What if activists got their wishes? What would happen to investors, let alone the world if the world's largest investor-owned oil company stopped being an oil company? I'm realistic enough to know that it is unlikely this proposal will pass. Shareholder proposals seldom do and mine does not have the support of proxy services such as ISS, which sets the agenda, albeit, without skin in the game. But when it fails, I want to say to the managers of the company that the invitation remains open. Defend what it is that you do every day to keep the lights on, yours and the world's as well.

The silent majority of people who invest their own money and do it for return will welcome that. Thank you very much.

Darren Woods: Thank you, David. Let me start by assuring you that the people of our company are proud of what they do and the role our products play in fueling economic progress and improving living standards all around the world. Let me now respond to the proposal.

The Environment Safety and Public Policy Committee oversees operational and other risks that result from technology, policy and regulatory changes and regularly engages with senior management on climate matters in our environmental approach and performance. Our strategy leverages the same competitive advantages and core competencies to address both our heritage businesses and our new Low Carbon Solutions business.

The full Board carefully considered concerns raised by this proposal and endorsed a corporate strategy that's robust to a range of scenarios from oil and gas to full decarbonization and any point in between. Decarbonization risk is one of the many risks already incorporated into the rigorous risk oversight framework and processes overseen by the Board and the relevant committees. Therefore, the Board recommends shareholders vote against this proposal.

Jennifer Driscoll: Thank you, Darren. The second shareholder proposal calls for reducing executive stock holding periods. I understand that John Chevedden will present the proposal. Operator, please open the line. John, please go ahead.

John Chevedden: Hello. This is John Chevedden for Kenneth Steiner, the proponent. This is proposal six and the correct title of proposal six is not the title that was just read. The correct title is Executives to Retain Significant Stock. Shareholders asked our executive pay committee to adopt a policy requiring senior executives to retain 50% of stock acquired through equity pay programs until reaching retirement and to report to shareholders regarding such a policy in our company's next annual meeting proxy.

This single unified policy shall prohibit hedging transactions for shares subject to this policy which are not sales, but reduce the risk of loss to the executive. Otherwise, our directors might be able to avoid the impact of this proposal. Requiring senior executives to hold a significant portion of stock obtained through executive pay plans would force focus - would focus ExxonMobil's executives on the company's long-term success.

A conference board task force report stated that hold-through-retirement requirements give executives an ever growing incentive to focus on long-term stock performance. The Board of Directors made a failed claim that this proposal is unnecessary. The Board of Directors hired a $2 billion law firm to try to convince the Securities and Exchange Commission that this proposal was unnecessary. This resulted in failure for the Board of Directors and the $2 billion law firm.

Mr. Joseph Hooley, who chairs the ExxonMobil Governance Committee, is ultimately responsible for failed arguments to the Securities and Exchange Commission and the expense involved. Who should shareholders trust more? The neutral Securities and Exchange Commission or the Board of Directors, which has an axe to grind. Why does the Board of Directors stubbornly resist adopting a policy on executives retaining stock acquired through equity pay programs until reaching retirement? Please vote yes, executives to retain significant stock, proposal six.

Darren Woods: Thank you, John. Our long-term incentive program represents more than 70% of total direct compensation for senior executives. It is in the form of performance shares subject to some of the longest restriction periods in the Fortune 100. Half of performance shares vest five years from grant date while the remaining half vest 10 years from grant date.

Importantly, vesting is not accelerated at retirement and our policies already prohibit hedging awards granted under the program. Retaining 50% of awards only until retirement as stated in this proposal, would in fact result in accelerated vesting, thus undermining the intent of the program. Therefore, the Board recommends shareholders vote against this proposal.

Jennifer Driscoll: Thank you, Darren. The third shareholder proposal is one of nine proposals requesting additional reporting or a new report. This one calls for an additional report on carbon capture and storage and emissions. I understand that Steve Milloy will present the proposal. Operator, please open his line. Steve, please go ahead.

Speaker: Good morning. My name is Steve Milloy. I'm pleased to be here this morning among real ExxonMobil shareholders, those who want to make money by selling life-giving fossil fuels. I'm not pleased to be here with our fake shareholders, those who want to hijack ExxonMobil to advance their leftist political agenda. And I'm not so pleased either with management which keeps trying to play the climate hoax game.

But I guess the good news is that we're still making a pile of money despite the fake shareholders and despite management's ongoing dalliance with climate idiocy. My proposal is about management's false assertions that enhanced oil recovery reduces emissions by storing CO2. In fact, and as management has admitted, enhanced oil recovery increases emission and I don't think management should be lying about it. That said, I'm not worried about the emissions themselves. We're constantly told that every emission warms the planet. We're told that emissions drive warming, but the reality is that for almost nine years now, there's been no global warming despite global emissions amounting to about 500 billion tons. Did you hear that? There's been no warming since mid 2014 despite 500 billion tons of emissions.

Since 2014, industrial era atmospheric CO2 has increased by 23% and no warming. It would take ExxonMobil almost 900 years to emit 500 billion tons of emissions and it wouldn't cause any warming. None of this is rocket science. None of this is so-called climate denial. It's straight government data that debunks the climate hoax. The slight warming we've experienced since 1980 has been caused by a series of El Niños. If you read the newspapers, you'll see there's another El Niño coming. Depending on its strength, there may be more slight warming, but that warming won't be caused by emissions. It will be caused by El Niño.

I wish management would acknowledge these realities, stop the pointless and harmful foolishness about emissions. Darren Woods, we hired you to run the company for us real shareholders so we could make money. We did not hire you to run the company for the fake shareholders in their anti-America political agenda and no one hired you to lie about emissions. The path forward is simple. Tell the truth, fight the activists and keep making money. Thank you.

Darren Woods: Thank you, Steve. We have more than 30 years of experience capturing and storing CO2 and have captured more anthropogenic CO2 than any other company. In fact, we have an equity interest in about one-fifth of the world's carbon capture capacity at about nine million metric tons per year, which is equivalent to the annual emissions of approximately two million gasoline-powered passenger vehicles.

The proponent implies in the proposal there's no emissions benefit associated with the use of CO2 for enhanced oil recovery by citing an article from 2016 that does not fully account for full lifecycle analysis. Contrary to that view, recovery of CO2 used in enhanced oil recovery is broadly recognized for economic and GHG benefits when using a closed loop CO2 injection system. On a life-cycle basis, which includes global oil market impacts, 63% of all CO2 stored through EOR is a net reduction in CO2 emissions. This is why the Inflation Reduction Act incentivizes enhanced oil recovery.

We already provide extensive CCS disclosures. The additional disclosures requested by the proponent are unwarranted as EOR with CO2 is broadly recognized for its greenhouse gas benefits. The Board recommends voting against this proposal.

Jennifer Driscoll: Thank you Darren. Our fourth shareholder proposal calls for a report on additional direct methane measurement. I understand that Natalie Wasek has submitted a recording to present the proposal. Operator, please play the recording.

Natalie Wasek: Good morning, Mr. Woods, members of the Board and shareholders. My name is Natalie Wasek and on behalf of the Sisters of St. Francis of Dubuque Charitable Trust, I present shareholder proposal number eight, which asks our company to issue a report analyzing the reliability of its methane emission disclosures.

ExxonMobil has made progress with its methane emission detection and mitigation work. We acknowledge ExxonMobil's commitment to reduce methane emissions in alignment with the global methane pledge and the company's support of strong measurement reporting and verification standards. However, ExxonMobil has not taken the critical step to address investor concerns by committing to integrate direct measurement into its emissions reporting.

ExxonMobil's current reported methane emissions are estimated rather than measured and its disclosures lack standardization with other industry frameworks making it challenging for stakeholders to compare ExxonMobil's performance to its peers. Methodologies to report methane emissions that are not based on direct measurement have been shown to greatly underestimate emissions and miss large unforeseen leaks. And the company's carbon pricing scenarios may not accurately represent verified amounts of methane emitted, calling into question the company's ability to effectively plan for the energy transition.

While ExxonMobil has focused efforts and reporting in the Permian Basin, that region accounts for just 15% of ExxonMobil's production and the company has no robust disclosed plans of expanding detection across all its assets globally or how it's going to achieve its OCGI goals. ExxonMobil's current methane targets and reduction only cover the company's operated assets while over half of ExxonMobil's production originates from non-operated assets and the company should adopt targets that cover all assets in which it holds a meaningful equity stake.

The Oil & Gas Methane Partnership 2.0 is rapidly emerging as the leading global standard for methane measurement and mitigation. The framework has been adopted by many major European players. And in the U.S., ExxonMobil is increasingly becoming an outlier among its peer group as ConocoPhillips, OXY, EOG and Pioneer among others have all joined the framework in the past 12 months.

Investors are looking for transparent and comparable data across companies to appropriately assess relative risk. In 2022, a shareholder proposal at Chevron also asking for a report analyzing the reliability of the company's methane emission disclosures was supported by Chevron's Board and subsequently garnered a 97% vote at the company's annual meeting, ExxonMobil has the opportunity to expand upon its current reporting that falls short of the global standard and peers. We urge you to vote for proposal number eight. Thank you.

Darren Woods: Thank you. We're making great progress in reducing methane emissions at our operated facilities and agree that this is one of the most effective ways to help reduce the risk associated with climate change in the near term. Since 2016, we reduced our operated methane intensity by more than 50%. Additionally, we're installing state-of-the-art technology across our 1.8-million-acre Permian position to continuously monitor and detect leaks with data from ground sensors, aerial flyovers and satellite images.

We're a leader in advocating for strong measurement reporting and verification standards and we've publicly reported methane emissions on an annual basis since 2014. Lloyd's provides independent assurance that our GHG reporting, including methane emissions meets ISO standards.

We describe our leadership role in managing methane emissions in our Advancing Climate Solutions report. To produce another report would be duplicative. We support the aims of the Oil & Gas Methane Partnership 2.0. We're working to continually improve emissions estimates over time by applying the best available technology and protocols, but challenges remain with us joining. Quantification technologies are still emerging and do not currently provide consistent repeatable results at the site or point-source level. In many of the countries where we have operations, there are significant access and security issues, as well as a limited number of providers to support site level methane measurements.

Finally, the framework requires us to sign a memorandum of understanding that poses onerous legal obligations including a requirement for us to identify the United Nations. That said, we're continuing to collaborate with the United Nations program and OGMP 2.0 leadership to improve the quality of methane emissions reporting.

In summary, given the significant progress we're making to reduce methane emissions, lack of available technology and the robust disclosures already provided, the Board believes this proposal is both duplicative and unnecessary. Therefore, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The fifth shareholder proposal requests that the company establish a Scope 3 target and reduce hydrocarbon sales. I understand that McKenzie Ursch has submitted a recording to present the proposal. Operator, please play the recording.

Speaker: Mr. Woods, members of the Board and fellow shareholders, thank you for the privilege to address you at today's AGM. Science is clear, to limit global warming to 1.5 degrees Celsius as agreed by 194 countries in the Paris Climate Agreement, the world must almost halve emissions by 2030. ExxonMobil has the brains, the billions and the global market-making capabilities to lead and thrive in the energy transition.

Your Board has chosen a different path. Your Board is determined to cling to their carbon-based business model as long as possible because they think that's what their shareholders want. Therefore, the last two minutes of this speech are dedicated to shareholders.

Your Board will only choose a different path if you, the owners of the company, vote for change. You can do so by voting for shareholder resolution nine. In this shareholder resolution, shareholders request the company to set a medium-term Scope 3 emissions reduction target in line with the Paris Climate Agreement. Today, when the votes of this AGM are shown, we will know how many shareholders are real stewards of the global economy and how many shareholders enable Exxon to continue to cause climate breakdown. We thank all investors who voted for change and encourage all other investors to follow their leadership in the future.

As long as investors enable big oil to cause climate breakdown with their votes against Paris alignment, oil majors will hang on to their fossil business model as long as possible, investing in fossil fuel extraction far outside the boundaries of the Paris Accord, lobby against climate legislation and refrain from investing in alternatives at scale. Ultimately, it is in the company's and its shareholders best interest to pursue the opportunities the energy transition presents.

This will also preempt risks of losing access to capital markets, policy interventions, litigation, liability for the cost of climate change, disruptive innovation and stranded assets. We all know the science of climate change and many of you have children and even grandchildren. They will, unlike you, have a long future in this century, either in a world with or without catastrophic climate change. The future depends on the decisions we make in the current times. It's up to us now. Thank you for your attention.

Darren Woods: Thank you, McKenzie. The Board takes an active role in overseeing ExxonMobil's approach to climate change and agrees with the proponent that we can be and are in fact working to be a leader in the energy transition. We've increased investments by 15% to about $17 billion from 2022 through 2027 to advance a number of initiatives to lower greenhouse gas emissions in our own operations and to help others reduce their emissions.

In recommending against this proposal, we note the proponent does not acknowledge our significant work and commitment to reduce emissions. The proponent is an anti-oil and gas activist group using environmental, social and governance objectives to diminish the important role ExxonMobil plays in the energy industry. In fact, the group's founder admits that its shareholder proposals use the concept of alignment with the Paris Climate Agreement as a Trojan horse to force companies to eliminate oil and natural gas investments.

The Scope 3 emissions framework, when applied to an individual company, is deeply flawed. Scope 3 is a useful measure of emissions at a macro level for countries and nations. Applied to an individual company, it creates unintended consequences that may actually increase emissions. If an energy company discontinues operations to meet Scope 3 targets while the demand for energy remains, consumers can be forced to make do with less energy, pay significantly higher prices or turn to higher emitting sources.

Scope 3 also penalizes companies for providing lower emitting energy. The natural gas we produce generates about 60% fewer emissions on a lifecycle intensity basis than coal. However, in producing more natural gas that allows society to burn less coal, our Scope 3 emissions go up.

Lastly, Scope 3 gives companies like ours zero credit for reducing others' emissions through technologies such as carbon capture and storage. A far better approach is a full lifecycle approach that uses intensity metrics and recognizes the contributions companies make across industries.

On this basis, for operated assets, we expect to achieve emissions reductions of 6% in intensity and 18% in absolute emissions by 2030 versus 2016 despite an anticipated increase in production volumes in the same period. This proposal is designed to reduce the supply of oil and natural gas and incorrectly applies to our company a metric that was intended to measure society's progress in reducing emissions.

For these reasons, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The sixth shareholder proposal calls for an additional report on worst-case spill and response plans associated with our operations offshore Guyana. I understand that Alexis Stephens has submitted a recording to present the proposal. Operator, please play the recording.

Alexis Stevens: Good morning. My name is Alexis Stephens and I'm a Mercy Associate from Georgetown, Guyana. I'm a communications specialist and social justice advocate with a deep concern for environmental sustainability, equality, good governance and cooperate social responsibility.

I am here to present shareholder proposal number 10, which requests ExxonMobil to issue a report evaluating the economic, human and environmental impacts of a worst-case oil spill from its operations offshore of Guyana. Mercy Investment Services is a long-term investor in ExxonMobil and we are concerned that the company's existing disclosures fail to address how a catastrophic oil spill, similar to the BP Macondo disaster in 2010, would impact the economy, environment and the people of Guyana and other nearby Caribbean nations.

The company's existing disclosures and plans, as outlined in their environmental assessment, do not account for the possibility of an extended discharge like the three-month long BP oil spill, the impact of severe weather conditions on the company's operations or the potential impacts of a worst-case oil discharge on marine life, human health and economies of Guyana and nearby Caribbean countries.

ExxonMobil's responsibility and potential liability for a worse-case spill are of great concern to investors. Recently, Guyana's High Court ruled that the company's Guyana subsidiary failed to comply with the financial assurance obligation required by its environmental permit. The court ordered the company to provide within 30 days unlimited insurance coverage to safeguard Guyana against the potential consequences to the country and its citizens of a significant oil spill.

This ruling makes clear the potential financial liability faced by the company in a worse case oil spill and argues even more strongly for the company to make a full assessment of how it would respond to such a catastrophic event. For these reasons, Mercy urges our fellow shareholders to vote for shareholder proposal number 10. Thank you.

Darren Woods: Thank you, Alexis. The information requested by the proposal is already publicly available in published reports prepared by the company and credible third-party experts. Before exploration activities began in Guyana, we developed detailed emergency preparedness response plans covering a wide variety of potential scenarios. These scenarios include releases of different types of hydrocarbons at the shore base and on vessels. These scenarios also consider the latest technological advancements.

For example, the industry has developed a worldwide network of equipment, including capping stacks, that was not available in 2010 during the Macondo incident. This equipment significantly mitigates the risk of a Macondo-type extended release. These plans are continuously updated as our project scope expands. Each Guyana project Environmental Impact Assessment and Oil Spill Response Plan for operations is currently available on our website as well as the Guyana EPA’s website.

Finally, and importantly, we want to clear up any misunderstanding of engineering terminology. When we indicate that an asset is operating above design capacity, we simply mean that the volume is above the investment basis, meaning performance is exceeding expectations. The phrase is unrelated to safety measures. We've explained this to the proponent who continues to wrongly state that this is a safety issue. It is not. Because the information sought is already available on our website, this proposal is unnecessary. Therefore, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The seventh shareholder proposal calls for reporting greenhouse gas emissions on an adjusted basis. I understand that Andrew Behar has submitted a recording to present the proposal. Operator, please play the recording.

Speaker: Good morning. My name is Andrew Behar. Thank you for the opportunity to speak on this issue. Item 11 asks ExxonMobil to accurately account for greenhouse gas emissions that it transfers to other companies by recalculating its greenhouse gas emissions baseline. An emissions baseline provides a reference point in the past against which current emissions are compared.

To avoid giving the appearance that emissions are being reduced when they're simply transferred elsewhere, an emissions baseline must be adjusted to exclude such transfers. Shareholders rely on a company's reported progress against targets to reflect real world emissions cuts. Counting transferred emissions toward the selling company's reduction goals gives credit for climate progress where none has occurred.

The Board definitely agrees with its fundamental principle, but ExxonMobil remains unwilling to provide clarity to investors as to the role the divestments play in achieving the company's net zero ambition or the role of divestments in the absolute emissions reductions ExxonMobil has reported achieving. Between 2017 and 2021, ExxonMobil sold more assets than all but one other American oil and gas company. Despite these significant asset transfers, ExxonMobil does not disclose the percentage of its reported emissions reductions that are the result of transferring assets to other companies.

ExxonMobil can clarify this uncertainty by disclosing a recalculated baseline that excludes emissions associated with asset transfers. This information is critical to sound investor decision making. Without it, investors cannot accurately discern ExxonMobil's success in reducing real world emissions. This proposal's requested disclosures align with the recommendations of expert standard setters such as the Greenhouse Gas Protocol, the Global Oil & Gas Association, IPIECA and some peer companies. Through this small change to its climate reporting, investors can rely on the accuracy of ExxonMobil's reported emissions reduction performance. We look forward to a meaningful response in addressing this critical issue. Thank you.

Darren Woods: Thank you, Andrew. The Board agrees with the proponent that greenhouse gas metrics and calculation methods should incentivize actions to address emissions and we agree that divesting assets to manipulate company-specific absolute emissions is not a constructive way to reduce global emissions. We make investment decisions to maximize value and improve competitiveness, not to reduce emissions.

And while we do not adjust our emissions baseline downward for divestments, we also do not adjust it upward for acquisitions or added capacity, which would be necessary if the goal is to meet society's demand at the most advantaged emissions profile. We believe that intensity-based metrics, which we already disclose are a better indicator of the progress with emissions than absolute metrics.

Consistent with regulatory requirements using a baseline year of 2016 for Scope 1 and 2 emissions from operated assets, we've disclosed a greater than 10% reduction in greenhouse gas emissions intensity and approximately a 15% reduction in absolute emissions through 2022. Also through 2022, methane emissions from operated assets are down more than 50% on an intensity basis and down 50% on an absolute basis.

We estimate that our 2016 operated GHG intensity baseline would be higher if only adjusted for divestments. Since these divested assets have a lowered GHG intensity on average, rebaselining would make it easier for us to reach our 2030 GHG emission reduction plans. As such, the requested disclosure would not be meaningful.

This proposal narrowly focuses on divestments, calls for a reporting basis inconsistent with the rest of industry, and fails to acknowledge our disclosures and clear actions to reduce emissions. Therefore, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The eighth shareholder proposal calls for a report on asset retirement obligations under the International Energy Agency's net-zero emissions by 2050 scenario. I understand that Dror Elkayam will present the proposal with a recorded statement. Operator, please play the recording.

Dror Elkayam: Good morning, Mr. Chairman, members of the Board and fellow shareholders, and thank you for the opportunity to present the shareholder proposal with Legal and General Investment Management America, a longstanding institutional investor in Exxon, and Christian Brothers Investment Services are acting as the lead filers. My name is Dror Elkayam, and I'm the lead energy analyst within Legal and General's investment stewardship team.

We have welcomed the constructive engagement with Exxon over recent years, particularly on the company's approach to the energy transition. Our shareholder proposal on item number 12 is calling for the Board to provide an audited report estimating the quantitative impact of the energy transition on all asset retirement obligations, or in short, AROs. While this could be seen by some as a relatively technical proposal, I would like to clarify that it is focused only on a critical element of disclosure, which to an extent is already provided by some of Exxon’s peers such as BP and Shell.

Furthermore, last year a majority of Exxon shareholders supported a related proposal of which AROs were a critical part. However, the most recent disclosure by the company has not sufficiently addressed either the request set out at the 2022 proposal or the request of the current resolution. Comprehensive disclosure on AROs is critical from investment perspective. Nevertheless, investors currently have no insight into the magnitude of these potential liabilities.

We also note that Glass Lewis, one of the leading proxy advisors, has recommended that shareholders support this proposal stating it could provide decision useful information to investors. To emphasize, the road to decarbonizing the global economy is not expected to be linear, and the pace of the energy transition is likely to shorten the productive lifespan of oil and gas infrastructure. The assumptions made around the timing of retiring, or indeed repurposing, existing long-life assets may well therefore change.

Policy and market dynamics will potentially bring forward the timing of AROs, which in turn would increase financial liabilities and add pressure for the company's cash flows. By asking for the undiscounted costs to settle these liabilities, we give the Board the full flexibility to provide this information by removing the uncertainty on timing.

Ultimately, investors have the right to ask for a sufficient level of disclosure, which would allow us to better adjust for the long-term risks to which the business could be exposed. We look forward to continuing our dialogue on this critical topic and encourage the Board to disclose as outlined on item number 12. Thank you for your attention.

Darren Woods: Thank you, Dror. We recently published detailed and updated IEA Net Zero Resiliency modeling in our Advancing Climate Solutions 2023 progress report in direct response to previous requests from shareholders. As a result, the proponents request for this narrow, prescriptive additional disclosure is unnecessary. It's not reasonable to require us to arbitrarily establish asset retirement obligations for assets with indeterminate lives, contrary to our scenario analysis.

The proposal seeks to replace our thoughtful data-driven analysis with the proponent’s expectations for the energy transition or with strategies that peers are pursuing to shrink or exit businesses. We believe this is inappropriate, is not reflective of how we expect to manage our assets as the energy transition progresses and will result in a misleading disclosure. This wouldn’t serve the interest of our shareholders.

The Advancing Climate Solutions 2023 progress report makes clear that assets with a low cost of supply, like those in our portfolio, will be needed to meet society's needs, in particular assets with shorter production cycles, such as unconventional developments in the Permian Basin, and a lower cost of supply, like deep water production in Guyana, would continue to attract capital and generate competitive returns under a multitude of different scenarios, including the IEA's net zero scenario.

The future value and flexibility of individual assets in our portfolio vary based on their type, location and other characteristics that respond differently to global and regional economic signals, technology evolution, commodity prices, government policies, and many other variables. As a result, the life spans of many of our assets are indeterminate. While it's important to test our business model and portfolio under different scenarios, it's not appropriate to take a very remote scenario, such as the IEA net zero, and require us to improperly apply accounting standards to calculate and disclose speculative asset retirement obligations up to nearly three decades in the future.

To be clear, we have been responsive to the referenced shareholder proposal that we received in 2022, and we have similarly met the request of this resolution. Therefore, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The ninth shareholder proposal calls for a report on plastics under breaking the waves ... Breaking the Plastic Wave’s System Change Scenario. I understand that Genevieve Abedon will be present ... will present the proposal. Operator, please open her line. Genevieve, please go ahead.

Genevieve Abedon: Good morning. I'm Genevieve Abedon with As You Sow. Thank you for the opportunity to present proposal 13. This resolution asks the company to assess the economic risks to its plastic pollution - plastic production business under a scenario where global action to combat plastic pollution disrupts virgin plastic demand. It also asks the company to ensure that use of waste plastic for new feedstock using advanced recycling or similar technologies is done in a cost-effective, efficient, and environmentally sound manner.

The waste generated by single-use plastics is at the heart of the plastic pollution problem. In 2021, 139 million tons of single use plastic waste was generated globally, much of which evades capture for recycling or land-filling polluting land and waterways. A recent analysis by Minderoo Foundation found ExxonMobil to be the largest producer of plastic resins bound for single use applications with more than half of Exxon's primary plastic polymer production destined for these applications in 2019.

Furthermore, Exxon's virgin polymer production is estimated to increase by another 35% by 2025, an expansion roughly eight times greater than the company's 2026 recycled polymer target. Exxon's recycling commitment lags compared to competitors and lacks the ambition to transition swiftly to a circular economy centered on production of recycled plastics. Additionally, while Exxon and its peers insist that improved recycling will largely fix the problem, a growing consensus of international experts including National Academy of Sciences, UN Environment Program and OECD disagree, finding that reduced plastics demand and production are essential to ending the plastic pollution crisis.

Importantly, some of the world's largest users of single use plastics, many which likely use the company's resin products, Coca-Cola, Nestlé, Mars, Pepsi, Unilever, and Walmart, all members of the business coalition for a global plastics treaty that includes petrochemical company Borealis, state that the top priority of a plastics treaty should be “reduction of plastic production and use focusing on virgin fossil fuel-based plastic”.

With these global signals, it is likely that reduction in demand for single-use plastic will be imposed by government mandate and be undertaken by customers like Coke and Unilever, who have already committed to reduce their use of single-use plastic. Together, these actions could have significant implications for Exxon as the world's largest producer. Investors, therefore, ask that Exxon assess this risk and analyze the impact of one third reduction in single-use plastic demand by 2040 to provide them with a better understanding of the potential business risks and what steps the company is taking to ensure its transition to recycled polymer production is cost-effective, efficient, and environmentally sound.

We urge your support of proposal 13. Thank you.

Darren Woods: Thank you, Genevieve. This proposal is narrowly asking us to produce yet another report outlining the financial impact the remote system change scenario would have on our financial statements. Our analysis indicates that if currently envisioned bans of single use plastic articles were enacted, global plastics would be affected by less than 5%. By extension to our portfolio, this would not result in a significant impact to our company’s overall financial position.

But I want to be clear, we’re concerned about plastic waste in the environment and are actively working to address this. We do agree with the system change scenario report that waste collection infrastructure should be developed and that plastic waste recycling efforts should be increased worldwide, but we don't agree with proponent’s view on demand growth, which are well below projections from industry, as well as the alternative scenario we've already run, which is the IEA net zero by 2050 scenario.

We also don't agree with the assumption in the breaking the plastic wave scenario that substitute plastics with paper-based or compostable materials without sufficiently assessing scalability or the GHG impacts of those alternatives. We further believe that the scenario significantly understates the potential of recycling, particularly advanced recycling.

Plastics play an important role in facilitating modern life and supporting decarbonization efforts. We focus on developing products that can be more easily recycled, expanding our advanced recycling capacity to broaden the range of products that society can recycle and supporting improvements in plastic waste recovery.

In fact, we recently started up an 80 million pound per year advanced recycling facility in Baytown, Texas and have plans to expand up to a billion pounds by the end of 2026. Durable and single-use plastics play a vital role in helping make modern life possible, reducing GHG emissions and achieving many of the UN sustainability - Sustainable Development Goals.

Plastic packaging has 54% lower lifecycle greenhouse gas emissions versus alternatives as a group, including glass, aluminum and paper. In light of our strong commitment to expanding advanced recycling, our well-established risk management processes and procedures and our publicly available disclosures, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The 10th shareholder proposal calls for litigation disclosure beyond legal and accounting requirements. I understand that Anna Marie Lyles will present the proposal. Operator, please open her line. Anna Marie, please go ahead.

Anna Marie Lyles: My name is Anna Marie Lyles. I'm a long-term shareholder, and I'd like to congratulate management on great shareholder returns and progress towards environmental sustainability.

Resolution 14 asks for an actuarial assessment of cumulative financial risks associated with environmental litigation because this is a huge variable in the company's future prospects. We all have our blind spots, and Exxon has shown a blind spot around environmental litigation. Exxon says these are mostly immaterial and without merit and thus needn't be disclosed.

Judges and juries don't always agree. A high stakes example is the Guyana court order that we just heard about that the company needs to obtain expensive insurance in just 10 days or suspend operations. And in a prior lost case in Guyana permits were reduced from 20 to five years.

How is that not material? Hopefully the cost to remedy these undisclosed losses will be just a drop in the barrel, financially speaking. Exxon's blind spot is understandable. It's essential to project confidence around winning in individual litigation, but going from one-to-many changes things. In aggregate, it is wildly optimistic, statistically unlikely, and potentially calamitous to forecast winning all or even most court challenges.

Unfortunately, the company faces a lot of litigation. The news brings more and more stories about an evolving wave of legal challenges that Exxon and its peers are facing. A few weeks ago, the U.S. Supreme Court rejected oil companies' efforts to bring pending climate litigation to federal court. As a result, just in my small home state of New Jersey, one case brought by the city of Hoboken and the other by the state will now go forward in state courts.

Lots of litigation means lots of data to power the proposed actuarial risk analysis. This resolution asks the company to fix its blind spot by bringing in fresh eyes for the benefit of the company and its stakeholders. I'm asking you not to turn a blind eye because seeing an issue is fundamental to informed decision making and to safeguarding shareholder value. The bottom line is assessing litigation risk is just good business. Thank you.

Darren Woods: Thank you. Anna Marie. The proponent of this proposal serves on the Board and is Treasurer of As You Sow, which has a history of adversarial conduct toward the company. For example, in 2019 As You Sow's President and Chief Counsel served as a witness against the company in a case that was decided in favor of ExxonMobil on all claims.

In our view, this particular proposal is an extension of As You Sow's continued advocacy against ExxonMobil. We believe this proposal was written with the explicit intent of utilizing the shareholder proposal process for the sole benefit of plaintiff's lawyers. In accordance with SEC and U.S. GAAP rules, we already fully disclose material risk, and where appropriate, account for financial contingencies related to litigation. These government-mandated rules strike a careful balance between providing information to investors and recognizing that public disclosures of proprietary or confidential information can impair a company's ability to defend itself in current or future litigation.

We believe the legal proceedings referred to in the proposal do not meet the materiality standards for disclosure under applicable accounting rules and regulations. The board strongly recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The 11th shareholder proposal calls for tax reporting beyond legal requirements. I understand that Abby Maxman will present the proposal with a recorded statement. Operator, please play the recording.

Abby Maxman: My name is Abby Maxman, President and CEO of Oxfam America. We filed ballot proposal item 15, which calls on ExxonMobil to publish a tax transparency report in line with the Global Reporting Initiative standard on tax. Oxfam is a shareholder in ExxonMobil and a global organization that fights inequality to end poverty and injustice. We understand the importance of transparent business practices. We share this view with a wide range of investors.

Tax transparency is now supported by investors with combined assets under management over $10 trillion. This includes our cofilers, Nordea, KLP and the Benedictine Sisters of Virginia. For too long, businesses thought that tax was outside the remit of transparency and social responsibility. This view came with a cost to society. Aggressive tax avoidance has undermined government's ability to fund the shared infrastructure and services on which we all rely to address global inequality or to adapt to climate change.

But aggressive tax avoidance also comes with another cost. It leaves shareholders in the dark. Is the company implementing a successful commercial strategy and generating profits where it operates, or are its profits artificially inflated because it has shifted them to avoid taxes? If the company is relying on profit shifting, those short-term profits may be unsustainable. They carry material risks of being wiped out due to regulatory changes, reputational damage or conflict over lack of country or community benefits.

Aggressive tax avoidance has already led to tax controversies at ExxonMobil. The company has paid out settlements with tax authorities every year since 2007. Tax avoidance can lead to loss of social license like in Papua New Guinea, where ExxonMobil faced massive community protests and the government insisted on a much higher take of revenues from future projects.

The GRI tax standard requires public country by country reporting, which allows investors to understand the material risks a company's tax practices may present. And there is nothing stopping ExxonMobil from publishing. In fact, the company already collects this information privately and peer companies like Hess, Newmont, Shell, BP and others disclose this information.

My questions as shareholders is this. Why does ExxonMobil want to keep information from you that its peer companies make readily available? I urge you to vote in favor of this proposal. Thank you.

Darren Woods: Thank you, Abby. We support transparency and comply with all applicable laws where we do business. For tax years 2019 through 2021, ExxonMobil's effective income tax rate, excluding equity companies, was the third highest of the Fortune top 10. In 2021, our tax rate was 31%, which increased to 33% in 2022. We already currently provide detailed tax information publicly, including our Form 10-K in the U.S., as well as publicly available tax reports in Canada under the Canadian Extractive Sector Transparency Measures Act, in Australia and the UK and in Angola, Guyana, Germany, Netherlands, Mauritania, Namibia, Cyprus, and Ghana under the applicable EU directive, and our affiliate in PNG is an active participant in the multi-stakeholder group that routinely submits reports of our payments to the host government for inclusion in their report required by the extractive industry's transparency initiative.

In addition, several new tax reporting requirements become effective in the immediate future, some only applicable to companies like ours in the extractive industry. Beginning with the 2023 financial year, section 1504 of Dodd-Frank will provide unprecedented levels of tax payment information that no other industry is required to disclose publicly.

Beginning no later than the 2025 financial year, European Union country by country disclosure becomes effective under rules adopted by each jurisdiction. This proposal requests the adoption of a financial reporting disclosure framework that is unevenly applied and not widely adopted by our U.S. peers. In our view, this creates a regulatory, financial and reputational risk without providing shareholders with consistent or comparable data.

Contrary to the proponent's claim, tax penalties over the last five years have been negligible. In addition, the IRS tax penalty referenced in the proposal was dismissed by the Fifth Circuit Court of Appeals. We believe our record demonstrates responsible tax practices. Therefore, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The last shareholder proposal requests a report on the social impact of the energy transition. I understand that Ricky Brooks will present the proposal. Operator, please open his line. Ricky, please go ahead.

Ricky Brooks: Mr. Chairman, Board, fellow shareholders, good morning. My name is Ricky Brooks. I work at ExxonMobil's Baytown, Texas Refinery. I'm the President of USW Local 13-2001, and I'm also the president of the ExxonMobil Nationwide USW Council. That includes workers who were illegally locked out by ExxonMobil for 10 months in Beaumont, Texas.

On behalf of USW, I hereby move item 16, Energy Transition Social Impact Report. Our company plans on investing about $17 billion from 2022 to 2027 on carbon capture and storage, hydrogen and biofuels. And ExxonMobil claims it will rely on existing workforce to execute these changes. However, as someone who has worked at the Baytown facility for 25 years and represent my fellow workers at the bargaining table, I can tell you that I have no clue what carbon capture and storage hydrogen and biofuels will mean to my coworkers or the communities we live in that the company operates in.

At that same time, we've watched the energy transition in the oil refining industry more broadly result in up to 75% job loss. While we do not know exactly how, it's clear that these changes can deeply impact my coworkers as well as the communities in which we live and work. We deserve a seat at the table as our company charts a path forward. As ExxonMobil makes investments in new technologies, it needs to include robust worker and community engagement so that together we can lay out a roadmap for mitigating negative impact with measurable success.

This means ensuring the jobs of the future are good family sustaining jobs by not only preserving existing jobs, but also providing the skill and knowledge to current energy workers so that they can work in new roles. To accomplish this, ExxonMobil will need to continue to invest in workers, equipping them with the skills necessary to succeed. This all begins with a credible assessment of social impact that draws on the perspectives of workers and communities. Therefore, I strongly urge you all to vote for item 16. Thank you.

Darren Woods: Thank you Ricky. Fortunately, ExxonMobil has a proven, long-term commitment to developing employees, facilitating local economic growth and engaging in supporting communities where we operate. Our approach to employees in the community is already communicated in our Sustainability Report and Advancing Climate Solutions 2023 Progress Report.

Our strategy for the energy transition is to create optionality for ExxonMobil's existing facilities. Over time, if demand for traditional fuels declines, we have the flexibility to change our refinery product mix, increasing production of biofuels, chemical feed stocks, and lubricant basestocks. We expect that growing demand for our specialty and chemical products will result in direct ongoing employment opportunities, additional community investment and indirect economic growth in communities where we operate.

As outlined in our Investing in People supplement, people are the company's biggest competitive advantage, which is why our existing management framework includes developing our workforce throughout in an asset's life. The capabilities and skills of today's workforce are the same critical skills required to thoughtfully lead in the energy transition while continuing to meet the world's energy demand. For these reasons, the Board recommends voting against this proposal.

That concludes the presentation of the proposals. Before we close the polls, it's worth emphasizing again that we fully support shareholder engagement and advocacy and our management team, directors and many other subject matter experts throughout the company work to engage with many of our shareholders each year. We also recognize the value of diversity of thought, and as a result, consider shareholder feedback that expresses viewpoints and perspectives that differ from management and the Board.

As you've heard, nine of the 12 shareholder proposals seek some form of report. Several of these proposals will require us to assume a potential decarbonization pathway that virtually all observers agree society is not currently on. Some go so far as to force our company to decrease oil and natural gas development. This would do nothing to reduce global demand. In fact, it would encourage less carbon efficient, non-public or less experienced operators, including those without our commitment to reducing greenhouse gas emissions to step in and fill the supply void.

Alternatively, reducing our production would cause reduced global supply before there are viable alternatives at scale. This would significantly drive-up prices and hurt the global economy and broader society. Our focus is, and will continue to be, solving the “and” equation by delivering the energy and products society needs and working to lead industry in reducing greenhouse gas emissions.

At this time, I'd ask you please cast your votes if you have not yet done so, or if today's discussions have changed how you would like to vote. I'll pause for a moment before the polls are closed.

The authorized proxies in attendance today have cast all votes in accordance with the instructions indicated on the individual proxy cards. I now declare the polls closed.

I'll now turn it back to Jennifer to report to preliminary results of the vote.

Jennifer Driscoll: Thank you, Darren, and thanks to everyone who voted your shares. According to the inspectors of election, there are 3.4 billion shares represented at this meeting, that equates to approximately 83.1% of outstanding shares entitled to vote. Subject to final tabulation of votes, which should not materially change the results, on average, 96% of the votes cast were voted to elect as directors, the 12 nominees listed in the proxy statement.

The resolution concerning the ratification of independent auditors passed. Approximately 97% of the shares voting there on were voted for it.

The resolution concerning an advisory vote to approve executive compensation passed, with approximately 91% of the shares voting thereon for it.

Regarding the resolution concerning the frequency of advisory vote on executive compensation, approximately 97% of the shares voting thereon were voted for one year frequency.

The proposal to establish a new Board committee on decarbonization risk was not approved. Approximately 2% were voted for it.

The proposal to reduce executive stock holding period was not approved. Approximately 2% were voted for it.

The proposal calling for an additional carbon capture and storage and emissions report was not approved. Approximately 5% were voted for it.

The proposal on additional direct methane measurement was not approved. Approximately 36% were voted for that one.

The proposal to establish a Scope 3 target and reduce hydrocarbon sales was not approved as approximately 11% were voted for it.

The proposal for an additional report on worst-case spill and response plans was not approved. Approximately 13% were voted for it.

The proposal on GHG reporting on an adjusted basis was not approved. Approximately 18% were voted for it.

The proposal for a report on asset retirement obligations under IEA NZE scenario was not approved. Approximately 16% were voted for it.

The proposal calling for a report on plastics under the SCS scenario was not approved. Approximately 25% were voted for it.

The proposal on litigation disclosure beyond legal and accounting requirements was not approved. Approximately 9% were voted for it.

The proposal for tax reporting beyond legal requirements was not approved. Approximately 14% were voted for it.

Finally, the proposal for an energy transition social impact report was not approved. Approximately 17% were voted for it.

That concludes this year's voting report. The written report of the Inspector of Election will be filed with the minutes of the meeting. The final votes on each of these matters will be available on the ExxonMobil website and reported on a Form 8-K as soon as practical.

Darren Woods: Thank you, Jennifer. This concludes the formal business of today's meeting. We'll now begin to question and answer period. Jennifer will moderate.

Jennifer Driscoll: Thank you, Darren. We've received a number of questions in advance through our website and a few more this morning. I think we all together have 20 online - 21 online questions. Additionally, we received more than 130 comments. Please know that we read every one and we appreciate you taking time to give us your feedback.

To avoid duplicate questions, we've grouped the questions by topic. And with that, we'll start with the topics where we receive the most questions. Darren, I'm going to pose the first question. It is, given earnings and cash flow performance, why are you not increasing shareholder distributions more?

Darren Woods: Thank you, Jennifer. Let me start by saying that our Board believes it's important to share the company's success with its shareholders through the dividend. We also know that many of our shareholders are retirees that rely on the dividend as a source of income. This is why we've grown our dividend annually for 40 consecutive years.

When we look at increasing the dividend, the Board considers many factors such as the dividend yield, payout ratio, the cash flow of the business, investment needs, the commodity cycle and ongoing obligations. I want to stop and emphasize these last two points. We can't look at shareholder distributions, particularly dividends, in the context of the current market.

We have to evaluate it in the context of a down market to ensure that we can sustain them in light of our other obligations and commitments and the needs of the businesses at the worst points in time. Our first priority continues to be establishing a strong, competitively advantaged business, which requires investing in high-return projects throughout the cycle to grow our earnings, our cash flow, and our shoulder returns.

A second critical priority is the strong balance sheet to ride through the down cycles to continue investing, as we had to do during the pandemic. And then the third priority is to return cash to shareholders through a growing and sustained dividend and a more consistent share repurchasing program. And as we shared with you all in our December 2022 Corporate Plan Update today, we have ample balance sheet flexibility to sustain our shareholder distributions across a broad range of oil price scenarios. And as we move forward, we're going to maintain that. Thanks.

Jennifer Driscoll: Our next question is, how do you choose the focus areas in your Low Carbon Business? How do you expect to have them compete with returns from your oil and gas business? And does this business require subsidies in order to be successful?

Darren Woods: Okay, quite a few questions there. I'll try to cover all of them. Our approach is to provide the energy and the products society needs and play a leading role in the energy transition. As we've said in the intro, we call this the “and” equation. If the transition happens faster than projected, we can allocate additional resources to our Low Carbon Solutions business. If it happens more so slowly, we can allocate capital in our established businesses.

Our focus areas are aligned with our capabilities and competitive advantages where we can add unique value and grow outsized returns and build a business which is competitive within the industry, very similar to our existing businesses in chemical and downstream where the investments have to compete across the portfolio and with our upstream in investments. Basically the ability to compete in these businesses and to allocate capital there is a function of bringing our advantages to bear and outcompeting competition.

Our Low Carbon Solutions business today is focused on opportunities in carbon capture and storage, hydrogen and biofuels. These are all areas where we can - we have unique competitive advantages. If you'll look at the market that these advantages can bring to bear, we've got a global emissions markets have the potential to grow rapidly and reach a massive size in the trillions of dollars. This provides a potentially significant opportunity for the Low Carbon Solutions business. And it features importantly in our growth plans going forward.

We expect our Low Carbon Solutions business to generate reliable earnings under long-term contracts. And as that business grows, we expect it to deliver strong double-digit returns.

With respect to policy, we view policy today as essential to creating incentive to essentially establish this business and to catalyze its development. Longer term we're going to need a market for carbon to incentivize businesses to continue to invest and to grow it. It's got to be self-sustaining. The market ultimately is going to have to incentivize businesses and the investment in carbon reduction, but to begin policy will be a critical first step.

Jennifer Driscoll: Okay. Thanks Darren. Our next question is board diversity. Sorry, it's another three parter. Why is the Board not more diverse? Will the Board adjust to 50% men and 50% women? What's the optimal number of Board members?

Darren Woods: We believe diversity strengthens the company by promoting a number of different unique viewpoints and challenging each of us to think beyond our traditional frames of reference. It's so important that we embed diversity in our core values and our approach to developing talent, and in the culture that we aspire to create, including our Board culture.

Unfortunately, the available pool of qualified director candidates capable of overseeing the company of the size and complexity as ExxonMobil is not yet as diverse as we'd like to see. One of the reasons why the Board searches for the right candidates and looks for developing those candidates with time, we look for attributes like experience in large complex global businesses, experience in – with public policy, finance risk management, experience in technology research and experiences in other industries. All these are outlined in our skills matrix and the proxy. And as we consider those, obviously also consider the diversity as an important attribute in considering additional Board members.

With respect to the optimum number, I'd say we're roughly where we want to be. Frankly, the number of Board members is driven more by the skills and capabilities we're looking for than a set number of positions.

Jennifer Driscoll: Okay. So the next question Darren has to do with plastic waste and recycling. You're making a lot of plastics now. Is this really a good idea? Won't that just end up as more plastic trash? There's enough of that already.

Darren Woods: Well, as I said in, in my response to the proposals, we share the concern about plastic waste, and we're working hard to develop solutions to that concern, solutions that can and should be implemented without depriving society of the countless benefits that plastics provide. And plastics help society protect against disease, preserves food, and it improves access to clean drinking water.

They also help society reduce emissions. Many consumers may not be aware of it, but the lifecycle - on a lifecycle basis, plastic packaging has about 54% lower emissions compared to alternatives such as aluminum, glass and paper. Unfortunately, today only about 10% of plastic waste is recycled using traditional means.

We look at advanced recycling, which can recycle up to 90% of single use plastic waste. It basically gives plastic a second life and helps create a circular economy. Advanced recycling uses chemical processes to break down hard-to-recycle plastics into raw materials. They can be used to make new virgin quality plastics.

As I stated in my comments, we started our first large-scale advanced recycling facility at our Baytown Houston site, and we're progressing activities with the expectation of having about a billion pounds of annual recycling capacity by year end 2026.

In addition, we're working with others to increase plastic waste collection. For instance, we are a founding member of the Alliance to End Plastic Waste, a global collaboration effort focused on increasing collection and sorting of plastic waste around the world.

Jennifer Driscoll: Thanks, Darren. Our next question is about renewables, and it's one part. Is ExxonMobil going to invest in wind and solar or other forms of renewable energy?

Darren Woods: Yeah, thanks. Let me just begin by saying that all energy sources are important. And while we believe wind and solar are a necessary part of the solution set, however, they're not sufficient. Wind and solar opportunities today are very well-funded and mature technologies, and as we've looked at that. We don't see ExxonMobil bringing a unique advantage to this area. And while we don't choose to compete in wind and solar directly, we are a large purchaser of renewable electricity, which reduces our Scope 2 emissions and provides off-take agreements to help others finance their investments.

We're focusing on the areas where we bring our competitive advantages to bear and create differentiated returns, and importantly, provide critically needed solutions - other critically needed solutions. That means biofuels, hydrogen and carbon capture and storage, which utilize the same core capabilities as our traditional businesses.

It helps us - it allows us to focus on the things we're good at managing and transforming molecules. And at the end of the day, we are a molecule company, not an electron company. And what - and the other advantage of these technologies, they focus on the hard to decarbonize sectors of the economy such as power generation, commercial transportation, and heavy industry, where wind and solar are not feasible and where we don't have good alternative solutions today.

We estimate that these hard to decarbonize sectors represent about $6 trillion of opportunity in 2050. So an important area that needs critical solutions, and we're working hard to bring those solutions to market.

Jennifer Driscoll: Okay. Thanks Darren. The next question from our shareholders is about LCS investment. Why not invest more in a Low Carbon Solutions business given you're flush with cash?

Darren Woods: I get that question a lot. I think the first thing we have to consider is that the Low Carbon Solutions business is essentially a brand-new business that's just beginning and being formed. The amount that we invest in that business is not constrained by dollars. It's limited by accretive opportunities, investments to meaningfully reduce emissions and generate return that's competitive, take quite a bit of time to develop, particularly in brand new markets.

And if you think about building a new business, a brand-new industry, CO2 removal, it takes time to build all the pieces and put them together so that you've got an end-to-end solution set. It also requires regulation that's yet to be written, requires customers, investments in logistics, permits. A number of things have to come together to make that business successful.

We're working very hard to deliver on that. And frankly, it also plays to one of our strengths, which is starting brand new businesses up grassroots in many countries today that don't have those businesses. So we're taking that experience and skill that we've developed around the world in our traditional businesses and bringing it to bear in these new markets for this new business.

We've increased our LCS CapEx spend to about $17 billion from $15 billion based on some of the opportunities that we're finding. About 60% of that spend will be in reducing our own emissions and supporting our 2030 GHG emission reduction plans. And about 40% are expected to be deployed in biofuels and carbon capture storage and hydrogen projects, which are going to help our customers reduce their emissions.

So I'd say it's early days in this space. I think as this opportunity grows, as markets start to form for carbon reduction, we'll have more opportunities, more accretive opportunities, and you'll see our investments in this space grow.

Jennifer Driscoll: That's helpful. Thanks. The next question from our investors is with respect to methane reductions. What are ExxonMobil's plans and what programs do you have in place to reduce methane emissions?

Darren Woods: Let me start by saying that we're - we fully support the need to address methane emissions, and we're already an industry leader in developing deploying methane detection and measurement technologies. We have airborne detection systems, satellite surveillance, and ground-based monitoring.

We've reduced our operated methane intensity more than 50% since 2016. And as we go forward, our plans include reducing operated methane intensity by 70% to 80% by 2030. If you look at what we've done in the Permian, we've eliminated routine flaring in operated assets. We're installing state-of-the-art technology across 1.8 million acres with near real-time detection capabilities that trigger around-the-clock protocols to address emerging issues. And we've commenced 24/7 monitoring of certain ground sources in the field and expect the system to be fully operational by 2025.

We're working to eliminate all gas pneumatic devices by 2025 in our key U.S. unconventional operated assets, and we're aiming to reach near zero methane emissions at operated assets by 2030 as per the OGCI initiatives. We're also active in the area of technology, working to develop new technologies to better manage and measure methane emissions. So a lot of work going on in this space. I think a lot of very good progress. I would encourage everybody to read our ACS report, which details all of this.

Jennifer Driscoll: Thanks, Darren. The next question from our investors is with respect to Scope 3 targets. Other big oil and gas companies have committed to reducing emissions from their full value chain, including Scope 1, 2, and 3 and gotten positive media and market attention for it. Why isn't ExxonMobil doing the same?

Darren Woods: Yeah, I've touched on Scope 3 emissions as part of a response to a proposal. Let me kind of step back and talk a little bit more broadly about it. I mean, start with we're absolutely committed to reducing emissions from our own operations and also helping our customers reduce theirs. Since 2016, we've made, I think, very significant progress reducing our Scope 1 and 2 operated emissions, frankly, a rate far faster than the rest of society.

As I've already mentioned, we're investing $17 billion in technologies that will help us continue to lower our own emissions and then help our customers reduce their emissions, which are some Scope 3 emissions. And we publicly report Scope 3 emissions in our Advancing Climate Solutions Report.

However, we don't think it's a good idea to take this global macro measure of Scope 3 and apply it to a company. We don't believe that's an effective way of incentivizing a company to reduce its emissions. GHG protocols and Scope 3s are a useful metric when applied at this macro level looking at economy-wide emissions.

When applied to a specific company, it can lead to unintended consequences, which could actually raise society's emissions. I'll repeat a couple of examples that I used in responding to the proposal. We produce LNG. Every ton of LNG that we produce ends up backing out coal and power generation. LNG has much lower emissions in power generation than the coal. That's good for society, but increases our Scope 3 emissions.

Reducing our production and reducing our Scope 3 doesn't change the demand for the product, it simply shifts production to another potentially less capable supplier, which, again, is not good for society and reducing emissions.

Finally, as long as the demand for diesel and refined products remains, I think the world wants the lowest emission refiners to produce those products. And if you look at third-party benchmarking, ExxonMobil's refinery circuit is amongst the lowest emitting - emissions emitting refineries in the world. I think you want these low emissions refineries producing the products as long as the world needs them.

We've shared our concerns regarding Scope 3 fairly broadly, that Scope 3 targets do not take into account the emissions intensity, a company’s size, the product alternatives or negative emission measures, and they can actually disincentivize companies, in fact, I think many activists are trying to incentivize us, to stop production, which can lead to society's needs going unmet.

Our goal as an industry is to help policy makers to develop a more holistic calculation of greenhouse gas emissions that support the right behaviors. As I mentioned, we prefer a lifecycle analysis approach, which is more comprehensive. It allows an apples-to-apples comparison and allows us to compare with alternative products that are required to meet society's need.

We've set an LCA expectation or lifecycle analysis expectation for ourselves. When we apply it to our business and our plans through 2030, we expect about a 6% reduction in full lifecycle emissions intensity. And that should result in about an 18% reduction in full lifecycle absolute emissions. And that's compared to 2016 levels. And so I think we're doing the right things to reduce our emissions. I believe the Scope 3 targets is not the best way of measuring those right things.

Jennifer Driscoll: Thanks, Darren. We have time for one more question. And our final question is about energy security and gas prices coming off of Memorial Day here. What can you do to lower the price of gas this summer? If you increase your operations, wouldn't that help supply more gas and also be good for your financials, such as in turn, good for ExxonMobil shareholders?

Darren Woods: Yeah. Well, there's certainly no question that high prices are impacting families all around the world, and frankly, that's why we focus on developing solutions that meet a multitude of needs. Not only affordability and availability, but also energy security. Very, very important.

With respect to gas prices, and if you look at the market as a whole, prices at the pump are determined by supply and demand in the global market, not just one supplier. And frankly, today, the world is under supplied, which reflects the lower industry investment that occurred during the pandemic and the fact that many refineries closed during the pandemic.

If you go back before 2020 and the pandemic, industry investment levels were well below what was needed to offset oil's natural decline of about 7%. That's why at the time we were working so hard to continue to invest and maintain that even in the depths of the pandemic. We wanted to make sure that we were bringing on the additional product - production that was going to be needed when the world eventually recovered and demand came back after the pandemic.

Because of that investment, that constancy of purpose, we were able to grow production in 2022, and we continued that in the first quarter of this year. You'll also recall that during the first quarter our Beaumont refinery expansion came online that provides an additional 250,000 barrels a day of additional refining capacity to produce more transportation fuels. This was the largest U.S. capacity addition in refining in over a decade.

And we're continuing to focus on investments in advantaged projects and lower emission initiatives to ensure that we can continue to meet all of people's critical needs. Unfortunately, volumes won't rise overnight. These investments take a long time, a large amount of capital. A sustainable supply increase usually takes between two and five years. In 2023, we're going to invest between $23 billion and $25 billion and expect to continue to grow our advantaged production portfolio in the years to come. And despite many - a lot of pressure to pull back to reduce supply in short demand, we're going to continue to make sure that we're bringing on very competitive production with the lowest emissions we can achieve to continue to meet the “and” equation.

Jennifer Driscoll: All right, thanks Darren.

Darren Woods: Thank you. Well, I certainly appreciate all the questions. We're now out of time. So let me just conclude with this.

It is a exciting time at ExxonMobil. We're working to solve the “and” equation to deliver the energy and the products society needs and lead industry in reducing greenhouse gas emissions. The hard work and commitment of our people drove exceptional results in 2022, and that momentum has carried us into the current year. As stewards of the capital you have entrusted to us, we'll continue to invest in projects and execute on our plans to create significant long-term shareholder value. Thank you for your continued trust and confidence. Have a great day.