Jennifer Driscoll

Good morning, everyone. Welcome to ExxonMobil’s Low Carbon Solutions spotlight. We appreciate you joining us today and your continued interest in ExxonMobil.

I’m Jennifer Driscoll, Vice President of Investor Relations, and I’m joined by Darren Woods, Chairman and Chief Executive Officer; Kathy Mikells, Senior Vice President and Chief Financial Officer; and Dan Ammann, President of Low Carbon Solutions.

The slides and supplemental information for this presentation are now available on our website. As a reminder, today’s call is being recorded.

Shortly, Darren will provide a few comments before turning the call over to Dan. We will make sure there is ample time for Q&A before we conclude at about 10:30 a.m. central time.
Much of our presentation today is forward looking, so we encourage you to read the cautionary statement in our slides.

Additional information on the risks and uncertainties that apply to these comments are listed in our most recent Form 10-K and other filings.

And now, I'll turn it over to Darren.
Darren Woods

Thank you, Jennifer. Good morning, and thanks for joining us.

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 the ability to evolve to meet changing societal needs and develop new technologies. This ongoing evolution is the focus of our Low Carbon Solutions spotlight today.

Our strategy focuses on meeting the world’s needs for reliable and affordable energy and products, as we reduce our own greenhouse gas emissions and help others do the same. You’ve heard us refer to this as the “and” equation: providing the world with products that support modern living and reducing emissions.
Over a century of sustained global economic growth has resulted in the world’s current levels of greenhouse gas emissions. Looking forward, getting on a path to net zero will require unprecedented innovation and collaboration among governments, companies, universities, and others. Something that is not happening today.

To achieve sustained emissions reductions, we’ll need a thoughtful and comprehensive approach; one that balances benefits and costs, is sensitive to people’s needs, and avoids economic hardships, market disruptions, and energy and product shortages.

When considering the skills and capabilities required to achieve this, there’s no question that the energy industry has a critical role to play – one much bigger than most people realize. ExxonMobil is doing our part. This is illustrated by the reductions of our emissions, as you can see in the chart. Since 2016, we’ve made significant progress, reducing our Scope 1 and 2 operated emissions at a far faster rate than society as a whole.

And we’re committed to do even more, with further reductions built into our future operating plans. As we’ve delivered on our past commitments, and work to achieve our plan objectives, we see the opportunity to help other essential industries and customers achieve their goals to lower emissions.

That’s why we’ve established ExxonMobil’s Low Carbon Solutions business. As Dan will explain shortly, the world’s climate challenge is immense, and the opportunity it creates is equally immense. We believe the market for emissions reductions could potentially reach $14 trillion by 2050. We’re working to establish a competitively advantaged foundation that secures a leading position in this new market, focused on the hard-to-decarbonize sectors, where cost effective solutions are
lacking, and where we can make a unique and significant contribution. This sector alone, potentially represents a $6 trillion opportunity by 2050.
The same competitive advantages that have underpinned our success for over a hundred years and driven outstanding performance in our Upstream and Product Solutions businesses, will serve as the foundation for building a world-class, competitively advantaged Low Carbon Solutions business.

As we showed earlier, the challenge is enormous. To tackle it, the world needs large, world-scale solutions. We need them deployed globally, and at much lower costs than today. The world needs to establish a new industry – a carbon reduction industry – with new value chains and products. And we need it sooner, rather than later.

These needs play to our strengths. Over our entire history and across the globe, we have built industries and value chains where none previously existed. We see this even today, with our developments in Papua New Guinea, Guyana and Mozambique. In the U.S. Gulf Coast, we’ve established new, end-to-end, global value chains, connecting production in the Permian with manufacturing assets on the coast, and chemical, fuels, and LNG customers in the U.S., South America, Africa, Europe and Asia.

We have a footprint and government and customer relations that span the globe, and resources to develop the world’s largest projects on or under budget and schedule, as we recently demonstrated with our steam cracker in Corpus Christi and on-going, industry-leading developments in Guyana.

Critically, we have a track record of bringing innovative approaches and new-to-the-world technologies to market, seen in the first-of-its-kind chemical complex design in Corpus Christi and Rotterdam’s unique-to-the-world conversion process for lubricant base stocks, currently being extended to Singapore.
At our core, we’re a technology company that manages and transforms molecules at scale, bringing value-added solutions to our partners and customers. From modeling the subsurface and maximizing resource recovery, through safe, reliable, and efficient logistics and manufacturing operations, to unique, high-value products, science and engineering underpins our success. Our recent re-organizations, like the Global Projects group and our newly formed global technology and engineering organization, further strengthen our capabilities in delivering on this.

Of course, all of our past successes and current strengths stem from the commitment, experience, and capabilities of our people. Their skills, tenacity and resiliency are the bedrock on which our company is built.

Our Low Carbon Solutions business leverages all these capabilities, giving us the ability to invest in the largest and highest-return, low-carbon opportunities anywhere in the world. Our reputation as an honest, hardworking organization that meets commitments, delivers capital-efficient projects on time, and sets the highest standards for safe and reliable operations differentiates us from others, making us a preferred partner. You’ll hear more about this from Dan in a few minutes.

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 ensures ExxonMobil will continue to grow and create value for our shareholders for many decades to come.
Of course, success starts at home. To credibly offer low-carbon solutions to others, we must demonstrate meaningful progress in reducing our own emissions.

While we recognize there’s more to do, we’re making good progress. We’ve reduced operated greenhouse gas emissions intensity by more than 10 percent. We’ve reduced corporate-wide methane intensity by more than 50 percent. We’re on track to meeting our goal of achieving zero routine flaring across all of our operated Upstream assets by 2030, consistent with the World Bank Zero Routine Flaring Initiative. And we’ve eliminated routine flaring in our Permian Basin operations, which is a key part of our 2030 goal of achieving net-zero Scope 1 and Scope 2 greenhouse gas emissions from our unconventional operated assets.

As we continue this work, we plan to further reduce our corporate emissions intensity by 20-to-30 percent by 2030.
With advances in technology, development of markets and the support of clear and consistent government policies, we aim to achieve net-zero operated Scope 1 and 2 greenhouse gas emissions by 2050. To this end, taking a comprehensive approach, we have developed emission-reduction roadmaps for our major operated assets. The roadmaps build on our 2030 emission-reduction plans.

We completed these roadmaps at the end of last year and will update them as needed to reflect technology, market, policy and other developments. These roadmaps provide investment options for over 800 potential projects with estimated costs and emissions reductions. In the absence of market incentives, to initiate and support these opportunities, we advocate for clear and consistent government policies.

The light blue shading represents the estimate of potential impacts from policies that exist today in multiple countries.

When we consider the potential incentives from the U.S. Inflation Reduction Act, it is clear to see the importance of constructive policy in supporting efforts to help decarbonize the economy.

These charts contrast the cost of abatement without policy, with policy, and lastly, with aggressive policy like the U.S. Inflation Reduction Act. This clearly illustrates the impact policy, like the IRA, can have.

Ultimately, a market for emissions reduction will be required to achieve society’s net zero ambition. But, to catalyze emissions reductions, accelerate advances in technology and drive scale to improve costs, supporting policy remains critical at this early stage.
As you can see from the chart, the world has a long way to go, as the cost of many abatement opportunities is still too high. But, like the Chinese proverb says, “a journey of a thousand miles begins with a single step.” This is how I think about our efforts in tackling this challenge – the beginning steps of a long journey.
As I mentioned earlier, we’re off to a good start, with significant progress in reducing our own emissions, with solid plans to improve further, and extend our efforts to 3rd parties. We’re planning to invest about $17 billion on lower-emissions initiatives from 2022 through 2027.

About 60 percent of our investments will contribute to further reducing emissions in our own operations. We’ll do this through CCS, hydrogen, and the use of other lower-emission sources of energy in our operations, as well as further reducing methane emissions.

About 40 percent, or roughly $7 billion, is what Dan will be talking to you about in a few minutes: profitably growing our Low Carbon Solutions business to help others reduce their emissions.

Before he does this, I want to be extremely clear. The investments in this business, like all of our investments, must be advantaged versus industry and deliver competitive returns to successfully compete for capital. We expect the Low Carbon Solutions business to generate reliable earnings under long-term contracts and, as it grows, deliver strong, double-digit returns.

Global emission markets have the potential to grow rapidly and reach a massive size. This, in turn, provides significant opportunities for our Low Carbon Solutions business, which represents an important and attractive element of our growth plans.

Importantly, our organization is clear-eyed on the challenges, understands the unique and important contributions we can make, and is embracing the new opportunities. Our customers, many governments and other stakeholders recognize the unique combination of experiences, skills and capabilities that ExxonMobil brings to help meaningfully reduce the emissions of others. Our robust strategy ensures shareholders enjoy industry-leading returns and growth in value regardless
Preliminary Prepared Remarks

of the pace or direction of the energy transition. And, finally, society benefits as we leverage our advantages to help address one of the defining challenges of our age.

With that, I’d like to introduce the President of our Low Carbon Solutions business, Dan Ammann. Dan brings a lot of energy and a full suite of relevant experiences to this role, including start-up experience. He has the full backing and resources of ExxonMobil to help grow the LCS business, and I know he’s excited to talk about the incredible progress our company has been making and the opportunities that lie ahead.

Welcome, Dan.
Dan Ammann

Thanks Darren, I’m really excited to be here. Throughout my career, I’ve worked on several big, high-impact challenges. But if you were to make a list of the biggest challenges facing humankind right now, most people would put climate change and the energy transition right at the top of that list.

At the same time, if you were to make a list of the companies in the world that have a credible chance of actually helping bend the curve for the world’s path to net zero, then I’d put ExxonMobil at the top of that list. And that’s why I’m here today.

I’d like to begin with the mission of the ExxonMobil Low Carbon team. And like the broader ExxonMobil mission, it involves an “and” equation. We’re helping accelerate the world’s path to net zero and we’re building a compelling new business. And it’s our belief that these two elements go hand in hand. One won’t be successful without the other.

The world needs to urgently find a path to net zero, but the cold hard reality is the energy transition won’t happen if there’s not an economically viable path to abate greenhouse gas emissions. And that’s why our Low Carbon Solutions business is intensely focused on helping to accelerate the world’s path to net zero by making that path economically viable and making it executable at a scale that matters.

The great news is momentum is building. We’ve got several exciting projects underway including the one we just announced for CCS with Linde, and many, many more in the development pipeline.
Darren highlighted the immense challenge in front of us as a society to get to net zero, so let’s break that down into a bit more detail.

The pie chart on the left, here, shows the sources of the 33 billion metric tons of energy-related CO₂ emissions that the world generates today, and what’s interesting here is the huge proportion of emissions that come from industrial sources, from power generation, and from commercial transportation. And together they account for 80% of all energy-related emissions, and these are the hard-to-decarbonize sectors that we at ExxonMobil are most focused on. And while light vehicle electrification is important and gets a lot of the headlines, it’s worth noting that the industrial sectors we’re focused on contribute roughly eight times as much to emissions than does light vehicle transportation, and therefore they must be tackled. And that’s where our capabilities come in.

So, what’s it going to take to abate these emissions? The pie chart on the right shows the estimated size of the markets that need to be built to abate these emissions, and they’re estimated at roughly $14 trillion annually by 2050.

Of this, a bit less than half, or about $6 trillion, will come from managing “molecules”. That includes carbon capture and storage, hydrogen and biofuels. And a bit more than half is expected to come from “electrons,” primarily renewables.

We’re focused on the $6 trillion molecules opportunity, as that’s what lines up with our competitive advantages. And just to put that in context, a $6 trillion industry is about two and a half times bigger than the entire global telecom industry is today.
However, only a small subset of the total opportunity is currently economically viable. Over time, the pace of unlocking the full scope of the potential market will be a function of two primary factors.

First, the continued increase in the actual or implicit cost of carbon, whether that’s in the form of policy support, carbon taxes, voluntary or compliance-based trading schemes, and of course true end market demand. The Inflation Reduction Act’s incentives are a step in the right direction in this regard. And second, continued decrease in the cost of abatement, which will be a function of technology breakthroughs, as well as achieving economies of scale. And these two factors working in concert will drive the opportunity growth in the potential market.
Which brings us to our ambition to scale into that addressable market and to grow exponentially with it. To tackle this, we’ve divided our growth targets into three phases.

We’re calling our first phase “0 to 1,” which we expect to unfold over the next few years. One of the things that’s been surprising to me coming into this space is how few definitive projects have been announced in the industry so far. There’s been lots of press releases about collaboration and MOUs, but very few definitive project agreements. And that is why, it’s our immediate priority to build what we call our foundational projects. And these are projects that work with today’s policy, today’s technology, and today’s infrastructure. And to demonstrate that these projects can attract customers and earn solid returns. The market at this stage could be in the $10s of billions, with our annualized revenue on contract reaching the billions over the next few years. At the same time, we’ll be investing in new technologies that will help unlock cost reductions later.

The next stage, which we’re calling “1-10,” would be to grow our business off our foundational projects by about 10x. The market will have grown to hundreds of billions of dollars due to the combined effect of an increase in the cost of carbon by roughly one to two times of what it is today, and a realization of 10-20% reduction in the cost of abatement due to technology improvements and scale efficiencies relative to where we are today. At this stage we’re still mostly reusing and repurposing existing infrastructure, and by this point in time our business could now be measured in the $10s of billions of annual revenue on contract.

Beyond this timeframe, we aim to grow another order of magnitude, from “10 to 100.” Supporting conditions for this include a cost of carbon 2-3x relative to where it is today, and 30-70% reductions in the cost of abatement versus today driven by technology breakthroughs and very large-scale economies. The addressable market now could be in the trillions of dollars, consistent...
Preliminary Prepared Remarks

with the pie chart we saw earlier, and our business potentially measured in the $100s of billions, and quite possibly larger than ExxonMobil’s base business is today as the world approaches net zero.

Two things that we think are underestimated by nearly everyone and that will feature in long term solutions in the path to net zero: One is the role of infrastructure and the need to find ways to reuse it mostly as is. If our primary modes of carbon abatement are reliant on replacing existing infrastructure with new, they will almost certainly be cost prohibitive. The second is the need for truly carbon negative solutions such as direct air capture technology to offset the hardest to abate sources of emissions.
As you just saw, bringing down the cost of abatement is critical to accelerating the path to net zero. Technology is already playing a critical role here and it’s where we have a clear competitive advantage.

To expand that advantage further, we’re tailoring our approach in any given abatement technology as a function of two things. One: how much technology upside or runway remains? You know, for example, is the technology early stage or is it already very mature? And two: where does ExxonMobil bring real competitive advantage?

First, we’re applying resources and driving development in those areas where we think there is a lot of technology runway and where we bring real competitive advantage. These are the areas where we are working on the development of new and potentially breakthrough technologies. Examples of this include in direct air capture, alternate methods of hydrogen production and in leveraging our deep capabilities in the subsurface for carbon storage and other potential new areas. And while we’re leading the technology development in these programs, we’re going to continue to work with other companies or academic institutions that can bring unique value to the table.

Next are areas where there is significant runway, but where we have less existing advantage, and in those areas, we’re going to look to partner. An example of this is the Mitsubishi Heavy Industries post-combustion capture partnership where we are integrating existing MHI technology into our one-stop-shop CCS offering, and where we are working on joint technical development with MHI to further advance the technology with the goal of bringing the cost of abatement down.

Lastly, where technology is mature and we do not bring a unique competitive advantage, we’re going to look to purchase or license from existing established vendors as a smart buyer. A good
example here is ammonia production technology, which is very mature. We will be in the ammonia production business, but we will license that technology from established licensors.

Similarly in renewable power, this is a mature area with several very experienced developers and OEMs, and we expect many of our projects will involve renewable power as part of reducing carbon intensity. We expect to be a smart buyer here as well.
Another area of truly unique competitive advantage for us is ExxonMobil’s global projects capability. ExxonMobil is recognized for developing and executing some of the largest and most challenging and innovative projects in the energy industry, or frankly, in any industry.

Our Low Carbon business is already leveraging this expertise, as we’re getting underway with execution plans for building a world-scale, low-carbon hydrogen plant. We’re drilling CO₂ wells and building pipeline infrastructure.

Most importantly, our customers are recognizing the knowledge and depth that we bring to the table. There’s this almost automatic presumption that when ExxonMobil commits to a project, that project is going to get delivered on time, on budget and perform to expectations.

To put it simply, when you need to build a multibillion-dollar project under some of the most challenging conditions and constraints imaginable, no one else in the industry has a project organization who can deliver like ours.
So, we have a technology advantage, project execution advantage, and our third area of significant advantage is expected to come from integrated, low-carbon value chains. So, what does that mean?

One of the questions we often get is “what do you think the split will be between hydrogen and carbon capture and storage or biofuels or other alternatives?” And the reality is no one knows for sure. In any given situation, the optimal solution might be different based on cost, available infrastructure, regional policy, and so on. Therefore, we will be advantaged if we’re able to offer a variety of decarbonization solutions and if we can reduce cost by integrating the value chains that support those solutions, for example, by leveraging the same investment or capability for different purposes.

So, let’s look at an example. Many of our natural gas and LNG customers have significant post-combustion emissions that they’d like to abate, and we already offer a one-stop-shop CCS solution from capture, through transportation, to storage, and that will enable these customers to reduce their emissions.

Now that we have established CCS infrastructure to help these third-party emitters decarbonize, we can leverage that same infrastructure to support the production of blue hydrogen, which requires a CCS solution. And once we’re in the hydrogen production business, we can market that hydrogen to customers for multiple use cases, such as fuel switching out of natural gas, displacing existing grey hydrogen, converting to ammonia for energy exports and potentially, for use in heavy transportation. Many of the customers here are already natural gas customers, so we would leverage those existing relationships. And once we’ve established those sales channels for low
carbon blue hydrogen, we’d have the ability to swap in other potential hydrogen sources, such as green, or even some of the alternate technologies that we’re working on.

So then, we’d be leveraging our gas and CCS value chains to support both CCS and a full range of hydrogen solutions. But we could leverage all this even further. For example, it could be cost efficient to plug in truly carbon negative solutions, such as biofuels with CCS and direct air capture. By leveraging these value chains to provide multiple solutions off the same infrastructure and into many of the same markets, we would’ve significantly reduced investment and have a corresponding cost advantage, which, in turn would unlock more of the overall opportunity and help accelerate a path to net zero societal emissions.
Now let’s see how this is taking shape along the U.S. Gulf Coast, where we’ve started building out some integrated value chains.

Strategically, the Gulf Coast is a great place to start because of the concentration of emitters, the proximity to feedstocks, and access to permanent carbon storage, and those factors, plus the Inflation Reduction Act, also contribute to these early projects supporting solid returns.

Starting on the left, we have advantaged low carbon intensity feedstock with our previously announced Permian net-zero plans.

Moving to the Houston area, we’re working on the world’s largest blue hydrogen facility, leveraging all of the existing infrastructure at the existing ExxonMobil Baytown site, including the port for ammonia export. Supporting this hydrogen plant will be a large-scale CCS network, which will offer CCS services to third-party emitters in the Houston area.

Moving east again to the Port Arthur/Beaumont area, we’ve just entered into another landmark commercial offtake agreement with Linde to capture, transport, and permanently store up to 2.2 million metric tons of CO₂ annually. It’s not hard to imagine us leveraging this for future potential activity at our nearby Beaumont site, and obviously we’ll be welcoming other third-party emitters to join as well.

Lastly, in Louisiana, we’re underway on execution of our previously announced foundation CCS project with CF Industries and we expect to announce other emitters joining this network before too long. And again, this is adjacent to our existing operations at Baton Rouge, and we’ll be looking at future integration opportunities here just as we’re doing at Baytown today.
Preliminary Prepared Remarks

Looking ahead, we expect to leverage the value chains we’re building here for new carbon negative opportunities in the biofuel and direct air capture areas.
So, let’s dive into a few of these projects in a bit more detail. What’s really exciting is that these projects are moving into execution and moving off of PowerPoint and into the real world.

We recently awarded FEED contracts and have begun site work at our Baytown blue hydrogen facility. And that’s expected to be the world’s largest when it starts up in 2027/2028, with the capacity to produce 1 billion cubic feet a day of hydrogen, and that is the equivalent of the energy needed to power 1.5 million homes.² We expect to capture more than 98% of the CO₂, or about 7 million metric tons a year, that’s associated with producing this hydrogen. In addition, tapping into Permian net-zero natural gas should give us an additional advantage in carbon intensity that will be very difficult for others to match. Leveraging the existing Baytown site gives us huge advantages in terms of existing utility infrastructure, steam integration, staffing, and built-in demand for approximately half the output of our facility, all of which lowers our cost of supply for third-party customers.

We’re seeing very significant demand in the market for Baytown offtake, both for the local hydrogen and fuel switching markets, as well as ammonia for export, such as with our recently announced Heads of Agreement with SK out of Korea and strong interest from other new and existing customers, especially from our LNG value chain. And we know our customers are placing significant weight on our execution capability. They’re wanting a partner they can count on to deliver, and ExxonMobil brings that capability to the table for very large-scale projects like this in a new value chain.
Meanwhile, in Louisiana, we are also progressing our foundation CCS project with CF Industries. The project’s expected to capture 2 million tons a year of CO₂ from CF’s Donaldsonville facility that you see here, and startup is targeted for 2025. That’s equivalent to replacing 700,000 gas-powered cars with EVs.¹ Think about that. One project at one facility having a bigger impact than all the EVs sold in the United States last year.

We’re developing our carbon storage site at Pecan Island and we’re working jointly with EnLink on the midstream infrastructure. We’re now building on this existing infrastructure to bring other emitters into the system, and we expect to have more announcements here soon.

Looking further ahead, the Mississippi river corridor is one of the highest-concentration areas of industrial emitters and we expect to have opportunities along many of the adjacent value chains that we’ve discussed today, including integrating into our complex at Baton Rouge.
On the biofuels front, earlier this year our majority owned affiliate, Imperial Oil, announced final investment decision for a 20 KBD renewable diesel facility at the Strathcona refinery in Canada, with startup targeted for 2025. This is an example of how we are investing to support our ambition to supply 200 KBD of lower-emission fuels by 2030.

This project is expected to deliver renewable diesel that could reduce CO₂ emissions by 3 million tons a year compared to utilizing conventional fuels. Feed for this project will include locally grown canola-based feedstock. Clear policy and marketplace support like we see in Canada are critical to investments such as this.
So, as you can see, we have some very exciting projects well underway to build the foundation and take us from “0 to 1” as part of our overall ambition. And just as important we also have a full pipeline of projects that we’re developing beyond these initial foundation projects.

Total capital currently in the plan for our low carbon business is roughly $7 billion for the 2022-2027 period for our third-party business, and revenue from our first CCS projects could begin as soon as 2025. Measured in emissions reductions terms, the projects currently in plan could reduce emissions by approximately 20 million tons a year, which is the equivalent of replacing 7 million gas-powered cars with EVs.\(^5\)

Beyond these projects, we’re building a significant backlog of attractive opportunities. Currently, that backlog is approximately 4x what we have in the plan, which gives you a sense for the scale and the momentum that is starting to build. We’re evaluating each of the opportunities in our pipeline to determine if and when they earn a place in our future plans, and we’ll keep you updated as our plans evolve. We’re very excited about the growth that lies ahead.

As we look at the global opportunity set, we’re seeing the most activity here in the U.S. driven by the Inflation Reduction Act. In Asia-Pacific we’re seeing energy customer activity ramping up, and Europe still evolving as policy there is currently more prescriptive, focusing on “how” emissions should be reduced versus focusing on “what” we’re trying to get done.
I’d like to close out with some thoughts on our target business model and the all-important topic of returns expectations. Starting with the business model, we see evidence in our early commercial agreements that the profile of the low carbon business is going to be quite different from most of the other businesses of ExxonMobil today.

The core oil & gas business, as we all know, sells into primarily a spot commodity market, and as a result, is highly cyclical. For the low carbon business, we see a number of very attractive attributes taking shape.

First, we’re in a highly advantaged position and expect to continue to build that advantage over time leveraging our technology, our scale, and our integration capabilities. And this is the foundation for long-term returns potential.

Second, this is obviously a market with very high growth potential from a relatively small start today up to a multi-trillion-dollar TAM over time.

Third, we’re building the business on a foundation of long-term contracts that will underpin stable and more predictable margins and cash flow compared to a commodity market.

And all of that should drive robust, double-digit returns.
Diving a bit further into returns... Going back to the beginning, we said that the energy transition won’t be successful if it’s not economically viable, and that’s true for our business as well. It’s why we’re pursuing foundation projects that work with today’s technology and today’s policy, with the ambition to grow exponentially from that starting point.

The initial returns expectations that we’ve set for the business reflect the business model I described just a minute ago: attractive, stable returns built on long term contracts, combined with sustained high growth rates. We expect that the return opportunity could improve further with time, as markets take shape, leadership positions are established, technology is deployed, and scale efficiencies are realized.
Four key takeaways to sum up. One, we’re accelerating the world’s path to net zero and we’re building a compelling new business. Two, we have tremendous advantage built on our technology, our scale, our project execution, and our value chain integration. Three, we’re building a new business model with attractive, less cyclical returns, and very high growth. And four, we’re leading now with real-world projects moving into execution, and a rich pipeline of future opportunities.

Bottom line, we believe this will be a compelling new business for ExxonMobil, that can underpin future growth and returns for the corporation for decades to come. Momentum is definitely starting to build, and it’s going to be an exciting and high-impact time ahead.

Now, let me hand things back to Jennifer.


2 ExxonMobil analysis leveraging the average annual electricity consumption for a U.S. residential utility customer in 2021 per https://www.eia.gov/tools/faqs/faq.php?id=97 and assumed efficiency of a natural gas combined cycle plant on a lower heating value basis.

3 ExxonMobil analysis using 2022 Outlook for Energy based on assumptions for U.S. in 2022, including average distance traveled, fuel efficiency, average power grid carbon intensity, electric vehicle charging efficiency and other factors. Gas-powered cars include light-duty vehicles (cars, light trucks and SUVs).

4 Renewable diesel has potential to reduce annual greenhouse gas emissions by about 3 million metric tons compared to conventional fuels, as determined in accordance with Canada’s Clean Fuel Regulation.

5 ExxonMobil analysis using 2022 Outlook for Energy based on assumptions for U.S. in 2022, including average distance traveled, fuel efficiency, average power grid carbon intensity, electric vehicle charging efficiency and other factors. Gas-powered cars include light-duty vehicles (cars, light trucks and SUVs).