Conference Title: Exxon Mobil Corporation – 2022 Annual Meeting of Shareholders

Date: 25, May 2022

Jennifer Driscoll: Good morning, everyone. Welcome to the ExxonMobil 2022 Annual Meeting of Shareholders. I am Jennifer Driscoll, ExxonMobil's Vice President of Investor Relations. In a few moments, I'll turn the meeting over to Darren Woods, our Chairman, President and CEO. He'll share some insights on the critical role we play in supplying energy, our results across the business, and our plans to create long-term value for our shareholders by providing the solutions society needs and play a leading role in the energy transition.

First, 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 copyright material. You may not record or rebroadcast these materials without ExxonMobil's consent.

Consistent with current best practices, our meeting today is being conducted in a virtual format, which enables broader investor participation. Although we don't expect any technical challenges today, if we do have some and are 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 a.m. Central Time; and
- the meeting will be adjourned.

Final votes will be posted on the ExxonMobil website and filed with the SEC on Form 8-K.

With that, let me remind you that we may make forward-looking statements today in our presentation and discussion. These statements are 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 our most recent Form 10-K.

For today's meeting, we'll begin by summarizing the rules, including how proponents of shareholder proposals or their duly authorized representatives will be recognized, and the items of business to be covered.

Darren will give the 2022 ExxonMobil Business Review.

This will be followed by 10 items of business, including three Board proposals and seven shareholder proposals. The Board proposals include the election of directors, ratification of independent auditors, and an advisory vote to approve executive compensation.

If you wish to vote or change a prior vote, please follow the voting instructions displayed on your screen. Polls then will be closed, and I will provide the preliminary voting results from the Inspector of Election. That will conclude the formal business of the meeting.

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

To ensure our meeting is conducted in an orderly and productive manner, the Chairman of the Board has established rules governing this event. The Rules of Conduct are available within the Meeting Materials on the virtual meeting website. Only shareholders as of the record date, April 1, or their properly appointed proxies, will be entitled to participate during the meeting.

We want to make sure we have adequate time to hear the proposals as well as our shareholders' questions. As such, we've asked the proposal presenters to keep their remarks to three minutes or less. To help with this, there will be two audible notifications to remind the presenters they are 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 will pause now so we can demonstrate the notification.

[sound tone played]

Adhering to three minutes per presenter will ensure everyone is given equal opportunity.

Prior to today's meeting, we received a number of shareholder questions through our website. For those of you who have registered as an identified shareholder and still want to submit a question, you may do so within the "Ask a Question" box in the lower left of your 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. In light of the number of business items on this year's agenda, and the need to conclude the meeting in a reasonable period of time, we cannot answer every question yet will do our best to respond to as many questions 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 (Ness-rell-ah) and Paula Buckley of Computershare have been appointed as the Inspectors of Election for this meeting and are participating remotely.

They have 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 Inspector of Election has determined that a quorum is present. Now, it is my pleasure to turn the call over to Darren Woods.

Darren Woods: Thank you, Jennifer. Good morning, everyone. I'd like to bring our 2022 annual shareholders meeting to order. The polls are now open. I declare a quorum present and the meeting ready for business.

Before we begin our formal business, I'd like to share my thoughts on our company and how our focus on developing and deploying innovative solutions at scale is leading to real progress and providing value for you as shareholders.

The critical role we play in supplying energy and other products that meet the most basic of human needs has never been clearer or more important.

Access to reliable energy is foundational to our daily lives, and it underpins economic and social progress around the world.

So far this year, a tight supply-demand environment, primarily due to low investment levels during the pandemic, contributed to rapid increases in prices for crude oil, natural gas and refined products. Clearly the events in Ukraine have added uncertainty to what was already a tight supply outlook.

These recent events have reminded us how globally connected energy markets are. They've also underscored the importance of our role in creating sustainable solutions that improve quality of life and meet society's needs, while supporting a lower-emissions future.

Throughout our history, as the world has evolved, so has ExxonMobil ... reliably supplying the energy and products people depend on … enabling mobility … and providing the materials necessary for products we rely on every day ... from medical devices … to car parts ... to cell phones … and much more.

Our ability to adapt to market needs has been the key to creating long-term shareholder value, and it will be critical to our continued success in the years to come.

ExxonMobil works every day to leverage our competitive advantages of scale, integration, technology, functional excellence, and our highly skilled workforce to meet the needs of communities globally … advance lower-emission solutions … and importantly, reward our shareholders.

We are focused on five strategic objectives:

- First, leading industry in financial, operational and environmental performance, including across the key metrics of safety, reliability, greenhouse gas emissions intensity reductions, earnings and cash flow growth.

- Second, being an essential partner through the creation of win-win solutions for our customers, partners and stakeholders.

- Third, upgrading our advantaged portfolio to ensure it leads competition and delivers value across a range of external environments and through volatile and evolving markets.

- Fourth, continuing to innovate … providing solutions that meet the growing needs of society reliably and affordably. This means new products, technologies and approaches that better meet today's and tomorrow's needs and can be deployed at scale to create meaningful impact.

- And fifth, fully leveraging our competitive advantages, the most important of which is our people. Developing our workforce and maintaining a strong culture is a core strategic priority and absolutely essential to achieving our long-term objectives.

To achieve our strategic priorities in a highly competitive industry, we must continue to evolve to meet customer demand and grow shareholder value. That is why we've further streamlined our business structure.

This evolution has been underway for several years.

After Exxon and Mobil merged, we organized the business through functional companies, harmonizing the processes of two companies and consolidating a large portfolio of assets. This enabled us to develop deep functional expertise and strong operations. By 2016, we had nine companies and two research organizations.

With these benefits firmly embedded, in 2018, we further evolved our model to better leverage our scale, reduce overhead, eliminate redundancy, and minimize internal interfaces.

Today, ExxonMobil consists of three core businesses: Upstream, Product Solutions and Low Carbon Solutions.

The Upstream business went from seven companies to one … organized by resource. This organization is focused on strengthening competitiveness, managing and maintaining an industry-leading portfolio of investments, and significantly lowering its emissions.

The Product Solutions business consolidated from three companies into one … creating the world's largest integrated chemicals, fuels and lubricants company. This business is focused on developing high-value products, improving portfolio value, and leading in sustainability.

Our Low Carbon Solutions business leverages our unique combination of capabilities to reduce greenhouse gas emissions in our existing operations and establishes new businesses in carbon capture, hydrogen and biofuels. It is clear that the combination of our scale and expertise can deliver solutions to help customers reduce their emissions. We're focusing on technologies that align with our strengths and are critical to reducing emissions in sectors of the economy that are the hardest to decarbonize.

In addition, by centralizing the skills and capabilities required by all of our businesses, we can take maximum advantage of our scale. This enables us to allocate critical resources more effectively, driving higher value while providing flexibility. This serves us well in a variety of potential future scenarios, irrespective of the pace of the energy transition.

By evolving to this new model we can better serve our customers' needs while further improving our effectiveness and increasing our efficiency … contributing to an expected $9 billion in annual savings by 2023, compared to 2019.

We're already realizing the benefits of many of the organizational changes we've made. Let me take you through the highlights …

In 2021, we sustained our best-ever workforce safety and reliability performance …and significantly improved earnings to $23 billion. Our cash flow from operating activities totaled $48 billion, the highest since 2012.

We used the cash to strengthen our balance sheet, essentially paying back what we borrowed in 2020, when we leaned on our balance sheet to maintain a strong dividend even as many in our industry were forced to reduce theirs.

We provided dividends totaling nearly $15 billion in 2021. Building on that commitment to return cash to shareholders, we are planning to repurchase up to $30 billion of shares through 2023.

In our operations, we are in a strong position to grow supplies of oil and natural gas, and we've improved performance across our portfolio and consistently invested in our advantaged projects when prices were low.

In Guyana, our exploration success continues. We expanded the estimated recoverable resource to nearly 11 billion oil-equivalent barrels with five new discoveries already this year.

We achieved first oil at Liza Phase 2, accelerated the timing to start up our third major development … Payara … and reached a final investment decision on our fourth project … Yellowtail … which will be the largest to date.

We also grew production and drove efficiencies across our Permian Basin operations in the US. This year, we expect to produce more than 550,000 oil equivalent barrels per day in the Permian, which would be an increase of 25% on top of the 25% increase in 2021.

Last, we achieved record earnings in our Chemical and Lubricants businesses last year and delivered the state-of-the-art Corpus Christi Chemical Complex on schedule and under budget. In fact, this project already delivered positive earnings and cash flow in its first quarter of operations.

As we are growing low-cost production and expanding offerings of high-value performance products, we are also improving our environmental performance.

Our teams have been aggressively managing emissions from our operations, achieving our 2025 emission-reduction plans four years earlier than planned.

We've also announced our ambition to achieve net-zero scope 1 and 2 greenhouse gas emissions from our operated assets by 2050. To do this, we're taking a comprehensive approach centered on developing detailed emission-reduction roadmaps for major operated assets.

This ambition builds on our established and more aggressive 2030 emission-reduction plans, which are consistent with Paris-aligned pathways and include reaching net-zero greenhouse gas emissions in our Permian Basin operations by 2030. It also includes ongoing investments in carbon capture and storage, hydrogen and biofuels, where we have distinct competitive advantages and proven experience.

We've allocated more than $15 billion over the next six years to reduce emissions in our own operations and advance these critical technologies. Carbon capture and storage, hydrogen and biofuels are essential in reducing emissions from our operations and the operations of others, particularly in the areas of manufacturing, power generation, and transportation – the three most energy-intensive and hard-to-decarbonize sectors of the economy that also account for about 80% of energy-related emissions.

Looking at the average demand needed under the IPCC's Lower 2-degree scenarios, the total addressable markets for these technologies and products could be more than $6.5 trillion by 2050 and are very well aligned with our existing capabilities.

Specific to carbon capture and storage, we have more than 30 years of experience capturing and permanently storing CO2. In fact, we've cumulatively captured more human-caused CO2 than any other company, and we're advancing more than 10 large carbon capture and storage opportunities, including a Houston hub that could capture and permanently store about 100 million metric tons of CO2 annually by 2040.

For hydrogen, we produce about 1.3 million metric tons per year. We're evaluating additional strategic investments and announced plans for our first hydrogen production plant in Baytown, Texas, that would produce nearly 1 million metric tons per year of hydrogen – increasing our capacity by over 65%.

Looking at biofuels, we plan to produce more than 40,000 barrels per day by 2025, and 200,000 barrels per day by 2030. This would reduce annual CO2 emissions from the transportation sector by 25 million metric tons, equivalent to the emissions of 5 million cars.

The Intergovernmental Panel on Climate Change and the International Energy Agency both recognize the importance of these technologies in helping society achieve a net-zero future. That's why we're working to expand these technologies … while also increasing the supply of products that offer lower life-cycle emissions and enable a transition from higher-emission alternatives.

For example, natural gas or LNG reduces global emissions when it displaces coal for power generation. In the same way, plastics produced by ExxonMobil reduce the weight of electric and traditional vehicles and increases their efficiency …which reduces their emissions.

Of course, sound government policies will accelerate the deployment of technologies at a pace and scale required to support a net-zero future. Supportive policies, such as an explicit price on carbon or well-designed, sector-based policy options, can provide direct investment and incentives for a broad range of emission-reduction technologies. These policies would help grow the use of carbon capture, biofuels and hydrogen just as they have done for wind, solar, and electric vehicles.

Long-term, we have the portfolio flexibility to pace our investments consistent with advancements in technology and policy necessary to meet society's energy needs and a lower emissions future.

To conclude, this is an exciting time for ExxonMobil.

We have opportunities on both sides of the dual challenge to play a leading role in helping meet the world's growing need for stable supplies of energy and essential products, and to reduce emissions in support of society's net-zero goals.

This is not an "either / or" proposition. We can increase supply and reduce emissions – strengthen energy security, and help advance the energy transition.

ExxonMobil is uniquely positioned to do both.

Leveraging our core capabilities and competitive advantages, we are developing each of our businesses in line with evolving markets.

If the energy transition happens faster than projected, we can allocate additional resources to our Low Carbon Solutions business. If it happens more slowly, we can sustain investments in our traditional businesses.

Our approach provides optionality, which in an uncertain world, maximizes value. Bottom line, we are positioned to grow value across a broad range of future scenarios.

I am proud to represent the people of ExxonMobil. They have overcome major challenges, are managing unprecedented change, and delivering outstanding results.

As we move forward, we'll remain focused on executing our strategy; sustainably growing value across a broad range of scenarios and time horizons; and importantly, leading the industry … now and through the energy transition.

Thank you for your support and the continued trust and confidence you've placed in our company.

With that, let's turn to the business of the meeting.

I'm now placing the 10 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 11 directors. The Board nominates the 11 persons identified in the proxy statement. All 11 are highly qualified to serve on the Board.

All of the nominees are currently serving as ExxonMobil directors, and are participating in this meeting remotely. They are:

- Michael Angelakis
- Susan Avery
- Angela Braly
- Ursula Burns
- Gregory Goff
- Kaisa Hietala
- Joseph Hooley
- Steven Kandarian

- Alexander Karsner
- Jeffrey Ubben, and myself.

I also want to take this opportunity to recognize one of our directors who is retiring from our Board, Kenneth Frazier, who has served on our Board since 2009 and as independent lead director since 2020. It has very much been a pleasure working with Ken over the years. Ken, we appreciate the leadership and wise counsel you've provided and we are extremely grateful for your years of service on our Board of Directors. You will be missed.

The next item on the agenda is the ratification of PricewaterhouseCoopers as the independent auditor. The Board's Audit Committee has appointed PwC to audit ExxonMobil's financial statements for 2022. PwC is represented today by Chuck Chang, who is 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.

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 the presenters.

Jennifer Driscoll: Thank you, Darren. As a reminder, each presenter will have up to three minutes to present their proposals. The first shareholder proposal calls for the removal of executive perquisites. I understand that Bernie Pafford will present the proposal. Operator, please open his line. Bernie, please go ahead.

Bernie Pafford: For my nearly 42 years working at ExxonMobil, I saw a lot of policies, but some stood out as being most important. They were the ones we were regularly trained on and practiced on a daily basis. They included adhering to cardinal safety rules and not using company funds to cover personal expenses.

Well, that last one is not uniformly applied across the company, and shareholder proposal number four is aimed at ending the double standard that now exists. It says payment of personal expenses not allowed to US dollar paid employees would end for the named executive officers, both past and present. This is not about the small amount of money that's involved. It's about optics and leadership.

Employees are subject to disciplinary action up to and including termination if they use company funds to cover personal expenses. However, the corporation contracts third parties, provide financial planning advice and prepare taxes for some NEOs. Sadly, this practice extends beyond the NEOs to about 50 high level executives. The Board says this program is being discontinued. However, this flawed practice is grandfathered for executives already receiving the perk and could do so for years to come. It needs to end ASAP and never be resurrected.

Offices and administrative services are also made available to certain employee directors after retirement. They receive assistance with correspondence and travel arrangements that are not necessarily related to activities from their employment. The proxy statement even says the retired director's spouse may benefit from the support provided. Clearly, this is a practice of questionable value that should be eliminated.

The Board's recommendation says certain security costs are not perks, which makes rationalizing a core policy acceptable in their eyes. However, there are other ways to meet their objectives without making exceptions to the rule. For example, implement a time sharing agreement like FedEx and Visa have to cover the costs of corporate jet for the CEO's personal travel.

And why should shareholders pay the annual fee for security systems on homes in affluent Dallas suburbs? It's interesting that the title the board added to this proposal is remove executive prerequisites. Gratuity is another word for prerequisite. NEOs receive significant compensation, doesn't require shareholders to tip them by paying for personal expenses like $2,000 for security system.

In closing, I hope leadership sees a dichotomy here, a core corporate policy that everyone but senior executives are expected to follow. It's a classic case of do as I say, not as I do. Exceptions to core principles undermine the corporate foundation and fail to achieve the higher moral ground we aspire to.

Let's write that wrong. Thank you for your time.

Darren Woods: Well, thank you, Bernie. Let me respond to the proposal that you've made here. I'll start with the fact that the security of all our employees is a priority for the company. Security measures are provided to employees based on a risk assessment that considers both location and position, among other factors.

I would say that the CEO is not the only person who is given security protection. Cost to provide security for employees are common for large companies and are not personal benefits since they're directly related to employment by the company.

More broadly, all US employees participate in the same broad based programs. And a few cases where there are differences, they are due to participation in a previously offered program. We closed executive life insurance in 2007 and closed financial planning, including tax reporting, in 2021. Reported values on saving plans and relocation represent programs that are available to all of our US employees.

Similar to total direct compensation, we benchmark all of these elements against our compensation benchmark peers and are well below the median. Therefore, the Board recommends shareholders vote against this proposal.

Jennifer Driscoll: The second shareholder proposal relates to limiting shareholder rights for proposal submission. I understand that Steve Milloy will present the proposal. Operator, please open his line, Steven. Please go ahead.

Steven Milloy: Good morning. My name is Steve Milloy. Well, here we are again at the ExxonMobil annual circus. ExxonMobil produces petroleum products that the world desperately needs and will need much more of in the future. Things have been great for shareholders. If you kept your head when everyone else lost theirs in 2020, you'd have a 200% return on your investment and an 11% dividend. It's been fantastic. But there is a cancer on ExxonMobil. That cancer is climate activist shareholders.

Last year's annual circus witnessed the election of a block of climate activists to the Board of Directors. A couple more elections like that and climate activists will run the company. That endangers ExxonMobil and us, genuine shareholders, say goodbye to the dividend and then can a stock price crash be far behind. The activists don't want ExxonMobil to be an oil company. They view it as a political chess piece to be captured and then use to advance their twisted, junk science fuelled climate agenda.

Don't believe it. Just listen to the five climate activist proposals coming after mine. They don't want ExxonMobil to sell oil and gas. They want to kill the company over climate idiocy. You may think these are harsh words, but I defy anyone to prove them wrong. I have introduced what I call the shareholder proposal to end all shareholder proposals.

My proposal tells management that we, the genuine shareholders, want ExxonMobil to remain a highly profitable oil company. To do that, we must stop ExxonMobil hating activists from turning the annual meeting into a climate clown show so they can take over the company.

I first introduced this proposal 14 years ago. Now, as then, management placed my presentation before those of the climate crazies. I'd like to think it's because management secretly hopes my proposal wins, but I can't be sure because management has spent the last 17 years appeasing climate idiocy and incubating the cancer that now threatens the company. You see, while management is really great at producing oil, when it comes to the realities of climate and the politics of fighting the activist cancer, they suck really bad. So it's up to us, the genuine shareholders, tell management you want to cure the cancer on our company.

Once ExxonMobil is in remission, we can bring back shareholder proposals. This doesn't have to be forever, but it has to be for now. Imagine that we could meet and celebrate the success that ExxonMobil is versus listening year after year to the ill-intentioned malignancies that will follow me today as they try to kill our golden goose.

It's up to us. No one is coming to our rescue, and our slow-witted management will only help if we tell it to. Climate hysteria is a giant hoax. Think about the dividend. Think about the share price. If the dividend and oil production are cut, are you willing to surrender those to a politically-driven hostile takeover? Vote for proposal number five and against the cancer.

Thank you for listening.

Darren Woods: Thank you, Steve. I'd just say that the Board respects and supports the rights of shareholders to be heard. Therefore, the Board recommends a vote against your proposal.

Jennifer Driscoll: Thank you, Darren. The third shareholder proposal calls for reducing company emissions and hydrocarbon sales. I understand that Mark van Baal will present the proposal. Operator, please open his line. Mark, please go ahead.

Mark van Baal: Good morning. Thank you for this opportunity to speak. Dear, Mr. Woods, Chairman, fellows shareholders, and members of the Board, and especially welcome to Kaisa Hietala, Gregory Goff and Andy Karsner, the three Board members that were voted in a year ago after the campaign by engine number one.

Today, for the first time, the whole of this climate proposal will come to folks at ExxonMobil. With that, folks, shareholders and ExxonMobil will sell what few today prefer, a world of increasing oil and gas production and devastating climate change, or a world that curbs emissions in order to achieve the goal of the Paris Climate Agreement. They will do so by voting for or against climate proposal number six.

The proposal requests ExxonMobil no more and no less than to set emission reduction targets that are aligned with the Paris Climate Agreement. The strategy is entirely up to the Board. The key question at the end of not only ExxonMobil, but big oil in 2022 is, will investors give in to the narrative from oil companies that the energy crisis created by the war in Ukraine overrides the climate crisis? Some investors do, but responsible investors keep their eyes and their focus on the climate crisis because they realize two facts.

First, the world cannot afford to derail progress. All the while, the climate crisis grows, building future costs that will dwarf current hardships. Second, these investors realize that both crises must be dealt with simultaneously by shifting investments to renewables, especially the current windfall profits. As a major player in the international energy market, Exxon possesses the global market making opportunities, the brains and the billions to drive the energy transition.

Nevertheless, among its peers, Exxon wants to be the last man standing. Exxon is the only oil major, the only major oil company without Scope 3 targets. Your peers have reluctantly set Scope 3 targets after investors voted for climate proposals that requested such targets. In the proxy statement, ExxonMobil advises shareholders to vote against the following shareholder proposal.

By specifically rejecting accountability for the emissions of its products so called Scope 3, the company calls Scope 3 accounting methods and I quote, “duplicative and flawed”. Another revealing sentence in ExxonMobil's directors’ negative voting advice for this resolution, and I quote, “a proposal that constraints leading companies from producing products that currently have insufficient practical alternatives to simply transfer their production and associated emissions to other producers.”

Jennifer Driscoll: Sorry, Mr. van Baal, we’re unfortunately exceeded the three minutes. Could you complete your comment?

Mark van Baal: Yeah. I will complete. This really shows a lack of imagination beyond oil and gas. So dear Mr - Mrs. Hietala, Mr. Goff and Mr. Karsner, after the campaign brought by Engine number one, you were voted in the ExxonMobil Board and we trust you agree with [inaudible] Scope 3 targets are crucial. So therefore, we hope investors today will give you, by voting, the leverage to get Scope 3 on the agenda of ExxonMobil. Thank you.

Darren Woods: Thank you, Mark. Let me let me start by saying that ExxonMobil is committed to playing a leading role in the energy transition and supporting society's net zero ambition. We're working very hard to reduce emissions from our operations and to help our customers reduce their emissions.

After achieving our 2025 emission reduction goals four years early, we've established aggressive 2030 reduction plans for Scope 1 and 2 emissions that are consistent with Paris aligned pathways. We're investing more than $15 billion over the next six years on lower emission initiatives. We're leveraging our competitive advantages to lower emissions in our operations and to grow our low carbon solutions business opportunities.

And we're taking a holistic approach to lower overall lifecycle emissions of the products demanded by society, by driving reductions of our Scope 1 and 2 emissions in support of our net zero by 2050 ambition, providing lower emissions intensive products to help our customers reduce their own emissions, such as plastics for wind turbine blades and light-weighting cars, more efficient fuels and lubricants. And we're advancing commercialization of lower emission solutions and technologies at scale by carbon capture and storage, hydrogen, and biofuels.

These actions will help to drive down our customers emissions, reducing Scope 3 emissions. We do not believe it's in the best interest of our shareholders or society for ExxonMobil to reduce the supply of critical products needed by society, which is the intent of your proposal. Therefore, the Board recommends shareholders vote against this proposal.

Jennifer Driscoll: Thank you, Darren. The fourth shareholder proposal calls for a report on low carbon business planning. I understand that Natasha Lamb will present the proposal with a recorded statement. Operator, please play the recording.

Natasha Lamb: Good afternoon. My name is Natasha Lamb and I move proposal 7 on behalf of Arjuna Capital asking Exxon to issue a business plan that yields profits and reduces dependence on fossil fuels within the limits of a 1.5 degree global temperature rise. That is what is needed to avoid the detrimental harms of climate change.

To achieve that goal, emissions need to be halved this decade, and oil industry emissions need to drop 50 to 90 percent by 2050. Despite this, Exxon continues to plan new investments in fossil fuels, largely underestimating the disruption of new technologies and regulation. Carbon Tracker estimates Exxon could lose 80% of its petroleum investments if the world takes action to limit global temperature rise. And Exxon is not the only business at risk. The emissions from Exxon's products have an outsized impact on the economy at large and the diversified investors that place their capital in that economy.

The United States Commodity Futures Trading Commission stresses: Climate change poses a major risk to the stability of the U.S. financial system and to its ability to sustain the American economy. It's also estimated 50% of company's earnings are at risk from climate costs, which creates systemic risk for Exxon and diversified investors alike. Yet Exxon's commitments fall substantially short of what's needed. Limiting its goals to scope 1 and 2 emissions, those generated through Exxon's business operations alone, and excluding the company's scope 3 emissions, those generated by burning oil and gas products, which makes up nearly 85% of the company's total emissions.

Unfortunately Exxon's response to our proposal is reactive not proactive. Exxon contemplates that it would lose a significant portion of oil and gas revenues if governments and societies are successful in achieving a net zero emissions scenario by 2050. But that is not the path that Exxon is planning for or spending for. Peers have begun investing in clean energy including wind, solar, and renewable storage. But Exxon has invested in less effective carbon mitigation solutions, like carbon capture and sequestration. The World Benchmarking Alliance estimates companies need to dedicate 77% of capital expenditures to low carbon projects to meet a 1.5 degree scenario. Yet

Exxon plans to invest a fraction of that, 10% of CAPEX in lower emissions energy solutions through 2027.

For these reasons we strongly urge you to support Item 7, a comprehensive low carbon business plan that includes scope 3 emissions reduction targets and proactively reduces dependence on fossil fuels is necessary to protect our investment in Exxon, our economy, and our world.

Darren Woods: Thank you. Let me start by saying that we agree that business planning must be tested for resiliency across a range of scenarios, which is why we've evaluated our strategy against a very aggressive decarbonisation scenario.

In addition, our business plans also considered factors such as policy and commercially available technology, and estimates on how these may change over time. We've conducted a detailed analysis of our business and investment portfolio under the International Energy Agency's net zero emissions by 2050 scenario, which is a deep decarbonisation scenario aligned with a 1.5 degrees Celsius pathway.

The modeling highlighted the optionality of our portfolio and showed significant growth potential in chemicals, biofuels, carbon capture and storage, and hydrogen. Even in this IEA net zero by 2050 scenario, approximately $11 trillion in additional oil and natural gas development is required to meet the world's energy demand and replace natural fuel decline. Our company is positioned to successfully compete in these businesses by leveraging our competitive advantages and capabilities and repurposing assets toward these growth opportunities.

Because the information requested by the proposal has already been published and the model was audited by an independent firm, this report is not needed and the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. Our fifth shareholder proposal calls for a report on scenario analysis. I understand that John Geissinger will present the proposal with a recorded statement. Operator, please play the recording.

John Geissinger: Dear board, staff and shareholders, I am John Geissinger, the Chief Investment Officer at Christian Brothers Investment Services. We have been a long term investor in Exxon stocks and bonds. I am here to urge the board to exercise rigorous oversight of the risks posed to Exxon by climate change and the global effort to combat.

Last year and this, we have filed a proposal urging you to quantify in an audited report the effects of the International Energy Agency's Net Zero 2050 scenario on the assumptions, costs, estimates, and valuations underlying Exxon's financial statements.

This scenario represents the shifts in public policy and consumer demand that would accompany the limiting of global temperature rise to 1.5 degrees. The level science indicates cannot be breached if the most catastrophic effects of climate change are to be avoided.

Major investor networks of over $100 trillion are urging companies to demonstrate their resilience to this scenario in quantitative terms. In order to mitigate the risk of capital misallocation and asset stranding, a number of your peers have already complied or provided greater transparency: BP, Shell, Total, Devon, Conoco. And a near majority of shareholders last year called on this board to follow suit.

This year the momentum is growing. CA100+ flagged this proposal due to its importance. And both ISS and Glass Lewis again recommended its clients vote in favor. Despite this, Exxon has responded with only a qualitative description of how it might manage its assets or shift its investments. That is not the request of CBIS and our co-filers who together own $175 million of Exxon stock nor the 49% of your shareholders who came to you with a very clear and direct request last year. This is no fringe element, yet you have not quantified the impairment of existing assets, the remaining lives of assets, the effects of liabilities, nor the change in capital expenditures that would be required under this scenario.

For the past 2 years, independent analysis by carbon tracker initiative confirms that the impact of using the net zero 2050 scenario assumptions on ExxonMobil's current business model or financial results has not been quantified.

While preventing extreme climate change is undeniably difficult, it is essential to the continued flourishing of the capital markets and the global economy to quantify these risks. It is for this reason the SEC is considering mandating such climate-related disclosure in corporate financial filings.

We urge Exxon to conduct the thorough quantitative assessment that we are requesting again this year, and we urge all Exxon shareholders concerned with the future liability of their investment in the company to vote in favor. Thank you for your time.

Darren Woods: Thank you. As I mentioned earlier, we use scenarios like the International Energy Agency's net zero by 2050 with its detailed assumptions to inform our thinking on the resiliency of our assets and the opportunities to evolve our businesses. As also mentioned in response to the previous proposal, we believe that the modeling will be performed with the associated third-party audit more than satisfies the aims of this shareholder proposal.

Contrary to the proponent's characterization, the impact of a deep decarbonization scenario has been quantified and shows that our strategy is robust to this extreme scenario and has the potential to continue to grow shareholder value. Therefore, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The sixth shareholder proposal calls for a report on plastic production. I understand that Joshua Romo will present the proposal. Operator, please open his line. Joshua, please go forward.

Joshua Romo: Thank you. Ladies and gentlemen, good morning, and thank you for this opportunity to present our shareholder resolution. I am Joshua Romo, energy and plastics associate for the shareholder representative, As You Sow. This resolution requests that Exxon assess economic risks to its plastic production business under a scenario where demand for virgin plastics is disrupted by efforts to combat ocean plastic pollution.

This reporting will give investors a better understanding of the scale of Exxon's commitment to address plastic pollution and position itself as a leader amongst its peers in creating a circular economy for plastics. Concern about the growing plastic pollution problem, especially in the oceans, is at crisis levels. The scientific community has warned that plastic pollution may be nearing an irreversible tipping point.

At the heart of the plastic pollution problem lies the continued expansion of plastic production, especially virgin and single use plastics. Major reports by the United Nations, the US National Academies of Science and the OECD warned that this rate of expansion is unsustainable.

Research conducted by The Pew Charitable Trusts and SYSTEMIQ in collaboration with 17 global experts, found that the world can feasibly reduce ocean plastic pollution by 80% by 2040 using existing technology. However, it would require a one third absolute reduction of mostly single use virgin plastics.

Exxon is the world's largest producer of single use plastic resins. And in a world that is transitioning toward a circular plastics economy and away from virgin and single use plastics, further investments in virgin plastic production exposes Exxon to economic risks, including the risk of stranded assets. Exxon's virgin polymer production is estimated to increase by another 35% by 2025, an expansion that's roughly eight times greater than the company's 2026 recycled polymer targets.

While Exxon states that it shares society's concern about plastic pollution, its current circular polymer production target is estimated to displace no more than 5% of its virgin plastic production volumes by 2026. This plan lacks the necessary ambition required for the company to transition to a circular economy, which is centered on the production of recycled plastics.

Furthermore, Exxon was recently issued a subpoena by the California attorney general seeking information related to our company's role in causing and exacerbating the global plastics pollution crisis. We urge Exxon to take responsibility and become a leader in the transition to a circular plastics economy by assessing the economic risks of its growing investment in virgin plastics, thereby reducing transition risk and creating opportunities for significant reductions in ocean plastic pollution.

Thank you for the opportunity to present on this important issue.

Darren Woods: Thank you, and good morning, Joshua. As you know, plastics provide significant and growing benefits for society and help make modern life possible. They play an important role in achieving many of the United Nations' Sustainable Development Goals, including good health, food preservation and clean drinking water.

They are key in the International Energy Agency's net zero by 2050 scenario, where demand for chemicals grow more than 30% versus 2020, with plastics making up about half of that growth. For many applications, plastics have a lower carbon footprint than alternative materials like glass and aluminum. For example, on a lifecycle basis, plastic packaging has a 54% lower greenhouse gas emissions impact compared to alternative materials, and plastics support renewables and low emissions technologies such as lightweight parts for electric vehicles, wind turbine blades, and solar panels.

At the same time, we agree that plastic waste in the environment is a concern that must be addressed. To help with this challenge, we are developing and deploying technologies to help create a circular economy. In 2021, we began operation of our first large scale plastic waste advanced recycling facility in Baytown, Texas, and completed our first sale of certified circular polymers earlier this year. Plans are underway for up to 500,000 metric tons annually of advanced recycling capacity to be added by year-end 2026 across multiple sites around the world.

We believe the information we publicly share on our approach to plastics, including our Sustainability Report and Advancing Climate Solutions Report, and more importantly, our actions to address plastic waste and progress recyclability already address this proposal. For these reasons, the Board recommends voting against this proposal.

Jennifer Driscoll: Thank you, Darren. The final shareholder proposal this morning calls for a report on political contributions. I understand that Tim Brennan will present the proposal. Operator, please open his line. Tim, please go ahead.

Tim Brennan: Thank you. Mr. Chairman, members of the Board and fellow shareholders, thank you for the opportunity to speak to you this morning. I am Tim Brennan, representing the lead filer at the Unitarian Universalist Association, which I will note is a genuine investor through its UU Common Endowment Fund, and would like to take Newground Social Investment for co-filing this resolution with us.

So I move our proposal item number ten on your proxy card, which asks the company for full transparency on its spending to influence elections, including indirect funding through trade associations. One of the UUA's seven principles calls us to uphold the democratic process. We are deeply concerned that excessive spending and secret money in elections can corrupt democratic institutions and undermine public trust, especially if it comes without full transparency.

Furthermore, we believe that transparency and accountability in corporate political spending are in the best interests of shareholders. The Wharton School and the Center for Political Accountability annually benchmark the political spending disclosure of leading US public companies and publish the results as the Zicklin Index. Our company scored a middling 60 out of 100, slightly down from the previous year's 61.

Recently, our company upgraded its lobbying disclosure, which we applaud. One improvement was the disclosure of amounts paid to trade associations and the percentage used for lobbying. But it is not clear if lobbying includes election spending. Still missing our entire categories of payments intended to influence elections, including direct independent expenditures at the state level and indirect contributions through so-called social welfare organizations. Such contributions are often called dark money because the source of the money need not be disclosed.

Disclosing such indirect election-related spending as this proposal requests would bring our company in line with a growing number of leading companies, including ConocoPhillips, Phillips 66, General Electric, CSX and Norfolk Southern. We call on our company to join these leaders.

In its statement of opposition included in the proxy statement, the Exxon Board argues that meeting the minimum legal standard is good enough. In so many areas, the company goes well beyond the legal minimum, lobbying disclosure, philanthropy, clean energy R&D. Why is election spending subject to such a low standard?

As shareholders, we call on the Exxon Board to commit itself to full transparency and not settle for the minimum standard of obeying the law. Therefore, we urge shareholders to vote for this proposal. Thank you.

Darren Woods: Thank you, Tim. In responding to shareholder feedback, we expanded our lobbying disclosures as part of our newly published lobbying report. In addition to complying with all disclosure requirements under US law, we received shareholder feedback that our report is, "one of the most complete and comprehensive issued by a company."

This report details our processes for overseeing the development of public positions and reviewing lobbying and political contributions. Our website also provides our political activity guidelines, as well as multi-year contributions to candidates and political organizations. Therefore, this report is not needed and the Board recommends voting against this proposal.

That concludes the presentation of the proposals. Please cast your votes if you have not yet done so. I will pause for a brief 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.

For now, I'll turn it over to Jennifer to report the preliminary results of the vote.

Jennifer Driscoll: Thank you, Darren, and thanks to everyone who voted. According to the Inspector of Election, there are nearly 3.4 billion shares represented at this meeting. That equates to approximately 80.3% of outstanding shares entitled to vote.

Subject to final tabulation of votes, which should not materially change the results, on average, 96.0% of the votes cast were voted to elect as directors, the 11 nominees listed in the proxy statement.

The resolution concerning their ratification of independent auditors passed approximately 96.8% of the shares voting thereon, were voted for.

The resolution concerning an advisory vote to approve executive compensation passed. Approximately 92% of the shares voting thereon were voted for it.

The proposal to remove executive perquisites was not approved. Approximately 21.8% were voted for it.

The proposal to limit shareholder rights for proposal submission was not approved. Approximately 1.5% were voted for it.

The proposal to reduce company emissions and hydrocarbon sales was not approved. Approximately 28.1% were voted for it.

The proposal calling for a report on low carbon business planning was not approved. Approximately 10.5% were voted for it.

The proposal calling for a report on scenario analysis was approved. Approximately 52.0% were voted for it.

The proposal calling for a report on plastic production was not approved. Approximately 37.4% were voted for it.

Finally, the proposal for a report on political contributions was not approved. Approximately 26.7% were voted for it.

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

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

Jennifer Driscoll: Thanks, Darren. We've received a number of questions in advance through our website. Actually, more than 25 questions were submitted online during the meeting today, some of them about the same topics. Additionally, we received more than 30 comments. 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 received the most questions. Darren, here's the question. Why are you increasing your share buybacks and not increasing your dividend?

Darren Woods: Thanks, Jennifer. Let me just start by saying we’ve put a great deal of importance on the dividend, and it's one of the reasons why through the pandemic, we worked hard to maintain that dividend while others cut theirs. We know that a number of our shareholders rely on the dividend and it's important to them. And the Board is committed to making sure that we continue to meet that obligation to our shareholders and committed to ensuring that we share the company's success with shareholders through a competitive dividend, as well as efficient distributions.

When the Board's evaluating the dividend, they consider a number of different factors: the dividend yield, payout ratio, cash flow of the business, and other ongoing obligations. It's also looked at in the context of other capital allocation priorities. Of course, our first priority continues to be establishing a strong, competitively advantaged business, which requires us to continue to invest in high return projects throughout the cycle that lead to growth in earnings, cash flow, and ultimately shareholder returns. That is a critical priority for maintaining a long business life.

A second critical priority is a strong balance sheet to ride through the cycle lows. And this was absolutely critical through the pandemic when we borrowed about $20 billion to sustain dividends and manage those critical investments that we needed to advance strategic projects.

And then third is sharing the success with our shareholders. In addition to a strong reliable dividend, the Board considers share repurchases as an efficient means of returning cash to shareholders. As we've announced earlier this year, we expect to deploy up to $30 billion in share repurchases through 2023. And I think it's important to keep those share repurchases in context - in the right context.

By reducing shares outstanding, we create room to grow dividends further without growing the annual spend or the dividend obligations. So it's an important part of the mix as we think about capital allocation. And I would tell you that every quarter the Board considers these capital allocation priorities, considers the business context that we're operating in, and our views of the future and makes those decisions quarterly. Thanks for that question.

Jennifer Driscoll: You're welcome. Another question that we got more than once, one of the shareholders said, what can you do to lower the price of gas. If you increase your operations, wouldn’t that help to supply more gas and also be good for your financials, which is good for Exxon shareholders?

Darren Woods: Yeah. It's a great question. And I want to just start by acknowledging the hardship and the very real impact these high prices are having on families here in the US, and frankly, all around the world. And it's something that the company has been focused on for quite some time, this challenge of addressing the dual challenge, and in particular the challenge associated with the pandemic and the impact that it had on our industry.

The price for a gallon of gasoline is determined by supply and demand in the global market. It's a globally supplied market. And supplies today are tight. And that tightness reflects the lower industry investment and the refining closures during the pandemic, when the revenues for the industry dried and companies all around the world struggled to work through the pandemic.

Refinery closures were about 3 times - 3 to 4 times the average annual closure rate that we've typically seen. And while the economies are now coming out of the pandemic and demand is rising, it's still below 2019 levels, but the supply is even shorter.

If you go back to 2020, industry investment levels were below what was needed to offset the depletion, which is about 7% annually in crude. And we worked really hard to make sure that we continued our capital expenditures even during the depths of the pandemic, which is one of the reasons why we drew so heavily on our balance sheet. And that was to make sure that as we came out of this pandemic and demand recovered, that we would have the production available to meet that growing demand.

We stayed very focused on the fundamentals by continuing those investments in advantaged projects. And in addition to that, lower emission initiatives to make sure that as we met that growing demand, we were also reducing our emissions. I think we have to be realistic, though. Volumes won't rise overnight. The investments required are large and they take time to execute. But because prior to the pandemic, we were very focused on investment and growing our capital counter cyclically, making those investments off cycle, we were leaning into the investments when others were leaning out.

Today, we're growing our production of advantaged barrels. We're one of the few oil and gas companies who are making significant investments in our refineries. We've made in Europe investments previously in capacity. We've got a big project now in the Gulf Coast and we've got a big project out in Asia to grow our refining business.

And so it's a big part of our plans and our investment plans, which today are forecast to be between $21 and $24 billion of capital investments as we go through our plan horizon. That's going to continue to add advantaged production to our portfolio. In the upstream, a lot of those increases are coming from our low cost of supply, Guyana and Permian operations. And then, as I said, advantaged refining investments in both the US and Asia. Thank you.

Jennifer Driscoll: Thank you, Darren. Our next question is with regards to Scope 3 targets. We got that today from investors and we've got it from institutional investors earlier in the year. Our big oil and gas companies have committed to reducing emissions from their full value chain, including Scopes 1, 2 and 3, and gotten positive media and market attention for it. Why isn't ExxonMobil doing the same?

Darren Woods: Well, let me just start by saying we share society's goal to reduce global emissions in total. And we certainly are committed to reducing the emissions from our own operations. And we're working to help our customers reduce their emissions. That's why we're investing more than $15 billion over the next six years on lower emissions initiatives. And those initiatives include investments in technologies that will help lower emissions, not only in our business, but also to help grow our Low Carbon Solutions business, which will help reduce Scope 3 emissions and the emissions of industry and some of our customers.

We publicly provide our Scope 3 emissions in our Advancing Climate Solutions Report, but we don't believe Scope 3 targets are an effective way to manage total society emissions. In fact, we're concerned that a target for Scope 3 emissions on individual companies could actually have the opposite effect.

Let me give you a couple of examples to make the point. The growth in gas today is being used in power generation and is backing out coal, which is a much more emissions intensive fuel for power generation. Every additional ton of gas that we produce backs out coal into power generation, and that's good for society.

Our scope 3 emissions grow with our growth in LNG, but society emissions decline with cleaner burning fuel and to power generation. So we want in that case for us to grow that business and help society reduce its emissions. Likewise, as long as there continues to be a need for a diesel distillate jet fuel, gasoline, you want the most - the lowest emissions intensive refineries producing those fuels.

We have been working for decades to lower the emissions of our refineries. And in fact, we're one of the lower - lowest emissions refinery circuits in the world as benchmarked by independent third parties. If we reduce the amount of products that we're making that the world continues to demand, that production shifts to other refineries around the world and potentially to higher emissions emitting refineries, and therefore, again, society's emissions would increase.

And so this is a complicated area, one that we're very thoughtful about and one that we're very focused on making sure that while these products are needed, we're going to make sure that ExxonMobil earns the right to produce those by being amongst the industry leaders in reducing emissions.

We think it's better to focus on Scope 1 and Scope 2 emissions, and I think it's important to remember that Scope 3 emissions are somebody else's Scope 1 or Scope 2.

But I do want to emphasize that at the same time, we are trying to help manage society's broader emissions profile. And we think a good way of doing that is by looking at overall life cycle emissions. And our 2030 plans imply a life cycle emissions reduction. So that's looking across the entire lifecycle of a product.

Our plans imply about a 12% absolute reduction and a 4% intensity reduction in lifecycle emissions. So the work that we're doing, not only in our own facilities but in reducing the emissions intensity of our products, is making a difference and for society. Thank you.

Jennifer Driscoll: Appreciate that, Darren. Our next question is with respect to renewables. Is ExxonMobil going to invest in wind and solar or other forms of renewable energy?

Darren Woods: Yeah. That's a question that we've got a lot over the years. Let me just start by saying all energy sources are going to be important going forward in terms of tackling this challenge of lower emissions. The IEA and the IPCC agree with this.

Of course, we've looked at the renewable space. We're very focused on leveraging our competitive advantages and where we can bring a unique value and help solve some of these challenges where others can't. I think it's important to remember that wind and solar is a power generation business, a business that we're not in today. And as we've looked at our competitive advantages and what we can bring to that, frankly, we don't see a good match. We don't see the opportunity for ExxonMobil to provide above industry average returns in this space.

We do think, however, that we can play a role with wind and solar, in particular by providing a sales outlet, providing a confident outlet for sales so that others who have those skills can build projects and provide that power, and we can assign contracts to bring that in. We are one of the largest purchasers of renewable power in the industry and globally.

We think where society is best serve is for us to focus our contributions in the areas that leverage our technical capabilities, our project management skills, and focus on the hard to decarbonize sectors, where there aren't today really good alternatives and solutions. And that's in the areas of power generation where wind and solar aren't economic, and in commercial transportation and in heavy industry.

And we think in those spaces, our strength in carbon capture and storage, and hydrogen, and our ability to produce biofuels can play a much bigger role and contribute to lower emissions across those different industries. And that's where we're focusing our efforts. That's where we're focusing our technology development. And that is a key focus area for our Low Carbon Solutions business.

Jennifer Driscoll: Thank you, Darren. And next question is about our Low Carbon Solutions business. That's a good segue. How do you choose the focus areas in your low carbon business? And how do you plan to have them compete with the returns from your oil and gas businesses?

Darren Woods: Yeah. So that's a great question. And I think maybe a little bit of context as how we think about the Low Carbon Solutions business, which really had its start back in 2018 timeframe when we established a carbon capture and storage venture, which was focused on working with our technology organization as we've looked to develop and improve the technology for carbon capture, looking at how we commercialize those.

Also looking for existing technology and carbon capture, where opportunities existed around the world where we could commercially develop existing technology. We later launched a low emissions fuels venture. And those two ventures and looking at those opportunities eventually resulted in our Low Carbon Solutions business. So the focus of the Low Carbon Solutions business is leveraging our in-house, our technology capabilities and the competitive advantages and skills that I referenced earlier.

And we think by doing that, it gives us an opportunity in this space to generate above industry average returns and to reduce customers' emissions, other hard to decarbonize industry emissions, and emissions in our own existing operations.

We continue to see, since we announced that business and have begun developing those opportunities, a lot of potential in carbon capture and storage, hydrogen, and biofuels. And in fact, what I would say is since announcing these businesses, we have got a lot of interest from around the world, governments around the world interested in partnering with ExxonMobil to look at opportunities to help reduce emissions in their countries.

Our plan today is to invest about $15 billion in low carbon solutions through 2027. And a lot of those opportunities start with the things that we have direct control over. About 60% of that investment is allocated to reducing emissions in our operations and our direct support of our 2030 GHG emission reduction plans. And then about 40% of that investment is to be deployed in biofuels, carbon capture and storage, and hydrogen, which will help reduce others emissions.

And I think it's important, as you think about this business in the opportunity and the returns in particular, which, by the way, for the portfolio of opportunity we're looking at in Low Carbon Solutions, the return is greater than 10%. But this is an early industry and early business. And as you go around the world, the markets and the policies are at different stages. And so in a number of cases, we're taking advantage of existing policy and developing projects that generate returns that are very competitive with our existing portfolio.

In other markets, we're seeding some projects, some large scale projects to help policymakers have concrete examples and projects that they can form policy around to help inform the thinking around policy. In those cases, we're kind of leading some of the policy and the market developments and will advance those projects as those policies in those markets develop.

And so there are different projects at different stages of development in that portfolio. Our expectation is as the demand for lower carbon solutions grow with time, as our technology evolves, as market demand grows, as policy develops, that the returns will grow, and that our unique position and the advantage that we're carving out versus others will result in higher returns and returns that are very competitive with our existing portfolio.

In fact, when we tested our strategy and business plans against the IEA net zero by 2050 scenario, which is a very deep decarbonization scenario, one that's aligned with the 1.5 degrees C ambition, we used the IEA's assumptions around crude and product prices and carbon prices and demonstrated through that work that this Low Carbon Solutions portfolio and the demand for the things that we're producing are going to be very, very successful businesses going forward.

So we feel like we've got a great opportunity to help the world achieve its ambitions, while at the same time growing returns and shareholder value. And because of the way we're approaching this, leveraging consistent core capabilities that serve all of our businesses, a lot of flexibility to adjust and flex as the world evolves. Thanks.

Jennifer Driscoll: Thanks, Darren. And you've partially answered this next question already I think. The question is around scenario analysis. And it says, is the ExxonMobil Board committed to providing the assumptions and financial impact of a low carbon scenario in next year's financial statements?

Darren Woods: Yeah. Maybe just to expand on the comments I just made. One of the challenges in these scenarios going forward is the assumptions that you make given today that a lot of the elements are not in place and a lot of the market and policy drivers are not in place. And so I think one of the advantages with the IEA net zero scenario is a lot of those assumptions were made explicit. So we relied very heavily, in fact we use the IEA's assumptions where they were available. And then where they were not available, we used returns from mature businesses with the assumption that ultimately returns in these businesses will move to a kind of a trend line competitive return consistent with our other mature businesses.

And that was the basis on which we've built the scenario. We used the growth forecast in the IEA net zero to value our other businesses and we used the low price environment to value our traditional businesses. And so that mix was all models. We had an independent third-party come in and validate - a technical expert that understands modeling to validate that model, to ensure that the approach that we were taking was objective and accurately reflected how our business would respond to this challenging business environment.

And we were very pleased that the strategy that we've put in place and the plans and the areas that we were focusing on with carbon capture and storage, biofuels, and hydrogen, that the IEA net zero scenario, frankly, called on those technologies and grew them very rapidly, while at the same time the carbon price assumptions that the IEA net zero used made those businesses very attractive.

And so leveraging our existing capabilities, leveraging the technologies that we've been developing over the years, leveraging the talents of our people, our global footprint, the relationships that we have all around the world, we were able to demonstrate through this modeling and the scenario that we've got the opportunity to build a very robust business in the low carbon environment on those technologies, which are going to be critical based on third-party assessments for addressing the climate challenge and the risk of climate change.

So I feel very good that we've got a very solid strategy, a very good plan that, unlike many of our competitors out there, rely on the capabilities and strengths that this company has been investing in building in for the last 130 years. So - and the fact that they are the same capabilities and skills gives us a lot of optionality.

And I think that's a really important point, given the uncertainty of the future and exactly how this complicated equation will evolve and get solved and how society moves to a lower energy future. I think that uncertainty requires businesses to have built in flexibility and optionality. And fortunately, we have plans and a strategy have that.

Jennifer Driscoll: Thank you, Darren. We're going to switch topics here. I think those are the main questions we got around climate. This next one is about Board diversity. So will the Board adjust to 50% men and 50% women?

Darren Woods: Yeah. Well, let me just start by making the point that the company and the Board believes very strongly in diversity in the broadest sense of the word, and recognize that it strengthens our business by promoting unique viewpoints and challenging each of us to think beyond our traditional frames of reference and our own personal experience basis.

So it's an important element of our core values. It's something that we've leveraged over the course of my entire career. And as you go around the world and look at our operations, we’ve put a lot of emphasis in making sure that those operations and organizations reflect the diversity of the cultures that we operate in. So, an important foundational core value and a strength of the company.

Our Board Affairs Committee is always looking for new and qualified candidates. We don't - the Board Affairs Committee does not have quotas, but it does consider diversity along with a lot of other attributes and skills and looking at potential nominees. And I think important that we have people that have experiences in large, complex global businesses that have public policy experience, finance, risk management, technology, research, other industry experience, a number of different skills, all of which we've outlined in our proxy material. So that in combination with diversity is evaluated.

I think as you look at that, it's important to remember that the available pool of qualified candidates doesn't necessarily break down to a 50-50 mix between men and women. That's one of the challenges in this space. We try to overcome that. I think we've done fairly well historically. With the 11 directors that stood for re-election this year, the Board's overall diversity is about 36%. That's well above the S&P average.

And so while this is something that is continually in front of us and a challenge to maintain, it's one that we think is important, one that the Board and management stays very focused on, very focused on not only at the Board level, but through the whole of the organization. We've made great strides over the years and continue to increase the diversity. And that will, I expect, continue to be the case with a very positive trend as we move forward.

Jennifer Driscoll: Thank you, Darren. It looks like we have time for one final question. And thanks to all of you who submitted questions and comments. Again, we do appreciate that. The last one is about Board and director refreshment. Darren, how did you decide on a new lead director? And should shareholders expect additional directors to join the Board soon?

Darren Woods: Yeah, thank you. I think, the lead director was a position that we enhanced and established when Ken came in. The Board at that time, established some key requirements for the role of lead director. And as Ken executed that role, the Board evolved the criteria in terms of what we think was critical for that role and the criteria for that role.

Based on that criteria, a strong majority of the independent directors then selected Jay Hooley when Ken announced his intention to step down. And the independent directors elected Jay. Jay has got a very strong financial background, varied Board experiences, obviously a keen investor mindset. So I think it positions him very well to take over as lead director and to work with me and the rest of the management team.

I'm very much looking forward to working with Jay. I'm going to miss Ken. Obviously, Ken was a great lead director and a real key contributor to the Board. I know the Board will miss him as well, but we all have a lot of confidence in Jay's leadership and look forward to him leading the Board as we go forward and advance the plans and the strategy that this company has worked so hard to put in place.

With respect to new and additional directors, what I would say is we've gone through quite a bit of change here. In 2021, we had five new directors. We're going to continue to look at Board refreshment. The Board Affairs Committee remains very active at looking at additional energy industry expertise, looking at additional climate expertise, as well as, I think, importantly looking at candidates that have experiences running large scale global businesses, manufacturing oriented businesses, things that reflect, I think, the challenges that this company oftentimes uniquely faces, given the size of our footprint and the global span of our business.

But in the short term, as we continue that look for qualified candidates, we're very focused on making sure we stabilize the membership, make sure that we continue to have very robust and sound Board meetings. We feel very good about where we're at today with the Board, and we'll continue to enhance the Board with new members as we move forward. And as we've talked about this with a number of our shareholders, I would say they’re very supportive of the approach and the path that we're on.

Jennifer Driscoll: All right. Thank you.

Darren Woods: All right. I appreciate everybody's questions. I think we're about out of time. I want to just emphasize the point I made earlier, which this is an incredibly exciting time for ExxonMobil.

We have tremendous opportunities on both sides of the dual challenge, to play a leading role in helping meet the world's growing need for stable supplies of energy and essential products, and at the same time reduce emissions in support of society's net-zero goals.

We are uniquely positioned to contribute a unique advantage here, and unique solutions. This past year we overcame major challenges, we managed unprecedented change, and delivered outstanding results.

I am proud of the organization and the work they've been doing, and I want to thank you for your support and the continued trust and confidence you've placed in our company. Thank you.

Operator: This now concludes the meeting. Thank you for joining, and have a pleasant day.