

Executive summary

ExxonMobil has a long history of responsibly meeting society's evolving need for energy in a reliable and sustainable manner. With a longstanding commitment to investments in technology and the ingenuity of its people, the Company is well positioned to continue to provide the energy that is essential to improving lives around the world, while managing the risks of climate change.

About the *Energy & Carbon Summary*

The *Energy & Carbon Summary* outlines ExxonMobil's approach to managing climate risks, including Board of Directors oversight, technology investments and actions to reduce greenhouse gas emissions. It highlights the Company's commitment to advancing sustainable, effective solutions that address the world's growing demand for energy and the risks of climate change.

Positioning for a lower-carbon energy future

Under most third-party scenarios that meet the objectives of the Paris Agreement, oil and natural gas continue to play a significant role for decades in meeting increasing energy demand of a growing and more prosperous global population. ExxonMobil will play an important role in meeting society's need for energy and at the same time is committed to supporting efforts to mitigate the risk of climate change, as reflected in the four pillars of the Company's climate strategy:

- Mitigating emissions in Company operations.
- Providing products to help customers reduce their emissions.
- Developing and deploying scalable technology solutions.
- Proactively engaging on climate-related policy.

EXXONMOBIL'S CLIMATE STRATEGY



Mitigating emissions in Company operations

- ExxonMobil's greenhouse gas emissions have declined approximately 13 percent from 2011 to 2020, due to energy efficiency improvements; reductions in flaring, venting, and fugitive emissions; and the impact on the company's operations due to COVID-19.
- At year-end 2020 the Company exceeded the emission reduction goals outlined in 2018. These included:
 - 15 percent reduction in methane emissions versus 2016 levels, and
 - 25 percent reduction in flaring versus 2016 levels.
- The Company aims for industry-leading greenhouse gas performance across its businesses by 2030, and recently announced new emission reduction plans for 2025, which are projected to be consistent with the goals of the Paris Agreement.
- The 2025 plans include a 15 to 20 percent reduction in greenhouse gas intensity of upstream operations compared to 2016 levels. This will be supported by a:
 - 40 to 50 percent reduction in methane intensity, and
 - 35 to 45 percent reduction in flaring intensity.
- The Company's upstream operations also plan to align with the World Bank's initiative to eliminate routine flaring by 2030.
- The 2025 emission reduction plans are expected to reduce absolute greenhouse gas emissions by an estimated 30 percent for the Company's upstream business. Similarly, absolute flaring and methane emissions are expected to decrease by 40 to 50 percent. The emission reduction plans cover Scope 1 and Scope 2 emissions from assets operated by the Company.

EXXONMOBIL'S CLIMATE STRATEGY, *continued*



Providing products to help customers reduce their emissions

- ExxonMobil is responding to product demand growth by delivering solutions that enable customers to meet product performance requirements while reducing greenhouse gas emissions. These products and solutions include: natural gas, lightweight materials and packaging, and advanced fuels and lubricants.



Developing and deploying scalable technology solutions

- Commercially viable technology advances are required to achieve the Paris Agreement objectives. ExxonMobil's sustained investment in research and development is focused on society's highest-emitting sectors of industrial, power generation and commercial transportation, which together account for 80 percent of global energy-related CO₂ emissions, and for which the current solution set is insufficient.
- ExxonMobil is working to develop breakthrough solutions in areas such as carbon capture, biofuels, hydrogen and energy-efficient process technology.
- From 2000 through 2020, ExxonMobil has invested more than \$10 billion to research, develop and deploy lower-emission energy solutions, resulting in highly efficient operations that have eliminated or avoided approximately 520 million tonnes of greenhouse gas emissions – the equivalent of taking 110 million passenger vehicles off the road for a year.



Proactively engaging on climate-related policy

- Recognizing climate change is a global issue that requires collaboration among governments, private companies, consumers and other stakeholders to create meaningful solutions, ExxonMobil has participated in the Intergovernmental Panel on Climate Change (IPCC) since its inception in 1988, is a founding member of the Climate Leadership Council, and is part of the Oil and Gas Climate Initiative.

- The Company continues to engage in efforts to encourage sound and constructive policy solutions that reduce climate-related risks across the economy at the lowest cost to society, such as supporting the regulation of methane from new and existing sources.

Governance and oversight

Strong governance is essential to the long-term viability of ExxonMobil's business. Within the Company's robust governance framework, a rigorous risk-management approach is applied to identify and address risks associated with the business. Importantly, the Board of Directors and its various committees are highly engaged and have oversight of risk management, including as it applies to climate. The Board regularly receives updates from internal and third-party experts on climate science and policy, evaluates climate risk in the context of overall enterprise risk, including other operational, strategic and financial risks, and considers the interactions among these factors, which includes in-depth analyses by Board committees.

Conclusion

The *2021 Energy & Carbon Summary* contains additional detail on all of the areas described above. It updates and enhances last year's report, and includes a Frequently Asked Questions section as well as metrics, annual Scope 1 and Scope 2 emission data, and a new provision of Scope 3 emissions.

ExxonMobil supports the aims of the 2015 Paris Agreement and efforts to achieve net-zero emissions. The pillars of ExxonMobil's climate strategy, the investments the Company is making in lower-emission technologies, and the actions taken to reduce emissions across its operations are consistent with these global efforts.

ExxonMobil strives to deliver superior results while providing products and services that are essential to the health and welfare of billions of people around the world. The Company is committed to providing reliable and affordable energy to support human progress while advancing effective solutions that address the risks of climate change. ExxonMobil is working to be part of the solution.



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References to "oil" and "gas" include crude, natural gas liquids, bitumen, synthetic oil, and natural gas.

The term "project" as used in this publication can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.