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**EXXONMOBIL CHEMICAL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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## EXXONMOBIL CHEMICAL LIMITED

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### COMPANY INFORMATION

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<b>DIRECTORS</b>	M M Burrell (resigned 1 April 2023) A M Johnson (resigned 1 April 2023) S Oldfield (appointed 1 April 2023) T Hamblin (appointed 1 April 2023) N P Bone
<b>COMPANY SECRETARY</b>	K J Mulligan (appointed 17 April 2023) F Harness (resigned 17 April 2023)
<b>REGISTERED NUMBER</b>	00867162
<b>REGISTERED OFFICE</b>	Ermyn House Ermyn Way Leatherhead Surrey KT22 8UX
<b>INDEPENDENT AUDITORS</b>	Grant Thornton Chartered Accountants and Statutory Auditors Dublin 13-18 City Quay Dublin Ireland D02 ED70
<b>COMPANY TYPE</b>	ExxonMobil Chemical Limited is a private company, limited by shares and registered in England and Wales

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**EXXONMOBIL CHEMICAL LIMITED**

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## EXXONMOBIL CHEMICAL LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their report and the financial statements for the year ended 31 December 2023.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £43M (2022 - £66M).

No dividends were recommended by the directors or paid during the year (2022 - £75M).

#### FUTURE DEVELOPMENTS

The Company intends to continue with its current principal activity.

#### DIRECTORS

The directors who served during the year were:

M M Burrell (resigned 1 April 2023)  
A M Johnson (resigned 1 April 2023)  
S Oldfield (appointed 1 April 2023)  
T Hamblin (appointed 1 April 2023)  
N P Bone

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## EXXONMOBIL CHEMICAL LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### RESEARCH AND DEVELOPMENT ACTIVITIES

The Company manufactures chemicals that are used in the production of many products. From supporting pharmaceutical manufacturing and medical equipment; to personal hygiene and cosmetic products, paint and car parts to clothing and textiles. Specialised Butyl Rubber is used in tyres, and also to make Covid vaccine vials sealing stoppers.

The Company is able to call on the extensive research and development resources of its ultimate parent company, Exxon Mobil Corporation. Research and guidance on environmental matters is also provided by other members of the ExxonMobil group. The Company spent £5M on research and development in 2023 (2022 - £5M).

#### FINANCIAL RISK MANAGEMENT

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006, to set out information related to financial risk management in the Company's Strategic report.

#### GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has a cash deposit position and financing facility arrangements held with another ExxonMobil group undertaking which the directors believe will be sufficient to cover any reasonably possible net liability and cash outflow position arising in the normal course of business and in a severe but plausible downside scenario. Based on this, the directors are satisfied that the Company will be a going concern for a period of at least 12 months from the issuance of these financial statements.

#### EMPLOYEE INVOLVEMENT

The Company is an equal opportunity employer and complies with all relevant legislation.

The Company's policy is also to ensure that equal opportunities, including applications for employment, training, career development and promotion exist for disabled persons and employees who have become disabled while employed by the Company having regard to their particular circumstances. The Company is committed to accommodating individuals with a disability where reasonably possible, through reasonable adjustments to their work or working environment.

The Company has established over many years a comprehensive programme of employee communication and consultation to systematically provide employees with information on matters of concern to them or their representatives, so that their views can be taken into account when making decisions that are likely to affect their interests. The directors are committed to the continued involvement of employees in this way as an essential element in the Company remaining efficient and competitive. It is an integral part of management's responsibility to ensure that all employees understand the Company's objectives and the contribution that each individual can make to the achievement of those objectives.

Details regarding the directors engagement with employees is set out in the Strategic report that follows, under the heading "Our personnel".

#### BUSINESS RELATIONSHIPS

Details of our engagement with and in regard to other key stakeholders including suppliers and customers, is set out in the Strategic report that follows.

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## EXXONMOBIL CHEMICAL LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Company satisfies the criteria that require it to report the total energy consumption and Greenhouse Gas emissions ("GHG") of its activities in the United Kingdom.

The Company's greenhouse gas emissions and energy consumption are as follows:

	2023 tCO <sub>2</sub> e	2022 tCO <sub>2</sub> e
Annual emissions resulting from activities for which the Company is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO <sub>2</sub> equivalent or 'CO <sub>2</sub> e').	738,703	725,483
Annual emissions resulting from the purchase of the electricity by the Company for its own use, including for the purposes of transport in tonnes of CO <sub>2</sub> e	201,099	266,473
<b>Total Gross emissions tCO<sub>2</sub>e</b>	<u>939,802</u>	<u>991,956</u>

	mWh	mWh
Annual aggregate of 1) energy consumed from activities for which the Company is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and 2) the quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport, in mWh.	<u>3,890,977</u>	<u>3,819,035</u>

The intensity ratio for the year measured in tCO <sub>2</sub> e per £M of turnover:	<u>955</u>	<u>773</u>
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In deriving the above amounts the Company has adopted the operational control approach, utilising emission factors from the UK Government GHG Conversion Factors for Company Reporting 2023 and incorporating data compiled by the business for reporting under the Climate Change Agreements Scheme.

The Company constantly seeks opportunities to increase its energy efficiency and improve performance that reduces its energy consumption and emissions, however during the year there were no individual initiatives that on their own materially reduced total energy consumption and emissions. These opportunities are detailed in the Strategic report, specifically within the 'Climate-related financial disclosures' section.

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**EXXONMOBIL CHEMICAL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

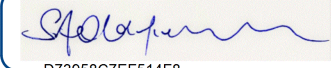
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**AUDITORS**

The auditors, Grant Thornton, continue in office in accordance with the Section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
D73958C7EF514F8.....  
S Oldfield  
Director  
Date: September 26, 2024

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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#### PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and marketing of a range of industrial chemicals and other speciality chemical products.

#### BUSINESS REVIEW

During 2023, turnover decreased by £300M mainly as a result of lower sales prices. This was partially offset by the decrease in cost of sales by £253M driven by lower raw material prices. This decreased gross profit to £59M.

The Company has net assets of £460M (2022 - £395M) which represents debtors, inventories and net pension assets as part of its principal activities. The increase is driven by higher amounts owed by group undertakings, tax recoverable, and higher pension assets.

#### KEY PERFORMANCE INDICATORS

The business of the Company is managed on a divisional basis and performance is measured in areas such as safety, the environment, operations and finance. Performance indicators are regularly shared with divisional management, including representatives of the ultimate parent company, Exxon Mobil Corporation.

#### Key operating performance indicators

Total emissions reduced due to ending the use of temporarily diesel powered generators and boilers at Fife.

	2023 tCO <sub>2</sub> e	2022 tCO <sub>2</sub> e	Change %
Total gross emissions	939,802	991,956	(5)

#### Key financial performance indicators

During 2023, turnover decreased by £300M mainly as a result of lower prices. This was partially offset by the decrease in cost of sales by £253M driven by lower raw material prices. This decreased gross profit to £59M. Total equity increased by £64M with current year comprehensive income, no dividends were paid to the Company's immediate shareholder. Net current assets (current assets less current liabilities) for the year increased by 25% primarily with an increase in amounts owed by group undertakings, and tax recoverable as at the balance sheet date.

	2023 £M	2022 £M	Change %
Turnover	984	1,284	(23)
Cost of sales	(925)	(1,178)	(21)
Gross profit	59	106	(44)
Total Equity	460	395	16
Net current assets	371	295	25



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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks from a variety of factors that include price, credit, liquidity, interest rates and foreign exchange.

**Price risk** - The oil, gas, and petrochemical businesses are fundamentally commodity businesses. This means that the Company's operations and earnings may be significantly affected by changes in oil, gas, petrochemical and energy prices. Oil, gas, petrochemical, energy and product prices and margins in turn depend on local, regional, and global events or conditions that affect supply and demand for the relevant commodity. Besides global and regional economic conditions, supply and demand can be influenced by political instability, conflicts and actions of exporting countries. Commodity prices and margins also vary depending on a number of factors affecting supply. Increases in petrochemical manufacturing capacity relative to demand tends to reduce margins on the affected products.

The Company generally prefers to follow market prices and so does not use derivative financial instruments to manage the risk of fluctuating prices and no hedge accounting is applied. The Company will revisit the appropriateness of this policy should operations change in nature.

**Credit risk** - The Company has limited third party receivables, with the majority of sales being made to ExxonMobil affiliate companies. Credit risk is therefore considered very low.

**Liquidity risk** - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. The cash held on account at the year end with ExxonMobil Capital BV of £165M adequately covers Creditors falling due within 1 year of £132M.

**Interest rate risk** - The Company has interest bearing assets; these are generally held at floating rates. The Company monitors its portfolio of interest bearing assets and liabilities and their financial impact. The Company will reconsider the appropriate structure of its portfolio should operations change in size or nature.

**Foreign exchange risk** - The Company has receivables and payables denominated in foreign currencies, predominantly the US Dollar and the Euro. The Company generally prefers to follow market rates and so no derivative financial instruments are used to manage the risk of fluctuating exchange rates and no hedge accounting is applied. The Company has in place a foreign exchange policy and will reconsider the appropriateness of this policy should operations change in nature.

#### ENVIRONMENTAL POLICY

The Company has a policy to conduct its business in a manner that is compatible with the balanced environmental and economic needs of the community. Further, it is the Company's policy to comply with all applicable environmental laws and regulations and apply responsible standards where laws and regulations do not exist.

The Company's key principles and commitments in the areas of safety, health and the environment, among others, are consistent with those of its ultimate parent company, Exxon Mobil Corporation. Each year, Exxon Mobil Corporation publishes a detailed and comprehensive Sustainability Report that gives a full account of its positions, actions and performance.

Copies of this publication can be obtained by writing to: Exxon Mobil Corporation, Attn: Public & Government Affairs, CCR Requests, 22777 Springwoods Village Parkway Spring, TX 77389, USA. Alternatively, it can be viewed on [www.exxonmobil.com](http://www.exxonmobil.com).

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY**

Section 172 of the UK Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors (the "172 Factors"):

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

The members of the Board of Directors (the "Board") of the Company are all senior management personnel who either work directly for the Company, or head key functions that support the running of the Company. As part of their appointment to the Board, each director is briefed on their duties and can access professional advice on these, either from the company secretary or, if they judge it necessary, from an independent adviser. Each year the members of the Board are required to re-affirm their roles and responsibilities as a director of the Company.

The Board has adopted a Delegation of Authority Guide ("DOAG") which documents the delegation of authority from the Board in respect of specified matters, and the associated review requirements and final review levels.

The Company's ultimate parent company Exxon Mobil Corporation (the "Corporation") has developed and adopted certain "Guiding Principles" and "Standards of Business Conduct". All wholly-owned and majority-owned subsidiaries of the Corporation generally adopt similar policies. Accordingly, the Company's Board has adopted the Guiding Principles and Standards of Business Conduct as the basis for the conduct of the Company's business and its engagement with its key stakeholders. Many of these Principles and Standards of Business Conduct described further in this Strategic report, have a close synergy with the 172 Factors. In carrying out their role of overseeing the implementation and administration of the Principles and Standards of Business Conduct in the business of the Company, the directors concurrently have appropriate regard to the 172 Factors.

Against the above background, the following paragraphs summarise how the directors have had regard to the 172 Factors, focusing on the matters that are of strategic importance to the Company, consistent with the size and complexity of its business.

**Long term consequences of decisions**

While the Company maintains its flexibility to adapt to changing conditions, the nature of the industry in which the Company operates requires a focused long-term approach.

Each year the Corporation published a Global Outlook report. The Global Outlook helps to inform the Company's long-term business strategies, investment plans and research programmes.

During the year, the Corporation also published its Advancing Climate Solutions 2023 progress report, which outlined ExxonMobil's approach to managing climate risks, including board of directors oversight, technology investments and actions to reduce greenhouse gas emissions. It also highlights the Corporation's commitment to advancing sustainable, effective solutions that address the world's growing demand for energy and the risks of climate change.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors engage in an annual corporate planning process pursuant to which long-range strategies and plans are developed, adopted and reviewed. The directors oversee the conduct of the business of the Company in accordance with these long-term strategies and plans, the Company's Guiding Principles and Foundation Policies and the Company's system for measuring and mitigating environmental risk, detailed below.

The directors are actively engaged in monitoring the economic environment in which the Company operates and managing the Company's exposure to the risks presented by it.

For further details on the Company's exposure to risk and how it manages its risk environment, refer to the sections of this Strategic report entitled "Principal risks and uncertainties" and "Financial risk management".

#### **Our personnel**

The Company recognises that the exceptional quality of its personnel provides a valuable competitive edge. To build on this advantage, the Company strives to hire and retain the most qualified people available and to maximise their opportunities for success through training and development. The Company is committed to maintaining a safe work environment enriched by diversity and characterised by open communication, trust and fair treatment.

The directors are committed to providing an environment that encourages the involvement of all of the Company's employees and this is reflected in the support provided to the development of employee-led resource groups that foster a culture of diversity and inclusion; the professional development of the workforce; the investment in the provision of voluntary health programs; the sharing of feedback on topics of interest through managers, internal surveys, company forums and the provision of a confidential hotline; and the use of social media platforms to share information.

The Corporation's annual 10k report is made available to all employees through the Company's intranet. Employees are encouraged to read the report and attend online global business forums and quarterly shareholder earnings reviews to share in corporate accomplishments and learn about the corporate objectives going forward. In addition, directors host various forums at the Company's own sites that employees are encouraged to attend to learn more about the UK business and provide opportunity for employees to engage with representatives from senior management.

All of the Company's sites operate a Services Information and Consultation Council ("Council"), which holds quarterly meetings that enable employees to engage with the management team on a broad range of topics of a local, regional or global nature that may be of interest. Each department has an employee representative on the Council and the Council is co-chaired by an employee representative and a member of the management team. In many instances the management team representative is a director of the Company.

During the year the directors supported the promotion of employee networks such as networks promoting inclusion and diversity (the People's Interest Network and Women's Interest Network ("WIN") sub-team at Fife and a women's interest network (WIN) and LGBTQ+ employee resource group (PRIDE) at Fawley); networks for new employees ("NEME" at Fawley and "ONE" at Fife) and the Healthy Living Group at Fawley.

#### **Business relationships**

##### **Customers**

We recognise that success depends on our ability to consistently satisfy ever-changing customer preferences. We commit to being innovative and responsive, while offering high-quality products and services at competitive prices.

We seek to cultivate an open dialogue with our customers, provide customer service numbers, and support marketing teams in responding to customer questions.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Suppliers**

We acknowledge that our business success reflects on how well we manage those who work on our behalf.

The Company is supported by the Corporation's global procurement organisation, which assists the Company with its procurement strategy and its engagement with suppliers.

The Company engages with suppliers at all levels of management through dialogue and forums. We hold forums with suppliers to provide information on our culture of safety, environmental and human rights practices. We also engage with our suppliers on various topics including operational integrity, safety and expectations for suppliers.

**Community and environment**

The Company's environmental policy is detailed above in this Strategic report.

The Company communicates with local residents in areas where we operate through direct correspondence and group meetings. We also have dedicated personnel responsible for community engagement as well as receiving, tracking, analysing and responding to potential community concerns.

The directors attend leadership meetings, reviews and reports throughout the year which cover a broad range of topics, including the community and the environment. Certain directors are also manufacturing facility managers.

A system called the Operations Integrity Management System ("OIMS") is used in the Company's business for measuring and mitigating environmental risk. OIMS contains elements related to leadership, operations and maintenance, community relations, emergency response, incident investigation, and information and documentation, among others. OIMS provides the framework that puts the Company's environment policy into action by establishing common expectations for addressing environmental risks.

The Company operates two chemical manufacturing and processing facilities at Fawley and Fife. The directors are briefed on community and environmental matters where relevant in the context of specific issues and transactions which may be brought to the Board for consideration and approval. The directors also attend leadership meetings and receive and review reports throughout the year which cover a broad range of topics, including the community and the environment.

**Maintaining a reputation for high standards of business conduct**

The Company believes that how we achieve strong results is as important as the results themselves. The Company's directors, officers and employees are expected to observe the highest standards of integrity in conducting its business.

To achieve this the Board of the Company has adopted and oversees the administration of the Corporation's Guiding Principles and Standards of Business Conduct.

The Standards of Business Conduct adopted by the Company comprise: Ethics Policy; Conflicts of Interest Policy; Corporate Assets Policy; Directorships Policy; Gifts and Entertainment Policy; Anti-Corruption Policy; Political Activities Policy; International Operations Policy; Antitrust Policy; Health Policy; Environment Policy; Safety Policy; Product Safety Policy; Customer Relations and Product Quality Policy; Alcohol and Drug Use Policy; Equal Employment Opportunity Policy; and Harassment in the Workplace Policy.

These policies together with the Procedures and Open Door Communication policies, collectively express the Company's expectations, define the basis for the conduct of the Company in its business and guide the Company's engagement with all of its stakeholders.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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All directors, officers and employees of the Company are required to apply the Standards of Business Conduct in their work, routinely review the Standards of Business Conduct in a company training forum and annually provide a certification of their compliance with the Standards of Business Conduct.

The Guiding Principles and Standards of Business Conduct are published and publicly available on the Corporation's website detailed at the end of this report.

#### **Shareholders**

The Company is the wholly owned subsidiary of another UK registered ExxonMobil entity and ultimately of Exxon Mobil Corporation as detailed in Note 25 - Controlling Party.

The Guiding Principles adopted by the Company set out the Company's commitment to enhancing the long-term value of the investment entrusted to the Company by its shareholders.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's principal risks and uncertainties comprise climate change risk and alternative energy, financial risks, health and safety, environmental and government and political risk. The Company's policies relating to the above risks are set out in the paragraphs below.

##### **Climate change risk and alternative energy**

Depending on how policies are formulated and applied, such policies could negatively affect our investment returns, make our hydrocarbon-based products more expensive or less competitive, lengthen project implementation times, and reduce demand for hydrocarbons, as well as shift hydrocarbon demand toward relatively lower-carbon alternatives. Current and pending greenhouse gas regulations or policies may also increase our compliance costs, such as for monitoring or sequestering emissions.

##### **Health and safety**

The Company's policy is to conduct its business in a manner that protects the safety of those involved in its operations, customers and the public. The Company strives to prevent all accidents, injuries and occupational illnesses through its Operations Integrity Management System. This is embedded into everyday work processes at all levels of the organisation and addresses all aspects of managing safety and health, as well as security, environmental and social risks at our facilities. The Company is committed to continuous efforts to identify and eliminate or manage health and safety risks associated with its activities.

##### **Government and political risk**

The Company's results can be adversely affected by political or regulatory developments affecting our operations. We remain exposed to changes in law or interpretation of settled law (including changes that result from international treaties and accords) and changes in policy that could adversely affect our results, such as:

- increases in taxes, duties, or government royalty rates (including retroactive claims);
- price controls;
- changes in environmental regulations or other laws that increase our cost of compliance or reduce or delay available business opportunities (including changes in laws affecting emissions, production or use of new or recycled plastics);
- actions by policy-makers, regulators, or other actors to delay or deny necessary licenses and permits, or otherwise require changes in the company's business or strategy that could result in reduced returns; and
- adoption of regulations mandating efficiency standards, the use of alternative fuels or uncompetitive fuel components.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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Other risks and uncertainties include, but are not limited to:

- Operational risk
- Uncertainty and economic instability due to the ongoing conflicts in Ukraine and Israel/Palestine
- The impact of global pandemics including the demand for and prices of petrochemical products
- Cyber-attacks targeting systems and infrastructure used by the petrochemical industry

## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

### CLIMATE-RELATED FINANCIAL DISCLOSURES

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 makes climate-related financial disclosures mandatory for certain companies domiciled in the UK. ExxonMobil Chemical Limited satisfies the criteria that require it to make such climate-related financial disclosures.

The following definitions are used in these disclosures:

- ExxonMobil Chemical Limited is referred to as the Company;
- The board of directors of the Company is referred to as the Board;
- Esso Petroleum Company, Limited, an affiliate of the Company, is referred to as Esso Petroleum;
- Esso Exploration and Production UK Limited, an affiliate of the Company, is referred to as Esso Exploration;
- The Company's ultimate parent company, Exxon Mobil Corporation, is referred to as the Corporation; and
- The Corporation along with its subsidiaries including the Company are collectively referred to as ExxonMobil.

### Governance Arrangements in relation to Assessing and Managing Climate-related Risks and Opportunities

The Company has a robust governance framework designed to assess and manage risks and opportunities associated with the Company's business.

The Board oversees and provides guidance on the Company's strategy and planning, which includes opportunities and risks related to climate change and the energy transition. The Board engages with experts from inside and outside the Company, including personnel in other ExxonMobil affiliates, and its members apply their individual experience and perspective in evaluating the Company's capital allocation priorities, with a focus on growing shareholder value, reducing operational emissions and managing operations in light of evolving product demands.

Legislative and regulatory developments in the UK which may impact the Company are tracked and reviewed through a UK Regulatory Development Steering Committee which is comprised of employees and managers across many functions of the UK business. Some members of the Board attend these steering committee meetings and regular updates are provided to all members of the Board.

Specific briefings on climate related risks and opportunities are given to and considered by the Board. In 2023, the Board received updates in February, July and December on preparation of this report and other climate related items including review of the emissions reduction roadmaps for the Company's main operated manufacturing sites at Fawley and Fife.

In considering the steps to be taken in reducing emissions and managing the Company's operations, the Board's views are informed by the ambitions and plans expressed by the Corporation in its 2024 Advancing Climate Solutions report.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

**Identification, Assessment and Management of Climate-related Risks and Opportunities**

The Company adopts an enterprise risk framework, which provides a structured, comprehensive approach to identify, prioritise, understand and manage the Company's most important risks, including long-term risks associated with climate change and the energy transition. The framework is designed to drive consistency across risk types and support monitoring key risks.

The enterprise risk framework includes five elements:

1. A way to organize and aggregate risks;
2. Robust risk identification practices;
3. A prioritization method;
4. Systems and processes to manage risk; and
5. Risk governance to support oversight.

The Company's approach to risk governance is multi-layered and includes clearly defined roles and responsibilities for managing each type of risk. It includes a definition of the responsibilities of risk owners, functional experts and independent verifiers. Each risk type is managed and supported by functional organizations that actively execute risk management processes and are responsible for specifying corporate requirements and processes. Each of these processes includes the critical elements of leadership, people, risk identification and management, and continuous improvement.

The Company also considers climate related opportunities. The emission reduction roadmaps for Fawley and Fife referred to below are practical examples of this.

**Integration of Processes for Identifying, Assessing and Managing Climate-related Risks into the Company's Overall Risk Management Process**

Management of the long-term risks associated with climate change is an integral part of the Company's management of strategic risks, a core element of which is understanding the global trends and projections related to population and economic growth, energy demand and supply options, as well as assessing key uncertainties and the potential impacts of alternative assumptions.

The Company has already integrated the assessment of climate-related risks into its overall risk management processes. Climate-related risks are treated in the same way as the other risks that have the potential to significantly disrupt the Company's business model.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

#### CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

##### **Principal Climate-related Risks and Opportunities arising in connection with the Company's Operations and Time Periods by reference to which Risks and Opportunities are Assessed**

The following are examples of potential risks associated with climate change and the energy transition:

1. Strategic;
2. Reputational;
3. Financial;
4. Operational;
5. Safety, Security, Health & Environment; and
6. Compliance and Litigation.

##### Time Periods by reference to which Risks and Opportunities are Assessed

Key unknowns from the energy transition perspective include yet-to-be developed government policies, market conditions and advances in technology which may influence the cost, pace and potential availability of energy transition pathways. Against this uncertainty, the Board considers that it is reasonable to assume that transition risks may be more prominent in the short and medium-term horizons, while physical risks may be more prominent in the medium and long-term horizons.

The time horizons considered by the Company are:

- short-term: over approximately the next five years (consistent with the Corporation's business planning processes);
- medium-term: beyond approximately the next five years (over time the pace of change in the energy transition should become clearer); and
- long-term: 20 years onwards (as the UK and certain other nations progress their ambitions to be net-zero in 2050).

The principal climate-related risks and opportunities follow:

##### Transition Risks & Opportunities (may be more prominent in the short to medium term)

###### Supply and Demand

The oil, gas and petrochemical businesses are fundamentally commodity businesses. This means the Company's operations and earnings may be significantly affected by changes in oil, gas and petrochemical prices and by changes in margins on refined products. Oil, gas, petrochemical and product prices and margins in turn depend on local, regional and global events or conditions that affect supply and demand for the relevant commodity or product. The demand for energy and petrochemicals is generally linked closely with broad-based economic activities and levels of prosperity. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact on results.

The Company's pursuit of lower emission business opportunities, including carbon capture and storage and hydrogen, also depends on the growth and development of markets for those products and services, including implementation of supportive government policies and developments in technology to enable those products and services to be provided on a cost-effective basis at commercial scale.



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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

##### CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

Other factors that may affect the demand for oil, gas, petrochemicals or other products, and therefore impact the Company's results, include technological improvements in energy efficiency; seasonal weather patterns; increased competitiveness of, or government policy support for, alternative energy sources; changes in technology that alter fuel choices, such as technological advances in energy storage or other critical areas that make wind, solar, hydrogen, nuclear or other alternatives more competitive for power generation; changes in consumer preferences for products, including consumer demand for alternative fuelled or electric transportation or alternatives to plastic products; and broad-based changes in personal income levels. Commodity prices and margins also vary depending on a number of factors affecting supply.

##### Climate Change and the Energy Transition

###### Net-zero scenarios

Driven by concern over the risks of climate change, a number of countries including the United Kingdom have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions including emissions from the production and use of oil and gas and their products as well as for the use of or support for different emission-reduction technologies. These actions are being taken both independently by national and regional governments and within the framework of United Nations Conference of the Parties summits under which many countries of the world have endorsed objectives to reduce the atmospheric concentration of CO<sub>2</sub> over the coming decades, with an ambition ultimately to achieve "net-zero". Net-zero means that emissions of greenhouse gases from human activities would be balanced by actions that remove such gases from the atmosphere. Expectations for transition of the world's energy system to lower emission sources and ultimately net-zero derive from hypothetical scenarios that reflect many assumptions about the future and reflect substantial uncertainties. The Corporation's objective to play a leading role in the energy transition, including its announced ambition ultimately to achieve net-zero with respect to Scope 1 and Scope 2 emissions from operations with continued technology development and policy support where ExxonMobil is the operator, carries risks that the transition, including underlying technologies, policies and markets, will not be available or develop at the pace or in the manner expected by current net-zero scenarios. The success of the strategy for the energy transition will also depend on the Company's ability to recognize key signposts of changes in the global energy system on a timely basis, and the Company's corresponding ability to direct investment to the technologies and businesses, at the appropriate stage of development, to best capitalize on competitive strengths.

###### Greenhouse gas restrictions

Government actions intended to reduce greenhouse gas emissions include adoption of cap and trade regimes, carbon taxes, carbon-based import duties or trade tariffs, minimum renewable usage requirements, restrictive permitting, increased mileage and other efficiency standards, mandates for sales of electric vehicles, mandates for use of specific fuels or technologies, and other incentives or mandates designed to support certain technologies for transitioning to lower-emission energy sources. Political and other actors and their agents also increasingly seek to advance climate change objectives indirectly, such as by seeking to reduce the availability or increase the cost of financing and investment in the oil and gas sector. These actions include delaying or blocking needed infrastructure, utilizing shareholder governance mechanisms against companies or their shareholders or financial institutions in an effort to deter investment in oil and gas activities, and taking other actions intended to promote changes in business strategy for oil and gas companies. Depending on how policies are formulated and applied, such policies could negatively affect the Company's investment returns, make hydrocarbon-based products more expensive or less competitive, lengthen project implementation times, and reduce demand for hydrocarbons, as well as shift hydrocarbon demand toward relatively lower-carbon alternatives. Current and pending greenhouse gas regulations or policies may also increase the Company's compliance costs, such as for monitoring or sequestering emissions.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

##### CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

###### Technology and lower-emission solutions

Achieving societal ambitions to reduce greenhouse gas emissions and ultimately achieve net-zero will require new technologies to reduce the cost and increase the scalability of alternative energy sources, as well as technologies such as carbon capture and storage (CCS). CCS technologies, focused initially on capturing and sequestering CO<sub>2</sub> emissions from high-intensity industrial activities, can assist in meeting society's objective to mitigate atmospheric greenhouse gas levels while also helping ensure the availability of the reliable and affordable energy the world requires. The Corporation has established a Low Carbon Solutions (LCS) business unit to advance the development and deployment of these technologies and projects, including CCS, hydrogen, lower-emission fuels, breakthrough energy efficiency processes, advanced energy-saving materials and other technologies. Efforts include both in-house research and development and collaborative efforts with leading universities as well as commercial partners involved in advanced lower-emission energy technologies. Future results and the ability of the LCS business to grow, help meet society's emission reduction goals and succeed through the energy transition will depend in part on the success of these research and collaboration efforts and on the Company's ability to adapt and apply the strengths of its current business model to providing the energy products of the future in a cost-competitive manner.

###### Policy and market development

The scale of the world's energy system means that, in addition to developments in technology as discussed above, a successful energy transition will require appropriate support from governments and private participants throughout the global economy. The Company's ability to develop and deploy CCS and other lower emission technologies at commercial scale, and the growth and future returns of LCS and other emerging businesses in which the Company invests, will depend in part on the continued development of supportive government policies and markets. Failure or delay of these policies or markets to materialize or be maintained could adversely impact these investments. Policy and other actions that result in restricting the availability of hydrocarbon products without commensurate reduction in demand may have unpredictable adverse effects, including increased commodity price volatility; periods of significantly higher commodity prices and resulting inflationary pressures; and local or regional energy shortages. Such effects in turn may depress economic growth or lead to rapid or conflicting shifts in policy by different actors, with resulting adverse effects on the Company's business. In addition, the existence of supportive policies in any jurisdiction is not a guarantee that those policies will continue in the future.

###### Physical Risks and Preparedness (may be more prominent in the medium to long term)

The Company's operations may be disrupted by severe weather events, natural disasters, human error and similar events. For example, storms may damage coastal refining and petrochemical plants in vulnerable areas. Facilities are designed, engineered, constructed and operated to withstand a variety of extreme climatic and other conditions, with safety factors built in to cover a number of uncertainties, including those associated with wave, wind, and current intensity, storm surge magnitude, temperature extremes, extreme rainfall events and earthquakes. Consideration of changing weather conditions and inclusion of safety factors in design cover the engineering uncertainties that climate change and other events may potentially introduce. Ability to mitigate the adverse impacts of these events depends in part upon the effectiveness of robust facility engineering, rigorous disaster preparedness and response and business continuity planning.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

#### CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

##### **Actual and Potential Impacts of Principal Climate-related Risks and Opportunities on the Company's Business Model and Strategy**

The Corporation's Global Outlook is a core element of the Company's enterprise risk framework. However, projecting absolute 2050 energy demand levels in total and by energy type carries a range of uncertainty. As noted, technology and policy assumptions heavily influence particular outcomes. Any attempt to project the overall effect of these factors carries a wide range of uncertainty; actual future conditions and results (including energy demand, energy supply, the relative mix of energy across sources, economic sectors and geographic regions, imports and exports of energy, and future investments in these markets) could differ materially due to changes in economic conditions, technology, the development of new supply sources, political events, demographic changes, and other factors. Projecting future conditions and results for demand for the Company's chemical products carries a similarly wide range of uncertainty.

##### Risks

It is clear however that the energy transition is progressing in the UK, supported by ambitious, legally binding targets that appear to have broad political support, though the pace of change remains uncertain.

While demand for chemical products is expected to increase over time, it remains unclear what impact the energy transition will have on chemicals demand, although an increase in demand for recycled or circular products may arise.

The unit cost of UK allowances for the purpose of the Company's compliance with its obligations under the UK Emissions Trading Scheme ("UK ETS") is expected to rise over time. To address the likely evolution of this compliance cost, the Company has developed emission reduction roadmaps for its main operated manufacturing sites at Fawley and Fife. Each emission reduction roadmap is an inventory of options whose implementation is dependent on the pace of the energy transition and support from clear and consistent government policies. Low carbon hydrogen and CCS are amongst the options identified that, if available, would be capable of achieving significant emission reductions while maintaining the sites' production.

Carbon capture and storage is the process of capturing CO<sub>2</sub> emissions from industrial activity or power plants at the source and injecting it into deep underground geologic formations for safe, secure and permanent storage. The CO<sub>2</sub> is injected >3,200 feet (>1,000 meters) underground, beneath impermeable rock formations which provide a natural protective seal. Carbon capture and storage on its own, or in combination with hydrogen production, is one of the few proven technologies that could enable significant CO<sub>2</sub> emission reductions from high-emitting and hard-to-decarbonize sectors. These include power generation, refining, steel, cement and petrochemicals manufacturing. According to the Center for Climate and Energy Solutions, carbon capture and storage can capture more than 90% of CO<sub>2</sub> emissions from power plants and industrial facilities.

ExxonMobil has more than 30 years of experience in carbon capture and has cumulatively captured more anthropogenic CO<sub>2</sub> than any other company.

##### Opportunities

In February 2021, the Corporation announced the creation of Low Carbon Solutions – a new business unit that will work to commercialize and deploy emission-reduction technologies and bring lower emission fuels to market. This business has initially focused on carbon capture and storage and is also leveraging its significant experience in the production of hydrogen which, when coupled with CCS, is likely to play a critical role in a lower-carbon energy system.

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## EXXONMOBIL CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)

##### CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

###### Fawley Site

The Fawley site comprises the UK's largest refinery, owned and operated by the Company's affiliate Esso Petroleum, along with an integrated petrochemical facility owned and operated by the Company. This makes it a strategically important asset for the UK. The Company is evaluating co-processing options which could produce lower carbon intensity chemical products at its Fawley site. Esso Petroleum is a participant in The Solent Cluster ([www.thesolentcluster.com](http://www.thesolentcluster.com)), which brings together private, public and non-governmental organisations who wish to collaborate to decarbonise the Solent region and beyond and has more than 130 members from a broad range of stakeholders.

The Company, in conjunction with Esso Petroleum is evaluating the potential to use low carbon hydrogen at Fawley site. Hydrogen can be a low-carbon energy source that can generate the high temperatures needed to produce steel, cement and refining and chemical products with minimal carbon dioxide emissions. This means it could serve as an affordable and reliable source of energy for hard-to-decarbonize industrial processes. Low-carbon hydrogen can be produced from low-carbon electricity via electrolysis of water ("green hydrogen"), natural gas reforming coupled with carbon capture and storage ("blue hydrogen") and other processes. ExxonMobil has extensive experience with hydrogen and produces about 1.3 million metric tons annually.

###### Fife Site

The Company is working with co-venturers on the creation of a Fife Hydrogen Hub that could help decarbonise Fife Ethylene Plant, support the UK's move to a hydrogen-based economy and contribute directly to the country's net-zero ambitions. The proposed low carbon hydrogen production facility at Mossmorran in Scotland is designed to produce 820MW per day. If implemented the Fife Hydrogen Hub has the potential to allow the co-located Fife Ethylene Plant and Fife Natural Gas Liquids Plant to significantly reduce their CO<sub>2</sub> emissions and provide additional hydrogen fuel to support the decarbonisation of further domestic, industrial and transportation offtakers.

The proposed large-scale hydrogen plant would leverage the engineering and operational expertise of ExxonMobil, utilising technology that is designed to capture significant amounts of CO<sub>2</sub> emissions from the hydrogen production process and improving operational sustainability, while also increasing high value manufacturing jobs.

The Scottish Cluster has been identified by the Department for Energy Security & Net Zero as one of two projects best placed to proceed to Track-2 of its Cluster Sequencing process for Carbon Capture Usage and Storage, which is intended to identify two further CCUS clusters, in addition to the two Track-1 clusters, to be operational by 2030.

While the Company's plans do not guarantee any action or future performance by its affiliates or the Company's responsibility for those affiliates' actions and future performance, in the context of the above it should be noted that an important source of feedstock for the Fife Ethylene Plant is Esso Exploration's SEGAL joint venture gas terminal at St. Fergus. Esso Exploration and its co-venturer, which co-own the SEGAL system, are considering investing in a carbon capture facility at the St. Fergus gas terminal. The captured carbon is expected to be stored in the Scottish Cluster's Acorn store under the North Sea.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)**

**CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)**

**Resilience of the Company's Business Model and Strategy, taking into consideration Different Climate-related Scenarios**

The Company takes into account the considerable work that is carried out in scientific and economic communities, including the work of the Intergovernmental Panel on Climate Change (IPCC), to explore potential energy pathways and projected global energy demand, in total and by specific energy type. The Company will leverage its core capabilities to meet society's needs for products essential for modern life, while addressing the challenge of climate change and the Corporation's ambition to achieve net-zero Scope 1 and 2 greenhouse gas emissions from operated assets by 2050. It will do so through advances in technology including potential developments in the fields of carbon capture and storage and hydrogen, and the support of clear and consistent government policies.

As noted above, achieving societal ambitions to reduce greenhouse gas emissions and ultimately achieve net-zero will require new technologies to reduce the cost and increase the scalability of alternative energy sources, as well as technologies such as CCS which can assist in meeting society's objective to mitigate atmospheric greenhouse gas levels while also helping ensure the availability of the reliable and affordable energy the world requires. ExxonMobil's Low Carbon Solutions business unit is working to advance the development and deployment of these technologies and projects, including CCS, hydrogen and advanced biofuels, breakthrough energy efficiency processes, advanced energy-saving materials, and other technologies. Future results and ability to grow the LCS business and succeed through the energy transition will depend in part on the success of these research and collaboration efforts and on the Company's ability to adapt and apply the strengths of its current business model to providing the energy products of the future in a cost-competitive manner.

**Targets used by the Company to Manage Climate-related Risks and Realise Climate-related Opportunities; Performance against those Targets and Key Performance Indicators**

The Company does not use targets to manage climate-related risks or realize climate related opportunities. Accordingly, KPIs are also not specifically set by the Company. However, the Company uses alternative tools, namely (i) Emission Reduction Roadmaps and (ii) the UK Emissions Trading Scheme ("UK ETS").

Emission Reduction Roadmaps

The Corporation's ambition to achieve net-zero Scope 1 and 2 greenhouse gas emissions in operated assets by 2050 is backed by a comprehensive approach centred on detailed emission-reduction roadmaps for its and its subsidiaries' major operated assets. Roadmaps for the Company's main operated manufacturing sites at Fawley and Fife were completed in 2022.

Each emission reduction roadmap is an inventory of options whose implementation is dependent on the pace of the energy transition and support from clear and consistent government policies. The emission reduction roadmap will be updated as needed to reflect technology and policy, and to account for the many potential pathways for, and the pace of, the energy transition.

Emission reduction roadmaps form part of the Environmental Business Plan ("EBP") which is completed for major operated assets annually. As well as considering greenhouse gas emission reductions, the EBP considers regulatory developments, environmental permitting, emissions to air and water and capital expenditures needed to reduce emissions and maintain compliance with legislation.

The Board monitors and is kept informed of updates to, and progress made against, the emission reduction roadmaps for Fawley and Fife.

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**EXXONMOBIL CHEMICAL LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUED)****CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)**UK Emissions Trading Scheme (UK ETS)

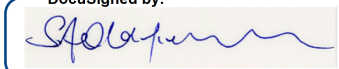
The UK ETS is a cap and trade scheme which sets a limit on greenhouse gas emissions from UK industry. GHG emissions from the Company's manufacturing operations at Fawley and Fife are subject to UK ETS. UK ETS has a continuously lowering cap which, starting from 2024 onwards, will be lowered on a trajectory to achieve net-zero in 2050. As the cap reduces, the cost of allowances would be expected to increase and will provide a financial incentive for the Company to reduce its greenhouse gas emissions.

Free UK ETS allowances are provided to sectors which are assessed by the UK Government to be carbon and trade intensive and therefore at risk of carbon leakage. Chemicals production is, for example, assessed to be at risk of carbon leakage, whereas electricity generation is not. The allowances provided by the UK Government help to ensure that carbon and trade intensive industries in the UK can compete effectively with foreign competitors that do not face carbon costs and emissions regulations. The quantity of UK ETS allowances received is based on the operational processes on site. At Fawley, allowances are allocated to the Company based on its chemical processes and to Esso Petroleum for its refining processes. However, Fawley is operated as an integrated site with, for example, steam and electricity produced for the combined site by Esso Petroleum. On balance, the Company receives more UK ETS allowances, and Esso Petroleum fewer, but the overall UK ETS allowances relate to the site as a whole.

The Board monitors and is kept informed of the Company's compliance with the UK ETS and the associated compliance cost. The cost of compliance with the UK ETS is expected to vary over time due to factors such as the price of allowances, allocation of free UK ETS allowances to the Company to mitigate the risk of carbon leakage and the changing operations footprint at the site. In 2023, the Company fully complied with its obligations under the UK ETS and the following table summarises for the Company and Esso Petroleum, the emissions, free allocation of UK ETS allowances, purchased UK ETS allowances and compliance cost based on the 2023 annual average price of UK allowance auctions of 53.36 £/Te.

	<b>Emissions (Tonnes) 2023</b>	<b>Free UK ETS Allowances (Tonnes) 2023</b>	<b>UK ETS Allowance Purchases Tonnes</b>	<b>Cost £M</b>
Fife (the Company)	694,537	271,546	422,991	23
Fawley Chemicals (the Company)	44,350	201,328	(156,978)	(8)
Fawley Refinery (Esso Petroleum)	2,641,483	1,509,112	1,132,371	60
Fawley Combined Heat and Power Plant (Esso Petroleum)	525,064	-	525,064	28

This report was approved by the board on and signed on its behalf.

DocuSigned by:  
  
D73958C7EF514F8...  
**S Oldfield** September 26, 2024  
Director

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## EXXONMOBIL CHEMICAL LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXXONMOBIL CHEMICAL LIMITED

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#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited the financial statements of ExxonMobil Chemical Limited (the "Company"), which comprise the Statement of comprehensive income, Statement of financial position, the Statement of changes in equity for the year ended 31 December 2023; and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, ExxonMobil Chemical Limited's financial statements:

- give a true and fair view of the state of the with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company's as at 31 December 2023 and of its profit for the year then ended; and
- have been properly prepared in accordance of the requirements of the Companies Act 2006.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### Other matter

The financial statements of ExxonMobil Chemical Limited for the year ended 31 December 2022 were audited by PricewaterhouseCoopers LLP who expressed an unmodified opinion on those statements on 22 December 2023.

##### Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Strategic report and Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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## EXXONMOBIL CHEMICAL LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXXONMOBIL CHEMICAL LIMITED

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knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the year for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and Directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXXONMOBIL CHEMICAL LIMITED**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection requirements in the jurisdictions in which the Company operates and holds data, employment regulation in the UK and other environment regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team including, actuary/pension specialists as applicable, to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including provision estimate; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

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EXXONMOBIL CHEMICAL LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXXONMOBIL CHEMICAL LIMITED

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**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cathal Kelly (Senior Statutory Auditor)  
for and on behalf of Grant Thornton  
Chartered Accountants and Statutory Auditors  
Dublin  
Date 26 September 2024

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**EXXONMOBIL CHEMICAL LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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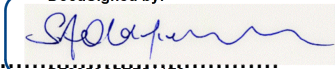
	Note	2023 £M	2022 £M
Turnover	3	984	1,284
Cost of sales		(925)	(1,178)
<b>Gross profit</b>		<u>59</u>	<u>106</u>
Distribution costs		(3)	(3)
Administrative expenses		(14)	(14)
<b>Operating profit</b>	4	<u>42</u>	<u>89</u>
Interest receivable and similar income	8	9	3
Other finance income/ (expenses)	9	2	-
<b>Profit before tax</b>		<u>53</u>	<u>92</u>
Tax on profit	10	(10)	(26)
<b>Profit for the financial year</b>		<u>43</u>	<u>66</u>
<b>Other comprehensive income for the year</b>			
Actuarial gains on defined benefit pension scheme		29	75
Movement of deferred tax relating to pension deficit		(7)	(14)
<b>Total comprehensive income for the year</b>		<u>65</u>	<u>127</u>

**EXXONMOBIL CHEMICAL LIMITED**  
**REGISTERED NUMBER: 00867162**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £M	2022 £M
<b>Fixed assets</b>			
Intangible assets	12	1	2
Tangible assets	13	168	161
		<u>169</u>	<u>163</u>
<b>Current assets</b>			
Inventories	14	80	75
Debtors	15	317	258
Pension asset	20	106	76
		<u>503</u>	<u>409</u>
Creditors: amounts falling due within one year	16	(132)	(114)
<b>Net current assets</b>		<u>371</u>	<u>295</u>
<b>Total assets less current liabilities</b>		<u>540</u>	<u>458</u>
Creditors: amounts falling due after more than one year	17	(2)	(2)
<b>Provisions for liabilities</b>			
Deferred tax	18	(29)	(21)
Provisions	19	(11)	(11)
		<u>(40)</u>	<u>(32)</u>
Pension liability	20	(38)	(29)
<b>Net assets</b>		<u>460</u>	<u>395</u>
<b>Capital and reserves</b>			
Called up share capital	22	12	12
Share premium account	23	108	108
Profit and loss account	23	340	275
<b>Total equity</b>		<u>460</u>	<u>395</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
D73958C7EP514F8...  
**S Oldfield**  
Director  
Date: September 26, 2024

The notes on pages 27 to 49 form part of these financial statements.

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EXXONMOBIL CHEMICAL LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023

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	Share capital £M	Share premium account £M	Profit and loss account £M	Total equity £M
<b>At 1 January 2022</b>	12	108	223	343
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	66	66
Other comprehensive income for the year	-	-	61	61
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(75)	(75)
<b>At 1 January 2023</b>	12	108	275	395
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	43	43
Other comprehensive income for the year	-	-	22	22
<b>At 31 December 2023</b>	12	108	340	460

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. ACCOUNTING POLICIES**

**1.1 General Information**

The principal activities of the Company are the manufacture and marketing of a range of industrial chemicals and other speciality chemical products.

The Company is a private company, limited by shares and registered in England and Wales. The address of the registered office is Ermyn House, Ermyn Way, Leatherhead, Surrey KT22 8UX.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied consistently:

**1.3 Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has a cash deposit position and financing facility arrangements held with another ExxonMobil group undertaking which the directors believe will be sufficient to cover any reasonably possible net liability and cash outflow position arising in the normal course of business and in a severe but plausible downside scenario. Based on this, the directors are satisfied that the Company will be a going concern for a period of at least 12 months from the issuance of these financial statements.

**1.4 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 29 Income Tax paragraphs 29.28(b) and 29.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Exxon Mobil Corporation as at 31 December 2023 and these financial statements may be obtained from Exxon Mobil Corporation, Shareholder Relations, 22777 Springwoods Village Parkway Spring, TX 77389, USA.

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## EXXONMOBIL CHEMICAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Turnover

The Company's activities consist solely of the manufacture and marketing of industrial, other speciality chemicals and related goods.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised when the product is delivered to the customer.

##### 1.6 Intangible fixed assets

Intangible assets are initially recognised at cost. Under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible fixed assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Software - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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## EXXONMOBIL CHEMICAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.7 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Where an asset is constructed over time, costs are first charged to the statement of financial position as "Assets under construction". Once the asset is complete and has been commissioned, or a discreet smaller part of a larger asset has been completed and commissioned, all costs relating to the commissioned asset are immediately transferred to the appropriate asset class and depreciation of the asset begins.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 3.3% to 5.0% per annum
Long-term leasehold property	- Lease term
Plant and machinery	- 3.3% to 33.3%
Assets under construction	- Not depreciated until brought into use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

##### 1.8 Operating leases: the Company as lessee

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

##### 1.9 Research and development

Research and development expenditure is written off in the year in which it is incurred.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.10 Inventories**

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and overheads directly attributable to bringing the inventory to its present location and condition.

The selling price is based on an estimate of the prevailing market conditions as at the date of the statement of financial position. Where the valuation of inventory is determined by reference to the selling price, an element of estimation uncertainty is introduced.

At each reporting date, inventories are assessed for impairment. If an item of inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

**1.11 Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

All financial liabilities are held at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.12 Foreign currency translation**

Functional and presentation currency of the Company is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**1.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

**1.14 Pensions**

**Defined benefit pension plan**

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset / liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The Company recognises a surplus to the extent that it is able to recover the surplus through reduced contributions in the future.

Defined benefit pension obligations and net income statement costs are based on key assumptions, including discount rates, mortality and inflation. Changes in these assumptions, individually or collectively, may result in significant changes in the size of the net surplus / deficit.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.14 Pensions (continued)**

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains and losses'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This income is recognised in the statement of comprehensive income as 'other finance income'.

Pension costs and contributions are determined by the sponsoring company by which the past and present members are and were employed.

**1.15 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**1.16 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

**1.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.17 Current and deferred taxation (continued)**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**1.18 Cash**

As part of ExxonMobil's Treasury operations, the Company participates in an interest bearing bank account arrangement with another ExxonMobil group undertaking, whereby the transactions cleared by the banks included in this arrangement are transferred to that undertaking on a daily basis. The net amount as at the statement of financial position date is fully liquid with the Company retaining full ability to access the cash at any time and disclosed as a short-term financial instrument within amounts owed by group undertakings.

From 1 January 2023, interest related to cash positions is based on the All-in Fallback Rate for Overnight GBP LIBOR, comprised of the Sterling Overnight Index Average, "SONIA", plus applicable spread adjustment ("GBP Fallback Rate"). Interest is charged at GBP Fallback Rate plus 0.15% on overdraft positions and GBP Fallback Rate minus 0.10% on deposit positions.

**1.19 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY

**Significant Judgements**

In preparing the financial statements, no significant judgements have been made in applying the Company's accounting policies.

**Estimates**

In applying the Company's accounting policies described above, the key sources of estimation uncertainty that carry risk of a material adjustment to the carrying value of assets or liabilities in the preparation of these financial statements include:

- the key assumptions used in the valuation of the defined benefit pension scheme asset or (liability). Refer to Note 20.

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2023 £M	2022 £M
United Kingdom	272	318
Europe	641	837
Rest of the world	71	129
	<u>984</u>	<u>1,284</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2023 £M	2022 £M
Depreciation of tangible assets	11	11
Operating lease expense - other operating leases	3	5
Operating lease expense - plant and equipment	7	5
Research & development charged as an expense	5	5
Foreign exchange differences	(2)	5
Defined benefit pension cost	13	29
	<u>44</u>	<u>60</u>

All depreciation of tangible fixed assets and amortisation of intangible fixed assets is charged to cost of sales.

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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5. AUDITORS' REMUNERATION

During the year, the Company obtained the following services from the Company's auditors :

	2023 £k	2022 £k
Fees payable to the Company's auditors for the audit of the Company's financial statements	40	53

6. PERSONNEL COSTS

Staff costs were as follows:

	2023 £M	2022 £M
Wages and salaries	43	38
Social security costs	6	5
Pension costs	13	25
	62	68

The average monthly number of employees during the year was as follows:

	2023 No.	2022 No.
Production and administration	539	527
Marketing	5	6
	544	533

The above numbers exclude the following employees seconded to other ExxonMobil affiliates. The Company does not bear the cost of these employees.

	2023 No.	2022 No.
Marketing, refining and transportation	150	120
Exploration and production	5	4
	155	124

The average headcount numbers above are determined on a quarterly basis. The directors are confident that these are not significantly different to numbers determined on a monthly basis.

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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7. DIRECTORS' REMUNERATION

Each of the directors is an employee, either of the Company, or of another ExxonMobil affiliate. Those individuals are paid for their functional roles, receiving no identifiable increment for the qualifying services they provide in their role as directors of the Company, or separately, as directors of any other ExxonMobil affiliate. The directors' remuneration is aggregated with other costs and recharged to other ExxonMobil affiliates that are supported by the directors' functional role. Therefore, the Company has made no disclosures with respect to the costs of the qualifying services provided by its directors, as these cannot be separately identified.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £M	2022 £M
Interest receivable from group companies	9	3

9. OTHER FINANCE INCOME/(EXPENSE)

	2023 £M	2022 £M
Interest income on pension scheme assets	38	23
Interest on net defined benefit liability	(36)	(23)
	2	-

10. TAXATION

	2023 £M	2022 £M
<b>Corporation tax</b>		
Current tax on profits for the year	13	27
Adjustments in respect of previous periods	(4)	(1)
<b>Total current tax</b>	9	26
<b>Deferred tax</b>		
Origination and reversal of timing differences	3	3
Difference in pension contribution relief and pension cost change	(2)	(3)
<b>Total deferred tax</b>	1	-
<b>Taxation on profit on ordinary activities</b>	10	26

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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10. TAXATION (CONTINUED)

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £M	2022 £M
Profit before tax	53	92
Profit multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	12	17
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	1	2
Adjustments in respect of prior periods	(4)	(1)
Pension contribution relief in excess of pension cost charge	-	4
Other	1	4
<b>Total tax charge for the year</b>	10	26



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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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10. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Corporation Tax has been calculated at 23.5% of the taxable profits for the year (2022 - 19%). Legislation was enacted on 10 June 2021 to increase the rate to 25% from 1 April 2023 hence aggregate for 2023 is 23.5%.

11. DIVIDENDS

	2023 £M	2022 £M
Dividends paid on equity capital	-	75

12. INTANGIBLE ASSETS

	Software £M
<b>Cost</b>	
At 1 January 2023	16
At 31 December 2023	16
<b>Amortisation</b>	
At 1 January 2023	14
Charge for the year	1
At 31 December 2023	15
<b>Net book value</b>	
At 31 December 2023	1
At 31 December 2022	2

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**EXXONMOBIL CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**13. TANGIBLE ASSETS**

	Freehold property £M	Long-term leasehold property £M	Plant and machinery £M	Assets under construction £M	Total £M
<b>Cost or valuation</b>					
At 1 January 2023	12	30	428	34	504
Additions	-	-	-	18	18
Disposals	-	-	(5)	-	(5)
Transfers between classes	-	-	17	(17)	-
At 31 December 2023	12	30	440	35	517
<b>Depreciation</b>					
At 1 January 2023	9	21	313	-	343
Charge for the year	-	1	10	-	11
Disposals	-	-	(5)	-	(5)
At 31 December 2023	9	22	318	-	349
<b>Net book value</b>					
At 31 December 2023	3	8	122	35	168
At 31 December 2022	3	9	115	34	161

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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14. INVENTORIES

	2023 £M	2022 £M
Raw materials and consumables	33	38
Finished goods and goods for resale	47	37
	<u>80</u>	<u>75</u>

The replacement cost of all categories of inventories held by the Company at 31 December 2023 was £87M (2022 - £77M).

15. DEBTORS

	2023 £M	2022 £M
<b>Due within one year</b>		
Trade debtors	12	11
Amounts owed by group undertakings	250	224
Other debtors	20	20
Prepayments and accrued income	9	3
Tax recoverable	26	-
	<u>317</u>	<u>258</u>

The Company participates in an interest bearing bank account sweeping arrangement with another ExxonMobil group undertaking whereby the transactions cleared by the banks included in this arrangement are transferred to that undertaking on a daily basis. The net amount of £165M as at 31 December 2023 is included in 'Amounts owed by group undertakings' (2022 - £164M).

All other amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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16. CREDITORS: Amounts falling due within one year

	2023 £M	2022 £M
Trade creditors	15	22
Amounts owed to group undertakings	61	53
Corporation tax	12	13
Other taxation and social security	7	3
Accruals	37	23
	<u>132</u>	<u>114</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date.

17. CREDITORS: Amounts falling due after more than one year

	2023 £M	2022 £M
Deferred income	<u>2</u>	<u>2</u>

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EXXONMOBIL CHEMICAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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18. DEFERRED TAXATION

	2023 £M
Liability at 1 January	21
Charged to profit or loss	1
Charged to other comprehensive income	7
<b>Liability at 31 December</b>	<b>29</b>

The deferred tax liability is made up as follows:

	2023 £M	2022 £M
Accelerated capital allowances	12	8
Net pension surplus	17	13
	<b>29</b>	<b>21</b>

Estimated deferred tax due to be released within one year amounts to £0.9M.

The change in the rate of tax used for calculating deferred tax, generated an increase in the total deferred tax balance of £4M (2022 - £NIL).

19. OTHER PROVISIONS

	Other £M
At 1 January 2023	11
<b>At 31 December 2023</b>	<b>11</b>

Other provisions include costs related to deferred benefits accruing to ex-employees.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**20. PENSION COMMITMENTS**

**Defined Benefit Pension Schemes**

**ExxonMobil Pension Plan**

The Company operates a Defined Benefit Pension Scheme, (the "Scheme").

The Company is a participating employer of a funded Defined Benefit Pension Scheme ("EMPP") providing final salary benefits. The Scheme is open to new members. The Scheme is subject to the statutory funding objective and so must aim to have sufficient and appropriate assets to cover the Scheme's liabilities on the funding basis which is agreed between the Member Companies and the Trustee of the Plan.

The Scheme is open to new entrants and open to future pension accruals. It provides benefits to members on retirement and holds pensions for former members who have left the service and not yet reached retirement age.

As at the date of the most recently completed actuarial valuation (31 December 2022) the statutory funding objective was met. However, if the statutory funding objective is not met, the shortfall revealed between the Scheme's assets and liabilities must be repaired through the payment of deficiency contributions. The Scheme and the Company have agreed to continue to fund any deficiency contributions within a period of 2 years following the valuation date after the UK left the EU.

In recognition of the past service surplus, the Trustees and the Member Companies have agreed that the Member Companies will make no contributions over the calendar year 2023.

**ExxonMobil Supplementary Plan**

The Company is a participating member of the ExxonMobil Supplementary Pension Plan ("EMSP"), which is an unfunded pension scheme. All benefit payments from the EMSP are paid out by the Company.

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**EXXONMOBIL CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**20. PENSION COMMITMENTS (CONTINUED)**

**. Movement in the present value of Scheme  
Liabilities:**

	EMPP	EMSP	Total
	£M	£M	£M
<i>At 1 January 2022</i>	1,159	49	1,208
Current service cost	25	3	28
Interest cost	22	1	23
Actuarial gains	(448)	(24)	(472)
Benefits paid	(41)	(1)	(42)
Other	(1)	1	-
<i>At 31 December 2022</i>	<u>716</u>	<u>29</u>	<u>745</u>
 <i>At 1 January 2023</i>	 716	 29	 745
Current service cost	12	1	13
Interest cost	34	1	35
Actuarial gains	(16)	7	(9)
Benefits paid	(35)	(1)	(36)
Other	-	1	1
<i>At 31 December 2023</i>	<u>711</u>	<u>38</u>	<u>749</u>

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**EXXONMOBIL CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**20. PENSION COMMITMENTS (CONTINUED)**

**Movement in the present value of Scheme Assets:**

	EMPP	EMSP	Total
	£M	£M	£M
<i>At 1 January 2022</i>	<b>1,208</b>	-	1,208
Interest income	23	-	23
Return on plan assets	(397)	-	(397)
Employer contributions	1	1	2
Benefits paid	(41)	(1)	(42)
Other	(1)	-	(1)
<i>At 31 December 2022</i>	<b>793</b>	-	793
 <i>At 1 January 2023</i>	<b>793</b>	-	793
Interest income	38	-	38
Return on plan assets	20	-	20
Employer contributions	1	1	2
Benefits paid	(35)	(1)	(36)
Administration costs paid	(1)	-	(1)
<i>At 31 December 2023</i>	<b>816</b>	-	816

**Composition of Scheme Assets:**

	EMPP	2023	2022
	£M	Total	Total
	£M	£M	£M
Equity securities	153	153	159
Bond securities	664	664	633
Cash/other	(1)	(1)	1
<b>Total Scheme Assets</b>	<b>816</b>	<b>816</b>	<b>793</b>



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**EXXONMOBIL CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**20. PENSION COMMITMENTS (CONTINUED)**

- **The amounts recognised in the statement of financial position are as follows:**

			2023	2022
	EMPP	EMSP	<i>Total</i>	<i>Total</i>
	£M	£M	£M	£M
Fair value of scheme assets	816	-	816	793
Present value of scheme liabilities	(710)	(38)	(748)	(745)
<i>Net pension scheme asset/(liability)</i>	<u><b>106</b></u>	<u><b>(38)</b></u>	<u><b>68</b></u>	<u><b>48</b></u>

- **The amounts recognised in the statement of comprehensive income are as follows:**

			2023	2022
	EMPP	EMSP	<i>Total</i>	<i>Total</i>
	£M	£M	£M	£M
Current service cost	(12)	(1)	(13)	(28)
Interest on scheme liabilities	(34)	(2)	(36)	(23)
Interest income on scheme assets	38	-	38	23
Administration costs paid	(1)	-	(1)	-
<i>Total</i>	<u><b>(9)</b></u>	<u><b>(3)</b></u>	<u><b>(12)</b></u>	<u><b>(28)</b></u>

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £43M gain (2022 - £13.8M gain) for EMPP & EMSP only.

The Company expects to contribute £1.6M to its Defined Benefit Pension Scheme in 2024, mainly in respect of employee 'salary sacrifices'. Following the 2022 actuarial valuation which resulted in an increase to the surplus, the Company and the Trustee have agreed a normal employer contribution holiday during 2024. However the funding position is being monitored on a regular basis to assess whether to re-introduce normal employer contributions.

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**EXXONMOBIL CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**20. PENSION COMMITMENTS (CONTINUED)**

**Analysis of actuarial (gains)/losses recognised in other comprehensive income**

			2023	2022
	EMPP	EMSP	Total	Total
	£M	£M	£M	£M
Actual returns less interest income included in net interest income/(expense)	(20)	-	(20)	397
Experience gains/(losses) arising on scheme liabilities	(10)	7	(3)	64
Changes in assumptions underlying the present value of scheme liabilities	(6)	-	(6)	(536)
Total	<u>(36)</u>	<u>7</u>	<u>(29)</u>	<u>(75)</u>

**Principal actuarial assumptions at the year end (expressed as weighted averages):**

	2023	2022
Discount rate as at 31 December	4.60%	4.90%
Expected return on scheme assets	4.60%	4.90%
Price inflation (RPI)	3.05%	3.25%
Price inflation (CPI)	2.50%	2.70%
Future salary increases	3.05%	3.25%
Rate of increase to pensions in payment in excess of any Guaranteed Minimum Pension Element:		
- Pre April 1997	2.15%	2.30%
- Post April 1997 to March 2006	3.05%	3.25%
- Post April 2006	2.30%	2.35%
Rate of increase to pensions in payment in excess of any Non Contributory Benefits	2.10%	2.20%
Pension increases for deferred benefits pre 2009	2.50%	2.70%
Pension increases for deferred benefits post 2009	2.50%	2.50%
Non contributory benefits	2.10%	2.70%
Mortality assumptions:	Years	Years
- for a male aged 60 now	27.1	27.6
- at 60 for a male aged 50 now	28.9	29.3
- for a female aged 60 now	27.7	28.2
- at 60 for a female aged 50 now	29.6	30.0

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## EXXONMOBIL CHEMICAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2023, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £M	2022 £M
Not later than 1 year	4	3
Later than 1 year and not later than 5 years	14	13
Later than 5 years	151	144
	<u>169</u>	<u>160</u>

#### 22. SHARE CAPITAL

Shares classified as equity

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
7,500,000 (2022 - 7,500,000) Ordinary shares of £1 each	7,500,000	7,500,000
4,700,000 (2022 - 4,700,000) Redeemable shares of £1 each	4,700,000	4,700,000
	<u>12,200,000</u>	<u>12,200,000</u>

The 12,200,000 ordinary and redeemable shares have a nominal value of £1 per share. The Company but not the holders of such shares have an option to redeem them on demand at any time for the original consideration. The shares rank on an equal footing with the ordinary shares of the Company as regards to priority and amounts receivable on a winding up, the payment of dividends and voting rights.

There has been no change or modification to the rights attached to the shares in the year.

#### 23. RESERVES

##### Share premium account

The share premium account is the difference between the par value of the Company's shares and the amount that the Company received for issued shares.

##### Profit and loss account

Profit and loss account represents accumulated comprehensive income for the year and prior years less dividends.

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## EXXONMOBIL CHEMICAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 24. RELATED PARTY TRANSACTIONS

During the financial year, the Company entered into sales and purchasing transactions with other related parties.

The related parties, as defined by FRS 102 section 33, the nature of the relationship and the extent of the transactions with them are summarised below.

The following table details balances from and to other related parties divided between trade and loan accounts at the statement of financial position date in accordance with the disclosure requirements of FRS 102 section 33. The related parties disclosed in the table below are affiliated entities, which are not wholly owned within the Exxon Mobil Corporation group. Balances and transactions between the Company and related parties, which are wholly owned within the Exxon Mobil Corporation group are not disclosed.

	<b>2023</b>	<b>2022</b>
	<b>£M</b>	<b>£M</b>
Stock	6	6

#### 25. CONTROLLING PARTY

The immediate parent company is ExxonMobil Chemical Investment Company Limited. The ultimate parent company and controlling party is Exxon Mobil Corporation, incorporated in New Jersey, USA. Exxon Mobil Corporation is listed on the New York Stock Exchange and its shares are widely dispersed. The smallest and the largest group of which the Company is a member and for which group financial statements are prepared is Exxon Mobil Corporation. Financial statements can be obtained from Exxon Mobil Corporation, Shareholder Relations, 22777 Springwoods Village Parkway Spring, TX 77389, USA.