Registered number: 00026538

ESSO PETROLEUM COMPANY, LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

ESSO PETROLEUM COMPANY, LIMITED

COMPANY INFORMATION

DIRECTORS	N P Bone (appointed 1 April 2023) R Cavallo (resigned 1 April 2023) P A Greenwood S A Oldfield (appointed 1 April 2023) A M Johnson (resigned 1 April 2023)
COMPANY SECRETARY	K Mulligan (appointed 3 April 2023) F H Harness (resigned 3 April 2023)
REGISTERED NUMBER	00026538
REGISTERED OFFICE	Ermyn House Ermyn Way Leatherhead Surrey KT22 8UX
INDEPENDENT AUDITORS	Grant Thornton Chartered Accountants and Statutory Auditors 13-18 City Quay Dublin 2 Ireland D02 ED70
COMPANY TYPE	Esso Petroleum Company, Limited is a private company, limited by shares and registered in England and Wales

ESSO PETROLEUM COMPANY, LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the audited financial statements for Esso Petroleum Company, Limited (the "Company") for the year ended 31 December 2023.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' annual 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 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 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.

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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £255M *(2022 - £668M)*.

£500M dividends were recommended by the directors and paid during the year *(2022 - £NIL)*.

DIRECTORS

The directors who served during the year were:

N P Bone (appointed 1 April 2023)
R Cavallo (resigned 1 April 2023)
P A Greenwood
S A Oldfield (appointed 1 April 2023)
A M Johnson (resigned 1 April 2023)

FUTURE DEVELOPMENTS

The Company intends to continue with its current principal activity.

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”.

POST BALANCE SHEET EVENTS

In May 2024, Gatwick Airport Storage and Hydrant Company Limited in which the Company had a minority interest, declared and paid a dividend of £1.3M to the Company.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company is able to call on the extensive research and development resources of its ultimate parent company, Exxon Mobil Corporation. The company spent £6M on research and development in 2023 (*2022 - £14M*).

This includes research into automotive and aviation fuels and engine lubricants and comprehensive technical support, covering crude oils, industrial fuels and lubricants, bitumen and greases. Research and guidance on environmental matters is also provided by other members of the ExxonMobil group.

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 the financial statements.

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.

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 ("GHG") emissions of its activities in the United Kingdom.

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

	2023	*2022*
	tCO2e	*tCO2e*
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 CO2 equivalent or "tCO2e").	**2,693,244**	*2,784,880*
Annual emissions resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport in tCO2e.	**6,683**	*22,150*
Total gross emissions in tCO2e	**2,699,927**	*2,807,030*
	kWh	*kWh*
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 kWh.	**31,821,096**	*44,203,564*
The intensity ratio for the year measured in tCO2e per £M of turnover:	**241**	*205*

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 has implemented no significant measures to increase energy efficiencies during the period.

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.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

This statement is made pursuant to Section 26(2) of The Companies (Miscellaneous Reporting) Regulations 2018. The following section sets out the arrangements for corporate governance that were applied in respect of the Company in 2023.

A number of group-wide policies and procedures are developed by the Company's ultimate parent company, Exxon Mobil Corporation (the "Corporation") and adopted by the Company. Collectively, these policies and procedures incorporate the essential elements of effective corporate governance. Accordingly, the Company does not adopt a separate corporate governance code.

In the following paragraphs we consider the six Wates Corporate Governance Principles for Large Private Companies within the context of the policies and procedures adopted by the Company and used in its business.

Purpose and leadership

The first of the Wates Principles states that an effective board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.

In its Statement of Guiding Principles, the Corporation expresses its commitment to being the world's premier petroleum and chemical manufacturing company. As a subsidiary of the Corporation, the Company has a well-developed and defined purpose, as reflected in its principal activities of the refining, distribution and marketing of petroleum products in the United Kingdom.

The development of the 2023 annual corporate plan for the business of the Company involved directors of the Company, senior managers of the Company's business and its functional advisers. The plan was ultimately approved by representatives of the Corporation.

Throughout 2023, the directors participated in quarterly review meetings with business line managers and senior advisors from Law, Tax, Controllers, Public and Government Affairs ("P&GA"), Safety, Security, Health & Environment ("SSHE") and Human Resources ("HR"). These meetings provided opportunity to engage on the Company's performance against plan and other key performance indicators, including SSHE. Updates from the business lines, the HR and P&GA departments were standing items at all such meetings.

The values of the Company are reflected in the Statement of Guiding Principles, Standards of Business Conduct and Procedures & Open Door Communications which have been adopted by the Company. 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 certification of their compliance with the Standards of Business Conduct.

As noted in the "Our personnel" section of the Strategic report, directors participated in a number of employee forums and the quarterly employee Services Information and Consultation Council, offering opportunities for open dialogue with the workforce with regards to the business of the Company and the promotion of its values and culture. As detailed by the Strategic report, there have been a number of engagements with other stakeholders throughout 2023, organised to promote engagement and dialogue on the Company's core values.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)

Board composition

The second of the Wates Principles states that an effective board composition requires an effective chair and a balance of skill, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution, noting that the size of a board should be guided by the scale and complexity of the company.

Each of the directors is an employee, either of the Company, or of another ExxonMobil affiliate. Nominations to the Board of Directors (the "Board") are required to be reviewed by certain functional advisors and a senior manager from the business line. The review procedure specifically provides that individuals may not final review their own election or appointment. The associated guidelines require that nominees:

- are able to represent and speak for the interests of the Company's shareholders;
- collectively have the necessary technical and business acumen to deal with both the specific and broad range of affairs of the Company; and
- include members who have a functional background specifically related to the Company's primary business activities as well as others with sufficient knowledge of essential supportive functions such as financial, legal and tax.

Throughout 2023, the Board comprised senior business and finance managers of the business of the Company.

Responsibilities

The third of the Wates Principles states that the board and individual directors should have a clear understanding of their accountability and responsibilities, with policies and procedures supporting effective decision-making and independent challenge.

Upon appointment to the Board, all directors complete an induction training programme, providing them with a clear understanding of their accountability and responsibilities. This is reviewed on an annual basis by the directors through a mandatory process for governance assurance, which is carried out globally and stewarded by the Corporation. The directors have access to dedicated legal and company secretarial resources.

Delegation of authority by the directors is documented in a Delegation of Authority Guide and a financial authority schedule, which provides for the appropriate review levels for the various transactions in respect of which authority has been delegated. The procedure provides reassurance to the directors that when matters come before the Board for review and/or approval, the quality and integrity of information is reliable.

The quarterly review meetings mentioned above provide the directors with an opportunity to review a variety of information relating to the business of the Company such as SSHE matters, KPIs, financial reporting, HR and stakeholder engagement; and engage with senior managers of the business of the Company.

These processes and engagements provide the directors with additional information to assist their effective stewardship of the Company's performance, enabling them to make informed decisions.

Opportunity and risk

The fourth of the Wates Principles provides that a board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)

Opportunity and risk (continued)

Promotion of these two aspects of governance are enabled in the governance structure of the Company as follows:

- The Corporation has global functions whose purpose it is to identify opportunities to create and preserve the value of the Corporation’s businesses. These functions work within the ExxonMobil risk management framework, which provides a structured and comprehensive approach to identify, prioritise and manage risks.
- The Company’s Board acknowledges its responsibility for establishing oversight of the opportunities, risks and rewards identified and provides, through oversight of the application of the Delegation of Authority Guide that the business arrangements and transactions are appropriate to the Company’s needs and receive appropriate review. Once an opportunity and its associated risks have been identified by a function, the functional manager presents it to the Company’s Board for engagement and discussion and to provide the directors with an opportunity to consider the opportunity, in light of the long-term sustainable success of the Company.

Throughout the year the Board has been engaged in activity that demonstrates its promotion of the long-term sustainable success of the Company by the identification of opportunities and identification and mitigation of risks. Some of these activities are perennial, whilst others are singular events. For example; the Board undertook its annual review and reaffirmation of the Company’s commitment to its Health and Safety policy and regularly monitored the Company’s performance against the objectives set by that policy; it also undertook a detailed review and ultimately approved decisions to pursue investments in respect of certain capital projects in connection with existing assets.

Remuneration

The fifth of the Wates Principles states that a board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

Each of the directors is an employee, either of the Company, or of another ExxonMobil affiliate. Compensation programs and budgets, which include remuneration structures for all employees of the Company and its affiliates, are developed and endorsed by the HR department and subject to a documented process for review, endorsement and final review. Compensation design principles are intended to be aligned with the business strategy of the Company in that they are business driven, long-term oriented and intended to deliver levels of total remuneration that will attract, retain and reward high quality and productive employees in support of the Company's business objectives.

Stakeholder relationships and engagement

The sixth of the Wates Principles provides that directors should foster effective stakeholder relationships aligned to the company’s purpose, with the board responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Corporation’s key stakeholders are identified in its Guiding Principles and The Standards of Business Conduct sets the framework for dialogue with its workforce and wider stakeholders.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)

Stakeholder relationships and engagement (continued)

The directors' statement of compliance with the duty to promote the success of the Company, included in the Company's Strategic report, explains how the Company's Board has adopted the Guiding Principles and Standards of Business Conduct, details the stakeholders that are key to the Company's business, the engagement with the various stakeholders in 2023 and how the directors have had regard to each of them through the year.

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
- the 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:

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S A Oldfield
Director

Date: September 26, 2024

PRINCIPAL ACTIVITIES

The principal activities of the Company are the refining, distribution and marketing of petroleum products in the United Kingdom. The principal subsidiaries of the Company are listed in Note 15 to the Financial Statements.

BUSINESS REVIEW

During 2023 the Company recorded an operating profit of £253M *(2022 - £944M)*. A decrease in industry margins drove lower revenues which was partially offset by higher volumes. Gross margin and overall gross profits were further impacted by lower refinery utilisation at Fawley. The Company continues to invest in significant capital projects, most notably on a new low sulphur diesel facility at Fawley Refinery.

In December 2023, the Company's wholly owned subsidiary, PT Federal Karyatama, declared and paid a dividend of £8M to the Company. In 2023, the Company received dividends of £3M from fixed asset investments.

The Company has net assets of £2,988M *(2022 - £3,175M)*.

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 financial risk management, climate change risk and alternative energy, health and safety, environment and government and political risk are set out in the paragraphs below.

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 Company is exposed to fluctuations in oil, petrochemical and gas prices as a result of its operations. The Company generally prefers to follow market based prices 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 implemented policies and procedures which require appropriate credit checks on potential customers before sales are made. The Company also has systems and processes to ensure the ongoing monitoring of customer creditworthiness and has in place procedures to enable it to respond where change in customer credit risk is detected.

Liquidity risk - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. The Company has a process in place to monitor the best financing structure and periodically reviews its strategies. Following such review, loans may be repaid prior to their maturity date or extended or replaced by alternative funding arrangements.

Interest rate risk - The Company has interest bearing liabilities; 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 may have assets and liabilities denominated in foreign currencies, predominantly the US Dollar and the Euro. No derivative financial instruments are used to manage the risk of fluctuating exchange rates, so 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.

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. These opportunities are detailed in the 'Climate-related financial disclosures' section.

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.

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.

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)
- 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.
- adoption of regulations mandating efficiency standards, the use of alternative fuels or uncompetitive fuel components.

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 products;
- Cyber-attacks targeting systems and infrastructure used by the petroleum industry.

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

	2023 (tCO2e)	2022 (tCO2e)	Change %
Total gross emissions	**2,699,927**	**2,807,030**	**(4)**

Key financial performance indicators

Management consider the following measures to be key in assessing the Company’s financial performance.

During 2023 turnover decreased by £2,481M. This was partially offset by the decrease in cost of sales by £1,782M. Overall this decreased gross profit by £699M. Total equity decreased by £187M with current year comprehensive income of £313M to provide additional liquidity to fund future operations. Net current assets (current assets less current liabilities) for the year decreased by 18% primarily with decreased trade debtors and cash held on account with another group undertaking.

	2023 £M	2022 £M	Change %
Turnover	**11,207**	**13,688**	**(18)**
Cost of sales	**(10,801)**	**(12,583)**	**(14)**
Gross profit	**406**	**1,105**	**(63)**
Total equity	**2,988**	**3,175**	**(6)**
Net current assets	**1,830**	**2,222**	**(18)**

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.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

The members of 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 of Directors, 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 publishes a view of long-term energy demand and supply in 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.

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".

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

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 programmes; 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 continued to promote inclusion and diversity across our whole workplace with various initiatives, partnering with various employee networks including a network for new employees (NEME); a women's interest network (WIN) and an LGBTQ+ employee resource group (PRIDE).

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.

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.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

Community and environment

The Company's environmental policy is detailed at the end of 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 several facilities in the UK with the largest being its refinery at Fawley. 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.

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.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

Shareholders

The Company is the wholly owned subsidiary of another UK registered ExxonMobil entity and ultimately of Exxon Mobil Corporation as detailed in Note 30 - 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.

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. Esso Petroleum Company, Limited satisfies the criteria that require it to make such climate-related financial disclosures.

The following definitions are used in these disclosures:

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

The Company has investments in a number of companies, based in the UK and abroad. Compared to the capital invested within its own business, these investments are not material and this report does not consider climate related risks and opportunities of those investments in detail.

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 roadmap for the Company's main operated manufacturing site at Fawley.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

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.

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;
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 roadmap for Fawley referred to below is a practical example 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.

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;
6. Compliance and Litigation.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

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);
- 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 hydrogen and lower-emission fuels, also depends on the growth and development of markets for those products, 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.

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.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

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 CO2 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.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

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 CO2 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 lower emission energy 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.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

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.

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.

Over time the energy transition is expected to reduce demand for conventional fossil fuels and increase demand for lower emission fuels, which have the high energy density required to meet the needs of sectors which are harder to electrify such as commercial transportation, initially in road fuels and increasingly in aviation (as Sustainable Aviation Fuel or SAF) and marine fuels. The exact rate and pace of the transition away from conventional fossil fuels is not yet clear and will be impacted by government policy, e.g. timing of the ban of sale of vehicles with petrol or diesel engines, and consumer demand for alternatively powered vehicles.

The Corporation is focused on growing lower-emission fuels by leveraging current technology and infrastructure, in addition to continuing research in advanced biofuels that could provide improved longer-term solutions through upgrading lower-value bio-based feedstock. ExxonMobil is working to supply approximately 40,000 barrels per day of lower-emission fuel by 2025 and has a further goal of 200,000 barrels per day by 2030.

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 an emission reduction roadmap for its main operated manufacturing site at Fawley. 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 site's production.

Carbon capture and storage is the process of capturing CO2 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 CO2 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 or SAF production, is one of the few proven technologies that could enable significant CO2 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 CO2 emissions from power plants and industrial facilities.

ExxonMobil has more than 30 years of experience in carbon capture and has cumulatively captured more anthropogenic CO2 than any other company.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

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.

The Fawley site comprises the UK's largest refinery, owned and operated by the Company, along with an integrated petrochemical facility owned and operated by ExxonMobil Chemical. This makes it a strategically important asset for the UK. The Company also owns and operates a network of pipelines and distribution terminals and is marketing lower-emissions fuels for land transport and select off-road applications in the UK. The Company is a participant in The Solent Cluster (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 ExxonMobil Chemical, is evaluating the potential to use low carbon hydrogen at the 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.

The Company is uniquely placed to offer a decarbonisation solution for the hard-to-abate aviation sector with its privately-owned pipelines to Heathrow and Gatwick airports. Demand for SAF is strong and the Company used its dedicated pipeline network to supply SAF to Heathrow Airport in 2022. The UK is enacting legislation establishing a SAF mandate with effect from 1 January 2025, which will require at least 10% of UK aviation fuel to be made from sustainable feedstocks by 2030. The Company is currently evaluating co-processing options which could produce SAF at its Fawley site and has been awarded over £6 million of funding through the UK Government's Advanced Fuel Fund, to conduct a feasibility study on SAF production.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

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, hydrogen and biofuels, 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) an Emission Reduction Roadmap and (ii) the UK Emissions Trading Scheme ("UK ETS").

<u>Emission Reduction Roadmap</u>

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. A roadmap for the Company's main operated manufacturing site at Fawley was completed in 2022.

Each emissions 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.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CONTINUE

CLIMATE-RELATED FINANCIAL DISCLOSURES (CONTINUED)

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

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 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. Refining 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 refining processes and to its affiliate ExxonMobil Chemical Limited for its chemical processes. However, Fawley is operated as an integrated site with, for example, steam and electricity produced for the combined site by the Company. On balance, the Company receives fewer UK ETS allowances, and ExxonMobil Chemical Limited more, 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 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.

	2023 Emissions (Tonnes)	2023 Free UK ETS Allowances (Tonnes)	UK ETS Allowance Purchases (Tonnes)	Cost £M
Fawley Refinery	2,641,483	1,509,112	1,132,371	60
Fawley Combined Heat and Power Plant	525,064	-	525,064	28
Fawley Chemicals	44,350	201,328	(156,978)	(8)

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

DocuSigned by:

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S A Oldfield
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO PETROLEUM COMPANY, LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Esso Petroleum Company, 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, Esso Petroleum Company, Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 31 December 2023 and of its results 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 Esso Petroleum Company, 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 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. This description forms part of our auditor’s report.

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

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, related to 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 ITGC specialists and actuary/pension experts, 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 carrying value of investments; net realisable value of inventories; valuation of defined benefit pension scheme; 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESSO PETROLEUM COMPANY, LIMITED

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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £M	2022 £M
Turnover	3	**11,207**	*13,688*
Cost of sales		**(10,801)**	*(12,583)*
Gross profit		**406**	*1,105*
Distribution costs		**(77)**	*(76)*
Administrative expenses		**(77)**	*(87)*
Other operating income		**1**	*2*
Operating profit	4	**253**	*944*
Income from fixed asset investments	8	**11**	*10*
Impairment of fixed asset investments	15	**-**	*(107)*
Interest receivable and similar income	9	**52**	*12*
Interest payable and similar expenses	10	**(4)**	*(1)*
Other finance income	11	**16**	*6*
Profit before tax		**328**	*864*
Tax on profit	12	**(73)**	*(196)*
Profit for the financial year		**255**	*668*
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		**70**	*54*
Pension surplus not recognised		**5**	*2*
Movement of deferred tax relating to pension deficit		**(17)**	*(14)*
Other comprehensive income for the year		**58**	*42*
Total comprehensive income for the financial year		**313**	*710*

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note		2023 £M		2022 £M
Fixed assets					
Intangible fixed assets	13		**22**		*6*
Tangible fixed assets	14		**1,422**		*1,154*
Fixed asset investments	15		**224**		*224*
			1,668		*1,384*
Current assets					
Inventories	16	**922**		*970*	
Debtors: Amounts falling due after more than one year	17	**30**		*15*	
Debtors: Amounts falling due within one year	17	**1,961**		*2,376*	
Pension asset	24	**626**		*545*	
		3,539		*3,906*	
Creditors: Amounts falling due within one year	18	**(1,709)**		*(1,684)*	
Net current assets			**1,830**		*2,222*
Total assets less current liabilities			**3,498**		*3,606*
Creditors: Amounts falling due after more than one year	19		**(101)**		*(102)*
Provisions for liabilities					
Deferred tax	21	**(176)**		*(112)*	
Other provisions	22	**-**		*(13)*	
			(176)		*(125)*
Pension liability	24		**(233)**		*(204)*
Net assets			**2,988**		*3,175*
Capital and reserves					
Called up share capital	26		**1,533**		*1,533*
Other reserves	27		**3**		*3*
Profit and loss account	27		**1,452**		*1,639*
Total equity			**2,988**		*3,175*

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

DocuSigned by:
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S A Oldfield
Director
Date: September 26, 2024

The notes on pages 30 to 57 form part of these financial statements.

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

	Share capital	Other reserves	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2022	**1,353**	**3**	**928**	**2,284**
Comprehensive income for the year				
Profit for the year	-	-	668	668
Other comprehensive income for the year	-	-	43	43
Contributions by and distributions to owners				
Shares issued during the year	180	-	-	180
At 1 January 2023	**1,533**	**3**	**1,639**	**3,175**
Comprehensive income for the year				
Profit for the year	-	-	255	255
Other comprehensive income for the year	-	-	58	58
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(500)	(500)
At 31 December 2023	**1,533**	**3**	**1,452**	**2,988**

The notes on pages 30 to 57 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 General information

The principal activities of the Company are the refining, distribution and marketing of petroleum products in the United Kingdom. The Company is a private company limited by shares and incorporated in England and Wales. The address of the registered office is Ermyn House, Ermyn Way, Leatherhead.

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 Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

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 the 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Turnover

The Company's activities consist solely of the processing and sale of crude oil, petroleum products and related goods and services. Revenue is recognised when the product or service is delivered to the customer.

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In the course of normal business, the Company enters into contracts with third parties, including contracts giving rise to linked sales and cost of sales entries such as location swaps. These linked transactions are not reported separately in Turnover and Cost of Sales, but are reported net.

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 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
CO_2 emission rights	-	1 year

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Intangible fixed assets (continued)

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

The cost of intangible assets represents software and allocated and purchased CO2 emission rights. The CO2 emission rights are not amortised during the year as they are surrendered following the completion of an independent audit of the actual emissions.

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.

Premiums paid on operating leases for land and buildings have been capitalised and included within land and buildings.

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 basis:

Buildings including retail sites	- 3.3% to 4.0% per annum
Long leasehold land	- 0.5% to 6.67% per annum
Plant and equipment	- 3.3% to 20.0% per annum
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. ACCOUNTING POLICIES (CONTINUED)

1.9 Research and development costs

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

1.10 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Cost includes the original purchase price and any directly attributable costs.

Annually at the reporting date, the Company assesses whether there may be an indication for impairment. Only if the assessment determines that there may be an impairment, does the Company estimate the recoverable amount of the subsidiary.

The recoverable amount of the subsidiary is the higher of its fair value less costs to sell and its value in use. If either of these estimates exceeds the carrying value of the investment, it is not impaired.

The value in use is determined by estimating the discounted future cashflows of that investment, using a discount rate that is based on a pre-tax risk free rate.

If it is determined that the recoverable amount of the asset is lower than the carrying value of the asset, the resulting impairment is recognised immediately in the statement of comprehensive income.

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

1.11 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, including taxes and duties, 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.

1.12 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

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

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.

1.13 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.

1.14 Borrowing costs

Borrowing costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1. ACCOUNTING POLICIES (CONTINUED)

1.15 Dividends

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

1.16 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.

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

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

1. ACCOUNTING POLICIES (CONTINUED)

Multi-employer pension plan

The Company is a member of the Merchant Navy Officers Pension Fund ('MNOPF') and the Merchant Navy Ratings Pension Fund ('MNRPF'), both are multi-employer plans.

The asset/liability recognised in the statement of financial position in the 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, out of which the obligations are to be settled.

The Company is not able to recognise the surplus to the extent that it is not entitled to any surplus under the Trust Deed and Rules. Therefore the surplus has been derecognised and taken through and charged or credited to other comprehensive income.

All other accounting policies follow the same as per the Defined benefit pension plan policies listed above.

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

1.17 Interest income

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

1.18 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.

1.19 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.19 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.

1.20 Cash

As part of ExxonMobil's Treasury operations, 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 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 these 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 0.35% on overdraft positions and GBP Fallback Rate minus 0.10% on deposit positions.

1.21 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.

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.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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:

- calculations in support of the carrying value of investments;
- should an impairment be indicated, the recoverable amount of investments in subsidiaries;
- valuation of inventory; and
- the key assumptions used in the valuation of the defined benefit pension scheme asset or (liability).

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2023 £M	*2022 £M*
United Kingdom	**8,349**	*8,964*
Europe	**2,371**	*3,868*
Rest of the world	**487**	*856*
	11,207	*13,688*

4. OPERATING PROFIT

The operating profit is stated after charging.

	2023 £M	*2022 £M*
Depreciation of tangible fixed assets	**43**	*44*
Amortisation of intangible fixed assets	**2**	*2*
Research and development	**6**	*14*
Foreign exchange differences	**(19)**	*32*
Operating lease expense - plant and equipment	**21**	*17*
Defined benefit pension cost	**39**	*81*

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

5. AUDITORS' REMUNERATION

	2023 **£k**	*2022* *£k*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**188**	*269*

Fees payable to the Company's auditor in respect of:

Audit related assurance services	**-**	*50*

	2023 **£k**	*2022* *£k*
Fees payable to the Company's auditor by the Company's associates in respect of:		
The auditing of the annual Financial Statements	**-**	*32*
Audit of the Pension Scheme	**-**	*4*
Audit related assurance services in relation to the Pension Scheme	**-**	*62*

6. PERSONNEL COSTS

Personnel costs were as follows:

	2023 **£M**	*2022* *(Restated)* *£M*
Wages and salaries	**85**	*79*
Social security costs	**14**	*12*
Pension costs	**39**	*81*
	138	*172*

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

	2023 **No.**	*2022* *No.*
Marketing, refining and transportation	**1,171**	*1,164*

6. PERSONNEL COSTS (CONTINUED)

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	**85**	*29*
Exploration and production	**156**	*273*
	241	*302*

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.

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. INCOME FROM FIXED ASSET INVESTMENTS

	2023 **£M**	*2022* *£M*
Dividends received from unlisted investments	**11**	*10*

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 **£M**	*2022* *£M*
Interest receivable from group undertakings	**51**	*12*
Other interest receivable	**1**	*-*
	52	*12*

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £M	*2022 £M*
Interest payable to group undertakings	**4**	*1*

11. OTHER FINANCE INCOME

	2023 £M	*2022 £M*
Net interest income on defined benefit pension scheme	**16**	*6*

12. TAXATION

	2023 £M	*2022 £M*
Corporation tax		
Current tax on profit for the year	**27**	*189*
Adjustments in respect of prior periods	**(1)**	*3*
Total current tax	**26**	*192*
Deferred tax		
Origination and reversal of timing differences	**47**	*4*
Taxation on profit	**73**	*196*

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2022 - higher than)* the average 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	**328**	*864*
Profit multiplied by average standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	**77**	*164*
Effects of:		
Non-tax deductible impairment loss	**-**	*20*
Net (income) not deductible for tax purposes	**(1)**	*9*
Capital allowances for year in excess of depreciation	**1**	*2*
Adjustments in respect of prior periods	**(1)**	*3*
Dividends from UK companies	**(3)**	*(2)*
Total tax charge for the year	**73**	*196*

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% effective from 1 April 2023.

13. INTANGIBLE FIXED ASSETS

	Computer software £M	CO2 emission rights £M	Total £M
Cost			
At 1 January 2023	**50**	**1**	**51**
Transfers between classes	**1**	**101**	**102**
Disposals	**-**	**(84)**	**(84)**
At 31 December 2023	**51**	**18**	**69**
Accumulated Amortisation			
At 1 January 2023	**45**	**-**	**45**
Charge for the year	**2**	**-**	**2**
At 31 December 2023	**47**	**-**	**47**
Net book value			
At 31 December 2023	**4**	**18**	**22**
At 31 December 2022	*5*	*1*	*6*

Included in other assets is the cost of carbon credits, which is based on the Company's annual energy consumption. Carbon credits are purchased through the year and capitalised as assets under construction. At the end of the year, these are transferred to other intangible assets and the total cost of the carbon credits consumed in operations is recorded as disposals in cost of sales. Carbon credits purchased in excess of requirements are carried forward as assets to be utilised in future periods.

14. TANGIBLE FIXED ASSETS

	Retail sites £M	Other land and buildings £M	Plant and equipment £M	Assets under construction £M	Total £M
Cost or valuation					
At 1 January 2023	**104**	**94**	**1,765**	**649**	**2,612**
Additions	**-**	**-**	**-**	**414**	**414**
Disposals	**-**	**-**	**(10)**	**(2)**	**(12)**
Transfers between classes	**1**	**2**	**20**	**(125)**	**(102)**
At 31 December 2023	**105**	**96**	**1,775**	**936**	**2,912**
Accumulated Depreciation					
At 1 January 2023	**41**	**49**	**1,368**	**-**	**1,458**
Charge for the year on owned assets	**2**	**4**	**36**	**-**	**42**
Disposals	**-**	**-**	**(10)**	**-**	**(10)**
At 31 December 2023	**43**	**53**	**1,394**	**-**	**1,490**
Net book value					
At 31 December 2023	**62**	**43**	**381**	**936**	**1,422**
At 31 December 2022	*63*	*45*	*397*	*649*	*1,154*

The net book value of land and buildings may be further analysed as follows:

	2023 £M	*2022 £M*
Freehold	**62**	*63*
Long leasehold	**43**	*45*
	105	*108*

15. FIXED ASSET INVESTMENTS

	Investments £M
Cost or valuation	
At 1 January 2023	**331**
At 31 December 2023	**331**
Impairment	
At 1 January 2023	**107**
At 31 December 2023	**107**
Net book value	
At 31 December 2023	**224**
At 31 December 2022	*224*

Direct subsidiary undertakings

The following are subsidiary undertakings of the Company:

Name	Class of shares	Holding
ExxonMobil Pension Trust Limited	Ordinary	100%
PT Federal Karyatama	Common stock	100%

15. FIXED ASSET INVESTMENTS (CONTINUED)

Other investments

The following are entities in which the Company had a minority interest:

Name	Class of shares	Holding
Gatwick Airport Storage and Hydrant Company Limited	Ordinary	25%
Heathrow Hydrant Operating Company Limited	Ordinary	20%
Stansted Fuelling Company Limited	Ordinary	29%

PT Federal Karyatama is registered in Indonesia and has its registered office at Prominence Tower, Jl. Jalur Sutera Barat Kav. 15, Pinang, Tangerang, Banten, Indonesia.

All of the Company's other direct and indirect subsidiary undertakings are registered in England and Wales and have their registered office at Ermyn House, Ermyn Way, Leatherhead, Surrey KT22 8UX, unless stated otherwise.

Gatwick Airport Storage and Hydrant Company Limited is registered in England and Wales and has its registered office at 8 York Road, London, SE1 7NA.

Heathrow Hydrant Operating Company Limited is registered in England and Wales and has its registered office at Building 1204, Sandringham Road, Heathrow Airport, Hounslow, Middlesex, TW6 3SH.

Stansted Fuelling Company Limited is registered in England and Wales and has its registered office at Ermyn House, Ermyn Way, Leatherhead, Surrey KT22 8UX.

16. INVENTORIES

	2023 £M	*2022 £M*
Raw materials and consumables	**347**	*332*
Work in progress	**214**	*200*
Finished goods and goods for resale	**361**	*438*
	922	*970*

The replacement cost of all categories of inventories held by the Company at 31 December 2023 was £924M *(2022 - £1,014M)*.

17. DEBTORS

	2023 £M	*2022 £M*
Amounts falling due after more than one year		
Other debtors	**1**	*1*
Prepayments and accrued income	**29**	*14*
	30	*15*

	2023 £M	*2022 £M*
Amounts falling due within one year		
Trade debtors	**1,119**	*1,006*
Amounts owed by group undertakings	**573**	*1,224*
Other debtors	**46**	*78*
Prepayments and accrued income	**64**	*14*
Tax recoverable	**159**	*54*
	1,961	*2,376*

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 £484M as at 31 December 2023 is included in 'Amounts owed by group undertakings' (2022 - £1,121M).

All other amounts are unsecured, interest free and have no fixed repayment date.

18. CREDITORS: Amounts falling due within one year

	2023 £M	*2022 £M*
Trade creditors	**117**	*89*
Amounts owed to group undertakings	**644**	*528*
Other taxation and social security	**618**	*724*
Other creditors	**11**	*13*
Accruals and deferred income	**319**	*330*
	1,709	*1,684*

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

	2023 £M	*2022 £M*
Amounts owed to group undertakings	**100**	*100*
Accruals and deferred income	**1**	*2*
	101	*102*

Except for the loans detailed in note 20 all other amounts are unsecured, interest free and have no fixed repayment date.

20. LOANS

	2023 £M	*2022 £M*
Amounts owed to group undertakings		
Repayable after 1 year	**100**	*100*

Amounts repayable after one year include loans at the following interest rates:

	2023 £M	*2022 £M*
Interest at a rate of 3 month GBP LIBOR Fallback +0.0625% (2022 - 3 month GBP LIBOR +0.0625%)	**100**	*100*

Included in the amounts falling due after one year is an amount of £100M with interest payable in quarterly instalments and principal which is repayable on 31 December 2033 or earlier at borrower's option and carries variable interest at 3 month GBP LIBOR Fallback +0.0625%.

During the year, the Company agreed along with all other parties to the loan, to modify the basis on which interest was calculated. With effect from 1 January 2023 the three month GBP LIBOR rate will be replaced by the three-month "All-in Fallback Rate" for GBP LIBOR, comprised of the three-month compounded SONIA plus applicable spread adjustment.

21. DEFERRED TAXATION

	2023 £M
At 1 January	**112**
Charged to profit or loss	**47**
Charged to other comprehensive income	**17**
At 31 December	**176**

The provision for deferred taxation is made up as follows:

	2023 £M	*2022 £M*
Accelerated capital allowances	**99**	*46*
Pension surplus	**77**	*66*
	176	*112*

22. OTHER PROVISIONS

	Other £M
At 1 January 2023	**13**
Charged to profit or loss	**7**
Utilised in year	**(20)**
At 31 December 2023	**-**

Other provisions consist of an environmental remediation reserve for two terminals, which it is anticipated will be utilised within the next two to five years

23. CAPITAL COMMITMENTS

At 31 December 2023 the Company had capital commitments as follows:

	2023 £M	2022 £M
Contracted for but not provided in these financial statements	**138**	*256*

	2023 £M	2022 £M
Not later than year	**63**	*178*
Later than 1 year and not later than 5 years	**75**	*78*
	138	*256*

Capital commitments will be funded through a combination of future cash generated and share issues to the parent of the Company.

24. PENSION COMMITMENTS

Defined Benefit Pension Schemes

ExxonMobil Pension Plan

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

The Plan 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 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 Plan's assets and liabilities must be repaired through the payment of deficiency contributions. The Plan and the Company have agreed to continue to fund any deficiency contributions within a period of 2 years following the valuation date.

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.

24. PENSION COMMITMENTS (CONTINUED)

Merchant Navy Officers Pension Fund

The Merchant Navy Officers Pension Fund ("MNOPF") is an industry wide multi-employer defined benefit pension scheme which closed to new employees in October 1996 and closed to future accrual at the end of March 2016.

The last valuation report for this fund was carried out by a qualified independent actuary as at 31 March 2022. No additional contributions were requested as a result. The next valuation is due as at March 2025.

The Trustees of the MNOPF Scheme have provided sufficient information regarding the share of the obligations to be borne by the Company and other employers, for the directors to estimate the Company's share of the Scheme's surplus. The Company accounts for its proportionate share of the Industry Scheme.

All employers participating in the MNOPF are jointly and severally liable for obligations of the fund.

Merchant Navy Ratings Pension Fund

The Merchant Navy Ratings Fund (MNRPF) is an industry wide multi-employer defined benefit pension scheme which was closed to future accrual in May 2001.

The last valuation report for this fund was carried out by a qulified independent actaury as at 31 March 2023 which showed an aggregate fund deficit of £24M. As a result the Trustee put in place a recovery plan requiring the Employers to contribute to meet and remove this deficit under the terms of the recovery plan. The Company will pay its share of the 2023 deficit payments under the recovery plan. The next valuation is due as at March 2026.

The Trustees of the MNOPF Scheme have provided sufficient information regarding the share of the obligations to be borne by the Company and other employers, for the directors to estimate the Company's share of the Scheme's surplus. The Company accounts for its proportionate share of the Industry Scheme.

All employers participating in the MNRPF are jointly and severally liable for obligations of the fund.

24. PENSION COMMITMENTS (CONTINUED)

Movement in the present value of Scheme Liabilities:

	EMPP	EMSP	MNOPF	MNRPF	Total
	£M	£M	£M	£M	£M
At 1 January 2022	**5,430**	**327**	**74**	**50**	**5,881**
Current service cost	64	16	-	-	**80**
Interest cost	100	6	1	1	**108**
Actuarial (gains)	(1,896)	(139)	(18)	(14)	**(2,067)**
Benefits paid	(216)	(7)	(4)	(3)	**(230)**
Other	(1)	-	-	(1)	**(2)**
(Gain)/loss on curtailment	-	-	-	2	**2**
Foreign exchange effects	5	-	-	-	**5**
At 31 December 2022	**3,486**	**203**	**53**	**35**	**3,777**
At 1 January 2023	**3,486**	**203**	**53**	**35**	**3,777**
Current service cost	32	7	-	-	**39**
Interest cost	165	10	3	2	**180**
Actuarial (gains)	12	17	1	(5)	**25**
Benefits paid	(204)	(7)	(4)	(2)	**(217)**
Other	-	-	1	(1)	**-**
(Gain)/loss on curtailment	-	-	-	7	**7**
Foreign exchange effects	(2)	-	-	-	**(2)**
At 31 December 2023	**3,489**	**230**	**54**	**36**	**3,809**

24. PENSION COMMITMENTS (CONTINUED)

Movement in the present value of Scheme Assets:

	EMPP	EMSP	MNOPF	MNRPF	Total
	£M	£M	£M	£M	£M
At 1 January 2022	**6,105**	**-**	**74**	**59**	**6,238**
Interest income	112	-	1	1	**114**
Return on plan assets	(1,981)	-	(16)	(16)	**(2,013)**
Employer contributions	4	7	-	-	**11**
Benefits paid	(216)	(7)	(4)	(3)	**(230)**
Other	(1)	-	1	-	**-**
Administration costs paid	(2)	-	-	(1)	**(3)**
Foreign exchange effects	9	-	-	-	**9**
At 31 December 2022	**4,030**	**-**	**56**	**40**	**4,126**
At 1 January 2023	**4,030**	**-**	**56**	**40**	**4,126**
Interest income	191	-	2	2	**195**
Return on plan assets	100	-	2	(6)	**96**
Employer contributions	4	7	-	-	**11**
Benefits paid	(204)	(7)	(4)	(2)	**(217)**
Other	-	-	-	1	**1**
Administration costs paid	(3)	-	-	(1)	**(4)**
Foreign exchange effects	(3)	-	-	-	**(3)**
At 31 December 2023	**4,115**	**-**	**56**	**34**	**4,205**

Composition of Scheme Assets:

				2023	*2022*
	EMPP	MNOPF	MNRPF	**Total**	*Total*
	£M	£M	£M	**£M**	*£M*
Equity securities	770	1	-	**771**	*805*
Bond securities	3,339	10	21	**3,370**	*3,248*
Property	-	-	18	**18**	*24*
Cash/other	6	45	(5)	**46**	*49*
Total Scheme Assets	**4,115**	**56**	**34**	**4,205**	*4,126*

24. PENSION COMMITMENTS (CONTINUED)

The amounts included in the balance sheet is as follows:

	EMPP	EMSP	MNOPF	MNRPF	**2023 Total**	*2022 Total*
	£M	£M	£M	£M	**£M**	*£M*
Fair value of scheme assets	4,115	-	56	34	**4,205**	*4,126*
Present value of scheme liabilities	(3,489)	(230)	(54)	(36)	**(3,809)**	*(3,777)*
Net pension scheme asset/(liability)	**626**	**(230)**	**2**	**(2)**	**396**	*349*
Derecognition of Scheme Assets	-	-	(2)	-	**(2)**	*(8)*
Net pension scheme asset/(liability)	**626**	**(230)**	**-**	**(2)**	**394**	*341*

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

	EMPP	EMSP	MNOPF	MNRPF	**2023 Total**	*2022 Total*
	£M	£M	£M	£M	**£M**	*£M*
Current service cost	(32)	(7)	-	-	**(39)**	*(80)*
Interest on scheme liabilities	(165)	(10)	(3)	(2)	**(180)**	*(108)*
Interest income on scheme assets	191	-	3	2	**196**	*114*
Scheme curtailments	-	-	-	(7)	**(7)**	*(2)*
Administration costs	(3)	-	-	(1)	**(4)**	*(3)*
Foreign exchange effects of revaluation	(2)	-	-	-	**(2)**	*(4)*
Total	**(11)**	**(17)**	**-**	**(8)**	**(36)**	*(83)*

Scheme Introductions, curtailments and settlements include a curtailment adjustment £7M (2022 - £2M) in relation to the MNRPF review of administration practices benefit adjustments recognised in the 2023 and the MNRPF Ill health early retirement benefits adjustmentrecognised in 2022.

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income was £489M (2022 - £560M) for EMPP and EMSP only.

The Company expects to contribute a total of £5m to its Defined benefit pension scheme in 2024, mainly in respect of employee 'salary sacrifices' (for EMPP only). 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 employer Contributions.

24. PENSION COMMITMENTS (CONTINUED)

Following the recent MNRPF valuation, the Company is expecting to contribute deficit funding payments to the MNRPF of £1.2M. The Company is not expecting to contribute any further deficit funding payments to the MNOPF as these have been fully paid.

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

					2023	*2022*
	EMPP	EMSP	MNOPF	MNRPF	Total	*Total*
	£M	£M	£M	£M	£M	*£M*
Actual returns less interest income included in net interest income/(expense)	100	-	2	(6)	**96**	*(2,013)*
Experience gains/(losses) arising on scheme liabilities	(37)	(15)	-	-	**(52)**	*(271)*
Changes in assumptions underlying the present value of scheme liabilities	24	(2)	(1)	5	**26**	*2,338*
Other	-	-	(1)	1	**-**	*-*
Derecognition of surplus	-	-	-	5	**5**	*(2)*
Total	**87**	**(17)**	**-**	**5**	**75**	*52*

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2023	*2022*
Discount rate	4.6%	*4.9%*
Expected return on scheme assets	4.6%	*4.9%*
Price inflation (RPI)	3.05%	*3.25%*
Price inflation (CPI)	2.5%	*2.7%*
Future salary increases	3.05%	*3.25%*
Pension increases for in-payment benefits:		
- Pre-1997 benefits	2.15%	*2.3%*
- 1997-2006 benefits	3.05%	*3.25%*
- Post April 06	2.3%	*2.35%*
Rate of increase to pensions in payment in excess of any pension increases for deferred members		
- Pre 2009	2.5%	*2.7%*
- Post 2009	2.5%	*2.5%*
Non contributory benefits	2.1%	*2.7%*
Mortality assumptions:	Years	*Years*
- for a male aged 60 now	27.1	*27.6*

24. PENSION COMMITMENTS (CONTINUED)

- at 60 for a male aged 50 now	27.7	*28.2*
- for a female aged 60 now	28.9	*29.3*
- at 60 for a female aged 50 now	29.6	*30.0*

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2023 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £M	*2022 £M*
Not later than 1 year	**4**	*4*
Later than 1 year and not later than 5 years	**10**	*13*
Later than 5 years	**13**	*14*
	27	*31*

26. SHARE CAPITAL

Shares classified as equity

Allotted, called up and fully paid	**2023 £M**	*2022 £M*
1,188,385,200 *(2022 - 1,188,385,200)* ordinary shares of £1 each	**1,188**	*1,188*
345,000,000 *(2022 - 345,000,000)* redeemable ordinary shares of £1 each	**345**	*345*
	1,533	*1,533*

The 345,000,000 redeemable ordinary shares have a nominal value of £1 per share and a share premium of NIL *(2022 - NIL)*. Both the Company and the holders of such shares, have an option to redeem them on demand at any time by, giving three days notice, for the original consideration. The shares rank pari passu 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.

27. RESERVES

Other reserves

Other reserves relate to amounts used to capitalise the Company other than by sale of shares.

Profit and loss account

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

28. 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 transactions and balances in the table below are with 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 are not disclosed.

	2023 £M	*2022 £M*
Turnover	**1**	*6*
Cost of sales	**1**	*5*
Debtors	**39**	*38*
Creditors	**38**	*41*

29. POST BALANCE SHEET EVENTS

In May 2024, Gatwick Airport Storage and Hydrant Company Limited in which the Company had a minority interest, declared and paid a dividend of £1.3M to the Company.

30. CONTROLLING PARTY

The immediate parent company is ExxonMobil UK 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.