

## [Fortune Leadership Next Podcast](#)

### DWW interview with Fortune CEO Alan Murray and Podcast host Michal Lev-Ram

February 27

#### *Introduction:*

Welcome to Leadership Next the podcast about the changing rules of business leadership. I'm Alan Murray and Michal Lev-Ram

**Michal:** Alan we had a very interesting guest on this week's episode – Darren Woods, the CEO of ExxonMobil – and he sat down with us for quite a long time. What did you think?

**Alan:** Michal – in my four decades covering business, I would have to say ExxonMobil was at the very top of my list of press unfriendly companies. Of companies that did not want to talk to me regardless of the occasion, and I think it shows a real change that he was willing to sit down, talk to us about the energy transition, about Exxon's role in it – geez the whole interview went almost an hour. We went in great depth – I don't know that everyone will be satisfied with everything he had to say but I was really impressed by his willingness to engage.

**Michal:** Absolutely, we got to ask a lot of questions. And like you said, a lot of people would like to see ExxonMobil make this transition faster than they're making it. But we talked a lot about what they're doing with carbon capture, lithium, which they're moving really into – not that lithium is clean, but they have been diversifying their business and we got to hear quite a bit about that.

**Alan:** Ya – ExxonMobil was in the news when Engine 1 made an attack on their board, put up a group of directors to replace existing directors. Those directors are now there; they have clearly played a role in changing the company – not has fast as everyone has liked. There's been a lot of publicity around smaller shareholders who are suing Exxon for not moving fast enough on climate and Exxon is fighting back.

**Michal:** They're suing them.

**Alan:** They're suing them. That's a classic Exxon move – they're the Texas tough boys. But it's a very different company than it was 2-3-5 years ago.

**Michal:** Well let's listen to it Alan. Here it is – our conversation with Darren Woods, CEO of ExxonMobil

**Alan:** Look, I wanna start by asking you the big question, the kind of meta question. There are a lot of people out there who believe that an oil company like ExxonMobil, making hundreds of billions of dollars off of selling oil and gas. And a CEO like yourself who's making tens of millions off of that business can't possibly be serious about addressing climate change. Tell me why they're wrong.

**DWW:** Sure, I would start with the premise that we're an oil company. I think, as I've taken this job and focused on what's made us successful over the 140 years that we've been in business, it's come down to our ability to take technology and develop products that meet society's needs. So at our heart, we're a technology company, maybe a little different than some of the technology companies are out there today, and that we basically focus our technology on transforming molecules, and they happen to be hydrogen and carbon molecules.

And so while today, a large part of that technology goes to making products that are combusted, we also have one of the largest chemical businesses in the world that makes a variety of products that go into society that basically supports modern living. And so our view is, our job is to basically take our capabilities in this space and address the needs of society. And as those needs evolve, so do our business. I mean, one point I always make, Alan, is if you go back to the beginnings of our company, we started basically making kerosene to replace oil for lamps. Electricity came along, Ford Motor came along, started building cars, we started making gasoline. During the war, we started making butyl rubber.

And so as the needs of society have evolved, so has our company, and they all come back to our ability to manage these molecules, these hydrogen carbon molecules. And so as we look at the transition and the next wave of things that society needs, which is a lower emissions world, to decarbonize the society that we have today, the question that we've asked ourselves is, how can we bring our capabilities and skills to bear on solving that problem?

If you go back a little bit in time, the only answer was, when solar and EVs, which clearly have a role to play and are necessary, but they're not sufficient. One of the things I've been pleased with the Biden administration is the recognition that there's a broader set of solutions needed, a set of solutions that involve the molecule side of the equation, as well as the electron side of the equation. Since we're in the molecule business, that opens the door for us in carbon capture and storage, biofuels, hydrogen, a number of opportunities in that space, which we now can contribute to as that need grows and as the markets develop.

**Alan:** We wanna talk about all those things today. We wanna talk about hydrogen, biofuels, what you're doing in lithium, what you're doing in carbon capture. But I do think part of the reason that people are a little skeptical, or a lot skeptical about this conversation, is because of the history that your company has, before your time as CEO, obviously, but the history your company has in climate denial, misinformation, I'm old enough to remember Herb Schmurtz, and the information campaigns that he ran. How do you address that history?

**DWW:** Well, I think we've been very focused on going forward and what are the opportunities for us to contribute in that space. I think some of the perception out there, we could spend a lot of time debating and arguing, that was 30 years ago. I mean, today, the world has moved on, the understanding of this challenge has moved on. I think where we are today is, how can we contribute to a solution set, not debate the past? And that's basically what we're trying to do, is leverage our capabilities and solve for what society needs. It's no different than what we've done for the last 140 years. We're leveraging the same core competencies, same core capabilities, and figuring out how we can use those to advance products that society needs. And frankly, I think today, our strategy is pretty robust to whatever the future holds, however quickly the world transitions, our company's position to basically contribute.

**Michal:** So like a lot of other companies, of course, you've committed to net zero within a certain timeframe. You have a shareholder group that is pushing you to do more, to move faster, to cut greenhouse gases. Can you talk a little bit about what you are doing, and also why you're pushing back against this particular shareholder group?

**DWW:** Sure, I would just start, in terms of our pushback to the shareholder, it has nothing to do with the environment or ESG, that's not the basis of our dispute with that shareholder, but I'll come back to that in a minute.

Frankly, what we've looked at is, again, with this view, we recognize the challenges associated with climate change, we recognize the need to decarbonize and reduce emissions, and we're very focused on doing it. If you look at the progress that we've made, and what we share in our proxy every year is the progress that we're making with respect to reducing our own emissions, our scope one and scope two emissions, we've committed to decarbonize, to get to net zero in our permitting operation, where we're rapidly growing production, to demonstrate that in a world of growing production, that you can reduce your own emissions, and we've got a net zero commitment, a plan by 2030 to get to net zero. As you know, we've announced an acquisition of Pioneer, and we've committed to bring their net zero pledge in 2050 forward to a net zero plan by 2035. We have significantly reduced our methane emissions.

We're basically working around the world to reduce our own emissions, and then we're providing products to help third parties reduce their emissions. So we're starting a carbon capture and storage business. We have three commercial contracts with hard-to-decarbonize sectors, a steel company and industrial gas company and an ammonia production company. We'll capture five million tons per annum of their CO2. That is the equivalent of all the EV sold in the US to date. The impact of that reduction on just three deals that we've done. We've acquired Denberry, which is the largest CO2 pipeline in the US, to act as the spine to allow us to capture more CO2. And so making significant progress there, we're building a biofuels plant up in Canada. We've got plans and are developing the world's largest low carbon hydrogen plant. That plant alone would basically meet 10% of the Biden administration's low carbon hydrogen ambition.

We've got plans when we're working through on that that will produce low carbon hydrogen and ammonia to help third parties back out their emissions. And as you pointed out, we've got a lithium business. Again, tapping into our capabilities to understand the subsurface drill, extract liquids, in this case water, extract the lithium from the water and re-inject that water. It's a lower cost production for lithium than that exists out there today. And it's a much, much lower environmental footprint than the current methods. And so we can have a domestic US-supplied lithium source to go into this electrification effort that is more environmentally friendly and more cost effective. And so a number of things that we're pursuing and as the markets develop, we are in a position to continue to lean into that and to bring our capabilities and skills to bear. Now with respect, go ahead.

**Alan:** How much of this investment in alternatives is enough? Some people will argue that the European oil companies invest a larger share of their total investment dollars in renewables than ExxonMobil does. I mean, how do you decide what the right amount of effort is to drive this transition? –

**DWW:** I think that's a hollow argument. I think the first thing I would point to when you look at levels of investment is you're comparing investments in wind and solar, which are technologies going into an established market with an established demand and an established pricing structure that's regulated and people get returns. And so our view is we don't bring any real capabilities to that space. Those are, that's the electron solution that I mentioned. We don't bring capabilities other than a checkbook. And so we don't see the ability to generate a average returns for our investors. And so while we recognize the need for that, we don't think it's an appropriate use of ExxonMobil's capabilities.

We're focused on areas where there aren't solutions, where we're gonna decarbonize, help decarbonize, harder to carbonize industries, where today they don't have readily available solutions that wind and solar won't be effective at meeting their needs. So we're basically concentrating our effort in that space. We're starting businesses from scratch.

So I think when you look at the investment level, you have to look at it in the context of what is the opportunity set that you're investing in. We're building businesses from brand new. It's gonna take time to get those businesses up and going, but somebody needs to do that.

And so I think that the comparison of what we're investing in businesses that don't exist today versus people who are investing in businesses and sectors that do exist is a false comparison. Likewise, it's false comparison to say, we're gonna look at the oil and gas industry, which is an enormous industry with enormous demand, and look at what you're spending in that space versus what you're spending in an area where there's basically nothing exists today. Again, a false comparison. With time, if the market develops and grows and replaces traditional energy system, my expectation is our investment will be just as big there. But we're at a much earlier part of the development curve in that space. And that is reflective of the investments we're making. - I'll just give you one fact, Alan. If you look at what we are spending in reducing emissions, it's the equivalent on an annual basis of one third of what the US EPA spends to manage the environment for the whole of the US. I mean, that's a substantial amount of money for a company going into a sector and a value chain of business that doesn't exist today.

**Michal:** And there, and just to go back real quick to the shareholder question. I know you wanted to address that. Can you explain a little bit of, you said pushback is not because of the efforts and the plans to cut greenhouse gas.

DWW: Sure. So make me just a little bit of context for that. Over the last 10 years, we've had 140 shareholder proposals submitted. About half of those are from activist investors or activist shareholders. And I would make the distinction between the activists versus investors in our company. And the difference, the key difference is the activists don't have an economic interest in the outcomes that they're proposing or in the returns that the company generates.

Of that, half of those proposals that have been submitted, roughly half of those have been submitted by just three activist groups. And so these individuals, while we talk about, we are, I would tell you as a company, very, very focused on shareholder rights.

In fact, we like small shareholders. We've prided ourselves on the fact that our company has a very large base of small shareholders. And we work really hard to keep them engaged and to bring them to the table and to exercise their rights and to voice their concerns and their views. We have an extensive outreach program. We try to bring them into the annual meeting. So I would say that we recognize the importance of the shareholders voice and wanna cater to the shareholders who are real investors who have an interest in seeing this company successful and generating return on their investments.

We feel a huge responsibility to that. We don't feel a responsibility for activists that hijacked that process, a legitimate process, and frankly abuse it to advance an ideology that's inconsistent with the wellbeing of the company. And I would tell you in this case for Arjuna Capital and Follow This, first of all, both of those proponents have publicly expressed the desire to basically diminish ExxonMobil's business and to stop the production of oil and gas. That's contrary to the benefit of most of our shareholders.

They have submitted this proposal in the past. This is the third time it was submitted. Last year when it was submitted, it got just over 10% of the vote. Under SEC rules, that proposal should be, excluded if it didn't have 15% of the vote. But the SEC's interpretation of that has led to basically allowing these proposals to come in time and time again. So the shareholders have reviewed that and have spoken on that topic. And their scope three target, their proposal asked us to reduce scope three, which is essentially the emissions of our customers. And the way that we would have to do that is to reduce the sales of our customers the sales of oil and gas.

So that's getting right into the heart of what we're doing. And the follow this has been very clear that their objective is to get us to stop selling oil and gas. That's basically what we do as a business. And so you've got a proponent getting right into the heart of the business. SEC rules should exclude that as well as ordinary business and it's micromanaging. And so we're taking issue with the fact that the SEC, its interpretation of the current regulation is allowing this abuse. And we're looking for relief from that abuse, which we think is actually in the best interest of all of our shareholders.

**Alan:** And by the way, the best interest of society. The sale of oil and gas is not gonna be good for the world at this point in history.

**DWW:** You're absolutely right. If you think about what we sell, we sell LNG. Every ton of LNG we sell basically backs out of coal burning somewhere in the world. Typically we're sending our LNG out to Asia. And so today there is an advantage to the products that we sell. And by the way, the money that we're using there and the capabilities that we've built doing that, we're now using for the transition. And so I think it's, you don't wanna force, they're working a supply issue when the problem is in the demand side of the equation. And we're trying to balance the two, be the most responsible operator so that as long as the world needs these products, that you've got a company that you can rely on to do it as environmentally friendly as possible, as we continue to work for opportunities to diversify and decarbonize.

**Alan:** So you're saying that FollowThis and Arjuna are very different than say, Engine 1. I mean, Engine 1 was referred to as an activist when they came after your board.

**DWW:** Yeah, I think again, that's completely, that's another, I'd say kettle of fish, so to speak. Engine number one basically was out to make a name for itself. It did not have a specific agenda for ExxonMobil and a change at ExxonMobil, other than to bring new directors onto the board. I would point out, Alan, if you look at Engine number one, while they were successful at bringing three directors onto the board, and those three directors came in without an Engine 1 agenda, but more of an agenda to make sure that the company could be as successful as possible. As we spent the year that they came in, getting them briefed up on our strategy, the basis of our strategy, why we were making the decisions that we were making, when it came time to approve our plan that year in November, all three of those activist investors endorsed our plan 100%. And as we reviewed the strategy and rolled our strategy out, that was endorsed.

And so I would tell you, maybe contrary to the perception out there, bringing those board members on that were keenly focused on making sure ExxonMobil was doing all it could to be successful, and having them conclude that, yeah, we were, and that the plans that we had in place and the strategy that we had developed was exactly doing it, basically strengthened our board and their resolve for us to

continue down the path that we were on. And so it's been a benefit to the company, maybe contrary to reinforce the path that we were on, contrary to maybe what many people thought out there.

**Michal:** And we should note, I think some of these same groups are also, you know, pushing for similar things at other companies. It's not ExxonMobil specific, it's also at Shell and others.

**Alan:** Let me ask you a question that draws on your technical expertise and your analysis because you're now heavily invested in all sides of this transition. You see what's happening in hydrogen. You've made this big investment in carbon capture and storage. You're now an investor in lithium. So you're part of the electrical economy. How long is this gonna take? What is 2050 anywhere near a realistic goal? And if it's not 2050, when is it gonna happen? What is your analysis?

**DWW:** So I'll start with the end and work my way forward with your question. Frankly, I don't know when the end's gonna come. I think 2050, from what you see today, what's being done today, the infrastructure investments that are being made, we're not on the path to 2050. I think most objective analysis would tell you that. We've waited too long to open the aperture on the solution sets in terms of what we need as a society to start reducing emissions and we're not investing nearly enough in the technology. Today's technology will not solve this problem.

And the reason is there's a cost issue here. And if you look at the solutions being offered, the dirty secret that nobody talks about is how much is all this gonna cost and who's willing to pay for it. And if you look at the policies that are being put out, the way the governments are advancing this, the cost is very implicit. It's not an explicit cost.

Now we have tabled proposals with the US governments and governments around the world. There are mechanisms to get out there and start down this path using existing technology, but you need to make the cost transparent. And the people who are generating the emissions need to be aware of and pay the price for that, for generating those emissions.

That's ultimately how you solve the problem. The issue today is it's too expensive. People can't afford it. And they know, governments around the world rightly know that their constituents will have real concerns with that. And so we've gotta find a way to get the cost down, to grow the utility of the solution set, make it more available and more affordable so that you can begin this transition. And so today I would tell you, we're not on that path. The policies that are being put in place aren't aggressive enough and don't incentivize the right kind of actions to be successful here.

**Alan:** But if not 2050, when? I mean, what path are we on?

**DWW:** So tell me, Alan, when are people gonna be willing to pay for a carbon reduction? Because today we have opportunities to make fuels with lower carbon in it, but people aren't willing to spend the money to do that. Businesses aren't willing to spend it.

We could today make sustainable aviation fuel for the airline business, but the airline companies can't afford to pay for what it will cost to make sustainable aviation fuel. And so the challenge today is-- -

**Alan:** When will it be economic? Are you saying never?

**DWW:** This is the issue. I think this is the value of the IRA, which is you gotta start down, you gotta start with something, you have to catalyze the work, catalyze the investment, get started on the technology curve to see if you can innovate, evolve the technology and get the cost down. And I can't predict if we'll be successful in that space or not. What I can say is we haven't, society as a whole hasn't been doing enough of it.

And frankly, society and I'd say the activists, the dominant voice in this discussion have tried to exclude the industry that has the most capacity and the highest potential for helping with some of these technologies. And so how quickly will the technology discoveries come, the innovation comes, how quickly can we scale those things, how low can we get the cost? I frankly can't answer that, but I do know there's a lot of work that needs to be happening today to make that, give us a chance of success.

I'll give you one example. We're investing in direct air capture. We're using the technology that we have, this molecule expertise that I talked to you about to figure out if there's new ways, new technologies that we can use to directly capture carbon from the air. We just built a pilot plant, a prototype that we're working on, trying to cut the cost in half, which by the way will still be too expensive, but we wanna get down on that curve. And there are a lot of companies out there trying to advance the technology in this space. How quickly will they succeed? I don't know the answer to that.

**Alan:** you mentioned the IRA. I don't think that's got nearly the attention that it probably deserves in this debate. You're getting huge subsidies to do that, aren't you?

**DWW:** The way that the government is incentivized in trying to catalyze investments to this space is through subsidies. And the challenge, you make the point, they're huge subsidies because the cost of doing this today is high. And if you're going to drive significant investments at a scale that even gets close to moving the needle, it's gonna cost a lot of money.

And so I think the government today is trying to incentivize that to get things moving. But I would tell you, building a business on government subsidy is not a long-term sustainable strategy. We are not, we don't support that. We have committed ourselves to use the IRA to try to get started on that. But at the same time, we're advocating to move to market and market forces, either through regulation and prices on carbon. There are different mechanisms out there today. The challenge with all those solutions that is the cost of that ultimately bears its, explicitly bears itself in the price of products out there.

And that's where the challenge comes. And so today you can do it through

**Alan:** You'd rather just have a straight tax on carbon.

**DWW:** I think if you price carbon, put a carbon price out there or regulate the carbon intensity of products, that that will drive the markets to start innovating and find solutions rather than having the government craft unique policy to incentivize different levels of investment in different technology spaces. I think, you know, that's, I've accepted that as a bridge to getting to an ultimate solution, but ultimately the markets have to work in this space. If we don't get the markets to work in this space, we will not be successful as a society to decarbonize.

*Commercial*

**Michal:** So let's talk about an area where we have seen consumer behavior shift somewhat. The EV space, and I know you guys heard, we mentioned earlier, you've mentioned a few times, you're in the lithium business now. There's been a slowdown in demand though. So what do you see going forward in the EV space and how does it impact you?

**DWW:** First of all, from our perspective, we don't, I don't have a view, I don't have a bias one way or the other. Again, it comes back to what does the market want? And we've always felt like from the very beginning when we were doing the analysis that people were extrapolating from very small sample sizes or very small data sets to this EV growth.

So we never believed that, just like any other product, you're moving through segment, consumer segments and tiers that as you penetrate, those segments change and their motivations and abilities and desires, all that begins to, so I always felt like we were extrapolating to too small of a set. So I felt like in the past, the projections were too high. And I think we're projecting now, we've had this low and people now are kind of doom and glooming and I don't believe that either, frankly, I think, my mind, we're planning for a long term that the electric vehicles will have a role to play. They'll penetrate to certain level in society and the costs have to continue to come down.

Our view is, frankly, the reason we're in lithium is because we can provide our skill sets to a product that the world's gonna need as we electrified, generally speaking, and battery usage goes up. And so we see long-term demand for lithium and then our view is we can produce that at a lower cost and more environmentally friendly footprint and therefore there's an advantage that we can bring to that space. That's why we're interested in lithium. Trying to predict exactly what the sales are, I would tell you, I don't think we're any better than anybody else out there. I would just say we don't get too caught up in the hyperbole, we didn't get overly excited when people were saying it was gonna go through the moon and we're now not overly depressed, the people are saying that the thing stalled and we're not gonna take it. I think the answer is somewhere in between there and society will figure that out and our view is we'll be there with a product that's gonna be needed to make that successful.

**Michal:** And you're able to extract it also from the United States. There's even more that we're finding. So can you also kind of talk about what that means in terms of, obviously we're seeing across the board with manufacturing a lot of incentives also to manufacture domestically. What does it mean for the company and for the country?

**DWW:** There's clearly this view that as you think about moving into new technologies, new products that you wanna have a secure source of supply. Our view is, and I think that's true with lithium, certainly true with energy and oil and gas in our business.

And our view is, I think the right answer for any one country or any one segment of society or business is to have diversified supplies. I would tell you from our perspective, it's not about making sure that it only happens within the US, it's really making sure that you have options and availability. You don't find yourself tied to any one single source of supply or dominated by a single source of supply. That basically, just like in business, gives that supplier power and you wanna try to not be found to be basically dependent on any one single entity out there. So I think domestic supply is important from that standpoint. We're not limiting ourselves to domestic supply. We're really, this is an extraction process that I think, again, has a lot of benefits to what technology currently exists out there, one that we have a capability in, but it will be dictated in terms of where you do it based on where those resources reside.



You gotta have a concentration of lithium in this brine water and make it economically feasible. The acreage that we have in Arkansas that we're trying to develop has that concentration, makes it economically viable, and therefore we're developing that. There are other opportunities around the US and around the world that we'll look to basically develop as well and pace that with the growth in the lithium demand and the supply that comes on.

**Alan:** Darren, I'd like to go back to this question of how long is this all going to take, because I don't believe we've quite—

**Michal:** Alan needs a year, he needs a month and a day

**DWW:** I can't give it, Alan, I can't give that to you. I don't know the answer to that. —

**Alan:** But let me ask you this. I am 100% in agreement with you that we would all be better off if we had effective governments that could put a price on carbon and create a market that you could compete in that provides the right incentives to get us there. We don't have effective government, and we don't seem to be headed in that direction. The IRA, as you pointed out, it may not have been the way you would do it, but it was a big, big deal. I don't know how many more things like that you're gonna get. So I guess the question I have for you is, in that environment, what is the responsibility of ExxonMobil to push the market forward, to push us towards a solution, and how far are you willing to go in doing that?

**DWW:** So I think this is the challenge. We have a whole set of responsibility. One of is it to advance technology, provide solutions that help society achieve this objective. That's clearly an objective. We also have an objective and responsibility to our shareholders. We have to balance those objective sets. I think, unlike a lot of activist groups and ideologues that are out there who can focus on a single variable or a single cause, that's a luxury that we don't have.

So we have to figure out how we can strike the right balance, offer solutions that meet these growing needs, develop technologies, and we do do that. We have invested in these technologies. I mentioned to you the direct air capture that we're doing. I mentioned the things that we're doing in carbon capture and storage. Those are all things that are very early in the stages that frankly today won't be viable long-term businesses if society doesn't start to put a value on decarbonization.

And so to a certain extent, it's a little bit like exploration in our upstream businesses that we see an opportunity. We're managing and mitigating the downside and positioning ourselves for the upside. I think that's the most that you can ask for a public company out there.

**Alan:** And how much of an effect did the IRA subsidies have on your business?

**DWW:** Oh, I would tell you, if you look at the lithium business, there's an established market and a price out there, so it's not directly part of the IRA subsidies, but it is driven by EVs, which are part of the IRA subsidies. And so indirectly, the subsidies are behind the lithium business. The carbon capture and storage business, I would say the incentives to do that are all driven through the government. The low carbon hydrogen, again, there's not a market out there to sell low carbon hydrogen to a third party without the government subsidies. Biofuels that we're investing in, and Canada as an example, are driven through regulation. And so I would tell you today, there is not a viable market where consumers step in and are willing to pay a premium for low carbon products.

That's the reality of what we face today. I can't drive demand and I can't make customers pay more for a product that has less carbon intensity. We can offer it.

**Alan:** You're a fan of the IRA.

**DWW:** Our view is it's an important bridge to get things started. And so my mind is, yes, you gotta have, the government has to play a role. I would have used, I would have had the government play a different role, but to the extent that's what they chose to, they make the political decisions. They're answerable to the people. I don't pretend to be, I am answerable to my shareholders and investors, not to the general public. So the government has its role, makes its decisions and that construct, we're trying to be a positive force to demonstrate that this can actually work and to start down that learning curve. Whether we'll be successful as a society with that, remains to be seen.

But to your broader question of when, we don't know the answer to that. What we've been looking at are the signposts. What has to happen in order for us to get onto this path? And so we have a very active process of monitoring, investment in infrastructure. If you're gonna electrify the whole country, you gotta have transmission systems and distribution systems. Do we see the permits going into those things? Do we see the advances in scale technology? There's a lot of things that we're watching. Do you see a market developing? Many, many things that we're looking at. And frankly, if you look at those signposts, you don't see the activity.

And I would tell you, my view is we gotta move away from our governments and politicians talking in aspirational terms and building the narrative based on hope and roll your sleeves up and start doing some real math here about how are we gonna get from where we're at to where we wanna go to? What's it gonna take? How much is it gonna cost? Who's best positioned to do that? And actually start building a feasible plan that balances all the competing forces out there rather than ignoring the constraints and challenges and focusing on the hope and aspirations. That, in my mind, will never solve the problem. And we're not doing enough of that as a world, as a society. I don't see many governments anywhere sitting down and actually tackling these issues and inviting the right people in industry and government to roll their sleeves up and start building the plan to accomplish what the world basically needs. That's a great signpost. You tell me, when that starts to happen, I tell you we're on the path.

**Michal:** So he's saying September 5th, I think. 2050

**DWW:** (laughing) - We have been advocating, I tell you, that we have volunteered with every government that we engage with, that when they're ready to do that, we're ready to sit down and contribute our piece. I don't pretend that we have all the answers. I just think that we can contribute, as can many other companies. And when they're ready for a contribution, a serious contribution, a serious conversation, they wanna do real math, they wanna bring the engineers to the table, use data and analysis to figure out how we solve it, we're here, we're there, we're ready.

And we've been volunteering to do that for some time now. And I would tell you—

**Alan:** Some countries, some countries must be doing that.

**DWW:** Some countries are doing that as you go around the world. I would tell you the US with the IRA, I would tell you very constructive discussions with the US administration around how do you bring the IRA? How do you translate the legislation into practical regulations that incentivize industry to do these

things? And we're bringing our perspective. Again, I'm not suggesting that our perspective is necessarily the only perspective or the right perspective, but it is one that is based on a very deep understanding of our industry and the technical capabilities required to achieve some of these objectives. And so we're trying to be a positive constructive force here.

**Michal:** Positivity and constructive conversations with government between private sector and government sound like a pretty good thing. So we'll take it. I wanna ask you a question just about you and your leadership. You've been with the company for a long time. You are driving this transition and transformation currently, but I've seen it go through multiple changes over the decades. And just give us a little bit of your take of, what is the ExxonMobil culture? How has it shifted and how is it not shifted? What are kind of the core values or aspects of the culture that you feel like are really consistent?

**DWW:** Frankly, as I came into this job, one of the things that I guess upset me the most was that the perception of our company doesn't match the reality of the people who are in it and the hard work they do every day. And so one of my objectives is to basically try to help the outside world better understand our company and the people that work here and the work we do. And I would just point to probably the most explicit step that we took was the, I don't know if you, the CNBC engagement that we had with David Faber, where we, I invited him to come in and all I asked him to do was be objective. And we gave him access to anywhere he wanted to go, talk to any people in our company.

And my view was if people on the outside got to see who we were, what we did, and how our people approached their jobs, that that would start to change some of the perception, recognizing it's a very long road to go on. And so that was the first effort. But if you ask, we have a set of core values, one that I've grown up with, they haven't changed.

We're trying to express them more effectively externally. But I would start with one that I think for me has been critical for my entire career. In fact, it's what's brought me to this company is integrity. Not just being honest and ethical, but being intellectually honest and saying the hard things and taking positions on what we believe on based on the facts and not jumping on bandwagons or subscribing to popular narratives if we don't believe those are the right things.

I would tell you a second really critical value for us is courage of conviction, is that once you've figured out the right thing, once you've done the assessment and you've got an answer, you've got to stand up and talk about it. You can't be afraid to go against the conventional wisdom. And I would tell you in this job, certainly, I felt the pressure to conform and I know what it feels like to stand against the popular narrative. But our view is if you've done the analysis right, if you have done it objectively, if you're not letting your emotions bias your thinking, but instead are kind of coming back to what is it gonna take to be successful for the long term? That ultimately things come back around and you're proving that the path is the correct one.

And then the third one that I would just mention is resilience, that you've got to be in this for the long haul and you've got to stand the pressure. And I would tell you, those three of our five core values that we talk about with all of our employees. And so when you come here, we're not promising an easy career, but we're promising a rewarding one and one that you can feel good about.

The first job I had in this company, long time ago, my first supervisor gave me two pieces of advice that I've lived with since that time. And the first one was, if you're ever doing something that you'd be

embarrassed for your mother to read about on the front page of the paper, stop doing it. And I've lived with that my entire, and that is really good advice.

And the second point he told me was, every morning you got to get up and look yourself in the mirror, make sure you like what you see. And I just would tell you, do the right thing for the right reasons in the right way and the rest will come with it.

And so, I mean, that is, I would tell you, you go across, we have very committed people focused on doing the right thing in the right way for the right reasons, and they're making a difference. We have made a difference.

If you look at our industry, I think it's hard to point to any industry that has progressed human living standards around the world. And we take great pride in that, but we're not buried by that or married to that idea. The idea is that the world changes, things evolve, we've got a capability. Our job is to continue to contribute to society and basically help people achieve a prosperity to improve living standards. And our people take great pride in our ability to do that. And we are going through a transition, but it will be a long one.

People don't fully appreciate the scale of the industry that we're in today. And so I think the recognition back to your question, Alan, about how long will it take, you got to come back to the size of the existing energy system today. It is big. It will take time to replace, but my point is we got to get started on it. But I would say, you know, we-

**Michal:** I can't believe you- - You voluntarily went back to Alan's question – that he pesters you with for the entire interview.

**DWW:** I'm a glutton for punishment. What can I say?

**Alan:** The other thing, Darren, that notion that you don't want to read anything, and you don't want your mother to read anything in the paper, it sort of depends on what paper sheet you're in. (laughing)

**DWW:** We'll put that aside. - My mother's not a good litmus test for that, by the way, because she thinks her son does no wrong. But I would just finish up those three I gave you, the two more kind of our core values. One is care. Care about what you're doing and why you're doing it, and care for the people that you work with, the communities that you're in, and the environment. We feel very strongly about that. And I think if you had the chance to be one of our operations, you would clearly see that. And the fifth one that we hold ourselves is excellence. That we hold ourselves to a high standard. We expect a lot of ourselves and of our people, and when we don't meet those high expectations, we challenge ourselves to get better. And those are the five core values that I think most, everybody in our company believe in and resonates with them.

**Alan:** But I want to say we appreciate the fact that you have taken a different approach towards conversing with, I wouldn't say the public, with the media on these things. I really appreciate the fact that you've come here today and spent so much time with us on this issue. I just have to ask you, I mean, this is a big, complicated, difficult transition. You're under a lot of pressure, a lot of pushback that you've talked about. What do you do to relax? I mean, do you watch Hallmark movies? Do you, what do you do when you have a spare minute?

**Michal:** This is a good week for them, by the way. It's your every week, it's a good week.

**DWW:** You know, I have a lot of, I put a lot of priority in my family. And so that's probably why I would tell you, I've never brought work home to my family. I try to keep them separated from the things I do day in day. And so when I come home, we, unless I want to, which is very rare, we don't talk about work.

We talk about, you know, what's happening in their lives. I've got three kids, I've got three grandkids, got another one on the way. And so I've invested, when I'm not at work, I'm with the family and I try to get away and I like to go outside. We spend a lot of time outside. I've got some property in the hill country of Texas I like to get away from. So I think getting, clear my mind and I don't get too weighed down. I try to disconnect from the world. I'm not a social media guy. I'm not on the internet all the time. I just feel like that drains you.

**Alan:** Your children and grandchildren aren't harassing you about why you aren't going faster to deal with the energy transition.

**DWW:** I think my grandchildren are too young to that. We'll see when they get a little bit older. My oldest is four. So I think she's not quite up to that argument yet, but given how she is today, I'm pretty sure at some stage she's gonna give me, she will give me a run for my money. But I think my kids, they know what I stand for. They've grown up with me. We've always believed in sitting around the kitchen table. And so despite long work hours, my wife and kids always accommodated that.

We always sat down for dinner when I was in town and I would tell you our dinners were always long and we always talked and always challenged them. My gift to them is independent thinking. And listen carefully, understand what people are saying, but make sure that you make your own decisions and you have a basis for doing that.

I think over the years, I can't think of a topic that we haven't touched on and discussed. So my kids know why I do the things that I do and they know the company that I work for and represent is very aligned with those principles and the values that I have as an individual. So they know what I'm doing to try to help solve this problem for the world.

**Michal:** Well, Darren, thank you so much for sitting with us. As Alan said, we really appreciate you taking the time and telling us so much about the company, both the transformation, the culture and all of it. Thank you.

**DWW:** Happy to do it, enjoyed the conversation and look forward to maybe seeing you sometime in New York, Alan

**Alan:** We'll do the next one in person. After you've solve this problem, we'll come back.

**DWW:** (laughing) All right, thank you guys.

**Michal:** Alan will ask the same question. (laughing) Come ready.