

A Winning Attitude

The Lamp profiled Darren Woods when he became senior vice president in 2015. In his earlier interview, he described his upbringing and experience in the Downstream and Chemical organizations. Now that Woods has been named Chairman and CEO, we wanted to check back in and ask what challenges and opportunities he sees in his new role going forward.

Congratulations on your election new role! How's it going?

It's been an extraordinary first year so far. I feel we're off to a strong start. We're building on a legacy of leadership from Rex and the many talented people that have made our company great over the past 135 years. It's a real honor to follow in their footsteps. We're also looking toward the future to find ways to of running our business even more effectively and efficiently, and creating greater value for shareholders.

What experiences do you think prepared you for the top job?

One of ExxonMobil's many strengths is the way ~~in which we develop our people~~. We offer them challenging careers and invest in ~~their continuous~~ learning on the job. During my 25 years with the company, I've really benefited from ~~that~~ approach. I had the chance to work in a variety of roles, in the from Downstream and Chemical companies to Investor Relations, and in several countries. I worked for great managers, who challenged me every step of the way. There's no better preparation for this role than a career at ExxonMobil.

You often speak of the importance of "winning." What exactly do you mean by that?

When I first started talking about winning, I was told it was corny. But I stuck with the idea, and believe in it, and got others to believe in it, too. As simple as it seems, always knowing what it means to win is important in keeping focused and making the right decisions. For me, winning is about staying ahead of our competition in creating value. It's about making the most of every molecule, across the entire value chain, to deliver fuels, power and products to meet people's needs. It's also about achieving these results in a safe and environmentally responsible way. And it's about doing this better than anyone else. To win, you have to be the best.

What challenges do you see ahead?

When it comes to energy, our society is really facing two challenges in one. We need to meet the world's growing energy needs, especially for those in developing economies who don't have access to energy today struggling to make ends meet and escape poverty. We also need to reduce the environmental impacts of energy use, and manage the real risks of climate change. We don't have the luxury of choosing one challenge over the other. We have to tackle both.

For ExxonMobil and other companies in our industry, the business challenge we face is capturing value when prices are low and margins are tight. It's easy to compete when prices are high. It's harder when prices are relatively low, as they are now. That's when the fit survive.

So what's the solution?

There's no simple solution one. Meeting the world's growing energy needs, while also taking on the world's environmental challenges, requires everyone to their part. That includes governments, industry, and consumers. It will also take technology. We don't have the total

solution yet. No one has all the answers. But I'm confident we'll get there. In just the past decade, technology enabled us to unlock huge natural gas resources from shale that we had once thought out of reach. Industry innovation led to an energy revolution. We'll rise to this challenge, too.

As for ExxonMobil, we're well positioned to succeed in the current low-price environment. It's times like these when our strengths really stand out. We're integrated, which enables us to capture value across the supply chain. We're disciplined, able to execute mega-projects on budget and on time. We have strong partnerships around the world and access to high-value resources. And we have the best technology and best research organization in the business. That's what enables us to succeed where others don't.

What opportunities out there ~~make have~~ you the most excited?

In the Upstream, I'm excited about several of our new investments, in Guyana, and Mozambique, and the Permian Basin. All are world-class. The Permian in particular will allow us to take advantage of leverage our manufacturing assets along the U.S. Gulf Coast. Earlier this year, I announced our "Growing the Gulf" initiative which is expanding manufacturing capacity to take advantage of abundant oil and natural gas from shale. All told, it's a \$20 billion investment program spanning 11 projects over a ~~ten~~10-year period, and will create 45,000 jobs. I'm also excited about our research and development program to help manage the risk of climate change. We're making real progress in algae biofuels and carbon capture. Despite the current low prices, it's an exciting time for our industry and our company.

What are your priorities as Chairman and CEO?

I have a few. First, strategy. We have to be clear about how we win. We have to challenge ourselves constantly to improve. But we also need to understand our competition. Improvements may not be enough to win if our competition is improving faster and better than we are. It's a continual learning process – strategy never stops.

Second, leadership. ExxonMobil has the best people in the business. Our scientists, engineers and managers are second to none. Translating this talent into results requires leadership. We need to encourage good risk management, not just risk avoidance. We can't be afraid to try new things and challenge the conventional wisdom. We need accountability, but also need to share the responsibility and the success. And we need to stay focused on the big picture. We need to keep a strategic perspective. Good leaders encourage that.

A third priority of mine is integration. During my time in the Chemical Company, I helped lead a process safety initiative that proved the value of integration. It forced me to ask if we were really drawing upon the best our company has to offer to manage safety risks. And that led me to the Upstream – different operations, but some similar challenges. By crossing business lines, my team and I learned a lot and were able to apply and achieve a better result. That's integration, and that's what I want to encourage across the corporation.

Finally, I place a high priority on technology. At our core, that's what we are – a technology company. We have about 20,000 scientists and engineers on our global team, and we invest about ~~\$1a billion dollars~~ a year on research and developing new technologies. As I saw when working with our research organization, we have some exciting work under way in carbon capture and storage, algae biofuels, lower-emissions processes ~~reverse osmosis~~ and more.

But technology is also about the process innovations that make our operations more efficient. Like faster drilling, or better molecule management, or increased computing power. This is a real opportunity ~~space~~ for us, and I want to make the most of it. It's a key to winning.

Early on as Chairman and CEO, you've spoken out about climate change. Where are you on this issue?

It's an important issue, part of the dual challenge I talked about earlier. And it's one I feel we need to be clear about, because there's a lot of misunderstanding out there. Our position hasn't changed. We believe the risks of climate change are real, and that we have to do something about them. At ExxonMobil, we are. We're reducing emissions in our operations. We're helping consumers reduce their emissions with our fuels and products. And we're investing in breakthrough technologies that could ~~be game changing~~ change the game, like carbon capture and storage. We also recently joined the Climate Leadership Council, which supports support policies like a revenue-neutral carbon tax, and spoke out in favor of the Paris Agreement. As we take on this challenge, however, we need to make sure we meet the energy needs of people around the world, especially those in areas of energy poverty ~~the poor~~. That's the other part of the challenge, and it's just as real and just as important. None of this is new, but I felt it was important I repeat it. ExxonMobil is committed to being part of the solution.

Any final thoughts for readers of The Lamp?

Let me say, whether you're an employee, an annuitant or a shareholder of ExxonMobil, you're part of something big, and something important. The energy we produce is powering progress around the world. It's lifting billions out of poverty. It's enabling millions to join the middle class. It's helping more people get the medical care, education and jobs they need. Using energy has an impact on the environment, and we need to do all we can to reduce that impact. But we shouldn't forget the enormous value we create for society. I'm proud to be a part of that, and you should be too.