Registered number: 867162

# EXXONMOBIL CHEMICAL LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

# EXXONMOBIL CHEMICAL LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **DIRECTORS** | N P Bone (appointed 1 February 2022)<br>M M Burrell (resigned 1 April 2023)<br>R R Henderson (resigned 1 February 2022)<br>A M Johnson (resigned 1 April 2023)<br>S Oldfield (appointed 1 April 2023)<br>T Hamblin (appointed 1 April 2023) |
| **COMPANY SECRETARY** | K J Mulligan (appointed 17 April 2023)<br>F Harness (resigned 17 April 2023) |
| **REGISTERED NUMBER** | 867162 |
| **REGISTERED OFFICE** | Ermyn House<br>Ermyn Way<br>Leatherhead<br>Surrey<br>KT22 8UX |
| **INDEPENDENT AUDITORS** | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>1 Embankment Place<br>London<br>United Kingdom<br>WC2N 6RH |
| **COMPANY TYPE** | ExxonMobil Chemical Limited is a private company, limited by shares and registered in England and Wales |

**EXXONMOBIL CHEMICAL LIMITED**

**CONTENTS**


| | Page |
|---|---|
| **Directors' Report** | 1 - 4 |
| **Strategic Report** | 5 - 12 |
| **Independent Auditors' Report** | 13 - 15 |
| **Statement of Comprehensive Income** | 16 |
| **Statement of Financial Position** | 17 |
| **Statement of Changes in Equity** | 18 |
| **Notes to the Financial Statements** | 19 - 44 |

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for ExxonMobil Chemical Limited (the "Company") for the year ended 31 December 2022.

## DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

- select suitable accounting policies 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 £66M *(2021 - £45M)*.

Dividends of £75M were recommended by the directors and paid during the year *(2021 - £90M)*.

## CHARITABLE CONTRIBUTIONS

During 2022, the Company made charitable donations in support of the community of £699K *(2021 - £316K)*.

## FUTURE DEVELOPMENTS

The Company intends to continue with its current principal activity.

## DIRECTORS

The directors who served during the year were:

N P Bone (appointed 1 February 2022)
M M Burrell (resigned 1 April 2023)
R R Henderson (resigned 1 February 2022)
A M Johnson (resigned 1 April 2023)

## RESEARCH AND DEVELOPMENT ACTIVITIES

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

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

## GOING CONCERN

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

## EMPLOYEE INVOLVEMENT

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

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

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

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

## BUSINESS RELATIONSHIPS

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

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

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

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

| | **2022** | 2021 |
|---|---|---|
| | **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 'CO2e'). | *725,483* | *886,842* |
| Annual emissions resulting from the purchase of the electricity by the Company for its own use, including for the purposes of transport in tonnes of CO2e | *266,473* | *281,389* |
| **Total Gross emissions tCO2e** | *991,956* | *1,168,231* |
| | **mWh** | *mWh* |
| Annual aggregate of 1) energy consumed from activities for which the Company is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and 2) the quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport, in mWh. | *3,819,035* | *3,969,952* |

## GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION (CONTINUED)

| | | |
|---|---|---|
| The intensity ratio for the year measured in tCO2e per £M of turnover: | *773* | *1,387* |

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 2022 and incorporating data compiled by the business for reporting under the Climate Change Agreements Scheme.

The Company constantly seeks opportunities to increase its energy efficiency and improve performance that reduces its energy consumption and emissions, however during the year there were no individual initiatives that on their own materially reduced total energy consumption and emissions.

## DISCLOSURE OF INFORMATION TO AUDITORS

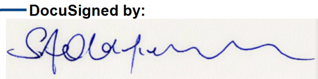
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

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

DocuSigned by:



D73958C7EF514F8...

................................................

S Oldfield
Director
Date: December 22, 2023

## PRINCIPAL ACTIVITIES

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

## BUSINESS REVIEW

During 2022, turnover increased by £442M mainly as a result of higher prices. This was partially offset by the increase in cost of sales by £397M driven by higher raw material prices. This increased gross profit to £106M.

The Company has net assets of £395M *(2021 - £343M)* which represents inventories and net pension assets as part of its principal activities.

## KEY PERFORMANCE INDICATORS

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

### Key operating performance indicators

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

.

| | 2022 tCO2e | 2021 tCO2e | Change % |
|---|---|---|---|
| Total gross emissions | *991,956* | *1,168,231* | *(15)* |

### Key financial performance indicators

During 2022, turnover increased by £442M mainly as a result of higher prices. This was partially offset by the increase in cost of sales by £397M driven by higher raw material prices. This increased gross profit to £106M. Total equity increased by £52M with current year comprehensive income of £127M offset by dividends paid to the company’s immediate shareholder of £75M. Net current assets (current assets less current liabilities) for the year increased by 16% primarily with a reduction in amounts owed to group undertakings as at the balance sheet date.

.

| | 2022 £M | 2021 £M | Change % |
|---|---|---|---|
| Turnover | *1,284* | *842* | *52* |
| Cost of sales | *(1,178)* | *(781)* | *51* |
| Gross profit | *106* | *61* | *74* |
| Total Equity | *395* | *343* | *15* |
| Net current assets | *295* | *255* | *16* |

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

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

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

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

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

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

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

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 an Outlook for Energy report. The Outlook for Energy 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 2022 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".

### Our personnel

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

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

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

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

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

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

**Business relationships**

**Customers**

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

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

**Suppliers**

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

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

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

**Community and environment**

The Company's environmental policy is detailed 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.

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

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

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

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

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

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

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

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

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

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

**Shareholders**

The Company is the wholly owned subsidiary of another UK registered ExxonMobil entity and ultimately of Exxon Mobil Corporation as detailed in Note 27 - Controlling Party.

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

## PRINCIPAL RISKS AND UNCERTAINTIES

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

### Climate change risk and alternative energy

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

### Health and safety

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

### Government and political risk

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

- increases in taxes, duties, or government royalty rates (including retroactive claims);
- price controls;
- changes in environmental regulations or other laws that increase our cost of compliance or reduce or delay available business opportunities (including changes in laws affecting emissions, production or use of new or recycled plastics);
- actions by policy-makers, regulators, or other actors to delay or deny necessary licenses and permits, or otherwise require changes in the company's business or strategy that could result in reduced returns.
- 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 petrochemical products
- Cyber-attacks targeting systems and infrastructure used by the petrochemical industry

## FINANCIAL RISK MANAGEMENT

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

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

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

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

Liquidity risk - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. The cash held on account at the year end with ExxonMobil Capital BV of £164M adequately covers Creditors falling due within 1 year of £114M.

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

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

## ENVIRONMENTAL POLICY

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

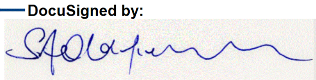
The Company's key principles and commitments in the areas of safety, health and the environment, among others, are consistent with those of its ultimate parent company, Exxon Mobil Corporation. Each year, Exxon Mobil Corporation publishes a detailed and comprehensive Sustainability Report that gives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

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

## STRATEGIC REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2022

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

DocuSigned by:



D73958C7EF514F8...

................................................
S Oldfield
Director
Date: December 22, 2023

# Independent auditors' report to the members of ExxonMobil Chemical Limited

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2022; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' report

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 ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives 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 auditors' report that includes our 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.

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. 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 environmental and health and safety 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 financial statements such as the Companies Act 2006 and UK tax legislation. 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 and management bias in accounting judgements and estimates. Audit procedures performed by the engagement team included:

- gaining an understanding of the legal and regulatory framework applicable to the company and considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud;
- enquiry of management and those charged with governance around actual and potential litigation and claims and any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting judgements and estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Other required reporting

## Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Kevin McGhee

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 December 2023

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 £M | 2021 £M |
|---|---|---|---|
| Turnover | 3 | 1,284 | 842 |
| Cost of sales | | (1,178) | (781) |
| **Gross profit** | | 106 | 61 |
| Distribution costs | | (3) | (4) |
| Administrative expenses | | (14) | (4) |
| **Operating profit** | 4 | 89 | 53 |
| Interest receivable and similar income | 8 | 3 | - |
| **Profit before tax** | | 92 | 53 |
| Tax on profit | 10 | (26) | (8) |
| **Profit for the financial year** | | 66 | 45 |
| **Other comprehensive income for the year** | | | |
| Actuarial gains on defined benefit pension scheme | | 75 | 41 |
| Movement of deferred tax relating to pension surplus | | (14) | (8) |
| **Total comprehensive income for the year** | | 127 | 78 |

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2022

| | Note | | 2022 £M | | 2021 £M |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 12 | | 2 | | 2 |
| Tangible assets | 13 | | 161 | | 155 |
| | | | 163 | | 157 |
| **Current assets** | | | | | |
| Inventories | 14 | 75 | | 56 | |
| Debtors | 15 | 258 | | 303 | |
| Pension asset | 22 | 76 | | 49 | |
| | | 409 | | 408 | |
| Creditors: amounts falling due within one year | 16 | (114) | | (153) | |
| **Net current assets** | | | 295 | | 255 |
| **Total assets less current liabilities** | | | 458 | | 412 |
| Creditors: amounts falling due after more than one year | 17 | | (2) | | (2) |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 19 | (21) | | (7) | |
| Provisions | 20 | (11) | | (11) | |
| | | | (32) | | (18) |
| Pension liability | 22 | | (29) | | (49) |
| **Net assets** | | | 395 | | 343 |
| **Capital and reserves** | | | | | |
| Called up share capital | 24 | | 12 | | 12 |
| Share premium account | 25 | | 108 | | 108 |
| Profit and loss account | 25 | | 275 | | 223 |
| | | | 395 | | 343 |

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

DocuSigned by:

D73958C7EF514F8...

**S Oldfield**
Director
Date: December 22, 2023

The notes on pages 19 to 44 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Share premium account | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £M | £M | £M | £M |
| **At 1 January 2021** | *12* | *108* | *235* | *355* |
| **Comprehensive income for the financial year** | | | | |
| Profit for the financial year | - | - | *45* | *45* |
| Other comprehensive income for the year | - | - | *33* | *33* |
| **Contributions by and distributions to owners** | | | | |
| Dividends: Equity capital | - | - | *(90)* | *(90)* |
| **At 1 January 2022** | *12* | *108* | *223* | *343* |
| **Comprehensive income for the financial year** | | | | |
| Profit for the financial year | - | - | *66* | *66* |
| Other comprehensive income for the year | - | - | *61* | *61* |
| **Contributions by and distributions to owners** | | | | |
| Dividends: Equity capital | - | - | *(75)* | *(75)* |
| **At 31 December 2022** | *12* | *108* | *275* | *395* |

## 1. ACCOUNTING POLICIES

### 1.1 General Information

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

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

### 1.2 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied consistently:

### 1.3 Going concern

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

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

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; 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 2022 and these financial statements may be obtained from Exxon Mobil Corporation, Shareholder Relations, 22777 Springswoods Village Parkway Spring, TX 77389, USA.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 1.5 Turnover

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

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

**Sale of goods**

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

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

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

### 1.6 Intangible fixed assets

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

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

The estimated useful lives range as follows:

Software - 5 years
CO2 emission rights - 1 year

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.

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. ACCOUNTING POLICIES (CONTINUED)

### 1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

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

### 1.8 Operating leases: the Company as lessee

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

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

### 1.9 Leased assets: the Company as lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

### 1.10 Research and development

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

## 1. ACCOUNTING POLICIES (CONTINUED)

### 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 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 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 impairement 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. ACCOUNTING POLICIES (CONTINUED)

### 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 rate method so that the amount charged is at a constant rate on the carrying amount.

### 1.15 Dividends

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

## 1. ACCOUNTING POLICIES (CONTINUED)

### 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)

### 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.

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.

Following the cessation of LIBOR settings, from 1 January 2022 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 0.05% on overdraft positions and GBP Fallback Rate plus 0.05% on deposit positions.  During 2021, prior to this change, interest was charged based on GBP LIBOR.

## 1. ACCOUNTING POLICIES (CONTINUED)

### 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.

### Estimates

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

- the key assumptions used in the valuation of the defined benefit pension scheme asset or (liability). Refer to Note 22.

## 3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| United Kingdom | *318* | *181* |
| Rest of Europe | *837* | *567* |
| Rest of the world | *129* | *94* |
| | *1,284* | *842* |

## 4. OPERATING PROFIT

The operating profit is stated after charging:

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Depreciation of tangible assets | *11* | *10* |
| Operating lease expense - plant and equipment | *5* | *10* |
| Operating lease expense - other operating leases | *5* | *3* |
| Research and development | *5* | *9* |
| Foreign exchange differences | *5* | *2* |
| Defined benefit pension cost | *29* | *37* |

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

## 5. AUDITORS' REMUNERATION

| | **2022** **£000's** | 2021 *£000's* |
|---|---|---|
| Fees payable to the Company’s auditor for the audit of the Company’s annual financial statements | *53* | *45* |

## 6. PERSONNEL COSTS

Staff costs were as follows:

| | **2022 £M** | 2021 *£M* |
|---|---|---|
| Wages and salaries | *38* | *41* |
| Social security costs | *5* | *5* |
| Pension costs | *25* | *37* |
| | *68* | *83* |

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

| | **2022 No.** | 2021 *No.* |
|---|---|---|
| Production and administration | *527* | *546* |
| Marketing | *6* | *7* |
| | *533* | *553* |

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

| | **2022 No.** | 2021 *No.* |
|---|---|---|
| Marketing, refining and transportation | *120* | *203* |
| Exploration and production | *4* | *1* |
| | *124* | *204* |

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. INTEREST RECEIVABLE AND SIMILAR INCOME

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Interest receivable from group companies | *3* | *-* |

## 9. OTHER FINANCE INCOME/(EXPENSE)

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Interest income on pension scheme assets | *23* | *17* |
| Interest on net defined benefit liability | *(23)* | *(17)* |
| | *-* | *-* |

## 10. TAXATION

| | 2022 £M | 2021 £M |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | 27 | 14 |
| Adjustments in respect of previous periods | (1) | (1) |
| **Total current tax** | 26 | 13 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | 3 | - |
| Difference in pension contribution relief and pension cost change | (3) | (5) |
| **Total deferred tax** | - | (5) |
| **Taxation on profit** | 26 | 8 |

### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

| | 2022 £M | 2021 £M |
|---|---|---|
| Profit on ordinary activities before tax | 92 | 53 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 17 | 10 |
| **Effects of:** | | |
| Capital allowances for year in excess of depreciation | 2 | 2 |
| Adjustments in respect of prior periods | (1) | (1) |
| Pension contribution relief in excess of pension cost charge | 4 | - |
| Other | 4 | (3) |
| **Total tax charge for the year** | 26 | 8 |

## 10. TAXATION (CONTINUED)

### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Corporation Tax has been calculated at 19% of the taxable profits for the year (2021 - 19%).

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

## 11. DIVIDENDS

| | **2022** | 2021 |
|---|---|---|
| | **£M** | *£M* |
| Dividends paid on equity capital | *75* | *90* |

Dividend of 6.15 pounds per share (2021: 7.38).

## 12. INTANGIBLE ASSETS

| | CO2 emission rights £M | Software £M | Total £M |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2022 | *-* | *16* | *16* |
| Additions | *15* | *-* | *15* |
| Disposals | *(15)* | *-* | *(15)* |
| At 31 December 2022 | - | 16 | 16 |
| **Accumulated amortisation** | | | |
| At 1 January 2022 | - | 14 | 14 |
| At 31 December 2022 | - | 14 | 14 |
| **Net book value** | | | |
| At 31 December 2022 | - | 2 | 2 |
| *At 31 December 2021* | *-* | *2* | *2* |

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 counstruction. 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.

## 13. TANGIBLE ASSETS

| | Freehold property £M | Long-term leasehold property £M | Plant and machinery £M | Assets under construction £M | Total £M |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 January 2022 | *12* | *30* | *425* | *21* | *488* |
| Additions | - | - | - | *33* | *33* |
| Disposals | - | - | *(1)* | - | *(1)* |
| Transfers between classes | - | - | *4* | *(20)* | *(16)* |
| At 31 December 2022 | *12* | *30* | *428* | *34* | *504* |
| **Accumulated depreciation** | | | | | |
| At 1 January 2022 | *9* | *20* | *304* | - | *333* |
| Charge for the year on owned assets | - | *1* | *10* | - | *11* |
| Disposals | - | - | *(1)* | - | *(1)* |
| At 31 December 2022 | *9* | *21* | *313* | - | *343* |
| **Net book value** | | | | | |
| At 31 December 2022 | *3* | *9* | *115* | *34* | *161* |
| *At 31 December 2021* | *3* | *10* | *121* | *21* | *155* |

## 13. TANGIBLE ASSETS (CONTINUED)

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

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Freehold | 3 | *3* |
| Long leasehold | 9 | *10* |
| | 12 | *13* |

## 14. INVENTORIES

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Raw materials and consumables | 38 | *26* |
| Finished goods and goods for resale | 37 | *30* |
| | 75 | *56* |

The replacement cost of all categories of inventories held by the Company at 31 December 2022 was £77M *(2021 - £62M).*

## 15. DEBTORS

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| **Amounts due within one year** | | |
| Trade debtors | 11 | *9* |
| Amounts owed by group undertakings | 224 | *271* |
| Other debtors | 20 | *22* |
| Prepayments and accrued income | 3 | *1* |
| | 258 | *303* |

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 £164M as at 31 December 2022 is included in 'Amounts owed by group undertakings' *(2021 - £185M*).

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

## 16. CREDITORS: Amounts falling due within one year

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Trade creditors | *22* | *12* |
| Amounts owed to group undertakings | *53* | *99* |
| Corporation tax | *13* | *20* |
| Other taxation and social security | *3* | *5* |
| Accruals and deferred income | *23* | *17* |
| | *114* | *153* |

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

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

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Accruals and deferred income | *2* | *2* |

## 18. FINANCIAL INSTRUMENTS

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| **Financial assets** | | |
| Financial assets that are debt instruments measured at amortised cost | *256* | *292* |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | *99* | *130* |

## 19. DEFERRED TAXATION

| | 2022 £M |
|---|---|
| Liability at 1 January | *7* |
| Credited to profit or loss | - |
| Charged to other comprehensive income | *14* |
| **Liability at 31 December** | *21* |

The deferred tax (asset) / liability is made up as follows:

| | 2022 £M | 2021 £M |
|---|---|---|
| Accelerated capital allowances | *8* | *6* |
| Pension surplus | *13* | - |
| Other | - | *1* |
| | *21* | *7* |

Estimated deferred tax due to be released within one year amounts to £2.6M.

The change in the rate of tax used for calculating deferred tax, generated an increase in the total deferred tax balance of £NIL (2021 - £2M).

## 20. OTHER PROVISIONS

| | Other £M |
|---|---|
| At 1 January 2022 | *11* |
| **At 31 December 2022** | *11* |

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

## 21. CAPITAL COMMITMENTS

At 31 December the Company had capital commitments as follows:

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Not later than one year | - | *3* |

Capital commitments will be funded through a combination of current cash reserves, future cash generated and existing financing facilities.

## 22. PENSION COMMITMENTS

### Defined Benefit Pension Schemes

### ExxonMobil Pension Plan

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

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

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

As at the date of the most recently completed actuarial valuation (31 December 2022) the statutory funding objective was met. However, if the statutory funding objective is not met, the shortfall revealed between the Scheme's assets and liabilities must be repaired through the payment of deficiency contributions. The Scheme and the Company have agreed to continue to fund any deficiency contributions within a period of 2 years following the valuation date. Post Brexit the Scheme reverted to UK Pension regulatory requirements for deficit contributions as it no longer has cross-border status.

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 2022.

### ExxonMobil Supplementary Plan

The Company is a particpating 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.

## 22. PENSION COMMITMENTS (CONTINUED)

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

| | EMPP | EMSP | Total |
|---|---|---|---|
| | £M | £M | £M |
| *At 1 January 2021* | *1,198* | *49* | *1,247* |
| Current service cost | *33* | *4* | *37* |
| Interest cost | *16* | *1* | *17* |
| Actuarial gains | *(42)* | *(4)* | *(46)* |
| Benefits paid | *(41)* | *(1)* | *(42)* |
| (Gain)/loss on curtailment | *(5)* | *-* | *(5)* |
| *At 31 December 2021* | *1,159* | *49* | *1,208* |
| | | | |
| *At 1 January 2022* | *1,159* | *49* | *1,208* |
| Current service cost | *25* | *3* | *28* |
| Interest cost | *22* | *1* | *23* |
| Actuarial gains | *(448)* | *(24)* | *(472)* |
| Benefits paid | *(41)* | *(1)* | *(42)* |
| Other | *(1)* | *1* | *-* |
| *At 31 December 2022* | *716* | *28* | *745* |

## 22. PENSION COMMITMENTS (CONTINUED)

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

| | EMPP | EMSP | Total |
|---|---|---|---|
| | £M | £M | £M |
| *At 1 January 2021* | **1,236** | **-** | *1,236* |
| Interest income | 17 | - | *17* |
| Return on plan assets | (5) | - | *(5)* |
| Employer contributions | 2 | 1 | *3* |
| Benefits paid | (41) | (1) | *(42)* |
| Administration costs paid | (1) | - | *(1)* |
| *At 31 December 2021* | **1,208** | - | *1,208* |
| | | | |
| *At 1 January 2022* | **1,208** | - | *1,208* |
| Interest income | 23 | - | *23* |
| Return on plan assets | (397) | - | *(397)* |
| Employer contributions | 1 | 1 | *2* |
| Benefits paid | (41) | (1) | *(42)* |
| Other | (1) | - | *(1)* |
| *At 31 December 2022* | **793** | **-** | *793* |

. **Composition of Scheme Assets:**

| | | *2022* | *2021* |
|---|---|---|---|
| | EMPP | *Total* | *Total* |
| | £M | *£M* | *£M* |
| Equity securities | 159 | *159* | *245* |
| Bond securities | 633 | *633* | *963* |
| Property | - | - | - |
| Cash/other | 1 | *1* | - |
| Total Scheme Assets | **793** | *793* | *1,208* |

## 22. PENSION COMMITMENTS (CONTINUED)

**. The amounts included in the statement of financial position is as follows:**

| | EMPP | EMSP | *2022 Total* | *2021 Total* |
|---|---|---|---|---|
| | £M | £M | *£M* | *£M* |
| Fair value of scheme assets | 793 | - | *793* | *1,208* |
| Present value of scheme liabilities | (716) | (29) | *(745)* | *(1,208)* |
| *Net pension scheme asset/(liability)* | **77** | **(29)** | *48* | *-* |

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

| | EMPP | EMSP | *2022 Total* | *2021 Total* |
|---|---|---|---|---|
| | £M | £M | *£M* | *£M* |
| Current service cost | (25) | (3) | *(28)* | *(37)* |
| Interest on scheme liabilities | (22) | (1) | *(23)* | *(17)* |
| Interest income on scheme assets | 23 | - | *23* | *17* |
| Plan intrductions, changes, curtailments and settlements. | - | - | - | *(5)* |
| Administration costs paid | - | - | - | - |
| Foreign exchange effects | - | - | - | - |
| *Total* | **(24)** | **(4)** | *(28)* | *(42)* |

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income was £13.8M gain (*2021 - £61.6M* loss) for EMPP and EMSP only.

The Company expects to contribute a total of £1.6M to its Defined benefit pension scheme in 2023, mainly in respect of employee 'salary sacrifices' (for EMPP only). Following the 2021 actuarial valuation which resulted in a surplus, the Company and the Trustee have agreed a normal employer contribution holiday during 2023. However the funding position is being monitored on a regular basis to assess whether to re-introduce employer contributions.

## 22. PENSION COMMITMENTS (CONTINUED)

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

| | EMPP | EMSP | 2022 Total | *2021 Total* |
|---|---|---|---|---|
| | £M | £M | £M | *£M* |
| Actual returns less interest income included in net interest income/(expense) | 396 | 1 | *397* | *5* |
| Experience gains/(losses) arising on scheme liabilities | 63 | 1 | *64* | *23* |
| Changes in assumptions underlying the present value of scheme liabilities | (512) | (24) | *(536)* | *(69)* |
| Total | **(53)** | **(22)** | *(75)* | *(41)* |

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

| | 2022 | *2021* |
|---|---|---|
| Discount rate as at 31 December | 4.90% | *1.90%* |
| Expected return on scheme assets | 4.90% | *1.90%* |
| Price inflation (RPI) | 3.25% | *3.30%* |
| Price inflation (CPI) | 2.70% | *2.80%* |
| Future salary increases | 3.25% | *3.30%* |
| Rate of increase to pensions in payment in excess of any Guranteed Minimum Pension Element: | | |
| - Pre April 1997 | 2.30% | *2.30%* |
| - Post April 1997 to March 2006 | 3.25% | *3.30%* |
| - Post April 2006 | 2.35% | *2.35%* |
| Rate of increase to pensions in payment in excess of any Non Contributory Benefits | 2.20% | *2.20%* |
| Pension increases for deferred benefits pre 2009 | 2.70% | *2.80%* |
| Pension increases for deferred benefits post 2009 | 2.50% | *2.50%* |
| Non contributory benefits | 2.70% | *2.80%* |
| Mortality assumptions: | Years | *Years* |
| - for a male aged 60 now | 27.6 | *27.3* |
| - at 60 for a male aged 50 now | 29.3 | *28.3* |
| - for a female aged 60 now | 28.2 | *29.3* |
| - at 60 for a female aged 50 now | 30.0 | *30.1* |

## 23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases as follows:

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Not later than 1 year | *3* | *3* |
| Later than 1 year and not later than 5 years | *13* | *11* |
| Later than 5 years | *144* | *130* |
| | *160* | *144* |

## 24. SHARE CAPITAL

Shares classified as equity

| | **2022** **£** | 2021 £ |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 7,500,000 *(2021 - 7,500,000)* Ordinary shares of £1 each | *7,500,000* | *7,500,000* |
| 4,700,000 *(2021 - 4,700,000)* Redeemable shares of £1 each | *4,700,000* | *4,700,000* |
| | *12,200,000* | *12,200,000* |

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

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

## 25. RESERVES

**Share premium account**

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

**Profit and loss account**

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

## 26. RELATED PARTY TRANSACTIONS

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

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

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

| | **2022** **£M** | 2021 *£M* |
|---|---|---|
| Stock | *6* | *6* |
| Expenses | *-* | *7* |
| | *6* | *13* |

## 27. CONTROLLING PARTY

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