

Our approach to tax

2023 highlights

33%

Worldwide effective income tax rate, including equity companies

We pay an extensive list of taxes and duties, and are subject to high tax rates in many countries where we produce natural resources. Our total tax expenses and duties include:

>\$15 billion

In worldwide income taxes paid, making ExxonMobil the 3rd highest income tax payor of the Fortune 25

- Income taxes
- Sales, use, excise and value added taxes
- Taxes specific to our industry (e.g. taxes on the extraction and production of natural resources)
- Real and personal property taxes
- Social Security and other payroll taxes
- Import duties

\$47.6 billion

Total tax and duties expense worldwide

How we conduct our business is as important as the results we deliver. Our policy is to operate with the highest standards of ethics and comply with the requirements of all applicable laws, including tax laws, wherever we do business. Our approach is informed by our [Standards of Business Conduct](#), which establishes the ethical conduct expectations for all employees of Exxon Mobil Corporation.

The values that guide our tax strategy:

- **Business Integrity:** We are dedicated to upholding the highest ethical standards and doing what’s right in all aspects of our business, including tax.
- **Compliance:** We are committed to pay our taxes on time, in full, and in compliance with laws in every jurisdiction in which we operate.
- **Cooperation and Advocacy:** We work with policymakers and governments in a legal and ethical manner to promote stable tax policy to support countries as well as our industry.
- **Transparency:** We support fiscal transparency everywhere we operate.
- **Shareholder value:** We claim available incentives in relevant tax codes, as part of an overall strategy that is consistent with our fiduciary duty to our shareholders.

Tax governance, control and risk management framework

Our Vice President, Controller and Tax, and our tax leadership team are responsible for the development and oversight of our tax strategy and compliance process. Our Vice President, Controller and Tax, who reports to our Senior Vice President and Chief Financial Officer, oversees the tax department, leading the implementation of a sound tax strategy that meets all legal requirements and complies with our company's ethical standards.

We review significant tax risks to the corporation at least annually with our Management Committee and Board of Directors, including as part of our corporate Enterprise Risk Management Framework. Additionally, our company's Board-appointed Audit Committee meets regularly with management to review issues warranting the attention of the Committee, including, when necessary, those related to significant taxation matters. To learn more about how we manage risks, see [Our risk management approach](#).

Approach to regulatory compliance

Demand for our products and the location of natural resources dictate where we do business. We comply with all applicable tax requirements everywhere we operate, and file tens of thousands of tax returns around the world. Our tax positions are subject to audits by tax authorities globally, including continuous audit by the Internal Revenue Service in the United States. We work with tax authorities to provide real time information with the goal of addressing any questions of fact or interpretation of the law as quickly and efficiently as possible.

Approach to risk management

We structure our business operations, including tax, efficiently to position our company for success while aiming to mitigate risks stemming from tax uncertainties and disputes. When the interpretation of tax legislation may be uncertain or the law is particularly complex, we may seek independent third-party advice. In some cases, we may exercise our rights to seek direction from the courts to resolve disputes with taxing authorities (due to the complexity of many tax regimes).

Approach to community engagement

We believe it's essential to partner with, and directly contribute to, the communities in which we operate. Sound tax regimes can simultaneously raise government revenues, attract essential investments and advance technology. To promote constructive public tax policies, we engage with various levels of government on many aspects of taxation and strive to create relationships with taxing authorities around the world based on mutual understanding, trust, and cooperation. We have a long history of working with and through industry experts and advocates to deliver thoughtful perspectives on legislative issues critical to our company and the energy industry. To learn more about our policy and advocacy, see [Policy | Transparency and Public Decisions | ExxonMobil](#).

2023 Tax overview

Highlights from our 2023 Form 10-K are shown below and calculated in accordance with U.S. GAAP (Generally Accepted Accounting Principles). The total income tax expense consists of U.S. federal income tax expenses, U.S. state and local income tax expenses, and non-U.S. tax expenses.

Income and other tax expense <i>(millions of dollars)</i>	2023	2022	2021
Income tax expense	15,429	20,176	7,636
<i>Effective income tax rate</i>	33%	33%	31%
Total other taxes and duties	32,191	31,455	32,955
Total	47,620	51,631	40,591

Our disclosures

We publicly provide tax information in a number of places today and will have several additional disclosure requirements take effect over the next few years.

Audited Annual Report (Form 10-K)

Our Form 10-K, filed with the SEC, encompasses both U.S. and international income tax expenses, along with our effective income tax rate.

Extractive Industries Transparency Initiative (EITI)

We report project-level data regarding our payments to governments or their agents where applicable in EITI implementing countries, specifically where we conduct upstream operations.

Canadian Extractive Sector Transparency Measures Act (ESTMA)

In compliance with Canada's ESTMA, we file publicly available reports detailing the payments (including tax), we make related to the commercial development of oil, natural gas and minerals, to governments in Canada and abroad.

EU and UK reports on payments to governments

The European Union and United Kingdom passed transparency legislation requiring disclosure of payments (including taxes) to governments related to the extractive and forestry industries. We comply with the reporting requirements and have publicly disclosed this information since 2017.

Australian Tax Transparency Report

Under Australia's tax transparency code, we report tax data, including our tax strategy, tax payments, and effective tax rate.

UK Tax Strategy

Our UK tax strategy, including information about our department structure and approach to tax, is published per the requirements under the Finance Act 2016.

U.S. SEC Rules implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

We furnished our first report to the SEC in the third quarter of 2024, which disclosed payments to the U.S. Federal Government and all foreign governments (including taxes), related to the extractive industry, in compliance with the SEC Rules. The report includes supplemental information intended to provide additional transparency above and beyond what is required by the regulation.

Country-by-country reporting rules

We are preparing to implement new rules, effective for 2025 and beyond, that require the disclosure of financial details, including tax information, on a jurisdictional basis for our operations within the EU and other regions specified under the law.

FASB income tax disclosure requirements

We are preparing to adhere to the Financial Accounting Standards Board's (FASB) enhanced income tax disclosure mandates as per Accounting Standards Update No. 2023-09, which will include the disclosure of income taxes paid in jurisdictions that account for 5% or more of total income tax paid. The enhanced disclosure is effective beginning in fiscal year 2025 and will be included in our annual Form 10-K.