



PROVIDING ENERGY. IMPROVING LIVES.



2024

# SUSTAINABILITY AND PEOPLE



## MISSION

Providing Energy.  
Improving Lives.

## VALUES

Safety. Honor.  
Commitment.

### ON THE COVER:

(large photo) Zia II Gas Plant, HOBBS, NM

(small photo) Rodeo Renewable Energy Complex, RODEO, CA

Find company policies, key governance documents and related information in the Phillips 66 [ESG Library](#).



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# To Our Stakeholders,

At Phillips 66, we understand the challenge of meeting the world's energy needs in an environmentally responsible manner. We have an important role in the energy transition, and we are focused on safely delivering reliable energy today while advancing high-return projects that will reduce emissions intensity, increase asset reliability and provide growth opportunities. As we look toward the future, we are pursuing lower-carbon and other investments that are the right strategic fit for our business.

This report details the exceptional 2023 achievements of our employees and our business and celebrates the 2024 completion of the transition of our San Francisco Refinery in Rodeo, California, into one of the world's largest renewable fuels facilities.

Just a few months ago, the Rodeo Renewable Energy Complex began producing approximately 30,000 barrels per day of renewable fuels. The facility is on track to increase production capacity to 50,000 BPD (800 million gallons per year) of renewable fuels, including sustainable aviation fuel. The Rodeo Renewable Energy Complex demonstrates our commitment to sustainability, and it is just one example of how we work every day to successfully execute our strategy.

Our progress over the past year is a measure of what we have achieved and a road map for the future. **We are energized by the challenges and opportunities ahead** as we continue to **provide energy and improve lives responsibly and sustainably.**



## Operating Excellence

Everything we do is underscored by operating excellence, from prioritizing safety for our people and communities to striving for continuous improvement in our business and reducing our environmental footprint. In 2023, we achieved record safety rates, significant cost savings and strategic advancements and efficiencies across our businesses.

We recorded our best-ever safety performance, with a combined workforce total recordable rate of 0.12, which is more than 25 times better than the U.S. manufacturing average. Refining performance improvements delivered above-industry-average crude utilization. We made notable progress on our emissions reduction targets.

We also achieved cost and capital savings through business transformation efforts and advanced our natural gas liquids wellhead-to-market strategy by integrating DCP Midstream and capturing synergies.

Our business results and growth opportunities contribute to our long-term resilience and sustainability.

## People and Communities

None of our achievements would be possible without our employees. Our people are at the heart of our success, and this report includes highlights of our human capital management practices and our workforce data. In 2023, we continued to foster a workplace where people feel like they belong, can grow their careers and will thrive in our high-performing organization as we drive progress for the greater good.

Social responsibility and keeping our communities strong are crucial to our sustainability strategy, and our people stepped up in 2023. More than 2,600 employees and retirees contributed 118,000 volunteer hours as part of our Good Energy program. The impact was amplified through \$8 million in grants and matching gifts. We also invested \$30 million in community initiatives, focusing on education equity, safety and well-being, social advancement and the environment.

## One Team, One Result

Phillips 66 is well positioned to drive the future of energy. We are delivering on our commitments and driving shareholder value through innovation, collaboration and efficient operations. This report is a snapshot of our 2023 performance and a preview of what's to come as we work together to deliver on our strategic priorities, position the company for the future and achieve our mission of providing energy and improving lives.

Thank you for your continued trust and support.

Mark Lashier  
Chairman and CEO





# Our Approach and Progress

Wood River Refinery  
ROXANA, IL



# We take a strategic approach to sustainability and human capital management.

At Phillips 66, sustainability includes a focus on operating excellence, minimizing our impact on the environment, developing our high-performing organization and engaging with our stakeholders.

Our board diligently oversees sustainability and human capital management and weaves these topics into the responsibilities of each board committee.

Our policies and practices support our vision to be the leading integrated downstream energy provider and enhance the long-term resilience and competitiveness of our business. We execute our mission of providing energy and improving lives while living our values of safety, honor and commitment.

We translate data into action by enhancing our sustainability practices in response to stakeholder feedback and developing trust through collaboration on key issues. Our engagement program aims to identify and understand stakeholder concerns and demonstrate responsiveness to feedback. Examples of recent sustainability disclosures in response to 2023 engagements include:

- Methane management practices.
- Just transition of the San Francisco Refinery to the Rodeo Renewable Energy Complex.
- Sourcing renewable feedstocks.
- Updated lobbying activities reporting.

We believe our success begins and ends with our people, whose talents, ideas and determination give us a competitive advantage. Investing in our employees and nurturing their potential helps them develop skills to adapt to new technologies, build leadership capabilities that reflect our culture and maximize performance.



Our industry is positioned to drive innovation in emerging energies and play a critical role in a lower-carbon future. Hand-in-hand with that pursuit is a just transition that provides access to affordable and reliable energy.”

**Zhanna Golodryga**

Executive Vice President,  
Emerging Energy and Sustainability



## Sustainability Governance

The success of our sustainability programs, policies and processes depends on the leadership of the following committees, teams and roles:

### **PUBLIC POLICY AND SUSTAINABILITY COMMITTEE**

Provides broad oversight of our sustainability strategy, goals, progress toward targets and public reporting. Includes all members of the Phillips 66 Board of Directors.

**EXECUTIVE LEADERSHIP TEAM** Develops corporate strategy, manages sustainability issues, implements sustainability efforts and reports company performance.

### **SUSTAINABILITY EXECUTIVE STEERING COMMITTEE**

Reviews program development and emerging sustainability risks and trends; approves execution for the company. Includes a subset of the Executive Leadership Team.

### **EVP, EMERGING ENERGY AND SUSTAINABILITY**

Provides resources and drives accountability to enable the success of our programs.

**SUSTAINABILITY WORKING GROUPS** Lead execution of specific sustainability initiatives, including our decarbonization strategy, methane management and lobbying activities disclosures.

## Issues of Interest to Stakeholders

Stakeholders are important to Phillips 66. They include employees, contractors, shareholders, customers, suppliers, people who live in the communities where we operate, policymakers and energy consumers. Our processes are designed to provide a proactive, respectful and responsive approach to engaging with them.

In 2023, we had more than **2,500 stakeholder engagements**. The top issues of interest were:



Climate-related targets



Lower-carbon investments and initiatives



Employee and community engagement



Safety and the environment



Biodiversity and natural capital management

## 2023 Highlights



Rodeo Renewable Energy Complex  
RODEO, CA

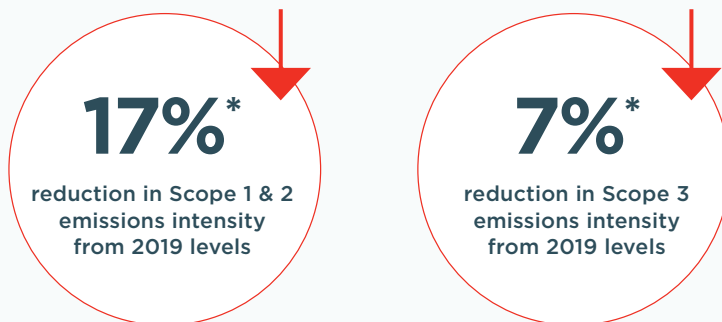


Clinton Hills Conservation  
Park Exploration Garden  
SWANSEA, IL



Phillips 66 Lubricants Plant  
SAVANNAH, GA

## Climate and lower-carbon investments and initiatives



**NEW METHANE  
MANAGEMENT  
DISCLOSURES**

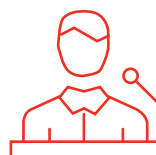
**UPDATED CLIMATE  
LOBBYING ASSESSMENT**

**PROGRESSED  
RODEO RENEWED  
PROJECT**

## Employee and community engagement

**\$30MM**

contributed to education equity, safety and well-being, social advancement and environmental projects



engaged in more than **600 community events** in the areas where we operate, including those involving Indigenous peoples, facilitated through our community advisory panels and committees, councils and social impact focus areas

**MILITARY  
VETERAN  
EMPLOYMENT**

recognized as an employer that recruits, supports and hires military veterans

2023 HIRE Vets Gold Medallion Award

2023 Military Times Best for Vets Employers

## Safety and environment



**SAFETY AWARDS**

earned industry-recognized safety awards across several operating facilities

[\\*See the Performance Data section.](#)

## OUR BUSINESS AND PURPOSE

Our mission of providing energy and improving lives extends to every aspect of our businesses. Access to secure, affordable, reliable and abundant energy is needed to drive human progress. As a leading integrated downstream energy provider, we manufacture, transport and market products to meet the world's growing energy needs through our Midstream, Chemicals, Refining, and Marketing and Specialties businesses.

Our people, financial strength, operational scale, asset diversity and commercial acumen contribute to our long-term resilience and sustainability.

### Delivering Value Through Our Integrated Businesses

Our diversified portfolio positions us to create value through economic cycles. We strive to increase the efficiency of our operations and reduce costs by promoting innovation and leveraging digital capabilities. Recent accomplishments in our businesses that have increased our financial resilience include:

- Improving Refining asset reliability and market capture through high-return, low-capital projects. We also use tools such as steam network optimization and steam trap monitoring to improve energy efficiency and reduce greenhouse gas (GHG) emissions at our sites.
- Integrating DCP Midstream, LP assets with Phillips 66's fractionation and export facilities and adding legacy DCP Midstream employees to our workforce strengthened our competitive position, resulting in \$250 million in operating and commercial synergies.
- Continuing our business transformation, which kicked off in 2022. Through 2023, we achieved \$1.2 billion in run-rate cost and sustaining capital reductions. We remain focused on further reducing costs in 2024.

# \$250MM

in operating and  
commercial synergies



We must act with urgency to improve how we work, raise the bar on performance and streamline processes. Delivering on our commitments and creating a sustainable organization for the future is critical to meeting our short-term goals and enabling long-term sustainability.”

**Kevin Mitchell**

Executive Vice President and Chief Financial Officer



## Leveraging Technology

Phillips 66 has been using artificial intelligence (AI) technologies since 2018. A few examples of how AI is helping us deliver on our strategic priorities include:

Automating Midstream's pipeline control with a learning model for increased throughput

Maximizing Refining unit performance using machine learning

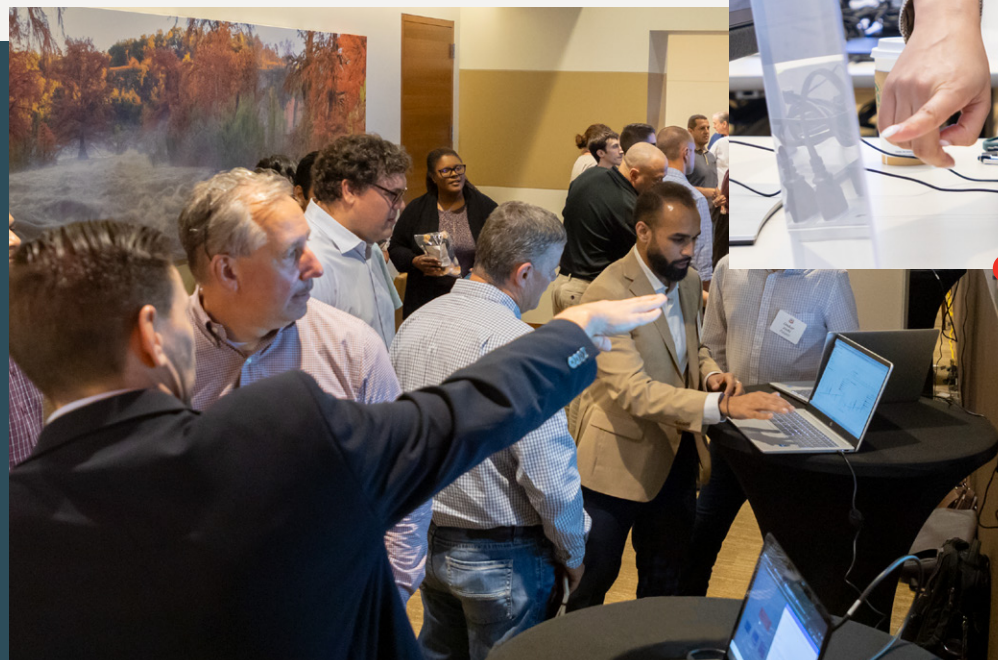
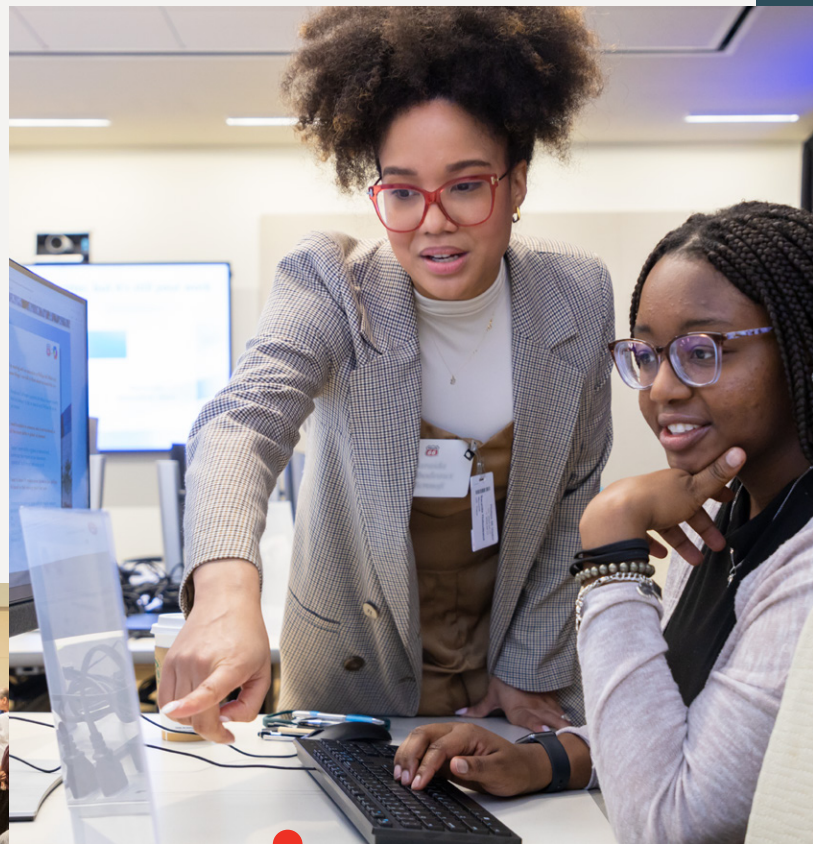
Utilizing historical product lifting data to predict customer needs

Improving safety by incorporating data and human performance principles into job planning

Our Digital IT team is exploring platforms for generative artificial intelligence applications to leverage throughout our organization for enhanced decision making, efficiency, productivity and innovation. The AI Governance Board at Phillips 66 monitors and approves how we use this function.

Our Generative Artificial Intelligence policy helps us drive innovation while safeguarding our employees and our company by:

- Outlining ethical principles to prevent discriminatory practices and privacy violations.
- Ensuring compliance with laws.
- Mitigating risks associated with biased algorithms and unintended consequences.



AI showcase at headquarters  
HOUSTON, TX

# A Leading Integrated Downstream Energy Provider

Positioned for value creation through economic cycles

## MIDSTREAM

Wellhead-to-market and highly integrated with other segments

- Natural gas liquids (NGL) wellhead-to-market value chain.
- Crude oil and product pipelines and terminals.
- 72,000+ miles of crude oil, refined petroleum product, NGL and natural gas pipeline systems in the United States.



## CHEMICALS

Chemicals and polymers the world needs

- 95% advantaged feedstock portfolio.
- Proprietary technology and global marketing network.

## MARKETING & SPECIALTIES

Phillips 66®, Conoco®, 76®, JET® and Coop branded fuels and services

- ~7,260 sites in the U.S. and 1,670 internationally.
- Leading lubricants manufacturer in the United States.



## REFINING

Geographically diversified and vertically integrated

- 9 refineries in the United States; 2 in Europe.\*
- 1.8 million BPD of crude capacity.
- 50,000+ BPD of renewable fuels production capacity.\*



\*As of March 31, 2024.

## Providing Energy. Improving Lives.

Our products make modern life possible. In addition to transportation fuels and the raw materials for cooling and lubricating engines, we produce specialty products designed to support the manufacturing of medical devices, pharmaceuticals, electronics, vehicles, batteries, agricultural products and much more.



## OUR PRAGMATIC APPROACH TO THE ENERGY TRANSITION

Our industry is crucial to the energy transition. We have the workforce, technical skills and infrastructure to develop projects that can lower emissions and provide reliable energy.

Phillips 66 is pursuing returns-focused projects, technologies and partnerships that support the decarbonization of our operations, increase the resilience of our assets and provide energy consumers with lower-carbon alternatives. We leverage our assets, skills and people to develop near-term opportunities in renewable fuels, electric vehicle (EV) charging and renewable power and longer-term opportunities in other technologies, including batteries, carbon capture and hydrogen.



## Lower-Carbon Investments

We are strategically pursuing opportunities with the right:

- 1 Returns** that are consistent with our disciplined approach to capital allocation.
- 2 Technologies** that can be delivered at scale.
- 3 Regulatory environments** that enable capital deployment of lower-carbon projects.
- 4 Partners and capital structures** that broaden and de-risk opportunities.
- 5 Timing** to maximize shareholder value.

## Increasing Our Renewable Fuels Production

Processing renewable feedstocks supports the decarbonization of liquid fuels. Phillips 66 responsibly uses renewable feedstocks sourced from around the globe, such as used cooking oil (UCO) and vegetable oils, as well as low-carbon intensity waste oils and byproducts, to produce renewable fuels, including renewable diesel and sustainable aviation fuel (SAF) with lower life-cycle GHG emissions as compared to conventional fuels.

The technicians, scientists and engineers at our Phillips 66 Research Center in Bartlesville, Oklahoma, research alternative feedstock processing to advance our production of sustainable fuels and chemicals.

### Securing Responsibly Sourced Renewable Feedstocks

Phillips 66 facilities complete a detailed permitting process before processing renewable feedstocks. Our ongoing compliance efforts include [International Sustainability & Carbon Certification \(ISCC\)](#). The ISCC's mission is to protect forests, high-carbon stock lands and biodiversity, enable waste utilization and increase traceability.

As we source renewable feedstocks, we comply with all laws and permitting requirements from relevant authorities in all markets. We assess and adjust our practices as regulations regarding renewable feedstocks evolve. We respect human rights and require our partners to abide by the laws in their country through our [Business Partner Principles of Conduct](#). We also screen potential suppliers for compliance in areas such as sanctions, anti-corruption and human trafficking.

Consistent with regulations to protect against deforestation, Phillips 66 can review satellite images to confirm that vegetable oils come from lands harvested before the deadlines set by the relevant renewable fuels programs. In 2023, Phillips 66 was one of the first companies to get an approved fuel pathway for renewable gasoline derived from soybean oil produced in Argentina. Phillips 66 was also one of the first companies to receive a renewable identification number for Canadian canola oil in 2023. The United States does not have pathways to produce renewable fuels from palm oil for credit, and our Rodeo Renewable Energy Complex is committed to not processing virgin palm oil or palm oil derivatives. Throughout the world, Phillips 66 uses voluntary and regulated certifications, such as the ISCC, to demonstrate sustainable practices for renewable feedstocks.

## Supplying Sustainable Aviation Fuel

SAF is compatible with existing aircraft engines and can be directly blended into existing airport fuel infrastructure. Its key improvements over conventional jet fuel include:

- Less particulate formation in the air.
- Lower emissions of sulfur oxides (SOx).

In the United Kingdom, we have produced SAF at our Humber Refinery since 2022. In the United States, our Rodeo Renewable Energy Complex is expected to start producing SAF in the third quarter of 2024, with the flexibility to produce up to 10,000 barrels per day (BPD) initially. We anticipate the demand for SAF will continue to grow.

### Participating in a Circular Economy

Our Sweeny Refinery in Texas has ISCC PLUS certification to process pyrolysis oil, which is made from hard-to-recycle waste plastics. It is used in circular ethane, circular propane, circular propylene and other sustainable feedstocks and petrochemical building blocks. We are evaluating and progressing certifications at other sites.

In 2023, our Lubricants business increased the use of re-refined base stocks to blend finished lubricants, replacing base oils derived from crude oil. When compared to the average annual usage for the past five years, we incorporated twice as much re-refined base stock into our formulations in 2023.

## Using Hydrogen in Our Operations

Phillips 66 is evaluating ways to increase lower-carbon hydrogen use in our operations. One example is a project to produce and supply green hydrogen to our Ferndale Refinery in Washington state and reduce the carbon intensity of our fuels. Green hydrogen, a nearly GHG emission-free fuel, is created through electrolysis using wind or solar electricity.

In 2024, Uniper and Phillips 66 Limited, a U.K.-based, wholly owned subsidiary of Phillips 66, signed a collaboration agreement to work to supply green hydrogen to our Humber Refinery. The hydrogen would be used to replace refinery fuel gas in industrial-scaled furnaces and reduce direct GHG emissions.



## Enabling Deployment of EVs

We are a leading manufacturer of specialty coke, a precursor material to synthetic graphite anodes used in lithium-ion batteries, which power EVs and other electronics like smartphones. These graphite anodes are a critical component for enabling EVs with greater driving range, faster charging and longevity. With lithium-ion battery demand projected to experience sharp growth over the coming decades, Phillips 66 is well positioned to be an important part of the U.S. and European battery value chains. Our battery development team at the Phillips 66 Research Center works with external collaborators to identify ways to incorporate readily available, responsibly sourced materials to extend the driving range of EVs. We use our expertise in material science and chemical process engineering to develop fit-for-purpose materials that can be produced with a high level of consistency and at a meaningful scale.

Additionally, Phillips 66 produces high-performing lubricants formulated to meet the unique needs of EVs through our e-Shield™ product line, which includes system fluid, grease and coolant.

## Enabling Lower-Carbon Steel Production

Phillips 66's specialty coke also plays an important role in the industrial decarbonization effort within the steel industry. Recycled steel produced by electric arc furnaces (EAFs) is associated with a 75% reduction in carbon emissions versus more widespread blast furnace production. Under enormous thermal stresses within an EAF, graphite electrodes made from Phillips 66 needle coke are capable of efficiently channeling the required power into the system, producing liquid steel from scrap sources. With decades of research continually improving our needle coke, we are one of the industry's leading suppliers, and we continue to push the boundaries of materials properties.

## Assessing Carbon Capture Opportunities

Carbon capture and storage (CCS) could enable decarbonization across manufacturing and heavy industry.

We are involved in projects to advance CCS technology, including joining several other companies through the Houston CCS Alliance in expressing support for the large-scale deployment of CCS technology in the Gulf Coast industrial area. We are evaluating projects that deploy CCS technology at other locations, including some Midstream assets and the Humber Refinery in the United Kingdom.

## Increasing Renewable Power Use

Phillips 66 is utilizing renewable energy solutions to decarbonize key assets, minimize the carbon footprint of renewable fuels, reduce operating costs and adhere to regulatory requirements.

Our first solar project, located at our Rodeo Renewable Energy Complex, will be commissioned in 2025, supplying 30 megawatts of renewable power, amounting to a 90% reduction in grid-supplied power. Phillips 66 has solar projects under development at our Wood River Refinery and the Hartford Terminal in Illinois, and we are actively participating in multiple Illinois state renewable power programs. Other solar projects at our Refining and Midstream assets are under active evaluation, reinforcing our commitment to renewable energy.

## EV Charging

Phillips 66 is building a high-speed EV charging business focused on high-quality branded fuels locations in the United Kingdom and the United States.

We support the decarbonization of the U.K. car fleet through our JET Charge ultra-rapid charging service, which debuted at our JET Refinery Service Station in Immingham in 2023 and is now at four locations throughout the United Kingdom.

In the United States, the first Phillips 66 branded chargers were installed at our flagship fuel station near our Houston headquarters in 2022. Our first 76® branded chargers were commissioned in Washington state in late 2023, followed by the first Conoco chargers in Colorado in early 2024. By the end of 2024, we will have 20 active sites, and another 15 sites are planned to be online in 2025.

We have been awarded \$6.5 million in U.S. EV charging grants to date. These grants are aligned with state and federal EV infrastructure goals and enable the development of this new business. Of the new sites, 46% will be in low-income or nonurban census tracts.



76 EV charger ribbon-cutting event  
BELLINGHAM, WA

# Rodeo Renewed: Positioning Phillips 66 as a Leader in Renewable Fuels

Production Capability at Our  
Rodeo Renewable Energy Complex

## 800MM

gallons per year of renewable  
fuels at full production capacity  
(50,000+ BPD)

UP TO

## 80%

fewer life-cycle carbon emissions  
compared with conventional diesel



The Rodeo Renewable Energy Complex enhances our diverse portfolio and allows us to provide industry-leading renewable fuels to meet market demand.”

**Suresh Vaidyanathan**

Vice President, Renewable Fuels

Phillips 66 made a final investment decision to move forward with our Rodeo Renewed project in 2022, transforming our San Francisco Refinery into one of the world’s largest renewable fuels facilities.

In March 2024, the Rodeo Renewable Energy Complex began producing approximately 30,000 BPD of renewable fuels. The facility is on track to achieve full conversion by the end of the second quarter and to produce SAF by the third quarter of 2024.

The complex, which will be partially powered by solar energy, uses feedstocks like waste oils, fats, greases and vegetable oils. Its geographic location, unique processing infrastructure and flexible transportation logistics make it a world-class supplier of renewable fuels, significantly reducing life-cycle carbon emissions as compared to conventional fuels.



## Transitioning Our San Francisco Refinery

When changes to our operations potentially affect our employees, contractors, labor unions or surrounding communities, we respond with thoughtful planning to enable a just transition.

We aim to maximize positive impacts and minimize negative ones for people and communities through redeployment, skills training and community renewal. Our approach also includes dialogue with our employees, often through unions, and references the [International Labor Organization's \(ILO\) guiding principles](#) as part of the process.

We applied an engagement framework during the permitting and startup of the Rodeo Renewed project that included:

- **Engaging:** The Rodeo Renewed team engaged with numerous community entities in preparation for approval from the Contra Costa County Board of Supervisors. Engagements included informational

meetings, booths at local events, stakeholder tours of the facility and presentations to external stakeholder groups like the Chamber of Commerce, school districts and city councils.

- **Informing:** Stakeholder communications included a project website enabling people to sign up for email and text message updates. We kept in contact with employees, contractors, vendors, suppliers, the Community Advisory Panel and community leaders and organizations through regular emails, town halls and webinars.
- **Planning:** Phillips 66 retained all employees, union and nonunion, during the pandemic and project permitting process. After decommissioning the adjacent Santa Maria Refinery and Carbon Plant as part of the project scope, all employees were offered jobs at other Phillips 66 facilities or given severance packages. Planning also involved assessing environmental impacts.
- **Enacting:** We created training plans designed to give operators the skills they need to operate new units and understand additions and changes to existing equipment. Training included classes, computer-based lessons, written materials, qualification tests on the changes and field walks to verify understanding. As the project continues through its initial startup phase, the Rodeo Renewable Energy Complex communications team provides ongoing stakeholder education and outreach.





# Health, Safety and Environment

●  
Ponca City Refinery  
PONCA CITY, OK



We aspire to lead our industry in health, safety and environmental performance.

Our health, safety and environment (HSE) strategy centers on eliminating injuries from serious incidents, maintaining process containment and reducing our environmental footprint.

### Enhancing Our Culture Through Integration of Human Performance Principles

We are raising the bar on our safety performance, creating a paradigm shift in our culture by moving from measuring safety as an outcome to seeing it as the effectiveness of safeguards. We leverage human performance (HP) concepts and principles to enhance the resiliency of our systems, processes and people, helping protect our workforce, communities and the environment.

HP is understanding how people interact with equipment, processes and each other as part of a system to help manage risk and keep each other safe. It is anticipating that people make mistakes and ensuring safeguards are in place.

We are fostering a proactive learning culture to drive continuous improvement and prevent serious incidents and working to integrate safety principles in everything we do.

### Engaging Employees and Contractors in Safety

Our Good Catch program rewards employees and contractors who speak up when they spot a potential safety concern.

Our annual Safety Commitment Cards inspire supervisors and employees to discuss our Principles of Safe Operation, share what the commitment to safety means to them personally and confirm their commitment to working and owning safety.



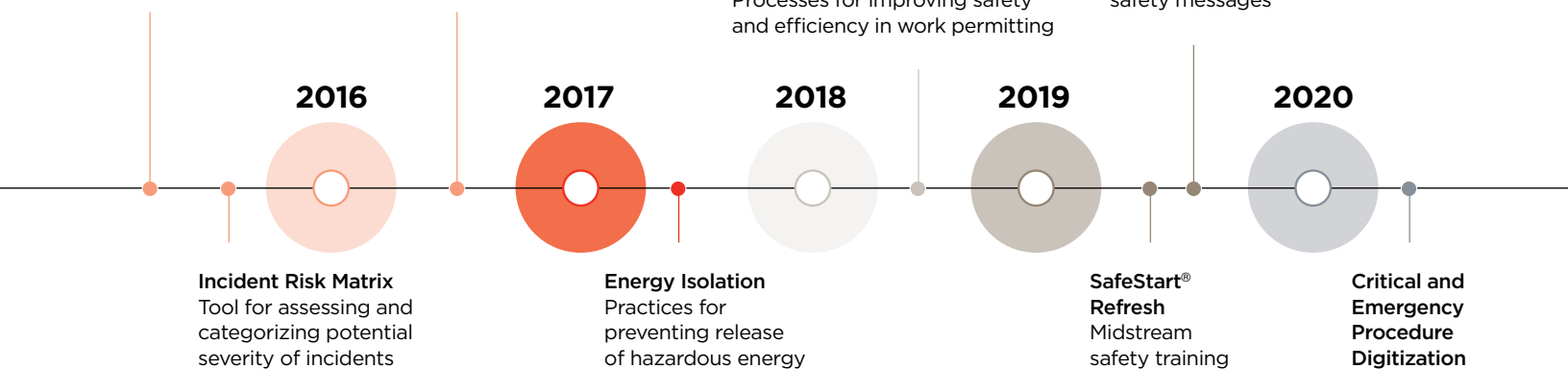
### Advancing Our HSE Journey

**10 Life Saving Rules**  
Guidelines to prevent incidents and injuries

**Cause-Effect Mapping**  
Primary investigation method

**Electronic Work Permit (EWP) and Hazard Identification and Risk Assessment (HIRA)**  
Processes for improving safety and efficiency in work permitting

**Shield Your Future**  
New hire training on critical safety messages





## Driving Accountability in Safety

In 2023, our employees delivered exceptional personal and process safety performance. Our combined total recordable rate (TRR) of 0.12 contributed to a 15% improvement over our prior three-year average.

Our Lubricants business achieved zero total recordable injuries with a TRR of 0.00 for the fourth consecutive year, and our continued focus on eliminating spills led to the lowest number of releases in Lubricants' history.

We believe leadership, ownership and engagement are keys to building a reliability centered culture and achieving safe, dependable operations. We strive to make it easier to succeed and harder to fail. Our work requires precise execution, and our [HSE policy](#) defines our commitment to protecting our employees, contractors, customers and communities while working to achieve our strategic goals.

We want our employees and contractors to:

- **Start when sure and stop when unsure.** In planning our work, we instruct our employees and contractors to stop work if things don't go as planned or if they are not sure if they can continue safely. No employee or contractor will experience negative repercussions for using their stop-work authority in good faith.
- **Anticipate errors and build safeguards into our systems.** We work collaboratively and seek a variety of perspectives, relying on the expertise of the people doing the work. We learn from our shortcomings and successes.

## Safety and Environmental Performance

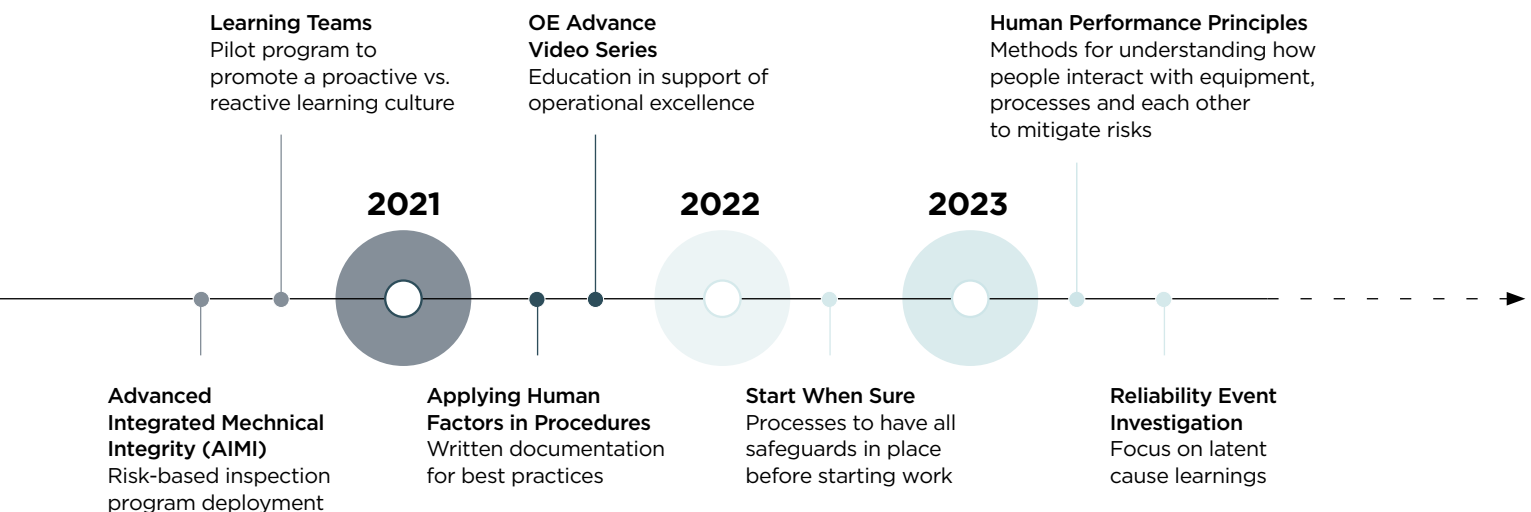
We operate in a highly regulated industry and comply with international, federal, state and local regulations affecting our operations, including those concerning air emissions, water effluent and solid waste-handling. We strive to eliminate environmental events and prevent releases of hydrocarbons and chemicals.

Safety and environmental performance, including lower-carbon and GHG initiatives, are part of our Variable Cash Incentive Program, our annual bonus program for executives and employees. We measure ourselves against the best performers in our industry and target top-quartile performance in safety, process safety and environmental stewardship.

Operating excellence — including personal and process safety, environmental stewardship and asset reliability — is critical to our corporate strategy.

# 40%

of our annual bonus is linked to environmental and safety operating performance



## Working Safely

Our HSE Management System sets our standards and expectations for maintaining and improving safety, reliability and environmental impact. In addition to safety training, employees are empowered to ask for help and stop any activity that seems unsafe, and they are expected to follow our [10 Life Saving Rules](#).

We take significant steps to protect our people. Each manufacturing site is supported by occupational health and safety professionals who understand the potential sources of exposure, the process for evaluating exposure and the methods of protecting employees and contractors. During inclement weather, operational or other emergencies, our crisis communications platform keeps employees updated and aware of the actions they need to take through real-time email, voice and text message notifications. We also have on-site security teams and control centers monitoring our offices and facilities.



Inclusion is a critical aspect of our safety culture because everyone who works here needs to feel safe to speak up. When we can all do that, we're empowered to plan appropriately, start when sure and think about how to do things better."

**Todd Denton**

Senior Vice President, Health, Safety and Environment and Field Operations Support

## OSHA Voluntary Protection Program

We have 24 Refining, Midstream and Lubricants facilities with Occupational Safety and Health Administration (OSHA) Voluntary Protection Program Star recognition. This is OSHA's highest workplace honor. Each site must complete self-evaluations yearly and undergo an OSHA site inspection every three to five years to maintain its Star status.

## Improving Contractor Safety

Our contractors are a critical part of our operations. On average each year, contractor labor accounts for more work hours than employee work hours. Making sure those services are performed safely is a high priority. Following a contractor fatality and serious incidents in early 2023, we formed internal teams and collaborated with contracting companies to develop recommendations to improve contractor safety, quality and productivity across our sites. As a result, we are implementing the following initiatives:

- 1 Enhancing front-line supervisor leadership development training to help incorporate Phillips 66 specific expectations for contract and employee supervision. This customized training program was built by our in-house Learning and Development team, HSE subject-matter experts and the Houston Area Safety Council.
- 2 Increasing the engagement of employee and contractor supervisors by having them spend more time in the field, enhancing our key contractor sponsor and mentoring program and identifying less-experienced contract workers to increase awareness and provide focused onboarding.
- 3 Enhancing our contracting strategies to attract and retain the best contract companies and top talent.

## Focusing on Industrial Hygiene Programs

Our industrial hygiene program focuses on the long-term health of our employees and contractors. We assess potential exposures, evaluate data trends and implement processes to manage hazards and help protect our people from chemical and physical agents in the workplace. We also confirm that the health protection programs of contracting companies working on Phillips 66 projects are effective and strong.

In 2023, we completed a technology update at all Refining facilities and now use a fully networked personal and portable gas monitoring system. This investment has enabled more sensitive and robust data gathering and provides faster response times.



### Safety Meetings and Training

Phillips 66 sites hold regular safety committee meetings for employees, managers and union representatives to review goals and safety practices. In addition to providing continuing education opportunities, these meetings enable knowledge sharing from experts such as industrial hygienists, safety specialists and process safety representatives. We also have frequent meetings with our field personnel and perform job safety analyses for each field job.

Our safety training helps employees and contractors maintain consistent, safe work procedures and safeguards when working on Phillips 66 projects and sites. We periodically host company safety day training, where employees share techniques, skills, knowledge, goals and performance milestones. We also hold separate periodic safety summits with our major contracting companies, where we share best practices and collaborate on continuous improvement opportunities.

## HSE Awards and Recognition

### AMERICAN FUEL & PETROCHEMICAL MANUFACTURERS RECOGNITIONS:

**Distinguished Safety Award:** Sweeny Refinery (third consecutive year) and San Francisco Refinery

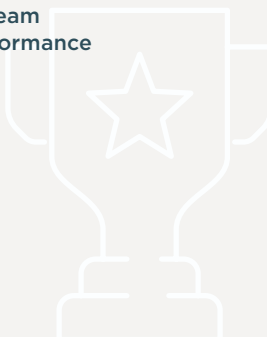
**Elite Platinum Award:** Ponca City Refinery

**Elite Gold Award:** Lake Charles Refinery

**Innovation Award:** Sweeny Refinery's Safety Days

### GPA MIDSTREAM ASSOCIATION SAFETY AWARD

Midstream received the top GPA Midstream Association Safety Award for 2023 performance



## Eliminating Process Safety Events

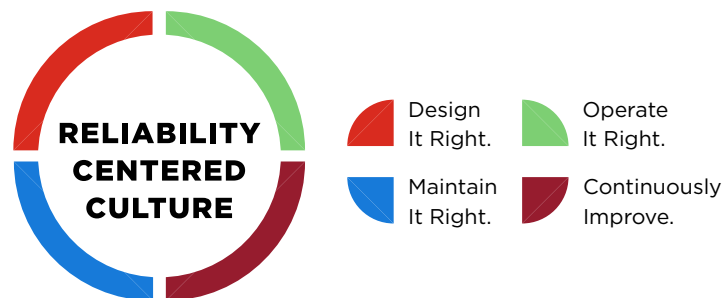
Process safety events (PSEs) are unplanned releases of hazardous material from primary containment. We closely monitor and measure our performance in this area. Phillips 66 works to eliminate PSEs by applying best practices in design, engineering, operations and maintenance. We also perform hazard analyses and use change-management procedures to mitigate potential risk. We investigate PSEs to determine the underlying causes so we can act to prevent recurrences.



Lake Charles Refinery  
WESTLAKE, LA

## Fostering a Reliability Centered Culture

Operating reliably prevents loss of containment and helps achieve safe and stable operations. This protects people in our facilities, surrounding communities and the environment. Asset integrity programs improve reliability by including quality assurance and quality control, defined inspection and maintenance intervals for process equipment, and established company standards. Many of our asset integrity, process safety and environmental standards exceed industry requirements.



## Asset and Pipeline Integrity

### Refining

In Refining, our Advanced Integrated Mechanical Integrity program (AIMI) consolidates our inspection data into one system and focuses on early detection of damage mechanisms. AIMI systemically standardizes, validates and digitizes our equipment design, process information and inspection data. This provides a methodology to manage the integrity of fixed equipment based on risk versus fixed interval inspections. This knowledge allows our mechanical integrity teams to optimize and prioritize doing the right inspection at the right time on the highest-risk equipment.

### Midstream

Our pipeline integrity programs focus on three aspects of safe operations:

- **Pressure Cycle Monitoring Tools and Process**

We use data integration and industry-leading tools to capture pipeline system data and generate solutions to improve our overall performance, reduce pressure cycles and drive efficiencies through reduced inspection and maintenance requirements.

- **Advanced Inspections**

Advanced inspections combine guided wave testing with other ultrasonic inspection techniques to identify corrosion threats earlier than older inspection methods.

- **Higher-Risk Pipe Replacement**

Our pipeline risk model prioritizes preventative and mitigative measures on our pipeline systems. In 2023, we replaced approximately 40 miles of existing pipelines, reducing risk and environmental impact to high-consequence areas.

In 2024, we are further improving our asset integrity program by:

- Improving gas gathering integrity performance and implementing enhancements to our geohazard and stress corrosion cracking programs.
- Working with the Pipeline Research Council International and other joint industry projects to conduct research, develop solutions and evaluate new technology.
- Publishing an integrated integrity management plan (IMP) for our liquids pipelines — and we expect to publish a gas IMP in 2024.



Freeport Terminal  
FREEPORT, TX

## Performing Audits

Our facilities are subject to rigorous internal, industry and external audits and inspections, and our operations are managed to support compliance and asset integrity. External auditing agencies include OSHA, the Environmental Protection Agency (EPA), the U.S. Coast Guard, the Pipeline and Hazardous Materials Safety Administration, the Chemical Safety Board and the U.K. Health and Safety Executive Environmental Agency.

Audits are documented and include a process for communicating results to management. Timely completion of corrective actions is monitored through a compliance verification process, which requires business leaders from the operating level to the executive level to review and acknowledge outstanding items and time lines.

## Monitoring Product Compliance and Responsibility

Our facilities follow Phillips 66 environmental and quality management systems, and many are certified to International Organization for Standardization (ISO) measures. These certifications and systems demonstrate our ability to consistently provide products and services that meet customer and regulatory standards.

Our Lubricants business conforms to the ISO 14001:2015 Environmental Management System. Five of our Lubricants facilities have certification to ISO 14001 and the ISO 9001:2015/IATF 16949:2016 Quality Management System Standard. Lubricants Research and Development is accredited to the ISO/IEC 17025 standard for testing and calibration laboratories.

Wood River Refinery's odorless mineral spirits and benzene business lines in Roxana, Illinois, conform to ISO 9001:2015 Quality Management System Standards.

In the United Kingdom, the Humber Refinery is certified to ISO 14001:2015.

Bayway Refinery's polypropylene business in Linden, New Jersey, is certified to ISO 9001:2015 for the design and manufacturing of plastic pellets.

In April 2024, our polypropylene business received UL certification for six of our polypropylene grades for energy savings.

## Maintaining Emergency Response Readiness

Our emergency response teams protect lives and secure the area in an emergency. We routinely prepare to respond to emergencies and work with federal, state and local agencies that have jurisdiction and authority over our emergency response efforts.

Every Phillips 66 facility has a local response team that utilizes emergency response plans with processes for identifying potential emergencies and planning for mitigation and control. Refinery fire brigades maintain preparedness with quarterly training for more than 800 brigade members. Emergency response plans include working with local fire and rescue departments, police and community members and are reviewed annually.

Local response teams can draw support from secondary response teams, which are overseen and staffed at a corporate level. Regular training and drills keep team members skilled and qualified. In 2023, all 50 team members from our Incident Management Assist Team participated in a weeklong event that included team- and role-specific training and instruction on best practices from industry experts.

We also hold yearly emergency trainings and response drills that prepare our company and community responders for various realistic scenarios. In 2023, we collaborated with Texas A&M Engineering Extension Services to offer specialized industrial emergency training and scholarships to 60 community firefighters.

Additionally, Indigenous people and tribal representatives participate in drills and training sessions held at our operations near Native American communities. They are consulted and involved in the planning and execution. For example, members of the Lummi Nation near our Ferndale Refinery in Washington state participated in two of our most recent mid-case drills and our worst-case scenario drill.

Each business unit completes multiple notification accountability drills for emergencies and tabletop exercises each year. In addition, we hold dozens of exercises for other scenarios, including the following:

- Process safety management.
- Risk management scenarios.
- Supervisory control and data acquisition failure exercises.
- Responses to real-world events, such as earthquakes and hurricanes.
- Government-initiated unannounced exercises.
- Continuity of business or pandemic exercises.

If operations are interrupted, we enact business continuity plans to help keep employees, contractors and the community safe and enable our operating assets to safely resume manufacturing and transporting energy products to markets worldwide.

We also participate in community safety and preparedness programs and provide resources and training to local police, fire and emergency management personnel.

## Transitioning to Fluorine-Free Fire Foams

In 2023, we continued implementing our foam procurement strategy to replace our existing per- and poly-fluoroalkyl (PFAS)-containing firefighting foams. We collaborated with industry peers and invested in 14 studies to test non-PFAS firefighting foams and their effectiveness. We will conduct two additional tests in 2024, one at our Borger Refinery in Texas. We are also evaluating PFAS in compliance with the EPA's Toxic Substance Control Act.



Borger Refinery  
BORGER, TX



## OUR ENVIRONMENTAL PERFORMANCE

We work to lessen our environmental footprint by creating operational efficiencies to reduce waste and the consumption of natural resources, along with returns-focused investments in emissions reductions, nature conservation and biodiversity.

### Working Toward GHG Emissions Intensity Reduction Targets

Achieving long-term GHG emissions reductions will require changes at Phillips 66, in our industry and throughout the rest of the world. The effort will also require significant technology developments, shifts in consumer behavior and changes to supply chains. National policy and permitting reforms are also essential to encourage investment in lower-carbon infrastructure and deployment at scale.

We have set returns-based targets to lower Scope 1, 2 and 3 emissions intensity, supporting enterprise

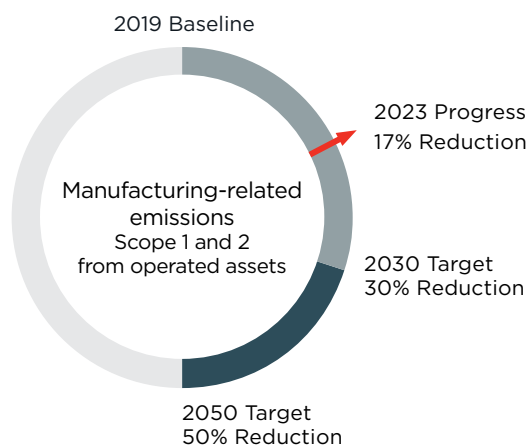
growth, including natural gas gathering and processing assets operated by Phillips 66. In setting targets, we evaluated energy demand and technology development scenarios, including net zero. Current evaluations show no economically viable path to net zero by 2050, but we continue to progress our emissions intensity reduction targets and periodically review scenarios with the Executive Leadership Team and the board to inform company decisions. We revisit our targets as technologies, policies and energy needs evolve.

In 2023, we integrated GHG intensity metrics into our project approval process for consideration alongside financial metrics. Our emissions intensity improved from 2019 levels due to portfolio changes, enhanced refining utilization, energy use optimization and renewable fuels blending. With the integration of DCP Midstream assets, methane management has become more critical, representing 4% of our Scope 1 and 2 GHG emissions. We are exploring technological innovations, partnerships and best practices to further reduce GHG emissions, including methane.

### GHG Emission Reduction Targets and Progress

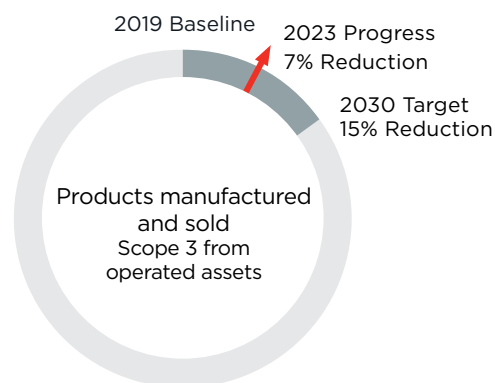
#### MANUFACTURING EMISSIONS INTENSITY

Scope 1 and 2 Metric Tons of CO<sub>2</sub>e/MBOE



#### PRODUCT EMISSIONS INTENSITY

Scope 3 Metric Tons of CO<sub>2</sub>e/MBOE



Find out more about our emissions reduction targets.

### Emissions Intensity Reduction Road Map

Near-Term	Improve energy efficiency of operations <ul style="list-style-type: none"> <li>• Equipment optimization.</li> <li>• Electrification.</li> <li>• Waste-heat recovery.</li> </ul>	Reduce methane emissions <ul style="list-style-type: none"> <li>• Natural gas equipment conversion.</li> <li>• Leak detection and repair.</li> <li>• Equipment maintenance.</li> </ul>
	Increase renewable power use in operations <ul style="list-style-type: none"> <li>• Behind-the-meter projects.</li> <li>• Purchase agreements.</li> </ul>	Grow production of lower-emissions intensity products <ul style="list-style-type: none"> <li>• Renewable fuels.</li> <li>• Natural gas liquids.</li> </ul>
Longer-Term	Capture CO <sub>2</sub> from operations	Use lower-carbon intensity hydrogen

Zia II Gas Plant  
HOBBS, NM

# Managing Methane Emissions

Methane is a GHG that can trap more heat than carbon dioxide and has a much shorter atmospheric life span than other GHGs, according to the EPA. Because of that, effectively managing methane may offer a near-term opportunity to positively impact Earth's climate.

We are analyzing proposed and recently enacted rules to ready our business for compliance with methane emissions management, and we support methane mitigation regulations that are technology-neutral, cost-effective and efficient.

## Our Four-Part Approach

We have developed a four-part methane management approach that includes integrating people and data systems, implementing best operating practices, utilizing technology, and leveraging academic and industry partnerships.

### Integrating People and Data Systems

Successfully integrating DCP Midstream legacy employees and data systems was a top priority in 2023, and we've efficiently combined them with the future in mind.

Our Midstream organization has a structure for planning, sharing and governing GHG and methane initiatives. An executive committee, senior management GHG steering team and the methane management working group collaborate with various workstreams driving operational excellence and environmental improvement.



### Implementing Best Operating Practices

Operational best practices include improving employee training, conducting thorough leak detection and repair, and performing regular equipment maintenance. Equipment modernization and electrification are also opportunities to reduce GHG emissions and are leveraged when applicable.

We continue to seek opportunities to further reduce emissions from blowdowns, venting and flaring through improved operational practices and projects. Requirements for inspections vary within our footprint. In New Mexico, we have implemented monthly optical gas-imaging inspections in all areas, even when it is only required quarterly. Weekly audio, visual and olfactory inspections are also required in New Mexico, and we voluntarily extend that practice into our West Texas region, including improvements in using an electronic application for documentation.

We seek transparency in our methane emissions, including complying with all regulatory requirements. We also evaluate participation in voluntary endeavors, such as the Oil and Gas Methane Partnership 2.0.

### Utilizing Technology

We use technology to improve our monitoring practices. We continually evaluate commercially available and scalable technologies and test them within our operations. We adopt the most successful technologies on a wider scale. We encourage new technical developments and vendors in remote detection to increase cost competitiveness and business robustness through vendor availability.

In 2023, we piloted 25 acoustic sensors on 12 tanks. These sensors can “hear” when there is a problem with the hatch that might result in emissions. This program is being evaluated for expansion in 2024.

We also rely on advancements in aerial detection technologies, like the following:

- In a large portion of gas operations, we use an aerial system that combines signals from optical and hyperspectral infrared images collected with data from a GPS receiver to estimate methane concentration.
- We also use light detection and ranging (LiDAR) to measure methane concentration. LiDAR uses eye-safe laser beams of specific wavelengths sent from a small aircraft, reflected from atmospheric molecules and collected by an airborne sensor. The methane plume imagery is mapped onto satellite imagery and aerial photography to guide ground crews directly to places that need repair.

- We regularly conduct aerial surveys of our gathering pipelines. These aerial surveys are complemented by drone surveys and satellite data.
- We use drones equipped with forward-looking infrared cameras to survey compressor stations.

While satellites are less sensitive than surveys close to the ground, they can provide more frequent data. Satellite technologies continue to improve, and more satellites are being launched, enhancing the available data for monitoring to help us find and repair unexpected emissions faster. We are also gathering publicly available data and combining it with our asset locations to gain additional insights and respond quickly.

### Leveraging Industry and Academia

Progress in methane management requires internal action and collaborations with industry peers and academia. One example of collaboration is our membership in The Environmental Partnership to share best practices, learn from others and take action. We also collaborate with institutions like Colorado State University and the University of Texas at Austin to improve scientific understanding and support lower-capitalized operators.

## Methane Reductions Through Asset Improvements

# 5

facilities shut down, eliminating emissions, which resulted in a 25% reduction in natural gas pneumatic emissions in New Mexico

# 4

vintage propane compression systems replaced with electric engines at our Goldsmith Gas Plant

# 1

vapor combustion unit installed and operational at the National Helium facility’s nitrogen rejection system

# 21

blowdown headers installed on Colorado booster stations and gas plants to recover blowdown emissions

# 13

fenceline monitors and optical gas-imaging cameras installed at our Goldsmith Gas Plant and Tara Treater to aid in early emissions detection

## Reducing Air Emissions

Over the past five years, we have made significant investments in reducing air emissions, including nitrogen and sulfur oxides, particulate matter and volatile organic compounds. Since 2019, we have reduced our air emissions by 23% across our Refining assets. From 2022 to 2023, we reduced our air emissions by 7%.

## Managing Water and Wastewater

Water is essential in our manufacturing facilities and processes, and we strive to manage it responsibly. Our refineries and Rodeo Renewed Energy Complex have on-site wastewater treatment systems and oil recovery units. Understanding the local water demand and the potential for water scarcity are key considerations as we prioritize projects to improve efficiency and decrease our environmental footprint. Our water and wastewater management also includes:

- Operating 11 biological treatment plants and 13 pretreatment facilities in North America and the United Kingdom.
- Meeting or exceeding environmental performance standards from the National Pollutant Discharge Elimination System and other industrial pretreatment permits.
- Updating operations to conform to new American Society of Mechanical Engineers guidelines for boilers to increase reliability and energy efficiency.
- Selecting zinc-free treatment chemistry in the Lake Charles Refinery cooling towers to avoid zinc discharge.
- Helping identify opportunities to increase cycles on towers and boilers, which can reduce the amount of makeup water needed to maintain proper water levels.
- Optimizing operation of our cooling towers and boilers by defining and standardizing key metrics across all sites and developing online dashboards to visualize and monitor performance indicators. This allows our engineers and operators to detect issues and inefficiencies more quickly, thus reducing water, chemical and energy demands while increasing reliability.

## Managing Waste and Recycling

Phillips 66 has implemented waste management programs at our facilities to handle waste materials from creation to

final disposition in a way that is designed to protect human health and the environment. The Phillips 66 Waste Network pursues standardization across our assets by establishing best practices and procedures for compliance programs and evaluation of waste facilities and vendors. Phillips 66 also has a systematic hazardous waste program with processes and practices executed by trained personnel.

Tanks at our refineries and terminals require periodic cleanouts, and we take steps to conserve water during the process. We recycle or dispose of the residual product in compliance with strict environmental laws.

# 1.5MM+

gallons of waste-derived fuel for manufacturing processes generated from our tank cleanout methods in 2023

# 229,000+

gallons of water conserved through our tank cleanout methods in 2023

## Supporting Nature, Biodiversity and Conservation

Our environmental stewardship efforts go beyond regulatory requirements and focus on connecting conservation efforts to our business and managing natural capital in and around the communities where we work and market our products. Natural capital encompasses the supply of the world's natural resources from which economic value and benefits can be derived, such as forests, oceans and freshwater, along with the biodiversity of these ecosystems.

We consider the guidance and recommendations developed by the Taskforce on Nature-related Financial Disclosures (TNFD), which are designed to enable businesses "to integrate nature into decision making."

We also collaborate with national and local environmental and conservation organizations to support their efforts to promote biodiversity and environmental stewardship. Our employees and interns volunteer their time and make monetary contributions, often enhanced by the company's match program. Phillips 66 has long-standing partnerships with many national conservation organizations, including the National Fish and Wildlife Foundation, Ducks Unlimited, Trees For Houston and the Wildlife Habitat Council.

## Project Planning

We view the management of natural capital and biodiversity risks as essential. To identify potential impacts and prepare environmental permits, mitigation plans and monitoring programs, we conduct environmental impact analyses by leveraging several federal, state and institutional sources and tools.

We coordinate and engage with many agencies, including the EPA, the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, and state and local regulatory agencies. We utilize existing pipeline corridors where feasible and use construction techniques that minimize the impact on the environment, local communities, wildlife and natural resources.

## Protecting Wildlife in Our Communities

### Preserving Habitats For Monarch Butterflies

Our Midstream business has a Certificate of Inclusion into the Monarch Butterfly Candidate Conservation Agreement with Assurances. To date, we have met all required conservation measures on more than 11,000 miles of our rights-of-way and are doing our part to create and manage habitats for monarch butterflies.

Participation in the program includes care and management practices, such as conservation mowing, idle lands, woody vegetation removal, targeted herbicide application and limiting broadcast herbicides to high-activity areas like terminals and valve sites. Because of the success of our participation, we are working to enroll an additional 3,300 miles of rights-of-way along NGL pipelines.

### Supporting Wetlands Biodiversity

U.S. wetlands are home to more than 900 species of plants and animals. They also play an important role in helping prevent flooding, improving water quality, buffering the land against coastal storms and replenishing groundwater. In 2023, we teamed up with Ducks Unlimited to provide a \$300,000 gift to help construct ZooMontana's new Foster Waterfowl Refuge.

Over the past decade, Phillips 66 and Ducks Unlimited have joined forces on more than 30 projects, contributing approximately \$4 million toward conservation efforts to preserve or restore more than 35,000 acres of wetland in the United States.

Our work protecting wildlife and ecosystems in and around our communities also includes projects with other local and national conservation organizations, including Tri-State Bird and Rescue, Wildlife Center of Texas and International Bird Rescue.





# People and Communities

James Lake Gas Plant  
GOLDSMITH, TX



## Our culture is the foundation for the future.

Our human capital management key principles foster an environment where people can belong, develop and thrive. The principles are:

<p>Our people are bonded by our mission and core values.</p>	<p>Our company strategy depends on our high-performing organization, defined by our culture, capability and performance.</p>	<p>Our commitment to safety and operating excellence makes us an industry leader in safety performance.</p>
<p>Our inclusive environment attracts and retains exceptional, diverse employees.</p>	<p>Our investments in development and career growth begin the moment an employee joins Phillips 66 and continue throughout their tenure.</p>	<p>Our incentives and benefits are competitive and responsive to the needs of our evolving business and workforce.</p>
<p>Our Energy In Action (OEIA) sets behavioral expectations that influence our culture.</p>	<p>Our employees, shareholders and communities are critical stakeholders, and we engage with them proactively.</p>	<p>Our ability to innovate, transform and compete in evolving energy markets depends on our ability to collaborate, empower our people and boldly try new things.</p>



We shape the culture of Phillips 66 every day when we come to work. Every action we take and every interaction we have is an opportunity to move the organization forward to meet new challenges, deliver exceptional results and win as a company.”

**Andrez Carberry**

Senior Vice President and Chief Human Resources Officer



## OUR ENERGY IN ACTION

We embrace our values as a common bond.

### Work for the greater good.

Living our values earns us the confidence of our business partners, communities and coworkers.

We depend on each other to do our jobs.

### Create an environment of trust.

Trusting each other makes us more productive and agile.

We create space for possibilities.

### Seek different perspectives.

Championing inclusion enables us to innovate and thrive.

We challenge ourselves and never settle.

### Achieve excellence.

Continuing to improve ensures we deliver extraordinary performance.

## Living Our Energy In Action

OEIA is a set of behavioral expectations for all employees that preserves what makes Phillips 66 great and challenges us to become better. Together with our values, the principles of OEIA govern how we work together, influence how we make decisions and help us seek different perspectives. We model and measure ourselves against these principles by integrating them into our people practices, including succession management, performance reviews, Total Rewards and recruiting.



It's important that we're all rowing in the same direction. Our goal is to model Our Energy In Action every day, in every situation, always."

**Brenda Brinson**

General Manager, Culture and People Strategy, Chief Diversity Officer

## Advancing Inclusion and Diversity

Living the behaviors of OEIA helps us foster an inclusive workplace. A diverse workforce powered by an environment of inclusion unleashes the creativity to solve energy challenges and drives our high-performing organization to deliver exceptional results.

At Phillips 66, we consider diversity to be any dimension that shapes who we are as individuals. It is an appreciation of, and respect for, differences in gender, race, ethnicity, age, national origin, disability, sexual orientation, education and religion. It also includes diverse perspectives, backgrounds, work experiences, lifestyles and cultures.

Our Executive Inclusion & Diversity Council sets and monitors the execution of our inclusion and diversity strategy, driving efforts to increase diversity and encourage inclusiveness. In 2023, 34% of our global hires in professional roles were women, and 37% of our U.S. hires were from underrepresented groups.

Strengthening workplace inclusion requires continuous effort, and third-party validation helps signify that companies are on the right track. In 2023, Phillips 66 earned a score of 100 from the Human Rights Campaign's Corporate Equality Index for the third consecutive year.



## Finding Common Threads

Our annual Inclusion and Diversity Week presents a formal opportunity for our employees to unite to promote a culture of understanding and learning. The 2023 event had the best employee engagement ever, with participation rates three times higher than in 2022. The week's programming focused on inclusion, allyship, community and courage and included nine webcast events with participants from 18 of our global locations. In Houston and Bartlesville, an interactive art installation encouraged employees to tie a string across a Phillips 66 shield based on their unique traits.



The index is a national benchmarking tool on corporate policies and practices related to lesbian, gay, bisexual, transgender and queer employees. The ratings are based on four criteria: workforce protections, inclusive benefits, supporting an inclusive culture and corporate social responsibility.

### Employee Resource Groups

Our 10 Employee Resource Groups (ERGs) focus on engaging and developing our people and building internal networks that serve the communities where we live and work. They are forums for sharing perspectives, raising awareness and encouraging identity and belonging.

### Nondiscrimination Practices

As a government contractor, Phillips 66 complies with the U.S. Department of Labor, Office of Federal Contract Compliance programs, specifically Executive Order #11246. The order requires affirmative action and prohibits federal contractors from discriminating based on race, color, religion, sex, sexual orientation, gender identity or national origin.

Contractors also are prohibited from discriminating against applicants or employees because they inquire about, discuss or disclose their compensation or that of others, subject to certain limitations.

### Military Veterans

Through a third-party administered survey, 9% of employees self-identified as veterans, indicating current or previous military service.

### Employees With Disabilities

Using the voluntary self-identification of disability form, 9% of employees self-identified as having a disability or having a history or record of having a disability.

## DAN Raises Awareness

Our Diverse Abilities Network (DAN) hosted Shop with a Special Purpose, a showcase and market that featured local artisans and business owners with special needs and disabilities. DAN also hosts a quarterly In Their Shoes webinar, which highlights an employee who is either living with a disability or is the caregiver of someone with a disability.

## OUR APPROACH TO THE EMPLOYEE EXPERIENCE

Phillips 66 empowers our people to think boldly, learn continuously, discover new solutions and grow in their careers. From attracting candidates with diverse talents and experiences to developing and promoting our people, Phillips 66 invests in our employees' careers to create a future-ready workforce. We strive to create an environment where all employees feel safe, seen, heard and respected as a catalyst for innovation, growth and profitability.

### Recruiting Top Talent

The employee experience starts with how we recruit the people who work here. As a high-performing organization, we seek to hire people who are motivated to deliver results, find creative solutions and collaborate up and down our unique value chain.

We use multiple outreach strategies and leverage digital recruiting tools to reach an expanded network of experienced candidates and potential hires from universities and trade schools. These strategies and tools help us capture better data and provide a consistent and efficient hiring process focused on a positive experience for recruits. To encourage diverse candidate pools and provide inclusive candidate experiences, we've expanded the use of blind resumes, diverse interview panels and gender-neutral job descriptions.

In addition, we continually evaluate our recruiting efforts at the STEM (science, technology, engineering and math) organizations we support, such as the Society of Women Engineers and the National Action Council for Minorities in Engineering.

#### Internships

Our internship program, known as Intern Energy, is an important part of building a high-performing organization. We provide paid internships at every major location, offering students meaningful hands-on opportunities to learn and contribute to our success. Each intern is assigned a supervisor and mentor and has both formal and informal networking opportunities with leaders and peers. Our office-based interns get to see our field operations firsthand by traveling to nearby operating assets, which helps them better understand the full scope of the business.





### Finding Critical Field Talent

More than 70% of our workforce is in the field at our various refineries, Midstream operations and manufacturing facilities. These skilled trades are critical to keeping our sites operating safely and efficiently. To recruit trade talent and operators, we work with high schools, colleges, technical schools and junior colleges. We also offer technical intern programs and participate in career fairs and community outreach.

# 70%

of our workforce is in the field at our various refineries, Midstream operations and manufacturing facilities

### Supporting Military Hires

We support our military veterans' personal and professional development by leveraging the skills and experiences they gained through military service. Our participation in the Hiring Our Heroes Corporate Fellowship Program provides transitioning service members with professional training and hands-on experience in the civilian workforce. Phillips 66 is consistently recognized for its support of military hires, including being named a Best for Vets Employer by the Military Times, with a No. 1 ranking of all refiners and a top 10 ranking of all employers in Texas. We also received a 2023 HIRE Vets Gold Medallion Award for our success in recruiting, employing and retaining our nation's veterans.

### Our Comprehensive Approach to Learning and Career Development

In addition to safety training and required job-specific training, we provide career development opportunities at all levels, beginning with onboarding and continuing with technical, professional and people-leader development.

In 2023, we enhanced our existing curriculum and invested in new high-impact programs and activities to help employees take the next step in their learning. We offer in-classroom, on-demand and immersive learning resources to help employees reach their full potential, including comprehensive onboarding programs and experiences, skill- and business-unit-specific training programs and experiential learning through developmental assignments.

# 57

hours invested in annual training per employee, on average

### Onboarding New Hires

In 2023, we focused on creating a positive, consistent onboarding experience for all roles and locations. New hires in professional roles attend an interactive two-hour virtual session and begin connecting and building their network right from the start.

In 2023, we also built a standardized approach to our onboarding curriculum for all new-hire hourly operator and craft roles at U.S. refineries. In 2024, a dedicated team of trainers is delivering this new immersive program during field visits, where they use a diverse set of learning techniques to engage new hires with hands-on experiences.

# 96%

of new hires say they found value in their orientation sessions

# 98%

of new hires say they feel like Phillips 66 is a place where they can belong



Day of Learning at headquarters  
HOUSTON, TX

## Early-Career Development Programs

Our skill- and business-unit-specific development initiatives help early-career professionals gain necessary technical expertise, industry knowledge and networking skills.

### KATALYST

This three-month immersive energy commodity supply and trading development program is for new hires in market-facing businesses, like Marketing and Commercial. It focuses first on the energy value chain, followed by targeted career rotations.

### PREP AND PROPEL

PREP is a multiyear engineering development program focusing on business and financial acumen. It is complemented by PROPEL, a self-paced study with virtual courses for engineers in their first five years at Phillips 66.

### EDP

This four-year comprehensive development program for early-career engineers in Midstream roles builds technical skills and foundational knowledge.

### LEAP

This weeklong experience, launched in 2023, is for HSE professionals with fewer than five years of experience. It builds technical and communication skills while providing an overview of companywide business units and functions.



PREP course at headquarters HOUSTON, TX

PREP = Professional Refinery Engineering Program

PROPEL = Phillips 66 Refining Online Program for Engineering Learning

EDP = Engineer Development Program

LEAP = Learning and Education for Arriving Professionals

KATALYST. KAT stands for Knowledge + Application = Transformation

### Developing Leaders

New leaders receive continuous support in a variety of formats, including short, instructor-led lunch and learns, Leader 2 Leader peer learning, workshops and online training covering a multitude of topics.

In 2023, we launched a new program called G.O.L.D. (Grow. Optimize. Lead. Deliver.), which focuses on skill building and training to support and develop executive-level leaders.

G.O.L.D. Executive Development at Rice University  
HOUSTON, TX



## Bringing Home the G.O.L.D. in Leadership Development

Equipping our leaders with the right skills to effectively lead our business, support our people and navigate an ever-changing environment is key to our future success. Our Learning and Development Center of Excellence partnered with Rice University to build a flagship executive development program exclusively for Phillips 66, which aims to create a depth of expertise in enterprise leadership.

The G.O.L.D. program is a two-week, classroom-based executive development program delivered over two to three months. Participants complete online work before each segment and attend classes on the Rice University campus. The topics covered include the global energy environment, strategic decision-making, managing risk, finance, driving organizational alignment and change, leadership and leveraging culture.

G.O.L.D. stands for Grow. Optimize. Lead. Deliver. For us, that means we are committed to investing in this program to grow our people, optimize our assets, lead our organization and deliver results.



The G.O.L.D. program provides a powerful shared learning experience to cohorts of leaders from across the organization. We offer each other different perspectives, have our positions challenged and try out new ideas — all extremely valuable to growth and innovation at this critical juncture in the company's transformation for a sustainable future."

**Sonya Bishop**

Deputy General Counsel, Litigation, Employment and Intellectual Property

## Taking the Pulse of Employee Engagement

In 2023, we increased opportunities for real-time feedback by expanding the frequency of employee surveys to create a continuous listening program. This helps us understand the experiences of our employees throughout the year and strengthens our ability to raise the bar on our performance. We focus on engagement and other metrics such as safety climate, manager effectiveness, performance enablement and our culture.

Our 2023 Employee Perspectives survey had a 64% response rate and more than 14,600 comments. Our overall engagement score was lower than the oil and gas industry benchmark. The engagement score was based on how employees responded to these two items on the survey: “How happy are you working at Phillips 66?” and “I would recommend Phillips 66 as a great place to work.” Our ELT is committed to improving this metric and making employee engagement an area of distinction for Phillips 66. In 2024, we are focused on helping our employees better understand and connect with our vision and strategy, providing more visibility into opportunities for growth and development and increasing their sense of belonging. Overall, survey results show that employees think highly of their managers, and most manager-employee relationships are above benchmark. We will utilize this strength as we work to increase our employee engagement scores.

## Investing in Our People

Our [Total Rewards programs](#) are aligned with our vision and strategy, and we make significant investments annually to attract, engage and retain our people. Our median employee received \$156,695 in total compensation and benefits in 2023.

We benchmark our Total Rewards annually to evaluate whether our programs are competitive with our peers and customize our offerings to appeal to our diverse, multigenerational workforce. We provide competitive offerings aligned with market practices and compensate all employees equitably regardless of race, gender or other personal characteristics.

## Compensation

### COMPETITIVE

Benchmarked against our industry and the broader market  
Reviewed annually

### PERFORMANCE-BASED

Annual Variable Cash Incentive Program (VCIP) for eligible employees  
Restricted Stock Unit (RSU) Program for eligible employees

### EQUITABLE

Adverse impact analysis  
Disparity reviews  
Periodic pay equity reviews



Get more information about our Total Rewards.



Our people make everything possible. We value their contributions, and we're proud to offer Total Rewards programs that meet the needs of our dynamic workforce and their families.”

**Alex Shabet**

General Manager, Total Rewards



## Working With Unions and Works Councils

Our core values align us with unions and works councils to achieve a high-performing organization and operating excellence. We encourage open communication, strive to maintain collaborative working relationships and promote an inclusive culture for both represented and nonrepresented employees across our company and within the industry.

We respect the rights of our union-represented employees to bargain collectively under the National Labor Relations Act in the United States, and we honor country-specific laws and requirements for international locations. We are committed to bargaining in good faith toward agreements that are fair and industry-competitive while enabling each business unit to compete in an increasingly challenging global market.

### Represented Workforce

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**30%**

of our U.S. workforce is union represented

**~3,700**

U.S. employees in Refining, Midstream and Lubricants are union represented

**~300**

employees are represented by works councils in Austria and Germany

**46**

managed collective bargaining agreements are in effect across our workforce





## ENGAGING OUR EXTERNAL STAKEHOLDERS


We regularly engage with stakeholders to support the resilience of our businesses and communities. We value fair and meaningful involvement of all people regardless of background or income. Our engagements start with identifying and prioritizing stakeholder issues. We review our practices, policies and procedures to understand any perceived gaps and look for alignments with our sustainability strategy, processes and disclosures. We review the outcomes annually and realign accordingly.

### Providing Community Support and Communication

We promote open communication through community awareness campaigns, education and listening panels, social media and community hotlines. Our refineries have Community Advisory Councils or Panels (CACs or CAPs) made up of volunteer community members and refinery leadership who meet regularly to discuss topics of mutual interest. Topics include site safety and operating performance, special educational topics, planned maintenance activities, community outreach programs and volunteering opportunities. Our Midstream pipeline operators have year-round education and listening panels to build community awareness. The panels inform those living or working near our pipelines or facilities of safe digging practices and emergency numbers and signs of potential leaks, and how to respond quickly if suspected.

 **Contact us with any questions or concerns.**

 **Find Midstream pipeline hotline numbers.**

 **Find Refinery hotline numbers.**

### Strengthening Our Communities Through Social Impact

We create purposeful partnerships and aim to strengthen economic, social and environmental resilience in the communities where our employees live and work. Our Good Energy employee volunteer program inspires employees around the globe to connect with neighbors and share their compassion, talents and hard work to improve our communities. In 2023, more than 2,600 employees and retirees contributed 118,000 volunteer hours.

**\$30MM**

invested in 2023 across our key focus areas of education equity, safety & well-being, environment and social advancement and through our Employee Giving programs

**\$1.25MM**

invested annually in ST Math, a program that helps elementary school children learn math skills through gaming



ST Math Program at Jane Phillips Elementary School  
BARTLESVILLE, OK

### Project Lead the Way

In 2023, we partnered with Project Lead the Way, awarding the organization \$1 million to support STEM programming in qualified middle schools within our communities. Phillips 66 funded 72 schools with an average population of 67% underrepresented minorities and 67% participation in the free and reduced lunch program.



**Learn more information about our Social Impact programs.**



In April 2023, we completed our third annual Good Energy Month, a campaign to unite employees to simultaneously embark on projects of all scopes and sizes to improve their communities. In one month, our employees across the globe logged 13,300 volunteer hours, a 66% increase from the 2022 event. Employees completed approximately 60 service projects and raised more than \$300,000 in volunteer grant dollars.

Our social impact strategy includes our focus areas for corporate giving:

- Education Equity
- Environment
- Safety & Well-Being
- Social Advancement

Additionally, eligible employees can take two days of paid leave each year to volunteer with community service initiatives that matter to them.

### Connecting With Indigenous Peoples

We respect Indigenous peoples and their land. Our field communicators and local CAPs/CACs consult with tribal representatives when pipelines or asset repairs or upgrades involve their heritage lands. We have a long-standing relationship with the Lummi Nation, for example, whose members serve on our Ferndale Refinery CAP. Additionally, we are strengthening relations with the Otoe Missouri, Kaw, Tonkawa and Ponca tribes at our Ponca City Refinery by extending invitations to include them on our emergency training and drills.

We support the American Indian Science and Engineering Society (AISES). In 2023, we were honored as a legacy sponsor of the AISES National American Indian Science and Engineering Fair at Oklahoma State University, the only national science fair focused on supporting Indigenous students. Supporting and furthering Indigenous students in STEM education is a focus for our Native American Network ERG. At our Ferndale Refinery, we collaborated with the Boys & Girls Club of Lummi Nation to create a state-of-the-art Science, Technology, Engineering, the Arts and Math (STEAM) Center.

We do business with Native American-owned businesses, such as Lummi Commercial Company. In November of 2023, we debuted the country's first 76® branded ultrafast EV chargers at their market station.

### Managing Change and Addressing Social Risks

We adhere to national and local laws and regulations regarding environmental, social and health assessments before starting operations at any new site, including pipelines. We conduct a comprehensive social risk assessment to understand the people and concerns along a proposed route or project.

We aim to provide stakeholders with up-to-date information about the potential environmental, health and safety aspects of our work through press releases, our website, social media and door-to-door flyer distribution. We also hold public meetings to encourage dialogue and feedback from our stakeholders.

### Fighting Human Trafficking

We work to educate the truck drivers who transport our products and the people who sell our fuel at convenience stores to recognize the signs of human trafficking and know what to do if they suspect someone is in trouble. Our platinum-level sponsorship of Truckers Against Trafficking (TAT) goes toward its mission to “educate, equip, empower and mobilize members of the trucking and busing industries to combat human trafficking.”

In January 2023, we hosted a TAT awareness session for employees during National Human Trafficking Awareness Month. We also included TAT's human trafficking awareness training video in the onboarding training for DCP Midstream employees transitioning into the Phillips 66 workforce. In addition, employees in Houston and Calgary participated in TAT Coalition Build events that develop local public-private partnerships between key industries and law enforcement to combat human trafficking.

### Honoring a Legacy With the Wounded Warrior Project

After Phillips 66 finalized its integration of DCP Midstream in June 2023, we continued that company's legacy relationship with the Wounded Warrior Project.

Phillips 66 donated \$100,000 to the nonprofit organization that helps veterans and active-duty service members by offering no-cost programs, services and events.

Vincent Compean, a Marysville Area supervisor who joined Phillips 66 from DCP Midstream and served in the U.S. Navy, said, “As a veteran myself, I am proud to be a part of an amazing organization that means it when they say they support their veterans.”



# Governance

Global Town Hall at headquarters  
HOUSTON, TX



Good governance and ethics are integrated throughout our organization and contribute positively to our corporate culture, sustainability and shareholder value.

Our values guide our processes, policies and decisions. Written policies and auditing programs create strong governance throughout our company and supply chain. Key policies and documents, including board governance documents and charters, are publicly available on our website and in our [ESG Library](#). These and many other formal procedures and controls set the standards that guide our actions and efforts to maintain the highest levels of responsibility, integrity and legal compliance across our businesses.

## Managing Oversight and Governance

Our highly qualified board of directors actively engages with Phillips 66 executive leadership on management strategies and oversight. The board regularly reviews evolving corporate governance best practices, regulatory requirements, shareholder feedback and emerging trends. Senior leaders regularly collaborate with the board to continue to enhance our high-performing organization. Board members also collaborate with senior leaders and stay connected to our corporate culture through regular visits to our facilities, where they study day-to-day operations and talk with employees.



[View our Corporate Governance structure.](#)

## Managing Risk

Our governance structure allows the board and executive leadership to exercise their oversight responsibilities concerning risks. Executive leadership is responsible for the strategic and operational management of risks and opportunities while considering technology developments, policy changes and consumer energy demand.

Our enterprise risk management program provides a systematic approach to identifying and understanding significant risks, including climate-related issues, changes in energy policy and physical or operational risks such as cybersecurity. Our scenario planning seeks to manage our businesses' risks while evaluating opportunities to execute our strategy. Management directs and the board oversees the enterprise risk management program and processes.

Experts from our business units and corporate functions are actively involved in our risk management program and processes. Each risk has a corporate owner, creating accountability within our organization.

Our risk management team is designed to identify risks that could affect our overall policies and governance, strategy development, business units, forecasts and capital allocation decisions, among other things. Additionally, the team provides detailed, regular, timely and relevant information to our board of directors and ELT. The team:

- Quantifies risks based on our assessment of the probability of each risk and the potential significance of its financial, reputational or other impact.
- Assesses each identified risk, considering potential mitigating strategies or factors that may be available.
- Assigns values to each mitigating factor based on assessments of potential timing, costs, effectiveness and other features.
- Includes assessments of potential GHG emissions policies and impacts.

## Managing Climate-Related Risks

The potential physical effects of climate change and severe weather, as well as other chronic physical effects such as water shortages and rising sea levels, on our operations are highly uncertain and depend upon the unique geographic and environmental factors present. We have systems in place to manage potential acute physical risks, including those that may be caused by climate change. Such events could have an adverse effect on our assets and operations. We have incurred, and will continue to incur, costs to protect our assets from physical risks and to employ processes, to the extent available and economical, to mitigate such risks.

For more information regarding our board of directors and board committees, please see our [2024 Proxy Statement](#). In addition, each board committee's charter is posted on the Corporate Governance page in the Investors section of our [website](#).



## Managing Cybersecurity Risks

Management has implemented a comprehensive cybersecurity program that is designed to protect our information, and that of our customers and suppliers, against cybersecurity threats that may materially and adversely affect the confidentiality, integrity and availability of our information systems. Our cybersecurity program includes processes and standards that leverage recognized cybersecurity frameworks, industry best practices and guidance from U.S. Government security directives that focus on cybersecurity and critical infrastructure.

The Audit and Finance Committee of the Board of Directors oversees the processes management has implemented to assess, identify and manage risks associated with cybersecurity and information technology systems. In carrying out this responsibility, the Audit and Finance Committee regularly receives reports from the company's Chief Information Security Officer (CISO) and periodic briefings from the CISO multiple times per year.

While the company and our third-party vendors and service providers have experienced cybersecurity events in the past, we do not believe that any such past cybersecurity events have had, or are reasonably likely to have, a material adverse impact to our business, operations or financial condition. We have not experienced a cybersecurity event in the last three years and, as such, we have not incurred any penalties, settlements or remediation costs during that time. We maintain information security policies and procedures and provide training to our employees and contractors to help reduce the likelihood of cybersecurity incidents in the future.

## Lobbying on Behalf of the Company

Phillips 66 participates in the political process at all levels of government. We work with communities, environmental organizations, legislators and customers on public policy issues, including those related to climate change.

Our lobbying activity is governed by our [Political Giving and Activity policy](#). Within the policy, we provide extensive disclosures that include federal and state filings, political contributions, trade association memberships, political expenses and independent expenditures. Phillips 66 lobbies directly through contact with legislative or executive branch officials and indirectly through trade associations and memberships. We review company positions for messaging alignment and consistency of our lobbying activities in support of our 2030 and 2050 GHG emissions reduction targets and lower-carbon initiatives.

## Trade Association Alignment

Phillips 66 collaborates with national, regional and state trade associations to advance sound and meaningful policy. We participate in industry trade associations to share technical and standards expertise and lessons learned from incident investigations. We also develop best practices and participate in public education efforts regarding issues of common concern to our industry. We examine the business value of participating in trade associations, coalitions and think tanks, which cover multiple issues, including climate change and others that may or may not apply to our business.

Due to the membership variability within these trade associations, members may sometimes disagree on a position. As a result, positions taken by trade associations of which Phillips 66 is a member may not always reflect the company's viewpoints. When this happens, we work with the association to promote reasonable compromise on major initiatives affecting our business and our stakeholders. We use our positions and other policy principles to educate members and seek alignment within trade associations on issues of importance to us, such as climate, biodiversity and engagement. We may discontinue membership if persistent misalignment exists on company priority issues, including climate change, or if there is limited value from our continued engagement.

## Employee-Activated Political Action Committee (PAC66)

PAC66 is a political action committee funded exclusively through voluntary contributions from eligible employees and members of the board of directors. PAC66 contributes to federal and state political candidates it believes support responsible energy industry activities and other business issues of interest.

PAC66's board of directors includes a broad cross-section of employee volunteers. The PAC66 board approves all PAC66 disbursements, which are made solely in the best interest of the company and its shareholders and not according to the personal agendas of individual directors, officers or employees.

## Our Position on Climate Change

We support the goals of the Paris Agreement and are committed to being a part of the solution to help the world address climate change. Our approach is to improve the efficiency of our diversified and resilient operations and make investments to help meet the world's evolving energy needs and advance a lower-carbon future.

Phillips 66 supports climate policy that:

- Offers market-based, economywide solutions that are fuel- and technology-neutral for all energy sources to facilitate meaningful GHG emissions reductions that are most beneficial and least costly to society.
- Balances economic, environmental, energy security and local community needs.
- Rationalizes overlapping policies or programs.
- Ensures that energy producers, manufacturers and suppliers are responsible for their direct emissions.
- Recognizes and appropriately accounts for early or voluntary actions.
- Makes any regulatory cost and associated climate benefits transparent to the consumer.
- Promotes fundamental public research at the pre-commercial stage to advance viable energy solutions.

### Climate Lobbying Assessment

Phillips 66 recognizes that supportive policies drive at-scale deployment of lower-carbon energy alternatives, and we engage with policymakers directly and through trade associations. Examples of recent collaborations include:

- Influencing API and AFPM lobbying in favor of higher biofuel volumes (advanced category) in the EPA's Renewable Volume Obligations for Years 2023-2025 to advance renewable diesel production. This is a change in historical position under the Renewable Fuel Standard.
- Highlighting the importance of the Inflation Reduction Act's (IRA) energy tax credits to API and AFPM, resulting in meetings with the U.S. Treasury Department and the Department of Energy. Company-specific meetings with federal regulators also took place to maximize the opportunities afforded by the IRA.
- Engaging with the Fuel Cell and Hydrogen Energy Association to promote the nascent hydrogen production tax credit and carbon capture credit enacted by the IRA.
- Working with API to support federal legislation allowing the year-round sale of E15 gasoline.
- Collaborating with ethanol- and biofuels-focused trade associations.
- Coordinating with the Western States Petroleum Association to confirm workable Low Carbon Fuel Standard and cap-and-trade programs in California as state regulators seek to tighten the stringency of both programs.

To evaluate our continued alignment with trade associations and memberships on climate-related positions in 2023, we:

- Reviewed global memberships with annual dues of more than \$50,000 if a portion of the dues supports lobbying activities.
- Assessed each trade association's positions, advocacy actions and public statements supporting a climate policy.
- Quantified the level of alignment with our criteria.

We analyzed the climate positions of our trade association memberships to assess the alignment with Phillips 66's climate positions. Those associations that have climate positions are aligned or mostly aligned with ours. Of those with published climate-related lobbying positions, details regarding the Paris Agreement vary. We did not identify any misalignments.



### Alignment with Phillips 66 Criteria

Trade Association	Phillips 66 Participation Level	Is market-based, economywide	Is fuel- and technology-neutral	Advances meaningful emissions reductions that are most beneficial to society	Cost and associated climate benefits are transparent to the consumer	Assessment Results
American Fuel & Petrochemical Manufacturers	■ ● ▲	✓	✓	✓	✓	Aligned
American Petroleum Institute	■ ● ▲	✓	✓	✓	✓	Aligned
Business Roundtable	■ ●	✓	✓	✓	✓	Aligned
California Council for Environmental and Economic Betterment (CCEEB)	■ ●	✓	✓	✓	✓	Aligned
Greater Houston Partnership (GHP)	●	✓	✓	✓	✓	Aligned
Louisiana Mid-Continent Oil & Gas Association (LMOGA)	■ ● ▲	✓	✓	✓	✓	Aligned
State Chamber of Oklahoma	■ ●	✓	✓	✓	✓	Aligned
Texas Association of Manufacturers (TAM)	● ▲	✓	✓	✓	✓	Aligned
Texas Oil & Gas Association	■ ● ▲	✓	✓	✓	✓	Aligned
U.S. Chamber of Commerce <sup>1</sup>	■ ●	✓	✓	✓	✓	Aligned
Fuels Industry UK <sup>2</sup>	● ▲	✓	✓	✓	✓	Aligned
Western States Petroleum Association	■ ● ▲	✓	✓	✓	✓	Aligned
Fuels Europe	● ▲	✓	✓	–	✓	Mostly Aligned
Liquid Energy Pipeline Association <sup>3</sup>	■ ●	✓	✓	–	✓	Mostly Aligned
GPA Midstream Association	■ ● ▲	–	–	–	–	No Climate Position
Texas Pipeline Association	■ ● ▲	–	–	–	–	No Climate Position

- Board of Directors
- Government Affairs, Legislative and Regulatory Committees
- ▲ Subject-Matter Experts and Technical Committees

- ✓ Aligned
- No position
- X Misaligned

**Aligned** if all climate-related positions analysis criteria are aligned.

**Mostly Aligned** if three climate-related positions analysis criteria are aligned.

**Misaligned** if one or more climate-related positions analysis criteria are contradictory.

<sup>1</sup> Includes membership in the U.S. Chamber of Commerce Institute for Legal Reform

<sup>2</sup> Formerly United Kingdom Petroleum Industry Association

<sup>3</sup> Formerly Association of Oil Pipe Lines

### Leading in Transparent Disclosures

Phillips 66 is rated by the CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which is produced by the Center for Political Accountability and the Zicklin Center for Governance & Business Ethics at the University of Pennsylvania's Wharton School. This index provides nonpartisan criteria for sound corporate political disclosures. By increasing the clarity and transparency of our political activity disclosures, we have received the CPA-Zicklin Index Trendsetter or first-tier rating for four consecutive years since 2020.

## Living by Our Code of Ethics

Phillips 66 conducts operations within our sphere of influence and business role, according to our values, ethics and policies. These policies include the Code of Business Ethics and Conduct (Code of Ethics), Business Partners Principles of Conduct, U.K. Modern Slavery Disclosure and Human Rights Position. All of these are available in our [ESG Library](#). Phillips 66 recognizes the dignity and values the worth of all human beings, and this is reflected in our policies. We embrace the right of all people to live their lives free from social, political or economic discrimination or abuse. This includes labor rights for agricultural workers.

We expect everyone who works at Phillips 66 — directors, officers and employees at all levels — to work for the greater good and act with integrity, abiding by our [Code of Business Ethics and Conduct](#), which is approved and supported by our board of directors. All employees participate in biennial ethics training and annually attest that they will comply with the Code of Ethics. Phillips 66's principal executive officer and senior financial officers are also expected to adhere to supplemental codes of ethics.

### Whistleblower Program

Employees, suppliers and customers are empowered to raise questions or concerns about our operations and business practices without fear of retribution. Employees are expected to report behaviors that they believe violate the Code of Ethics. Phillips 66 has a policy of nonretaliation, which helps foster an ethical workplace and a culture of integrity. Various federal and state laws also provide legal protection to certain types of whistleblowers.

Employees, contractors, suppliers and community members can report potential violations by accessing our toll-free global ethics help line from any location around the world, or they can file a report online.

### Global Ethics Toll-Free Help Line

855-318-5390 [phillips66.ethicspoint.com](https://phillips66.ethicspoint.com)



Compliance across our organization is a critical aspect of our operations. We expect everyone at Phillips 66 to follow all laws and policies and to operate with integrity as we work together to deliver on our business strategies and serve our communities.”

**Teri Cotton Santos**

Chief Compliance Officer

## Extending Our Values Across the Supply Chain

The products we manufacture significantly contribute to local, state and national economies. In keeping with our core values, we choose business partners objectively and fairly and act with integrity. Our Procurement policy and procedures govern our supply chain activities. We employ formal supplier vetting processes that are intended to protect people, confirm adherence to industry-standard frameworks for quality and monitor financial stability.

We expect our business partners and suppliers to comply with the contractual obligations and criteria in our [Business Partner Principles of Conduct](#). These principles require our suppliers to work with our employees in a manner consistent with our values and Code of Ethics. Priorities include fair wages, nondiscrimination, no human trafficking, anti-bribery, cybersecurity, no child labor, the right to associate or bargain collectively and upholding all HSE laws.

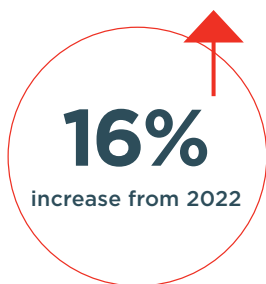
In 2024, we updated the Business Partner Principles of Conduct to clarify expectations on social and environmental issues with suppliers, business partners and stakeholders. We benchmarked against the United Nations Global Compact and our peers to identify areas to enhance or update.

We engage with existing suppliers to incorporate innovative products and execute continuous improvement opportunities. In 2023, we worked with our strategic and core suppliers to identify environmental improvement and cost-reduction opportunities and are working to integrate them into existing processes.



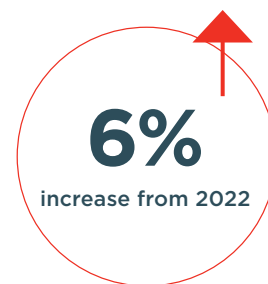
# \$134MM

in Tier 1 diverse supplier spend  
Tier 1 are direct suppliers to Phillips 66



# \$84.6MM

in Tier 2 diverse supplier spend  
Tier 2 are suppliers or contractors to  
Tier 1 suppliers



## Diversifying Our Supply Chain

Phillips 66 seeks to work with diverse businesses across our operations, and we are committed to providing equal and impartial opportunities. We conduct business with various enterprises, including small businesses and companies owned by women, minorities, military veterans, people with disabilities and members of the LGBTQ+ community.

Our [supplier diversity position statement](#) details how the program stimulates local economic development and enhances our long-term business performance. We also encourage our Tier 1 suppliers to embrace supplier diversity in their value chains.

Our supplier diversity program has established collaborative relationships, digital tools and dashboards, and internal metrics for benchmarking diverse supplier utilization in alignment with our business needs. We are members of the National Minority Supplier Development Council and the API Energy Task Force, and we actively support API supplier diversity activities. In 2023, for the second consecutive year, we participated in the API Pathways to Excellence cohort, which focused on developing minority suppliers in the oil and natural gas supply chain. A tour of the Sweeny Refinery was offered to graduates of the cohort in 2024 to illustrate how their goods and services can impact the industry.



## ABOUT THIS REPORT

Phillips 66 has published annual sustainability metrics and information since the company was founded in 2012. In this year's report, we continue that transparency and have assessed our operations against the Sustainability Accounting Standards Board (SASB) materiality criteria for Midstream, Refining and Marketing and Specialties, addressing those most relevant to our businesses and stakeholders, and the Global Reporting Initiative (GRI) standards.

We also considered industry trade association publications, including sustainability reporting guidance for the oil and gas industry published by Ipieca, the API and the International Association of Oil & Gas Producers. Our most recent disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) Analysis can be found throughout the report. Phillips 66 also reported disclosures under the CDP Climate Change and Water Security surveys.

Unless otherwise stated, this report covers Phillips 66's performance in 2023 and includes the results of our operated joint ventures, such as WRB Refining LP. Chevron Phillips Chemical Company LLC (CPChem) publishes its sustainability report on its [website](#).

## PERFORMANCE DATA TABLES

## Performance Data\*

<b>PERSONAL &amp; PROCESS SAFETY</b>	2019	2020	2021	2022	2023	GRI	SASB
<b>Personal Safety</b>							
Combined Total Recordable Rate (TRR) <sup>1</sup>	0.15	0.11	0.12	0.11	0.12	403-9	EM-RM-320a.1
Employee TRR	0.13	0.08	0.12	0.12	0.11		
Contractor TRR	0.16	0.13	0.12	0.11	0.13		
Midstream Combined TRR	0.19	0.12	0.03	0.10	0.18		
Midstream Employee TRR	0.25	0.00	0.00	0.13	0.20		
Midstream Contractor TRR	0.15	0.20	0.05	0.07	0.17		
API EHSB Benchmark <sup>2</sup>	0.24	0.36	0.34	0.69	0.36		
Refining Combined TRR	0.18	0.13	0.15	0.15	0.14		
Refining Employee TRR	0.15	0.13	0.19	0.15	0.13		
Refining Contractor TRR	0.20	0.14	0.12	0.15	0.14		
AFPM Benchmark <sup>3</sup>	0.33	0.35	0.32	0.28			
Combined Lost Workday Case Rate (LWCR) <sup>4</sup>	0.03	0.02	0.04	0.02	0.04	403-9	
Employee LWCR	0.05	0.03	0.06	0.02	0.04		
Contractor LWCR	0.03	0.02	0.03	0.02	0.03		
Midstream Combined LWCR	0.03	0.02	0.00	0.00	0.04		
Midstream Employee LWCR	0.06	0.00	0.00	0.00	0.06		
Midstream Contractor LWCR	0.00	0.04	0.00	0.00	0.02		
Refining Combined LWCR	0.05	0.04	0.06	0.03	0.05		
AFPM Benchmark <sup>3</sup>	0.08	0.16	0.11	0.15			
Refining Employee LWCR	0.06	0.06	0.09	0.04	0.06		
Refining Contractor LWCR	0.04	0.02	0.03	0.03	0.04		
Combined Fatalities Count	0	0	0	1	1	403-9	EM-RM-320a.1
Employee Fatalities Count	0	0	0	0	0		
Contractor Fatalities Count	0	0	0	1	1		
Combined Fatality Rate <sup>5</sup>	0.000	0.000	0.000	0.003	0.003		
Employee Fatality Rate	0.000	0.000	0.000	0.000	0.000		
Contractor Fatality Rate	0.000	0.000	0.000	0.006	0.005		
<b>Vehicle Safety</b>							
Midstream Vehicle Safety Rate <sup>6</sup>	1.41	0.86	1.02	0.44	1.1		
API EHSB Benchmark <sup>2</sup>	1.26	0.98	1.36	1.80	1.16		
<b>Process Safety</b>							
Combined Tier 1 & Tier 2 Process Safety Event Rate <sup>7</sup>	0.21	0.14	0.13	0.13	0.18		EM-RM-540a.1
AFPM Benchmark <sup>3</sup>	0.21	0.18	0.25	0.24			
Tier 1 Process Safety Event Rate	0.06	0.02	0.05	0.02	0.06		
Midstream Tier 1 Process Safety Event Rate	0.08	0.02	0.08	0.07	0.11		
Refining Tier 1 Process Safety Event Rate	0.06	0.02	0.05	0.01	0.05		
AFPM Benchmark <sup>3</sup>	0.06	0.06	0.08	0.07			
Tier 2 Process Safety Event Rate	0.14	0.12	0.08	0.11	0.12		
Midstream Tier 2 Process Safety Event Rate	0.35	0.10	0.13	0.13	0.19		
Refining Tier 2 Process Safety Event Rate	0.12	0.14	0.08	0.13	0.11		
AFPM Benchmark <sup>3</sup>	0.16	0.13	0.17	0.17			

● denotes reinstatement



## Performance Data

<b>GREENHOUSE GAS<sup>8</sup></b>	UNIT OF MEASURE	2019	2020	2021	2022	<b>2023</b>	GRI	SASB
<b>Direct GHG Emissions (Scope 1)<sup>9</sup></b>								
Direct GHG Emissions (Scope 1) - All GHGs	million metric tons CO <sub>2</sub> e	30.1	25.5	30.3	24.8	31.6	305-1	
Methane	% of All GHGs		0.42	0.38	0.41	3.7		
Methane	million metric tons CH <sub>4</sub>	0.005	0.004	0.005	0.004	0.047		
Midstream - All GHGs	million metric tons CO <sub>2</sub> e	0.4	0.5	0.5	0.6	8.2	305-1.a	EM-MD-110a.1
Methane		0.005	0.007	0.001	0.000	1.083		
Downstream - All GHGs	million metric tons CO <sub>2</sub> e	29.7	25.0	29.8	24.2	23.3		EM-RM-110a.1
Methane		0.109	0.100	0.114	0.102	0.093		
<b>Indirect GHG Emissions From Imported Energy (Scope 2)<sup>10</sup></b>								
Indirect GHG Emissions (Scope 2) - All GHGs	million metric tons CO <sub>2</sub> e	5.4	4.6	4.5	6.4	7.3	305-2a	
Midstream - All GHGs		0.4	0.5	0.3	0.7	1.2		
Downstream - All GHGs		5.0	4.0	4.1	5.7	5.9		
<b>Indirect GHG Emissions From Products (Scope 3)<sup>11</sup></b>								
Indirect GHG Emissions (Scope 3) - All GHGs	million metric tons CO <sub>2</sub> e	382	313	350	354	359	305-3	
<b>Intensity - GHG Emissions<sup>12</sup></b>								
	metric tons CO <sub>2</sub> e/MBOe							
Scope 1 & 2 Manufacturing-Related Emissions Intensity		36.5	37.3	37.5	33.4	30.4	305-4c	
Scope 3 Product-Related Emissions Intensity		380	374	366	368	353	305-4c	

<b>ENVIRONMENTAL</b>	UNIT OF MEASURE	2019	2020	2021	2022	<b>2023</b>	GRI	SASB
<b>Events and Spills</b>								
Environmental Events <sup>13</sup>	count	119	75	119	117	289		
Spills Beyond Secondary Containment <sup>14</sup>	count	27	18	26	27	134	306-3	EM-MD-160a.4
Spills Beyond Secondary Containment - Volume	bbbls	2,754	357	5,203	1,634	2,585		
Spills To Land	bbbls	1,654	132	5,149	1,317	2,582		
Spills To Water	bbbls	1,100	225	55	318	3		
Spill Volume Recovered <sup>15</sup>	%	90	94	74	90	85		
Spill Volume Recovered	bbbls	2,479	336	3,827	1,464	2,191		EM-MD-160a.4
Midstream Spills <sup>16</sup>	count	18	7	8	8	120	306-3	
Midstream Spills - Volume	bbbls	1,403	25	157	347	1,210		
Midstream Spills To Land	bbbls	257	5	148	61	1,207		
Midstream Spills To Water	bbbls	1,100	0	0	286	3		
Midstream Spill Volume Recovered <sup>17</sup>	bbbls	1,181	17	33	215	1,040		
<b>Air Emissions<sup>18</sup></b>								
Total Emissions (NOx-PM-SOx-VOC)	thousand metric tons	38.3	35.5	34.5	31.8	57.2	305-7a	
NOx	thousand metric tons	12.6	11.5	11.6	11.2	25.5		
Midstream NOx	thousand metric tons	0.6	0.9	0.9	0.9	16.1		EM-MD-120a.1
Refining NOx	thousand metric tons	12.0	10.6	10.7	10.2	9.3		EM-RM-120a.1
PM	thousand metric tons	2.7	2.3	2.5	2.2	2.9		
Midstream PM	thousand metric tons	0.0	0.0	0.0	0.0	0.7		
Refining PM	thousand metric tons	2.6	2.2	2.4	2.2	2.2		
SOx	thousand metric tons	7.8	7.5	7.3	6.9	7.8		
Midstream SOx	thousand metric tons	0.0	0.1	0.0	0.0	2.0		
Refining SOx	thousand metric tons	7.8	7.5	7.3	6.9	5.8		
VOCs	thousand metric tons	15.3	14.3	13.1	11.5	21.0		
Midstream VOCs	thousand metric tons	2.0	2.6	2.7	0.9	10.7		
Refining VOCs	thousand metric tons	12.3	10.7	10.4	9.8	9.5		

## Performance Data

	UNIT OF MEASURE	2019	2020	2021	2022	2023	GRI	SASB
<b>Water<sup>19</sup></b>								
Freshwater Withdrawn <sup>20</sup>	million bbls	1,029	759	895	933	931	303-3.c.i	EM-RM-140a.1
Freshwater Withdrawn In Water-Stressed Areas <sup>21</sup>	%	28	39	36	33	18	303- 3.c.i	EM-RM-140a.1
Freshwater Withdrawal Intensity <sup>22,23</sup>		1.17	1.06	1.15	1.25	1.24		
Freshwater Consumed <sup>24</sup>	million bbls	318	335	400	526	567		
Freshwater Consumed In Water-Stressed Areas <sup>25</sup>	%	37	39	37	26	11		EM-RM-140a.1
Freshwater Discharged <sup>26</sup>	million bbls	517	511	495	407	364	303-4.b.i	
Freshwater Discharge Intensity <sup>22,23</sup>		0.59	0.71	0.64	0.55	0.49		
<b>Waste and Recycling</b>								
Hazardous Waste Generated <sup>27</sup>	million metric tons	0.03	0.03	0.04	0.04	0.04	306-3	EM-RM-150a.1
Non-Hazardous Waste Generated <sup>27</sup>	million metric tons			0.24	0.21	1.25	306-3	
Recycled Materials <sup>28</sup>	thousand metric tons	159	124	184	141	177	306-4b.ii	
IT Hardware E-Waste Recycled <sup>29</sup>	thousand lbs.	170	171	224	307	142		
<b>Product Specifications and Clean Fuels Blends</b>								
Purchase Of Separated Renewable Identification Numbers (RINs)	%	49	52	46	38	47		EM-RM-410a.1
<b>Processing, Reliability and Energy</b>								
Utilization <sup>19</sup>	%	94	76	84	90	92		
Processed Inputs Refining, Global	million bbls	872	710	776	745	750		EM-RM-000.A
Total Processed Inputs, Global <sup>30</sup>	million boe	973	807	926	933	1,279		
Renewable Feedstocks Purchased <sup>31</sup>	million bbls			2.6	3.7	7.3		
Refined Petroleum Products And NGLs Fractionated, Global	million boe	1,005	838	956	963	1,017		
Total Energy Consumption <sup>32</sup>	trillion BTUs	480	471	490	444	570	302-1e	
Exported Electricity <sup>33</sup>	billion kilowatt-hours			2.5	3.2	2.8		
Power Consumed <sup>34</sup>	billion kilowatt-hours			9.3	9.2	11.7		
Energy Intensity <sup>35</sup>	million BTU / bbl			0.5	0.5	0.6	302-3a	
<b>Pipeline</b>								
Hazardous Liquids Pipeline Inspections Completed Per Plan <sup>36</sup>	%			100	100	100		EM-MD-540a.2
Pipelines Near Ecologically Sensitive Areas <sup>37</sup>	%			12	13	12	304-1	
<b>Social<sup>38</sup></b>								
Number Of Employees	count	13800	13600	13300	12200	13700		
Employees - Represented By Unions <sup>39</sup>	%	34	34	35	35	30		
Employees - Women	%	21	21	21	21	20	405-1	
Employees - Underrepresented Minority Group <sup>39</sup>	%	26	27	27	28	28		
Employees - Generation Z	%	3	4	5	7	8		
Employees - Millennials	%	40	42	44	45	46		
Employees - Generation X	%	39	38	39	39	37		
Employees - Baby Boomers	%	19	16	12	10	9		
Retention Rate <sup>40</sup>	%	96	98	96	93	95	401-1	
Interns - Women <sup>39</sup>	%	48	44	39	47	39		
Interns - Underrepresented Minority Group <sup>39</sup>	%	31	38	39	38	39		

● denotes reinstatement



## Performance Data

	UNIT OF MEASURE	2019	2020	2021	2022	2023	GRI	SASB
<b>Philanthropy and Volunteerism</b>								
Charitable Donations	millions US\$	28	32	27	27	30		
Employee Volunteerism <sup>41</sup>	thousands of hours	88	53	67	88	118		
<b>Governance</b>								
Board Composition: Independent Directors	%			91	85	85		
Board Composition: Diversity (Women + Ethnic Minorities)	%			45	38	36	405-1	
Board Composition: Women	%	30	45	45	38	36	405-1	
Board Composition: Ethnic Minorities	%			9	8	7	405-1	
Ethics Violations Allegations Received	count	218	191	224	179	178		
Ethics Violations Allegations Investigated	%	100	100	100	100	100		
Anonymous/Provided Name	%	38/62	40/60	35/65	47/53	74/26		
<b>Cybersecurity</b>								
Inbound Email Inspected For Malicious Activity	%			100	100	100		

## 2023 EEO-1 DATA<sup>39</sup>

Job Categories	Hispanic or Latino		White		Black or African American		Native Hawaiian or Pacific Islander		Asian		American Indian or Alaskan Native		Two or more races		Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Executive/Sr. Officials & Mgrs	4	1	51	15	1	5	-	-	9	2	2	-	-	1	91
First/Mid Officials & Mgrs	152	27	1,184	267	59	24	2	1	53	23	33	17	18	4	1,864
Professionals	243	141	1,839	790	119	80	6	2	222	135	45	45	34	27	3,728
Technicians	35	12	223	66	20	17	2	-	16	5	17	4	13	3	433
Sales Workers	4	2	78	18	2	1	-	-	6	2	-	1	-	-	114
Administrative Support	6	41	43	245	8	44	-	-	7	5	22	1	4	4	426
Craft Workers	370	12	1,572	44	79	3	18	-	18	2	35	1	26	4	2,184
Operatives	534	24	2,287	180	279	34	10	3	45	3	80	3	63	6	3,551
Laborers & Helpers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,348</b>	<b>260</b>	<b>7,277</b>	<b>1,625</b>	<b>567</b>	<b>208</b>	<b>38</b>	<b>6</b>	<b>369</b>	<b>179</b>	<b>217</b>	<b>93</b>	<b>155</b>	<b>49</b>	<b>12,391</b>

## Performance Data

### U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION STATISTICS (%)<sup>39</sup>

	2019	2020	2021	2022	2023
<b>Total Employees</b>					
Women	21	21	20	20	20
Hispanic Or Latino	11	11	11	12	13
Black Or African American	7	7	7	7	6
Asian	4	4	5	5	4
American Indian Or Alaskan Native	2	2	2	3	3
Two Or More Races	1	1	1	1	2
Native Hawaiian Or Pacific Islander	0.4	0.3	0.4	0.4	0.4
<b>Total Underrepresented</b>	<b>26</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>28</b>
White	74	74	73	72	72
<b>Executive/Senior Officials And Managers</b>					
Women	19	24	26	22	26
Hispanic Or Latino	7	8	8	6	5
Black Or African American	3	3	1	5	7
Asian	7	5	7	7	12
American Indian Or Alaskan Native	5	5	5	4	2
Two Or More Races	0	0	0	1	1
Native Hawaiian Or Pacific Islander	0	0	0	0	0
<b>Total Underrepresented</b>	<b>21</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>27</b>
White	79	79	78	77	73
<b>First/Mid-Level Officials And Managers</b>					
Women	19	19	19	20	19
Hispanic Or Latino	8	8	9	9	10
Black Or African American	5	4	5	4	4
Asian	4	4	4	4	4
American Indian Or Alaskan Native	2	2	2	3	3
Two Or More Races	0.4	0.5	0.7	1	1
Native Hawaiian Or Pacific Islander	0.3	0.3	0.2	0.2	0.2
<b>Total Underrepresented</b>	<b>19</b>	<b>19</b>	<b>21</b>	<b>22</b>	<b>22</b>
White	81	81	79	78	78
<b>Professionals</b>					
Women	33	32	32	33	33
Hispanic Or Latino	8	8	9	9	10
Black Or African American	6	6	5	5	5
Asian	8	9	9	10	10
American Indian Or Alaskan Native	3	2	3	3	2
Two Or More Races	1	1	1	1	2
Native Hawaiian Or Pacific Islander	0.2	0.2	0.2	0.2	0.2
<b>Total Underrepresented</b>	<b>26</b>	<b>26</b>	<b>27</b>	<b>29</b>	<b>29</b>
White	74	74	73	71	71

### Performance Data Notes

\* 2023 performance data includes DCP Midstream operated assets, unless otherwise noted. Data pre-2023 has not been normalized to reflect DCP Midstream operated assets. DCP Midstream data reported in 2022 and prior, can be found in the 2023 Performance Data Table in the Phillips 66 2023 Sustainability Report.

<sup>1</sup> As defined by the Occupational Safety and Health Administration (OSHA). All rates are calculated as incidents per 200,000 work-hours.

<sup>2</sup> American Petroleum Institute for combined rates, Environmental, Health and Safety Group benchmarks for Midstream.

<sup>3</sup> American Fuel & Petrochemical Manufacturers, U.S. refining benchmark. 2023 benchmark not available at time of publication.

<sup>4</sup> Also known as Lost Time Incident Rate, as defined by OSHA. All rates are calculated as incidents per 200,000 work-hours. Includes employees and contractors.

<sup>5</sup> Calculated using the OSHA incident rate formula. Incidents per 200,000 work-hours.

<sup>6</sup> Number of motor vehicle incidents x 1 million miles ÷ business use miles driven. Business use of a company-owned, leased or rented vehicle includes all miles driven while on duty, including commuting to and from work, driving to and from a call-out location and going to and from lunch.



## Performance Data Notes (continued)

- <sup>7</sup> Tier 1 and Tier 2 Process Safety Events differ by release rate, type of product and impact as defined by the American Petroleum Institute RP-754.
- <sup>8</sup> The company reports relevant Scope 1, 2 and 3 GHG from assets over which it has operational control. Operated joint ventures such as WRB Refining and Excel Paralubes are included on a 100% basis; non-operated joint ventures such as CPChem and MiRO Refinery are not included. Emissions are inclusive of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Other GHG emissions are not considered to be material to our operations and are, therefore, excluded. Downstream refers to operations from refineries and lubricants facilities. CO<sub>2</sub>e is carbon dioxide equivalent. The global warming potentials for each GHG are sourced from the Intergovernmental Panel on Climate Change Fourth Assessment Report, Appendix A: Global Warming Potentials. For emissions data post-2018, absolute Scope 1, 2 and 3 emissions are reported in accordance to the World Resources Institute/World Business Council for Sustainable Development's GHG Protocol, and emissions intensity calculations follow the Global Reporting Initiative Sustainability Reporting Standards Disclosure GRI 305-4. Phillips 66 calculates and reports emissions in accordance with the mandatory reporting requirements such as the U.S. EPA's Mandatory Greenhouse Gas Reporting Program (GHGRP) and EU Emissions Trading System (EU ETS). Regulatory frameworks may differ from the frameworks referenced in this report and, accordingly, agency data may vary.
- <sup>9</sup> Scope 1 direct GHG emissions by the company, such as fuel combustion and fugitive emissions, including those from operated refineries, natural gas plants, NGL fractionators, pipelines, terminals, lubricants facilities, corporate headquarters and research facilities, are calculated utilizing actual emissions data. If actual data was not available, emissions were calculated utilizing emission factors referenced in the U.S. EPA's Mandatory GHGRP for all U.S. assets and the EU ETS for European assets. Phillips 66 does not include emissions from operated vehicles.
- <sup>10</sup> Scope 2 indirect emissions are from imported electricity and steam used in our operated refineries, natural gas plants, NGL fractionators, compressor stations, gas processing plants, NGL pump stations, pipelines, terminals, lubricants facilities, corporate headquarters and research facilities. In 2020 and 2021 data, the Sweeny cogeneration unit is assumed to supply all electricity to the Sweeny NGL Fractionator. In 2022 and 2023, all Sweeny Refinery electricity is assumed to be imported. Consistent with the market-based method guidance, supplier-specific emission factors were utilized where available. If supplier-specific emissions factors were not available, EPA eGRID regional emissions factors for CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O were utilized. Contractual instruments (e.g., renewable energy credits or renewable power purchase agreements) are not included in Scope 2 emissions. For European assets, GHG emissions are calculated using U.K. Government Conversion Factors for GHG emissions as of July 2023.
- <sup>11</sup> Product-related emissions include Scope 3 emissions from products manufactured in operated Refining assets and NGL fractionators. Our products include jet fuel, gasoline, diesel, fuel oil, petroleum coke, NGLs and other products. The data in this report assumes that all fuels are 100% combusted by the end user for purposes of calculating Scope 3 Category 11 emissions. Non-fuels products, such as sulfur, are not combusted by the end user and therefore are not included in these Scope 3 estimates. For U.S. assets, GHG emissions are calculated using the EPA factors identified in Table MM-1 of 40 CFR Part 98 as of July 2023. GHG emissions for NGL fractionators are calculated using the EPA factors identified in Table NN-1 of 40 CFR Part 98 as of July 2023. All Phillips 66 NGL fractionators are in the United States. For European assets, GHG emissions are calculated using U.K. Government Conversion Factors for GHG emissions as of July 2023.
- <sup>12</sup> Manufacturing-related intensity is calculated as Scope 1 and 2 metric tons of CO<sub>2</sub>e divided by processed inputs represented in thousand barrels of oil equivalent (MBOe). Processed inputs include feedstocks, primarily crude, natural gas and NGLs, processed in operated global Refining, Excel Paralubes, natural gas plants and NGL fractionators. Product-related intensity is calculated as Scope 3 from Use of Sold Products metric tons of CO<sub>2</sub>e divided by total products produced. Total products produced includes all refined petroleum products, combusted and not combusted by the end user, and NGLs fractionated at our operated assets. Products moved through pipelines and terminals are excluded.
- <sup>13</sup> Environmental Events are those that result in an exceedance of the permit or regulatory-based numeric emissions limit requiring immediate agency notifications or a significant release of hydrocarbon or chemical.
- <sup>14</sup> Spills represent liquid hydrocarbons from operating assets that reach land or water and are >1 bbl.
- <sup>15</sup> Spills beyond secondary containment; includes free product recovered; does not include remediated soil.
- <sup>16</sup> Midstream liquid hydrocarbon spills outside primary containment.
- <sup>17</sup> Includes free product recovered; does not include remediated soil.
- <sup>18</sup> DCP Midstream data reported in 2022 and prior, can be found in the 2023 Performance Data Table in the Phillips 66 2023 Sustainability Report.
- <sup>19</sup> Refining only.
- <sup>20</sup> Freshwater is defined as water that has low salinity – usually less than 0.1% (local legal definitions vary). Water recycle practices are prevalent within Phillips 66 and result in reduced water withdrawn. Examples include reuse of intermediate refinery streams and optimization of cooling tower and boiler systems to improve water use efficiency.
- <sup>21</sup> The World Resources Institute Aqueduct™ Water Risk Atlas is used to identify areas with high water demand or potential for water scarcity in the future. WRI Aqueduct Site classifications can update between reporting years. Sites are classified as water-scarce if withdrawing and consuming water in locations with High (40%-80%) or Extremely High (>80%) Baseline Water Stress as classified by the Aqueduct Water Risk Atlas. Water use in water-scarce areas is expressed as a percentage of the total freshwater use.
- <sup>22</sup> 1,000 bbls of water per 1,000 bbls of processed inputs.
- <sup>23</sup> Reinstated from 2022 reporting. Previously reported metric assumed total global throughput vs. global refining.
- <sup>24</sup> Water consumed is primarily due to evaporative losses (e.g., operation of cooling towers).
- <sup>25</sup> Reinstated from 2022 reporting. Previously reported metric did not include freshwater discharged.
- <sup>26</sup> Water that has been treated to meet National Pollutant Discharge Elimination System permits.
- <sup>27</sup> Includes Refining, Midstream and Lubricant facilities. 1.04 million metric tons of non-hazardous waste generated are produced water from gathering and processing and included in non-hazardous waste generated total.
- <sup>28</sup> Consists of both hazardous and non-hazardous waste streams, including refinery process catalyst captured for metals reclamation.
- <sup>29</sup> E-waste recycled includes all electronic-waste avoiding landfills by being refurbished or recycled.
- <sup>30</sup> Total processed inputs includes products from global refining, Excel paralubes, NGL fractionation, and gathering and processing fractionation.
- <sup>31</sup> Soybean oil, canola oil, distillers corn oil, used cooking oil, tallow and tire pyrolysis oil.
- <sup>32</sup> Total combustion energy is imported electricity, site-generated electricity (cogeneration plants), fuel consumption and imported steam for all operated assets.
- <sup>33</sup> Electricity exported to the grid and third parties from cogeneration plants at our refineries.
- <sup>34</sup> Power consumed is from imported electricity and site-generated electricity from cogeneration plants.
- <sup>35</sup> Energy Intensity ratio for operated assets. Calculated as total energy consumed per refined petroleum products and NGLs fractionated globally.
- <sup>36</sup> Data are based on inspection frequency requirements in 49 CFR 195.452. The plan covers 19.3% of hazardous liquid pipelines. Non-regulated pipelines are excluded. Does not include Gray Oak Pipeline.
- <sup>37</sup> Active and operated pipelines near ecologically sensitive areas as defined by Pipeline and Hazardous Materials Safety Administration (PHMSA). Pipelines may not actually intersect or cross sensitive areas. Does not include Gray Oak Pipeline.
- <sup>38</sup> Data represents our global workforce, excluding subsidiaries, and is aligned to EEO-1. 2019-2022 data previously included subsidiaries but have been updated to exclude these entities in this report.
- <sup>39</sup> U.S. workforce.
- <sup>40</sup> Retention rate of high performers.
- <sup>41</sup> Starting in 2023, volunteerism metric also includes retiree hours.

## TCFD Disclosure Index

Phillips 66’s reporting on climate-related risks is aligned with the framework developed by the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures. The table below summarizes where the information can be found in this report.

DISCLOSURE DESCRIPTION	LOCATION
<p><b>Governance</b></p> <p>The organization’s governance around climate-related risks and opportunities.</p>	<p>Pages 7 and 46 with additional data provided in the company’s CDP climate and water survey response and Proxy Statement</p>
<p><b>Strategy</b></p> <p>The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p>	<p>Page 27 and 46, with additional data provided in the company’s CDP climate and water survey response</p>
<p><b>Risk Management</b></p> <p>The processes used by the organization to identify, assess and manage climate-related risks.</p>	<p>Page 46 with additional data provided in the company’s CDP climate and water survey response and Annual Report</p>
<p><b>Metrics and Targets</b></p> <p>The metrics and targets used to assess and manage relevant climate-related risks and opportunities.</p>	<p>Pages 27-29, with additional data provided in the company’s CDP climate and water survey response</p>



Beaumont Terminal  
NEDERLAND, TX



## Cautionary Note Regarding Forward-Looking Statements

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our corporate responsibility matters, including plans, goals, targets, aspirations, commitments, strategies, or expectations with respect to political engagement, lobbying, philanthropy, suppliers and procurement, environmental sustainability (including the 2030 and 2050 GHG emissions intensity reduction targets), data privacy, cybersecurity, and our business transformation initiatives, as well as statements from third parties about our ESG performance and risk profile, statements about our future financial performance and business. Words and phrases such as “aim,” “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “continues,” “intends,” “will,” “would,” “objectives,” “goals,” “projects,” “efforts,” “strive,” “seek,” “endeavor,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements included herein are based on management’s expectations, estimates and projections as of the date they are made. These statements are not guarantees of future performance or promises that any such goals, targets, plans, initiatives, projections, prospects, aspirations, commitments, strategies, or expectations set forth in this report can or will be achieved, and you should not unduly rely on them as they involve known and unknown risks, uncertainties and assumptions that are difficult to predict and often beyond our control. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include: the effects of any widespread public health crisis and its negative impact on commercial activity and demand for refined petroleum product; the inability to timely obtain or maintain permits necessary for capital projects; changes to worldwide government policies relating to renewable fuels and GHG that adversely affect programs like the renewable fuel standards program, low carbon fuel standards and tax credits for biofuels; the pace of technological advancements and industry innovation, including those focused on reducing GHG emissions and advancing other climate-related initiatives, and our ability to take advantage of those innovations and advancements; our ability to identify and execute opportunities, including through the positioning and optimization of our assets, including the use of alternative or renewable fuels; our ability to efficiently and economically reduce the carbon intensity of our operations; fluctuations in NGL, crude oil, and natural gas prices, and petrochemical and refining margins; changes in costs for constructing, modifying or operating our facilities; difficulties in manufacturing, refining or transporting our products; the level and success of drilling and production volumes around the companies’ assets; risks and uncertainties with respect to the actions of actual or potential competitive suppliers and transporters of refined petroleum products, renewable fuels or specialty products; lack of, or disruptions in, adequate and reliable transportation for NGL, crude oil, natural gas, and refined products; potential liability from litigation, regulatory matters or for remedial actions, including removal and reclamation obligations under environmental regulations; failure to complete construction of capital and other projects on time and within budget; the inability to comply with governmental regulations or make capital expenditures to maintain compliance; limited access to capital or significantly higher cost of capital, related to illiquidity or uncertainty in the domestic or international financial markets; potential disruption of operations due to accidents, weather events, including as a result of climate change, terrorism or cyberattacks; general domestic and international economic and political developments including armed hostilities (such as the Russia-Ukraine war); changes in governmental policies relating to NGL, crude oil, natural gas, refined petroleum products, or renewable fuels pricing, regulation or taxation, including exports; changes in estimates or projections used to assess fair value of intangible assets, goodwill and property and equipment and/or strategic decisions with respect to our asset portfolio that cause impairment charges; investments required, or reduced demand for products, as a result of environmental rules and regulations; changes in tax, environmental and other laws and regulations (including alternative energy mandates); the operation, financing and distribution decisions of equity affiliates we do not control; stakeholder engagement; and other economic, business, competitive and/or regulatory factors affecting our businesses generally as set forth in our filings with the Securities and Exchange Commission (the “SEC”). Phillips 66 is under no obligation (and expressly disclaims any such obligation) to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition, historical, current, and forward-looking sustainability-related statements, and standards of measurement and performance, are developing and based on assumptions that are subject to change, which may impact current or historical goals, targets, aspirations, commitments, or estimates; diligence, internal controls, and processes that continue to evolve; and data, certifications or representations provided or reviewed by third parties, including information from acquired entities that is incomplete or subject to ongoing review, or has not yet been integrated into Phillips 66’s reporting processes.

The information included in, and any issues identified as material for purposes of, this report shall not be considered material for SEC reporting purposes. In the context of this document, the term “material” is distinct from, and should not be confused with, how such term is defined for SEC reporting purposes.

## Website References and Hyperlinks

Website references and hyperlinks throughout this report are provided for convenience only, and the content on the referenced websites, including, but not limited to, the CPChem sustainability report, is not incorporated by reference into this document, nor does it constitute a part of this document. We assume no liability for any third-party content contained on the referenced websites.



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