



PROVIDING ENERGY. IMPROVING LIVES.

resilience

**2023 REPORT
SUSTAINABILITY**



Our assets are some of the most competitive in the industry, and the integration of our portfolio positions us to create value throughout market cycles.

Sweeny Hub
OLD OCEAN, TX

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We are committed to providing transparent and meaningful disclosures on our lobbying activities. We collaborate with trade associations to share industry best practices and advance meaningful policies.

Investor Day 2022
Closing Bell Ceremony at NYSE
NEW YORK, NY



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We work with our internal and external stakeholders to collaborate on key issues. Maintaining open lines of communication and trust is a priority for us.

Boys and Girls Club of
Lummi Nation grand opening
BELLINGHAM, WA





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

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By driving human and organizational performance, we believe we can reduce the likelihood of safety and environmental events and mitigate incidents if they do occur.

Billings Refinery
BILLINGS, MT

PROVIDING ENERGY.
IMPROVING LIVES.

To Our Stakeholders,

The publication of our annual sustainability report provides an opportunity to reflect on the great work we are doing at Phillips 66. As we report on our accomplishments and advance toward our goals, we are reminded of our mission to provide energy and improve lives. While sustainability is front and center in the pursuit of that mission, so too is resilience. Throughout this report, you will see examples of our resilience: how we're transforming to continuously improve our operations and competitiveness now and in the future.

Resilience at Phillips 66 extends through our entire value chain and across our operations. It is about preparing for the future, ensuring asset integrity and business continuity while creating a culture of excellence that supports everyone who works here. We develop and train our workforce and engage with our communities. We also remain ready to capture the right opportunities while maintaining our focus on health, safety and environmental performance.

As energy markets evolve, we are focusing on our strategic priorities and positioning ourselves to compete in a sustainable and disciplined way. Through our Business Transformation initiative, we are bolstering our financial position by rethinking how we work. We are investing in our core assets and growth where it makes sense, including lower-carbon opportunities. We are advancing our natural gas and natural gas liquids wellhead-to-market business strategy with the recent integration of DCP Midstream. And we are focused on improving refining performance and pursuing value-enhancing projects in high-growth markets.

Our resilience doesn't stop there. Using a returns-focused approach, we are tapping our assets and capabilities to develop near-term opportunities in renewable fuels and longer-term opportunities in other forms of energy. We're creating refineries of the future – transforming our San Francisco Refinery in Rodeo, California, into one of the world's largest renewable fuels facilities, and we are producing lower-carbon fuels, including sustainable aviation fuel, at our Humber Refinery in the U.K. And to further demonstrate our environmental commitment, we added a long-term 2050 greenhouse gas emissions intensity reduction target that builds on our 2030 target.

Mark Lashier



We are driving shareholder and economic value and returned more than \$33 billion to shareholders through dividends, share repurchases and exchanges between 2012 and 2022. In 2022, Phillips 66 paid approximately \$2 billion in income and property taxes to federal, state and local governments, helping fund programs for public schools and projects like roads, bridges, ports and waterways.

This report continues our commitment to transparent and accurate reporting of our sustainability progress with performance data. It includes feedback from our stakeholders and details on our governance policies and programs. You will see that governance starts at the top and is present in all areas of the organization. Our workforce is innovating toward a more sustainable future for everyone while working to safely and reliably meet the world's growing energy demands.

We appreciate you taking the time to read this year's sustainability report – a story of resilience – and we welcome your feedback.

Mark Lashier
President and CEO



Taking an Inclusive Approach to Sustainability Reporting

In 2022, Emerging Energy and Sustainability united under one organization led by Executive Vice President Zhanna Golodryga. She takes pride in aligning sustainability with corporate strategy as Phillips 66 seizes opportunities to compete and make a difference in the energy transition.

What are the guideposts for Phillips 66's sustainability strategy?

Sustainability shapes how we define and execute our strategy. Our actions are guided by our five pillars of sustainability — environmental stewardship, social responsibility, governance, operational excellence and financial performance. We focus on continual improvements that keep our assets and communities strong as we work to meet the world's growing energy needs.

How do you seek and incorporate stakeholder feedback?

Our [stakeholders](#) are critically important because they give us our license to operate, meaning they know Phillips 66 is a good community member and business partner. This report aims to provide transparency on our ability to deliver results and meet our sustainability goals. In 2022, we conducted a sustainability priority assessment with internal and external stakeholders to help us identify the highest-interest issues. These topics were consistently mentioned, and we cover them in detail in this report:

- Climate change.
- Greenhouse gas (GHG) emissions.
- Employee and stakeholder engagement.
- Emerging energy.
- Workforce safety.
- Waste and recycling.

We are committed to shareholder and community engagement and are responsive to feedback. For example, in 2022, we supported CPChem's enhanced disclosures on advancing recycled polymers, and in 2023, we updated disclosures on our lobbying activities in this report. We also regularly engage with employees and discuss specific actions they can take to advance sustainability.

How is sustainability tied to employee performance reviews and incentives?

Sustainability is closely aligned with how we assess and reward performance, including our annual Variable Cash Incentive Program. The VCIP consists of 50% financial sustainability metrics and 50% operational sustainability metrics. One of our operational sustainability metrics relates to environmental performance and is weighted at 15%. It includes efforts to advance lower-carbon investments and progress GHG emissions reduction targets.



Zhanna Golodryga
HOUSTON, TX

2022 SUSTAINABILITY PRIORITY ASSESSMENT

2,000+

Internal and external stakeholders engaged

300+

unique responses collected

23

topics of interest identified

Our Strategic Approach to Sustainability

Our approach to sustainability focuses on continuously improving our operations, minimizing our impact on the environment, developing our employees, engaging with our communities in an environmentally just way that advances our business and enhances economic and social well-being and delivers results. It is aligned with our strategy and supports the long-term resilience and competitiveness of the company as we execute our mission of providing energy and improving lives while living our values of safety, honor and commitment.

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 Refining, Marketing and Midstream, 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 Ipeica, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers. Our most recent Task Force on Climate-related Financial Disclosures (TCFD) Analysis can be found [here](#).

Unless otherwise stated, this report covers Phillips 66's performance in 2022 and includes the results of our operated joint ventures, such as WRB Refining LP. Although Phillips 66 began to consolidate DCP Midstream, LP (DCP Midstream) in 2022, this report primarily covers Phillips 66's 2022 performance and results. We have included highlights of DCP Midstream's relevant 2022 sustainability information in the Our Businesses and Performance Data sections. With the integration, DCP Midstream will not publish future sustainability reports. Chevron Phillips Chemical Company, LLC (CPChem) publishes its sustainability report on its [website](#).

Ponca City Refinery
PONCA CITY, OK



2022 Sustainability Highlights

OUR BUSINESSES

8%

reduction in manufacturing (Scope 1 & 2) emissions intensity from 2019 levels

Reached a final investment decision to convert our San Francisco Refinery into one of the world's largest renewable fuels facilities.

Earned International Sustainability and Carbon Certification (ISCC) PLUS certification for our Sweeny Refinery in Old Ocean, Texas, to process oil made from waste plastics into feedstocks for new plastics.

3%

reduction in product (Scope 3) emissions intensity from 2019 levels

Completed the first U.K. production of sustainable aviation fuel (SAF) at the Humber Refinery and supplied to British Airways.

Established a joint venture with H2 Energy to create a European network of hydrogen refueling stations.

HEALTH, SAFETY AND ENVIRONMENT



Recognized for safety performance by the American Fuel and Petrochemical Manufacturers (AFPM):

- Sweeny Refinery received the Distinguished Safety Award, the most prestigious safety award in our industry, for the second consecutive year.
- Bayway, Borger and Santa Maria refineries won the Gold Elite Award – top 5% in our industry.
- Ponca Refinery won the Silver Elite Award – top 10% in our industry.



Earned the API large operator Distinguished Pipeline Safety Award for the third consecutive year.

Received the International Liquid Terminals Association's Platinum Safety Award for 2021 performance in the large-company division.

GOVERNANCE AND STAKEHOLDER ENGAGEMENT

Completed CDP Climate Change and Water Survey.

17%

above the Moody's sector average rating in each environmental, social and governance (ESG) category and a one-step improvement in MSCI ranking from A to AA

Phillips 66's Moody's rating improvement was based on:

- Improved disclosures on energy transition and business planning.
- Corporate governance practices.
- Industry-leading ethics controls.

Collaborated with CPChem to enhance its sustainability reporting to include scenario analysis.

Our Businesses



Sweeny Hub
OLD OCEAN, TX



We are advancing the
efficiency and resilience of our
diversified operations.



Our mission of providing energy and improving lives extends to every aspect of our businesses.

As the global population grows, access to secure, affordable, reliable and abundant energy is needed to drive human progress. At the same time, the need for global action to reduce GHG emissions is increasing. We believe there is a need for investments in our assets that help meet energy demand, deliver shareholder value and support climate change goals consistent with the Paris Agreement.

In addition to transportation fuels, we produce the raw materials our customers use to cool engines, manufacture health care products and medical devices, pharmaceuticals, plastics and rubber, adhesives and sealants, engine oils and other lubricants, electronics, vehicles, batteries, agricultural products, and wind turbines and solar panels that capture alternative energy.

We manufacture, transport and market products to meet the world's growing energy needs through our Midstream, Chemicals, Refining, and Marketing and Specialties businesses. We strive to increase the efficiency of our diversified operations and reduce costs by promoting innovation and leveraging digital capabilities. Our integrated portfolio positions us to create value through the market cycles. Our strategic priorities, announced at our [2022 Investor Day](#), detail goals that we expect to further improve our competitive position and increase our value creation.

Our inclusive culture, strong balance sheet, scale, commercial acumen and growth opportunities within our core assets and lower-carbon initiatives contribute to our long-term resilience and sustainability.



**Freeport Terminal
FREEPORT, TX**



MIDSTREAM

Our Midstream business provides crude oil and refined petroleum product transportation, terminaling and processing services. For its natural gas and NGL products, transportation, storage, fractionation, gathering and processing and marketing are mainly provided in the United States and include those partially owned or operated by our affiliates, including DCP Midstream and our 16% investment in NOVONIX Limited (NOVONIX).

72,000+

miles of U.S. pipeline systems

719,000

BPD of NGL fractionation capacity

5.5

BCFD of natural gas processing



CHEMICALS

Our 50% equity investment in CPChem, which manufactures and markets petrochemicals and plastics worldwide, is the basis for our Chemicals business. CPChem has assets concentrated in North America and the Middle East.

28

global manufacturing facilities

2

research and development centers in the United States



REFINING

We refine crude oil and other feedstocks into petroleum products, such as gasoline, distillates, aviation fuels and renewable fuels. Our Refining business focuses on operating excellence and margin enhancement.

1.9 million

BPD of crude throughput capacity

12

refineries in the United States and Europe



MARKETING AND SPECIALTIES

We market refined petroleum products and renewable products, mainly in the United States and Europe. This segment includes the manufacturing and marketing of specialty products, such as base oils and lubricants.

7,200

branded U.S. outlets

1,670

branded international outlets

Find more details on our assets, operations and strategic priorities in the [Year In Review](#).

2022 Financial Performance

Energy is a critical part of our world's infrastructure, and we work to ensure people have secure, affordable, readily available access to it. To do that, we must operate in a fiscally responsible manner. In 2022, we reported net income attributable to Phillips 66's shareholders of \$11 billion and \$10.8 billion of cash from operating activities. We used available cash to pay down \$2.4 billion in debt, fund capital expenditures and investments of \$2.2 billion, pay dividends on our common stock of \$1.8 billion and repurchase \$1.5 billion of our common stock. Additionally, we increased our cash and cash equivalents by \$3 billion to \$6.1 billion.

AT A GLANCE

Capital Investments

\$2.2 billion

capital investments and expenditures funded in 2022

\$2 billion

2023 capital program including sustaining and growth capital

\$1.1 billion

2023 growth capital budget with approximately 50% supporting lower-carbon opportunities

\$865 million

2023 sustaining capital budget

Additional financial information is available on the Phillips 66 [Investors](#) site.



San Francisco Refinery
RODEO, CA

Providing Affordable Energy and Optimizing for the Future

We believe our assets are some of the most competitive in the industry. Our refineries' integration with our Midstream, Chemicals, and Marketing and Specialties businesses provides us with flexibility and optionality. We seek opportunities to enhance margins and improve the cost structure of our assets to ensure long-term competitiveness.

We are simplifying processes, streamlining decision making, leveraging digital capabilities and advancing automation to maximize utilization and uptime and to reduce costs.

Our AdvantEdge66 program began in 2018 and progressed through 2022. This enterprisewide digital transformation program focused on using data, artificial intelligence and machine learning to deliver agility, efficiency and value, and it set the foundation for our Business Transformation.

TRANSFORMING OUR BUSINESS

Our Business Transformation reinforces our company's commitment to resiliency and maintaining financial strength. Our high-performing organization delivered more than 3,000 ideas to improve how we work, make us more agile and maximize resources by leveraging technology. More than 500 of those ideas are already in place and delivering value or positioned to deliver value. By the end of the first quarter of 2023, we achieved more than \$600 million in run-rate savings, including \$200 million in sustaining capital efficiencies, while prioritizing safety and reliability. Business Transformation initiatives range from increasing our use of rejuvenated catalysts at our refineries, which boosts recycling and reduces waste, to establishing new tools that enhance steam and energy data visibility. These initiatives build upon our diversified, integrated portfolio, giving us more resiliency during turbulent times and enhancing our ability to maximize value in any market condition.

Organizationally, we've strengthened our centralized model for core functions like Finance, Procurement, IT and Capital Projects to drive consistency and reduce redundancies across the company. This supports a significant portion of our cost reductions.



**Borger Refinery
BORGER, TX**

\$1 billion

on track to meet Business Transformation run-rate savings goal by the end of 2023

OPTIMIZING THE VALUE CHAIN

Our Value Chain Optimization organization is designed to maximize feedstock acquisition, product placement and asset utilization opportunities across our integrated system. It promotes effective, consistent, day-to-day optimization decisions that prioritize the company's interests to maximize earnings.

UTILIZING DIGITAL CAPABILITIES

We are utilizing digital capabilities across the enterprise to increase operational efficiencies, enhance human performance, improve environmental performance and deliver value.



**Pipeline Control Center
BARTLESVILLE, OK**

Midstream Digital Innovation

- We use our Deep Learning optimization solution to boost fractionation capacity and maximize throughput.
- We implemented a Digital Control Room system to replace manual, paper-based daily processes and build compliance checks into our Midstream Pipeline Control Center, simplifying processes and streamlining communications.
- We automated our Control Center steady-state operation to minimize manual inputs, improving flow rates and increasing throughput. This also preserves pipeline integrity by reducing pressure-cycle fatigue.
- We are piloting programs to perform drone tank seal inspections and monitor our rights-of-way using satellites.

Digital Operations and Maintenance

Our Digital Operations and Maintenance (DOM) program implements new technologies that give us greater visibility into our systems and allow us to identify opportunities to optimize processes. For example, operators and engineers can see the entire steam system using our steam network visualization and optimization tool. The tool also provides prescriptive actions to optimize steam usage and minimize loss from venting. This is expected to help us recover 250 million pounds of steam annually after the program is implemented at all sites in 2023.

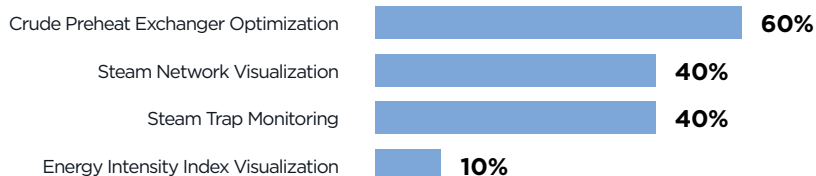
DIGITAL OPERATIONS AND MAINTENANCE INITIATIVES AND IMPLEMENTATION

Benefits

Energy efficiency
Emissions reduction
Cost reduction
Margin improvement

DOM Initiative

% Implementation in 2022



FORECASTING WITH MACHINE LEARNING

Phillips 66 is using machine learning to make predictive decisions that enhance our operations. For example, we created a model that predicts exports of clean products, saving the Commercial team time, increasing forecasting accuracy and reducing demurrage costs.

MANAGING LOGISTICS

Our transportation management system optimizes shipment routes and reduces costs for bulk truck shipments, reducing manual data entries and giving us near real-time visibility over the entire shipment process.

CREATING ENERGY EFFICIENCIES

Energy expenditures can account for a significant portion of a refinery's operating expenses. To reduce these expenses, we capture opportunities to make improvements in heat integration, furnace controls and steam optimization. We have set a goal for our refining sites to achieve top-third energy efficiency by 2030 and have identified efficiency projects to lower energy consumption at our facilities. We also strive to incorporate energy efficiency best practices in new buildings and equipment design. For example, our headquarters building in Houston is certified as a Leadership in Energy and Environmental Design (LEED) Platinum facility.

Our Energy Best Practices network has employees from all our refineries and corporate staff, including Refining Business Improvement, Energy Research & Innovation (ERI) and IT. The network meets regularly to share information about technology, experiences at their plants and ongoing energy conservation projects.



**London Office
LONDON, U.K.**

U.S. EPA ENERGY STAR® CERTIFICATIONS

Since our inception in 2012, six of our 10 U.S. refineries have earned U.S. EPA ENERGY STAR® certifications for performing in the top 25% of similar facilities nationwide for energy efficiency and meeting Environmental Protection Agency (EPA) performance levels. Additionally, six of our refineries have self-operated or third-party-operated cogeneration units, which simultaneously use a single fuel source to produce electricity and heat. The process helps us meet our manufacturing needs and converts heat that would otherwise be lost into thermal energy to supply steam for our processes.

Delivering on Our Wellhead-to-Market Strategy

We see opportunity in the growing global demand for natural gas liquids (NGLs) and chemicals. NGLs, which include ethane, propane, butane and pentane, are in-demand hydrocarbons used for petrochemical products that enable everyday life, home heating, cooking and fuel blending. In 2022, we realigned our economic and governance interests in DCP Midstream. In 2023, we completed the acquisition of all publicly held common units of DCP Midstream, which increased our economic interest to approximately 87%. The integration of DCP Midstream's large-scale natural gas gathering and processing and NGL networks with Phillips 66's fractionation and export facilities is expected to strengthen our competitive position and result in operational and commercial synergies that capture value from wellhead to market.

On April 1, 2023, Phillips 66 welcomed approximately 1,800 legacy DCP Midstream employees. DCP Midstream spent the last decade transforming its base business and extending its midstream value chain while working to improve safety, reliability, environmental performance and the employee experience. Because of the timing of integrating DCP Midstream and publishing of this year's sustainability report, DCP Midstream's 2022 sustainability highlights and data are included [here](#). DCP Midstream's strong commitment to sustainability enables Phillips 66 to maintain momentum throughout the integration and work toward our ESG goals.

"Our acquisition of DCP Midstream allows us to leverage the best that both companies offer, including technology, talent, best practices, scale and culture."

TIM ROBERTS

Executive Vice President, Midstream and Chemicals

**Tim
Roberts**



AT A GLANCE

DCP Midstream's 2022 Sustainability Highlights

20%

reduction in Scope 1 and Scope 2 GHG emissions across its operations from base year 2018

Received GPA Midstream Association's Environmental Excellence Award for its voluntary, industry-led methane mapping and mitigation initiative, a cooperative effort with an aerospace company.

Outperformed its GPA Midstream Association peer group on the Occupational Safety and Health Administration (OSHA) Total Recordable Injury Rate (TRIR). Achieved 0.57 TRIR versus the GPA Midstream Association Division 1 average of 0.61.

Held Elevate @ DCP Women's Conference. The conference brought together more than 170 of the company's female leaders and focused on professional development, growing leadership skills and building connections.

\$1.5+ million

committed to community investments, aligning its philanthropic investments around three core pillars of STEM education, health awareness and love of country



LEADERSHIP INSIGHTS

Strengthening Our Growing NGL Value Chain

Vice President of Midstream Operations and President of Phillips 66 Pipeline Bill Johnson, who brings more than 12 years of experience with DCP Midstream operations and more than 30 years in the industry, says he's excited about the opportunities ahead as Phillips 66 becomes a leading player in the midstream space.

What are you looking forward to most as a result of the DCP Midstream integration into Phillips 66?

Bill Johnson
HOUSTON, TX

When two great companies with proud histories and a track record of success come together, there are endless opportunities to learn from each other and drive improvement across the board. I'm very excited to continue improving safety performance to keep our people even safer. Also, our combined spirit of innovation and collaboration is going to mean we operate safer, more reliably and more efficiently. We'll make better and faster decisions. These things create value for shareholders over time.

You led DCP Midstream through transformation, and Phillips 66 is undergoing its Business Transformation now. What benefits does the process bring to sustainability?

Transformations are about tapping into people's creativity, knowledge and brainpower to look for new and better ways of doing things. Culture and a transformational mindset set you up for success in sustainability because your people approach challenges and opportunities with an open mind and are more aware of what's happening in the broader world. Transformation also empowers people to use new technology, data and tools that deliver more transparent insights about our operations, which helps us reach sustainability goals.

Find historical DCP Midstream sustainability reporting materials [here](#). See the [Performance Data](#) section of this report for its 2022 results.



O'Connor Gas Complex
LA SALLE, CO

Advancing a Lower-Carbon Future

We are committed to helping the world address climate change. Achieving long-term GHG emissions reductions will require changes at Phillips 66, throughout our industry and the rest of the world. The effort will also require significant shifts in consumer behavior and supply chains. We believe that further national policies and permitting reforms are needed to spur investment in lower-carbon infrastructure and technology development at scale.

For our position on climate change, see the [Governance](#) section.

WORKING TOWARD GHG EMISSIONS REDUCTION TARGETS

We have set targets to reduce Scope 1 and Scope 2 emissions intensity from our operations by 30% and Scope 3 emissions intensity of our energy products by 15% by 2030, as compared to 2019 levels. These medium-term targets are tied to currently planned or under-development projects consistent with the company's disciplined approach to capital allocation and focus on returns. Building on our 2030 targets, in 2022, we added a target to reduce our Scope 1 and 2 GHG emissions intensity 50% by 2050. To achieve our targets, we are pursuing projects that are expected to:

- Improve the energy efficiency of our operations.
- Grow production and blending of renewable fuels and lower-carbon supply chain products, such as premium coke and lubricants.
- Increase renewable power sources to use in our operations.
- Capture CO₂ from our operations.
- Produce lower-carbon-intensity hydrogen.
- Support enterprise growth and portfolio optimization.

Achieving our 2050 target will also require changes beyond Phillips 66's sphere of influence and control, such as:

- Advancements that enable broad commercial deployment and use of lower-carbon technologies.
- Global policies that fund and incentivize the development of a lower-carbon energy system.
- Changes in consumer behavior and energy choices.
- Availability of materials throughout the supply chain.

Our 2022 manufacturing and product emissions intensity improved from 2019 levels due to portfolio changes, enhanced refining utilization and renewable fuels blending. Our 2030 and 2050 GHG emissions intensity reduction targets include DCP Midstream assets operated by Phillips 66.



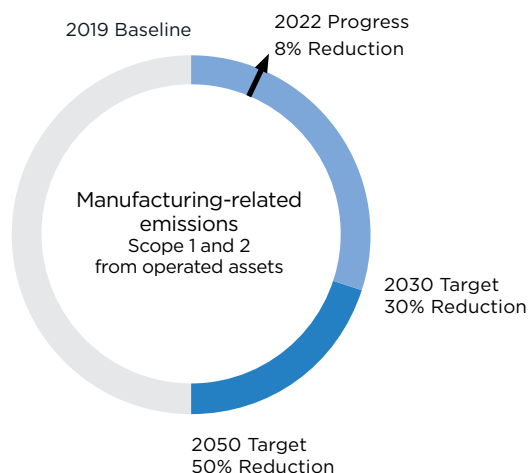
**76® renewable
diesel service station
PLEASANT HILL, CA**

AT A GLANCE

Progress to GHG Emissions Reduction Targets

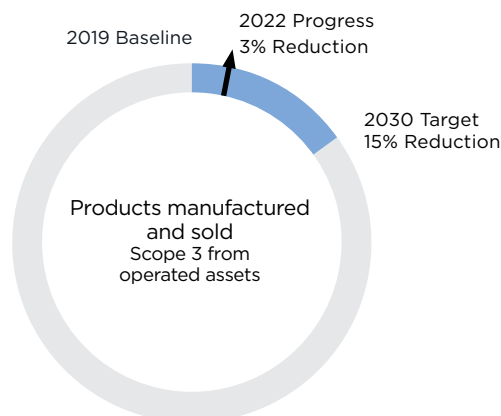
MANUFACTURING EMISSIONS INTENSITY

Scope 1 and 2 Metric Tons of CO₂e/MBOE



PRODUCT EMISSIONS INTENSITY

Scope 3 Metric Tons of CO₂e/MBOE



For more details on GHG data, see the [Performance Data](#) section.

Governance of GHG Emissions Reduction Targets

Phillips 66 established a cross-functional team to evaluate and develop the company's 2030 target-setting approach in 2021. The team used anticipated emissions from existing assets, reductions from planned and in-progress projects and changes from enterprise growth and portfolio optimization to develop the 2030 targets, which were reviewed and approved by management with board oversight.

In 2022, we followed a similar approach to set the 2050 GHG emissions reduction targets, incorporating long-term energy outlooks and assumptions regarding global changes in the availability and deployment of lower-carbon technologies, consumer behaviors, governmental incentives and supply chain considerations.

Ferndale Refinery
FERNDALE, WA



Creating Alternatives for a Resilient Future

Phillips 66 is pursuing returns-focused projects, technologies and partnerships that support the decarbonization of our operations and provide customers with lower-carbon alternatives. Our Emerging Energy organization leverages our assets and capabilities to develop near-term opportunities in renewable fuels and longer-term opportunities in other energy technologies, including batteries, carbon capture, hydrogen, electric vehicle (EV) charging and renewable power.

We are creating refineries of the future by producing lower-carbon fuels from renewable and waste feedstocks and reducing the carbon intensity of our manufacturing processes. Phillips 66 has produced renewable fuels from vegetable oil at our San Francisco Refinery in Rodeo, California, since 2021, and we have refined fuel from used cooking oil (UCO) at our Humber Refinery in North Lincolnshire, United Kingdom, since 2017.

Policies supporting lower-carbon energy incentives, including those in the Inflation Reduction Act, the European Green Deal and the U.K. Net Zero Strategy, create opportunities for Phillips 66 to be part of the energy transition.

Our investment decisions are based on projects with the right returns, the right technology, the right environment, the right partnerships and capital structure, and the right timing.

EVP of Emerging Energy and Sustainability,
Zhanna Golodryga, at CERAWEEK
HOUSTON, TX



INCREASING OUR RENEWABLE FUELS PRODUCTION

We are securing feedstock for our growing portfolio of renewable fuels projects through agreements with other companies, such as Shell Rock Soy Processing, a new soybean-processing plant in Iowa that began full operations in early 2023. In 2022, Phillips 66 made a final investment decision to move forward with Rodeo Renewed project and convert our San Francisco Refinery into one of the world's largest renewable fuels facilities. Upon completion, the converted facility will no longer process crude oil. Instead, it will use waste oils, fats, greases and vegetable oils to produce renewable transportation fuels, including renewable diesel, renewable gasoline and SAF. The facility is expected to begin scaled commercial operations in 2024 and will be partially powered by solar energy through an agreement with NextEra Energy.

Upon completion of the Rodeo Renewed project, we anticipate:

800 million

gallons per year (more than 50,000 BPD) of
renewable transportation fuels

65%

fewer life-cycle carbon emissions compared
to conventional diesel

55%

reduction of facility's criteria pollutant emissions

160 million

fewer gallons of water used per year at the facility

PUTTING MORE RENEWABLE FUELS ON THE ROAD

Biodiesel and renewable diesel are both renewable fuels, but they have different manufacturing processes and chemical compositions. Biodiesel must be blended with traditional diesel before being used in an engine. Our Richmond and Sacramento terminals in California have blended up to 20% biodiesel since 2018. We also blend biodiesel at our Colton Terminal in Bloomington, California. Renewable diesel is drop-in fuel and can be used in a traditional diesel engine without blending. We sell renewable diesel at approximately 600 branded fuel stations in California.

30+ million

gallons of renewable diesel and conventional diesel distributed annually by eFuel, Phillips 66's West Coast fuel distributor specializing in mobile fueling, bulk fuel deliveries and inventory management

ADVANCING SUSTAINABLE AVIATION FUEL

SAF is a lower-carbon intensity aviation fuel produced from renewable feedstocks, such as waste oils, fats, greases and vegetable oils. It works in existing aircraft engines and requires no changes to airport fuel infrastructure.

Phillips 66 is a major U.S. refiner and supplier of petroleum jet fuel and aviation gasoline, and we currently have a memorandum of understanding with Southwest Airlines to advance the commercialization of SAF in the United States.

In the United Kingdom, we made our first delivery of SAF to British Airways from our Humber Refinery in 2022 as part of our multiyear supply agreement. In recognition of this achievement, Humber Refinery received the Humber Renewables Award for Green Innovation.

DRIVING A CIRCULAR ECONOMY

In 2022, we received ISCC Plus Certification for our Sweeny Refinery in Texas to process pyrolysis oil made from hard-to-recycle waste plastics into circular ethane, circular propane, circular propylene and other sustainable feedstocks and petrochemical building blocks. Polymer producers, including CPChem, will use the products as they advance a circular economy for plastics. Pyrolysis oil can be generated from waste materials like plastic, tires and biomass that are refined to upgradable starting materials. Processing pyrolysis oils from waste highlights our resolve to contribute to a circular economy for plastics and fuels. Our Humber Refinery in the U.K. is ISCC EU and ISCC PLUS certified to process UCO, food waste and other circular feedstocks.

In 2023, our Lubricants business has 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 are incorporating nearly twice as much re-refined base stock into our formulations.



**Renewable diesel sampling
at San Francisco Refinery
RODEO, CA**

ENABLING DEPLOYMENT OF ELECTRIC VEHICLES, BATTERIES AND INFRASTRUCTURE

Our international participation in the EV value chain runs across our diverse businesses, including Refining, Marketing and Specialties and Emerging Energy.

We are a leading manufacturer of specialty coke, a refining product that is a precursor material to synthetic graphite used in lithium-ion batteries, which power EVs and other electronics like smartphones. With lithium-ion battery demand projected to experience sharp growth over the coming decades, Phillips 66 is an important part of the U.S. and European battery value chains.

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

Our battery program includes external collaborations and focuses on finding ways to incorporate readily available, responsibly sourced materials with the potential to extend the driving range for EVs. For example, synthetic anodes manufactured from petroleum coke have a higher fast-charge turnaround, battery longevity and electrolyte compatibility than natural coke.

Phillips 66 is an important part of the U.S. and European battery value chains.

NOVONIX

We have a strategic investment in NOVONIX and a technology development agreement to advance the production and commercialization of next-generation anode materials for lithium-ion batteries. The agreement enables both companies to leverage leading industry positions, existing intellectual property and research and development capabilities to drive commercial development of optimized feedstocks and lithium-ion anode materials with reduced carbon-intensive processing.

Faradion

We're also part of a technical collaboration with battery-maker Faradion to develop lower-cost and higher-performing anode materials for sodium-ion batteries. This energy storage technology has an advantage because it uses sustainable and widely available materials. The collaboration is expected to leverage our experience developing specialty carbon materials and Faradion's work as a leader in sodium-ion battery technology. Applications for this technology include mobility, stationary storage, backup power and energy in remote locations.

FreeWire Technologies

In 2022, we installed FreeWire chargers at our flagship fuel station near our headquarters in Houston, marking our debut of ultrafast EV charging at a Phillips 66 convenience fuel station. We also signed a letter of intent with FreeWire Technologies in support of its first EV charging program in the United States. The program will bring consumers electric fueling stations that meet their expectations for high-speed, on-the-go charging.

JET Charge

We are supporting decarbonization of the U.K. car fleet through the launch of JET Charge ultra-rapid charging service. This service debuted at our JET Refinery service station in Immingham, providing high-speed chargers for EV drivers.



EV bays at JET Newton
Park service station
IMMINGHAM, U.K.

ASSESSING CARBON CAPTURE OPPORTUNITIES

Carbon capture and storage (CCS) could enable decarbonization across manufacturing and heavy industry. International Energy Agency projections indicate that by 2040, CCS could lower global emissions by as much as 15%. Without this technology, the United Nations Intergovernmental Panel on Climate Change estimates global decarbonization efforts could be twice as costly.

We are involved in several 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.
- Performing an initial engineering design study for deploying CCS technology at the hydrogen production unit at our San Francisco Refinery in Rodeo, California, as part of a U.S. Department of Energy (DOE) grant.
- Evaluating projects to deploy CCS technology at other locations, including the Humber Refinery in the United Kingdom.



WEB-EXCLUSIVE VIDEO

Carbon capture and storage overview

USING HYDROGEN IN OPERATIONS AND AS A FUEL

Hydrogen is an essential component in several petrochemical and agricultural applications. It is also an important option for hard-to-decarbonize applications within the transportation and industrial sectors, such as steel and cement. Hydrogen fuel can be produced from 100% renewable energy, including hydropower, wind, sun and biomass sources, and it can be used to power fuel cell EVs, resulting in CO₂-free emissions.

In 2022, we formed the JET H2 Energy joint venture to develop as many as 250 retail hydrogen refueling stations in Germany, Austria and Denmark. The partnership leverages the strength of our JET® brand, as the network will include existing JET-branded retail stations and new locations on major transportation routes. Our Coop Mineraloel AG joint venture in Switzerland also operates hydrogen refueling sites. Additionally, in California, we are exploring lower-carbon hydrogen production and evaluating a market entry into the mobility sector by leveraging our hydrogen experience in Europe.

Phillips 66 is also evaluating ways to increase lower-carbon hydrogen use in our operations. At our Ferndale Refinery, we are developing a project to produce zero-carbon green hydrogen via electrolysis to supply our operations and decarbonize our fuel production.

ENERGY RESEARCH & INNOVATION

Phillips 66 is one of the few downstream energy companies with in-house research and development capabilities through our ERI organization. In addition to supporting current operations, this team supports a lower-carbon future by helping to develop and commercialize new technologies.

The technicians, scientists and engineers at our Phillips 66 Research Center in Bartlesville, Oklahoma, work to enhance the safety, reliability and sustainability of our operations. ERI's work includes evaluating:

- Renewable fuels processing technologies.
- Next-generation battery technologies and partnership models.
- Novel carbon capture technologies.
- Lower-carbon hydrogen production.

As of Dec. 31, 2022, Phillips 66 has 517 active patents in 22 countries, including specialty carbon, premium coke, lower-carbon hydrogen, carbon capture and biofuels.

AT A GLANCE

Beyond Transportation Fuels

We provide essential products by vertically integrating our refining and petrochemical processes.

Phillips 66 Specialty Solvents is a leader in the manufacturing and marketing of hydrocarbon solvents from pentanes and heptanes. Hydrocarbon solvents are used in a variety of applications, including adhesives, aerosols and cosmetics.

Our Bayway Refinery in Linden, New Jersey, upgrades refining gas byproducts to make polypropylene resin. Polypropylene is recyclable and is used in automotive components, appliances, carpeting, and health care and hygiene products.

WE REFINE AND SELL:

- Fuel coke.
- Specialty coke.
- Solvents.
- Polypropylene.
- Sulfur.

PHILLIPS 66 IS THE PRODUCER AND MARKETER OF SPECIFIC GRADES OF PETROLEUM COKE USED TO MANUFACTURE:

- Steel.
- Lithium-ion batteries.
- Aluminum.
- Titanium dioxide.
- Specialty graphite products.

POWERING EVERYDAY LIFE



FOOD PACKAGING
Polyvinylidene chloride packaging made from petroleum



REUSABLE COFFEE MUG
Plastic made from petroleum



WATER BOTTLE
Copolyester made from petroleum



PAINT
Acrylic polymer emulsion made from petroleum



TENT
Polyethylene-polyester laminate made from petroleum



COOLER
Polyurethane insulation made from petroleum

See a full list of the products we make possible on the [Phillips 66 Specialty Products](#) website.



LEADERSHIP INSIGHTS

Refining's Critical Role in the Energy Transition

Executive Vice President of Refining Rich Harbison has embraced the evolution of the energy industry for 35 years and now leads Phillips 66's portfolio of 12 refineries into the future.

What's the future for refineries as renewable and alternative fuels increase and more EVs and fuel-efficient vehicles hit the road?

The energy transition needs all types of energy. We have the physical assets, technology expertise and digital advancements to lower our carbon emissions and reliably provide the energy people around the world need.

We believe that gasoline demand has probably peaked in North America. As demand for diesel and jet fuel rises, we may make more of those products and less gasoline, and we'll still need refineries and highly talented employees to do it. We'll be running refineries for a long, long time, and that's why our investments in energy efficiency and technology to reduce our carbon footprint are important.

What are some of the ways you're engineering the refinery of the future to help lower emissions?

Energy performance is part of our daily conversations and decision making at Phillips 66, and Refining is harnessing the power of data visualization for more accurate and efficient emissions data. We're gaining new insights into what drives the company's energy intensity index performance through a new dashboard. It is aligned with a third-party energy intensity index and used across the refining industry to monitor and benchmark energy consumption. We've set a target to be top-third by 2030.

We're also using a new Steam Network Visualization tool, which allows us to monitor 14 million pounds per hour of steam across all Phillips 66 refineries. The steam produced and purchased by Phillips 66 impacts our Scope 1 and Scope 2 GHG emissions. The visualization tool allows us to see where losses may occur in the system, address the cause and help us optimize produced steam.

Which Phillips 66 projects or operations are leading the way?

In addition to all the work we're doing around energy efficiency and utilizing innovative technologies, our Humber Refinery is one of the most complex refineries in Europe. It is tackling decarbonization from multiple angles and is a leader in Humber Zero, a regional project to capture up to 8 million tons of carbon dioxide per year by 2030. From the feedstocks coming into the refinery to the products going out and the processes in between, Humber Refinery is setting the example of what the refinery of the future could look like. Our Rodeo Renewed project in the United States is a prime example of how we're advancing renewable fuels and using our existing assets to provide dependable, affordable energy while reducing our carbon footprint.



Rich Harbison
HOUSTON, TX

AT A GLANCE

Innovating the Refinery of the Future

Phillips 66 Limited, a U.K.-based, wholly owned subsidiary of Phillips 66, is evaluating projects and positioning our Humber Refinery as a refinery of the future to help meet the U.K. government's 2050 net-zero ambitions.

Our vision for Humber Refinery advances these ambitions in four ways:



PRODUCTION OF FUELS FROM WASTE

Used cooking oil: Humber became the first refinery in the U.K. to produce biofuels at scale when we started using UCO in our refining processes.

Advanced biofuels: We have the United Kingdom's first at-scale advanced biofuels processor. Advanced biofuels are lower-carbon fuels made from waste, residues or substances of non-biological origins.

Sustainable aviation fuel: Humber is the first refinery in the U.K. to produce SAF at scale. We are a member of the Department for Transport's Jet Zero Council Delivery Group and support U.K. government plans for a future SAF mandate and a business model for investing in advanced waste-to-jet-fuel projects.

↓ 90%

typical decrease in refining life-cycle emissions versus conventional fuels when using waste oil



UTILIZING CARBON CAPTURE TO REDUCE CARBON INTENSITY OF OUR PROCESSES

Humber Zero: Humber Refinery sits in the largest GHG-emitting industrial cluster in the United Kingdom and can play a pivotal role in not only reducing its own carbon footprint but also that of the wider region. We are part of Humber Zero, which is a regional CCS project.

8 million

metric tons of CO₂ per year expected to be removed through Humber Zero by 2030

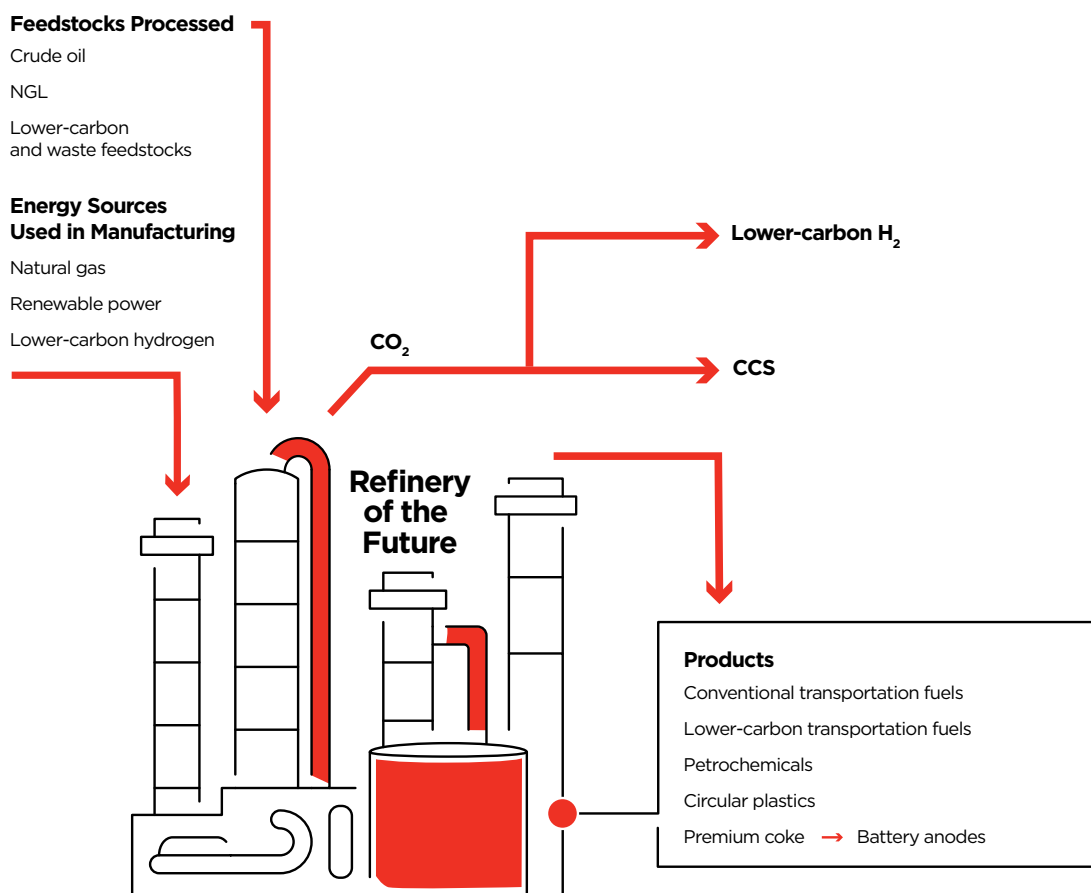


Refineries produce solutions that power modern life. As new industries and opportunities emerge, we are evolving and innovating to provide energy in many different forms."

PAUL FURSEY

General Manager, Humber Refinery





SUPPORTING THE EV SUPPLY CHAIN VIA SPECIALTY COKE MANUFACTURING

Humber Refinery is the only European facility producing battery-grade coke, which is used for a critical component for batteries in EVs and consumer electronics. The need is growing. By 2027, all U.K.- and EU-produced EVs are required to have at least 55% of the vehicle content by value produced domestically.

Our current production of battery-grade coke is equivalent to placing

1.3 million

EVs on the road every year



ENABLING HYDROGEN USE AS FUEL

Hydrogen fueling stations: We are working toward supplying fuel cell grade hydrogen into hard-to-decarbonize elements of the transportation sector, such as heavy goods vehicles.



Health, Safety and Environment



Billings Refinery
BILLINGS, MT



We are determined to be the
energy industry's safest and most
reliable company.

We integrate our health, occupational safety, process safety and environmental stewardship principles throughout our businesses, with a commitment to resiliency and continuous improvement that protects our neighbors and the environment.

We operate in a highly regulated industry and comply with 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.

Our [Health, Safety and Environment policy](#) defines our commitment to protecting our employees, contractors, customers and communities while working to achieve our goals for growth, returns and distributions.

Safety and environmental performance are part of our compensation structure 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.

WORKING TOWARD ZERO

We are determined to be the energy industry's safest and most reliable company. We believe a zero-process-safety-incident and zero-injury workplace is achievable. We are committed to protecting the health and safety of everyone at our worksites and in the communities where we operate. Our investments in asset maintenance and integrity and our health, safety and environment (HSE) policies, programs and procedures reflect this priority.

Health, Safety and Environmental Management System

Our HSE policy is the foundation for our Health, Safety and Environmental Management System (HSEMS). The HSEMS creates environmental awareness internally and is the basis for consistently monitoring our environmental performance and helping our operations minimize their impact on the environment.

Our safety culture, programs and people make all the difference.

Lake Charles Refinery
WESTLAKE, LA



The HSEMS guides our employees, as well as contractors and subcontractors. It provides the framework to reduce risks and improve performance while establishing policies and leadership expectations for continuous improvement and instilling our core values in every aspect of our business. Our focus on operating excellence facilitates HSE performance and compliance with key standards, procedures and guidelines.

HSE core values are embedded into our daily business activities and are part of our compensation programs. All Phillips 66 sites have HSE controls and practices, along with HSE employees dedicated to operating excellence and risk mitigation. Our Senior Vice President of HSE and Field Operations Support has direct responsibility for the HSEMS and reports directly to our CEO.

Our rules apply to all business units and are often stricter than regulatory requirements. Core standards include reporting, incident and near-miss investigations, employee engagement, risk management, corporate and business unit auditing, crisis management and emergency response. Our rigorous auditing protocols enable us to assess our performance and progress frequently. On-site

inspections are conducted by third-party auditors and Phillips 66 internal auditors trained to recognize health and safety, process safety and environmental best practices. All deviations are investigated and corrected; further details on auditing can be found [here](#).

Leadership directs efforts to reduce environmental events and increase work practice consistency. Our business units have internally audited multiyear environmental plans. Our Joint HSE Steering teams lead site-level improvement, track and review key metrics and develop advancement plans. Those plans are shared with corporate leadership and employees across the company to highlight best practices.

Peer reviews of air permits and active environmental networks allow subject matter experts in areas such as air monitoring, leak detection, waste management and water treatment to work across functions. They share best practices and lessons learned to drive improvement. Business units are also adopting this method.

“Our HSEMS features a dynamic Plan-Do-Assess-Adjust approach that enables us to proactively manage efforts to drive progress toward our goal of zero injuries and zero incidents.”

TODD DENTON

Senior Vice President, HSE and Field Operations Support

**Todd
Denton**



Building Our Safety Performance Every Day

Our safety culture, comprehensive HSE policies, management systems and an across-the-board company commitment resulted in a TRR of 0.11 in 2022. That's tied for our best-ever safety performance, and it's 30 times better than the 2021 U.S. manufacturing average. Our lost workday case rate was significantly better than the 2021 U.S. refining industry average.

Despite our safety achievements, we must continuously strive for operating excellence. We fell short of our goal to send everyone home safely in 2022 and early 2023 with two contractor fatalities. Both incidents were fully investigated, and we are using the learnings to further improve safety and support a recently launched program focused on contractor performance improvement.

AT A GLANCE

10 Life Saving Rules

To prevent serious injury, our 10 Life Saving Rules apply to everyone working at Phillips 66.

		Protect against falls & dropped objects	Verify line-up & containment
Control hazardous energy	Follow safe rigging & lifting practices	Operate vehicles & industrial equipment responsibly	Perform excavations safely
Assess & mitigate hazards before working	Properly plan & execute hot work	Work in confined spaces safely	Maintain safety system protection

MIDSTREAM SAFETY SUCCESSES IN 2022

- Record-low three-year average TRR of 0.08.
- Two consecutive years without an employee recordable injury.
- Second-best TRR while working a record 8.4 million hours.
- A 56% reduction in total vehicle accidents since 2016.
- Record-setting year for the lowest number of spills (defined as >1 barrel) by focusing on pipeline integrity and replacement and implementing new technologies to run more efficiently, reliably and safely.

Our 2022 combined Tier 1 and Tier 2 Process Safety rate was 0.13, matching our best-ever performance in 2021.

INCREASING HUMAN AND ORGANIZATIONAL PERFORMANCE

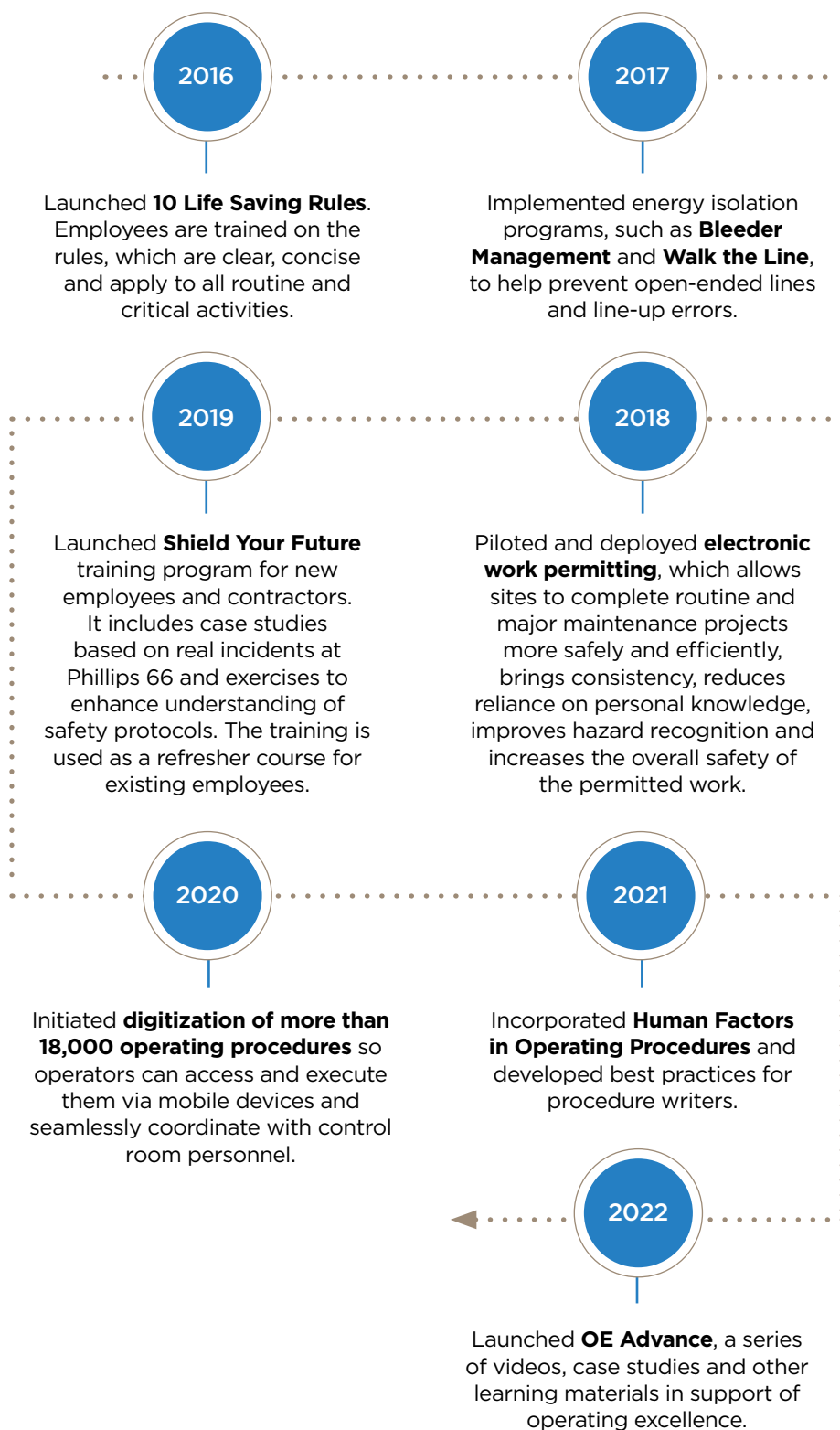
To achieve our goal of zero safety incidents, we are creating a paradigm shift in our culture, from viewing safety as an outcome to seeing it as the effectiveness of safeguards. We aim to leverage human and organizational performance (HOP) concepts and principles to enhance the resiliency of our systems, processes and people. HOP is how people interact with our operating facilities, processes and each other as part of a system. We are working on designing error-tolerant systems for our most critical tasks. By understanding these interactions and applying HOP principles, we believe we can reduce the likelihood that errors will lead to events. And if an error does occur, we can fail safely.

USING STOP-WORK AUTHORITY

Everyone working at or visiting our sites is empowered — and obligated — to stop any work they believe poses a risk to themselves, the people around them or the environment. We train our workforce to “stop when unsure.” Under our policies, no employee or contractor will experience negative repercussions for using their stop-work authority in good faith, even if it turns out that there wasn’t a hazard. The company’s Good Catch program rewards employees and contractors who speak up when they spot a potential safety concern.

AT A GLANCE

Key Milestones in Operationalizing Human and Organizational Performance



Sweeny Refinery Employees Collaborate to Create a New Tool to Increase Safety

Russell Thompson and other members of the Sweeny Maintenance Safety Team noticed about 20% of injuries at the refinery were from an impact to people's hands or feet, and another 10% of injuries were caused by improper ergonomics. So he and the Sweeny Refinery Maintenance VPP Area Safety Team took action.

The team looked at how employees were removing grating from elevated walking surfaces to access pipes, pumps or other equipment. Grabbing the grating with their hands and lifting was putting their hands and fingers in the direct line of fire for a pinch point and was an ergonomic risk for back strains.

The Maintenance Area Safety Team worked with the Hand Safety Tool Company, LLC to test prototypes for a touchless grating removal tool. The tool is now patent pending and being sold across the United States to help people avoid injuries when lifting, carrying or moving grating. It also improves ergonomics by reducing the need to bend and overreach.

Sweeny employees won the AFPM Innovation Award and they demonstrated the GrateIt Tool at the 2022 Safety Days event, providing hands-on training to more than 1,000 Phillips 66 employees and contractors. There is now an employee-owned campaign at the refinery to find the right tool for the job, and if one doesn't exist, employees know they are empowered to seek solutions.



GrateIt Tool demonstration
at the Sweeny Refinery
OLD OCEAN, TX

IMPROVING INDUSTRIAL HYGIENE PROGRAMS

Our industrial hygiene program focuses on the long-term health of our employees and contractors. We assess potential exposures and look for patterns and data trends that can help us protect our people from chemical and physical agents in the workplace. Careful measurement and evaluation of our processes lets us anticipate and manage hazards, set goals to ensure a healthy working environment and make changes when we find ways to improve. We also work with our contractors to help them strengthen their health protection programs.

In 2022, we committed to upgrading all remaining refining facilities to a fully networked personal and portable gas monitoring system. This investment provides real-time exposure data and deployment is expected to be completed across all sites in 2023.

Automation Drives HSE Improvements

We've seen significant progress in our programs to enhance safety and increase resiliency by leveraging technology across our businesses.

Wireless Refineries

We are implementing wireless connectivity for smart operations monitoring to reduce risk and enhance safety at our refineries. In 2022, wireless connectivity was implemented at two additional refineries, enabling "connected worker" capabilities with 3,000 wireless sensors providing near real-time data for predictive maintenance of rotating equipment.

ARC: Applications for Refining Competitiveness

In 2022, we rolled out a new process workflow digitization tool called Applications for Refining Competitiveness (ARC). The ARC tool enables seamless task coordination and execution through a mobile interface that alerts employees when action is needed. The system has increased efficiency, managing more than 14,000 process steps simultaneously. It also improves accuracy by offering users instructions on how to complete tasks.

14,000

process steps simultaneously managed by the ARC tool

Drone Technology

Our drone program started with a focus on safety and faster emergency response. Now, our more than 60 trained and qualified drone pilots across our refineries also use drones for everyday tasks like visual and thermal inspections of elevated structures, volumetric measurements, and aerial mapping and modeling of sites, making inspections quicker and safer. Using drones allows us to monitor assets from a safe distance and at various elevations while also allowing pilots to zoom in and take close-up images to identify anomalies.

60+

trained and qualified drone pilots across our refineries

Asset Performance Management

Asset Performance Management provides data and analytics to identify and solve reliability issues. With a common platform, data can be accessed in minutes, enabling dashboards and metrics that drive actions to prevent failures. As a result, we can better prevent unplanned downtime, monitor equipment to optimize utilization, eliminate defects and track successes. In 2022, we completed the rollout of the Asset Performance Management program to our refineries, enabling consistently reliable processes and programs.

Promoting Process Safety

Process safety is about containing hazardous materials to avoid harming people and the environment. We follow all 14 elements of the federal Process Safety Management regulation for all our facilities, even though the regulation only applies to our U.S.-based refineries, excluding California.

Our active participation in trade associations and benchmarking groups helps us identify process safety opportunities for our business while advancing overall industry performance.

IDENTIFY AND MANAGE RISKS

- Process hazard analysis.
- Mechanical integrity.
- Emergency planning.

CONTROL WORK

- Pre-startup safety review.
- Safe work practices.
- Operating procedures.

PROVIDE AND MANAGE DATA AND INFORMATION

- Process safety information.
- Management of change.
- Trade secrets.
- Training.
- Contractors.

OVERALL

- Compliance audits.
- Incident investigation.
- Employee participation.

ELIMINATING PROCESS SAFETY EVENTS

Process safety events (PSEs) are unplanned or uncontrolled releases of hazardous material. 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 risk.

In 2022, our Refining business unit had zero energy isolation-related Tier 1 PSEs, and its overall Tier 1 PSE rate of 0.01 led our industry.

Tier 1 and Tier 2 PSEs are defined by the API Recommended Practice 754. Tier 1 PSEs are the most significant type of unplanned or uncontrolled release of material from primary containment. Tier 2 events have lesser consequences than Tier 1 events but are still important. All Tier 1 and Tier 2 events are investigated to determine the underlying causes so we can act to prevent recurrences. Our goal is zero PSEs.



Ferndale Refinery
FERNDALE, WA

Increasing Asset Integrity

Maintaining the integrity of our assets is a crucial HSEMS component. All business units have programs and procedures designed to ensure proper asset design, fabrication, installation, operation and maintenance to minimize risks associated with operations and equipment failure. Asset integrity programs include quality assurance and quality control, defined inspection and maintenance intervals for process equipment, and established company standards.

These integrity programs and processes are designed to prevent unintentional product releases and protect everyone in our facilities and in the surrounding communities and the environment. Many of our company's process safety and environmental standards exceed industry requirements.

Reaching New Heights in Mechanical Integrity

Our Advanced Integrated Mechanical Integrity (AIMI) project is a mechanical integrity overhaul that consolidates the company's inspection data into one system focusing on early detection of corrosion threats in our Refining operations.

Taking a risk-based approach to systematically standardize, validate and digitize our design and process information, AIMI reduces lost-profit opportunities and improves safety, environmental and turnaround performance.

With hundreds of miles of piping in each of our refineries, AIMI gives us easy access to information on when each piece of pipe was built, what it is made of, what is flowing through it and the range of operating temperature. It also improves inspection planning with leading-edge software and analytical tools, communicating across operating groups, improving access to information, linking corrosion threats to specific equipment and facilitating cross-site sharing of findings so we can determine which inspections are the most important and identify which areas of the plant to focus on first.



Ponca City Refinery
PONCA CITY, OK

FOCUSING ON PIPELINE INTEGRITY

Phillips 66's liquid pipelines move crude oil and NGLs to our operating assets and take the NGLs, gasoline, diesel and jet fuel we produce to market.

Our approach to pipeline safety is rooted in preventing product releases, staying ahead of maintenance requirements and emergency preparedness. Elements of these programs include exacting design and construction standards, 24/7 remote-line monitoring, leak detection, community education programs, training and strong relationships with emergency response teams across our asset footprint.

Our pipeline control center staff in Bartlesville, Oklahoma, continuously monitors each pipeline's operations and pressure. At the first sign of a pressure change that could indicate a leak, an employee will shut down the pipeline as a precautionary measure until the matter is understood and resolved.

AT A GLANCE

Pipeline Integrity Successes



3+

years with zero significant releases or safety events on Phillips 66 pipelines

3.5

years since the last pipeline mechanical integrity-related spill >100 BBLs

3

consecutive years (2020-2022) of total spill volume <500 BBLs per year



Pipeline control center
BARTLESVILLE, OK

Pipeline Integrity Programs

Phillips 66's pipeline integrity programs focus on three aspects of safe operations.

PRESSURE CYCLE MONITORING TOOLS AND PROCESS

We're enhancing data integration and creating industry-leading tools to capture pipeline system data and generate solutions. The new processes uncovered many "Good Catches," improved our overall leak performance and reduced pressure cycles by up to 90% on some systems. It also drives efficiencies through reduced inspection and maintenance requirements.

CONTINUED ADVANCED INSPECTIONS

We have improved facility integrity programs by completing 16 comprehensive aboveground assessments and setting targets for implementing them at all facilities. These advanced inspections use a combination of guided wave testing and other ultrasonic inspection techniques to identify corrosion threats earlier than older inspection methods.

REPLACING HIGHER-RISK PIPE

In addition, we replaced approximately 130 miles of existing legacy pipelines, reducing risk and environmental impact to high-consequence areas. Our pipeline risk model prioritizes preventative and mitigative measures on our pipeline systems, which allows the risk management team to achieve an in-depth risk assessment and promote awareness across the organization.

Clemens to Gregory Pipeline
REFUGIO, TX



IMPROVING TESTING AND INSPECTIONS

We are improving the integrity testing of pipelines and using data analytics to identify potential seam cracks. We apply our technical resources and know-how through joint studies with the Pipeline Research Council International, Joint Industry Partnership and various committees within API and the Association for Materials Protection and Performance.

We also have an industry-leading maintenance program that uses smart pipeline inspection gauges, known as “pigs,” which travel through the pipelines and send back images, enabling us to inspect and assess the interior and identify maintenance needs. For smaller-diameter pipelines, where traditional pigging technology will not work, we are piloting a new technology that will fit inside to gather data.

Existing pipeline rights-of-way are visually inspected biweekly. In some areas, we also inspect via regular aerial pipeline patrols to look for potential signs of leaks and other pipeline integrity threats, such as unauthorized digging or exposures. We have implemented state-of-the-art leak detection technology and real-time transient modeling on all our operated pipelines.

99.999%

of the time, pipelines deliver products safely, and they are one of the safest ways to transport the energy we use every day*

We use technology to enhance operational efficiencies and advance internal capabilities to improve effectiveness, safety and productivity by pairing with leading satellite technology providers to enhance risk detection along our pipeline rights-of-way. Satellite sensor data and innovative processing algorithms provide scientific analysis and alerts to potential environmental changes around our pipelines.

We also partnered with a trusted autonomous aircraft systems provider to develop a drone-based solution for completing secondary seal inspections on our large portfolio of external floating roof tanks. This approach removes the need for personnel to climb tanks or complete a potential confined space entry, and it produces a document of record.

PERFORMING AUDITS

There are hundreds of audits each year across our operations. 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 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.

At a corporate level, we schedule and perform internal audits of our operated businesses on a predetermined three- or six-year cycle as mandated by regulatory requirements and HSE risk. Joint ventures, partnerships and contractors are included in the auditing process. Additionally, refinery operating excellence audits, insurance risk assessments, trade association assessments and third-party safety audits happen each year.

Independent company and contractor subject matter experts conduct internal audits to evaluate all aspects of HSE and operating excellence practices.

Individual operating businesses are required to conduct self-audits to confirm compliance with internal and external HSE standards. Audits are documented and include a process for communicating results to management. Timely closure of corrective actions is monitored through an industry-recognized compliance verification process, which requires business leaders, from the operating to the executive level, to review and acknowledge outstanding items and timelines.

We are also involved in numerous industry improvement and standard-setting committees of the API, AFPM and the Association of Oil Pipelines.

OSHA'S Voluntary Protection Program

Across our Refining, Midstream and Lubricants assets, 29 facilities have OSHA Voluntary Protection Program (VPP) Star recognition. Six contractor companies at our sites also participate in VPP. The STAR recognition 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.

*As reported by API's 2023-2025 Pipeline Excellence Strategic Plan and 2022 Performance Report

Product Compliance and Responsibility

Several of our facilities have additional certifications and systems that demonstrate our ability to consistently provide products and services that meet customer and regulatory standards.

We are proud of our product quality management systems and our efforts to prevent loss.

OBTAINING ISO CERTIFICATIONS

Our facilities follow Phillips 66 quality management systems, and many are certified to International Organization for Standardization (ISO) measures. Some customers require this certification of our polypropylene products and lubricants.

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 designing and manufacturing of plastic pellets.

KEEPING PLASTIC PELLETS CONTAINED

We have numerous practices for containing and mitigating loss at Bayway Refinery. Pellets are piped to an on-site storage silo, creating a closed system. From there, the product is blended and fed into rail cars for transportation to customers. We inspect rail cars for operable and closed caps and valves. Environmental performance includes collecting scrap and vacuuming sumps to recycle pellets, preventing loss. We are prepared with booms and vacuum trucks should a spill occur.

Our Bayway facility management and employees are committed to Operation Clean Sweep and support the goal of zero pellet loss. We have also implemented a rail car return policy to help eliminate the possibility of pellets entering the environment due to unsealed or improperly sealed rail cars returning from our customers.



Wood River Refinery
ROXANA, IL

PREPARING FOR EMERGENCIES

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. Our tiered Emergency Response Management System provides a model for building and maintaining crisis management and emergency response capabilities and plans. Our emergency response teams protect lives and secure the area in an emergency.

Every facility has a local Tier 1 response team that utilizes emergency response plans with processes for identifying potential emergencies and planning for mitigation and control. These plans are reviewed annually.

Local Tier 1 response teams can draw support from Tier 2 and 3 response teams, which our Corporate Crisis Management and Emergency Response Team oversees. These additional layers of support are available upon request or when incident criteria triggers are reached. We maintain a Global Incident Management Assist team to staff Tier 2 and 3 responses and ensure all team members are skilled, qualified and available by conducting regular training and drills. Tier 2 and 3 team members maintain the tools and systems needed to facilitate the rapid deployment of resources to support local Tier 1 Incident Management teams.

Each year, we hold emergency response drills that prepare our company and community responders for various realistic scenarios.

In 2022, we collaborated with Texas A&M Engineering Extension Services to offer specialized industrial emergency training and scholarships to 80 of our community firefighters. We stand together on the front lines and recognize the importance of helping to train our fellow firefighters. We are committed to being responsible, good neighbors in the communities where we operate and supporting our first responders.

Additionally, we invite tribal representatives to participate in drills and training sessions held at our operations near Native American communities. Sharing these resources makes our communities safer and keeps lines of communication open.

Each business unit also completes multiple notification accountability drills for emergencies and one tabletop exercise every year.

In addition, we hold dozens of exercises for other scenarios, including the following:

- Process safety management.
- Risk management fire or vapor cloud scenarios.
- Supervisory control and data acquisition failure exercises at least twice a year.
- 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 keep employees safe and so our operating assets can safely resume manufacturing and transporting energy products to markets worldwide.

WORKING TOGETHER TO KEEP COMMUNITIES SAFE

A new 14-acre fire field in Sweeny, Texas, helps Phillips 66 fire and rescue train with local fire departments and teams from CPChem. The city of Sweeny gifted the land to the Sweeny Fire Fighters Association, and the facility includes a classroom, an indoor training facility, a three-story burn building and other facilities to test real-life scenarios.

FACILITATING SAFETY MEETINGS, SUMMITS AND TRAINING

Each of our sites conducts a monthly safety committee meeting where employees, managers and union representatives review goals and safety practices. They audit results and work together to keep an open dialogue focused on continuous improvement. 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 within our field staff groups and perform job safety analyses for each field job.

We periodically host large-scale company training summits, gathering people from health and safety committees throughout the company to share best practices, goals and performance milestones. Attendees gain new techniques, skills and knowledge they can implement at their home facility. The summits also encourage union leaders and Phillips 66 management to maintain an open dialogue and speak with a unified voice about safety.

We also hold periodic contractor safety summits with all our major contracting companies to set expectations and goals, share best practices and keep lines of communication open. Each Midstream region holds a regional contractor summit with its primary and secondary contractors.

Employee Safety Training

We are piloting a new hazard recognition training that brings the asset to the classroom virtually for real-time training, allowing contractors and employees to see the entire environment from a different perspective and recognize all the potential hazards around them. At the Lake Charles Manufacturing Complex, a behavior-based safety process known as Changing Awareness Produces Safety has been enhancing safety performance for 26 years. The Sweeny Refinery's hands-on safety training experience for employees and contractors focuses on improving understanding of our 10 Life Saving Rules and Sweeny's safe work practices. Safety teams join operations and maintenance personnel to bring their front-line perspective and train people in groups of 50 over a five-week period.

Contractor Safety Training

We involve our contract companies in planning work to be performed to maintain safe practices. Regular

TRANSITIONING TO FLUORINE-FREE FIRE FOAMS

Phillips 66 has been researching firefighting technologies to find an alternative to perfluoroalkyl and polyfluoroalkyl substances, also known as PFAS-containing firefighting foams. Since 2019, the company has collaborated with industry peers and has invested in 14 different fire test studies, each including multiple burns, to assess emerging alternatives. In 2022, we made a recommendation and created a procurement strategy to replace our existing firefighting foams.

communication at all levels is foundational to achieving our mutual goals.

We are developing an enhanced contractor onboarding program and supervisor leadership training for Phillips 66 and contractors leveraging the Health & Area Safety Council. This includes using the latest research in adult learning and training for our 10 Life Saving Rules, Shield Your Future, Leadership Training and Phillips 66 safety culture. Many of our sites also have established Contractor Safety Alliances that include safety professionals, front-line supervisors and leadership from Phillips 66 and each of our contract companies and business trades, all of whom meet regularly to discuss safety issues, performance and lessons learned.

We also have contractor-to-contractor audits to support smaller contract companies. The audit teams include Phillips 66 employees and several contract company leaders that reach out to workers and address barriers to safe work.



**Firefighter training at TEEX Brayton Fire Training Field
COLLEGE STATION, TX**

Progressing Our Environmental Performance

We are committed to environmental stewardship. We honor that commitment by creating operational efficiencies and cleaner processes and investments in nature conservation and biodiversity.

REDUCING AIR EMISSIONS

Over the past 10 years, we have made significant investments in reducing air emissions. Since 2018, we have reduced our criteria air pollutants (nitrogen and sulfur oxides, particulate matter and volatile organic compounds) by 27% across our assets. For example:

- At our Wood River Refinery, we installed selective catalytic reduction units on two hydrogen plants, with an 87% decrease in nitrogen oxides expected from these two units annually.
- We improved winterization protocols on critical instrumentation at 50% of our refineries, mitigating potential environmental impacts during cold weather events.

See our air emissions since 2018 in the [Performance Data](#) section.

MANAGING WATER USE

Access to water, maintaining its quality and using it efficiently are critical elements in energy production. Water is essential in our manufacturing facilities and processes, and we manage it responsibly. All our Refining assets have on-site wastewater treatment systems and oil recovery units. These units separate reusable water from oil streams, reducing freshwater use and improving discharged water quality, which supports local water municipalities by reducing the amount of water to be treated.

Many of these units use available brackish, saltwater or non-freshwater resources and implement industrial reuse processes, reducing the demand for freshwater. We operate 12 biological treatment plants and 14 pre-treatment facilities in North America and the United Kingdom.

Our ERI organization researches and develops best practices for water use to maintain sufficient water resources well into the future. We are entering our second year as the industry partner with Georgia Tech on a DOE-funded project to evaluate the design of a new membrane for use in treating desalter brine. This would allow us to recycle and reuse the oil and water in our system, reducing reliance on freshwater and minimizing waste streams from our facilities.

To meet and exceed the strict requirements of the National Pollutant Discharge Elimination System (NPDES) and industrial pre-treatment permits, we have improved our water management procedures, setting higher environmental performance standards, minimizing plant upsets and reducing chemical use and waste generation. We have developed leading key performance indicators as part of our water use efficiency program, including condensate returned to steam production and condensate recovered versus consumed in the process.



Bayway Refinery
LINDEN, NJ

Wastewater

We regularly engage with wastewater trade associations like the Water Environment Federation, working with our peers to develop and share best practices. Our wastewater experts have volunteered their time to peer-review articles published in Environmental Engineering Science, a journal covering climate change, energy and environment, contaminant fate and transport, and environmentally friendly technologies.

Water is essential in our manufacturing facilities and processes, and we manage it responsibly.

Remediated and Recycled Water

Our Remediation Management team is responsible for treating water that may have been contaminated. In 2022, the team treated approximately 50 million barrels of water, and we recycled 94% of the treated water for reuse at our facilities, primarily in our cooling towers, reducing the amount of freshwater needed to operate.

In-House Water Testing

Our fish bioassay lab in Rodeo, California, conducts a toxicity test on water discharged from the San Francisco Refinery into San Pablo Bay. The test is a requirement of the refinery's NPDES permit, and results are reported to the California Regional Water Quality Control Board and EPA. The bioassay lab can also proactively determine the potential toxicity of feedstocks or chemicals brought onsite prior to usage.

Bioreactor Bugs

The water used in processing crude oil must be cleaned to remove nitrates before it is discharged. Left untreated, nitrates can encourage excess algae growth that damages rivers and streams.

The ERI organization and the Humber Refinery discovered a novel method using bioreactor bugs that, in low-oxygen conditions, break down nitrates into nitrogen gas, which is safely dissipated into the atmosphere. This method has helped our Humber Refinery decrease its total nitrogen output by more than half, allowing us to meet environmental requirements and realize additional utility cost savings on oxygen and fresh caustic usage versus the alternative. We are evaluating additional sites to deploy the bioreactor bugs.

Reducing Freshwater Use

We are committed to reducing freshwater withdrawals at our facilities. 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. At our Houston Headquarters, we collect and reuse rainwater, and several of our refineries have processes to meet their unique needs. For example:

- At our Bayway Refinery, we invested in infrastructure to use stormwater runoff from nearby community streets in our operating units and water treatment plants in lieu of potable water.
- At our Ponca City Refinery, we invested in projects to recover and reuse more than 68 million gallons of condensate and other water sources that would typically be discharged to waste.



**Fish bioassay lab at
San Francisco Refinery
RODEO, CA**



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 protects 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. Since 2019, we have recycled more than 75% of our hazardous waste, keeping it out of landfills.

Additionally, our processes are designed to track every raw material used in the manufacturing process at our Lubricants plants.

930

tons of scrap material, including cardboard, bottles, cans, pallets and shrink wrap recycled at our Lubricants plants in 2022



Gulf Coast Lubricants plant
SULPHUR, LA

Tanks at our refineries and terminals require periodic cleanouts, and we dispose of the residual product in compliance with strict environmental laws.

1 million

gallons of waste-derived fuel for manufacturing processes generated from our tank cleanout methods in 2022

200,000

gallons of water conserved from our tank cleanout methods in 2022

Recycled and Rejuvenated Catalyst

The refining industry uses large quantities of catalysts to purify and upgrade various products. Over time, the catalysts will deactivate and require replacement.

We established a standardized program and approach to expanding the use of rejuvenated catalyst, which is a recycled catalyst that still meets performance and safety standards.

The implementation of rejuvenated catalyst, catalyst resale and recycle programs will help lessen waste streams sent to landfills, reduce GHG emissions and support a more circular supply chain. In 2022, we sent more than 13 million pounds of catalyst to the cement industry as feedstock, and more than 13.5 million pounds of catalyst were reused by other manufacturing facilities.

1 million

pounds of rejuvenated catalyst were used in our hydroprocessing reactors in 2022

ARROWS OF IMPACT

Our Arrows of Impact program reduces waste at our Houston Headquarters by making recycling more convenient and educating employees on what and how to recycle.

23%

of our waste diverted from landfills in 2022

2,000+

pounds per week of green waste added to our composting program in 2022



Recyclable container at headquarters
HOUSTON, TX

SUPPORTING BIODIVERSITY AND CONSERVATION

Our environmental stewardship efforts go beyond many 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 that supports these ecosystems. Careful management of natural capital is a core component of a resilient, long-term strategy.

We collaborate with national and local environmental and conservation organizations to promote biodiversity and environmental stewardship and support their efforts by donating money and resources. Our employees and interns volunteer their time and make monetary contributions, which the company often matches. 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, and following our project management policies, we address these throughout the planning and development stages. To identify potential impacts and prepare environmental permits, mitigation plans and monitoring programs, we conduct environmental impact analyses by leveraging several sources and tools, including:

- The U.S. Fish and Wildlife Services Information for Planning and Conservation tool.
- State-listed threatened and endangered species.
- National Land Cover Database.
- National Wetland Inventory mapping.
- Natural Resources Conservation Service soil survey mapping and hydric soils lists.
- U.S. Geological Survey topographic mapping.
- National Register of Historic Places.
- EPA Environmental Justice (EJ) Screen Tool.

We coordinate and engage with many agencies, such as 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 advanced construction techniques, such as horizontal directional drilling, to minimize the impact on the environment, local communities, wildlife and natural resources.



Heartlands Conservancy volunteer project
SWANSEA, IL

AT A GLANCE

Protecting Wildlife in Our Communities

3,000

acres of estuaries and habitats enhanced in 2022 by our collaboration with key national conservation organizations and partners, benefiting thousands of species of birds, reptiles and amphibians and butterflies

Key partners include:

- Tri-State Bird Rescue and Research.
- The Wildlife Center of Texas.
- International Bird Rescue.
- Heartlands Conservancy Project.
- East Matagorda Bay Wetlands Project.
- Treehouse Wildlife Center.

HABITATS FOR MONARCH BUTTERFLIES

Our Midstream business now has a Certificate of Inclusion into the Monarch Butterfly Candidate Conservation Agreement with Assurances. As part of this program, we maintain more than 11,000 miles of our rights-of-way in a manner that enhances the habitat for butterflies. This 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.

REMEDIATION IN CALIFORNIA

Phillips 66 collaborated with the U.S. Fish and Wildlife Service, the Army Corps of Engineers, the California Water Quality Control Board and the California Department of Fish and Wildlife Services, to support the creation of the new Thurgood Marshall Regional Park.



Wild West Wildlife
Rehabilitation Center
AMARILLO, TX

Thurgood Marshall
Regional Park
CONCORD, CA

1.85

acres of restored land to the East Bay Regional Park District in California, funded by Phillips 66

WILD WEST REHABILITATION CENTER IN THE TEXAS PANHANDLE

Phillips 66 donated funding to the Wild West Wildlife Rehabilitation Center (WWWRC) to construct the first-ever Wildlife Education Facility in the Texas Panhandle. Each year, WWWRC helps more than 3,000 orphaned and injured creatures across 26 counties.

1,800

square feet added to the WWWRC's rehabilitation capacity due to our funding of the new facility



Sutton Avian
Research Center
BARTLESVILLE, OK



SUTTON AVIAN RESEARCH CENTER

Phillips 66 has worked with the Sutton Center to conduct intensive, conservation-oriented, ecological field research on declining grassland birds, developing and applying techniques for reintroducing and monitoring southern bald eagles, managing the successful captive breeding of endangered species and performing bird surveys in Oklahoma and around the world. In 2022, grant funding from Phillips 66 was instrumental in the success of Sutton's Attwater prairie chicken captive breeding program.

TWO RIVERS NATIONAL WILDLIFE REFUGE

In Brussels, Illinois, near Phillips 66's Wood River facility, Ducks Unlimited, in partnership with the U.S. Fish and Wildlife Service's Two Rivers National Wildlife Refuge, is working to restore and enhance more than 320 acres of floodplain wetlands.

250

species of waterfowl, wading birds and songbirds will benefit from the improvements near our Wood River Refinery

NEW HABITAT FOR FINFISH IN LOUISIANA

The Phillips 66 Lake Charles Manufacturing Complex teamed up with the Coastal Conservation Association, the Louisiana Department of Wildlife and others to construct the Finfish II artificial reef in Louisiana's Calcasieu Lake.

Crushed concrete was placed in a design to optimize bottom contours and water conditions. A diverse range of species can make a home in the reef, including oysters, which have experienced a decline in population in the lake in recent years.

1,500

tons of recycled crushed concrete deployed over 3 acres to create the Finfish II artificial reef next to the original Finfish reef

For more details on environmental data, see the [Performance Data](#) section.



Stakeholder Engagement



Boys and Girls Club of
Lummi Nation grand opening
BELLINGHAM, WA

We demonstrate our values through actions, by being a good neighbor and by promoting respect for human rights.



Social responsibility is one of our sustainability pillars. Our commitment relies on stakeholder engagement, and our approach is based on mutual respect.

We believe that an engaged workforce and strong stakeholder ties support the resiliency of our businesses and our communities.

Stakeholder Engagement

We demonstrate our values through actions, by being a good neighbor and by promoting respect for human rights. We conduct our operations in compliance with applicable laws, including environmental laws, regulations and policies.

In alignment with the EPA's definition of environmental justice, we believe in the fair treatment and meaningful involvement of all people regardless of race, color, national origin or income. We also reviewed the World Benchmarking Alliance (WBA) assessment and methodology on just transition, and Phillips 66 is directionally aligned with the WBA social dialogue and planning transition indicators. We will monitor and participate in the development of these frameworks as they evolve and relate to our businesses. One example of our approach to a just transition for employees, labor unions, government and communities is reflected in the Rodeo Renewed project and how it was handled with all stakeholders in mind.



WEB-EXCLUSIVE

Environmental justice in action: Engaging our stakeholders in Rodeo, California

AT A GLANCE

Our Stakeholders

Our processes are designed to provide a proactive, respectful and responsive approach to engaging with our stakeholders, including:

Employees	Customers	Indigenous peoples
Contractors	Suppliers	Legislators
Shareholders	Communities where we operate	Energy consumers

Engaging Our Employees

We know a sense of belonging drives employee engagement, and we offer our people a place to thrive as part of a high-performing workforce. Our employee engagement programs include town halls, surveys, focus groups, one-on-one coaching conversations, an intranet and mobile app and more. Our Human Capital Management Report offers an in-depth look at the programs and policies that support our employees and strengthen our culture.

AT A GLANCE

Human Capital Management Report Highlights

See the full report on the [About Us](#) section of our website.



Our benefits programs are designed to support our employees' total well-being.



We offer a choice of three flexible work schedules for non-represented U.S. exempt employees.

\$179,184

in total compensation and benefits for our median employee

45 hours

invested in training per employee, per year on average



Safety meeting at Borger Refinery
BORGER, TX

10

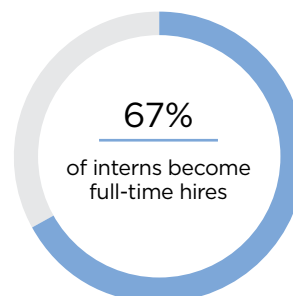
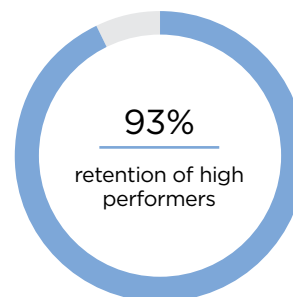
Employee Resource Groups (ERGs) promote diverse perspectives and raise awareness around identity and belonging

We work together with unions and works councils to achieve a high-performing organization and operating excellence.

34%

of U.S. workforce represented by a labor union

We aim to attract and retain top talent.



Best Places to Work

for LGBTQ+ Equality by the Human Rights Campaign Foundation in 2022

Involving External Stakeholders

We cast wide nets to identify ESG trends and issues that may be important to our stakeholders. We tap into various sources inside and outside our sector, across countries and political views, and gather physical, policy, human capital, reputational risk and opportunities-related information.

We routinely acquire additional information about stakeholder interests from customer conversations, in-person interviews and surveys. Data comes from investors, service companies, consultants, industry bodies, research firms and analyst reports. We also rely on sources such as governmental databases, environmental and social nongovernmental organizations, global policy bodies, ratings agencies and indices, community advisory boards, and scorers and activists in ESG areas.

We translate our data into action by enhancing our sustainability practices in response to stakeholder feedback, and we build resilience by developing trust and collaborating on key issues.

ENGAGING SHAREHOLDERS AND OTHER CAPITAL MARKET STAKEHOLDERS

Phillips 66 maintains a year-round shareholder engagement program to listen to investor perspectives on our business strategy, executive compensation program and ESG matters. Our engagement program aims to identify and understand shareholder concerns and demonstrate responsiveness to their feedback.

Phillips 66 held its 2023 Annual Meeting of Shareholders on May 10, 2023. Shareholders representing more than 87% of our shares outstanding participated, in person or by proxy. As a result of successful shareholder engagement, the voting results were generally in favor of company positions and reported on a Form 8-K filed with the Securities and Exchange Commission on May 12, 2023, and publicly available [here](#).

AT A GLANCE

2022 Shareholder Engagement by the Numbers

57%

of shares outstanding contacted

47%

of shares outstanding engaged

Power Ahead marketing conference
LAS VEGAS, NV

WORKING WITH CUSTOMERS AND SUPPLIERS

Our customers distribute the products we make to consumers and businesses. We market refined petroleum and renewable fuels through wholesale and joint venture outlets under the Phillips 66®, Conoco®, 76®, JET® and Coop brands, primarily in the United States, United Kingdom, Germany, Austria and Switzerland.

We work with our customers and suppliers on sustainability issues that are important to them. For example, in response to customer feedback, we are developing a methodology to determine the carbon intensity of the products we produce at select facilities to support consistency and comparability when evaluating life-cycle analysis impacts.

We work with our customers and suppliers on sustainability issues that are important to them.

For more information on how we work with suppliers, see the [Governance](#) section.



76 branded station
PLEASANT HILL, CA

Supporting Our Customers to Create Positive Impact

The Phillips 66 brands stand at the intersection of business, community and the environment to provide premium products.

Our company and our customers strive to be trusted partners and assume responsibility for strengthening the communities where we operate. Phillips 66, Conoco and 76 branded customers are elevating their businesses and communities through action and innovation. It is a privilege to assist them in bolstering awareness, engaging on a local level and building goodwill.

GREAT WESTERN PETROLEUM – DENVER, COLORADO

Great Western Petroleum has been a customer for more than 40 years. It supports local food banks, schools and college athletics, the YMCA, special needs programs and numerous local fundraisers. Under our Conoco and 76 brands, Great Western Petroleum always aims to demonstrate best practices and help its peers grow and build loyalty while focusing on community.

CARPINTERIA CAR CARE – CARPINTERIA, CALIFORNIA

Carpinteria Car Care has been branded with 76 for more than four decades. A fervent believer in serving the community, it supports many local groups, including the Future Farmers of America and The Rhythmic Arts Project, which helps people with intellectual and developmental disabilities.

TOWN PUMP CONVENIENCE STORES – BUTTE, MONTANA

Town Pump has been a long-time Conoco marketer, proudly giving back to communities across Montana. Its charitable foundation runs an annual Meals for Backpacks campaign to provide meals for thousands of children at risk of hunger. In 2022, Town Pump generated more than \$450,000 in consumer donations and distributed more than \$1 million in matching grants to more than 100 food banks.

**BUILDING STRONG AND
RESILIENT COMMUNITIES**

Building local capacity for resilience and emergency preparedness is part of our commitment to our values, human rights, environmental protection and rapid response. We participate in community safety and preparedness programs and proactively support local police, fire and emergency management personnel to bolster their resources and provide training support.

We promote open communication with the communities surrounding our facilities and regularly discuss safety concerns, feedback and grievances. Communication channels include community awareness, education and listening panels, social media and community hotlines.

Our refineries have long-standing Community Advisory Councils or Panels (CACs or CAPs) that represent a cooperative and empowering collaborative environment. CACs and CAPs include volunteer community members who meet regularly to discuss topics of mutual interest in an honest dialogue with site management. Topics include site safety and operating performance, special educational topics, planned maintenance activities that may impact or increase traffic, community outreach programs and volunteering opportunities. The goal is to provide communities with an open, actionable forum where questions or concerns can be voiced and heard.

**PHILLIPS 66
COMMUNITY RESOURCES**

[811 Call Before You Dig](#)

Midstream Community Relations hotline
832-765-3887

[24-hour refinery hotlines](#)

Sustainability team email
rscsustainability@p66.com

Monthly CAP meeting
at Wood River Refinery
ROXANA, IL





LEADERSHIP INSIGHTS

Creating Community Connections and Broadening Perspectives

Phillips 66's Wood River Refinery is in David Watts' hometown of Roxana, Illinois. His dad was a union carpenter who worked for a contractor at the refinery for more than 20 years. Now, David works as a seventh-grade science teacher in the school district he attended as a kid, and serving on the Wood River Refinery's Community Advisory Panel is one way he gives back.

You joined the CAP about three years ago. What made you want to get involved?

I am super involved in the community: I coach track, I'm the chair of the American Cancer Society Relay for Life in our region, and I'm on the local school board. A fellow educator friend nominated me to be on the CAP in 2019, and I was hesitant because I wasn't sure if I had time for another commitment. But after attending the first meeting, I loved learning about the refinery. I already knew about the economic benefits it brought to the community, but as a science educator, I wanted to know more about the operations. I teach a whole unit on sustainable and non-renewable energy, and being on the CAP is a great way to extend my knowledge and better educate my students.

I love taking tours and learning about all the equipment. I've learned that the refinery has a drone inspection program and its own water treatment system that the EPA regulates. When I learn new information, I share it with others, and it's that follow-up part with the community that I really enjoy.

How have you seen Phillips 66 demonstrate partnership with the community?

I can see the refinery's coker unit from my classroom window and the storage tanks from the football field and track. I teach in a very good school and school district, but it wouldn't be that way without the property tax money we get from the refinery.

Being on the CAP helps me see different sides. I can help advocate for the community based on needs that I know about and lobby for how the refinery can help meet those needs. It's a good balance.

What is the collaboration like between CAP members and refinery leadership?

We have 11 CAP meetings per year, plus a planning meeting every January where we brainstorm the community's top needs, interests and ideas. The refinery takes our top ideas and makes a plan to address them. For example, one suggestion was to put together a drone tour of the refinery so we could see what it looks like from above, and the refinery made that happen.

At every meeting, refinery leads who are part of the CAP provide updates on environmental and safety performance, and we hear from Refinery Manager Ray Rigdon. It's never us versus them. We all work together, truly get to know each other and make the work important.



David Watts
ROXANA, IL

ASSESSING SOCIAL RISKS

We adhere to national and local laws and regulations regarding environmental, social and health assessments before starting operations at a 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 even door-to-door flyer distribution. We also hold public meetings to encourage dialogue and feedback from our stakeholders.

CREATING COMMUNITY AWARENESS ABOUT PIPELINES

Our pipeline operators have year-round community awareness, education and listening panels to help everyone living or working near our pipelines or facilities adopt safe digging practices, learn the signs of a potential leak and know how to respond quickly if a problem is suspected.

U.S. government and oil industry statistics show that improper or unauthorized digging is the most common cause of pipeline incidents. That's why our pipeline operations business maintains an 811 call center, which has handled more than 1.8 million calls since 2012. We analyze root causes and the location where the event occurred, utilizing the Damage Information Report Tool (DIRT) to enhance our ability to implement damage prevention processes and programs. Phillips 66 also offers specialized programs for farmers, ranchers, emergency officials and schools.

CONNECTING WITH INDIGENOUS PEOPLES

Phillips 66 recognizes the dignity and values the worth of all human beings, and this is reflected in our [Position on Human Rights](#) and [Code of Business Ethics and Conduct](#). We work with Indigenous peoples to build meaningful relationships, honoring them and their connection to the land in the regions where we do business.

Our field communicators and CAPs/CACs work with tribal representatives when repairs or updates are needed to pipelines or other assets on or near land important to Indigenous peoples' heritage. When opportunities arise or we are invited to collaborate, Phillips 66 is steadfast in its support. Our partnership includes ongoing support of the American Indian Science and Engineering Society (AISES) and its efforts to bring more Indigenous students into STEM studies. In 2022, AISES named Phillips 66 as a top Indigenous STEM employer.

Near our Ferndale Refinery in Washington state, we recently supported the transformation of the Lummi Nation Boys & Girls Club into a STEAM (science, technology, engineering, arts and math) center. We also continue to support the Northwest Indian College at Lummi Nation.



WEB-EXCLUSIVE

Renovated Lummi Nation Boys & Girls Club facility opens

“I grew up around Phillips 66 and saw how active it is in the Native American community. Phillips 66 really does care about diversity and inclusion for underrepresented groups like mine.”

LACY HAMILTON
Senior Lab Technician and Cherokee tribe member



Phillips 66 Recognized by Singapore Nonprofit

For more than a decade, our Commercial office in Singapore has supported SPD, a nonprofit organization dedicated to serving people of all ages with disabilities.

In 2023, Phillips 66 was recognized as a top donor and awarded the “Gift of Hope” at a reception at the Istana, the official residence and office of the president of Singapore.

“We were honored to have been a part of this celebration and humbled by the achievements and successes of SPD in serving the needs of the community,” said Ryan Wegner, Finance Manager, Asia, and sponsor of the Phillips 66 Singapore philanthropic committee. “SPD has always had a special relationship with our philanthropic committee, and we look to strengthen our partnership for years to come.”

In addition to corporate contributions, the Singapore team participates in SPD events and frequently engages with the nonprofit.

“It’s truly inspiring to see our Singapore team actively sharing their Good Energy,” said Mark Hughes, Senior Vice President, Commercial. “Their commitment to SPD provides hope for those in need and is an excellent example of giving back to the communities in which we operate.”

INCREASING OUR SOCIAL IMPACT

Living our core values of safety, honor and commitment, we create purposeful partnerships and aim to strengthen economic, social and environmental resilience in the communities where our employees live and work.

[Good Energy](#), our employee volunteerism program, was designed to inspire employees around the globe to connect with neighbors and share their compassion, talents and hard work to improve our communities.

**My Home Library book
distribution at Kashmere
Gardens Elementary School
HOUSTON, TX**



**Tree planting at Los Angeles
Harbor College
LOS ANGELES, CA**

AT A GLANCE

Social Impact Strategy

Our social impact strategy includes four focus areas for corporate giving: education equity, safety and well-being, social advancement and environment. These focus areas reflect the ways we live our values, support our stakeholders and contribute to the betterment and resilience of our communities.

\$27 million

contributed across our education equity, safety and well-being, social advancement and environment pillars in 2022

1,600+

students met employers and education providers to discuss potential career opportunities at the North Lincolnshire Skills Fair in Grimsby, United Kingdom

1,200

native plants planted on 10 floating platforms along Louisiana's coastline and anchored together to allow plants to take root while protecting the existing shoreline

MAKING A DIFFERENCE THROUGH LOCAL GIVING

We sponsored the effort of hundreds of children working to publish a 7-foot-tall book of short stories, poems and illustrations that broke the Guinness World Record for the largest published book in the world.

**I am Texas
book showcase
HOUSTON, TX**

Our contribution to Lake Charles, Louisiana, helped reimagine the local children's museum to provide STEM activities that teach kids how refineries convert crude oil into finished products.

Employees volunteered to build houses with Habitat for Humanity, enhanced the landscaping at the city zoo and joined a citywide effort to revamp neighborhood parks in Houston, Texas.



WEB-EXCLUSIVE

Phillips 66 donates \$5 million to build JA Discovery Center



Louisiana Coastal Conservation Association and Phillips 66 volunteers plant floating islands LAKE CHARLES, LA



Tree planting volunteer event at the Houston Zoo HOUSTON, TX



Phillips 66 Teams Up With Boys & Girls Club for Scholarships

Our Community Scholarship program for Boys & Girls Club members provides financial support and guarantees interviews for internships or full-time positions.

\$5,500

awarded per student, per year attending a four-year institution, with a preference given to students interested in STEM education

\$1,500

awarded per student, per year for students attending a community college or vocational/technical institution, with a preference given to students interested in an industry-related craft or trade

In 2022, we awarded scholarships to 10 students and earmarked additional funds for all 2022 recipients who remain qualified for the program.

Awards are renewable for up to three years or until a bachelor's degree or vocational or trade certificate is earned, and the funds can be used for tuition, books, school supplies or room and board. Scholarship recipients are also guaranteed an interview for a Phillips 66 internship if they attend a four-year institution. If they attend a craft or trade school, meet the minimum grade point average requirements and are interested in a relevant field, they're guaranteed an interview for a full-time position with Phillips 66.

Interested applicants can read full details and eligibility requirements on the [Phillips 66 Community Scholarship program website](#).



WEB-EXCLUSIVE VIDEO

Accelerating student success

ST Math digital learning tool supported by Phillips 66 at Jane Phillips Elementary School BARTLESVILLE, OK





Governance



Investor Day 2022
Closing-Bell Ceremony at NYSE
NEW YORK, NY

Our values of safety, honor and commitment guide everything we do.



Good governance and ethics are integral at every level of our organization and contribute positively to our corporate culture, sustainability and shareholder value.

Maintaining Board and Managerial Oversight and Governance

Our board of directors and Executive Leadership Team (ELT) embody our company values and are dedicated to ethical business practices.

Sustainability matters are regularly reviewed by our ESG Steering committee, a subset of the ELT. Examples of recent topics reviewed include the 2022 ESG priority assessment, stakeholder engagement feedback and progress to 2030 GHG emissions reduction targets.

The board regularly reviews evolving corporate governance best practices, regulatory requirements and feedback from shareholders, making changes it believes are in the best interest of Phillips 66 and its shareholders. Board members also collaborate with senior leaders and stay connected to our corporate culture through regular visits to our facilities to study the company's day-to-day operations and talk to employees.

Each of our board committees has specific responsibilities.

PUBLIC POLICY AND SUSTAINABILITY COMMITTEE:

- Manages the company's sustainability program and associated initiatives.
- Reviews compliance with HSE policies and impacts of environmental and social trends and uncertainties.
- Reviews exposure to and management of environmental, social and political trends and risks, including climate risk.
- Reviews and makes recommendations on the company's policies, programs and practices regarding HSE protection, government relations and political contributions, philanthropy and sustainability matters.
- Reviews the company's global reputation as a good corporate citizen in the communities where we operate.

AUDIT AND FINANCE COMMITTEE:

- Monitors our enterprisewide risk management program and our controls, compliance and ethics.
- Oversees the integrity of our financial reporting and financial statements.

NOMINATION AND GOVERNANCE COMMITTEE:

- Oversees board composition and succession planning.
- Seeks candidates with diverse backgrounds and perspectives who possess the collaborative spirit, character, skills, experiences and expertise required to oversee the execution of the company's strategy, risk management and operational objectives.

HUMAN RESOURCES AND COMPENSATION COMMITTEE:

- Determines compensation for the ELT.
- Oversees our human capital management strategy, including workplace culture, inclusion and diversity, and other talent management programs and initiatives.

EXECUTIVE COMMITTEE:

- Exercises the board's powers of authority to direct the business and affairs of the company between meetings of the full board.

The company and board governing documents lay out the specific roles and responsibilities of the board and its committees.

JOINT VENTURE GOVERNANCE

The company's governance and oversight extend beyond our direct operations. When our employees are appointed to serve as representatives of a joint venture (JV) in which Phillips 66 has an ownership interest, we provide training on their powers, duties and obligations. In 2022, we incorporated ESG considerations such as climate-related efforts and stakeholder engagement. For example, we shared sustainability governance best practices with our United Pacific joint venture in our U.S. Marketing business. During 2023, we deployed training to more than 80 employees across operated and nonoperated JVs on sustainability, non-technical risks and opportunity management.

MANAGING RISK

We use a detailed and disciplined process to identify potential risks and opportunities that could significantly impact our business. The board and management teams review long-term energy outlook scenarios and leading indicators annually as a consideration in business planning and to test our financial resilience.

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

Enterprise Risk Management

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. Our scenario planning seeks to manage our businesses' risks while evaluating opportunities to execute our strategy.

Experts from our business units and corporate functions are actively involved in our risk management program and processes. Our Risk Management team identifies 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.

IN OUR RISK MANAGEMENT PROGRAM, WE:

- Quantify risks based on our assessment of the probability of each risk and the potential significance of its financial, reputational or other impacts.
- Assess each risk in light of potential mitigating strategies or factors that may be available.
- Assign values to each mitigating factor based on assessments of potential timing, costs, effectiveness and other features.
- Include assessments of potential GHG emissions policies and impacts.

Each risk has a corporate owner, creating accountability within our organization. Management directs, and the board oversees, the enterprise risk management program and processes.

INCREASING ASSET RESILIENCE

We invest in and incur costs to protect our assets from physical risks and to employ processes to the extent available to mitigate such risks. We strive to improve our operational footprint and reduce costs through efficient energy use.

We have systems in place to manage potential acute physical risks that could adversely affect our assets and operations, including those that may be caused by climate change and severe weather. These are highly uncertain and depend on the unique geographic and environmental factors present in our business locations.

For example, many of our facilities are near coastal areas. Extreme weather and rising sea levels may disrupt our ability to operate these facilities or transport crude oil, refined petroleum or petrochemical and plastics products. Extended periods of disruption could negatively affect our operations, and we could incur substantial costs to prevent or repair damage to these facilities. Depending on the severity and duration of an extreme weather event or climate condition, our operations may need to be modified and material costs incurred, which could adversely affect our business, financial condition and operations results.

We have invested in hardening our assets to enhance their reliability, including our industry-leading pipeline river crossing program, the power substation elevation at Bayway Refinery in Linden, New Jersey, and installing a state-of-the-art power distribution facility at Wood River Refinery in Roxana, Illinois.

ENHANCING CYBERSECURITY

Our Corporate Information Security policies, standards and technical controls protect the confidentiality, integrity and availability of the company's systems and information assets. All business units are expected to follow processes and standards that align with recognized cybersecurity frameworks, industry best practices and guidance from U.S. government security directives that focus on cybersecurity and critical infrastructure.

As an example, in 2022, the Transportation Security Administration (TSA) issued a revision to the 2021 security directive ensuring pipeline owner/operators have the appropriate safeguards from emerging cyberthreats. Phillips 66's collaboration with the TSA and industry trade associations, as well as our continued focus on increasing cybersecurity resilience, contributed to helping shape the final security directive.

At a corporate level, Phillips 66 actively monitors, detects, prevents and responds to external cybersecurity threats to our network. Every inbound email is inspected for malicious activity, and external threats are mitigated through external penetration testing conducted by independent third-party specialists.

For internal business-critical process control networks, specific tools are used to help mitigate risks, including segregating the networks and systems from the Phillips 66 corporate network and external networks.

Each year, we conduct a range of audits across the company's IT infrastructure, networks, systems, applications, operational processes and procedures to review compliance with our information security policies and standards. We perform process control network assurance audits on a rotating schedule with coverage at each facility on a cycle of no greater than five years.

As part of the Business Continuity Plan development, all corporate IT systems are assessed for business criticality, with key systems and data included in the IT Disaster Recovery Plan (DRP). The DRP supports resuming corporate IT services related to essential business processes in a major unplanned event causing significant damage or loss to the infrastructure.

KEY ETHICS AND GOVERNANCE POLICIES

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. 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.

FOLLOWING OUR CODE OF ETHICS AND BUSINESS CONDUCT

At Phillips 66, honor is one of our values and means acting with integrity in everything we do. We recognize that questions can arise in today's increasingly complex global business environment. Therefore, we follow our [Code of Business Ethics and Conduct](#) (Code of Ethics) to help tie our company's values to our decision-making processes.

Honor is one of our values and means acting with integrity in everything we do.

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 Ethics. All employees participate in biannual 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 a supplemental Code of Ethics. We conduct annual benchmarking of our ethics program via a third party and share those results with our board's Audit and Finance Committee.

The Code of Ethics covers topics including, but not limited to, human rights, conflicts of interest, discrimination, harassment, confidentiality, anti-bribery, anti-boycott, employee grievances, insider trading, competition, fair dealing, and the integrity of financial reporting and financial statements.

We recognize and respect the dignity of all human beings. We believe business has a role in promoting respect for human rights worldwide. We embrace the right of all people to live their lives free from social, political or economic discrimination or abuse. The United Nations Universal Declaration of Human Rights informs our Position on Human Rights. Our code of ethics encapsulates the company's human rights position and prohibits human trafficking and forced labor, consistent with international norms.



Global Ethics Toll-Free Help Line 855-318-5390
phillips66.ethicspoint.com

Whistleblower Program

Employees, suppliers and customers are empowered to raise questions or concerns about our operations and business practices without fear of punishment. 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.

DONATING THROUGH THE EMPLOYEE-FUNDED POLITICAL ACTION COMMITTEE

Per board and company policies, Phillips 66 does not make direct corporate contributions to political candidates in state and federal elections where prohibited. Employees can, however, support candidates through PAC66, a political action committee that is funded exclusively through voluntary contributions from eligible employees and members of the board of directors. PAC66 is registered with the Federal Election Commission, and contributions are reported monthly. Employees participating in PAC66 are not reimbursed for political contributions or expenses.

PAC66's board of directors includes a broad cross-section of company 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. PAC66 contributes to state and federal political candidates it believes support responsible energy industry activities and other business issues of interest to the company.

Criteria considered in determining whether to support a candidate include the candidate's:

- Position on issues affecting the business community and energy industry.
- Integrity and character.
- Leadership position within their party, presence on a key committee or likelihood of attaining such position in the future.
- Relationship with, or representation of, an operating facility or company operations.
- Opponent's nature and strength.

Learn more about our participation in the political process in the [Lobbying Activities](#) section.

FOCUSING ON SUPPLY CHAIN SUSTAINABILITY AND DIVERSITY

Phillips 66 seeks to work with diverse businesses across our operations, and we are committed to providing equal and impartial opportunities. This approach stimulates local economic development and enhances our long-term business performance by improving supplier responsiveness, competition and sustainability.

We build relationships with and buy materials and services from various enterprises, including small businesses and companies owned by women, minorities, military veterans, people with disabilities and members of the LGBTQ+ community. Our procurement processes aim to integrate qualified, diverse suppliers into Tier I and Tier II* opportunities.

“Fostering a diverse supplier network is fundamental to our success as a global energy company and foundational to the success of our industry.”

SCOTT MCREE
Vice President, Procurement



*Tier I are direct suppliers to Phillips 66 and Tier II are suppliers or contractors to Tier I suppliers

Our goals encourage the expanded utilization of a diverse supply base while delivering quality and competitive goods and services. In 2021, we piloted supply chain sustainability training for our employees, and in 2022, we formalized the training program and offered it to approximately 150 employees in the Procurement organization.

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 Women's Business Enterprise National Council, and we actively support API diversity activities.

\$115 million

in Tier I diverse supplier spend

\$80 million

in Tier II diverse supplier spend

Recently, we updated our [supplier diversity position](#) statement to better reflect our commitment to engaging with diverse suppliers and detail how the program benefits our communities and strengthens our supply chain. Our position statement also highlights the creation of the Tier II program and how we promote it among our suppliers. This program encourages key vendors to embrace supplier diversity while supporting initiatives beyond direct relationships. Our key suppliers commit to backing the diversity initiative through the quarterly Tier II reporting of diverse spend. We choose to liaise with suppliers who share our values and enable us to set goals for the betterment of our program and others.

Enter your company into our supplier database or submit your report to access the Spend Reporting Tool on the [Phillips 66 Supplier Diversity](#) portal.

API Pathways to Excellence

As a member of the API Supplier Diversity Task Force, Phillips 66 sponsored the inaugural API Pathways to Excellence cohort, which focuses on developing minority suppliers in the oil and natural gas supply chain.

The Task Force partnered with Blue Wave and the Houston Minority Supplier Development Council to provide corporate mentorship from API member companies to 20 minority-business enterprises from the greater Houston area.

The 20 cohort members attended 10 workshops over six months, learning how to enhance their business operations to become better positioned to compete for industry services. Through self-assessment, they identified more than 1,300 business gaps across seven pillars, including health, safety, security and environment, cybersecurity, quality, corporate policies, technical capabilities, finance and ESG. By the end of the course, 90% of the initially identified gaps were closed.

API Supplier Diversity
Task Force
HOUSTON, TX



Business Partner and Social Supplier Standards

The products manufactured in our refineries significantly contribute to local, state and national economies. In keeping with our core value of honor, we choose business partners objectively and fairly and act with integrity in our business dealings. We comply with laws where we do business so that our supply chain standards meet requirements for minimum wage, child labor, right-to-associate or bargain collectively and working hours.

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 and upholding all health, safety and environmental laws.

Our procurement policy and procedures govern our supply chain activities. We employ formal supplier vetting processes that are intended to protect people, ensure adherence to industry-standard frameworks for quality and monitor financial stability. Maintaining ongoing engagement with our suppliers helps support the continued safe delivery of goods and services to our operations. Understanding and monitoring the work conducted by our suppliers and business partners is integral to efficient and robust business operations, sustainability and respect for human rights. Our suppliers are expected to comply with all laws related to the work they perform and the goods they provide to Phillips 66, including those on human rights, slavery and human trafficking. We engage with suppliers to enhance our operating performance through innovative products and the execution of continuous improvement opportunities.

In 2022, we conducted ESG engagements with key suppliers. Examples of opportunities identified during the engagements include:

- Maximizing truck utilization to reduce fuel consumption and emissions.
- Identifying responsibly sourced materials.
- Increasing catalyst recycling.
- Reducing water consumption through the use of conservation technologies.

We are continuing our ESG engagements in 2023, focusing on our Tier I and Tier II suppliers. Through these dialogues, we have identified business opportunities and are working with Procurement category managers to integrate them into existing processes.

We are updating the Business Partner Principles of Conduct to clarify the company's 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.



San Francisco Refinery
RODEO, CA

2023 Lobbying Activities

Phillips 66 participates in the political process at all levels of government. We work with communities, environmental organizations, legislators and customers on numerous public policy issues, including those related to climate change. Phillips 66 lobbies both directly and through trade associations and memberships. Our employees directly lobby using the company positions we have developed on important issues that impact our business.



Borger Refinery
BORGER, TX

PARTICIPATING IN THE POLITICAL AND PUBLIC POLICY PROCESS

Our lobbying activity is governed by our Political Giving and Activity policy, which discloses participation in political activity by the board of directors and management and lays out the criteria by which we evaluate contributions. Phillips 66 lobbies directly through contact with legislative or executive branch officials and indirectly through trade associations and memberships. Our operations are highly regulated and affected by actions at many levels of government. Our public policy activities include education and advocacy efforts at the federal, state and local levels. We comply with applicable federal, state and local rules on lobbying and lobbying disclosures.

“It’s in the best interest of our company and our shareholders to participate in the political process and engage in issues critical to our business, including support of transparent and technology-neutral energy policies at the federal, state and local levels.”

VANESSA SUTHERLAND
Executive Vice President, Government Affairs,
General Counsel and Corporate Secretary



Vanessa Sutherland

Phillips 66 is committed to transparent and decision-useful disclosures. Since the company’s formation in 2012, we have made the board’s Public Policy and Sustainability Committee (PPSC) charter and the Political Giving and Activity policy publicly available. Within the policy, the company provides extensive disclosures that include federal and state filings, political contributions, trade association memberships, political expenses and independent expenditures. Additionally, since 2017, we have expanded our sustainability reporting to provide further details on the company’s political activity, voluntary reporting and disclosures. We regularly review company positions for messaging alignment and consistency of our employee lobbying activities in support of our [2030 and 2050 GHG emissions reduction targets](#) and [lower-carbon initiatives](#).

MAINTAINING OVERSIGHT AND GOVERNANCE

The PPSC typically meets four times a year and is responsible for evaluating and reviewing political trends and risks; company policies, programs and practices regarding government affairs, including lobbying and public policy activities; and the company budget for political contributions and independent political expenditures. All members of the PPSC are independent directors of the board.

The Government Affairs team oversees all company lobbying and trade association advocacy. Company participation in trade associations for advocacy is recommended to the ELT for approval. The Vice President of Government Affairs reports to the Executive Vice President, Government Affairs, General Counsel and Corporate Secretary, who reports directly to our President and CEO.

Compliance Process

Employees involved in lobbying submit a quarterly record of their activities and certify their knowledge of and compliance with the company policies and guidelines and U.S. laws governing political activities. The Government Affairs team maintains an intranet site that illustrates compliance scenarios to help educate employees. To support compliance with the law and company policies, we conduct regular compliance system reviews and internal audits of corporate political contributions, including trade association memberships. Several federal, state and local laws govern corporate involvement in lobbying activities, and we maintain policies, procedures and programs to support our compliance with these laws. Phillips 66 complies with federal Lobbying Disclosure Act regulations by filing quarterly reports on lobbying activities and expenses and semiannual reports on contributions. Phillips 66 also files periodic lobbying activity reports with state and local agencies, as required by applicable state and local laws. More information can be found in the company's Political Giving and Activity policy.

**ISSUE IDENTIFICATION
AND COMPANY
POSITIONS DEVELOPMENT**

The Government Affairs team engages subject matter experts across the company and follows these processes to align on issues and company position statements:

- Identify priority issues, including climate and energy-related issues, that may impact the business.
- Evaluate federal, state or local jurisdictions developing legislative or regulatory policy on the priority issues that may impact the business.
- Develop the company's priorities, positions or guiding principles on each issue.
- Educate Government Affairs employees on company practices and policies regarding advocacy and legal compliance.
- Identify company resources, including trade associations, available to educate and engage with policymakers on priority issues.
- Participate in discussions, analysis and positions development based on the company's views as issues arise within trade associations or memberships.
- Update management and the PPSC regularly on political activities undertaken on behalf of the company.

WORKING WITH TRADE ASSOCIATIONS AND UPHOLDING MEMBERSHIPS

Phillips 66 collaborates with national, regional and state trade associations with the mutual objective of sharing information and advancing sound and meaningful policy. We participate in industry trade associations, where we 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. Our involvement in trade and industry associations is subject to management oversight by our Government Affairs team, which serves as the principal representative in associations and recommends memberships to our ELT. Participation in non-advocacy activities of a trade association, such as standard setting, is managed through the business units or functions to which the standards pertain.

Phillips 66 pays regular membership dues to several trade associations, some of which use a portion of those dues for nondeductible federal and state lobbying and political expenditures. Following the U.S. Internal Revenue Code, these trade associations provide us with documentation of the part of our annual dues that is attributable to lobbying expenses. Additionally, we are active members in local Chambers of Commerce and other civic organizations near our operating assets. Contributions and a list of these organizations can be found in our [Political Giving and Activity policy](#).

Lobbying Activities Alignment

Trade associations have a variety of members and cover multiple issues, including climate change and others that may or may not be applicable to our business. Our involvement in areas relevant to the company's operations provides many benefits, including standard setting, safety improvements, knowledge sharing and advocacy. Trade associations manage issue discussions to achieve a unified position on issues of importance to the membership.

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. Our participation as a member of a trade association does not mean that the company agrees with every position that a trade association takes on an issue. When this happens, we often work with the association to promote reasonable compromise on major initiatives affecting our business and our stakeholders. Policy development is dynamic and constantly evolving, and position-setting within trade associations is an iterative process that reflects these dynamics. We use our company's climate change position and policy principles to educate members on our position and seek alignment within trade associations on the issue of climate change.

We regularly examine the business value of participating in trade associations, coalitions and think tanks. We may discontinue membership if persistent misalignment exists on company priority issues, including climate change, or if there is limited value to the company from our continued engagement.

Wood River Refinery
ROXANA, IL

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 while advancing 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 are required for the at-scale deployment of lower-carbon energy alternatives, and we engage with policymakers directly and through trade associations.

Examples of recent collaborations include:

- Influenced 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, a change in historic position under the Renewable Fuel Standard.
- Highlighted 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 DOE. Company-specific meetings with federal regulators also took place to maximize the opportunities afforded by the IRA.
- Continued engagement with the Fuel Cell and Hydrogen Energy Association to promote the nascent hydrogen production tax credit and carbon capture credit enacted by the IRA.
- Filed individual comments in favor of the IRA federal EV tax credit, recognizing the opportunity provided by the new domestic content requirements.
- Coordinated with the Western States Petroleum Association to request feasible compliance mechanisms during the legislative debate to codify California's executive order to achieve carbon neutrality no later than 2045, specifically focusing on the need for certainty in utilizing carbon capture and sequestration for the oil and gas industry.

To evaluate the company's continued alignment with trade associations and memberships on climate-related positions, we:

1. Reviewed global memberships with annual dues of over \$50,000, if a portion of such dues support lobbying activities.
2. Assessed each trade association's positions, advocacy actions and public statements supporting a climate policy that:
 - Is market-based, economywide.
 - Is fuel- and technology-neutral.
 - Advances meaningful emissions reductions that are most beneficial to society, balancing economic, environmental and energy security needs.
 - Offers costs and associated climate benefits that are transparent to the consumer.
3. Utilized the following ranking to quantify the level of alignment:
 - 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.

Lake Charles
Manufacturing Complex
LAKE CHARLES, LA



We analyzed the climate change positions of the following 17 trade associations and memberships the company belongs to, each having annual dues of more than \$50,000. Two associations do not have a position regarding climate change or the Paris Agreement. The remaining 15 associations have climate change positions that are aligned or mostly aligned with ours. Of those with published climate-related lobbying positions, details regarding the Paris Agreement vary.

Trade Association	Phillips 66 Participation Level	Alignment with Phillips 66 Criteria				Assessment Results
		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	
Advanced Biofuels Association	● ▲	✓	✓	✓	✓	Aligned
American Fuel & Petrochemical Manufacturers	■ ● ▲	✓	✓	✓	✓	Aligned
American Petroleum Institute	■ ● ▲	✓	✓	✓	✓	Aligned
Business Roundtable	■ ●	✓	✓	✓	✓	Aligned
California Council for Environmental and Economic Balance	■ ●	✓	✓	✓	✓	Aligned
Consumer Energy Alliance	●	✓	✓	✓	✓	Aligned
Greater Houston Partnership	●	✓	✓	✓	✓	Aligned
Louisiana Mid-Continent Oil & Gas Association	■ ● ▲	✓	✓	✓	✓	Aligned
Texas Association of Manufacturers	● ▲	✓	✓	✓	✓	Aligned
U.K. Petroleum Industry Association	■ ● ▲	✓	✓	✓	✓	Aligned
U.S. Chamber of Commerce ¹	■ ●	✓	✓	✓	✓	Aligned
Western States Petroleum Association	■ ● ▲	✓	✓	✓	✓	Aligned
Texas Oil & Gas Association	■ ● ▲	✓	✓	✓	✓	Aligned
Fuels Europe	■ ● ▲	✓	✓	✓	—	Mostly Aligned
Liquid Energy Pipeline Association ²	■ ●	✓	✓	✓	—	Mostly Aligned
State Chamber of Oklahoma	●	—	—	—	—	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
✗ Misaligned

¹ Includes membership in the U.S. Chamber of Commerce Institute for Legal Reform

² Formerly Association of Oil Pipe Lines

We concluded that the climate change positions of these trade associations are aligned or mostly aligned with our position. We did not identify any misalignments. We view risks of misalignment between our positions and those of these trade associations as primarily financial or reputational. We actively participate with trade associations as they evolve their majority stance on issues, including climate change, to mitigate these risks. In some instances, trade associations may oppose climate-related policies and regulations as initially proposed for reasons such as the feasibility or cost of implementing such policies and these positions should not be misconstrued as opposing the need for climate change policy. We routinely work with trade associations to ensure that proposed rules are workable and effective in implementing the intended societal changes.

When trade associations and memberships provide recommended practices and operating standards, educate on the importance of the energy sector and affordable and reliable energy availability and products, and advocate on multiple issues, Phillips 66's action is to remain in the trade association and membership. We believe that continued engagement is the best approach to work toward issues alignment, including for those trade associations that are still developing their position.

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 three consecutive years since 2020.

Borger Refinery
BORGER, TX

**U.K. Emerging Energy Parliament Showcase
LONDON, U.K.**



Phillips 66 Performance Data

PERSONAL & PROCESS SAFETY	2018	2019	2020	2021	2022	GRI	SASB
Personal Safety							
Combined Total Recordable Rate (TRR) ¹	0.14	0.15	0.11	0.12	0.11	403-9	EM-RM-320a.1
Employee TRR	0.11	0.13	0.08	0.12	0.11		
Contractor TRR	0.16	0.16	0.13	0.12	0.11		
Midstream Combined TRR	0.18	0.19	0.12	0.03	0.03		
Midstream Employee TRR	0.18	0.19	0.12	0.00	0.00		
Midstream Contractor TRR	0.23	0.15	0.20	0.05	0.05		
API EHSG Benchmark ²	0.30	0.24	0.36	0.34			
Refining Combined TRR	0.15	0.18	0.13	0.15	0.15		
Refining Employee TRR	0.11	0.15	0.13	0.19	0.15		
Refining Contractor TRR	0.17	0.20	0.14	0.12	0.15		
AFPM Benchmark ³	0.30	0.33	0.35	0.32			
Combined Lost Workday Case Rate (LWCR) ⁴	0.05	0.03	0.02	0.04	0.02	403-9	
Employee LWCR	0.05	0.05	0.03	0.06	0.02		
Contractor LWCR	0.04	0.03	0.02	0.03	0.02		
Midstream Combined LWCR	0.06	0.03	0.02	0.00	0.00		
Midstream Employee LWCR	0.06	0.06	0.00	0.00	0.00		
Midstream Contractor LWCR	0.06	0.00	0.04	0.00	0.00		
Refining Combined LWCR	0.04	0.05	0.04	0.06	0.03		
AFPM Benchmark ³	0.08	0.08	0.16	0.11			
Refining Employee LWCR	0.03	0.06	0.06	0.09	0.04		
Refining Contractor LWCR	0.04	0.04	0.02	0.03	0.03		
Combined Fatalities count	1	0	0	0	1	403-9	EM-RM-320a.1
Employee Fatalities count	0	0	0	0	0		
Contractor Fatalities count	1	0	0	0	1		
Combined Fatality Rate ⁵	0.003	0.000	0.000	0.000	0.003		
Employee Fatality Rate	0.000	0.000	0.000	0.000	0.000		
Contractor Fatality Rate	0.006	0.000	0.000	0.000	0.006		
Vehicle Safety							
Midstream Vehicle Safety Rate ⁶	1.79	1.41	0.86	1.02	0.44		
API EHSG Benchmark ²	0.23	0.21	0.18	0.25			
Process Safety							
Combined Tier 1 & Tier 2 Process Safety Event Rate ⁷	0.18	0.20	0.14	0.13	0.13		EM-RM-540a.1
AFPM Benchmark ³	0.23	0.21	0.18	0.25			
Tier 1 Process Safety Event Rate	0.05	0.06	0.02	0.05	0.02		
Midstream Tier 1 Process Safety Event Rate	0.24	0.08	0.02	0.08	0.06		
Refining Tier 1 Process Safety Event Rate	0.02	0.06	0.02	0.05	0.01		
AFPM Benchmark ³	0.06	0.06	0.06	0.08			
Tier 2 Process Safety Event Rate ⁷	0.13	0.14	0.12	0.08	0.11		
Midstream Tier 2 Process Safety Event Rate	0.35	0.38	0.10	0.14	0.13		
Refining Tier 2 Process Safety Event Rate	0.11	0.12	0.14	0.08	0.13		
AFPM Benchmark ³	0.17	0.16	0.13	0.17			



Phillips 66 Performance Data

GREENHOUSE GAS⁸	UNIT OF MEASURE	2018	2019	2020	2021	2022	GRI	SASB
Direct GHG Emissions (Scope 1)⁹								
Direct GHG Emissions (Scope 1) - All GHGs	million metric tons CO ₂ e	29.3	30.1	25.5	30.3	24.8	305-1	
Methane	% of All GHGs			0.42	0.38	0.41		
Methane	million metric tons CH ₄	0.004	0.005	0.004	0.005	0.004		
Midstream - All GHGs	million metric tons CO ₂ e	0.4	0.4	0.5	0.5	0.6	305-1.a	EM-MD-110a.1
Methane		0.005	0.005	0.007	0.001	0.000		
Downstream - All GHGs	million metric tons CO ₂ e	28.9	29.7	25.0	29.8	24.2		EM-RM-110a.1
Methane		0.100	0.109	0.100	0.114	0.102		
Indirect GHG Emissions from Imported Energy (Scope 2)¹⁰								
Indirect GHG Emissions (Scope 2) - All GHGs	million metric tons CO ₂ e	4.8	5.4	4.6	4.5	6.4	305-2.a	
Midstream - All GHGs		0.4	0.4	0.5	0.3	0.7		
Downstream - All GHGs		4.3	5.0	4.0	4.1	5.7		
Indirect GHG Emissions from Products (Scope 3)¹¹								
Indirect GHG Emissions (Scope 3) - All GHGs	million metric tons CO ₂ e		382	313	350	354	305-3	
Intensity - GHG Emissions¹²								
Scope 1 and 2 Manufacturing-Related Emissions Intensity	metric tons CO ₂ e/MBOe		36.5	37.3	37.5	33.4	305-4.c	
Scope 3 Product-Related Emissions Intensity			380	374	366	368	305-4.c	
ENVIRONMENTAL								
Events and Spills								
Environmental Events ¹³	count	112	119	75	119	117		
Spills beyond secondary containment ¹⁴	count	36	27	18	26	27	306-3	EM-MD-160a.4
Spills beyond secondary containment - volume	bbbls	5,598	2,754	357	5,203	1,634		
Spills to land	bbbls	5,598	1,654	132	5,149	1,317		
Spills to water ¹⁵	bbbls	0	1,100	225	55	318		
Spill volume recovered ¹⁶	%	22	90	94	74	90		
Spill volume recovered	bbbls	1,222	2,479	336	3,827	1,464		EM-MD-160a.4
Midstream Spills ¹⁷	count	19	18	7	8	8	306-3	
Midstream spills - volume	bbbls	4,648	1,403	25	157	347		
Midstream spills to land	bbbls	4,624	257	5	148	61		
Midstream spills to water	bbbls	0	1,100	0	0	286		
Midstream spill volume recovered ¹⁸	bbbls	275	1,181	17	33	215		
Air Emissions								
Total Emissions (NOx-PM-SOx-VOC)	thousand metric tons	40.6	38.3	35.5	34.5	31.8	305-7.a	
NOx	thousand metric tons	12.4	12.6	11.5	11.6	11.2		
PM	thousand metric tons	3.2	2.7	2.3	2.5	2.2		
SOx	thousand metric tons	8.7	7.8	7.5	7.3	6.9		
VOCs	thousand metric tons	16.3	15.3	14.3	13.1	11.5		
Midstream NOx	thousand metric tons	0.6	0.6	0.9	0.9	0.9		EM-MD-120a.1
Midstream PM	thousand metric tons	0.0	0.0	0.0	0.0	0.0		
Midstream SOx	thousand metric tons	0.1	0.0	0.1	0.0	0.0		
Midstream VOCs	thousand metric tons	2.4	2.0	2.6	2.7	0.9		
Refining NOx	thousand metric tons	11.8	12	10.6	10.7	10.2		EM-RM-120a.1
Refining PM	thousand metric tons	3.2	2.6	2.2	2.4	2.2		
Refining SOx	thousand metric tons	8.6	7.8	7.5	7.3	6.9		
Refining VOCs	thousand metric tons	12.9	12.3	10.7	10.4	9.8		

Phillips 66 Performance Data

	UNIT OF MEASURE	2018	2019	2020	2021	2022	GRI	SASB
Water¹⁹								
Freshwater withdrawn ²⁰	million bbls	1,057	1,029	759	895	933	303-3.c.i	EM-RM-140a.1
Freshwater withdrawn in water-stressed areas ²¹	%	30	28	39	36	33	303-3.c.i	EM-RM-140a.1
Freshwater withdrawal intensity ²²		1.20	1.17	1.06	1.15	1.00		
Freshwater consumed ²³	million bbls	358	318	335	400	526		
Freshwater consumed in water-stressed areas	%	43	37	39	37	59		EM-RM-140a.1
Freshwater discharged ²⁴	million bbls	544	517	511	495	407	303-4.b.i	
Freshwater discharge intensity ²²		0.62	0.59	0.71	0.64	0.45		
Waste & Recycling²⁵								
Hazardous waste generated ²⁶	million metric tons	0.02	0.03	0.03	0.04	0.04	306-3	EM-RM-150a.1
Non-hazardous waste generated ²⁶	million metric tons				0.24	0.21	306-3	
Recycled Materials ²⁷	thousand metric tons	141	159	124	184	141	306-4b.ii	
IT Hardware e-waste recycled ²⁸	thousand lbs.		170	171	224	307		
Product Specifications and Clean Fuels Blends								
Purchase of Separated Renewable Identification Numbers (RINs)	%	41	49	52	46	38		EM-RM-410a.1
Processing, Reliability, and Energy								
Utilization ¹⁹	%	95.2	93.7	76.2	84.0	90.0		
Processed Inputs Refining, global ¹²	million bbls	872	872	710	776	745		EM-RM-000.A
Processed Inputs Refining and NGLs, global	million boe		973	807	926	933		
Renewable Feedstocks Purchased ²⁹	million bbls				2.6	3.7		
Refined Petroleum Products and NGLs Fractionated, global ¹²	million boe		1,005	838	956	963		
Total energy consumption ³⁰	trillion BTUs	471	480	471	490	444	302-1e	
Exported electricity ³¹	billion kilowatt-hours				2.5	3.2		
Power consumed ³²	billion kilowatt-hours				9.3	9.2		
Energy Intensity ³³	million BTU / bbl				0.5	0.5	302-3a	
Pipeline								
Hazardous liquids pipeline inspections completed per plan ³⁴	%				100	100		EM-MD-540a.2
Pipelines near ecologically sensitive areas ³⁵	%				12	13	304-1	
Social³⁶								
Number of employees	count	14,200	14,500	14,300	14,000	12,900		
Employees - Represented by unions ³⁷	%	35	38	37	33	34		
Employees - Women	%	21	21	20	20	21	405-1	
Employees - Underrepresented minority group ³⁷	%	26	26	27	28	28		
Employees - Generation Z	%	2	3	4	5	6		
Employees - Millennials	%	38	40	41	43	44		
Employees - Generation X	%	39	39	39	39	39		
Employees - Baby Boomers	%	21	19	16	13	11		
Retention rate ³⁸	%	97	97	98	96	93	401-1	
Interns - Women ³⁷	%	40	48	44	39	47		
Interns - Underrepresented minority group ³⁷	%	25	31	38	39	38		



Phillips 66 Performance Data

2022 EEO-1 DATA³⁷

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	53	11	-	4	-	-	5	1	3	0	-	1	83
First/Mid Officials & Mgrs	132	25	1,091	249	57	19	3	1	50	19	29	17	13	5	1,710
Professionals	197	118	1,690	723	104	75	6	2	208	122	45	42	29	17	3,378
Technicians	7	3	83	34	4	4	-	-	6	3	14	2	5	3	168
Sales Workers	5	3	88	25	2	1	-	1	5	2	2	-	-	-	134
Administrative Support	36	47	232	266	27	59	2	-	10	11	17	22	5	4	738
Craft Workers	222	7	1,150	26	70	2	15	-	19	1	27	1	19	2	1,561
Operatives	476	16	1,966	153	265	36	10	2	47	5	54	2	45	5	3,082
Laborers & Helpers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,079	220	6,353	1,487	529	200	36	6	350	164	191	86	116	37	10,854

	UNIT OF MEASURE	2018	2019	2020	2021	2022	GRI	SASB
Philanthropy and Volunteerism								
Charitable Donations	millions US\$		28	32	27	27		
Employee Volunteerism	thousands of hours		88	53	67	88		
Schools Supported ³⁹	count			600	611	612		
Financial								
Net Income (Loss) Attributable to Phillips 66	millions US\$	5,595	3,076	(3,975)	1,317	11,024		
Governance								
Board Composition: Independent Directors	%				91	85		
Board Composition: Diversity (women + ethnic minorities)	%				45	38	405-1	
Board Composition: Women	%	30	30	45	45	38	405-1	
Board Composition: Ethnic minorities	%				9	8	405-1	
Ethics violations allegations received	count	181	218	191	224	179		
Ethics violations allegations investigated	%	100	100	100	100	100		
Anonymous/provided name	%	44/56	38/62	40/60	35/65	47/53		
Cybersecurity								
Inbound email inspected for malicious activity	%				100	100		

PHILLIPS 66 PERFORMANCE DATA NOTES

- ¹ As defined by the Occupational Safety and Health Administration (OSHA). All rates are calculated as incidents per 200,000 work-hours.
- ² American Petroleum Institute for combined rates, Environmental, Health, and Safety Group benchmarks for Midstream.
- ³ American Fuel & Petrochemical Manufacturers, U.S. refining benchmark.
- ⁴ 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.
- ⁵ Calculated using the OSHA incident rate formula. Incidents per 200,000 work-hours.
- ⁶ 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.
- ⁷ 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.
- ⁸ The company reports 100% of the Scope 1, 2 and 3 GHG emissions 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 LLC and MiRO Refinery are not included. Emissions are inclusive of carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). 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. 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 and EU Emissions Trading System (EU ETS). Regulatory frameworks may differ from the frameworks referenced in this report and, accordingly, agency data may vary.
- ⁹ Scope 1 direct GHG emissions by the company, such as fuel combustion and fugitive emissions, including those from operated refineries, NGL fractionators, pipelines, terminals, lubricants facilities, corporate headquarters and research facilities, are calculated utilizing actual emissions data, where available. 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.
- ¹⁰ Scope 2 indirect emissions are from imported electricity and steam used in our operated refineries, NGL fractionators, pipelines, terminals, lubricants facilities, corporate headquarters and research facilities. The Sweeny cogeneration unit is assumed to supply all electricity to the Sweeny NGL Fractionator. 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 CO₂, CH₄ and N₂O were utilized. Contractual instruments (e.g., renewable energy credits or renewable power purchase agreements) are not included in Scope 2 emissions.
- ¹¹ 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 March 2020. GHG emissions for NGL fractionators are calculated using the EPA factors identified in Table NN-1 of 40 CFR Part 98 as of March 2020. 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 2021.
- ¹² Manufacturing-related intensity is calculated as Scope 1 and 2 metric tons of CO₂e divided by processed inputs. Processed inputs include feedstocks, primarily crude and NGLs, processed in operated global Refining, Excel Paralubes and NGL fractionators. Product-related intensity is calculated as Scope 3 from Use of Sold Products metric tons of CO₂e divided by total products produced. Total products produced include 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.
- ¹³ Environmental events are those that result in an exceedance of the permit or regulatory-based numeric emissions limit, or a significant release of hydrocarbon or chemical. The count is of events that require immediate agency notifications.
- ¹⁴ Spills represent liquid hydrocarbons from operating assets that reach land or water and are >1 bbl.
- ¹⁵ In 2022, 90% of the volume is from one incident (Midstream) where over 70% of the hydrocarbons were recovered and the remaining is managed locally through our Remediation Team.
- ¹⁶ Spills beyond secondary containment; includes free product recovered; does not include remediated soil.
- ¹⁷ Midstream liquid hydrocarbon spills outside primary containment.
- ¹⁸ Includes free product recovered; does not include remediated soil.
- ¹⁹ Refining only.
- ²⁰ Freshwater is defined as water that has low salinity – usually less than 0.1% (local legal definitions vary). The reported value includes freshwater used as once-through cooling water. 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.
- ²¹ 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. 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.
- ²² 1,000 bbls of water per 1,000 bbls of processed inputs.
- ²³ Water consumed is primarily due to evaporative losses (e.g., operation of cooling towers).
- ²⁴ Water that has been treated to meet National Pollutant Discharge Elimination System permits.
- ²⁵ For more information on Waste Management, see page 46.
- ²⁶ Includes Refining, Midstream and Lubricant facilities.
- ²⁷ Consists of both hazardous and non-hazardous waste streams, including refinery process catalyst captured for metals reclamation.
- ²⁸ E-waste recycled includes all electronic-waste avoiding landfills by being refurbished or recycled.
- ²⁹ Soybean oil, canola oil and corn oil, used cooking oil and tire pyrolysis oil.
- ³⁰ Total combustion energy is imported electricity, site-generated electricity (cogeneration plants), fuel consumption and imported steam for all operated assets.
- ³¹ Electricity exported to the grid and third parties from cogeneration plants at our refineries.
- ³² Power consumed is from imported electricity and site-generated electricity from cogeneration plants.
- ³³ Energy Intensity ratio for operated assets.
- ³⁴ 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.
- ³⁵ 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.
- ³⁶ Data represents our global workforce and includes Sentinel Transportation, LLC, unless otherwise noted.
- ³⁷ U.S. workforce.
- ³⁸ Retention rate of high performers is based on voluntary resignations.
- ³⁹ Schools include primary, secondary, trade, technical and universities.



DCP Midstream Performance Data

FINANCIAL AND OPERATIONAL	UNIT OF MEASURE	2020	2021	2022	EIC MAPPING**
Net Income (loss)	US \$ (MM)	(-\$302)	\$395	\$1,056	
Gross Throughput - Total	Thousand BOE	848,934	784,309	809,109	1.2
Gross Throughput - Gathering & Boosting ¹	Thousand BOE	352,881	333,257	342,629	1.2
Gross Throughput - Processing ²	Thousand BOE	312,285	274,142	277,924	1.2
Gross Throughput - NGL Logistics ³	Thousand BOE	182,860	175,255	186,667	1.2
Gross Throughput - NG Storage ⁴	Thousand BOE	906	1,656	1,889	1.2
Methane Throughput - Gathering & Boosting	metric tons	24,891,559	23,601,155	24,033,324	1.2
Methane Throughput - Processing	metric tons	22,290,358	19,546,460	19,660,086	1.2
Mile of Pipeline - Total	mile	57,481	52,584	51,453	1.3
Mile of Pipeline - Gas Gathering & Transmission Pipelines	mile	54,056	49,193	48,155	1.3
Mile of Pipeline - NGL Pipelines	mile	3,425	3,391	3,298	1.3
Number of gas processing plants	count	39	35	36	
Number of compressors	count	1,335	1,410	1,419	
Carbon Accounting Basis for Data	Operational/Equity/Financial	Operational	Operational	Operational	1.4

ENVIRONMENT	UNIT OF MEASURE	2020	2021	2022	EIC MAPPING
Hydrocarbon Releases					
Number of hydrocarbon spills >1 bbl	count	47	36	53	
Aggregate volume of hydrocarbon spills > 1 bbl	bbls	676	428	984	
Volume of hydrocarbon spills recovered > 1 bbl	bbls	235	179	96	
Number of accident releases and non-accident releases (NARs) from rail transportation	count	0	0	0	
Number of hydrocarbon liquid releases beyond secondary containment > 5 bbl	count	18	12	14	2.1
Volume of hydrocarbon liquid releases beyond secondary containment > 5 bbl	bbl	596	353	816	2.2
Hydrocarbon Liquid Releases Intensity per Mile of Pipeline	bbl/mile	0.010	0.007	0.000	2.3
Volume of hydrocarbon spills in Arctic	bbls	0	0	0	
Volume of hydrocarbon spills in Unusually Sensitive Areas (USAs)	bbls	0	0	0	
Environmental fines and penalties ⁸	US \$	\$148,359	\$957,700	\$3,651,560	
Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	US \$	\$0	\$0	\$0	
Number of reportable pipeline incidents	count	7	3	8	
Percent of reportable pipeline incidents that were significant	%	43%	66%	50%	
Number of environmental agency inspections	count	49	70	68	
Percentage of natural gas and hazardous liquid pipelines inspected	%	22%	22%	43%	
Emissions					
Gross global Scope 1 emissions	metric tons CO ₂ e	7,865,410	7,361,525	7,593,583	
Gross global Scope 1 emissions percentage covered under emissions-limiting regulations	%	0%	22%	21%	
Gross global Scope 1 emissions percentage from methane emissions	%	13%	16%	15%	

DCP Midstream Performance Data

	UNIT OF MEASURE	2020	2021	2022	EIC MAPPING
Air emissions of the following pollutants: NOx (excluding N₂O), SOx, particulate matter (PM10), H₂S, and volatile organic compounds (VOCs)⁵					
NOx (excluding N ₂ O)	metric tons	18,914	16,435	17,316	2.9
SOx	metric tons	2,612	1,871	1,760	2.10
Particulate Matter (PM10)	metric tons	568	564	614	
H ₂ S	metric tons	60	37	41	
Volatile Organic Compounds (VOCs)	metric tons	11,349	10,270	10,358	2.11
Total GHG Emissions (Scope 1 + Scope 2) - Total	metric tons CO ₂ e	8,663,939	7,975,324	8,223,097	2.4
Total GHG Emissions (Scope 1 + Scope 2) - NG Gathering, Processing, Storage	metric tons CO ₂ e	8,443,503	7,829,643	8,014,835	2.4
Total GHG Emissions (Scope 1 + Scope 2) - NGL Logistics	metric tons CO ₂ e	220,436	145,681	208,262	2.4
Scope 1 GHG Emissions - Total ⁶	metric tons CO ₂ e	7,865,410	7,361,525	7,593,583	2.4.1
Scope 1 CO ₂ Emissions - Total	metric tons	6,842,398	6,191,370	6,473,644	2.4.1.1
Scope 1 Methane Emissions - Total	metric tons CH ₄	36,430	41,694	39,897	2.4.1.2
Scope 1 Methane Emissions - Gathering & Boosting	metric tons CH ₄	31,082	32,442	32,555	2.4.1.2
Scope 1 Methane Emissions - Processing	metric tons CH ₄	5,006	8,980	6,968	2.4.1.2
Scope 1 Nitrous Oxide Emissions - Total	metric tons N ₂ O	11	10	11	2.4.1.3
Percent of Scope 1 emissions that are methane	%	13%	16%	15%	2.4.1.4
Scope 1 GHG Emissions - EPA ⁹	metric tons CO ₂ e	7,882,375	7,310,685	7,556,365	2.4.2
Scope 1 CO ₂ Emissions - EPA	metric tons	7,008,782	6,383,120	6,686,275	2.4.2.1
Scope 1 Methane Emissions - EPA	metric tons CH ₄	34,812	36,982	34,677	2.4.2.2
Scope 1 Nitrous Oxide Emissions - EPA	metric tons N ₂ O	11	10	11	2.4.2.3
Scope 2 GHG Emissions ⁷	metric tons CO ₂ e	798,529	613,799	629,515	2.4.3
Total GHG Emissions (Scope 1 + Scope 2) Intensity per Thousand BOE- Total	metric tons CO ₂ e/Thousand BOE	10.2	10.2	10.2	2.5
Total GHG Emissions (Scope 1 + Scope 2) Intensity per Million MMBTU Wellhead Volume	metric tons CO ₂ e/Million MMBTU	4,233	4,126	4,138	
Scope 1 Methane Emissions Intensity per ONE Future Methodology					
Scope 1 Methane Emissions Intensity per ONE Future Methodology - Transmission and Storage Sector	%	Not Meaningful	Not Meaningful	Not Meaningful	2.6.1
Scope 1 Methane Emissions Intensity per ONE Future Methodology - Processing Sector	%	0.022%	0.046%	0.035%	2.6.2
Scope 1 Methane Emissions Intensity per ONE Future Methodology - Gathering and Boosting Sector	%	0.125%	0.137%	0.135%	2.6.3
Scope 1 Methane Emissions Intensity per ONE Future Methodology - Production Sector	%	No Assets	No Assets	No Assets	2.6.4
Does the company have a greenhouse gas emissions reduction target?	Yes/No	No	Yes	Yes	2.8
Does the company participate in an external emissions reduction program?	Yes/No	Yes; The Env Partnership, EPA NG STAR	Yes; The Env Partnership, EPA NG STAR	Yes; The Env Partnership, EPA NG STAR	2.7
Emissions reduction initiatives	Yes/No	Yes	Yes	Yes	
Total miles driven	Miles	26,731,065	24,174,426	26,445,900	
% of electricity used that is renewable	%	Not Reported	Not Reported	Not Reported	2.12
Did the company bank GHG reductions from Carbon Capture and Storage Projects?	Yes/No	Not Reported	Not Reported	Not Reported	2.13
Does the company seek third party data verification for any environmental metrics?	Yes/No	No	No	No	2.14
Asset Diversification and Biodiversity					
Does the company participate in any efforts to expand the share of alternative/renewable energy sources in the company's portfolio? If yes, please provide links to ESG reports, webpages and other disclosures as support.	Yes/No	No	No	No	2.15
Does the company have a biodiversity policy or commitment for new and existing assets?	Yes/No	Yes	Yes	Yes	2.16

DCP Midstream Performance Data

SOCIAL	UNIT OF MEASURE	2020	2021	2022	EIC MAPPING
Safety					
Total Recordable Incident Rate (TRIR) - employees	count	0.44	0.33	0.57	3.1
Total Recordable Incident Rate (TRIR) for major growth projects - contractors	count	0.19	0.33	0.09	3.2
Total Recordable Incident Rate (TRIR) - GPA Midstream Division 1	count	0.65	0.55	0.61	
Days away, restricted or transferred (DART) - employees	count	0.32	0.25	0.53	3.3
Days away, restricted or transferred (DART) for major growth projects - contractors	count	Not Tracked	Not Tracked	Not Tracked	3.4
Lost Time Incident Rate (LTIR) - employees	count	All in DART	All in DART	All in DART	3.5
Lost Time Incident Rate (LTIR) for major growth projects - contractors	count	Not Tracked	Not Tracked	Not Tracked	3.6
Fatalities - employees	count	0	0	0	3.7
Preventable Vehicle Accident Rate	count	1.05	0.91	1.06	
Tier 1 Process Safety Event Rate	count	0.20	0.29	0.20	
Fatalities - contractors	count	0	0	0	3.8
Workforce					
% workforce that is female	%	15%	15%	15%	3.10
% workforce from minority groups (EEOC defined)	%	22%	23%	25%	3.11
% workforce covered under collective bargaining agreements	%	1%	1%	1%	3.12
Number of employees	count	1,837	1,788	1,910	
Employees birth year 1997-2021	count	10	18	35	
Employees birth year 1981-1996	count	752	746	857	
Employees birth year 1965-1980	count	657	644	676	
Employees birth year 1964 and earlier	count	418	380	342	
Employee engagement survey response rate	%	76%	78%	N/A	
Number of new employee hires	count	121	160	329	
Voluntary employee turnover rate	%	6.6%	7.9%	8.6%	
Total employees with a job change	count	129	134	134	
Employee matching gift donations	US \$	\$58,471	\$139,635	\$130,429	
Inclusion & Diversity Initiatives	Yes/No	Yes	Yes	Yes	
Mentorship Programs	Yes/No	Yes	Yes	Yes	
Does the company seek third party data verification for any social metrics?	Yes/No	No	No	No	3.13
Stakeholders					
Does the company have an indigenous engagement policy or commitment for new and existing assets?	Yes/No	No	No	No	3.9
Community investment total giving	\$	\$1,022,886	\$1,240,933	\$1,533,152	

DCP MIDSTREAM PERFORMANCE DATA NOTES

- ¹ Based on metered throughput of natural gas received at wellhead meter locations.
- ² Based on metered throughput of natural gas received at gas plant inlet meter locations.
- ³ Based on metered throughput of NGL delivered into the NGL pipelines.
- ⁴ Based on metered throughput of natural gas injected into storage caverns.
- ⁵ DCP Midstream reports emissions of conventional pollutants (NO_x, SO_x, PM₁₀, H₂S, VOC) as submitted via state emission inventory requirements, supplemented with conventional pollutant emissions for facilities which are not subject to state emission inventory requirements.
- ⁶ See "How DCP Midstream Calculates Emissions" for a description of the calculation methodology for Scope 1 emissions and the difference between EIC 2.4.1 and EIC 2.4.2. DCP Midstream uses IPCC Fifth Assessment (AR5) global warming potentials.
- ⁷ DCP Midstream uses the location-based method for calculating Scope 2 emissions and uses IPCC Fifth Assessment (AR5) global warming potentials.
- ⁸ Uptick in environmental fines due to a consent decree to settle a 2019 EPA enforcement action against certain facilities in Colorado.
- ⁹ Due to the acquisition of the James Lake gathering system in 2022, EPA Scope 1 emissions includes January-December of James Lake emissions due to EPA reporting rules. Non-EPA Scope 1 emissions includes September-December only due to ownership timeline.
- ^{*} Governance data omitted due to ongoing structural changes in 2022.
- ^{**} Energy Infrastructure Council (EIC) is a non-profit trade association, and in collaboration with GPA Midstream released the Midstream ESG Reporting Template. Each metric is mapped to this template and associated definitions.

HOW DCP MIDSTREAM CALCULATES EMISSIONS

DCP Midstream has developed and uses an emission calculation protocol intended to align with the EIC Midstream ESG Reporting Template, which is based upon the principles noted in the World Resources Institute (WRI) Corporate Accounting and Reporting Standard & Scope 2 Protocols. When implementing the calculation protocols, there are tradeoffs between these principles, and we strike a balance between these principles. For example, we may find that achieving a more complete inventory requires the use of, in some instances, less precise data. Over time, DCP Midstream endeavors to improve data accuracy and completeness. DCP Midstream calculates and reports GHG emissions using two methods:

1. USEPA GHG Reporting Program required methodologies, for covered Scope 1 emissions.
2. EIC Midstream ESG Reporting Template for Scope 1 and Scope 2 emissions. GHG emissions using this calculation methodology are reported under the SASB and EIC reporting frameworks.

Three of the key differences between these calculation methods are:

- DCP Midstream's implementation of the EIC calculation protocol is more inclusive than the USEPA Reporting Program methodology, adding Scope 1 GHG emissions from sources such as: 1) heaters, boiler and reboilers rated at less than 5 MMBtu/hr fuel consumption, 2) maintenance related venting, 3) nitrogen vent at National Helium Gas Plant, and 4) DCP Midstream vehicle fuel use.
- For the EIC calculation protocol, DCP Midstream uses the IPCC 100-yr AR5 Global Warming Potentials (GWP), while the EPA Reporting Program mandates the use of IPCC 100-yr AR4 Global Warming Potentials. Use of the 100-yr AR5 GWP results in an increase of 12% for methane CO₂e emissions and a reduction of 11% for nitrous oxide CO₂e emissions, when compared to results using the 100-yr AR4 GWP.
- For DCP Midstream's Antrim Gas Plant, we report all CO₂ from the acid gas removal units under the U.S. EPA GHG Reporting Program. However, approximately 63% of the CO₂ is transferred to a third party for enhanced oil recovery operations and DCP Midstream does not report the transferred CO₂ as being emitted under the EIC methodology.

The scope of DCP Midstream's reported GHG emissions includes:

- We report GHG emissions for facilities that DCP Midstream has operational control, regardless of ownership percentage. DCP does not report for facilities in which it has an ownership position but does not operate.
- DCP Midstream reports GHG emissions of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). DCP Midstream does not have notable emissions of fluorocarbon GHGs (HFC, PFC, SF₆).
- Scope 1 emissions are reported and include direct facility emissions plus, for the WRI methodology, emissions from fuel combustion in company owned vehicles.
- Scope 2 emissions are reported in alignment with the WRI methodology and include indirect emissions from purchased power to operate our facilities, inclusive of CO₂, CH₄, and N₂O.
- Scope 3 emissions, such as emissions related to employee business travel or commuting, are not reported at this time.



- DCP Midstream also calculates and reports methane emission intensity aligned with the ONE Future methodology, which represent methane emission intensity as a ratio of metrics tons of methane emitted per metric tons of methane throughput. When calculating our methane intensity, DCP Midstream does not remove the methane emissions based upon the natural gas liquids ratio, as described by the ONE Future protocol. DCP Midstream feels the total methane emission profile is most representative of our operations.

For conventional air emissions, we report emissions for facilities that DCP Midstream has operational control, regardless of ownership. We do not report emissions for facilities in which DCP Midstream has an ownership position but does not operate. DCP Midstream follows required and accepted practices for calculating emissions submitted to state emission inventories programs. Depending on data availability, DCP Midstream uses the generally accepted hierarchy listed here to calculate source emissions. The calculation hierarchy is listed from most accurate to least accurate.

1. Continuous emissions monitoring system (CEMS) or predictive emissions monitoring system (PEMS)
2. Stack-test data
3. Portable-analyzer test data
4. Vendor-supplied emissions factors
5. AP-42 and other EPA-approved factors
6. Material balance
7. Engineering calculation
8. Other estimation method

Specific calculation requirements vary from state-to-state for emission inventory reporting. For this Sustainability Report, DCP Midstream reports emissions of conventional pollutants as submitted via state emission inventory requirements, supplemented with conventional pollutant emissions for facilities which are not subject to state emission inventory requirements.

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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 business transformation, 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 advances 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, including due 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; 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”). 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WEBSITE REFERENCES AND HYPERLINKS

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