

Report under the Canada *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“**Act**”) for the financial year ending December 31, 2023

This report was approved by the board of directors of Phillips 66 Company on May 28, 2024, in accordance with section 4(b)(ii) of the Act for the following reporting entities:

- Phillips 66 Company, a Delaware corporation
- Phillips 66 International Holdings Company, a Delaware corporation
- Phillips 66 Canada Ltd, an Alberta corporation

(each a “**Reporting Entity**” and together the “**Reporting Entities**”)

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have authority to bind Phillips 66 Company.

DocuSigned by:
Vanessa A. Sutherland
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Vanessa A. Sutherland
Director, Phillips 66 Company
May 28, 2024

Steps to prevent and reduce risks of forced labour and child labour

In 2023, the Reporting Entities had policies, procedures, and practices in place to prevent and reduce the risk of forced labour and child labour in their activities and supply chains. These policies, procedures and practices are applied broadly, rather than to specific parts of the Reporting Entity's activities and supply chains. They apply to both forced labour and child labour and are directed broadly at all suppliers.

The main elements of the Reporting Entities response to forced labour and child labour are:

- **Policies:** The Phillips 66 Code of Business Ethics and Conduct describes the basic guidelines for how the Reporting Entities operate and ties Phillips 66's values to the way the Reporting Entities make decisions. It includes the Phillips 66's human rights position.
- **Human Resources screening:** all new employees of Phillips 66 are screened to verify that there is no child labour or forced labour within the definitions of the Act.
- **Principles:** The Phillips 66 Business Partner Principles of Conduct sets out our expectations of our business partners and suppliers, which includes compliance with applicable laws, including forced labour and child labour laws.
- **Supplier screening:** Phillips 66 screens suppliers to identify compliance risks, including any adverse media involving allegations of forced labour or child labour.
- **Contract clauses:** Many of the contracts between the Reporting Entities and their respective suppliers include terms addressing human rights, including forced labour and child labour laws. Where possible, Reporting Entities seek to negotiate for the inclusion of Phillips 66's preferred human rights terms in contracts with suppliers.
- **Reporting:** The Reporting Entities maintain an anonymous ethics reporting line that allows employees, suppliers or any third-party to report ethics concerns.
- **Training:** All new employees at Phillips 66 are required to take online training on the Phillips 66 Code of Business Ethics and Conduct, which addresses Phillips 66's position on human rights.

Structure, activities, and supply chains

Structure

Phillips 66 Company is a corporation registered in the State of Delaware, U.S.A. with registration number 5063907 and its registered address at 251 Little Falls Drive, Wilmington, DE 19808, U.S.A. It is governed by a board of directors and its day-to-day affairs are managed by its officers. It is an operational subsidiary of Phillips 66, a publicly traded (NYSE: PSX) diversified energy manufacturing and logistics company. Phillips 66 Company has around 9,900 employees, none in Canada. It has over 140 subsidiaries and over 70 joint ventures, located in North America, Europe, and Asia, all engaged in energy manufacturing and logistics.

Phillips 66 International Holdings Company is a corporation registered in the State of Delaware, U.S.A. with registration number 7155497 and its registered address at 251 Little Falls Drive, Wilmington, DE 19808, U.S.A. It is governed by a board of directors and its day-to-day affairs are managed by its officers. It is a non-operational subsidiary of Phillips 66 Company and has no employees. It has 5 direct subsidiaries, located in Canada, Germany, Singapore, and Cayman Islands, all engaged in energy manufacturing and logistics.

Phillips 66 Canada Ltd. is a corporation incorporated in the Province of Alberta, Canada with registration number 2017206448 and its registered address at 8th Floor, 401-9th Ave SW Calgary, Alberta T2P 3C5 Alberta Canada. It is governed by a board of directors and its day-to-day affairs are managed by its officers. It is an operational subsidiary of Phillips 66 International Holdings Company and has around 32 employees, all in Canada. It has no subsidiaries.

Activities

Phillips 66 Company

Phillips 66 Company is an integrated downstream energy provider, with its operations organized into the following business segments:

- **Midstream:** this segment is focused on two primary areas: (a) crude oil and products transportation, terminaling and processing services, and (b) NGL wellhead-to-market value chain.
- **Refining:** 10 refineries in the United States refine crude oil and other feedstocks into petroleum products, such as gasoline, distillates, and aviation fuels, as well as renewable fuels.

- **Marketing & Specialties:** markets refined petroleum products and renewable fuels. This segment includes the manufacturing and marketing of specialty products, such as base oils and lubricants.
- **Chemicals:** Phillips 66 Company's 50% equity investment in Chevron Phillips Chemical, which manufactures and markets petrochemicals and plastics worldwide, is the basis for its chemicals business.

In 2023, Phillips 66 Company imported into Canada from the United States finished lubricants manufactured at a plant in McKees Rocks, PA, and solvents manufactured at plants in Borger, TX and Sweeny, TX.

Phillips 66 International Holdings Company

Phillips 66 International Holdings Company is a non-operational subsidiary of Phillips 66 Company.

Phillips 66 Canada Ltd.

In 2023, Phillips 66 Canada Ltd. engaged in the sale or distribution of crude oil and petroleum products in Canada and exported from Canada to the United States and imported to Canada from the United States. Its operations are predominantly located in the Canadian provinces of British Columbia, Alberta, and Manitoba.

Phillips 66 Canada Ltd purchased crude, condensate, and NGLs from suppliers in Canada which it transported via pipeline or railcar for export to the United States as feedstock for Phillips 66 Company refineries in the United States, or for third-party sale.

In 2023, Phillips 66 Canada Limited imported into Canada from the United States finished lubricants manufactured at plants in Portland, OR and Hartford, IL, USA.

Supply Chains

The Reporting Entities have a global supply chain, with a wide range of goods sourced from around 56 countries. The majority of goods in the Reporting Entity's supply chain are hydrocarbons and renewable feedstocks, with approximately two thirds of them sourced from Canada and Mexico. In 2023:

- Hydrocarbons were bought from suppliers sourcing the goods from a range of countries in Africa, South America, Europe, North America, and Asia.
- Renewable feedstocks were bought from suppliers sourcing the goods from a range of countries in South America, North America, and Asia.

Phillips 66 Procurement buys goods that are not hydrocarbons or renewable feedstocks. In 2023, these goods were bought from suppliers sourcing the goods from a range of countries in Asia, Europe, and North America.

Policies and due diligence processes

Policies

Reporting Entities have implemented the following policies and due diligence processes and practices:

- **Code of Business Ethics and Conduct** : At Phillips 66, safety, honor, and commitment are our core values, and ethics play a key role in every aspect of our business. We recognize and respect the dignity of all human beings. Although governments have the primary responsibility for protecting human rights, we believe business has a role in promoting respect for human rights throughout the world, as do other representative groups in civil society. We embrace the right of all people to live their lives free from social, political or economic discrimination or abuse. We will conduct our operations within our sphere of influence and business role, according to our Company values, ethics and policies. Specifically, we will not hold any person in slavery or servitude, or use forced or indentured labour, nor engage in human trafficking, and we shall seek to ensure that our supply chains are free of such practices. Our key policies that reflect our intent regarding human rights include our Code of Business Ethics and Conduct; our Human Rights Position and our Business Partner Principles of Conduct.
- **Business Partner Principles of Conduct**: We expect our business partners and suppliers to comply with our Business Partner Principles of Conduct. These principles require our suppliers to work with our employees in a manner consistent with our values and the Phillips 66 Code of Business Ethics and Conduct. Priorities include fair wages, nondiscrimination, no human trafficking, anti-slavery, anti-bribery, cybersecurity and upholding all health, safety and environmental laws.
- **Supplier Standards**: The Phillips 66 procurement policy and Procurement function's procedures govern the Reporting Entity's 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.

- **CTPAT Top Tier Participant:** Phillips 66 Company is a Top Tier Participant in U.S. Customs and Border Protection's Trade Partnership Against Terrorism (C-TPAT) program, designed to strengthen global supply chains and improve U.S. border security. U.S. Customs and Border Protection assesses companies' compliance, security profile, and sample supply chain validation to grant top tier designation to companies that qualify as low risk. Approximately 3% of applicants hold top tier status.
- **Contract clauses:** Many of the contracts between the Reporting Entities and their respective suppliers include terms addressing human rights, including forced labour and child labour laws. Where possible, Reporting Entities seek to negotiate for the inclusion of Phillips 66's preferred human rights terms in contracts with suppliers.
- **Annual ethics attestation:** On an annual basis, every Phillips 66 employee is required to complete an attestation to confirm they have read the Phillips 66 Code of Business Ethics and have disclosed any violations under it.

Due Diligence

- **Supplier screening:** Phillips 66 screens suppliers to identify compliance risks, including adverse media involving allegations of forced labour or child labour.
- **Phillips 66 Ethics Helpline:** The Phillips 66 Ethics Helpline is available to employees, suppliers or any third-party to report ethics concerns anonymously. The helpline is available online or by phone, 24 hours a day, 7 days a week. All reports are reviewed by the Global Ethics and Compliance team and are investigated appropriately.
- **Risk Assessment:** The Reporting Entities conducted a risk assessment on 2023 activities and supply chains.

There were no cases or allegations of forced labour or child labour in the Reporting Entities' activities and supply chains in 2023. As a result, the Reporting Entities did not identify any real or potential adverse impacts.

Forced labour and child labour risks

The Reporting Entities conducted a risk assessment to identify risks that forced or child labour was being used in any Reporting Entity's activities, or in the activities of any entities that it controls or those of its direct and indirect suppliers. The risk assessment took into consideration

Canada's *World Vision Supply Chain Risk Report 2023 - Canada's Growing Child & Forced Labour Problem*, and the U.S. Department of Labor's *List of Goods Produced by Child Labour or Forced Labour*.

The Reporting Entities determined that there was no material risk that forced labour or child labour was being used in any of the Reporting Entities' activities or in the activities of any entities they control. However, there is a risk that forced labour or child labour might be used in the activities of direct or indirect suppliers:

- **Hydrocarbon supply chain risks:** The Reporting Entities buy hydrocarbons. We consider there to be low risk of forced labour or child labour in hydrocarbon supply chains because the process to extract, refine, transport and market hydrocarbons is complex and requires highly specialized skilled labour. The industry is regulated in most jurisdictions by multiple government departments. In the United States, for example, the industry is regulated by (amongst others) the Federal Railroad Administration, Occupational Safety and Health Administration, Federal Motor Carrier Safety Administration, Environmental Protection Agency, Federal Energy Regulatory Commission and Customs and Border Protection. Many jobs in the industry require candidates to have specialized qualifications or skills.
- **Renewable feedstocks supply chain risks:** Phillips 66 Company buys renewable feedstocks, some of which were used in 2023 in the production of renewable fuels at its Rodeo Refinery, CA. Some renewable feedstocks are agricultural products, or agricultural by-products. The agriculture industry has an elevated risk of forced labour or child labour, particularly in higher risk jurisdictions, where much of the work is low-skilled manual labour. We sought to manage this risk by reviewing imports of renewable feedstocks for compliance against either the International Sustainability & Carbon Certification (ISCC) scheme or verified supplier sustainability programs that address forced labour and child labour.
- **Procurement supply chain risks:** Phillips 66 Procurement purchases goods that are not hydrocarbons or renewable feedstocks. In 2023, Procurement bought a significant quantity of goods from India. Whilst India can be higher-risk jurisdiction for forced labour and child labour, the risks are not considered to be elevated in the categories of goods that Procurement bought from India, based on our understanding of Canada's *World Vision Supply Chain Risk Report 2023 - Canada's Growing Child & Forced Labour Problem* and the U.S. Department of Labor's *List of Goods Produced by Child Labour or Forced Labour*.

Remediation measures

The Reporting Entities took no steps to remediate forced labour or child labour in the Reporting Entities' activities and supply chains because there were no cases or allegations of forced labour or child labour in the Reporting Entities' activities and supply chains in 2023.

Remediation of loss of income

The Reporting Entities took no steps to remediate loss of income because there were no cases or allegations of forced labour or child labour in the Reporting Entities' activities and supply chains in 2023.

Training

All new Phillips 66 employees are required to take online training on the Phillips 66 Code of Business Ethics and Conduct, which addresses Phillips 66's position on human rights. Thereafter, on an annual basis, every employee is required to complete an attestation to confirm they have read the Code of Business Ethics and have disclosed any violations under it.

Phillips 66 Limited and JET Retail UK Limited, both indirectly owned subsidiaries of Phillips 66 Company, provided training on modern slavery to select personnel, employees, and management. Read more about the training in our [Modern Slavery Act Disclosure](#).

Assessing effectiveness

No actions were taken in 2023 by the Reporting Entities to assess their effectiveness in preventing and reducing risks of forced labour and child labour in their activities and supply chains. However, the Reporting Entities regularly monitor and assess this risk as a part of the assessment of its overall corporate compliance program and makes changes as appropriate.