



PROVIDING ENERGY. IMPROVING LIVES.

## California Transparency in Supply Chains Act Disclosure (SB 657)

The California Transparency in Supply Chains Act of 2010 (SB 657) requires certain companies that manufacture or sell products in the State of California to disclose their efforts, if any, to address the issue of slavery and human consumers to allow them to make more informed choices regarding the products they buy and the companies they choose to support.

At Phillips 66, safety, honor and commitment are our values, and ethics play a key role in every aspect of our business. We are committed to a sustainable business foundation. For us, sustainability is about the long-term viability of our business, and the actions we take to achieve success including respect for people, operating excellence and ethics.

Phillips 66 is committed to complying with the law wherever we operate and to conducting all business activities in accordance with the highest ethical standards. We expect the same of the parties with which we do business. Our ethical standard is reflected in our Code of Business Ethics and Conduct (the "Code of Ethics") that summarizes the ethical conduct and compliance with all laws expected of employees and others who work on behalf of the Company. We take ethics seriously. Employees are accountable to review annually the Code of Ethics, receive training on it and to certify their compliance with its standards, or disclose any exceptions. Phillips 66 maintains a 24/7 ethics hotline and email account where employees and contractors can reveal any concerns of possible ethics violations, including slavery and human trafficking, anonymously if they feel the need. Every submission is reviewed. Contractors must abide by the ethical standards in the Code of Ethics, too. Phillips 66 will exercise our contractual rights against any supplier found to be in violation of applicable laws or the Code of Ethics.

Any employee or contractor who is proven to have violated the Code of Ethics is subject to disciplinary action, up to and including termination of employment or contracts, as the case may be, and referral to appropriate legal authorities.

To ensure that our supply chain reflects Phillips 66's values and ethics, our corporate policy provides that Phillips 66's purchasing decisions with suppliers include being based on integrity. Phillips 66 relies on suppliers who comply with all laws, including those that require them to treat workers fairly and provide a safe and healthy work environment. Phillips 66 verifies its Procurement supply chains by periodic audits performed by Phillips 66. Third-party auditors may be contracted by Phillips 66 to conduct on-site inspections; however, the majority of assessments are performed by Phillips 66 personnel. Phillips 66 personnel performing these audits are trained to recognize and are obligated to report non-compliance.

Phillips 66 suppliers are expected to certify that the materials incorporated into the products manufactured for Phillips 66 comply with all laws, which would include those pertaining to human rights, anti-slavery and anti-human trafficking.

U.S. Customs & Border Protection Customs maintains the Trade Partnership Against Terrorism (C-TPAT) program in which Customs assesses certain companies' past Customs compliance, security profile, and sample supply chain validation. Based on the assessment, Customs may grant top tier designation to companies that qualify as low risk. Approximately 300 of 10,000 have this status. C-TPAT is designed to strengthen global supply chains and improve U.S. border security. Phillips 66 is allowed to import as a top tier participant.

Our personnel, employees and management with direct responsibility for supply chain management are trained to recognize health and safety best practices, and are trained to report and investigate all deviations from a best practice.

While this disclosure outlines Phillips 66's standard supply chain Procurement practices and contracting provisions, exceptions may exist or occur.