

MODERN SLAVERY ACT 2015 - STATEMENT FOR FINANCIAL YEAR ENDING 31 DECEMBER 2016

Background

The Modern Slavery Act 2015 (the "Act") requires certain companies carrying on business in the U K, such as Phillips 66 Limited and Phillips 66 CS Limited (each the "Company"), to issue an annual statement regarding the steps taken by it during the financial year to prevent slavery and human trafficking taking place in any part of its business or in any of its supply chain

The UK Business

Phillips 66 Limited has over 1050 employees in the UK Phillips 66 Limited refines crude oil into petroleum products, buys and sells commodities, supplies bulk fuels to the commercial, aviation and marine industries and markets fuels under the Jet brand through branded distributors Phillips 66 Limited has a number of UK, German and Austrian subsidiaries but the majority of its supply chain activities relating to its UK business are conducted through Phillips 66 Limited Phillips CS Limited is an indirect wholly-owned subsidiary of Phillips 66 Limited, and is engaged in the purchasing, storage, blending, distribution and selling of hydrocarbon products Both Phillips 66 Limited and Phillips 66 CS Limited are part of the Phillips 66 group of companies and their ultimate parent company is Phillips 66 (listed on the New York Stock Exchange)

Phillips 66 Values and Ethics

At Phillips 66, safety, honour and commitment are its values, and ethics play a key role in every aspect of its business Phillips 66 is committed to a sustainable business foundation For Phillips 66, sustainability is about the long-term viability of its business and that of its business partners, and the actions Phillips 66 takes to achieve success including respect for people, operating excellence and ethics Phillips 66 is committed to complying with the law wherever it operates and to conducting all business activities in accordance with the highest ethical standards Phillips 66's ethical standards are reflected in its *Code of Business Ethics and Conduct* (the "Code of Ethics") which applies to all wholly owned subsidiaries of Phillips 66 and summarizes the ethical conduct and compliance with all laws expected of their employees. Employees are personally accountable for annually reviewing the Code of Ethics, receive training on it and are required to certify their compliance with its standards or disclose any exceptions and any proven violation is subject to disciplinary action The Code of Business Ethics and Conduct is being updated and the updated version will specifically address forced labour concerns Phillips 66 expects the same of the parties with which it does business Phillips 66's Business Partner Principles of Conduct requires its suppliers and contractors to observe all applicable laws and regulations governing health, safety and the environment, wages, hours, recruiting and employment practices, and to prohibit employment of those below the minimum employment age and the holding of any person in slavery or servitude or the use of forced or indentured labour and human trafficking

Supply Chain Practices

To ensure that its supply chain reflects Phillips 66's values and ethics, the Company's sourcing processes, for services performed at our businesses and for equipment fabricated at Company's request and those of its subsidiaries within its supply chain, include due diligence measures (such as pre-qualification compliance questionnaires) and the Company's contract terms sets out the Company's expectations for its suppliers to adhere to the Business Partner Principles of Conduct and to comply with all laws relating to combating slavery and human trafficking, including the Act and the request to implement due diligence procedures for its own suppliers The Company requires that its suppliers immediately notify the Company if its suppliers become aware of any breach or potential breach of the Act

The Company verifies its supply chain for onsite services and the provision of materials and equipment by periodic audits performed by the Company and, in some cases, third-party auditors contracted by the Company conduct on-site inspections Phillips 66 personnel performing these audits are trained to recognize and are obligated to report non-compliance

The Company will exercise its contractual rights against any supplier found to be in violation of its obligations in this regard

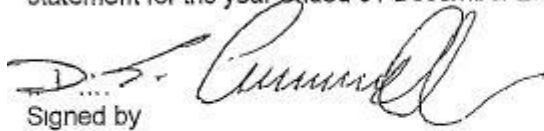
The Company continues to keep its supply chain procurement practices under review so further enhancements can be made to reflect best practice in higher risk areas

Training and Reporting of Concerns

The Company's personnel, employees and management with direct responsibility for supply chain management are trained to recognise health and safety best practices, and are trained to report and investigate all deviations from expected standards

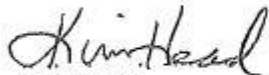
The Company has processes for reporting concerns relating to violations of the law or non-compliance with the Code of Ethics or Business Partner Principles of Conduct, including the use by its suppliers of forced, compulsory or trafficked labour, or anyone held in slavery or servitude. Phillips 66 also maintains a 24/7 ethics hotline and email account where employees, contractors or outside third parties can report any concerns of possible ethics violations, including slavery and human trafficking, anonymously if they feel the need. Every submission is reviewed.

Approved by the Board of Directors of Phillips 66 Limited as our slavery and human trafficking statement for the year ended 31 December 2016


Signed by

Darren Cunningham
Director
Phillips 66 Limited

Approved by the Board of Directors of Phillips CS 66 Limited as our slavery and human trafficking statement for the year ended 31 December 2016


Signed by
Kim Head
Director
Phillips 66 CS Limited