

# **The Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018 No 860) - Reports in respect of the Financial Year Ending 31 December 2022**

## **Phillips 66 Limited**

### **Strategic Report: Statement by the directors on performance of their statutory duties in accordance with s172 Companies Act 2006**

The company's Board of Directors consider they have acted prudently and in good faith and in a manner most likely to promote the success of the company having regard to the matters set out in Section 172 of the Companies Act 2006.

The company is an indirect subsidiary of Phillips 66, a diversified energy manufacturing and logistics company listed on the New York Stock Exchange. The Phillips 66 group manages its activities principally along business and functional lines to achieve overall business objectives but respects the status of the separate legal entities through which it transacts, maintaining the independence of each Board of Directors.

The company's Board of Directors has adopted Corporate Governance Guidelines consistent with the Wates Corporate Governance Principles (the "Guidelines") as a general framework to assist the Board in carrying out its responsibilities for the business and affairs of the company to be managed by or under the direction of the Board in accordance with the Companies Act 2006. The Guidelines address six principles of Purpose and Leadership, Board Composition, Board Accountability, Opportunity and Risk, Remuneration, and Stakeholder Relationships and Engagement. Since their adoption, the Board has conducted itself in accordance with the Guidelines to ensure decisions made take into account stakeholder input, the long-term consequences of decisions, and the company's reputation of high standards of business conduct.

### **Directors' Report: Statement by directors on how they have had regard to the need to foster the Company's business relationships with suppliers, customers and others; and the effect of that regard.**

The company's Board of Directors understands that developing and maintaining strong mutually beneficial relationships with suppliers, customers, and other stakeholders, such as the communities in which it does business, is critical to delivering on the company's strategy. In order to develop and maintain these relationships, the company's Board of Directors oversees and approves the numerous stakeholder engagement activities that are undertaken during the year.

Ways in which the company has engaged with its stakeholders (other than its affiliated company shareholders) in this financial year were as follows:

- Suppliers: The company engages with suppliers on safety and operational integrity.
- Customers: The company is committed to offering high quality products at competitive prices and continues to develop the JET brand awareness. The company also hosted a Marketing Customer conference in October 2022.
- Commercial trading counterparties: The company engaged with commercial trading counterparties to discuss the various petroleum markets. Following Covid-19 restrictions some of the traditional events and face to face meetings with trading counterparties returned to pre-Covid levels.
- Local Communities: The company supports local communities through the Phillips 66 Community and Education Initiative, which is aimed at supporting local communities, charities, schools and organisations with donations and employees' time. The company continues to develop STEM activities to keep students engaged through a Sustainability Challenge delivered across the Humber area to 30 secondary schools, focused on STEM skills and also aims for the students to consider how they can make a positive impact both on the future and on the Humber journey to achieve Net Zero.

## **Directors' Report: Statement by directors on engagement with UK Employees.**

The company's Board of Directors recognise that employee engagement underpins superior business performance and is committed to measuring engagement through periodic opinion surveys, with ongoing measurement and action planning.

There is no recognised trade union representing any part of the company workforce.

Examples of engagement which took place with employees during this financial year include:

- Humber Staff Forum at the company's Humber Refinery;
- Newsletters;
- Town Hall meetings (updates from senior UK managers/Board members and executives from Phillips 66);
- Leaders meetings;
- Culture and communication teams;
- Inclusion and Diversity Network;
- Safety teams;
- Breakfast Briefings in the London office;
- Various departmental work team meetings; and
- Early Careers Network.

## **Directors' Report: Corporate Governance Arrangements**

As described in the Section 172 statement in the Strategic report, the company's Board of Directors has adopted Corporate Governance Guidelines consistent with the Wates Corporate Governance Principles (the "Guidelines") as a general framework to assist the Board in carrying out its responsibilities for the business and affairs of the company to be managed by or under the direction of the Board and the Guidelines have been applied since they were adopted.

# **Phillips 66 UK Holdings Limited**

## **Strategic Report: Statement by the directors on performance of their statutory duties in accordance with s172 Companies Act 2006**

The company's Board of Directors consider they have acted prudently and in good faith and in a manner most likely to promote the success of the company having regard to the matters set out in Section 172 of the Companies Act 2006.

The company is an indirect subsidiary of Phillips 66, a diversified energy manufacturing and logistics company listed on the New York Stock Exchange. The Phillips 66 group manages its activities principally along business and functional lines to achieve overall business objectives but respects the status of the separate legal entities through which it transacts, maintaining the independence of each Board of Directors.

The company's Board of Directors has adopted Corporate Governance Guidelines consistent with the Wates Corporate Governance Principles (the "Guidelines") as a general framework to assist the Board in carrying out its responsibilities for the business and affairs of the company to be managed by or under the direction of the Board in accordance with the Companies Act 2006. The Guidelines address six principles of Purpose and Leadership, Board Composition, Board Accountability, Opportunity and Risk, Remuneration, and Stakeholder Relationships and Engagement. Since their adoption, the Board has conducted itself in accordance with the Guidelines to ensure decisions made take into account stakeholder input, the long-term consequences of decisions, and the company's reputation of high standards of business conduct.

The company's Board of Directors recognise that employee engagement underpins superior business performance and is committed to ensuring such engagement occurs with employees of subsidiary companies

through periodic opinion surveys with ongoing measurement and action planning, and through other engagement events.

The company's Board of Directors understands that developing and maintaining strong mutually beneficial relationships with suppliers, customers, and other stakeholders, such as the communities in which it does business, is critical to delivering on the company's strategy, and ensures its subsidiary companies take appropriate actions to develop and maintain these relationships.

**Directors' Report: Statement by directors on how they have had regard to the need to foster the Company's business relationships with suppliers, customers and others; and the effect of that regard.**

As a holding company with no employees and no third-party commercial trading activity, the key stakeholders of the company are:

- The company's shareholders, who are all affiliated companies; and
- The company's principal subsidiary Phillips 66 Limited, which is the main Phillips 66 operating company in the UK (the Operating Company).

The company's Board of Directors engages with the Operating Company through strategy reviews, establishing strategic objectives and targets, and interaction with Operating Company management to optimise the Phillips 66 value chain in the UK.

**Directors' Report: Corporate Governance Arrangements**

As described in the Section 172 statement in the Strategic report, the company's Board of Directors has adopted Corporate Governance Guidelines consistent with the Wates Corporate Governance Principles (the "Guidelines") as a general framework to assist the Board in carrying out its responsibilities for the business and affairs of the company to be managed by or under the direction of the Board and the Guidelines have been applied since they were adopted.