

Phillips 66 UK Holdings Limited

UK Tax Strategy – accounting period ended 31 December 2023

Introduction

This document sets out the tax strategy pertaining to UK taxation for Phillips 66 with the information required by paragraph 16(2) Schedule 19 of Finance Act 2016.

The UK sub-group of Phillips 66 is headed by Phillips 66 UK Holdings Limited, which is required to publish a UK tax strategy. This UK tax strategy has been approved by the board of directors of Phillips 66 UK Holdings Limited and applies from the date of publication noted below until superseded or updated.

All applicable entities in the Phillips 66 UK Holdings Limited group at the date of publication to which this UK tax strategy applies (hereafter jointly referred to as the “Group”) are listed in the Appendix below.

Management & Governance

Tax is an important component in the business dealings of the Group. The Group takes its tax compliance responsibilities seriously and seeks to be compliant with tax legislation.

Accountability for the Group’s tax affairs resides with UK executive management, with responsibility delegated to the Manager, UK Tax, who in turn leads an in-house specialist tax team with extensive knowledge and experience across all major UK taxes.

A number of key business, tax and other financial processes are in place, administered under a philosophy of strong controls on areas that include project approvals, reporting transparency and accuracy, and integrity and ethics. The Group is subject to the senior accounting officer rules, which require a senior employee of the Group to personally oversee UK tax compliance.

The Group’s senior accounting officer and the Manager, UK Tax are both members of the boards of directors of each of the Group’s active trading and holding companies. The Tax function is therefore well-placed to be aware of significant transactions or issues, and tax matters have appropriate interest and visibility at UK board level.

Tax Planning

Tax planning by the Group is focused on ensuring its wider business and commercial activities are tax efficient, with utilization where appropriate of available and intended legislative incentives, exemptions and reliefs. The Group strives to be a responsible corporate citizen and does not seek to engage in artificial or contrived tax avoidance outside the intentions of Parliament where they are understood.

Risk Tolerance

The Group seeks to avoid material uncertainty or exposure to risk on tax liabilities. The Group will engage with HMRC on complex or specialist areas, and where matters of uncertainty arise or where HMRC may interpret legislation differently, the Group may take external professional advice. Significant or potentially contentious matters are discussed in advance with executive UK management, and where appropriate, senior management of the Group's US parent company, before any action is taken.

Dealings with HMRC

The Group enjoys an open and transparent relationship with HMRC and adopts an approach of full disclosure in all communications with HMRC, including return filings. Potential issues or areas of uncertainty or contention are openly and timely raised with HMRC. Two-way communication with the Group's HMRC Customer Compliance Manager and subject matter expert Tax Inspectors customarily occurs to address areas of policy or uncertainty of treatment, and to ensure accuracy and full disclosure in return filings.

Date published: 14 December 2023

Appendix to UK Tax Strategy

Phillips 66 UK Holdings Limited & UK subsidiaries:

Phillips 66 UK Holdings Limited

Phillips 66 Limited

Phillips 66 Treasury Limited

Phillips 66 TS Limited

Phillips 66 Pension Plan Trustee Limited

Phillips 66 UK Funding Limited

Phillips 66 CS Limited (dissolved on 7 March 2023)

Phillips 66 European Power Limited (dissolved on 13 June 2023)

Phillips 66 UK Development Limited (dissolved on 13 June 2023)

Phillips 66 Healthcare Trustee Limited

Jet Petroleum Limited

JET Petrol Limited

JET Retail UK Limited

JET Energy Trading GmbH (UK branch)