

Registered number
07853993

Phillips 66 UK Holdings Limited

Annual report and financial statements for the year ended

31 December 2024

Phillips 66 UK Holdings Limited
Annual report and financial statements
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Phillips 66 UK Holdings Limited
Company Information

Directors	P M Fursey R E Sherwell N E McKnight R J Turner A T Bunn G R D Griffiths
Secretary	R M White A Janaszek S Gennings
Registered office	7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD
Registered number	07853993
Auditors	Ernst & Young LLP 1 More London Place, London SE1 2AF

Phillips 66 UK Holdings Limited Strategic report

The directors present their Strategic report for the year ended 31 December 2024.

Principal activities

The principal activity of the company is that of an intermediate holding company. The company does not have any trading activities.

Business review

Due largely to dividends received of \$1,200 million (2023: \$803 million), the company has made a profit for the year of \$1,168 million (2023: \$781 million).

Key performance indicators

	2024 \$ million	2023 \$ million	% change
Interest payable	43	30	43.3
Shareholder's funds	2,385	2,424	(1.6)

The company's balance sheet, on page 26 of the financial statements, shows the company has net assets of \$2,385 million (2023: \$2,424 million).

Subsequent events

In 2025 to the date of this report the company had the following dividend transactions:

	Dividend income \$ million	Dividend paid \$ million
January	1,240	1,240

In January 2025 proceeds of \$1,151 million were received by Phillips 66 Limited on the disposal of its investment in Coop Pronto AG (formerly known as Coop Mineraloel AG).

On 30 June 2025, a winding-up order was issued against the other shareholder in the four joint venture companies in which the subsidiary, Phillips 66 Limited, holds a 50% interest. As this event occurred after the reporting period and does not itself provide evidence of conditions that existed at the year-end, it is classified as a non-adjusting event under IAS 10. Accordingly, no adjustments have been made to the financial statements of Phillips 66 Limited.

Phillips 66 Limited management is monitoring the situation and will assess any financial impact on the company as further information becomes available.

There have been no other significant events since the balance sheet date.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are the financial risks described below.

Financial instruments and risk management

The company's principal financial instruments comprise borrowings in the form of loan notes listed on the Cayman Islands Stock Exchange. The company is exposed to the financial risk in the long term that income from shares in group undertakings may not be sufficient to fund the obligations arising from the loan notes. The current loan notes in the sum of \$752 million are subject to a fixed rate of interest of 5.57%, and are due to mature in 2028.

The company manages the key financial risk of failing to fund the repayment obligations in respect of the loan notes through support from its parent undertaking and other group undertakings.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Principal risks and uncertainties (continued)

Liquidity risk

Liquidity risk is the risk that the company may encounter difficulty in meeting obligations associated with financial liabilities.

The company has received confirmation from Phillips 66 Company, its indirect parent undertaking, that it will provide such financial assistance as may be required by the company to meet its liabilities, for the period to 30 September 2026, as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities.

Investment risk

The company is exposed to investment valuation risk resulting from the fair value of its investment in Phillips 66 Limited falling below the carrying value of the investment.

Foreign currency risk

The company is exposed to foreign currency exchange rate risk resulting from entering into certain transactions denominated in currencies other than the functional currency. The company does not comprehensively hedge its exposure to currency rate changes, although the company may selectively hedge exposures to foreign currency rate risk.

Interest rate risk

The company is exposed to interest rate risk resulting from the company's banking arrangements. The company does not comprehensively hedge its exposure to interest rate changes although the company may selectively hedge exposure to interest rate risk.

Non-financial and sustainability information statement

The company views climate change as a potentially significant risk to the operations of its principal subsidiary. The following is a reproduction of the non-financial and sustainability information statement included in the principal subsidiary's financial statements for the year ended 31 December 2024, as required by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

Consistent with the Corporate Governance Guidelines adopted by the company in 2019 and subsequently updated, the Board of Directors maintains oversight of climate related risk and opportunities, regularly reviewing actions taken by management to monitor, control and report climate related exposures. In addition to the responsibilities of the Board, management teams across the three main operating divisions (Refining, Marketing and Commercial) are responsible for managing areas of the business which may affect or be affected by climate change and the energy transition. Management is informed about climate issues by engagement with internal and external networks.

Physical risks are predominantly associated with the Humber Refinery and its associated offsites facilities. The responsibility for assessment of these risks is with the Humber Refinery Health, Safety and Environmental (HSE) Manager, who oversees the Humber Refinery HSE Management Systems. This includes compliance with Control of Major Accident Hazards Regulations 2015 (COMAH) which require climate change risk assessments to be carried out. The HSE Manager reports relevant matters to the Refinery Leadership Team, which is led by the Lead Executive UK / General Manager Humber. The Lead Executive UK reports specific matters to the rest of the Board of Directors for consideration.

Transition risks and opportunities are assessed through the annual UK Integrated Strategy review, which is the responsibility of the Emerging Energy Manager – Europe. Specific updates on climate related risks and opportunities are provided to the Board of Directors for consideration.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Governance (continued)

Phillips 66 Limited considers climate related impacts as the company develops business plans and strategy, ensuring potential risks are mitigated by planned actions, which are appropriately funded by Phillips 66 at a corporate level through the capital allocation process.

Risk management

Risk management process – physical risks

For physical risks the company applies a proportionate approach to assess risks, involving the application of consequence severity and likelihood to calculate the overall risk. Unmitigated consequences are identified as part of risk assessment processes and more in-depth analysis of safeguards is carried out on higher severity scenarios to determine the mitigated event likelihood and resultant risks. Risk tolerability criteria have been agreed with corporate and regulatory stakeholders. Where mitigated risks do not achieve these standards, additional mitigations are put in place.

Climate Change Risk Assessments required by COMAH are carried out in accordance with the above methodology, and reviewed by the COMAH Competent Authority. Additionally, COMAH requires operators of sites with regulated substances to conduct Climate Change Risk Assessments (CCRA) and integrate adaptation planning into their risk management systems. These assessments focus on how climate change and extreme weather events could impact site operations and potentially initiate or escalate major accidents, especially natural hazard-triggered technological accidents (NaTech).

Climate related risk management is integrated into the overall risk management framework, including the process safety / COMAH management system, which includes a number of rigorous processes to identify and quantify risks. This includes process hazards analyses and COMAH safety report updates every 5 years. Climate Change Risk Assessments are carried out as part of the COMAH framework.

Risk management process – transition risks

Transition risks are assessed through the UK Integrated Strategy review, which involves engaging with relevant internal business leads, subject matter experts and strategists from across the business to identify potential risks and opportunities, evaluate business impact and set strategy to address them where appropriate. Priorities and actions are captured and managed by the UK senior leadership through the relevant business segment. The UK Integrated Strategy is reviewed annually.

As part of routine management process, business risks are identified, including climate related issues and regulatory changes. Potential impacts to the business are considered, together with how the business strategy seeks to mitigate these risks. Where relevant, an estimation of the range of potential financial outcomes of these mitigated risks are developed, including any operational or capital expenditures required. Where appropriate, metrics and timelines are established to monitor progress.

Summary- climate related risks

Potential impacts of climate related factors to the UK business have been categorised into short term (less than 10 years), and long term (more than 10 years).

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Risk management (continued)

Physical risks

Risk Type	Comments
Short Term	
Flood	Phillips 66 Limited has carried out flood risk assessments for its operational facilities under COMAH. These assessments include topographical surveys and spill modelling. The coastal installations, including the Immingham Pipeline Centre (IPC) / Immingham Propylene Storage (IPS), LPG Caverns and Dock Silos, are directly protected by flood defences. The Humber Refinery and Tetney Oil Terminal are located further inland but are also afforded protection by the aforementioned flood defences. The Humber Refinery is not vulnerable to tidal flooding in the present-day for even the most extreme tidal flood events. The Tetney Oil Terminal is situated on low lying-land behind flood defences, preventing flooding of the area for even the most extreme present-day events, highlighting that the coastal defence scheme is effective. Management therefore considers the risk of adverse impacts from flood damage to the operations of the Humber Refinery to be low.
Storm	Wind load design at the Humber Refinery specifies a load up to 100 mph. Previous high-speed gusts have caused only very minor damage, therefore risk from storm damage is also considered low.
Heatwave	High ambient temperature has not been identified as an initiator for any loss of containment scenarios or as the cause of any asset damage to date and it would not be expected that temperatures above 35 C would have any significant adverse impact, although high ambient temperature can necessitate Humber Refinery rate cuts. 40 C will introduce the same issues as 35 C, but with increased severity. Based on this, the risk of adverse impacts from increased temperatures is considered low.
Long Term	
Flood	Sea level rise in the period to 2100+ may require some coastal defence upgrades to ensure that the Humber Refinery remains fully protected from these extreme events. However, the inland location ensures that even with the current defences, only minor flooding would occur with a minimal short term business impact. Humber 2100+, a partnership consisting of local authorities, the Humber Local Enterprise Partnership and the Environment Agency is assessing strategic approaches to manage the future tidal flood risk around the Humber Estuary.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Risk management (continued)

Transition risks

Description	Risk/ Opportunity	Timeframe	Comments
Technology			
Growth in battery market for electrification leads to increase in demand for speciality graphite coke for lithium ion batteries.	Opportunity	Short-long term	Maintain strategic position in speciality coke market.
Policy			
UK Emissions Trading Scheme reduction of free allowance allocation and increase in UK carbon price could increase costs.	Risk	Short-long term	Phillips 66 Ltd has developed plans for reduction of up to 90% of scope 1 emissions from the Humber Refinery, which includes the use of carbon capture and hydrogen refuelling. The Humber Zero project would involve carbon capture of emissions from the refinery's Fluid Catalytic Cracker Unit, reducing up to 0.5 million tonnes of CO₂ emissions per annum. For further information on relevant projects see Strategy section. The Humber Zero project and other decarbonisation projects are subject to a number of commercial and government policy related considerations, including progress on the development of the Viking CCS track 2 cluster for the Humber region, access to the governments Industrial Carbon Capture Business Model and the carbon price. Phillips 66 Ltd actively monitors relevant topics and is engaging with government on business model support, in order to provide justification for progressing these projects. Phillips 66 Ltd is engaging proactively with UK Government and trade associations about the potential impact of increased carbon costs on UK industry. Based on the published plans of the UK government in relation to the scheme, this is unlikely to have a large or sudden impact in the short term. Phillips 66 Limited is engaged with the UK Government on the potential unintended consequences of the UK ETS to the UK economy, such as reduced international competitiveness, increased pricing to consumers and carbon leakage. This will be kept under regular review. The refining industry is not included in the initial deployment scope of UK Carbon Border Adjustment Mechanism, which would help prevent carbon leakage and mitigate negative impacts of higher carbon costs on UK industry, however the company is working with industry associations on approaches to implementation for the refining industry.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Risk management (continued)

Transition risks (continued)

Description	Risk/ Opportunity	Timeframe	Comments
Policy (continued)			
Ban on sales of new internal combustion engine vehicles from 2035.	Risk and opportunity	Short-long term	Policy does not directly impact P66, however will have impact on market - see Market section. Opportunity for growth in battery technology - see Technology section.
Renewable Transport Fuels Obligation places requirement on fuel producers for increasing percentages of fuel supply to be renewable up to 2032.	Opportunity	Short term	Grow renewable fuels production.
The UK Sustainable Aviation Fuel Mandate places an obligation on jet fuel suppliers to supply an increasing percentage of SAF.	Opportunity	Short-long term	Grow SAF production. Collaborate with SAF project developers.
Industrial decarbonisation policies, such as the Industrial Carbon Capture Business Model, provide incentives to decarbonise operational emissions.	Opportunity	Short-long term	Engage with government on Industrial Carbon Capture Business Model and progress for the track 2 Viking CCS cluster in the Humber region.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Risk management (continued)

Transition risks (continued)

Description	Risk/ Opportunity	Timeframe	Comments
Market			
Inland demand for gasoline and diesel will decline due to ban on the sale of new internal combustion engine vehicles.	Risk	Long term	Based on current forecasted demand, the UK will likely begin exporting diesel in the mid-2030s, which may pressure refining margins, and it is likely low complexity refineries will shut down to balance demand. This will provide inland logistics and product placement opportunities for Humber Refinery as a high complexity refinery, which are likely to have a positive impact on earnings, from taking advantage of inland premiums on a greater volume of Humber Refinery production and as such the margin pressure is considered a low risk for the company.
Feedstock availability for the production of renewable fuels.	Risk and opportunity	Short-long term	Availability of potential feedstocks for the production of renewable fuels could have challenged availability and be subject to market fluctuations affecting renewable fuel incentives. Opportunity for early mover advantage in development of feedstock supply chains.
Renewable fuels additional discretionary demand above policy incentives.	Opportunity	Short-long term	Utilise growth in renewable fuels production to establish pathways to discretionary market.
Legal and Reputational			
Supply chain sustainability for renewable feedstocks concerns or issues leads to instability, feedstock shortage, loss of market confidence or legal challenge for renewable fuels production.	Risk	Short term	Supply chain is ISCC certified, or meets other applicable sustainability criteria. Maintain engagement with ISCC and government on ensuring robust certification of renewable feedstocks and fuels.
Legal challenge relating to decarbonisation activities or accusations of greenwashing.	Risk	Short term	Ensure clarity and transparency in communications.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Risk management (continued)

Transition risks (continued)

Description	Risk/ Opportunity	Timeframe	Comments
Legal and Reputational (continued)			
Opportunity for improved public engagement and customer perception relating to decarbonisation activities, helps to ensure security and motivation of workforce/skills and helps position Phillips 66 Limited as a supplier of choice.	Opportunity	Short term	Continue active engagement with customers, local community, existing and future workforce.

Strategy

The company strategy covers the following areas, which are affected by the climate related risks and opportunities identified as follows:

Strengthen the base business

This includes physical risks and impacts of climate change. The CCRA does not identify significant physical risks resulting in financial impacts requiring mitigating actions in the short or long term. Although this will be kept under regular review through the risk assessment process.

Capitalise on speciality coke capability

Speciality coke demand as an anode material is forecasted to increase due to policy incentives for electrification, driving increased demand in lithium-ion batteries. The Humber Refinery is the largest European facility producing speciality graphite coke, which is a precursor material to synthetic graphite, which forms a critical component for lithium-ion batteries used in electric vehicles (EV) and consumer electronics. Additionally, Humber Refinery's speciality graphite coke is supporting the steel industry to decarbonise, as it is used in electrodes for electric arc furnaces, which produce lower carbon recycled steel. Finally, Humber Refinery is Europe's largest producer of aluminium anode coke used in the manufacture of aluminium.

The company is also supporting decarbonisation of the UK car fleet through the launch of JET CHARGE* ultra-rapid charging service at JET service stations.

*Currently only available at selected JET branded forecourts. For clarification of charge output categorisation please see Chapter 2 "How electric vehicles are charged" and Table 1: Final report - GOV.UK (www.gov.uk)

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Strategy (continued)

Optimise clean fuels product placement

Liquid fuel demand is forecasted to decrease with the electrification of the road transport sector. The Humber Refinery is well positioned to maintain volumes of fuels placed domestically in the near term and to increase fuel exports to all global regions and to remain competitive. The forecast and associated risks do not identify any specific actions that need to be taken as the risks in the short and long term are low. This will be kept under annual review.

Position for a lower-carbon future

Renewable fuels:

Through co-processing of used cooking oil and other waste oils, the Humber Refinery produces lower-carbon fuels. This is aligned to requirements under the Renewable Transport Fuels Obligation (RTFO), which provides targets up to 2032. The RTFO provides policy certainty for development and growth in renewable fuels.

Sustainable Aviation Fuel (SAF) is a chemically similar alternative to fossil-derived jet fuel that can reduce lifecycle carbon emissions by around 80% compared to traditional jet fuel. The Humber Refinery is the first facility in the UK to produce SAF at scale. SAF demand is driven by policy and regulatory requirements, such as the UK Emissions Trading Scheme and the UK SAF mandate, as well as by the voluntary demands of airlines to meet their own emissions reduction targets. The UK SAF Mandate started in 2025 at an obligation level of 2%, increasing to 10% by 2030 and 24% by 2040. Phillips 66 has a multi-year agreement with British Airways to supply them with SAF imported by pipeline into Heathrow airport. The Humber Refinery is well placed to contribute to the aviation sector's decarbonisation goals and obligations.

The company's strategy and alignment to policy and regulatory requirements, as well as market demand for renewable fuels, will be kept under annual review.

Carbon capture:

The company is developing a plan to install post-combustion carbon capture at the Humber Refinery to reduce the refinery's Scope 1 operational emissions. This reduction in carbon dioxide emissions would reduce the number of allowances that the company will need to purchase under the UK ETS which will protect it from increasing allowance prices in the future. The company is working in collaboration with VPI Immingham LLP to jointly promote certain aspects of their respective carbon capture projects under the Humber Zero brand. Since VPI supply power and steam to the Humber Refinery, carbon capture of emissions from the CHP would also result in Scope 2 emissions reduction for the Humber Refinery. The projects' captured carbon dioxide emissions will be transported and stored by a third party under the North Sea in a depleted gas field. The company is working with Viking CCS as a potential emitter to Viking's carbon dioxide transport and storage cluster and is awaiting an announcement from the Government on the timeline and process for the selection of track 2 emitters. The company's carbon capture project is subject to several pre-conditions being satisfied, including but not limited to, agreeing on the terms of a revenue support agreement with the UK Government and final investment approval.

Hydrogen:

The company is reviewing opportunities to participate in the growth of the lower-carbon hydrogen industry. In March 2024 the company entered into a collaboration agreement with Uniper to work towards the potential supply of electrolytic hydrogen from Uniper's Humber H2ub® (Green) project to the company's Humber Refinery from 2029. The hydrogen would be used to replace some of the refinery fuel gas in industrial-scale fired heaters which would reduce the Humber Refinery's Scope 1 operational emissions.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Strategy (continued)

Climate scenarios

The company recognises that a number of potential future scenarios could impact the business model and strategy, and that the UK has implemented regulation to achieve net zero GHG emissions by 2050. The company considers the following potential scenarios when evaluating risks and opportunities: 1) increased regulation approach, 2) incentivised investment approach and 3) business as usual. Various aspects of each of these scenarios could come into play as the UK seeks to address climate change and balance other priorities. Phillips 66 Limited does not seek to express a view on whether any of these approaches are more or less likely than another, or more or less likely than any other published third-party scenarios that are not explicitly considered here but may be used to inform our approach.

In an increased regulation approach, a higher carbon cost burden for UK industry is more likely to be incurred, which would make industries subject to global competition less competitive. Investment in Scope 1 and 2 emissions reduction could be less forthcoming due to the instability presented by this situation. This could also present opportunity for increased market share, underpinned by Phillips 66 Limited's position in the lower carbon fuels and specialty coke markets. Phillips 66 Limited considers that a focus on reducing UK territorial emissions without considering embedded emissions could lead to reductions in UK production and an increase in imports of consumer goods. This would effectively move industrial activity abroad and could be detrimental to the UK economy and the goal of preventing climate change. We are maintaining ongoing active engagement with government to ensure that effective approaches are taken to decarbonisation that do not lead to increased de-industrialisation.

An investment incentive approach for climate mitigation would involve implementation of policy to support decarbonisation and growth through the energy transition, such as revenue support mechanisms for decarbonisation infrastructure and projects. This balances reduction in territorial emissions with maintaining industrial output and could be a more conducive situation for private investment to be made in Scope 1 and 2 emissions reductions. Phillips 66 Limited is well positioned to support the energy transition in this scenario.

Business as usual reflects a situation where UK territorial emissions are not significantly reduced and global GHG emissions continue to rise, as UK and global policy provide minimal incentives for decarbonisation and climate mitigation. The global temperature increase could result in more severe physical impacts, such as drought, storms and floods which may impact on operational assets. The current business strategy reviews physical risks based on data and the most relevant, up-to-date forecasts, as described in the risk assessment section. This enables investment to be targeted to areas where it is needed.

Phillips 66 Limited considers that the strategy and approach to climate-related risks is resilient and can adapt to future climate scenarios, as needed. This will be kept under annual review as described in the risk assessment section.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Non-financial and sustainability information statement (continued)

Metrics and targets

The company uses a variety of metrics to evaluate its climate related risks and opportunities. These metrics include carbon emissions, environmental impacts, legislative changes, and economic supply/demand forecasts. The company is pursuing returns-focused projects, technologies and partnerships that support the decarbonisation of its operations and provides customers with lower-carbon alternatives.

Phillips 66 has published global company-wide greenhouse gas emissions intensity reduction targets, with a 2019 baseline. For Scope 1 and 2 manufacturing related emissions, the target is an intensity reduction of 30% by 2030 and 50% by 2050. For Scope 3 product related emissions, the target is an intensity reduction of 15% by 2030. In 2024, Phillips 66 global company-wide performance was a 15% reduction in Scope 1 and 2 emissions and a 8% reduction in Scope 3 emissions intensity from products, versus the 2019 baseline.

Phillips 66 reports relevant Scope 1, 2 and 3 greenhouse gas emissions (see Phillips 66 Limited Strategic Report) from global assets over which it has operational control in accordance with the World Resource Institute Greenhouse Gas Protocol. Emissions are inclusive of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Other greenhouse gas emissions are not considered to be material to Phillips 66's operations (including those of the company) and are, therefore, excluded. Phillips 66 also calculates and reports emissions in accordance with mandatory reporting requirements such as the UK Emissions Trading Scheme (UK ETS).

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.

Phillips 66 UK Holdings Limited
Strategic report report (continued)

Statement by the directors on performance of their statutory duties in accordance with s172 Companies Act 2006 (continued)

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.

This report was approved by the Board of Directors on 25 September 2025 and signed on its behalf by:

Signed by:

CB0942D9DE324EE...

N E McKnight
Director

Registered office:
7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD

Phillips 66 UK Holdings Limited Directors' Report

The directors present their Annual report on the affairs of the company, which includes the Strategic report and financial statements for the year ended 31 December 2024.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in existence for the period to 30 September 2026, being the going concern period. In reaching this conclusion the directors reviewed a going concern assessment for that period, which indicated that the company will have sufficient funds to meet its liabilities as they fall due. The forecast highlights half yearly debt interest payments of \$21 million each, due throughout the going concern period, to be funded by cash in hand and borrowings.

In view of the relatively small net current assets position on the balance sheet, and the inherent uncertainty with respect to the receipt of dividends from subsidiaries, the company has received confirmation from Phillips 66 Company, its indirect parent undertaking, that it will provide such financial assistance as may be required by the company to meet its liabilities, including any funds required to repay or refinance its debt, throughout the going concern period of review, as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities.

The key activity of the company is to act as an intermediate holding company (refer to Note 7). The company also holds \$752 million of intercompany debt that is listed on the Cayman Islands Stock Exchange and is repayable to Phillips 66 International Investments Ltd., being another wholly owned subsidiary of the ultimate parent Phillips 66. This debt is due to mature in October 2028. Noting the significance of this amount and taking into consideration the value of the half yearly interest payments required to service this debt, the directors have considered whether this impacts on the preparation of the financial statements on a going concern basis.

The company is party to a centralised cash pooling arrangement between all the Phillips 66 pooling participants and the Bank of America and has access, if required, to surplus cash within the pool. Phillips 66 Company and Phillips 66 have each provided a cross guarantee to the Bank in respect of the obligations of the pool participants under the cash pooling arrangement. These guarantees are limited to the aggregate of (i) the credit balance on all their accounts with the Bank at any time and (ii) 2 billion US dollars (\$2,000,000,000).

After making enquiries, considering the impacts of the ongoing military conflicts, the servicing of the loan debt, and the support available from the parent company, the directors have concluded that the company has adequate resources to continue in operation for the going concern period. These considerations included the impact of the ongoing military conflicts on the wider Phillips 66 group, committed long-term facilities available to the group and cash flow projections for the group beyond the going concern review period. In reaching this conclusion the directors have had due regard to the financial strength of Phillips 66 Company and are satisfied that Phillips 66 Company has the willingness and ability to provide support. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Streamlined energy and carbon reporting (SECR) information

Energy and carbon emissions are not disclosed as the company is a low energy user.

Future developments

The directors are not aware, at the date of this report, of any likely change in the company's principal activity in the foreseeable future.

Phillips 66 UK Holdings Limited

Directors' report (continued)

Financial instruments and risk management

Information relating to financial instruments and the management of financial risks is disclosed in the Strategic report.

Dividends

The company paid dividends to the ordinary shareholder during the year of \$1,170 million (2023: \$500 million).

Directors

The directors who served throughout the year and up to the date of this report, unless otherwise noted, were as follows:

P M Fursey
R E Sherwell
N E McKnight
N A Holland (resigned 31 December 2024)
R J Turner
G S Taylor (resigned 30 June 2024)
C R Love (resigned 31 January 2025)
A T Bunn (appointed 1 July 2024)
G R D Griffiths (appointed 1 February 2025)

Directors indemnity provisions

In accordance with the company's articles of association each director is granted an indemnity from the company in respect of liabilities incurred as a result of their office, to the extent permitted by law. These indemnities were in force throughout the financial year and at the date of this report. In addition the company maintained a directors' and officers' liability insurance policy throughout 2024 and which has continued into 2025. Although their defence costs may be met, neither the company's indemnity nor insurance provides cover in the event that the director is proved to have acted dishonestly or fraudulently.

Relationships with suppliers, customers and other stakeholders

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 Philips 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.

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
Directors' report (continued)

Disclosure of information to auditor

Each person who was a director at the time this report was approved confirms that:

- So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

Pursuant to section 487(2) of the Companies Act 2006, Ernst & Young LLP are deemed to continue as the auditor.

This report was approved by the Board of Directors on 25 September 2025 and signed on its behalf by:

Signed by:

CB0942D9DE324EE...
N E McKnight
Director

Registered office:
7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD

Phillips 66 UK Holdings Limited
Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in UK GAAP (FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report
to the member of Phillips 66 UK Holdings Limited**

Opinion

We have audited the financial statements of Phillips 66 UK Holdings Limited (the 'company') for the year ended 31 December 2024 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 16, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process and the key factors and assumptions that were considered in its assessment;
- Obtaining management's going concern assessment for the period from when the financial statements are authorised for issue through to 30 September 2026;
- Checking the consistency of the factors and evaluating assumptions adopted in management's going concern assessment with other areas of our audit, including asset impairment indicator assessment;
- Evaluating the company's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards;
- Considering whether there was any evidence to suggest management had exercised any bias in selecting their assumptions;
- Reviewing subsequent events after the balance sheet date, including the dividends received and dividends paid by the entity;
- Inspecting Management's letter of support from the ultimate parent company confirming its intention to support the company if required to do so; and
- We read the most recent published financial information of the parent company to assess whether the wider Group has significant available liquidity throughout the going concern period as well as access to an undrawn revolving credit facility.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 September 2026.

**Independent auditor's report
to the member of Phillips 66 UK Holdings Limited (continued)**

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Valuation of Investments
Materiality	• Overall materiality of \$36.5m which represents 3% of Shareholder's funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Phillips 66 UK Holdings Limited. The company has determined that the most significant future impacts from climate change on its operations will be from extreme weather conditions, transition to a low-carbon economy, and legislative changes. These are explained on pages 3 to 12 in the Non-Financial and Sustainability Information Statement in the Strategic report. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the company's business and any consequential material impact on its financial statements.

The company has explained in the Strategic report how they have reflected the impact of climate change in their financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 3 to 12 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures, and in the timing and nature of liabilities recognised, following the requirements of FRS 101 "Reduced Disclosure Framework". As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

**Independent auditor's report
to the member of Phillips 66 UK Holdings Limited (continued)**

Climate change (continued)

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
Valuation of Investments (2024: \$3,125.7m, 2023: \$3,173.9m) <i>Refer to the Accounting policies (page 27); and Note 7 of the Financial Statements (page 34)</i> The investment carrying value is assessed for impairment indicators annually. Investments are held at cost less accumulated impairment losses. There is a risk of overstatement of the investment held and failure to recognise an impairment, which would lead to an overstatement of operating profit and net assets of the company in the period. The risk has increased in the current year due to the carrying value of the investment exceeding the net assets of the company's subsidiary investment.	We performed the following audit procedures with respect to management's investment impairment assessment: We analysed management's impairment indicator assessment focussing particularly on the net assets of the investment falling below the carrying value. We assessed whether the carrying value and value-in-use, as set out in management's impairment assessment, were appropriate and in accordance with IAS 36: Impairment of assets. The carrying values tested were as reported in the financial statements. We performed our own assessment of the assumptions applied by management in the value-in-use calculation. In doing so, we considered whether the forecast cash flow projections represented a reasonable and supportable basis for the value-in-use calculation. We also evaluated the other key assumptions applied in the calculation, including growth rate and discount rate, to assess their reasonableness and compliance with IAS 36. We considered the appropriateness of the disclosures within the financial statements.	We concluded that the net assets of the investment falling below the carrying value was an impairment indicator and so it was appropriate to perform a full impairment test. We noted that the calculated value-in-use of the company's subsidiary investment is significantly higher than the carrying value of the investment. Based on the procedures performed, we do not consider the Company's investment to be impaired and consider the determination of the value-in-use to be appropriate.

**Independent auditor's report
to the member of Phillips 66 UK Holdings Limited (continued)**

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be \$36.5 million (2023: \$49.0 million), which is 3% (2023: 3%) of Shareholder's funds. We believe that Shareholder's funds provides us with the most appropriate materiality basis as the company does not trade or incur costs on a consistent basis.

During the course of our audit, we reassessed initial materiality and did not identify any factors that would require our materiality to be changed.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely \$27.4m (2023: \$36.8m). We have set performance materiality at this percentage due to there being no history of audit differences, indicating a lower risk of misstatement in the financial statements.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of \$1.8m (2023: \$2.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Strategic report set out on pages 2 to 13, the Directors' report set out on pages 14 to 16 and the Statement of directors' responsibilities set out on page 17, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

**Independent auditor's report
to the member of Phillips 66 UK Holdings Limited (continued)**

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors'

We have nothing to report in respect of the following matters in relation to which the Companies Act

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditor's report
to the member of Phillips 66 UK Holdings Limited (continued)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

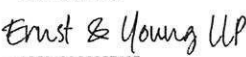
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101), Companies Act 2006, Bribery Act 2010, and relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how Phillips 66 UK Holdings Limited is complying with those frameworks by making inquiries of management to understand the policies and procedures in place as well as reviewing corroborative evidence as necessary.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiring with management to understand the policies and procedures in place to detect and prevent fraud and by considering the risk of management override of controls. We addressed the risk of incorrect revenue recognition by testing specific transactions and agreeing back to source documentation or independent confirmations as appropriate. We also completed searches of journal entries to identify transactions with indicators of management override of controls and tested identified items, ensuring appropriate authorisation of the transaction.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading minutes from the Board of Directors, enquiring with key management personnel and testing journals identified by specific risk criteria. We tested specific transactions back to source documentation or independent confirmation as appropriate. We engaged tax specialists to assess compliance with UK tax regulations. We completed a financial statement disclosure checklist to assess compliance with the applicable reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jacqueline Geary (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 September 2025

Phillips 66 UK Holdings Limited
Income statement
for the year ended 31 December 2024

	Notes	2024 \$ million	2023 \$ million
Dividends received		1,200.0	802.9
Administrative expenses		(0.1)	(0.1)
Operating profit		1,199.9	802.8
Interest receivable	4	0.3	0.5
Interest payable	5	(43.1)	(29.7)
Profit before taxation		1,157.1	773.6
Tax credit	6	10.7	6.9
Profit for the financial year		1,167.8	780.5

All activities relate to continuing operations.

Phillips 66 UK Holdings Limited
Statement of comprehensive income
for the year ended 31 December 2024

	2024	2023
	\$ million	\$ million
Profit for the financial year	1,167.8	780.5
Other comprehensive (expense)/income		
Items that cannot be reclassified to profit or loss:		
Foreign currency translation (loss)/gain	(37.4)	114.4
Total comprehensive income for the year	1,130.4	894.9

Phillips 66 UK Holdings Limited
Registered number: 07853993
Balance sheet
as at 31 December 2024

	Notes	2024 \$ million	2023 \$ million
Fixed assets			
Investments	7	3,125.7	3,173.9
Current assets			
Debtors due within one year	8	19.2	16.3
Cash at bank and in hand		-	5.9
		<u>19.2</u>	<u>22.2</u>
Creditors due within one year	9	(8.5)	(8.6)
Net current assets		<u>10.7</u>	<u>13.6</u>
Total assets less current liabilities		<u>3,136.4</u>	<u>3,187.5</u>
Creditors due after one year	10	(751.6)	(763.1)
Net assets		<u>2,384.8</u>	<u>2,424.4</u>
Capital and reserves			
Share capital	12	876.7	876.7
Merger reserve	14	1,023.8	1,023.8
Foreign currency translation reserve	14	(258.3)	(220.9)
Retained earnings		742.6	744.8
Shareholder's funds		<u>2,384.8</u>	<u>2,424.4</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2025 and signed on its behalf by:

Signed by:

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N E McKnight
 Director

Phillips 66 UK Holdings Limited
Statement of changes in equity
for the year ended 31 December 2024

	Share capital \$ million	Merger reserve \$ million	Foreign currency translation reserve \$ million	Retained earning \$ million	Total equity \$ million
At 1 January 2023	876.7	1,023.8	(335.3)	464.3	2,029.5
Profit for the financial year				780.5	780.5
Other comprehensive expense	-	-	114.4	-	114.4
Total comprehensive income for the year	-	-	114.4	780.5	894.9
Equity dividends				(500.0)	(500.0)
At 31 December 2023	876.7	1,023.8	(220.9)	744.8	2,424.4
Profit for the financial year				1,167.8	1,167.8
Other comprehensive expense	-	-	(37.4)	-	(37.4)
Total comprehensive (expense)/income for the year	-	-	(37.4)	1,167.8	1,130.4
Equity dividends paid (Note 13)				(1,170.0)	(1,170.0)
At 31 December 2024	876.7	1,023.8	(258.3)	742.6	2,384.8

Phillips 66 UK Holdings Limited
Notes to the financial statements
for the year ended 31 December 2024

1 Accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

1.1 Statement of compliance

Phillips 66 UK Holdings Limited (the "company") is a private company limited by shares incorporated and domiciled in England. These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced disclosure framework' (FRS 101) and in accordance with the Companies Act 2006.

1.2 Basis of preparation

The financial statements are prepared under the historical cost convention. The company is exempt from preparing consolidated financial statements under section 401 of the Companies Act 2006. Consolidated financial statements that include the results of the company are prepared by the company's ultimate parent company, Phillips 66, a company registered in Delaware, USA, and are available at Companies House and online at www.phillips66.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of paragraphs 10 (d) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 1 para 16 (statement of compliance with all IFRS), IAS 1 para 38A (cash flow related), IAS 1 para 111 (cash flow related);
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member; and
- the requirements of IAS 24 para 17 in relation to key management compensation.

As the consolidated financial statements of Phillips 66 include the equivalent disclosure, the company has also taken the exemption under FRS 101 available in respect of the following disclosure:

- The disclosures required by IFRS 7 Financial Instruments Disclosure; and
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in existence for the period to 30 September 2026, being the going concern period. In reaching this conclusion the directors reviewed a going concern assessment for that period, which indicated that the company will have sufficient funds to meet its liabilities as they fall due. The forecast highlights half yearly debt interest payments of \$21 million each, due throughout the going concern period, to be funded by cash in hand and borrowings.

In view of the relatively small net current assets position on the balance sheet, and the inherent uncertainty with respect to the receipt of dividends from subsidiaries, the company has received confirmation from Phillips 66 Company, its indirect parent undertaking, that it will provide such financial assistance as may be required by the company to meet its liabilities, including any funds required to repay or refinance its debt, throughout the going concern period of review, as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

1.2 Basis of preparation (continued)

Going concern (continued)

The key activity of the company is to act as an intermediate holding company (refer to Note 7). The company also holds \$752 million of intercompany debt that is listed on the Cayman Islands Stock Exchange and is repayable to Phillips 66 International Investments Ltd., being another wholly owned subsidiary of the ultimate parent Phillips 66. This debt is due to mature in October 2028. Noting the significance of this amount and taking into consideration the value of the half yearly interest payments required to service this debt, the directors have considered whether this impacts on the preparation of the financial statements on a going concern basis.

The company is party to a centralised cash pooling arrangement between all the Phillips 66 pooling participants and the Bank of America and has access, if required, to surplus cash within the pool. Phillips 66 Company and Phillips 66 have each provided a cross guarantee to the Bank in respect of the obligations of the pool participants under the cash pooling arrangement. These guarantees are limited to the aggregate of (i) the credit balance on all their accounts with the Bank at any time and (ii) 2 billion US dollars (\$2,000,000,000).

After making enquiries, considering the impacts of the ongoing military conflicts, the servicing of the loan debt, and the support available from the parent company, the directors have concluded that the company has adequate resources to continue in operation for the going concern period. These considerations included the impact of the ongoing military conflicts on the wider Phillips 66 group, committed long-term facilities available to the group and cash flow projections for the group beyond the going concern review period. In reaching this conclusion the directors have had due regard to the financial strength of Phillips 66 Company and are satisfied that Phillips 66 Company has the willingness and ability to provide support. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the amounts reported in the balance sheet and income statement for the year. However, the nature of estimation means that actual outcomes may differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Investments

Fixed asset investments are stated at cost less provisions for impairment.

Each investment is subject to an annual assessment to determine whether there are any indicators of impairment. Where these are present an estimate is made of the recoverable amount which is determined as the higher of the fair value less costs of disposal and the value in use. Where the carrying amount of an investment exceeds the recoverable amount, the investment is considered impaired and written down to the recoverable amount.

Deferred tax

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. For more information see Note 6.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

1.4 Material accounting policies

(a) Presentation currency

The financial statements are prepared in US dollars and are rounded to the nearest million dollars.

(b) Functional currency

The functional currency of the company is British pounds.

Transactions in currencies other than the functional currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rate of exchange ruling at the end of the financial period. Exchange gains or losses are taken to the Income statement.

(c) Taxation

Current taxation, comprising UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and law that have been enacted or substantively enacted by the balance sheet date.

(d) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is recognised on all taxable or deductible temporary differences except:

- Where the deferred tax asset or liability arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of a deferred tax asset on a deductible temporary difference, it is not probable that taxable profit will be available against which it can be utilised.

Deferred tax assets and liabilities are recorded at the tax rates that are expected to apply in the period of realisation or settlement, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss in correlation to the underlying transaction, either in other comprehensive income or directly in equity.

(e) Share capital

Ordinary shares are classed as equity.

(f) Merger reserve

The merger reserve represents the excess value of the consideration received by the company over the nominal value of the shares issued in a group reconstruction.

(g) Foreign currency translation reserve

All exchange differences arising as a result of translating the company's results and financial position from the functional currency to the presentation currency are recognised in other comprehensive income for the period. The cumulative effect of these exchange differences is recognised by the foreign currency translation reserve.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

1.4 Material accounting policies (continued)

(h) Investments

Investments are held at cost less accumulated impairment losses.

The company assesses at each reporting date whether there is an indication that an investment may be impaired. Where any such indication exists an estimate is made of the investment's recoverable amount in order to determine the extent of any impairment loss. The recoverable amount is determined as the higher of the fair value less costs of disposal and the value in use based on discounted cash flows. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and written down to its recoverable amount.

(i) Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified at amortised cost.

Financial assets at amortised cost:

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company's financial assets at amortised cost includes group company receivables and cash at bank.

Impairment of financial assets:

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows expected to be received.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

1.4 Material accounting policies (continued)

(j) Financial liabilities

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs. For interest-bearing loans and borrowings this is typically equivalent to the fair value of the proceeds received, net of issue costs associated with the borrowing. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities comprise loans and borrowings, and accruals.

(k) Dividends received

Dividends received are recognised as income when the right to receive payment has been established, which is when the shareholders approve the dividend.

(l) Dividends paid

Dividends are recognised when the dividend becomes legally payable, in the case of interim dividends to equity shareholders this is when paid.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash balances held at bank.

(n) Interest expense

Interest expense is recognised using the effective interest method which calculates the expense and allocates over the relevant period.

2 Information regarding directors and employees

(a) Directors' remuneration

No emoluments were paid to the directors for their qualifying services to Phillips 66 UK Holdings Limited in the current and preceding period.

Phillips 66 manages its operations at a segmental and geographical level. For this reason the company's directors believe that it is not practicable to apportion their remuneration between qualifying services for this company and the other group companies in which they hold office.

Directors' remuneration borne by its principal subsidiary Phillips 66 Limited and reported in its financial statements for the year ended 31 December 2024 is as follows:

	2024	2023
	\$ million	\$ million
Aggregate remuneration for qualifying services	<u>5.3</u>	<u>4.7</u>
The number of directors who:		
Are members of a defined benefit pension plan	7	8
Exercised options over shares in the ultimate parent company	<u>-</u>	<u>-</u>

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

2 Information regarding directors and employees (continued)

(a) Directors' remuneration

Remuneration of the highest paid director:	2024 \$ million	2023 \$ million
Aggregate remuneration for qualifying services	<u>2.6</u>	<u>2.0</u>

The highest paid director did not exercise share options in the ultimate parent company during the year (2023: not exercised).

(b) Employees

The company had no employees in the current and preceding period. All contracts of employment are held by Phillips 66 Limited.

3 Auditor remuneration	2024 \$'000	2023 \$'000
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Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>52</u>	<u>52</u>
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There have been no fees payable in relation to non-audit services.

4 Interest receivable	2024 \$ million	2023 \$ million
------------------------------	----------------------------	----------------------------

Bank interest	<u>0.3</u>	<u>0.5</u>
---------------	------------	------------

5 Interest payable	2024 \$ million	2023 \$ million
---------------------------	----------------------------	----------------------------

Bank overdrafts	0.2	2.6
Loan note interest and finance charges	<u>42.9</u>	<u>27.1</u>
	<u>43.1</u>	<u>29.7</u>

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

6 Taxation

(a) Tax credit in the Income statement

	2024	2023
	\$ million	\$ million
Current income tax:		
Group relief receivable - offset in current year for current year losses	(10.7)	(6.9)
Total current income tax credit	<u>(10.7)</u>	<u>(6.9)</u>
Deferred tax:		
Tax losses	-	-
Amounts over provided in previous years	-	-
Total deferred tax expense	<u>-</u>	<u>-</u>
Tax credit in the Income statement	<u>(10.7)</u>	<u>(6.9)</u>

(b) Reconciliation of the total tax credit

The tax credit in the Income statement for the year varies from the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are reconciled below:

	2024	2023
	\$ million	\$ million
Profit before taxation	1,157.1	773.6
Accounting profit before income tax	<u>1,157.1</u>	<u>773.6</u>
	2024	2023
	\$ million	\$ million
Tax calculated at UK standard rate of corporation tax of 25% (2023: 23.5%)	289.3	182.0
Non-taxable income - Dividends received	(300.0)	(189.0)
Total tax credit reported in the Income statement	<u>(10.7)</u>	<u>(7.0)</u>

(c) Change in corporation tax rate

For the financial year ended 31 December 2024, the corporation tax rate was 25%. In the prior year, the main rate of corporation tax increased from 19% to 25% from 1 April 2023 such that the weighted average tax rate for the financial year ended 31 December 2023 was 23.5%.

(d) Deferred tax

There is no deferred tax breakdown within the tax disclosures as there is no deferred tax movement in the current year or prior year, in addition no deferred tax is recognised in the balance sheet.

(e) Pillar Two rules

In December 2021, the OECD released model rules for a new global minimum corporate tax framework applicable to multinational groups with global revenues of over € 750 million ('Pillar Two' rules). Pillar Two legislation has been substantively enacted in the UK and the legislation applies from the financial year beginning 1 January 2024.

The Company has performed an assessment of the potential exposure to Pillar Two income taxes and, based on the most recent information available, the Company does not have an exposure to Pillar Two top-up taxes in the financial year ended 31 December 2024.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

7 Investments in subsidiary undertakings

2024
\$ million

Cost and net book value

At 1 January 2024

3,173.9

Foreign currency translation

(48.2)

At 31 December 2024

3,125.7

Particulars of principal subsidiary undertaking

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
Phillips 66 Limited	100%	England	¹ Oil Refining company

Particulars of other subsidiaries and associated undertakings held by Phillips 66 Limited

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
Jet Petroleum Limited	100%	England	¹ Dormant
JET Petrol Limited	100%	Northern Ireland	² Dormant
Phillips 66 TS Limited	100%	England	¹ Agent for Phillips 66 Limited
Phillips 66 Pension Plan Trustee Limited	100%	England	¹ Trustee of Phillips 66 UK Pension Plan
Phillips 66 Treasury Limited	100%	England	¹ Provide treasury management services
Phillips 66 UK Funding Limited	100%	England	¹ Intermediate holding company
JET Retail UK Limited	100%	England	¹ Retail sale of automotive fuel and other goods
Phillips 66 GmbH in liquidation	100%	Switzerland	³ Intermediate holding company
Qingdao Phillips 66 Energy Co. Ltd.	100%	China	⁴ Sale, purchase and storage of hydrocarbon products
Phillips 66 Healthcare Trustee Limited	100%	England	¹ Trustee of Phillips 66 Healthcare Trust
Associated Petroleum Terminals (Immingham) Limited	50%	England	⁵ Operation of marine terminal
Humber Oil Terminals Trustee Limited	50%	England	⁵ Trustee for participants in relation to their terminal
Crude Oil Terminals (Humber) Limited	50%	England	¹ Provide facilities for terminal
Humber LPG Terminal Limited	50%	England	¹ Dormant
Warwickshire Oil Storage Limited	50%	England	⁶ Petroleum product storage facility

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

7 Investments in subsidiary undertakings (continued)

Particulars of indirect holdings held by Phillips 66 Limited

Phillips 66 UK Funding Limited direct subsidiary:

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
Phillips 66 Ireland Pension Trust Limited	100%	Republic of Ireland	⁷ Pension Fund Trustee

Phillips 66 GmbH in liquidation investments in indirect undertakings:

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
Societa Italiana Per L'Oleodotto Transalpino SpA	3%	Italy	Crude oil pipeline operation
Transalpine Oelleitung in Osterreich GmbH	3%	Austria	Crude oil pipeline operation

Associated Petroleum Terminals (Immingham) Limited direct subsidiary:

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
APT Pension Scheme Trustees Limited	100%	England	⁵ Pension Fund Trustee

Warwickshire Oil Storage Limited direct subsidiary:

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
WOSL Pension Trustees Limited	100%	England	⁶ Pension Fund Trustee

During the year, Coop Pronto AG (formerly known as Coop Mineraloel AG), has been classified as a non-current asset held for sale in Phillips 66 Limited.

In October 2024, the board of director's confirmed the intention to sell Coop Pronto AG. The sale was completed in January 2025.

In January 2024, Phillips 66 Limited sold all of its interest in its investment, JET H2 Energy Austria GmbH, and therefore also in the direct subsidiaries JET H2 Energy Denmark ApS and JET H2 Energy Germany GmbH.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

7 Investments in subsidiary undertakings (continued)

Registered offices

The address of the above undertakings registered offices, where more than a 20% interest is held, are as follows:

- 1 7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD, UK
- 2 3rd Floor, 40 Linehall Street, Belfast, BT2 8BA, Ireland
- 3 c/o Lambrigger Treuhand AG, Industriestrasse 49, Switzerland, 6302 Zug
- 4 Room 301, Office Building 5, No.42 Dongjing Road, Qingdao Free Trade Zone, Shandong Province, China
- 5 Queens Road, Immingham, DN40 2PN, UK
- 6 C/O Wilkin Chapman Llp Cartergate House, Chantry Lane, Grimsby, North East Lincolnshire, England, DN31 2LJ
- 7 25 North Wall Quay, Dublin 1, Ireland

8 Debtors due within one year	2024 \$ million	2023 \$ million
Amounts owed by group companies	19.2	16.3
9 Creditors due within one year	2024 \$ million	2023 \$ million
Bank overdrafts	0.1	-
Interest due on group borrowings	8.4	8.5
Accruals and deferred income	-	0.1
	8.5	8.6
10 Creditors due after one year	2024 \$ million	2023 \$ million
Amounts owed to group companies	751.6	763.1

Creditors falling due after more than one year represent 5.57% fixed rate loan notes listed on the Cayman Islands Stock Exchange which mature in October 2028 totalling \$752 million. The holder of the loan notes is Phillips 66 International Investments Ltd. which is part of the Phillips 66 group. The loan notes have been classified as financial liabilities and carried at an amortised cost of \$752 million. There were no fees in respect of the loan notes included in the carrying value of \$752 million.

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

11 Borrowings

Borrowings repayable, included within creditors, are analysed as follows:

	2024 \$ million	2023 \$ million
Wholly repayable within five years	751.6	763.1

Details of borrowings repayable within five years are as follows:

	2024 \$ million	2023 \$ million
600,000 £1,000 5.57% Fixed Rate Loan Notes repayable 20 October 2028	751.6	763.1

12 Share capital and rights attaching to the company's shares

	2024 Millions	2023 Millions	2024 \$ million	2023 \$ million
Authorised				
Ordinary £1 shares	652.0	652.0	876.7	876.7
Authorised				
Ordinary £1 shares	652.0	652.0	876.7	876.7

Subject to the provisions of Companies Act 2006 and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine or, subject to and in default of such determination, as the directors shall determine. There are currently no shares with special rights.

Distribution

Subject to the provisions of Companies Act 2006, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

13 Dividends

	2024 \$ million	2023 \$ million
Declared and paid during the year		
Equity dividends paid on ordinary shares: \$1.7945 per share (2023: \$0.7669 per share)	1,170.0	500.0

Phillips 66 UK Holdings Limited
Notes to the financial statements (continued)
for the year ended 31 December 2024

14 Reserves

Merger reserve

This reserve records the cumulative effect of the excess of consideration received over the nominal value of shares issued in a group reconstruction.

Foreign currency translation reserve

This reserve records the cumulative effect of foreign exchange differences arising on the translation of the company's results and financial position from the GBP functional currency to the USD presentation currency that are recognised in other comprehensive income.

There are no movements on reserves except as stated in the Statement of changes in equity.

15 Subsequent events

In 2025 to the date of this report the company had the following dividend transactions:

	Dividend income \$ million	Dividend paid \$ million
January	1,240	1,240

In January 2025 proceeds of \$1,151 million were received by Phillips 66 Limited on the disposal of its investment in Coop Pronto AG (formerly known as Coop Mineraloel AG).

On 30 June 2025, a winding-up order was issued against the other shareholder in the four joint venture companies in which the subsidiary, Phillips 66 Limited, holds a 50% interest. As this event occurred after the reporting period and does not itself provide evidence of conditions that existed at the year-end, it is classified as a non-adjusting event under IAS 10. Accordingly, no adjustments have been made to the financial statements of Phillips 66 Limited.

Phillips 66 Limited management is monitoring the situation and will assess any financial impact on the company as further information becomes available.

There have been no other significant events since the balance sheet date.

16 Ultimate controlling party

Phillips 66, a company registered in Delaware, USA, which the directors regard as the company's ultimate parent undertaking with respect to the year ended 31 December 2024, is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member. Copies of the 2024 Annual Report may be obtained from Companies House and online at www.phillips66.com.

Phillips 66 International Investments Ltd. is the immediate parent company and is registered in the Cayman Islands.

Registered number
529086

Phillips 66 Limited
Annual report and financial statements
for the year ended 31 December 2024

Phillips 66 Limited
Annual report and financial statements
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Phillips 66 Limited
Company information

Directors	P M Fursey R E Sherwell N E McKnight R J Turner A T Bunn G R D Griffiths
Company secretaries	R M White A Janaszek E M Price S Gennings
Registered office	7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD
Registered number	529086
Auditor	Ernst & Young LLP 1 More London Place, London SE1 2AF

Phillips 66 Limited Strategic report

The directors present their Strategic report for the year ended 31 December 2024.

Principal activities

The principal activities of the company are the purchasing, processing, storage, distribution and marketing of hydrocarbon products.

Business review

The company has three main operating divisions of Refining, Marketing and Commercial. The Refining division, comprising the Humber Refinery, refines crude oil and other feedstocks into finished petroleum products (such as gasolines, distillates, and coke) for UK consumption or export. The Marketing division sells refined products produced by the Humber Refinery as well as other purchased products, into UK inland markets. The Commercial division sources feedstocks for Phillips 66 refineries, markets and sells their production for export markets and also trades in the oil, products and other commodity markets.

The company is committed to maintaining significant production of petroleum products from its principal assets. The financial results reflect both the current market conditions and the planned operations of the company's assets. It is the intention that the principal activities of the company will continue for the foreseeable future.

The company is also committed to pursuing projects, technologies and partnerships that support decarbonisation and the net-zero emissions ambitions of the UK government.

The key financial and other performance indicators during the year were as follows:

	2024 \$ million	2023 \$ million	Change %
Turnover	23,297	23,569	-1.2%
Gross profit	200	561	-64.3%
Profit for the financial year	350	570	-38.6%
Shareholder's funds	2,326	3,215	-27.7%
	2024	2023	Change
Inventory turnover	24.3	22.5	8.0%
Quick ratio	1.1	1.3	-15.4%

The gross profit for the year was \$200 million (2023: \$561 million). The profit for the year was \$350 million (2023: \$570 million).

Refining: The reduction in refining gross margin was a reflection of market cracks returning to a more typical mid cycle range following strong years in 2022 and 2023. The stronger market environment experienced in 2022 & 2023, driven mostly by the Ukraine conflict, continued through the first two quarters of 2024. European refining margins then experienced a downturn in 2024, driven by weaker demand & oversupply. This resulted in a return to typical mid cycle market cracks in the second half of 2024.

UK Marketing: Gross Profit remained strong in 2024 as the differential between FOB and CIF prices for gasoline remained above historical averages. However, volumes were relatively flat compared to 2023 and forecasted expectations.

Commercial: Gross Profit was strong in 2024 as volatility in the market continued particularly with further sanctions on Russia and tensions in the Middle East. Though global economic pressures resulted in lower demand and increasing global stocks negatively impacting margins.

Phillips 66 Limited Strategic report (continued)

Subsequent events

In 2025 to the date of this report, the company had the following dividend transactions:

	Dividend income \$ million	Dividend paid \$ million
January	-	1,240

In January 2025 proceeds of \$1,151 million were received on the disposal of associate company Coop Pronto AG (formerly known as Coop Mineraloel AG).

On 30 June 2025, a winding-up order was issued against the other shareholder in the four joint venture companies in which the company holds a 50% interest. As this event occurred after the reporting period and does not itself provide evidence of conditions that existed at the year-end, it is classified as a non-adjusting event under IAS 10. Accordingly, no adjustments have been made to the financial statements.

There have been no other significant events since the balance sheet date.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are those that impact profitability and supply. The company operates in the worldwide crude oil and refined products markets, and as such, is exposed to fluctuations in crude oil prices. Generally, the company's policy is to remain exposed to market prices of commodities, however, executive management may elect to use derivative instruments to hedge price risk.

Risks and uncertainties which could impact the company are set out below.

- Refinery down time: Planned maintenance and regular major turnarounds are used to mitigate the risk of unplanned refinery down time.
- Health and safety: The health and safety strategy centres on eliminating injuries from serious accidents and maintaining process containment, and the company is committed to continuously trying to identify and eliminate or manage the health and safety risks of its activities.

Financial instruments and risk management

Commodity price risk

The company's commercial organisation uses futures, forwards, swaps and options in various markets to accomplish the following objectives:

- Balance physical systems; in addition to cash settlement prior to contract expiration, exchange traded futures contracts may also be settled by physical delivery of the commodity, providing another source of supply to meet marketing demand.
- Manage the risk to the company's cash flows from price exposures on specific crude oil transactions.
- Enable the use of market knowledge gained from these activities to do a limited amount of trading not directly related to the company's physical business.

Interest rate risk

The company is exposed to interest rate risk resulting from the company's banking arrangements. The company does not comprehensively hedge its exposure to interest rate changes although the company may selectively hedge exposure to interest rate risk.

Foreign currency risk

The company is exposed to foreign currency exchange rate risk resulting from entering into certain transactions denominated in currencies other than the functional currency of the relevant business branch. The company does not comprehensively hedge its exposure to currency rate changes, although the company may selectively hedge exposures to foreign currency rate risk.

Phillips 66 Limited
Strategic report (continued)

Financial instruments and risk management (continued)

Investment risk

The company is exposed to investment valuation risk resulting from the fair value of its investment in its subsidiaries falling below the carrying value of the investment.

Geopolitical risk

Worldwide geopolitical activities, including international sanctions, trade restrictions, or any other actions taken by relevant parties may impact future income. Management counter this risk through strategic financial planning.

Other business risks

The business of the company is exposed to risks of terrorism, cyber-disruption and pandemic diseases. In response the company has appropriate measures in place to deter, detect and respond to these other business risks.

Non-Financial and Sustainability Information Statement

Phillips 66 Limited has prepared the following climate-related financial disclosures as required by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

Consistent with the Corporate Governance Guidelines adopted by the company in 2019 and subsequently updated, the Board of Directors maintains oversight of climate related risk and opportunities, regularly reviewing actions taken by management to monitor, control and report climate related exposures. In addition to the responsibilities of the Board, management teams across the three main operating divisions (Refining, Marketing and Commercial) are responsible for managing areas of the business which may affect or be affected by climate change and the energy transition. Management is informed about climate issues by engagement with internal and external networks.

Physical risks are predominantly associated with the Humber Refinery and its associated offsites facilities. The responsibility for assessment of these risks is with the Humber Refinery Health, Safety and Environmental (HSE) Manager, who oversees the Humber Refinery HSE Management Systems. This includes compliance with Control of Major Accident Hazards Regulations 2015 (COMAH) which require climate change risk assessments to be carried out. The HSE Manager reports relevant matters to the Refinery Leadership Team, which is led by the Lead Executive UK / General Manager Humber. The Lead Executive UK reports specific matters to the rest of the Board of Directors for consideration.

Transition risks and opportunities are assessed through the annual UK Integrated Strategy review, which is the responsibility of the Emerging Energy Manager – Europe. Specific updates on climate related risks and opportunities are provided to the Board of Directors for consideration.

Phillips 66 Limited considers climate related impacts as the company develops business plans and strategy, ensuring potential risks are mitigated by planned actions, which are appropriately funded by Phillips 66 at a corporate level through the capital allocation process.

Risk management process – physical risks

For physical risks the company applies a proportionate approach to assess risks, involving the application of consequence severity and likelihood to calculate the overall risk. Unmitigated consequences are identified as part of risk assessment processes and more in-depth analysis of safeguards is carried out on higher severity scenarios to determine the mitigated event likelihood and resultant risks. Risk tolerability criteria have been agreed with corporate and regulatory stakeholders. Where mitigated risks do not achieve these standards, additional mitigations are put in place.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Risk management

Climate Change Risk Assessments required by COMAH are carried out in accordance with the above methodology, and reviewed by the COMAH Competent Authority. Additionally, COMAH requires operators of sites with regulated substances to conduct Climate Change Risk Assessments (CCRA) and integrate adaptation planning into their risk management systems. These assessments focus on how climate change and extreme weather events could impact site operations and potentially initiate or escalate major accidents, especially natural hazard-triggered technological accidents (NaTech).

Climate related risk management is integrated into the overall risk management framework, including the process safety / COMAH management system, which includes a number of rigorous processes to identify and quantify risks. This includes process hazards analyses and COMAH safety report updates every 5 years. Climate Change Risk Assessments are carried out as part of the COMAH framework.

Risk management process – transition risks

Transition risks are assessed through the UK Integrated Strategy review, which involves engaging with relevant internal business leads, subject matter experts and strategists from across the business to identify potential risks and opportunities, evaluate business impact and set strategy to address them where appropriate. Priorities and actions are captured and managed by the UK senior leadership through the relevant business segment. The UK Integrated Strategy is reviewed annually.

As part of routine management process, business risks are identified, including climate related issues and regulatory changes. Potential impacts to the business are considered, together with how the business strategy seeks to mitigate these risks. Where relevant, an estimation of the range of potential financial outcomes of these mitigated risks are developed, including any operational or capital expenditures required. Where appropriate, metrics and timelines are established to monitor progress.

Summary- climate related risks

Potential impacts of climate related factors to the UK business have been categorised into short term (less than 10 years), and long term (more than 10 years).

Risk Type	Comments
Short Term	
Flood	Phillips 66 Limited has carried out flood risk assessments for its operational facilities under COMAH. These assessments include topographical surveys and spill modelling. The coastal installations, including the Immingham Pipeline Centre (IPC) / Immingham Propylene Storage (IPS), LPG Caverns and Dock Silos, are directly protected by flood defences. The Humber Refinery and Tetney Oil Terminal are located further inland but are also afforded protection by the aforementioned flood defences. The Humber Refinery is not vulnerable to tidal flooding in the present-day for even the most extreme tidal flood events. The Tetney Oil Terminal is situated on low lying-land behind flood defences, preventing flooding of the area for even the most extreme present-day events, highlighting that the coastal defence scheme is effective. Management therefore considers the risk of adverse impacts from flood damage to the operations of the Humber Refinery to be low.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Risk management (continued)

Physical risks

Risk Type	Comments
Short Term	
Storm	Wind load design at the Humber Refinery specifies a load up to 100 mph. Previous high-speed gusts have caused only very minor damage, therefore risk from storm damage is also considered low.
Heatwave	High ambient temperature has not been identified as an initiator for any loss of containment scenarios or as the cause of any asset damage to date and it would not be expected that temperatures above 35 C would have any significant adverse impact, although high ambient temperature can necessitate Humber Refinery rate cuts. 40 C will introduce the same issues as 35 C, but with increased severity. Based on this, the risk of adverse impacts from increased temperatures is considered low.
Long Term	
Flood	Sea level rise in the period to 2100+ may require some coastal defence upgrades to ensure that the Humber Refinery remains fully protected from these extreme events. However, the inland location ensures that even with the current defences, only minor flooding would occur with a minimal short term business impact. Humber 2100+, a partnership consisting of local authorities, the Humber Local Enterprise Partnership and the Environment Agency is assessing strategic approaches to manage the future tidal flood risk around the Humber Estuary.

Transition risks

Description	Risk/ Opportunity	Timeframe	Comments
Technology			
Growth in battery market for electrification leads to increase in demand for speciality graphite coke for lithium ion batteries.	Opportunity	Short-long term	Maintain strategic position in speciality coke market.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Risk management (continued)
 Transition risks (continued)

Description	Risk/ Opportunity	Timeframe	Comments
Policy			
UK Emissions Trading Scheme reduction of free allowance allocation and increase in UK carbon price could increase costs.	Risk	Short-long term	Phillips 66 Ltd has developed plans for reduction of up to 90% of scope 1 emissions from the Humber Refinery, which includes the use of carbon capture and hydrogen refuelling. The Humber Zero project would involve carbon capture of emissions from the refinery's Fluid Catalytic Cracker Unit, reducing up to 0.5 million tonnes of CO₂ emissions per annum. For further information on relevant projects see Strategy section. The Humber Zero project and other decarbonisation projects are subject to a number of commercial and government policy related considerations, including progress on the development of the Viking CCS track 2 cluster for the Humber region, access to the governments Industrial Carbon Capture Business Model and the carbon price. Phillips 66 Ltd actively monitors relevant topics and is engaging with government on business model support, in order to provide justification for progressing these projects. Phillips 66 Ltd is engaging proactively with UK Government and trade associations about the potential impact of increased carbon costs on UK industry. Based on the published plans of the UK government in relation to the scheme, this is unlikely to have a large or sudden impact in the short term. Phillips 66 Limited is engaged with the UK Government on the potential unintended consequences of the UK ETS to the UK economy, such as reduced international competitiveness, increased pricing to consumers and carbon leakage. This will be kept under regular review. The refining industry is not included in the initial deployment scope of UK Carbon Border Adjustment Mechanism, which would help prevent carbon leakage and mitigate negative impacts of higher carbon costs on UK industry, however the company is working with industry associations on approaches to implementation for the refining industry.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Risk management (continued)
Transition risks (continued)

Description	Risk/ Opportunity	Timeframe	Comments
Policy (continued)			
Ban on sales of new internal combustion engine vehicles from 2035.	Risk and opportunity	Short-long term	Policy does not directly impact P66, however will have impact on market - see Market section. Opportunity for growth in battery technology - see Technology section.
Renewable Transport Fuels Obligation places requirement on fuel producers for increasing percentages of fuel supply to be renewable up to 2032.	Opportunity	Short term	Grow renewable fuels production.
The UK Sustainable Aviation Fuel Mandate places an obligation on jet fuel suppliers to supply an increasing percentage of SAF.	Opportunity	Short-long term	Grow SAF production. Collaborate with SAF project developers.
Industrial decarbonisation policies, such as the Industrial Carbon Capture Business Model, provide incentives to decarbonise operational emissions.	Opportunity	Short-long term	Engage with government on Industrial Carbon Capture Business Model and progress for the track 2 Viking CCS cluster in the Humber region.
Market			
Inland demand for gasoline and diesel will decline due to ban on the sale of new internal combustion engine vehicles.	Risk	Long term	Based on current forecasted demand, the UK will likely begin exporting diesel in the mid-2030s, which may pressure refining margins, and it is likely low complexity refineries will shut down to balance demand. This will provide inland logistics and product placement opportunities for Humber Refinery as a high complexity refinery, which are likely to have a positive impact on earnings, from taking advantage of inland premiums on a greater volume of Humber Refinery production and as such the margin pressure is considered a low risk for the company.
Feedstock availability for the production of renewable fuels.	Risk and opportunity	Short-long term	Availability of potential feedstocks for the production of renewable fuels could have challenged availability and be subject to market fluctuations affecting renewable fuel incentives. Opportunity for early mover advantage in development of feedstock supply chains.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Risk management (continued)

Description	Risk/ Opportunity	Timeframe	Comments
Market (continued)			
Renewable fuels additional discretionary demand above policy incentives.	Opportunity	Short-long term	Utilise growth in renewable fuels production to establish pathways to discretionary market.
Legal and Reputational			
Supply chain sustainability for renewable feedstocks concerns or issues leads to instability, feedstock shortage, loss of market confidence or legal challenge for renewable fuels production.	Risk	Short term	Supply chain is ISCC certified, or meets other applicable sustainability criteria. Maintain engagement with ISCC and government on ensuring robust certification of renewable feedstocks and fuels.
Legal challenge relating to decarbonisation activities or accusations of greenwashing.	Risk	Short term	Ensure clarity and transparency in communications.
Opportunity for improved public engagement and customer perception relating to decarbonisation activities, helps to ensure security and motivation of workforce/skills, and helps position Phillips 66 Limited as a supplier of choice.	Opportunity	Short term	Continue active engagement with customers, local community, existing and future workforce.

Strategy

The company strategy covers the following areas, which are affected by the climate related risks and opportunities identified as follows:

Strengthen the base business

This includes physical risks and impacts of climate change. The CCRA does not identify significant physical risks resulting in financial impacts requiring mitigating actions in the short or long term. Although this will be kept under regular review through the risk assessment process.

Capitalise on speciality coke capability

Speciality coke demand as an anode material is forecasted to increase due to policy incentives for electrification, driving increased demand in lithium-ion batteries. The Humber Refinery is the largest European facility producing speciality graphite coke, which is a precursor material to synthetic graphite, which forms a critical component for lithium-ion batteries used in electric vehicles (EV) and consumer electronics. Additionally, Humber Refinery's speciality graphite coke is supporting the steel industry to decarbonise, as it is used in electrodes for electric arc furnaces, which produce lower carbon recycled steel. Finally, Humber Refinery is Europe's largest producer of aluminium anode coke used in the manufacture of aluminium.

The company is also supporting decarbonisation of the UK car fleet through the launch of JET CHARGE* ultra-rapid charging service at JET service stations.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Strategy (continued)

*Currently only available at selected JET branded forecourts. For clarification of charge output categorisation please see Chapter 2 "How electric vehicles are charged" and Table 1: Final report - GOV.UK (www.gov.uk)

Optimise clean fuels product placement

Liquid fuel demand is forecasted to decrease with the electrification of the road transport sector. The Humber Refinery is well positioned to maintain volumes of fuels placed domestically in the near term and to increase fuel exports to all global regions and to remain competitive. The forecast and associated risks do not identify any specific actions that need to be taken as the risks in the short and long term are low. This will be kept under annual review.

Position for a lower-carbon future

Renewable fuels:

Through co-processing of used cooking oil and other waste oils, the Humber Refinery produces lower-carbon fuels. This is aligned to requirements under the Renewable Transport Fuels Obligation (RTFO), which provides targets up to 2032. The RTFO provides policy certainty for development and growth in renewable fuels.

Sustainable Aviation Fuel (SAF) is a chemically similar alternative to fossil-derived jet fuel that can reduce lifecycle carbon emissions by around 80% compared to traditional jet fuel. The Humber Refinery is the first facility in the UK to produce SAF at scale. SAF demand is driven by policy and regulatory requirements, such as the UK Emissions Trading Scheme and the UK SAF mandate, as well as by the voluntary demands of airlines to meet their own emissions reduction targets. The UK SAF Mandate started in 2025 at an obligation level of 2%, increasing to 10% by 2030 and 24% by 2040. Phillips 66 has a multi-year agreement with British Airways to supply them with SAF imported by pipeline into Heathrow airport. The Humber Refinery is well placed to contribute to the aviation sector's decarbonisation goals and obligations.

The company's strategy and alignment to policy and regulatory requirements, as well as market demand for renewable fuels, will be kept under annual review.

Carbon capture:

The company is developing a plan to install post-combustion carbon capture at the Humber Refinery to reduce the refinery's Scope 1 operational emissions. This reduction in carbon dioxide emissions would reduce the number of allowances that the company will need to purchase under the UK ETS which will protect it from increasing allowance prices in the future. The company is working in collaboration with VPI Immingham LLP to jointly promote certain aspects of their respective carbon capture projects under the Humber Zero brand. Since VPI supply power and steam to the Humber Refinery, carbon capture of emissions from the CHP would also result in Scope 2 emissions reduction for the Humber Refinery. The projects' captured carbon dioxide emissions will be transported and stored by a third party under the North Sea in a depleted gas field. The company is working with Viking CCS as a potential emitter to Viking's carbon dioxide transport and storage cluster and is awaiting an announcement from the Government on the timeline and process for the selection of track 2 emitters. The company's carbon capture project is subject to several pre-conditions being satisfied, including but not limited to, agreeing on the terms of a revenue support agreement with the UK Government and final investment approval.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Hydrogen:

The company is reviewing opportunities to participate in the growth of the lower-carbon hydrogen industry. In March 2024 the company entered into a collaboration agreement with Uniper to work towards the potential supply of electrolytic hydrogen from Uniper's Humber H2ub® (Green) project to the company's Humber Refinery from 2029. The hydrogen would be used to replace some of the refinery fuel gas in industrial-scale fired heaters which would reduce the Humber Refinery's Scope 1 operational emissions.

Climate scenarios

The company recognises that a number of potential future scenarios could impact the business model and strategy, and that the UK has implemented regulation to achieve net zero GHG emissions by 2050. The company considers the following potential scenarios when evaluating risks and opportunities: 1) increased regulation approach, 2) incentivised investment approach and 3) business as usual. Various aspects of each of these scenarios could come into play as the UK seeks to address climate change and balance other priorities. Phillips 66 Limited does not seek to express a view on whether any of these approaches are more or less likely than another, or more or less likely than any other published third-party scenarios that are not explicitly considered here but may be used to inform our approach.

In an increased regulation approach, a higher carbon cost burden for UK industry is more likely to be incurred, which would make industries subject to global competition less competitive. Investment in Scope 1 and 2 emissions reduction could be less forthcoming due to the instability presented by this situation. This could also present opportunity for increased market share, underpinned by Phillips 66 Limited's position in the lower carbon fuels and specialty coke markets. Phillips 66 Limited considers that a focus on reducing UK territorial emissions without considering embedded emissions could lead to reductions in UK production and an increase in imports of consumer goods. This would effectively move industrial activity abroad and could be detrimental to the UK economy and the goal of preventing climate change. We are maintaining ongoing active engagement with government to ensure that effective approaches are taken to decarbonisation that do not lead to increased de-industrialisation.

An investment incentive approach for climate mitigation would involve implementation of policy to support decarbonisation and growth through the energy transition, such as revenue support mechanisms for decarbonisation infrastructure and projects. This balances reduction in territorial emissions with maintaining industrial output and could be a more conducive situation for private investment to be made in Scope 1 and 2 emissions reductions. Phillips 66 Limited is well positioned to support the energy transition in this scenario.

Business as usual reflects a situation where UK territorial emissions are not significantly reduced and global GHG emissions continue to rise, as UK and global policy provide minimal incentives for decarbonisation and climate mitigation. The global temperature increase could result in more severe physical impacts, such as drought, storms and floods which may impact on operational assets. The current business strategy reviews physical risks based on data and the most relevant, up-to-date forecasts, as described in the risk assessment section. This enables investment to be targeted to areas where it is needed.

Phillips 66 Limited considers that the strategy and approach to climate-related risks is resilient and can adapt to future climate scenarios, as needed. This will be kept under annual review as described in the risk assessment section.

Phillips 66 Limited
Strategic report (continued)

Non-Financial and Sustainability Information Statement (continued)

Metrics and targets

The company uses a variety of metrics to evaluate its climate related risks and opportunities. These metrics include carbon emissions, environmental impacts, legislative changes, and economic supply/demand forecasts. The company is pursuing returns-focused projects, technologies and partnerships that support the decarbonisation of its operations and provides customers with lower-carbon alternatives.

Phillips 66 has published global company-wide greenhouse gas emissions intensity reduction targets, with a 2019 baseline. For Scope 1 and 2 manufacturing related emissions, the target is an intensity reduction of 30% by 2030 and 50% by 2050. For Scope 3 product related emissions, the target is an intensity reduction of 15% by 2030. In 2024, Phillips 66 global company-wide performance was a 15% reduction in Scope 1 and 2 emissions and a 8% reduction in Scope 3 emissions intensity from products, versus the 2019 baseline.

Phillips 66 reports relevant Scope 1, 2 and 3 greenhouse gas emissions (see below) from global assets over which it has operational control in accordance with the World Resource Institute Greenhouse Gas Protocol. Emissions are inclusive of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Other greenhouse gas emissions are not considered to be material to Phillips 66's operations (including those of the company) and are, therefore, excluded. Phillips 66 also calculates and reports emissions in accordance with mandatory reporting requirements such as the UK Emissions Trading Scheme (UK ETS).

Streamlined energy and carbon reporting (SECR)

For the purpose of SECR reporting, emissions releasing activities are categorised into 3 groups known as scopes, and these are described below:

Scope 1 (direct emissions): Emissions from activities owned or controlled by the company.

Scope 2 (energy indirect): Emissions released into the atmosphere associated with the company's consumption of purchased electricity, heat, steam and cooling.

Scope 3 (other indirect): Emissions that are a consequence of the company's actions, which occur at sources that the company does not own or control and which are not classed as scope 2 emissions.

	2024	2023
Energy consumption used to calculate emissions (gas, electricity, transport, fuel, other) (GWh)	11,477	11,138
Scope 1 emissions from combustion of gas (tCO ₂ e)	1,248,537	1,208,961
Scope 1 emissions from consumption of fuel for transport purposes (tCO ₂ e)	164	116
Scope 2 emissions from purchased electricity (tCO ₂ e)	176,381	167,963
Scope 3 emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO ₂ e)	70	78
Total gross emissions based on mandatory listed above (tCO ₂ e)	1,425,152	1,377,118
Intensity ratio (tCO ₂ e) (gross figure based on mandatory listed above) / Mbbbl feedstock	17,202	16,498
Methodology		
2024 - UK ETS and EPR permit methodologies		
2023 - UK ETS and EPR permit methodologies		
GWh - Gigawatt hour is a unit of energy equivalent to one million kilowatt hours		
kWh - Kilowatt hour (unit of measure for energy consumed commonly used as a billing unit)		
tCO ₂ e - Tonnes Carbon Dioxide Equivalent		

Phillips 66 Limited
Strategic report (continued)

Streamlined energy and carbon reporting (SECR) (continued)

Actions taken

The company undertakes annual shutdowns to enable maintenance activities on approximately one third of the refinery production units each year. These maintenance activities include improvements to energy efficiency. The company aims to be as efficient as possible in its consumption of energy and monitors refinery energy usage daily with operational changes to minimise energy usage as required (whilst at the same time preserving process safety, asset integrity and company profitability).

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.

Long term consequences of decisions

The nature of the industry in which the company operates requires a focused long-term approach. As a company the challenge of meeting energy needs in an environmentally responsible manner is understood. The company has an important role in the energy transition and is focused on safely delivering energy today and is pursuing projects that will reduce emissions intensity and provide growth opportunities in the future.

Personnel

Our Energy in Action (OEIA) is a set of behavioural expectations for all employees that brings our values to life and provides a framework for decision making. The principles of OEIA govern how employees work together, influence how decisions are made and help employees seek different perspectives. These principles are integrated into the company's people practices, including succession management, performance reviews, Total Rewards and recruiting.

- Work for the greater good
- Cultivate an environment of trust
- Seek different perspectives
- Pursue excellence

Living the behaviours of OEIA helps foster an inclusive workplace. A diverse workforce powered by an environment of inclusion unleashes the creativity to solve challenges and drives the organisation to deliver exceptional results.

Phillips 66 Limited
Strategic report (continued)

Statement by the directors on performance of their statutory duties in accordance with s172 Companies Act 2006 (continued)

Relationships with suppliers, customers and other stakeholders

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 including contracting companies on safety and operational integrity, working collaboratively with them to optimise the supply chain and improve processes.
- **Customers:** The company is committed to offering high quality products at competitive prices and continues to develop the JET brand awareness. The company's marketing team is key in retaining existing customers as well as obtaining new customers. The company's customers include JET branded and independent service stations, supermarkets and aviation companies.
- **Commercial trading counterparties:** The company engages with commercial trading counterparties to discuss the various petroleum markets.
- **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 focusses on encouraging diversity and continues to develop STEM activities to keep students engaged through a number of activities including a Sustainability Challenge delivered across the Humber region 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.

Environment

The company is conscious of how its activities can affect both the community in which it operates and the environment at large and is committed to keeping any negative environmental effects of its operations to a minimum.

It is the Company's policy to comply with all applicable environmental laws and regulations.

The company's key principles and commitments in the areas of health, safety, the environment, people and communities are consistent with those of its ultimate parent company, Phillips 66. Each year, Phillips 66 publishes a detailed and comprehensive Sustainability and People Report that provides a detailed account of its positions, actions and performance. Copies of this report can be obtained at www.phillips66.com.

Maintaining a reputation for high standards of business conduct

The Phillips 66 values of safety, honour and commitment and its Code of Conduct help guide all business decisions and reflect the company's commitment to these values.

- **Safety-** We are rooting in a culture that protects one another, our communities and the environment.
- **Honour-** We work with integrity, respect one another and stay accountable for our actions.
- **Commitment-** We take on challenges to deliver the energy people need.

Putting these values into practice creates lasting benefits for employees, customers, suppliers, other business partners and shareholders, as well as the communities where we live and work.

The Code of Conduct describes the basic guidelines for how the company operates and ties the company's values to the way decisions are made. The company expects each employee to uphold the Code of Conduct and to set a high standard for themselves in order to be seen by peers, customers, business partners, and communities as a company that does the right thing, always.

Phillips 66 Limited
Strategic report (continued)

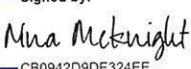
Statement by the directors on performance of their statutory duties in accordance with s172 Companies Act 2006 (continued)

Shareholder

The Company is the wholly owned subsidiary of Phillips 66 UK Holdings Limited, another UK registered Phillips 66 company and ultimately of Phillips 66 as detailed in Note 29 - Ultimate controlling party.

The company is committed to enhancing the long-term value of the investment placed in the company by its shareholder.

This report was approved by the Board of Directors on 25 September 2025 and signed on its behalf by:

Signed by:

CB0942D9DE324EE...

N E McKnight
Director

Registered office:
7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD

Phillips 66 Limited

Directors' report

The directors present their Annual report on the affairs of the company, together with the Strategic report and financial statements, for the year ended 31 December 2024.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in existence for the period to 30 September 2026, being the going concern period. In reaching this conclusion the directors reviewed a going concern assessment for that period which included the review of financial forecasts that considered the impact of the current geopolitical activity along with earnings assumptions based on management's view of the current and future economic environment over the forecast period. These forecasts indicate that the company will have sufficient funds to meet its liabilities as they fall due for that period.

In view of the inherent uncertainty with respect to the payment of dividends to its parent, the company has received confirmation from Phillips 66 Company, its indirect parent undertaking, that it will provide such financial assistance as may be required by the company to meet its liabilities, throughout the going concern period, as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities.

The company is also party to a centralised cash pooling arrangement between all the Phillips 66 pooling participants and the Bank of America and has access, if required, to surplus cash within the pool. Phillips 66 Company and Phillips 66 have each provided a cross guarantee to the Bank in respect of the obligations of the pool participants under the cash pooling arrangement. These guarantees are limited to the aggregate of (i) the credit balance on all their accounts with the Bank at any time and (ii) 2 billion US dollars (\$2,000,000,000).

After considering uncertainties in the current economic environment along with the support available from the parent company, and after making enquiries, the directors have concluded that the company has adequate resources to continue in operation for the going concern period. These considerations include the impact of the current geopolitical activity on the wider Phillips 66 group, committed long-term facilities available to the group and cash flow projections for the group beyond the going concern period. In reaching this conclusion the directors have had due regard to the financial strength of Phillips 66 Company and are satisfied that Phillips 66 Company has the willingness and ability to provide support. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Streamlined energy and carbon reporting (SECR) information

Energy and carbon emissions are disclosed in the Strategic report.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the company's principal activities in the foreseeable future.

Financial instruments and risk management

Information relating to financial instruments and the management of financial risks is disclosed in the Strategic report.

Dividends

The company paid dividends amounting to \$1,200 million during the year (2023: \$803 million).

The directors do not recommend a final dividend for the year ended 31 December 2024 (2023 : \$Nil).

Phillips 66 Limited

Directors' report (continued)

Directors

The directors, who served throughout the year unless otherwise noted, were as follows:

G S Taylor (resigned 30 June 2024)
P M Fursey
R E Sherwell
N A Holland (resigned 31 December 2024)
N E McKnight
R J Turner
C R Love (resigned 31 January 2025)
A T Bunn (appointed 1 July 2024)
G R D Griffiths (appointed 1 February 2025)

Directors indemnity provisions

In accordance with the company's articles of association each director is granted an indemnity from the company in respect of liabilities incurred as a result of their office, to the extent permitted by law. These indemnities were in force throughout the financial year and at the date of this report. In addition the company maintained a directors' and officers' liability insurance policy throughout 2024 and which has continued into 2025. Although their defence costs may be met, neither the company's indemnity nor insurance provides cover in the event that the director is proved to have acted dishonestly or fraudulently.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons, should, as far as practicable, be identical to that of other employees.

Employee engagement and interests

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;
- Shift 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
- Employee Resource Groups including Early Careers Network, Veterans Network, Women's Network.

Phillips 66 Limited
Directors' report (continued)

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.

Disclosure of information to auditor

Each person who was a director at the time this report was approved confirms that:

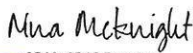
- So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Re-appointment of auditor

Pursuant to section 487(2) of the Companies Act 2006, Ernst & Young LLP are deemed to continue as the auditor.

This report was approved by the Board of Directors on 25 September 2025 and signed on its behalf by:

Signed by:

CB0942D9DE324EE...

N E McKnight
Director

Registered office:
7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD

Phillips 66 Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in UK GAAP (FRS101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report
to the member of Phillips 66 Limited**

Opinion

We have audited the financial statements of Phillips 66 Limited for the year ended 31 December 2024 which comprise the Income statement, Statement of comprehensive income, Balance sheet, Statement of changes in equity and the related notes 1 to 29, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment and reviewing post year end trial balance of the company to identify significant changes or lack of expected changes in the financial information of the company.
- Reviewing the minutes for meetings of the Board of Directors and making inquiries of management and those charged with governance to identify events or conditions that may individually or collectively cast doubt on the company's ability to continue as a going concern.
- Assessing the ability of the parent company to provide support to the company, due to management receiving a letter of support as part of their going concern assessment.
- Reviewing the company's going concern disclosures in the financial statements to assess whether the disclosures were appropriate and in conformity with FRS 101.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 September 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Independent auditor's report
to the member of Phillips 66 Limited (continued)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report
to the member of Phillips 66 Limited (continued)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

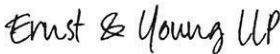
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101), Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, and relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how Phillips 66 Limited is complying with those frameworks by making inquiries of management to understand the policies and procedures in place as well as reviewing corroborative evidence as necessary.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiring with management to understand the policies and procedures in place to detect fraud and by considering the risk of management override. We addressed the risk of incorrect revenue recognition by testing specific transactions and agreeing back to source documentation or independent confirmations as appropriate. We also completed searches of journal entries to identify transactions with indicators of management override of controls and tested identified items, ensuring appropriate authorisation of the transaction.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from meetings of the Board of Directors, inquiring with key management personnel and testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Independent auditor's report
to the member of Phillips 66 Limited (continued)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Bilal Raja (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 September 2025

Phillips 66 Limited
Income statement
for the year ended 31 December 2024

	Notes	2024 \$ million	2023 \$ million
Turnover	2	23,297	23,569
Cost of sales		(23,097)	(23,008)
Gross profit		200	561
Impairment of investment		-	(3)
Gain on disposal of investment		67	-
(Loss)/Gain on disposal of tangible fixed assets		(1)	1
Operating profit	3	266	559
Income from investments		3	-
Income from participating interests		105	110
Interest receivable	7	47	55
Interest payable	8	(15)	(13)
Profit before taxation		406	711
Tax expense	9	(56)	(141)
Profit for the financial year		350	570

All activities relate to continuing operations.

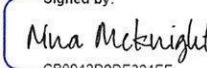
Phillips 66 Limited
Statement of comprehensive income
for the year ended 31 December 2024

	Notes	2024 \$ million	2023 \$ million
Profit for the financial year		350	570
Other comprehensive (expense)/income			
Items that cannot be reclassified to profit or loss:			
Remeasurement gain/(loss) on defined benefit pension plan	20	11	(6)
Remeasurement gain due to presentation currency differences on the pension liability	20	(2)	5
Foreign currency translation gain/(loss) on pension asset	20	2	(8)
Foreign currency translation (loss)/gain		(48)	196
Tax on items relating to components of other comprehensive income	9	(2)	2
Total comprehensive income for the year		<u>311</u>	<u>759</u>

Phillips 66 Limited
Registered number: 529086
Balance sheet
as at 31 December 2024

	Notes	2024 \$ million	2023 \$ million
Non-current assets			
Property, plant and equipment	11	1,157	1,174
Right-of-use assets	18	159	167
Investments	12	65	268
Debtors due after one year	14	1	3
		<u>1,382</u>	<u>1,612</u>
Current assets			
Inventories	13	918	986
Debtors due within one year	14	2,425	2,381
Non-current asset held for sale	15	164	-
Cash at bank and in hand		<u>357</u>	<u>955</u>
		<u>3,864</u>	<u>4,322</u>
Creditors due within one year	16	(2,755)	(2,546)
Net current assets		<u>1,109</u>	<u>1,776</u>
Total assets less current liabilities		<u>2,491</u>	<u>3,388</u>
Creditors due after one year	17	(161)	(168)
Provisions for liabilities	19	(161)	(157)
Net assets excluding pension asset		<u>2,169</u>	<u>3,063</u>
Pension asset	20	157	152
Net assets including pension asset		<u>2,326</u>	<u>3,215</u>
Capital and reserves			
Called up share capital	22	2	2
Share premium	24	93	93
Merger reserve	24	7	7
Capital reserve	24	43	43
Foreign currency translation reserve	24	(647)	(601)
Retained earnings		<u>2,828</u>	<u>3,671</u>
Shareholder's funds		<u>2,326</u>	<u>3,215</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2025 and signed on its behalf by:

Signed by:

 CB0942D9DE324EE...

N E McKnight
 Director

Phillips 66 Limited
Statement of changes in equity
for the year ended 31 December 2024

	Share capital \$ million	Share premium \$ million	Merger reserve \$ million	Capital reserve \$ million	Foreign currency translation \$ million	Retained earnings \$ million	Total \$ million
At 1 January 2023	2	93	7	43	(789)	3,903	3,259
Profit for the financial year	-	-	-	-	-	570	570
Other comprehensive income	-	-	-	-	188	1	189
Total comprehensive income for the year	-	-	-	-	188	571	759
Equity dividends paid (Note 23)	-	-	-	-	-	(803)	(803)
At 31 December 2023	2	93	7	43	(601)	3,671	3,215
Profit for the financial year	-	-	-	-	-	350	350
Other comprehensive (expense)/income	-	-	-	-	(46)	7	(39)
Total comprehensive (expense)/income for the year	-	-	-	-	(46)	357	311
Equity dividends paid (Note 23)	-	-	-	-	-	(1,200)	(1,200)
At 31 December 2024	2	93	7	43	(647)	2,828	2,326

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024

1 Accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

1.1 Statement of compliance

Phillips 66 Limited (the "company") is a private company limited by shares incorporated and domiciled in England. These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006.

1.2 Basis of preparation

The financial statements are prepared under the historical cost convention. The company is exempt from preparing consolidated financial statements under section 401 of the Companies Act 2006. Consolidated financial statements that include the results of the company are prepared by the company's ultimate parent company, Phillips 66, a company registered in Delaware, USA, and are available at Companies House and online at www.phillips66.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of paragraphs 10 (d) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member;
- the requirements of IAS 24 para 17 in relation to key management compensation; and
- the requirements of IAS 1 Financial statements - capital disclosures and the requirements relating to 16, 38 A-D , 40 A-D and IAS 1 para 111 (cash flow related).

As the consolidated financial statements of Philips 66 include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 Financial Instrument Disclosure;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement; and
- IAS 36 Impairments - certain disclosures.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in existence for the period to 30 September 2026, being the going concern period. In reaching this conclusion the directors reviewed a going concern assessment for that period which included the review of financial forecasts that considered the impact of the current geopolitical activity along with earnings assumptions based on management's view of the current and future economic environment over the forecast period. These forecasts indicate that the company will have sufficient funds to meet its liabilities as they fall due for that period.

In view of the inherent uncertainty with respect to the payment of dividends to its parent, the company has received confirmation from Phillips 66 Company, its indirect parent undertaking, that it will provide such financial assistance as may be required by the company to meet its liabilities, throughout the going concern period, as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.2 Basis of preparation (continued)

Going concern (continued)

The company is also party to a centralised cash pooling arrangement between all the Phillips 66 pooling participants and the Bank of America and has access, if required, to surplus cash within the pool. Phillips 66 Company and Phillips 66 have each provided a cross guarantee to the Bank in respect of the obligations of the pool participants under the cash pooling arrangement. These guarantees are limited to the aggregate of (i) the credit balance on all their accounts with the Bank at any time and (ii) 2 billion US dollars (\$2,000,000,000).

After considering uncertainties in the current economic environment along with the support available from the parent company, and after making enquiries, the directors have concluded that the company has adequate resources to continue in operation for the going concern period. These considerations include the impact of the current geopolitical activity on the wider Phillips 66 group, committed long-term facilities available to the group and cash flow projections for the group beyond the going concern period. In reaching this conclusion the directors have had due regard to the financial strength of Phillips 66 Company and are satisfied that Phillips 66 Company has the willingness and ability to provide support. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the amounts reported in the balance sheet and income statement for the year. However, the nature of estimation means that actual outcomes may differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Investments

Fixed asset investments are stated at cost less provisions for diminution in value.

Each investment is subject to an annual assessment to determine whether there are any indicators of impairment. Where these are present an estimate is made of the recoverable amount which is determined as the higher of the fair value less costs of disposal and the value in use with the value of the underlying net assets being taken as the best estimate of this. Where the carrying amount of an investment exceeds the recoverable amount, the investment is considered impaired and written down to the recoverable amount.

Pensions

Accounting for the cost of the pension plan is based on actuarial valuations, relying on key assumptions for discount rates, expected return on plan assets, future salary increases and mortality tables.

Pension Plan assets include assets classified as Level 3 under FRED 62 regulations which use valuation techniques with non-observable inputs and/or have redemption restrictions.

Deferred tax

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. For more information see Note 9.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.3 Judgements and key sources of estimation uncertainty (continued)

Leases

Lease liabilities recognised under IFRS 16 Leases are measured applying an incremental borrowing rate to the future remaining payments under these lease contracts. The incremental borrowing rates applied are based on the Phillips 66 group Treasury cost of debt rates which include factors subject to estimation. If a lower or higher incremental borrowing rate had been applied, the lease liability and corresponding right-of-use asset would have been higher or lower respectively.

Asset Retirement Obligation

Management consider the Humber Refinery to have an indefinite life as the intention is to transition its products over time in line with the UK's decarbonisation strategy. Consequently there is no need to recognise any decommissioning provisions or make any contingent liability disclosure in relation to asset retirement.

1.4 Material accounting policies

(a) Presentation currency

The financial statements are prepared in US dollars and are rounded to the nearest million dollars (\$'million).

(b) Functional currency

The branches within the company have either British pounds or US dollars as their functional currency. A 'currency translation reserve' is created due to the British pounds functional currency branches within the entity. The company has continued to adopt US dollars as its reporting currency.

Transactions in currencies other than the functional currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rate of exchange ruling at the end of the financial period. Exchange gains or losses are taken to the Income statement.

(c) Taxation

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(d) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is recognised on all taxable or deductible temporary differences except:

- Where the deferred tax asset or liability arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of a deferred tax asset on a deductible temporary difference, it is not probable that taxable profit will be available against which it can be utilised.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.4 Material accounting policies (continued)

(d) Deferred tax (continued)
Deferred tax assets and liabilities are recorded at the tax rates that are expected to apply in the period of realisation or settlement, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss in correlation to the underlying transaction, either in other comprehensive income or directly in equity.

(e) Share capital
Ordinary shares are classed as equity.

(f) Share premium
The share premium account represents the excess value of the share capital received by the company above the nominal value of the shares issued.

(g) Merger reserve
The merger reserve represents the excess value of the share capital received by the company over the nominal value of the shares issued in a group reconstruction.

(h) Capital reserve
The capital reserve represents cash received from the parent undertaking without the issue of any additional shares.

(i) Foreign currency translation reserve
All exchange differences arising as a result of translating the company's results and financial position from the functional currency to the presentation currency are recognised in other comprehensive income for the period. The cumulative effect of these exchange differences is recognised by the foreign currency translation reserve.

(j) Investments
Investments are held at cost less accumulated impairment losses.

(k) Property, plant and equipment
All property, plant and equipment is initially recorded at cost. Cost of major overhaul activities are capitalised as a separate component and depreciated over the period to the next expected turnaround. Significant components of an asset are depreciated separately. Depreciation is provided on all property, plant and equipment other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful lives as follows:

Freehold buildings	15 - 50 years
Leasehold land and buildings	50 years and 15 years respectively, or over life of lease if shorter
Plant, machinery and equipment	3 - 30 years

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.4 Material accounting policies (continued)

(k) Property, plant and equipment (continued)

Impairment of property, plant and equipment:

Assets used in operations are assessed for impairment whenever changes in facts and circumstances indicate the carrying value of an asset may not be recoverable. Assets are assessed for impairment at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other assets. An asset's recoverable amount is the higher of its fair value or its value in use. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Value in use is calculated by discounting the expected cash flows arising from the use of the asset at the rate of return that the market would expect from an investment of similar risk.

The expected future cash flows used for impairment reviews are based on estimated future production volumes, prices and costs, considering all available evidence at the date of review.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

(l) Inventories

Trading stocks are stated at fair value less costs to sell and non-trading stocks are stated at the lower of cost and net realisable value as follows:

Raw materials	- purchase cost on a first in, first out basis
Consumables	- average purchase cost
Work in progress and finished goods	- cost of direct materials and labour plus attributable duty and overheads based on normal levels of activity, as determined on a first in, first out basis.

(m) Revenue recognition

Revenues associated with sales of crude oil, natural gas liquids (NGL), petroleum and chemical products, and other items are recognised when title passes to the customer, which is when the risk of ownership passes to the purchaser and physical delivery of goods occurs, either immediately or within a fixed delivery schedule that is reasonable and customary in the industry.

Revenues associated with transactions commonly called buy/sell contracts, in which the purchase and sale of inventory with the same counterparty are entered into in contemplation of one another, are combined and reported net (i.e., on the same Income statement line) in the "cost of sales" line in the Income statement.

(n) Leases

Under IFRS 16 all lease contracts, with limited exceptions, are recognised in the financial statements by way of right-of-use assets and corresponding lease liabilities.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.4 Material accounting policies (continued)

(o) Share based payments

The company has applied the requirements of IFRS 2 "Share based payments". IFRS 2 requires that the entity receiving the benefit of service should recognise an expense relating to share based payments irrespective of the entity which holds the employees contract of service.

All UK employees are eligible to participate in the Share incentive plan. The shares purchased by the employees are eligible for matching. In accordance with IFRS 2, the company records an expense of obtaining the matching shares to satisfy the terms of the Partnership share agreement for employees who provide services to the company.

Certain eligible UK employees are awarded Restricted stock units as part of the Restricted stock programme granted by Phillips 66. The awards are held in escrow until the restrictions lapse. The company records the expense of obtaining the shares to satisfy its obligations to the employees who provide services to this company. A liability equal to the cost of obtaining the shares to satisfy the company's obligations to its employees is recognised for each cash-settled share based payment.

(p) Pension

The company is committed to providing retirement benefits in the form of a defined benefit pension plan, which is closed to new entrants and a UK based defined contribution retirement plan opened to new entrants.

The company has applied the requirements of IAS 19 for the defined benefit pension plan, under the IAS 19 requirements, the current service cost of providing pension benefits to employees, together with the cost of any benefits relating to past service, is charged to operating profit and is included in staff costs. The interest cost and the expected return on assets are shown as a net amount of finance costs or income adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of other comprehensive income. The difference between the fair value of plan assets and the present value of the defined benefit obligation is shown separately in the Balance sheet.

The majority of Plan asset valuations are classed as Level 2 under FRED 62 regulations and are based on the market quoted prices of the respective underlying securities. The remaining Plan assets are classed as Level 3 and are referred to in Note 1.3 above.

(q) Interest income

Interest income is recognised using the effective interest method which calculates the income and allocates over the relevant period.

(r) Interest expense

Interest expense is recognised using the effective interest method which calculates the expense and allocates over the relevant period.

(s) Derivative instruments

The company uses derivative instruments to hedge the effects of fluctuations in the price of crude oil. The instruments are measured at fair value. Any gains or losses arising from commodity derivative contracts are recognised in the Income statement.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.4 Material accounting policies (continued)

(t) Financial guarantee

The company participates in a multiparty account cash pooling arrangement operated by Bank of America, together with other wholly owned subsidiaries of Phillips 66 Company. Each company within the arrangement guarantees to the payment of the liabilities of the other companies within the arrangement as they fall due, and to make good any default by other companies within the arrangement. No value is recognised by the company in the Balance sheet for this guarantee, as it is not considered probable that there will be an outflow of resources under this guarantee.

(u) Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified at either amortised cost or fair value through profit or loss.

Financial assets at amortised cost:

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company's financial assets at amortised cost includes trade receivables and cash at bank.

Financial assets at fair value through profit or loss:

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. This category comprises derivative instruments.

Impairment of financial assets:

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows expected to be received.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

1.4 Material accounting policies (continued)

(u) Financial assets (continued)

Impairment of financial assets (continued):

For trade receivables the company applies a simplified approach in calculating ECLs. The company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(v) Financial liabilities

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs. For interest-bearing borrowings this is typically equivalent to the fair value of the proceeds received, net of issue costs associated with the borrowing. Financial liabilities comprise borrowings, trade and other creditors.

Subsequent measurement:

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

(w) Dividend income

Dividend income is recognised as income when the right to receive payment has been established, which is when the shareholders approve the dividend.

(x) Dividends paid

Dividends are recognised when the dividend becomes legally payable, in the case of interim dividends to equity shareholders this is when paid.

(y) Cash and cash equivalents

Cash and cash equivalents comprise cash balances held at bank.

(z) Non-current assets held for sale

Non-current assets are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than continuing use. The asset must be available for immediate sale, the sale highly probable and completed within one year. The asset is measured at the lower of its carrying value and fair value less costs to sell.

2 Turnover

	2024	2023
	\$ million	\$ million
UK	5,571	7,723
Europe	9,311	8,271
Rest of world	8,415	7,575
	<u>23,297</u>	<u>23,569</u>

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

3 Operating profit	2024	2023
	\$ million	\$ million
This is stated after charging/(crediting):		
Foreign currency translation	(1)	35
Depreciation of property, plant and equipment	96	90
Depreciation of right-of-use assets	26	25
4 Directors' remuneration	2024	2023
	\$ million	\$ million
Aggregate remuneration for qualifying services	5	5
The number of directors who:	2024	2023
Are members of a defined benefit pension plan	7	8
Exercised options over shares in the ultimate parent company	-	-
Remuneration of the highest paid director:	2024	2023
	\$ million	\$ million
Aggregate remuneration for qualifying services	2.6	2.0
The highest paid director did not exercise share options in the ultimate parent company during the year (2023: not exercised).		
5 Staff costs	2024	2023
	Number	Number
Average number of employees during the year:		
Manufacturing and production	674	669
Marketing, operations, supply and administration	285	274
	959	943
	2024	2023
	\$ million	\$ million
Wages and salaries	120	116
Social security costs	18	16
Other pension costs	19	18
Other employee costs	9	10
Severance costs	2	2
	168	162
6 Auditor's remuneration	2024	2023
	\$ million	\$ million
Fees payable to the company's auditors for the:		
Audit of the company's financial statements	0.06	0.05
Other assurance services	0.13	0.12
	0.19	0.17

Included in other assurance services is \$0.04 million for the audit of the company's UK pension scheme (2023: \$0.05 million) and \$0.09 million for RTFO assurance services (2023: \$0.07 million).

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

7 Interest receivable

	2024 \$ million	2023 \$ million
Bank interest	40	48
Interest income relating to pension plan (Note 20)	7	7
	<u>47</u>	<u>55</u>

8 Interest payable

	2024 \$ million	2023 \$ million
Interest on bank overdrafts	7	5
Interest on lease liabilities	8	8
	<u>15</u>	<u>13</u>

9 Taxation

(a) Tax expense in the Income statement

	2024 \$ million	2023 \$ million
Current income tax:		
Group relief payable and/or UK corporation tax expense	51	132
Amounts under provided in previous years	1	1
Total current income tax expense	<u>52</u>	<u>133</u>
Deferred tax:		
Origination and reversal of temporary differences	4	8
Tax expense in the Income statement	<u>56</u>	<u>141</u>

(b) Tax relating to items in the Statement of other comprehensive income

	2024 \$ million	2023 \$ million
Deferred tax:		
Actuarial gain/(loss) on defined benefit pension plan	2	(2)
Total deferred tax expense/(credit)	<u>2</u>	<u>(2)</u>
Tax expense/(credit) in the Statement of other comprehensive	<u>2</u>	<u>(2)</u>

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

9 Taxation (continued)

(c) Reconciliation of the total tax expense

The tax expense in the Income statement for the year varies from the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are reconciled below:

	2024	2023
	\$ million	\$ million
Profit before taxation	406	711
Accounting profit before income tax	406	711
Tax calculated at UK standard rate of corporation tax of 25% (2023: 23.5%)	102	167
Foreign currency differences	(2)	(3)
Non-taxable income	(44)	(26)
Non-deductible expenses	2	4
Income taxed in previous periods	(3)	(4)
Tax under provided in previous years	1	1
Change in tax laws and rate	-	2
Total tax expense reported in the Income statement	56	141

(d) Unrecognised capital losses

The company has capital losses of \$6.2 million (2023: \$7 million) and restricted trading losses of \$9 million (2023: \$9 million). A deferred tax asset has not been recognised in respect of these losses as their use is uncertain.

(e) Change in Corporation Tax rate

For the financial year ended 31 December 2024, the corporation tax rate was 25%. In the prior year, the main rate of corporation tax increased from 19% to 25% from 1 April 2023 such that the current weighted average tax rate for the financial year ended 31 December 2023 was 23.5%.

(f) Deferred tax

Deferred tax in the Balance sheet

	2024	2023
	\$ million	\$ million
Deferred tax liability:		
Accelerated capital allowances	(122)	(119)
Pension	(39)	(38)
	(161)	(157)
Deferred tax asset:		
Other temporary differences	-	1
	-	1
Disclosed in the Balance sheet:		
Deferred tax asset	-	1
Deferred tax liability	(161)	(157)
	(161)	(156)

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

9 Taxation (continued)

(f) Deferred tax (continued)

Deferred tax in the Income statement	2024 \$ million	2023 \$ million
Accelerated capital allowances	5	5
Pension	(1)	3
Deferred tax expense	<u>4</u>	<u>8</u>
Deferred tax in the Statement of other comprehensive income	2024 \$ million	2023 \$ million
Pension	2	(2)
Deferred tax expense/(credit)	<u>2</u>	<u>(2)</u>

(g) Pillar Two rules

In December 2021, the OECD released model rules for a new global minimum corporate tax framework applicable to multinational groups with global revenues of over € 750 million ('Pillar Two' rules). Pillar Two legislation has been substantively enacted in the UK and the legislation applies from the financial year beginning 1 January 2024.

The Company has performed an assessment of the potential exposure to Pillar Two income taxes and, based on the most recent information available, the Company does not have an exposure to Pillar Two top-up taxes in the financial year ended 31 December 2024.

10 Share based payments

Cash settled share based payments

Share incentive plan

The company's Share incentive plan is open to all employees. Employees can contribute a portion of their pre-tax monthly salary. The employee's contributions are then used to purchase shares in the company's ultimate parent company, Phillips 66, at market value. Contributions up to 2.5% (2023: 2.5%) of base salary subject to a maximum of £125 per month are eligible for company matching on a "2 for 1" basis. The matching shares must be left in the plan for at least five years to qualify for tax relief.

To satisfy the group's obligation under the Share incentive plan, the company recognised an expense of:

	2024 \$ million	2023 \$ million
Matching shares	<u>3</u>	<u>3</u>
	Number	Number
Number of issued ordinary shares	<u>21,244</u>	<u>26,516</u>
	\$	\$
Average price of ordinary shares issued	<u>142.82</u>	<u>108.99</u>

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

10 Share based payments (continued)

Stock option plan

The company has a Stock option plan for certain senior executives. The options are exercisable at a price equal to the market value of the shares on the date of the grant. The vesting period of the stock options is three years. If the options remain unexercised after the tenth anniversary of the grant date, the options will expire.

The expense recognised for stock options in respect of employee services received during the year to 31 December 2024 is \$0.02 million (2023: \$0.11 million). The portion of that expense arising from equity-settled share-based payment transactions is \$Nil (2023: \$Nil).

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year to 31 December 2024:

	2024		2023	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at 1 January	31,334	\$ 87.93	30,534	\$ 85.20
Granted during the year	-	-	3,400	100.44
Exercised or settled	- ¹	-	(2,600) ¹	72.26
Transferred Out	-	-	-	-
Outstanding at 31 December	31,334	87.93	31,334	87.93
Vested at 31 December	31,334	87.93	31,334	87.93
Exercisable at 31 December	21,167	86.80	21,567	87.33

1 There were no options exercised in 2024.

2 The weighted average share price at the date of exercise for the options exercised in 2023 was \$112.92.

For vested share options outstanding as at 31 December 2024, the weighted-average remaining contractual life is 5.59 years (2023: 6.59 years).

There were no options granted in 2024 (2023: \$100.44). The range of exercise prices for options outstanding at the end of the year was \$74.70 - \$100.44 (2023: \$74.70 - \$100.44).

The fair market values of equity-settled share options granted is estimated as at the date of grant using the Black-Scholes-Merton option-pricing model. The following table lists the inputs to the model used for the year ending December 2023. There were no options granted in 2024.

Assumptions used	2024	2023
Risk-free interest rate %	-	3.85%
Dividend yield %	-	3.80%
Volatility factor %	-	35.16%
Expected life (years)	-	6.78

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

10 Share based payments (continued)

Stock option plan (continued)

After the company's separation from ConocoPhillips in 2012, and through 2015, the volatility of options granted was calculated using a formula that adjusted the pre-separation historical volatility of ConocoPhillips by the ratio of Phillips 66 implied market volatility on the grant date divided by the pre-separation implied market volatility of ConocoPhillips. From 2016, the volatility of options granted was calculated using historical Phillips 66 end-of-week closing stock prices.

The company calculates the average period of time lapsed between grant dates and exercise dates of past grants to estimate the expected life of new option grants.

Restricted stock units

The company awards certain eligible employees with Restricted stock units (RSUs). Each award is held in escrow until the restrictions on the awards lapse. When the restrictions lapse, the number of shares of unrestricted stock, equal to the number of RSUs will be registered in the name of the employee and the RSUs will be terminated.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in stock units during the year to 31 December 2024:

	2024		2023	
	Stock units	Weighted average grant date fair value	Stock units	Weighted average grant date fair value
		\$		\$
Outstanding as at beginning of period	188,863	90.77	190,849	82.53
Granted during the year	43,615	144.93	69,614	103.46
Forfeited during the year	(2,380)	118.08	(1,162)	87.65
Transferred out	-	-	-	-
Issued	(80,654)	83.96	(70,438)	81.04
Outstanding at 31 December	149,444	109.81	188,863	90.77
Not vested at 31 December	123,229	109.94	150,245	91.51

At 31 December 2024, the remaining unrecognised compensation cost from the unvested RSU awards held by employees of Phillips 66 was \$5.5 million, which will be recognised over a weighted-average period of 18 months, the longest period being 26 months.

Performance share plan

For PSU awards with performance periods beginning before 2013, the company recognises compensation expense beginning on the date of grant and ending on the date the PSUs are scheduled to vest; however, since these awards are authorised three years prior to the grant date, the company recognises compensation expense for employees that will become eligible for retirement by or shortly after the grant date over the period beginning on the date of authorisation and ending on the date of grant. Since PSU awards with performance periods beginning in 2013 or later vest on the grant date, the company recognises compensation expense beginning on the date of authorisation and ending on the grant date for all employees participating in the PSU grant.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

10 Share based payments (continued)

Performance share plan (continued)

The company settles PSUs with performance periods beginning in 2013 or later by paying cash equal to the fair value of the PSU on the grant date, which is also the date the PSU vests. Since these PSUs vest and settle on the grant date, dividend equivalents are never paid on these awards.

The following table illustrates our Performance share program activity to 31 December 2024:

	2024		2023	
	Stock units	Weighted average grant date fair value	Stock units	Weighted average grant date fair value
		\$		\$
Outstanding as at beginning of period	-	-	-	-
Granted during the year	5,069	130.22	1,689	102.66
Transferred out	-	-	-	-
Cash settled during the year	(5,069)	130.22	(1,689)	102.66
Issued	-	-	-	-
Outstanding at 31 December	-	-	-	-
Not vested at 31 December	-	-	-	-

At 31 December 2024, the remaining unrecognised compensation cost from unvested PSU awards held by employees of Phillips 66 was \$Nil.

11 Property, plant and equipment

	Land and buildings \$ million	Plant and machinery \$ million	Assets under construction \$ million	Total \$ million
Cost				
At 1 January 2024	213	2,489	84	2,786
Foreign currency translation	(3)	(40)	(1)	(44)
Additions	-	30	69	99
Assets under construction transfers	6	51	(57)	-
Disposals	-	(3)	-	(3)
At 31 December 2024	216	2,527	95	2,838
Depreciation				
At 1 January 2024	138	1,474	-	1,612
Foreign currency translation	(2)	(23)	-	(25)
Charge for the year	6	90	-	96
Disposals	-	(2)	-	(2)
At 31 December 2024	142	1,539	-	1,681
Net book value				
At 31 December 2024	74	988	95	1,157
At 31 December 2023	75	1,015	84	1,174

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

11 Property, plant and equipment (continued)

In the directors' opinion, there is no significant difference between the book value and the market value of land.

Right-of-use assets are set out in Note 18.

12 Investments	2024 \$ million
Cost and net book value	
At 1 January 2024	268
Foreign currency translation	(3)
Net associate earnings	(35)
Disposals	(1)
Transfer to held for sale (see note 15)	(164)
At 31 December 2024	<u>65</u>

In January 2024, the company sold all of its interest in its investment, JET H2 Energy Austria GmbH, and therefore also in the direct subsidiaries JET H2 Energy Denmark ApS and JET H2 Energy Germany GmbH.

Direct subsidiary undertakings

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
JET Petrol Limited	100%	Northern Ireland	² Dormant
Jet Petroleum Limited	100%	England	¹ Dormant
JET Retail UK Limited	100%	England	¹ Retail sale of automotive fuel and other goods
Phillips 66 GmbH in liquidation	100%	Switzerland	⁷ Intermediate holding company
Phillips 66 Healthcare Trustee Limited	100%	England	¹ Trustee of Phillips 66 Healthcare Trust
Phillips 66 Pension Plan Trustee Limited	100%	England	¹ Trustee of Phillips 66 Pension Plan
Phillips 66 Treasury Limited	100%	England	¹ Provide treasury management services
Phillips 66 TS Limited	100%	England	¹ Agent for Phillips 66 Limited
Phillips 66 UK Funding Limited	100%	England	¹ Intermediate holding company
Qingdao Phillips 66 Energy Co. Ltd.	100%	China	⁸ Sale, purchase and storage of hydrocarbon products

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

12 Investments (continued)

Indirect investments

Phillips 66 UK Funding Limited:

Company	Proportion of shares and voting rights	Country of incorporation	Principal activities
Phillips 66 Ireland Pension Trust Limited	100%	Republic of Ireland	⁵ Pension Fund Trustee

Phillips 66 GmbH in liquidation:

Company	Proportion of shares and voting	Country of incorporation	Principal activities
Societa Italiana Per L'Oleodotto Transalpino SpA	3%	Italy	Crude oil pipeline operation
Transalpine Oelleitung in Oesterreich GmbH	3%	Austria	Crude oil pipeline operation

Other investments

Company	Proportion of shares and voting	Country of incorporation	Principal activities
Associated Petroleum Terminals (Immingham) Limited	50%	England	³ Operation of marine terminal
Crude Oil Terminals (Humber) Limited	50%	England	¹ Provide facilities for terminal
Humber LPG Terminal Limited	50%	England	¹ Dormant
Humber Oil Terminals Trustee Limited	50%	England	³ Trustee for participants in relation to their terminal
Warwickshire Oil Storage Limited	50%	England	⁴ Petroleum product storage facility

Associated Petroleum Terminals (Immingham) Limited:

Company	Proportion of shares and voting	Country of incorporation	Principal activities
APT Pension Scheme Trustees Limited	100%	England	³ Pension Fund Trustee

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

12 Investments (continued)

Other investments (continued)

Registered offices

The address of the above undertakings registered offices, where more than a 20% interest is held, are as follows:

- 1 7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD, UK
- 2 3rd Floor, 40 Linehall Street, Belfast, BT2 8BA, Ireland
- 3 Queens Road, Immingham, DN40 2PN, UK
- 4 C/O Wilkin Chapman LLP Cartergate House, Chantry Lane, Grimsby, North East Lincolnshire, DN31 2LJ
- 5 25 North Wall Quay, Dublin 1, Ireland
- 6 Room 301, Office Building 5, No.42 Dongjing Road, Qingdao Free Trade Zone, Shandong Province, China
- 7 c/o Lambrigger Treuhand AG, Industriestrasse 49, Switzerland, 6302 Zug

13 Inventories

	2024	2023
	\$ million	\$ million
Raw materials and consumables	251	203
Work in progress	172	247
Finished goods and goods for resale	495	536
	<u>918</u>	<u>986</u>

14 Debtors

Debtors due within one year

	2024	2023
	\$ million	\$ million
Trade debtors	1,485	1,702
Amounts owed by group companies	738	538
Corporation tax	148	65
Other debtors	54	76
	<u>2,425</u>	<u>2,381</u>

Debtors due after one year

	2024	2023
	\$ million	\$ million
Deferred tax asset (see note 9)	-	1
Other debtors	1	2
	<u>1</u>	<u>3</u>

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

15 Non-current assets held for sale	2024 \$ million	2023 \$ million
Non-current asset held for sale	164	-

In October 2024, the board of director's confirmed the intention to sell Coop Pronto (formerly known as Coop Mineraloel AG). The sale was completed in January 2025. No impairment has been recognised as the fair value less cost to sell at the time of sale, was in excess of the carrying value.

16 Creditors due within one year	2024 \$ million	2023 \$ million
Trade creditors	1,101	1,083
Amounts owed to group companies	1,172	868
Other taxes and social security costs	342	418
Lease liabilities	22	25
Accruals and deferred income	118	152
	<u>2,755</u>	<u>2,546</u>

17 Creditors due after one year	2024 \$ million	2023 \$ million
Lease liabilities	161	168

18 Leases

Right-of use assets arising out of recognition of leases under IFRS 16 are set out below:

	Land and buildings \$ million	Plant and machinery \$ million	Total \$ million
At 1 January 2023	153	9	162
Additions and adjustments	4	20	24
Depreciation charge	(19)	(6)	(25)
Foreign currency translation	8	(2)	6
At 31 December 2023	146	21	167
Additions and adjustments	1	19	20
Depreciation charge	(19)	(7)	(26)
Foreign currency translation	(2)	-	(2)
At 31 December 2024	126	33	159

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

18 Leases (continued)

The movement on lease liabilities is set out below:

	2024	2023
	\$ million	\$ million
At 1 January	193	183
Additions	20	24
Accretion of interest	8	8
Payments	(26)	(21)
Foreign currency translation	(12)	(1)
At 31 December	183	193

Lease liabilities in respect of right-of-use assets are due as follows:

	2024	2023
	\$ million	\$ million
Not later than one year	22	25
After one year but not more than five years	88	70
After five years	73	98
	183	193

19 Provisions for liabilities

	Deferred tax
	(Note 9 (f))
	\$ million
At 1 January 2024	
Non-current	157
	157
Arising during the year	4
At 31 December 2024	161
Current	-
Non-current	161
	161

Financial Guarantee

The company participates in a multiparty account cash pooling arrangement operated by Bank of America, together with other wholly owned subsidiaries of Phillips 66 Company. Each company within the arrangement guarantees the payment of the liabilities of the other companies within the arrangement as they fall due, and to make good any default by other companies within the arrangement. No value is recognised by the company in the Balance sheet for this guarantee, as it is not considered probable that there will be an outflow of resources under this guarantee. There were 15 legal entities within the cash pool at the balance sheet date.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

20 Employee benefits

Phillips 66 Limited UK Pension Plan

Phillips 66 Limited is the sponsoring employer of a final salary defined benefit pension plan; operated by the company in the UK, providing retirement benefits to all eligible employees. With effect from 1 April 2013 a new defined contribution section of the Phillips 66 UK Pension Plan was established for new hires. The defined benefit section, which was closed to new hires, continued unchanged for employees who joined the company prior to 1 April 2013.

The Defined Contribution Plan

Contributions at 31 December are:

	2024	2023
	\$ million	\$ million
Contributions by employer	5.4	4.3
Contributions by members	2.7	2.4

The Defined Benefit Plan

The Defined Benefit Pension Plan assets are held under a trust for the benefit of current and former employees. The central control and management of the trust is undertaken by a Board of Trustee Directors, comprised of three Member Nominated Directors (MND) and six Employer Appointed Directors. This complies with the requirement for one third of the trustees to be MND. The Pension Plan and Board of Trustee Directors are governed by Trust Deed and Rules.

The level of contributions are agreed between the Trustee and Phillips 66 Limited following a triennial actuarial valuation, or at any other time where deemed necessary. The company agrees a Schedule of Contributions with the Trustee which is certified by the Actuary. The Schedule of Contributions sets out the rates of employer and employee contributions and also the dates by which the contributions will be paid to the Plan. Following the most recently completed triennial valuation, as at 31 March 2021, a Schedule of Contributions was agreed on 25 April 2022.

The Schedule of Contributions applicable for the year to 31 December 2024 was effective from 1 January 2024 and superseded and replaced the one noted above. This was in response to a request from the Principal Employer to temporarily cease employer contributions for the Defined Benefit section of the Plan in light of its very strong funding position. Rather than a cessation of employer contributions, the Trustee agreed to a temporary deferral under certain conditions, and a new Schedule of Contributions was certified by the Scheme Actuary on 26 January 2024.

In 2025, the employer contributions to the defined benefit plan are expected to be \$Nil (2024: \$Nil), and \$1.6 million employee pension contributions (2024: \$1.8 million).

At 31 December 2024 an asset of \$157 million has been recognised in the Balance sheet (2023: asset of \$152 million).

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

20 Employee benefits (continued)

The Defined Benefit Plan (continued)

The assets and liabilities of the Plan at 31 December are:

		2024		2023
	%	\$ million	%	\$ million
Plan assets at fair value:				
Equities	20.4%	133	28.2%	193
Corporate bonds	0.0%	-	8.5%	58
Liability driven investing portfolio	15.8%	103	25.4%	174
Emerging market debt	3.5%	22	4.2%	29
High yield debt, bank loans	6.1%	40	7.8%	53
Insurance linked securities	7.2%	47	7.9%	54
Property	8.0%	52	7.8%	53
Infrastructure	11.1%	72	9.8%	67
Cash	3.0%	20	0.4%	3
Buy-In Policy	24.9%	162	0.0%	-
Fair value of plan assets		651		684
Present value of plan liabilities		(494)		(532)
Defined benefit pension plan asset		157		152

The value of indirect employer related equity investments at 31 December 2024 is \$0.1 million. No Plan investments are directly in property occupied by Phillips 66. The majority of Plan assets are invested in units of pooled investment vehicles, including equities, bonds and alternative assets. With effect from 29 November 2024, the Trustee entered into a bulk annuity (buy-in) transaction with Legal & General Assurance Society Limited (LGAS) to secure the benefits of 332 pensioners.

The Plan's invested asset portfolio is well diversified across different asset classes, regions and risk premium. The majority of Plan assets are index-tracking funds, so their valuation is based on the market quoted prices of the respective underlying securities. They are therefore classified as Level 2 under FRED 62 guidance. There are three holdings which use valuation techniques with non-observable inputs and/or have redemption restrictions and are therefore, classified as Level 3 under FRED 62 regulations. These are the 7.2% allocation to Insurance Linked securities (Securis), 6.2% allocation to Multi-Asset Credit (Oak Hill), 7.9% allocation to UK Real Estate Fund (Schroder) and 11% allocation to Unlisted Infrastructure (IFM).

The buy-in policy (24.9% of the portfolio) is also considered an asset of the Plan and is classified as a Level 3 asset in the fair market hierarchy.

The liability matching is done through the use of longer-dated index linked government bonds and leveraged products such as swaps and gilt repurchase agreements. The Plan risks are credit risk, currency risk, interest rate risk, and other price risk.

The amounts recognised in the Income statement and in the Statement of comprehensive income for the year are set out as follows:

Recognised in the Income statement	2024	2023
	\$ million	\$ million
Current service cost	11	11
Net interest on defined benefit asset	(7)	(7)
Total recognised in the Income statement	4	4

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

20 Employee benefits (continued)

The Defined Benefit Plan (continued)

Recognised in the Statement of comprehensive income	2024 \$ million	2023 \$ million
Return on plan assets (excluding amounts included in net interest expense)	32	(5)
Actuarial loss/(gain) due to demographic assumptions changes	5	(8)
Actuarial (gain)/loss due to financial assumptions changes	(49)	13
Actuarial loss due to experience adjustments	1	6
Remeasurement due to presentation currency differences on the pension liability	2	(5)
Net foreign currency translation on pension assets and liabilities	(2)	8
Total recognised in the Statement of comprehensive income	(11)	9

Changes in the present value of the defined benefit pension obligation are set out as follows:

	2024 \$ million	2023 \$ million
As at 1 January	532	483
Current service cost	11	11
Interest expense	25	24
Benefits paid	(27)	(27)
Participant contributions	3	2
Actuarial gains	(43)	12
Foreign currency differences	(7)	27
Defined benefit obligation at 31 December	494	532

The defined benefit obligation comprises \$490 million (2023: \$527 million) arising from the funded section and \$4 million (2023: \$5 million) from the unfunded section.

Changes in the fair value of plan assets are set out as follows:

	2024 \$ million	2023 \$ million
As at 1 January	684	622
Interest income	32	31
Employer contributions	-	16
Participant contributions	3	2
Benefits paid	(27)	(27)
Return on plan assets	(32)	5
Foreign currency differences	(9)	35
Fair value of plan assets at 31 December	651	684

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

20 Employee benefits (continued)

The Defined Benefit Plan (continued)

Pension contributions are determined by the Trustee and company, with the advice of independent qualified actuaries, Gallagher Benefit Services Limited, on the basis of triennial valuations using the projected unit method. The latest valuation for the Phillips 66 UK Pension Plan is as at 31 March 2024 was completed on 30 June 2025 and showed a funding level of 124%.

The projected unit method is an accrued benefits valuation method in which the plan liabilities make allowance for future earnings. Plan assets are stated at their market values at the respective balance sheet dates and overall expected rates of return as recommended by a qualified actuary, are based on current market conditions and are approved by the company.

Main assumptions:		%	%
Rate of salary increases (promotional scale in addition)	to 2029	4.00%	3.00%
	Post 2029	3.00%	3.00%
Rate of increase in pensions in payment			
CPI maximum 5%		2.65%	2.55%
CPI maximum 2.5%		1.80%	1.75%
Discount rate		5.60%	4.75%
Inflation assumption - RPI		2.95%	2.85%
Inflation assumption - CPI		2.75%	2.60%
Assumed life expectancy on retirement at age 65		Years	Years
Male member aged 65		23.0	22.6
Female member aged 65		25.6	24.7
Male member aged 45		24.3	23.8
Female member aged 45		26.9	26.0

The discount rate is in line with AA corporate bond yield curve, to reflect duration of Plans' liabilities (around 17 years), using an extended dataset rounded to the nearest 0.05% p.a. The assumptions for inflation; Retail Prices Inflation (RPI) is in line with price inflation derived from yield curve less 0.4% p.a. inflation "risk premium" rounds to the nearest 0.05% p.a. The Consumer Prices Index (CPI) is derived assuming an RPI/CPI gap of 1.0% pa before 2030 and 0% pa from 2030 due to the announced alignment of RPI to CPIH from 2030. Overall expected average gap of 0.20% pa (prior year overall gap was 0.25% pa). The assumed life expectancy rates are based on the CMI 2023 model with long term improvement rate of 1.25%p.a., a smoothing parameter of 7.0, initial addition parameter of zero and no weight to 2020 and 2021 data, and 15% weight to 2023 and 2022 data.

The sensitivities regarding the principal assumptions used to measure the Plan liabilities are set out as follows:

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

20 Employee benefits (continued)

The Defined Benefit Plan (continued)

Sensitivity analysis for significant actuarial assumptions as at 31 December showing how the defined benefit obligation would be affected:

Assumptions	2024 \$ million	2023 \$ million
Discount rate		
0.25% increase	(475)	(511)
0.25% decrease	(512)	(555)
Inflation		
0.25% increase	(501)	(540)
0.25% decrease	(485)	(525)
Life expectancy of members		
Increase by 1 year	(501)	(541)

21 Derivative exposure

The company's subsidiary Phillips 66 Treasury Limited manages foreign exchange trading on behalf of other non-US companies in the Phillips 66 group. At 31 December 2024 the company had the following open commitments in respect of forward foreign exchange contracts with Phillips 66 Treasury Limited:

Buy: USD 561 million
 Sell: GBP 448 million

The above are based on fixed interest rates and are for periods of less than 30 days.

Buy: CHF 1,060 million
 Sell: USD 1,243 million

The above are based on fixed interest rates and are for periods of less than 120 days.

22 Share capital and rights attaching to the company's shares

	Authorised	2024 \$ million	2023 \$ million
Allotted, called up and fully paid:			
At 1 January 2024 - 405,501 ordinary £1 shares	416,000	2	2
At 31 December 2024 - 405,501 ordinary £1 shares	416,000	2	2

Subject to the provisions of Companies Act 2006 and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine or, subject to and in default of such determination, as the directors shall determine. There are currently no shares with special rights.

Distribution

Subject to the provisions of Companies Act 2006, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

23 Dividends	2024 \$ million	2023 \$ million
Declared and paid during the year:		
Equity dividends paid on ordinary shares: \$2,959 per share (2023: \$1,980 per share)	<u>1,200</u>	<u>803</u>

24 Reserves

Share premium

This reserve represents the premium received for new shares above their nominal value.

Merger reserve

This reserve records the cumulative effect of the excess of consideration received over the nominal value of shares issued in a group reconstruction.

Capital reserve

This reserve records the cumulative effect of cash received from the parent undertaking without the issue of any shares.

Foreign currency translation reserve

This reserve records the cumulative effect of foreign exchange differences arising on the translation of the company's results and financial position from the functional currency to the presentation currency that are recognised in other comprehensive income.

There were no movements in reserves other than disclosed in the Statement of changes in equity.

25 Subsequent events

In 2025 to the date of this report, the company had the following dividend transactions:

	Dividend income \$ million	Dividend paid \$ million
January	-	1,240

In January 2025 proceeds of \$1,151 million were received on the disposal of associate company Coop Pronto AG (formerly known as Coop Mineraloel AG).

On 30 June 2025, a winding-up order was issued against the other shareholder in the four joint venture companies in which the company holds a 50% interest. As this event occurred after the reporting period and does not itself provide evidence of conditions that existed at the year-end, it is classified as a non-adjusting event under IAS 10. Accordingly, no adjustments have been made to the financial statements.

There have been no other significant events since the balance sheet date.

26 Capital commitments	2024 \$ million	2023 \$ million
Amounts contracted for but not provided in the accounts	<u>105</u>	<u>24</u>

Phillips 66 Limited
Notes to the financial statements
for the year ended 31 December 2024 (continued)

27 Contingent liability

Prior to the separation of Phillips 66 from ConocoPhillips, the company held a number of UK Continental Shelf (UKCS) exploration & production licences for the benefit of ConocoPhillips Inc. Under Part IV of the Petroleum Act 1998 the Department of Energy and Climate Change may serve notice on certain persons, including licensees, requiring them to submit for approval a decommissioning programme for offshore facilities and pipelines within relevant licence areas and to comply with such programmes once approved. A number of such notices were served on the company. In all but one case, these notices have been withdrawn but it is still possible for the company to be made liable for decommissioning of those assets in certain circumstances. Under the agreements relating to the separation of Phillips 66 from ConocoPhillips it was agreed that ConocoPhillips will assume all liabilities associated with upstream assets and it is expected that ConocoPhillips will meet these decommissioning programme obligations. Therefore, the company would only have a liability in the event of default. However, for the one field where it remains subject to a notice, the company will remain formally liable to submit and comply with, the decommissioning programme. Nevertheless, the company would not expect to have any financial liability for such programme except in the event of a default of one of the current owners and in such event, the company expects to be fully indemnified by ConocoPhillips in respect of any expenditure made. It is not possible at this time to estimate the timing of any such liability or the financial value of the liability.

28 Related party transactions

In accordance with FRS101 the company has taken advantage of the exemption not to disclose related party transactions with other wholly owned members of the group.

The company's interests in associated undertakings are detailed in Note 12.

The company's transactions, in the normal course of business, with its related parties during the year and previous year are as follows:

	Sales to related party \$ million	Purchases from related party \$ million	Amounts owed by related party \$ million	Amounts owed to related party \$ million
Joint ventures				
2024	-	33	-	77
2023	-	35	-	86

29 Ultimate controlling party

Phillips 66, a company registered in Delaware, USA, which the directors regard as the company's ultimate parent undertaking with respect to the year ended 31 December 2024 is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member. Copies of the 2024 Annual Report may be obtained from Companies House and online at www.phillips66.com.

Phillips 66 UK Holdings Limited is the immediate parent company and is registered in England.