



SUSTAINABILITY AT PHILLIPS 66

# WORKING TOGETHER



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## Chapter 1

# DOING IT RIGHT

### To our employees, communities and investors,

Several months ago, we chose the title Working Together for our sustainability report because it best described our beliefs and accomplishments. Little did we know, at that time, how our Phillips 66 family, friends and communities would heroically work together to endure and begin to rebuild after Hurricanes Harvey and Irma.

In Working Together, we share with you how we deliver outstanding results and make a lasting positive impact on our communities. Our response during Harvey illustrates what we do and how we do it. Our first priority is employee safety, and during the hurricanes, we diligently accounted for each of our employees and their families.

We also safely shut down our Sweeny Refinery in Old Ocean, Texas, all of our southeast Texas terminals and most of our pipeline operations in the area. We closed Houston headquarters and prepared our Lake Charles Refinery in Westlake, Louisiana. Our employees managed these logistical challenges with expertise and grace, allowing us to address responder, municipal and consumer needs for our products and resume operations for all consumers with safety and speed.

The solidarity of our Phillips 66 community is remarkable. Challenging times remind us of the importance of teamwork, safety and of uniting as a Phillips 66 family.

Phillips 66 contributed millions to assist with Harvey disaster relief efforts in southeast Texas communities. We also matched individual employee contributions through the [Matching Gift Program](#). Many of our colleagues had significant damage to their homes and property, and we offered financial assistance to help get them back on their feet.

Working Together is especially resonant now, but for us, it's the way we operate day in and day out. Earlier this year, we marked our fifth anniversary as an energy manufacturing and logistics company. This report reaffirms our values of safety, honor and commitment, and how we fulfill our mission. We are proud of the way we safely and responsibly demonstrated our vision to provide energy and improve lives. We invite you to work together with us for sustainable success.



In safety, honor and commitment,

A handwritten signature in black ink that reads "Greg Garland".

Greg Garland, Chairman and CEO  
September 2017

# WE DO IT BY WORKING TOGETHER

At Phillips 66, we provide energy and improve lives through operational, economic, social and environmental sustainability.

Sustainability means holding ourselves accountable to the highest standards of operating excellence and strong economic, social and environmental performance.

It's how we carry out our vision of providing energy and improving lives. As the global population grows, access to reliable, abundant and affordable energy is critical to improving standards of living. Through our sustainability approach, we are prepared to meet those needs safely and responsibly for years to come.

In collaboration with our communities, employees and stakeholders, we strive for world-class operating excellence with robust systems and processes throughout our Midstream, Refining, Chemicals, and Marketing and Specialties businesses.

- We manufacture energy and support the U.S. energy revolution with products such as gasoline, diesel, jet fuel and lubricants for transportation, natural gas and natural gas liquids for powering businesses and heating homes, and petrochemicals, polymers and plastics found in cars, electronics and everyday goods.
- We provide high-quality jobs and deliver value to our shareholders. We hold ourselves accountable to high ethical standards, set performance goals and transparently communicate our results.

- We are proud of the part we play to keep energy available and affordable while being good citizens and neighbors everywhere we operate.

Last year, we achieved our safest year on record, with an industry-leading 0.15 total recordable rate. The company also had its lowest number of environmental incidents ever.

In addition to complying with the many environmental regulations that govern our facilities, we're proud of our voluntary conservation programs to advance

biodiversity and land preservation, efforts that help protect animals, birds and fish and their habitats.

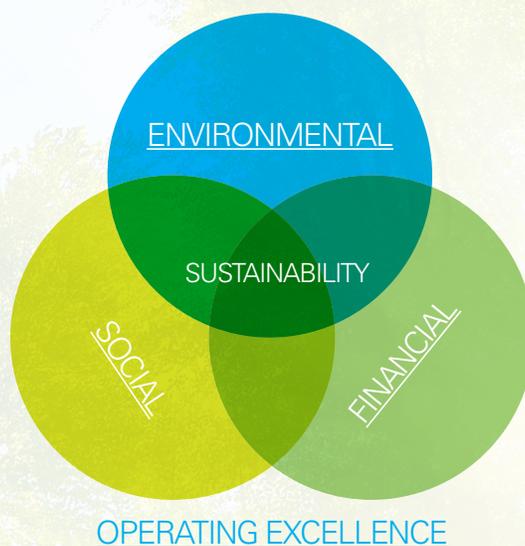
We're doing groundbreaking research with solid oxide fuel cells and with a promising, low-cost, environmentally friendly solar technology called organic photovoltaic energy, which we are progressing toward commercial scale, and power generation.

Phillips 66 invests in people,

both within our company and in the communities where we work and live. We are an inclusive company and hire a diverse group of talented employees, including a significant number of military veterans in our U.S. Refining business.

We encourage and support volunteerism. We offer paid time off for our employees to pursue meaningful volunteer opportunities in their communities. In 2016, our employees volunteered more than 61,000 hours at over 600 charities, reflecting the many philanthropic interests and talents of our 14,600 employees.

**That's sustainable business.**



# AWARDS

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# AND RECOGNITION

## **AFPM Distinguished Safety Award 2016**

American Fuel & Petrochemical Manufacturers

### **Lake Charles Refinery in Westlake, Louisiana**

Recognizing our safety achievements.

Bayway, Billings, Rodeo, Santa Maria and Sweeny refineries also earned AFPM Elite Silver awards.

## **LEED Platinum-certified**

Our million-square-foot headquarters in Houston, home to about

# 2,000

employees



## **ENERGY STAR certification**

U.S. Environmental Protection Agency

More than 1/3 of our U.S. refineries

# 1/3



Recognizing our voluntary efforts to reduce greenhouse gas emissions through energy efficiency.

## **Greenovations Award**

U.S. Environmental Protection Agency

### **Phillips 66**

Outstanding environmental stewardship for our cleanup of Bayou Verdine in Louisiana.

## **Spokane Regional Clean Air Agency Silver Award**

**Spokane, North Spokane, Washington, Geiger and Fairchild terminals and Yellowstone Pipeline**

For operational compliance, emissions inventorying, and timely reporting and payments.



## Voluntary Protection Program Recognition

Occupational Safety and Health Administration

# 27

facilities  
across our  
Refining,  
Midstream and  
Lubricants  
businesses



## **Tier Three U.S. Customs and Border Protection Certification**

Phillips 66

The highest level achievement in the [Customs-Trade Partnership Against Terrorism](#) program.

# 3

**THIRD RECERTIFICATION**  

Third recertification as a **Tennessee Occupational Safety and Health Administration [Safety and Health Achievement Recognition Program](#) site.**

**Selmer, Tennessee, Lubricants Plant**

We are one of only 14 companies in the state of Tennessee to earn the distinction.

## Thoroughbred Chemical Safety Award

Norfolk Southern 2016

**Phillips 66**

Recognizing our safe, incident-free rail transport of regulated products.

## **Highest Supplier Rating**

[John Deere](#)

**Phillips 66**

For earning perfect scores in quality, delivery, technical support, relationships and cost management.

# THREE

 awards  
from the Royal Society for the  
**Prevention of Accidents**  
U.K. business units

- ★ [The Fleet Safety Trophy](#)
- ★ [Highly Commended in the Oil & Gas Industry Sector Award](#)
- ★ [Gold Award](#)

## **Star Status, May 2017**

[Cal/OSHA VPP](#)

**Lubricants plant in Los Angeles**

Our third location to achieve this award.





## ABOUT OUR SUSTAINABILITY REPORTING

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We are committed to sharing our forward-looking, companywide sustainability policies and programs, along with examples of local initiatives across our operations. In developing our approach to sustainability reporting, we have drawn upon the [Oil and Gas Industry Guidance on Voluntary Sustainability Reporting](#), developed by the [American Petroleum Institute \(API\)](#) and the [International Petroleum Industry Environmental Conservation Association \(IPIECA\)](#). Our website includes historical data on our sustainability performance and our long-standing [Community Advisory Panels](#). Phillips 66 also receives guidance on sustainability strategy and reporting as a member of the [Boston College Center for Corporate Citizenship](#).

This report focuses on outcomes from our operated assets. Here's an [easy link](#) to sustainability reports from certain of our non-operated joint ventures, such as Chevron Phillips Chemical Company and DCP Midstream.



**REMOVING INVASIVE SPECIES  
AT HERMANN PARK**  
Houston, Texas



**SEA CENTER TEXAS**  
Lake Jackson, Texas

## VISION + VALUES = SUSTAINABILITY

Our vision is to [provide energy and improve lives](#), and we back that up with core company values of safety, honor and commitment.

We live our vision by:

- Operating safely, dependably and efficiently.
- Contributing to the prosperity of people and their communities.
- Conserving and protecting the world's natural resources and the environment we share.

The energy industry is a vital part of the foundation of today's \$75 trillion global economy, fueling economic growth, prosperity and improving quality of life. According to the [International Energy Agency \(IEA\)](#), fossil fuels account for approximately 80 percent of the nation's energy consumption. That's expected to hold true over the next two-plus decades. Without fossil fuels, there would be virtually no mobility and no modern economy.

Thousands of products originate from oil or natural gas: bandages, carpeting, computers, phones, heart valves, luggage, paint, roofing, toys, vitamin capsules and sterile medical equipment, and, of course, the fuels that move boats, planes, trains and automobiles.

By providing the vital products that power economies and businesses every day, Phillips 66 and its employees are improving quality of life for people around the world.