

PHILLIPS 66
ANNUAL MEETING OF SHAREHOLDERS
10TH OF MAY 2023
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr Garland,
Dear Mr Lashier,
Dear members of the board,

DWS Investment GmbH (DWS) is one of the largest asset managers in Europe. As a responsible investor in Phillips 66, it is part of our fiduciary duty to express our expectations in the best interest of our clients. Our commitment to environmental, social and governance practices (ESG) is a crucial element of our responsibilities and forms an integral part of our investment process.

Ahead of your 2023 annual general meeting of shareholders (AGM), we would like to share our questions with you. We would greatly appreciate your answers in written form. Please note that we will also share our questions on our website (www.dws.com) on the day of your AGM. Thank you for your consideration.

Independence

We appreciate the work of the board's members, Mr. Tilton, Mrs. Whittington, and Mr. Lowe. However, due to their tenure, we do not consider them independent any longer as they have served on the board for more than ten years. As such, we consider the chairpersons of the Audit and Compensation Committees no longer independent, as well as the overall Nomination committee to be no longer sufficiently independent. This contradicts our Corporate Governance and Proxy Voting Policy, demanding independent chairpersons of audit and compensation committees and majority of independent directors in nomination committee.

Question 1: Would you consider appointing new chairpersons to the remuneration committee and/or the audit committee? If not, could you please provide us with your rationale?

Question 2: Do you have any plans to increase the independence of the nomination committee in near future?

Auditor

DWS acknowledges that the objectivity and criticality of auditors can be impeded due to long tenure. We therefore expect companies to rotate their auditors after ten years. The current audit firm's tenure is 12 years.

Question 3: How do you evaluate and ensure the objectivity and independence of the audit firm after a long tenure? Would you consider a rotation of the audit firm in the near term?

Question 4: Would you be willing to commit to a regular audit tender process?

Net Zero

Corporations and investors have a key role to play towards the need for emissions to be reduced in the mutual goal of coping with the impacts of global warming. In this regard, we support the Climate Action 100+ and the Net Zero Asset Managers initiatives with the aim to enhance the governance of climate change risk and opportunities, to curb emissions and to strengthen climate-related financial disclosures.

Phillips 66 states that it supports the goals of the Paris Agreement and has set emission intensity reduction targets for Scope 1,2,3 by 2030 and for Scope 1 and Scope 2 by 2050. However, the Company does not have a net zero by 2050 ambition and does not address how these long- and medium-term emissions intensity reductions will lead to absolute reductions in line with limiting warming to 1.5°C.

QUESTION 5: When can we expect Phillips 66 to set an ambition to achieve net zero by 2050 to meet the goals of the Paris Agreement?

QUESTION 6: Can we expect the company to set ambitious absolute emissions reduction targets, including scope 3 rather than only carbon intensity targets to be aligned with limiting warming to 1.5°C?

QUESTION 7: How does the company's capital expenditure plans align with the Paris Agreement's objective of limiting global warming to 1.5°C?

QUESTION 8: Does Phillips 66 intend to enhance disclosure on climate policy lobbying, whether direct or through trade associations, including how it aligns with the Paris Agreement's goals?

DWS encourage companies facing material climate risks to regularly ask shareholder approval on the company's climate plan, its progress, and any changes.

QUESTION 9: Does Phillips 66 intend to begin asking for shareholder approval on an annual basis regarding the company's climate plan and reporting?