

PHILLIPS 66 ANNUAL MEETING OF SHAREHOLDERS
12 MAY 2021
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr. Garland,
Dear Members of the Board,

As one of the largest asset managers in Europe, we at DWS Investment GmbH signed the Principles of Responsible Investment (PRI) in 2008 and support the Sustainable Development Goals as well as the Task Force for Climate-related Financial Disclosures (TCFD). As a responsible investor in Phillips 66, it is our fiduciary duty to express our expectations on sustainability in the best interest of our clients. Our commitment to sound corporate governance and responsible environmental and social practices among our investees is not only a crucial element of our responsibilities, but also forms an integral part of our investment process. We appreciate the constructive dialogue we had to date and would like to ask you a couple of questions ahead of your shareholders' meeting this year. We make this statement not just as a shareholder but also as a supporter of the Climate Action 100+ investor initiative with the aim to enhance the governance of climate change risk and opportunities, curb emissions and strengthen climate-related financial disclosures. Thank you for your consideration and answers in advance. Please note that we will be also sharing our questions on our www.dws.com website on the day of the meeting.

As the primary representatives of shareholders' interests, you as board members have the important responsibility to critically monitor and guide Phillips 66 to a long-term sustainable performance and development. Thus, at DWS, we strongly believe that qualified, experienced and independent directors are essential for competent and diverse boards to ensure efficient decision making processes. Especially in these turbulent times, it becomes much clearer, how vulnerable our social systems and global capital market are to such unexpected developments of this scale and how we need to act together to address a common issue- be it a global pandemic or climate change.

Oil and gas companies are at a crossroad and we as investors expect them to create long-term energy transition plans, with aligned short-, mid- and long-term term targets such as explicit plans on the path to reduce capital expenditure in activities associated with high GHG emissions and increase those in low-carbon activities, set decarbonisation targets and demonstrate proactive public policy advocacy in order to accelerate a clean energy transition. Some of the key energy peers globally have set intensity or absolute Scope 1 and 2 emissions targets, and some have started setting net-zero and Scope 3 targets. In that regard, we would like to ask you the following questions:

Question 1: Why do you prefer to focus on a facility-by-facility approach to GHG Emissions instead of setting company-wide GHG emissions reduction targets? How can you ensure that this approach does not represent a risk to lag behind peers and face increased regulatory, competitive, legal, and financial risks?

Question 2: Which explicit steps are taken to contribute to achieving environmental and societal resilience that are superior to peers in order to avoid the next crisis in light of climate change? Can we expect any company-wide emissions or net-zero targets in the next 1-2 years?

Question 3: How do your capital expenditure plans align with a transition to a lower-carbon economy? Do you plan to commit to plans to decarbonise your future capital expenditures?

Question 4: Earlier this year you announced a new organization within Phillips 66 named Emerging Energy, which we appreciate could be a positive step to work on a lower-carbon business platform. What exact targets will the new organization have in the short- and mid-term?

Question 5: Do you plan to enhance your disclosure on your climate policy lobbying, whether direct or through trade associations, including how it aligns with the Paris Agreement's goals?

Question 6: Why do you choose not to report to the CDP's climate questionnaire?

Executive pay is one of the most important aspects of good corporate governance and a central topic of our engagement with our investees. The energy transition is a challenge to the traditional business model of the oil and gas industry and we believe there needs to be a strong link between strategic climate goals and management incentives. We appreciate that you introduced new metrics into the annual compensation plan, focused on lower-carbon initiatives and emissions intensity. However, there are some serious concerns with the compensation for 2020 based on pay-for-performance misalignment and the rigorousness of the incentive performance metrics.

Question 7: How was the compensation plan evaluated by the Compensation Committee and how do you ensure a pay-for-performance as well as a sustainable pay structure?

Question 8: Depending on the shareholder votes, how do you plan to respond to the concerns around the payout, in particular with regards to the performance metrics for 2021?

To conclude, we would like to thank all members of the Board and all the Phillips 66 employees cordially on their commitment and dedication in the past year but also in these difficult times amidst the COVID-19 crisis.

Thank you!