

2016 Resolution to Phillips 66 on Greenhouse Gas Reduction Goals

Whereas: The Intergovernmental Panel on Climate Change (IPCC), the world’s leading scientific authority on climate change, in its 2013 report confirms warming of the climate is unequivocal and human influence is the dominant cause. Recent extreme weather events have caused significant loss of life and billions of dollars of damage. Many investors are deeply concerned about existing and future effects of climate change on society and business.

In 2014, the IPCC’s Synthesis Report on Climate Change noted:

Continued emission of greenhouse gases will cause further warming and long-lasting changes in all components of the climate system, increasing the likelihood of severe, pervasive and irreversible impacts for people and ecosystems. Limiting climate change would require substantial and sustained reductions in greenhouse gas emissions which, together with adaptation, can limit climate change risks.

Earlier in May 2011, a National Academy of Sciences report similarly warned that the risk of dangerous climate change impacts with every ton of greenhouse gas emitted, and reiterated the pressing need for substantial action to limit the magnitude of climate change and prepare to adapt to its impacts. That report also emphasized that, “the sooner that serious efforts to reduce greenhouse gas emissions proceed, the lower the risks posed by climate change, and the less pressure there will be to make larger, more rapid, and potentially more expensive reductions later.”

Phillips 66 was spun off from ConocoPhillips in 2012. Previously, the total greenhouse gas emissions for Phillips 66 were reported to the Carbon Disclosure Project (CDP) by ConocoPhillips as its downstream emissions. While data on greenhouse gas emissions (98% of which comes from refining) is disclosed on the company web site, emissions from the company’s growing chemical business is either not included or broken out.

Moreover, the company apparently does not have a policy regarding climate change, or greenhouse gas emissions.

Resolved: shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company’s operations; and that the Company report (omitting proprietary information and prepared at reasonable cost) to shareholders by September 30, 2016, on its plan to achieve these goals.

Supporting Statement

We believe Phillips 66 should acknowledge publicly the importance of addressing global climate change. Setting a corporate-wide reduction target for greenhouse gas emissions would demonstrate that Phillips 66 takes the issue seriously, and is committed to doing its part to address climate change. We also believe setting targets is an important step in the development of a long term strategy to significantly reduce greenhouse gas emissions from operations and products. Not only will this contribute to the global need to reduce emissions, but may help avert more expensive controls in the future.

Your support by voting “Yes” will signal to our company that we should move forward.