

Company Name Phillips 66
Industry Extractives
UNGP Core Score (*) 3.0 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
0	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
0	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
0	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
3.0	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: General HRs commitment: In its Code of Business Ethics and Conduct, the Company states: 'We recognize and respect the dignity of all human beings. Although governments have the primary responsibility for protecting human rights, we believe business has a role in promoting respect for human rights throughout the world, as do other representative groups in civil society. We embrace the right of all people to live their lives free from social, political or economic discrimination or abuse.' However, it is not clear that the company has a commitment to Human Rights. [Code of Business Ethics and Conduct, 2018: s22.q4cdn.com] • Not met: UNGC principles 1 & 2 • Not met: UDHR: In addition, on its website section 'Human Rights Position', the Company indicates: 'We conduct our operations in compliance with all applicable laws, in accordance with our company values and policies, and consistent with the spirit of the Universal Declaration of Human Rights.' However, 'consistent with' is not consider a commitment by CHRB. [Human Rights position: phillips66.com] • Not met: International Bill of Rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: UNGPs • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: ILO Core: The Company states in its code of conduct: ' we will not hold any person in slavery or servitude or use forced or indentured labor nor engage in human trafficking, and we shall seek to ensure that our supply chains are free of such practices.' In addition, there is a section about no discrimination. However, there is no reference to child labor, freedom of association and collective bargaining. [Code of Business Ethics and Conduct, 2018: s22.q4cdn.com] • Not met: UNGC principles 3-6 • Not met: Explicitly list All four ILO apply to EX BPs: In its Business Partner Code of Conduct the Company indicates: 'Not employ workers younger than sixteen (16) years of age or below the minimum employment age in the applicable jurisdiction; properly disclose the use of any "conflict" minerals contained in any products supplied to Phillips 66; not hold any person in slavery or servitude or use forced or indentured labor; and not engage in human trafficking.' It also indicates: 'Observe all applicable laws and regulations governing wages, hours, recruiting and employment practices, and prohibit unlawful discrimination, harassment and retaliation against their employees.' However, there is no reference to freedom of association and collective bargaining. [Business Partner Code of Conduct: phillips66.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core: See above [Code of Business Ethics and Conduct, 2018: s22.q4cdn.com] • Met: Respect H&S of workers: In addition, its Code indicates: 'We are committed to the safety of everyone who works in our facilities, lives in the communities where we operate or uses one of our products. We will conduct our business with care for the environment, and we must understand and comply with all applicable laws, regulations, and Company policies relating to health and safety.' [Code of Business Ethics and Conduct, 2018: s22.q4cdn.com] • Met: H&S applies to EX BPs: In addition, its Business Partner Code of Conduct indicates: 'Conduct their operations in a manner that does not jeopardize the safety or healthy

Indicator Code	Indicator name	Score (out of 2)	Explanation
			work environment of their employees, and provide workplaces that meet all applicable environmental, health and safety laws, regulations and directives.' [Business Partner Code of Conduct: phillips66.com]
A.1.4	Commitment to engage with stakeholders	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Commits to stakeholder engagement: In its Code of Business Ethics and Conduct, the Company indicates: 'We are committed to the highest ethical standards. We want people to know they can count on us. This commitment flows naturally from our responsibilities to our shareholders, our customers, our families, our vendors, the communities where we live and work, and each other.' [Energy: Policy Risks and Disclosures, 2018: phillips66.com] Met: Regular stakeholder engagement: In its Sustainability Report, the Company indicates: 'At the community level, stakeholder engagement is a key element in how we live our values and act as a good neighbour. The majority of our operating units – including more than 90 percent of our refining operations – have formal community education, outreach or engagement processes, programs or panels. For example, more than 90 percent of our refining operations have community advisory councils or panels to establish and maintain a dialogue between Phillips 66 and the community in an atmosphere of trust and mutual respect. CAC/CAP members are community members who meet with our refinery leadership team on a regular basis to discuss activities and plans, share local interests and concerns, and give us feedback on our performance. We also have extensive community education programs and outreach so we can communicate directly with our neighbours, as we've done successfully in places such as Mossville, Louisiana.' [Sustainability Report 2019, 2019: phillips66.com & Sustainability Report, 2017: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> Not met: Commits to engage stakeholders in design Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Commits to remedy: The Company states that 'With our commitment to being good partners in the communities in which we operate, Phillips 66 is investigating and developing novel approaches for the groundwater and soil remediation.' However, no evidence found of a general statement of commitment to remedy any adverse impact on communities or individuals that it has caused or contributed to. [2020 Sustainability Report, 06/2020: phillips66.com] Score 2 <ul style="list-style-type: none"> Not met: Not obstructing access to other remedies Not met: Collaborating with other remedy initiatives Not met: Work with EX BPs to remedy impacts

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Commits to ILO core conventions: See indicator A.1.2. Companies are awarded this if they are committed either to the ILO Declaration (or each ILO Core area) or the UN Global Compact. Not met: Senior responsibility for HR Score 2 <ul style="list-style-type: none"> Not met: Day-to-day responsibility Not met: Day-to-day responsibility for EX BRs
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Identifying risks in own operations: The Company states that 'We adhere to local and national laws and regulations regarding requirements for environmental, social and health assessments prior to starting operations at a new site, including pipelines. For new projects, we conduct a comprehensive social risk assessment to understand the people and concerns along a proposed route.' However, no further details including description of process to identify potential human rights risks and impacts. [2020 Sustainability Report, 06/2020: phillips66.com] <ul style="list-style-type: none"> Not met: identifying risks in EX business partners

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification: The Company states that 'Our enterprise risk management program provides a systematic approach to identifying and understanding significant enterprise risks, including climate-related risks to the company, changes in energy policy, and physical or operational risks. Experts from all areas of our business units and functions — including research, planning, finance, economics, tax, refining, transport, marketing, specialties, legal, compliance, government relations, community relations and environmental-social-governance (ESG) — are members of, or support, our risk management program and processes. Our risk management team works together to identify risks falling into any of the categories described above that could affect our overall policies and governance, our strategy development, our business units, our predictions and our capital allocation decisions, among others.' However, no further details of the process were found. [2020 Sustainability Report, 06/2020: phillips66.com] • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: The Company states that 'We quantify the risks based on our assessment of the likelihood of risk and the potential significance of its financial, reputational or other impact. We then assess each of these risks in light of potential mitigating strategies or factors that may be available. We assign values to each mitigating factor based on assessments of potential timing, costs, effectiveness and other features.' Furthermore, 'We test a variety of future scenarios that could have a material impact on the company, as well as variables that may be associated with an incident. This system ensures we mitigate risk to the company and conduct regular gap analyses.' Although the Company presents those measures, no evidence regarding a details of process to mitigate human rights risks was found. [2020 Sustainability Report, 06/2020: phillips66.com] • Not met: Including amongst EX BPs • Not met: Example of Actions decided <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including EX business partners <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Company discloses a number of channels to report complaints, including ethics helpline, email, intranet for employees and mail. This channel is available to all workers. The Code contains a general human rights commitment and an explicit commitment to some ILO core elements. [Code of Business Ethics and Conduct, 2018: s22.q4cdn.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages: In its Code of Business Ethics and Conduct, the Company indicates: 'Representatives fluent in many languages are available. Translation services are also available' However, no further details found on whether all needed languages are covered or the languages in which it is available. [Code of Business Ethics and Conduct, 2018: s22.q4cdn.com] • Not met: Expect EX BPs to have equivalent grievance system • Met: Opens own system to EX BPs workers: In its Business Partner Code of Conduct the Company indicates: 'Business partners are also expected to cooperate with Phillips 66 if we or our advisors are investigating any ethics matter involving the business partner. You can contact the Global Compliance and Ethics Office directly or anonymously through the Phillips 66 Ethics HelpLine.' [Business Partner Code of Conduct: phillips66.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Grievance mechanism for community: The Company states that 'Throughout Phillips 66, our processes provide a measured and responsive approach to stakeholder engagement, while our community call-in lines offer anonymity.' Despite of this fact, no evidence that other external stakeholders have access to channels or mechanisms of complaint was found. [2020 Sustainability Report, 06/2020: phillips66.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects EX BPs to have community grievance systems • Not met: EX BPs communities use global system
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found.

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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