Unrelenting Commitment

2014 Social Responsibility Report
Valero Energy Corporation, through its subsidiaries, is an international manufacturer, distributor and marketer of transportation fuels, petrochemical products and power. Valero subsidiaries employ approximately 10,000 people, and assets include 15 petroleum refineries with a combined throughput capacity of approximately 2.9 million barrels per day, 11 ethanol plants with a combined production capacity of 1.3 billion gallons per year, a 50-megawatt wind farm and renewable diesel production from a joint venture. Through subsidiaries, Valero owns the general partner of Valero Energy Partners LP, a midstream master limited partnership. More than 7,400 outlets carry the Valero, Diamond Shamrock, Shamrock and Beacon brands in the United States and the Caribbean; Ultramar in Canada; and Texaco in the United Kingdom and Ireland. Valero is a Fortune 10 company based in San Antonio.
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While a few things have changed at Valero, others are constant – like the unrelenting commitment to excellence of our employees, in everything they do. Once again, we are pleased to share with you our annual Social Responsibility Report, which highlights the ways we demonstrate responsible corporate citizenship.

Daily, we apply our Commitment to Excellence principles in the areas of health and safety, environment, communities, employees and corporate governance that serves all stakeholders.

We pursue excellence in all aspects of our business, to ensure that our efforts not only provide quality products indispensable to everyday life, but also leadership in community service, as we work to be the best neighbor and employer.

Throughout this report, you will see testimonials from employees sharing what our commitments mean to them.

It all begins with excellence in operations and our commitment to safety and reliability. This persistent focus drives not only safety performance, but also environmental results. A safe, reliable operation means that Valero sustains itself in the long term, and continues to provide community support, excellent employment opportunities and stakeholder value.

Safety remains our highest priority. We achieved our lowest-ever refinery employee recordable injury rate in 2014, at 0.42 incidents per 200,000 working hours. That was far lower than the industry average of 0.9. Our combined employee-contractor rate was 0.43, also a new low. Of course, our goal is always zero.

We voluntarily submit to rigorous safety audits by the Occupational Safety and Health Administration and affiliated state agencies under Voluntary Protection Programs that award “Star Site” approvals – the agencies’ highest safety designations. Eight of Valero’s U.S. refineries are Star Sites – the most of any refiner – as are two asphalt plants. Our goal is to have all our U.S. refineries approved as Star Sites.

Because a reliable operation is a safe operation, we work continuously to improve our top-tier operating performance. For example, seven of our refineries rank in the highest quartile of the industry in “mechanical availability,” the percentage of time units are available to run. We have reduced our rate of process safety events that can disrupt reliability by 58 percent since 2010.

“**We pursue excellence in all aspects of our business, to ensure that our efforts not only provide quality products indispensable to everyday life, but also leadership in community service, as we work to be the best neighbor and employer.**”

Joe Gorder
Chairman, President and Chief Executive Officer

Our improvements in operations contribute to success in environmental performance, as we reduce our number of recordable events. In 2014, we also earned awards for our process of recovering usable oil from waste materials and reprocessing it into high-value fuel.

We remain committed to renewable fuels, having added an 11th corn-ethanol plant in 2014, and completing our first full year of operation of Diamond Green Diesel, a partnership that produces renewable diesel fuel. Our employees are dedicated to environmental
stewardship through a variety of activities, from wetlands restoration to green-space beautification.

Community involvement continues to be a centerpiece of our culture, and our employees make a difference in their communities through their giving and volunteerism. For the second consecutive year, Valero was named to The Civic 50, a list of the top community-minded companies in America, by Points of Light in partnership with Bloomberg News.

For our spirited United Way campaign, we adopted the theme “Heroes of Giving” as our employees truly are heroes to vital social-service organizations that depend upon our support. In 2014, Valero and its employees pledged $11.2 million to local United Way chapters for donations in 2015.

With the strong support of our business partners, the 2014 Valero Texas Open and Benefit for Children raised $9 million for children’s charities everywhere we operate in the U.S. This brings our total to over $90 million, in our drive toward $100 million raised since our title sponsorship began in 2002. In addition, our employees volunteer more than 130,000 hours each year in their local communities.

Our employees remain our No. 1 asset, and we continue to provide well-paying jobs and excellent benefits, including subsidies to help pay health-care premiums, and an award-winning health and wellness program that literally has saved lives.

Valero’s reputation is valuable, so we uphold the highest standards of business conduct and ethics through our strong corporate governance policies. In 2014, we were the top independent refiner on Fortune magazine’s “World’s Most Admired Companies” list, and scored ahead of other refining companies on Forbes magazine’s “America’s Most Reputable Companies.”

So all in all, the more things change at Valero, the more some very important things remain the same. As we fulfill our vision to be a global leader in the manufacture, distribution and marketing of transportation fuels and petrochemicals, we will continue to do so in the safest way while continuing to nurture vibrant communities and demonstrate improved environmental performance.

The vision and dedication shared by our employees reflect this commitment – which means that Valero provides industry leadership in all that we do. We hope you enjoy our report!

Joe Gorder
Chairman, President and Chief Executive Officer
Commitment to Excellence

As a leading manufacturer and marketer of transportation fuels, petrochemical products and power, we are committed to following these guiding principles for excellence in our business, industry and relationships with our employees and communities.

Commitment to Safety
The safety of our employees, operations and communities is our highest priority.

Commitment to the Environment
We are committed to producing environmentally clean products, while striving to improve and enhance the environmental quality of our operations within our local communities.

Commitment to Our Communities
We are committed to taking a leadership role in the communities where we live and work by providing company support and encouraging employee involvement.

Commitment to Our Employees
Our employees are our No. 1 asset. We are committed to providing a challenging, enjoyable and rewarding work environment, which fosters respect, dedication, integrity, open communication, customer service, generosity and opportunity for individual professional growth and development.

Commitment to Our Stakeholders
We are committed to delivering long-term value to all stakeholders – our employees, investors, customers and suppliers – by pursuing profitable, value-enhancing strategies with a focus on world-class operations.

Commitment To Excellence Management System (CTEMS)
Our vision at Valero is to be the best manufacturing and consumer-focused product provider in the global transportation fuels and petrochemical feedstocks business, generating industry-leading shareholder returns in an employee-focused, socially conscious, community-minded, safe, reliable and environmentally responsible way. As we strive to achieve this vision, we are committed to pursuing excellence in all aspects of our business.

The Commitment to Excellence Management System (CTEMS) guides us in achieving our Commitment to Excellence objectives. In driving operational excellence, CTEMS establishes a systematic approach to planning, executing, checking and acting to improve our everyday work activities across the entire company. It also further enhances our commitment to ensuring the health and safety of our employees and protecting the environment.

CTEMS has nine elements:
1. Leadership Accountability
2. Protecting People and Environment
3. People and Skills Development
4. Operations Reliability and Mechanical Integrity
5. Technical Excellence and Knowledge Management
6. Change Management
7. Business Competitiveness
8. External Stakeholder Relationships
9. Assurance and Review

Operational excellence means reliable and predictable operations, which make our facilities safer and more efficient. CTEMS has counted many successes, in areas ranging from change management to risk assessment, fixed-equipment inspection and preventive maintenance. We will continue to assess existing programs against expectations defined in CTEMS, and establish plans to close any identified gaps.
Map of Operations
We believe success is not achieved unless it is done safely. Safety is a mindset that comes from a clear vision that the health and safety of our employees is our No. 1 priority. When we work together safely, we will be successful.

Rudy Elizondo
Supervisor-Maintenance, Valero Port Arthur Refinery

46% reduction in injury rates since 2009
8 Valero refineries approved as VPP Star Sites
58% reduction in process safety event rates since 2010
At Valero, the most important measure of success always has been the safety of our employees, contractors, customers and neighbors. Safety, both occupational and process, is integrated into every facet of our operations.

**OCCUPATIONAL SAFETY**

Valero recorded its lowest-ever refinery employee injury rate in 2014, as we go beyond basic regulatory compliance in voluntarily submitting to tough safety audits under U.S. Occupational Safety and Health Administration programs and establishing high internal standards.

We track employee and contractor injury rates by total incidents recorded per 200,000 working hours, known as the Total Recordable Incidence Rate, or TRIR.

In 2014, Valero established a record-low refinery employee recordable incidence rate of 0.42, while our contractors continued their strong safety performance. Our combined employee and contractor rate of 0.43 also is a new low, and well below the industry average for refinery employees of about 0.9.

Lost Time Incidence Rate (LTIR) is another key measure of personal safety performance, representing the number of recordable injuries or illnesses requiring time away from work, per 200,000 working hours. In 2014, our refinery combined employee and contractor LTIR was 0.12, matching our lowest-ever mark.

**Life-Saving Rules**

Valero operates a program called “Life-Saving Rules” at its refineries, ethanol plants and logistics operations. We all must follow these rules to the letter in order to prevent the most serious of injuries from occurring. They range from working with a valid work permit to wearing specified life-protection equipment. The program is supported by comprehensive critical safety procedure reviews and training.
Valero Kicks Off Campaign to Make All of its Refineries VPP Stars

With a campaign announced in 2014 and introducing a new logo and a football theme, Valero continued its emphasis to have all of its refineries approved as Voluntary Protection Program Star Sites, which is the highest level of safety achievement recognized by OSHA.

To reach Star status, sites must develop processes that drive continuous improvement in process and occupational safety, and pass a rigorous on-site review by OSHA or its state affiliates.

Eight Valero refineries are Star Sites, the most of any refiner, including Houston, Texas City, Bill Greehey refineries East and West (Corpus Christi) and Three Rivers in Texas; Ardmore in Oklahoma; and Wilmington and Benicia in California. Our Jean Gaulin refinery in Quebec holds a Valero VPP Star after passing a VPP-style audit by an independent, OSHA-trained team. Valero’s asphalt plants in Houston and Corpus Christi also are OSHA-approved Star Sites, and numerous contractors at our refineries have earned the Star designation.

The football theme includes a friendly competition between plants, around programs and processes that are part of a healthy safety program. The goal is for each plant to always be “moving the ball” forward to improved safety.

Once a new site reaches Star status, under the new campaign, each employee there will receive a Valero football team jersey unique to that employee – with a number representing the year of their hire, and their name on the back – reminding that each plays a vital role as individuals on a winning team.

“The football theme is a great concept,” said Joe Gorder, Valero Chairman, President and Chief Executive Officer. “You have to play as a team and execute on the fundamentals. And, safety is fundamental to our success at Valero.”

The cornerstone of success in VPP is the combination of management commitment and employee involvement. Those sites that undertake this effort are proven to have some of the best safety records and performance in the industry, averaging 52 percent lower days-away and restricted-duty rates due to injuries.
PROCESS SAFETY AND RELIABILITY

Valero refineries have made significant progress in key process safety and reliability measures. Intense reliability assessments, which directly support process safety improvements, review equipment and management systems to ensure Valero’s practices are strong and effective.

Process Safety

Valero achieves process safety excellence through its focus on safe and reliable operations. Our management systems allow us to consistently deliver predictable and desirable operating results. These results are achieved through effective systems of leadership, measurable performance expectations, management controls and work practices. Leadership focuses improvement strategies on the areas of greatest opportunity.

We use what we learn from internal and industry investigations to reduce incidents and increase operational reliability. Valero’s state-of-the-art investigation methods maximize learning value. This has increased the depth of understanding of incident causes, and is driving improvement in management systems and work practices to prevent similar incidents from recurring.

Mechanical and Electrical Reliability

There has been continuous improvement in mechanical and electrical reliability at Valero’s refineries. In 2009, the Electrical Safety and Reliability Network (ESARN) and Materials and Inspection Network (MAIN) rolled out comprehensive assessments to identify opportunities to further improve safety and reliability performance. Since the initial rollout, legacy Valero sites have shown a 33 percent improvement in performance.

Automation/Controls and Rotating Equipment Reliability

Valero’s Process Automation and Control Effectiveness Network (PACE) and Rotating Equipment Reliability Network (ROTO) have developed standards and practices to maximize equipment safety and reliability. Both networks have developed assessments similar to MAIN and ESARN that are driving continuous improvement in automation and controls, and in machinery reliability.

Process Safety Event Rates*  
Three-year rolling averages

Valero has reduced its rate of Tier 1 API process safety events. This graph represents three-year rolling averages of events per 200,000 work hours.

* Tier 1, as defined within American Petroleum Institute Recommended Practice 754
Other Highlights

- The Bill Greehey refineries East and West plants and the Benicia refinery received re-approval as VPP Star Sites. Our Three Rivers and Ardmore refineries, as well as the Corpus Christi asphalt terminal, were recommended for Star-Site re-approval in 2014, based on their on-site OSHA review.

- Valero received several “Stars Among Stars” awards from OSHA in 2014, for low incident rates compared with industry averages. The Houston refinery and Bill Greehey East refinery earned “Star of Excellence Awards” for rates at least 90 percent below industry averages. In fact, Houston hasn’t recorded an employee injury of any kind in two-and-a-half years.

- Valero Renewables ethanol plants won several awards in 2014. The Albion, Neb., plant earned a Bronze Award of Honor from the Nebraska Chapter of the National Safety Council and an Occupational Excellence Award from the National Safety Council; the Fort Dodge, Iowa, location earned a Community Enrichment Award and a Hazard Recognition Award from the Iowa-Illinois Safety Council; and the Welcome, Minn., site accepted a Governor’s Safety Award from the Minnesota Safety Council.

I am committed to safety not because I have to, but because I have made that choice to keep those who work with me focused and safe. That’s what safety is all about – making the right choices, every day.

Larry Walker, Chief Mechanic-Maintenance, Valero Wilmington Refinery

- Valero earned the “Thoroughbred Chemical Safety Award” from Norfolk Southern Corp. for shipping at least 1,000 carloads of hazardous materials on the railroad without a single incident.

- Valero Renewables-Hartley in Iowa completed three years without a recordable injury, and has recorded no Tier 1 process safety, reliability or rail safety incidents in its history.

- The Ardmore refinery won the Valero Chairman’s Safety Award for 2014 after posting no recordable employee injuries or Tier 1 process safety events.
Valero petroleum and asphalt refineries again earned industry praise in 2014 with 10 safety awards from American Fuel & Petrochemical Manufacturers, the industry's major trade association.

In all, seven Valero petroleum refineries and one asphalt refinery received at least one safety honor from AFPM, recognizing performance over the previous year. The awards honored AFPM member companies operating U.S. refineries and petrochemical plants, as well as associate-member contractors, for superior occupational and process safety performance as reflected by safety records and practices.

“This is a fantastic accomplishment by our plants, said Sean Horne, Vice President-Safety. “Each year, our refinery employees and contractors strive for safety excellence, and this year’s winners demonstrated that commitment. As we continue to promote safety excellence, our goal remains to have all of our U.S. refineries recognized annually by AFPM for exceptional safety performance.”

**AFPM Issues More Safety Awards to Valero Refineries**

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**Valero Refineries Earning Awards:**

- **Benicia**
  - Meritorious Safety Performance Award – 0.2 TRIR
- **Bill Greehey (two refineries, Corpus Christi East and West)**
  - Meritorious Safety Performance Award – 0.2 TRIR
- **Houston**
  - Meritorious Safety Performance Award – 0.0 TRIR
  - Achievement Hours – 1,130,999 hours, from 6/6/2012 to 12/31/2013
  - Achievement Years – 1 year, from 6/6/2012 to 6/5/2013
- **McKee**
  - Meritorious Safety Performance Award – 0.6 TRIR
- **St. Charles**
  - Meritorious Safety Performance Award – 0.5 TRIR
- **Three Rivers**
  - Achievement Years – 1 year, from 12/20/2012 to 12/19/2013
- **Wilmington Asphalt**
  - Meritorious Safety Performance Award – 0.0 TRIR
  - Achievement Years – 5 years, from 6/16/2008 to 6/15/2013

**AFPM awards and their evaluation criteria:**

- **Meritorious Safety Performance Award:** Recipients must achieve an employee total recordable incidence rate (TRIR) of 0.8 incidents, or less, per 200,000 working hours at their site for calendar year 2013.
- **Award for Safety Achievement:** 1,000,000+ Employee Hours – Recipients must have worked 1 million or more employee hours without a lost employee workday case involving days away from work.
- **Award for Safety Achievement:** 1+ Years – Recipients must have worked one or more years (365 consecutive days) without a lost workday case involving days away from work.

Also, to be eligible for an award, plants must not have incurred any major process safety incidents resulting in employee, contractor or subcontractor days away and/or work restrictions; a third-party fatality; or an officially declared community evacuation or community shelter-in-place during 2013.
EMERGENCY PREPAREDNESS

Valero has implemented an emergency preparedness program to ensure its response readiness. We train and prepare continually to make sure that in the event of an emergency, we do the best job we can to protect personnel, the community and our environment. Our program includes:

- A consistent emergency management process and organization that has the ability to provide immediate and comprehensive corporate support and response
- Qualified emergency response teams at each of our operating facilities, and/or relationships with local fire departments
- Regular training for responders and managers in emergency management, incident command and tactical operations
- Relationships and contracts with emergency response contractors, suppliers and vendors to ensure availability of necessary resources
- A regular drill and assessment schedule to ensure response readiness and identify opportunities for improvement

- Computer-based training required for all headquarters employees to maintain familiarity with safety procedures on campus and reinforce the importance of following those procedures
- Emergency planning and response appropriately considered in the strategic planning and capital budget process
- Quality software, Web-based tools and resources necessary to ensure efficient emergency planning and decision-making
- Training and/or support to local fire departments and coordination with local law enforcement

**Emergency Operations Center (EOC)**

Valero’s corporate Emergency Operations Center (EOC) is a state-of-the-art facility that coordinates response and recovery actions and resources, and supports local response organizations. The EOC optimizes communication and coordination through information management, sharing and presentation.
Natural Disasters
Planning and preparedness provide Valero and its employees the means to effectively respond in the event a disaster occurs. Natural disasters such as flooding, tornadoes, earthquakes and, in particular, hurricanes can pose a significant threat to Valero, our employees and communities. Annually, hurricane preparation begins in April by ensuring response resources are ready, all equipment is inventoried and tested, and detailed weather reports are issued for each weather event.

SECURITY
Valero’s advanced technology, sophisticated monitoring equipment and highly trained security personnel ensure facilities and assets are safe and secure. Our security enhancement initiatives continually safeguard Valero’s employees and adjacent communities. Ongoing security initiatives at Valero’s facilities include:

- Development of facility security plans and security assessments for all refineries, terminals and ethanol plants, including full Chemical Facility Anti-Terrorism Standards (CFATS) compliance
- Full compliance with the Transportation Worker Identification Credential (TWIC), a federal program designed to secure our nation’s ports and modes of transportation*
- Commitment to protecting our borders against national security threats by participating in the Customs-Trade Partnership Against Terrorism (C-TPAT) program with U.S. Customs and Border Protection**
- Membership in and full collaboration with the American Fuel & Petrochemical Manufacturers Security Committee

* The U.S. Transportation Security Administration (TSA) implemented this program in 2007 to further secure maritime refineries and terminals. Most of Valero’s refineries and terminals are covered by the Marine Transportation Security Act and therefore are regulated by TWIC. The remainder of our inland refineries and terminals are covered through the implementation of CFATS.

** C-TPAT is a partnership with U.S. Customs to secure global supply chains. Membership in C-TPAT is a prerequisite to the Importer Self Assessment (ISA) program. As a member of ISA, Valero agrees to self audits of transactions with U.S. Customs and Border Protection.
Commitment to the Environment

We are committed to producing environmentally clean products, while striving to improve and enhance the environmental quality of our operations within our local communities.

- 12.7 million pounds of spent catalyst recycled
- 3,000 trees to be reforested in Boisé de l’Abbaye Valero woodland
- 1.3 billion gallons of annual ethanol production capacity
Here are just a few ways Valero works to improve and enhance the environment:

- We recover usable oil from waste materials and reprocess it through a method called coker recycle, transforming the oil into high-value fuel. This avoids the transportation and disposal of this material as waste. In 2014, Valero **recycled 5,964 dry tons of this material**. For its process, the Valero St. Charles Refinery received the Environmental Leadership Program award from the Louisiana Department of Environmental Quality, and the Joseph D. Martinez Environmental Achievement Award from the Louisiana Air & Waste Management Association, both in 2014. Five other Valero refineries also employ coker recycle processes.

- In 2014, Valero **recycled 12.7 million pounds of spent refining catalyst** material that otherwise would be disposed in landfills as hazardous waste. The recovered metals are used by manufacturers including petroleum refineries.

- At the Valero Pembroke Refinery in Wales, a $35 million upgrade of the sulfur recovery unit and conversion of the plant to natural gas have **reduced annual sulfur dioxide emissions by 3,000 metric tons** since February 2013. The refinery also upgraded its alkylation process, **reducing the annual spent caustic material generated in the process by 2,700 metric tons**.

- Plant wastewater from the Three Rivers refinery is treated and provided to the oil and gas industry for reuse as fracking water in the Texas Eagle Ford shale area, **reducing the amount of fresh water drilling companies use**. Additionally, the refinery sends treated effluent to a remote irrigation site, which generates hay for agricultural use.

- We signed an agreement with Quebec agricultural producers and wood manufacturers to create a sustainable forest management fund. **A five-year budget of $1.5 million** provides support to woodland owners along the Pipeline Saint-Laurent route to develop other sections of their woodland.

Environmental stewardship is a core value at Valero. We have initiated processes and improvements that demonstrate our commitment to a cleaner environment.

> "Environmental protection and harmonious cooperation between Valero and the community are very important to me. I firmly believe that the long-term success of our company is tied to projects that have a social impact, such as the creation of green spaces available to all. That’s why I’m very proud to contribute to the Boisé de l’Abbaye Valero project … to help completely reforest the Abbey woodland, an exceptional site owned by Valero."

Marie-Andrée Dubé
Intermediate Environment Engineer,
Valero Jean Gaulin Refinery
In addition, Valero employees participate in a variety of environmental preservation efforts:

- The Jean Gaulin refinery provided a greenbelt between the plant and residential neighborhoods, featuring the 160-acre Valero Les Écarts Park, offering many walking and cycling paths. Valero recently acquired the adjacent Boisé de l’Abbaye Valero woodland, where employees are involved in a project to reforest 3,000 trees per year for 12 years, in cooperation with regional organizations.
- The St. Charles refinery donated $10,000 to the Lake Pontchartrain Basin Foundation, and employees partnered with the foundation and The Restore the Earth Foundation to restore swamp forest on the Maurepas Landbridge. These swamp forests are very important wildlife habitats and provide storm-surge protection for nearby communities.
- At the Valero Meraux Refinery in Louisiana, employees planted 65 native trees and 300 shrubs along the refinery fence line, as part of a $100,000 beautification project.

ENVIRONMENTAL SCORECARD INCIDENTS

Valero internally tracks its environmental performance through “scorecard” incidents, such as unplanned releases and spills.

While our goal is to eliminate all such events, our total environmental scorecard incidents in 2014 had decreased more than 49 percent from 2008, as a result of our environmental initiatives.

Other Highlights

- The Texas City refinery won the Valero Chairman’s Environmental Award for 2014, reducing its environmental scorecard incidents by 17 percent from 2013, and its baseline flaring 90 percent since 2008.
- The St. Charles refinery completed 10 years without an acid-gas flaring incident, while the Texas City refinery achieved nine years, and the McKee refinery in the Texas Panhandle reached seven years. The Houston and Pembroke refineries completed three years without flaring of any kind.
- Valero also is committed to renewable fuels and power. In 2014, Valero purchased an additional ethanol plant, bringing its total number to 11. Diamond Green Diesel, a joint venture of Valero and Darling Ingredients Inc., completed its first full year, producing renewable diesel fuel from animal fats, used cooking oil and corn oil. Valero also operates a 50-megawatt wind farm that partly powers the McKee refinery.
- The Valero Renewables-Hartley ethanol plant in Iowa completed three years without a reportable environmental scorecard incident.
- Recyc-Québec, a Quebec government agency, awarded the Jean Gaulin refinery a Silver Grade-level recognition for its efforts in recycling, and improved management and reduction of waste generation. The refinery reached an 88.9 percent waste-recovery rate.
We process the entire kernel of corn – with one bushel yielding approximately 2.8 gallons of ethanol and 18 pounds of distillers grains – generating little liquid or solid waste. Storage at the plants can hold more than 2 million bushels of corn, 3.5 million gallons of ethanol and about 9,000 tons of distillers grains.

**ENERGY CONSERVATION**

Valero continues to improve energy conservation at its facilities. Our refineries consistently have ranked among the top facilities in energy efficiency, in industrywide surveys.

Our comprehensive Energy Stewardship Program has sharply focused on improvements in operations such as in distillation and other production processes, in order to boost efficiency.

In 2014, and despite a heavy turnaround workload, our refineries’ energy consumption stood at 0.42 million British thermal units per barrel of throughput, **down from previous years** due to continuing conservation efforts.

**Refining Total Energy Use**

(Million Btu per barrel of throughput*)

* Including Pembroke and Meraux refineries starting in 2012
FLARING, CRITERIA EMISSIONS

Combusting gases in a flare is beneficial when those gases otherwise would be emitted into the air during outages and other events. However, Valero has taken aggressive steps to reduce the need for flaring to begin with, by working to avoid outages and improving reliability. Additionally, we have implemented a companywide flaring reduction initiative, which includes installation of flare-gas recovery systems.

We also have focused on reducing total “criteria” emissions of nitrogen oxide, sulfur dioxide, carbon monoxide, particulate matter and volatile organic compounds.

Since 2008, Valero has reduced its number of reportable refinery flaring events more than 60 percent. The total criteria emission rate dropped more than 45 percent through 2013, the most-recent year reported.

GREENHOUSE-GAS EMISSIONS

Valero closely follows regulatory developments and participates in professional and public-policy forums that address climate change and its potential impacts.

Valero intends to continue to minimize its greenhouse-gas and other air emissions through adoption of new technologies, and improved and more efficient operations. We lowered our per-barrel greenhouse-gas emissions by 6 percent in 2013, the last full year reported.

Through flare-gas recovery and other initiatives such as on-site power and steam co-generation, and alternative energy, Valero continues to produce clean and renewable fuels for the world’s energy needs.

WASTEWATER MANAGEMENT

Our manufacturing operations generate process and storm water that must be treated before discharge or reuse. In fact, each of our refineries has a wastewater treatment plant similar to those operated by most cities.

These plants are operated by personnel trained and skilled in wastewater management and treatment. A corporate wastewater technology adviser works with each plant to ensure our systems are designed and operated to the highest standards.

SPILLS TO LAND/WATER

Valero is focused on reducing all spills from its facilities, and thoroughly investigates incidents to reduce their recurrence.

Since 2008, the company has reduced its number of regulatory reportable spills to land or water by 60 percent.
ENVIRONMENTAL JUSTICE

Valero takes pride in being a good neighbor and the first energy company to adopt a formal Environmental Justice Policy and initiate a real outreach to fence-line communities. The company diligently looks for ways to build relationships along the fence line, such as in regular meetings with local community advisory panels (CAP), and expand upon its outreach in an effort to continue improving the quality of life of its fence-line neighbors.

For example, working with Community In-power and Development Association Inc. (CIDA) in Port Arthur, Valero coordinated and helped underwrite plans with federal, state and local agencies to remove blighted Section 8 housing near large industrial facilities and provide alternative apartment and duplex units farther away, benefiting the community’s neediest residents. “No one cared about this, or did anything about it, until Valero,” said CIDA activist Hilton Kelley.

Valero Managing Counsel Stephanie Hall continues to actively serve as a representative of business and industry on the National Environmental Justice Advisory Council (NEJAC). In 2010, the U.S. Environmental Protection Agency administrator invited Hall to serve on the council, which provides recommendations to the EPA on environmental policy and issues related to environmental justice.

Our Policy

Valero strives to operate as a good neighbor and to look for opportunities to work with local officials and directly with fence-line neighbors to improve quality of life for its neighbors and communities.

Valero aims to treat its fence-line neighbors fairly, regardless of race, color, national origin, culture or income. We work to ensure that our neighbors have an opportunity to understand our proposed activities, and to provide them with a meaningful opportunity to have their concerns heard, with the goal of providing them with greater comfort in our operations.
Commitment to Our Communities

We are committed to taking a leadership role in the communities where we live and work by providing company support and encouraging employee involvement.

$38+ million donated or raised in 2014

$11.2 million pledged to United Way for 2015, with company match

130+ thousand volunteer hours logged each year
Valero knows that being a good operator also means being a good neighbor. We demonstrate our commitment to all of our communities through a variety of philanthropic efforts, volunteer activities and educational support programs.

For the second consecutive year, Valero made the list of America’s 50 most community-minded major companies – The Civic 50. The list is an annual initiative of Points of Light, the world’s largest organization dedicated to volunteer service, in partnership with Bloomberg News. We are the only energy company in the top 50, recognized for our commitment to improve the quality of life in communities where we do business.

PHILANTHROPY

Overall in 2014, Valero, its employees and charitable organization generated more than $38 million for worthy charities or causes, through direct donations or fundraising.

- The Valero Energy Foundation – Valero’s philanthropic arm – contributed approximately $17 million, plus in-kind donations, to improve the lives of those who live in or near the communities where Valero has major operations.

- Valero is a leading supporter of the United Way as a two-time national Spirit of America Award winner, and its foundation and employees pledged more than $11.2 million to the United Way in 2014, for donations in 2015 – up nearly 6 percent from the year before. In Canada, company and employee donations to Centraide topped $640,000.

- The foundation, with the overwhelming support of its sponsors, raised $9 million for children’s charities across the United States in 2014 through the Valero Texas Open and Benefit for Children. The contribution is among the largest charity gifts on the PGA TOUR. Since Valero became the title sponsor of the event in 2002, and through 2014, it raised $90.5 million.

- Now under the Valero Energy Foundation of Canada, an annual benefit golf tournament has raised nearly $4 million for children’s charities throughout Quebec, Ontario and the Atlantic provinces the past 10 years. The event in 2014, raising $300,000, attracted 117 companies, benefiting 77 charitable organizations.

- Valero’s cycling team, Velo Valero, was a top fundraising team in the annual Bike MS: Valero Ride to the River event in 2014. Valero committed to serve as title sponsor of the event through 2017, securing its leadership in raising funds for the National Multiple Sclerosis Society’s South Central Chapter. Velo Valero team members in Amarillo, Texas, and in Louisiana, also pedaled in various fundraising events, including those for the American Diabetes Association as well. For all bike rides, Valero raised approximately $254,000 in 2014.
Valero established the Valero Volunteer Council in 1983, and each location still has a council serving its local communities. Through the years, the councils have built a strong bond with many local charities, organizations and agencies where Valero has a presence. Volunteer Councils assemble to discuss the needs of each community.

- Valero employees log more than 130,000 volunteer hours each year for hundreds of community projects, including mentorships, shelter support, holiday events, emergency relief and a host of other activities.
- In San Antonio, approximately 125 Valero employees serve on the boards of more than 160 local nonprofit agencies.
- Valero is a strong supporter of food banks wherever it operates, sponsoring several food drives each year. Since 2008, Valero has collected food and monetary donations representing an equivalent of more than 900,000 pounds of food items for the San Antonio Food Bank, plus many thousands more at other locations. In 2014, a food drive at the Texas City refinery netted 6,797 pounds of food, going to the Galveston County Food Bank. And the Valero Renewables-Jefferson plant in Wisconsin collected 2,980 pounds of food, competing with other Valero ethanol plants as part of United Way-campaign kickoff activities.
- Valero Volunteers additionally have built numerous Habitat for Humanity homes throughout Valero’s communities. Valero has contributed more than half a million dollars and thousands of volunteer hours helping to sponsor or build Habitat homes in virtually every region since 2008. In 2014, we contributed $170,000, and hundreds of volunteer hours, for homes in San Antonio, Texas City, Memphis and Benicia.

Texas City refinery volunteers near completion of this home for a single mother and her three children.
EDUCATION

Valero is a strong advocate of education and contributes to organizations with programs and services that share the same focus.

- The Valero mentoring program is a top priority of our Valero Volunteer Council and management. For more than 10 years, our program has helped school children in schools across the country. At our corporate office, volunteers have their choice of volunteering at one of six elementary schools, a middle school or a high school. In addition, they give their time to organizations such as Big Brothers/Big Sisters, Boys Town Texas, Junior Achievement, Girls Inc., Valero’s Juvenile Justice Mentoring Program, St. Peter-St. Joseph’s Children’s Home and Texas Institute for Educational Robotics (TIER).

- Valero remains active throughout the school year to help students be successful. Volunteers support various events and programs, including school-supply and uniform drives held at the end of summer to help students start the new school year. They also host “Career Days” at area schools, and provide tours and use of corporate facilities to schools.

- Valero also is title sponsor of the Valero Alamo Bowl, which annually recognizes dozens of San Antonio high school seniors as recipients of up to $200,000 in college scholarship awards. The college football bowl game, which features an annual matchup between Big 12 and Pac-12 conference schools, has contributed approximately $1.4 million in scholarships over the past 14 years.

"Working for Valero has given me the opportunity to positively and collaboratively impact my community at a level I never could have reached on my own. I am grateful to work for a company that chooses to invest directly in the communities where our employees live and work. That’s important to me, and it’s important to many of my millennial peers."

Paisley Hieronymus
Project Engineer,
Valero McKee Refinery
MILITARY SUPPORT

Valero supports many worthy military organizations including Fisher House, Warrior Support Foundation, Operation Comfort, Operation Homefront, Marines Helping Marines, Vietnam and World War II veterans’ museums, Returning Heroes Home, local VFWs, National Museum of the Pacific War and the National Committee for Employer Support of the Guard and Reserve. For the 10th consecutive Thanksgiving Day, about 400 members of the U.S. military in 2014 were treated to a traditional holiday meal courtesy of Valero Volunteers. The soldiers and sailors, training in the Army Medical Department Center and School at Fort Sam Houston, filled an entire floor of Valero’s headquarters while 175 Valero Volunteers and their families served food and entertained their young military guests.

Other Highlights

- Sammy Nieto, Manager-Accounting, appeared on Fortune magazine’s “Heroes of the Fortune 500” list, and received an award from the LULAC National Education Service Centers, for his work in founding and developing the Valero Juvenile Justice Mentor Program. The groundbreaking program actively helps stem the tide of truancy in the San Antonio area, through a partnership between Valero volunteers, local school districts and courts. Volunteers mentor students under court order for truancy, in lieu of punishment, through classes and mock court sessions. Since its founding in 1997, the program has helped waive nearly $4.5 million in probation fines and keep more than 38,000 students in school.

- The Valero Energy Foundation donated $3 million for construction of the new Children’s Hospital of San Antonio, the first freestanding, nonprofit hospital in the city solely dedicated to children’s care. The gift will be used for the pediatric hematology/oncology outpatient center.

▲ Sailors are treated to a traditional Thanksgiving meal at Valero headquarters.

▲ Sammy Nieto conducts a truancy prevention counseling class at a San Antonio elementary school.
• For its 2015 companywide United Way campaign, Valero adopted the theme “Heroes of Giving,” with activities built around colorful superhero figures and competition to boost pledges. Headquarters held several employee team challenges, from a fitness competition to a lively “Chopped” Challenge, recreating the popular Food Network show with teams turning boxes of mystery ingredients into culinary dishes judged by local professional chefs. Teams also stuffed five school buses, end to end, with 1,426 backpacks filled with school supplies for 5th-graders at five different South San Antonio ISD schools, as part of another team challenge. The more than 18.4 tons of supplies packed at the Stuff the Bus event represented more than half the amount collected all year by Communities In Schools of San Antonio.

• The St. Charles refinery earned a “Spirit Award” from the United Way of St. Charles, the chapter’s highest honor recognizing the area’s best overall United Way campaign.

• The Port Arthur refinery presented a Valero Energy Foundation check for $100,000 to the Lamar Institute of Technology to help provide scholarships for students in welding technology, process operating technology, instrumentation technology, industrial mechanics, computer drafting technology and occupational safety and health technology.

• In conjunction with The Independence Fund, employees at the Valero Memphis Refinery raised $13,950 to purchase an all-terrain wheelchair for a military-veteran amputee, allowing him to maneuver in the woods and other rustic settings.

• Volunteers with Valero’s Ireland operations took part in several events during 2014, including a sporting competition with 10 other teams in the WALK Charity Sports Day, raising funds to help develop a resource center for disadvantaged communities, and the Valero Charity Golf Tournament supporting individuals with Down syndrome and their families. Volunteers also built a children’s play area to help the Matt Talbot Community Trust, which provides a family summer program.

• Sylvia Rodriguez, Valero’s Director-Community Relations, received the “Norma Rodriguez Service Award” from the San Antonio Hispanic Chamber of Commerce, for her years of service and volunteer work in the community.
Commitment to Our Employees

Our employees are our No. 1 asset. We are committed to providing a challenging, enjoyable and rewarding work environment, which fosters respect, dedication, integrity, open communication, customer service, generosity and opportunity for individual professional growth and development.
We are honored to be an employer of choice in the fuels manufacturing and marketing industries, and value our global family of employees and all of their hard work and dedication.

EMPLOYMENT

Valero is proud to employ approximately 10,000 hardworking individuals with incredible dedication.

Our intent is to employ and retain the most qualified individuals without regard to race, color, gender, religion, sexual orientation, genetic information, national origin, age, disability, veteran status, or any other category protected by federal, state or local law. Valero promotes and recognizes each individual employee for his or her unique talents and contributions.

We support and foster a work environment where respect for others is the rule and expectation, and where differences in people are viewed as opportunities for learning and approaching things differently.

At Valero, diversity and inclusion are not just an initiative. It is how we approach our business, how we value our communities and how we treat each other every day. Valero and its employees have been recognized by the National Diversity Council and the Texas Diversity Council for their diversity efforts.

COMPENSATION AND BENEFITS

We believe that an investment in our employees – from competitive pay and benefits to a caring company culture – is an investment in the future of Valero and its communities.

In addition to offering well-paying jobs, Valero subsidizes health-care premiums for employees to purchase their benefits. The benefits help employees maintain good health, offering comprehensive medical, dental, prescription, vision, long-term care and wellness plans.

Valero also provides 401(k) savings plans, and matches employee contributions.

At its headquarters, Valero operates a on-site child care facility called the Valero Family Center. Eligible employees at field locations can receive child care subsidies.

▲ Employees display Valero’s belief in diversity and inclusion, participating in the annual Martin Luther King Jr. Commemorative March in San Antonio.
Intern Program Boosts Hiring, Opportunity

As a global leader in the energy industry, Valero requires top talent to fill challenging and demanding jobs. Perhaps nothing supports the company’s hiring needs better than the Valero Intern Program.

In fact, a large percentage of associate-level employees hired each year come from the program – a level that has risen steadily in recent years. The program is designed to provide students across a wide range of disciplines the opportunity to accomplish meaningful assignments, learning first-hand about the rewarding work available and the caring Valero culture.

In so doing, the program generates a strong, well-informed candidate pool for available positions. Valero provides internships for various degree programs, with an emphasis on engineering (chemical, electrical and mechanical), computer sciences (including management information systems) and accounting, employing about 160 students each year. The engineers typically intern at one of our 13 U.S. refineries, while the computer science and accounting interns come to San Antonio. The Intern Symposium, the program’s signature event, takes place each summer at headquarters, hosting interns from across the company who participate in a rich mix of classes, workshops and other personal and professional development opportunities. The 2014 event featured a panel discussion on “Becoming a Professional,” and top executives including Valero Chairman, President and Chief Executive Officer Joe Gorder shared personal experience, advice and other valuable insight.

“I especially enjoyed that Mr. Gorder took the time off his busy schedule to speak with the interns,” said Carolina Bradford, an ongoing intern in Accounting. “He made me believe that we interns also impact the company. Knowing that a Fortune 10 CEO spoke to us – well, it made me feel like a million bucks.”

Interns proudly represent the Valero Texas City Refinery at the annual summer Intern Symposium in San Antonio.

Being a Valero employee provides the opportunity to make a great living while working for a company that inspires its employees. Valero motivates its employees to not only strive for excellence in our industry but also to serve the communities and be stewards of the environment where we live.”

Jeremy Thompson
Shift Superintendent, Valero St. Charles Refinery
Family Perks

Valero provides support for maintaining work-life balance by offering unique services and programs for employees and their families.

- **Family Gift Program** – Valero provides employees with a monetary gift to assist with expenses following the birth or adoption of a child.
- **Scholarship Program** – Each year, Valero awards 30 scholarships to employees’ children who are planning to attend college. Since the program’s inception in 1981, Valero has awarded 556 scholarships totaling $4.9 million.
- **SAFE Fund** – This is a fund designed to help employees who are experiencing a catastrophic event in their lives that creates a significant financial need.
- **Adoption Assistance** – Valero offers a reimbursement up to $2,000 per child for adoption-related expenses (travel, meals, lodging, legal fees, counseling fees and other related costs). Many families have benefited from the assistance, which has supported successful adoptions in the U.S., and from Ukraine, Russia and China.

Employee Recognition

Valero employees are recognized and appreciated for their dedication and commitment to excellence. Many special programs are available for all Valero employees.

- **Service Awards** – Plaques and gifts are given to employees to mark their one-year anniversary and five years of service, and every five years thereafter.
- **Retirement Awards** – Upon retiring from Valero, employees are honored for their total years of service and also receive a gift of their choice.
- **Volunteer of the Year** – Each year, Valero recognizes Volunteers of the Year who exemplify the true spirit of giving, and they receive an award of their choice, a personalized plaque and a recognition luncheon with leadership.
- **Appreciation Activities** – Valero hosts various employee appreciation activities at each site to reward, recognize and thank employees for their commitment and dedication.
- **Val-U Suggestion Program** – This is a companywide incentive designed to find new and better ways of doing things at Valero. Since its inception in 1982, several hundred employees have received awards for ideas that have saved the company millions of dollars.
- **Employee Referral Programs** – Employees may receive a bonus when a referred applicant is hired.
TRAINING AND DEVELOPMENT

Valero is committed to personal development through its assigned training curriculum for each employee level. We recognize that resources that fuel growth and job satisfaction are critical to a successful operation.

So, a systemwide learning and development program, nurtured by respect for the individual, helps employees understand the expectations of the company and realize their career goals.

The company also provides an excellent education reimbursement program for full-time and part-time employees attending a public or private university.

EMPLOYEE HEALTH AND WELLNESS

Balancing work and home life, keeping in shape and staying healthy are goals everyone shares. Valero provides multiple resources and support services to help.

The Fit Valero Wellness Program encourages employees to achieve total health, fitness and well-being by providing valuable services and innovative programs, such as wellness assessments, fitness programs and employee assistance.

Valero’s wellness program has improved quality of life and even saved lives.

- A fitness center is located at the corporate headquarters in San Antonio and is available to employees, spouses and retirees at no charge, 24 hours a day. A variety of group fitness classes and personal one-on-one training are available. The Port Arthur, Bill Greehey (Corpus Christi), Texas City and St. Charles refineries also have fully equipped fitness centers.

- Other employees who do not have access to an on-site fitness facility may use Valero’s fitness membership subsidy benefit. This benefit allows employees to select the health club of their choice, conveniently located near work or home.

- Valero operates four on-site wellness clinics – at headquarters and the Port Arthur, Bill Greehey, Texas City and St. Charles refineries. The clinics assist employees with at-work health emergencies as well as routine medical issues, with doctors and nurses available five days a week. Valero also has implemented a cancer management program at the clinics to help employees and family members who are diagnosed with the disease.

- Valero provides annual, on-site health risk assessments that are free for employees and at reduced fees for spouses and retirees, providing confidential evaluations.
of current health, appraisals of health risks that may exist and recommendations on improving health. Each year, Valero also offers on-site flu vaccinations to employees at no cost.

- We also provide all employees and their immediate family members with a free, confidential employee assistance program that is available 24 hours a day, offering counseling on a variety of personal, family and work issues.
- The company offers several employee health promotion programs or services. And regular “Lunch & Learn” sessions focus on health-related/work-life issues, such as cancer awareness, heart disease, smoking cessation, exercise, financial/estate planning and other topics.

Valero earned several recognitions in 2014 for promoting and embracing the well-being of its employees, including:

- Fit-Friendly Award, Gold Level Recipient, from the American Heart Association
- Healthy Workplace Award: Gold Recognition, from the San Antonio Business Group on Health in collaboration with the Mayor’s Fitness Council

Valero Family Center Celebrates Five Years

By the fifth anniversary of the Valero Family Center at headquarters in 2014, children who were infants when the day-care facility first opened were preparing to take on the big-kid world of kindergarten.

Over that time, since February 2009, more than 300 children have crawled, toddled or walked the colorful hallways of the thriving learning center, while their parents worked just a sidewalk away. As Valero moms and dads tackled business of the day, their little ones worked hard, too, learning ABCs, 123s and the values that build good character – respect, teamwork, compassion and self-confidence.

“The comfort of knowing my son was on the same campus was so helpful and allowed me to be more productive at work,” said Jennifer Walker, a Lead Vendor Master Specialist at Valero, whose son, Trent, was part of the original class at 4 months old. “The amount of knowledge and skills he has learned there is amazing; I can’t think of a better experience for a family to go through.”

The 28,616 square-foot facility is managed by Bright Horizons Family Solutions, a nationally recognized corporate child-care provider. It is accredited by the National Association for the Education of Young Children, the country’s leading organization of early-childhood professionals.

A staff of 40 full-time and part-time workers leads more than 140 children in their daily routines. With a child capacity of 232, the center still has room for more – fulfilling a promise Valero made to employees when the center was built: The Valero Family Center will never have a waiting list. Ever.
Commitment to Our Stakeholders

We are committed to delivering long-term value to all stakeholders – our employees, investors, customers and suppliers – by pursuing profitable, value-enhancing strategies with a focus on world-class operations.

45 years of service by former Chairman, CEO Bill Klesse

10 rank on Fortune 500

5 rank on Fortune’s “World’s Most Admired” refiners
Our vision is to be the best manufacturing and consumer-focused product provider in the global transportation fuels and petrochemical feedstocks business. As we move to achieve this vision, we will do it the right way: with integrity, always adhering to the highest standards of ethical conduct and corporate responsibility.

Strong corporate governance principles implemented under the guidance of the board of directors are a major driving force of our Commitment to Excellence. Our Corporate Governance Guidelines, Code of Business Conduct and Ethics and charters of board committees all direct Valero’s governance affairs.

BOARD OF DIRECTORS

At the close of 2014, the board included one member from our management (our Chairman, President and Chief Executive Officer) and nine non-management directors. The board determined that each of the non-management directors who served during 2014 met the independence requirements of the New York Stock Exchange listing standards as set forth in the NYSE Listed Company Manual.

The board has the following committees: the Audit Committee, Compensation Committee, and Nominating/Governance & Public Policy Committee. The committees are composed entirely of independent directors under the NYSE listing standards. Each member of the Audit Committee also meets the additional independence standards for audit committees set forth in Securities and Exchange Commission regulations.

Joe Gorder, left, succeeds Bill Klesse, who stepped down as CEO May 1 and Chairman Dec. 30, 2014.

“I am committed to ethical conduct because I want to help Valero’s legacy to be one of integrity; one of always doing what is right for its customers, employees and community.”

Tom Karger
Manager-Training and Development, Headquarters
The Senior Vice President of Health, Safety and Environmental administers a program of audits of Valero facilities and reports annually to the Nominating/Governance & Public Policy Committee regarding Environmental, Health and Safety, and Process Safety Management performance; audit results and other significant audit matters. Each Valero facility is audited by a team of trained environmental or health and safety auditors, including “peer auditors” from other Valero facilities.

For more information on the board committees and their responsibilities, stakeholder engagement, business compliance and other governance matters not included in this report, please consult the Investor Relations page of our website, www.valero.com.

CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics guides the employees and directors of Valero and its subsidiaries to fair, ethical, honest and lawful conduct.

- Through our Code, we exhibit our strong and clear commitment to ethics as part of our core values. From safety to confidentiality to proper use of company assets and accurate reporting of financial information, the Code strives to ensure that our company and our employees maintain the highest standards of ethical behavior at all times. We treat it as a critical document for all Valero employees to read, understand and put into practice every day.
- Valero is committed to training its employees about ethical business practices, and we have several mechanisms in place to instill the importance of our Code of Business Conduct and Ethics.
- The company nurtures an open and trusting environment in which employees are encouraged to look for opportunities to strengthen ethical behavior. Valero has established a confidential, toll-free hotline for employees to call with questions or reports of improper ethical behavior.

PUBLIC POLICY AND ADVOCACY

As Valero and our industry provide products that consumers need, and support jobs and the economy, we seek to be an advocate of sound public policy that affects our business, customers, employees, shareholders and communities. We believe that constructive participation in the political process is an important means of enhancing stockholder value and fostering good corporate citizenship.

Valero’s political activities consist primarily of sponsoring the Valero Energy Corporation Political Action Committee, known as VALPAC. VALPAC solicits and accepts voluntary contributions from eligible employees and stockholders of Valero. VALPAC makes political contributions to support federal, state and local candidates for elective public office who promote the protection and advancement of a strong energy industry and support effective legislation important to Valero and its stockholders, regardless of party affiliation.

SUPPORTING OUR ECONOMY

As the world’s largest independent petroleum refiner, and one of the largest fuel-brand marketers and ethanol producers, Valero has a significant economic impact on the communities where it operates. For example:

- In 2014, we directly supported about 10,000 jobs with payroll bolstering local economies, and capital projects additionally boosting construction jobs.
- Annually, we spend tens of billions of dollars procuring refinery feedstocks, refined products, supplies and services.
Valero annually pays an average of more than $1 billion in total taxes.

We’re buying more domestic oil from areas such as the Eagle Ford Shale formation in South Texas, representing most or all of our crude slate at some refineries. Our industry has long believed that boosting domestic oil and gas production and processing is important to energy security, job creation and economic growth.

All told, our expenditures multiply many times in support of local and national economies, and governments that provide vital services. Valero’s support extends to pursuing corporate strategies that boost shareholder value. Valero aims to achieve one of the highest cash returns among its peers through dividends and stock buybacks. As we moved into 2015, we boosted our quarterly dividend by 45 percent, to $0.40 per share.

Key capital projects are expected to significantly add to earnings and our ability to support economies and communities – particularly construction or expansion of crude units and new logistics projects to receive and process more domestic crude oil.

Other Highlights

• In 2014, Valero jumped up a spot to fifth among 15 international petroleum refining companies included in Fortune magazine’s annual “World’s Most Admired Companies” list, considered the definitive report card on corporate reputations. Valero was the top independent refiner on the list, and one of only three U.S.-based refiners.

• Valero also made Forbes magazine’s “America’s Most Reputable Companies” list, scoring ahead of other refining companies among 150 large publicly traded U.S. companies.

• Valero retained its claim as a “Fortune 10” company in 2014, ranking No. 10 on the magazine’s list of the largest publicly held U.S. companies in revenue – despite spinning off an entire Fortune 500 company, CST Brands Inc., the year before. Fortune also ranked Valero No. 30 on its list of 500 largest companies worldwide.

• The St. Charles refinery received a 2014 Lantern Award from Louisiana Economic Development, recognizing excellence in manufacturing and community involvement.

• In individual honors, Julie Normand, Director-Legal Services at Valero’s Montreal office, was presented with the ZSA Legal Counsel of Quebec Award for small and mid-size legal departments in 2014, recognizing her excellence and innovation across a range of legal management.

"I am very grateful to Valero and my fellow employees. Valero is completely focused on being the best refiner in the industry, both from a quality and ethical standpoint, with no exceptions. Valero is constantly pushing me to be the best that I possibly can be."

Troy Wild
Manager-Complex
Valero Meraux Refinery
Valero’s wind farm helps power the McKee refinery in the Texas Panhandle.
This report is based in part on IPIECA/API/OGP* Oil & Gas Industry Guidance on Voluntary Sustainability Reporting indicators, within the framework of Valero’s five Commitments to Excellence. The chart below lists indicators on which we have fully or partially reported.

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*IPIECA – The global oil and gas industry association for environmental and social issues (former acronym for International Petroleum Industry Environmental Conservation Association); API – The American Petroleum Institute; OGP – International Association of Oil & Gas Producers.