



Stewardship & Responsibility Report

Our products **fuel modern life** and make a **better future possible.**



June 2020

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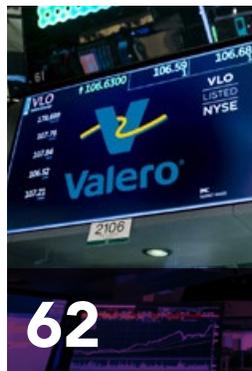
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Who We Are

REFINING



Largest global independent refiner



15 petroleum refineries



3.2 million barrels per day throughput* capacity

*Processing of crude oil and other feedstocks

Manufacturer and marketer of **transportation fuels**, petrochemical feedstocks and other specialty products



~6,000 employees

Lowest-cost operator in the industry

Safety is our foundation for success

Environmentally responsible operations

RENEWABLE DIESEL



World's 2nd largest renewable diesel producer*

*in joint venture with Darling Ingredients Inc.



275 million gallons per year

Planned expansion to 675 million gallons per year by late 2021

100% compatible with existing engines and infrastructure (drop-in fuel)

Produces low-carbon intensity renewable diesel from recycled animal fats, used cooking oil and inedible corn oil

Low-carbon fuel sold in California, Canada and Europe

ETHANOL



World's 2nd largest corn ethanol producer



14 ethanol plants in the U.S. with a combined production capacity of 1.73 billion gallons per year

20% share of U.S. ethanol exports in 2019



~1,000 employees

Continued investment and growth in ethanol business

Low-carbon fuel well-positioned for export growth

FORTUNE 500

Fortune 32 company



Headquartered in San Antonio, Texas



~10,000 total employees



40 Years of Fueling Generations

This year marks our **40th anniversary fueling generations** ...

1980s

Named for the mission San Antonio de Valero – the original name of the Alamo – Valero Energy Corporation purchases an interest in a small **Corpus Christi, Texas**, refinery.

Valero transforms the site into one of the world's **most advanced refineries**, capable of processing the most difficult feedstocks into cleaner-burning fuel.

1990s

Valero adds **more refineries starting in 1997**.

2000s

Valero expands to the West Coast of the United States in refining, enters the branded wholesale and marketing sectors and acquires more refineries along the U.S. Gulf Coast and in the U.S. Mid-Continent and Canada.

The company pioneers new areas in low-carbon fuels and renewable energy, initially purchasing seven ethanol plants and completing a 50-megawatt wind farm powering its McKee refinery.

2010s

Valero enters the Western European market in refining, marketing and logistics, and adds another U.S. Gulf Coast refinery.





with products that **fuel modern life** and make a **better future possible**.

Beginning in 2013, Valero produces sustainable **renewable diesel** from recycled animal fats, used cooking oil and inedible corn oil, in a joint venture called Diamond Green Diesel.

Valero expands its export business, taps new markets in Mexico and acquires a major fuel importer in Peru, bolstering its Latin America strategy.

Today ...

Valero has 15 refineries in the U.S., Canada and the U.K., and a total throughput capacity of approximately 3.2 million barrels per day – making it the **largest global independent refiner**.

Valero also is America's **largest renewable fuels producer**. Diamond Green Diesel annually produces 275 million gallons of renewable diesel, with plans to more than double low-carbon production by the end of 2021, and Valero now has **14 ethanol plants** with an **annual production capacity of 1.73 billion gallons**.

The company supplies approximately **7,000 independently owned fuel outlets** carrying its family of brands in the U.S., Canada, the U.K., Ireland and Mexico, as well as rack and bulk markets in those countries and Peru.

Over time, Valero has continued to evolve and innovate. The company's performance and disciplined capital allocation decisions consistently have resulted in its Total Stockholder Return (TSR) outperforming the Dow Jones Index, the S&P 500 Index and the energy sector.

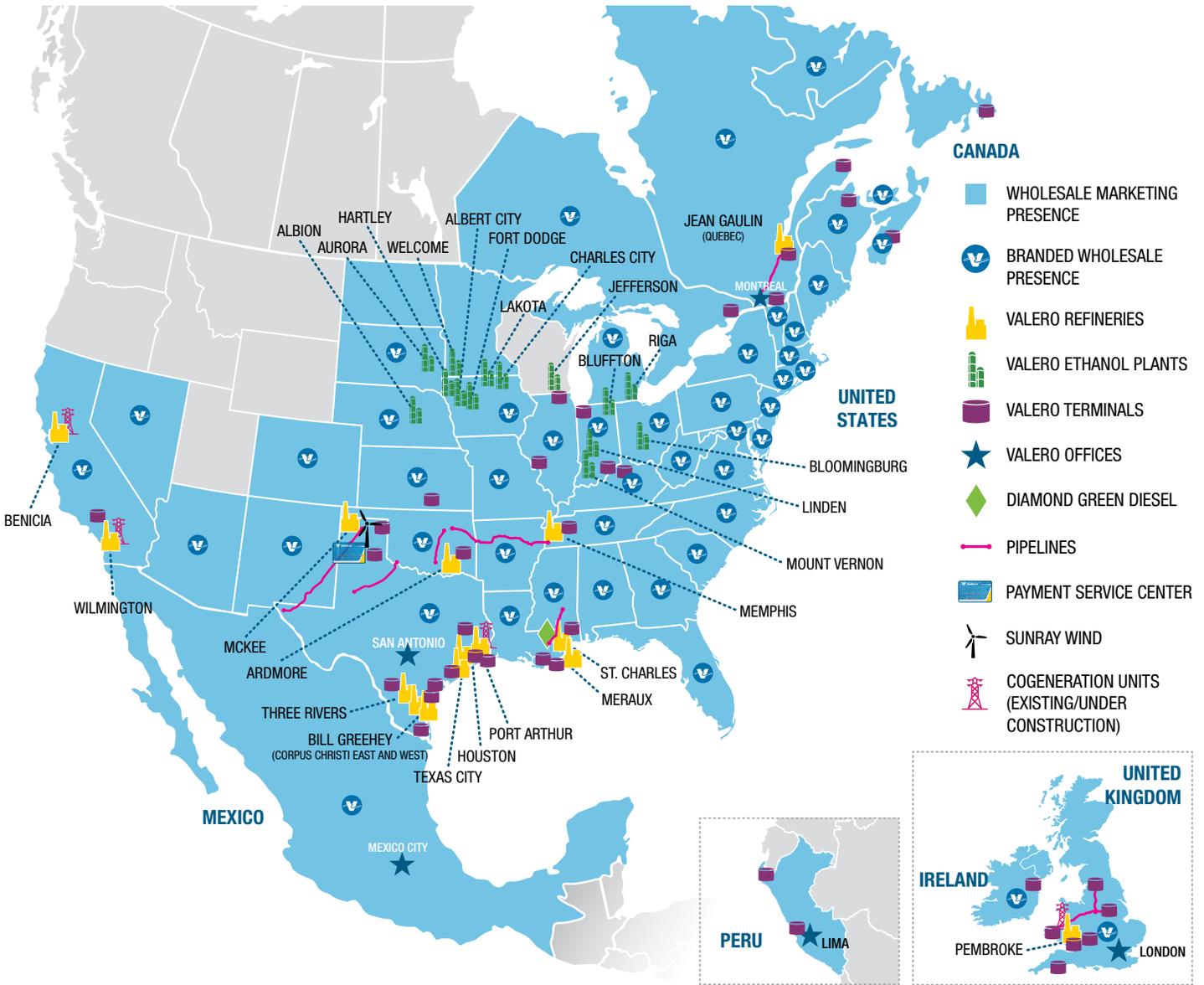
All along, Valero has maintained a **strong commitment to safety, reliability and environmental responsibility**, and continues to be recognized among the world's **top refining and marketing companies**, and **among the best employers**.

In the community, Valero is proud of its legacy of **support and positive outreach** through an international network of Volunteer Councils, proudly dedicating approximately 150,000 hours to community efforts annually. Valero, its employees and the Valero Energy Foundation annually generate **more than \$64 million for worthy charities**, through direct donations or fundraising.

Valero has a workforce of about **10,000 employees**, ranks No. 32 on the current Fortune 500 list and is still based in its hometown of San Antonio.

The company has counted many industry firsts, and now proudly carries its legacy of strength and stability forward, **ever-evolving for future generations**.

Global Operations



13 refineries in the U.S.

1 refinery in Canada

1 refinery in the U.K.

14 ethanol plants in the Midwest of the U.S.



1 renewable diesel plant in the U.S.

7,000 independently owned outlets carrying the Valero family of brands in the U.S., Canada, the U.K., Ireland and Mexico

3,100 miles of active pipelines



~130 million barrels of storage in the U.S., the U.K, Ireland, Canada and Peru

Over 50 docks



4 cogeneration plants in the U.S. and the U.K.



33 wind turbines in the U.S.

A Letter from our CEO



“Our growth projects have positioned us as leaders in producing fuels for a lower-carbon world — with multibillion-dollar investments and actual production capacity in ethanol and renewable diesel that surpass our peers.”

Joe Gorder and employees take part in an annual food drive for the San Antonio Food Bank.

For the past 40 years, we have been fueling generations by advancing the future of energy through engineering innovations and unmatched performance. And we will continue to pursue our goal to be the best operator in the business while addressing global climate change risks and protecting our employees and the communities where we work and live.

While this report is about our 2019 accomplishments, the unprecedented times of the COVID-19 pandemic have brought significant changes to the world around us. Our business is considered critical infrastructure, as the products we make are essential to livelihoods and modern life. So we safely and responsibly continued to operate while ensuring we followed the recommended guidelines and best practices of the U.S. Centers for Disease Control and Prevention (CDC) and other health care authorities.

I am proud of Team Valero and its tireless focus on safety. In 2019, we delivered the best year ever on refinery employee safety performance along with the lowest number of environmental events in company history.

Since the start, 40 years ago, we have prioritized safety, environmental stewardship, community engagement, employee programs and strong governance. They truly exemplify what differentiates our company today.

We have always believed support of our community is vital. I am thankful our company is able to help people in this time of great need. We have contributed more than \$3 million from Valero and the Valero Energy Foundation in the first part of 2020 for COVID-19 relief. Also, I am proud of the innovation and efforts of our employees to shift production at our ethanol plants to make hand sanitizer, which was donated to first responders and others in need across the country.

Our greatest asset continues to be our employees. Their strong work ethic, ingenuity, generosity and volunteerism have helped Valero achieve both operational excellence and strong community ties. We proudly remain an employer of choice by providing challenging opportunities and promoting diversity and inclusion at every level and in every aspect of our company.

On the environmental side, our growth projects have positioned us as leaders in producing fuels for a lower-carbon world — with multibillion-dollar investments and actual production capacity in ethanol and renewable diesel that surpass our peers. So today, we are proud to add that, in addition to being the largest global independent refiner, we are the largest renewable fuels producer in North America.

Our team and our board of directors remain committed to continuous oversight of business risks, including climate change risks; reporting of environmental, social and governance matters; and maintaining robust regulatory compliance and ethical standards.

Our thoughts and prayers are with those who have been affected in the last months. We extend our sincere appreciation for all the front-line workers who are making personal sacrifices to keep us all safe.

Thank you for your continued support and trust.



A blue ink signature of Joe Gorder.

Joe Gorder
Chairman and
Chief Executive Officer

2019 ESG Summary

We believe that proactive and consistent dialogue with stakeholders helps us address environmental, social and governance priorities, which enhance our business.

ENVIRONMENTAL

- **Best year ever** in 2019 for the reduction of environmental incidents, flaring, and energy consumption and greenhouse gas emissions per barrel of throughput, with air emissions intensity maintaining a historical low
- Robust **Environmental Management System** with three components: i) **Commitment to Excellence Management System (CTEMS)**, a proprietary systematic approach to operations excellence; ii) **Fuels Management System**, to drive compliance with new renewable and increasingly complex fuel standards; and iii) **Environmental Excellence and Risk Assessment**, to go beyond regulations and achieve true excellence
- Prioritization of **operational excellence, innovation and investment in technological advances, predictive maintenance, renewable energy, emissions capture and energy efficiency**
- **Largest renewable fuels producer in North America, with more than \$2.7 billion investment** (\$1.7 billion in ethanol and \$1 billion* in renewable diesel)
- **One million tons of carbon dioxide per year captured and repurposed**, in project hosted by our Port Arthur refinery
- **Best year ever in 2019 for refinery employee safety**, and introduction of a new program, **Goal Zero**, to aim for zero injuries
- **Approximately \$1.5 billion in 2019 in capital expenditures to sustain our operations**, including investment in safety, reliability, environmental and new programs to prevent injuries and environmental incidents

Prepared under oversight of our board of directors, our Review of Climate-Related Risks and Opportunities follows the TCFD** recommendation to assess the resilience of our business strategies under a potential transition to a lower-carbon economy consistent with a 2-degree scenario. Our report is found on the ESG page of the Investors section at www.valero.com. We are in the process of assessing our operations against the Sustainability Accounting Standards Board (SASB) materiality criteria and plan to present a report later in 2020.

*Valero's 50% share of joint venture, invested and committed

**Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board

SOCIAL

- High **employee volunteerism** (approximately 150,000 hours)
- Record donations and fundraising surpassed **\$64 million**
- Focus on **diversity, inclusion** and **professional development**
- One of **World's Best Employers, America's Best Large Employers** and **Best Employers for Women** as named by Forbes magazine
- Energy sector leader and one of America's **50 most community-minded companies** as named by Points of Light, in The Civic 50, for corporate citizenship efforts
- As part of the **COVID-19 response**, expanded **family illness leave** as well as **health benefits** including **virtual visits**

GOVERNANCE

- Strong corporate **governance**
- **Board diversity** in gender and ethnicity
- Board **oversight of risks and compliance**, including climate change risks
- Demonstrated strategy for **value creation**
- **All-employee bonus program**, including a strategic component using operational, financial and ESG initiatives

Guiding Principles

VISION

The world requires reliable, affordable and sustainable energy and we see this as an opportunity. We are committed to advancing the future of energy through innovation, ingenuity and unmatched execution.

Safety is our foundation for success.

We view our stakeholders as partners to whom we seek to deliver operational excellence, disciplined management of capital and long-term value on a foundation of strong **governance** and ethical standards.

We are committed stewards of the **environment**.



We consider our **employees** a competitive advantage and our greatest asset. We foster a culture that supports diversity and inclusion, and provide a safe, healthy and rewarding work environment with opportunities for growth.

We will be a good neighbor by sharing our success with the **communities** where we live and work through volunteerism, charitable giving and the economic support of being a good employer.

Safety



40-YEAR ANNIVERSARY SAFETY HIGHLIGHTS

1980

A commitment to safe operations is the first item listed in the new company's mission statement.

2001

The Texas City refinery becomes Valero's first "Star Site" under the U.S. Occupational Safety and Health Administration's (OSHA's) Voluntary Protection Program (VPP), the agency's highest plant-safety recognition, after voluntarily submitting to stringent safety audits.

2004

The Wilmington refinery wins Valero's first Distinguished Safety Award, the most prestigious honor of the National Petrochemical and Refiners Association (NPRA), today known as American Fuel & Petrochemical Manufacturers (AFPM).

2005

The Texas City refinery becomes Valero's first VPP contractor Star Site.

2008

Valero's Commitment to Excellence Management System (CTEMS) is introduced as a tailor-made management system, providing a systematic approach to operational excellence, including safety, reliability, environmental performance and other areas.



Safety is our foundation for success.

We are focused on being the safest operator in our industry. For us, **safety means our employees and contractors go home every day to their families and our communities rest assured knowing we are dedicated to keeping them safe.**

Safety also drives reliable, consistent operations that result in low emissions, protecting the environment as well as our neighbors. And it means Valero sustains itself long-term, continuing to provide **community support, excellent employment opportunities, strong stakeholder value** and reliable and affordable transportation fuels that **make modern life possible, in the safest way possible.**

We have budgeted approximately **\$1.5 billion annually** in capital expenditures to sustain our operations, including investments in safety, environment and reliability, and implemented new programs and procedures aimed at preventing injuries and environmental incidents.

In 2019, our Valero refinery employees had their **best year ever** for safety with a Total Recordable Incidence Rate, or TRIR, of **0.25** incidents per 200,000 working hours, well below the industry average. Our combined refinery employee and contractor TRIR was **0.33**, nearly an all-time low.

Also last year, our refineries posted their **lowest-ever process safety event rate** – meaning they're more reliable than ever in avoiding safety incidents that cause unplanned shutdowns. This translates into fewer environmental incidents, a safer workplace, lower environmental impacts and better community relations.

2008

Quebec achieves Valero's first internal VPP Star after passing audits identical to those in the U.S. and by OSHA-trained inspectors, a demonstration of going beyond safety regulations. Today, Pembroke also has its Valero internal VPP Star.

2010

Valero introduces "Life-Saving Rules," that go beyond OSHA requirements and focus on critical safety areas.

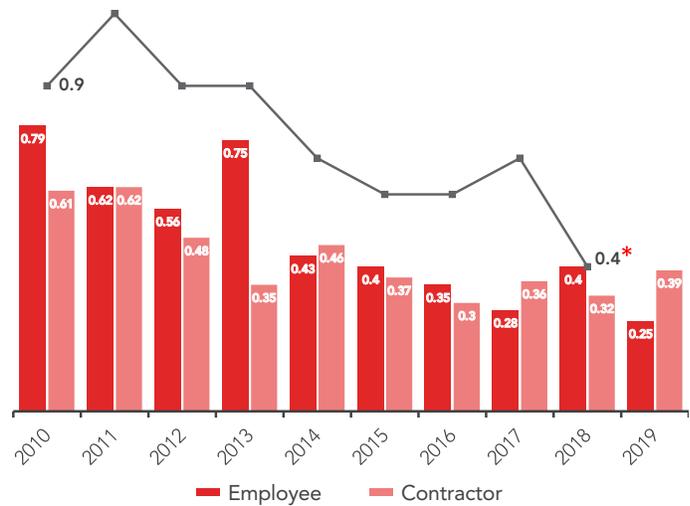


Personnel Safety

Refinery Employees and Contractors
(Recordable injuries per 200,000 working hours)

68% reduction in refinery employee injuries since 2010

37.5% reduction from 2018



— Refining Industry Employees (U.S. Bureau of Labor Statistics)
* most-recent year available

40-YEAR ANNIVERSARY SAFETY HIGHLIGHTS

2012

Valero refineries win 27 AFPM safety awards for the year, the most of any AFPM member.

2018

Valero's Charles City plant becomes Valero's first ethanol facility to go a full year with zero incidents in five key areas – process safety, reliability, environmental, rail safety, and policy and procedure compliance – earning the company's Super STAR award, in its Safety Tracking and Recognition (STAR) Metric program.

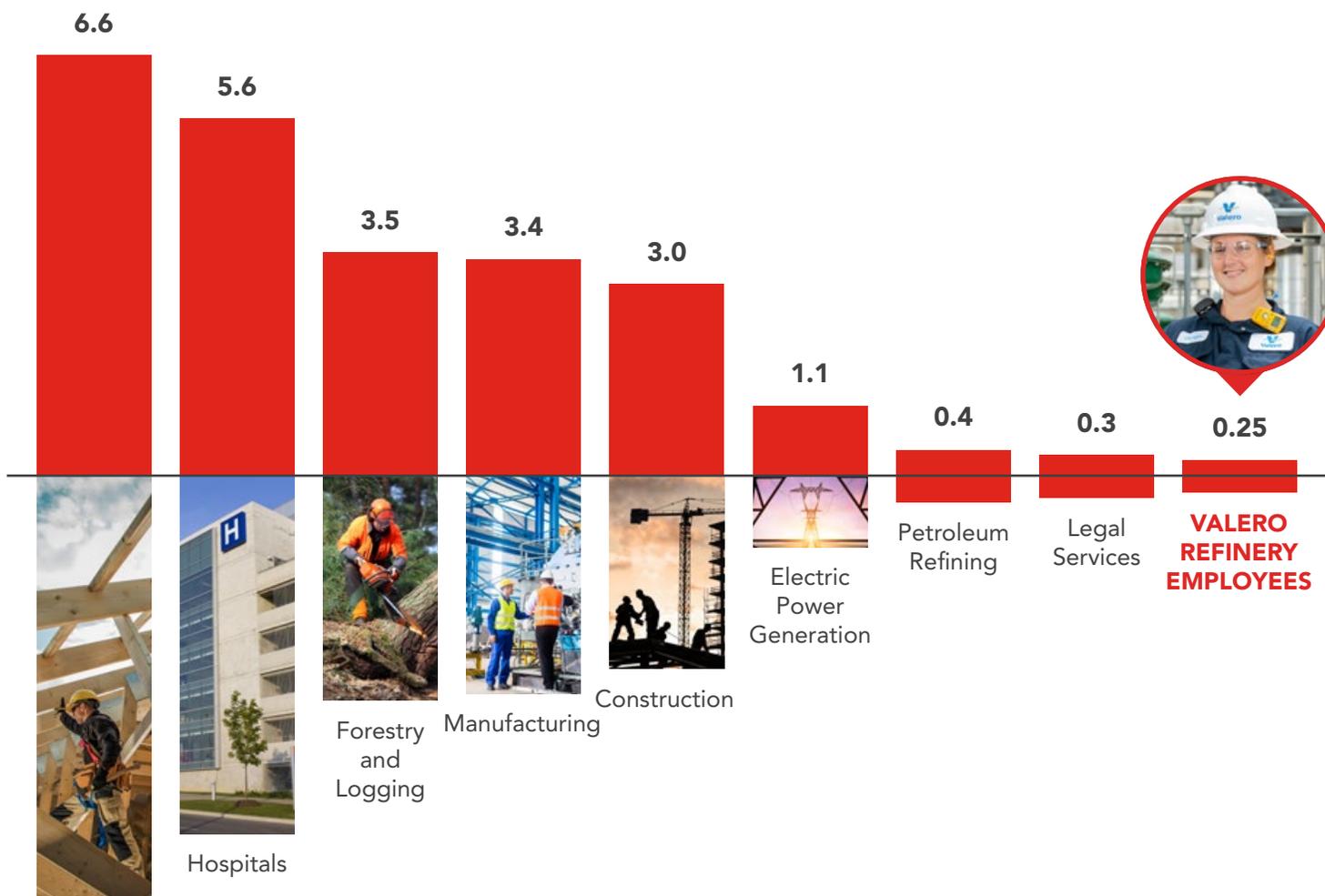
2019

- Valero achieves its 10th refinery VPP Star Site, the most refineries approved of any refiner. Also, three Valero asphalt terminals hold VPP Stars, as does the company's aviation department.
- Valero achieves its lowest-ever refinery employee TRIR of 0.25.

2020

Valero introduces Goal Zero - targeting zero injuries.

Valero Refineries vs. Other Sectors
(Injuries recorded per 200,000 working hours)



SOURCES: U.S. Bureau of Labor Statistics, Valero. Industry figures are for 2018; Valero refinery employee figure, 2019

CONTRACTOR SAFETY

Valero’s strong safety culture goes far beyond its own employees to also include its contractors, who have adopted the same approach to operational excellence in order to avoid incidents.

In fact, contractor companies working at Valero refineries hold a total of 27 OSHA Voluntary Protection Program Stars, after voluntarily submitting to and completing stringent safety audits by OSHA inspectors, as most all of Valero’s refineries have done.

36% reduction in refinery contractor injuries since 2010

'Goal Zero' Focuses On Eliminating Incidents



At Valero, it's not enough to set an all-time low for refinery employee injuries. Now, we're setting our sights on an even lower number: zero.

Under our new "Goal Zero" program, we reviewed incident data across our refinery system and identified six areas to help drive even safer operations. Focusing on improvement in each of those areas could delete lower injury rates even more.

For example, the review revealed there was an opportunity to strengthen hand and finger protection. So, Valero studied, developed and rolled out guidelines for the best cut- and impact-resistant gloves. And already, the gloves along with increased awareness and proper tool-use are credited for a decrease in injuries.

We also have developed a Control of Hazardous Energy and Materials (CHEM) assessment, looking at refinery processes from the preparation of equipment for maintenance to the way the equipment is placed back into service afterward.

These assessments closely examine the human aspect of our processes and challenge our team members to really focus on the procedures designed to protect them.

Valero's innovative data-based approach and focus on key areas are designed to bring incident and injury rates down to nothing. Because zero is our goal.

PROCESS SAFETY AND RELIABILITY

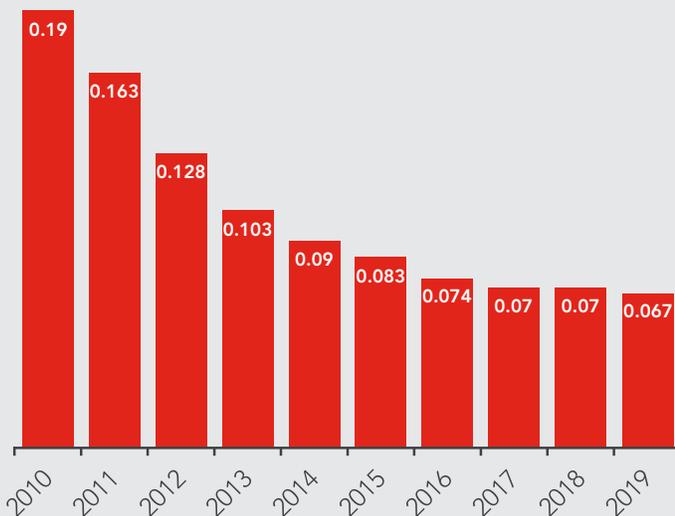
Valero once again achieved **high refinery utilization rates**, resulting from another excellent performance in process safety and reliability, which are essential to curb environmental incidents and boost safety.

Our capital investments in reliability, along with our program of comprehensive reliability assessments and proprietary management systems, have contributed to consistent excellent performance in process safety.

Our efforts have yielded results. In 2019, we achieved our **lowest annual process safety Tier 1 event rate ever**, a common industry measurement under American Petroleum Institute guidelines, as well as our lowest three-year rolling average.

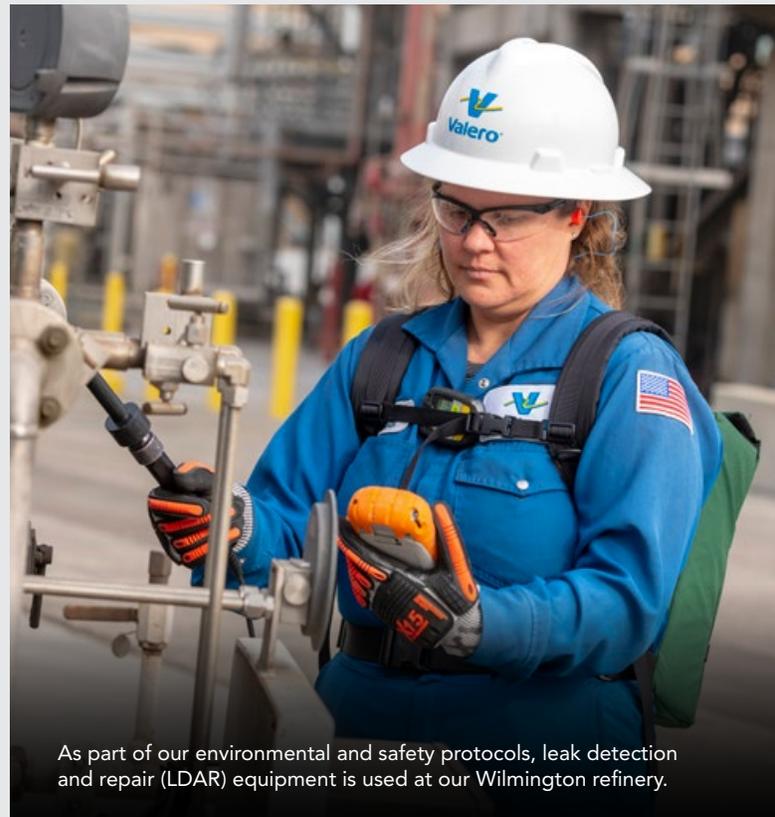
Process Safety Event Rates

(Three-year rolling averages of PSE Tier 1* events per 200,000 working hours)



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

65% reduction in Tier 1 Process Safety Events since 2010



As part of our environmental and safety protocols, leak detection and repair (LDAR) equipment is used at our Wilmington refinery.

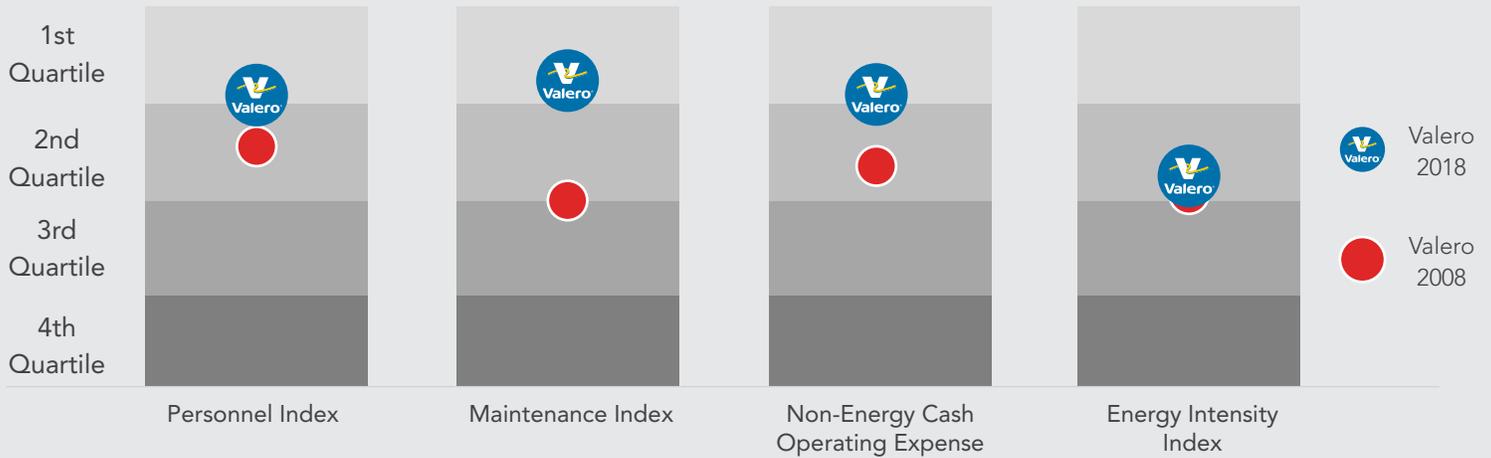
Mechanical availability is the percentage of time our units are available to operate, and a key indicator of reliability. Our 97% mechanical availability in 2019 reflected our ability to prevent unplanned downtime and successfully execute planned and unplanned maintenance.

97% mechanical availability in 2019

More than **99%** mechanical availability outside of planned downtime (turnarounds), **nine years running**

Investments in Reliability Contribute to Operations Excellence

Valero has consistently improved compared with industry peers, leading to lower operating expenses, better efficiency and improved environmental performance.



(Valero's U.S. refining system performance as a group compared to individual refinery quartile performance standings, 2008 compared with 2018, latest data available; statistics from Solomon Associates and Valero)

Beyond Compliance: Valero Leads in Voluntary Protection



"Going beyond" has been a constant theme throughout Valero's history, and one of the best examples has been its participation in the Voluntary Protection Program (VPP) of the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA), and affiliated state safety agencies.

Under this partnership, Valero voluntarily submits to rigorous safety standards and audits. Facilities that have maintained industry-leading safety performance and have successfully passed the assessment process, establishing that they have implemented continuous enhanced safety systems, are approved as VPP Star Sites, regarded as OSHA's highest plant-safety designation.

Valero leads all companies with the most petroleum refineries approved as VPP Star Sites, with the McKee refinery becoming its 10th refinery approved in 2019.

Valero also goes beyond the U.S. border and OSHA jurisdiction to make sure its Quebec City and Pembroke (United Kingdom) refineries have the opportunity to shine. Each holds Valero VPP Stars after passing audits patterned after those in the U.S., conducted by teams of independent OSHA-trained inspectors.

.....
 We participate in VPP because
 it makes our workplaces safer.

2019 SAFETY HIGHLIGHTS

At Valero, we take great pride in our safety record and continue to aim for exceptional performance.



SIX years without an employee or contractor recordable injury

(**Ardmore** refinery)

ZERO significant unplanned outages despite challenging weather conditions

(**Quebec** refinery)

ZERO employee recordable injuries in 2019, **ZERO** contractor recordable injuries the past four years, **ZERO** process safety events in more than three years

(**Linden** ethanol plant)

TEN refineries approved as Voluntary Protection Program (VPP) Star Sites, the most of any refiner

(**VPP Star Site** is OSHA's highest plant-safety designation)

TWO international refineries approved as Valero VPP Star Sites

(**Quebec** and **Pembroke** refineries)

FOUR facilities earning safety awards from American Fuel & Petrochemical Manufacturers (AFPM) in 2019

(**Elite Silver Safety Award** to the Ardmore refinery for performance in top 5% of AFPM members)

EMERGENCY PREPAREDNESS AND RESPONSE

Valero evaluates and prepares for **physical risks** to its facilities from **natural disasters** and **other threats**, and works to mitigate risks to its **people, assets, surrounding communities** and the **environment**.



Emergency management planning

Valero has developed a companywide emergency management process designed to assess potential risks posed to our people and operations and implement solutions. It provides for:

- Emergency response plans at each facility
- Qualified response teams and relationships with outside response personnel
- Regular drills and assessments
- Critical capital resources
- Use of emerging technologies
- Emergency management process that complies with all laws and regulations



Hurricane preparedness

In severe weather conditions such as hurricanes, we use a sophisticated preparedness program to promote the reliability and safety of our assets and our people. This involves both pre-hurricane season measures, as well as a five-phase process in order to give adequate time and resources for our employees and facilities to safely prepare.

Phase 1: Start of season

Phase 2: Predicted storm path and potential for impact

Phase 3: Significant impact to sites likely

Phase 4: Shutdown

Phase 5: Post-hurricane response



Secure facilities

To reduce physical risks, we construct new infrastructure at raised elevation to protect from flooding, and design buildings to withstand other adverse weather conditions.

Ardmore and McKee refinery control rooms withstand EF3 tornadoes; and employee shelters withstand EF5 tornadoes.



Community partnerships

We also work closely with neighboring communities to ensure their safety. For example, Valero has donated funds for a pair of SkyWatch Towers to the Corpus Christi Police Department, using technology to provide for mobile surveillance from dozens of feet high to help prevent emergency situations.



Hurricane Harvey

Hurricane Harvey struck the Texas Gulf Coast in late August 2017, and brought high winds, storm surges, flooding and unprecedented rainfall. In total, six of Valero's refineries and associated logistics assets were exposed to a variety of threats from Harvey.

After the initial landfall, our post-hurricane relief teams came to the aid of employees in the Corpus Christi, Houston, Port Arthur, Three Rivers and Texas City areas, with food, lodging and other needs, while assisting others with repairs and debris removal.

Our well-developed Emergency Preparedness and Response Plan allowed us to respond quickly and effectively to meet our facilities' and employees' needs.

Our employees worked to protect a key fuel artery that's the lifeblood of communities in the nation's heartland, even as their own homes were being impacted from high winds or flooding.



Top left, a technician at Valero's Corpus Christi West refinery practices an emergency preparedness drill, and plant safety employees meet with a local responder (inset). Left, an officer operates one of two \$100,000 SkyWatch Towers Valero donated to the Corpus Christi Police Department to monitor emergency situations. Above, Valero provides free fuel to aid cleanup after Hurricane Harvey.



Environment



40-YEAR ANNIVERSARY ENVIRONMENT HIGHLIGHTS

1984

After a \$2 billion overall investment, Valero begins converting difficult-to-process feedstocks into clean-burning gasoline and diesel.

1992

\$290 million hydrocracker and naphtha reformer units begin producing cleaner “reformulated” gasoline, years ahead of regulatory requirements.

1994

- Valero becomes the first refiner to install a state-of-the-art FCCU BELCO® “scrubber” to significantly reduce air emissions.
- Corpus Christi refinery is one of the nation’s first to install a marine vapor recovery unit that recaptures gasoline vapors when loading ships.

1995

Valero is the first refiner to use a “bio-slurry reactor process” to safely biodegrade oily solids that might otherwise be hazardous waste by using natural micro-organisms.

2005

Valero first commits to install flare-gas recovery systems at its refineries to recover and reuse waste gases from the refining process.



2009

- The first traditional refiner to purchase an ethanol plant, Valero acquires seven plants to produce clean-burning, high-octane renewable ethanol.
- The company completes \$80 million wind farm with 33 turbines supplying power to the adjacent McKee refinery.

2010

A \$525 million regenerative, flue-gas scrubber is built at the Benicia refinery – the world’s largest at a refinery – slashing sulfur dioxide emissions by 95%, and nitrogen oxide by 55%.

We are committed stewards of the environment.

How we are addressing climate change risk

We have a demonstrated track record of reducing emissions in our operations and producing low-carbon fuels for future generations.

As part of our strategy to be the safest, most reliable and best operator in the business, we will continue our efforts to:

- **Focus on safety, reliability and operations excellence** to consistently deliver essential transportation fuels and petrochemical feedstocks;
- **Strive to reduce emissions, increase efficiency and invest** in opportunities that improve our environmental stewardship;
- **Lead the industry in low-carbon renewable fuels**, regularly evaluating opportunities to expand production; and
- **Execute a long-term strategy that addresses shifting consumer needs** under a changing policy and technology landscape.

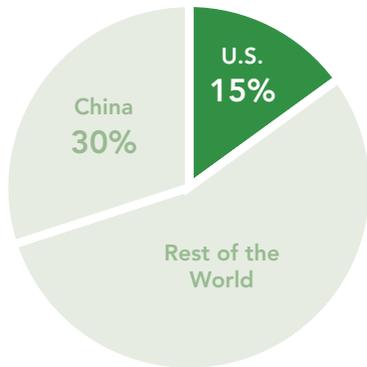
All of us — businesses, countries and people across the globe — have a role in environmental stewardship and ensuring a sustainable future for generations.

At Valero, we are managing our business to responsibly **meet the world's growing demand for reliable and affordable energy while doing our part to address global climate change risk.**

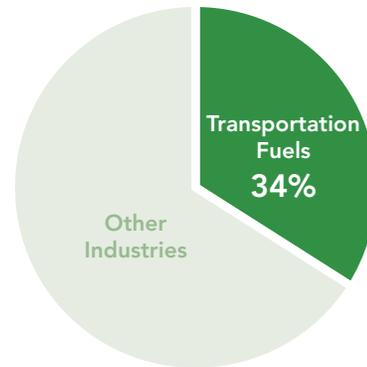
While U.S. emissions are significant, this is truly a global issue ...

... and from many industry sources.

CO₂ Emissions* by Country



U.S. CO₂ Emissions* by Source



*Source: 2017, EPA, IEA Energy Atlas

As part of our planning processes, we have reviewed the resilience of our business strategy under multiple demand scenarios. Given that the consensus view among energy forecasters is that demand for liquid transportation fuels will increase, we believe our business strategies are resilient. However, we followed the TCFD recommendation to review the resilience of our business strategies against a potential transition to a lower-carbon economy, consistent with a two-degree scenario such as the “450 Scenario.” We concluded that our overall strategy would be resilient in a low-carbon marketplace. For more information, see our Review of Climate-Related Risks and Opportunities in the ESG tab of the Investors section of our website www.valero.com.

40-YEAR ANNIVERSARY ENVIRONMENT HIGHLIGHTS

2013

- Renewable diesel production begins at a plant adjacent to the St. Charles refinery. The product, made from recycled animal fats, used cooking oil and inedible corn oil, cuts life cycle greenhouse gas emissions up to 80%, compared with traditional diesel.

- Port Arthur refinery becomes the first industrial site in the U.S. to host a large-scale carbon capture project, capturing more than 1 million tons of carbon dioxide per year.

2014

- St. Charles refinery is recognized for its “coker recycling” program to recover usable oil from waste materials and transform it into high-value fuel.

2017

- Valero finishes highest among independent refiners in Newsweek magazine’s Green Rankings of 500 largest U.S. publicly traded companies for environmental stewardship.

2018

- Valero brings its total ethanol plants to 14, becoming the world’s second-largest corn ethanol producer.
- Renewable diesel production expands to world’s second-largest, with plans to more than double annual capacity to 675 million gallons by late 2021.

Multibillion-dollar capital investments along with continuous improvement in process safety and reliability have driven down our environmental events to record lows.

In the following pages, we feature how we have reduced greenhouse gas (GHG) emissions intensity and why we have invested more than any of our peers in a lower-carbon energy future.

While continuing to increase throughput capacity, Valero has achieved its **lowest-ever marks in overall environmental incidents,* and greenhouse gas emissions and energy use per barrel of throughput**, and maintained air emissions per barrel at historically low levels.

To achieve continued improvement in environmental performance, Valero's Environmental Management System relies on three programs:

1. The **Commitment to Excellence Management System (CTEMS)**
2. The **Fuels Management System**
3. The **Environmental Excellence and Risk Assessment** program

*Including flaring events, spills, wastewater incidents and air releases

We're proud to provide products that go into many of the things you use every day to create, innovate, experience and dream.

Backpack

Sunglasses

Clothing

Socks

Hiking Boots

CTEMS drives Valero's Environmental Management System — a proprietary systematic approach more practical and effective than generic systems.

Environmental Management System

Valero's environmental management system has three major components.

1 The program is rooted in its **Commitment to Excellence Management System (CTEMS)**, a proprietary systematic approach that began in 2008 and surpasses all international standards to drive **reliable and predictable operations** that make our facilities safer and contribute to the protection of the environment.

Root cause analysis and remediation following any environmental incident

2 The **Fuels Management System** is a program that helps us comply with all regulations that apply to gasoline and diesel produced, imported or blended at Valero's refineries, terminals and other product supply operations.

New operational safeguards, software, auditing and protocols, and more uniformity across our labs and other processes

3 The **Environmental Excellence and Risk Assessment** is a new program that defines our vision for environmental excellence and seeks continuous improvement in environmental performance.

Proactive management of environmental risk, minimizing negative impacts to the community and employees

CTEMS has nine elements:



Leadership
Accountability



Protecting People
and Environment



People and Skills
Development



Operations Reliability and
Mechanical Integrity



Technical Excellence and
Knowledge Management



Change Management



Business Competitiveness



External Stakeholder
Relationships



Assurance and Review

The **Fuels Management System** and **Environmental Excellence and Risk Assessment** complement **CTEMS** and show our commitment to go beyond regulations.

Our Commitment Goes Beyond Regulation

ENVIRONMENTAL EXCELLENCE AND RISK ASSESSMENT



A robust program that focuses on true excellence, the **Environmental Excellence and Risk Assessment (EERA)** program defines more than 100 expectations, including leadership, stakeholder relationships, risk management, and environmental management and performance.

Developed as a collaborative effort among experts across the company, the EERA involves a multi-faceted assessment program with ownership at the site level and responsibility across several disciplines. Site activities include field surveys using **leading-edge technology, including infrared cameras, monitors and leak detection and repair instruments** to other less technical, but important, efforts such as community tree-planting and habitat restoration.

With community outreach, Valero has a long history, as the first major energy company to adopt a **formal environmental justice policy** aimed at improving quality of life for nearby neighborhoods.



At the Corpus Christi West refinery, top right, a field survey is conducted with leak detection and repair (LDAR) equipment; above, refinery employees set "seed balls" for flowers and other plants at the Nueces Delta Preserve; below, a high-tech infrared camera is used to detect emissions.

Elements of the Environmental Excellence and Risk Assessment

1. Leadership, Accountability and Ownership
2. External Stakeholders
3. Recognition and Management of Significant Environmental Risks
4. Environmental Compliance Systems and Performance Assurance
5. Air Quality
6. Water Management
7. Waste Management and Spill Prevention



Throughout our 40-year history, we have advanced environmental stewardship, process safety and reliability through innovation, and finding solutions by recycling, reusing, reclaiming and reducing resources, materials, emissions, energy or waste.

RECYCLING, REUSING, RECLAIMING AND REDUCING



For Valero, being the most efficient and reliable operator in a highly competitive industry means being the most environmentally responsible. Valero prioritizes operational excellence, and investments in technological advances, predictive maintenance, renewable energy and emissions capture, as well as efforts to reduce energy consumption.



A large number of our refinery process units are there for environmental purposes, such as **removal of sulfur**. From there, the sulfur is sent for a variety of beneficial uses – from fertilizer essential for the growth of food and fiber to a product that helps purify drinking water.

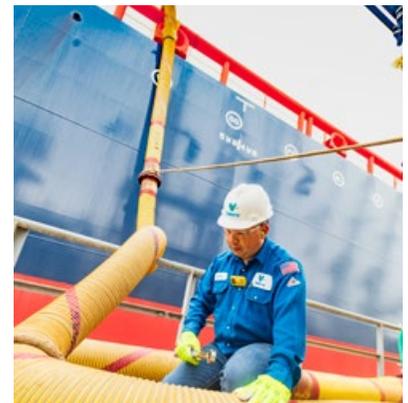


In making **renewable diesel**, we take recycled animal fats from meat packing plants, used cooking oil from restaurants and inedible corn oil from ethanol plants and turn them into a low-carbon fuel that **reduces life cycle GHG emissions by up to 80%** compared with traditional diesel.



Our **flare-gas recovery** units recycle gases that otherwise would have to be flared or released to the environment.

Our **marine vapor recovery unit** in Corpus Christi captures vapors emitted when loading ships with gasoline and other light products, and recycles them back into the refinery's gasoline pool.



Our San Antonio headquarters recycled **327 tons** of material in 2019, and regularly recycles **20,000 gallons of water per day** from its cooling system for irrigation.



We were one of the ethanol industry's first operators to achieve **"zero discharge" of wastewater** by recovering and recycling process water and stormwater, at our Welcome, Minnesota, plant.

Finding creative ways to reduce the energy requirements of our operations, our largest operating cost, in turn protects the environment.

Gone are the days when leftover crude oil was regarded as a waste product. Today every drop counts, and recovered product is converted into a wide range of high-quality fuels.

Our refineries **recover** usable oil from waste materials. We also **reprocess** remaining oily solids into high-value fuel through a method called “coker injection,” avoiding generation and disposal of wastes.

Recovered Usable Oil

5.5 million gallons of usable oil recovered in 2019

9,002 dry tons of oily solids reprocessed, a **69%** increase from 2013

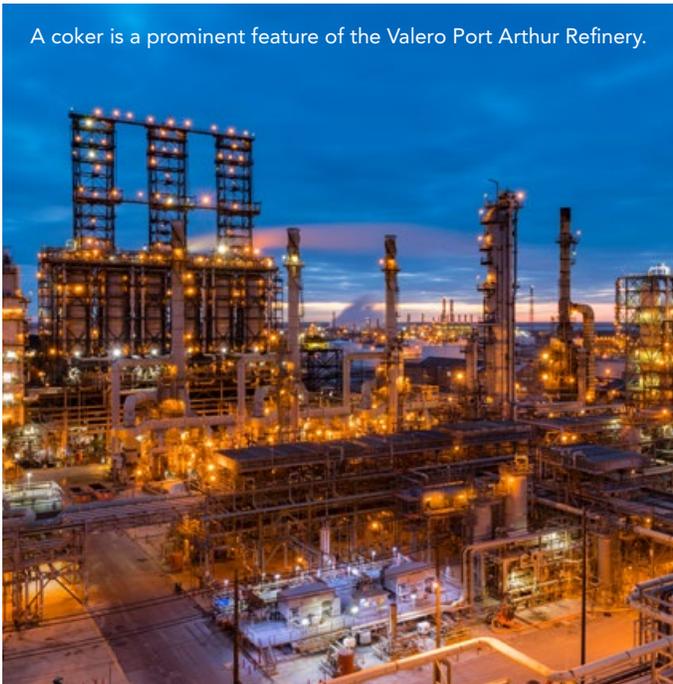
We **recycle** material recovered from tank cleaning for use by cement kilns. The material otherwise would be wasted in incineration or sent to landfills.

Landfill Reduction

19.1 million gallons of waste-derived fuel sent to cement kilns since 2010, displacing **57,317 tons** of coal

1,982 tons of ash to landfills avoided in 2019

A coker is a prominent feature of the Valero Port Arthur Refinery.



Our refinery processes use “catalyst” material, which includes chemicals and metals, to stimulate production of high-value fuel components. Rather than disposing in landfills, we **recover and regenerate** as much catalyst material as possible.

Various kinds of catalyst are used for different processes. For example, our units that remove sulfur or convert heavy oils into clean-burning fuels often contain recoverable common base-metal catalyst.

Landfill Reduction

15.9 million pounds of spent base-metal catalyst sent for recycling in 2019

Carbon Capture

MORE THAN ONE MILLION TONS OF CARBON DIOXIDE

Carbon capture technology recovers carbon dioxide that otherwise would go into the atmosphere. In 2013, Valero’s **Port Arthur refinery** became the first industrial site in the U.S. to host a large-scale carbon capture project, and it remains the only U.S. refinery doing so, with **more than 1 million tons** captured each year.

Two steam methane reformer units, owned by a business partner that produces hydrogen for the refinery from natural gas, were retrofitted to

capture the carbon dioxide generated from hydrogen production.

In addition, our **Jefferson ethanol plant** sends **65,000 tons** of carbon dioxide a year from its fermentation process to a third party for use in carbonated beverages.

Valero continues to look for other opportunities in carbon capture and reuse.



Our innovation efforts have made us the largest producer of renewable fuels in North America.

OUR RENEWABLE FUELS

Valero always has charted its own course, and never has been afraid to lead in innovation. Early on, it meant building the first refinery to make 100% next-generation reformulated gasoline from bottom-of-the-barrel feedstocks.



More recently, it has meant investing more than \$2.7 billion in renewable fuels, and even powering a refinery with a wind farm, the first to do so.

Our low-carbon renewable diesel reduces life cycle greenhouse gas emissions up to 80%, compared with traditional diesel. We produce **275 million gallons per year** with a planned expansion to **675 million gallons** by late 2021.



Renewable diesel reduces life cycle GHG emissions up to 80%

A clean-burning, high-octane renewable fuel, ethanol lowers life cycle greenhouse gas emissions up to 28%, compared to non-blended gasoline. Our combined ethanol production capacity is **1.7 billion gallons** per year.



Ethanol lowers life cycle GHG emissions up to 28%

Valero already is the largest renewable fuels producer in North America, and it continues to explore growth opportunities in renewable fuels.

Recently, Valero and its joint venture partner in the production of renewable diesel initiated an advanced engineering and development cost review for a new plant adjacent to Valero's Port

Arthur refinery. If the project is approved as planned, operations could start in 2024, resulting in renewable diesel production capacity of **more than 1.1 billion gallons** annually.

Combined, our renewable diesel and ethanol reduced more than **6.2 million metric tons of GHG emissions in 2019**, compared with standard gasoline or ultra-low-sulfur diesel.



For context, that is more than twice the amount of GHG from all direct fuel use in Washington D.C.

Growing Renewable Fuels

Valero's Renewable Diesel Investment Since 2013*

\$1 billion



Total Ethanol Investment

\$1.7 billion

*Valero's 50% share of joint venture, invested and committed

Valero's refineries have steadily lowered energy use per barrel of throughput since 2008, setting an all-time low in 2019.

CONSERVATION

Compared with our peers, Valero consistently has reported lower operating expenses and better efficiency, and one key to that is **consuming less energy**. Valero's refineries have dramatically lowered energy use since 2008, setting an all-time low per barrel of throughput in 2019.

Also, Valero has implemented a **water security** initiative, which assesses possible threats to our water supply at our locations and puts in place mitigation plans to address them.

Responses have included the use or evaluation of **treated wastewater from municipalities, water reuse and treatment facilities, acquisition of water rights, and desalination plants**. Valero participates in relevant multi-stakeholder initiatives on these and other solutions.

Conserving energy and natural resources is central to our goal of being the best operator in the industry.

Wind

Our McKee refinery in the Texas Panhandle is powered in part by a **wind farm**. Completed in 2009 at an investment of more than **\$80 million**, the facility includes **33** wind turbines with **50 megawatts** of power-generation capacity.

Hydropower

More than 99% of the electricity used at our refinery in Quebec City comes from renewable sources – mainly hydropower, with small portions from wind, biomass and biogas.



Also, our California refineries have hydropower in their purchased power mix, as well as wind, solar and geothermal.

Since 2009, the wind farm has reduced or avoided



~830,000 tons
of carbon dioxide and

~12,250 tons
of sulfur dioxide, nitrogen oxide, carbon
monoxide and particulate matter emissions ...

and saved
~700 million gallons
of water



compared with conventional
power generation



Cogeneration

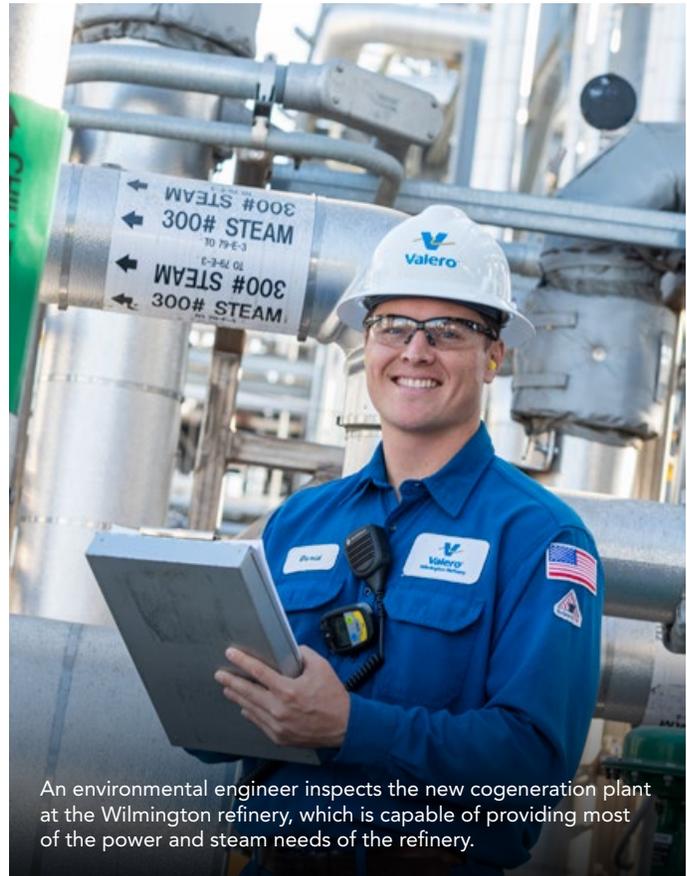
Valero has invested in cogeneration systems that produce both **electricity** and **thermal energy**, or steam.



Cogeneration systems represent a very efficient way of making power, with the steam recycled back into the refining process for other uses.

The systems can provide additional power and steam a refinery uses. And they are fueled by **clean natural gas**, which not only is less costly but can help **cut greenhouse gases** by reducing a local authority's need for less environmentally friendly and efficient generation.

Valero has cogeneration systems at refineries in **Wilmington** and **Benicia**, California; and **Port Arthur**, Texas, with one completing construction in **Pembroke**, United Kingdom, in 2021.



An environmental engineer inspects the new cogeneration plant at the Wilmington refinery, which is capable of providing most of the power and steam needs of the refinery.

Combined, our cogeneration systems and expanders offset



~330 megawatts
of electricity

.....
enough to power
.....

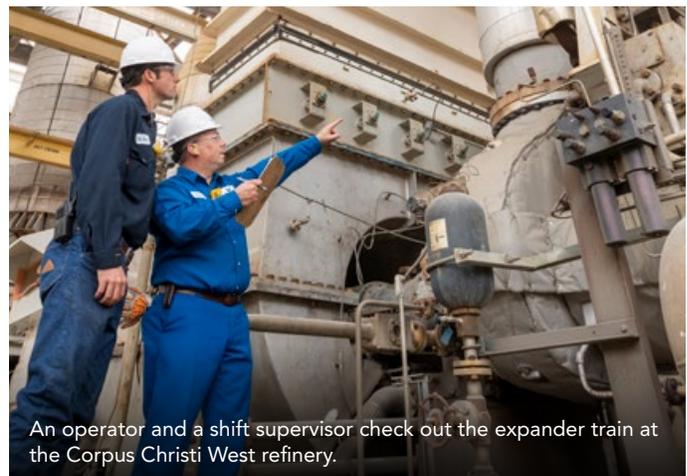


more than
400,000 homes

Expanders

At six of our refineries, we have installed "expanders" on processing units that generate power from exhaust gases. We have the world's largest expander at our Corpus Christi West refinery.

All told, our expanders annually displace more than **600,000 tons** of carbon dioxide that otherwise would be generated by conventional power plants.



An operator and a shift supervisor check out the expander train at the Corpus Christi West refinery.

EPA Efficient Producer Program for Ethanol

Six of our ethanol plants, with three more pending, are recognized under this program for superior process efficiency, including:

- **Reduced on-site energy consumption,**
- **Increased fuel output; or**
- **Use of biomass or biogas to reduce greenhouse gas emissions.**



Recognized



Pending



Our ethanol plants have implemented refining operational best practices in safety, reliability and environmental responsibility.



Valero's Albert City ethanol plant.

Data Verification by Third Parties

Valero uses third parties to conduct environmental verification.

Greenhouse gas emissions from both stationary sources and fuel combustion are independently verified in California and Canada, and refinery emissions are verified in Europe.

Also, we use third-party verification in our fuels program and for components of our environmental excellence program.

We report greenhouse gas emissions, air emissions, flaring events and wastewater discharge events to external agencies, and all data is available for verification.

PERFORMANCE METRICS

74% reduction in refining environmental incidents* since 2008

86% reduction in ethanol environmental incidents* since 2010

*Valero "scorecard" events, internal tracking of emissions, flaring, spill and wastewater incidents.

Air Emissions

Even as Valero has increased U.S. refinery throughput capacity, air emissions* have dropped. Throughput refers to processing of crude oil and other feedstocks.

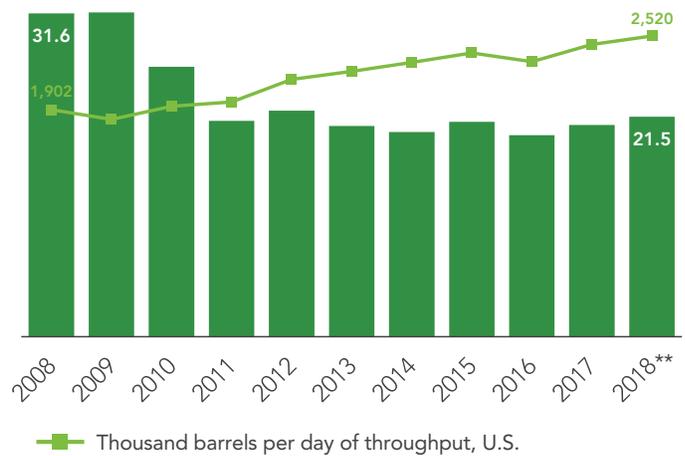
Since 2008, for Valero U.S. refineries**

32% increase in throughput capacity

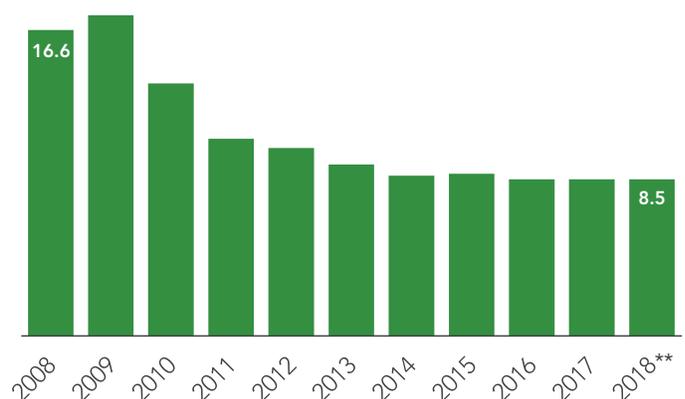
32% reduction in air emissions*

49% reduction in air emissions intensity

Air Emissions*
(Thousand tons, rounded)



Air Emissions* Intensity
(Tons per thousand barrels of throughput, rounded)



*criteria emissions, defined by the EPA as carbon monoxide, nitrogen oxides, particulate matter, volatile organic compounds and sulfur dioxide, U.S. refineries only

**through 2018, most-recent emissions data available



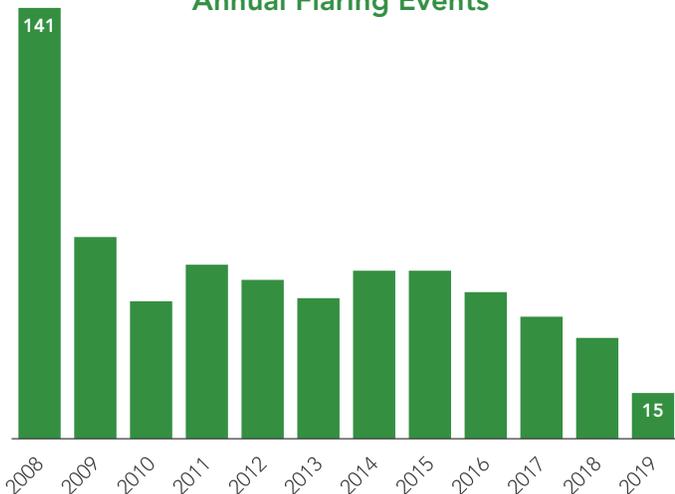
Flaring

Valero has taken aggressive steps to **eliminate the need for flaring**, by avoiding outages and improving reliability.

Valero also has reduced flaring emissions by improving flare-gas combustion efficiency, installing instruments to assist in controlling flare-gas flow and composition, and reusing recovered gas for energy.

89% total flaring events, since 2008
reduction in

Annual Flaring Events



99%
flaring-free refinery operations

Energy Efficiency

Continuous improvement in energy conservation drives efficient performance and reduces GHG emissions.

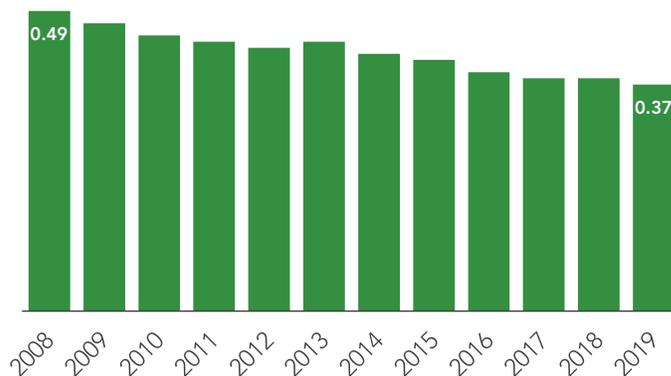
Valero's refineries have achieved a

24% energy use per barrel, since 2008
reduction in

In 2019, Valero's refineries set a **new record low for energy use per barrel of throughput**. The company's comprehensive energy stewardship program has sharply focused on improvements in process operations, energy conservation and lower operating expenses.

Refining Total Energy Use*

(Million Btu per barrel of throughput, rounded)

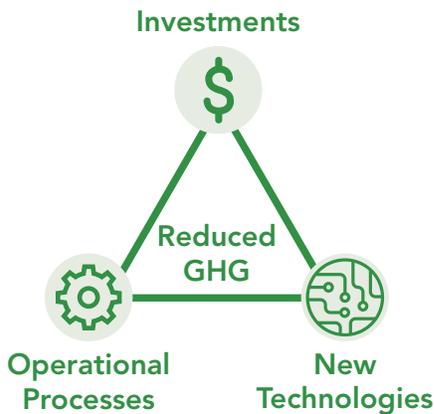


*current system of refineries beginning in 2012

Greenhouse Gas Emissions

We have continuously decreased refinery greenhouse gas emissions per barrel of throughput.

We have accomplished this with **multibillion-dollar investments**, the **use of new technologies**, and the implementation of operational processes that involve **reusing or reducing combustion**.

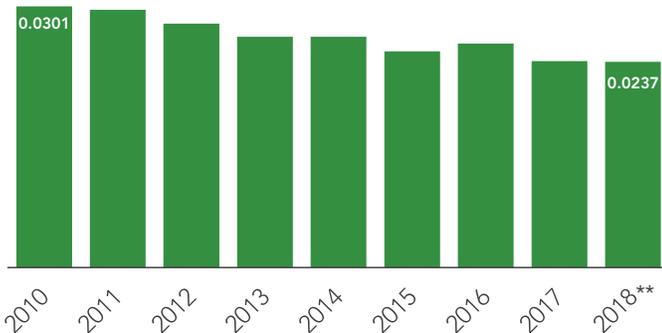


We track and publicly disclose our greenhouse gas emissions and closely follow regulatory developments.

21% reduction in greenhouse gas emissions per barrel, since 2010

Refining Greenhouse Gas Emissions*

(Tons of carbon dioxide equivalent per barrel of throughput)



*U.S. refineries only; 2010 first reporting year to EPA
 **most-recent data available, at year-end 2018

Wastewater Management

Our operations generate process water along with stormwater that we treat, if needed, before discharge or reuse.

Most of our refineries treat their wastewater using advanced biological treatment systems comparable to, or even more complex than, those operated by most cities.

Valero uses specialized bacteria that naturally digest oil and other components in our waste streams.



Water from the Corpus Christi Ship Channel including Valero's discharge is used for habitat tanks at the Texas State Aquarium.

42% reduction in reportable wastewater discharge excursions* since 2008

*unintentional and temporary discharges exceeding regulatory limits

Also, Valero works to reuse treated water, like at our refinery in Three Rivers, where wastewater is treated and sent to nearby hay fields for irrigation.



A center-pivot system irrigates a hay farm near our Three Rivers refinery with treated wastewater from the plant.

FLOOD PREVENTION, HABITAT CONSERVATION AND BIODIVERSITY

Examples of the importance we place on biodiversity and ecosystems' overall health are:

Protecting Wetlands



We capture sediments dredged from our Benicia refinery dock area to raise the elevation of nearby subsided wetlands, and help protect and recover wildlife and plant species.

Habitat Conservation



The St. Charles refinery long has partnered with the Lake Pontchartrain Basin Foundation to plant trees in wetlands areas, restoring swamps in front of levees to help protect the area from hurricanes.

Biodiversity Education



School children visit the Environmental and Community Centre at the Pembroke refinery in Wales, exploring the abundant aquatic, plant and insect species. The refinery even has modified an abandoned house to provide refuge for several species of bats.

Jefferson Employees Take Part in Protecting Endangered Falcons

Valero's Jefferson ethanol plant is one of about 30 sites in Wisconsin creating habitat for endangered peregrine falcons to nest and reproduce.

A pair of parent falcons returns to the plant each year, where volunteers have built a nest box and placed it high up in an old grain elevator stairway, with window access. The employees install a webcam near the nest to watch the birds and the progress of the eggs.

In 2019, the plant invited employees and their families to attend as Greg Septon, a prominent peregrine falcon researcher, visited and carefully banded small chicks for tracking purposes.

We also have a staff biologist who is identifying endangered species and critical habitat that are in the vicinity of our facilities, and looking for opportunities for Valero to help protect.





Community



40-YEAR ANNIVERSARY COMMUNITY HIGHLIGHTS

1980s

- Valero begins support of United Way.
- Volunteer Councils are established at each location.

1990s

- United Way honors Valero with the Spirit of America Award.
- Texas Gov. Ann Richards presents the Governor's Volunteer Services Business/Co-Workers Award to Valero.
- Points of Light honors Valero with an Award for Excellence in Corporate Community Service.

2000s

- Valero becomes title sponsor of the Valero Texas Open and the Valero Alamo Bowl.
- Newly acquired ethanol plants hold their first-ever United Way campaigns and raise more than \$100,000 for local charities their first year.

2010s

- Valero is tops in the energy sector on The Civic 50 list of America's most community-minded major companies.
- Employee volunteers build 20 homes in partnership with Habitat for Humanity across the U.S.
- Valero extends title sponsorship of the Valero Texas Open through 2028.
- Valero and its business sponsors raise a record of more than \$15 million in net proceeds for the Valero Texas Open and Benefit for Children in 2019, an all-time total of more than \$155 million.



We will be a good neighbor by sharing our success with the communities where we live and work through volunteerism, charitable giving and the economic support of being a good employer.

Valero has a rich history of being a strong community partner dedicated to improving lives through philanthropic efforts as well as connecting with stakeholders to identify needs and develop solutions. Our approach of **giving, volunteering and sharing our talent through nonprofit board service** and other engagements has made a true difference — and it will continue to do so, long into the future.

Our **dedication to the communities** where we work and live was front and center in our philanthropic and volunteer activities in early 2020 at the start of the COVID-19 pandemic. The virus brought devastation and hardship to many of our neighbors.

In response, during the first part of 2020, **Valero and the Valero Energy Foundation provided more than \$3 million** in funds and fuel cards around the U.S. and in Canada, the U.K., Peru and Mexico to help support communities and organizations battling the pandemic in locations where we operate.

From **contributions for food and shelter, fuel cards for health care workers serving in emergency rooms or on COVID units or volunteers** delivering meals to homebound seniors, to other assistance **enabling family service organizations and schools to continue their work**, Valero was there.

- A record of more than \$16 million from employee pledges, fundraising and a company match is generated from Valero's United Way campaign for 2020 contributions, again making the company one of the leading contributors in the U.S..

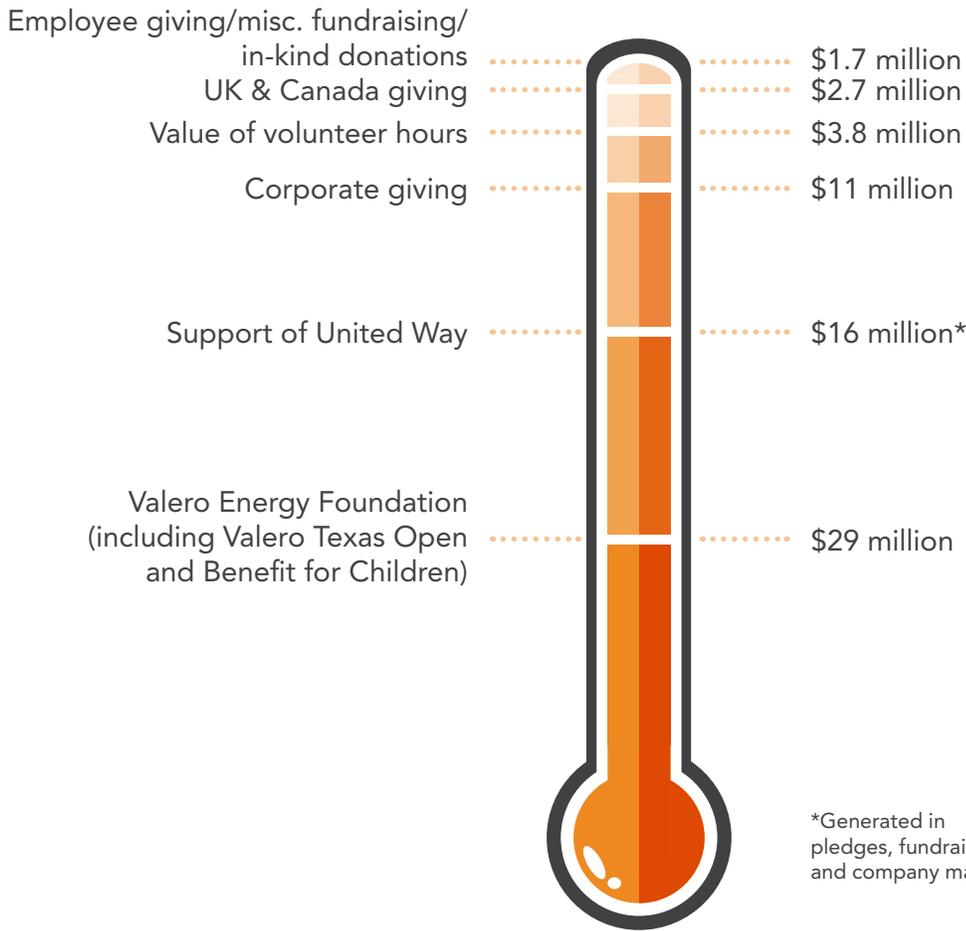
COMMUNITY INVESTMENT

Valero, its employees, the Valero Energy Foundation and the Valero Energy Foundation of Canada actively improve the quality of life in neighboring communities, working to fulfill a mission set out from the very beginning. Through financial support, in-kind donations, fundraising and volunteerism, Valero sets the standard for corporate citizenship and promotes prosperity in our communities.



\$64.2 million

total generated for charities through direct/in-kind donations, fundraising and volunteerism in 2019



COMMUNITY AWARDS & ACHIEVEMENTS



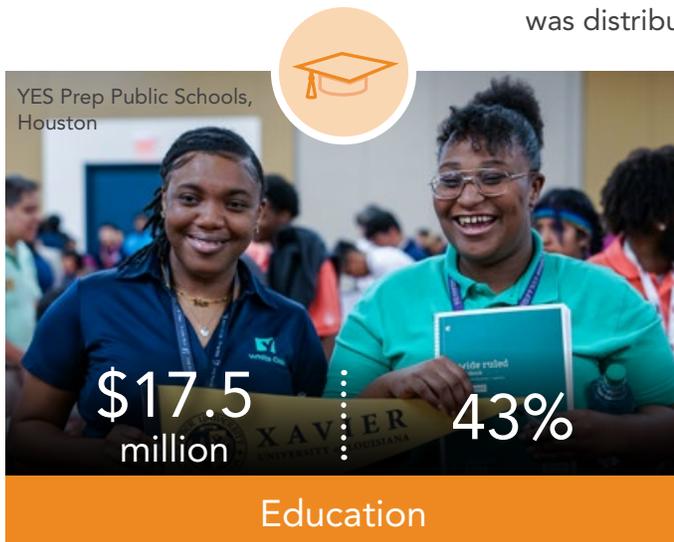
Valero's dedication to improving communities is getting attention. Valero has been named each time since 2013 to **The Civic 50**, a list of the 50 most community-minded

large companies in the United States by Points of Light, for corporate citizenship efforts, and is the leading energy sector company on the list.

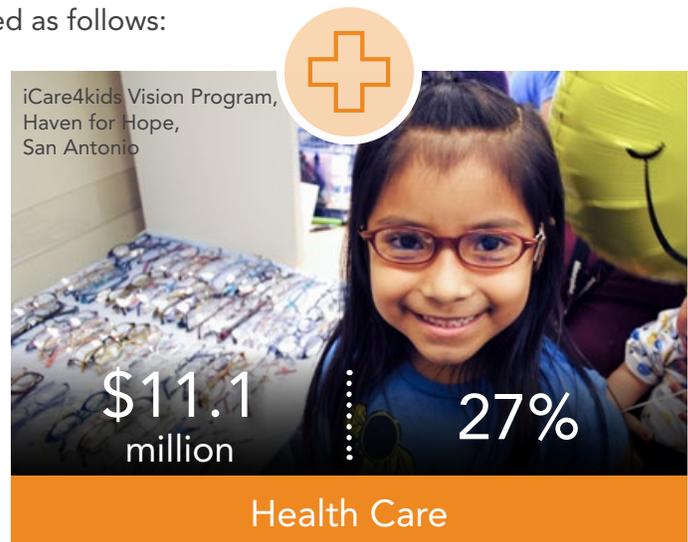
The South Texas Energy & Economic Roundtable (STEER) recognized Valero with the 2019 Eagle Ford Excellence Award for **environmental stewardship**, and **community and social investment**. STEER connects industry with communities throughout the Eagle Ford Shale energy-producing region of South Texas.

FOUR PILLARS OF SUPPORT

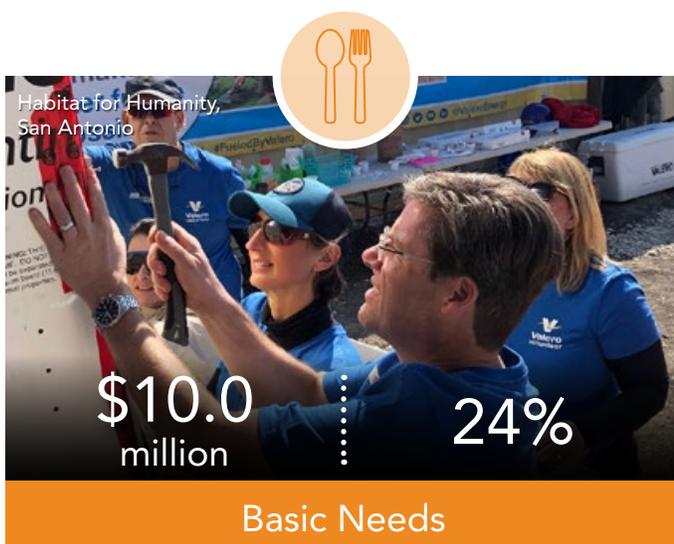
Valero, its employees, the Valero Energy Foundation and the Valero Energy Foundation of Canada make direct financial investments in nonprofit agencies that serve predominantly disadvantaged children and families in four pillars of social focus. In 2019, more than \$40 million of direct financial support was distributed as follows:



Valero is a strong advocate of education as it creates a necessary foundation for all children to thrive and for adults to lead productive lives. We make investments in public school programs that prepare kids for college, and in STEM education programs and after-school programs, just to name a few.



We invest in the development of strategic community health resources and facilities that will support the needs of all members of our nearby communities, with major gifts going to children's hospitals, university medical centers and service providers that offer specialized health care services and programs.



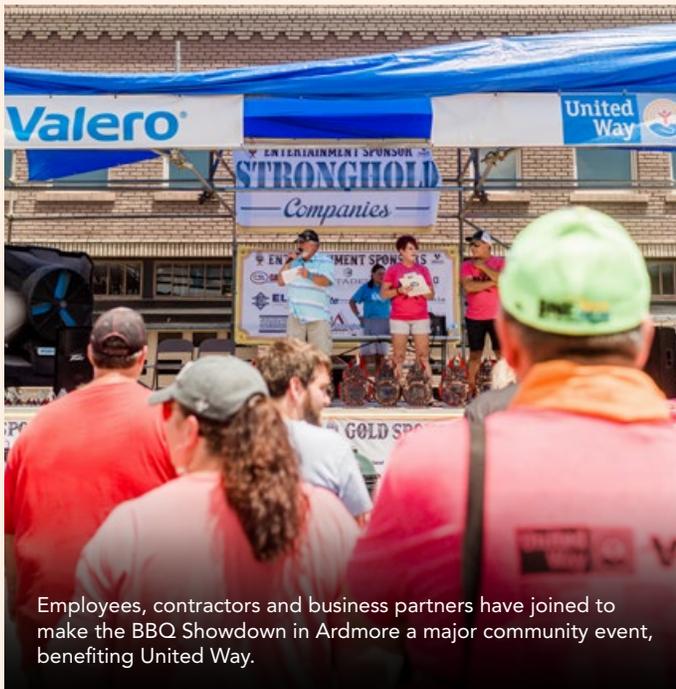
Valero gives assistance to agencies that provide basic needs of life, including shelter, food and clothing necessary for the development of a strong and safe community. Support for emergency response services, children's homes and area food banks are just a few examples of this support.



We support civic, social justice and environmental initiatives directly related to the success of the communities where we live and work. Valero supports a diversity of conservation programs, city parks and zoos, museums and community safety infrastructure including police, fire and EMS.

We Win Together!

VALERO BUSINESS PARTNERS COMMITTED TO THE COMMUNITY



Employees, contractors and business partners have joined to make the BBQ Showdown in Ardmore a major community event, benefiting United Way.

In **Ardmore, Oklahoma**, Valero hosted its 6th Annual BBQ Showdown that has quickly become a communitywide event. Forty cook-off teams consisting of Valero employees, contractors and community partners entered the competition. A crowd of 5,000 people attended the event, which was held in downtown Ardmore and helped Valero raise more than \$180,000 for the United Way, an increase of more than \$42,000 from the previous year.

“It’s truly amazing what this event has become,” said Kevin Lassahn, Vice President and General Manager of the Valero Ardmore Refinery. “Driven by the hard work of our dedicated employees, commitment from our business partners and the amazing community involvement, the BBQ Showdown has grown to be the largest annual event in downtown Ardmore ... and the barbecue isn’t bad, either!”

“

“To have a Fortune 50 company that’s so soulful, with industry partners that have gotten behind this tournament in a way that no other tournament has seen, is pretty remarkable.”

– Jay Monahan, Commissioner, PGA TOUR, at the announcement of Valero’s contract extension

Valero Texas Open and Benefit for Children

The Valero Texas Open and Benefit for Children was the No. 1 charitable golf tournament on the PGA TOUR in 2019 thanks to Valero’s generous business partners.

In 1996, when Valero first sponsored a Benefit for Children golf tournament, the event raised **\$275,000** with the financial support of **60 business partners**. The event has grown through the years, and in 2019, approximately **460 business partners** helped raise a combined Valero Texas Open and Benefit for Children **record of more than \$15 million** in net proceeds for U.S. charities.



Valero’s Vice President-Refinery Operations **Eric Honeyman**, Company Chair of the 2019 Valero Texas Open and Benefit for Children, appears with tourney champion **Corey Conners** and deserving children.

“

“Valero and the PGA are top-notch. There are no better than the two of them put together... they’re untouchable and we feel tremendously blessed at Stronghold Companies to be part of it.”

– Joe Durham, Chief Executive Officer, Stronghold Companies

Valero Pledges \$15 Million Donation for Special Needs Camp



This artist's photo rendering shows the entrance of Morgan's Wonderland Camp, upon completion.

In 2019, Valero announced a \$15 million donation over six years, its largest-ever single charitable commitment, to help build Morgan's Wonderland Camp, which will be a 102-acre, year-round, summer-camp-type experience in San Antonio geared for guests with special needs and those of all abilities.

The camp will be operated by the nonprofit foundation of philanthropist and former businessman Gordon Hartman, who in 2010 built Morgan's Wonderland theme park, the world's first theme park for special needs individuals and guests, and later Morgan's Inspiration Island splash park – the latter named to Time magazine's World's Greatest Places list.

Hartman's daughter, Morgan, is the inspiration for the parks and the new camp. After observing how other children were hesitant to play with his daughter because of her physical and cognitive challenges, Hartman and his foundation set out to create places where those with and without special needs could have fun and gain a better understanding of one another.

Valero becomes a founding partner of the new overall \$28 million camp, building on its long-time support of Morgan's Wonderland.

"We decided to get involved because the mission of the camp is undeniably compelling," said Joe Gorder, Valero Chairman and CEO. "The camp allows those with special needs to enjoy the same activities as others in an environment free of limitations and restrictions, and to share this experience with those without special needs. It will be another unique and world-class attraction that is not just for some but everyone."

The camp is projected to accommodate up to 525 campers and staff at one time for day, weekend or week-long camp sessions.

With special emphasis on giving people with physical and cognitive challenges an opportunity to enjoy summer-camp-type activities alongside guests without special needs, Morgan's Wonderland Camp will include swimming, floating on a relaxing river, hiking, archery, horseback riding, zip lining and much more.

Of the new camp, Hartman said, "If you must rely on a wheelchair for mobility, just imagine the thrill of being able to zip line through the rugged and scenic Hill Country just north of San Antonio."

Education Advocacy

Education is the key to the success of our communities.

Valero, the Valero Energy Foundation and the Valero Energy Foundation of Canada contributed more than **\$17.5 million** in 2019 to educational initiatives. This included support for public schools, STEM programs, mentoring, literacy, parenting workshops and adult financial literacy programs. In addition, Valero and the foundations are committed to investing in the next generation by supporting scholarships and workforce support training.

Valero Scholarships:



Valero, in cooperation with community partners, provides numerous scholarships for high school and college students. The Valero Energy Foundation awarded a **five-year, \$8.4 million grant to the San Antonio Independent School District** for a program to help increase the number of students who apply for, get accepted to and stay in college. Elsewhere, in **Port Arthur, Texas, \$57,000** was provided in scholarships to engineering students at Lamar University in 2019. These funds are from an endowment Valero established with the university to provide yearly scholarships. In **Benicia, California**, Valero awarded two graduating seniors from Benicia High School with scholarships. In **Houston**, Valero provided scholarships to students living near the refinery. In **Wilmington, California**, Valero provided scholarships to local high school students at Banning High School through its support of the Banning Wisteria Scholarships.

“

“My parents didn’t have an opportunity to go to college, so receiving the Valero scholarship is amazing to be able to share with the people that you love.”

– Rosaura Martinez, Charles H. Milby High School graduate

Workforce Support Training:



Around the globe, Valero wants to cultivate and grow a robust workforce and works with schools and organizations to make sure students, both young and old, have access to valuable programs. Our **Pembroke** refinery in the United Kingdom has a number of long-standing initiatives including an apprenticeship program where students are recruited locally from Pembrokeshire schools. Since 2005, more than 150 students have been inducted into the program. In Texas, the two refineries in **Corpus Christi** have provided around **\$2.6 million in funding** for the **Craft Training Center**, which provides welding, instrumentation, electrical and pipefitting courses for high school students and adults. In **Texas City**, the Valero Energy Foundation was a **founding donor** of the school district’s **Industrial Trade Center (ITC)**, which opened in 2017. In 2019, the Valero Energy Foundation continued with its commitment to the program with the **purchase of a \$90,000 forklift** to provide students with hands-on training as they prepare to enter the workforce. In addition, Valero employees visit and work with school districts to help teachers and administrators better understand the job skills students need to be successful working in the energy sector.



Port Arthur employees and guests demonstrate fun STEM activities for children during Valero's annual Kid Fest event.



The Valero Energy Foundation has sponsored the Valero STEM Patch for Girl Scouts of the Southwest for 10 years, arming troop leaders with STEM-based activities for approximately 9,000 girls each year to earn their patches.

Valero employees and business partners are helping educate our future workforce and get them excited about possible careers in science, technology, engineering and mathematics (STEM) fields.

In **Benicia, California**, Valero partners with the Solano County Office of Education in the annual C-STEM GIRL Camps, aimed at motivating high school students through a fun and exciting robotics-based curriculum.

In **Meraux, Louisiana**, Valero sponsored the 5th Annual Valero Invention Convention, a competition among fifth-graders who invent new items or improve upon existing ones to solve real-life problems. One of the winning entries, "Angel Gloves and Buddy Bats," provided special gloves to help children with special needs hold onto their bats while playing T-ball. "Every year we see new and innovative ideas from these fifth-graders," said Mariana Williamson, Manager-Turnaround Planning, at the Meraux refinery, and Invention Convention coordinator. "They continue to amaze us with their creativity and problem-solving."

In **San Antonio**, Valero is a leading sponsor of the CORE4 STEM Expo in partnership with the San Antonio Hispanic Chamber of Commerce. More than 4,000 middle school students participate in activities geared to stimulate learning about STEM.



Volunteers worked with kids at Boys & Girls Clubs of the Los Angeles Harbor in **Wilmington, California**, to build car models from recyclable products. Then, the race was on!



Volunteers visited the Ronald McDonald House in **Corpus Christi, Texas**, and did STEM experiments with young patients staying there.



"It's important to give students an opportunity to explore different facets of the science and engineering disciplines at a young age. That's why our volunteers work closely with the local school systems. We want to support and help educate local students about the importance of STEM."

— Jerry Stumbo, Vice President and General Manager of the Valero St. Charles Refinery in Louisiana

VOLUNTEERISM: MAKING A DIFFERENCE AROUND THE GLOBE

Valero established its Valero Volunteer Councils in 1983. In 2019, our employees logged approximately 150,000 volunteer hours.



Fort Dodge, Iowa – Volunteers helped refurbish an old parsonage into a home for homeless women with children called the Lotus Community Project. Old carpeting was pulled up and several rooms were painted.

London – Volunteers visited the Mudchute Farm, an urban park and farm, to assist with an improvement project for the farm's animal housing. The group ripped out old animal pens, cleared the area, put protective sheets and hay racks on the walls and then installed new fencing. The volunteers also built a new aviary near a classroom that students visit throughout the year.



Ireland – Volunteers transformed the Cluainin Resource Centre on the west coast of Ireland. Cluainin is a day care unit for local residents with learning difficulties and associated special needs. Volunteers helped replace fencing and prepared flower beds in a sensory garden.

Lévis, Quebec – Volunteers at our refinery in Quebec hosted local third-grade students at two "Green Classes" at the Parc Valero Les Écartés for a hike and workshops on domestic and exotic animals, promoting conservation and protection of the environment.



Albert City, Iowa – For the past seven years, volunteers have participated in an Adopt-A-Highway project, picking up litter. "We care about the environmental and safety hazards litter might cause," said Miranda Buettner, Office Coordinator, Valero Renewables-Albert City. "We take pride in keeping our community clean."

Benicia, California – To celebrate the refinery's 50th anniversary, volunteers planted trees in partnership with the Benicia Tree Foundation. Throughout 2019, Valero volunteers planted 150 trees.



Callao, Peru – More than 120 volunteers, including Valero volunteers and others with the Municipality of Callao, Peruvian Navy and Marquez Police Station, undertook a massive cleanup of a beach located near Valero's Callao Marine Terminal. In one day, the group collected and disposed of more than 500 tons of litter.

CONNECTING WITH COMMUNITY STAKEHOLDERS

Valero engages regularly with stakeholders to share information, listen to concerns and work cooperatively to develop solutions. As Valero considers new projects or evaluates existing operations, a risk-based approach is used to identify and mitigate any areas of concern to ensure community needs are being addressed.

In addition, Valero follows all laws and regulations pertaining to human rights. Valero works closely with its business partners to ensure they follow the same guidelines.



Valero employees are active participants throughout the community, and in 2019 served on **457** nonprofit and civic boards around the world.



Our Neighbors: During the last 20 years, Valero has had community advisory councils or community advisory panels (CACs/CAPs) where members can learn about operations and have ongoing dialogue with Valero employees.



Industry Partners: Valero encourages responsible development and works with industry partners to see that environmental, employee, social and health concerns are addressed in a timely manner. Valero also actively participates in joint industry groups to educate the community around these key issues.



Indigenous Communities: Valero works with indigenous tribes to preserve sites with historical, cultural and spiritual significance. During the recent construction of the Diamond Pipeline in Oklahoma and Arkansas, more than 25 tribal communities were contacted to place tribal monitors along the 440-mile route. Our refinery in Ardmore, Oklahoma, is also in the heart of The Chickasaw Nation and has a long-standing relationship with the tribe supporting some of its community efforts both financially and with volunteers.



Nongovernmental Organizations (NGOs): Valero is committed to constructive dialogue with NGOs to better understand their concerns and address them.



Government Officials: Valero works closely with local, state and federal governments to share information about its business and understand public policies. Government officials are regularly invited to Valero sites to learn about operations and their impact to the communities.



A young boy works out at the Lion Hearted Boxing Academy, a youth mentoring site that Valero partners with through Port Arthur's Community In-Power and Development Association Inc. (CIDA).



U.S. Rep. Garrett Graves, R-La. (right), and U.S. Rep. Alan Lowenthal, D-Calif. (middle), meet with Diamond Green Diesel director James Wilds.

ECONOMIC SUPPORT

Another way we share our success with the communities where we live and work is through the economic support we provide to employees, business partners and governments where we operate.



10,000
jobs directly
supported, with
payroll bolstering
local economies



Median of the
total annual
compensation of
all employees,
excluding our CEO:
\$272,417*

*2020 Proxy Statement,
page 67



**~\$2.5
billion**
spent annually
on maintenance
and growth
projects, boosting
construction and
service jobs



**~\$4
billion**
spent annually on
refining materials,
supplies and
services in local
communities
where we operate



**~\$700
million**
in average total
taxes paid annually

Hartman Park

Valero announced a \$600,000 gift to renovate the playground at Hartman Park, located in front of the **Houston** refinery in the Manchester neighborhood. The project, expected to be complete in late 2020, is part of a new city initiative called 50/50 Park Partners led by the Office of the Mayor, Houston Parks and Recreation Department, Houston Parks Board and the Greater Houston Partnership.



“

“Hartman Park is the center of life in this community. After hearing from our neighbors, it became clear this was a much-desired project that will bring a fun, safe and attractive place.”

– Michael Walter, Community Relations Supervisor for Valero’s Houston refinery

VALERO’S ENVIRONMENTAL JUSTICE POLICY

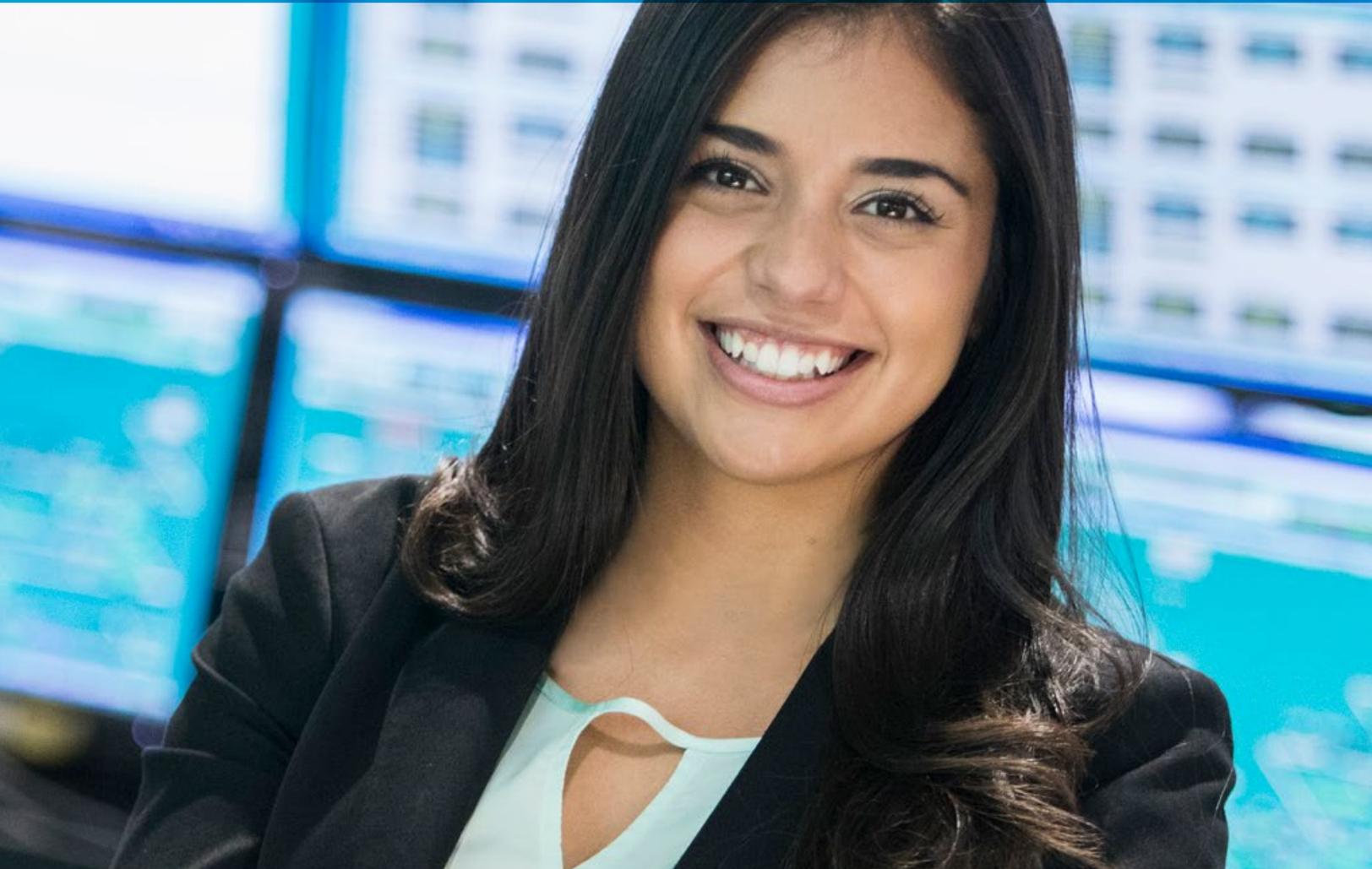
Valero strives to operate as a good neighbor and to look for opportunities to work with local officials and directly with fence-line neighbors to improve the quality of life for its neighbors and communities.



Valero aims to treat its fence-line neighbors fairly, regardless of race, color, national origin, culture or income. We work to ensure 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.



Employees



40-YEAR ANNIVERSARY EMPLOYEE HIGHLIGHTS

1980

- On Jan. 2, a publicly listed company, Valero has 1,318 employees.
- Valero's 486 corporate employees record the highest per capital contribution to United Way San Antonio. Including company match, donations totaled \$100,000.

1981

The annual Valero scholarship program is created to honor high school and college-level students. Since then, more than 700 daughters and sons of employees have received more than \$5.7 million in scholarships.

1991

Valero establishes a Safe Fund for employees to receive financial support for hardships and disaster relief.

1997

The Valero Intern Program launches with eight interns – two of whom are still part of Team Valero. Twenty-two years later, the 2019 intern class proudly welcomed 210 members.

2001

- Valero opens its first on-site Employee Wellness Clinic, followed by other on-site clinics at refineries in 2008, 2013, 2014, 2016, 2018 and 2019.
- Valero's workforce more than doubles as a result of a business acquisition.

Forbes

Forbes World's Best Employers, America's Best Large Employers and Best Employers for Women lists

2006

Valero reaches No. 3 on Fortune's 100 Best Companies to Work For in America.

2008

For the second consecutive year, Valero is named Fortune's No. 1 Best Big Company to Work For.

We consider our employees a competitive advantage and our greatest asset. We foster a culture that supports diversity and inclusion, and provide a safe, healthy and rewarding work environment with opportunities for growth.

As a proud member of the world's critical infrastructure, Valero has built a strong reputation with an incredible team that is **best-in-class**.

As an **employer of choice**, we foster strength through the values we promote: **Safety**, **Accountability**, **Excellence**, **Teamwork** and **Doing The Right Thing** at all times. We also are deeply dedicated to **Caring** – for each other, for our company and for the many communities where we operate.

The well-being of every Team Valero member is our highest priority, from overall health and wellness to a challenging, rewarding career. As talented individuals bring their best to work each day, our promise is to deliver benefits and resources that truly make a difference.



“We should feel proud to be part of an incredible team that continues to outperform our peers ... Your exceptional efforts and commitment to executing our strategy continue to set the standard for our industry.”

– Joe Gorder, Valero Chairman and Chief Executive Officer, in a video message to employees

VALERO'S CULTURE IS ROOTED IN SIX KEY VALUES



1

SAFETY

Safety is our foundation for success, and ensures our company's greatest assets – employees – are protected. From **exceptional workplace safety to positive health and wellness routines**, employees are encouraged to promote and demonstrate their commitment to safety at all times.



2

ACCOUNTABILITY

At Valero, **employees make a personal choice to take ownership of performance**. Creating an environment of accountability not only helps achieve company goals but also results in increased employee performance.



3

TEAMWORK

Strong teams are the drivers of a successful organization. Valero believes that great teamwork and strong relationships are built through respectful, inclusive collaboration, the sharing of diverse ideas and perspectives, and strong communication.

40-YEAR ANNIVERSARY EMPLOYEE HIGHLIGHTS

2009

The Valero Family Center opens as a full-service child care center at its headquarters. For the past 10 years, the National Association for the Education of Young Children accredited center has cared for more than 1,180 children ages 6 weeks to 10 years and has graduated more than 300 preschoolers from its Kinder Prep program.

2012

Valero is named to Fortune magazine's World's Most Admired Companies list. Valero remains the top independent refiner on the list for succeeding years.

2014

Valero makes Forbes' list of America's Most Reputable Companies.

2015

The Total Wellness Program is born, combining a comprehensive array of benefits to promote employee wellness – from competitive pay to personal development and proactive wellness plans, as well as health and wealth management resources.

2019

- Valero is included on three Forbes top-employer lists: World's Best Employers, America's Best Large Employers and Best Employers for Women.
- More than 739,000 hours of employee training are conducted in technical content, ethics, leadership skills and overall employee development.



4



EXCELLENCE

Valero employees treat every day like game day – working hard; staying focused, disciplined and positive; and continually striving to meet objectives that keep all of Team Valero energized and performing at their best.



5



DO THE RIGHT THING

Valero's commitment to integrity means doing the right thing for the right reason, regardless of the circumstances. Employees are trustworthy and continually set positive examples, which leads to open, honest and sincere communication.



6



CARING

Through caring, we create opportunities to positively impact each other, the environment we share, the customers we serve and the communities where we live and work.

DIVERSITY AND INCLUSION

Valero recognizes the value and **benefits of a diverse workforce**, and the impact that comes from truly **inclusive teams**. It is more than doing the right thing. Our integrated approach and respect for all viewpoints have contributed to having the best team and outperforming our peers.

Our job in this area is far from done. We continually work to improve diversity and inclusion within our company, to recognize strengths and advantages that come from the sharing of unique ideas, perspectives and backgrounds, and **support our diverse workforce in ways that empower and inspire**.

From our board of directors to executive management across the company, the **support from the leadership team** is visible.

To see Valero's official Diversity & Inclusion statement, visit www.valero.com/Careers.



As a participant of the **Bloomberg Gender-Equality Index**, Valero has been recognized as a company committed to supporting gender equality through transparency and the advancement of women in the workplace and in the communities where we operate.

Women In Our Global Workforce

Workforce	Professional	Supervision
19%	29%	17%
Executive Officers	Retention Rate	Annual Hiring Rate
18%	92%	23%

Minorities in Our U.S. Workforce

Workforce	Professional	Supervision
34%	32%	23%

Source: Valero HR data

Doing Our Part to Keep Team Valero and Communities Safe



COVID
CORONAVIRUS
DISEASE
19

As part of our **emergency preparedness and response** programs, and **health and safety** initiatives, we responded responsibly and quickly to protect the safety and **well-being of our employees**, their families and communities during the COVID-19 pandemic.

Our **COVID-19 Response Team** met regularly to implement a pandemic plan, and worked proactively with industry medical advisors, the Centers for Disease Control and Prevention (CDC), and other federal, state and local agencies to establish protocols to mitigate risk. **As part of the world's critical infrastructure, Valero continued to make products essential to everyday life** while keeping employees and contractors informed with regular communications and response plans, including:

- Implementing **safe-at-work protocols**, including personal hygiene best practices, social distancing, travel restrictions and daily self-assessments
- **Waiving COVID-19-related health expenses** under our employee medical benefits
- **Expanding remote work capabilities** and the scope of our **family illness leave** to cover time spent at home caring for children who were unable to attend school or day care
- Increasing frequency and type of **deep cleaning and sterilization** throughout our operations

- **Providing employees with health and wellness resources**, including access to on-site clinic consultations, virtual care (in most cases at no cost) and Valero's Employee Assistance Program.

As mentioned earlier in this report, Valero and the **Valero Energy Foundation** provided **more than \$3 million** in funds and fuel cards around the U.S. and in Canada, the U.K., Peru and Mexico to help fill vital needs during the peak of the pandemic.



Aid went to a variety of organizations, from those **feeding families and homebound seniors to others providing critical services for hospitals and first responders.**

The innovation and efforts of our employees were on full display. **Five of our ethanol plants engineered hand sanitizer production** to help ease a critical shortage for health care providers and first responders fighting the spread of the disease.

Team Valero took part in distributing food and fuel cards, and even laptops to school children to aid in distance learning. Through it all, we have been blessed to be able to continue supporting our community partners as we worked together to overcome this extraordinary situation.

TOTAL WELLNESS PROGRAM



Entering its fifth year in existence, **Valero's Total Wellness program includes some of the best and most comprehensive benefits available to help Team Valero perform**

at its best. The Total Wellness program offers it all – competitive pay and benefits, personal development and proactive wellness plans, and health and wealth management resources, as well as engaged leadership.

It is the driver behind all of our efforts to make Team Valero happier and healthier, and a reflection of our deep commitment to care for employees and their families.

Highlights of U.S.-based benefits

(subject to availability by work location and eligibility)

- Comprehensive health care and wellness programs
- Comprehensive wellness assessments
- Financial planning and education
- Company 401(k) matching program
- Company-sponsored pension plan
- Competitive pay and performance management
- Discretionary annual bonus award program
- Paid childbirth leave and parental leave
- On-site employee wellness centers
- On-site family wellness center
- Tuition reimbursement program
- Fitness center access or stipend
- On-site child care center or subsidy
- Employee recognition programs

At the heart of Total Wellness is the **annual wellness assessment**, a detailed picture of an employee's current health that educates and informs health decisions by highlighting risk factors and providing information that can help save lives.

An enhanced **annual wellness assessment** was launched in 2019 and includes:

- Enhanced Body Composition analysis
- Private consultation with a physician
- Updated Comprehensive Health Risk Assessment
- Online nutritional analysis
- Comprehensive lab work
- Epworth Sleepiness Scale analysis

Total Wellness education sessions also are held throughout the year on a variety of relevant topics. In San Antonio, more than 3,200 Total Wellness training sessions have been conducted over the past five years.

In 2019:



5,218 employees

Gained a stronger understanding of their health by taking part in the free annual wellness assessments



551 attendees/2,204 hours

Planning for Retirement



207 attendees/810 hours

Financial Habits That Matter



101 attendees and hours

Cardiovascular Education Series

In 2019, Valero further boosted its Total Wellness benefits by adding **2nd.MD, a national expert second-opinion medical resource, as well as Real Appeal, an online weight-loss and nutrition education program, at no cost to the majority of employees.**



726 employees

Enrolled in Real Appeal in 2019, its first year, resulting in



2,663

Pounds of collective weight loss

TALENT DEVELOPMENT

As part of our commitment to individual employee development and safe, reliable and environmentally responsible operations, we offer a **robust and dynamic training and employee development program** year-round to ensure Team Valero reaches its full potential.

In 2019, more than **739,000 hours** of employee training were conducted in subjects ranging from technical excellence, safety, maintenance and machinery/equipment repair to ethics, leadership and employee performance.

Talent Development set a course in 2019 to expand supervisor readiness training and enrich its **new employee integration** program by expanding into the U.K. and Canada.

Efforts also were made in early 2020 to guide employees successfully through remote working as part of the company's COVID-19 response. Through virtual training, digital resources, videos and existing manager development materials, trainers were able to quickly collaborate with leadership to prepare employees for success and provide vital encouragement.

From intern mentorship to individual contributor, supervisor to senior leadership, Talent Development remains driven to bring about excellence, expertise and career-long engagement.



Basic Operator Training Employees at the Wilmington refinery receive best-in-class operator training.

2019 Training Efforts, by Division

Refining	83%
Renewable Fuels	10%
Corporate	4%
Pipeline and Terminals	2%

2019 Training Breakdown by Job Level

Supervisor and Above	17%
Individual Contributor	83%

2019 By The Numbers

Average class length	96 minutes
Maximum training length (Operator & Training Qualification)	1,200 hours
Total training hours in 2019	739,606

Training History

Since 2009, **1,498 trainees** have completed **719,040 hours** of **Basic Operator Training**. In 2019, **154 trainees** completed **73,920 hours**, an increase of more than **200%** from 2009.

Meanwhile, since 2009, **6,334 trainees** have completed **125,550 hours** of **Engineering Technical Excellence Program (ETEP)** training. In the last 10 years, ETEP training hours increased more than **75%**.

In 2019 alone, **5,336 trainees** attended **367 sessions** of **instructor-led training of professional skills**, including professional soft skills, instructor (train the trainer), HR programs, core business and industry, professional business skills, business applications, and leadership and management.

Valero Family Center Marks 10 Years in Operation



Valero always has **cared for its employees' families and provided programs aimed at retaining a quality workforce**. In 2019, we celebrated the 10-year anniversary of the Valero Family Center at headquarters.

The industry-leading, 28,400-square-foot child care and early childhood education center has nurtured more than **1,180 children** age 6 weeks to 10 years during that time, and proudly graduated **nearly 300** preschoolers from its Kinder Prep program. All just steps away from the corporate office, allowing employees visitation and convenient drop-off and pick-up around work schedules.

The facility has been ranked as a Texas Rising Star center since 2015, **reflecting the highest standards of early childhood education**, and is nationally accredited by the National Association for the Education of Young Children (NAEYC). The center's World at Their Fingertips curriculum, which promotes **hands-on learning and activities** from an early age, is consistently praised by parents through satisfaction surveys.

Day care assistance also extends to other Valero locations, where eligible employees can receive child care subsidies.

“

“The Valero Family Center is an extension of Valero’s commitment to provide quality resources for its employees. It was opened 10 years ago with the intention of helping Valero parents manage the needs of their families, and I believe it has achieved that goal. We are grateful to everyone who has worked to support this mission from the very beginning.”

– Julia Rendon Reinhart, Senior Vice President-Human Resources and Administration

Valero Scholarship Program Supports Exceptional Children of Employees

For 40 years, Valero has relied upon a team of talented employees to drive every aspect of its business. Closely linked to this team are the families they support, including **exceptional children who demonstrate excellence in leadership, academics, volunteerism and extracurricular activities.**

The annual **Valero Scholarship Program** was created in 1981 to honor the high school and college-level daughters and sons of Team Valero's workforce. Recipients earn not only a **financial gift** from Valero to support their education, but also the opportunity to **meet with senior leadership** to discuss and consider the future that lies ahead – often, in the energy industry.

"Your opportunities are endless, so you should dream big and set high goals," Joe Gorder, Valero Chairman and Chief Executive Officer, shared in 2019. "While you certainly will face challenges in the years ahead, you can achieve your goals through **hard work, great determination, strong faith and a caring spirit.** Those are the qualities that enabled our employees to build Valero from a regional energy company with one refinery to one of North America's largest refiners and marketers."

Valero's scholarship program has awarded more than \$5.7 million to 702 students who stood out from their peers in countless ways.

We are tremendously proud to celebrate these achievements and continue the company's mission to support education.

As of 2019, the Valero Scholarship Program included about **100 active recipients** pursuing college degrees in more than **65 different schools nationwide.**



Left to right are parents Joe Cantu, HSE-DOT Compliance & OQ Analyst, and Courtney Cantu, Lead Event & Venue Specialist; daughter Madelynn Castro, a scholarship recipient; and Joe Gorder, Chairman and CEO.

"The scholarship program for children of Valero employees is one of Valero's greatest investments. Not only do they put employees first – they put their employees' families first. It is such an amazing way to honor my daughter's achievements, not only in the classroom but in our community as well."

– Courtney Cantu, on daughter Madelynn.

"Receiving the Valero scholarship has been a blessing to us ... the mere fact that he was chosen for the Valero scholarship gives me an even warmer feeling about my company. I am so proud to be a part of Team Valero!"

– Ada Gordon, on son Chase.
Chase will be among Valero's intern class in 2020.

COMPENSATION

Valero's compensation program supports **fair treatment and equal pay**, which are built on a foundation of market-competitive and performance-based pay along with ongoing reviews of pay practices and policies.

Valero has developed the following strategies and processes to steward and support equal pay among employees:

- Job evaluations and market pay analysis
- Formal salary recommendations
- New-hire salary information
- Annual merit program
- Companywide analysis of pay
- Unconscious bias training
- Employee pay history

Valero's Performance Management approach is rooted in its six culture values, and supports the company's strategic objectives. The **"Pay for Performance" philosophy allows managers to identify and reward high-performing employees** – and motivate their future success – through various resources.

Our **annual bonus program**, a key part of our pay for performance, is **a variable component** of annual pay focused on achievement of short-term operational, financial and strategic objectives. These include **health, safety and environmental metrics; mechanical availability; cash operating expenses management; earnings per share; and other strategic initiatives such as return to stockholders, disciplined use of capital, operational and organizational excellence, and ESG improvement** such as sustainability, diversity and inclusion, compliance and corporate citizenship.



Valero supports high school students of YES Prep, a public charter school for the underserved community in Houston.

Partnering with High Schools



"WE ARE LEADERS"

SUMMER PROGRAM

In partnership with SA Works, an industry-led workforce development organization, Valero employs high school students for a seven-week summer internship, as part of the company's **"We Are Leaders"** program.

This program provides **employment opportunities** to students from underserved schools with the goal of offering **real-life experiences** that will foster job skills and exposure to careers available at a Fortune 50 corporation. Long term, the program aspires to build a **stronger workforce pipeline**.

Each student is matched with a Valero employee who serves as mentor throughout the term and provides **work assignments and coaching** on success attributes, such as punctuality, following directions, accepting feedback, taking initiative and making decisions.

Valero also participates in the annual citywide **Job Shadow Day** in which 40 to 50 students are invited to Valero's corporate office to learn about our industry and STEM careers.

Donation to BYU Engineering Boosts Opportunities for Women



BYU Chemical engineering students, such as those pictured, will benefit from Valero's donation to the school's College of Engineering, presented by members of Valero's leadership, including Lane Riggs, President and Chief Operating Officer (front row, third from left, inset photo), to school faculty.

Part of Valero's \$1 million donation to Brigham Young University's College of Engineering in 2019 will be used to support college **diversity and inclusion** initiatives, with an emphasis on research and mentorship opportunities for **women**.

The donation also will provide increased resources to the Utah school's Chemical Engineering department, including **new equipment** and **enhanced lab space**.

"Valero is proud to support the BYU College of Engineering in ways that directly benefit the next generation of engineers – from laboratories to equipment to scholarships to **mentorships** for women," said Lane Riggs, Valero President and Chief Operating Officer. "We want our investment to be a platform where students can learn and are positioned to excel in their engineering careers."

In all, the donation benefits the school's following facilities:

- **Chemical Engineering Fundamentals Lab** – referred to by students and faculty as the **Valero Teaching Lab** – allowing hands-on learning and teaching opportunities for undergraduate chemical engineering students
- **Computer-aided Engineering Design and Manufacturing (CAEDM) Nexus**, an open computing lab for all engineering majors
- **The Hardware Proving Grounds**, large work areas where students can assemble and store large projects and test innovative ideas

Future recipients of Valero scholarship funds at the school will benefit from tuition assistance as they pursue their engineering education.

“

“Our graduates who have taken positions at Valero have thrived as a result of Valero's positive and empowering corporate culture and their appreciation of the maturity and preparation of our graduates.”

– BYU College of Engineering Dean Michael Jensen

TALENT ACQUISITION

Team Valero's **deeply rooted culture** is a key component of generating incredible results. Valero continually works to cultivate teams that are inclusive and results-driven, and celebrate every employee's strengths and ideas. This starts with **recruiting the best of the best, and immersing them in opportunity, enrichment and challenges that fuel their success for years to come.**



Our recruitment brand, "Fueling Exceptional Futures," is visible at colleges and universities to **attract the brightest minds** to help us in our vision to develop reliable, affordable and sustainable energy through **innovation, ingenuity and unmatched execution**. As part of this mission, we actively cultivate an exceptional future for women in our workforce through strategic educational outreach.

Valero's comprehensive employee programs and services are designed to **elevate the employee experience**, as talented individuals bring their best to work each day. They foster excellence. They work safely and work hard. They make a difference. And they believe in the power of **teamwork**.

Find out more, at www.valero.com/Careers.

In 2019, our intern program, the **largest ever** in the history of the company, recruited **more than 200** interns throughout our network of refineries, ethanol plants and headquarters office.

Our internship program began 23 years ago with only eight interns – two of whom are still part of Team Valero. Over this time, Valero has benefited from the excellence of 2,030 interns. On average, 90% of graduating engineering seniors are offered full-time positions at our refineries and plants. For business interns, an average 70% of graduating seniors are offered full-time employment.

Interns are given the opportunity to meet and learn from Valero leadership; broaden leadership skills; expand knowledge of the energy industry and its impact on modern life; and develop an understanding of Valero's important role in refining and renewable fuels operations, environmental stewardship and business best practices.



Investing in a Future Workforce at Pembroke Refinery

Student engineers from across the United Kingdom have been gaining **valuable industrial experience** through year-long placements at Valero Pembroke Refinery.

For many years, the company has relied on its **apprentice and bursary programs** to train and retain new entrants to the refining sector. Eleven undergraduates took part in the Welsh refinery's 2018-19 program, which provided an opportunity to earn an income while putting academic skills into practice.

The bursary program provides engineering students from Pembrokeshire with **£1,000** a term during their time in college, a **year-long paid work placement** and **paid summer employment**.

"It's been really enjoyable and educational," said Benedikt Weber, 22. "It's an excellent place to get that first bit of real industrial experience. You're not just stuck behind a desk; you're actually doing work that benefits the refinery so you get a sense of accomplishment."

Nancy John saw the bursary program advertised in the local paper and decided to apply. She has been working with the refinery's environmental team. "Working here is fab, it's very interesting and there's so much to learn about how the refinery works and everything fits together," she said.

"I've got to see so much, and learned so much about different aspects of the business. Everyone is capable of doing engineering. The world is changing and it doesn't matter if you're male or female. There's a field for everyone."

Public Affairs Manager Stephen Thornton said, "For us, it's about **finding good quality people, training them, rewarding them** and ultimately **retaining them**."

"We invest in students in the hope they'll come back to us once they've finished their studies. We like to grow our own future engineers and in return we offer the potential for great personal growth and career."



"Everyone is capable of doing engineering. The world is changing and it doesn't matter if you're male or female. There's a field for everyone."

– Nancy John, Pembrokeshire engineering student



Engineering students among 11 college undergraduates who spent a year at Valero's Pembroke refinery.

Houston, Benicia Employees Celebrate Longer-Standing Milestones

While Valero is observing its 40th anniversary as a company, Houston and Benicia employees celebrated even longer-standing milestones in 2019 – of **75** and **50** years, respectively.



Houston refinery employees celebrate the plant's 75th anniversary.



During World War II, the federal Defense Plant Corporation tapped the Eastern States Petroleum Company to build a 100-octane aviation gasoline refinery at Houston to fuel fighter aircraft. Since **March 3, 1944**, the refinery has grown and expanded to become today's **Valero Houston Refinery**, acquired in 1997.

Refinery employees came together to celebrate with a 1940s-themed party, exchanging ration cards for lunch from a variety of food trucks, and held games and other activities.

"It's important to remember that **the thing that has made the refinery successful is its people**," said Rob Moore, Vice President and General Manager of the Houston refinery. "Valero employees have shown their dedication over and over again, to the pursuit of safety and excellence. Here's to the next 75 years!"

After a 100-year-old army arsenal at **Benicia, California**, closed in the 1960s, city leaders convinced Humble Oil and Refining Co., a predecessor to ExxonMobil Corp., to build a refinery at the site. On **Oct. 3, 1969**, then-Gov. Ronald Reagan dedicated the new Humble refinery, which would be acquired by Valero in 2000.

Throughout 2019, refinery employees observed the refinery's golden anniversary with events including tree-planting, a luncheon and a gala dinner – highlighted also by \$250,000 in donations to the local community, and city and state proclamations.

"From our 'Humble' beginnings, the Benicia refinery has provided 50 years of continuous energy to Californians and beyond," wrote Don Wilson, the refinery's Vice President and General Manager, in a dedication for a special anniversary book.

"Powering the world's fifth-largest economy takes **supreme personnel, quality equipment and immense teamwork.**"



Benicia refinery employees observe the plant's 50th anniversary with a tree-planting.



Governance



40-YEAR ANNIVERSARY GOVERNANCE HIGHLIGHTS

1980

On Jan. 2, more than 22 million Valero shares held by approximately 20,000 shareholders begin trading on the New York Stock Exchange. The company sees its first public share sell for \$12.50, more than doubling in value overnight.

2000

IndustryWeek magazine ranks Valero as one of the 100 Best-Managed Companies in the world.

2001

Forbes magazine lists Valero as one of its 400 Best Big Companies in America.

2002

Following the Sarbanes-Oxley Act of 2002, Valero implements all related regulations. No “significant deficiencies” or “material weaknesses” have been identified since inception of SOX 404 controls, and there have been no restatements of financial statements in our history.

2010

The company launches a computer-based training program on the Code of Business Conduct and Ethics to train all employees on fair, ethical, honest and lawful conduct.



We view our stakeholders as partners to whom we seek to deliver operational excellence, disciplined management of capital and long-term value on a foundation of strong governance and ethical standards.

Our strong corporate governance policies and practices provide accountability and responsiveness to our stockholders, employees, neighbors and other stakeholders.

BOARD OF DIRECTORS: 11 MEMBERS



5 of 11

directors represent diversity of race or gender.



3 of 11

directors are women



2012

- Valero is named to Fortune magazine's World's Most Admired Companies list, and remains the top independent refiner for succeeding years.
- Anti-bribery policy, applicable to all employees, directors and agents who work on behalf of the company, is revamped.

2013

Forbes magazine names Valero one of America's 100 Most Trustworthy Companies.

Our board of directors provides responsible oversight with three committees composed of independent directors:

- **Audit Committee**
- **Compensation Committee**
- **Nominating/Governance & Public Policy Committee**

1 The **Audit Committee** assists the board in oversight of the integrity of Valero’s financial statements and public financial information, the qualifications and independence of Valero’s independent auditor, the performance of Valero’s internal audit function and independent auditors, and Valero’s cybersecurity and technology initiatives.

2 The **Compensation Committee** reviews and reports to the board on matters related to compensation programs, policies and strategies, including management succession planning. Valero’s compensation philosophy tightly links company performance and executive pay, aligns interests of executives and stockholders, manages risk and adopts best practices in executive pay, balances compensation over short- and long-term periods and enables retention of top executive talent.

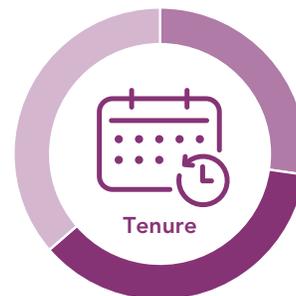
3 The **Nominating/Governance and Public Policy Committee** assists the board in oversight of corporate governance; board membership; health, safety and environmental matters; public policy trends; and corporate responsibility and reputation. In addition, the committee, alongside management, reviews and discusses climate-related risks and opportunities to ensure inclusion in Valero’s strategy and execution.

64 years
average age



■ 70s ■ 60s ■ 50s

8 years
average tenure



■ 11-15 yrs ■ 7-10 yrs ■ ≤6 yrs

40-YEAR ANNIVERSARY GOVERNANCE HIGHLIGHTS

2015

Petroleum Economist Awards names Valero Downstream Company of the Year.

2016

Joe Gorder earns first of four straight Best CEO honors, integrated oil sector, of Institutional Investor magazine’s All-America Executive Team; Valero named a Most Honored Company.

2019

- Valero earns the Award of Excellence-Downstream from S&P Global Platts Global Energy Awards, the “Oscars of the energy industry,” lauded as a “success story” and for its “investment in a more sustainable future.”
- For the fifth consecutive year, Valero is named by

2020 Women on Boards to its Winning “W” Companies whose boards comprise 20% or more women. Currently, Valero has three women on the board.

- A Fortune 32 company, Valero’s market capitalization is \$36 billion at the end of year

BOARD OF DIRECTORS



Joe Gorder
Chairman of the Board
and CEO, Valero Energy
Corporation



H. Paulett Eberhart
Chair and CEO,
HMS Ventures



Kimberly S. Greene
Chair, CEO and
President, Southern
Company Gas



Deborah P. Majoras
Chief Legal Officer and
Secretary, The Procter &
Gamble Company



Eric D. Mullins
Managing Director and
Co-Chief Executive
Officer of Lime Rock
Resources



Sen. Don Nickles
Retired U.S. Senator
(R-Okla.); Chairman and
CEO, The Nickles Group



Philip J. Pfeiffer
Of Counsel, Norton
Rose Fulbright LLP, San
Antonio



Robert A. Profusek
Partner and Practice
Leader, Global Mergers
and Acquisitions, Jones
Day



Stephen M. Waters
Managing Partner,
Compass Partners
Advisers LLP; former
Chief Executive, Compass
Partners European Equity
Fund



Randall J. Weisenburger
Managing Member,
Mile 26 Capital LLC;
former EVP and CFO,
Omnicom Group Inc.



Rayford Wilkins Jr.
Former CEO-Diversified
Businesses, AT&T

STRONG CORPORATE GOVERNANCE

From health and safety to confidentiality to proper use of company assets, accurate financial reporting and anti-bribery, our **Code of Business Conduct and Ethics** and other policies aim to ensure that we maintain the highest standards of ethical behavior.

In 2019, our employees received more than



773,000 hours

of training in compliance-related matters, including conduct and ethics, reporting hotline, anti-bribery, data privacy, emergency preparedness, human rights, information security and others.

We promote an organizational culture focused on regulatory compliance and the highest ethical standards.

We provide employees, directors, business partners and others an anonymous reporting hotline to report claims or concerns. All reports to the hotline or otherwise are fully investigated and anonymous, and can be made without fear of dismissal or retaliation.

In 2020, as part of our aim to continuously improve our compliance program, we will **conduct a renewed comprehensive risk assessment, to re-evaluate and recalibrate our internal compliance controls and procedures, and update policies and training.**

Governance policies and committee charters, including the Code of Business Conduct and Ethics; Corporate Governance Guidelines; Policy on Political Contributions, Lobbying and Trade Associations; Anti-Bribery; Human Rights, Health, Safety and Environmental; and other policies and guidelines can be found at our website in the Investors section under Corporate Governance: www.investorvalero.com/corporate-governance.

Valero Earns 'Award of Excellence-Downstream' from S&P Global Platts

Valero earned the prestigious "Award of Excellence-Downstream" from the 21st annual S&P Global Platts Global Energy Awards, often described as the "Oscars of the energy industry" and featuring finalists from 37 countries across 23 categories.

Eight global companies were finalists in the downstream category, referring to those that refine raw materials and distribute the products, with **Valero winning the top honor as a "success story," revealing its "investment in a more sustainable future,"** according to S&P Global Platts.

The organization is the leading independent provider of information and benchmark prices for the commodities and energy markets.

"We congratulate Valero for its win of the Award of Excellence-Downstream," said Martin Fraenkel, President of S&P Global Platts. "The independent panel of judges was impressed with **Valero for its standout performance in this awards category for its commitment to the energy industry's advancement.**"

Particularly, judges appreciated Valero's "considerable commitment" to alternative fuels with a total investment of \$1.7 billion in ethanol and more than \$1 billion in renewable diesel. They noted the company becoming the world's second-largest corn ethanol producer, and its joint venture Diamond Green Diesel – Valero's low-carbon centerpiece – as the world's second-largest renewable diesel producer.

They cited the company's investment strategy as part of an overall "path of excellence," including also recognition as an outstanding employer, with high rates of employee volunteerism and record charitable donations.

"They're leading the way as a good corporate citizen, while succeeding in a tremendously competitive environment," the judges concluded.

DEMONSTRATED STRATEGY FOR VALUE CREATION

Valero focuses on delivering for its stockholders in three key areas:

- Proven history of **operations excellence** and **higher profitability** by focusing on safe, reliable, environmentally responsible operations
- **Disciplined capital allocation** with solid free cash flow and returns to stockholders without compromise on asset maintenance
- **Growth strategy** focused on a steady pipeline of **high-return projects**

Valero's performance and capital allocation decisions have resulted in Valero's Total Stockholder Return (TSR) **outperforming** the Dow Jones Index, the S&P 500 Index and all companies in the XLE⁽¹⁾ Index **since 2014**.

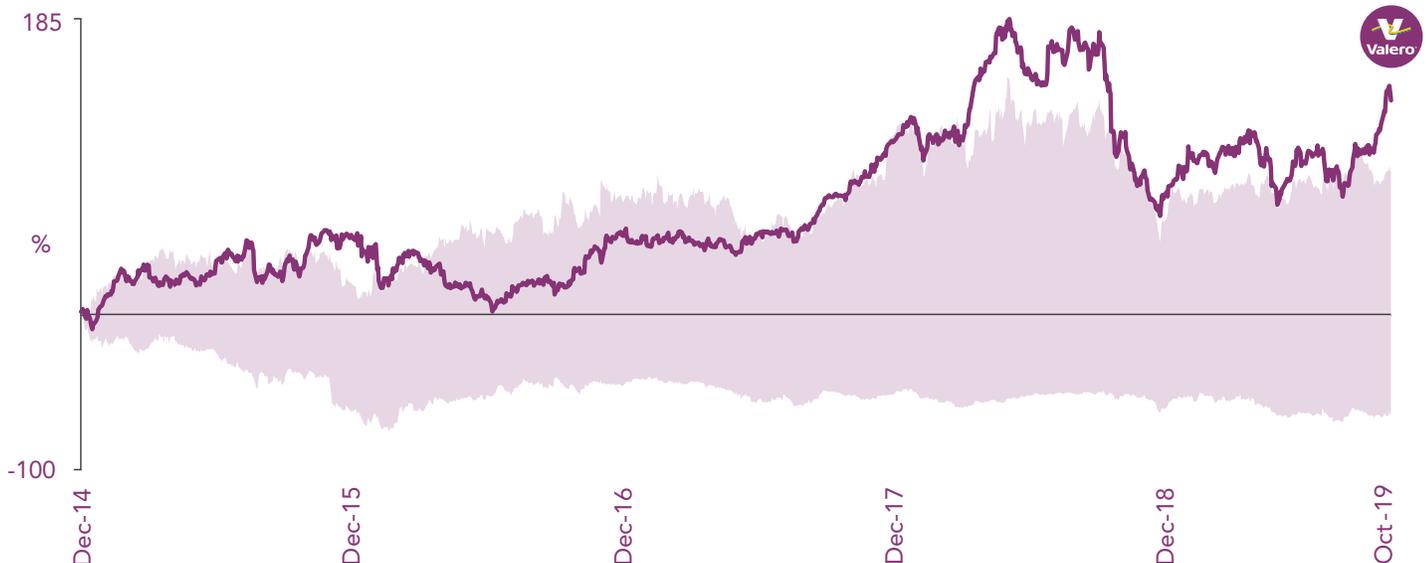
ALIGNMENT OF EXECUTIVE PAY TO COMPANY PERFORMANCE

Valero's board of directors has designed the executive compensation program to retain and provide incentive to executives, and reward them for superior company performance. The program **aligns the interests of executives and stockholders**, manages risk, balances compensation over short- and long-term periods and is designed with consideration of best practices in executive compensation. The program is composed of base salary, annual bonus based on performance goals and long-term incentives. The annual bonus includes financial, strategic and operations goals, including health, safety and environmental metrics, mechanical availability and operating expense management, and new ESG metrics.

Total Stockholder Return⁽²⁾

VLO	+133%
Dow Jones Index	+71%
S&P 500 Index	+63%
XLE	-15%
XLE Constituents Min	-65%

XLE Range — VLO



⁽¹⁾XLE includes refining peers PSX, MPC, HFC, and 26 other energy companies such as XOM, CVX, SLB, COP, EOG, OXY, and KMI.

⁽²⁾TSR from December 31, 2014, through October 31, 2019. TSR includes stock price appreciation and dividends paid.

History of energy sector and broader market outperformance under current leadership team.

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement efforts involve the following:

- **Ongoing engagement** with stakeholders
- Consistent dialogue providing management and the board of directors with insights on **issues and initiatives** that are **priorities for our stakeholders**
- An **engagement** process following a “review, plan, engage, and analyze and respond” cycle to **build relationships** and **create meaningful engagement**
- Adjusting our engagement process based on **stakeholder needs** and **business strategy**



POLITICAL ENGAGEMENT

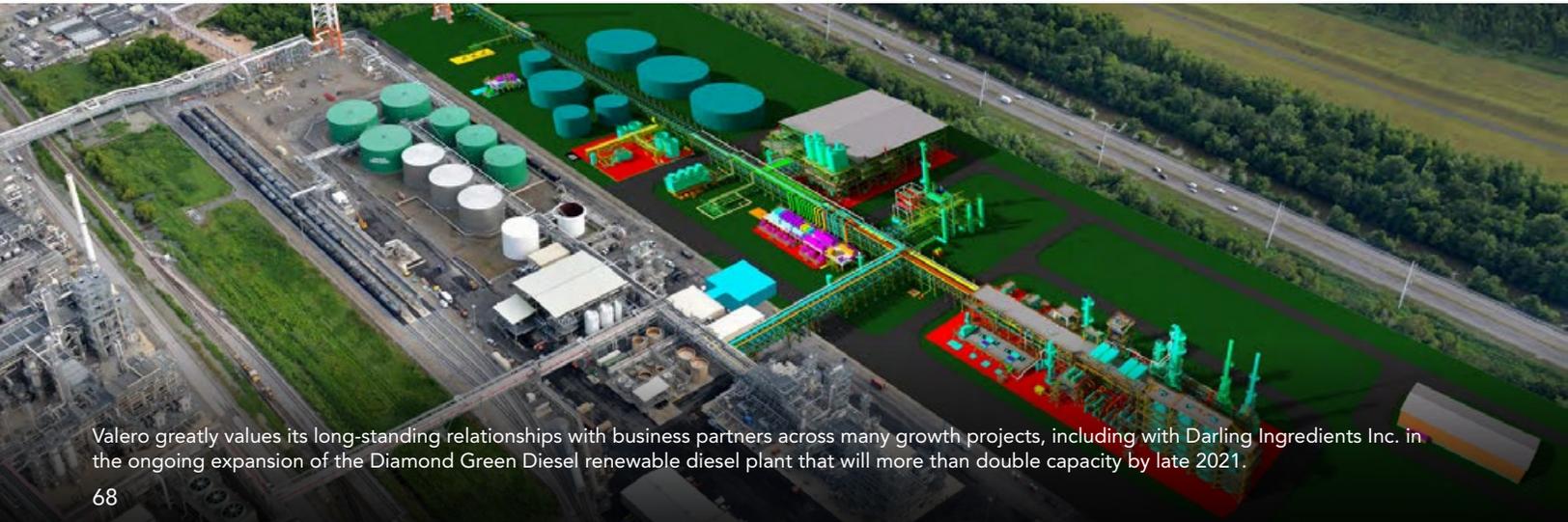
We believe that constructive participation in the political process is in the best interests of our stockholders, employees, neighbors and other stakeholders. We are committed to complying with all applicable local, state and federal regulations. Our Policy on Political Contributions, Lobbying and Trade Associations describes our activities and reporting on this subject.

SUPPLY CHAIN AND BUSINESS PARTNERS

In 2019, we spent **approximately \$2.5 billion** on maintenance and growth projects.



Our business partners are critical to our success and reliability and we work collaboratively with them to promote optimal performance and mutual success. We have processes in place to vet our business partners to determine their **compliance with safety and security precautions** and programs in connection with the services they provide. At the same time, **we require our business partners to comply with all federal, state and local laws, and rules, regulations, codes and ordinances, including those related to health, safety, the environment, respect for human rights and employee rights, conflicts of interest and anti-corruption.**



Valero greatly values its long-standing relationships with business partners across many growth projects, including with Darling Ingredients Inc. in the ongoing expansion of the Diamond Green Diesel renewable diesel plant that will more than double capacity by late 2021.

Institutional Investor Again Names Valero 'Most Honored,' Gorder Top CEO

For a fourth year in a row, Institutional Investor magazine named Valero among its "Most Honored Companies," based on results across several categories of its "2020 All-America Executive Team" rankings. Joe Gorder, Valero Chairman, President and CEO, ranked Best CEO overall in the integrated oil sector.

The authoritative investment publication determined the rankings from votes of nearly 1,700 portfolio managers and analysts. Rankings in each of 44 industry sectors were grouped separately under portfolio managers, analysts and then combined overall.

Overall top 2 rankings in the integrated oil sector also went to Donna Titzman, Valero Executive Vice President and Chief Financial Officer, in the Best CFO category; Homer Bhullar, Vice President-Investor Relations, Best IR Professional category; and to Valero in Best Investor Relations Program, Best IR Team, Best in Corporate Governance, and Best in ESG/SRI Metrics (tie) categories.

Bhullar and Valero, respectively, were ranked No. 1 by analysts, in the Best IR Professional and Best IR Team categories.

Institutional Investor asked portfolio managers and analysts at securities and research firms to name the best of each category among U.S. companies they cover. Each voted for up to four companies across several performance measures.

Companies that earn two or more top-three appearances in the Best CEO, CFO, IR Professional and IR Program categories are recognized as a "Most Honored Company." Out of nearly 1,500 companies receiving votes, only about 10% of those earned the "Most Honored" distinction.

Institutional Investor

2020 All-America Executive Team

As the closing bell is struck at the New York Stock Exchange, Seymour Battle, Valero Vice President-Accounting Systems is the Valero Volunteer shown handing out fuel cards at the San Antonio Food Bank for COVID-19 relief, and recognized as "honorary closing bell ringer" as part of the exchange's #gratitude campaign.



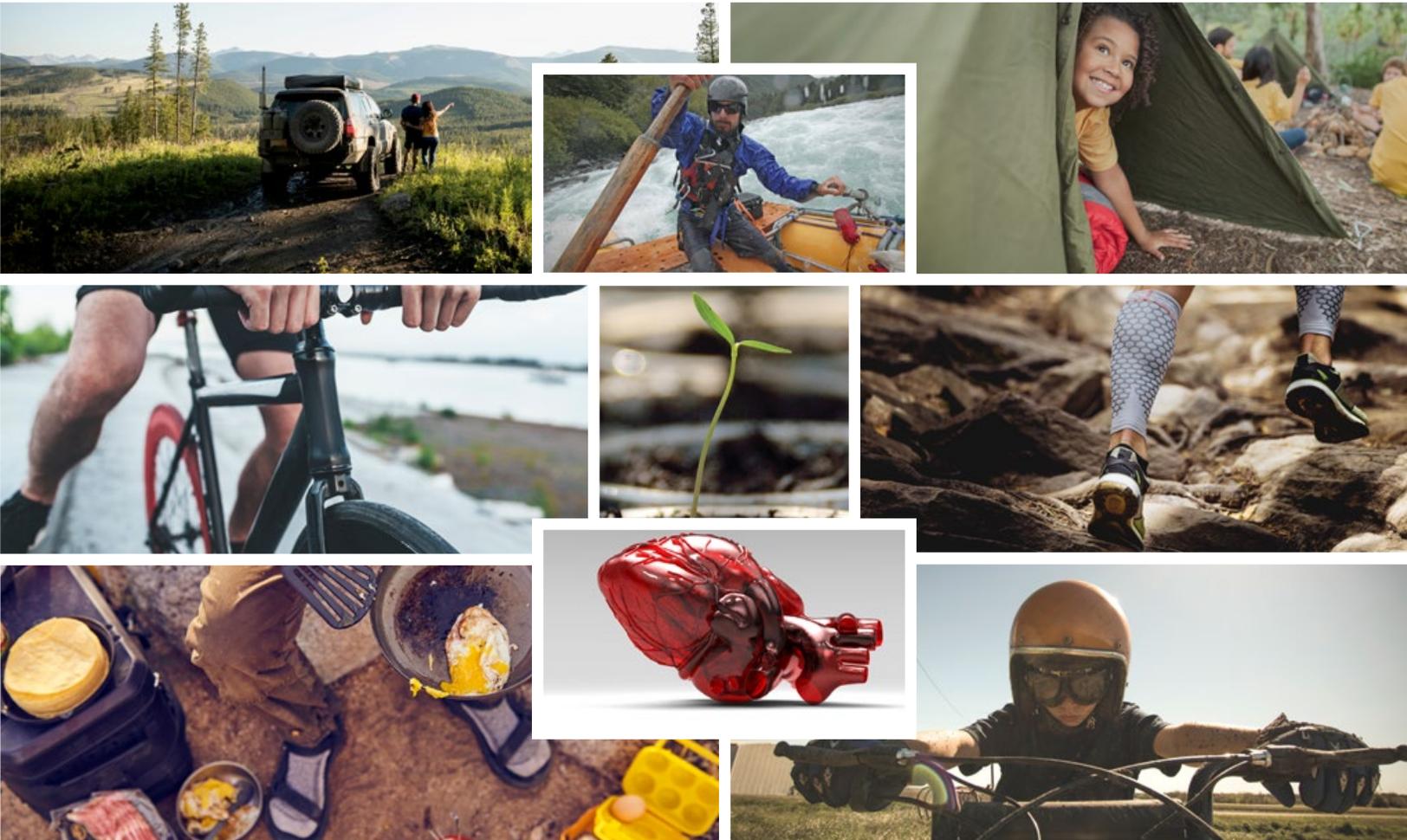
SUMMARY OF AWARDS

- The **Award of Excellence-Downstream**, the top international honor for independent refiners, from the **21st annual Global Energy Awards of S&P Global Platts**
- **Institutional Investor** magazine's **Most Honored Companies** list, based on its **2020 All-America Executive Team** awards in the integrated oil sector: **Joe Gorder, Best CEO**, and overall top 2 rankings to **Donna Titzman** in the **Best CFO** category; **Homer Bhullar, Best IR Professional** category; and to **Valero** in the **Best Investor Relations Program, Best IR Team, Best in Corporate Governance** and **Best in ESG/SRI Metrics** (tie) categories
- Included on **Forbes** magazine's 2019 lists of **World's Best Employers, America's Best Employers** and **Best Employers for Women**
- Named each time since 2013 to the list of America's 50 most community-minded companies – **The Civic 50**, an initiative of **Points of Light** – for corporate citizenship efforts, and is the leading energy sector company on the list
- Selected to the **2020 Bloomberg Gender-Equality Index (GEI)** list of global companies for efforts supporting gender equality, setting an example to advance women in the workplace through measurement and transparency
- Most refineries (10) approved as **Voluntary Protection Program (VPP) Star Sites**, the highest plant safety designation of the **U.S. Occupational Safety and Health Administration (OSHA)**, after voluntarily submitting to and passing rigorous safety audits
- Three asphalt terminals approved for **VPP Stars**
- Four safety awards in 2019 from **American Fuel & Petrochemical Manufacturers (AFPM)**, including the **Elite Silver Safety Award** to the **Valero Ardmore Refinery** for performance in the top 5% of AFPM member companies
- Valero's **Canadian** operations recognized with the **Solidaire Corporate Commitment** award from **Centraide** (United Way in Canada) for conducting an exceptional campaign receiving support of senior management, a crowning achievement reflecting more than 20 years of support
- The **2019 Eagle Ford Excellence Award for Environmental Stewardship**, and **Community and Social Investment**, from the **South Texas Energy & Economic Roundtable (STEER)**
- An **ASTORS Award** from **American Security Today** to the **Valero Port Arthur Refinery for Best Maritime/Seaport Security Program**, in conjunction with Allied Universal, for efforts to protect the nation's fastest-growing port complex critical to the U.S. defense and economy
- Three awards to the **Valero Memphis Refinery** from the **United Way of the Mid-South**, for **Best Team Effort, Best Difference Maker** and **Best Game Changer**
- The **Valero Wilmington Refinery** recognized as **Partner of the Year** by the **Boys & Girls Clubs of the Los Angeles Harbor** as well as honored as the **Corporation of the Year** by the **Greater Los Angeles African American Chamber of Commerce**
- The **2019 Brookings County Conservation District Tree Stewardship Award** to **Valero Renewables-Aurora** for its efforts in planting thousands of trees over many years as field windbreaks and to provide habitat for wildlife
- **¡Por Vida!** program recognition from the **Healthy Restaurants Coalition** of the **San Antonio Metropolitan Health District, San Antonio Restaurant Association** and local dietitians to Valero's headquarters cafeteria for its nutritional food options
- Eight **American Inhouse Design Awards** to the **Valero Design Services** team from **Graphic Design USA** magazine, recognizing outstanding work by in-house graphic designers and departments

#FUELED BY

Fuel isn't just about driving but the drive to achieve something great. We're proud to provide products for many of the things you use every day to create, innovate, experience and dream. Because, at Valero, we believe that the thing that you are truly fueled by comes from within.

What are you fueled by? Check out <https://fueledby.com>.

**ABOUT THIS DOCUMENT****Policies and Procedures**

This document includes statements regarding various policies, values, standards, approaches, procedures, processes, systems, programs, initiatives, assessments, technologies, practices, and similar measures related to our operations and ESG and compliance systems ("Policies and Procedures"). References to Policies and Procedures in this document do not represent guarantees or promises about their efficacy or continued implementation, or any assurance that such Policies and Procedures will apply in every case. Such Policies and Procedures are subject to risks, uncertainties and other factors, some of which are beyond the control of Valero and are difficult to predict, and there may be exigent circumstances, factors, or considerations that may cause implementation of other measures or exceptions in specific instances. Please see Forward-Looking Statements below.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, but not limited to, statements about our Policies and Procedures. You can identify forward-looking statements by words such as "believe," "estimate," "expect," "seek," "could," "may," "will," "targeting," "goal," "plan," or other similar expressions that convey the uncertainty of future events or outcomes. These forward-looking statements are not guarantees of future performance or actions and are subject to risks, uncertainties and other factors, some of which are beyond the control of Valero and are difficult to predict. These statements are often based upon various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends and market conditions made by the management of Valero. Although Valero believes that the assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Valero cannot give assurance that it will achieve or accomplish its expectations, beliefs or intentions, or that any forward-looking statements will ultimately prove to be accurate. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in Valero's filings with the Securities and Exchange Commission, including Valero's annual reports on Form 10-K, quarterly reports on Form 10-Q, and other reports available on Valero's website at www.valero.com. These risks could cause the actual results, actions and Policies and Procedures of Valero to differ materially from those contained in any forward-looking statement. We do not intend to update these statements unless we are required by the securities laws to do so.

Results or metrics in this document as of any date, or for any period, ending on or prior to the date of this document are not necessarily indicative of the results that may be expected as of any date, or for any period, ending after the date of this document.



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Valero Energy Corporation
Corporate Headquarters
P.O. Box 696000
San Antonio, TX 78269
www.valero.com



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