

**"Valero is with you San Antonio – yesterday, today, and tomorrow."**

— Joe Gorder, Chairman and CEO



To Valero business partners and the San Antonio community, a place Valero has proudly called home for 40 years:

In this unprecedented year of COVID-19, our connections to each other matter more than ever. To those who have been impacted by this global pandemic, including front-line responders who bravely care for us, I would like to share my deepest gratitude, support, and prayers as we unite to protect each other and stay safe. I also would like to share some of what Valero has been experiencing and doing during this time. While our business activities often play out in the global headlines, I wanted to share this update directly with you.

Valero and the Valero Energy Foundation have responded to the public health crisis in direct and measurable ways, including more than \$3 million to help front-line organizations meet critical needs. These organizations need all of us now more than ever – to continue feeding families and homebound seniors, make sure children have the educational tools to keep learning at home, and to maintain the valiant efforts of healthcare workers at hospitals and urgent care centers with the protective equipment and financial support they need. Valero has been blessed to be able to continue helping our dedicated community partners through this historic time.

As the largest global independent manufacturer of transportation fuels and other petroleum products, Valero is part of our country's critical infrastructure. As a result, we kept our operations running to provide fuel that our country needs to keep critical supplies and first responders moving, while operating safely and effectively for the benefit of our nation. I am incredibly proud of the innovation and efforts by our employees – a team that it is humbling to be a part of. They are a contributing part of San Antonio and many other communities across the world. They have given generously, volunteered their time, and even shifted production at some of our ethanol plants to make hand sanitizer and help alleviate shortages of this critical material in the fight against the pandemic. I am grateful for each and every member of the Valero family.

The COVID-19 lockdown has dramatically impacted all businesses, including Valero. Similar to other businesses, we had to make important operational and financial decisions to protect our company and our employees during this unprecedented time, but we have not laid off, furloughed, or reduced the compensation of any of our 10,000 employees. In fact, we are providing a wide range of resources to help our employees through this time, including private health care, free COVID-related medical benefits and protective resources, on-site child care, and resources for summer camps as child care continues to be a challenge. Our employees are the heart of our company and we are treating them that way.

As you may have seen in our recent public filings, Valero reported first quarter 2020 results on April 29. While our filings typically receive robust financial analyst and global media coverage, I want to provide a summary of our results for our friends and neighbors here in San Antonio. Although we reported a net loss of \$1.9 billion, it was primarily driven by a \$2 billion after-tax inventory valuation adjustment (\$2.5 billion pre-tax), which was required due to the fall in the price of crude oil and products. Excluding this non-cash adjustment, our adjusted net income was \$140 million, which beat Wall Street expectations. The inventory valuation adjustment was not unique to Valero – most companies in our business were impacted similarly. If you are interested in additional color, I would encourage you to read our full first quarter's earnings release and quarterly report on Form 10-Q, which are available at [www.valero.com](http://www.valero.com), click on "Investors".

Today in San Antonio, we are pleased to see efforts to flatten the COVID-19 curve beginning to work across our city and Bexar County. People are gradually and prudently starting to get out more; many businesses are reopening, and we are starting to see demand for our products pick up recently. This is an important signal of community strength, and we are encouraged by the resiliency of our community.

As we turn Valero's focus toward our phased Safe Return and Stay Healthy work strategies, we continue adhering to important CDC guidelines and recommended practices. These include social distancing, extensive disinfection efforts throughout our buildings and offices, restricted gathering sizes, appropriate mask usage in the workplace, and limiting visitors on our campus. We are taking every step we can so that you, our neighbors, know we are doing our part to keep people safe while at the office and in our community.

There is no question that COVID-19 has changed our world. But our values and commitment to this community remain unchanged. Our employees, stakeholders, and our communities where we operate – especially our San Antonio home – keep us motivated and driven to deliver our best each day.

We will get through this together, San Antonio. Please stay safe and healthy, and look forward to a brighter tomorrow.

On behalf of team Valero, may God bless and watch over you and your loved ones.



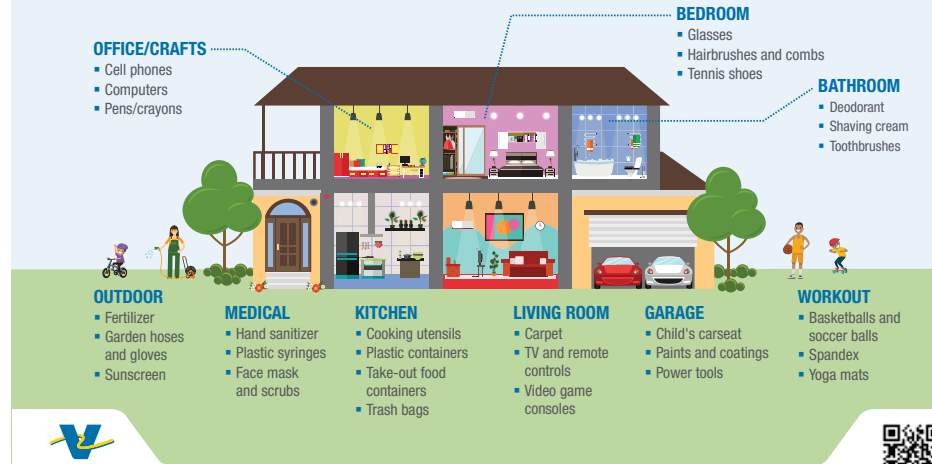
Sincerely,

**Joe Gorder**

Chairman and  
Chief Executive Officer

## Valero's products are essential to life at home

### Petroleum-Based Products All Around Your Home



#InItTogether



## WE ARE WITH YOU SAN ANTONIO



We are proud to give back to San Antonio. Support of our community is needed now more than ever.

**Working together we will get through this.**

