

MAKING PRODUCTS ESSENTIAL TO MODERN LIFE

To the San Antonio community and Valero partners:

2020 will be a year to remember. The COVID pandemic had an extraordinary impact on all families, communities, and businesses across the globe. As part of the country's critical infrastructure we continued to safely produce transportation fuels and other products essential to life.

Yet, Valero's commitment to safety, environmental stewardship, our employees and shareholders as well as our investment in the communities where we live and operate never wavered. Valero gave more than \$48 million for our communities in 2020, ensuring families had food, shelter, fuel, and other basic necessities, especially as many people suffered hardships. In San Antonio alone, we contributed more than \$22 million to local charities, and generated \$2 billion in economic impact for the city.

In 2020, we achieved several operational records, best year ever for safety performance for the second year in a row along with best year ever for environmental performance. I am proud of our team and their continued dedication to our company, commitment to each other and to operating in an environmentally responsible manner.

As you might have seen in our recent public filings, we reported our fourth quarter 2020 results* on January 28. For the quarter, we reported an adjusted net loss of \$429 million or -\$1.06 per share. For the year, we reported an adjusted net loss of \$1.3 billion or -\$3.12 per share. In 2020 we honored our commitment to shareholders and returned \$1.8 billion through dividends and stock buybacks in spite of the many challenges our business faced. We remain financially strong, ending the year with over \$3.3 billion of cash.

Looking to the future, we shared our plan to reduce and offset greenhouse gas (GHG) emissions 63% by 2025 through existing Board-approved projects. As we look ahead in 2021 and beyond, we recognize low-carbon fuel will be part of the energy mix and drive demand for renewable fuels. And, we plan to leverage our liquid fuels platform and operational expertise to reinvest capital into high growth, high return lower-carbon renewable fuels projects going forward.

Valero is already North America's largest renewable fuels producer, with more than \$2.7 billion invested in renewable fuels since 2009, and we are evaluating investments in sustainable aviation fuel, hydrogen, carbon sequestration and more.

We are already making great progress on a renewable diesel expansion project in Louisiana, slated for completion in 2021, which will increase renewable diesel production capacity. Also, we are proud to announce that our Board recently approved a new renewable diesel plant at Valero's Port Arthur, Texas refinery. Once this plant is complete in 2023, our total renewable diesel capacity will be 1.2 billion gallons per year, providing Valero a long-term competitive advantage in a low-carbon transportation fuel world. We are advancing the future of energy, making a better life possible for generations to come.

While 2020 was an unprecedented year for our business, we remain optimistic that as more COVID vaccines are distributed in the coming months, people will feel safe to move about, continuing our economy on the path to recovery.

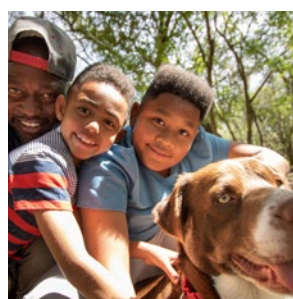
So we continue our commitment to delivering products that will help us get there together. Stay hopeful and safe, and God bless.



Sincerely,

Joe Gorder

Valero Chairman and Chief Executive Officer



Advancing the Future of Energy

WITH CAPITAL DISCIPLINE, INNOVATION AND UNMATCHED EXECUTION

RELIABLE | AFFORDABLE | SUSTAINABLE ENERGY



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*Fourth quarter earnings release and quarterly report on Form 10-Q, available at www.valero.com.



Proudly keeping families and critical supplies moving around the world.