



E

Environmental



S

Social



G

Governance


ESG Company Overview

November 2020

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Largest Global Independent Refiner and North America's Largest Renewable Fuels Producer



Refining

Largest global independent refiner

15 petroleum refineries

3.2 million barrels per day throughput capacity*


Environmentally responsible operations

Safety is our foundation for success

Lowest-cost producer

Manufacturer and marketer of **transportation fuels** and products that are essential to modern life

*Processing of crude oil and other feedstocks



Renewable Diesel

World's 2nd largest renewable diesel producer**

275 million gallons per year

Up to 80% reduction in life cycle GHG emissions


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

100% compatible with existing engines and infrastructure

Expanding to **675 million gallons per year** in 2021

Low-carbon fuel sold in the U.S., Canada and Europe

**Joint venture with Darling Ingredients Inc.



Ethanol

World's 2nd largest corn ethanol producer

14 ethanol plants in the U.S. with a combined production capacity of **1.7 billion gallons per year**

Clean-burning high-octane renewable fuel with **lower emissions**

Up to 30% reduction in life cycle GHG emissions

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

Low-carbon fuel well-positioned for **export growth**

Valero's Vision

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



**FORTUNE
500**

Fortune 32
company



~10,000
employees



NYSE:
VLO

Headquartered in
San Antonio, Texas

WHAT FUELS US

We relentlessly **pursue excellence**; hold ourselves to the **highest standards of safety, operations and integrity**; and **care** about the environment, our employees and the communities where we work and live.

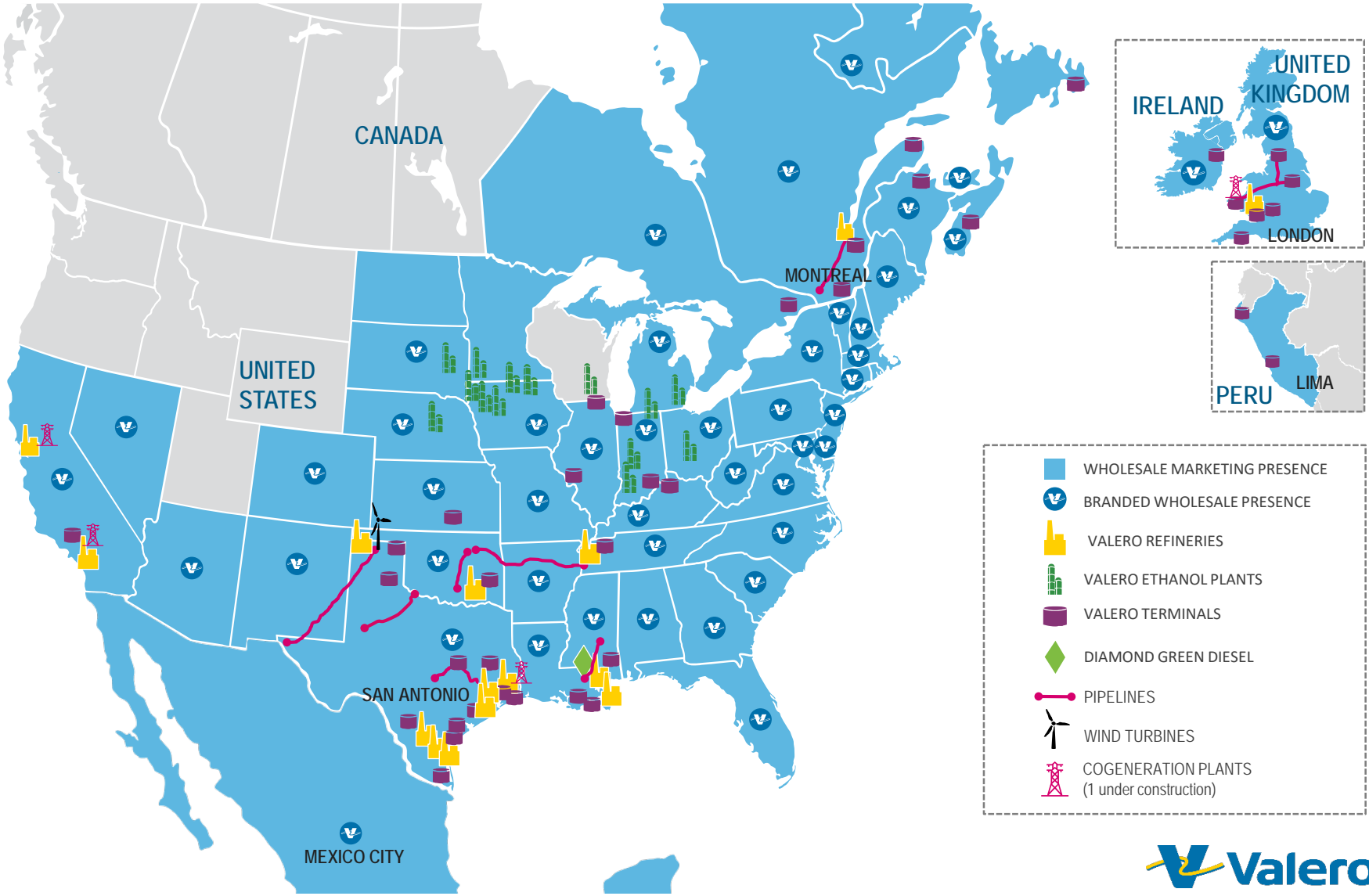
HOW WE FUEL THE WORLD

We are the **best-in-class producer** of essential fuels and products that are **foundational to modern life.**

OUR VISION

The world needs **reliable, affordable** and **sustainable energy**. We are advancing the future of energy through **innovation, ingenuity** and **unmatched execution.**

Global Operations



2019 ESG Summary

E

ENVIRONMENTAL



Renewable fuels along with blending and credits offset more than **10 million metric tons** of refining Scope 1 and 2 GHG emissions



Robust **Environmental Management System**

- **Largest renewable fuels producer in North America** (more than **\$2.7 billion** invested)
- **Best year ever** for environmental incidents, flaring, intensity of energy use and GHG emissions intensity
- In 2019, we recycled **more than 17 times** the amount of **fresh water** withdrawn for refining operations

S

SOCIAL



Recognized as one of **World's Best Employers**, **America's Best Large Employers** and **Best Employers for Women** by Forbes

Operational excellence and **best year for refinery employee safety**



More than \$64 million in donations and fundraising



- Focus on **diversity, inclusion** and **professional development**
- High **employee volunteerism** (~150,000 hours)
- **2019 Economic support**: ~10,000 employees, ~\$2.6 billion spent on maintenance and growth projects; ~\$4 billion on refining materials and services; and ~\$700 million taxes paid

G

GOVERNANCE



5 directors represent **board diversity** in gender and race, **3 are women**

- Strong corporate **governance**
- **Board oversight of risks and compliance**, including climate-related risks
- Committed to **ESG** engagement
- All-employee **bonus program includes ESG initiatives**



Largest Global Independent Refiner

Refining

The Lowest Cost Operator in a Highly Competitive Industry



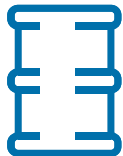
15 petroleum refineries



Fuels marketed through bulk and wholesale network



~6,000 employees in refinery operations



3.2 million barrels per day throughput capacity

Best-in-class producer of fuels and products that are **essential to modern life**



Over **130 million barrels** of active **shell capacity** for crude oil and products

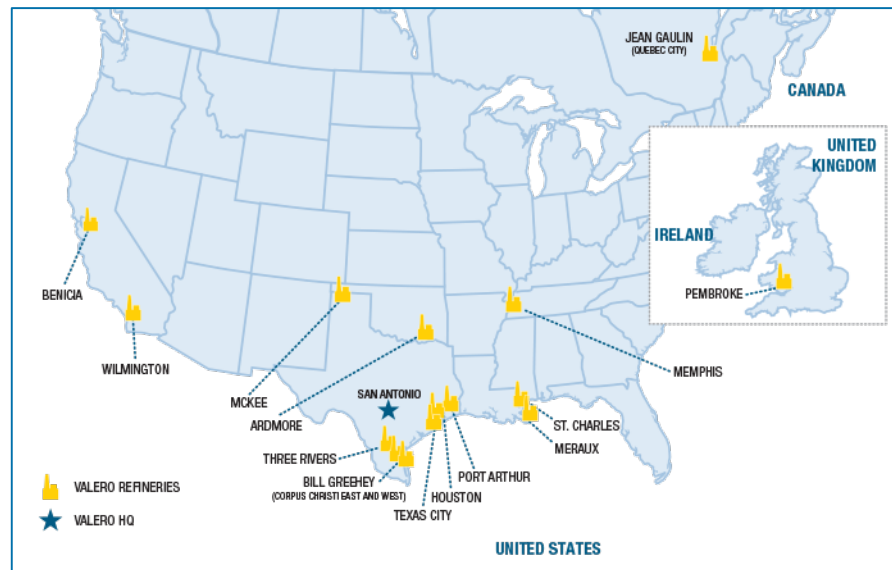


Over **3,000 miles** of active pipelines



Over **50 docks**

Valero's Refineries

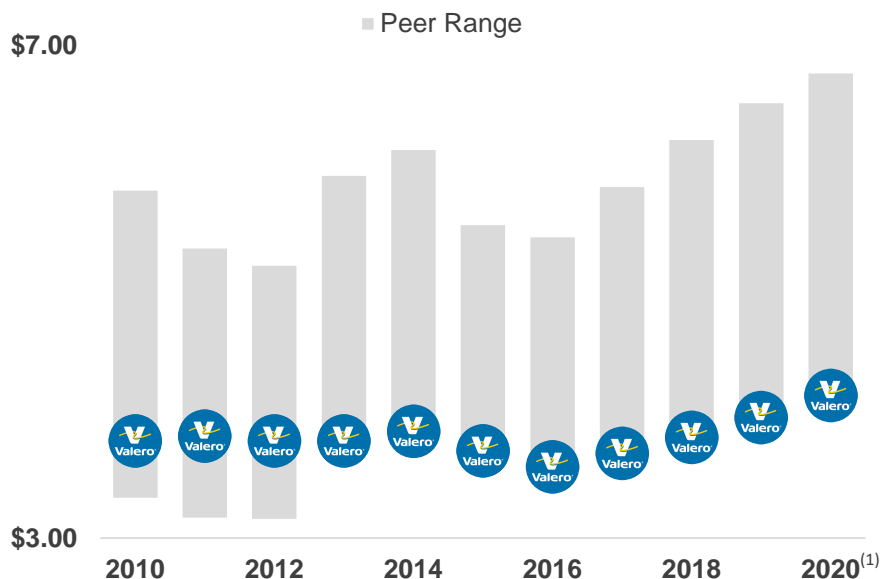


Investing in our Assets and Reducing our Energy Consumption Lowers our Operating Costs



Lowest-cost producer while maintaining high mechanical availability

Refining Cash Operating Expenses Per Barrel of Throughput
(excludes turnaround and D&A expenses)



⁽¹⁾ 2020 refining cash operating expenses per barrel of throughput through September 30. Peer group includes PSX, MPC, HFC, and PBF.

Safety is our foundation for success,
with our best year ever in 2019
for refinery employee safety

\$1.7 billion in 2019 in capital expenditures
to sustain our operations

Investments in **technological advances** and
predictive maintenance, and **prioritization**
of **lower emissions** and **reduced energy**
use deliver **operations excellence**

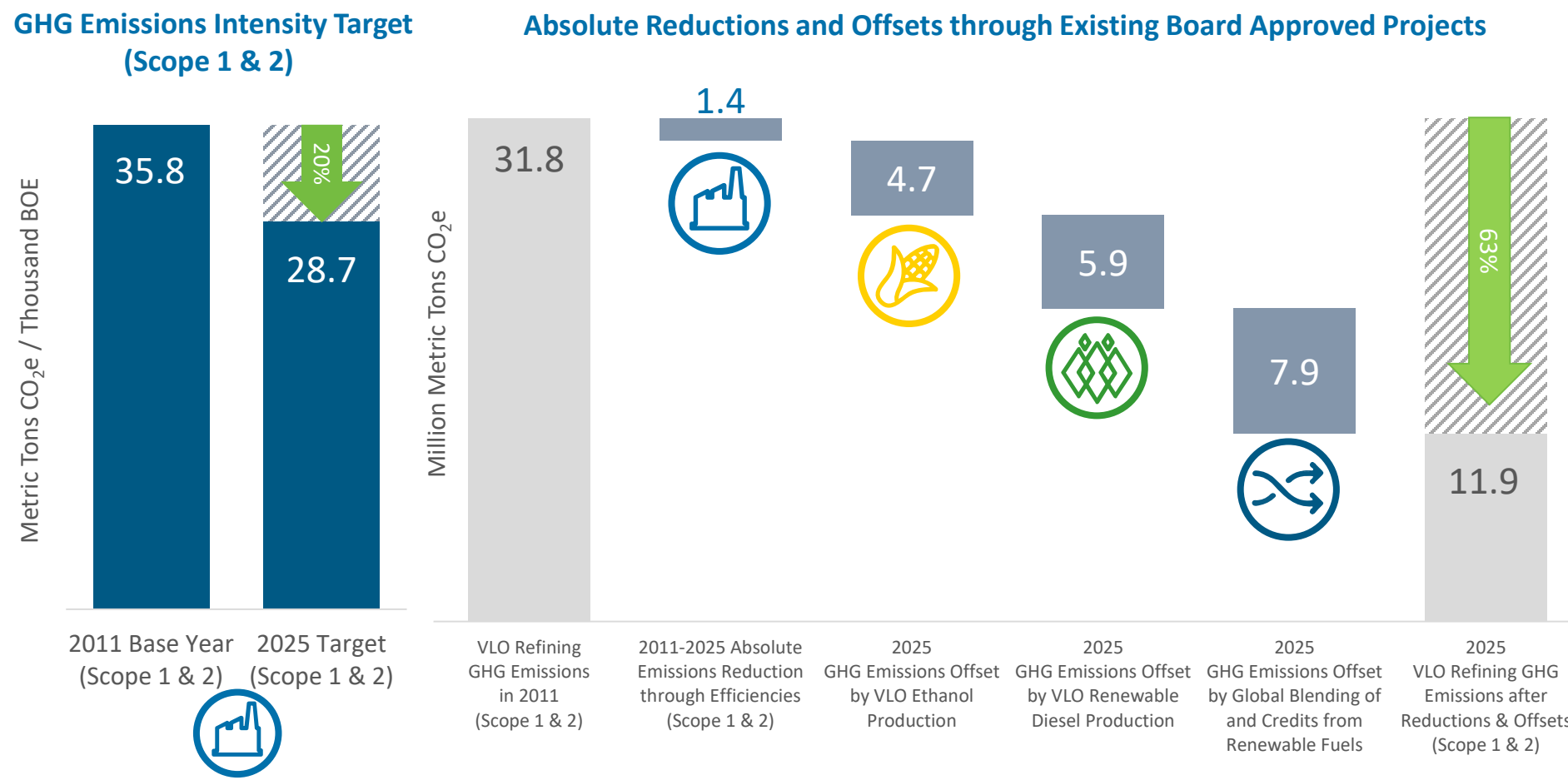


Beyond Compliance:

Industry Leader in refinery
Voluntary Protection Program Star
Sites, a voluntary program,
regarded as OSHA's highest plant-
safety designation



Comprehensive Roadmap to Further Reduce Emissions with Projects in Execution



Targeting to reduce and offset Scope 1 and 2 GHG emissions by **63% through** investments in **Board approved projects**, with the potential to achieve **72% by 2025** with projects subject to Board approval

See slide 63 for notes regarding this slide



North America's Largest Renewable Fuels Producer

Renewable Fuels: Renewable Diesel + Ethanol

Renewable Fuels: Low-Carbon Life Cycle GHG Emissions

Combined, our renewable diesel and ethanol production along with our blending and purchase of renewable fuels credits



offset more than
10 MILLION

metric tons of
global refining GHG emissions
Scope 1 and 2 in 2019.

For context, that represents an

offset of **32%**
of our global refining
GHG emissions Scope 1 and 2 in 2019.



\$2.7 Billion Invested in Low-Carbon Fuels

**World's 2nd largest
renewable diesel producer**

\$1 billion invested and committed
in renewable diesel since 2013*



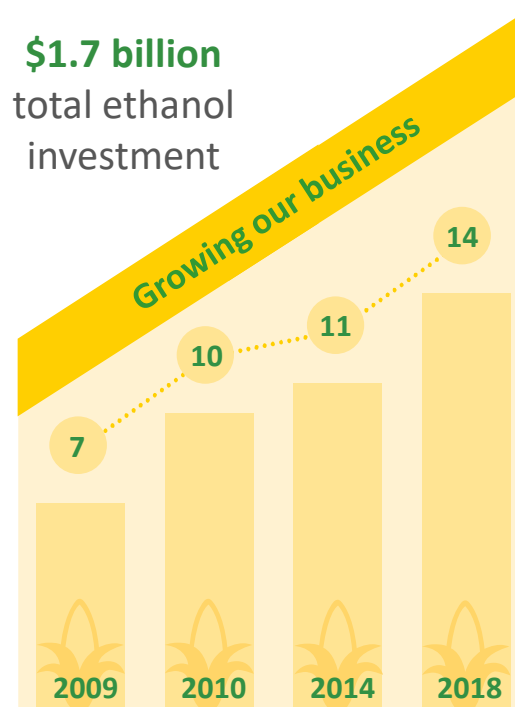
275 million gallons per year with
an **expansion to increase
production to 675 million
gallons per year** in 2021

**World's 2nd largest
corn ethanol producer**



\$1.7 billion
total ethanol
investment

**Ethanol plant
ownership has
doubled** since
the initial
7-plant
acquisition
in 2009



40% of Growth Capex is allocated to renewable or low-carbon projects in 2020 and 2021

Renewable Diesel Reduces Life Cycle GHG Emissions up to 80%

World's 2nd largest renewable diesel producer

Renewable diesel is **100% compatible with existing infrastructure** as well as **light, medium and heavy duty** engines



Uses **recycled animal fats, used cooking oil, inedible corn oil** and/or **vegetable oil** to produce low-carbon intensity renewable diesel fuel, sold in the U.S., Canada and Europe

Production Capacity:

275 million gallons per year; adjacent to our St. Charles refinery **to capture synergies** and **gain access to export markets**

Expanding to **increase production to 675 million gallons per year** in 2021



Approved production capacity expansion adjacent to our St. Charles refinery

Growth through innovation in renewable projects

A new plant adjacent to our Port Arthur refinery is in the review stage, if approved, production would **start in 2024**, resulting in total capacity of more than **1 billion gallons per year**

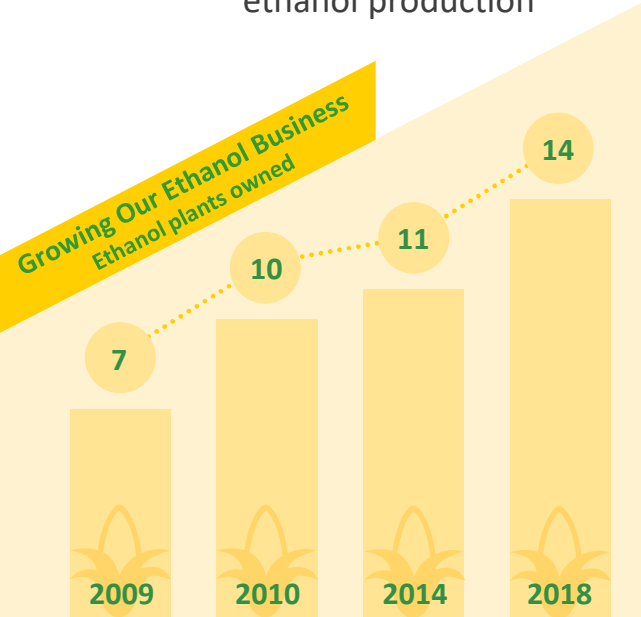
Ethanol offers up to 30% Lower Life Cycle GHG Emissions



Compared with non-blended gasoline, ethanol offers up to 30% lower life cycle GHG emissions

1st

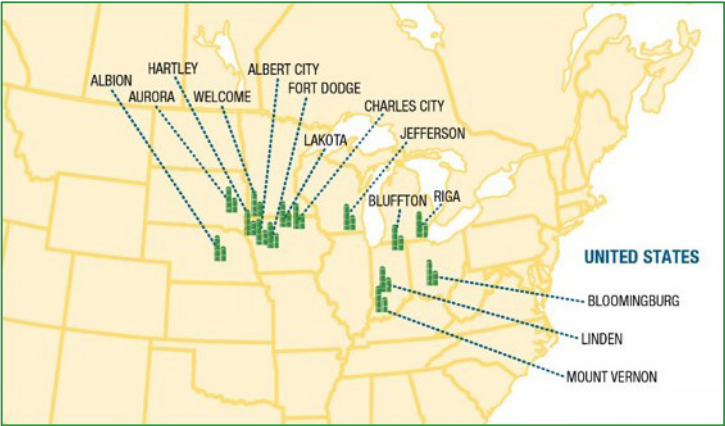
traditional refiner to enter large-scale ethanol production



14 ethanol plants in the U.S. with a combined production capacity of **1.7 billion gallons per year**

Ethanol plants convert corn into ethanol, livestock feed (distillers grains and syrup) and inedible corn oil

Valero's Ethanol Plants



World's 2nd largest corn ethanol producer

EPA Efficient Producer Program for superior process efficiency

*Six sites recognized, three sites pending

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



~1,000 employees

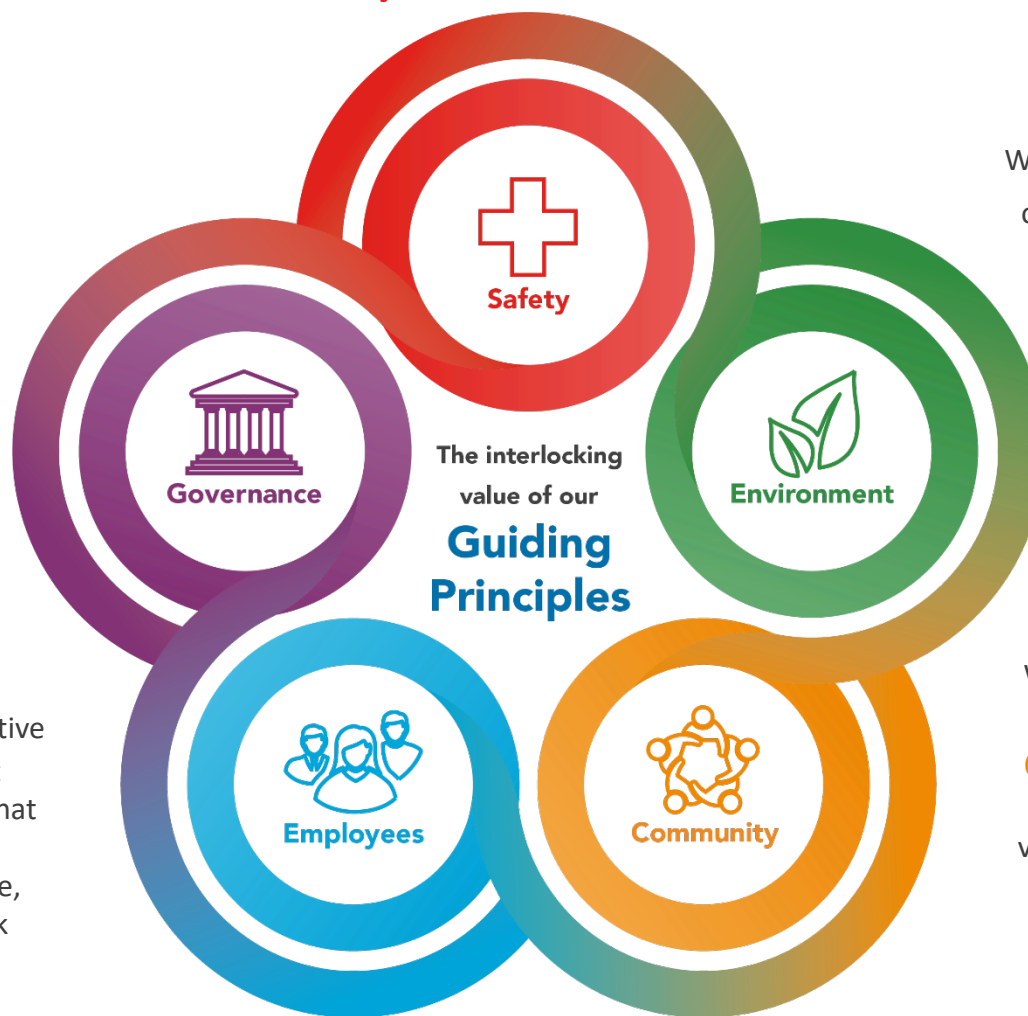


Guiding Principles

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 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 are committed stewards of the **environment**.

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.

Environmental



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



**World's 2nd
largest**
renewable diesel
producer



**World's 2nd
largest**
ethanol
producer



50 megawatt
wind farm avoided
**830,000 metric
tons** of carbon
dioxide emissions



**Capturing more
than one million
metric tons of
carbon
emissions** at Port
Arthur, TX



**Record low
flaring, energy
use and emissions
intensity**

Growing our Leadership Position with Low-carbon Opportunities



As part of our vision to be the best-in-class producer of fuels and products that are essential to modern life, we will continue our efforts to:

Focus on safety, reliability and operational excellence to deliver transportation fuels and products essential to modern life

\$1.7 billion in sustaining capex in 2019



Strive to reduce emissions, increase efficiency and invest in opportunities that improve our environmental stewardship



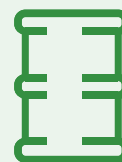
Wind farm has avoided **830,000 metric tons** of carbon dioxide emissions since 2009.

Lead the industry with multi-billion dollar investments in low-carbon markets, currently evaluating growth opportunities



In 2019, **10 million metric tons of refining Scope 1 and 2 GHG emissions** were offset by our renewable fuels, blending and credits

Execute a long-term strategy that addresses shifting consumer needs under a changing policy and technology landscape



If approved, by 2024, production of **renewable diesel** will surpass **1 billion gallons a year**

Robust Operational and Environmental Management Systems



Our Environmental Management Systems include the following three programs:

1

Commitment to Excellence Management System (CTEMS)

- A **proprietary systematic approach** that, unlike third party management systems, focuses on results and not exclusively on planning and documentation. **CTEMS adheres to a “plan-do-check-act” model** to achieve excellence in **nine critical elements driving safe and reliable operations** and **minimizing impacts on communities** and the **environment**

2

Fuels Compliance

- **New operational safeguards**, software, auditing and protocols, and more uniformity across our labs help us **reinforce our compliance with all fuels regulations**
- **Focus on product quality**, our fuels compliance processes are fundamental **to continue leading in low-carbon transportation fuels**

3

Environmental Excellence and Risk Assessment (EERA)

- Defines our **environmental excellence vision**, superior to traditional environmental management systems in that it **assesses design and effectiveness of discrete management systems** and **returns a score per site**
- Customized to our refining complexity, **CTEMS and EERA are more relevant and as effective** as generalized management systems **such as ISO 14001**

Our commitment goes beyond regulations

Our Approach to Environmental Management*



Key Characteristics of our environmental management systems include:



1. Responsibility

All Valero refineries have environmental management staff dedicated to excellence and risk mitigation, with the additional support of corporate health, safety and environmental staff.



2. Risk Assessment

Formal environmental risk assessments are documented, implemented and maintained at every Valero site. Steps include hazard identification, risk evaluation, analysis and mitigation.



3. Compliance

To assure compliance with legal requirements in relation to environmental protection, refineries maintain a process to monitor changing laws and regulations. Responsibilities are assigned at the task level with an owner accountable for ensuring that regulatory requirements are identified, communicated and consistently monitored.

*The [Health, Safety and Environmental Policy](#) is available in the Investors/ESG section of our website.

Our Approach to Environmental Management

Continued



Key Characteristics of our environmental management systems include:



4. Objectives and Continuous Improvement

Refineries have documented processes for environmental management, including strategic planning, goals and objectives. Goals and objectives address continuous improvement opportunities, as well as identify gaps associated with environmental stewardship. Progress is reviewed at least annually by management with input from employees and stakeholders.



5. Record Keeping

Refineries follow the requirements of CTEMS, Fuels Compliance and EERA. Each refinery has processes in place to ensure that documents and records are accessible with specific processes to identify, manage and maintain records.



6. Training

With the support of corporate training, each refinery establishes and implements a program to ensure that all employees and contractors have the necessary skills, training and competency to perform assigned duties in an environmentally responsible manner.



Our Approach to Environmental Management

Continued



Key characteristics of our environmental management systems include:



7. Monitoring and Communication

To determine if environmental goals and objectives are being met, refineries have a process in place to measure and monitor their operations and activities. The process assesses the implementation and effectiveness of operational controls, and tracks and evaluates environmental performance. It also assures compliance with regulatory requirements. Performance measures are generated and made available periodically. Such measures provide management with the tools to understand trends and impacts, and identify opportunities for improvement.



Ethanol plant in Aurora, SD



8. Audits and Assessments

The environmental teams working with each refinery have established and maintained internal and external auditing processes to assess the adequacy and effectiveness of environmental controls, compliance with regulations and exceeding those regulations. Joint ventures and contractors are included in the auditing process. Audit programs are documented and include a process for communicating results to management and provisions for periodic review and corrective actions. Excellence assessments are conducted at four refineries every year.

In 2019, internal environmental audits were conducted at 16 of our plants. GHG emissions from stationary sources were externally verified at our four facilities in California, Canada and the U.K. In addition, GHG emissions associated with the use of transportation fuels sold to low-carbon markets were also externally verified at 2 additional refineries. We use third-party verification in our fuels program for all our refineries and, also for components of EERA.

Our Approach to Environmental Management

Continued



Governance and Managerial Responsibility

The **Nominating/Governance and Public Policy Committee** of our board of directors provides **oversight of Valero's health, safety and environmental matters as well as climate-related risks and opportunities**. The Committee is charged with reviewing and discussing with management our focus on environmental issues, including emissions, water, waste and compliance. **Overseen by a senior executive who reports directly to our CEO** and with direct reporting opportunities to the Committee, our environmental team is responsible for environmental strategy, risk assessment and implementation.



Our Excellence Commitment with EERA



Valero's **Environmental Excellence and Risk Assessment (EERA)** defines **more than 100 expectations** and involves a **five-step process** using a combination of external assessors and internal subject matter experts:

1. On-site: self-assessment conducted by refinery leadership. Each refinery compares itself to rating criteria
2. Paper: third-party and in-house subject matter experts conduct a deep dive in an extensive review of refinery environmental data and reports in a due-diligence style process
3. Technology: technical field assessment using industry standards and advanced technology to evaluate effectiveness in controlling emissions
4. Inspection: results from the technology review and due diligence process are used by a team of experts in a substantive on-site inspection and cultural assessment
5. Implementation: final gap assessment report produced by experts and leadership team with mitigation pathway and scoring improvement actions



At the Corpus Christi, TX refinery, a high-tech infrared camera is used to detect emissions as part of the EERA assessment to assure going beyond regulations

Environmental Metrics



Global Refining ¹	2017	2018	2019
GHG Emissions Scope 1 ¹	24.8	25.4	24.8
GHG Emissions Scope 2 ¹	6.8	6.8	6.3
NOx ²	9,300	9,000	8,700
SOx ²	8,800	7,700	8,800
PM ₁₀ ²	2,400	2,300	2,200
VOCs ²	9,500	10,300	7,700
Fresh water withdrawn ³	181.2	165.8	164.1
Oil spilled to land (>1 bbl) ⁴	22	25	14
Oil spilled to water (>1 bbl) ⁴	0	4	3

¹ Million metric tons CO₂e. Global refining represents more than 90% of companywide GHG emissions. Scope 1 is defined as the direct emissions from global refinery operations

² Million metric tons CO₂e. Scope 2 is the indirect emissions from purchased electricity and steam

³ Million m³

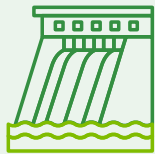
⁴ Count of oil spill events to land or water of more than one barrel

Energy Use: Multiple Renewable Sources



Many of our refineries are powered by a combination of renewable sources from local power grids and our own projects

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

Wind Generation



At peak generation capacity, our **McKee wind farm** produces roughly **50 megawatts**, which is what is required to run our adjacent refinery in the Texas Panhandle

Purchased Power Mix



Our refineries in Wilmington and Benicia in California have **hydropower, wind, solar and geothermal** in the power mix

Cogen Plants and Other Systems



Combined, our cogeneration systems and expanders **reduce our reliance on ~330 megawatts of electricity from local power grids**

Wind Farm: Reducing Emissions and Energy Use



50

megawatts of power-generation capacity, partly powering the McKee Refinery

33

turbine wind farm in the Texas Panhandle at our McKee Refinery, built in 2009

250
feet tall

\$80 million
capital investment



Since 2009, the wind farm has avoided



~830,000 tons
of carbon dioxide emissions



Equal to the benefits of planting
~12.5 MILLION
urban trees*

*Estimated based on EPA's GHG Equivalencies calculator for urban tree seedlings grown for 10 years

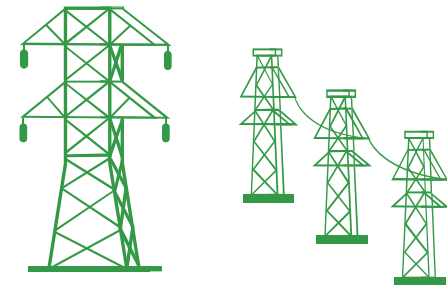
Cogeneration Plants and Expanders



Boosting power and environmental performance, and reducing operating expenses

- **Fueled by natural gas**, our cogeneration plants **reduce our reliance on local power grids**, which are often less environmentally friendly and more costly
- Cogeneration represents a **very efficient way of making power**, with the **steam recycled back** into the refining process for other uses
- **Four cogeneration systems**: 2 in California, 1 in Texas and 1 under construction in the U.K.
- **Expanders** are installed at 6 of our refineries. Expanders **convert kinetic energy into electricity** by using **exhaust gases to spin turbines**
- **Our expanders can displace 600,000 tons of carbon dioxide a year** that otherwise would be generated by conventional power providers

Combined, our cogeneration systems and expanders offset **~330 megawatts** of electricity



Enough to **power the homes of a city of the size of San Francisco***



* U.S Census Bureau. Population estimates July 1, 2019

Carbon Capture: Innovation and New Technologies



Capturing and Storing Carbon Dioxide

National Petroleum Council (NPC) study on scaling carbon capture in the U.S.

- A member of the NPC, Valero played an active role in the development of a 2019 study that sought to **determine the regulatory support and technology developments required to deploy carbon capture, utilization and storage (CCUS) at scale in the U.S.** The study can be found at dualchallenge.npc.org



A ranch in the Texas Hill Country where a nature-based carbon storage project is being developed.

Assessing the feasibility of Carbon Capture in operations

- Carbon capture opportunities include **high concentrations of CO₂ streams at ethanol plants** as well as **hydrogen production at refineries**
- Our **Port Arthur refinery hosts a 1-million-ton-per-year carbon capture** project, an amount equal to the benefits of planting and growing ~15 million urban trees over 10 years*

*Estimated based on EPA's GHG Equivalencies calculator for urban tree seedlings grown for 10 years

Nature-based carbon storage

- Led by Rice University's Baker Institute for Public Policy, Valero is a corporate founder of the **nature-based carbon market framework**
- The initiative would **enable a credit trading market for carbon** that has been stored in soil
- Additional benefits include **enhanced drought resistance** and **minimization of flooding**

Innovative Solutions by Recycling, Reusing, Reclaiming and Reducing



Many of our refinery units exist for environmental purposes, such as **removal of sulfur**. Once extracted, the sulfur is used for a variety of beneficial uses such as **crop fertilizer** and for **purifying drinking water**.



Every drop counts, **recovered product from waste materials** is converted into high-quality fuels.

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



At our refineries we treat **wastewater** using **specialized bacteria that naturally digest oil and other components** in our waste streams



Being the most efficient and reliable operator in a highly competitive industry means being the most environmentally responsible

- Producing renewable fuels
- Reducing GHG emissions*
- Reducing energy consumption*
- Reusing waste streams
- Recovering usable materials

*Per barrel of throughput

Water Management



Water is the most important resource. It is central to our lives and the ecosystem. It is also essential to our business and the ability to provide clean energy to a global society.

At Valero, we work to address this global issue locally,
through innovative approaches and advanced technology to minimize use and eliminate waste.

A horizontal graphic of a water splash with bubbles, spanning the width of the slide.

Policy

Water management is a critical component of our business
and we continue to work with stakeholders to improve our performance by:

- Taking a **risk-based approach to water management** and **integrating water strategy and water security** into our long-term planning and business processes
- **Engaging** with local, state and national governments, industry associations, suppliers, regulatory agencies, academia, non-government organizations and communities **to develop innovative solutions in water management and conservation**
- **Continually assessing and managing regional water risks** through routine sustainability assessments
- **Protecting existing water resources** through sound water management policies
- **Recycling and reusing water to minimize demands on fresh water** sources and improve efficiency

Water Management



Risk Management

Most of our water consumption takes place in our refining operations. Based on the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct, we determined that two of our 15 refineries are located in regions with high baseline water stress.

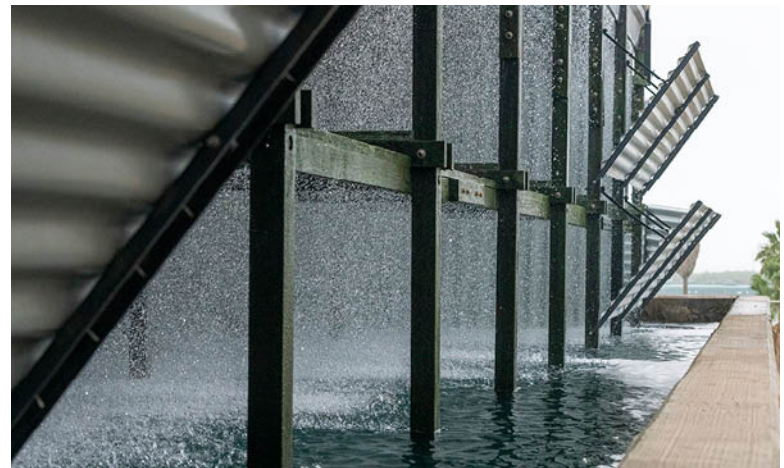
Water scarcity can be a risk to the refining process. **Water is needed for cooling and also in the form of steam for heating.** In addition, water plays an important role **removing impurities from feedstocks.**

Our **water risk-based approach is integrated into our operational and long-term planning** to mitigate and reduce water risks.

Reduction and mitigation initiatives include the use or evaluation of **reused municipal wastewater for tower cooling purposes, acquisition of secured water rights** and/or **desalination plants.**

We have taken the steps we believe are necessary to secure our operations in terms of water scarcity.

We have put in place water conservation and recycling initiatives, which have yielded significant results. In 2019, **we recycled more than 17 times the amount of fresh water we use to support our refinery operations,** primarily through the **recirculation of water in cooling towers.**



High efficiency cooling towers at the Corpus Christi refinery

Water Management



Engagement

Our participation in various committees of the Water Environment Federation has enriched our understanding of the value and impact of water conservation, and provided a platform for water management innovation.

At the Benicia, CA refinery, Valero's David Marrs (left) who received the Water Environment Federation 2020 W. Wesley Eckenfelder Industrial Water Quality Lifetime Achievement Award in recognition of substantial engineering, scientific or operations contributions to industrial wastewater management over the course of a career.



At our refinery in Wilmington, California, we have a signed contract to take treated municipal wastewater to supplement our cooling tower makeup water. Upon project completion, we will save up to 420 million gallons of potable water per year.



Our wind farm, which powers part of our McKee refinery, has saved the equivalent of 700 million gallons of water (since it was built in 2009), as compared to conventional power generation.



Our Three Rivers, Texas refinery sends treated wastewater to irrigate fields of hay, which is sold to area ranches.

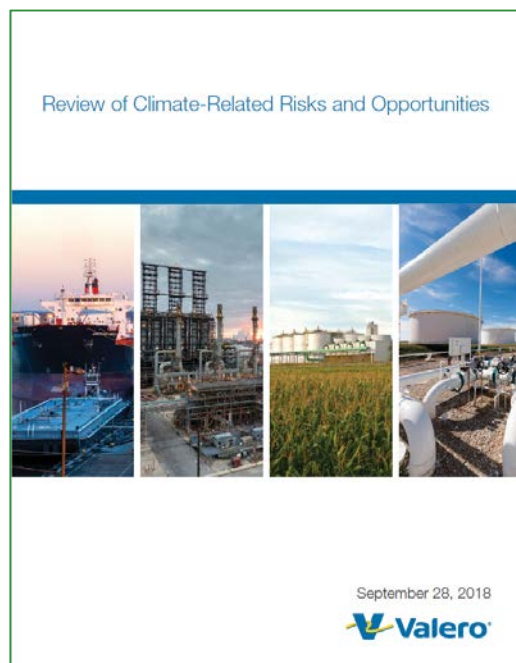


Our Corpus Christi, TX, refineries pay into a broad industry fund that provides water-supply security and supports research and plans for the construction of a desalination facility to serve industrial users.

Reporting Frameworks: TCFD and SASB



“Our investments in flexible and efficient manufacturing, renewable fuels and the infrastructure critical to our operations help us meet today’s needs and prepare for future energy markets.”



SASB Report

This report aligns with the recommendations of the Sustainable Accounting Standards Board (SASB) from the Refining and Marketing industry standard.

TOPIC	METRIC	CODE	2019 VALERO
Greenhouse Gas Emissions	Scope 1 emissions, Scope 2 emissions, and emissions covered under emissions-trading arrangements	EM-RM-110a.1	24.8 million metric tons CO ₂ e 100%
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-RM-110a.2	Valero plans to reduce global refining Scope 1 and 2 greenhouse gas (GHG) emissions per barrel of oil equivalent by 20% by 2025 (against 2011 levels). Valero further plans to reduce and offset 63% of its global refining Scope 1 and 2 GHG emissions by 2025 through lower absolute emissions and offsets generated by its low-carbon fuels, and renewable fuels blending and credits
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) H ₂ S, and (5) volatile organic compounds (VOCs)	EM-RM-120a.1	(1) NO _x : 8,700 metric tons (2) SO _x : 8,800 metric tons (3) PM ₁₀ : 2,200 metric tons (4) H ₂ S: 7,700 metric tons
	Number of refineries in or near areas of dense population	EM-RM-120a.2	11
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	EM-RM-140a.1	(1) 194.1 million m ³ (2) 1.786% (3) 12.7%
Hazardous Materials Management	Amount of hazardous waste generated, percentage recycled	EM-RM-150a.1	Stewardship and Responsibility Report (page 27)
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	EM-RM-320a.1	(1)(a) Global refining TRIR Employee: 0.25 (1)(b) Global refining TRIR Contractor: 0.39 (2)(a) Global refining Fatality Rate Employee: 0.00 (2)(b) Global refining Fatality Rate Contractor: 0.00
	Discussion of management systems used to integrate a culture of safety	EM-RM-320a.2	Stewardship and Responsibility Report (pages 11-19)
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-RM-530a.1	Report on Climate-Related Risks and Opportunities Annual Report on Form 10-K, Item 1A (pages 10-16)
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	EM-RM-540a.1	Tier 1 process safety: 0.05 Tier 2 process safety: 0.18
Activity Metric	Refining throughput of crude oil and other feedstocks	EM-RM-000.A	1,077 million barrels of oil equivalent (BOE)
	Refining operating capacity	EM-RM-000.B	3.15 million barrels per calendar day (MBPD)

Prepared under oversight of our board of directors:

1. The **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.
2. Our **SASB*** report aligns our performance with the recommendation of the SASB framework in the Oil and Gas – Refining and Marketing industry standard.

Full reports available on the **ESG** section at investorvalero.com

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



Social: Human Capital, Safety and Community

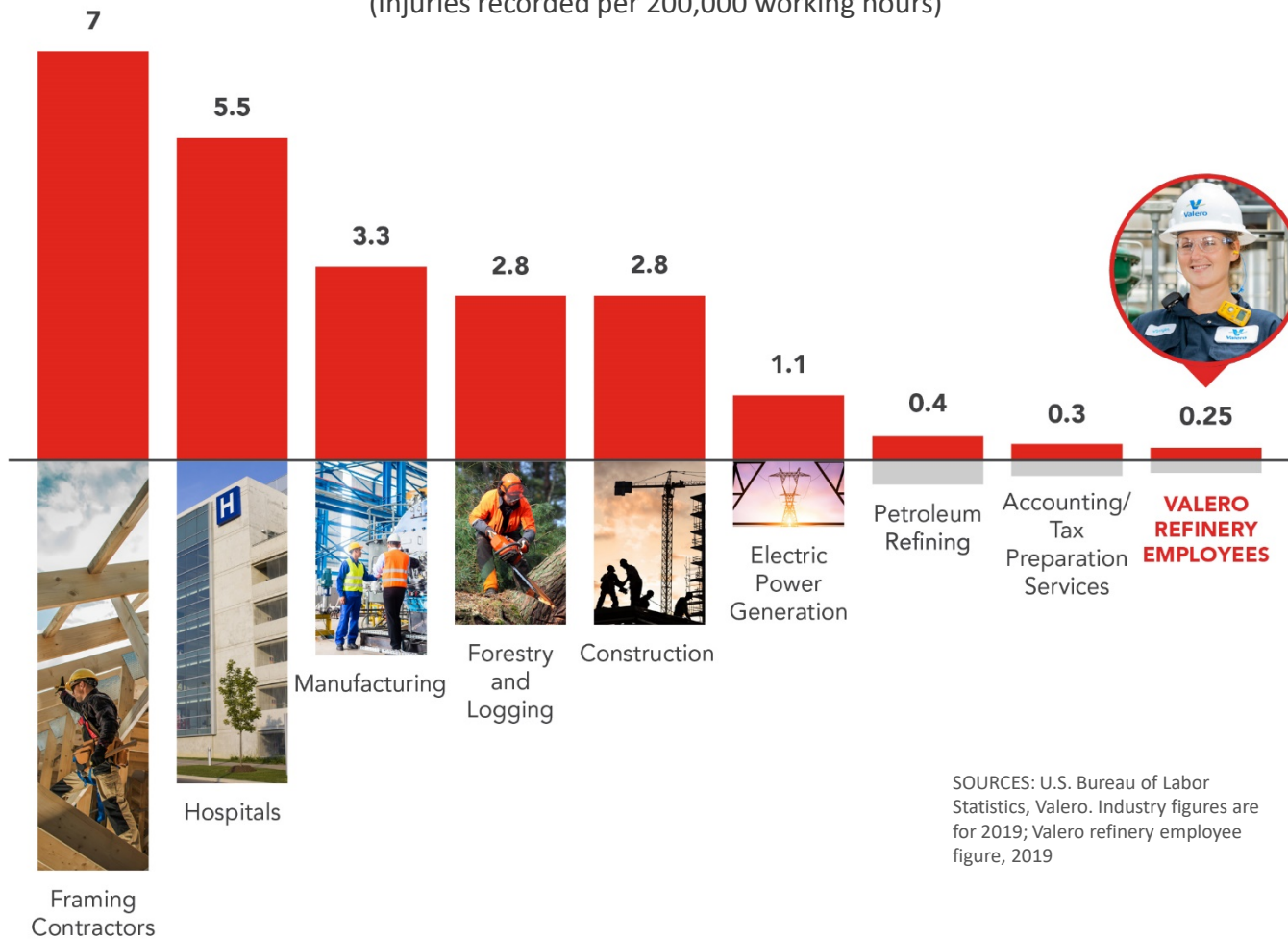
S

Outstanding Safety Performance



Valero Refineries vs. Other Sectors

(Injuries recorded per 200,000 working hours)



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



Safety is our Foundation for Success

Global Refining	2017	2018	2019
Personnel Safety Employee ¹	0.28	0.40	0.25
Personnel Safety Contractor ¹	0.36	0.32	0.39
Fatality Rate Employee ²	0.00	0.00	0.00
Fatality Rate Contractor ²	0.02	0.00	0.00
Process Safety Events Rates - Tier 1 ³	0.08	0.07	0.05
Process Safety Events Rates - Tier 2 ³	0.18	0.31	0.17

- Employees are our greatest asset
- Safety and reliability are imperative
- 2019 was our **best year ever in refinery employee safety performance**, with an incident rate well below the industry average, as a well as our **best year ever for process safety event rate**

- Focus on safe, stable and reliable operations
- Consistently deliver predictable operating results due to continuous improvement in our process equipment and refinery operations



¹ Recordable injuries per 200,000 working hours

² Per 200,000 working hours

³ Global refining Tier 1 process safety event (PSE) rates and Tier 2 PSE rates as defined by the American Petroleum Institute Recommended Practice 754.

VPP: Highest Plant-Safety Designation



“Going beyond” has been a constant theme throughout our history, and one of the best examples has been **our participation in the Voluntary Protection Program (VPP)** of the U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA)

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 in the industry with 10 U.S. petroleum refineries approved as VPP Star Sites. **Valero also goes beyond the U.S. border** and OSHA jurisdiction to make sure its **Quebec (Canada)** 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.

As part of the partnership with OSHA, **several Valero employees are designated as Special Government Employees (SGE)**, where our employees participate in VPP assessments, **sharing their safety knowledge, experience and best practices with others** both within and outside our industry. In 2019, SGEs performed safety assessments in more than 25 facilities in petrochemical and other industries. **We believe that our employees are our competitive advantage**, but when it comes to protecting the safety and wellbeing of others, that is **one advantage we are willing to share**.

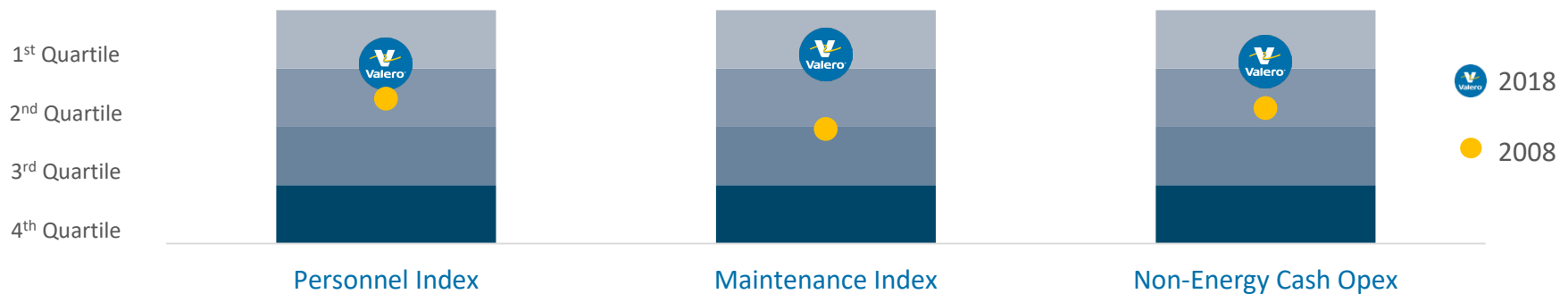


Capital Investments in Reliability Drive Excellent Performance



We have **consistently improved** compared with industry peers, leading to **lower operating expenses**, **better efficiency** and **improved environmental performance**.

Improvement Versus Industry Benchmarks Leads to Greater Margin Capture, Lower Operating Expenses and Better Efficiency



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

Continuous Safety Improvement with Goal Zero



Goal Zero focuses on **eliminating incidents**, supported by the use of assessments like our **Control of Hazardous Energy and Materials (CHEM)** assessment.

A tool that **examines the human aspect of our processes** and focuses on procedures **designed to protect** our team members

An **innovative data-based approach** designed to bring incident and injury rates down to zero, **our goal**

Life-Saving Rules



Seven critical rules that **must** be followed at all times.

1



Work with a valid work permit when required.

2



Verify energy isolation before beginning work.

3



Obtain authorization before entering a confined space.

4



Obtain authorization before overriding or bypassing a safety system.

5



Use specified life protection equipment.

6



Protect yourself against a fall when working at heights.

7



Smoke in designated areas only.

Training is Key to Safe and Reliable Operations

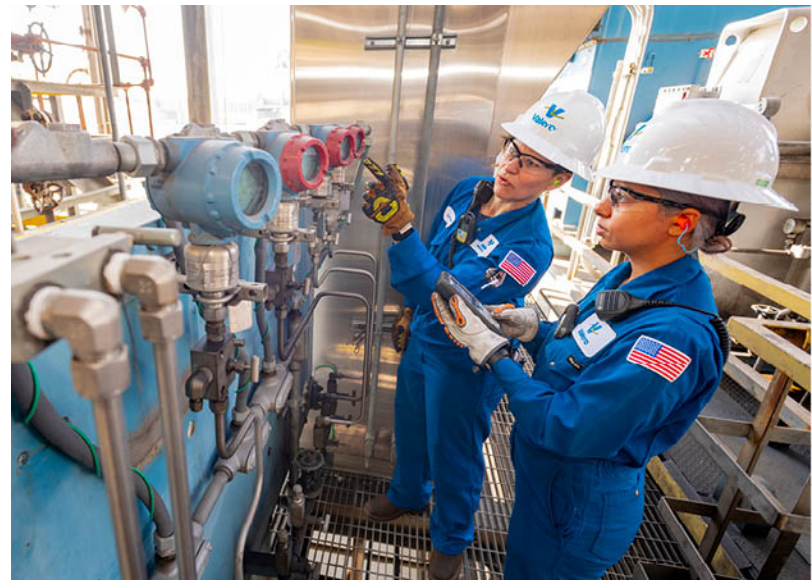


As part of our **commitment to safe, reliable and environmentally responsible operations and as outlined in our Commitment to Excellence Management System (CTEMS)**, we offer a year-round robust and dynamic training program to ensure excellence in operations.

With more than **630,000 hours** of safety training in 2019 for ~6,000 refinery employees, our safety training covers a wide variety of topics, including:

- Critical safety procedures, such as energy isolation and control, confined space, fall protection, life-saving equipment and safe work permitting
- Training for excellence in refining operations and mechanical integrity as well as process safety, emergency preparedness and cybersecurity.
- Training includes computer-based sessions, instructor led courses, safety meetings and daily safety talks.

Safety compliance is achieved with frequent audits and quality assurance visits as well as comprehensive risk assessments to ensure safety standards are followed and comply with and often exceed local, state and federal regulations.



Contractors Follow Our Safety Protocols



As **outlined in our Commitment to Excellence Management System (CTEMS)**, safety qualifications for all existing and new contractors performing work at our refineries are essential to improve safety performance, efficiency and safety compliance.

Prescreening for safety performance and risks

- Contractor companies are prescreened by a third party to meet or exceed the Valero Health and Safety expectations.
- Contractor employees are trained initially and annually through a reciprocal contractor safety council focused on petrochemical and site specific Health and Safety requirements.
- Contractors are responsible for ensuring individual craft certifications are maintained.
- Comprehensive drug/alcohol testing and disciplinary action programs are required.

Operating guidelines on contractor safety management

- Contractors performance is evaluated both during and at the completion of their jobs, including preplanning, permitting, auditing, and post-job evaluations.
- Contractors are expected to meet or exceed the Valero Health and Safety programs as well as state and federal regulations.
- Valero partners with contractors and OSHA to achieve VPP Star status. Currently, 27 resident contracting companies are VPP Star.

Contractors are held to the same level of safety training as our employees, participating in more than 1.1 million training hours in 2019.

Emergency Preparedness



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



Emergency Management Planning

Assess potential risks posed to our people and operations, and implement solutions



Hurricane Preparedness

Provide adequate time and resources for our employees and facilities to safely prepare



Secure Facilities

Reducing physical risks through infrastructure design to withstand adverse weather conditions



Community Partnerships

Provide mutual aid resources to neighboring facilities and communities



A group of Valero employees members of the Post-Hurricane Assistance Team provide much-needed employee assistance in the aftermath of hurricanes by removing fallen trees and debris, doing urgent home repairs and performing other related tasks.

COVID-19: Leveraging Existing Emergency Preparedness Protocols



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.



Employees

COVID-19 Response Team meets regularly to implement a pandemic plan. Management, medical advisors and agencies establish protocols to mitigate risk. As part of the **world's critical infrastructure**, Valero continues to make products essential to everyday life while keeping employees and contractors informed with regular communications and response plans. As part of our response we have maintained:

- **Safe-at-work protocols**
- **Excellent health care and wellness resources (virtual, in-person and on-site)**
- **Expanded family illness leave**
- **Increased frequency and type of deep cleaning and sterilization**
- **No changes in employee benefits (pre-tax dollars to cover healthcare costs as well as merit increases and long-term incentives)**



Community

In 2020, Valero, the Valero Energy Foundation and the Valero Energy Foundation of Canada 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.

Some of our ethanol plants produced **hand sanitizer** 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.

Employees: Our Greatest Asset



Talent that drives organizational results

Diversity and inclusion to achieve our vision

Robust **training and development** programs

Tuition reimbursement offered to advance employee careers

Competitive pay and rewards for performance

Pension and retirement savings plans with aggressive matching

High-quality benefits programs at minimal cost to employees

On-site fitness centers and **child care** in some locations

Employee wellness centers offering preventive services at little to no cost to employees

Free comprehensive annual **wellness assessments**

Total wellness programs that promote complete health and financial wellness

One of World's Best Employers, America's Best Large Employers and Best Employers for Women, as named by Forbes magazine



Diversity, Equality and Inclusion



To achieve operational excellence, we value the **strengths** and **advantages of a diverse workforce** as well as the impact that truly inclusive teams bring.

Together with our **board and management team**, we continue **challenging ourselves to find new ways to promote** and **improve diversity and inclusion** in every aspect of our company

In 2020, we put in place a companywide assessment to **identify areas where we have an opportunity to increase** diversity from recruitment to charitable giving, procurement and governance

We provide our **~10,000 employees** with a **safe, inclusive** and **rewarding work environment** with opportunities for growth and personal development.

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.

2019 Women in Our Global Workforce

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

2019 Minorities in Our U.S. Workforce

Workforce	Professional	Supervision
34%	32%	23%

Diversity, Equality and Inclusion



Recruitment

- Our internship program, which attracts over 200 interns a year, sponsors and draws candidates from minority student groups such as NSBE, SHPE, SWE and SASE (reaching out to Black, Hispanic, Woman and Asian engineers, respectively)
- As part of our professional and leadership development pipeline, our internship program focuses on attracting candidates from engineering, accounting, commercial trading, and Information Systems majors
- Our recruitment brand, “Fueling Exceptional Futures,” is present in platforms with broader demographic reach to ensure a diverse applicant pool
- Valero has created the “Minority Engineering Summit,” which targets minority college freshmen with engineering majors and for a week provides access to our leadership team, skills development and industry education
- As part of our ongoing efforts, hiring managers are provided a team assessment (including a breakdown of skills, demographics and diversity) to kickoff recruitment efforts and are given a diverse applicant pool by recruiters

Attracting the brightest minds is our main focus



As part of a targeted recruiting strategy, representation of women in our 2020 Engineering intern class was up 63% since 2015

Diversity, Equality and Inclusion



Training

In our journey to operational excellence, training is fundamental to communicating our cultural values, company strategy and goals. Diversity, equality and inclusion (DEI) training is part of our development program and includes:

- Objective training for hiring (mandatory for all supervisors, on demand whenever hiring takes place)
- Fundamentals of Interviewing (mandatory for all hiring managers, ongoing)
- DEI leaders within the company receive professional development through memberships in organizations, attendance to conferences and extended educational programs
- New employee integration, a one-year program to integrate employees into the Company's cultural values
- Supervisor toolkit for new supervisors, which provides the foundational skills and training needed to grow into leadership positions (Frontline Leadership)



Diversity, Equality and Inclusion



Compensation

- Ongoing review of compensation data to ensure gender and racial parity.
- Companywide equal pay study is conducted biennially
- Job descriptions are reviewed to ensure gender neutrality
- Long-term incentive awards recognize exceptional work and contribute to the retention of great talent



Retention and Inclusion

- Retention is related to inclusion and talent development. Once we find bright minds, we want to retain them, motivate them, and develop their professional careers.
- Diversity Ambassadors at each of the refineries assist with local recruiting outreach opportunities within our neighboring communities
- In 2019, 99% of parents who took parental leave returned to work
- A foundational part of our leadership training program focuses on retaining our best talent by recognizing the strengths and advantages that come from sharing unique ideas, perspectives and backgrounds



Diversity, Equality and Inclusion



Benefits

- Health care plans are available to all full-time and part-time employees offering gender and sexual orientation parity in benefits
- Extended sick leave, parent leave and appropriate gender-related protective equipment
- Available access to financial planning for women and many other programs to support dual working parents at different stages of their careers
- Caregiver support networks (including on-site child care center) and support for children and parents with disabilities
- The majority of our employees are provided pre-tax dollars to cover the full cost of family's healthcare, dental, supplemental term life insurance and accidental insurance
- Enhanced fertility services benefits
- Employer contributions to Health Savings Account and Flexible Spending Account

We aim to provide benefits to employees in every stage of life from recent college graduates to young families and in preparation for retirement

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 centers
- Tuition reimbursement program
- Fitness center access or stipend
- On-site child care center or subsidy
- Employee recognition programs



TotalWellness

Training and Development



Training and Development

As part of our commitment to employee development and operational excellence, we offer a robust and dynamic training and employee development program year-round to ensure Team Valero reaches peak performance

- In 2019, more than 739,000 hours of employee training were conducted in subjects ranging from engineering and technical excellence, safety, maintenance and machinery/equipment repair to ethics, leadership and employee performance
- From intern training to individual contributor, supervisor to senior leadership, our talent development program remains driven to bring about excellence, expertise, and career-long engagement.
- Our talent development programs unlocks full potential through targeted development that highlights the Valero culture.
- There is an ongoing opportunity for team development efforts starting with recruiting, expansion of teams or changing reporting structures. During these instances, employee development initiatives include:
 - Supporting a culture of learning by linking a customized curriculum to organization objectives and engaging all leadership in the employee development process;
 - Employee performance discussions that provide meaningful feedback on accomplishments coupled with development needs; and
 - Potential employee mobility to create access to challenging assignments while also enhancing diversity of skills and knowledge.

Our Culture is Rooted in Six Key Values



Safety



Accountability



Teamwork



Excellence



Do The Right Thing



Caring



Record Donations and Fundraising Surpassed \$64 million in 2019

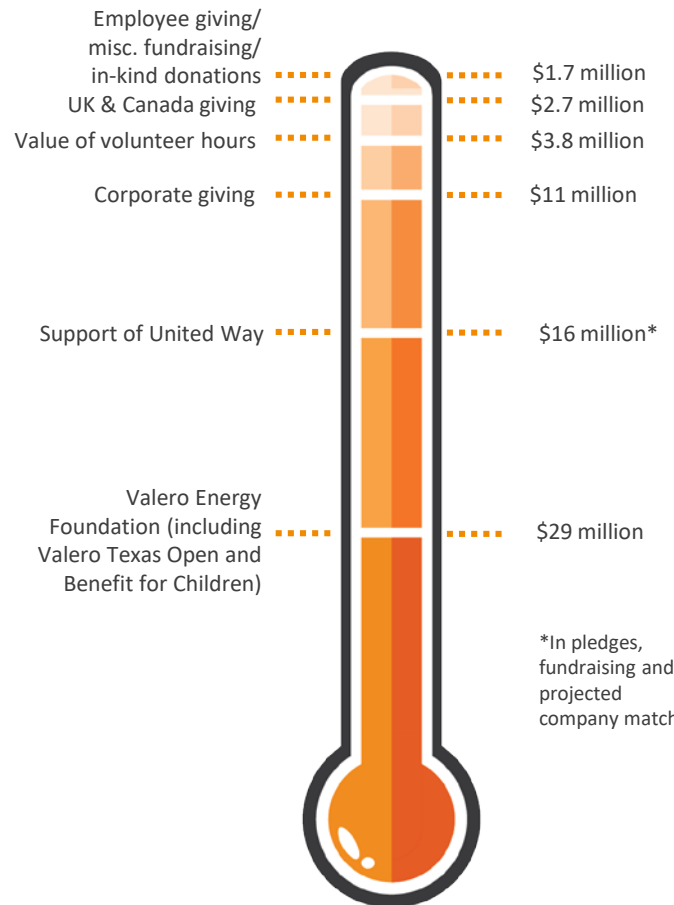


We will be a good neighbor by **sharing our success with the communities** where we live and work through **volunteerism, charitable giving** and the **economic support** of being a **good employer**.



\$64.2 million

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



In 2019, more than **\$40 MILLION** of direct financial support was distributed as follows:



Education
43%



Health Care
27%



Civic
6%



Basic Needs
24%

Community involvement: 150,000 employee volunteer hours



More than
\$15.0 MILLION

 **Valero Texas Open**

 **Valero Benefit for Children**

in net proceeds raised in 2019 from the Valero Texas Open and Benefit for Children for U.S. charities

Valero has been named to

The Civic 50,

a list of the 50 most community-minded companies in the U.S., each year since 2013 – Valero also is the Energy Sector Leader on the list



20 years ago, employees collectively were giving approximately \$1 million



Fast forward to 2019, more than **\$14 million** was given to the United Way



VOLUNTEER HOURS

Approximately **150,000** volunteer hours companywide in 2019




The Valero Energy Foundation awarded a **five-year, \$8.4 million** grant to the San Antonio Independent School District



Valero employees serve on **457** nonprofit boards and civic boards around the world

Human Rights – Indigenous Communities



Respecting human rights is a fundamental value to Valero. Valero recognizes the **dignity, value and worth of all human beings** and conducts operations in compliance with all applicable laws and regulations, and consistent with the Universal Declaration of Human Rights.

Indigenous Communities

Some of our operations and projects are next to Indigenous communities in the United States. We engage in a way that is consistent with the principles of the International Labour Organisation Convention 169 concerning Indigenous and Tribal Peoples, and the United Nations Declaration on the Rights of Indigenous Peoples.

- We commit to working with Indigenous communities in a manner that recognizes and respects their rights and the traditional lands and resources to which they apply, and we commit to ensuring that our projects and operations are carried out in an environmentally responsible manner.
- We engage in forthright and sincere consultation with Indigenous communities about Valero's projects and operations through processes that seek to achieve early and meaningful dialogue so their input can help define our projects that might occur on lands traditionally used by Indigenous Peoples.
- We commit to working with Indigenous communities to achieve benefits for them resulting from Valero's projects and operations, including opportunities in employment, procurement, business development and community development

Engagement – Indigenous Communities



Our refinery in Ardmore, Oklahoma is in the heart of the Chickasaw Nation and has a long-standing relationship with this Indigenous community, contributing with the economic support we provide to employees, business partners and local governments, as well as philanthropic donations and volunteering events.

During the construction of the **Diamond Pipeline in Oklahoma and Arkansas**, 23 Indigenous communities were contacted to participate in the permitting process, including the responsible parties for Tribal Historic Preservation efforts. A consultation process, determined by the National Historic Preservation Act and administered by the U.S. Army Corps of Engineers, was held with these communities. After a review period, comments, questions and concerns were gathered in a mutually accepted Cultural Resources Monitoring and Discovery Plan. This plan specified areas of concern, including more than 200 locations that required monitoring in order to preserve and respect the religious and cultural significance of the property.



In the execution of the **440-mile long project**, **tribal and archaeological monitors were engaged**. Their assessments and discoveries were provided in weekly reports to all stakeholders, and cultural discoveries were communicated within 24 hours.



Governance



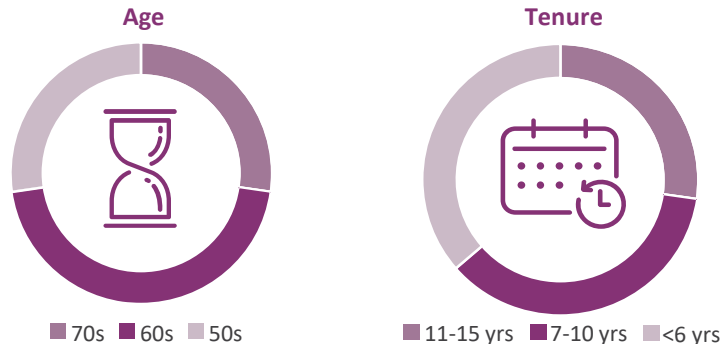
Strong Corporate Governance



Board of Directors



Code of Business Conduct and Ethics



Committees include:

1. Audit Committee
2. Compensation Committee
3. Nominating/Governance and Public Policy Committee

We focus on **regulatory compliance** and the **highest ethical standards**.

Our Code guides employees and directors of Valero to **fair, ethical, honest** and **lawful conduct**.

From safety to confidentiality to proper use of company assets, accurate reporting of financial information, and anti-bribery, our Code strives to ensure that we **maintain high standards of ethical behavior**.

Policies are available in the **ESG** section at **[investorvalero.com](https://investor.valero.com)**

Corporate governance policies and practices provide accountability and responsiveness to shareholders, employees and our neighbors

Nom/Gov and Public Policy Committee: Oversight of Climate-Related Risks and Opportunities



- Assists the board in oversight of corporate governance; board membership; health, safety and environmental matters; climate-related risk, public policy; political activities; corporate responsibility and reputation.
- Reviews climate-related risks and opportunities as a **standing agenda item**, including briefings and discussions on environmental monitoring and compliance, strategy and risk management as well as the use of disclosure frameworks, and other topics such as climate-related risk scenarios, and issues concerning environmental stewardship and stakeholder engagement.
- Committee chaired by Deborah P. Majoras and composed of **four independent directors** who bring an **effective mix of backgrounds, knowledge and skills with experience in the energy, and oil and gas sectors, public company leadership, corporate governance, government affairs, regulatory compliance and legal matters.**



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



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



Eric D. Mullins
Chairman and Chief
Executive Officer of
Lime Rock Resources

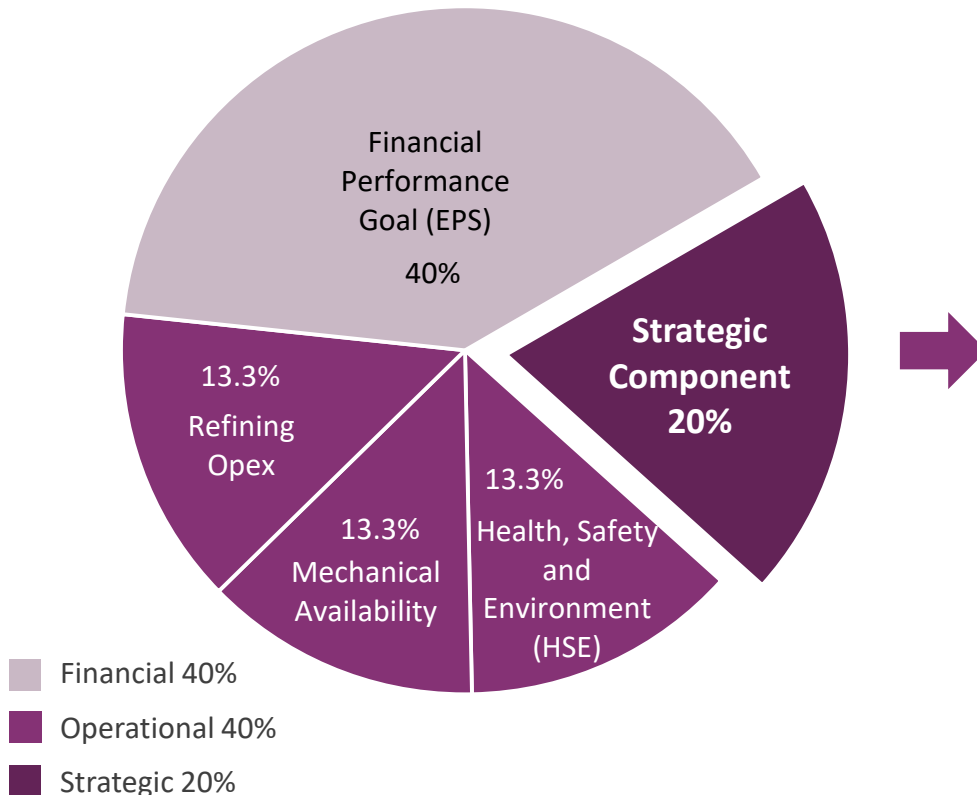


Sen. Don Nickles
Retired U.S. Senator
(R-OK); Chairman and
CEO, The Nickles
Group

All-Employee Bonus Program Includes ESG Factors



Annual Incentive Bonus



See slide 63 for notes regarding this slide

Updated in 2020, the **Strategic Component of the bonus** (evaluated by the Compensation Committee) includes:

- ESG Efforts & Improvement
 - Environmental stewardship
 - Sustainability
 - Diversity and inclusion
 - Compliance
 - Corporate citizenship and community
- Returns to Shareholders
- Disciplined Use of Capital
- Operational Excellence
- Organizational Excellence

Our comprehensive array of strategic initiatives contribute to the overall success of the company each year and support our long-term strategy

All-Employee Bonus Program Incentivizes GHG Emissions Reduction and Offset Targets



Reaching GHG emissions reduction and offset targets is linked to refining efficiencies and offsets generated by low-carbon fuels. Bonus metrics associated with this effort include:

Operational Component:

- **Health, Safety and Environmental metric** consists of 14 separately weighted HSE quantitative metrics across Valero's three business units, including:
 - Environmental Scorecard Incidents
 - Process Safety Incidents
 - Reportable Spills
 - Environmental Management System Scores
 - Health and Safety Management System Scores

Strategic Component :

- ESG Efforts and Improvement
 - Environmental stewardship
 - Sustainability
- Operational excellence
 - Execution of capital projects
 - Margin improvement and market expansion
- Disciplined Use of Capital
 - Balanced utilization of sustaining and growth capital vs. target
- Organizational Excellence
 - Innovation
 - Public Policy

Environmental, Social and Governance



Environmental

- Renewable fuels
- Greenhouse gas (GHG) emissions
- Energy efficiency
- Climate risk
- Water management
- Recycling processes
- Emergency preparedness



Social

- Health and safety
- Working conditions
- Employee benefits
- Diversity and inclusion
- Human rights
- Impact on local communities



Governance

- Ethical standards
- Board diversity and governance
- Stakeholder engagement
- Shareholder rights
- Pay for performance

For more information, please see our Stewardship and Responsibility Report in the ESG section at investorvalero.com

Notes

Slide 9

- Base year (2011) includes:
 - Prorated global refinery GHG emissions (Scope 1) associated with the acquisition of two refineries during the year 2011 as well as the emissions from a refinery that was active in 2011 and subsequently closed in 2012
 - GHG emissions (Scope 2) from purchased electricity and steam calculated using the GREET® (greenhouse gases, regulated emissions, and energy use in transportation) life cycle model
- Target year (2025) includes:
 - Estimated global refinery GHG emissions (Scope 1), and estimated GHG emissions (Scope 2) from purchased electricity and steam include the expected improvements derived from capital improvements and the energy grid, respectively
- Assumptions for base year and target year above were used for both the intensity target and the absolute/offset target
- GHG emissions reduction and offset target of 63% is the combination of: (1) the absolute reduction of global GHG emissions (Scope 1 and 2) by 2025 (against 2011); (2) the GHG emissions offset by the production of our ethanol and renewable diesel production; and (3) the GHG emissions offset by global blending of and credits purchased from renewable fuels. To avoid double counting, we are not including our production of renewable fuels when calculating the offset from blending and credits.
- As the operator of the consolidated entity (Standards Application Guidance -3.0 Reporting Boundaries), offsets include the entire production of renewable diesel.
- Valero plans to report on the strategy and underlying initiatives for reaching its GHG emissions reduction and offset targets on an annual basis.

Slide 11

- Global refinery GHG emissions (Scope 1 and 2) in 2019 at 31.1 million metric tons of CO₂e. See slide 24.
- GHG emissions offset achieved at the end of 2019 with a combination of: (1) the GHG emissions offset by the production of our ethanol and renewable diesel production in 2019; and (2) the GHG emissions offset by global blending of and credits purchased from renewable fuels in 2019. To avoid double counting, we are not including our production of renewable fuels when calculating the offset from blending and credits.
- As the operator of the consolidated entity (Standards Application Guidance -3.0 Reporting Boundaries), offsets include the entire production of renewable diesel in 2019.

Slide 38

- Valero's U.S. refining system performance as a group compared to individual refinery quartile performance standings. Industry benchmarking and Valero's performance statistics from Solomon Associates and Valero.

Slide 56

- 23 Indigenous communities were contacted to participate in the permitting process of the Diamond Pipeline in Oklahoma and Arkansas, including Absentee Shawnee Tribe, Alabama-Quassarte Tribal Town, Caddo Nation, the Cherokee Nation, the Chickasaw Nation, Choctaw Nation of Oklahoma, Delaware Nation, Eastern Shawnee Tribe of Oklahoma, Iowa Tribe of Oklahoma, Jena Band of the Choctaw Indians, Kialegee Tribal Town, Mississippi Band of Choctaw Indians, Muscogee Nation of Oklahoma, the Osage Nation, Pawnee Nation of Oklahoma, Peoria Tribe of Indians in Oklahoma, Quapaw Tribe of Oklahoma, Sac & Fox Nation, Shawnee Tribe of Oklahoma, Thlopthlocco Tribal Town, Tunica-Biloxi Tribe of Louisiana, United Keetoowah Band of Cherokee and the Wichita & Affiliated Tribes.

Slide 60

- See Valero's 2020 Proxy Statement for a complete description of our annual bonus plan.

About this presentation

Policies and Procedures

This presentation 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 presentation 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 presentation 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 presentation as of any date, or for any period, ending on or prior to the date of this presentation 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 presentation.

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