Premier manufacturer, distributor, and marketer of transportation fuels and petrochemical feedstocks

**Refining**
- **15** petroleum refineries
- **3.1 million barrels per day** throughput* capacity
- **Largest** global independent refiner
- **~6,000** employees
- **Manufacturer and marketer of transportation fuels, petrochemical feedstocks, and other specialty products**
- **Safety** is our foundation for success
- **Environmentally responsible** operations

**Ethanol**
- **14 ethanol plants** in the U.S. with a combined production capacity of **1.7 billion gallons per year**
- **World’s 2nd largest** corn ethanol producer
- **~1,000** employees
- **22%** share of U.S. ethanol exports in 2018
- **Continued investment and growth** in ethanol business
- **Low-carbon fuel** well-positioned for export growth

**Renewable Diesel**
- **World’s 2nd largest** renewable diesel producer
- **275 million gallons** per year
- **Planned expansion to 675 million gallons per year by late 2021**
- **Produces low-carbon intensity renewable diesel from recycled animal fats, used cooking oil, and inedible corn oil**
- **100%** compatible with existing engines and infrastructure
- **Low-carbon fuel sold in California, Canada, and Europe**

*Processing of crude oil and other feedstocks
Valero’s Vision

Valero will be the premier manufacturer, distributor and marketer of quality transportation fuels and petrochemical feedstocks, while serving the needs of our employees, communities and stakeholders.
Focused on being a good employer and neighbor through safe, environmentally responsible operations

- 14 ethanol plants
- World’s 2\textsuperscript{nd} largest renewable diesel producer
- Low GHG emissions
- Employees are our greatest asset
- $55.6 million generated for charities in 2018

**Environmental**
- Significant investment in renewables
- 21\% reduction in GHG emissions since 2010
- Reduction in energy use
- Decline in environmental events
- Industry safety leader

**Social**
- Recognized as one of America’s best large employers and one of the most community minded major companies
- High employee volunteerism and donations in 2018
- Focus on diversity, inclusion and talent development

**Governance**
- Independent and diverse Board of Directors
- Robust governance and ethical foundation
- Board Committee provides oversight of climate-related risks
- Committed to ESG engagement
Refining
Refining

15 petroleum refineries

3.1 million barrels per day throughput capacity

Fuels marketed through bulk and wholesale network

~6,000 employees

Manufacturing high quality, low emission transportation fuels, petrochemical feedstocks, and other specialty products

Valero’s Refineries

2,800 miles of active pipelines

Over 121 million barrels of storage

Over 50 docks
Refining

Lowest refining cash operating expenses while maintaining 1st quartile levels of mechanical availability

Safety is our foundation for success with outstanding safety measures recorded in recent years

$2.5 billion growth and sustaining capital for each 2019 and 2020

IMO 2020 compliant with a reduction in sulfur in marine fuels

More OSHA Voluntary Protection Program Star Sites than any other refiner
Ethanol
Ethanol plants convert corn into ethanol (transportation fuel) and distillers grains (a livestock feed)

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

Ethanol plant ownership has doubled since the initial 7 plant acquisition in 2009, demonstrating continued investment in low-carbon fuels

Existing logistics assets well positioned to support export growth

Premier operator and one of the lowest cost ethanol producers in the U.S.

22% share of U.S. ethanol exports in 2018 and growing

~1,000 employees
Renewable Diesel
Renewable Diesel

World’s 2nd largest renewable diesel producer

Utilizes recycled or discarded animal fats, used cooking oils, and inedible corn oil to produce low-carbon intensity renewable diesel fuel, sold in California, Canada, and Europe

275 million gallons per year

Joint venture between Valero and Darling Ingredients

Innovative investments in low-carbon fuel

Renewable diesel is 100% compatible with existing engines and infrastructure

Planned expansion to increase production to 675 million gallons per year by late 2021

Strategically located next to our St. Charles refinery to capture synergies and gain access to export markets

Expansion in 2018 brought our production capacity to 275 million gallons per year

Expansion in 2018 brought our production capacity to 275 million gallons per year
Guiding Principles
# Guiding Principles

<table>
<thead>
<tr>
<th><strong>Guiding Principles</strong></th>
<th>Safety</th>
<th>Environment</th>
<th>Community</th>
<th>Employees</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety</strong></td>
<td>Safety is our foundation for success.</td>
<td>We are committed stewards of the environment.</td>
<td>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.</td>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>
Safety

- Employees are our greatest asset
- Safety and reliability are imperative
- Our employee TRIR has been well below the industry average for many years, setting record level safety performance in recent years
- 49% reduction in combined refinery employee and contractor TRIR since 2010

Notes: Tier 1 three-year rolling averages of process safety events per 200,000 work hours. Tier 1 defined within API Recommended Practice 754.

More OSHA Voluntary Protection Program Star Sites than any other refiner
Safety

Outstanding safety performance has driven continued improvement in all categories.

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

Overall 97.2% mechanical availability, top quartile of the industry.

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

Note: 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; 2016 is the latest data.

We focus on safety, reliability, and increased refinery availability.
Valero targets best-in-class environmental performance through investments in renewable energy and emphasis on reliability and operational excellence.

- 14 ethanol plants
- World’s 2nd largest renewable diesel producer
- 50 megawatt wind farm
- Record low total energy use
- Low GHG emissions
Reductions in criteria emissions and GHG emissions

- Total criteria emissions dropped 44% from 2007 to 2017 while total throughput increased by 25%
- Since 2007, 82% reduction in sulfur dioxide emissions and 49% reduction in nitrogen oxide emissions

*As defined by EPA, criteria emissions include carbon monoxide, lead, nitrogen oxides, particulate matter, ground-level ozone, and sulfur dioxide

**Data is for U.S. refineries only; final data available through 2017

Refining Greenhouse Gas (GHG) Emissions
(tons of CO2e per barrel of throughput)

- Through the use of new technologies and improved operations we have continuously decreased refinery GHG emissions since 2010, despite an increase in throughput capacity
- Renewable diesel fuel cuts GHG emissions by up to 80%, compared with traditional diesel
Reductions in total energy use and flaring events

- Continuous improvement in energy conservation drives emissions performance and contributes to profitability
- In 2018, Valero maintained its record-low energy use

**Refining Total Energy Use**
(Million BTU per barrel of throughput)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.44</td>
<td>0.38</td>
</tr>
<tr>
<td>Reduction</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

**Annual Flaring Events**

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events</td>
<td>187</td>
<td>33</td>
</tr>
<tr>
<td>Reduction</td>
<td>82%</td>
<td></td>
</tr>
</tbody>
</table>

- Since 2007, 82% reduction in total flaring events, to a new all-time low in 2018
- 99% flaring-free refinery operations
Wind farm

Reducing emissions and energy use

33
turbine wind farm in the
Texas Panhandle at
our McKee Refinery,
built in 2009

250
feet tall

$80 million
capital investment

50
megawatts of electricity
capable of running the entire
McKee refinery under
optimal wind conditions
Cogeneration

Cogeneration systems boost power and environmental performance, and reduce operating expenses

- Cogeneration is an efficient method of producing electricity and steam needed for refinery operations.
- Valero has invested in cogeneration systems at the Benicia (CA), Wilmington (CA), Port Arthur (TX), and Pembroke (UK) refineries.
- Our cogeneration systems are fueled by natural gas, and reduce our reliance on the local power provider’s less-efficient and costly generation.
- Completion of a fourth cogeneration plant at our Pembroke refinery is expected in early 2020.

~80 megawatts of electricity that no longer needs to be supplied by the power grid, due to Valero’s cogeneration plants in California.

Saving power for ~100,000 homes.
Carbon capture

Exploring innovative solutions to address emissions through new research and technologies

National Petroleum Council (NPC) study on carbon capture opportunities

- The NPC has been tasked by the Secretary of Energy to assess carbon capture utilization and sequestration (CCUS) in the United States
- Valero is taking a leadership role as a member of the Steering Committee and Coordinating Subcommittee

Feasibility study of carbon storage at our Ethanol plants

- Ethanol plants have highly concentrated CO₂ streams that may provide an economic path for carbon capture
- Valero is pursuing a study to understand which ethanol plants are located in areas that have the geology for permanently sequestering CO₂ in the subsurface

Soil Value Exchange (SVX)

- Initial investor in SVX, a nature-based CO₂ capture and storage solution where ranchland grazing techniques have the potential to store carbon in near-surface soil at a very low cost
- SVX aims to implement a soil-carbon trading system based on soil carbon measurements
- The concept evolved from Rice University’s interest in restoring low-lying coastal lands subject to hurricane surge flooding to their natural state
Low-carbon investment

Strategically investing in low-carbon fuels production and energy reducing technologies

- World’s 2nd largest corn ethanol producer
- World’s 2nd largest renewable diesel producer*
- Record low total energy use in 2018 driven by investment in technologies that optimize energy use

Total Ethanol Investment
$1.7 billion

Valero’s Renewable Diesel Investment*
- Investment to Date $900 million
- Additional Commitment for DGD II $550+ million

*Note: Joint venture with Darling Ingredients, investment represents Valero’s 50% share
Community involvement

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.

More than $55 MILLION generated for charities through donations and fundraising in 2018.

In 2018, Valero and the Valero Energy Foundation donated $23 MILLION to charity.

- Education: 39%
- Health Care: 28%
- Civic: 12%
- Basic Needs: 21%

More than $1.1 MILLION distributed by the Valero Energy Foundation of Canada and company operations.

$870K Canada company and employee gifts to Centraide/United Way.

SAN ANTONIO FOOD BANK

2.9 MILLION

pounds of food donated since 2008.

150,000 volunteer hours companywide in 2018.

12.5 MILLION

raised in 2018 from the Valero Texas Open, plus Benefit for Children events companywide.

150 employees serve on 180 nonprofit boards in San Antonio.

$340K Canada Golf Charity.

$14.7 MILLION in U.S. pledges to United Way.

$322 MILLION generated for charities through donations and fundraising in 2018.

$23 MILLION donated to charity in 2018.

$340K Canada Golf Charity.

$237K United Kingdom Golf Charity.
We provide our ~10,000 employees with a safe, diverse, and rewarding work environment with opportunities for growth and personal development.
Governance

Board of Directors

Independent and diverse Board of Directors
- 9 of 10 are independent
- 3 of 10 are women
- 3 fully independent committees
- 64 years avg age
- 8 years avg tenure

Committees include:
- Audit Committee
- Compensation Committee
- Nominating/Governance and Public Policy Committee

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

Code of Business Conduct and Ethics

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 on our website.
Stakeholders

Demonstrated Strategy for Value Creation

- 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
- Proven history of operations excellence and higher profitability by focusing on safe, reliable, environmentally responsible operations
- Alignment of executive pay to company performance

Stakeholder Engagement

- Ongoing engagement with stakeholders
- Consistent dialogue has provided management and the Board of Directors with insights on issues and initiatives that are priorities for our stakeholders
- Our engagement process follows a “review, plan, engage, and analyze and respond” cycle to build relationships and create meaningful engagement
- We adjust our engagement process based on stakeholder needs and business strategy
Environmental, Social and Governance

**Environmental**
- Greenhouse gas (GHG) emissions
- Energy efficiency
- Climate
- Water management
- Recycling processes
- Emergency preparedness

**Social**
- Health and safety
- Working conditions
- Employee relations and diversity
- Human rights
- Impact on local communities

**Governance**
- Ethical standards
- Board diversity and governance
- Stakeholder engagement
- Stockholder rights
- Pay for performance
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