

Our Business

Three Reporting Segments

Refining

WORLD'S LARGEST INDEPENDENT REFINER

- 15 petroleum refineries in the U.S., Canada and the U.K., with 3.2 million barrels per day of high-complexity throughput capacity.
- 1.2 million barrels per day of ratable wholesale supply - more than 50% of our light-product production.
- Lowest-cost operator, producing gasoline, diesel, jet fuel and other specialty products, including petrochemicals and asphalt.
- Executing a viable and board-approved path to reduce and displace refinery Scope 1 and 2 GHG emissions by 100% by 2035.

Renewable Diesel

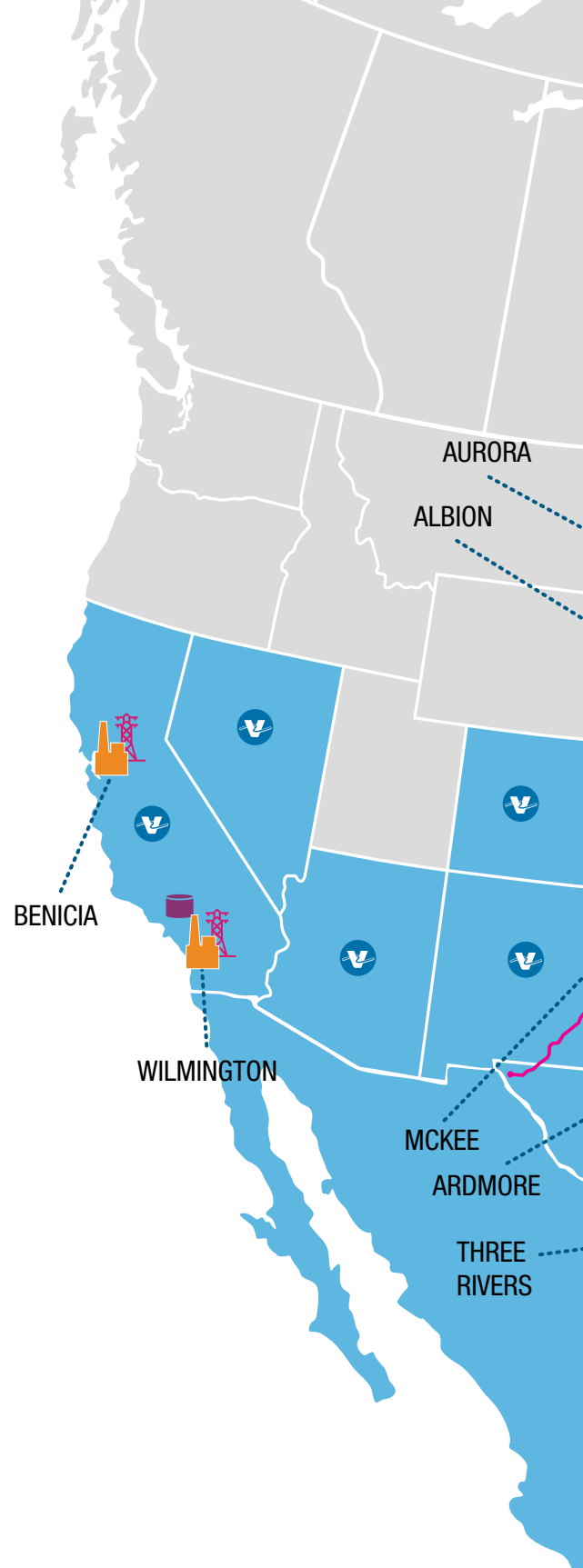
WORLD'S 2ND-LARGEST RENEWABLE DIESEL PRODUCER

- Renewable diesel plant adjacent to the Valero St. Charles Refinery and a new renewable diesel plant adjacent to the Valero Port Arthur Refinery (expected to startup in Q4 2022).
- Current annual production capacity: 700 million gallons of renewable diesel and 30 million gallons of renewable naphtha (used for renewable gasoline and renewable plastics).
- Expected annual production capacity to increase in the fourth quarter of 2022: 1.2 billion gallons of renewable diesel and 50 million gallons of renewable naphtha.
- Up to 80% reduction in life cycle GHG emissions, compared with petroleum diesel.
- 100% compatible with existing engines and infrastructure.

Ethanol

WORLD'S 2ND-LARGEST CORN ETHANOL PRODUCER

- 12 ethanol plants with annual production capacity of 1.6 billion gallons of ethanol and 4.2 million tons of distillers grains.
- High-octane, low-carbon fuel offers at least 30% reduction in GHG emissions, compared with petroleum gasoline.
- Developing carbon sequestration projects to further reduce carbon intensity.



GHG Emissions Targets

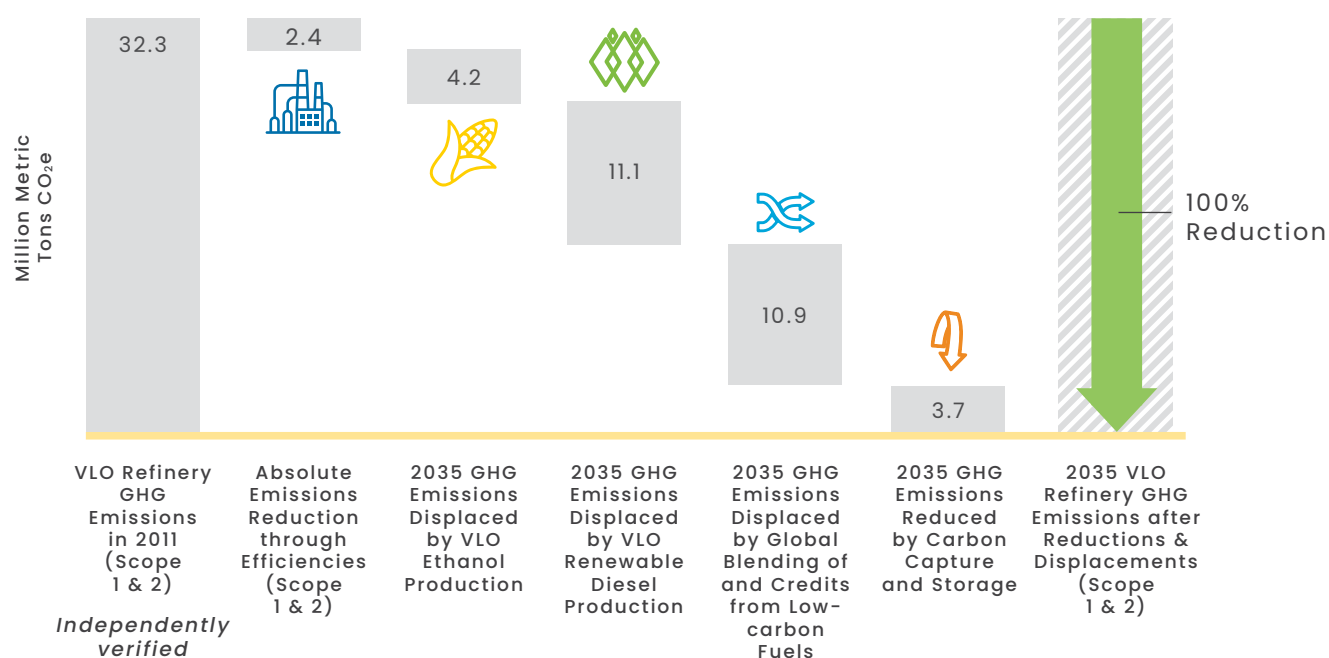
Valero's refineries are among the most efficient and are expected to be resilient according to the benchmarking analysis conducted as part of our TCFD hypothetical scenario analysis. We believe that our assets and strategies for our petroleum-based and low-carbon fuels are well positioned to make Valero a resilient company in a lower-carbon economy.

In 2021, absolute improvements have **reduced our global refinery Scope 1 and 2 GHG emissions by 11.5%** against our 2011 baseline (verified global refinery Scope 1 and 2 in 2021 account for 28.5 million metric tons CO₂e).

The growth of our **low-carbon fuels** production and blending have also displaced fossil fuels from less efficient refiners.

2035 GHG Emissions Target

We are on track to achieving our 2025 target, which focuses on reducing and displacing our global refinery Scope 1 and 2 GHG emissions by 63%. By 2035, we plan to increase that percentage to 100% through board-approved projects and carbon sequestration projects under development.



ESG

At Valero, we are committed to consistent and proactive dialogue with our stockholders, employees, neighboring communities, business partners, governments and other stakeholders.

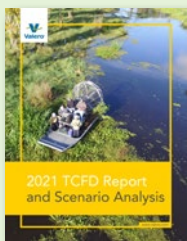
Environmental:

GHG Emissions Targets*

On track to reduce and displace 100% of refinery Scope 1 and 2 by 2035 with board-approved projects and carbon sequestration projects under development.

Reports*

- **Third-Party Assurance** of global refinery Scope 1 and 2 GHG Emissions.
- **2021 TCFD Report and Scenario Analysis:** Scenario analysis concluded that Valero's refining portfolio would be resilient in a low-carbon marketplace. Our intent is to update this report in 2022 using the IEA's Net-Zero 2050 scenario.
- **SASB Report** (see pages 108 and 109).
- **CDP Questionnaire.**



Low-Carbon Investments

In 2021, more than 70% of growth capital was deployed to low-carbon projects. Low-carbon fuels displace fossil fuels.

- **Carbon Sequestration:** Large-scale CCS pipeline system in the U.S. Midwest to store carbon dioxide from eight of our ethanol plants. This project is expected to further reduce the carbon intensity of ethanol and increase its value.

MORE THAN
\$4.65 BILLION
INVESTED TO DATE IN
OUR LOW-CARBON FUELS
BUSINESS

- **Renewable Diesel:** Current annual production capacity of 700 million gallons of renewable diesel and 30 million gallons of renewable naphtha (used for renewable gasoline and renewable plastics). A new renewable diesel plant is expected to start up in Q4 2022, increasing total annual capacity to 1.2 billion gallons of renewable diesel and 50 million gallons of renewable naphtha.
- **Producing and Advancing:**
 - Low-carbon hydrogen.
 - Renewable propane.
 - Renewable naphtha.
 - Renewable arctic diesel.
 - Fiber cellulosic ethanol.
 - Sustainable aviation fuel (under development).

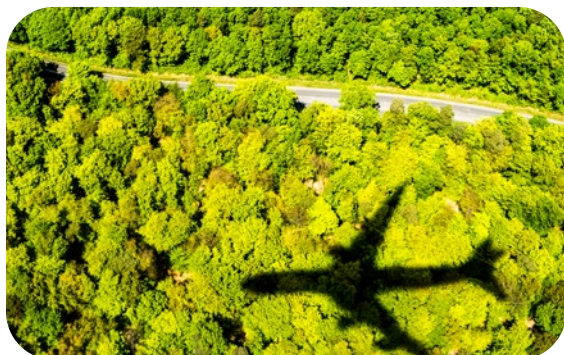
LOW-CARBON PROJECTS
ARE HELD TO A MINIMUM

**AFTER-TAX IRR
THRESHOLD,**
JUST LIKE OTHER PROJECTS.

Innovation for a Low-carbon Future

At Valero, we believe that liquid fuels are the affordable solution to reduce transportation GHG emissions in a reliable manner. Fuels are essential to drive progress and create long-term value for our stockholders while helping to realize a more viable trajectory for the global economy.

Over the last decade Valero has become a leading manufacturer of low-carbon fuels, which offer lower GHG emissions. In the next decade, we will focus on bringing creative and innovative approaches to the decarbonization of transportation fuels. The following technological advances are examples of innovation that we are developing or evaluating:



Sustainable Aviation Fuel (SAF)

The IEA Net Zero 2050¹ scenario forecasts that 50% of fuels used in aviation will be low emissions by 2040. Therefore, net zero goals in the aviation industry are dependent upon large-scale projects. At Valero, we believe that low-carbon aviation fuels will be part of the energy mix.

We are evaluating the engineering capability to add SAF production to the new renewable diesel facility in Port Arthur.



Alcohol-to-jet (ATJ) is another low-carbon pathway to produce SAF. In this process alcohols are converted to SAF using catalytic steps similar to those used in existing petroleum refining processes. Our large network of low-carbon ethanol plants and our leading refining expertise provide us with an advantage in the potential development of this product.

Large-scale SAF production could also be a demand driver for low-carbon hydrogen, carbon capture and renewable power projects.



Electric Vehicles (EVs) Are Not Zero-Emission Vehicles.

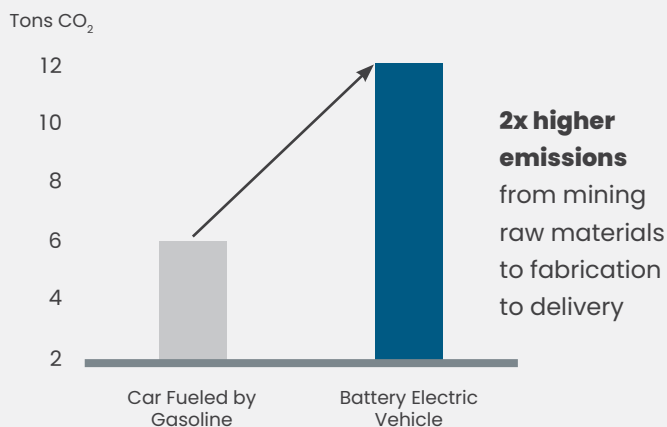
EVs' embedded emissions do not include metal mining, processing and battery manufacturing.

Life cycle GHG emissions analysis represents the emissions from cradle to grave.

- An EV is not “zero emissions,” as the electricity that powers an EV is often generated by fossil fuels.
- The infrastructure build-out necessary to support an increase in EVs will be costly, time-intensive and fossil-fuel dependent, thus emitting a large amount of CO₂ itself.
- According to the IEA's The Role of Critical Minerals in Clean Energy Transitions, minerals necessary for EVs are not produced domestically, and the world does not have the mineral resource capacity to meet the demand increase of technologies such as EV batteries.¹
- According to the IEA's Global EV Outlook 2022, significant EV battery metal price increases reflect concerns of tightening supply and availability. It also features China's dominance on the entire global downstream EV battery supply chain.²

Embedded CO₂ Emissions

(zero miles traveled)

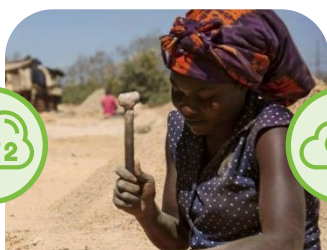


- Before EVs leave the showroom, EVs have already generated 12 tons of CO₂ emissions vs. 6 tons of CO₂ emissions from cars fueled by gasoline

Significant Issues and Emissions From EV Life Cycle



**MINING/
EXTRACTION**



**COBALT & RARE
EARTH PROCESSING**



**MANUFACTURING
EVS**



**POWER
GENERATION**

¹International Energy Agency (2021), The Role of Critical Minerals in Clean Energy Transitions, IEA, Paris. All rights reserved.

²International Energy Agency (2022), Global EV Outlook 2022, IEA, Paris. All rights reserved.

2021 Highlights

On track to achieve 63% global refinery Scope 1 and 2 GHG emissions reduction/displacement target by 2025.

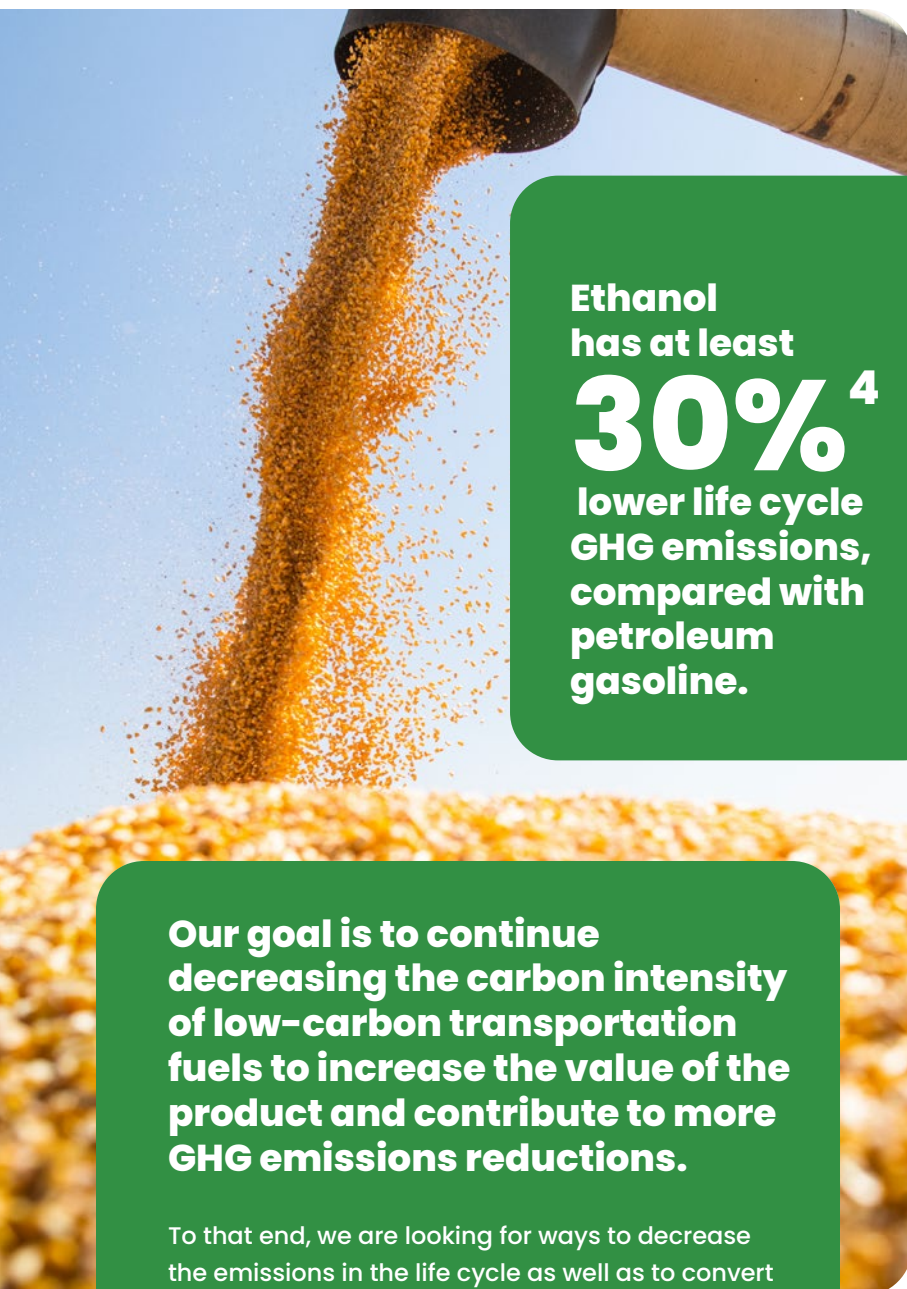
On track to achieve 100% global refinery Scope 1 and 2 GHG emissions reduction/displacement target by 2035.

2021 was our best year for employee and process safety performance and one of the lowest numbers of environmental scorecard events.¹

Production capacity of renewable diesel is expected to increase to 1,170 million gallons per year with the startup of another plant in Q4 2022.



¹Performance measures include environmental scorecard incidents, including flaring, spills and wastewater incidents.



**Ethanol
has at least
30%⁴
lower life cycle
GHG emissions,
compared with
petroleum
gasoline.**

**Our goal is to continue
decreasing the carbon intensity
of low-carbon transportation
fuels to increase the value of the
product and contribute to more
GHG emissions reductions.**

To that end, we are looking for ways to decrease the emissions in the life cycle as well as to convert waste such as fiber into valuable fuels.



"When you combine cellulosic ethanol and carbon sequestration, ethanol sold to low-carbon markets could offer much lower GHG emissions than EVs. The carbon intensity of such ethanol could be in the single digits."

– **Eric Honeyman**,
Vice President – Renewables Operations and Low Carbon Fuels

Ethanol

Our ethanol business began in 2009 and includes 12 plants, located in the Mid-Continent region of the U.S., with a combined production capacity of 1.6 billion gallons per year.

Our plants are dry mill facilities that process corn to produce ethanol and co-products, such as dry distillers grains (DDGs) and syrup for livestock feed and inedible corn oil.

- **World's second-largest producer:** 1.6 billion gallons per year.
- **Low-carbon fuel:** high-octane renewable fuel that lowers life cycle GHG emissions by at least 30%, compared with gasoline.
- **Large-scale carbon sequestration:** with startup activities to begin in late 2024, we expect to reduce almost 3 million metric tons of CO₂ per year and increase the value of this ethanol in low-carbon marketplaces.
- **Cellulosic ethanol, a second generation fuel:** enzymes that convert fiber into fuel, further reducing the CI to high 20s and increasing ethanol value in low-carbon marketplaces.
- **Ethanol co-product – DDG:** when blended with animal feed, DDG makes for a protein-rich meal, which can help strengthen the immune systems of cattle and other livestock.

⁴The carbon intensity of our ethanol can be further reduced to single digits with carbon sequestration and fiber ethanol production.

Life Cycle GHG Emissions of Renewable Fuels

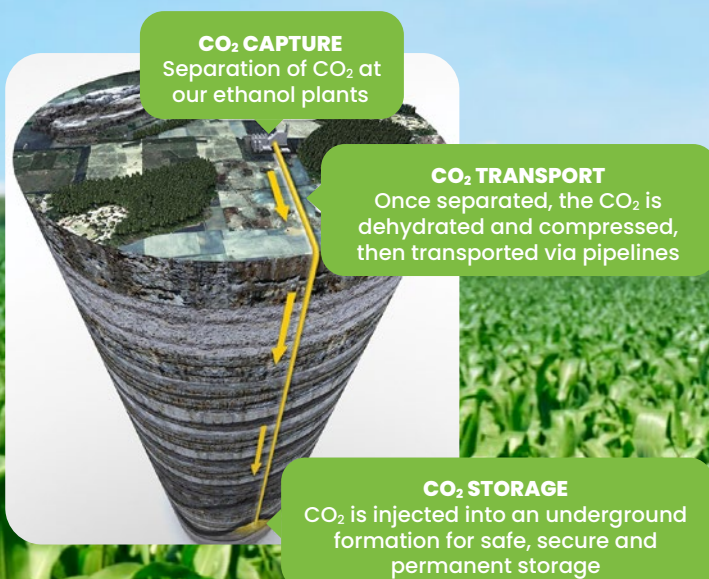
Life cycle GHG emissions of low-carbon fuels are expressed in carbon intensity and represent a cradle-to-grave analysis, including feedstock production and transportation, fuel production and distribution, and use of the finished fuel.

Verification of low-carbon fuels and their carbon intensity is conducted by low-carbon fuels programs.

In the case of the State of California, a methodology is in place to verify and certify carbon intensity for low-carbon fuels to compare them against a petroleum-based fuel benchmark. Fuels with lower CI scores compared with the benchmark generate greater numbers of LCFS credits and command higher market values compared with petroleum-based fuels. Similar programs are being deployed by other states in the U.S. as well as other governments, including Canada and certain countries in Europe.

Large-Scale Carbon Capture and Storage⁵ to Further Reduce the Carbon Intensity of Ethanol Under Development

Capturing and removing high-concentration CO₂ streams produced in the fermentation process at eight of our ethanol plants have the potential to further **reduce the carbon intensity of ethanol by more than 40%** and make ethanol more valuable in low-carbon fuel markets.



⁵ Working with BlackRock Global Energy & Power Infrastructure Fund III and Navigator Energy Services.

Leveraging Technologies to Reduce Emissions

Real-time air readouts allow our refineries to protect the surrounding communities and take early response and mitigation actions even on small emissions sources.

Furthering our commitment as a responsible operator and supplementing our existing monitoring programs, we are utilizing the Duvas DV3000, a real-time mobile air quality monitoring surveying system, for air quality screenings.

The vehicle-mounted DV3000 is a gas analyzer that uses ultraviolet spectroscopy to identify and qualify up to 14 different gases, including benzene, SOx and NOx, at low part-per-billion levels.

With an analyzer response time as short as one second, the DV3000 combines measurements with geographic mapping of gas concentrations, and enables rapid detection and source location of air emissions during monitoring.



Watch a video about the DV3000 mobile air quality monitor.

DV3000 Mobile Air Quality Monitor

Anemometer: measures wind direction to locate the source of emissions

Air sampler

In 2021, Valero undertook air quality screenings in our fence-line communities and verified all levels were under the applicable environmental standards.

Valero refineries use optical gas imaging technology to detect VOC emissions and for routine equipment leak monitoring.



Environmental Metrics

^a Million metric tons CO₂e. Independently verified. Scope 1 is defined as the direct GHG emissions from our 15 refineries. Scope 2 (market-based) is the indirect GHG emissions from purchased electricity and purchased steam used by our 15 refineries. For more information, see note EM-RM-110a.1 regarding GHG emissions on page 109.

^b Metric Tons.

^c Million m³.

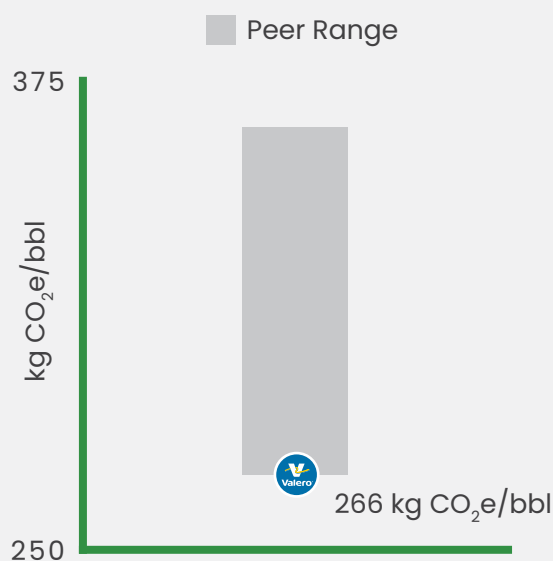
^d Count of oil spill events to land or water of more than one barrel.

See page 111 for details on data verification.

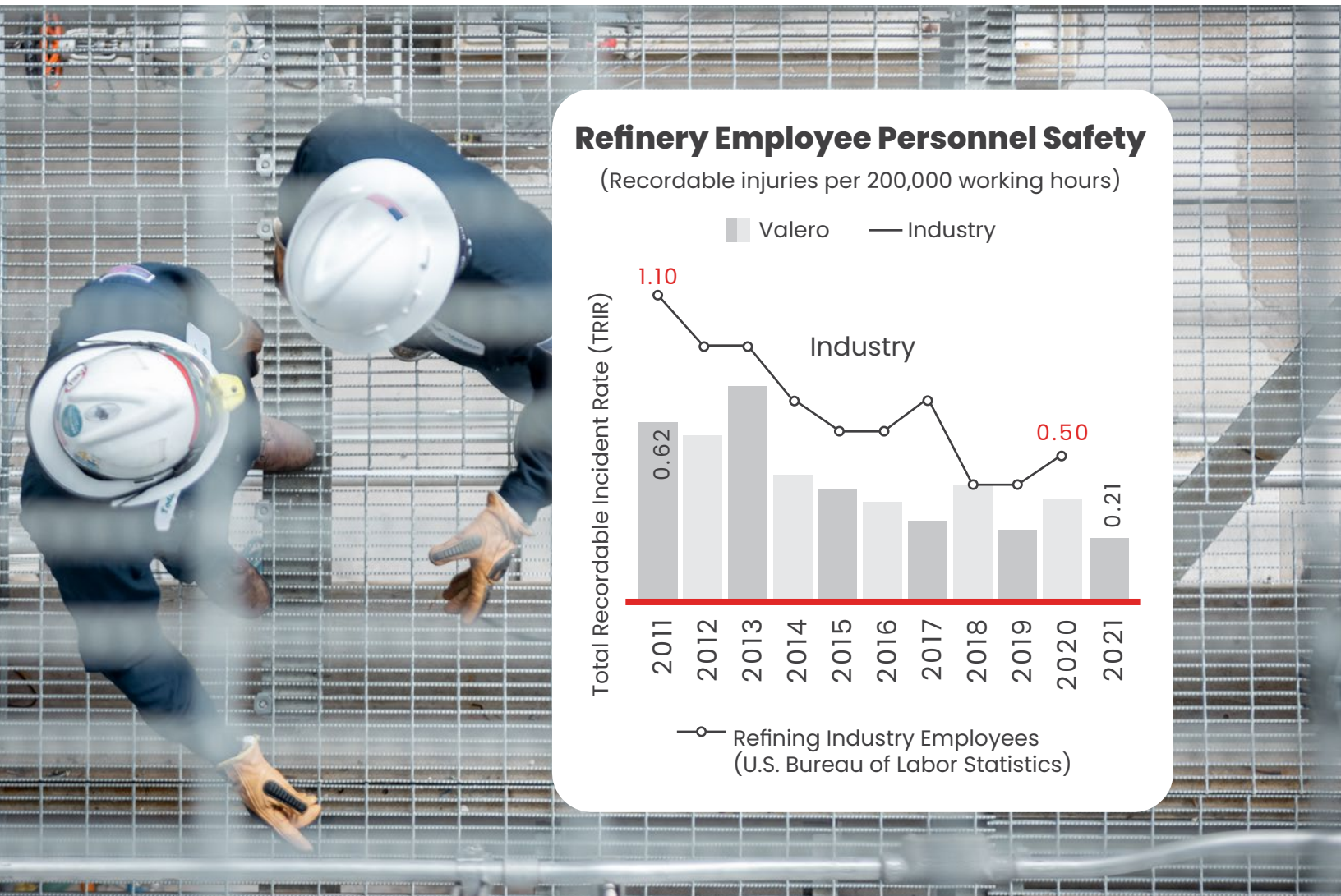
| GLOBAL REFINERY ^a | 2018 | 2019 | 2020 | 2021 |
|---|--------|-------|-------|-------|
| GHG Emissions Scope 1^a | 25.4 | 24.8 | 23.0 | 23.7 |
| GHG Emissions Scope 2^a | 5.0 | 4.7 | 4.5 | 4.9 |
| NOx^b | 9,000 | 8,700 | 7,900 | 8,400 |
| SOx^b | 7,700 | 8,800 | 7,600 | 7,600 |
| PM₁₀^b | 2,300 | 2,200 | 2,200 | 2,600 |
| VOCs^b | 10,300 | 7,700 | 7,500 | 7,500 |
| Fresh Water withdrawn^c | 165.8 | 164.1 | 164.6 | 175.0 |
| Oil spilled to land (>1 bbl)^d | 25 | 14 | 21 | 28 |
| Oil spilled to water (>1 bbl)^d | 4 | 3 | 4 | 0 |

In the chart to the right, you will find a calculation of Valero's Net Scope 3 Intensity in kg CO₂e per barrel. Scope 3 is largely a duplication of what is already being reported by others in our supply chain in their Scope 1 or 2. We recognize that Scope 3 is riddled with duplication in substance and methodology and offers limited value; however, some of our stakeholders have asked for us to provide disclosure for purposes of evaluating relative peer performance in terms of GHG emissions from the use of the products we manufacture. As expected from the leader in refining efficiency and in the production of low-carbon fuels, the estimated GHG emissions from the use of our collective products are industry leading lows.

2021 Global Refinery Net Scope 3 Intensity



See page 111 for details on Valero's Net Scope 3 Intensity and the peer group.



Safety Metrics

| GLOBAL REFINING | 2018 | 2019 | 2020 | 2021 |
|---|------|------|------|------|
| Personnel Safety Employee (TRIR) ¹ | 0.40 | 0.25 | 0.35 | 0.21 |
| Personnel Safety Contractor (TRIR) ¹ | 0.32 | 0.39 | 0.15 | 0.26 |
| Fatality Rate Employee ² | 0.00 | 0.00 | 0.00 | 0.00 |
| Fatality Rate Contractor ² | 0.00 | 0.00 | 0.00 | 0.01 |
| Process Safety Event Rate – Tier 1 ³ | 0.07 | 0.05 | 0.06 | 0.05 |
| Process Safety Event Rate – Tier 2 ³ | 0.31 | 0.17 | 0.17 | 0.15 |

¹Recordable injuries per 200,000 working hours.

²Per 200,000 working hours.

³Global refining Tier 1 process safety event (PSE) rate and Tier 2 PSE rate as defined within API Recommended Practice 754.

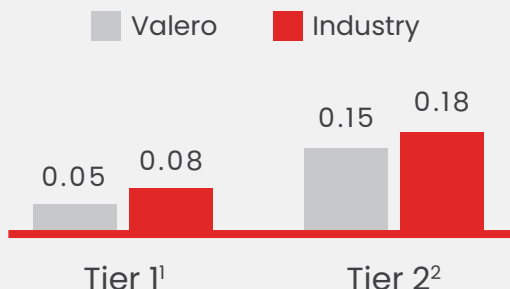
Process Safety and Mechanical Availability

Process Safety

Keeping employees and communities safe is a top priority. Our process safety and reliability programs provide safeguards for ensuring our equipment is correctly designed, regularly maintained and safely operated.

In addition to capital investments in reliability, our industry-leading technical assessments are core to our commitment to excellence. These comprehensive programs, developed more than 10 years ago, promote consistent and best-in-class process safety and reliability expectations across our refining operations. From 2008 to 2018, Valero's mechanical availability has improved from third quartile to industry-leading first quartile, and we continue to focus on maintaining our processing units as highly reliable. Our Tier 1 and Tier 2 Process Safety Event (PSE) three-year average rates have also set new records each year, as we continually focus on reducing process safety incident severity and frequency.

2021 Process Safety Event (PSE) Rates



2021
set new records for
safety performance.

¹Tier 1 process safety event – Losses of primary containment of greatest consequence, causing harm to a member of the workforce, costly damage to equipment or exceeding defined quantities.

²Tier 2 process safety event – Losses of primary containment of lesser consequence than Tier 1. Tier 1 PSE rate and Tier 2 PSE rate as defined by the API Recommended Practice 754.



Linkage of Executive Compensation and ESG and Climate Change Metrics

Annual Bonus Plan

Valero has historically included health, safety and environmental (HSE) performance measures as part of the metrics of its annual bonus program. In 2020, the Human Resources and Compensation Committee approved a modification to our annual bonus program to also include ESG efforts and improvements, which contain multiple objectives.

Operational Component, includes a HSE component weighted at 13.33%.

Strategic Component, weighted at 20%, includes:

- ESG efforts and improvements (sustainability, environmental stewardship, diversity and inclusion, compliance and corporate citizenship/community).
- Operational excellence (execution of capital projects, margin improvement and market expansion, and cost management and expense control).
- Disciplined use of capital (balanced utilization of sustaining and growth capital vs. target).
- Organizational excellence (innovation, public policy and leadership development).
- Returns to stockholders (return cash to stockholders through dividends and stock buybacks).

Long-term Incentive Program

In 2021, our Human Resources and Compensation Committee strengthened the ties between executive compensation and ESG priorities through the addition of an energy transition modifier to our long-term incentive program, tying executive compensation with our publicly disclosed GHG emissions reduction/displacement target for 2025 and the deployment of capital to low-carbon projects and initiatives.

SASB Report

This report aligns our performance data with the recommendations of the Sustainability Accounting Standards Board (SASB) framework in the Oil & Gas – Refining & Marketing industry standard.

| Topic | Accounting Metric | Code | 2021 Valero |
|--|---|--------------|--|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations | EM-RM-110a.1 | 23.7 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's performance in 2021 puts the company on track to reach 63% reduction and displacement of global refinery GHG emissions Scope 1 and 2 by 2025. Valero plans to further reduce/displace 100% of its global refinery Scope 1 and 2 GHG emissions by 2035 through board-approved projects and carbon sequestration projects under development. |
| Air Quality | Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) particulate matter (PM ₁₀), (4) H ₂ S, and (5) volatile organic compounds (VOCs) | EM-RM-120a.1 | (1) NOx: 8,400 metric tons (2) SOx: 7,600 metric tons (3) PM ₁₀ : 2,600 metric tons (4) H ₂ S: De minimis (5) VOCs: 7,500 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) 175 million m ³ (2) 1,717% (3) 18.7% |
| | Number of incidents of non-compliance associated with water quality permits, standards, and regulations | EM-RM-140a.2 | Annual Report on Form 10-K , Item 3 (page 32) |
| Hazardous Materials Management | Amount of hazardous waste generated, percentage recycled | EM-RM-150a.1 | (1) 50,400 metric tons (2) recycled hazardous waste without incineration: 27%; recycled hazardous waste with incineration of waste fuels: 55% |
| | (1) Number of underground storage tanks (USTs), (2) number of UST releases requiring cleanup, and (3) percentage in states with UST financial assurance funds | EM-RM-150a.2 | (1) Six (2) 0 (3) 0 |
| 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: 0.21 (1) (b) Global refining TRIR Contractor: 0.26 (2) (a) Global refining Fatality Rate Employee: 0.00 (2) (b) Global refining Fatality Rate Contractor: 0.01 |
| | Discussion of management systems used to integrate a culture of safety | EM-RM-320a.2 | ESG Report (pages 40–55) |
| 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 | 2021 TCFD Report and Scenario Analysis Annual Report on Form 10-K , Item 1A (pages 17–31) |

| Topic | Accounting Metric | Code | 2021 Valero |
|--|---|--------------|--|
| 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: 0.16 |
| Activity Metric | Refining throughput of crude oil and other feedstocks | EM-RM-000.A | 1,017.3 million barrels of oil equivalent (BOE) |
| | Refining operating capacity | EM-RM-000.B | 3.15 million barrels per calendar day (MBPD) |

Due to lack of data, relevancy in our business or competitive nature, as applicable, we have opted for not disclosing the following topics:

- Product Specifications & Clean Fuel Blends, Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels and (2) purchase of "separated" renewable identification numbers (RIN), code EM-RM-410a.1.
- Product Specification & Clean Fuel Blends, total addressable market and share of market for advanced biofuels and associated infrastructure, code EM-RM-410a.2.
- Pricing Integrity & Transparency, code EM-RM-520a.1.
- Critical Incident Risk Management - Challenges to Safety Systems indicator rate (Tier 3), code EM-RM-540a.2.
- Critical Incident Risk Management - Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators, code EM-RM-540a.3.

Greenhouse Gas Emissions

EM-RM-110a.1:

- Actual global refinery GHG emissions (Scope 1) related to 15 refineries as reported and complying with applicable regulations in the United States, United Kingdom and Canada, and converted into a CO₂ equivalency following the methodology of the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2014).
- Valero's refining reportable segment (see our 2021 Annual Report on Form 10-K, page 5), includes the operations of our 15 petroleum refineries, the associated activities to market our refined petroleum products and the logistics assets that support those operations (refining logistics assets). The GHG emissions Scope 1 and 2 related to the refining logistics assets are de minimis and account for less than 0.25% of Valero's refining reportable segment.
- Percentage of global refinery GHG emissions (Scope 1) covered under an emissions-limiting regulation that is intended to directly reduce emissions, including the California Cap-and-Trade Program, the United Kingdom Emissions Trading Scheme, Quebec Cap-and-Trade System, and the U.S. federal New Source Review (NSR) permitting program for greenhouse gases.
- Global refinery Scope 1 and 2 GHG emissions represent more than 99.75% of the refining reportable segment's (Standards Application Guidance - 3.0 Reporting Boundaries) Scope 1 and 2 GHG emissions.

EM-RM-110a.2:

- Base year (2011) includes:
 - Refinery sales, acquisitions and closures were accounted for following SASB guidelines in the calculation of global refinery emissions (Scope 1).
 - Global refinery GHG emissions (Scope 2 market-based) from purchased electricity and steam calculated using EPA-derived steam emissions factors and energy supplier-specific emissions factors.
- The accuracy and reliability of the data and information, as well as the conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, with respect to 2011 gross global refinery GHG emissions Scope 1 and 2 were verified by Lloyd's Register Quality Assurance, Inc. (LRQA), an independent third-party and an affiliate of Lloyd's Register North America, Inc. Besides issuing an independent assurance statement on the accuracy and reliability of our global refinery GHG emissions Scope 1 and 2 in 2011 (base), LRQA issued an assurance statement on our global refinery GHG emissions Scope 1 and 2 in 2019, 2020 and 2021. We intend to continue getting independent assurance statements on our global refinery GHG emissions each year. A copy of LRQA's assurance statement can be found at the end of this Report.
- Target years 2025 and 2035 and Performance to Date:
 - In setting each of our 2025 and 2035 targets and in assessing our ability to reach these targets, estimated global refinery GHG emissions (Scope 1), and estimated GHG emissions (Scope 2) from purchased electricity and steam in future years are based on a combination of measured and estimated emissions data using available information, including the anticipated emissions reductions derived from operational improvements (Scope 1) and energy suppliers (Scope 2).
 - Estimated displacements of GHG emissions for future years are based on measured and estimated data with respect to the anticipated amount of renewable fuels produced, the level of global renewable fuels blending and the number of renewable fuels credits from renewable fuels, using currently available information and our estimations of anticipated carbon intensity as well as carbon capture and storage projects under evaluation.
 - Global refinery GHG emissions reduction target of 63% by 2025 is the combination of: (1) the absolute reduction of global refinery GHG emissions Scope 1 and 2 by 2025 (against 2011 base year); (2) the GHG emissions displacement by the production of our lower carbon fuels ethanol and renewable diesel in 2025; and (3) the GHG emissions displacement by global blending of and credits from renewable fuels in 2025. When calculating the displacement from blending and to avoid double counting, our renewable fuel production that contributes to our blending obligation is not included. At least annually, all components of this target are verified and/or audited by third parties.

- In addition to the components of the 63% target by 2025, the global refinery GHG emissions reduction target of 100% by 2035 includes carbon capture projects under development.
- The calculation of displacements of GHG emissions by low-carbon fuels that are used in assessing our actual progress to date in meeting the 2025 target are based on a combination of publicly reported low-carbon fuels production amounts, renewable fuels blending levels and the number of renewable fuels credits from renewable fuels, and the carbon intensity from low-carbon fuels we produce and sell or blend as well as from the low-carbon fuels we purchase and blend.
- Carbon intensity estimations for actual progress and future years are based on market-based carbon intensity calculations based on the verifications and audits of applicable jurisdictions where these low-carbon fuels are sold as well as two sources of low-carbon life cycle GHG emissions analysis models, the California Air Resources Board's GREET3.0 2020 used by California's Low Carbon Fuel Standard (LCFS); and the Argonne National Laboratory GREET3.0 2020 (ethanol) and 2019 (biodiesel) models and published papers.
- As the operator of the consolidated entity (Standards Application Guidance -3.0 Reporting Boundaries), displacements of GHG emissions from the lower carbon intensity of renewable diesel include the entire production of renewable diesel of the consolidated entities.

Air Quality

EM-RM-120a.2: global refineries located in or near areas of dense population, which are defined as urbanized areas with a population greater than 50,000.

Water Management

EM-RM-140a.1: (1) Total fresh water withdrawn by global refinery operations (fresh water with less than 1000 parts per million of dissolved solids); (2) water recycled divided by the volume of fresh water withdrawn. Water reused multiple times is counted as recycled each time it is recycled and reused; (3) fresh water withdrawn in locations with high (40-80%) or extremely high (>80%) baseline water stress as a percentage of the total refinery fresh water withdrawn.

EM-RM-140a.2: In measuring the number of instances of non-compliance in any calendar year that resulted in formal enforcement actions we look to the views of the SEC and define such number to be the amount of environmental proceedings which occurred during that calendar year that are (i) based on non-compliance with water quality permits, standards or regulations and (ii) required to be disclosed pursuant to Regulation S-K 103 (applying the lowest numerical disclosure threshold in effect at the time). Please see Valero's Quarterly Reports on Form 10-Q and 2021 Annual Report on Form 10-K.

Hazardous Materials Management

EM-RM-150a.1:

- Hazardous waste amounts based on calculated dehydrated hazardous constituents from wastewater disposed in underground injection controls at our McKee refinery.

EM-RM-150a.2:

- Valero currently has 6 operating refining USTs none of which had any known releases or reimbursement fund claims during the reporting period. Valero also owns 20 retail USTs that are independently operated by third parties. While Valero does not operate those USTs, Valero is not aware of any releases or reimbursement fund claims related to these USTs during the reporting period. Valero also brands independently owned and operated service stations that may have USTs but Valero is not involved in the operation or remediation obligations of such USTs. Finally, Valero has, in certain circumstances, assumed or retained liability for legacy service stations sites, which may have remedial obligations but any related USTs remaining at those sites are owned and operated by a third party who is responsible for their operation.

Workforce Health & Safety

EM-RM-320a.1: (1)(a)/(b) global refining employee and contractor total recordable incident rate (TRIR), which includes recordable injuries per 200,000 working hours, as defined by the U.S. Department of Labor's Occupational Safety and Health Administration; (2)(a)/(b) fatality rate for work-related fatalities for global refining employees and contractors; (3) NMFR data is not available.

Critical Incident Risk Management

EM-RM-540a.1: global refining Tier 1 process safety event (PSE) rates and Tier 2 PSE rates as defined by the American Petroleum Institute RP-754.

Activity Metric

EM-RM-000.A and EM-RM-000.B: total combined average throughput volumes on an annual basis (See Valero's 2021 Annual Report on Form 10-K, page 46).

Global Footnotes for SASB Data

(a) The performance data presented is based on the company's interpretation and judgment of the SASB framework in the Oil & Gas - Refining & Marketing industry standard. References to specific SASB Code numbers do not indicate the application of any or all definitions, metrics, measurements, standards or approaches set forth in the SASB framework.

(b) SASB standards are not intended to, and cannot, replace any legal or regulatory requirements that may be applicable to the company's operations.

EEO-1 Report

The data below corresponds to the 2021 U.S. Equal Employment Opportunity Employee Information (EEO-1) Report (which we intend to file in 2022). The EEO-1 Report is a compliance report mandated by federal statute and regulations. The survey requires company employment data to be categorized by race/ethnicity, gender and job category. Please note that the job categories differ in the way we categorize jobs and track Diversity, Equality and Inclusion progress at Valero.

| Job Categories | Hispanic or Latino | | Not Hispanic or Latino | | | | | | | | | | | | Overall Totals |
|-------------------------------|--------------------|--------|------------------------|---------------------------|-------------------------------------|-------|----------------------------------|-------------------|--------|---------------------------|-------------------------------------|-------|----------------------------------|-------------------|----------------|
| | | | Male | | | | | | Female | | | | | | |
| | Male | Female | White | Black or African American | Native Hawaiian or Pacific Islander | Asian | American Indian or Alaska Native | Two or More Races | White | Black or African American | Native Hawaiian or Pacific Islander | Asian | American Indian or Alaska Native | Two or More Races | |
| Executive/Sr Officials & Mgrs | 0 | 1 | 11 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 14 |
| First/Mid Officials & Mgrs | 166 | 83 | 1,048 | 48 | 4 | 51 | 6 | 10 | 195 | 16 | 0 | 15 | 0 | 3 | 1,645 |
| Professionals | 228 | 272 | 774 | 30 | 0 | 109 | 5 | 22 | 372 | 41 | 1 | 43 | 4 | 17 | 1,918 |
| Technicians | 70 | 15 | 126 | 14 | 1 | 20 | 5 | 2 | 40 | 15 | 0 | 8 | 0 | 1 | 317 |
| Sales Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Administrative Support | 27 | 100 | 61 | 9 | 0 | 4 | 0 | 0 | 125 | 15 | 3 | 7 | 2 | 3 | 356 |
| Craft Workers | 210 | 1 | 726 | 57 | 2 | 23 | 8 | 9 | 5 | 5 | 1 | 0 | 0 | 0 | 1,047 |
| Operatives | 636 | 23 | 1,661 | 284 | 4 | 54 | 31 | 45 | 73 | 29 | | 3 | 2 | 8 | 2,853 |
| Laborers & Helpers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Service Workers | 14 | 5 | 16 | 3 | 0 | 1 | 0 | 3 | 1 | 1 | 0 | 0 | 0 | 0 | 44 |
| TOTAL | 1,351 | 500 | 4,423 | 445 | 11 | 263 | 55 | 91 | 812 | 122 | 5 | 76 | 8 | 32 | 8,194 |
| PREVIOUS REPORT TOTAL | 1,344 | 493 | 4,602 | 428 | 13 | 250 | 53 | 85 | 832 | 122 | 3 | 81 | 9 | 30 | 8,345 |