



To appreciate a company's true value, you have to understand the **HEART OF ITS PEOPLE.**



2015 Social Responsibility Report



Valero Energy Corporation, through its subsidiaries, is an international manufacturer, distributor and marketer of transportation fuels, petrochemical products and power. Valero subsidiaries employ approximately 10,000 people, and assets include 15 petroleum refineries with a combined throughput capacity of approximately 3 million barrels per day, 11 ethanol plants with a combined production capacity of 1.3 billion gallons per year, a 50-megawatt wind farm and renewable diesel production from a joint venture. Through subsidiaries, Valero owns the general partner of Valero Energy Partners LP, a midstream master limited partnership. Approximately 7,500 outlets carry the Valero, Diamond Shamrock, Shamrock and Beacon brands in the United States and the Caribbean; Ultramar in Canada; and Texaco in the United Kingdom and Ireland. Valero is based in San Antonio.



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A Message to Our Stakeholders

Once again, we are pleased to share with you our annual Social Responsibility Report, which highlights the many ways our people show commitment to responsible corporate citizenship.

When it was time to decide on a theme for our 2015 report, we chose a familiar one: "To appreciate a company's true value, you have to understand the heart of its people." Not just because it sounds good, but because in Valero's case, it's true.

For Team Valero, every day is game day, as we execute our Guiding Principles in the areas of safety, the environment, community support, employee programs and corporate governance that serves all stakeholders.

Safety is the foundation of our success, and we achieved our lowest-ever refinery employee recordable injury rate in 2015, and far lower than the industry average. Our combined refinery employee-contractor incident rate also was a record low.

We continue to drive improvement in process safety and reliability, because a reliable operation is a safe operation. In 2015, we achieved our lowest-ever process safety event rate, and an average refinery utilization rate of 95 percent.

Safety and reliability improvements in turn lead to better environmental performance, and we continued to reduce emissions and boost energy efficiency.

We remain committed to renewable fuels, and we are dedicated to environmental stewardship through a variety of conservation, protection and beautification efforts.

In fact, community involvement continues to be the heart of our culture. Our employees make a difference in their communities through their giving to United Way and similar efforts in Canada and Western Europe.

They've chosen the recipients of more than \$100 million raised by the Valero Texas Open and Benefit for Children since our title sponsorship began in 2002, supporting children's charities everywhere we operate in the United States.

And our employees show their heart and compassion in regularly volunteering in their local communities.

Fittingly, our people remain our No. 1 asset. In 2015, Valero was named to Forbes magazine's first-ever list of the 500 Best Employers.

Finally, our employees help us uphold the highest standards of business conduct and ethics. In 2015, we once again were the top independent refiner on Fortune magazine's World's Most Admired Companies list.

So, you may know us as the world's largest independent petroleum refiner, or as a leading marketer of TOP TIER™ branded fuels, but you should also know us by our people, and all the good that they do. The heart of our company is our people, and each individual plays a role in the success of our team.

As always, we hope you enjoy our report!



Joe Gorder

Chairman, President and
Chief Executive Officer



Chairman, President and Chief Executive Officer Joe Gorder visits with a boy served by the Good Samaritan Community Services center in San Antonio, after working with employees at a United Way Day of Caring event in 2015.



Joe



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.

Guiding Principles:



Safety

Safety is our foundation for success.



Environment

We produce environmentally clean products and are committed stewards of the environment.



Community

We share our success with the communities where we live and work through volunteerism, charitable giving and the economic support of being a good employer.



Employees

We consider our employees a competitive advantage and our greatest asset. As such, we provide them with a safe and rewarding work environment with opportunities for growth and personal development.



Stakeholders

Our stakeholders are our partners to whom we pledge to deliver operational excellence, disciplined management of capital and long-term value.

Commitment To Excellence Management System (CTEMS)

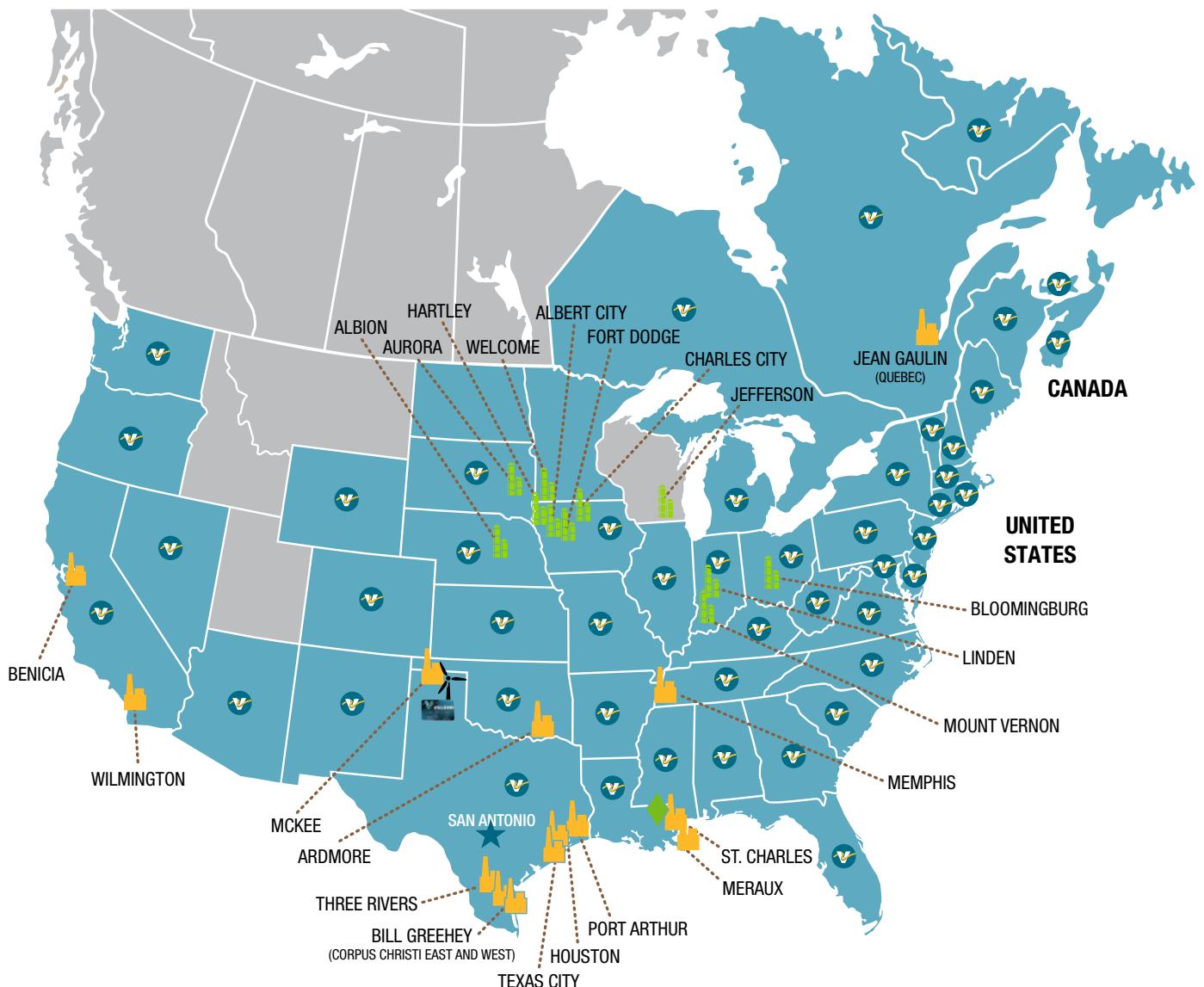
Our Commitment To Excellence Management System (CTEMS) directs us in achieving our Guiding Principles. In driving operational excellence, CTEMS establishes a systematic approach to planning, executing, checking and acting to improve our everyday work activities across the entire company. It also further enhances our commitment to ensuring the health and safety of our employees and protecting the environment.

CTEMS has nine elements:

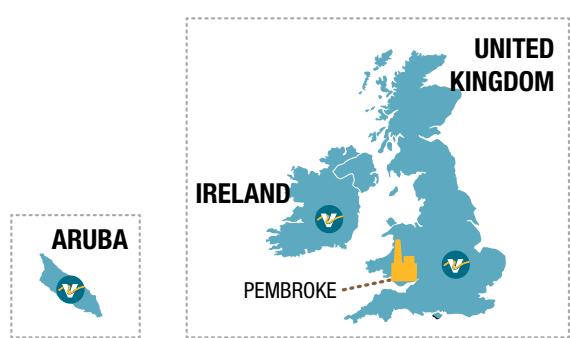
1. Leadership Accountability
2. Protecting People and Environment
3. People and Skills Development
4. Operations Reliability and Mechanical Integrity
5. Technical Excellence and Knowledge Management
6. Change Management
7. Business Competitiveness
8. External Stakeholder Relationships
9. Assurance and Review

Operational excellence means reliable and predictable operations, which make our facilities safer and more efficient. CTEMS has counted many successes, in areas ranging from change management to risk assessment, fixed-equipment inspection and preventive maintenance. We will continue to assess existing programs against expectations defined in CTEMS, and establish plans to close any identified gaps.

Map of Operations



- WHOLESALE MARKETING PRESENCE
- VALERO HEADQUARTERS
- BRANDED WHOLESALE PRESENCE
- SUNRAY WIND
- VALERO REFINERIES
- DIAMOND GREEN DIESEL
- VALERO ETHANOL PLANTS
- PAYMENT SERVICE CENTER





Safety

Safety is our foundation for success.



Refinery employees show their team spirit in "tailgate" parties celebrating Valero's safety culture. Please see story on page 8.

At Valero, the **HEART OF OUR PEOPLE** means making sure our employees and contractors go home safely to their families, every day. Safety, both occupational and process, is integrated into every facet of our operations.

OCCUPATIONAL SAFETY

Valero recorded its **lowest-ever refinery employee injury rate in 2015**, as we go beyond basic regulatory compliance in voluntarily submitting to thorough safety audits under U.S. Occupational Safety and Health Administration programs and establishing high internal standards.

We track employee and contractor injury rates by total incidents recorded per 200,000 working hours, known as the Total Recordable Incidence Rate, or TRIR.

In 2015, Valero established its **record-low refinery employee recordable incidence rate of 0.40**, while our contractors continued their strong safety performance. Our **combined employee and contractor rate of 0.38 also is a new low** and well below the industry average for refinery employees of about 0.7.

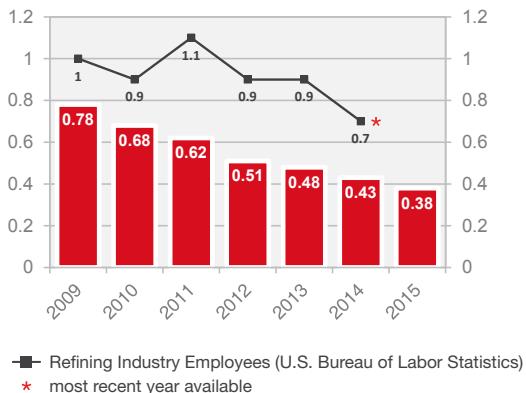
In addition, we set a company record-low Lost Time Incidence Rate (LTIR), another key measure of personal safety performance, representing the number of recordable injuries or illnesses requiring time away from work, per 200,000 working hours. In 2015, our refinery combined employee and contractor LTIR was 0.06, or **50 percent lower than our previous best in 2014**.

Life-Saving Rules

Valero operates a program called “Life-Saving Rules” at its refineries, ethanol plants and logistics operations. Employees are accountable to follow these rules to the letter in order to prevent the most serious of injuries from occurring. They range from working with a valid work permit to wearing specified life-protection equipment. The program is supported by comprehensive critical safety procedure reviews and training.

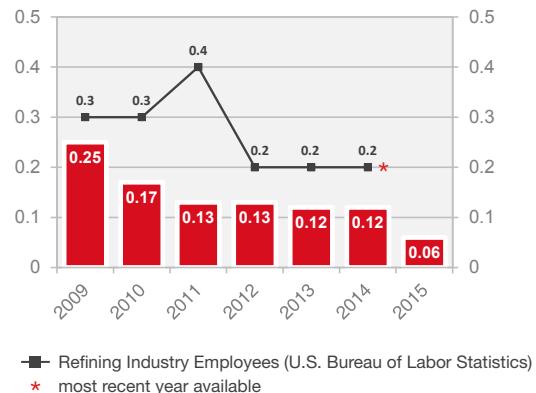
Refinery Combined TRIR

(Total Recordable Incidence Rate per 200,000 working hours, employees and contractors)



Refinery Combined LTIR

(Lost Time Incidence Rate per 200,000 working hours, employees and contractors)





▲ The VPP tailgate party at the Bill Greehey refineries in Corpus Christi features a visit from NFL Hall-of-Famer Charles Haley.

Employees Show Hearty Team Spirit in VPP ‘Tailgate’ Parties

Employees at Valero refineries celebrated Valero’s safety culture at a series of highly spirited, football-themed “tailgate” parties in 2015, complete with oversized foam fingers and customized game jerseys.

The events were designed to inspire refineries to be approved or re-approved as Voluntary Protection Program (VPP) Star Sites, earned by voluntarily submitting to and passing rigorous audits by OSHA or affiliated state agencies – or in the case of Jean Gaulin refinery in Quebec, a VPP-style audit by an independent OSHA-trained team.

But the overriding purpose of the parties was to promote teamwork in safety, and drive home the point that every individual plays a role in a team’s success – as reflected in the theme, “One Team, One Dream.”

“For us, VPP is our playbook,” said Sean Horne, Valero Vice President-Safety. “And in our business, we have to be in the game all the time, 24/7. No one can afford to sit on the sidelines.”

Refineries competed with one another to earn points, or “yardage,” by demonstrating high levels of performance in the VPP program, with the

overall winner to be announced in 2016. To reach Star status, sites must develop processes that drive continuous improvement in process and occupational safety. They must be re-approved every three years in order to retain the Star.

Eight U.S. Valero refineries are OSHA VPP Star Sites – the most of any refiner – plus Jean Gaulin’s Valero VPP Star. Two Valero asphalt terminals also hold VPP Stars, as does the company’s Aviation Department. The Pembroke refinery in Wales is developing a Valero VPP program.

Employees at Star sites received authentic football jerseys, black with “Valero” across the front, large aqua-colored numbers on the front and back that correspond to the year each employee was hired, and their last names across the top of the back.

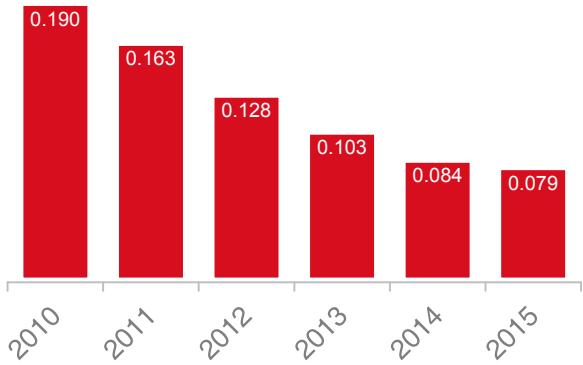
“I don’t know how they knew my size,” marveled Harvey Hsi, an electrician for 25 years at Wilmington. “VPP is everybody. It’s all of us. We try to implement this as a family, because that’s part of our culture.”

Process Safety Event Rates*

Three-year rolling averages

Valero has reduced its rate of Tier 1 API process safety events. This graph represents three-year rolling averages of events per 200,000 work hours.

* Tier 1, as defined within American Petroleum Institute Recommended Practice 754



PROCESS SAFETY AND RELIABILITY

Valero refineries continue to make significant progress in key areas of process safety and reliability. Intense reliability assessments, which directly support process safety improvements, review equipment and management systems to ensure Valero's practices are strong and effective. These assessments have resulted in process safety and reliability programs that sustain our past progress and drive continuous improvement.

Process Safety

Valero achieves process safety excellence through its focus on safe and reliable operations. Our management systems allow us to consistently deliver predictable and desirable operating results. These results are achieved through effective systems of leadership, measurable performance expectations, management controls and work practices. Our leadership focuses strategies on the areas of greatest opportunity for improvement.

We use what we learn from internal and industry investigations to reduce incidents and increase operational reliability. Valero's state-of-the-art investigation methods maximize learning value. This increases the depth of understanding of incident causes, drives improvement in management systems and strengthens work practices to prevent similar incidents from recurring.

Reliability Programs

There has been measurable improvement to the overall reliability of Valero's refineries. Beginning in 2009, Valero's reliability technical networks developed and implemented comprehensive assessments that identify opportunities to further improve safety and reliability performance. The Electrical Safety and Reliability Network (ESARN) and Materials and Inspection Network (MAIN) initially rolled out reliability assessments. Process Automation and Control Effectiveness Network (PACE) and Rotating Equipment Reliability Network (ROTO) followed in 2014. Since the initial rollout, legacy Valero sites **have shown a 37 percent improvement in reliability performance.**



▲ Representatives of the Wilmington refinery receive re-approval as a Voluntary Protection Program Star Site from Cal/OSHA, which administers the program in California.

HIGHLIGHTS

- In 2015, both the **Wilmington** and **Houston** refineries, as well as the **Houston asphalt** plant, earned re-approval as VPP Star Sites.
- Valero refineries earned Stars Among Stars awards from OSHA in 2015, for low incident rates compared with industry averages. The **Ardmore**, **Houston** and **Bill Greehey East** refineries earned Star of Excellence Awards for rates at least 90 percent below industry averages. The **Texas City** refinery won a “Star” award for a rate at least 50 percent below industry averages.
- Valero Renewables ethanol plants won several awards in 2015. **Albert City**, **Charles City**, **Fort Dodge** and **Hartley** all received Hazard Control Recognition Awards from the Iowa-Illinois Safety Council. **Albion** earned the Silver Award of Honor from the Nebraska Chapter of the National Safety Council. In addition, through the end of 2015, **Aurora** operated 12 years without an OSHA lost-time incident and one year without a recordable incident, while **Welcome** exceeded two years and **Albert City** and **Fort Dodge** each reached one year without a recordable injury.
- A Valero Renewables team created an original feed safety program that puts all of its plants well on track to be materially compliant with comprehensive new U.S. Food and Drug Administration Food Safety Modernization Act



▲ Valero Chairman, President and Chief Executive Officer Joe Gorder and members of Valero Renewables' corporate leadership visit with Albert City ethanol plant management, as the plant observed a year without a recordable injury.

(FSMA) regulations six months early. The plants' efforts were highlighted in a Biofuels Journal article titled, “Ahead of the Curve.”

- The **Valero hangar** in San Antonio became one of only three corporate aviation departments in the U.S. to earn VPP Star Site status from OSHA. The facility has never had a recordable injury. Valero's Aviation department also holds the International Standard for Business Aircraft Operations (IS-BAO) certification.
- The **Houston** refinery won the Valero Chairman's Safety Award for 2015 after achieving no recordable injuries during the year and continuing its leadership in process safety programs.

▼ Contractors at the Valero Houston Refinery achieve a major safety performance milestone in 2015, working more than nine years and an incredible 10 million hours without a lost-time incident, which refers to a recordable injury or illness requiring time away from work.





▲ Members of Valero's corporate and plant safety teams accept recognition at the 2015 American Fuel & Petrochemical Manufacturers' safety awards event.

AFPM Issues More Safety Awards to Valero Refineries

Valero petroleum and asphalt refineries again earned industry praise in 2015 with 13 safety awards from American Fuel & Petrochemical Manufacturers (AFPM), the industry's major trade association.

In all, eight Valero petroleum refineries and one asphalt refinery received at least one safety honor from AFPM, recognizing performance over the previous year. The awards honored member companies operating U.S. refineries and petrochemical plants, as well as associate-member contractors, for superior occupational and process safety performance as reflected by safety records and practices.

“Safety is the foundation of our success at Valero, and it is fantastic that our plants were recognized for their performance,” said Sean Horne, Vice President-Safety. “Our refineries earned three more awards this year over last, and we are striving for even better performance.

“Everyone should be proud of their efforts and celebrate their successes,” he said. “It takes our diligence every day to keep everyone safe.”

Valero Refineries Earning Awards:

Ardmore

Meritorious Safety Performance Award – 0.0 TRIR
Achievement Years – 1 year, from 9/4/2013 to 9/3/2014

Benicia

Meritorious Safety Performance Award – 0.0 TRIR
Achievement Hours – 2,583,278 hours, from 5/22/2012 to 12/31/2014
Achievement Years – 2 years, from 5/22/2012 to 5/21/2014

Bill Greehey (two refineries, Corpus Christi East & West)

Meritorious Safety Performance Award – 0.2 TRIR

AFPM awards and their evaluation criteria:

Meritorious Safety Performance Award: Recipients must achieve an employee Total Recordable Incidence Rate (TRIR) of 0.6 incidents, or less, per 200,000 working hours at their site for calendar year 2014.

Award for Safety Achievement: 1,000,000+ Employee Hours – Recipients must have worked 1 million or more employee hours without a lost employee workday case involving days away from work.

Award for Safety Achievement: 1+ Years – Recipients must have worked one or more years (365 consecutive days) without a lost workday case involving days away from work.

Also, to be eligible for an award, plants must not have incurred any major process safety incidents resulting in employee, contractor or subcontractor days away and/or work restrictions; a third-party fatality; or an officially declared community evacuation or community shelter-in-place during 2014.

Houston

Meritorious Safety Performance Award – 0.0 TRIR
Achievement Years – 2 years, from 6/7/2012 to 6/6/2014

St. Charles

Meritorious Safety Performance Award – 0.3 TRIR

Texas City

Meritorious Safety Performance Award – 0.2 TRIR

Three Rivers

Achievement Years – 1 year, from 12/20/2012 to 12/19/2013

Wilmington Asphalt

Meritorious Safety Performance Award – 0.0 TRIR
Achievement Years – 5 years, from 6/16/2008 to 6/15/2013



▲ Members of the Jean Gaulin refinery firefighting squad host an exercise at the Quebec plant's marine terminal simulating a fire at the dock. The drill, attracting approximately 70 people representing the marine industry, organizations and government, successfully tests the refinery's marine emergency plan to ensure coordination and communication with all stakeholders.

EMERGENCY PREPAREDNESS

Valero has implemented an emergency preparedness program to ensure its response readiness. We train and prepare continually to make sure that in the event of an emergency, we do the best job we can to protect personnel, the community and our environment. Our program includes:

- A consistent emergency management process and organization that has the ability to provide immediate and comprehensive corporate support and response
- Qualified emergency response teams at each of our operating facilities, and/or relationships with local fire departments
- Regular training for responders and managers in emergency management, incident command and tactical operations
- Relationships and contracts with emergency response contractors, suppliers and vendors to ensure availability of necessary resources
- A regular drill and assessment schedule to ensure response readiness and identify opportunities for improvement

- Computer-based training required for all headquarters employees to maintain familiarity with safety procedures on campus and reinforce the importance of following those procedures
- Emergency planning and response appropriately considered in the strategic planning and capital budget process
- Quality software, Web-based tools and resources necessary to ensure efficient emergency planning and decision-making
- Training and/or support to local fire departments and coordination with local law enforcement

Emergency Operations Center (EOC)

Valero's corporate Emergency Operations Center (EOC) is a state-of-the-art facility that coordinates response and recovery actions and resources, and supports local response organizations. The EOC optimizes communication and coordination through information management, sharing and presentation.



VPP is everybody. It's all of us.
We try to implement this as a
family, because that's part of our
culture.

Harvey Hsi,
Electrician,
Valero Wilmington Refinery
(second from right)

Natural Disasters

Planning and preparedness provide Valero and its employees the means to effectively respond in the event a disaster occurs. Natural disasters such as flooding, tornadoes, earthquakes and, in particular, hurricanes can pose a significant threat to Valero, our employees and communities. Annually, hurricane preparation begins in April by ensuring response resources are ready, all equipment is inventoried and tested, and detailed weather reports are issued for each weather event.

SECURITY

Valero's advanced technology, sophisticated monitoring equipment and highly trained security personnel ensure facilities and assets are safe and secure. Our security enhancement initiatives continually safeguard Valero's employees, our facilities and communities. Ongoing security initiatives at Valero's facilities include:

- Development of facility security plans and security assessments for all refineries, terminals and ethanol plants

- Full compliance with the Transportation Worker Identification Credential (TWIC), a federal program designed to secure our nation's ports and modes of transportation*
- Commitment to protecting our borders against national security threats by participating in the Customs-Trade Partnership Against Terrorism (C-TPAT) program with U.S. Customs and Border Protection**
- Membership in and full collaboration with the American Fuel & Petrochemical Manufacturers Security Committee

* The U.S. Transportation Security Administration (TSA) implemented this program in 2007 to further secure maritime refineries and terminals. Most of Valero's refineries and terminals are covered by the Marine Transportation Security Act and therefore are regulated by TWIC.

** C-TPAT is a partnership with U.S. Customs to secure global supply chains. Membership in C-TPAT is a prerequisite to the Importer Self Assessment (ISA) program. As a member of ISA, Valero agrees to self audits of transactions with U.S. Customs and Border Protection.



Environment

We produce environmentally clean products and are committed stewards of the environment.



Employees lead a variety of tree-planting (top and right), conservation and other nature events.

In environmental stewardship, the **HEART OF OUR PEOPLE** is reflected in processes and improvements that demonstrate our commitment to a cleaner environment, as well as our many conservation and preservation efforts.

Here are just a few ways Valero works to improve and enhance the environment:

- We recover usable oil from waste materials and reprocess the remaining oily solids through a method called coker injection, transforming them into a high-value fuel. This process avoids the transportation and disposal of hazardous wastes. In 2015, that volume was approximately 1.7 million gallons. Through this process, we **recycled 8,382 dry tons of material in 2015, a 41 percent increase over 2014.** Six Valero refineries currently employ coker recycling.
- Valero continually seeks opportunities to use treated domestic wastewater for refinery use, potentially saving billions of gallons of fresh water for other community and residential uses each year.
- We remain committed to renewable fuels through investments in ethanol and renewable diesel fuel. In 2015, subsidiary **Valero Renewables** completed first full-year operation of its 11th ethanol plant in the Midwest. Also, **Diamond Green Diesel**, a joint venture of Valero subsidiary Diamond Alternative Energy LLC and Darling Ingredients Inc., completed its second full year of operation, producing renewable diesel fuel from animal fats, used cooking oil and corn oil.
- Valero has spent billions on environmental upgrades at its refineries that reduce emissions and improve the environment, such as flue-gas scrubbers that dramatically slash emissions of sulfur dioxide, nitrogen oxide and particulate matter, and flare-gas recovery systems that capture and recycle gases that otherwise would be flared.
- Valero also operates a 50-megawatt wind farm that partly powers the McKee refinery.

- Our employees participate in a variety of environmental preservations efforts, from woodland and wetlands restoration to taking part in drills designed to protect sensitive ecosystems from the possibility of spills and other incidents.

ENVIRONMENTAL SCORECARD INCIDENTS

Valero internally tracks its environmental performance through “scorecard” incidents, such as unplanned releases and spills.

While our goal is to eliminate all such events, in 2015 **our total environmental scorecard incidents decreased by more than 55 percent since 2007**, as a result of our environmental initiatives.

FLARING, CRITERIA EMISSIONS

Flares are used to combust gases which otherwise would be emitted during outages and other events. However, Valero has taken aggressive steps to reduce the need for flaring to begin with, by working to avoid outages and improving reliability.

Additionally, Valero has implemented a companywide flaring reduction initiative that includes the installation of flare-gas recovery systems, flare-flow meters and sulfur analyzers on the majority of its flares. Since 2007, **reportable refinery flaring events have been reduced by more than 63 percent.** And Valero **has reduced emissions from routine flaring events by 70 percent** from 2012 levels.

Valero also has focused on reducing total “criteria” emissions of nitrogen oxide, sulfur dioxide, carbon monoxide, particulate matter and volatile organic compounds. Since 2007, **the total criteria-emission rate dropped more than 53 percent through 2014**, the most-recent year reported.



▲ Flare-gas recovery systems, like this one at the Bill Greehey refineries, capture and recycle gases.

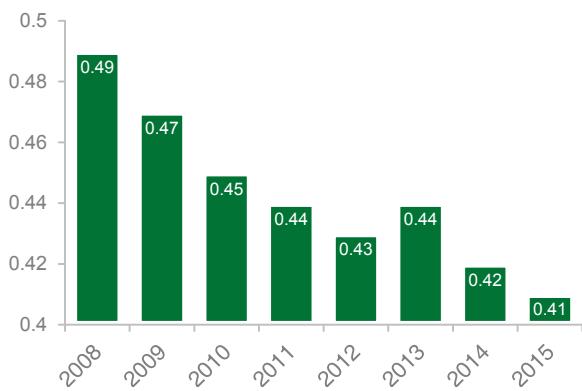
ENERGY AND WATER CONSERVATION

Valero continues to improve energy conservation at its facilities. Our refineries consistently have ranked among the top facilities in energy efficiency, in industrywide surveys.

Our comprehensive Energy Stewardship Program has sharply focused on improvements in operations such as in distillation and other production processes, to boost efficiency.

Refining Total Energy Use

(Million Btu per barrel of throughput*)



*Including Pembroke and Meraux refineries starting in 2012

In 2015, and despite high turnaround workload, our refineries' energy consumption stood at 0.414 million British thermal units per barrel of throughput, **down from the previous year**, due to continuing conservation efforts.

GREENHOUSE-GAS EMISSIONS

Valero closely follows regulatory developments and participates in professional and public-policy forums that address greenhouse gases.

Valero intends to continue to reduce its greenhouse-gas and other air emissions through adoption of new technologies, and improved and more efficient operations. The average per-barrel greenhouse-gas emissions for 2011-2014 **decreased by 9 percent from the previous four-year average**, according to most recent available data.

Through initiatives such as flare-gas recovery, on-site power and steam co-generation, and alternative energy, Valero continues to produce clean and renewable fuels for the world's energy needs.

SPILLS TO LAND/WATER

Valero is focused on reducing spills from its facilities, and thoroughly investigates all spills to reduce recurrence. Since 2008, the company has **reduced its number of regulatory reportable spills to land or water by 57 percent**.

WASTEWATER MANAGEMENT

Our manufacturing operations generate process water and storm water that must be treated before discharge or reuse. In fact, each of our refineries has a wastewater treatment plant that is comparable to the ones operated by most cities.

These plants are operated by personnel trained and skilled in wastewater management and treatment. A corporate wastewater technology adviser works with each plant to ensure our systems are designed and operated to the highest standards.



“As a Valero employee, I am proud to work for a company that shows its heart by its commitment to our environment. I grew up near our refinery and am thankful for the great volunteering we do.”

Daniel Toledo,
Instrument Engineer,
Valero Wilmington Refinery

VALERO RENEWABLES

Valero was the first traditional refiner to enter large-scale ethanol production, and now with 11 plants is one of America's largest ethanol producers, with production capacity of 1.3 billion gallons per year – under a subsidiary called Valero Renewable Fuels Company LLC, or **Valero Renewables**. The plants are located in Albert City, Charles City, Fort Dodge and Hartley, Iowa; Linden and Mount Vernon, Ind.; Albion, Neb.; Aurora, S.D.; Bloomingburg, Ohio; Jefferson, Wis.; and Welcome, Minn.

Ethanol is a clean-burning, high-octane renewable fuel produced by fermenting processed corn starch with yeast, and is blended with gasoline. Each Valero Renewables plant processes up to 47 million bushels of corn into as much as 130 million gallons of ethanol annually.

The product left after ethanol is removed from fermented corn mash is a valuable livestock feed called distillers grains. Distillers grains make an excellent feed supplement for beef and dairy cattle, swine and poultry, and each plant annually produces up to 420,000 tons. The plants make and sell other livestock feeds, such as germ, bran and syrup.

We process the entire kernel of corn – with one bushel yielding approximately 2.8 gallons of ethanol and 18 pounds of distillers grains – generating little liquid or solid waste. Storage at the plants can hold more than 2 million bushels of corn, 3.5 million gallons of ethanol and about 9,000 tons of distillers grains.

HIGHLIGHTS

Gulf Coast

- In 2015, the **St. Charles** refinery won an Environmental Leadership Program Award from the Louisiana Department of Environmental Quality for its coker recycling process.



▲ The St. Charles refinery receives an Environmental Leadership Program Award from the Louisiana Department of Environmental Quality.

- Additionally, the **St. Charles** refinery completed 11 years without an acid-gas flaring incident, while the **Texas City** refinery achieved 10 years and **Houston** reached eight years.
- The **Bill Greehey** refineries in Corpus Christi recorded a year-over-year reduction in scorecard incidents of 59 percent, while **Three Rivers** achieved a 33 percent reduction.
- Plant wastewater from the **Three Rivers** refinery is being treated and provided to the oil and gas industry for re-use in the Texas Eagle Ford shale area, reducing the amount of fresh water required for use by drilling companies. Additionally, the refinery sends treated effluent to a remote irrigation site, which generates hay for agricultural use.
- Initial agreements are in place at **Corpus Christi** and **Texas City** to receive treated domestic wastewater for refinery use, saving fresh water for other community and residential uses.
- At **St. Charles**, several dozen volunteers each year participate in the Lebranche Wetland Watchers event, which is part of the heartbeat of the parish and a rite of passage for community fourth-graders. In the wetlands environment, the students are taught about the dynamic ecosystem to appreciate the area's natural beauty. The Valero volunteers work with some of the 400 students individually to explore science and chemistry in hands-on experiments.
- Also at **St. Charles**, in a related project for school credit, middle-school students make service trips to Valero's adopted site in the

Bonnet Carre Spillway, where the students plan and participate in activities such as water-quality monitoring, macro-invertebrate collection and identification, litter cleanups, soil and plant identification and tree planting. In 2015, the students focused on creating what will become the first public nature trail in the region.

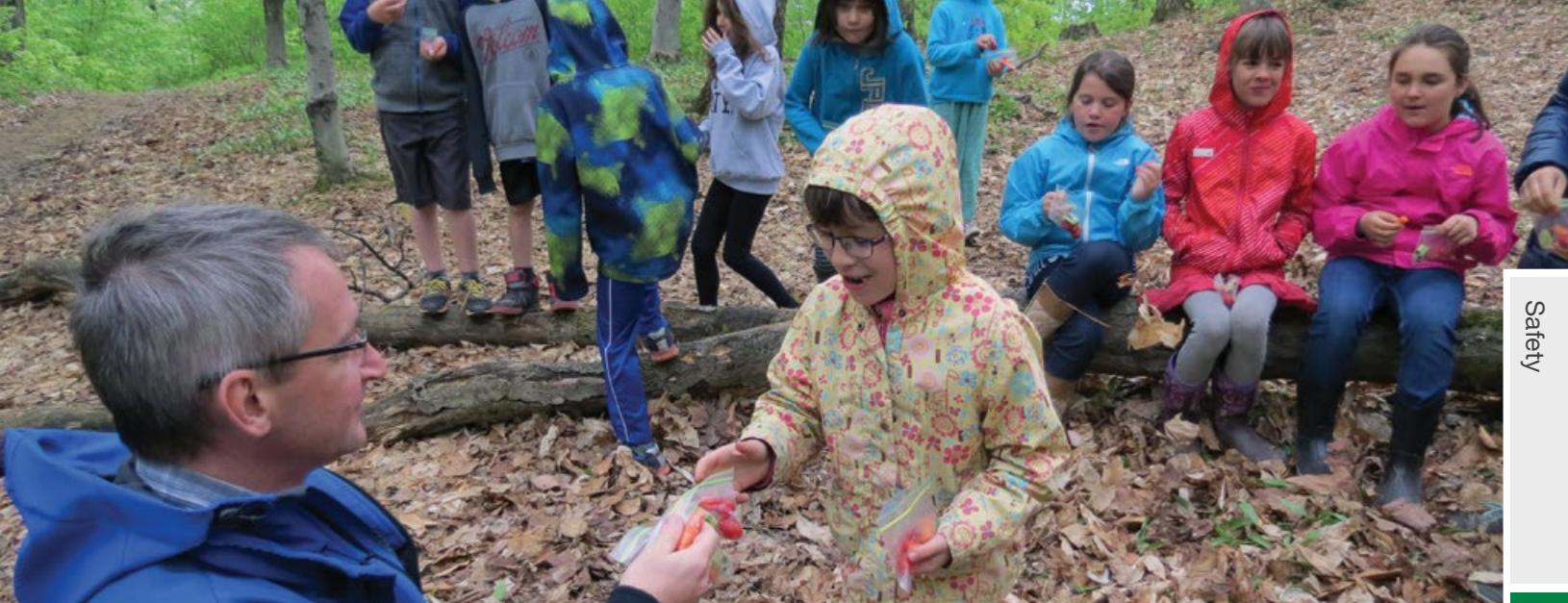
- A large group of Valero volunteers from the **Bill Greehey** refineries partnered with the city of Corpus Christi to plant 16 trees at West Gurth Park. The plants' Volunteer Council purchased the trees, coordinated the delivery and performed all the prep work for planting.

West Coast and Mid-Continent

- The **Benicia** and **Wilmington** refineries in California reached four years without a reportable air emission exceeding permitted limits.
- Year over year, the **Memphis** refinery achieved a 73 percent reduction in scorecard events, while **Benicia** posted a 48 percent reduction.
- The **McKee** refinery in the Texas Panhandle reached eight years without acid-gas flaring.
- The **Valero Renewables-Hartley** ethanol plant in Iowa completed four years without a reportable environmental scorecard incident.
- Local governments in northern and southern California, in response to a severe statewide drought, are pursuing projects with Valero's **Benicia** and **Wilmington** refineries to reuse water from municipal wastewater treatment plants.

▼ Valero Renewables-Hartley ethanol plant in Iowa.





▲ Alain Lapointe, Senior Supervisor-Purchasing & Store at the Jean Gaulin refinery, organizes a nature visit to Valero Les Écarts Park for local school children.

Canada

- The **Jean Gaulin** refinery in Lévis, Quebec, provided a greenbelt between the plant and residential neighborhoods, featuring the 160-acre Valero Les Écarts Park, offering many walking and cycling paths. Valero acquired the adjacent Boisé de l'Abbaye Valero woodland, where employees are involved in a project to reforest 3,000 trees per year for 12 years, in cooperation with regional organizations.
- The refinery developed a creative plan to improve the appearance of its dock area with murals that would be painted on ballast water tanks, and a platform installed below pipelines along the St. Lawrence River rather than scaffolding. The refinery's plan earned approval from local officials, and is expected to move forward in 2016.
- The plant successfully conducted a major drill that simulated an oil spill in the St. Lawrence River in conjunction with environmental agencies, Coast Guard, Transport Canada, Port of Quebec and other stakeholders.

Western Europe

- The **Pembroke** refinery in Wales won the Valero Chairman's Environmental Award for 2015, after becoming the first refinery in Valero's history to go a full calendar year without a single environmental incident, and completed four years without flaring of any kind.

- The refinery underwent a \$35 million upgrade of its sulfur recovery unit and conversion of the plant to natural gas that have reduced annual sulfur dioxide emissions by more than 50 percent since February 2013. The refinery also upgraded its alkylation process, reducing the annual spent caustic material generated in the process by 2,700 metric tons per year.

- **Pembroke** conducted an oil spill exercise at Sandy Haven, an extremely environmentally sensitive salt marsh inhabited by endangered species. Port, environmental and civic agencies participated in a time-critical exercise that deployed booms that would deflect incoming oil to a recovery area during a potential event.



▲ Valero Pembroke Refinery participates in an oil-spill exercise to deploy booms to protect an environmentally sensitive salt marsh. The booms are anchored and chained, and designed to divert oil to an area where it can be recovered.



Community

We share our success with the communities where we live and work through volunteerism, charitable giving and the economic support of being a good employer.



Our people volunteer with food assistance, Habitat for Humanity and many other activities.

In our communities, whether it's providing for basic needs or support of education and our military, our true value lies in the **HEART OF OUR PEOPLE.**

Valero twice has made the list of **America's 50 most community-minded major companies** – The Civic 50. The list is an annual initiative of Points of Light, the world's largest organization dedicated to volunteer service, in partnership with Bloomberg News. We have been the only energy company in the top 50, recognized for our commitment to improve the quality of life in communities where we do business.

PHILANTHROPY

Overall in 2015, Valero, its employees and charitable foundation **generated more than \$40 million for worthy charities or causes**, through direct donations or fundraising.

- In the **United States**, the Valero Energy Foundation – Valero's philanthropic arm – contributed approximately **\$16 million**, plus in-kind donations, to improve the lives of those who live in or near the communities where Valero has major operations. The Valero Energy Foundation of **Canada** donated nearly **\$300,000** to charities in Eastern Canada.
- Valero continues to be a strong supporter of **United Way** in the **U.S.** as a two-time national Spirit of America Award winner. **Employee pledges and projected company matches topped \$11.8 million in 2015.** From fishing tournaments to silent auctions and cookoffs, campaigns across the company incorporated competition and other creative ways to help meet and surpass goals. In **Canada**, company and employee pledges to **Centraide/United Way** approached **\$660,000**.
- In 2015, with the overwhelming support of its sponsors, the **Valero Texas Open and Benefit for Children** raised a record **\$10.4 million** for children's charities, distributed everywhere



Valero has major U.S. operations. Employees put their hearts into the effort, not only in volunteering but in selecting charities to receive funding. Since becoming title sponsor in 2002, and through 2015, Valero raised \$100.9 million. It raised the most of any PGA TOUR event in 2015.

- The Valero Energy Foundation of **Canada** Golf Classic has **raised more than \$4 million** for children's charities throughout Quebec, Ontario and the Atlantic provinces the past 11 years. The event in 2015 raised **\$410,000**, benefiting approximately 80 charitable organizations. The Valero Benefit for Children Golf Classic in the **United Kingdom** raised more than **\$146,000**, in just its second year.
- The company's Velo Valero cycling teams raised more than **\$230,000** in rides benefiting the National Multiple Sclerosis Society and the American Diabetes Association in 2015.

VOLUNTEERISM

Valero established the Valero Volunteer Council in 1983. Today, volunteering is the heart of Valero's culture, and each location has a council serving its local communities. Through the years, the councils have built a strong bond with many local charities, organizations and agencies where Valero has a presence.



Jacinda's Story: The Heart of Valero's Benefit for Children

At the heart of the Valero Texas Open and Benefit for Children is compassion. The more than \$100 million raised since Valero became title sponsor in 2002 has supported more than 400 worthy children's organizations.

All are chosen by Valero's employees, who understand that behind every charity, like the SAMMinistries Transitional Living & Learning Center (TLLC) in San Antonio, there's a story, such as this one from 2015:

Not long ago, Jacinda lived in a one-room structure behind a house in south San Antonio with her mother and three siblings. They had no kitchen, no beds, and just a small make-shift outhouse for a restroom.

Jacinda's school work suffered, and her motivation was gone. Jacinda's mother knew things had to change. She wanted more for her children and for herself. Through a friend, the family heard about SAMMinistries, which serves homeless or near-homeless families through compassionate care, shelter, housing and other services. They were accepted into the two-year program.

Jacinda recalls: "The day we got into the TLLC, we came to the library and met with the staff. They brought us blankets, pillowcases, forks, bowls, spoons ... my mom and I cried. We were just so happy."

More than a year later, the 17-year-old has a new outlook on life. For a fresh start, Jacinda and her three younger siblings transferred to schools near the center. Her grades have improved from C's and D's to A's and B's. She works hard at her studies, and even harder at her job – staying responsible and setting an example for others. Jacinda's future shines bright as she continues to plan for college after high school.

"Now that I've come to SAMMinistries, I have so many opportunities. I want to do everything. What's hard now is choosing what to do."

- Valero employees companywide **logged more than 135,000 volunteer hours in 2015** for hundreds of community projects, including mentorships, shelter support, holiday events, emergency relief and a host of other activities.
- Employees serve on boards of nonprofit organizations wherever Valero has major operations.
- Valero is a strong supporter of food banks wherever it operates, sponsoring several food drives each year. The drives are essential in helping countless families, schools and individuals who depend upon assistance from their community food banks and pantries.
- Valero Volunteers additionally have built numerous **Habitat for Humanity** homes throughout Valero's communities. Valero has contributed more than half a million dollars and thousands of volunteer hours helping to sponsor or build Habitat homes in virtually every region since 2008.

EDUCATION

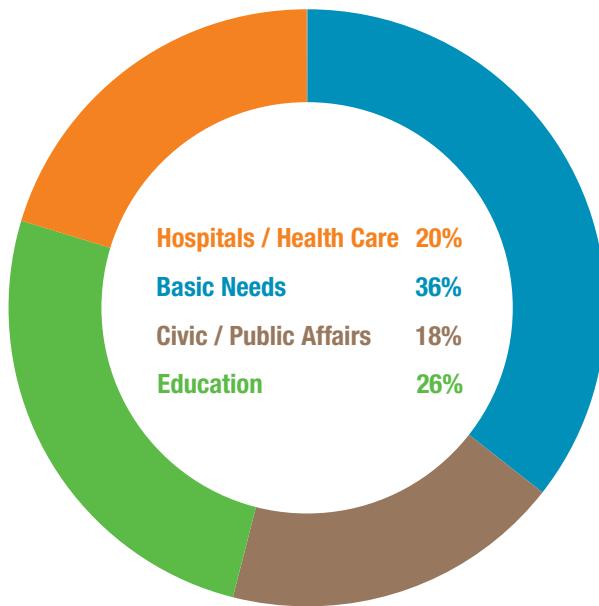
Valero is a strong advocate of education and contributes to organizations with programs and services that share the same focus.

- The Valero mentoring program is a top priority of our Valero Volunteer Council and management. Since 1980, our program has helped school children in schools everywhere we operate.
- Valero remains active throughout the school year to help students be successful. Volunteers support various events and programs, including school-supply and uniform drives to help students start their school years. They also host "Career Days" at area schools, and provide tours and use of corporate facilities.
- Valero also is title sponsor of the **Valero Alamo Bowl**, which annually recognizes dozens of school seniors as recipients of up to \$450,000 in college scholarship awards. The college football bowl game, which features an annual matchup between Big 12 and Pac-12 conference schools, has **contributed approximately \$2.1 million in scholarships over the past 16 years**.



▲ Valero Volunteers display their cardboard kid cutouts, to raise awareness of child abuse in the San Antonio area.

Valero Energy Foundation Total U.S. Charitable Support \$16,050,723



MILITARY SUPPORT

Valero is honored to employ veterans and support numerous military organizations from all branches of the military worldwide. Many Valero locations work closely with their local veterans groups to help provide support and volunteers to organizations such as Operation Comfort, the San Antonio USO and the Admiral Nimitz Foundation.

HIGHLIGHTS

Headquarters

- In **San Antonio**, approximately 125 Valero employees serve on the boards of more than 150 local nonprofit agencies.
- The Valero Energy Foundation sponsored a “Cardboard Kids Campaign” by local nonprofit agency ChildSafe to raise awareness of child abuse in the San Antonio area. More than 500 Valero Volunteers shared personally designed, 2-foot-high cardboard cutouts depicting kids, representing thousands of children who suffered from abuse or neglect the previous year. More than 12,000 cutouts were distributed locally.
- For the 11th consecutive Thanksgiving Day, about 400 members of the U.S. military in 2015 were treated to a traditional holiday meal courtesy of Valero Volunteers. The soldiers and sailors, training in the Army Medical Department Center and School at Fort Sam Houston, filled an entire floor of Valero’s headquarters while 175 Valero Volunteers and their families served food and entertained their young military guests.
- “The Flight to the North Pole” is a favorite holiday tradition of Valero Aviation employees. Partnering with United Airlines, families with children who are suffering from a terminal illness are flown to Corpus Christi and back to the Valero hangar, which is transformed into the “North Pole.” The children are treated to a magical experience with the help of Santa, Mrs. Claus and some special elves.



Gulf Coast

- Employees at the **St. Charles** refinery and **terminal** pledged a record amount for United Way that is projected to top \$1 million in contributions in 2016 with a company match.
- The **Bill Greehey** refineries received the 2015 Bill Crook Award from the Food Bank of Corpus Christi for their outstanding volunteerism and donations. In addition, the Corpus Christi sites and others have begun to organize pet food drives for local animal shelters.
- For the past five years, the **Bill Greehey** refineries have co-hosted a dove hunt with the Corpus Christi Police Athletic League to fund a program for children, raising more than \$160,000 in 2015. The mentorship program reaches more than 3,000 children in the community through a variety of sports that teaches children life skills, confidence and how to become tomorrow's leaders.
- Aspiring inventors from the St. Bernard Parish were able to showcase their innovation at the **Meraux** refinery's Invention Convention. Valero and other local volunteers hosted the event. More than 500 fifth-graders from seven local schools were assigned to create an item to help

To be able to give back to our communities and have that encouraged within the workplace only strengthens the heart of Valero.

Peter Brustad,
Process Engineer,
Valero Renewables-Fort Dodge

provide a solution to a real-life problem. The top three inventors from each school received prizes, including an iPad, and advanced to the final competition, where three winners were selected.

- The **Meraux** refinery also hosts its annual Santa on the Bayou event. Between 700 and 900 children attend from the St. Bernard Parish community and receive a gift from Santa and Mrs. Claus while enjoying a picnic-style meal all provided by volunteers.
- At the **Port Arthur** refinery, employees and veterans constructed a memorial dedicated to all the Valero veterans who have been employed at the refinery. The veterans group also established a Military Honors Team that serves as honor guards at funerals of veterans in the community.

West Coast and Mid-Continent

- West coast employees from the **Wilmington** refinery continue to enjoy success with their annual Surf for Charity event. In 2015, employees raised \$19,000 for The Volunteer Center's Operation Teddy Bear and the International City Theatre in Long Beach, Calif. Operation Teddy Bear provides backpacks filled with school supplies to children in various communities near the refinery.



▲ Wilmington refinery employees and families turn out to ride the waves for Surf for Charity, raising needed funds for school supplies and other support.

- Our **Valero Renewables** ethanol plants integrated creative challenges into their United Way campaign fundraising. The **Linden** plant featured a water “dunk tank” where employees paid to dunk the plant manager and other leadership members. Employees at the **Welcome** plant organized a food drive as part of their United Way team challenge and earned an extra \$5,000 that benefited the Heaven’s Table Food Shelf.
- The Ronald McDonald House program for collecting and recycling soda can tabs has generated much needed funds for the charity. In fact, the maintenance department at **Valero Renewables-Mount Vernon** collected 24 pounds of can tabs, the most of any group at the ethanol plant, and won the Ronald McDonald House challenge.
- Employees at **Linden** enjoy volunteering at their local National Night Out event because of the face-to-face interaction with their community. Volunteers grill and serve picnic-style meals to the hundreds of guests who attend.
- Volunteers at **Welcome** participate twice a year in the Adopt-A-Highway project near the plant. Volunteers walk the two-mile stretch of road while cleaning and picking up garbage along the way.
- The “Bikes 4 Tykes” drive held at the **Fort Dodge** plant generated the most donated bicycles since the program began. The maintenance department revved up their group, gathered monetary donations and purchased bicycles for the Upper Des Moines Opportunity Inc. program.

Canada

- In 2015, Valero in **Canada** contributed \$200,000 to support school perseverance programs that help keep students from dropping out of school, in addition to other educational programs for students. Valero also partnered with Educaide to give scholarships to high school students through the School Perseverance Scholarship program.
- The project Amitiés Génération “Elles” (Greetings from Generation She) received a monetary donation from Valero. The goal of the mentoring program is to help at-risk girls to stay in school.
- Valero in **Canada** is a strong supporter of the Big Brothers Big Sisters of North Durham. The organization received funding to purchase sports equipment, school supplies and healthy snacks for students in kindergarten through eighth grade.
- Valero volunteers partnered with the Department of Forests, Wildlife and Parks-Development and Education division, along with students from Aubier High School, on a project at the Parc Valero Les Écarts near the **Jean Gaulin** refinery. With the help of volunteers, students built bat houses to help combat the fatal white-nose syndrome infecting millions of bats in the area.
- The Pointe-Lévy school in Lévis received funding from the Valero Energy Foundation of Canada to remodel their music classroom.



◀ Volunteers from the Jean Gaulin refinery help children make bat houses at nearby Parc Valero Les Écarts.

Western Europe

- Employees from Valero's Western Europe headquarters office at **Westferry Circus in London**, as well as from **field** and **terminal** locations, were honored for their payroll giving, making charitable contributions with payroll deductions which are matched 50 percent by the company. Donations go to the employees' charities of their choice, with matching funds benefiting mostly children's groups serving the underprivileged, disabled, terminally ill and others. More than 85 percent of employees at those locations chose to participate. They were honored with the highest Payroll Giving Quality Mark Award by the organization Charitable Giving, as well as a U.K. National Payroll Giving Excellence Award.



It is such a tremendous honor to be able to work with employees who overwhelmingly give from the heart to those in the community who are in need. I am so proud to work for a company like Valero, whose generosity matches the wonderful kindness and caring of its employees.

Mickey Landry,
Complex Manager,
Valero Port Arthur Refinery



▲ Employees of the London Westferry Circus office cook up a special Christmas lunch for seniors.

- The **Valero Pembroke Refinery** in Wales was honored at the 2015 Arts and Business Cymru Awards for its involvement with the VC Gallery, which helps military veterans and the community through art workshops; and the Royal Welsh College of Music and Drama, which provides youth drama training locally.
- **Westferry Circus** employees returned to the Mudchute Farm in Docklands to refurbish the facility, which provides environmental, science and farming education for children ages 5 through 11, as well as an after-school program. More than 100 volunteers cleaned and painted, and built a new seating area.
- Employees at **Westferry Circus** make the season bright for local seniors at several community centers by cooking them a special Christmas lunch, followed by singing and dancing.
- The office at the Matt Talbot Community Trust community center, which provides programs to help those with substance abuse challenges, received a much-needed update from volunteers at the **Dublin Liffey Valley** office, who provided extensive landscaping and interior decoration.



▲ (Left photo) David Compier, right, accepts the Valero Volunteer of the Year Award from James Twohig, Director-Ireland Operations; (right photo) David Compier and Martin enjoy some time out in the garden on one of Compier's weekly visits.

Top Volunteer Gives Comfort to Senior Through Gardening

When it comes to heart, David Compier's is as big as they come. And it was a big reason why he was chosen Volunteer of the Year for Valero's operations in **Ireland**.

Compier, an Assistant Accountant in the Liffey Valley office, has extensively supported Making Connections, a nonprofit program for seniors in Dublin that aims to match volunteers to seniors who are lonely or isolated by their common interests, for one hourly visit a week.

When David moved to an apartment in Dublin from a rural location, he missed being outside in his garden. Through Making Connections, he was delighted to be connected with a senior named Martin, who was once an outdoorsman and experienced landscaper. Martin was referred to the charity by a health-care professional after his wife passed away and he was left with an immeasurable void in his life.

The onset of depression and a fall resulted in the loss of his passion for gardening. His brand-new, but empty, poly tunnel outside his kitchen window was a constant reminder of his limitations. Then, along came David.

For more than two years, the pair have enjoyed their passion for gardening each week, assisting each other, sharing tips and learning from each other's experiences. They even enjoy the fruits of their labor – namely, tomatoes, leeks, carrots, spinach and beetroot – a source of great pride and joy to them both.

Martin explained that the companionship with David has given him a new lease on life. "We have helped each other to rediscover our hobby through our shared passion ... I now feel that 'urge' for gardening again which I had lost for years," he said.

David meanwhile enjoys his proximity to nature while also providing an invaluable service within the community.

"Martin and I both benefit so much from my visits to his home and garden each week," he says. "I am so grateful to him for providing me with an outlet each week to enjoy my passion. It gives me a great zest for life as well."



Employees

We consider our employees a competitive advantage and our greatest asset. As such, we provide them with a safe and rewarding work environment with opportunities for growth and personal development.



Valero promotes inclusion and opportunity in its highly active workforce.

The **HEART OF OUR PEOPLE** is on display every day, as our approximately 10,000 hardworking employees show incredible dedication and commitment. They make us honored to be an employer of choice in the fuels manufacturing and marketing industries.

In 2015, Forbes magazine named Valero to its first-ever list of 500 Best Employers.

Forbes

EMPLOYMENT

Our intent is to employ and retain the most qualified individuals without regard to race, color, gender, religion, sexual orientation, gender identity, genetic information, national origin, age, disability, veteran status or any other category protected by federal, state or local law. Valero promotes and recognizes each individual employee for his or her unique talents and contributions.

We support and foster a work environment where **respect for others is the rule and expectation**, and where differences in people are viewed as opportunities for learning and approaching things differently.

At Valero, diversity and inclusion are not just an initiative. They are how we approach our business, how we value our communities and how we treat each other every day. Valero continually works to maintain a work environment that is inclusive and supportive.

I am proud of the honor and respect that Valero's employees give to both veterans who are employees as well as all veterans in the community. These folks make me proud to be among them.

Drake Thibodaux,
Superintendent-Custody Transfer,
Valero Port Arthur Refinery

COMPENSATION AND BENEFITS

We believe that an investment in our employees – from competitive pay and benefits to a caring company culture – is an investment in the future of Valero and its communities.

In addition to offering well-paying jobs, Valero subsidizes health-care premiums for employees to purchase their benefits.

The benefits help employees maintain good health, offering comprehensive medical, dental, prescription, vision, long-term care and wellness plans.

Valero also provides 401(k) savings plans and matches employee contributions.

At its headquarters, Valero operates an on-site child care facility called the **Valero Family Center**. Eligible employees at field locations can receive child care subsidies.





▲ Basic Operator Training includes practical field visits to conduct hands-on exercises.

Basic Operator Training at Heart of Refining Success

Essential to the company's success has been providing comprehensive, top-notch training to its refinery operators. Their work directly contributes to Valero's ongoing performance as a leading provider of quality petroleum products with a track record of safety and reliability.

Since 2009, each newly hired operator completes a best-in-class training program, called Basic Operator Training (BOT). The 12-week training program covers the essential topics and skills required to achieve higher productivity at Valero's refineries.

Subject-matter instructors provide classroom lessons, such as understanding and maintaining process equipment, compliance with industry regulations, and the basics of petroleum refining. To add a practical element, the program includes multiple field trips allowing participants to personally observe refinery units, processes and conduct hands-on exercises.

Subject-matter experts annually review the program's content to ensure it is up to date with best practices and industry standards, rules and regulations.

The program has become a steadfast source of well-trained operations employees. Through 2015, 47 BOT programs had produced 872 operators who serve in a variety of roles across Valero's refineries.

Valero believes that the program's reputation has also attracted more talented and experienced job candidates to apply for positions in the operations group. And upon completion, the program lays the foundation for a safe and successful career and job progression within Valero.

Family Perks

Valero provides support for maintaining work-life balance by offering unique services and programs for employees and their families.

- **Family Gift Program** – Valero provides employees with a monetary gift to assist with expenses following the birth or adoption of a child.
- **Scholarship Program** – Each year, Valero awards 30 scholarships to employees' children who are planning to attend college. Since the program's inception in 1981, **Valero has awarded 586 scholarships totaling \$4.9 million.**
- **SAFE Fund** – This fund helps employees who are experiencing a catastrophic event in their lives that creates a significant financial need.
- **Adoption Assistance** – Valero offers a reimbursement up to \$2,000 per child for adoption-related expenses (travel, meals, lodging, legal fees, counseling fees and other related costs). Many families have benefited from the assistance, which has supported successful adoptions in the U.S., and from Ukraine, Russia and China.

Employee Recognition

Valero employees are recognized and appreciated for their dedication and commitment. Many special programs are available for all Valero employees.

- **Service Awards** – Plaques and gifts are given to employees to mark their one-year anniversary and five years of service, and every five years thereafter.
- **Retirement Awards** – Upon retiring from Valero, employees are honored for their total years of service and also receive a gift of their choice.
- **Volunteer of the Year** – Each year, Valero recognizes Volunteers of the Year who exemplify the true spirit of giving, and they receive an award of their choice, a personalized plaque and a recognition luncheon with leadership.



▲ Pembroke apprentices, along with refinery mentors and senior managers, take part in a special recognition hosted by the Pembrokeshire County Council.

Pembroke Apprentice Program Recognized at 10-year Mark

The **Valero Pembroke Refinery's** apprenticeship program observed its 10th anniversary in 2015, and was honored for its part in earning a prestigious award in employment and training, and was recognized in a special reception by the Pembrokeshire County Council.

Ten years ago, the plant's Modern Apprentice Program sent its first 12 students to Pembrokeshire College in Wales for three years of training to become operations staff at the Pembroke refinery. Training apprentices alongside experienced staff allows years of knowledge to be shared.

Since then, 95 students have completed their apprenticeships – all subsequently employed by Valero – with a current class of 25 apprentices in training.

The refinery won an Outstanding Achievement in Employment and Training Opportunities Award

from the Chartered Institute of Personnel and Development, recognizing efforts to train and employ local residents through apprenticeships, work placements and other assistance.

And students joined Valero mentors, senior managers and refinery Vice President and General Manager Ed Tomp at the county council reception that recognized the program's efforts and featured a Q&A session.

"The Valero apprenticeship program offers amazing prospects that otherwise aren't available today," said Becky Jones, who is among the latest 10 operator and three maintenance apprentices to start college. Said Sara Brett, who was a member of that first class of 12 apprentices 10 years ago, "If you work hard, you are likely to get a job, and it definitely changed my life."

TRAINING AND DEVELOPMENT

Valero is committed to personal development through its assigned training curriculum for each employee level. We recognize that resources that fuel growth and job satisfaction are critical to a successful operation.

Therefore, a systemwide learning and development program, nurtured by respect for the individual, helps employees understand the expectations of the company and realize their career goals. Additionally, comprehensive technical training programs are in place to ensure that employees maintain top skills and fully meet regulatory compliance requirements.

It is my goal that each employee understands the importance of their role in our success for every area of performance.

Nicole Gries,
Plant Manager,
Valero Renewables-Welcome



The company also provides an excellent education reimbursement program for full-time and part-time employees attending a public or private university.

EMPLOYEE HEALTH AND WELLNESS

Balancing work and home life, keeping in shape and staying healthy are goals everyone shares. Valero provides multiple resources and support services to help.

The Fit Valero Wellness Program encourages employees to achieve total health, fitness and well-being by providing valuable services and innovative programs, such as wellness assessments, fitness programs and employee assistance.

Valero's wellness program **has improved quality of life and even saved lives.**

- A fitness center is located at the corporate headquarters in San Antonio and is available to employees, spouses and retirees at no charge, 24 hours a day. A variety of group fitness classes and personal one-on-one training are available. The Port Arthur, Bill Greehey (Corpus Christi), Texas City and St. Charles refineries also have fully equipped fitness centers.
- Other employees who do not have access to an on-site fitness facility may use Valero's fitness membership subsidy benefit. This benefit allows employees to select the health club of their choice, conveniently located near work or home.

- Valero operates **five on-site wellness clinics** – at headquarters and the Bill Greehey, Port Arthur, Texas City and St. Charles refineries. The clinics assist employees with at-work health emergencies as well as routine medical issues, with doctors and nurses available five days a week. Valero also has implemented a cancer management program at the clinics to help employees and family members who are diagnosed with the disease.
- Valero provides annual, on-site **health risk assessments that are free for employees and at reduced fees for spouses and retirees**, providing confidential evaluations of current health, appraisals of health risks that may exist and recommendations on improving health. Each year, Valero also offers on-site flu vaccinations to employees at no cost.
- We also provide all employees and their immediate family members with a free, confidential employee assistance program that is available 24 hours a day, offering counseling on a variety of personal, family and work issues.
- The company offers several employee health promotion programs or services. And regular "Lunch & Learn" sessions focus on health-related/work-life issues, such as cancer awareness, heart disease, smoking cessation, exercise, financial/estate planning and other topics.

Valero earned several recognitions in 2015 for promoting and embracing the well-being of its employees, including:

- Fit-Friendly Award, Gold Level Recipient, from the American Heart Association

- Healthy Workplace Award: Platinum Recognition, the top-level award from the San Antonio Business Group on Health in collaboration with the Mayor's Fitness Council
- Healthiest Employers Award, from the San Antonio Business Journal and title sponsor Humana

Valero Internship Program Enjoys Record Year

The University Relations Program at Valero has increased its hiring of interns and co-ops, as well as its focus on entry-level, full-time employment. In fact, the 2015 intern class was the largest in Valero history, and interns filled more than 70 percent of full-time, entry-level refinery engineering positions.

The **Valero Internship Program** is designed to provide students hands-on experience in their designated field, expose them to business operations and emphasize the importance of professional development – providing opportunities at U.S. refineries, ethanol plants and headquarters. It accepts students with majors in engineering, computer science, business and other fields.

Considering interns and co-ops for future, full-time needs has become a key employment strategy at Valero. The program allows managers to observe job performance and cultural fit for the company as well as provide a realistic preview of job and company culture.

"I loved the fact that I was given a project to take on as my own, and was entrusted to complete a project in its entirety," one summer intern said. "I was made to feel like part of the team and not just a summer intern."

During the annual Summer Intern Symposium held at headquarters, students experienced one of the ways Valero shows heart: volunteerism. They participated in a San Antonio Food Bank project, sorting food items providing 18,134 meals for the South Texas region.



▲ Interns experience the Valero culture at a San Antonio Food bank volunteer event.

Interns and Co-ops by Year





Stakeholders/Corporate Governance

Our stakeholders are our partners to whom we pledge to deliver operational excellence, disciplined management of capital and long-term value.



Our board of directors (top) sets the course for sound corporate responsibility.

Valero's vision is to be the premier manufacturer, distributor and marketer of quality transportation fuels and petrochemical feedstocks, while serving the needs of our employees, communities and stakeholders.

The **HEART OF OUR PEOPLE** is rooted in integrity, adhering to the highest standards of ethical conduct and corporate responsibility.

Strong corporate governance principles implemented under the guidance of the board of directors are a major driving force of our Guiding Principles. Our Corporate Governance Guidelines, Code of Business Conduct and Ethics and charters of board committees all direct Valero's governance affairs.

BOARD OF DIRECTORS

At the close of 2015, the board included one member from our management (our Chairman, President and Chief Executive Officer) and nine non-management directors. The board determined that each of the non-management directors who served during 2015 met the independence requirements of the New York Stock Exchange listing standards.

The board has the following committees: the Audit Committee, Compensation Committee, and Nominating/Governance & Public Policy Committee. The committees are composed entirely of independent directors under the NYSE listing

standards. Each member of the Audit Committee also meets the additional independence standards for audit committees set forth in Securities and Exchange Commission regulations.

The Senior Vice President of Health, Safety and Environmental administers a program of audits of Valero facilities and reports annually to the Nominating/Governance & Public Policy Committee regarding Environmental, Health and Safety, and Process Safety Management performance; audit results; and other significant audit matters. Each Valero facility is audited by a team of trained environmental or health and safety auditors, including "peer auditors" from other Valero facilities.

For more information on the board committees and their responsibilities, stakeholder engagement, business compliance and other governance matters not included in this report, please consult the Investor Relations page of our website, www.valero.com.



Valero's high ethical standards are demonstrated each and every day through our employees. I'm proud to work for a company that conducts business that is fair, ethical, honest and lawful.

Brett Winn,
Lead HR Specialist,
Valero St. Charles Refinery



CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics guides the employees and directors of Valero and its subsidiaries to fair, ethical, honest and lawful conduct.

- Through our Code, we exhibit our strong and clear commitment to ethics as part of our core values. From safety to confidentiality to proper use of company assets and accurate reporting of financial information, the Code strives to ensure that our company and our employees maintain the highest standards of ethical behavior at all times. We treat it as a critical document for all Valero employees to read, understand and put into practice every day.
- Valero is committed to training its employees about ethical business practices, and we have several mechanisms in place to instill the importance of our Code of Business Conduct and Ethics.
- The company nurtures an open and trusting environment in which employees are encouraged to look for opportunities to strengthen ethical behavior. Valero has established a confidential, toll-free hotline for employees to call with questions or reports of improper ethical behavior.

PUBLIC POLICY AND ADVOCACY

As Valero and our industry provide products that consumers need, and support jobs and the economy, we seek to be an advocate of sound public policy that affects our business, customers, employees, shareholders and communities. We believe that constructive participation in the political process is an important means of enhancing stockholder value and fostering good corporate citizenship.

Valero's political activities consist primarily of sponsoring the Valero Energy Corporation Political Action Committee, known as VALPAC.

VALPAC solicits and accepts voluntary contributions from eligible employees and stockholders of Valero. VALPAC makes political contributions to support federal, state and local candidates for elective public office who promote the protection and advancement of a strong energy industry and support effective legislation important to Valero and its stockholders, regardless of party affiliation.

SUPPORTING OUR ECONOMY

As the world's largest independent petroleum refiner, and one of the largest fuel-brand marketers and ethanol producers, Valero has a significant economic impact on the communities where it operates. For example:

- In 2015, we directly supported about 10,000 jobs with payroll bolstering local economies, and capital projects additionally boosting construction jobs.
- Annually, we spend billions of dollars procuring refinery feedstocks, blendstocks, supplies and services.
- Valero annually **pays an average of more than \$1 billion in total taxes.**
- **We continue to buy domestic oil** from areas such as the Eagle Ford Shale formation in South Texas.

All told, our expenditures multiply many times in support of local and national economies, and governments that provide vital services.

Valero's support extends to pursuing corporate strategies that boost shareholder value. Valero aims to achieve one of the highest cash returns among its peers through dividends and stock buybacks. As we moved into 2016, we boosted our quarterly dividend by 20 percent, to \$0.60 per share.

Key capital projects are expected to add to our earnings and our ability to support economies and communities – particularly completion of crude units and new logistics projects to receive and process domestic crude oil.

HIGHLIGHTS

- Valero jumped up a spot to fourth among international petroleum refining companies included in Fortune magazine's annual **World's Most Admired Companies** list, considered the definitive report card on corporate reputations. Valero was the top independent refiner on the list.



▲ The Corpus Christi Hispanic Chamber of Commerce, recognizes Valero as the 2015 Corporation of the Year for its long-time support of jobs, safe and environmentally responsible operations, community support and re-investments in the local economy, with celebrity guest and actress Eva Longoria on hand.

- In 2015, Valero was named **Downstream Company of the Year** by the Petroleum Economist Awards, recognizing a downstream business that stands out among its peers for its sound corporate strategy, high operating standards and clear evidence of innovation in its business operations.
- Valero was included in the **Platts Top 250 Global Energy Company Rankings 2015** for outstanding global financial and industry performance.
- Valero ranked No. 13 on the 2015 **Fortune 500** list of the largest publicly held U.S. companies in revenue, and No. 34 on Fortune's list of 500 largest companies worldwide.
- The Bill Greehey refineries in Corpus Christi were awarded the **Best Corporate Social Responsibility Strategy and Outstanding Employee Engagement Strategy** recognition during the first-annual Coastal Bend Society for Human Resource Management Excellence Awards.

Our company takes volunteering to another level by providing us with the tools and resources of the Valero Volunteer Council program.

Stephanie Johnson,

I/S Refining Technologist 2,
Valero Port Arthur Refinery
(with granddaughter Brooke)



IPIECA/API/IOGP INDICATORS

This report is based in part on IPIECA/API/IOGP* Oil & Gas Industry Guidance on Voluntary Sustainability Reporting indicators, within the framework of Valero's five Guiding Principles. The chart below lists indicators on which we have fully or partially reported.

Category	IPIECA/API/IOGP* Indicators	Page(s)
 Safety		
Workforce participation	HS1	6-8
Occupational injury and illness incidents	HS3	7, 10, 11
Process safety	HS5	9, 11
 Environment		
Greenhouse gas emissions	E1	16
Energy use	E2	16
Alternative energy sources	E3	15, 17
Flared gas	E4	15, 16, 18
Biodiversity and ecosystem services	E5	15, 19
Fresh water	E6	15, 16, 18
Discharges to water	E7	16
Other air emissions	E8	15, 18, 19
Spills to the environment	E9	16
Waste	E10	15, 17
 Community		
Local community impacts and engagement	SE1	20-27
Social investment	SE4	21, 23-26
 Employees		
Local hiring practices	SE6	29
Workforce diversity and inclusion	SE15	29
Workforce engagement	SE16	21-33
Workforce training and development	SE17	30-32
Workforce health	HS2	32-33
 Stakeholders/Corporate Governance		
Preventing corruption	SE11	35-36
Non-retaliation & workforce grievance system	SE18	36
Public advocacy and lobbying	SE14	36
Local procurement and supplier development	SE7	37

*IPIECA – The global oil and gas industry association for environmental and social issues (former acronym for International Petroleum Industry Environmental Conservation Association); API – The American Petroleum Institute; IOGP – International Association of Oil & Gas Producers.



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