

# TOMORROW IS BUILT ON THE ACTIONS WE TAKE TODAY

**To the San Antonio community and Valero partners:**

Team Valero continues its unwavering focus on the principles that have successfully guided the company for more than four decades: safety, environment, community and our employees.

Demand for transportation fuels has been strong due to the summer driving season and pent-up desire to travel. We continue to maximize production to help provide the essential products the world needs, while delivering our long-standing commitment to safe, reliable and environmentally responsible operations. Valero's refinery utilization rate has increased from the pandemic low of 74% in the second quarter of 2020 to 94% in the second quarter of 2022.

Valero's refining assets remain strong. We did not close or shut down any refineries during or following the COVID-19 pandemic nor do we have any current plans to reduce refining capacity. In fact, since 2015, we actually added approximately 300,000 barrels per day of capacity to make products that power our nation's economy. We also have a new 55,000 barrel per day coker unit under construction at our Port Arthur, Texas refinery which is expected to start up in the first half of 2023. These projects are part of our strategy to maintain our position as the most efficient producer of transportation fuels for the global market.

Over the last decade, Valero has also become a leading producer of low-carbon fuels. At the end of last year, our Diamond Green Diesel (DGD) joint venture expanded annual production capacity to 700 million gallons of renewable diesel and 30 million gallons of renewable naphtha, a lower carbon intensity gasoline blendstock and petrochemical feedstock. Right now, construction is underway on a new renewable diesel plant next to Valero's Port Arthur refinery. This project was accelerated and is expected to be completed in the fourth quarter of this year, which will bring DGD's total annual production capacity to 1.2 billion gallons of renewable diesel and 50 million gallons of renewable naphtha. Also, BlackRock and Navigator's carbon capture and storage project that will connect with eight of our ethanol plants is progressing on schedule and is expected to begin startup activities in late 2024.

As we look ahead, we continue to evaluate other innovative low-carbon opportunities such as sustainable aviation fuel, low-carbon hydrogen, renewable propane, and additional renewable naphtha and carbon capture and storage projects.

These low-carbon projects are consistent with our strategy to reduce and displace 63% of our global refinery Scope 1 and Scope 2 GHG emissions by 2025 and 100% by 2035.

Turning to the community, right now, we are distributing Valero Benefit for Children funds from the \$22 million raised at this year's Valero Texas Open, including \$1.5 million for San Antonio children's charities. Our companywide annual United Way campaign is also underway. This year's campaign will add to the \$237 million Valero has contributed to United Way partners in the communities where we live and work across the U.S. since 1980.

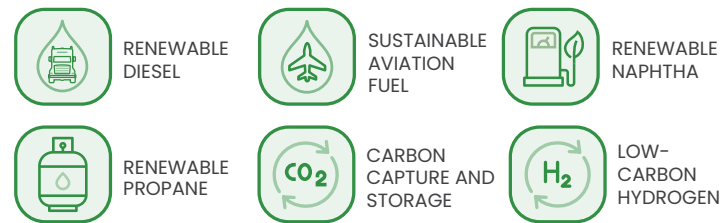
For these reasons and many more, I am honored to work alongside Team Valero, building tomorrow, through the actions we take right now.

May God bless you and keep your loved ones safe the rest of the summer.

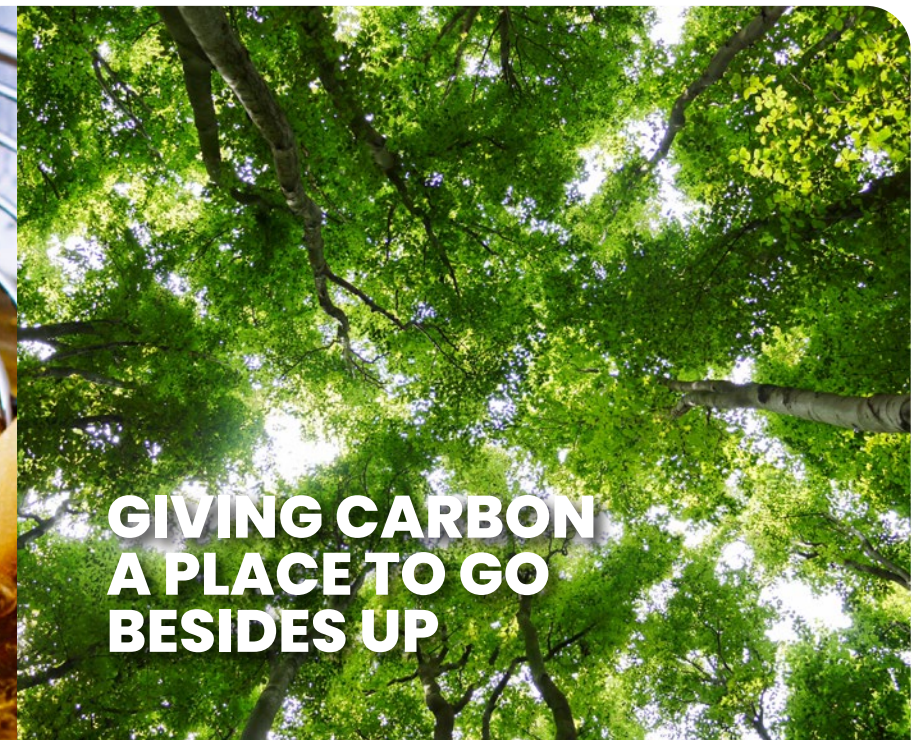


Sincerely,

**Joe Gorder,**  
Valero Chairman and Chief Executive Officer



**RECYCLING YESTERDAY'S COOKING OIL INTO RENEWABLE DIESEL**



**GIVING CARBON A PLACE TO GO BESIDES UP**



**MAKING LOW-CARBON FUELS FOR GENERATIONS TO COME**



**GIVING KIDS A CHANCE TO TAKE THE NEXT STEP**

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