Advancing the Future of Energy

RELIABLE | AFFORDABLE | SUSTAINABLE ENERGY

Valero

REFINING

WORLD'S LARGEST INDEPENDENT REFINER

RENEWABLE DIESEL

WORLD'S 2ND LARGEST RENEWABLE DIESEL PRODUCER

ETHANOL

WORLD'S 2ND LARGEST CORN ETHANOL PRODUCER

GROWTH PROJECTS FOCUSED ON COST CONTROL, OPTIMIZATION AND MARGIN EXPANSION

15 refineries — lowest cost producer

3.2 million barrels per day of high-complexity throughput capacity

advantaged refining and logistics assets well positioned for feedstock and product optimization

low carbon co-processing projects are in development

EXECUTING A VIABLE PATH TO REDUCE AND DISPLACE GREENHOUSE GAS (GHG) EMISSIONS

HIGH RETURN PROJECTS WITH PRODUCTS PLACED INTO HIGH GROWTH, LOW-CARBON MARKETS

DIAMOND GREEN DIESEL (DGD)

1.2 Recent expansion to billion gallons per year in late 2022

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

up to **80%** reduction in GHG emissions

100% compatible with existing engines and infrastructure

CONTINUE TO DEVELOP ADDITIONAL LOW-CARBON GROWTH OPPORTUNITIES

DEVELOPING ECONOMIC PROJECTS TO FURTHER REDUCE CARBON INTENSITY

12 US based ethanol plants

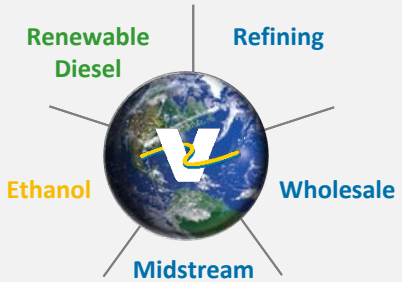
1.6 billion gallons per year production capacity

high-octane renewable fuel with lower CO_2 emissions

at least **30%** reduction in GHG emissions

highly advanced and environmentally responsible corn farming

REDUCING CARBON INTENSITY THROUGH ANNOUNCED CARBON SEQUESTRATION PROJECT



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

Advancing the Future of Energy Through Sustainability Certification – Why Get Certified

- The future of clean energy depends on support from governments, businesses and consumers
  - funding for research and technology development
  - commitment by leaders to focus efforts
  - evidence that the work is making a difference and are not just words

- The EU RED has recognized the challenges of meeting aggressive climate change goals and has mandated that member states show proof that a portion of their transportation fuels are sustainably sourced

- Certifications are a way to measure similar operations against a common standard and legitimize sustainability practices

- Certification is required in order to comply with legally mandated biofuel obligations

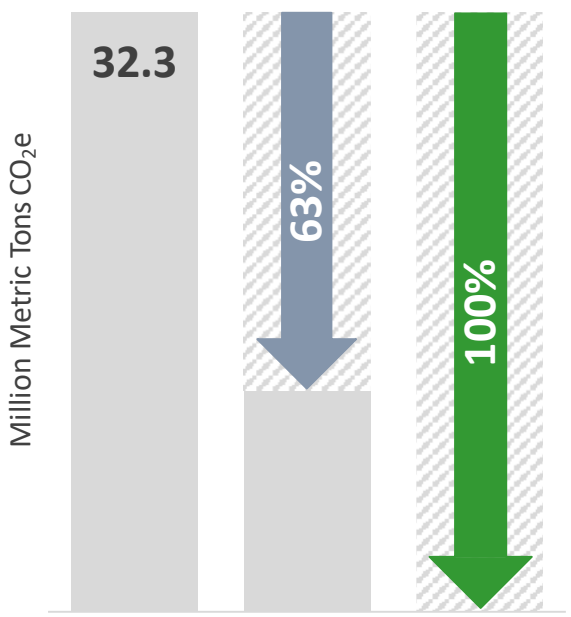
Business Entity	ISCC Role	EU	PLUS
Valero Marketing & Supply Co.	Trader w/storage	√	√
Valero Energy Ltd. London, UK	Trader w/storage	√	
Valero Grain Marketing	Trader	√	√
Valero Refining Corpus Christi, TX	Refinery w/ Co-processing	√	
Valero Energy Ltd Pembroke, UK	Refinery w/ Co-processing	√	
Valero Renewable Fuels – Aurora, SD	Ethanol Plant	√	√
Valero Renewable Fuels – Albion, NE	Ethanol Plant		√
Valero Renewable Fuels-Albert City, IA	Ethanol Plant		√
Diamond Green Diesel St. Charles, LA	Renewable Diesel Plant	√	√
Diamond Green Diesel Port Arthur, TX	Renewable Diesel Plant	√	√

Challenges Associated with Obtaining Certification and Remaining Certified

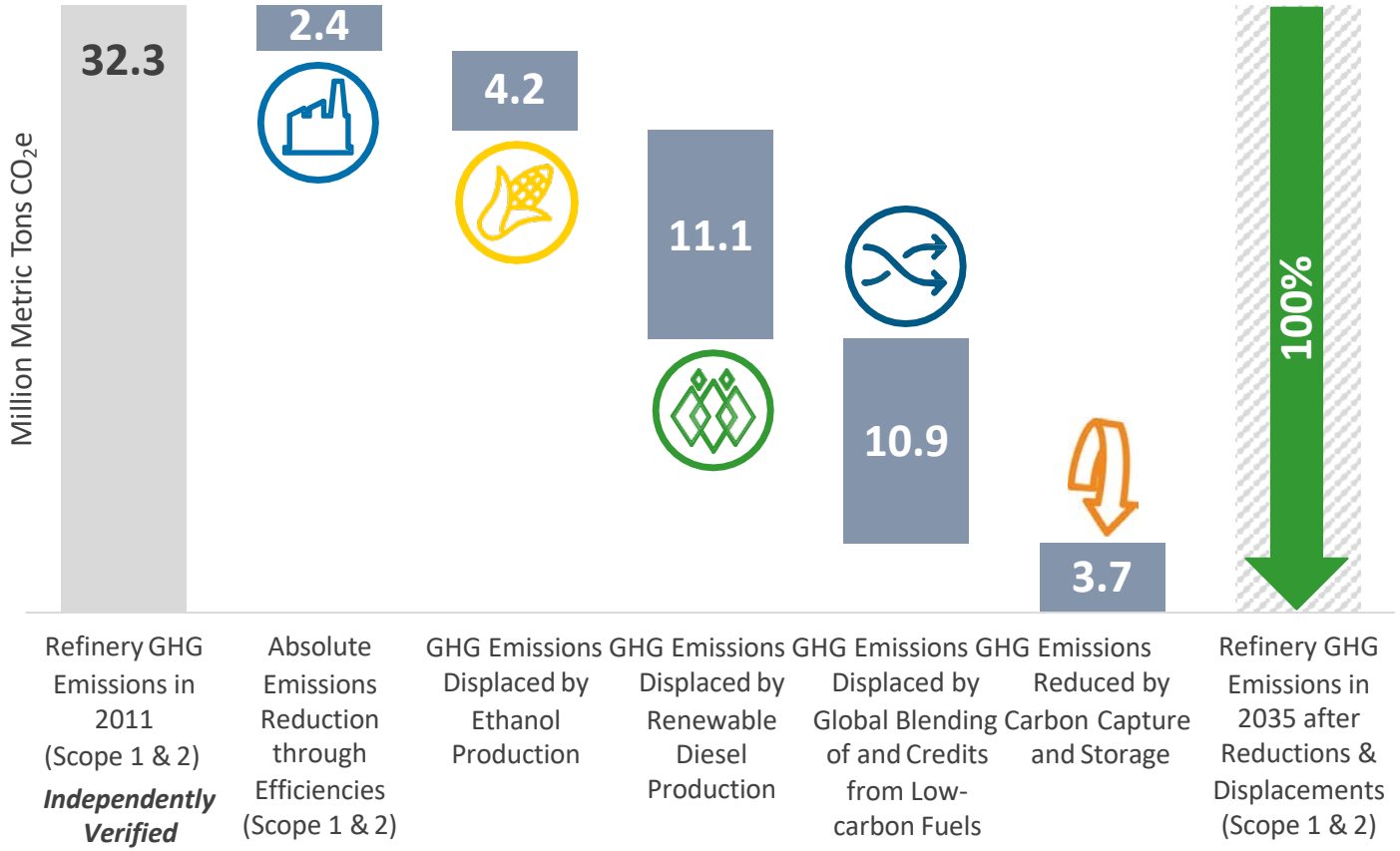
- US feedstock suppliers are hesitant to participate due to the additional data they need to provide
  - US farmers inherently employ good land management practices without having written biodiversity plans nor are they likely to share long-term business plans
  - Used cooking oil vendors are protective of origin location data and are not inclined to provide the data to renewable fuel producers
- Government regulations
  - crop-based fuel bans
  - internal combustion engine bans
- Implementation differences amongst member states and as well as other countries
  - molecule management versus historical practice of “barrel” management
  - double credits
  - inconsistent treatment of different feedstocks
  - different blending requirements
  - more programs to manage along with CA-LCFS, Canada CFR, US RFS
- Inconsistency across certifying bodies and auditors along with lack of specific business knowledge
- Manual data tracking and paper forms – labor intensive and prone to errors

Comprehensive Roadmap to Further Reduce Emissions with Innovative Low-Carbon Projects

GHG Emissions Reduction (Scope 1 & 2)



Independently Verified



Independently Verified

On track to **reduce** and **displace** Refinery GHG **emissions by**

63% **Scope1&2**

through investments in board-approved projects **by 2025**.

Targeting to **reduce** and **displace** Refinery GHG **emissions by**

100% **Scope1&2**

through board-approved projects and carbon sequestration projects under development **by 2035**.

Valero

A Commitment to Environmental Stewardship, Beyond Regulations

E ENVIRONMENTAL STEWARDSHIP

Reducing, Reusing, Recycling, and Repurposing

Refining

Flare-gas recovery systems result in more than **96% flaring-free** operations

Recycled more than 17 times the amount of fresh water consumed in refining operations in 2021

Real-time air quality screenings are conducted at **refineries** and **fence-line communities**

Cogeneration units and **expanders** can **offset enough electricity** to power a city the size of **San Francisco**

Low-carbon Fuels

Renewable diesel **reduces life cycle GHG emissions up to 80%**(1)(2)

High-octane low-carbon fuel, ethanol reduces **life cycle GHG emissions by at least 30%**(2)

Cellulosic ethanol: Using **enzymes to convert fiber** into fuel further reduces carbon intensity to **high 20s**

Carbon Capture

Our Port Arthur refinery became **the first industrial site** in the U.S. to **host a large scale carbon capture project**, with **more than 1 million metric tons captured each year**

Developing a large-scale **carbon capture project** connecting to eight of our **ethanol plants**, providing **an economic path to reduce carbon intensity** of our ethanol **by more than 40%**

(1) 100% used cooking oil feedstock results in a carbon intensity score of 20 under California's LCFS program.
(2) Versus the comparable petroleum based fuel.

- Increasing **Renewable Diesel** production
- Increasing **Renewable Naphtha** production
- Advancing **Renewable Propane**
- Developing **Sustainable Aviation Fuel (SAF)**
- Developing **Renewable Hydrogen**
- Increasing **Fiber Cellulosic Ethanol** production
- Evaluating additional **Carbon Sequestration** opportunities

RIGHT NOW AT VALERO.

At Valero, we know tomorrow is built on the actions we take today.

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