



Management Commitment



Cal VPP Star Workshop
Mr. Lauren Bird
Operations Director
Valero Refining Company - California
November 9, 2010

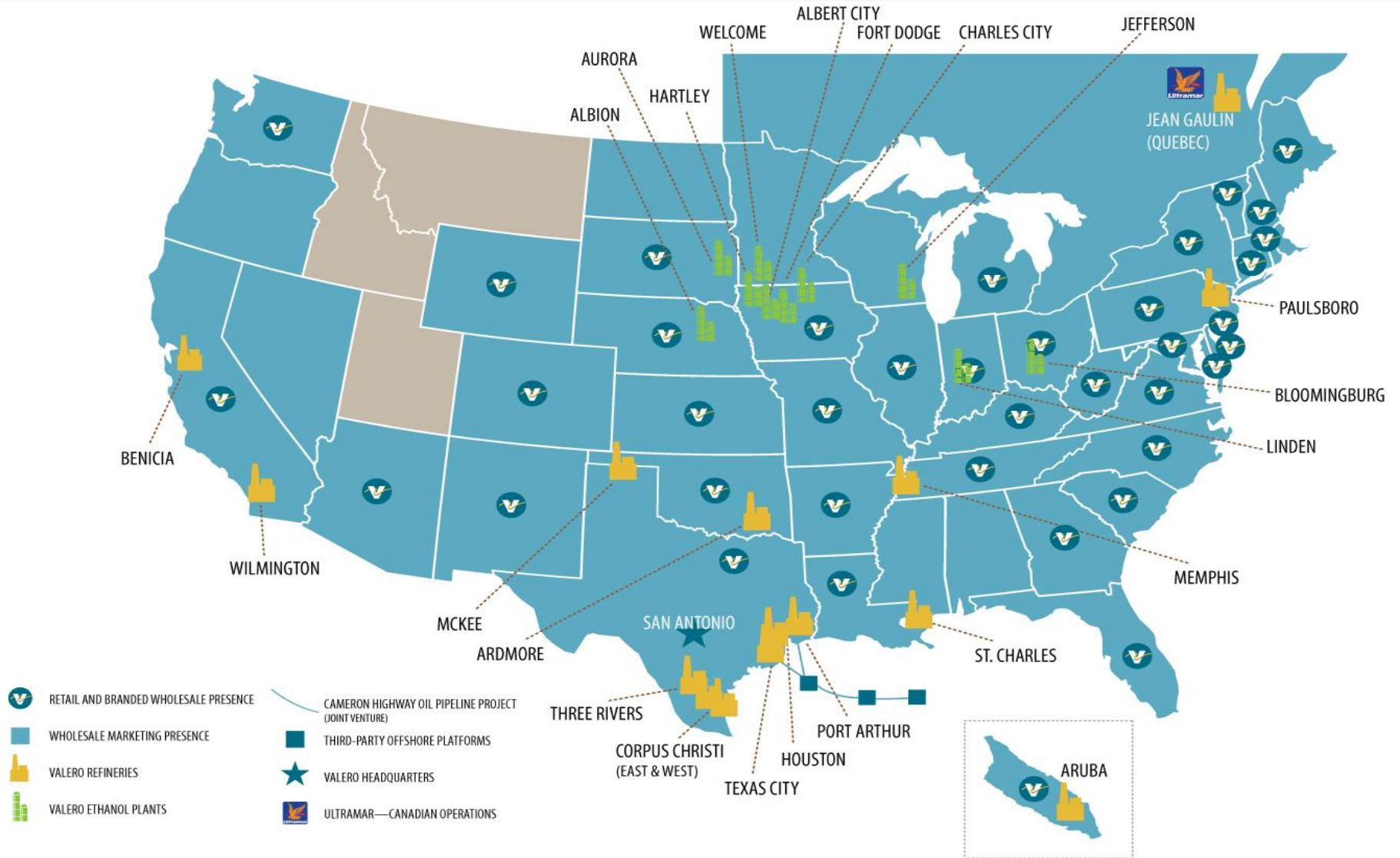


Valero Overview

- **One of the largest refiners in North America**
 - 15 refineries, 2.8 million barrels per day (BPD) of capacity
 - Refineries geographically diversified among four key regions
 - Significant conversion capacity provides flexibility to process a variety of lower cost feedstocks and produce higher value products that meet the world's most stringent
- **One of the nation's largest retail fuel marketers with nearly 5,800 branded marketing sites**
 - Company-owned/operated sites: approximately 1,000 in U.S. and 400 in Canada including leased sites
- **One of the largest ethanol companies in U.S.**
 - 10 large-capacity plants with total of 1.1 billion gallons/year (72,000 BPD) of production capacity
 - All plants located in resource-advantaged corn belt
- **Other investments in alternative energy**
 - 50 megawatt wind farm in Texas Panhandle
 - Seed investments in next generation ethanol and biodiesel



Geographically Diverse Operations



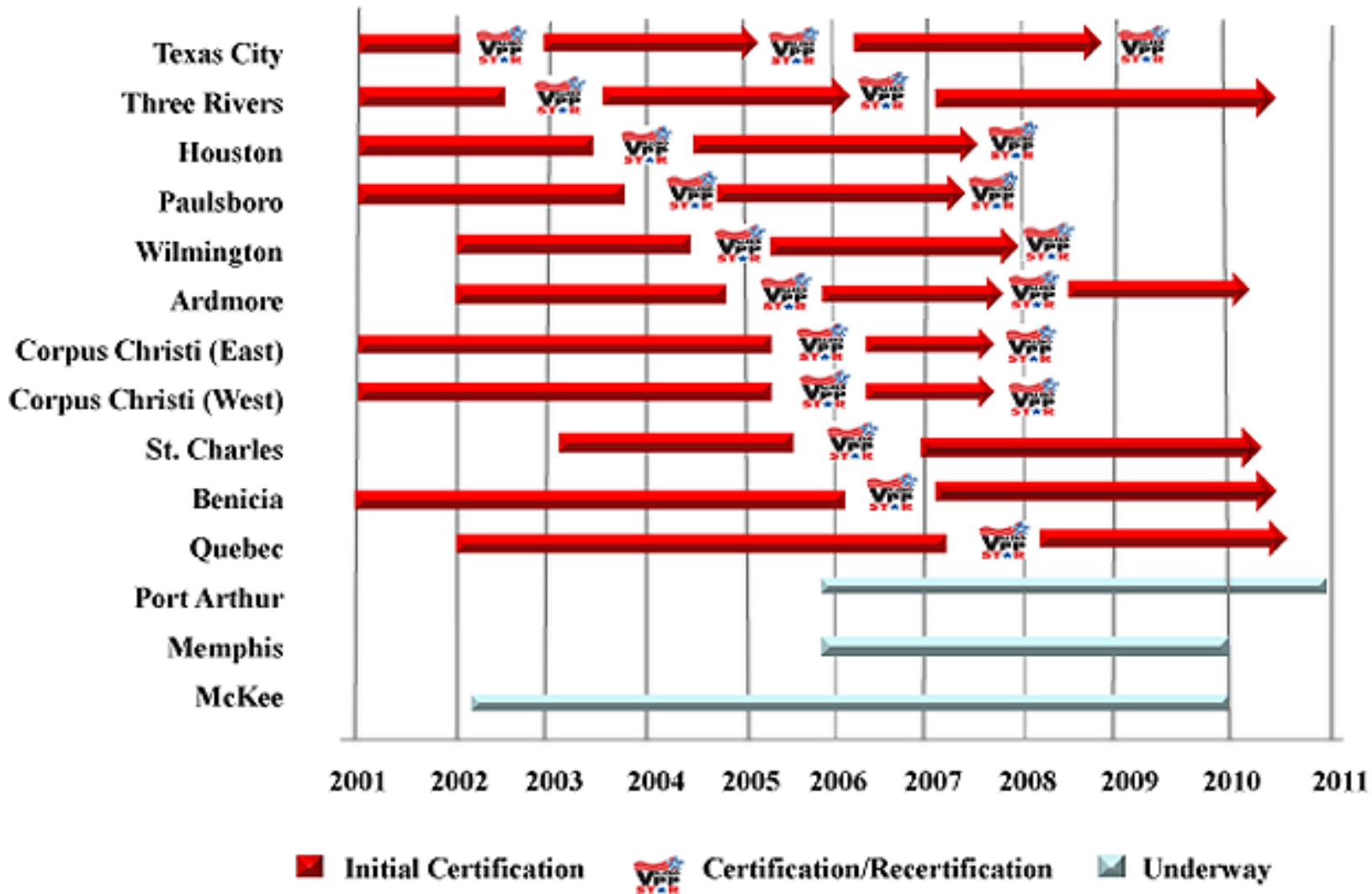


Valero Overview - continued

- **Valero continues to be an industry leader in safety**
 - 10 of our 13 US refineries have achieved OSHA Voluntary Protection Program “Star” Status
 - Only 23 out of 146 U.S. refineries have VPP Star recognition

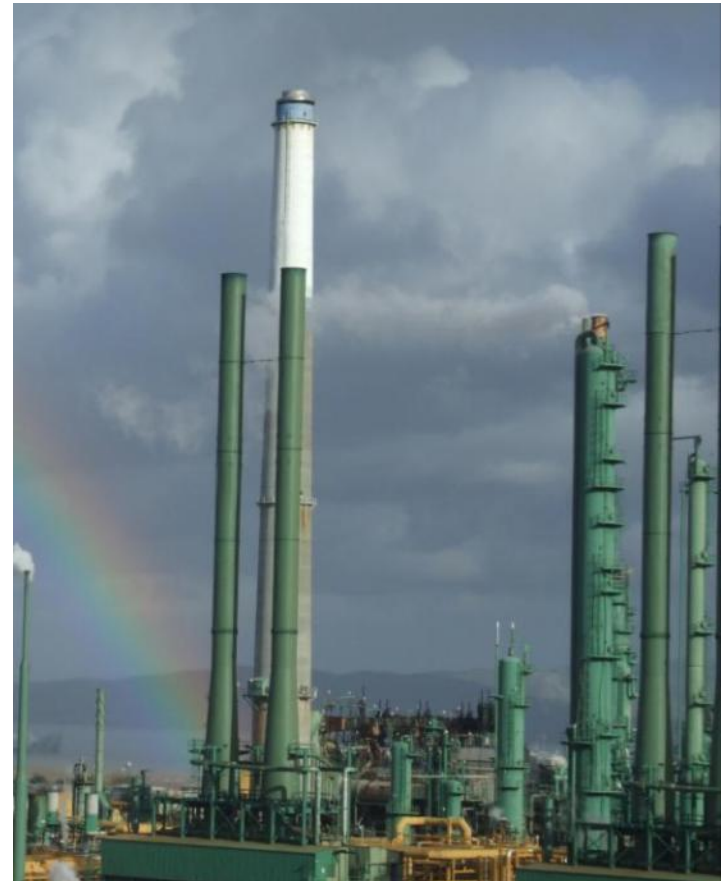
- **Local Community Contributions**
 - 2,711 hours of community service in 2010 to date
 - **Valero Texas Open Benefit for Children** **2010 – \$375,000**
 - Grants to 31 Children’s Charities in Benicia
 - **Benicia Refinery United Way Campaign** **2010 – \$679,000**
 - **Benicia Refinery United Way Campaign Pledge** **2011 – \$663,000**
 - **Benicia Refinery & VLO Foundation Grants** **2010 – \$250,000** est

Valero VPP Star Sites



Benicia Refinery Overview

- **Built by Exxon in 1969 on the site of the former Benicia Army Arsenal**
- **Significant modifications and upgrades have made the refinery one of the most complex and efficient refineries in the United States**
- **Valero acquired the refinery in 2000 and has made additional improvements since that time**
- **Valero acquired Huntway Refining Company in 2001**



Benicia Refinery Highlights

- **Recognized as a Cal/OSHA VPP Star Site September 2006**
- **Recertified in October 2010**
- **Total throughput of 170,000 bpd**
- **Primary products include “CARBOB” gasoline, diesel, jet fuel, LPG, fuel oil and asphalt**
- **High conversion operation**
 - **70% + gasoline yield**
- **Located on 425 acres with 475 acre buffer zone**
- **Staffed by 500 full-time employees**
- **295 continuing service contractors**





Our Vision

Our vision is to be recognized as the safest, most reliable provider of petroleum products, while maintaining an environmentally sound operation and delivering industry-leading returns for Valero.

Leadership

- Leadership is the single largest factor for achieving excellence in all we do.
- Leaders set goals and objectives.
- Leaders clearly define and communicate high expectations.
- Leaders visibly demonstrate that operational excellence is a priority.
- Leaders are actively involved.
- Leaders hold themselves and others accountable.

Our Systematic Approach



Our Objectives

- ***Safety – Maintain an injury-free workplace***
- ***Reliability – Achieve industry-leading asset availability***
- ***Environment – Eliminate environmental incidents***
- ***Profitability – Deliver industry-leading returns for Valero***
- ***Organizational Capability – Develop people and work processes leveraging Valero culture to achieve industry-leading results***


Our Commitment to Safety



Safety Commitment

All employees, contractors, and visitors are committed to excellence in conducting operations in a manner that protects our health & safety and that of our community. We believe that:

- Safety is a value versus a priority, and is more important than all other business expectations. Work will not be started or continued if it cannot be done safely.
- Our goal is a safe and injury-free environment.
- Each of us is responsible and accountable for our own safety and the safety of others.
- All accidents & injuries are preventable with individual commitment to safety and an effective safety process.
- Participation in the safety process by everyone is critical to the success of our safety performance, both on and off the job.
- Ongoing assessments will ensure continuous improvement of the safety process and our safety programs.




Doug Comeau
Vice President & General Manager



Lauren Bird
Operations Director



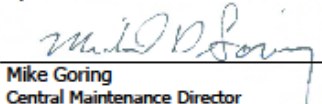
John Quigley
Refinery Technical Director



Sohny Menzel
Turnaround & Major Projects
Director




Chris Howe
Environmental & Safety and
Community Relations Director



Mike Goring
Central Maintenance Director



Ray Quinn
Human Resources Director



Chris Wilburn
Business Services Manager



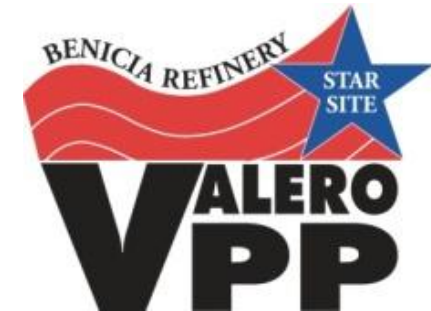
Management Commitment

- Management commitment is more than a signature on a poster.
- Commitment is demonstrated constantly through words and actions.
- Management must assign adequate resources to operate effective safety and health programs.
- Management must ensure gap closure plans are developed and implemented.
- Management must hold themselves and others accountable for progress and seek to continuously improve programs and processes.

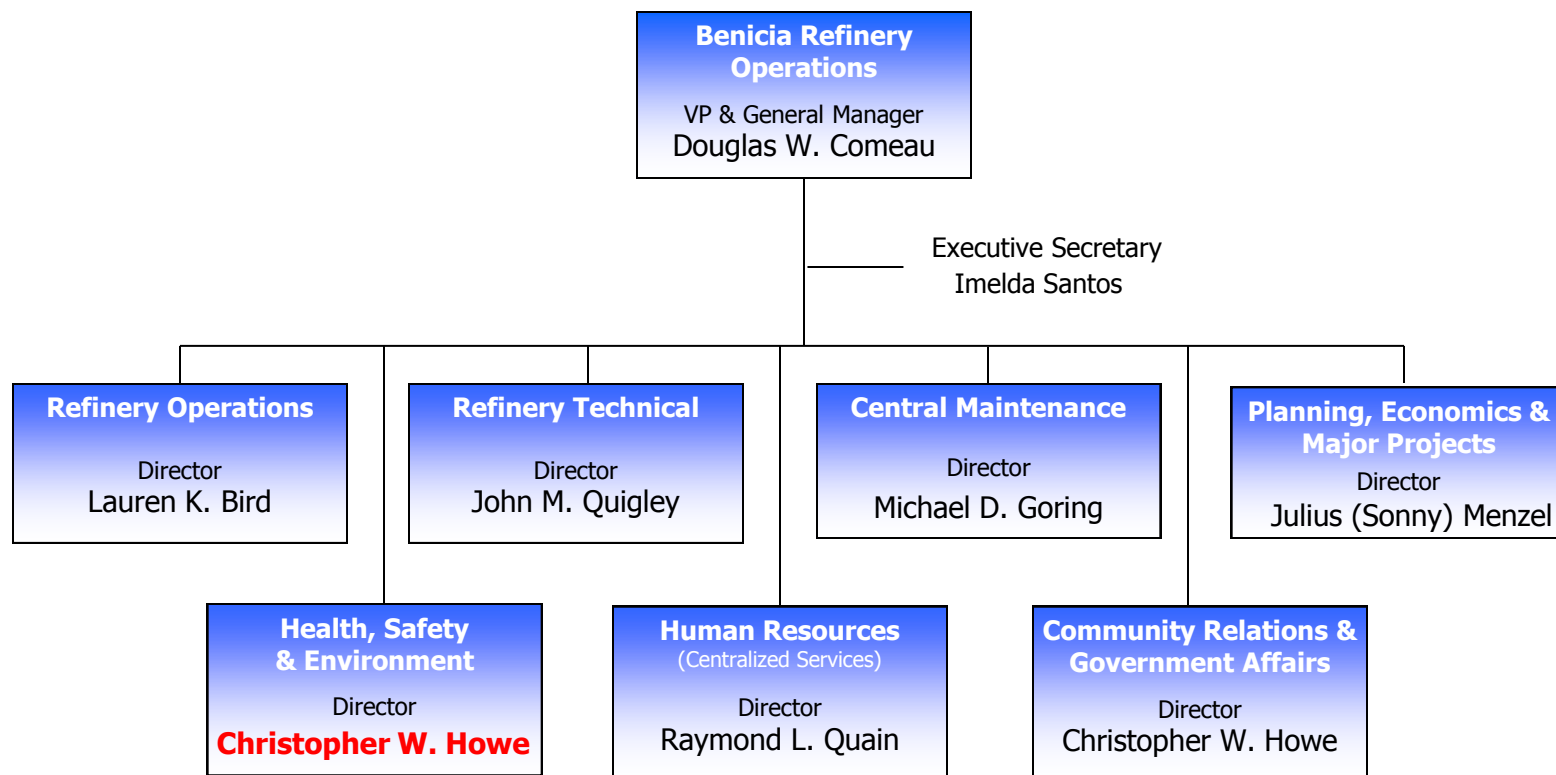


Senior Management Commitment

- Corporate VPP Sponsor (Glenn Appleby) - Reports to Senior Vice President of Health, Safety and Environment
- Voluntary Protection Program Participants Association (VPPPA) - Region IX Board Member – Terry Schulte
- Cal/OSHA Special Team Members - 2 at Benicia
- VPP Mentoring
 - ✓ Two other Bay area refineries
 - ✓ Bay area Carbon Plant
 - ✓ Travis AFB
 - ✓ 6 Local Contractors



Benicia Refinery Leadership Team





Active Leadership

- Housekeeping -
 - ✓ Setting expectations
 - ✓ Spend time in field cleaning
- Established weekly contract safety professional meetings
- Safety & Health Steering Committee scorecard
- Expectation for Leadership Team field presence
- Restructures safety team subcommittee's to sustain VPP
- Ensure new employees are immersed by site management in safety culture and expectations



Assure Resources

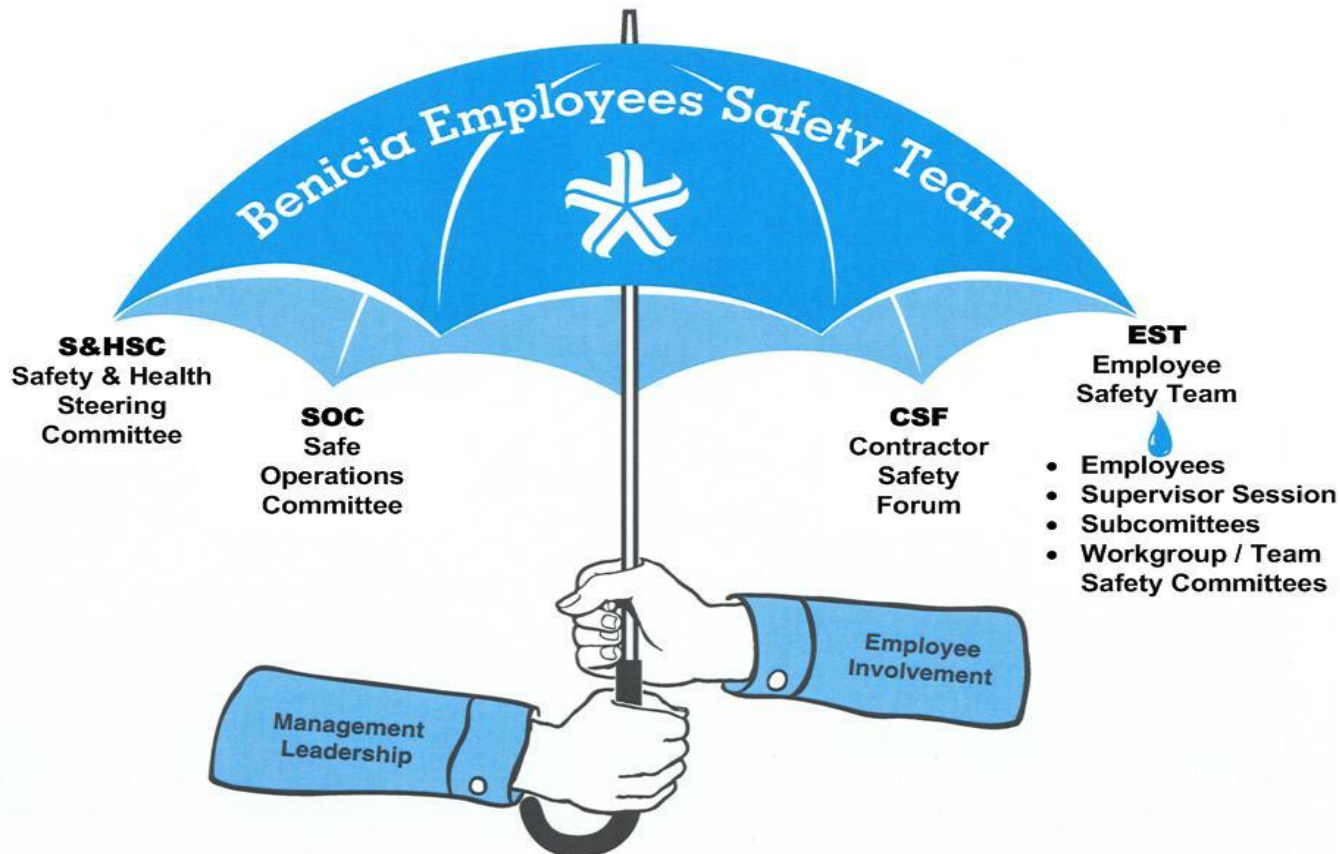
- Health and safety training programs
- Health and safety sub-committees
- Corporate health and safety and resources
- Professional resources - industrial hygienist, certified safety professional
- Hazard recognition team
- Annual expense budget for health and safety programs
- Capitol improvements for safety (hierarchy of controls)



Safety Department

- Safety Manager Rick Morgan
- Safety Department Admin Asst. Dian Aldrich
- Safety Supervisor Jim Marx
- Contractor Safety John Kramer
- Industrial Hygienist Dave Matthews
- VPP Coordinator Terry Schulte
- SNAP Facilitator David Frank
- Fire Chief Frank Averett
- Senior Fire Dept. Mechanic Steve Rossman

Benicia Employee Safety Team





Contractor Involvement

- Benicia Refinery's VPP efforts include contractors as well as employees.
- Contractor safety committee utilized to educate and involve contractors in VPP.
- Contractors included in VPP education, activities and awards.
- Contractors are treated the same way as Valero employees.
- Contractors are held accountable for compliance with safety policies and procedures.



Contractor Involvement

- Contractor philosophy – “One Safety Department”
- Weekly safety professional meeting
- Contractor Safety Forum
- Contractor mentoring program
- Behavior-based-safety process (SNAP)
- Contractor VPP application process
- Contractor recognition program
- VPP STAR Site contracting companies
 - ✓ Kinder Morgan Energy Partners
 - ✓ Safway Services LP



VPP Team

