

CORPORATE SOCIAL RESPONSIBILITY REPORT  
2011



# Greetings

## A Heritage of Responsible Citizenship

We believe in putting people first. For more than a century, CITGO has cultivated a strong commitment to humanitarian values by making social investment an integral part of our business strategy, in order to improve peoples lives. Today, CITGO and its parent company, Petróleos de Venezuela, S.A. (PDVSA), put into action with this important commitment of corporate social responsibility with the communities we touch – and far beyond. *This is our story.*

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### On the Cover:

Luis Fernando Criollo Aguilar, a 3-year old who received critical health care assistance through our Simón Bolívar Foundation, sharing a hug with his father.

# Company Profile

Headquartered in Houston, CITGO Petroleum Corporation is a refiner, marketer and transporter of gasoline, diesel fuel, jet fuel, lubricants, petrochemicals and other petroleum-based industrial products. CITGO has 3,700 employees and is owned by PDV America, Inc., a Delaware corporation and an indirect, wholly owned subsidiary of Petróleos de Venezuela, S.A. (PDVSA), the national oil company of the Bolivarian Republic of Venezuela.

CITGO owns and operates three highly complex crude oil refineries located in Lake Charles, La. (425,000 barrels-per-day [bpd]); Lemont, Ill. (167,000-bpd) and Corpus Christi, Texas (157,000-bpd). Our refineries process approximately 285,000-bpd of Venezuelan crudes, including supplies from Orinoco Oil Belt upgraders.

Our combined aggregate crude oil refining capacity of 749,000-bpd positions us as one of the largest refiners in the United States. We also own and/or operate 48 petroleum product terminals, one of the largest networks in the country. We market motor fuels to independent marketers who consistently rate CITGO as one of the best branded supplier companies in the industry. We also market jet fuel directly to airlines and produce agricultural, automotive, industrial and private label lubricants which are sold to independent distributors, mass marketers and industrial customers. In addition, we sell petrochemicals and industrial products directly to various manufacturers and industrial companies throughout the United States.

# A Message from Our President and CEO

A unique commitment to improving the quality of life of people

At CITGO, we work hard each and every day to be a world benchmark corporation based on our sound success in the energy industry and our corporate social responsibility programs.

Our 2011 Corporate Social Responsibility Report tells our story and illustrates how we do our part to help improve the quality of life of people in the communities where we operate. Just like we are in the gasoline, lubricants and petrochemicals business, we are also in the business of being socially responsible.

Social responsibility is the very essence of who we are and dictates how we conduct our business. By putting people first, we are truly committed to helping people in need. When we started 2011, we had just come out of two very difficult years that were the result of a global economic crisis that had affected us all. During the year, CITGO was able to return to the profitability of years past and we were also able to continue to pursue the advancement of our corporate social responsibility programs in a more conducive environment.

Backed by the support of our parent company, Petróleos de Venezuela, S.A., we support a diverse range of social development initiatives that primarily focus on four key areas:

- 1) Energy Assistance and Conservation;
- 2) Education and Social Investment;
- 3) Environmental Performance; Protection and Restoration; and
- 4) Health.

Caring about people means we are a company that is serious about operating safely. Caring about people also means that CITGO acts as a good steward of the environment in the communities where we have a presence. In this report, you will find detailed information about our efforts in all these areas.

We measure our corporate social responsibility performance not only by corporate monetary donations but also by the conscious business decisions we make every day. It is part of our business and not a by-product of day-to-day operations or profitability. The following pages illustrate our social responsibility story.

**Alejandro Granado**  
Chairman, President and CEO



# How we *Fuel Good*



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We understand that we operate as a privilege in the communities where we serve, not as a right. We promote and participate in a wide variety of social development programs to improve the quality of life of people, especially those who feel the severe backlash of poverty. We also promote the spirit of volunteerism and encourage employees to take active roles in our communities. – CITGO Corporate Social Responsibility Statement



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Four-year old Gustavo Figueroa is able to hear after receiving a cochlear implant, through critical resources provided by our Simón Bolívar Foundation.








## *Our Contributions*

### Social Investment Breakdown 2011

Contributing to social development in the communities where we have a presence and beyond is part of our business strategy. We focus on social development in order to address a full range of societal issues, thereby helping communities to improve education, minority rights, health and nutrition, financial, and business opportunities for families that have been traditionally underserved.

Total \$161,049,695<sup>1</sup>

-  **Energy Assistance** \$87,265,092<sup>2</sup>
-  **Safety & Environment** \$59,635,269<sup>3</sup>
-  **Health** \$12,520,889
-  **Education** \$1,082,439
-  **Civic & Community** \$546,006

<sup>1</sup> All charitable contributions reported on a cash basis.

<sup>2</sup> The amount reflects donations made through the CITGO-Venezuela Heating Oil Program in 2011, reported on a cash basis. \$60,478,057 for the 2011 program and \$26,787,035 for the 2012 program, which launched in December 2011.

<sup>3</sup> \$1,735,269 in contributions and \$57,900,000 in capital projects.



What began as a single donation in 2005 has grown well beyond its original scope. Today our CITGO-Venezuela Heating Oil Program distributes millions of gallons of heating oil across 25 states and the District of Columbia.





## Energy Assistance and Conservation

**\$354 MILLION** INVESTED SINCE 2005 IN ENERGY ASSISTANCE FOR THOSE IN NEED

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**390,577 PEOPLE** BENEFITED FROM THE CITGO-VENEZUELA HEATING OIL PROGRAM IN 2011

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**21.2 MILLION GALLONS** OF HEATING OIL WERE DONATED UNDER THE 2011 PROGRAM

Increasing energy costs continue to affect the quality of life for millions of people and community organizations that provide critical social services. As a company in the energy business, we believe it is our social obligation to use the strength of our resources to help alleviate the burden for those who struggle to pay for increasing home heating costs.

## CITGO – Venezuela Heating Oil Program

In September 2005, the southern United States was severely affected by two highly destructive hurricanes, Katrina and Rita. The devastation was especially severe in the important oil-producing states of Louisiana and Texas, and damage to oil industry infrastructure resulted in an abrupt increase in oil prices.

By October that same year, energy prices had nearly doubled. That month, 12 U.S. Senators penned an open letter urging oil companies to help reduce the burden of energy costs for low-income families. *"American families need economic relief from high energy prices. They need the security to know they will not have to decide between heating their homes and feeding their families, or paying the energy bill or buying life-saving medicines,"* the letter stated.

"We are deeply thankful to CITGO Petroleum Corporation and the people of Venezuela for their generosity. Every year we ask large oil companies as well as oil producing countries to help... and just one company and one country answered our call."

– Joseph P. Kennedy II, Citizens Programs Corporation

At the time, CITGO was already developing a heating oil discount program in response to requests made by underprivileged residents in the Bronx borough of New York City. As energy prices continued to rise, establishment of the CITGO – Venezuela Heating Oil Program was stepped up to help disadvantaged families heat their homes in the winter of 2005.

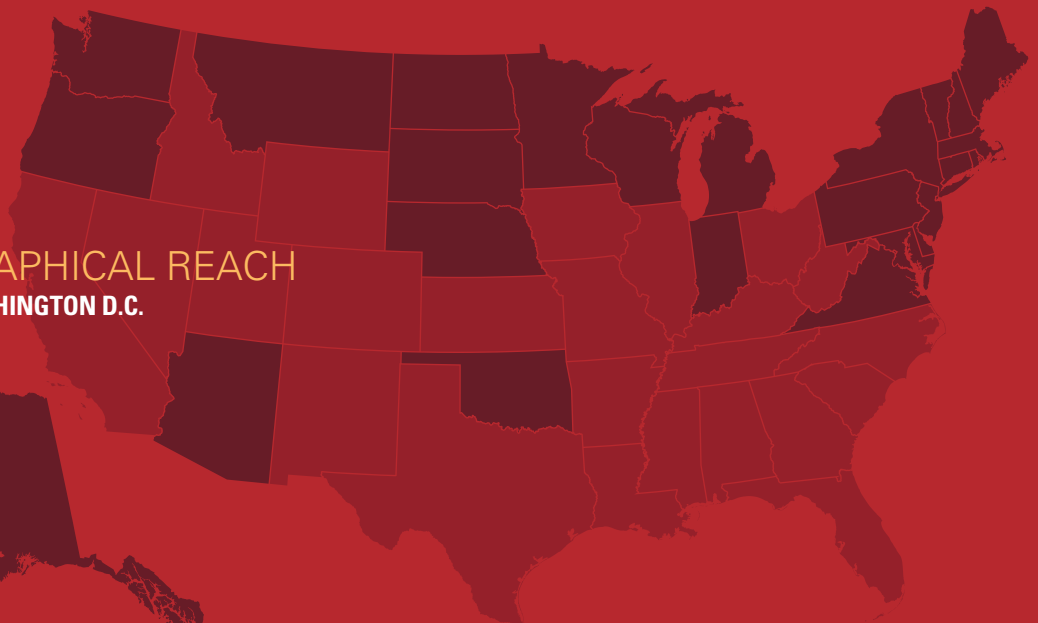
The program has served an average 500,000 people each year. It answered the senators' call, and has since become the most important energy assistance program in the United States conducted by any oil company, serving underprivileged residents in 25 states and Washington D.C.



ALASKA  
ARIZONA  
CONNECTICUT  
DELAWARE  
INDIANA  
MAINE  
MARYLAND  
MASSACHUSETTS  
MICHIGAN  
MINNESOTA  
MONTANA  
NEBRASKA  
NEW HAMPSHIRE  
NEW JERSEY  
NEW YORK  
NORTH DAKOTA  
OKLAHOMA  
OREGON  
PENNSYLVANIA  
RHODE ISLAND

SOUTH DAKOTA  
VERMONT  
VIRGINIA  
WASHINGTON  
WASHINGTON D.C.  
WISCONSIN

**U.S. GEOGRAPHICAL REACH**  
**25 STATES AND WASHINGTON D.C.**





**17%**

AVERAGE HEATING COST SAVINGS PER FAMILY

## 2011 CITGO-Venezuela Heating Oil Program Contributions

Gallons of Heating Oil Donated

**21.2 MILLION**

Dollar Value (US \$)

**\$60,558,057\***

|  |  |  |  |
|--|--|--|--|
| Benefited Single Family Dwellings<br><b>46,594</b>   | Benefited Tribal Communities<br><b>246</b> in <b>15</b> serving <b>45,140</b><br>STATES FAMILIES | Apartment Buildings Served<br><b>379</b> housing <b>22,560</b><br>FAMILIES | Total Benefited Households<br><b>114,294</b>                       |
| <p>* The amount reflects only donations made towards the 2011 program. This amount does not include an additional \$26,787,035 donated in December 2011 as part of the 2012 program.</p> |  |  | <p>Total Beneficiaries<br/><b>390,577</b> LOW-INCOME RESIDENTS</p> |
| <p>Shelters Served<br/><b>203</b> serving <b>47,695</b><br/>HOMELESS</p>   |  |  |  |



## Summary of Beneficiaries

The CITGO-Venezuela Heating Oil Program assists qualifying families and people residing in single family dwellings, apartment buildings, shelters and Native American communities. The program allocates a certain amount of heating oil to satisfy the needs of each type of beneficiary.

During the 2011 winter season, the program assisted more than 390,500 low-income people, living in more than 114,000 households – including members of approximately 246 Native American tribes and residents living in 379 apartment buildings and 203 homeless shelters.

### Single Family Dwellings

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Households served by the program are located in 16 states in the Northeast and Midwest of the United States, as well as Alaska and the District of Columbia. Qualifying criteria is the Federal Program for Low Income Home Energy Assistance (LIHEAP) benchmark, or a household annual income at or below 60 percent of the state median income.

In 2011, 4.6 million gallons of heating oil were delivered to 46,594 approved single family dwellings. Eighty percent of these households reported absent or decreased income, housing costs and medical expenses as financial reasons for their request. The average benefit per family the program provided in 2011 was \$385, out of total average heating oil costs per family of \$2,300, according to the Low-Income Home Energy Assistance Program (LIHEAP). Thus, the program allowed each participating family to save 16.5 percent in their heating oil costs.

### Apartment Buildings

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The program serves apartment buildings, which house low-income families in New York and New Jersey. To qualify, a building must be owned or managed by a non-profit organization or a Housing Development Fund Corporation (HDFC) where 80 percent of residents have an income at or below 60 percent of the state median.

In addition to providing heating assistance to the residents, the program stipulates that each building use approximately 37 percent of the contribution to improve its energy efficiency. Compliance measures include boiler maintenance and installation of compact fluorescent light (CFL) bulbs.

In 2011, the Program provided heating assistance to 379 buildings which housed 22,560 families. A total of 2.16 million gallons of heating oil were delivered to qualified recipients.



## Shelters

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The program also benefits non-profit shelters for the homeless. To qualify for assistance, shelters must meet four criteria: 1.) provide shelter for homeless people; 2.) use heating oil; 3.) directly pay a dealer for their heating oil as opposed to having it included in the rent; and 4.) be a non-profit 501(c)(3) organization.

During the winter of 2011, the program helped 203 shelters. Throughout the season, each shelter provided refuge for more than 47,695 homeless people. A total of 313,990 gallons of heating oil were distributed to the participating institutions.

## Tribal Program

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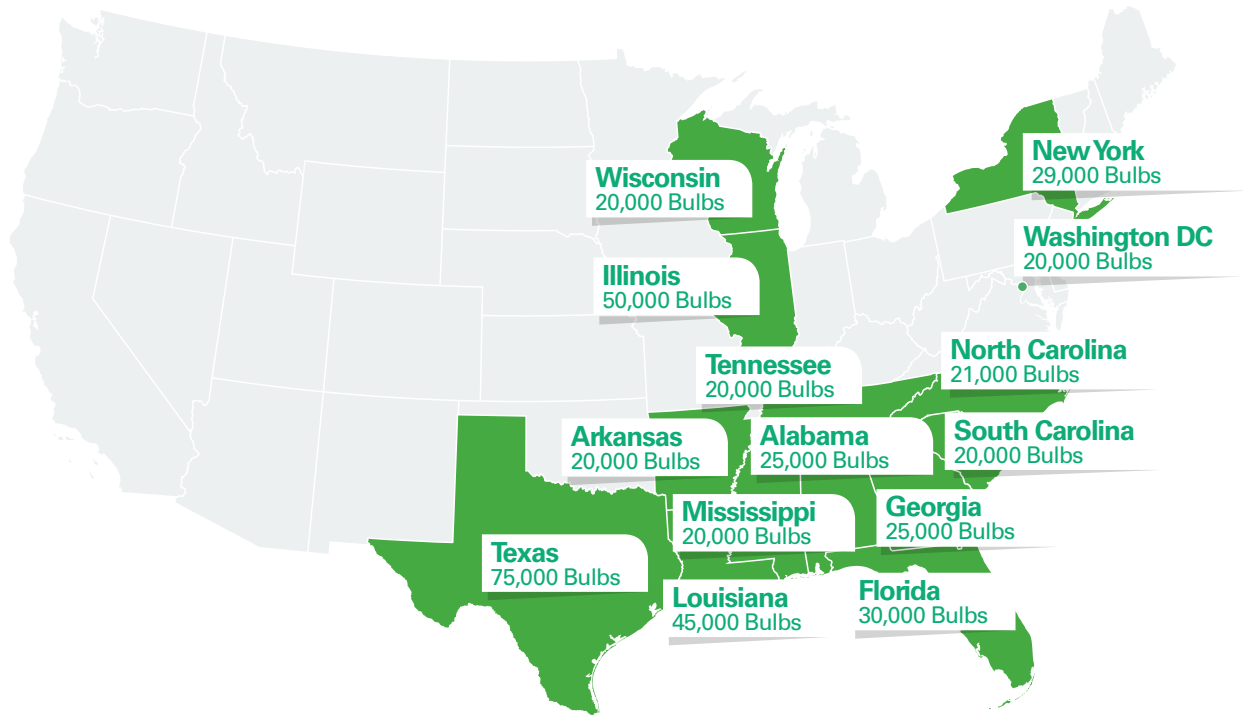
This program serves the needs of the Native American population in a number of states and is tailored to the needs of the different participating communities.

The native population in Alaska uses heating oil as their main source of heating energy. Because of the great size of the state as well as the remote location of served villages, heating oil prices vary widely. The average benefit for tribal households in Alaska was \$450.

In its entirety, the Program provided assistance to 246 Native American tribes in 15 states during the 2011 winter season. Participating tribes comprised 45,140 families, and the total heating oil assigned to serve the tribal program was 6.03 million gallons.

## 2011 CITGO - Venezuela Energy Efficient Lighting Program

The CITGO-Venezuela Energy Efficient Lighting Program (EELP) is driven by our philosophy to fuel good in the communities we serve and by our commitment to environmental stewardship. This initiative provides energy efficient compact fluorescent light bulbs (CFLs) to help families save on energy costs while protecting the environment.



A CFL uses about 75 percent less energy than a standard light bulb and lasts up to 10 times longer. It can also save more than \$40 in electricity costs over the bulb's lifetime. Because of this lower energy consumption, power plants pump less carbon dioxide into the atmosphere which results in cleaner air for our communities. It is estimated that over their lifetime, the CFL bulbs distributed through the program will save approximately \$30 million in energy costs.\*

In 2011, the program distributed nearly half a million CFLs to approximately 42,000 low-income families across 17 U.S. cities

- |                            |                             |
|----------------------------|-----------------------------|
| ATLANTA, GEORGIA           | LEMONT, ILLINOIS            |
| BIRMINGHAM, ALABAMA        | LITTLE ROCK, ARKANSAS       |
| CHICAGO, ILLINOIS          | MILWAUKEE, WISCONSIN        |
| CORPUS CHRISTI, TEXAS      | NEW ORLEANS, LOUISIANA      |
| GREENSBORO, NORTH CAROLINA | NEW YORK, NEW YORK          |
| HOUSTON, TEXAS             | SPARTANBURG, SOUTH CAROLINA |
| JACKSON, MISSISSIPPI       | WASHINGTON, DC.             |
| KISSIMMEE, FLORIDA         |                             |
| KNOXVILLE, TENNESSEE       |                             |
| LAKE CHARLES, LOUISIANA    |                             |

\*Savings were calculated using the Energy Star CFL Savings Calculator and the average state electricity rate for participating cities as of April 2011.



HELPING FAMILIES WHO  
WILL SAVE \$30 MILLION  
IN ELECTRICITY COSTS.



SAVES 225 MILLION KILOWATT HOURS OF ENERGY.



Students at the Bronx River Arts Center (BRAC) engage in multidisciplinary arts to create awareness and stewardship of the Bronx River, the only fresh water river in New York City.





## Educational and Social Investment

**159,333\*** PEOPLE HELPED BY SOCIAL AND ENVIRONMENTAL PROGRAMS IN THE SOUTH BRONX ALONE

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**18 UNIVERSITIES** RECEIVED CITGO FUNDS FOR SCHOLARSHIPS IN 2011

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**38% POVERTY RATE** IN THE SOUTH BRONX MOTIVATED THE CREATION OF THE CITGO PROGRAMS FOR THE AREA.

The aim of education and social investment at CITGO is to foster economic stability and improve quality of life. Our investments are delivered through partnerships that build foundations for positive change. We invest in health, education, arts & culture, environmental protection and restoration – the building blocks of strong communities.

\*Figure includes direct and indirect beneficiaries.


## South Bronx Programs

Achieving sustainable impact is no small challenge, especially in the South Bronx, the poorest congressional district in the United States where more than a quarter-million people live below the poverty line.

Since 2007, CITGO and its non-profit organization, the Simón Bolívar Foundation, have contributed \$4.89 million and implemented programs in education, health, nutrition, cooperatives, finance and environmental awareness for residents of the South Bronx.

In 2011, the reach of our South Bronx Programs extended to 34 organizations which received grants, totalling \$1.25 million from the Simón Bolívar Foundation.

Social programs in the South Bronx are helping individuals learn English as a second language, teaching them how to form and maintain cooperatives, strengthening their self-esteem, providing alternative sources of healthy, fresh and natural food, offering health screenings and environmental education, and promoting the arts and culture.



CITGO supports vital non-profit organizations in the South Bronx borough of New York City – the poorest Congressional district in the United States.

# Bronx Programs and Number of People Benefitted in 2011

Business Development

**3,267**

Environmental,  
Educational &  
Preservation

**17,828**

Health Education

**1,915**

Healthy Food  
Alternatives

**5,730**

Life & Professional Skills

**18,602**

Post Prison Counseling  
& Assimilation

**1,564**

Promoting Arts & Culture

**79,599**

Tenant's Rights

**944**

Training & Development  
Opportunities for Women

**6,130**

Youth Development

**23,754**

\*Figure includes direct and indirect beneficiaries.

Total  
**159,333\***



## South Bronx Program Highlights

### Green Workers Cooperative

The Green Workers Cooperative supports the creation of worker-owned cooperatives to improve environmental conditions. Its first cooperative, ReBuilders Source, is a retail warehouse for salvaged and surplus building materials. CITGO social investments support the Green Worker Cooperative Academy training and support program for South Bronx residents who want to launch worker cooperatives to preserve and improve the environment.

Additionally, CITGO funding has enabled the organization to create a business development team, hiring consultants with business management experience in marketing and business growth.



Prominent local community leader, Omar Freilla, founder and director of the Green Worker Cooperatives, is known locally for leading the rebirth of the South Bronx and incubating worker-owned and environmentally friendly cooperatives.

### TriLatino Triathlon Club

TriLatino Triathlon Club, Inc. is a non-profit organization working to increase the participation of Latinos in triathlon and endurance sports, promote healthy lifestyles and uplift communities. Through its Youth Development Program, "TriLatino Junior", the organization increases physical activity and promotes healthy lifestyles through triathlon and endurance sports among youth in the South Bronx. It develops community leaders and ambassadors of healthy living through nutrition and health education, in an effort to reduce incidents of life threatening diseases, such as obesity and diabetes. 2011 was the first year in which this organization received funding from CITGO.



### Mothers on the Move

Mothers on the Move (MOM) is a South Bronx organization that has been bringing community leaders together since 1992 to identify pivotal needs and create successful campaigns to improve quality of life for area residents. The organization started with a group of mothers who were taking a literacy course. They were all concerned about their children's education and formed a group to bring about significant changes in the quality of the education provided by schools in their community.

Today MOM remains a vehicle for South Bronx residents to build strategic leadership to transform themselves and their communities through education and training; issue campaigns; participatory action research; and opening healing and artistic space. MOM seeks concrete improvements in the daily lives of its members, even while also addressing the broader issues of affordable and healthy living space.

With the support of the Simón Bolívar Foundation, in 2011 MOM was able to advocate on behalf of tenants who live in New York City Housing Authority (NYCHA) housing and published a report on housing conditions throughout the Bronx. As a result, NYCHA hired two people to serve as community liaisons on their behalf, establishing a working relationship which allows tenants to address housing concerns with NYCHA.

Additionally, MOM has continued to educate its neighbors and qualify buildings in the community for weatherization through a contract with the Association for Energy Affordability (AEA), the provider in their neighborhood. MOM has qualified three buildings on Tinton Avenue and one on Watson Ave, totaling 150 units. MOM's close relationship with tenants in the neighborhood means the organization can qualify buildings previously hard to reach by AEA. MOM goes beyond simply qualifying units, it also takes the opportunity to educate tenants about measures they can take to save water and energy.

MOM also works on other issues including tenants rights, environmental issues and workforce development.

### Rocking the Boat

CITGO sponsors Rocking the Boat, a Bronx River environmental program which serves 500 disadvantaged students per year. The organization hosts annual events, daily after-school and summer programs, environmental restoration projects, life-skills workshops and rowing trips.

Rocking the Boat uses traditional wooden boat construction projects and environmental education to help young people in the South Bronx develop the self-confidence to set ambitious goals and the skills needed to achieve them.

The donation by CITGO has supported the organization's conservation programs, including promoting better environmental knowledge of the river, summer and after school youth programs and environmental restoration projects.



Rocking the Boat's wooden boat construction projects and rowing expeditions on the Bronx River provide environmental and life-skills education opportunities for young people in the South Bronx.

### The Point

CITGO is a supporter of The Point, a community development corporation in the South Bronx dedicated to cultural and economic revitalization of Hunt's Point – a site where heavy industry and wastewater treatment facilities have operated for decades. The Point's teen leadership group, A.C.T.I.O.N. (Activist Coming to Inform Our Neighborhood), encourages young people to identify and develop solutions to social and environmental challenges in their community.

The CITGO donation has supported the A.C.T.I.O.N. North Brother Island Initiative for three years. Thus far the organization has used this funding to develop environmental education workshops with the New York City Audubon Society, and organize restoration projects, tree plantings and clean-up activities on the island located in the southern end of the Bronx River.



The Point's social and environmental projects have been promoting the revitalization of Hunt's Point for three years.

## Bronx Children's Museum

The Bronx Children's Museum (the Museum) is a non-profit institution with the mission to inspire children 2-8 years of age and their families to learn about themselves and the diversity and richness of their surroundings, arts, culture, the environment, and the world beyond. The Museum is slated to occupy its own space in the South Bronx called Kids' Powerhouse Discovery Center in a LEEDS certified, city-owned building in the South Bronx in 2014.

The Simón Bolívar Foundation enabled the Museum to create and pilot its very first interactive exhibit on its purple mobile bus called "River-on-the-Go: Where is Justin the Beaver." The exhibit is at the core of the River-on-the-Go (ROG) Program which is an environmental science and art experience designed for young children from Pre K to 3rd grade and their teachers and caregivers complete with lesson plans, maps, picture books, handouts with resources, posters, and one suitcase exhibit called the "Beaver Box".



The main objectives of the ROG Program are three-fold; to teach children and their caregivers about the flora and fauna of the Bronx, encourage them to experience the natural wonders of the Bronx themselves, and to become caretakers of the environment. The ROG is a hands-on program that was created by local early childhood educators, designers, artists, and environmentalists. The exhibit on the bus is a dynamic multi-sensory diorama of the Bronx River ecosystem and is transported to schools, shelters, foster care homes, festivals, and parks. Thanks to the Simón Bolívar Foundation, the Museum's bus has traveled throughout the South Bronx and by the end of the academic year will bring the ROG Program and exhibit to over 1,000 Bronx children and their families. Participants are also invited to join specially organized field trips to experience the real Bronx River.

## Other Educational and Social Programs

### Trans-Africa Forum

Trans-Africa Forum is a leading educational and social investment institution in the United States, addressing political issues affecting people of African descent in the United States, Latin America and the Caribbean. With financial assistance from CITGO, Trans-Africa Forum created the Latin American and Caribbean Program, with a mission to educate African Americans regarding issues of critical importance to the Latin community in the United States. The underlying purpose is to strengthen the connection between African American and Latin communities in the United States, as well as to promote economic development, and encourage fair trade and commercial activities in Latin America and the Caribbean.

In March of 2011, CITGO donated \$50,000 to TransAfrica Forum to support the Latin American and Caribbean Program, which aims to provide education to the African-American population about the most crucial issues facing the Latino community in the U.S. and their countries of origin. The purpose of the program is to strengthen the connections between Afro-Americans and Latinos in the U.S., and to promote and encourage multi-cultural exchanges.

To support these initiatives during the period of this grant, TransAfrica has sponsored seven events and has published 15 articles and reports in various print and electronic media.

Again, in November of 2011, CITGO donated an additional U.S. \$50,000 to support the campaign of the organization "I am TransAfrican", which celebrates the Declaration of 2011 as the International Year of Older Persons of African Descent held in December 2011 by the International Organization of the United Nations.

The contribution CITGO made in the amount of \$100,000 in 2011 has enabled the organization to experience exponential growth for this organization, including the promotion of meetings, partnerships and communication activities among African American leaders and Latinos.



Through the Latin American Program created by the Trans-Africa Forum and supported by CITGO, forums on topics affecting Hispanics and African Americans in the United States have reached an estimated 50,000 people.

### Minority Immigrants Program – Casa de Maryland

With an investment of \$200,000 in 2011, CITGO continued to support Casa de Maryland to implement training programs and social assistance services for the Latin and African American communities in the metropolitan area of Washington, D.C. and in the neighboring state of Maryland.

The most important achievements of this institution in 2011 were:

- Teaching English as a second language classes to more than 865 students
- Teaching financial courses to 3,206 people, of which 658 opened bank accounts
- Providing vocational training to 1,200 members of the community.
- Serving more than 2,912 community call center inquiries

In total, Casa de Maryland programs funded by CITGO benefitted approximately 8,409 people in 2011.



### University Scholarships

We recognize the power of education. Every year we proudly offer college and university scholarships to deserving students pursuing degrees in engineering at a number of institutions around the United States. In 2011, we donated \$301,500 to 18 universities scholarships and educational program improvements in engineering, math and science.

Additionally, we've created further scholarship opportunities for the children of CITGO employees and our retirees who want to continue their studies. On average, for the past five years, we have provided 6 scholarships per year. Each scholarship recipient has proven to be at the top of the class by meeting the strict criteria of the CITGO Scholarship Committee. These scholarships are part of our effort to fuel minds, young and old, for a brighter tomorrow.

## Fredy's Story

Fredy Urias exemplifies the success of CASA de Maryland beneficiaries, especially those who utilize the services of many departments. Fredy first came to CASA in February, 2010, having been laid off from a construction company nine months earlier.

During his time looking for work at CASA he took advantage of many of the services offered to members, including financial literacy trainings, several levels of English classes, and OSHA Know Your Rights instructions. While he was looking for work, Fredy was able to take advantage of CASA's employment program, as he found several short term jobs at the PG Worker's Center over the next two years.

However, what ultimately benefited Fredy most was his participation in the Workforce Development and Vocational Training Program. Fredy took classes to better his knowledge and his technical skills, including Building Maintenance, Computer Classes, Computer Repair, and even dressmaking, so that he could save money repairing his own clothing. Fredy's most advanced class was HVAC, which allowed him to earn a CFC, type I and II license. This license allowed Fredy to pursue high demand industries such as Air Conditioning Technicians.

After working with the Workforce Development Specialist to learn how to write a resume and apply for jobs online, Fredy successfully applied for a job at the Capitol Yards apartment site, a new large series of buildings that are being built near Nationals Park in Washington, DC. Fredy now works on these apartments connecting and repairing AC Units. Fredy no longer has to worry about whether or not he will get paid enough to make ends meet.









## Environmental Performance; Protection & Restoration

**76% REDUCTION** IN VOC,  
NO<sub>x</sub>, SO<sub>2</sub> EMISSIONS SINCE 2007

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**41% REDUCTION** IN  
RQ HAZARDOUS MATERIAL  
RELEASE SINCE 2008

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**500 + ACRES** OF WILDLIFE  
HABITAT DONATED IN 2009

At CITGO, we operate our business safely and as good stewards of the environment. We comply with environmental regulations and serve as guardians of our natural resources and environment. We recognize that safety, the health of our employees, and environmental stewardship are every employee's responsibility. We use Integrated Management Systems, continuous improvement, and environmental performance indicators to monitor, direct and improve our operations.

## CITGO Environmental Services Groups

Protection of the environment is a key value of the corporation that is maintained by a strong professional staff of environmental specialists who advise the company on related issues.

The Environmental Services groups in corporate, the refineries, lube production facilities, and terminals oversee compliance for CITGO through corporate governance, field support and consultation services. As part of this role, the Environmental Services groups perform various functions for the organization, including:

- Keeping abreast of new regulatory developments.
- Commenting on impending rules/regulations.
- Assisting facilities with new initiatives.
- Managing and implementing new greenhouse gas laws and regulations.
- Representing CITGO in industry and trade associations.

- Overseeing and implementing the New Source Review Consent Decree.
- Maintaining the company’s environmental contingent liability.
- Developing guidance documents for uniform compliance of environmental rules.
- Maintaining the compliance questionnaire for compliance with accounting due diligence required under the Sarbanes-Oxley law.
- Serving as subject matter experts for reviews and assessments and during emergency operations.
- Filing the hazardous chemical inventories and toxic release inventory for the refineries and terminals.

Through the use of indicators of performance, CITGO is on track for continuous improvement in environmental stewardship.

## Key Performance Indicators

### Balanced Scorecard Incidents

CITGO uses the Balanced Scorecard approach to measure progress against its goals each year. The indicator for environmental performance is Balanced Scorecard events measured as releases of hazardous material exceeding Reportable Quantities (RQ), exceedances of wastewater treatment plant permit parameters and oil sheens on navigable waters. CITGO has shown continuous improvement, moving to a current record low of 11 incidents in 2011.



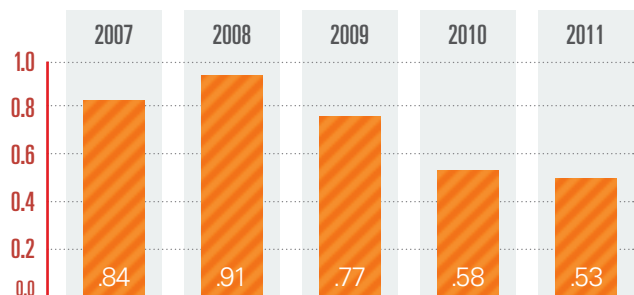
Critical to controlling these Balanced Scorecard events is operational reliability of the refineries. Upsets due to operational problems, severe weather and unplanned events can lead to releases. Whenever an event occurs, notifications to government agencies must be made. By adding a new measure to the Balanced Scorecard, the number of notifications to agencies, we can anticipate conditions that would lead to Balanced Scorecard incidents. Through increased reliability, the notifications to agencies have decreased.

### Environmental Index

Beginning in calendar year 2012, new metrics will be used to evaluate Environmental Performance (the new metrics was developed in 2011, and the graphic below represents it). An Environmental Index (EI) has been developed that is based on the number of Balanced Scorecard events, as before, but will include other parameters critical to understanding the CITGO impact on the environment.

The EI will now include, among other indicators:

- 1) Balanced Scorecard events,
- 2) Air Emissions,
- 3) Hydrocarbons Released to Surface Water,
- 4) Energy Usage, and
- 5) Agency Notifications.



$$\text{Environmental Index} = (0.3 (\text{Scorecard Incidents Index}) + 0.1 (\text{Water Usage Index}) + 0.2 (\text{Air Emission Index}) + 0.1 (\text{Energy Usage Index}) + 0.1 (\text{Uncontrolled Benzene Index}) + 0.1 (\text{CEMS Downtime Index}) + 0.1 (\text{Critical Agency Notifications Index})/10$$

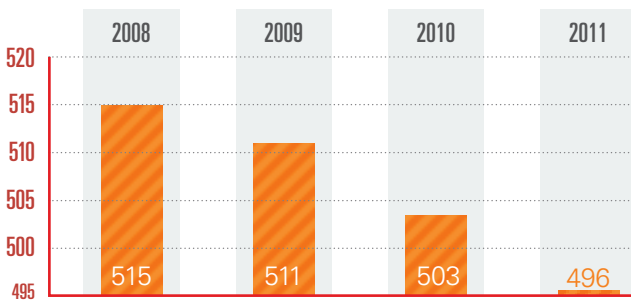
### Greenhouse Gas (GHG) Emissions

For calendar year 2011, CITGO GHG emissions were equivalent to 7.94 million metric tons of CO<sub>2</sub>. As required under the Greenhouse Gas (GHG) Mandatory Reporting Rule, CITGO began reporting its GHG emissions for calendar year 2010. CITGO refinery GHG emissions were equivalent to 7.86 million metric tons of carbon dioxide (CO<sub>2</sub>) that year.

As a supplier of fuels, CITGO reports the CO<sub>2</sub> emissions that would be generated if all the fuels were combusted (mainly in vehicles). For 2010, these emissions were equivalent to 105.4 million metric tons of CO<sub>2</sub>. For 2011, these emissions were equivalent to 116.5 million metric tons of CO<sub>2</sub>. This corresponds to the CO<sub>2</sub> generated by 18.3 million cars in one year.

### Energy Use

For the refineries, energy usage is a predictor for greenhouse gas generation. Energy Usage is being monitored using the Environmental Index. The chart shows the BTU's of energy used per barrel of oil processed at the refineries.

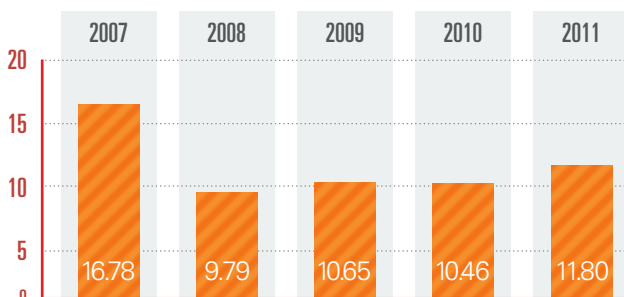


Energy Usage, M BTU/Bbl Throughput

Total BTU used in complex including purchased steam, electricity and natural gas divided by total plant feedstocks.

### Industrial Waste

Waste generation at the refineries largely depends upon the maintenance turnaround schedules and capital construction. There has been an increase in waste in the last couple of years due to turnaround schedules. To offset the increase, we have expanded our internal recycling of primary sludge and tank bottoms to the Coker units. This increase of recycled material will lead to a long-term reduction in waste generation.

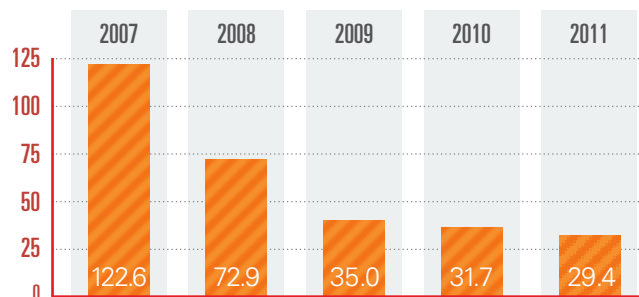


Industrial Waste, M Tons

### Other Air Emissions

CITGO monitors air emissions of critical pollutants, volatile organic compounds (VOC), nitrous oxide (NO<sub>x</sub>), and sulfur dioxide (SO<sub>2</sub>). Since 2007, emissions per million barrels of oil processed have been reduced by 76%. The chart shows a dramatic reduction of emissions.

In 2005, CITGO entered into an agreement with the Environmental Protection Agency (EPA) and state environmental agencies in Louisiana, New Jersey, Georgia, and Illinois under the EPA Refinery Initiative. CITGO signed the New Source Review Consent Decree and committed to reduce atmospheric release of SO<sub>2</sub> and NO<sub>x</sub>. The Consent Decree also committed to enhanced programs for the reduction of fugitive emissions and benzene at each of the CITGO refineries. To-date, CITGO has reduced NO<sub>x</sub> emissions by 4,283 tons each year.

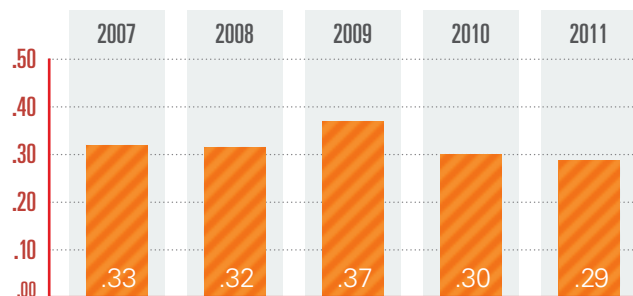


Air Emissions, Metric Tons/MM Bbl Throughput

Air Emissions consists of volatile organic compounds (VOC), nitrous oxides (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>).

### Discharges to Water

CITGO is monitoring our impact on the environment by measuring the amount of hydrocarbons that are discharged in surface water from our refinery wastewater treatment systems. All of the discharges are within the limits of our National Pollutant Discharge Elimination System (NPDES) operating permits. We are working to reduce these discharges through reduced water usage, thus reducing the treatment volume and by reducing the amount of hydrocarbons remaining in the discharged water. The chart shows a downward trend in the metric tons of hydrocarbons discharged per million barrels of oil processed.



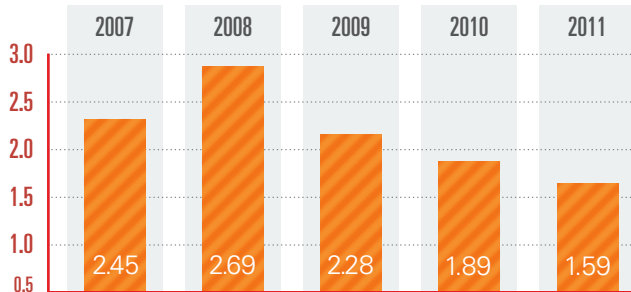
Hydrocarbon Discharges, Tonnes/MM Bbl

Hydrocarbon discharge is the oil and grease in the waste water stream to surface water parts per million (ppm) converted to mass based on water flow rate.

## Electronics and Solid Waste Recycling

### Other Emissions

The Toxic Release Inventory (TRI) annual report is required under the Emergency Planning and Community Right-to-Know Act (EPCRA). Reporting by CITGO shows a continual reduction in chemicals released as shown on the TRI chart with the 2011 release inventory 35% below the 2007 inventory.



TRI Pounds, million

We have numerous initiatives to reduce solid waste at each of our refineries and our headquarters building. Among the most successful of our solid waste efforts is electronics waste recycling. Each year, CITGO employees and volunteers collect inoperable electronics ranging from TVs, computer monitors, batteries and cell phones. These items are collected through employee and community e-recycling events to dispose electronics that would otherwise be harmful to the environment if not properly disposed.

In 2011, our combined efforts resulted in the recycling of 120,567 pounds of inoperable electronics, equivalent to more than 60 tons.

In addition to e-recycling, employees at our refineries and headquarters also actively recycle other solid waste products including paper, aluminum and plastics throughout the year.

We are proud to have a positive impact in the communities where we operate, helping conserve energy, and saving trees and water. Our recycling activities are an integral part of CITGO environmental stewardship.



## 120,567 POUNDS OF ELECTRONICS RECYCLED IN 2011

E-Recycling is one of our many environmental initiatives supporting the communities where we operate by providing an opportunity for residents and employees to safely dispose and recycle their unwanted electronics.



# ENERGY STAR Rating

## LEED Gold Certification

At CITGO, we champion environmental causes that positively impact the lives of people and our environment. In 2011, CITGO Headquarters was awarded the prestigious Leadership in Energy and Environmental Design (LEED) Gold Certification by the United States Green Building Council (USGBC) for Existing Buildings. This recognition was the result of a three-year effort that included expanded recycling efforts, sustainable purchase of computers, incorporating recycled products into remodeling projects, and using green products for cleaning, pest control and landscaping, among other ongoing initiatives.

LEED is an internationally-recognized green building certification system developed by the USGBC for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions. CITGO, working alongside with its property management firm, implemented many green actions to achieve the Gold Certification.

At our CITGO Headquarters and throughout our regions, we are committed to investing in energy-efficiency and recycling programs that improve lives.

The CITGO headquarters building proudly flies the LEED flag.



# Petty's Island Eco-Preserve

In April 2009, CITGO donated a conservation easement on Petty's Island to the state of New Jersey's Natural Lands Trust, with the title transfer to occur after remediation of the site is complete.

The 500-acre island is located in the Delaware River near Camden, New Jersey. CITGO and Cities Services have owned the island since 1919 and used it as a refinery, fuel terminal and lubricant warehouse.

There is now a growing diversity of flora and fauna on the island, with over two hundred bird, mammal and amphibian species catalogued to date. Among them are endangered and threatened species such as the Bald Eagle.

Additionally, the cultural value of Petty's Island is unmatched in its role as a microcosm of American history from its earliest beginnings. From Native American and Colonial era settlements, the Revolutionary War and the industrial revolution, Petty's Island has played a part in it all. CITGO is committed to preserve and transmit its rich cultural history to nearby communities and national historians.

Due to the cultural and environmental value of the island, numerous social activists have called for its preservation and restoration. After working for several years with non-profit groups and governmental

agencies regarding options for the island, CITGO donated Petty's Island to the New Jersey Natural Land Trust through a conservation easement, for the purpose of creating an ecological preserve and a center for historical and environmental education.

CITGO agreed to remediate the site and also provided a grant of \$3 million to restore the island and construct an interpretive center. Since its donation of the island in 2009, CITGO has completed multiple remedial projects and initiated demolition activities across the property. In 2011, CITGO invested more than \$900,000 in remediation projects on the island, including shoreline oil boom maintenance, disposal, groundwater remediation, and excavation and disposal of contaminated materials.

CITGO is committed to a cleaner and healthier environment for future generations. Restoring Petty's Island for exploration and study is a shining example of that commitment. This initiative is also aligned with our fundamental values to protect the environment and this gesture reflects the social commitment of our shareholder, Petróleos de Venezuela, S.A. (PDVSA).




The decision to preserve Petty's Island as a wildlife oasis and educational and environmental center has been welcomed by the surrounding communities as well as by environmentalists.





The pursuit of excellence among our workforce makes us a leading company with one of the top safety records in the refining industry.





## Operational Safety In the Workplace

**19% REDUCTION** IN LOST-TIME  
INCIDENTS IN 2011

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**2009-2011 CHEMICAL SAFETY**  
EXCELLENCE AWARDS FOR SAFE  
RAIL TRANSPORT OF HAZARDOUS  
MATERIALS

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**BETTER THAN  
INDUSTRY AVERAGE** ON ALL  
SAFETY INDICATORS SINCE 2006

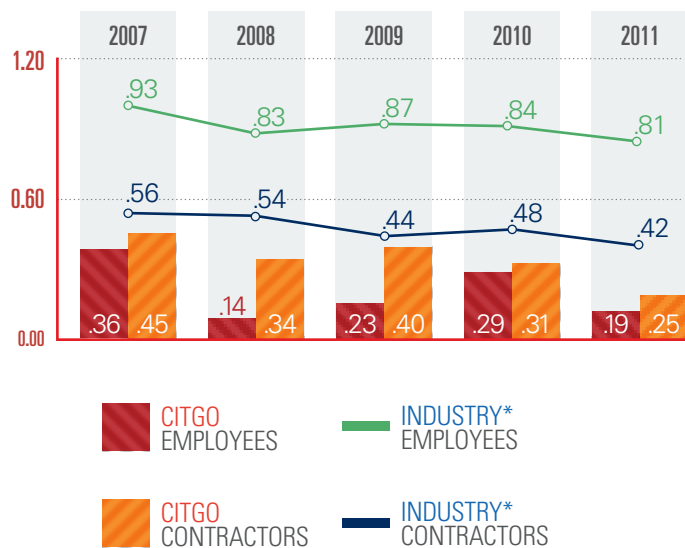
At CITGO, we hold health and safety in the workplace as a core value – one that shapes operational decision-making at every level. Our commitment is implemented through policies and procedures designed to protect the safety of the men and women who work in our facilities, and the environmental safety of the communities where we operate and transport our products. Performance monitoring, risk assessment and a focus on constant improvement have helped us achieve better-than-industry averages on all health and safety indicators each year since 2006.

## Personnel Safety

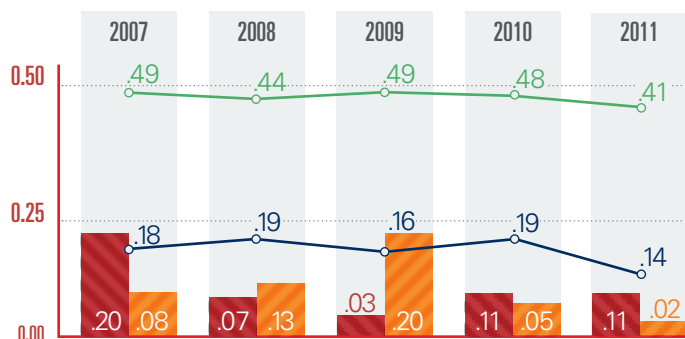
Our performance underscores the high value we place on safety. Our employees are trained to follow safety standards and procedures, and peer review and positive reinforcement are used to help ensure the safe performance of work duties. Our recordable incident rates measuring injuries and illnesses on the job have compared favorably with our peers in the petroleum refining industry for the past five years.

Contractors are required to follow our operational policies and procedures and they are held to the same high standards of health and safety. For this reason, CITGO measures performance of both employees and contractors working at CITGO sites, additionally prequalifying, tracking and auditing contractors to ensure we do business only with those who meet our exacting standards.

### Total Recordable Incident Rates



### Lost-Work Day Incident Rates



\*Source: NPRA (now AFPM)  
The figures in these tables present corporate-wide data.

## Process Safety

The effective management of process safety leads to prevention of uncontrolled releases of hydrocarbons, chemicals and other substances. Failure to contain these substances can lead to significant incidents such as fires and explosions with potentially serious impacts to people and the environment.

Continuously seeking to improve our process safety framework, CITGO utilizes plant design and engineering, equipment maintenance, operational procedures, workforce training and incident analysis to ensure the highest possible safety performance in all of our facilities.

CITGO has allocated considerable resources to risk analysis through facility siting, with emphasis on occupied buildings and trailers that may expose employees to potential hazards based on proximity. Mitigation strategies for buildings with unacceptable risk include relocation of occupants, building replacement, or structural retrofit. Design and implementation of safety instrumented systems and safe operating limits are also important to the success of the CITGO process safety program.

## Best Practice Reporting of Potentially Hazardous Events

CITGO systematically tracks process safety performance to enhance its ability to provide the safest and healthiest work environment possible. CITGO has aligned its process safety metrics to meet the recommended practice, Process Safety Performance Indicators for the Refining and Petrochemical Industries (RP 754), issued in April 2010 by the American Petroleum Institute (API). The RP 754 guidelines identify tiered process safety indicators that are essential in driving performance improvement across the industry.

### API RP 754 TIER 1 EVENTS

|                      | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------------|------|------|------|------|------|
| CITGO CORPUS CHRISTI | 5    | 3    | 2    | 3    | 0    |
| CITGO LAKE CHARLES   | 4    | 5    | 8    | 0    | 3    |
| CITGO LEMONT         | 1    | 0    | 0    | 1    | 0    |

Tier 1 indicators report losses of primary containment over a threshold quantity, or losses of primary containment which result in days away from work, injuries, fatalities, officially declared community evacuations or community shelters-in-place. Tier 1 indicators also report fire or explosion incidents resulting in monetary losses to the company of \$25,000 or more.

In 2011, the Lake Charles refinery experienced three acute releases where exceeding the threshold quantity was the consequence.

# Employee Health Services

The success of our business depends upon maintaining a healthy work environment for our employees. The CITGO Health Services department works closely with operational departments to identify health risks, and provides recommendations to management on controlling these risks.

In addition to periodic physicals, CITGO Health Services administers inoculations and advises employees on healthy travel, personal and work-related health issues and general wellness – giving them a ready resource for health-related information on-site in the workplace.

CITGO is vigilant in keeping its workplaces free of controlled substances to ensure all of our employees remain safe from drug-related accidents and injuries. The company's Drug and Alcohol Program, administered by Health Services, conducts drug/alcohol testing of employees both on-site and in coordination with other clinics throughout the country.

The Health Services department participates in advanced planning for pandemic outbreaks to minimize the potential impact to operations and employees. CITGO currently provides annual flu vaccinations to minimize the risk of illness during flu season. The department also works with Human Resources to coordinate Family Medical Leave Act (FMLA) and Americans with Disabilities Act (ADA) accommodations to uphold the best interests of all CITGO employees.

By maintaining state-of-the-art health departments at each of its major facilities, CITGO affirms that each employee is a valuable asset to the company. The Health Services team is proud to provide proactive wellness education through the Wellness Committee and through health fairs where employees learn about health care providers and resources available in the community.



## Investing in Employee Health and Fitness

A healthy workforce benefits our business and the broader community. At CITGO, we provide programs and services to help our employees live healthier lives, and we encourage employees to take proactive steps in their personal lives to safeguard their health.

CITGO reimburses employees for fitness club memberships when they work out at least three times per week, and for Weight Watchers® memberships when they lose 10 percent of their body weight each year and attend at least three meetings per month. Our proactive wellness services help employees get fit and maintain their health, which ultimately results in reduced medical costs and lifestyle-related illnesses such as diabetes and hypertension.

## Product Stewardship

Our management process includes the product stewardship principle which states that health, safety and environmental protection are integral in all phases of the product life cycle. This principle is part of our training program and is communicated to employees at every level of the organization.

During the refining or manufacturing process, product stewardship obligations include identifying and minimizing hazards, and communicating potential hazards to employees and contractors. These obligations are met by actively assessing hazards, minimizing them through best practices and communicating them through our hazard communication program.

The Material Safety Data Sheet (MSDS) is the most visible instrument CITGO uses to communicate health and safety information to its vendors and customers. MSDS preparation and development is handled by the Corporate Health, Safety and Environmental Protection Department who distributes the document to CITGO customers and upon request to product end users. MSDSs are prepared by the Corporate Health and Safety group. CITGO makes these documents available to its customers and other stakeholders through automatic distributions, responses to ad hoc requests and through its internet and intranet sites.

The final component of product stewardship at CITGO is to work within the industry to promote the laws, regulations and practices that appropriately protect employees, communities and the environment. CITGO employees with key product stewardship responsibilities work with transporters, distributors and customers to ensure the safe use of our products. Our extensive product stewardship program helps to assure our customers, vendors and the community that our petroleum-based products are handled safely from production to end use.

## CITGO Receives Top ILTA Safety Award

The CITGO Terminal Facilities and Pipeline group was recognized by the International Liquid Terminals Association (ILTA) for achieving exceptional safety performance across its facilities in 2011. ILTA recognized CITGO with its Platinum Award for Safety, the organization's highest achievement award.

This award recognizes outstanding safety and health performance as a result of promoting and practicing safety awareness and minimizing workplace incidents and injuries.

ILTA represents companies and partnerships that operate the bulk liquid terminal industry in 49 countries.

CITGO owns and/or operates 48 petroleum product terminals, which include one of the largest networks in the country. More than 10 billion gallons of fuel go through this integrated terminal network each year, and more than 85 million gallons of finished lubricants and greases are channeled through the system annually.

## Industrial Hygiene

CITGO investments and established policies reflect our commitment to high operational standards in industrial hygiene. This commitment is documented through extensive monitoring of employee exposures to potential chemical and physical hazards, and analyzed through a centralized data system dedicated to risk assessment. This centralized data tool allows a CITGO Industrial Hygienist to record exposure assessments based upon standards developed by the American Industrial Hygiene Association. Documenting results in a single corporate database enables the industrial hygiene staff to analyze and enhance the overall quality of CITGO health assessments.

The Industrial Hygiene group at CITGO performs numerous assessments each year, including measurements of chemical exposures and evaluations of ergonomic and physical stressors, including exposure to excessive noise, vibration and temperature extremes. These activities help to ensure a safe and healthy work environment for CITGO employees, contractors and visitors.

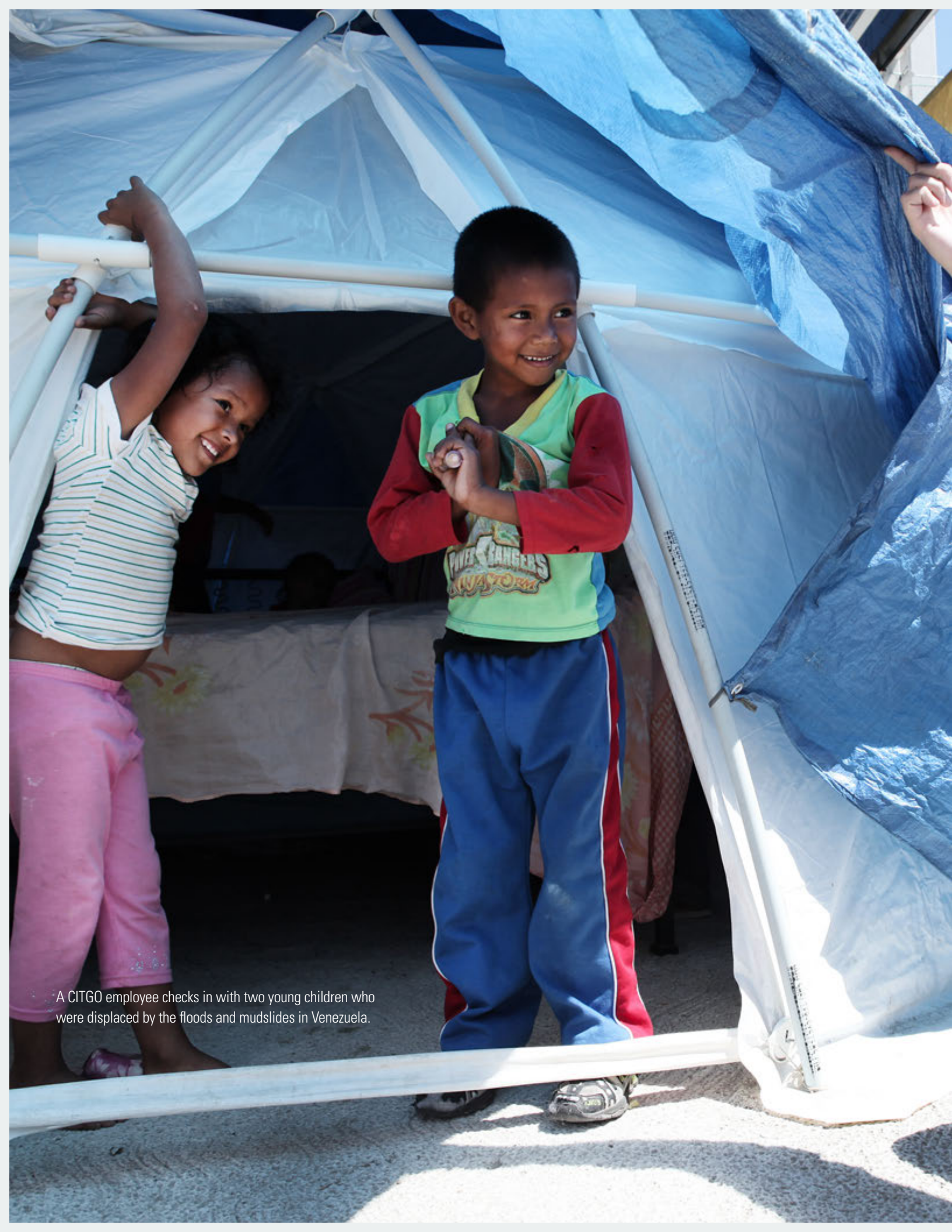


## Transportation

The safe transportation of crude oil, chemicals and petroleum products is a key aspect of our business – one that we expedite with utmost care in order to safeguard the environment. CITGO utilizes a multifaceted team of regulatory and operational professionals to ensure the movement of raw materials and finished products is performed in a manner which is safe, environmentally protective and in compliance with all regulatory requirements.

CITGO has transportation specialists throughout the organization who review current regulations governing the shipment of hazardous materials, and ensure that packaging, labeling, loading and unloading operations are carried out safely. CITGO is often recognized by transportation companies as a leader in transportation safety.

**For years 2009, 2010 and 2011, CSX Transportation honored CITGO with the national Chemical Safety Excellence Award for its commitment to the safe transportation of hazardous materials by rail through safe loading and maintenance of rail cars.**



A CITGO employee checks in with two young children who were displaced by the floods and mudslides in Venezuela.



## Health and Humanitarian Relief

**503 PATIENTS** HAVE RECEIVED MEDICAL TREATMENTS SINCE 2005

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**117 PATIENTS** WERE TREATED IN 2011 THROUGH THE SIMÓN BOLÍVAR FOUNDATION

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**17 COMMERCIAL TRUCK PALLETS** OF RELIEF AID DELIVERED TO TORNADO VICTIMS IN ALABAMA

On a global scale, CITGO works with the Simón Bolívar Foundation and partners in the field to combat critical diseases, homelessness and other problems among underprivileged populations, and our efforts are making a difference. We work with schools to reduce childhood obesity, now reaching epidemic proportions in the U.S. And, when natural disasters strike, we are poised and ready to deliver humanitarian aid. These initiatives are in direct alignment with the social development principles of our company's ultimate shareholder, Petróleos de Venezuela, S.A. (PDVSA), the national oil company of the Bolivarian Republic of Venezuela, and its commitment to inclusive social investments.

## Simón Bolívar Foundation

The Simón Bolívar Foundation is a non-profit charitable organization founded by CITGO with the support of its ultimate shareholder. Our Foundation is primarily dedicated to expanding access to health care for underprivileged individuals affected by critical illnesses and poverty.

### Hearing Aids & Prosthetic Devices

In 2011, 28 patients received hearing and prosthetic devices through the Simón Bolívar Foundation. Most of these were children receiving cochlear implants (CI) to enhance hearing and consequently their speaking abilities. This cost-prohibitive device provides a sense of sound to people who are profoundly deaf, and the Foundation arranges for qualifying, impoverished children to receive CI treatment and subsequent speech therapy.

### Bone Marrow Transplants

Through an agreement between the Simón Bolívar Foundation and the Bone Marrow Foundation located in Maracaibo, Venezuela, bone marrow transplants and related treatments were provided to 57 patients in hospitals in Italy and Venezuela in 2011.

Established in 2006, the Foundation today serves as a liaison between hospitals, patients and their families, helping provide medical care for people facing critical illnesses that would otherwise go untreated. In 2011, the Foundation was able to help 117 patients.

### Liver Transplants and Other Treatments

Through a partnership between PDVSA and the Hospital Italiano in Argentina, two infants received liver transplants in 2011. Five other patients received treatment at the Hospital Italiano for a variety of other conditions, including heart problems, and congenital malformations.

### Other Charitable Assistance

This category includes financial assistance for expenditures on medication, medical equipment and other special needs that are not covered under the other programs.



**Mauricio Montilla**

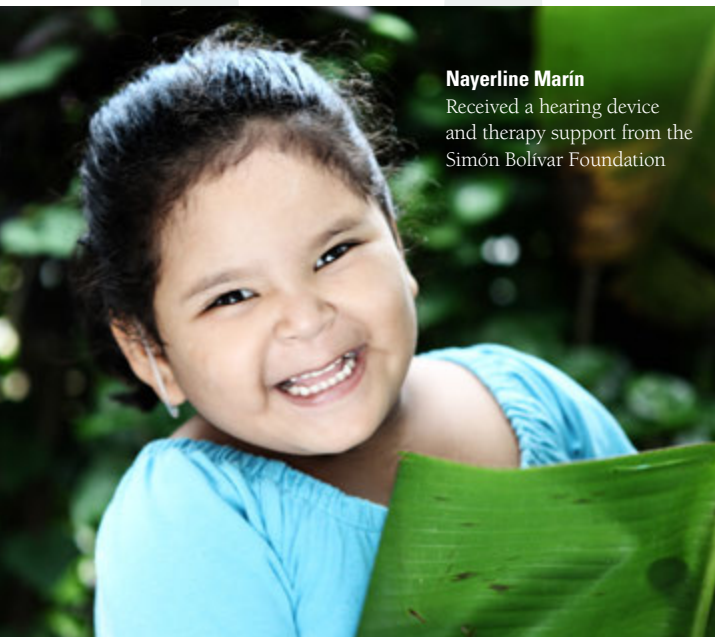
Received a cochlear implant (hearing aid implant) through the PDVSA and Simón Bolívar Foundation partnership.



## Medical Assistance and Patients Served

| Program                              | 05-07     | 2008       | 2009       | 2010      | 2011       | Totals     |
|--------------------------------------|-----------|------------|------------|-----------|------------|------------|
| CITGO*                               | 32        | 14         | 4          | 2         | 1          | 53         |
| <b>Simón Bolívar Foundation:</b>     |           |            |            |           |            |            |
| International Patients               | 0         | 22         | 7          | 5         | 7          | 41         |
| Hearing Aids & Prosthetic Devices    | 0         | 63         | 58         | 36        | 28         | 185        |
| Liver Transplants & Other Treatments | 0         | 6          | 4          | 10        | 9          | 29         |
| Bone Marrow Transplants              | 0         | 6          | 51         | 24        | 57         | 138        |
| Other Charitable Assistance          | 0         | 3          | 10         | 16        | 18         | 47         |
| <b>Total Patients Served</b>         | <b>32</b> | <b>114</b> | <b>134</b> | <b>93</b> | <b>120</b> | <b>493</b> |

\*Cases handled by CITGO before the creation of the Simón Bolívar Foundation, some of which still remain active.



**Nayerline Marín**  
Received a hearing device and therapy support from the Simón Bolívar Foundation



**Sara Aguilar**  
Cochlear hearing implant recipient



**William Torres**  
Liver transplant recipient



**Luis Pablo Rincón**  
Bone marrow transplant recipient

## Promoting Health to Reduce Child Obesity

In 2011, for a third year in a row, CITGO and the New York Road Runners (NYRR) joined forces to promote healthy nutrition and a more active lifestyle in underfunded schools in Houston.

CITGO made a \$28,000 donation to the program and NYRR continued to develop a program for schools giving teachers support to provide children the opportunity and encouragement to improve their fitness and health, striving towards individual goals and bonding with their schoolmates around healthy activities.

As a direct result of the support of the CITGO, every week 4,830 children were engaging in physical activity in the Houston area in 2011 – a 680% increase over the number of children served through funding in 2010.

CITGO social programs are irrevocable evidence that we are a very different energy company. We provide the energy that people need with a human sensitivity and with a strong commitment to preserving the environment.

These children come from 10 elementary schools from Houston and Pasadena that serve low-income families and were selected to take part in the program.

The program's exponential growth in 2011 was largely due to an informational session on Mighty Milers for physical educators from the area, which was conducted in collaboration with CITGO.



Children from low-income Houston and Pasadena schools participated in the Mighty Milers program, promoting healthy nutrition and physical activity.

## Muscular Dystrophy Association

Since 1986, CITGO has been a principal sponsor of the Muscular Dystrophy Association (MDA). As an MDA fundraising partner for 25 years, CITGO has raised \$140 million and is recognized as MDA's top corporate sponsor. Contributions by our vendors, distributors, commercial partners and employees comprise 90 percent of this funding, helping MDA provide rehabilitation services to more than one million families in the United States.



# Humanitarian Relief for Alabama Tornado Victims

True to our mission of supporting the communities we serve, in May 2011, CITGO employees as well as community members and partners joined forces behind the CITGO Alabama Tornado Relief Effort.

CITGO collected 17 commercial truck pallets containing bottled water, non-perishable food items and infant toiletries to directly benefit Alabama tornado victims. The donated items were delivered to Hackleburg Helping Hands, a neighborhood group based in Hackleburg, Ala., a town totally devastated by the only F5 tornado to hit the state. Additionally, CITGO volunteers personally ensured the delivery of such items and donated their time at a local food bank.



## Humanitarian Relief to Venezuelan Flood Victims

The intense 2010 rainy season in the Bolivarian Republic of Venezuela caused severe flooding and displaced thousands of people. Through its non-profit organization, the Simón Bolívar Foundation, CITGO delivered supplies to house more than 75,000 people in temporary camps.

CITGO sent more than 2,400 tons of contributions, mostly tents, cots, bunk beds, bed sheets, blankets and pillows, to provide relief and support crisis efforts. These efforts were coordinated with local authorities to guarantee the effective distribution of supplies to flood victims. Part of these supplies were sent in January and February of 2011.



A

B





C  
D



**Opposite Page**

**A.** The intense 2010 rainy season in the Bolivarian Republic of Venezuela caused severe flooding and displaced thousands of people.

**B.** CITGO worked to alleviate suffering of thousands of victims of severe floods caused by an intense rainy season in late 2010.

**This Page**

**C.** CITGO sent 1,200 tons of contributions including hundreds of tents, cots, bunk beds, bed sheets, blankets and pillows, to support the relief efforts and house 75,000 people.

**D.** The shipments sent by CITGO were promptly distributed to alleviate the crisis.



Our volunteer network includes employees from our refineries and headquarters as well as families, friends and retirees, who each year donate thousands of hours of their time and resources to improve the quality of life for our (their) communities.



## Community Involvement

**\$2.99 MILLION** DONATED  
IN 2011 TO COMMUNITIES  
WHERE WE OPERATE

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**11,052 HOURS** DONATED  
IN 2011 BY CITGO EMPLOYEES  
TO LOCAL NON-PROFITS

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**21% POVERTY RATE** IS THE  
NORM IN SOME COMMUNITIES  
WHERE CITGO OPERATES.

For the past 20 years, CITGO refining operations have shared common ground with the people of Corpus Christi, Texas; Lake Charles, Louisiana; and Lemont, Illinois. Although these communities now boast larger, more diverse economies of industrial, technological and maritime businesses, poverty levels remain as high as 21 percent\* in some areas. CITGO is committed to partnering with community leaders to address the vital needs of communities where we operate.

\*Source: US Department of Commerce, US Census Bureau, 2010.

## The Spirit of Volunteerism and Giving



### HOURS & LOCATION

1,895 ■ HOUSTON | *CITGO in Action*

1,866 ■ CORPUS CHRISTI | *CITGO Cares Team*

2,973 ■ LAKE CHARLES | *Team CITGO*

4,318 ■ LEMONT | *CITGO Community Action Team*

Through volunteer teams at our local refineries, CITGO employees, retirees, families and friends donate thousands of hours each year to projects designed to improve the quality of life for local residents. Up to 45 percent of the workforce in our refineries participate in community support activities.

Our employees are active in non-profits that strengthen communities where we live and work. They mentor young leaders, tutor kids in math and science, do handyman jobs at local non-profits, provide food, clothing and supplies to those in need, and give hands-on help to families who have been affected by natural disasters. They serve on Chamber of Commerce boards, cooperate with local agencies to improve emergency response infrastructure and serve on numerous committees, providing their leadership to improve community services.

CITGO employees champion local fundraising events throughout the year, including clothing and food drives, and education, health and energy conservation initiatives. At each of our refineries, employees spearhead annual events supporting local United Way agencies, and national organizations benefitting victims of muscular dystrophy, diabetes, and multiple sclerosis.



# CITGO Employees Present in the Classroom

## CITGO Corpus Christi

In July 2011, students from the Corpus Christi Independent School District's Foy H. Moody High School participated in The Big Summer Experience 2011. The camp was held at CITGO Corpus Christi with field trips to the Greenwood Wastewater Treatment Plant, U.S.S. Lexington, Malaquite National Seashore, The Katy & Rockport Bay Education Foundation and the Texas State Aquarium. Plant engineers served as both mentors and guides to the students who took a tour of the plant and visited the lab. CITGO employees from all segments of the refinery discussed career opportunities with the students and as part of the lectures, engineers discussed their roles in the refining process. The government and public affairs department discussed our vast social responsibility initiatives in the community.



At the end of the camp, each student provided the public affairs department with an overview of his/her experience. Each day, students were provided with a catered lunch. CITGO provided each student with a backpack, memory stick, pens, clipboard and composition books as well as the book *The Joy of Chemistry*.

## CITGO Corporate Headquarters in Houston

CITGO employees participated in the Regional E2 Engineering Excellence Competition in 2011 for the Houston Independent School District. They also participated as judges in the Paul Revere Middle School science fair.



As part of our community outreach efforts, in 2011 CITGO employees at different facilities participated in a variety of educational initiatives. This allowed them to interact with elementary, middle and high school children, explaining to them how the oil industry works and contributes to society, highlighting the importance of preserving our environment and much more.

## CITGO Lake Charles Manufacturing Complex

In 2011, CITGO Lake Charles hosted the 6th annual Earth Day Poster Contest at E.K. Key Elementary School where winning students were awarded gift-cards and an ice cream party for the entire school. To promote environmental awareness and to celebrate Earth Day, the CITGO Environmental Protection Department sponsors a poster contest each year for the students at E.K. Key (kindergarten through 5th grade) for students to express their knowledge and awareness of the environment through a creative art display.



## CITGO Lemont Refinery

Local Lemont residents, teachers, government officials, and corporate partners have banded together to create Project Infinite Green as a way of educating children about energy production and conservation. Project Infinite Green is an after school program that was launched in October of 2011, with the goal of introducing students to the scientific and business aspects of creating clean energy solutions for the challenges the world faces today.

As an original sponsor and supporter of Project Infinite Green, the CITGO Lemont Refinery was more than honored to teach and host students throughout the year, as well as accompany them to Washington D.C to present their sustainable energy-based business plans to the Science, Technology, Engineering, and Mathematics (STEM) Education Caucus, co-chaired by Rep. Daniel Lipinski (D-Ill.) and Rep. Roscoe Bartlett (R-Md.).



## Houston

The CITGO corporate office has been based in the Energy Corridor district of West Houston since 2004, when it relocated from Tulsa, Oklahoma.

The CITGO corporate office had 742 employees and contractors at the end of 2011. Approximately 89 percent of the CITGO workforce in Houston is hired locally, helping to bolster economic development in the communities where we have a presence.

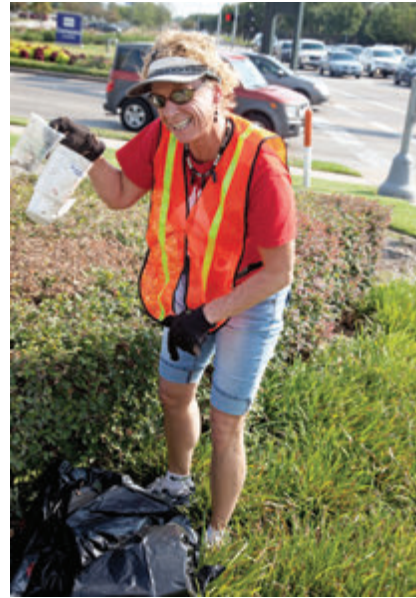
In Houston, CITGO is active within trade organizations such as the Greater Houston Partnership (GHP), which is dedicated to the promotion of business, education and culture in the City of Houston, and the West Houston Chamber of Commerce.

As a member of the Houston community, CITGO is actively involved in supporting a series of initiatives that help community development. In 2011, our employees donated 1,895 volunteer hours to organizations such as the Houston Food Bank, the Special Olympics Spring Games, the Texas Scholars Program, The Beacon Day Shelter, Trash Bash, Adopt-a-Beach, Earth Day, Muscular Dystrophy Association Week, Fun Run, and Grace Care Center.

### Houston Back-to-School Supply Drive

In 2011, our corporate headquarters hosted an "Adopt-A-Child" back-to-school drive benefiting Houston-area students and schools. Thanks to the generosity of our Houston workforce we adopted 500 students, donating more than 15,000 school supply items—including pencils, notebooks and crayons—to economically-disadvantaged HISD and Alief ISD schools. Both school districts have student populations with an economically-disadvantaged rate of 70 percent or more.

As part of the "Adopt-A-Child" program, we are also providing monetary donations on behalf of three CITGO Houston employees, who each won the opportunity to make a CITGO donation to a local school of their choosing.



CITGO volunteers took part in a cleanup effort on the street where the CITGO headquarters building is located, in the Energy Corridor of West Houston.

## Supplier Diversity

Fostering emerging small businesses and suppliers is an important goal for our company. Our Supplier Diversity initiative promotes incorporation to our supply chain of small- and medium-sized, women- and minority-owned businesses. In 2008, we started this ambitious program by hosting meetings with small suppliers at CITGO administrative and operations sites in Houston, Corpus Christi, Lakes Charles and Lemont.

Currently, CITGO has in its database a total of 553 providers certified as minority-owned businesses. Purchase agents and business units have database access to verify minority business specialties prepared to do business with CITGO.

In 2011, 22 minority- and women-owned suppliers were added to our database, increasing the total number of minority suppliers from whom CITGO has purchased to 489. In 2011, CITGO invested \$217 million in doing business with minority- and women-owned enterprises, a 2 percent increase over the previous year.



## Corpus Christi

As a leader in fuel and petrochemical production, the CITGO Corpus Christi Refinery has a crude refining capacity of approximately 157,000 barrels per day and versatile product mix which includes an average of 4.2 million gallons of gasoline. The plant supplies not only high-octane gasoline for automobiles, but also provides the basic building blocks necessary for manufacturing a wide assortment of products, from CDs and floor carpets to aircraft and window components.

**As of 2011, CITGO Corpus Christi had 1,042 employees and contractors. Close to 95 percent of our employees are hired locally.**

As a member of the Corpus Christi community, CITGO is actively engaged in supporting commerce, emergency response and education initiatives that aid economic stability and community development. Combined monetary and volunteer support by CITGO works hand-in-hand with institutions already in place serving the community. This helps to ensure the efficacy of the company's contributions.

In 2011, CITGO contributed \$218,538 to non-profit organizations in Corpus Christi with the mission of supporting education, health, arts and culture, the environment and other social welfare investments. Some of those organizations included Miracle League, Texas A&M University Mechanical Engineering School, Moody High School Innovation Academy and March of Dimes. Additionally, our employees raised \$341,578 for the United Way.

CITGO employees donated more than 1,866 hours to these and many other worthy community organizations in 2011. They give their time, expertise and leadership to local Chamber of Commerce programs, such as the highly successful Leadership Corpus Christi program, providing training for emerging and existing leaders to garner the skills, knowledge, motivation and vision needed to develop a stronger community. Established in 1972, Leadership Corpus Christi is the third oldest community leadership program in the nation.

Situated on the coast of the Gulf of Mexico, Corpus Christi has seen its share of hurricanes and natural disasters. CITGO has been instrumental in creating a reliable emergency response infrastructure through interagency cooperation and the development of the Corpus Christi Advisory Council, the Long Term Health Awareness Group and the Local Emergency Planning Committee (LEPC).

CITGO employees assist children and youth through mentoring, leadership and technical coaching in numerous education programs, including science fairs, summer programs for high school students, and the high school fire academy. The company also partners with the Caller-Times newspaper to award scholarships to high school students. In 2011, 20 students received scholarships of \$1,000 each.

### The Miracle League of Corpus Christi

In 2010, the CITGO Corpus Christi refinery signed a contract with the Miracle League of Corpus Christi to get the very first specially designed baseball field for children and adults with physical and mental disabilities in South Texas, the CITGO Miracle League Field. Since its humble beginnings the Miracle League of Corpus Christi has expanded their services to now offer a full sports season. The Miracle League offers two baseball seasons, a soccer season, and a basketball season. The CITGO Cares Team was there at the first game to work with the players and has volunteered numerous times since. In 2011, the CITGO Cares Team was on site to volunteer as "buddies" for the players on opening night. CITGO provided the fans in attendance with rally signs and pom-poms to help them cheer on their favorite players. Throughout the season, the CITGO Cares Team continues to volunteer to ensure every child is able to play and their parents are able to cheer them on. The Miracle League believes: "Every Child Deserves a Chance to Play Baseball."



Featured below is a mobile medical clinic run by Mission of Mercy. Corpus Christi refinery has partnered with Mission of Mercy to provide \$10,000 worth of diesel fuel for their mobile medical clinic. By donating this fuel, CITGO Corpus Christi refinery will be helping to offset operating costs so that Mission of Mercy can add more locations and continue to provide free services to the Corpus Christi community. In 2011, Mission of Mercy was able to serve 8,938 patients.

## Lemont

The Lemont Refinery is geographically positioned among three communities: Romeoville, Lemont and Lockport and is an important economic engine in Chicago's southwest suburban Will County. The refinery focuses its social investments in the area of commerce, emergency response, education, volunteerism and charitable donations

**As of 2011 CITGO Lemont had 575 employees and contractors.  
Close to 95 percent of employees were hired locally.**

The CITGO Lemont Refinery has a unique challenge that sets it apart from its sister refineries in Lake Charles and Corpus Christi. Unlike those refineries, whose employees live primarily in or near the city in which the refinery is located, the Lemont Refinery's employees hail from 88 different communities surrounding their workplace. This makes social responsibility a little more complicated because the refinery's outreach needs to be far more diverse and expansive in order to touch as many communities as possible.

In 2011, Lemont employees contributed approximately 4,318 volunteer hours to local causes, and thousands of dollars in donations and household goods. Monetary donations from the refinery totaled nearly \$700,000 in 2011, with \$432,000 raised for the Muscular Dystrophy Association, \$122,000 for the United Way, \$37,000 for the Multiple Sclerosis Society and \$75,000 donated to other local and national causes.

CITGO Lemont employees serve on the boards of Chambers of Commerce in Lemont, Lockport, and Romeoville and actively support Chamber events. The local emergency response infrastructure is stronger as a result of the company's cooperation with local emergency response agencies and the development of the Community Awareness and Emergency Response (CAER) Council.

Lemont Refinery's CITGO Community Action Team (CCAT) champions fundraising events throughout the year, including clothing drives for battered women's shelters, food drives for local food pantries, a beautification project for a local camp for the developmentally disabled, and environmental events in the community.

### Lemont and Cicero Shoe Drive

Our Lemont Refinery and Cicero Lubes Plant teamed up with Share Your Soles, a Chicago-based non-profit, to help collect new and gently used shoes for those in need. Thanks to the generous support of our employees, Share Your Soles delivered a total of 277 pairs of shoes to economically-disadvantaged families.



## Support for Schools

Employees at the Lemont Refinery support the educational goals of local schools by volunteering as science fair judges, guest instructors, mentors, and participants in open house events. Most recently they shared their knowledge in the science of refining and environmental stewardship with 8th grade students from all the schools in Lemont in the Project Infinite Green program. Project Infinite Green focuses on providing practical, interactive experiences guided by professionals within the industry to help students understand the ramifications of everyday actions and decisions concerning energy. Project Infinite Green was created to educate children about the energy sources we rely on in our modern world—from traditional sources of energy to newer, alternative ones that are financially feasible and reasonable to implement. Students developed a business plan for a realistic energy plan that was presented to local, state and federal elected officials and were guests of U.S. Representative Dan Lipinski in Washington D.C.



## Lake Charles

As the nation's fifth largest refining facility, the Lake Charles Manufacturing Complex is strategically located on 2,000 acres along the banks of the Calcasieu Ship Channel. CITGO Lake Charles is recognized as a leading manufacturer of high-quality transportation fuels and petrochemicals. It is also a key support partner who contributes generously through civic service, grassroots involvement and charitable donations to the local community.

Lake Charles is supported by 1,957 employees and contractors as of 2011. As in all our refineries, approximately 95 percent of the workforce is hired locally, helping to bolster economic development in the communities where we operate.

In 2011, CITGO contributed \$361,424 to non-profit organizations in Southwest Louisiana with the mission of supporting education, health, arts and culture, the environment and other social welfare investments. Some of those organizations included McNeese State University, SWLA Center for Health Services, Coastal Conservation Association and Imperial Calcasieu Museum. Additionally, our employees raised \$428,174 for the United Way of Southwest Louisiana. CITGO Lake Charles Manufacturing is proud to coordinate the largest single day fund raiser in Louisiana for the Muscular Dystrophy Association, the CITGO MDA Golf Classic, raising \$216,594 in 2011.

CITGO is a recognized leader in local United Way giving, investing more than \$10 million to non-profit organizations benefiting the Lake Charles community since 1975.

CITGO Lake Charles employees contributed a total of 2,973 volunteer hours in 2011. They provide support and leadership through Southwest Louisiana Chamber of Commerce events and leadership mentoring/training activities. Employees have also been instrumental in improving the community's emergency response infrastructure through interagency cooperation – an important protective measure against natural and industrial disasters.

Partners in Education programs at four Calcasieu Parish schools receive volunteer assistance from CITGO employees who provide mentoring, teaching and coaching. CITGO sponsors McNeese State University's Colleges of Engineering and Business, Banners Series, as well as the athletic programs, and Sowela Technical Community College's Process Technology program to encourage future generations to pursue careers in math, science and engineering.



The CITGO culture promotes strong communities, and we make considerable human and monetary contributions to ensure a better quality of life for all local residents, wherever we operate.

## Southwest Louisiana (SWLA) Center for Health Services

In 2005, after hurricanes Katrina and Rita devastated the southeast United States, towns around Louisiana were severely affected by massive flooding that displaced thousands of residents and caused the spread of insect- and water-borne diseases among low-income communities in the state, mainly in New Orleans and Lake Charles.

The CITGO Lake Charles refinery received requests for aid from local and federal institutions serving the area. CITGO responded quickly by donating \$5 million to the SWLA Center for Health Services to expand clinic capacity and health care services.

The Center's comprehensive services for all ages now include medical examinations for a broad spectrum of diseases, pediatrics, obstetrics/gynecology, general dentistry and geriatric care. It serves an estimated population of 30,000 people in the Lake Charles municipality.



Continuously seeking to improve our process safety framework, CITGO utilizes plant design and engineering, equipment maintenance, operational procedures, workforce training and incident analysis to ensure the highest possible safety performance in all of our facilities.



## Workforce Development

**93% OF EMPLOYEES** ARE HIRED LOCALLY FROM THE SURROUNDING COMMUNITIES WHERE WE OPERATE

---

**3,089 CORPORATE & TECHNICAL** TRAINING PROGRAMS WERE OFFERED IN 2011

---

**28% OF OUR EMPLOYEES** ARE MINORITIES, A 22% INCREASE SINCE 2005, DEMONSTRATING OUR COMMITMENT TO DIVERSITY

CITGO is built on the relentless pursuit of excellence. Contributing to local economies and employee development where we operate is part of our business strategy. By investing in workforce development, engagement, diversity, training, and employee satisfaction best practices, our goal is to stimulate the highest possible drive and motivation among the workers, technical experts, managers and corporate-level professionals we employ.

## Workforce Diversity and Inclusion

We need the diverse talents and potential of every individual employee to excel in the marketplace. We recognize the benefits of hiring and maintaining a workforce that reflects the local communities where we do business. Across the company, CITGO maintains a high level of local hiring, helping to bolster economic development in the communities where we operate.

### Local Staffing Levels at Main Locations

| Operation      | Employees | Hired Locally | Percentage |
|----------------|-----------|---------------|------------|
| Corpus Christi | 525       | 518           | 94%        |
| Houston        | 742       | 660           | 89%        |
| Lake Charles   | 1,957     | 1,859         | 95%        |
| Lemont         | 575       | 546           | 95%        |

“Investing in our employees is a key business strategy at CITGO, helping to ensure future growth not only for the business, but also for individuals, their families and their communities.”

—Alejandro Granado, Chairman, President and CEO

## Workforce Training and Development

CITGO has invested in Corporate Training and Development initiatives to offer targeted learning opportunities for managers, supervisors, and individual contributors. Instructor-led courses conducted in the corporate office and at all three refineries include communication and teambuilding skills, change management, conflict management, building trust, motivating others, decision making, emotional intelligence, coaching, ethics, presentation skills, personal empowerment, a managerial assessment program, supervisory skills, and principles of leadership.

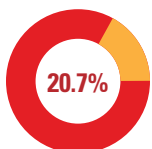
Using our Library Resources Check-Out System, books, audio CD's and videos are available for employees to check out.

In 2011, 3,089 programs were offered within CITGO. Employees took multiple courses with an average 47 participants attending each one.



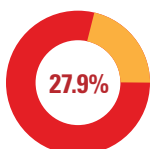
### TOTAL EMPLOYEES

**Female Employees** Compared to Total Number of Employees



725 Female Employees  
3497 Total Employees

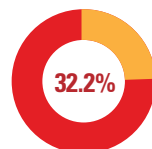
**Minority Employees** Compared to Total Number of Employees



975 Minority Employees  
3497 Total Employees

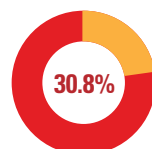
### TOTAL PROFESSIONALS

**Female Employees** Classified as Professionals



280 Female Professionals  
870 Total Professional Employees

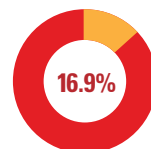
**Minority Employees** Classified as Professionals



268 Minority Professionals  
870 Total Professional Employees

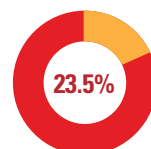
### TOTAL SUPERVISORS OR MANAGERS

**Female Employees** Classified as Supervisors or Managers



104 Female Supervisors or Managers  
613 Total Supervisors or Managers

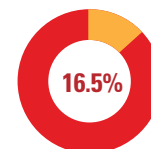
**Minority Employees** Classified as Supervisors or Managers



144 Minority Supervisors or Managers  
613 Total Supervisors or Managers

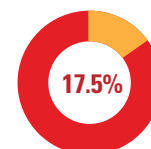
### TOTAL MIDDLE MANAGERS

**Female Employees** Classified as Middle Managers



32 Female Middle Managers  
194 Total Middle Managers

**Minority Employees** Classified as Middle Managers



34 Minority Middle Managers  
194 Total Middle Managers



# Technical Development Initiative 2011

CITGO Refinery Training and Employee Development initiatives comprise both technical and professional development courses. The Technical Development initiative for 2011 included seven refinery-hosted corporate-wide technical conferences designed to expand training opportunities for technical personnel and enhance collaboration between refinery technical teams. 2011 conferences included:

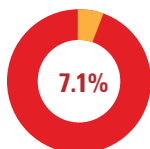
- The Economics of Petroleum Refining and Improving Petroleum Refining Margins (2 sessions)
- New Associate Process Engineer Training
- Damage Mechanisms Affecting Fixed Equipment
- Process Control Fundamentals
- Process Design Fundamentals and Technology
- Sizing, Selecting and Applying Process Control Valves

Other refinery technical course offerings included KBC Platformer Modeling, AVO Electrical Safety, SPS Project Management, OSHA 511 General Industry Standards, Safe Operating Limits (SOL) Refresher Training, Compressor Theory & Fundamentals, and ROCIP Compressor Fundamentals. Technical Lunch N' Learn programs included topics such as Safety in Design and Operations, Corrosion/Metallurgy, and Distillation. Many additional ongoing technical training classes were offered for technical certifications or re-certifications, as well as annual safety and regulatory training.

Due to the success of this Technical Development initiative, additional conferences are planned for 2012.

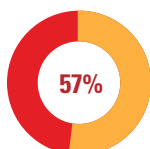
## TOTAL SENIOR MANAGERS

**Female Employees** Classified as Senior Level Managers



- 1 Female Senior Level
- 14 Total Senior Level Managers

**Minority Employees** Classified as Senior Level Managers



- 8 Minority Senior Level
- 14 Total Senior Level Managers

# Employee Engagement and Satisfaction

We recognize the value of employee engagement and satisfaction in reaching our goal of performance excellence. CITGO solicits, measures and evaluates employee engagement and satisfaction through organizational surveys, communication luncheons, focus groups and executive presentations. But it is never enough to simply capture data; actions must be taken to impact positive changes in employee engagement and satisfaction.

CITGO conducted an organizational-wide survey in 2011. Whereas in the past only salaried employees were included in the survey, in 2011 hourly employees had the opportunity to participate in the survey as well. After reviewing the data with business unit leaders from across the organization, it was determined that four key areas would be addressed: support and pride in social responsibility programs, training and development, open and honest two-way communication, and issues related to compensation and opportunities for advancement. Action plans for these areas were created and approved by the Operating Committee.

It is never enough to simply capture data. Actions must be taken to effect positive change in employee engagement and satisfaction.

Progress has already begun in meeting the goals of the action plans. Government and Public Affairs held focus groups at all the locations to gain insight as to what engages our employees with regards to social responsibility. In addition, Government and Public Affairs has collected data and communicated to employees the many diverse social programs CITGO participates in.

Opportunities for rotational assignments, compensation survey data and mentoring programs will be reviewed in 2012.

Additionally, technical training conferences have been held at the refineries to increase learning opportunities across the organization and will continue throughout 2012. Structured training programs are being developed for employees and supervisors to guide their development.

Survey results and action plans have been communicated to employees and senior management, action plans are being carried out, and business was aligned with results to strengthen organizational and refinery operations.



Dedicated to the highest level of ethical values, we monitor and expand our commitment to the highest level of business ethics transparency.



## Ethics and Transparency

**100% OF TARGET**

EMPLOYEES RECEIVED ETHICS AND ANTI-CORRUPTION TRAINING IN 2011

---

**NO SITUATIONS** OF POTENTIAL/ACTUAL CONFLICTS OF INTEREST WERE FOUND IN 2011

---

**\$0 PAID** TO INDIVIDUAL CANDIDATES OR PACs IN 2011

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Good corporate governance creates a climate conducive to long-term business sustainability and trust. In an industry where decisions have profound impact on communities and the environment, the benefits of implementing strong standards of business practices are enduring. The methods we employ to achieve business results are as important as the results themselves. We observe high standards of integrity to develop and implement projects designed to be responsive to the needs of the markets we serve, the communities where we operate, and the men and women we employ.

## Standards of Business Conduct

CITGO has had a long-standing Ethics and Conflicts of Interest Policy in place prohibiting CITGO, its employees and its agents directly or indirectly from making payments, gifts, or entertainment of any sort, other than of nominal value, to government officials or employees and their immediate families, except customary and nominal facilitating payments to minor officials. The same formal policy prohibits CITGO employees or their immediate families from receiving or giving payments, gifts, or entertainment of any sort, other than of nominal value, to or from vendors and customers.

## Corruption Reporting and Anti-Corruption Training

Employees and third parties have several mechanisms through which to report suspected incidents of corruption. They may anonymously call or email the corruption reporting hotline on our internal and external websites. Employees may also email the Legal Department, contact a CITGO attorney, get in touch with our Chief Compliance Officer or our Internal Audit Department.

CITGO corruption reporting hotlines are administered by a third party and all complaints are investigated. Periodically, CITGO conducts mandatory online training for employees concerning the Foreign Corrupt Practices Act (FCPA), which is a U.S. Federal Law with provisions addressing accounting transparency requirements under the Securities Exchange Act of 1934 and the bribery of foreign officials.

In addition, the CITGO Legal Department provides information and online training on the CITGO Ethics and Conflicts of Interest Policy. All officers and most management employees – comprising 100% of our target audience – are required to complete the Ethics and Conflicts of Interest questionnaire annually.



CITGO

## Ethics Oversight

Dedicated to maintaining the highest ethical values, CITGO employs a Chief Compliance Officer with ultimate responsibility to monitor and expand its firm commitment to business ethics and transparency.

The Chief Compliance Officer leads the Corporate Compliance Committee, a group of six CITGO officers and employees. The Committee is tasked with reviewing and evaluating compliance and ethics and corporate governance issues across all of the CITGO refining, distribution and marketing business elements. This group is a vital element of the organization, and it is fully supported by the CITGO shareholder, PDVSA.

The Chief Compliance Officer's role strengthens the company's business units, departments, management and employees by ensuring compliance with the rules and regulations of federal and state agencies, including the Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA) and the Department of Labor, which oversee the array of CITGO business programs.

Although CITGO does not conduct operations outside the United States, we steadfastly uphold our commitment to compliance with FCPA policies, and federal, state and local laws, even if it requires extensive analysis of business relationships to ensure transparency. Our standard language for all contracts includes a requirement to comply with all laws and keep accurate book records, and where appropriate, contains specific anti-bribery commitments.

### **Risk Clarity Survey**

In November 2011 CITGO administered a Risk Clarity Survey developed by the Compliance and Ethics Leadership Council. This survey has been administered in over 140 corporations worldwide to over 172,000 employees. The survey includes 18 standard questions about attitudes and practices pertaining to general compliance issues and 12 CITGO-specific questions. More than 75% of the CITGO salaried employees completed the survey. The results by CITGO business units or departments are compared to averages of responses by both CITGO and the other 140 plus companies: and those comparisons are now being analyzed to ascertain any areas where CITGO should bolster its compliance training, auditing, or other efforts. The results of the Risk Clarity Survey and any recommendations will be presented to the CITGO Corporate Compliance Committee.

## Political Advocacy

CITGO policy allows for political contributions at the state level, where permitted by law, although it hasn't been in practice in recent years. CITGO Petroleum Corporation employs in-house governmental affairs professionals and external lobbyists, and participates in public policy conferences to convey the company's interests, image and brand.

CITGO is a member of several trade and commerce organizations where its policies and positions on specific legislative issues can be considered. Legislatively, CITGO is a member of the Texas Oil and Gas Association (TXOGA), the Louisiana Association of Business and Industry (LABI), the Louisiana Mid-Continent Oil and Gas Association (LMOGA), and the American Fuels and Petrochemical Manufacturers (AFPM). Within these organizations, CITGO dedicates several of its employees to participate on various committees representing the company's positions.

From a public policy perspective, CITGO is active within trade organizations such as the Greater Houston Partnership (GHP) and the Texas Taxpayers and Research Association. Within these organizations, CITGO is able to participate in policy debates which the company deems important.

CITGO employs a lobbying firm in Washington D.C. to represent its interests on federal legislation issues. CITGO also maintains lobbying firms that represent its interests on state legislation and rule making in Texas, Illinois and Louisiana where it has core assets.

## About This Report

CITGO Petroleum Corporation's 2011 Corporate Social Responsibility Report is a publication prepared by the management of CITGO, who were also responsible for the collection of the information presented. The information contained in this report relates to our Corporate Social Responsibility programs and Safety and Environmental Performance during 2011.

## Index of Issues and Indicators

This following index outlines key reporting guidance indicators that are in accordance with the sustainability reporting guidelines as published by the Global Reporting Initiative (GRI) and the American Petroleum Institute and International Petroleum Industry Environmental Conservation Association (API/IIPECA).

### INDICATORS

#### Environmental Indicators

|     |                                     |
|-----|-------------------------------------|
| E1  | Greenhouse gas (GHG) emissions      |
| E2  | Energy use                          |
| E3  | Alternative energy sources          |
| E4  | Flared gas                          |
| E5  | Biodiversity and ecosystem services |
| E6  | Fresh water                         |
| E7  | Other air emissions                 |
| E8  | Spills to the environment           |
| E9  | Discharges to water                 |
| E10 | Waste                               |

#### Health and Safety Indicators

|     |   |
|-----|---|
| HS1 | Workforce participation                   |
| HS2 | Workforce health                          |
| HS3 | Occupational injury and illness incidents |
| HS4 | Product stewardship                       |
| HS5 | Process safety                            |

#### Social and Economic Indicators

|      |   |
|------|---|
| SE1  | Local community impact and engagement             |
| SE2  | Indigenous peoples                                |
| SE3  | Involuntary resettlement                          |
| SE4  | Social investment                                 |
| SE5  | Local content practices                           |
| SE6  | Local hiring practices                            |
| SE7  | Local procurement and supplier development        |
| SE8  | Human rights due diligence                        |
| SE9  | Human rights and suppliers                        |
| SE10 | Security and human rights                         |
| SE11 | Preventing corruption                             |
| SE12 | Preventing corruption involving business partners |
| SE13 | Transparency of payments to host governments      |
| SE14 | Public advocacy and lobbying                      |
| SE15 | Workforce diversity and inclusion                 |
| SE16 | Workforce engagement                              |
| SE17 | Workforce training and development                |
| SE18 | Non-retaliation and grievance system              |

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|  | Summary of Beneficiaries .....                          | SE1, SE2, SE4               | 12   |
|  | CITGO-Venezuela Energy Efficient Lighting Program ..... | E3                          | 14   |
| <b>EDUCATION AND SOCIAL INVESTMENT</b>                       | South Bronx Programs .....                              | SE4, SE5                    | 18   |
|  | South Bronx Program Highlights .....                    | SE4                         | 20   |
|  | Other Educational and Social Programs .....             | SE4                         | 22   |
| <b>ENVIRONMENTAL PERFORMANCE; PROTECTION AND RESTORATION</b> | CITGO Environmental Services Group .....                | E4, E7, E1, E2              | 26   |
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\* GRI (Global Reporting Initiative)

API (American Petroleum Institute)

IPECA (International Petroleum Industry Environmental Conservation Association)

## Cautionary Statement

This Corporate Social Responsibility Report by CITGO Petroleum Corporation contains forward-looking statements relating to the manner in which CITGO intends to conduct certain parts of its activities, based on management's current plans and expectations. These statements are not promises or guarantees of future conduct or policy and are subject to a variety of uncertainties and other factors, many of which are beyond our control.

Therefore, the actual conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed to forecast in this report, may differ materially in the future. The statements of intention in this report speak only as of the date of this report. CITGO undertakes no obligation to publicly update any statements in this report.

As used in this report, the term "CITGO" and such terms as "the company," "the corporation," "their," "our," "its," "we," and "us," may refer to one or more of the consolidated subsidiaries or affiliates of CITGO or to all of them taken as a whole. All these terms are used for convenience only and are not intended as a precise description of any of the separate entities, each of which manages its own affairs.

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## Glossary

**Barrel of oil equivalent (BOE):** For liquids, one BOE equals one barrel of oil or condensate. For gases, one BOE equals approximately 5,800 standard cubic feet (Scf) of gas.

**Benchmarking:** The process of assessing relative performance against a group of peers.

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**Carbon dioxide (CO2):** A naturally occurring greenhouse gas that is also emitted during combustion when burning fossil fuels and biomass [E1].

**CO2 equivalent:** The mass of CO2 multiplied by its Global warming potential (GWP) [E1].

**Communities:** A group of people who share a common sense of identity and interact with one another on a sustained basis [SE1].

**Containment:** See Primary containment and Secondary containment.

**Continuous improvement:** A cyclic process applied by management for planning, implementing, measuring and reviewing the company's activities in order to achieve better performance.

**Contractor:** In the context of the Workforce, a contractor refers to a person not employed directly by the reporting company who performs services under contract for the company, especially at one of its worksites.

**Corruption:** Any dishonest or illegal practice that results in loss of business integrity [SE11].

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**Ecosystem:** A dynamic complex of communities of living organisms and their non-living environment interacting as a functional unit [E5].

**Emissions:** The release of gases, vapors, fumes, mist, and particulate matter into the atmosphere [E1, E4, E7].

**Employee:** A person legally employed directly by a company to undertake work associated with its Business activities.

**Energy efficiency:** The ratio of measured output to energy input which describes efforts to use energy in a responsible manner such that maximum benefit is achieved for the resource consumed [E2].

**Energy use:** The total Primary energy used by a facility calculated as the sum of Direct energy and Imported energy less any Exported energy [E2].

**Environment:** An external setting comprised of its physical, chemical, biological and social components. In this report, the term 'environment' refers especially to the natural environment, which broadly includes all non-anthropogenic living and non-living entities, whether solid, liquid or gas, occurring naturally on earth.

**Environmental impact:** The outcome of actions or events on the natural environment; while impacts may be beneficial, in this report, the term refers to adverse, undesirable outcomes.

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**Fatality:** An occurrence of death resulting from an Incident [HS3].

**Fatal accident rate:** The aggregate number of Employee or Contractor fatalities that have occurred within the company's Workforce during a stated period of time, reported as a rate (frequency) per 100 million hours worked during the same time period [HS3].

**Fresh water:** Naturally occurring above-ground and underground non-brackish water. Typically used as drinking water, potable water or in agriculture [E6].

**Fugitive emissions:** The mass of uncontrolled releases of gas from pressurized process equipment, such as valves, flanges, pump and compressor seals, and open-ended lines, as well as tanks where hydrocarbons are exposed to the atmosphere [E1].

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**Greenhouse gases (GHGs):** Gases in the atmosphere that absorb and emit radiation within the thermal infrared range and may consequently contribute to Global warming. For the purpose of this report, GHGs are the six gases (or families of gases) listed in the Kyoto Protocol [E1].

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**Health impact assessment (HIA):** A process to assess potential effects of a project on the health of a population [HS2].

**Health risk assessment (HRA):** A process that aims to identify health hazards, evaluate risks to health, and determine appropriate control and recovery measures [HS2].

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**Incident:** An unplanned or uncontrolled Event or chain of Events that has resulted in Recordable injury, illness, or physical or environmental damage. [HS3].

**Indicator:** Information or data which provides evidence of a company's performance in addressing sustainability issues which are material for reporting.

**Indigenous communities, peoples and nations:** Social groups, with unique characteristics and identities, that historically existed before the development of the dominant societal group in a country or territory [SE2].

**Issues:** Identified sustainability aspects, benefits or impacts of a company's activities.

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**Local:** The use of this term may differ in a report depending on the issue being described or indicator used, and additional context is usually required for clarity. 'Local' can be used to narrowly reference neighboring communities or the natural environment adjacent to company activities, or to provide wider reference to national or regional geographies.

**Loss of primary containment (LOPC):** An unplanned or uncontrolled release of any material from Primary containment, including non-toxic and non-flammable materials (e.g. steam, hot condensate, nitrogen, compressed CO2 or compressed air).

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**Marketing:** The facilities and process steps to supply products from refining to customers, including distribution terminals, transportation and retail.

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**Nitrogen oxides (NOx):** A general term for nitrogen oxide gases. These are produced by combustion and contribute to the formation of smog and acid rain [E7].

**Non-governmental organization (NGO):** A non profit group organized outside of institutionalized political structures to realize particular social objectives or serve particular constituencies.

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**Operation:** A generic term used to denote any kind of business activity.

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**Petrochemicals:** Chemical products derived from oil and gas.

**Pipelines:** Construction and use of facilities to transport under pressure liquid or gaseous hydrocarbons over long distances in above-ground, below-ground or underwater pipes.

**Primary containment:** The vessel, pipe, barrel, equipment or other barrier that is designed to keep a material within it [E8, HS5].

**Process safety:** A systematic approach to ensuring the safe containment of hazardous materials or energy by applying good design, construction and operating principles [HS5]. In this report, this term is used synonymously with Asset integrity.

**Process safety event:** A Recordable Loss of primary containment.

**Product:** Any material of commercial value which is extracted, processed, refined, manufactured or transported by an oil and gas company.

**Product stewardship:** The process of addressing and communicating health, safety and environmental risks associated with oil and gas products [HS4].

**Production:** the activities of a company to extract naturally occurring fossil fuel resources.

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**Recordable:** A type of Event, Incident, injury, illness, release or other outcome which has been determined to meet or exceed definitions, criteria or thresholds for inclusion and classification in reported data.

**Refining:** Operating plant and processes to convert extracted hydrocarbons (crude oil, condensates and natural gas) into fuel, lubricants and other products for marketing to customers.

**Reporting:** Disclosing relevant information and data to internal and external stakeholders such as management, Employees, governments, regulators, shareholders, the general public, local communities or specific interest groups.

**Reused, recycled or recovered waste:** Waste from an industrial or commercial process that is not disposed of, but beneficially used again in the same or another process [E10].

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**Material Safety Data Sheet (MSDS):** Information provided on hazards, risks, handling, storage and emergency measures for users of a chemical product [HS4].

**Secondary containment:** An impermeable physical barrier specifically designed to prevent leakage of materials into the environment that have breached primary containment [E8].

**Stakeholder:** People that affect, or are affected by, company activities or operations (e.g. customers, shareholders, management, Employees, Suppliers, local communities, advocacy groups and government).

**Sulphur dioxide (SO2):** An emission that results primarily from the combustion of sulfur in hydrocarbons and contributes to acid rain and other air quality problems [E7].

**Supplier:** A third-party organization paid by the company under contract to provide goods and/or services.

**Supply chain:** Entire network of entities, directly or indirectly interlinked and/or interdependent in serving the same consumer or customer with goods and/or services.

**Sustainability reporting:** Defined, for this report, as reporting on the range of environmental, health and safety, social, and economic issues and impacts that relate to oil and gas company activities. Companies may use a variety of other terms for this type of reporting, such as non-financial reporting, corporate responsibility, corporate citizenship, or environmental, social and governance.

**Total recordable injury rate:** The aggregate number of Employee or Contractor Occupational injuries that are recordable and have occurred within the company's workforce during a stated period of time, reported as a rate or frequency per million hours worked during the same time period [HS3].

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**Waste:** Material (solid or liquid) intended to be disposed of, reused, recycled or recovered either on site or off site, that is the result of company operations [E10].

**Waste disposal:** Final placement or destruction, on site or off site, of Waste under proper process and authority with no intention to retrieve [E10].

**Workforce:** All people undertaking work activities managed by a company, which can include Employees, Contractors and others as specified in the company's report.





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