



Corporate Social Responsibility 2012



CITGO employees work every day to “fuel good” and fulfill our vision to be a benchmark corporation based on sound success in the energy industry and our corporate social responsibility programs. Through this report, we aim to demonstrate how and why we provide the energy that fuels and improves our quality of life.

Why **We Care:** Safety

The safety and health of our employees is a responsibility we all share. In 2012, our combined employee and contractor total recordable incident rate (TRIR) was the lowest in CITGO history. When compared against industry benchmarks, CITGO ranks among the best performers, and we intend to keep safety our greatest priority.

Why **We Improve:** Environmental Performance, Protection and Restoration

We operate our business as good stewards of the environment. We comply with environmental regulations and serve as guardians of our natural resources. Beginning in 2012, CITGO launched new metrics to evaluate environmental performance in an effort to further measure and monitor our continuous improvement.

Why **We Work:** Workforce

Our employees’ knowledge, skills, talent and commitment serve as the foundation for our competitive edge. In 2012, we invested nearly \$1 million in over 3,000 employee development programs to provide the tools and resources the people of CITGO need to grow professionally and personally.

Why **We Give:** Social Responsibility Programs and Initiatives

At CITGO, we believe in putting people first. For more than a century, we have cultivated a strong commitment to humanitarian values by making social investment an integral part of our business strategy. We understand that the opportunity to operate in the communities we serve is a privilege, not a right. We promote and participate in a wide variety of social development programs to improve the quality of life, especially for those most in need. We also promote the spirit of volunteerism and encourage employees to take active roles in our communities.

Why **We Strive:** Governance

We are honest and open with each other, our customers and our stakeholders. We recognize that integrity in all that we do is essential to our long-term success.

At CITGO, we know why we work hard to be a socially responsible company and we are proud to share our story with you.

TABLE OF CONTENTS

3	About this Report
4	Company Profile
6	Safety
18	Environmental Performance, Protection and Restoration
28	Workforce Development
38	Social Responsibility Programs and Initiatives
56	Governance
61	GRI/IPIECA Index

ABOUT THIS REPORT

The 2012 CITGO Corporate Social Responsibility (CSR) Report is our second annual report developed in an effort to provide details about our corporate social responsibility and safety and environmental performance. This report highlights the work CITGO completed in 2012 to advance our corporate social responsibility efforts. In an effort to provide our stakeholders with the most relevant information, this report focuses on the issues that are the most relevant to our business and stakeholders, as determined by our materiality analysis. The topics considered during this analysis were identified by CITGO subject matter experts on the basis of topics most frequently raised by external stakeholders. In addition to internal expertise, topics were also identified using the aspects of the Global Reporting Initiative (GRI) Guidelines and the International Petroleum Industry Environmental Conservation Association Sustainability Reporting Guidance. All topics were then prioritized based on their level of importance to the business and to stakeholders.

The 2012 CITGO CSR Report was prepared by the management of CITGO, which is also responsible for the collection and verification of the information presented. Financial, safety, human resources and philanthropic content address the processes and performance of the wholly owned CITGO operations, unless otherwise stated. Environmental data is presented for the three CITGO-owned refineries. This report does not include data or performance related to the independently owned and operated retail stations flying the CITGO flag.

Please contact us at CITGOCSRReport@CITGO.com with questions or comments.

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.

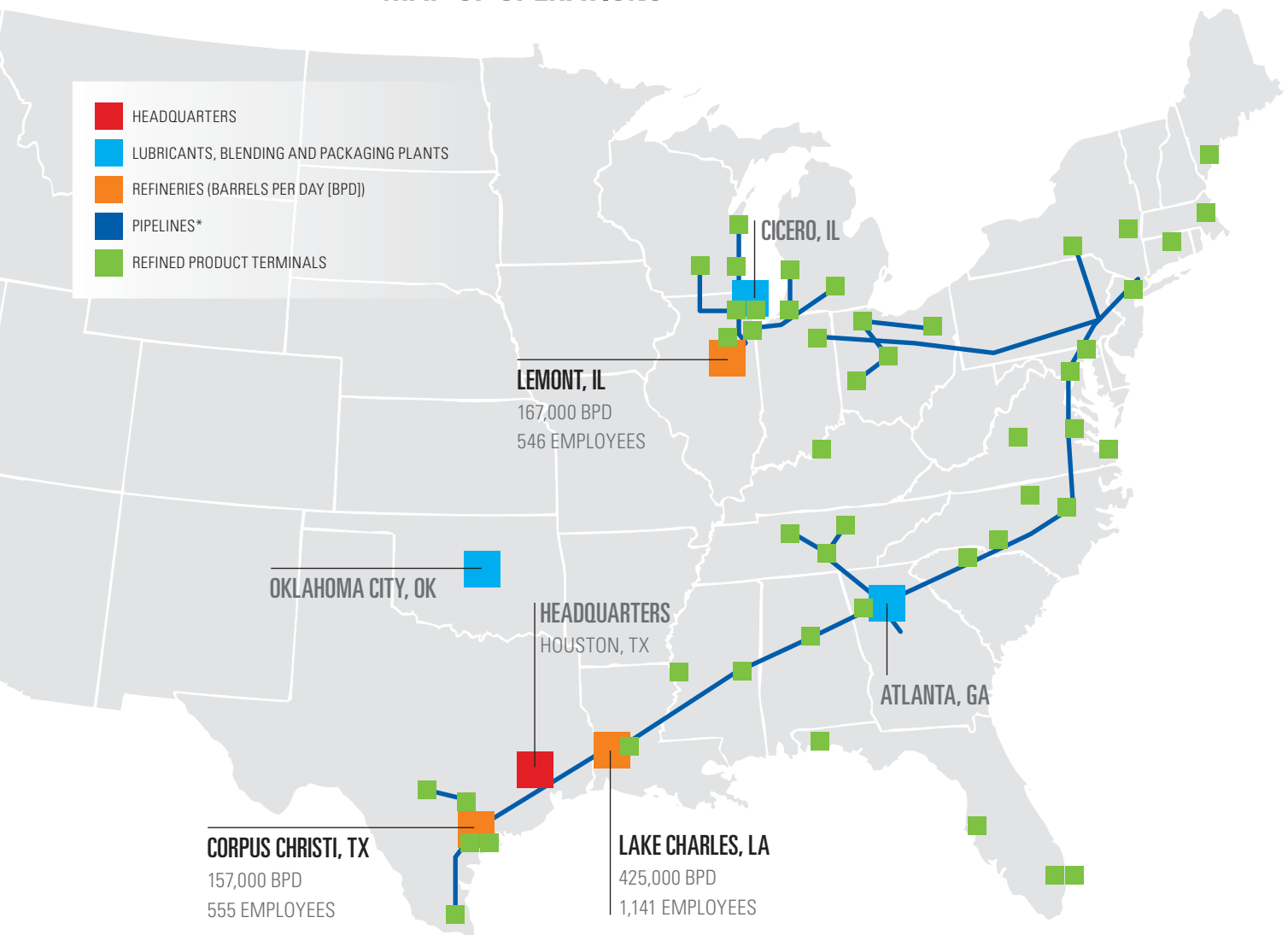
As used in this report, the term "CITGO" and such terms as "the company," "the corporation," "their," "our," "its," "we," and "us," may refer to one or more of the consolidated subsidiaries or affiliates of CITGO or to all of them taken as a whole. All these terms are used for convenience only and are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

Company Profile

BACKGROUND AND STRUCTURE

Headquartered in Houston, Texas, CITGO Petroleum Corporation is a refiner, marketer and transporter of gasoline, diesel fuel, jet fuel, lubricants, petrochemicals and other petroleum-based industrial products. CITGO 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. PDVSA is a vertically integrated, global company with subsidiaries in North America, South America, Europe and the Caribbean. PDVSA controls a base of over 300 billion barrels of conventional and Orinoco heavy crude oil reserves that are connected, via ships, to the downstream portion of the system here in the United States, where CITGO plays a key role.

MAP OF OPERATIONS



*Operations shown on this map are intended to depict the full reach of CITGO operations. All operations shown on this map may not be included in all data points presented in this report, as noted on page 3. Pipelines on this map may be fully- or partially-owned by CITGO or may be owned by third parties and used to ship CITGO products.



CITGO IS FUELING GOOD IN LOCAL ECONOMIES

3,480 EMPLOYEES

\$28.3 MILLION IN COMMUNITY INVESTMENTS

\$22.6 MILLION IN SAFETY AND ENVIRONMENTAL INVESTMENT*

10,488 HOURS VOLUNTEERED

\$144 MILLION SPENT WITH MINORITY- AND WOMEN-OWNED ENTERPRISES

*\$850,021 in contributions to environmental protection, conservation and restoration and \$21,742,000 in capital projects

OPERATIONAL HIGHLIGHTS

CITGO owns and operates three crude oil refineries located in Lake Charles, Louisiana; Lemont, Illinois and Corpus Christi, Texas. Our refineries process approximately 285,000 barrels per day (BPD) of Venezuelan crudes, including supplies from Orinoco oil belt up-graders. Our combined aggregate crude oil refining capacity of 749,000 BPD and our 48 owned or operated petroleum product terminals position us as one of the largest refiners in the United States.

In 2012, CITGO sold a total of 14.7 billion gallons of refined products. The company markets motor fuels to independent marketers who consistently rate CITGO as one of the best-branded supplier companies in the industry. CITGO marketers sell motor fuels and other products through nearly 6,000 branded retail outlets.

CITGO also markets jet fuel directly to airlines and produces more than 600 types of lubricants including agricultural, automotive and industrial, which are sold to independent distributors, mass marketers and industrial customers, as well as other clients. In addition, the company sells other petrochemicals and industrial products directly to various manufacturers and industrial companies throughout the United States.

Why We Care



Safety

AT CITGO, WE ARE DEEPLY COMMITTED TO HEALTH AND SAFETY. WE ADHERE TO BEST-PRACTICE STANDARDS, PROVIDE CONSISTENT EMPLOYEE TRAINING, MONITOR PERFORMANCE METRICS AND CONDUCT REGULAR AUDITS TO PROTECT THE MEN AND WOMEN WHO WORK IN OUR FACILITIES AND THE INDIVIDUALS WHO LIVE IN THE COMMUNITIES NEAR OUR OPERATIONS.

LOWER TOTAL RECORDABLE INCIDENT RATE (TRIR)

THAN INDUSTRY AVERAGE FOR THE PAST 10 YEARS

4-YEAR WINNER

OF CSX CHEMICAL SAFETY EXCELLENCE AND AMERICAN PETROLEUM INSTITUTE (API) PIPELINE OCCUPATIONAL SAFETY AWARDS

Our Safety Approach



The CITGO Health, Safety, Security and Environmental (HSSE) Management Policy outlines our dedication to the following:

- **Protecting our employees, customers, service providers, contractors, the public, the environment and our facilities.**
- **Complying with all laws, regulations, permits and judicial and administrative orders and decrees governing HSSE that pertain to our facilities, operations and products.**
- **Affirming the core values of health, safety, security and environmental stewardship, as expressed in our “Statement of Values.”**
- **Guiding decision-making and behaviors and fostering open communication on our HSSE performance.**

ORGANIZATIONAL RESPONSIBILITY

Ensuring the safety of our people and operations requires a team effort from employees at every level of the organization. In general, the objective of HSSE management is to prevent and mitigate adverse consequences associated with our operations and products. Each CITGO refinery, lubricant-blending facility, terminal or pipeline has health and safety staff working to support our mission and deliver the Integrated Management System (IMS) framework. In addition to the business unit staff, our health and safety efforts are supported by corporate management and staff who work closely with operations and others in our industry to monitor and improve safety and health performance.

We take a rigorous approach to training our employees to follow safety standards and procedures. Our accountability processes include specific goals for safety performance. Peer review and positive reinforcement are also used to help ensure the safe performance of work duties. Additionally, CITGO has established joint health and safety committees at major manufacturing facilities. These committees include representation for hourly and salaried employees.

INTEGRATED MANAGEMENT SYSTEM

To manage our safety processes, we developed our IMS more than seven years ago. In 2013, we will begin implementation of the most current version of the IMS. This version not only furthers our commitment to the health and safety of our employees and the environment, it also establishes a systematic approach to planning and executing our work, measuring our results and improving our processes. We expect all sites to have fully implemented this version in the next three to five years. Once put into practice, the IMS framework will foster continuous improvement in the areas of health, safety, security, environmental, mechanical integrity, maintenance, operational and financial performance.

IMS FRAMEWORK



The CITGO IMS provides a framework for conducting work more efficiently and effectively. The framework consists of a four-step work model—Plan, Implement, Measure/Assess and Improve—and 12 elements, each with defined expectations. The 12 IMS elements represent the most critical types of management processes within the organization and align the CITGO Vision, Mission and Values to the business unit/department-specific procedures. The elements are supported by Key Work Processes that clearly identify responsibilities and outline what must be accomplished.

We currently monitor the compliance of our facilities to our safety standards through a series of audits performed by our health and safety staff. These audits include not only safety compliance but also management systems reviews at the facility to determine how effectively they are implementing the IMS. Any deficiencies identified through these audits are tracked to closure. The response status is reported at the facility and business unit levels, and ultimately reaches the CEO and Audit Committee.



PERSONNEL SAFETY

Our personnel safety performance underscores the high value we place on safety. In 2012, our combined employee and contractor total recordable incident rate (TRIR) was the lowest in CITGO history (see performance chart below). When compared against benchmarks calculated by the American Fuel and Petrochemical Manufacturers association (AFPM), CITGO ranks among the best performers. We attribute these results to our comprehensive safety programs, which include program management, hazard identification, evaluation, prevention and control, training and communication, and regulatory compliance.

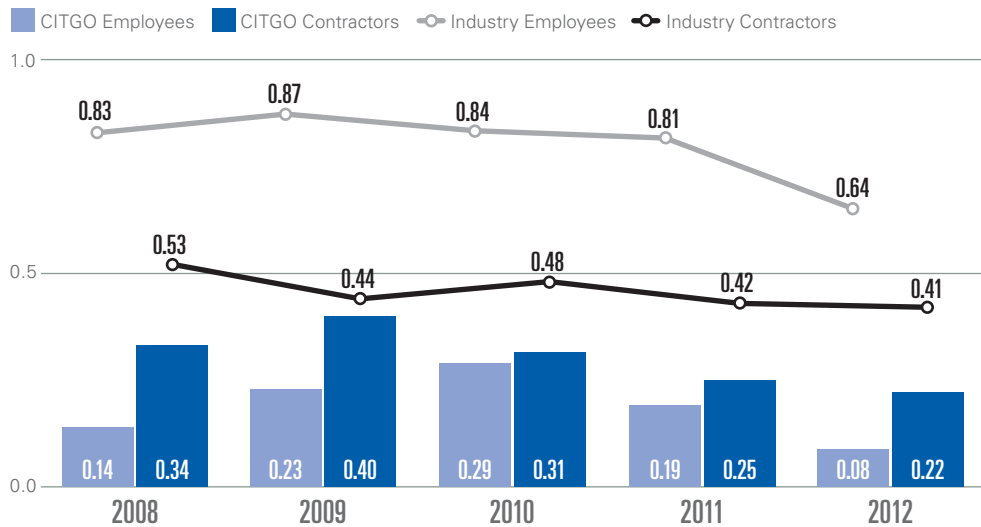
CONTRACTOR SAFETY

Contractors are required to follow our operational policies and procedures and are held to the same high health and safety standards as our employees. In addition to strict adherence to health and safety policies and procedures, CITGO insists on the use of good judgment in all work activities. To that end, contract employees may stop work on any job at any time in the interest of safety considerations.

To ensure we only do business with contractors who share our dedication to safety and meet our standards, we prequalify, track and audit contractors based on their safety performance. We regularly evaluate contractor safety programs and assess contractors on a continuous basis. As a result of these efforts, in 2012, 60.2 percent of CITGO contractors had an Occupational Safety and Health Administration (OSHA) TRIR of less than 0.5. This is one performance metric that demonstrates that our selected contractors consider safety a core value. We work continuously with our contractors to improve on this success.

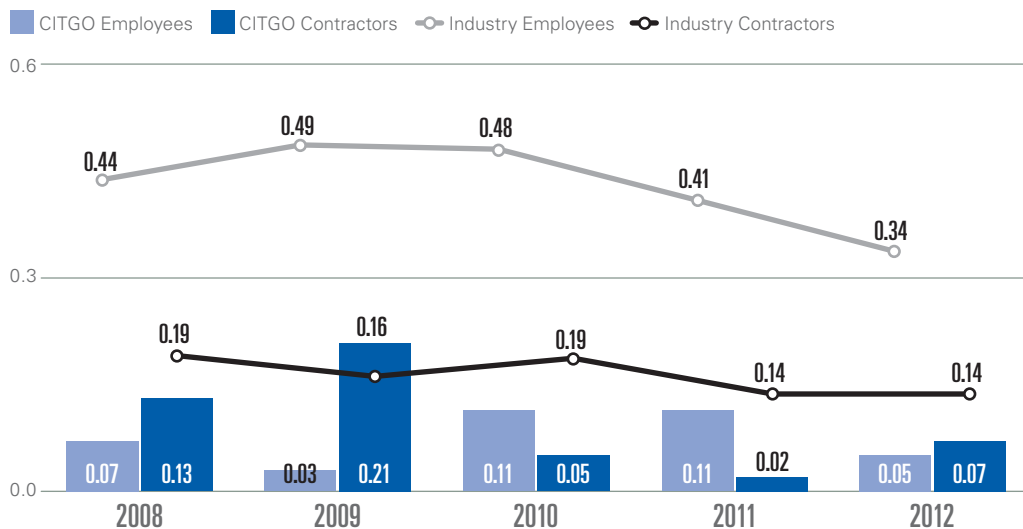
Total Recordable Incident Rate*

*Industry benchmark data is from the American Fuel and Petrochemical Manufacturers association. Safety performance represents corporate-wide data. Rates are per 200,000 work hours.



Total Lost Workday Case Rate*

*Rates are per 200,000 work hours.



PERFORMANCE ACHIEVEMENTS & AWARDS

CITGO Lake Charles makes safety a priority, day after day. By the end of 2012, Lake Charles was approaching one full year without an OSHA recordable incident for CITGO employees. At the end of January 2013, the one-year milestone was met. This is a significant accomplishment in the industry and a first for the Lake Charles Refinery.

In May 2012, the CITGO Terminal Facilities and Pipeline group received the 2012 Platinum Award for Safety at the International Liquid Terminals Association’s (ILTA) 32nd Annual Operating Conference and Trade Show. This award is the highest level of recognition given by ILTA. It recognizes companies that have achieved outstanding safety and health performance through promoting

and practicing safety awareness and minimizing workplace incidents and injuries.

For the fourth consecutive year, the American Petroleum Institute (API) recognized the outstanding performance of CITGO Pipeline Company with the 2012 API Pipeline Occupational Safety Award in the small operator category. This award is among the industry’s top honors and is reserved for companies that demonstrate excellence in safety. It is presented to companies with the lowest OSHA recordable injury and illness incident rates for employees and contractors. The award was presented at API’s 64th Annual Pipeline Conference in San Diego, California.



PROCESS SAFETY AND RELIABILITY

The safety of our people starts with the reliability of our operations. 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 with potentially serious impacts to people and the environment.

Through plant design and engineering, equipment maintenance, operational procedures, workforce training and incident analysis, we aim to ensure the highest possible process safety performance in all of our facilities.

CITGO has been a key advocate for and leader in the Advancing Process Safety (APS) program, coordinated by AFPM and API and rolled out to industry in April 2012. Initiatives under the APS program include performance metrics, event sharing, hazards identification, regional networks and site assessments. CITGO is actively involved with all of these programs designed to improve process safety performance. Through regional networks, CITGO process safety practitioners are able to collaborate with peers on topics such as process safety practices, lessons learned, industry standards, regulatory challenges and hazard identification. CITGO was the first company to have one of its sites evaluated under the APS Site Assessment Program.



In 2012, CITGO was actively involved with efforts to write and revise industry standards. For example, CITGO participated in the revision of API Recommended Practice (RP) 751 related to the safe operation of HF alkylation units. In addition, CITGO personnel assisted in drafting API RP 756 related to the siting of temporary flexible structures. Both of these standards are expected to be released in 2013.

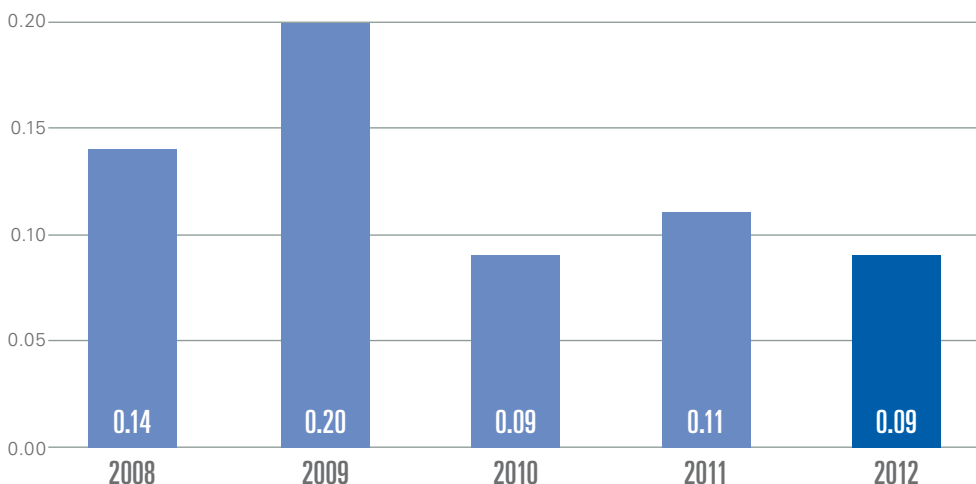
CITGO allocates considerable resources to manage facility siting risk, with an emphasis on occupied buildings and trailers that may expose employees to potential hazards based on proximity. Our mitigation strategies for buildings with unacceptable risk include occupant relocation, building replacement, or structural retrofit. Design and implementation of safety instrumented systems and safe operating limits are also important to the success of our process safety program.

CITGO systematically tracks process safety performance to enhance its ability to provide the safest and healthiest work environment possible. We have aligned our metrics with API RP 754, *Process Safety Performance Indicators for Refining and Petrochemical Industries*. The RP 754 guidelines identify tiered process safety indicators that are essential to driving performance improvement across the industry.

A Tier 1 Process Safety Event is an unplanned or uncontrolled release of any material with one or more of the following consequences: days away from work, injury, fatality, officially declared community evacuation or community shelter-in-place, fire or explosion resulting in a direct cost of \$25,000 or more to the company, or a release amount that exceeds a predetermined threshold quantity. Tier 1 indicators also include unplanned or uncontrolled releases from pressure-relief devices above the threshold quantity that result in one or more of four undesirable consequences as defined in RP 754.

Tier 1 Process Safety Event Rates*

*Process safety data is reported only for the three CITGO-owned refineries. In 2012, we reevaluated our historic process safety events. Accordingly, the Tier 1 rates have changed from those reported in previous years. Rates are per 200,000 work hours, excluding major construction projects.



MECHANICAL INTEGRITY

CITGO has established a consistent and uniform approach to maintain the integrity of its operations to contain hazardous substances and other materials. Fundamental to the mechanical integrity effort is the condition of process equipment and the proper training of workers who operate and maintain that equipment. CITGO operations implement quality control and quality assurance processes to ensure that equipment meets specifications and is fit for service. If the results of any inspection or testing of process equipment reveal a situation outside acceptable equipment limits, appropriate priority is given to correcting the situation. Engineering, inspection and maintenance documentation is maintained to assess the integrity and fitness for service of the equipment.

INDUSTRIAL HYGIENE

CITGO investments and established policies reflect our commitment to high operational standards in industrial hygiene. We thoroughly monitor employee exposures to potential chemical and physical hazards, and analyze this information 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. Collecting this information in a central database enables our 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 such as 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.

COMMUNITY SAFETY

At CITGO, we take the safety of our communities as seriously as the safety of our own employees. Our facilities work with community members on emergency preparedness through local boards and organizations.

Our Corpus Christi facility provides a good example. 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 Community Advisory Council, the long-term health awareness group and the Local Emergency Planning Committee (LEPC). The Corpus Christi Community Advisory Council, supported by CITGO, provides a forum for open dialogue between the company and neighborhood community leaders and residents, addressing mutual concerns and recommending actions that are beneficial to both groups.

In 2012, CITGO received the Caring for Texas Award from the Texas Chemical Council (TCC). The award program promotes continuous improvement by TCC member companies relative to their performance in community awareness, emergency response, security and pollution prevention.



EMPLOYEE HEALTH

CITGO Health Services aims to promote and protect the optimal health of our employees by working closely with operational departments to identify health risks, and by providing recommendations to management to control these risks.

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.

Our Health Services department participates in advanced planning for pandemic outbreaks to minimize potential impacts to operations and employees. CITGO currently provides annual flu vaccinations to minimize the risk of illness during flu season. The department also works with CITGO Human Resources to coordinate Family Medical Leave Act and Americans with Disabilities Act accommodations to meet the needs of all CITGO employees. The Health Services team is proud to provide proactive wellness education through the Wellness Committee and health fairs where employees learn about health care providers and community resources.

PRODUCT STEWARDSHIP

Our management process includes the Product Stewardship Principle, which states that health, safety and environmental protection are integral to all phases of the product life cycle. This standard 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 includes 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 Safety Data Sheet (SDS) is the most visible instrument CITGO uses to communicate health and safety information to its vendors and customers. CITGO is fully engaged in the process of converting its Material Safety Data Sheets to the new SDS form to conform with the newly revised OSHA Hazard Communication Standard, which adopts the United Nations' Globally Harmonized System of Classification and Labeling of Chemicals (GHS). These documents are available to our customers and other stakeholders through automatic distributions, responses to ad hoc requests and through our internet and intranet sites.

The final component of CITGO product stewardship is to work within the industry to promote the laws, regulations and practices that 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. This program helps to assure our customers, vendors and the community that our petroleum-based products are handled safely from production to end use.

TRANSPORTATION

A key aspect of safeguarding the environment is the safe transportation of crude oil, chemicals and petroleum products. CITGO utilizes a multifaceted team of regulatory and operational professionals to transport raw materials and finished products in a manner that is safe, environmentally responsible and in compliance with all regulatory requirements.

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

During the years 2009, 2010, 2011 and 2012, CSX Transportation honored CITGO with the national Chemical Safety Excellence Award for its commitment to the safe transportation of hazardous materials by rail through the safe loading and maintenance of rail cars.

CLARION® LUBRICANTS

Our Clarion® lubricant products are one of the broadest lines of protective white oils, including Synthetic, Food Grade and Environmental formulations. The Clarion team optimizes lubricant chemistry to help reduce the environmental impacts of work, without sacrificing performance. Clarion Lubricant performance in every specified regime is of maximum quality, because we focus on crystal-clear white mineral oil-based formulations, high-technology processing and rigorous testing.

The Clarion Green products include greases, as well as high-performance anti-wear hydraulic oils, designed for

use in the pumps and gears of high-pressure hydraulic equipment operating in environmentally sensitive areas.

Formulated with white mineral oils, Clarion Food Grade products are designed for use in a wide range of applications where purity of the oil is extremely important due to the possibility of direct or indirect contact with food for human consumption. Food and Drug Administration-approved additive systems are utilized where needed to provide excellent rust protection, oxidation inhibition and anti-wear properties.

Why We Improve





Environmental Performance, Protection and Restoration

AT CITGO, WE KEEP THE PROTECTION OF OUR ENVIRONMENT TOP-OF-MIND. WE COMPLY WITH ALL APPLICABLE ENVIRONMENTAL REGULATIONS AND SERVE AS GUARDIANS OF OUR NATURAL RESOURCES. WE RECOGNIZE THAT, ALONG WITH THE HEALTH AND SAFETY OF OUR EMPLOYEES, ENVIRONMENTAL STEWARDSHIP IS EVERYONE'S RESPONSIBILITY. WE USE OUR INTEGRATED MANAGEMENT SYSTEM AND ASSOCIATED ENVIRONMENTAL PERFORMANCE INDICATORS TO MONITOR, DIRECT AND IMPROVE OUR OPERATIONAL AND ENVIRONMENTAL PERFORMANCE.

4% REDUCTION

IN GREENHOUSE GAS EMISSIONS (METRIC TONS OF CO₂ EQUIVALENT PER THOUSAND BARRELS OF THROUGHPUT) SINCE 2011

77% REDUCTION

IN AIR EMISSIONS SINCE 2007

16% REDUCTION

IN TOTAL WASTE DISPOSED SINCE 2011

Organizational Responsibility



In order to follow through on our commitment to protect the environment, we maintain a dedicated staff of environmental specialists to oversee regulatory compliance and advise the company on related issues.

Members of the CITGO Environmental Services Group serve our corporate offices, refineries, lubricant-production facilities and terminals through various activities, including:

- **Keeping abreast of new regulatory developments.**
- **Commenting on pending rules/regulations.**
- **Assisting and training facilities staff on new initiatives.**
- **Developing guidance documents for uniform compliance with environmental rules.**
- **Managing and implementing new greenhouse gas (GHG) laws and regulations.**
- **Representing CITGO in industry and trade associations.**
- **Overseeing and implementing the New Source Review Consent Decree.**
- **Maintaining the compliance questionnaire in conformity with accounting due diligence as required under U.S. accounting principles.**
- **Serving as subject matter experts for reviews and assessments and during emergency operations.**
- **Filing environmental reports for hazardous chemical and toxic release inventories, emissions, discharge and waste for the refineries and terminals.**
- **Defining and reporting environmental Key Performance Indicators.**

PERFORMANCE MANAGEMENT

To monitor our progress and manage our environmental impacts, CITGO utilizes key performance indicators to strive for continuous improvement. For information about our Integrated Management System (IMS)—which provides a framework for continuous improvement in the areas of health, safety, security, environmental, mechanical integrity, operational and financial performance—see page 8. The IMS is a systematic approach to planning and executing our work, measuring our results and improving our processes.

ENVIRONMENTAL INDEX

CITGO uses an Environmental Index (EI) to comprehensively measure its impact on the environment and local community. Operational reliability at the refineries is critical to controlling unwelcome environmental incidents precipitated by operational problems, severe weather and unplanned events.

Beginning in 2012, CITGO launched new metrics to evaluate environmental performance. Additional metrics will be added to the EI as they are developed or as better methods of measurement are introduced. The CITGO EI includes the following critical components:

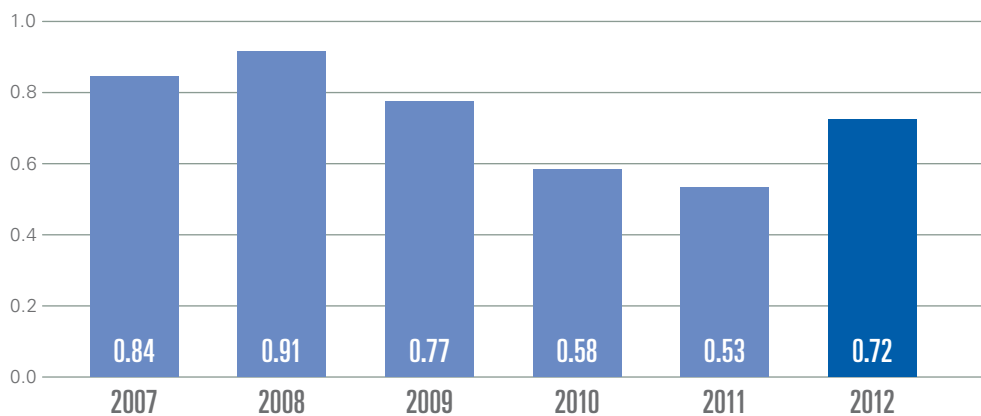
1. Energy Usage	5. Uncontrolled Benzene Releases
2. Water Usage (Hydrocarbons in Wastewater)	6. Continuous Emission Monitoring System (CEMS) Downtime
3. Air Emissions (NO _x , SO ₂ and VOC)	7. Agency Notifications
4. Environmental Incidents	

Each component is weighted per the following equation, with the objective of getting all parameters in the same order of magnitude to identify their relative impact. Improvement is shown by a decreasing Index.

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

Environmental Index*

*Environmental data is reported only for the three CITGO-owned refineries.



In 2012, we experienced an increase in the number of environmental incidents, resulting in an increase of our environmental index. These incidents were due to several factors, including the reliability of our Lemont Flare Gas Recovery (FGR) compressor control system, process upsets at the Corpus Christi Sulfur Recovery Units (SRUs), and Total Suspended Solids (TSS) violations at Lake Charles caused by process upsets in wastewater treatment. In response, CITGO performed root cause analyses for each of the incidents and developed short- and long- term action plans. For example, CITGO analyzed the recurring issues with the Lemont FGR compressor to identify which components were not functioning properly and performed a complete mechanical overhaul, upgrading the equipment to the latest standards. CITGO also completed additional root cause analyses and action-planning for each of the other identified incidents.

ENERGY AND GREENHOUSE GAS EMISSIONS

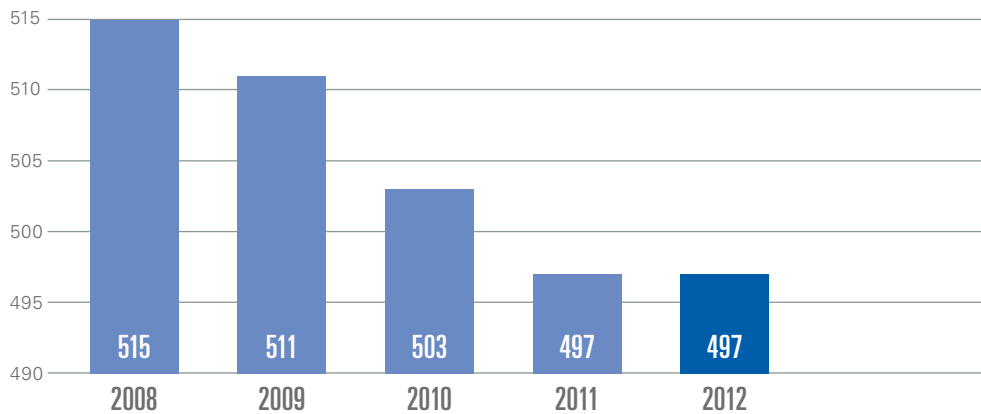
For CITGO refineries, energy usage is monitored through the EI as a predictor for GHG emissions. We work to manage our energy use as efficiently as possible and reduce the amount of energy we consume. For example, the Lemont Refinery Energy Team launched a program in 2012 to identify and prioritize energy-efficiency opportunities and define benefits. One of the energy projects completed by the team focused on improving the efficiency of Lemont's Crude Unit heaters, which alone account for over 15 percent of the net energy use for the entire refinery. A variety of other large and small improvements, completed by the Energy Team, have resulted in a sustained benefit of 975 million BTU per day or \$2 million in annual savings for Lemont.

Reducing our energy usage directly contributes to reductions in our GHG emissions and operational costs. As required under the Greenhouse Gas Mandatory Reporting Rule, CITGO began reporting its refinery GHG emissions in calendar year 2010. GHGs emitted by our refineries since that benchmark year have shown a reduction based on throughput.

As a supplier of fuels, additional indirect (scope 3) carbon dioxide (CO₂) emissions are generated through the combustion of our products by individuals and organizations outside of our control. CITGO reports these CO₂ emissions assuming that all the fuels were combusted, primarily by vehicles. For 2012, these emissions totaled 79.9 million metric tons, corresponding to the CO₂ generated by 12.8 million cars in one year.

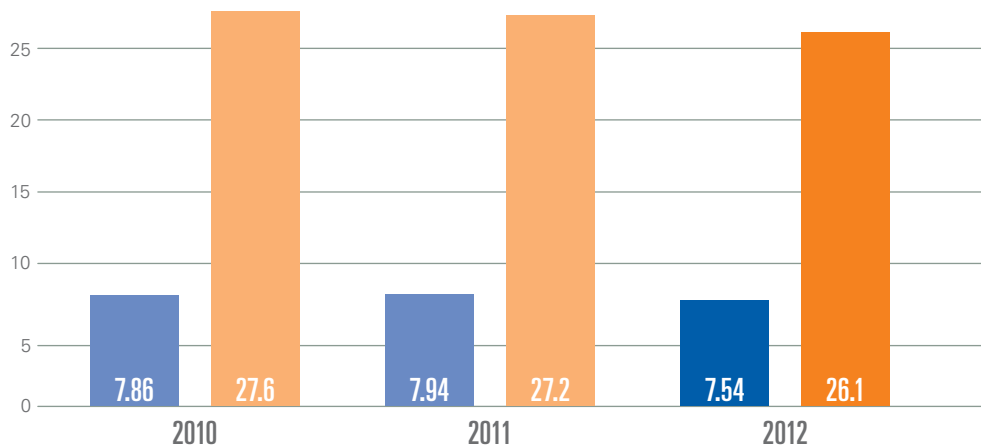
Energy Usage at Refineries, Thousand BTU/Barrel Throughput*

*Total BTUs of energy used, including purchased steam, electricity and natural gas per barrel of oil processed. The environmental data in the charts below is for the three CITGO-owned refineries.



Greenhouse Gas Emissions from Refineries

■ Million Metric Tons of CO₂ Equivalent ■ Metric Tons of CO₂ Equivalent per 1,000 Barrels of Crude



OTHER AIR EMISSIONS

NO_x, SO₂, VOCs

We monitor the refineries' air emissions of other significant pollutants, including volatile organic compounds (VOC), nitrous oxide (NO_x), and sulfur dioxide (SO₂). In 2005, we entered into an agreement with the Environmental Protection Agency (EPA) and state environmental agencies in Louisiana, New Jersey, Georgia, and Illinois as part of the EPA refinery initiative. CITGO signed the New Source Review Consent Decree and pledged to reduce its atmospheric releases of SO₂ and NO_x. We also committed to the reduction of fugitive emissions and benzene at all CITGO refineries. To date, CITGO has reduced NO_x emissions by 5,339 tons each year.

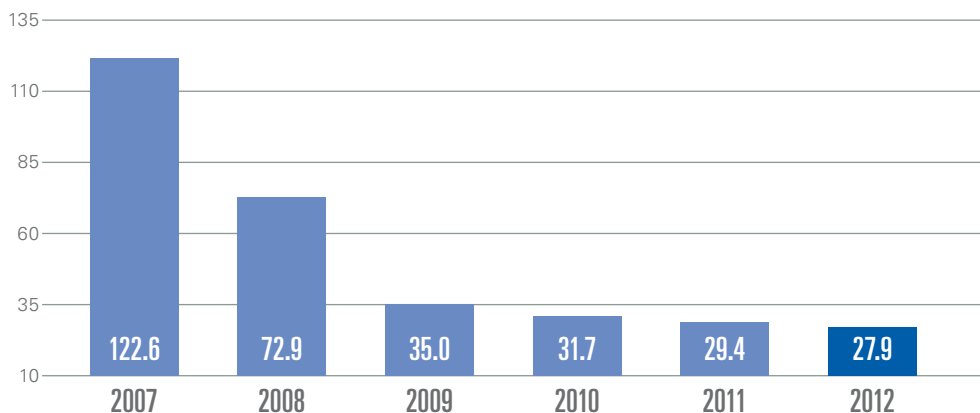
Since 2007, we have reduced total emissions from the Lake Charles facility by 52 percent (10,769 tons). From a 2007 baseline, the facility has reduced VOCs by 71 percent (3,447 tons per year), SO₂ by 48 percent (1,860 tons per year), and NO_x by 58 percent (4,908 tons per year). Many of these reductions resulted from more than \$370 million in capital expenditures to improve environmental performance. Thanks to these projects, Lake Charles has continued to reduce emissions on a per-barrel basis of production, as capacity has expanded to 425,000 barrels per day.

Lake Charles has also developed and implemented a voluntary Ozone Action Plan to reduce VOCs and NO_x.

In 2010 and 2011, the Corpus Christi facility experienced increased emissions, which can be attributed to higher hydrogen sulfide concentrations in refinery fuel gas. We achieved a significant decrease in SO₂ in 2012 with the implementation of an SO₂ reduction additive. The Corpus Christi Refinery will continue to evaluate and implement modifications to further reduce emissions, with significant projects planned for 2013.

Air Emissions from Refineries, Metric Tons/Million Barrels of Throughput*

*Environmental data is reported only for the three CITGO-owned refineries.



REDUCING BENZENE EMISSIONS AT CORPUS CHRISTI

Benzene emissions have been identified as a community concern by the Long-Term Health Committee of the Community Advisory Council. Prior to 2007, the annual average benzene concentration detected exceeded the Texas Commission on Environmental Quality's (TCEQ) long-term Air Monitoring Comparison Value (AMCV) of 1.4 parts per billion volume (ppbv). The Corpus Christi Refinery's air emissions are tracked by a TCEQ monitoring station and an industry-funded monitoring station located near the East Plant. Access to this real-time data has enabled us to establish quick-response programs that trigger in-plant investigations when the monitor detects benzene in excess of 10 ppbv.

Additionally, CITGO has undertaken other initiatives to reduce fugitive benzene emissions, including adding incremental emission controls such as secondary floating roof seals and an enhanced leak detection program. An internal monitoring study identified which areas within the refinery are responsible for benzene emissions, making it possible to focus on areas of possible concern. These actions reduced the 2012 annual monitored values by almost 60 percent from the peak in 2004, to 1.0 ppbv, which is well below the AMCV of 1.4 ppbv.



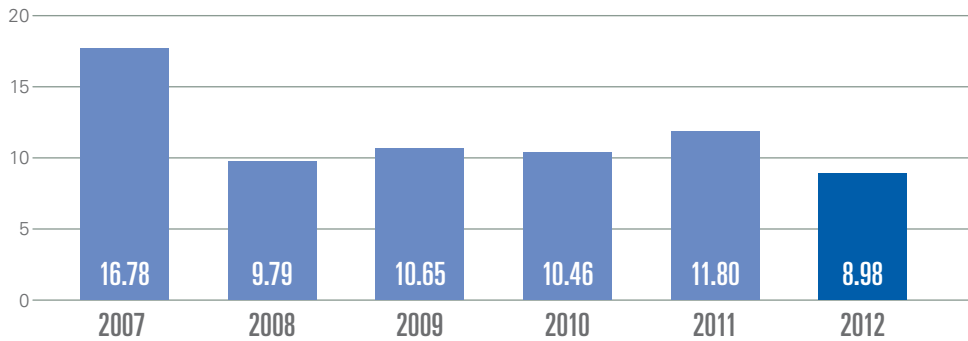
WASTE

Waste generated at CITGO refineries is largely influenced by maintenance turnaround schedules and capital construction. Waste increases from 2008 to 2011 resulted primarily from turnaround schedules. To offset such increases, we have expanded internal recycling of primary sludge and tank bottoms to the coker units. We are beginning to see reductions in waste generation as a result of these programs.

The Lake Charles Refinery has made significant progress in waste reduction. Since 2006, solid waste has declined by 34 percent (15,886 tons per year) through reuse and recycling efforts. Waste reduction efforts throughout the refinery include the removal of alky filtercake, the fourth-largest waste stream. In time, this will be entirely eliminated as filtercake material is no longer being generated.

Industrial Waste from Refineries, Thousand Tons*

*Environmental data is reported only for the three CITGO-owned refineries.



ELECTRONICS AND SOLID WASTE RECYCLING

Numerous initiatives are underway to reduce solid waste at each refinery and at our headquarters in Houston. Among the most successful is the electronics waste recycling (e-recycling) program. Each year, CITGO employees and volunteers collect discarded electronics—including computers, monitors, keyboards, phones and radios—through employee and community e-recycling events. In 2012, our combined efforts resulted in the recycling of approximately 53,000 pounds of electronics.

In addition to e-recycling, employees at the refineries and headquarters also actively recycle paper, aluminum and plastics, and participate in Earth Day activities every year. Lake Charles employees promote sustainable green practices and participate in Going Green initiatives including e-Recycle Day and Earth Day activities. An inter-office recycling program collects employees' home and office recyclables. The refinery has also revamped its office trash recycling program and recycled 172 tons of office materials since 2010.

The Lemont facility held its annual Earth Day event in April 2012, with great results. Approximately 220 participants dropped off a variety of waste to be recycled or properly disposed of, including electronics, batteries, cleaning products, oil, aerosols and paint. The Lemont event helped the community dispose of 20,378 pounds of waste, including 402 containers of latex paint to be recycled, 50 pounds of batteries, 325 pounds of cleaners, and 300 gallons of motor oil.

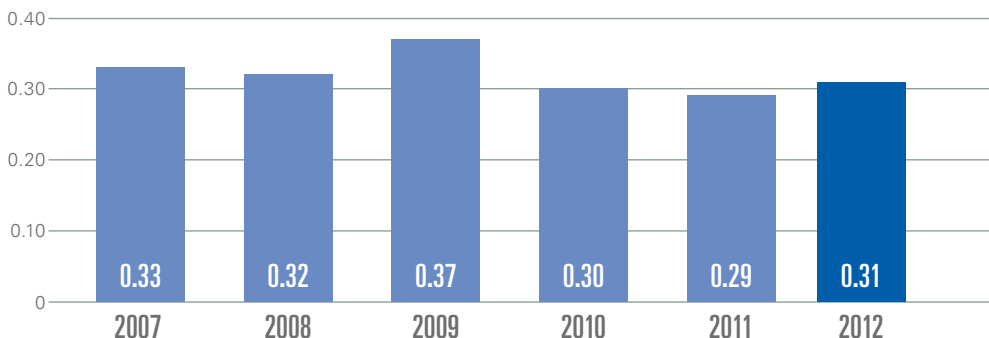
WATER USE AND DISCHARGE

CITGO monitors its impact on domestic water supply by measuring the amount of hydrocarbons discharged into surface water from our refinery wastewater treatment systems. All discharges are within limits set by National Pollutant Discharge Elimination System operating permits. We are working to decrease discharges and treatment volume through reduced water usage. Efforts also are underway to reduce the amount of hydrocarbons contained in discharged water.

The Corpus Christi Refinery's wastewater permit limits discharges of treated process wastewater from its east and west wastewater treatment facilities and various storm water discharge points. Each year, improved process unit and treatment plant technologies maintain treatment process outfalls well below the permit limits.

Hydrocarbon Discharges from Refineries, Metric Tons/Million Barrels*

*Hydrocarbon discharge is the oil and grease in the wastewater stream to surface water parts per million (ppm) converted to mass based on water flow rate. Environmental data is reported only for the three CITGO-owned refineries.



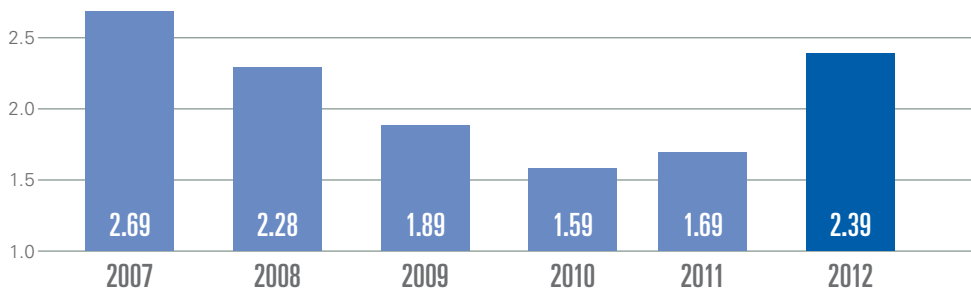
OTHER EMISSIONS

The Toxic Release Inventory (TRI) annual report is required under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA). There are currently 682 individual chemicals and chemical categories on the TRI toxic chemical list.

As shown in the TRI chart below, CITGO has achieved reductions in chemicals released since 2007. Increases over the past two years can be attributed to improved monitoring at Lake Charles, which allowed us to capture an emission source not previously reported. And, unlike previous years when it was not required, 2012 data includes hydrogen sulfide (H₂S) per the updated regulation. The inclusion of H₂S makes year-over-year data comparisons slightly more challenging; however, the 2012 release inventory tracked 11 percent below the 2007 total. When H₂S is excluded from the comparison, we have achieved an 8 percent reduction in releases.

TRI Pounds, Million*

*For the first time, 2012 data includes hydrogen sulfide. Environmental data is reported only for the three CITGO-owned refineries.



LAKE CHARLES WATER CONSERVATION EFFORTS

The Lake Charles Refinery has an initiative in place to identify water reuse opportunities. In 2012, this program preserved an estimated 5.3 million gallons of water from the Toledo Bend Reservoir. Since 2007, the facility has reduced its water usage on a per-thousand-barrel basis by 69 percent.

These water conservation efforts help preserve the ecosystem of the Gulf Coast and other nearby coastal areas, wetlands and marshes that receive fresh water.



Why We Work





Workforce

OUR LONG HISTORY OF BUSINESS SUCCESS COULD NOT HAVE BEEN ACHIEVED WITHOUT THE DEDICATION OF OUR EMPLOYEES. WE TRUST, RESPECT AND VALUE THE OPINIONS OF EVERYONE AT CITGO. WE RECOGNIZE THE UNIQUE VALUE OF EVERY EMPLOYEE AND STRIVE TO FOSTER AN INCLUSIVE ENVIRONMENT THAT ENABLES EACH OF US TO FULLY PARTICIPATE AND CONTRIBUTE. THAT'S WHY WE INVEST IN WORKFORCE DEVELOPMENT, ENGAGEMENT, DIVERSITY, TRAINING AND EMPLOYEE SATISFACTION INITIATIVES.

WE BELIEVE OUR EMPLOYEES' KNOWLEDGE, SKILLS, TALENT AND, ABOVE ALL, COMMITMENT GIVE CITGO THE COMPETITIVE EDGE. WE ARE COMMITTED TO PROVIDING THE TOOLS, RESOURCES AND ENVIRONMENT NECESSARY TO ENABLE THE PEOPLE OF CITGO TO GROW BOTH PROFESSIONALLY AND PERSONALLY.

OVER 16 YEARS

THE AVERAGE SERVICE LENGTH OF CURRENT CITGO EMPLOYEES

CLOSE TO \$1 MILLION

INVESTED IN 2012 EMPLOYEE DEVELOPMENT, INCLUDING OVER 3,000 PROGRAMS

Workforce Development

ORGANIZATIONAL RESPONSIBILITY

To achieve our hiring, development and retention objectives, the CITGO Human Resources (HR) Department is divided functionally into three areas.

Corporate HR serves as a strategic partner with the business units to support employee recruitment, coaching, performance counseling, discipline, and policy interpretation and application.

Staffing and Employee Services manages recruiting, Equal Employment Opportunity compliance and the HR Service Center.

HR Total Rewards manages the CITGO employee life cycle from hire to retire. Specifically, the department oversees compensation, benefits, training, development, recognition, goal setting, performance appraisals, succession planning, engagement surveys and retention incentives.



WORKFORCE DIVERSITY AND INCLUSION

Having a diverse workforce is a key strength for CITGO. Our employees continuously bring varied perspectives that ultimately provide unique value to the company. To build a diverse workforce, we strive to hire and develop individuals that reflect the diverse communities in which we do business. We measure the proportion of women and minorities in multiple levels of the organization, including professionals, supervisors or managers, and middle and senior managers. In 2012, CITGO saw a slight increase in the percentage of female and minority employees overall, from 20.7 to 21.1 percent and 27.9 to 28.1 percent, respectively.

Female and Minority Employees Compared to Total Number of Employees

TOTAL EMPLOYEES



Female and Minority Employees Compared to Employees Classified as Professionals



Female and Minority Employees Classified as Supervisors or Managers



Female and Minority Employees Classified as Middle Managers



Female and Minority Employees Classified as Senior Managers



Staffing Levels as of Dec. 31, 2012



SUPPLIER DIVERSITY

One important goal for our company is to foster emerging small businesses and suppliers. Our Supplier Diversity initiative promotes the incorporation of small- and medium-sized, minority- and women-owned business enterprises (MWBEs) into our supply chain. In 2008, we launched this ambitious program by hosting meetings with small suppliers at CITGO administrative and operations sites in Houston, Corpus Christi, Lake Charles and Lemont. Since then, we have attended three or more women and minority networking events yearly in an effort to increase our pool of eligible MWBEs.

Currently, CITGO has in its database a total of 692 providers certified as MWBEs. Our purchase agents and business units have database access to identify offerings of MWBEs that are approved and ready to do business with CITGO. In 2012, CITGO invested \$144 million in business transactions with MWBEs.

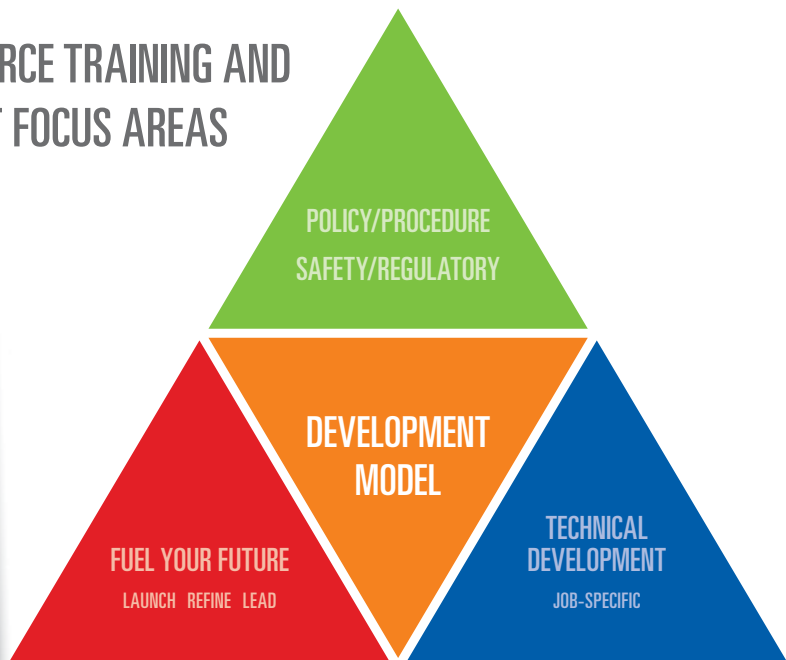
LOCAL HIRING

Hiring employees from local communities not only enables us to fulfill our staffing needs but also allows CITGO to contribute to the areas in which we have the privilege to operate. Across the company, CITGO maintains a high level of local hiring, helping to bolster economic development in the communities around us. Our recruiting efforts include solicitation of qualified candidates from various civic and business organizations, including those that support minorities, veterans and disabled persons.

WORKFORCE TRAINING AND DEVELOPMENT

CITGO invests in corporate training and development initiatives that offer advancement opportunities for managers, supervisors and individual contributors. Our employees have access to an extensive curriculum of instructor-led and computer-based training courses in the areas of professional business skills, management development, technical skills, safety and regulatory information, and computer skills.

2012 WORKFORCE TRAINING AND DEVELOPMENT FOCUS AREAS



FUEL YOUR FUTURE

Fuel Your Future, one of the most recent training initiatives at CITGO, consists of a set of customizable programs focused on individual development needs for every stage of an employee's career, from new hires to senior leaders.

Fuel Your Future outlines the areas of focus for all employees, managers, supervisors and business unit leaders.

Its three key programs include LAUNCH, REFINE and LEAD. Each offers employees a structured learning plan, a roadmap for individual development, a flexible timeframe to meet requirements, accountability for success, and recognition of accomplishments.

LAUNCH is an on-boarding program designed to help newly hired salaried employees during the first six months of their employment.

LEARN ABOUT CITGO

ADOPT CITGO VALUES

UTILIZE SKILLS AS WELL AS ADD NEW SKILLS

NAVIGATE THE CITGO SYSTEMS

CHALLENGE EXISTING IDEAS

HONOR CITGO TRADITION

There are four phases of the LAUNCH program:

- PRE-LAUNCH takes place on each new employee's first day at work. It welcomes and provides them with critical information needed to successfully navigate their way during the first few weeks of employment.
- COUNTDOWN is the new employee orientation at CITGO. It is designed to be interactive, interesting, informative and fun. COUNTDOWN provides information about our Core Values, Technology at CITGO, training and learning opportunities, and more.
- IGNITION is designed to equip new employees with CITGO-specific tools and skills for continued success, including the CITGO Value Chain and an introduction to the Employee Development Program (EDP).
- LIFT-OFF celebrates the completion of the LAUNCH Program, and emphasizes the importance of continual self-development through Fuel Your Future.

In 2012, we welcomed more than 30 Houston salaried employees to CITGO via LAUNCH. Before the end of 2012, these new employees completed Pre-LAUNCH, COUNTDOWN and most of the IGNITION phases. The group will complete the remaining LAUNCH phases at various times throughout 2013.

REFINE, our core development program, provides salaried employees a customized roadmap for their personal development over three to five years. REFINE requires employees to complete an orientation and obtain a minimum number of credits for each competency. Learning mediums include instructor-led classes, computer-based training, books and videos.

In 2012, 255 CITGO employees registered and were approved by their manager to participate in REFINE.

2012 REFINE training sessions included:

1. REFINE Orientation	7. Team Building
2. 52 Ways to Powerful E-mail	8. How to Deliver Grand Slam Customer Service
3. Achieving Results	9. Developing a Perpetually Positive Attitude
4. Business Problem Solving	10. Empowerment
5. Critical Thinking and Problem Solving Skills	11. Simple, Quick, and Stress Free Organizational Strategies
6. Communicating Effectively	12. Customer Relationship Management

LEAD is our three- to five-year leadership development program for supervisors and managers who will set a standard for CITGO leadership. Participants receive a varying number of credits depending on the developmental activity selected. Like REFINE, LEAD encompasses a blended-learning strategy where participants choose from various instructor-led classes, computer-based training, books and videos.

In 2012, 176 employees registered and were approved by their manager to participate in LEAD.

2012 LEAD training sessions included:

1. LEAD Orientation	7. Supervising at CITGO
2. Generational Differences	8. The Secrets of Building Team Player Thinking
3. How to Conduct More Effective Performance Evaluations	9. Managing Employees with Rotten Attitudes or Lousy People Skills
4. Developing Your Leadership Voice	10. Coaching Skills for Leaders
5. Achieving Results	11. Managerial Assessment of Proficiency (MAP)
6. Plant Leadership Program	12. How to Manage Priorities and Time

TECHNICAL DEVELOPMENT INITIATIVE

CITGO refinery training and employee development initiatives comprise both technical and professional development courses. The Technical Development Initiative for 2012 included seven refinery-hosted corporate-wide conferences designed to expand training opportunities for technical personnel and enhance collaboration between refinery teams. Structured training programs are being developed for employees and supervisors to enhance job-specific skills.

2012 conferences included:

1. Pump Systems Optimization	5. Practical Power Distribution
2. Refining and Metallurgy	6. Practical Power System and Protection
3. Refinery Economics	7. Practical Refinery Distillation Troubleshooting
4. Refinery Hydro-treating	

EMPLOYEE ENGAGEMENT AND SATISFACTION

Across all industries, a rebounding job market presents the challenge of retaining high-caliber employees. At CITGO, we address this challenge by investing in our employees and providing them with opportunities for professional and personal growth. Through our succession management process, we identify our next generation of leaders and provide them with structured developmental activities including assessments, targeted training, and rotational assignments and coaching.

We value employee engagement and satisfaction in reaching our goal of performance excellence, and regularly conduct organizational surveys, communication luncheons, focus groups and executive presentations. It is not enough to simply capture data; action must be taken to drive positive change.

In 2011, we asked all employees to complete an engagement survey in order to assess perceptions in areas such as job satisfaction, commitment to and pride in CITGO, loyalty, sense of personal responsibility, and a willingness to be an organizational advocate. Based on the survey results, we identified several opportunities for growth. Survey findings have been communicated to employees and senior management. Action plans are now being carried out to strengthen organizational and refinery operations. Employees will be resurveyed in 2013.



EMPLOYEE BENEFITS

In order to retain valuable employees and attract the best talent, we have created a competitive compensation and benefits package that offers comprehensive health and life insurance coverage and much more. We believe the benefits we bring to our employees and retirees provide peace of mind and meet their needs throughout their life cycle with CITGO.

- Competitive salary
- Paid holidays and vacation days
- Medical, dental and vision insurance
- Flexible Spending and Health Savings Accounts
- 401(k) savings plans with a guaranteed contribution and matched contribution up to a percentage of eligible compensation
- Life and disability insurance
- Pension and retirement plans
- Healthy Rewards Program
- Employee Assistance Program
- Other programs such as matching gifts, service awards, educational reimbursement and scholarships

Our employees have a choice of medical plan options to meet their health care needs, including dental and vision. The health and insurance benefits at CITGO also extend to eligible retirees. Our Employee Assistance Program helps employees resolve other problems that may impact their work performance, conduct, health and well-being.

We also provide programs and services to help our employees live healthier lives, and encourage employees to take proactive steps in their personal lives to safeguard their health. 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, providing a ready resource for health-related information in the workplace.

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.

FUEL YOUR HEALTH – HEALTHY REWARDS PROGRAM

There is a strong correlation between high stress, emotional issues and poor lifestyle choices. To be effective, CITGO understands that our health improvement programs must focus on our employees' emotional and physical well-being. CITGO partners with Provant Health to bring employees and their eligible spouses resources for healthy living.

The Healthy Rewards Program is structured with three levels of achievement—Bronze, Silver and Gold. When both our employees and their eligible covered spouse participate and complete each level in the Healthy Rewards Program, employees receive healthy living incentives of up to \$1,600.

Healthy Rewards Program

Level	Criteria	2013 Wellness Goals
Bronze	Completion of Health Assessment and Biometric Screening	Complete both
Silver	Tobacco/Nicotine	Negative or completion of cessation program
	Blood Pressure	Less than or equal to 135/90
	Glucose	Less than or equal to 100
	HDL Cholesterol	More than or equal to 40 Male More than or equal to 50 Female
	Body Mass Index (BMI) or Waist Circumference	Less than or equal to 25 or waist measurement of less than 40" male, less than 35" female
Gold	Benefit Advisory Coaching and Online Workshop Assignments	Remain compliant

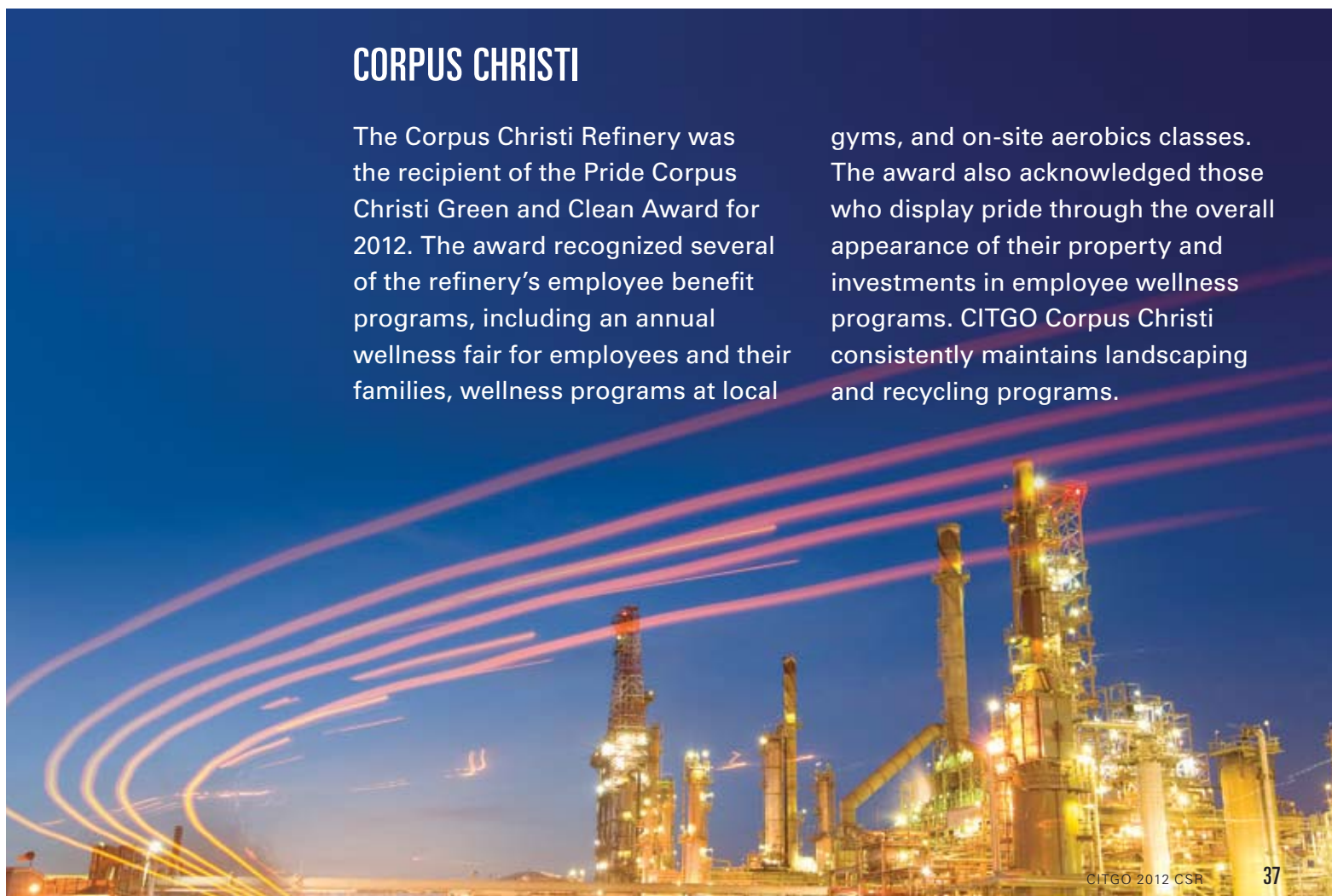
RETIREES AND CITGO ALUMNI

At CITGO, we support our employees as they prepare to exit the workforce. Through the CITGO Alumni Group, all retirees and former employees can facilitate friendship, receive management updates, explore educational development and find opportunities for involvement in the community as CITGO representatives. The CITGO Alumni Group also includes information specifically for local alumni of our main locations including Tulsa, Corpus Christi, Lake Charles and Lemont.

CORPUS CHRISTI

The Corpus Christi Refinery was the recipient of the Pride Corpus Christi Green and Clean Award for 2012. The award recognized several of the refinery's employee benefit programs, including an annual wellness fair for employees and their families, wellness programs at local

gyms, and on-site aerobics classes. The award also acknowledged those who display pride through the overall appearance of their property and investments in employee wellness programs. CITGO Corpus Christi consistently maintains landscaping and recycling programs.



Why We Give





Social Responsibility

Programs and Initiatives

CONTRIBUTING TO SOCIAL DEVELOPMENT IS PART OF OUR BUSINESS STRATEGY. AS A COMPANY, WE BELIEVE WE HAVE A RESPONSIBILITY TO THE COMMUNITIES IN WHICH WE OPERATE. TO THIS END, WE INVEST CONSIDERABLE HUMAN AND MONETARY CAPITAL TO SUPPORT A BETTER QUALITY OF LIFE FOR LOCAL RESIDENTS. THROUGH OUR SOCIAL RESPONSIBILITY PROGRAMS, WE ALSO FOCUS ON HELPING COMMUNITIES THAT HAVE BEEN TRADITIONALLY UNDERSERVED.

\$28.3 MILLION

CONTRIBUTIONS MADE IN 2012

10,448 HOURS

VOLUNTEERED IN 2012

The Pillars of CITGO Giving

At CITGO, we support a diverse range of social development initiatives with a particular focus on:

ENERGY ASSISTANCE

**ENVIRONMENTAL PROTECTION, CONSERVATION
AND RESTORATION**

EDUCATION AND SOCIAL INVESTMENT

HEALTH



COMMUNITY INVESTMENT PROGRAMS

\$23,274,255

ENERGY ASSISTANCE

\$1,389,159

CIVIC & COMMUNITY AND
DISASTER RELIEF

\$850,021*

ENVIRONMENTAL PROTECTION,
CONSERVATION AND RESTORATION

+

\$1,577,210

EDUCATION AND SOCIAL
INVESTMENT

\$1,212,384

HEALTH

\$28.3 MILLION

DONATED IN 2012 TO COMMUNITIES
WHERE WE OPERATE

*This figure does not include \$21 million in capital projects.



ENERGY ASSISTANCE

More than 1.7 million people served since 2005

208 million gallons of heating oil worth more than \$405 million since 2005

Increasing energy costs continue to affect the quality of life for millions of people, as well as community organizations that provide critical social services. As an energy company, we consider it our obligation to help alleviate the burden of those struggling to pay for rising heating costs. We focus on programs that have the greatest impact, and are committed to promoting energy efficiency.

CITGO-VENEZUELA HEATING OIL PROGRAM

The CITGO-Venezuela Heating Oil Program, in partnership with Citizens Program Corporation, began in 2005 in response to the reduced oil supply that resulted from Hurricanes Katrina and Rita. These natural catastrophes led to steep increases in fuel costs, which in turn affected some of the poorest and most vulnerable communities in the United States. As energy prices continued to rise, we launched the CITGO-Venezuela Heating Oil Program to help disadvantaged families heat their homes. The program assists qualifying families and people residing in single-family dwellings, apartment buildings, shelters and Native American communities. The initiative has grown from a single donation of heating oil in 2005 into a humanitarian assistance effort that today helps nearly half a million people each year across 25 states and the District of Columbia.

2012 CITGO-Venezuela Heating Oil Program Beneficiaries

16.9 MILLION GALLONS DONATED = \$51 MILLION*

*\$28 million donated at year-end 2011 and \$23 million donated in fiscal year 2012

62,412 Single-family dwellings

28,392 Families served in 241 tribal communities in 15 states

24,164 Families served in 259 apartment buildings

114,968 Total low-income households

344,904 Individual beneficiaries

52,314 Estimated homeless served in 207 shelters

397,218 Total individual beneficiaries



BENEFICIARY HIGHLIGHT:

Single-Family Dwellings

The CITGO-Venezuela Heating Oil Program serves single-family households across 16 states throughout the Northeast and Midwest United States, Alaska and the District of Columbia. Qualified applicants must meet the requirements of the Federal Low-Income Home Energy Assistance Program (LIHEAP), or have a household annual income at or below 60 percent of the state median.

As the single mother of three young children with health problems that result in high medical co-pays, one recipient of the CITGO-Venezuela Heating Oil Program works nights at a community health center to make ends meet. Another recipient, 88 years old and living on a limited income, keeps her thermostat at 62 degrees to conserve oil. Thanks to the CITGO-sponsored program, neither woman has to worry about how she will pay for heating oil during cold winter months.

BENEFICIARY HIGHLIGHT:

Apartment Buildings

To qualify for the CITGO-Venezuela Heating Oil Program, an apartment 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. The program serves such buildings in New York and New Jersey.

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

The 1199 Housing Corporation is a cooperative housing community that provides housing to 1,594 low-income households in New York City. An increase in oil prices to this community's residents would mean a rent increase that could make housing unaffordable and energy-efficiency upgrades impossible. In 2012, CITGO awarded more than \$585,000 to the cooperative to provide a \$150 heating oil credit to each unit. The remaining \$320,640 were to be used for weatherization and efficiency repairs or improvements.

“IN THIS ECONOMY, IT MAY NOT SEEM LIKE MUCH, BUT IT MAKES A BIG DIFFERENCE TO THESE PEOPLE. THANK YOU VERY MUCH, IT IS VERY MUCH APPRECIATED.”

— ANTHONY COLEMAN, 1199 HOUSING CORPORATION GENERAL MANAGER

BENEFICIARY HIGHLIGHT:

Shelters

The CITGO-Venezuela Heating Oil Program also benefits non-profit homeless shelters. To qualify for assistance, shelters must: 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) operate as a non-profit 501(c)(3) organization.

Located in a large Victorian house, the Bridge House Family Shelter in Lynn, Massachusetts offers emergency housing to families in need. A children’s playroom and fenced yard allow parents the opportunity to utilize career development, financial planning and adult education support provided by local organizations. The CITGO-Venezuela Heating Oil Program has awarded more than \$33,000 to the Bridge House Family Shelter since 2007.

“EVERY LITTLE BIT COUNTS. A HUGE THANK YOU FROM OUR FAMILIES.”

— KIM GRAHAM, BRIDGE HOUSE FAMILY SHELTER PROGRAM DIRECTOR

BENEFICIARY HIGHLIGHT:

Tribal Program

The CITGO-Venezuela Heating Oil Program serves the needs of the Native American population in a number of states. Because of the remote location of served reservations, these communities can experience higher-than-average heating oil prices.

Cold winters, unusually high gas prices and high unemployment rates have made the CITGO-Venezuela Heating Oil Program especially important to families of the Passamaquoddy Tribe of the Indian Township Reservation. Home to 1,364 tribal members, the Indian Township Reservation is located in Princeton, Maine on 28,000 acres of woodland along the eastern border. The Passamaquoddy Tribe of the Indian Township Reservation has participated in the program since 2007. Recipients have included tribal elders, disabled individuals and single-parent households.

“THE INDIAN TOWNSHIP TRIBAL COMMUNITY IS VERY THANKFUL FOR THE OPPORTUNITY TO PARTICIPATE AND TO HELP FAMILIES ON THE RESERVATION TO KEEP WARM.”

— LINDA LEWEY, INDIAN TOWNSHIP TRIBAL GOVERNMENT CONTRACT ADMINISTRATOR



ENVIRONMENTAL PROTECTION, CONSERVATION AND RESTORATION

ENERGY EFFICIENT LIGHTING PROGRAM

Since 2008...

1.3 million CFL bulbs distributed

734 million pounds of CO₂ emissions avoided over the lifetime of bulbs distributed

115,000 low-income households benefited

517 million kilowatt hours saved

CITGO is committed to environmental stewardship. In addition to numerous employee-driven efforts, from promoting recycling to other eco-friendly behaviors, we invest in long-term programs dedicated to the restoration and preservation of natural habitats, national parks and natural resources, and to the promotion of energy efficiency.

Founded as a pilot program in 2008, the CITGO-Venezuela Energy Efficient Lighting Program (EELP) is driven by our philosophy to Fuel Good in the communities we serve. This initiative provides energy-efficient compact fluorescent light bulbs (CFLs) to help families save on energy costs while protecting the environment.

CFL bulbs use approximately 75 percent less energy than a standard incandescent light bulb and can last up to 10 times longer. According to figures from the U.S. Department of Energy and the EPA, if every home in the U.S. replaced just one regular incandescent light bulb with a CFL, the country would save enough electricity to light more than three million homes for one year.

Since its inception, the EELP has distributed approximately 1.3 million CFL bulbs to benefit more than 115,000 low-income households. In 2012, the program distributed 500,000 CFLs to approximately 50,000 low-income families across 17 U.S. cities. It is estimated that over their lifetime, the CFL bulbs distributed through our program in 2012 will save approximately \$18 million in energy costs—the equivalent of 517 million kilowatt hours, or enough electricity for nearly 17,000 households for one year. Additionally, it is expected that during their lifetime, these light bulbs will reduce CO₂ emissions by 278 million pounds. In addition to receiving light bulbs, beneficiaries receive information on how to properly dispose of spent CFLs.



BENEFICIARY HIGHLIGHT:

The Osceola Council on Aging is a non-profit charitable organization dedicated to providing services to support independence and self-sufficiency for seniors, disabled adults and disadvantaged families. In 2012, CITGO provided more than 2,600 cases of CFL bulbs that were distributed through churches, health fairs, public housing and meals on wheels, to the more than 119,500 community members the council assisted last year.

“BECAUSE THEY ARE RECEIVING THESE SERVICES, THEY ARE ABLE TO AFFORD BASIC CARE...IT IS GREAT THAT [CITGO] ASSISTED THE COUNCIL TO MEET THE NEEDS IN OUR COMMUNITIES.”

— CARMEN CARRASQUILLO, CHIEF OPERATING OFFICER

EDUCATION AND SOCIAL INVESTMENTS

In 2012...

181 organizations received funding for education and social investments

\$1.6 million donated

14 universities received CITGO funds for scholarships

CITGO is committed to programs that provide childhood and adult education opportunities, tutoring and after-school programs, and classroom resources. We support educational initiatives that empower others to contribute to progress and economic growth within their local communities.

MINORITY IMMIGRANT PROGRAM—CASA DE MARYLAND

CITGO has proudly supported CASA de Maryland and its vision of creating strong, economically and ethnically diverse communities since 2007. Through its investment of \$200,000 in 2012, CITGO continued to support training programs and social assistance services for the Latin and African American communities of Washington, D.C. and Maryland.

CASA de Maryland provides education and support services, including employment placement, vocational training, financial planning, job development, English as a Second Language, literacy courses, citizenship classes, legal services, and health outreach, among other social services. In 2012, with the financial support provided by CITGO, CASA de Maryland was able to provide instruction in English as a Second Language to 876 students, financial training to 2,189 people, and vocational training to 312 individuals.

TRANS-AFRICA

The Trans-Africa Forum is a leading educational and social investment institution addressing political issues affecting people of African descent in the United States, Latin America and the Caribbean. Through its \$100,000 donation in 2012, CITGO continued support of the Latin American and Caribbean Program, which is designed to strengthen the connections between African-Americans and Latinos in the United States, and promote multi-cultural exchanges.

CITGO also supported “I am Trans-African,” a multi-media campaign designed to bridge the disconnect between the everyday struggles of native Africans and the struggles of African-Americans living in the United States. This campaign aims to build an informed community through education and authentic relationships that lead to substantive dialogue to spur global change.



SOUTH BRONX PROGRAMS

CITGO understands the important role community organizations play in local neighborhoods, especially those that have been traditionally underserved. We are proud to be part of a movement that promotes positive social transformation through community inclusion in alignment with the social development principles of our shareholder, PDVSA. CITGO began the South Bronx Social Program and Environmental Initiative in 2007 to promote a brighter future in the South Bronx, the poorest congressional district in the United States, where more than a quarter of a million people live below the poverty line.

Since 2007, CITGO and its non-profit organization, the Simón Bolívar Foundation, have contributed more than \$6 million in charitable grants to 74 community organizations throughout the South Bronx, implementing programs in education, health, nutrition, cooperatives, finance, environmental protection, and arts and culture.

In 2012, our South Bronx Programs extended to 36 organizations. Program grants totaling \$1.25 million were used to develop local social and environmental programs. Among 2012's recipients were 14 non-profit education programs, eight organizations focused on arts and culture, eight environmental groups and six health organizations. Programs ranged from a children's dance project and apprenticeships in radio and film production to a teen social justice club and a recycling and "green-collar" jobs program. Funds were also used to expand support services to the homeless through free weekly trainings designed to help them get the skills and experience they need to pursue employment and build their capacity as engaged community members.

To date, more than 102,000 individuals have benefited from the programs across the region, with 50,113 individuals being served in 2012 alone.



BRONX PROGRAMS AND NUMBER OF PEOPLE BENEFITED IN 2012

488 BUSINESS DEVELOPMENT

12,535 ENVIRONMENTAL, EDUCATIONAL & PRESERVATION

1,659 HEALTH EDUCATION

2,689 HEALTHY FOOD ALTERNATIVES

8,931 LIFE & PROFESSIONAL SKILLS

16,725 PROMOTING ARTS & CULTURE

152 HOMELESS RIGHTS

1,101 TRAINING & DEVELOPMENT OPPORTUNITIES FOR WOMEN

+ **5,833** YOUTH DEVELOPMENT

50,113 TOTAL INCLUDING DIRECT & INDIRECT BENEFICIARIES



WE BELIEVE IN THE POWER OF ORDINARY PEOPLE TO ACCOMPLISH THE EXTRAORDINARY. TO FUEL GOOD IS TO FUEL THE ENGINES OF POSITIVE CHANGE.

HEALTH AND HUMANITARIAN RELIEF

601 patients have received medical treatments since 2005

108 patients were treated in 2012 through the Simón Bolívar Foundation

14,000 gallons of fuel donated to support disaster relief efforts for Hurricane Sandy

We understand that access to quality health care services is critical. CITGO supports healthy nutrition and lifestyle choices, and believes in providing physical or mental resources to those in need. Through our charitable work with partners in the field, we combat disease, homelessness and other problems among underprivileged populations. And when natural disaster strikes, we stand ready to deliver humanitarian aid.

SIMÓN BOLÍVAR FOUNDATION

The Simón Bolívar Foundation is a non-profit charitable organization created by CITGO in 2006. The Foundation is devoted to improving the quality of life for people throughout the Americas, primarily by expanding access to health care for those affected by critical illness and insufficient economic means. By providing financial assistance to qualifying participants and serving as a liaison between hospitals, patients and their families, the Foundation helps deliver essential medical care to people who would otherwise go untreated. In 2012, the Foundation was able to help 108 patients.

MEDICAL ASSISTANCE AND PATIENTS SERVED

Program	2005-07	2008	2009	2010	2011	2012	Totals
CITGO*	32	14	4	2	1	2	55
Simón Bolívar Foundation							
SPECIALIZED MEDICAL ASSISTANCE – INTERNATIONAL PATIENTS	0	22	7	5	7	21	62
SPECIALIZED MEDICAL ASSISTANCE – US PATIENTS	0	2	3	5	5	4	19
HEARING AIDS & PROSTHETIC DEVICES	0	63	58	36	28	52	237
LIVER TRANSPLANTS & OTHER TREATMENTS	0	6	4	10	9	9	38
BONE MARROW TRANSPLANTS	0	6	51	24	57	14	152
OTHER MEDICAL ASSISTANCE	0	1	7	11	13	6	38
Total Patients Served	32	114	134	93	120	108	601

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

Cochlear Implants and Bone-Anchored Hearing Aids

In 2012, 52 patients received cochlear implants and bone-anchored hearing aids through the Simón Bolívar Foundation. Most were children who received cochlear implants and the required, subsequent speech therapy. For the first time in their lives, those who are profoundly deaf can be provided “a sense of sound” by these costly implants.

BENEFICIARY HIGHLIGHT:

Leonardo Gómez (prosthetic hands)

Leonardo Gómez lives in the Aragua state of Venezuela. In May 2012, he suffered a traumatic accident resulting in the loss of four fingers on each hand. Unable to afford the high costs for prostheses, Leonardo's family searched for help through state institutions, leading them to the Simón Bolívar Foundation.

Within two months of submitting an application, Leonardo received a phone call and, shortly thereafter, traveled to Memorial Hermann Health Systems in Texas. This accident was a big blow to the Gómez family, but Leonardo has slowly become self-sufficient. With a chip placed in his brain, Leonardo will be able to control the finger movements of his prostheses. One of Leonardo's greatest wishes is to be able to play again with his two small children, Yoselyn, 12 years old, and Cristian, eight years old. With the support of the Foundation, he can recover, at least partially, his physical and emotional stability.

"I WILL BE ETERNALLY GRATEFUL TO THE WHOLE TEAM, THE PEOPLE IN VENEZUELA, AS WELL AS THE PEOPLE HERE IN THE U.S. ... IT IS A DELICATE SUBJECT, DEALING WITH PEOPLE'S HEALTH, IT MAKES THE PEOPLE OF THE FOUNDATION EVEN MORE SPECIAL, JUST FOR HELPING THOSE WHO ARE SICK OR HAVE HEALTH PROBLEMS."

— LEONARDO GÓMEZ

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 14 patients in hospitals in Italy and Venezuela in 2012.

Liver Transplants and Other Treatments

Through a partnership between PDVSA and the Hospital Italiano in Argentina, nine patients received liver transplants or treatment for a variety of conditions, including heart problems and congenital malformations, at the Hospital Italiano in 2012.



BENEFICIARY HIGHLIGHT:

Lucianna Vestita (heart surgery and ear implants)

Two-year-old Lucianna Victoria Vestita Aparicio and her mother, Lucía, live in Cabimas, in the Zulia State of Venezuela. Lucianna was diagnosed with Charge Syndrome, a pattern of birth defects including heart, eye and ear defects that often result in vision loss, hearing loss and balance problems delaying development and communication. Unable to provide care, her doctor recommended looking for options abroad.

After learning about the Simón Bolívar Foundation, Lucianna's father applied and was awarded a grant; Lucianna and her mother left for Houston shortly thereafter. At 17 months, Lucianna could not yet crawl when she and her mother arrived in Houston. Just seven months later, Lucianna's family knows that her vision is not going to improve but she is walking, grabbing at anything along the way. Last year, Lucianna underwent heart surgery and a ventilation tube surgery for her eardrums. Her hearing has improved and she has become a very happy, social little girl.

"HONESTLY, I FEEL THAT GOD HAS BLESSED US, BECAUSE BEING HERE IN THE U.S. IS NOT EASY, IT IS A BLESSING."

— LUCÍA APARICIO GÓMEZ

Other Charitable Assistance

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



BENEFICIARY HIGHLIGHT:

Alejandro Sordo (pacemaker)

Alejandro Javier Sordo Vieira was a normal, healthy eighth grader five years ago when he was diagnosed with QT Syndrome, a medical condition resulting from an abnormality in the electrical system in the heart. Alejandro's heart had failed while he was sleeping, leaving him in intensive care with a brain injury caused by lack of oxygen.

Through a combination of medication, a monitoring device and a pacemaker, Alejandro's heart issues were resolved, but Alejandro still suffered from generalized dystonia, a severe neurological disorder in which sustained muscle contractions cause twisting and repetitive movements in addition to severe spasticity of his muscles.

Determined to provide Alejandro with the best treatment, his parents traveled to Houston in search of an electronic implant that would stop involuntary muscle movements and allow Alejandro to speak and control his movements. The cost of the operation would have been impossible for them to afford, so they approached the Simón Bolívar Foundation for help. With the Foundation's support, Alejandro received the neurostimulator implant surgery, as well as the necessary surgery to replace his failing pacemaker.

"HE WAS ALWAYS A DECISIVE BOY, HE DID THINGS UNTIL THEY WERE CORRECTLY DONE AND LATELY HE HAS DEDICATED HIMSELF TO GETTING BETTER. EVEN WITH HIS LIMITATIONS HE IS A VERY HAPPY BOY, I DON'T THINK ANY OF US COULD GO THROUGH THIS OR LIVE WHAT HE HAS LIVED THROUGH... HONESTLY, EVERYONE IS ALWAYS VERY ATTENTIVE. THEY ALL HAVE HELPED US SO MUCH. WE ARE VERY GRATEFUL."

— ALEJANDRO SORDO (FATHER)

LONGTIME SUPPORTER OF THE MUSCULAR DYSTROPHY ASSOCIATION

CITGO has been a principal sponsor of the Muscular Dystrophy Association (MDA) since 1986. Through a variety of fundraising events, from golf and bowling tournaments to walk-a-thons and auctions, our employees, marketers, retailers and other business partners have raised and donated more than \$150 million to help MDA provide its research, advocacy, education, health care and rehabilitation support services to more than one million U.S. families. In 2012, CITGO donations to MDA totaled more than \$844,000.

NATURAL DISASTER RESPONSE

The impact of hurricanes, tornadoes, floods and other natural disasters can be devastating to communities. When such events occur, the people of CITGO rally to serve those in need.

Following the devastation of Hurricane Sandy, CITGO donated 14,000 gallons of fuel to the Linden, New Jersey Fire Department and \$10,000 to a New Jersey food bank. Volunteers also coordinated a clothing drive, resulting in the donation of more than 100 coats.

In the aftermath of Hurricane Isaac in late-August 2012, the City of Sulphur, Louisiana asked our Lake Charles facility to help in the relief efforts. Team CITGO volunteers helped sort and pack numerous donations from the community. Volunteers collected baby and personal hygiene items, clothing and shoes, non-perishable foods and first aid items.

COMMUNITY INVOLVEMENT

Our Fueling Good philosophy encourages CITGO employees, retirees, contractors, and families to get involved in their local communities. In partnership with local leaders, we identify and address the vital needs of our communities to help foster economic stability.

Hours by Location



Each of our facilities has an established team to lead volunteer efforts at the local level. Guided by the pillars of CITGO giving, our teams coordinate volunteers in support of local and national community programs. Our employees proudly mentor young leaders; tutor youth in math and science; provide handyman services to local non-profits; donate food, clothing and supplies to those in need; and give hands-on help to families affected by natural disasters. CITGO employees also serve on their local Chambers of Commerce, work with local agencies to improve emergency response infrastructure, and provide leadership and support to countless civic improvement efforts.

FUELING GOOD PROGRAM

The Fueling Good program recognizes and rewards local organizations that use their own time, money and energy to make a difference in their local communities. By submitting their "good works" stories at www.FuelingGood.com, votes are cast to determine which charities receive the \$5,000 in CITGO Gift Cards to further extend their good work. To date, the program has fueled a million miles of good for more than 200 non-profit organizations. Through the Fueling Good program, CITGO builds awareness of the many wonderful local efforts that improve people's lives and provides much needed support to these deserving organizations.



HOUSTON

Through their volunteer efforts, our employees serve as CITGO ambassadors and share their time and talents while doing something they enjoy. In 2012, our CITGO in Action team donated 1,994 volunteer hours to 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 the Grace Care Center. The CITGO in Action team connects with others to make a difference in the community today and plant the seeds of volunteerism for tomorrow.

Additionally, CITGO is actively engaged with area trade organizations including the Greater Houston Partnership (GHP), which is dedicated to promoting business, education and culture in the city of Houston, as well as the West Houston Chamber of Commerce.

PARTNERS IN HUMANITARIAN RELIEF—HOUSTON FOOD BANK

In 2012, CITGO employees dedicated 263 hours in support of the Houston Food Bank. CITGO honored the Houston Food Bank with a \$25,000 award for its vital work to provide more than 53 million meals each year in southeast Texas.

PARTNERS IN EDUCATION—ALIEF INDEPENDENT SCHOOL DISTRICT (ISD)

Founded in 1917, Alief ISD is a Texas Education Agency-recognized school district located in southwest Houston. With 45,000 enrolled students, Alief is the most ethnically diverse of comparably sized school districts in Texas. More than 80 languages and dialects are spoken across Alief's 41 campuses.

In 2012, CITGO awarded Alief \$181,826 to create a mobile lab space to increase student engagement and involvement in the sciences. Grant funds were also targeted to implement energy-saving projects for administrative buildings. Alief ISD used the funds to white-coat the roofs of school buildings to reduce energy consumption.

PARTNERS IN HEALTH—NEW YORK ROAD RUNNERS MIGHTY MILERS PROGRAM

In 2012, CITGO continued supporting the Mighty Milers Program in 10 Houston area elementary schools. The program promotes running for kids of all fitness levels, with the goal of preventing obesity and other illnesses. Over the course of a school year, children in the program work to complete at least one marathon of miles. In the 2011-2012 academic year, a total of 5,168 students ran 236,239 miles. Also, 13 instructors ran an additional 275 miles.



CORPUS CHRISTI

CITGO is dedicated to supporting commerce, economic stability and community development within the Corpus Christi community. In 2012, the Corpus Christi Refinery contributed \$437,170 to local non-profit organizations. Additionally, CITGO Corpus Christi employees raised \$418,039 for the United Way and donated 2,381 hours to 35 community organizations, including Charlie's Place, Texas A&M University Mechanical Engineering School, John Paul II Charter School, the Food Bank of Corpus Christi, the Corpus Christi Chamber of Commerce, the Texas State Aquarium, and the Corpus Christi Botanical Garden. Ongoing community programs, including the Special Olympics and the Miracle League, are supported through annual events coordinated by the CITGO Cares Team.



PARTNERS IN SOCIAL INVESTMENT—HANDS FOR HILLCREST

In May of 2012, CITGO established the Hands for Hillcrest initiative. This program is scheduled to distribute \$1.5 million over a three-year period to Corpus Christi-based non-profit organizations that serve the fence-line community of Hillcrest.

The results of a community-wide survey indicated that Hillcrest residents see job development/training, education, health and the environment as top priorities. The survey will serve as a baseline for measuring the success of the Hands for Hillcrest program.

With these priorities in mind, a seven-member advisory committee of community leaders and focus area experts reviewed grant applications to recommend projects for funding in the first year. This process will be repeated each year and a Hands for Hillcrest newsletter will be distributed to keep our local community neighbors informed and involved. In 2012, Hands for Hillcrest awarded 10 local organizations grants totaling nearly \$500,000. CITGO Corpus Christi Refinery employees were encouraged to participate through the volunteer program to further extend the grants' impact.

PARTNERS IN EDUCATION—TEXAS A&M SCHOLARSHIP PROGRAM

In 2010, CITGO initiated a scholarship program through Corpus Christi's local Texas A&M University to provide scholarships to eligible students. The program will distribute \$150,000 over a five-year period. In 2012, a total of \$30,000 was awarded to 17 students studying engineering, accounting, communications, computer science and management information systems.

CAMP ARANZAZU CLEANUP

Camp Aranzazu is a non-profit organization dedicated to enriching the lives of children and adults with chronic illnesses and disabilities by providing unique camping, environmental studies and retreat experiences. In 2012, eight Corpus Christi volunteers donated 46 hours to cleaning and maintaining the camp's 86-acre facility. Volunteers provided tree-trimming and brush-clearing services, installed medical equipment, painted buildings and planted gardens.

PARTNERS IN ENVIRONMENTAL CONSERVATION AND RESTORATION—HILLCREST TREE PLANTING

In partnership with the City of Corpus Christi and local businesses, 28 CITGO volunteers donated 101 hours to the Hillcrest Tree Planting effort. This collaborative effort between CITGO, TXU Energy and Beautify Corpus Christi provided 20 new trees—a combination of Mexican White Oak, Cedar Elm, Chinkapin Oak and Vitex—to the local Dr. H.J. Williams Park.

LAKE CHARLES

Founded in 1944, the Lake Charles Manufacturing Complex has a significant presence in Southwest Louisiana and contributes generously through civic service, grassroots involvement and charitable donations. Year after year, our Lake Charles complex is a recognized leader in United Way giving, with more than \$11.5 million in raised funds since 1975. In 2012, the facility contributed \$1.1 million to local non-profit organizations. The facility's employees provide support and leadership through Southwest Louisiana Chamber of Commerce events and leadership mentoring/training activities. They have also been instrumental in improving the community's emergency response infrastructure through interagency cooperation—an important protective measure against natural and industrial disasters.



HIGHLIGHT:

Team CITGO

Team CITGO, the employee volunteer group in our Lake Charles Refinery, continues to set the standard for excellence in volunteerism in the Five Parish area. It was the first industrial volunteer organization in Southwest Louisiana, and its employees, retirees, families and friends have donated thousands of hours to local charitable and community projects. Team CITGO achieved a total of 3,008 volunteer hours in 2012. In the last 15 years, team volunteers have contributed more than 27,000 hours to organizations including the Children's Miracle Network, Family and Youth Counseling Agency, American Heart Association, the Special Olympics, American Cancer Society and the Rebuilding of Millennium Park initiative.

PARTNERS IN SOCIAL INVESTMENT—SPECIAL OLYMPICS

Worldwide, 3.5 million Special Olympic athletes train year-round for competitions modeled after the Olympic Games. In 2012, 26 Team CITGO volunteers donated 140 hours, assisting with event setup, cheering on athletes, and presenting awards at the local Special Olympics Spring Games. Four to five hundred disabled athletes from Southwest Louisiana competed in the event, and winners progressed to the state-level Special Olympics games in Baton Rouge.

PARTNERS IN HEALTH—MUSCULAR DYSTROPHY ASSOCIATION (MDA)

In 2012, the Lake Charles Refinery hosted 180 golfers, including 48 representing the refinery, for the 28th Annual CITGO/MDA Golf Classic. The event raised \$281,000 to support 860 children and adults served by the MDA of Southwest Louisiana and helped send approximately 80 local children with neuromuscular diseases to a barrier-free MDA summer camp in Bunkie, Louisiana.

PARTNERS IN EDUCATION—CALCASIEU PARISH PUBLIC SCHOOLS

We believe that education is a core value in a healthy society. That's why we joined the "Partner in Education" initiative with four Calcasieu Parish public schools and McNeese State University. CITGO activities with Partner in Education schools have included the "Going Green" Family Night and the 6th Annual Earth Day Poster Contest at E.K. Key Elementary school. Volunteers also sponsored the Sulphur High School Robotics Club, volunteered for Junior Achievement at the Sulphur High Schools, and participated in the annual career fair.

LEMONT

The Lemont, Illinois Refinery is geographically positioned among the communities of Romeoville, Lemont and Lockport and is an important economic engine in Chicago's southwest suburban Will County. The refinery has the unique challenge of engaging with the 88 surrounding communities our employees call home. We strive to keep our outreach diverse and expansive. In 2012, Lemont employees contributed 3,105 volunteer hours to local causes, and thousands of dollars in donations and household goods. Monetary donations from the refinery totaled nearly \$837,000 in 2012, including more than \$359,000 raised for the MDA, \$182,000 for the United Way and \$30,000 for the Multiple Sclerosis Society.

The CITGO Community Action Team (CCAT) champions fundraising events throughout the year, including clothing drives for women's shelters, food drives for local food pantries, beautification projects and community environmental events. During the holiday season, team members coordinated a Christmas coat drive for local shelters.

PARTNERS IN HEALTH

The CCAT lives up to its motto of "Neighbors Helping Neighbors." For the second year in a row, the CITGO Lemont Refinery hit the track to raise funds for the American Cancer Society's Relay for Life. The team, made up of 30 refinery employees and contractors, raised \$2,200 for the cause.

The CCAT also joined together for the 31st Annual Bike MS: Tour De Farms Event, a national cycling series to raise money and awareness in the fight against multiple sclerosis. In 2012, CCAT had 85 riders in the event and volunteers raised more than \$24,000.

The Lemont Refinery teamed up with the MDA for the 3rd Annual MDA Shamrock Bowl, during which 246 CITGO employees, contractors, friends and family raised more than \$63,000. Some of the funds were dedicated to Camp Red Leaf, where CITGO employees worked with fellow sponsors over the summer to create a carnival for campers. The MDA sends more than 4,000 children and young adults to 80 locations nationwide each summer to participate in similar week-long camps.



PARTNERS IN SOCIAL INVESTMENT—FUELING FAMILIES

CITGO knows that strong families are the foundation of strong communities. For the third year, CCAT employees "adopted" several families during the Romeoville Operation Christmas benefit. Employees raised more than \$2,000 for gifts to help 21 families have a brighter holiday.

CCAT also continued a strong tradition of supporting local food pantries and domestic violence shelters during its 11th annual "Christmas in July" donation drive. Five large storage containers filled with food and household goods were delivered to area food pantries and domestic violence shelters.

PARTNERS IN EDUCATION—PROJECT INFINITE GREEN

CITGO is a proud sponsor of Project Infinite Green, an Illinois-based after-school program created to raise awareness of and promote the ideals of the STEM (Science, Technology, Engineering, and Mathematics) Coalition, and other professional and education organizations. Throughout the program, mentors educate students on how different energy sources are distributed and used, the advantages and disadvantages of each, U.S. energy policy, nuclear power, petroleum, natural gas, renewable energy sources and the impact of humans on the environment.

Why We Strive





Governance

AT CITGO, WE RECOGNIZE THE IMPACT OUR DAY-TO-DAY BUSINESS ACTIVITIES CAN HAVE ON OUR COMMUNITIES AND THE SURROUNDING ENVIRONMENT. WE CAREFULLY ASSESS AND MANAGE OUR ENTERPRISE RISKS AND STRIVE TO UPHOLD RESPONSIBLE BUSINESS PRACTICES. OUR RISK MANAGEMENT PROGRAMS ARE DESIGNED TO BE RESPONSIVE TO THE NEEDS OF OUR MARKETS, OUR COMMUNITIES AND OUR PEOPLE.

3,542 COMPUTER-BASED

compliance courses were completed in such subjects as:

ANTITRUST

CONTRACTS

E-MAIL CONTENT

WORKPLACE HARASSMENT

EQUAL EMPLOYMENT OPPORTUNITY

Ethics and Transparency



In order to maintain the highest ethical standards, it is necessary to practice exceptional corporate governance. Our Board of Directors guides the CITGO Vision in a manner consistent with our corporate values. Our Chief Compliance Officer assumes responsibility for monitoring and maintaining our firm commitment to proper business ethics and corporate transparency.

ORGANIZATIONAL RESPONSIBILITY

Our Board members are nominated and elected annually. Since CITGO is a Delaware corporation, the Board's powers and duties reflect Delaware law and our own bylaws. Our current four-member Board is chaired by CITGO President and Chief Executive Officer (CEO), Nelson P. Martínez.

Board committees include:

- **The Audit Committee, which is tasked with performing our financial auditing activities and ensuring all applicable accounting standards are followed.**
- **The Compensation Committee, which reviews and approves compensation and bonuses for CITGO officers and material changes to benefit plans.**

Additionally, the Corporate Compliance Committee, led by the Chief Compliance Officer and composed of six CITGO officers and employees, is responsible for reviewing and evaluating compliance, ethics and corporate governance issues across all of the CITGO refining, distribution and marketing business elements. As the person ultimately responsible for ethics and transparency at CITGO, our Chief Compliance Officer ensures our 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.

COMMITMENTS AND OBJECTIVES

We steadfastly uphold our commitment to operate in compliance with Foreign Corrupt Practices Act (FCPA) policies in addition to federal, state and local laws. Our standard contract language includes the requirements that CITGO comply with all laws and maintain complete and accurate records. Where appropriate, our contracts also contain specific anti-bribery commitments.

STANDARDS OF BUSINESS CONDUCT

Our long-standing Ethics and Conflicts of Interest Policy prohibits CITGO, its employees and agents from directly or indirectly making payments or providing 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 applies to the giving or receiving of payments or gifts between CITGO employees or their immediate families and vendors or customers.

CORRUPTION REPORTING AND ANTI-CORRUPTION TRAINING

CITGO takes corporate compliance very seriously. Employees and third parties have several mechanisms through which to report suspected incidents of corruption. They may anonymously call or e-mail the corruption reporting hotline found on our internal and external websites. Employees may also e-mail the Legal Department, or contact a CITGO attorney, our Chief Compliance Officer or our Internal Audit Department.

CITGO corruption reporting hotlines are administered by a third party and all complaints are reviewed by our internal and legal teams. While the majority of the issues reported concern third-party-owned CITGO retail locations, we make sure each incident is followed up and investigated. Relevant issues are forwarded to our light oils and lubricant marketing teams to ensure complaints are resolved. Additionally, our electronic employee newsletter, "CITGO Today," provides information about any disciplinary actions that result from an employee-initiated investigation.



CITGO periodically conducts mandatory online training for employees concerning the U.S. FCPA. In addition, the CITGO Internal Audit Department provides information and online training on the CITGO Ethics and Conflicts of Interest Policy. Approximately 2,500 CITGO employees, including all company officers and the majority of management personnel, are required to complete the Ethics and Conflicts of Interest questionnaire annually. The CITGO Legal Department also provides online training modules on other topics such as business ethics and trade sanctions.

EMPLOYEE ENGAGEMENT ON ETHICS

In November 2011, CITGO invited employees to complete a Risk Clarity Survey. Developed by the Compliance and Ethics Leadership Council, the survey included 18 questions concerning attitudes and practices related to general compliance issues, and 12 CITGO-specific questions.

In January 2012, the completed surveys were collected and reviewed. We were encouraged that more than 75 percent of CITGO salaried employees participated and shared their views. The data also helped us identify areas we would like to improve. In 2012, our Chief Compliance Officer shared the survey results with the Operations Committee, which is composed of senior managers and reviews and approves proposed projects, to address issues and training needs.

In order to expand awareness and improve the ease of reporting non-compliance incidents, we plan further training and will license new software to record, identify and track all non-compliance incidents, repeat offenders, systemic issues and areas for improvement.

POLITICAL ADVOCACY

CITGO Petroleum Corporation employs in-house governmental affairs professionals and external lobbyists, and participates in public policy conferences to communicate the company's interests, image and brand. Our political contributions policy prohibits contributions to candidates for federal office, but allows contributions at the state level or in any other jurisdiction where permitted by law. However, in 2012 and for several previous years, CITGO has not made any political contributions.

CITGO participates in several trade and commerce organizations. We hold memberships in the Texas Oil and Gas Association (TXOGA), the Louisiana Association of Business and Industry (LABI), the Louisiana Mid-Continent Oil and Gas Association (LMOGA), American Fuels and Petrochemical Manufacturers (AFPM) and the Texas Chemical Council (TCC). Within these organizations, CITGO employees participate on various committees as company representatives.

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 forums, CITGO is able to participate in policy debates that we deem important.

CITGO employs a lobbying firm in Washington D.C. to represent its interests on federal legislation issues. We are also represented by lobbying firms in Texas, Illinois and Louisiana, where we have core assets.

GRI/IIPECA INDEX

This report was informed by the sustainability reporting guidelines published by the Global Reporting Initiative (GRI, version 3.1 as well as the Oil and Gas Sector Supplement) and the American Petroleum Institute and International Petroleum Industry Environmental Conservation Association (API/IIPECA). A distinction has not been made between fully and partially reported indicators.

CHAPTER	SECTION	API/IIPECA INDICATORS	GRI INDICATORS	PAGE
ABOUT THIS REPORT			3.1, 3.3, 3.4, 3.5, 3.6	2, 3
COMPANY PROFILE	Background and Structure		2.1, 2.4, 2.6	4
	Operational Highlights		2.2, 2.5, 2.7, 2.8	5
SAFETY	Organizational Responsibility	HS1	DMA LA	8
	Integrated Management System		DMA LA	8, 9
	Personnel Safety	HS3	LA7	10, 11
	Contractor Safety	HS3	LA7	10, 11
	Performance Achievements and Awards		2.10	11
	Process Safety and Reliability	HS5	OG13	12, 13
	Mechanical Integrity	HS5	OG13	14
	Industrial Hygiene	HS2	LA8	14
	Community Safety	HS2		14
	Employee Health	HS2	LA8	15
	Product Stewardship	HS4	4.11, PR1, PR3, EN26	16, 17
	Transportation		EN29	16
ENVIRONMENTAL PERFORMANCE, AND RESTORATION	Organizational Responsibility		DMA EN	20
	Performance Management	E4	PROTECTION DMA EN	20, 21
	Energy and Greenhouse Gas Emissions	E1, E2	EN3, EN4, EN16, EN17	22
	Other Air Emissions	E7	EN20	23, 24
	Waste	E10	EN22	25
	Water Use and Discharge	E9	EN21	26, 27
	Other Emissions	E7	EN20	26
WORKFORCE	Organizational Responsibility		DMA LA	30
	Workforce Diversity and Inclusion	SE15	LA1, LA13	30
	Supplier Diversity	SE7		31
	Local Hiring	SE6	EC7	32
	Workforce Training and Development	SE17	LA11	32-34
	Technical Development Initiative	SE17	LA11	34
	Employee Engagement and Satisfaction	SE16	4.16	35
	Employee Benefits		2.10, LA3	36, 37
	Retirees and CITGO Alumni		LA11	37
SOCIAL RESPONSIBILITY PROGRAMS AND INITIATIVES	Energy Assistance	SE4	EC8	41
	Environmental Protection, Conservation and Restoration	SE4	EC8	44
	Educational and Social Investments	SE4	EC8	45
	Health and Humanitarian Relief	SE4	EC8	48
	Community Involvement - Houston	SE1	4.16, EC8, S01	52
	Community Involvement - Corpus Christi	SE1	4.16, EC8, S01	53
	Community Involvement - Lake Charles	SE1	4.16, EC8, S01	54
	Community Involvement - Lemont	SE1	4.16, EC8, S01	55
GOVERNANCE	Organizational Responsibility	SE11	DMA S0	58
	Commitments and Objectives	SE11	DMA S0	58
	Standards of Business Conduct	SE11	4.8	59
	Corruption Reporting and Anti-Corruption Training	SE11	S02, S03, S04	57, 59
	Employee Engagement on Ethics	SE11	4.16, S02	60
	Political Advocacy	SE14	4.13, S05	60
INDEX OF ISSUES AND INDICATORS			3.12	61

CITGO Petroleum Corporation
1293 Eldridge Parkway
Houston, Texas 77077-1670

www.citgo.com

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