

Corporate Social Responsibility 2016



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About This Report

INTRODUCTION

We are pleased to share our annual Corporate Social Responsibility Report (CSR Report) to detail our corporate social responsibility, safety and environmental performance in 2016. This report focuses on the issues that are most material to our business and stakeholders. To determine relevant issues, we surveyed our subject matter experts at the end of 2015. CITGO® management developed the 2016 CSR Report and takes responsibility for the collection and accuracy of the information presented. Unless otherwise stated, the financial, safety, human resources and philanthropic data included reflect the processes and performance of wholly owned CITGO operations. Environmental data is collected for the three CITGO-owned refineries. This CSR Report does not include data or performance information for CITGO retail locations, as they are independently owned and operated. Please contact us at CITGO_CSRReport@CITGO.com with questions or comments.

INTRODUCTORY STATEMENT

This CSR Report contains forward-looking statements with regard to how CITGO intends to conduct certain 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 as part of the CSR Report—may differ materially from any forecast or projection in this document.

The statements of intention in this CSR Report are accurate only as of this report's publication date. CITGO undertakes no obligation to publicly update any statements contained herein.

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 as a whole. 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

CITGO Petroleum Corporation (CITGO) has an enduring American success story more than 100 years old. It is owned by CITGO Holding, Inc., a Delaware corporation and an indirect, wholly owned subsidiary of Petróleos de Venezuela, S.A. (PDVSA), the national oil company of the Bolivarian Republic of Venezuela.

CITGO refineries process approximately 204,000 barrels per day (bpd) of Venezuelan crudes. With more than 3,400 employees, more than 1,400 contractors and 749,000 bpd of total crude oil capacity, we operate three highly complex crude oil refineries located in Lake Charles, LA; Lemont, IL; and Corpus Christi, Texas. Our expansive network of 48 owned

and/or operated petroleum product terminals distribute CITGO products across major regions of the United States.

CITGO petroleum-based products are used by many consumers across several industries. CITGO works directly with airlines to provide jet fuel, and a broad range of manufacturers and industrial complexes use CITGO petrochemical and industrial products. CITGO also produces agriculture and automotive industrial lubricants. The company markets fuels through nearly 5,300 independently owned and operated branded distributors. In 2016, CITGO sold 13.6 billion gallons of refined products direct to industrial consumers through our network of distributors.



749,000 bpd refining capacity

More than **3,400** employees

+1,400 contractors

48 owned/operated product terminals

9 pipelines; **3** lubes blending and packing plants

~5,300 independently owned retail locations

13.6 billion gallons of refined products



FUELING IT FORWARD AT CITGO

Dating back to the creation of Cities Service in 1910, CITGO has a long history in the United States. Since that time, our operations have maintained an essential role in producing energy products, as well as the building blocks for many petroleum-based items, like toothbrushes, heart valves and motor oil. Across CITGO, we take great care to ensure the integrity and reliability of our operations to fuel communities forward each day. We realize this commitment by

fostering an engaged and diverse workforce that carries out our sound environmental and safety practices. In addition to providing vital resources, CITGO also acknowledges a responsibility to improve the quality of life within the communities where we operate. We are very proud of the financial investments we make locally and the employee community service and volunteer activities that we participate in.

\$11.8 million directed
toward community programs and
environmental initiatives

\$74 million of capital investment in 2016 focused
on regulatory and risk management projects

Our social responsibility programs have improved the
quality of life of more than **3** million people across
37 states since 2010

More than **11,000** volunteer hours contributed
by our employees toward social responsibility projects

CARING FOR
OUR LOCAL
ECONOMIES

REFINERY HIGHLIGHTS

CORPUS CHRISTI REFINERY, TEXAS

80+ years of operation

157,000 bpd processing capacity

527 full-time employees

384 contractors

2,717 volunteer
hours donated

\$395 million
in economic impact

\$878,997 in community
contributions

LAKE CHARLES REFINERY, LOUISIANA

70+ years of operation

425,000 bpd processing capacity

1,112 full-time employees

623 contractors

4,022 volunteer
hours donated

\$508 million
in economic impact

\$882,428 in community
contributions

LEMONT REFINERY, ILLINOIS

90+ years of operation

167,000 bpd processing capacity

546 full-time employees

405 contractors

2,398 volunteer
hours donated

\$478 million
in economic impact

\$693,430 in community
contributions



Fueling Community Development



Each day, CITGO fuels America by refining natural resources into the building blocks of everyday essential products and items. Beyond our operations, we believe in being an active member in the communities where we operate. By working to create meaningful grant programs, activating our engaged network of employee-volunteers, and building awareness for hundreds of worthy organizations and programs, we can positively strengthen communities.

3,150 STEM students Enhanced and expanded our science, technology, engineering, and math (STEM) education programming, reaching more than 3,150 students in 2016.

+11,000 hours TeamCITGO volunteers contributed more than 11,000 volunteer hours to communities near our operations.

\$200 million As one of MDA's largest corporate sponsors, CITGO has raised nearly \$200 million for the organization over our 30-year partnership.



CITGO Community Partnerships

At CITGO, we believe we have a responsibility to the communities in which we operate. Whether that means rolling up our sleeves to help plant grass along our coastlines, providing mentorship to students and future leaders or providing financial support to fuel the positive work of so many organizations across our operational footprint—CITGO makes it a priority to invest in the

communities around us. It is an integral part of our business strategy and an entrenched part of our corporate culture. We focus our efforts around education and social investment; environmental protection, conservation and restoration; and health. In 2016, CITGO donated \$11.8 million toward programs, grants and sponsorships. Through these contributions, CITGO helped worthy organizations and programs to fuel their efforts further.

Lemont 2,398

Corpus Christi 2,717

Lake Charles 4,022

Corporate 2,000

HOURS OF
VOLUNTEERISM
BY LOCATION



FIRST RESPONSE TEAM OF AMERICA

CITGO is the official fuel sponsor for First Response Team (FRT) of America, which aids communities between the onset of a natural disaster and the arrival of traditional relief agencies. The sponsorship helps FRT to continuously and reliably fuel its support vehicles as they respond to communities in the crucial moments following natural catastrophes. Since its inception in 2007, FRT has served 90 communities across the United States and Haiti and helped hundreds of thousands of storm survivors. In 2016, FRT worked with Houston families to assist in cleaning and repairing homes damaged by nearly 20 inches of water that flooded parts of the city in May. Over the years, CITGO has partnered with FRT in areas where it operates to support local communities in need following a natural disaster.



Education and Social Investment

Across CITGO, we understand the importance of education, both for the health of our operations, and the communities in which we operate. To help fuel education forward for the next generation of leaders we invest in science, technology, engineering and math (STEM) education programs that engage an interest in future STEM careers.

CITGO STEM TALENT PIPELINE

The CITGO STEM Talent Pipeline program partners with educational organizations near the company's operational areas to increase access to STEM educational opportunities. The program promotes the importance of STEM education in the socio-economic development of our communities and highlights the numerous pathways to rewarding careers, including those in the energy industry. In 2016, the program provided 18 grants to schools and educational institutions and scholarships for students pursuing higher degrees in STEM fields. In 2016, the CITGO STEM Talent Pipeline supported 16 partners and has already benefited 3,000 students and 300 educators across the CITGO operational footprint, strengthening the communities where the company has a presence.

PROGRAM PRIORITIES

- **Increase awareness of STEM education pathways and careers amongst students, teachers and counselors**
- **Increase student retention and graduation rates, particularly in high school and the transition to post-secondary education**
- **Better prepare students for STEM technical and college degree programs**
- **Award scholarships to students who enroll in STEM technical, 2-year and 4-year degree programs**
- **Strengthen the pipeline of students interested in a career at CITGO**
- **Engage CITGO employees with students and education partners**

The following are examples of 2016 CITGO STEM Talent Pipeline grant recipients.

Corpus Christi

The CITGO Innovation Academy at Foy H. Moody High School supports students interested in pursuing education and careers in STEM areas. The Academy offers rigorous 4-year, upper-level college preparatory course work where students

CITGO STEM TALENT PIPELINE

3,000 students benefited

300 educators engaged

16 university partners

60 university scholarships

\$190,000 in university scholarships

BY THE
NUMBERS
2016

can receive up to 30 hours of college credits following program completion. The program also incorporates real world experiences with the businesses, industries and natural resources that are unique to the Gulf of Mexico region and Coastal Bend area. Innovation Academy students had the opportunity to conduct and present research, visit major colleges, participate in co-curricular academic competitions and visit with world-famous scientists and STEM representatives as they moved through their academic pathway. CITGO has supported the Innovation Academy for more than a decade, helping Moody High School become a top school for STEM education. In 2016, CITGO expanded opportunities in STEM education by working to integrate STEM curriculum into the local middle and elementary schools. As part of these efforts, Moody High School received a \$100,000 "STEMification Outreach Grant."

Houston

In the Alief School District, 10 elementary schools participate in the GirlStart After School Program, a program geared toward encouraging young women to believe in themselves and to pursue paths to higher education and greater career opportunities in STEM. The program was a 2016 recipient of a CITGO STEM Talent Pipeline Grant. GirlStart After School seeks to enhance and supplement girls' science learning in the classroom through engaging activities that introduce important STEM concepts in a hands-on and informal environment.

Lake Charles

To build excitement for STEM opportunities in 2016, the CITGO Lake Charles Refinery sponsored eight schools for the First Lego League Robotics Competition. CITGO mentors with expertise in Information Technology and Engineering provided mentorship and coaching to student teams to

compete for up to \$7 million in college scholarships. The teams were challenged to design and build their own robots programmed to complete various tasks in unique arenas. Additionally, as part of the 2016 grant cycle, CITGO supported the SOWELA Technical Community College to provide math classes to targeted high schoolers in the Calcasieu Parish School System. Competitive scholarships were also awarded to participants who enrolled in a STEM-related program at the community college. CITGO also enabled SOWELA to create iCamp, a five-day summer program designed to promote and fuel interest in STEM programs among Calcasieu Parish high school students. iCamp program participants learned about process technology, drafting, lab analysis and electrical/instrumentation programs.

Lemont

At Lemont High School, CITGO supported the school's STEM-centered initiatives to foster inclusion for both students with disabilities and general education students. Through the program, called "STEM WOW!," general education students benefited by providing coaching and mentoring to their peers. As the program develops these students' STEM education, it also encourages the utilization of social communication, community engagement, professional development, custom curricula and digital resources.

Terminals and Pipelines

In alignment with our corporate emphasis on educational and STEM initiatives, our Terminals and Pipelines (TPL) business unit supported various school outreach and engagement activities in 2016. TPL staff supported Bess the Book Bus as she made several stops on her cross-country tour in communities near our terminal and pipeline operations. CITGO also provided additional reading resources to both teachers and students throughout the year in support of school programming.

SCHOLARSHIPS

A key component of the STEM Talent Pipeline is support for scholarships. CITGO provides funding to 16 universities throughout the country from which our operations recruit their workforce. Scholarships are awarded to students studying chemical, electrical and mechanical engineering; information technology (IT); accounting; finance; business; and supply chain management. In 2016, approximately 60 students received scholarships ranging from \$1,250 to \$5,000 which totaled \$190,000. We also established

the CITGO STEM Scholarship Fund through a \$250,000 endowment to Joliet Junior College. The endowment will award up to four scholarships a year for students pursuing STEM certification and degree programs. CITGO also provides scholarships to graduating high school seniors who enroll in STEM majors. Fifty graduating seniors from three Houston school districts received \$1,000 scholarships and 40 graduating seniors from Corpus Christi each received \$1,000 as part of the Distinguished Scholars Program.



SUPPORT
FOR
SCHOLARSHIPS

SPECIAL OLYMPICS

Our support of Special Olympics is built around a passion for inclusiveness. For more than 30 years, CITGO has supported the organization and its mission to transform lives through the joy of sport for people with intellectual disabilities. In 2016, CITGO became a National Sponsor of Unified Strategy for Schools. The program promotes social inclusion in schools incorporating Special Olympics sports and related activities. Support for the program includes funding in areas where CITGO operates and fosters opportunities for engagement of our employees and enrolled students.

Corpus Christi

As the presenting sponsor of the Spring Games, CITGO helped bring together more than 600 Special Olympics athletes from 16 nearby counties to compete. TeamCITGO volunteers were on hand to help escort teams during opening ceremonies, run track and field events, serve as timekeepers, park cars and congratulate competitors. In addition to the annual Area 2 Spring Games, the Corpus Christi Refinery supported several Special Olympics events throughout the year, including a family night, an annual conference and a fire truck pull, all with the goal of improving quality of life and encouraging camaraderie among Special Olympics athletes.

More than **30**-year partnership

Corpus Christi 600 Special Olympics athletes from 16 nearby counties; 51 volunteers and more than 226 volunteer hours

Lake Charles employees celebrated 25 years of involvement; 33 volunteers and more than 145 volunteer hours

Lemont was the "Official Fuel Supplier of the World's Largest Truck Convoy"

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Lake Charles

Through a continued partnership with the Special Olympics, the Lake Charles Refinery hosted the opening ceremony for the 2016 Southwest Louisiana Spring Games. Employees celebrated 25 years of involvement by volunteering at various games and events and presenting awards. About 300 athletes from the five parishes in the area (Allen, Beauregard, Calcasieu, Cameron and Jefferson Davis) came together for a fun, friendly competition and camaraderie.



Lemont

In August 2016, CITGO and Special Olympics Illinois took to the highways for the World's Largest Truck Convoy to help raise awareness and funds for the Special Olympics' year-round programs. The Lemont Refinery awarded a \$250,000 grant to the Special Olympics to support the various programs the organization hosts. From the total grant, \$50,000 was allocated to the convoy, giving CITGO the rights to be recognized as the "Official Fuel Supplier of the World's Largest Truck Convoy." The Convoy sent trucks, trailers, buses and other transport vehicles on a 30-mile loop before returning for food, music and fun.



BRONX SOCIAL PROGRAMS

Since 2007, CITGO has provided grants that support social development in the South Bronx, one of the most underserved communities in the United States.

In 2016, the Bronx Social Programs reached 15,766 beneficiaries and awarded 15 scholarships. As part of our ninth year of endowing the program, 25 organizations were selected to receive grants in the following focus areas:

- **Arts and culture**
- **Education and social investment**
- **Empowering communities**
- **Environmental protection, conservation & restoration**
- **Health**

CITGO also supported the Academic Achievers and Scholarship Program at Hostos Community College. This program supports South Bronx youth in their pursuit of education through tutoring, academic workshops, special presentations, cultural activities and leadership development.

Environmental Protection, Conservation & Restoration

CITGO believes in being a good steward of the environment that we all share. We understand this extends beyond just operating in an environmentally sound way. It means rolling up our sleeves and fueling it forward through activities that serve to protect, restore and enhance our natural habitats.

CARING FOR OUR COAST

In remembrance of Hurricanes Katrina and Rita, that devastated the Gulf Coast, Caring for Our Coast was launched in 2014 with a focus on coastal restoration and conservation. Now in its third year, this program continues to support on-the-ground habitat restoration, including educational and/or volunteer opportunities for the community and CITGO employees. Since its inception, the initiative has restored more than 5,100 acres; planted more than 420,000 grass plugs, trees and bushes; and collected more than 10,800 pounds of trash. These

programs have the potential of benefitting nearly 300,000 residents in the Gulf Coast area.

The 2016 program awarded more than \$967,000 in grants to a total of 15 organizations. TeamCITGO and community volunteers achieved the following results:

- **In Lake Charles, restored 2.5 miles of coastline by planting 33,000 plugs of dune grass along the Cameron Parish shoreline damaged by Hurricane Rita.**
- **In Lemont, collected 95 pounds of trash from a one-mile area at the 41st Street Beach in Chicago and then gathered with students from King College Prep and the Chicago High School for Agricultural Sciences to learn about the local ecosystem over lunch.**
- **In Corpus Christi, organized a beach cleanup at the Oso Bay Wetlands Preserve and Learning Center. Student volunteers from Cunningham Middle School and Foy H. Moody High School worked with CITGO employees to clean the beach of trash, plant native vegetation and engage with local experts about environmental conservation efforts at the preserve.**
- **In Houston and Galveston Bay, TeamCITGO supported several volunteer-led work days. This included efforts such as an Artist Boat in Galveston, which supported restoration of the Coastal Heritage Preserve, along with kayak eco-tours. TeamCITGO also volunteered with the Houston Audubon in its yearly restoration work days at High Island and its urban sanctuary in Houston. In addition, volunteers participated in the Galveston Bay Foundation annual Marsh Mania and worked with local youth in a school-based coastal wetlands nursery program.**

Another signature initiative of the Caring for Our Coast program includes our partnership with Dr. Robert Ballard and the Ocean Exploration Trust. The program identifies candidates in and around our refinery communities to join Dr. Ballard and other top-notch scientists aboard the Exploration Vessel Nautilus to learn about the science of oceanography and technology.

CARING FOR OUR COAST

BY THE
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2016

~1,400 volunteers engaged

12 environmental organizations funded

3,500 acres restored

55,000+ plants and trees planted

~20,000 beneficiaries



EARTH KEEPERS

CITGO is proud to sponsor the CITGO Earth Keepers program in Louisiana, serving students at 28 schools and five businesses throughout the Sulphur and Lake Charles area. The program provides schools with classroom and outdoor recycling bins at no cost, as well as instructions and recycling education to maintain the program. Students also have the opportunity to plant trees at their schools to help develop a sense of responsibility and connectedness with their local

environment. CITGO Earth Keepers is particularly significant in these Louisiana communities because, due to the expense, most parishes do not have curbside recycling. The program provides the materials and empowerment for students to act as environmental stewards. In 2016, the Lake Charles Refinery and community partners collected and diverted more than 13,000 cubic yards of recyclable materials.

Health

SIMÓN BOLÍVAR FOUNDATION

For 10 years, the CITGO private 501 (c)(3) nonprofit foundation, the Simon Bolivar Foundation Inc., has helped individuals affected by poverty. The foundation has provided humanitarian aid, medical access and specialized medical treatment to those who may not have been able to access medical treatment in the United States or in their country of origin. Through employee contributions and corporate funding, CITGO donated approximately \$6.7 million to the Simón Bolívar Foundation® in support of the organization's humanitarian healthcare efforts. During 2016, the program benefited 160 patients who received life-changing treatments, such as bone marrow transplants and liver transplants. A unique aspect of the Foundation is its ongoing support of past patients who need follow-up treatment for their medical conditions. In 2016, the Foundation financed the follow-up treatment of 326 patients.

MUSCULAR DYSTROPHY ASSOCIATION

The year 2016 marked the 30-year partnership anniversary between CITGO and the Muscular Dystrophy Association (MDA®). Since 1986, as one of MDA's largest corporate sponsors, CITGO has raised nearly \$200 million for the organization.

The CITGO network of employees, marketers and service station owners are very proud to support this leading organization in its quest to help more than one million families through its rehabilitation programs and the search for a cure. To commemorate the long-standing partnership, and continue to fuel awareness, CITGO hosted multiple fundraising activities and sponsored local events, which in total raised more than \$13.6 million for MDA during 2016.

2016 Featured Events

- **The corporate headquarters in Houston participated in a Rally Week in May as well as the annual MDA Flamingo Bowl fundraiser in October. In addition, CITGO held the annual MDA Corporate Golf Challenge in April with business partners, customers and vendors.**
- **The Lemont Refinery hosted a bowling event for Valentine's Day along with a golf tournament later in the summer; the Lemont Refinery raised \$583,000 for the Association in 2016.**
- **The Lake Charles Refinery hosted a golf tournament, which is the largest single day fundraiser for the MDA in Louisiana. With the help of TeamCITGO, vendors, local suppliers and participants, more than \$325,000 was raised—which brings the total raised by the Lake Charles Refinery to \$4.2 million in a 30-year span.**



SIMÓN
BOLÍVAR
FOUNDATION



MUSCULAR DYSTROPHY ASSOCIATION

30-year partnership anniversary

Nearly \$200 million raised since 1986

CITGO raised \$13.6 million for MDA in 2016 alone

BY THE
NUMBERS
2016



- CITGO sponsored its 25th Annual Corpus Christi MDA Golf Tournament at the Palmilla Beach Golf Club, where TeamCITGO volunteers joined forces with the MDA to also host a packing party, tee-off and reception. Funds raised supported patients, physicians and researchers, and to ultimately end muscle-debilitating diseases. CITGO raised \$251,156 for the 25th golf tournament, an increase of 16% from 2015.
- CITGO Terminals and Pipeline employees organized separate fundraising events, including walks, golf tournaments, letter writing and donation jar campaigns, raising more than \$80,000 at dozens of events to support MDA research projects and key programs.
- CITGO Marketers and Retailers continued to host local events and held the annual MDA Shamrocks program in February and March. Read more about these efforts on pages 26–27.

TEAMCITGO & CHARITABLE GIVING

Across CITGO, employees, retirees, contractors, families, friends and neighbors come together to fuel forward community engagement, fundraising and volunteer-focused efforts as TeamCITGO. We are united in our goal of “Fueling Good®” to create a positive impact. In 2016, CITGO volunteers clocked more than 11,000 hours across our operational footprint for many worthy causes and organizations.

VOLUNTEERISM AND GIVING

HOUSTON



In 2016, CITGO joined forces with nearly 40 organizations in the Houston area, providing monetary support and donating more than 2,000 volunteer hours through TeamCITGO at 59 different volunteer events. Featured organizations supported by our Houston office are showcased below.

Supporting Education

Since 2014, we have supported SpringSpirit's mission of serving underserved athletes and students by facilitating baseball clinics with two-time American League batting champion, Jose Altuve, as well as through financial donations and career exploration tours. SpringSpirit's programs offer students not only the opportunity to play ball, but also access to quality education and mentorships that inspire them to pursue their dreams on and off the field. Grant funds totaling \$20,000 to SpringSpirit Baseball in 2016 were targeted toward increasing awareness of the importance of education.

"Take a book, return a book, and read on"—with that simple idea, the non-profit organization, Little Libraries, is helping to fuel a passion for education, inspire a love of reading and enhance community building. Last year, Houston's TeamCITGO was proud to help low-income youth "read on" by assembling and installing over 60 new Little Libraries in communities in need around Houston.

Houston Community Contributions

CITGO Houston Headquarters has also supported and provided donations to the following organizations:

- Alief Independent School District**
- Artist Boat Inc.**
- Casa De Esperanza de los Niños**
- Cathedral Health & Outreach Ministries**
- GirlStart**
- Harmony Public Schools**
- Houston Audubon Society Inc.**
- Houston Community College Foundation**
- Houston Food Bank**
- Houston Independent School District**
- Houston Public Library**
- Martin Luther King Jr. Parade Foundation**
- National Multiple Sclerosis Society**
- Phillis Wheatley High School Foundation**
- Spring Branch Community Health Center**
- Spring Branch Education Foundation**
- Spring Branch Independent School District**
- SpringSpirit**
- Stop Hunger Now**
- Texas Children's Hospital**
- The Rose**
- University of Houston Downtown**

CORPUS CHRISTI



The Corpus Christi Refinery is very proud of its deep roots in supporting economic stability and community prosperity. In 2016, the Corpus Christi Refinery contributed more than \$495,000 to local non-profits, and employees volunteered 2,700 hours with local community organizations. The following examples demonstrate just a few of the many volunteer programs and community funding efforts supported by the refinery in 2016.

United Way of the Coastal Bend

For 80 years, the United Way of the Coastal Bend (UWCB) has been a part of the South Texas community and currently includes 35 agencies and non-profit organizations in the area. It is dedicated to creating long-term solutions in the areas of education, income and health. CITGO Corpus Christi Refinery has supported the UWCB for the last 24 years and has hosted an employee Casino Night fundraiser for each of the last five years. CITGO also served as the presenting sponsor for the 2016 UWCB golf tournament. In addition, refinery employees have the option to donate to the CITGO United Way campaign via payroll deductions and online pledges, and donated \$472,381 in 2016.

Charlie's Place

For 13 years, Charlie's Place Recovery Center has been a foundational part of the Corpus Christi Refinery's community investment program. What started out as an opportunity to purchase a new home to allow Charlie's Place to stay open has evolved into a long-term funding partnership. In 2016, CITGO provided \$5,000 in financial support for the organization and contributed to its operational governance with CITGO representatives participating on the board of directors. CITGO Corpus Christi previously donated \$1.5 million to provide a new facility for Charlie's Place and donated more than \$200,000 to demolish the old facility in 2010.

Corpus Christi Community Contributions

The CITGO Corpus Christi Refinery has also supported and provided donations to the following organizations:

Adopt-A-Beach

American Diabetes Association

American Heart Association

Big Brothers/Big Sisters

Boys & Girls Club of the Coastal Bend

Catholic Charities of Corpus

Christi, Inc.

Coastal Bend Community Foundation

Corpus Christi Education Foundation

Corpus Christi NAACP

Corpus Christi Roadrunners

Del Mar College Foundation

Diocese of Corpus Christi

Dr. Hector P. Garcia Memorial Foundation

Incarnate Word Academy

John Paul II Charter School

March of Dimes

Muscular Dystrophy

National Multiple Sclerosis Society

**South Texas Botanical Gardens
& Nature Center**

Special Olympics

**Texas A & M University: Corpus
Christi Islander Athletics**

Texas State Aquarium

**The CITGO Innovation Academy of Foy H.
Moody High School**

United Way of Coastal Bend

**Westside Business Association/Annual
Navidad de los Niños**

LEMONT



After 90 years of operations, the CITGO Lemont Refinery and its employees represent an important economic driver in Chicago's southwest communities of Will County, and they also represent agents of positive community enhancement.

To serve the unique needs of the Chicago area, we participate in a wide range of outreach activities. In 2016, the refinery contributed more than \$266,000 to local non-profits and employees donated nearly 2,400 volunteer hours. The following examples highlight a few of the many volunteer and community giving efforts at the Lemont Refinery.

United Way of Will County

CITGO Lemont is a proud supporter of the United Way of Will County and its partner agencies.

Annually, employees give back to the community by participating in a giving campaign. During 2016, the employee-led steering committee decided to move the annual giving campaign to January, but still held the yearly auction in November 2016 to raise additional funds.

Assisting Those in Need

TeamCITGO volunteers at the Lemont Refinery hosted a supply drive benefiting three local domestic violence shelters and the at-risk women and children they serve. Based on specific requests from the organizations, CITGO employees and contractors donated personal care products, clothing and household items.

Lemont Refinery Community Contributions

The CITGO Lemont Refinery has also supported and provided donations to the following organizations:

American Cancer Society

Big Brothers/Big Sisters

Boy Scouts of America, Rainbow Council

Diamond Youth Foundation

Easter Seals Joliet Region

Greater Joliet YMCA

Guardian Angel Community Services

Lamb's Fold Center for Women and Children

Lemont Park District

Miracle League of Joliet

National Multiple Sclerosis Society

Senior Services of Will County

United Way® of Will County

Will County Children's Advocacy Center

Will-Grundy Medical Clinic

LAKE CHARLES



In recent years, Southwest Louisiana has experienced a boom in industrial growth and development. As the region's population grows, the importance of diverse social and community development programs grows. As a long-term member of the Louisiana business community, the CITGO Lake Charles Refinery continued its leadership role throughout 2016, collaborating with many of its long-term community partners to help them achieve their missions. The Lake Charles Refinery participated in 58 events, contributing more than 4,000 volunteer hours. Together, the Lake Charles Refinery also contributed more than \$273,000 to local organizations in the areas of education, environmental stewardship and civic and community development.

Children’s Miracle Network

The CITGO Lake Charles Refinery’s TeamCITGO and the local chapter of the Children’s Miracle Network (CMN) were both established nearly 30 years ago, and the two have worked closely together ever since. The CMN raises funds and awareness for 170 member hospitals that provide 32 million treatments each year to kids across the United States and Canada. Donations stay local to fund critical treatments and healthcare services, pediatric medical equipment and charitable care for children in need. One of CMN’s signature initiatives is an annual dragon boat race to raise funds and awareness for children’s health services. For the past four years, a team of 20 volunteers from the Lake Charles Refinery has participated, raised money and won the race. Since the dragon boat race was introduced to Lake Charles in 2012, team entry fees and fundraising opportunities, including efforts from TeamCITGO, have helped raise \$413,000 for CMN.

E.K. Key Elementary School

Employees from the CITGO Lake Charles Refinery have been active contributors to the local E.K. Key Elementary School for more than 25 years through a variety of programs. In 2016, TeamCITGO volunteers supported the six-week Prime Time Reading initiative, which was geared toward pre-school children and their families. The program was designed to engage the entire family in reading and included a free dinner for those who participated. Thirteen volunteers read with children and served dinner to the families, showing their support for community, education and quality family time. TeamCITGO volunteers donated more than 25 hours of community service to this program.

United Way of Southwest Louisiana

In 2016, CITGO employees at the Lake Charles Refinery came together and raised 15 percent of the United Way Southwest Louisiana regional goal of \$4 million. Fundraising efforts are entirely employee-driven and included payroll deductions, a dedicated campaign month and an in-house online auction. Funds raised support the 27 United Way® agencies and 49 programs in the region. Food insecurity is a reality for too many households in Louisiana, with children being particularly at risk. One specific program Lake Charles TeamCITGO employees support is collecting, sorting and distribution of 4,200 food bags to school-aged children on the free lunch program.

Lake Charles Refinery Community Contributions

The CITGO Lake Charles Refinery has also supported and provided donations to the following organizations:

American Heart Association

Big Brothers/Big Sisters

Calcasieu Museum

Calcasieu School District

CHRISTUS St. Patrick Foundation

Coastal Conservation Association

**Community Foundation of
Southwest Louisiana**

Imperial Calcasieu Museum

Junior Achievement of SWLA

LA Endowment for the Humanities

Lake Charles Symphony

McNeese State University

SOWELA Community College

SWLA Center for Health Services

SWLA Chamber of Commerce

The Whistle Stop

West Calcasieu Chamber of Commerce

INDEPENDENT MARKETERS AND RETAILERS



CITGO provides quality service and petroleum products to a wide customer base through our network of nearly 5,300 locally owned and operated retail outlets. CITGO supplies TriCLEAN gasoline, diesel fuel and approximately 500 lubricant products to independently owned and operated Marketers and Retailers and they, in turn, sell products to their customers or individual consumers. We support the development and growth of our Marketers and Retailers through various programs and open lines of communication.

Our network of CITGO Marketers and Retailers often supports organizations that align with our corporate focus areas, but there is also a note of localized attention specific to each partner.

Spirit Pump Programs

Spirit Pumps, a partnership program between CITGO and its network of Marketers and Retailers, provided a simple way for customers and community members to contribute to local causes and organizations through their daily routine of filling their tanks. CITGO helped to install specially wrapped, branded fuel pumps at participating CITGO stations that were operational at different times throughout the year to raise money for a variety of education,

charitable and community service programs. Upon installation, each individual CITGO station identified local organizations to partner with and a percentage of sales from designated fuel pumps was donated by the station to those organizations. Community members were encouraged to visit the participating stations and join the various causes. At the conclusion of each Spirit Pump, CITGO contributed an additional monetary match. Through the Spirit Pumps campaign in 2016, CITGO and partners raised approximately \$30,000 for donation to local communities.

One organization that participated in the Spirit Pump campaign was the Red Sox Foundation. By visiting specially branded Red Sox Spirit Pumps, "Fuel Change" donation boxes and looking for one-of-a-kind Red Sox Foundation baseball mobiles at registers, customers could donate directly to the cause. The Red Sox Foundation is the official team charity of the Boston Red Sox and has distributed more than \$86 million to support programs serving children and families across New England. CITGO is excited to partner with the Red Sox Foundation and contribute to the vital programs the organization offers.

Muscular Dystrophy Association

2016 marked the 30th anniversary of partnership with the MDA®. To celebrate the milestone, CITGO and its employees, along with its network of Marketers and Retailers, participated in fundraisers and community and employee events throughout the year. Beginning in January, CITGO donated to each local MDA office where its annual Marketer Roundtable Meetings were held. In addition to the events led by the corporate office and at each CITGO refinery, the Marketers and Retailers also participated in numerous fundraising events in 2016, including golf tournaments, bowling events, Rally Week, MDA Flamingo Bowl, charitable walks, letter writing, donation jar campaigns and the MDA Shamrocks program. Throughout 2016, eight marketers, 75 corporate vendors and 135 retailers participated in fundraising efforts, resulting in \$13.6 million in funds raised for the MDA.

CITGO Day at Wrigley Field

In September of 2016, CITGO brought 200 local students to CITGO Day at Wrigley Field to see the Cubs play the Pittsburgh Pirates as part of the Lemont Refinery's 90th anniversary celebration. Ryan Karlin, the 2016 Illinois Goodwill Ambassador for the MDA, presented the ceremonial lineup card and play ball announcement in recognition of the 30-year partnership between CITGO and MDA. Through this event, CITGO was able to bring together local students, MDA representatives, and one of Chicago's prized baseball teams to celebrate accomplishments and demonstrate a commitment to continued partnership between CITGO and local organizations.

Fueling Education

With a mission to support the growth of STEM programs, CITGO partnered with Marketers and Retailers from across our footprint for another successful year of our Fueling Education program. Through this program, teachers, student teachers and Parent Teacher Association members across 28 states and the District of Columbia entered for a chance to win one of three grand prize in-school sessions with Steve Spangler and \$5,000 in school supplies. Steve Spangler is a best-selling author, educator, entrepreneur and Emmy award-winning science communicator who is well-known for finding ways to make science fun, interesting and relatable. Nine first-prize

winner received \$1,000 in school supplies for their classrooms and a trip to Denver, Colorado for Steve Spangler's "Science in the Rockies" seminar. During the seminar, teachers participated in hands-on workshops to further develop engaging methods for teaching STEM subjects. Ninety second-prize winners received \$1,000 in school supplies. Independently owned and operated Marketers and Retailers provided access to educational materials and resources by reaching out to teachers in their local communities to encourage them to participate in the program. A second round of the Fueling Education program provided the chance for anyone to enter to win a \$100 CITGO Gift Card and a \$100 school supply voucher for their favorite teacher. In 2016, our Fueling Education programs saw about 33,000 entries, 402 winners and more than \$100,000 in school supplies awarded. By donating money for school supplies, CITGO helped to ensure that teachers had the materials they needed to develop STEM programs for their students.

Bess the Book Bus

For the ninth year in a row, Marketers and Retailers have been partners and advocates of Bess the Book Bus, a mobile literacy campaign dedicated to reading to children and getting books into the homes of underprivileged families across the country. Jennifer Frances founded Bess the Book Bus in 2002, and in 2009 was the recipient of the inaugural CITGO Fueling Good® Promotion. Since then the relationship between CITGO and Bess the Book Bus has grown, and in 2016, Bess visited 87 towns in 20 states, giving away 52,321 books to more than 35,000 children.

Fighting Hunger

A CITGO Marketer that went above and beyond in 2016 was Folk Oil Company and its PS Food Mart Stores in Michigan. In its seventh annual "Fight Hunger Give Hope" campaign, Folk Oil raised an impressive \$86,000—surpassing the prior year's total by more than \$8,000—to provide half a million meals through more than 30 local food banks, pantries and backpack programs located in the communities of PS Food Mart locations. Customers at PS Food Mart Stores in several Michigan towns were asked to "tear a square" and make a \$1 or \$5 donation to the campaign to fight food insecurity.

Fueling Safe Operations



CITGO is a safety-focused company. We succeed in our commitment to safety by directing significant financial and personnel resources toward operational integrity, facility upgrades and workforce training. Through the ongoing evaluation of our practices and procedures and focusing on company-wide engagement, we not only maintain our safety focus, but fuel it forward.

Launched CITGO Safe an employee-driven safety program that emphasizes the collective responsibility of safety at CITGO

30+ contractors were recognized as CSA Safety Star winners for their proactive engagement with workplace safety

Engaged 150+ stakeholders Conducted a full-scale drill at CITGO Corpus Christi Refinery in collaboration with the U.S. Coast Guard and engaged more than 150 stakeholders, including emergency response partners and agencies



Safety Management

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

- **Protect our employees, customers, service providers, contractors, the public, the environment and our facilities;**
- **Comply with all laws, regulations, permits and judicial and administrative orders and decrees governing HSSE that pertain to our facilities, operations and products;**
- **Affirm the core values of HSSE stewardship, as expressed in our “Statement of Values”; and**
- **Guide decision-making and behaviors and foster open communication on our HSSE performance.**

Through our Integrated Management System (IMS), all CITGO operating facilities and health and safety staff are aligned in a consistent framework that ensures we are unified in our support and implementation of our HSSE Management philosophy each day.

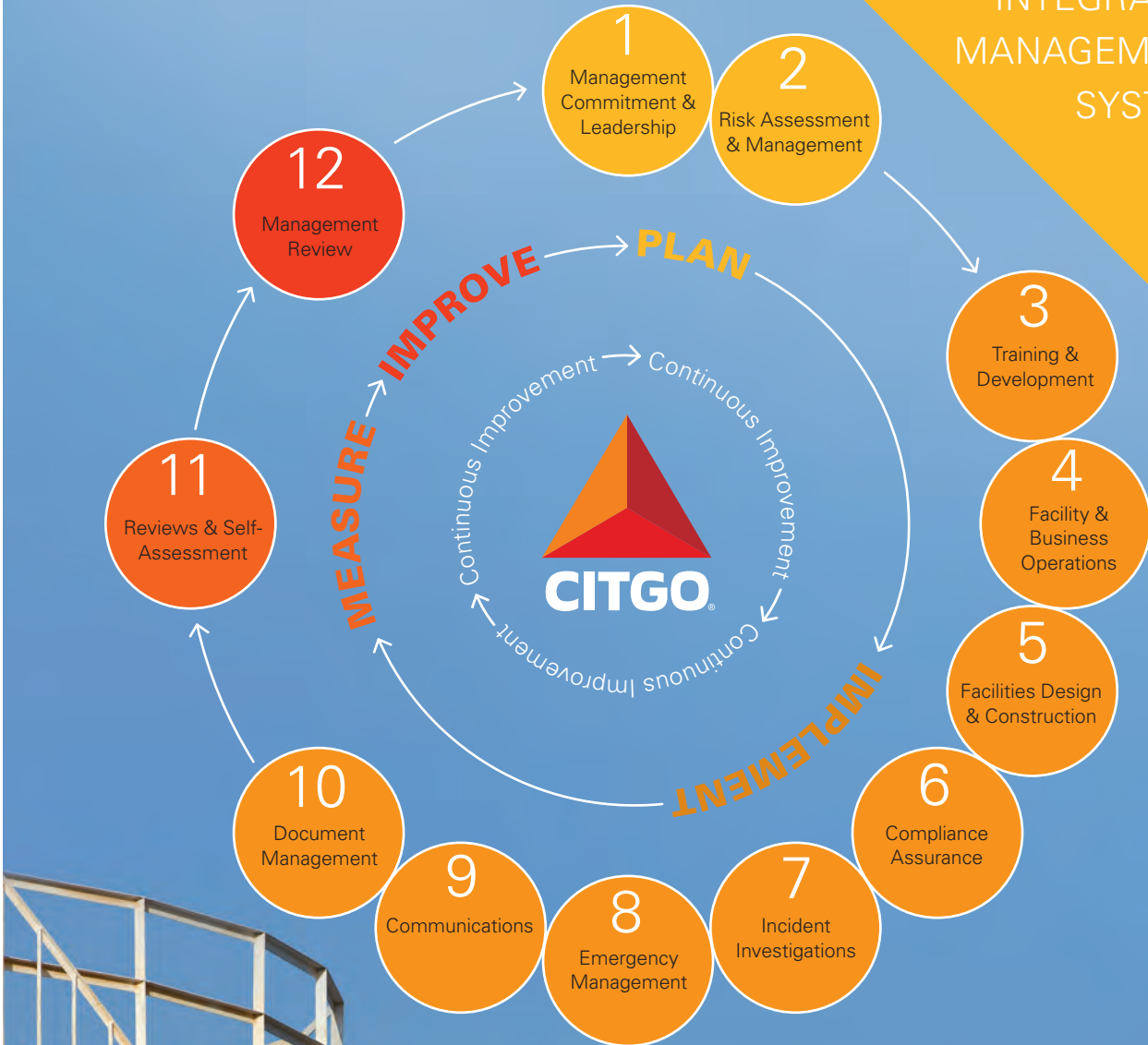
Our IMS is designed to coordinate critical health and safety elements into one framework, advancing consistency and overall business efficiency. It consists of four steps: Plan, Implement, Measure/Assess and Improve. The steps can be broken down into 12 elements that further specify the management processes within each step. Key Work Processes (KWP) outline the responsibilities and objectives of each element.

CITGO HONORED WITH ILTA PLATINUM SAFETY AWARD FOR FOURTH TIME IN 10 YEARS

Sound safety, security and environmental management is woven throughout all our operational facilities, and this includes our terminal and pipeline facilities. In 2016, the International Liquid Terminals Association (ILTA) recognized CITGO with the Platinum Safety Award for safety excellence. The award distinguishes exemplary performance based on 2015 data for all domestic terminal operations and a thorough review of safety and management systems. The year 2016 marked the fourth time CITGO has received this prestigious industry award—more than any other organization member—in the past 10 years.

PLATINUM
SAFETY
AWARD

CITGO INTEGRATED MANAGEMENT SYSTEM



Occupational Safety

By emphasizing our collective responsibility for safety, regular training for employees, maintaining our protocols and standards and complying with or exceeding regulatory requirements, we maintained our rank as a top performer when compared to peer companies using data from the American Fuel & Petrochemical Manufacturers (AFPM) association.

In 2016, we saw a small increase in the employee Total Recordable Incident Rate (TRIR) when compared to 2015 rates. This increase from 0.19 to 0.21 represents one additional recordable injury. On the contractor side, we saw a 6.9 percent reduction in hours worked since the previous year and three fewer recordable injuries for the year, contributing to a 16 percent reduction in the CITGO contractor TRIR (0.32 to 0.27). For 2016, the Days Away, Restricted or Transfer (DART) rate for both employees and contractors was 0.11. CITGO did not experience any employee fatalities in 2016.

Recognizing that engagement and ongoing awareness of safety across our organization is an important element of fueling our safety culture forward, in 2016 CITGO continued its Driving Towards ZERO campaign. Since 2014, the campaign has been an effective and far-reaching way to raise safety culture awareness, engagement and action. The yearlong campaign cascades important safety information and messages to all employees covering a multitude of injury prevention topics.

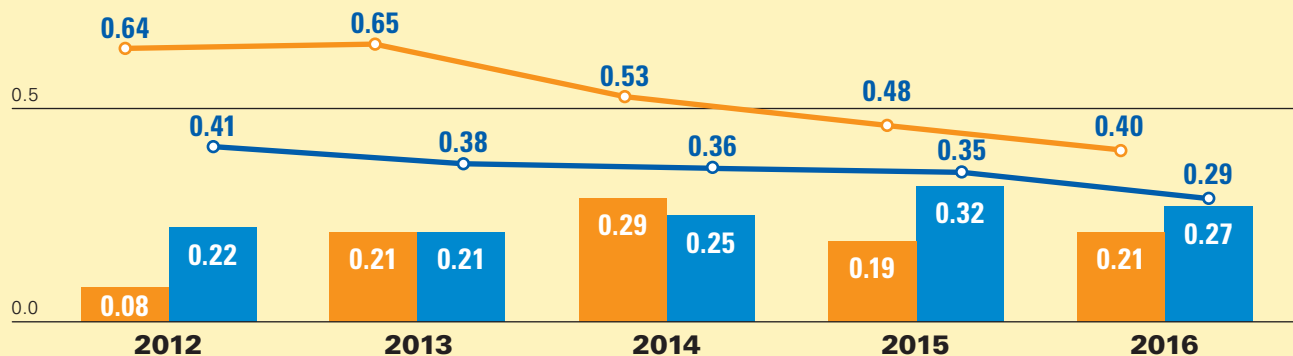
In 2016, we also conducted a Safety Emphasis Program to examine historical trends of lagging safety indicators to identify when and why safety incidents occur. The data showed that more incidents occur in December and January than other periods of the year. To highlight safety during this time period, the Corporate HSSE team developed communications campaigns focused on safety topics, as well as “Safety Talks” to be used at each of our plant locations. Each operating area also developed individualized programs focused on addressing the root behavioral causes, such as procedural adherence, increasing situational awareness and assessing and mitigating risks.

TOTAL RECORDABLE INCIDENT RATE

Industry benchmark data are from the AFPM. Safety performance represents corporate-wide data. Rates are per 200,000 work hours. Contractor rates refer to contract activities on CITGO projects.

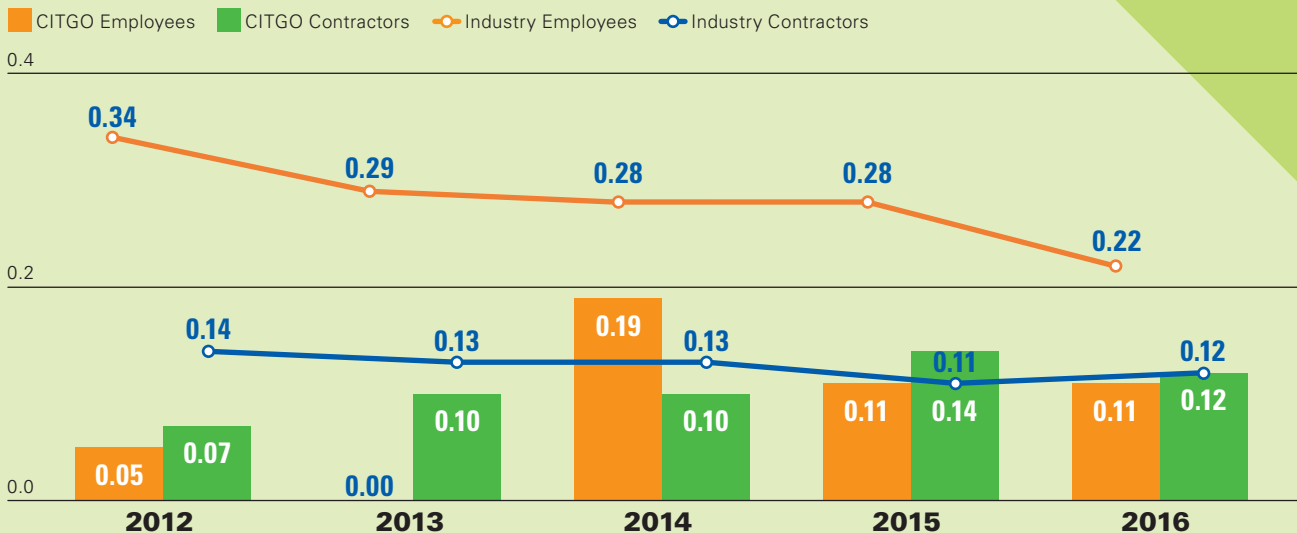
■ CITGO Employees
 ■ CITGO Contractors
 ○ Industry Employees
 ○ Industry Contractors

1.0



DAYS AWAY, RESTRICTED OR TRANSFER RATE

Rates are per 200,000 work hours. Safety performance represents corporate-wide data.
Industry benchmark data are from the AFPM.



* CITGO employee DART Case Rate excludes a 2015 fatality that is captured in the company's internal Lost Work Day Case Rate (0.11).

For example, at the Lemont Refinery, safety professionals reviewed incidents that occurred on site over the past five years and created an overview of lessons learned. Meetings were held to review the incidents and lessons learned with every employee at the refinery. The Corpus Christi Refinery activated the Safety Emphasis Program by increasing safety huddles with job crews to highlight safety awareness and staying focused on hands-on work. Safety Flashes were used to review previous incidents and highlight both the lessons learned and to promote awareness. At the Lake Charles Refinery, weekly safety meetings were held with managers and supervisors with an emphasis on "Breaking the Cycle," which was further promoted to all employees through the

use of safe work posters. The same call to action around safety performance was communicated to all contractors, acknowledging their important role in supporting the commitment to safety performance across CITGO.

CITGO also activated its employees in promoting a safety culture through CITGO Safe, an employee-driven safety program. Introduced in 2016, the program incorporated light-hearted competition while emphasizing the collective responsibility toward safety and health performance. It also reinforced individual accountability, positive involvement and finding proactive solutions to safety and health problems, while internalizing the concept that "Safety is in Your Hands."

SETTING A STANDARD OF SAFETY EXCELLENCE

The Lemont Refinery achieved 11.5 million man hours worked with no lost work day injuries, which means no lost work day injuries at that location since 2013. The refinery's extraordinary performance also won it the 2016 AFPM Safety Achievement Award.

Contractor Safety

CITGO recognizes that the contractors we engage have a significant impact on our overall safety performance. To further our safe operations objectives, CITGO continues to work only with contractors who subscribe to our safety and environmental management principles, and follow all safety and operational policies and procedures—the same way as CITGO employees. Furthermore, CITGO contractors are empowered in the same way our employees are to ensure work is done in a safe manner, and if necessary intervene or stop day-to-day activities when a health, safety or environmental requirement may not be met. In 2016, Total Recordable Incident Rates (TRIR) for CITGO contractors was 0.27, which represents a reduction over the previous year. The reduction of recordable incidents reflects the efforts of our enhanced contractor management process implemented in 2015, and our commitment to working with contractors who believe that safety is a collective responsibility.

In 2016, the CITGO Lemont Refinery expanded its new and infrequent contractor orientation process to include all contractor organizations at CITGO. This infrequent and new contractors' initiative acted not only as an orientation for contractors who work with CITGO on a less regular basis, but it also served as a timely refresher training for the core contractors that support CITGO on a daily basis. It provided the opportunity for CITGO employees to review key expectations, policies and procedures that are at the core of our safety efforts. There was also a conscious effort to bring in contractors with the highest safety incident and audit findings rates to review identified issues, concerns, perspective and expectations of CITGO as a proactive measure to ensure that safe work performance remained their top priority.

Another resource to engage CITGO contractors is the CITGO Contractor Safety Association (CSA) based at the Lake Charles Refinery. Once a year, a Contractor Safety Summit is hosted to bring together contractor foremen and supervisors who contribute to local operations. Presentations by a range of professionals provide the opportunity for partners of CITGO to share their expertise, project updates and lessons learned from on-the-job incidents. In addition to the workshops and seminar, more than 30 contractors were recognized as CSA Safety Star winners for their proactive engagement with workplace safety. The winners, selected for identifying and addressing unsafe behaviors and demonstrating a willingness to cross company lines, were acknowledged in front of their peers during the Safety Summit. The CITGO CSA was formed in 1992 with the mission to focus on contractor safety performance improvements. Since its founding, more than 400 contract firms have been a part of the CSA at the CITGO Lake Charles Refinery.

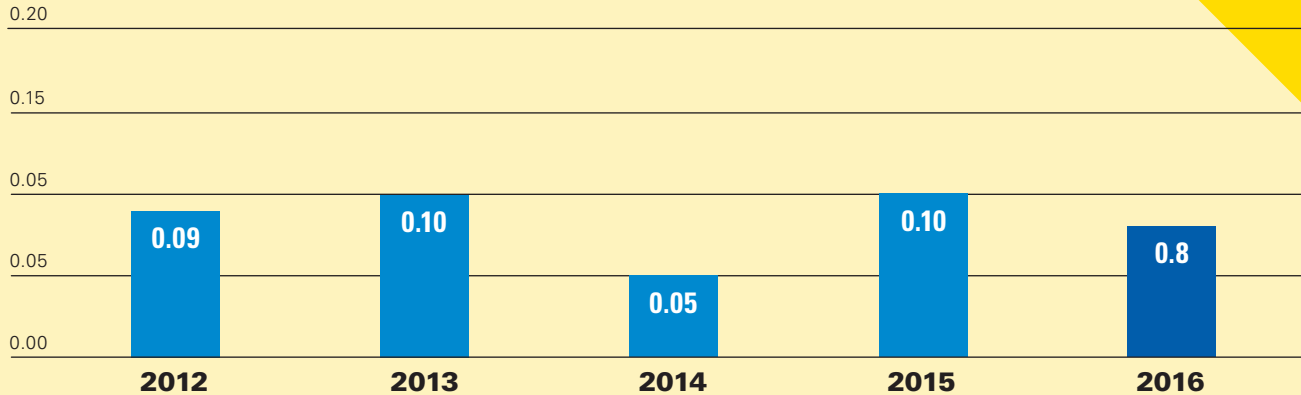
Process Safety

Managing the lifecycle integrity of our facilities and equipment helps prevent uncontrolled releases of chemicals, hydrocarbons and other substances. This is achieved through our process safety framework that evaluates plant design and engineering equipment maintenance, operational procedures, workforce training and incident analysis. Through these actions, we are able to protect the safety of employees, contractors, members of the public and the environment.

CITGO measures and monitors process safety performance to evaluate trends and determine opportunities to enhance the various elements that encompass our process safety framework. For 2016, our Tier 1 process safety event rate was 0.08 per 200,000 working hours, which represents a decrease from 2015 figures. The year-to-year rate reduction reinforces the company-wide benefits of continuous improvement efforts, corrective action implementation and safety engagement and awareness campaigns.

TIER 1 PROCESS SAFETY EVENT RATES

A Tier 1 Process Safety Event is defined as 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 events also include unplanned or uncontrolled releases from pressure-relief devices above the threshold quantity resulting in one or more of four undesirable consequences as defined in API RP 754.*



* Process safety data are reported only for the three CITGO-owned refineries. Rates are per 200,000 work hours, excluding major construction projects.

API/AFPM INITIATIVES

To maintain and improve our process safety performance, CITGO relies on data and insights gathered from process safety audits. Our refineries undergo frequent audits driven by both regulatory requirements and an effort to identify best practices for internal and industry's benefit.

In 2016, CITGO conducted an audit at the Corpus Christi Refinery in alignment with the American Petroleum Institute (API) recommended practices on facilities with hydrofluoric acid units, which are used in the refining process to create higher performance gasoline. CITGO employees worked with a third-party auditor to assess the facility for compliance with the standard. In early 2017, CITGO will conduct the same audit at the Lemont Refinery.

CITGO continued its participation in the Advancing Process Safety (APS) program, which is a partnership between industry, AFPM and the API aimed at identifying and driving industry best practices. In 2016, CITGO was involved in all seven strategic initiatives led by the program, such as

metrics and analysis, hazard identification and mechanical integrity. Additionally, CITGO continued its engagement with the Walk the Line initiative, focused on improving safety culture through practice and idea sharing.

MECHANICAL INTEGRITY

Our comprehensive mechanical integrity program includes several key phases, including proper manufacturing of equipment; the inspection, testing and active maintenance of equipment; and coordinating the proper training for operators. In 2015, CITGO began updating the existing corporate standard related to mechanical integrity. The implementation of the standard was rolled out in 2016, which included aligning each business unit's mechanical integrity standard with the corporate version.

Locally, in 2016, the Lake Charles Refinery began developing a digital database to collect and share metrics on the mechanical integrity of equipment on site. The new platform is meant to provide a space where information can be shared and



updated in real time, as well as tracked month by month to monitor trends and progress in performance. The Lake Charles Refinery alone has more than 20 metrics used to measure mechanical integrity. The database is meant to help efficiently and effectively manage and utilize the statistics collected. Ultimately, the database will form a network connecting the three refineries to facilitate information sharing and the implementation of best practice methods.

CITGO Terminals and Pipelines also conducted several audits to ensure ongoing operational reliability and integrity. In 2016, we successfully

completed an audit of our interstate pipeline in accordance with the regulations of the Pipeline Hazardous Materials and Safety Administration and an audit of our CASA pipeline based on regulations set forth by the Texas Railroad Commission, which focused on the CITGO integrity management program. CITGO also conducts pipeline tests to assess the strength and integrity of the system using the hydrostatic testing method, whereby water is pumped into a pipeline and brought up to a specified pressure. More than 50 miles of pipeline were successfully tested in 2016, indicating no failures or leaks.

FACILITY SITING

CITGO evaluates buildings and trailers that could expose employees to potential hazards based on proximity to operational units. To minimize the potential hazards associated with facility siting, CITGO conducts quantitative assessments that evaluate different risk scenarios at existing sites. Considerations include the likelihood of failure and the effectiveness of existing mitigation options. Assessments continued throughout 2016 to understand and establish priorities. CITGO also completed structural upgrade studies of multiple buildings to establish plans for future work.

Industrial Hygiene

CITGO industrial hygienists help to keep employees, contractors and the community healthy and safe. This is achieved by anticipating, identifying, assessing and managing workplace conditions that have the potential to cause injuries or illnesses. Areas they focus on include assessments of chemical exposure, ergonomic and physical stressors such as noise, radiation and temperature extremes. Additionally, they focus on meeting or exceeding regulatory requirements.

Through 2016, CITGO industrial hygienists expanded the annual sampling efforts of exposures and stressors that exist within our operations to develop a more robust baseline. With a comprehensive baseline, industrial hygienists are able to better assess established exposure limits against new data, report it to appropriate management and employees and record it in a centralized database. If warranted, preventive and/or corrective measures are implemented.

Employee Health

Because we believe that a healthy workforce sustains a safe work environment, CITGO continues to offer on-site health resources to employees. The CITGO Health Services Department provides wellness screening exams, personal illness and injury evaluation

and treatment, case management of medical leave, management of occupational injuries, immunizations, advice and assistance on travel health, and health and wellness consulting. The management of the CITGO drug and alcohol program is administered through the Health Services Department.

CITGO is also assisting employees by providing walk-in clinic services at our corporate office and at the Lake Charles facility. On average, this service sees 225 employees per month. CITGO emphasizes health education and awareness throughout the year through Health Services and the Wellness Committees. In 2016, more than 300 CITGO employees attended a health fair hosted at the CITGO corporate office, which provided employees access to more than 30 health-focused vendors. These health and wellness approaches have proven successful at the corporate office, and similar programs are in various stages of development at the three refineries. The Lemont and Corpus Christi Refineries have a registered nurse on site to provide occupational health services in addition to minor care for CITGO employee health needs. The Lake Charles Refinery made plans in 2016 to add a nurse practitioner to its staff in 2017. CITGO Terminals and Pipelines in addition to our lubricants facilities are provided services through Corporate Health Services.

Emergency Response and Community Safety

Operating our facilities safely and dependably is at the foundation of our business. CITGO is committed to zero spills and continues to maintain the highest level of readiness for the protection and preservation of communities and the environment. To prevent incidents from occurring, we work diligently to manage and minimize operational risks. Managing risk also entails being prepared to act in the unlikely event an incident does occur.

In addition to response efficiency, our emergency response program is based on the following principles:

- **Creating awareness among employees and external stakeholders about emergency management at CITGO;**
- **Engaging leadership across the company in emergency management;**
- **Ensuring necessary resources are adjusted to respond to each type of potential emergency; and**
- **Creating awareness that all CITGO employees play a role in responding to an emergency situation.**

As part of proactive preparedness, CITGO works collaboratively with internal and external first responders to protect our communities and the environment, particularly in the area of training and exercises. Our refineries simulate emergency drills annually to assess the effectiveness of our emergency response program and identify potential strengths and opportunities. These drills are a collaborative effort, engaging employees; local, state and federal regulatory agencies; response contractors and community representatives. Every three years, one of the refineries acts as a host for a “worst-case” scenario drill, including teams of third-party first responders. The Corpus Christi Refinery hosted a full-scale “worst-case” simulation in 2016. Unique to this year’s exercise was coordination with the U.S. Coast Guard, who asked to collaborate with CITGO as it conducted its own emergency

response contingency plan. Coordination between the two agencies provided further opportunity to exercise additional aspects of both CITGO and the U.S. Coast Guard’s plans, such as the use of drone technology to assess incident conditions. More than 150 people participated in the exercise. To supplement worst-case drills, CITGO also conducts regular tabletop exercises internally and participates in local emergency response associations. The emergency response organizations include local municipalities, police and fire departments, emergency responders and industry representatives who collaborate to minimize risk and support emergency response planning. The Lake Charles Refinery participates in the local Community Awareness Emergency Response (CAER) group and Lemont is also part of a local CAER group in addition to an Odor Alert Network (OAN). The Corpus Christi Refinery is a member of the Local Emergency Planning Committee, focused on reducing risk and providing emergency response planning.

In addition to completing drills and regular tabletop exercises, CITGO continuously evaluates and refines its emergency preparedness capabilities. For example, in 2016, the Lake Charles Refinery expended substantial time and effort to provide new hires at the CITGO fire department with on-the-job training so they could best learn how to navigate the refinery. All of the emergency response equipment on site was updated to the latest technology to support the staff in performing their jobs to the best of their abilities. Joint training efforts were also coordinated between the medical, fire and safety departments to build a relationship among emergency response staff and align the safety efforts of the various groups. Every year, CITGO volunteer and contract firefighters are sent to Texas A&M to complete live fire training at a nationally recognized training facility. Similarly, the Corpus Christi Refinery has provided specialized training for the Port of Corpus Christi’s police department, including simulating active shooter situations at the refinery.

Terminals and Pipelines staff also volunteered their time to host open houses and terminal tours for emergency responders in 2016. Community

engagement efforts, such as these open houses, foster a greater understanding of our role in the community and generate a deeper understanding of how the company and local emergency responders work together to keep local communities safe.

Product Stewardship

During the refining and manufacturing process, CITGO is responsible for managing product specifications and quality. Our responsibility extends beyond production and quality to also include the safe, healthy and environmentally sound use of CITGO products by customers, vendors and the community. We manage this important responsibility through our product stewardship program. The CITGO program is designed to identify risks and minimize hazards associated with the use of our products. We do this by monitoring product regulations, conducting training of employees, facilitating proactive communication between our network of customers and vendors and employing continuous improvement efforts of internal processes and procedures.

The most visible method CITGO employs to identify hazards and communicate health and

safety information to vendors and customers is through Safety Data Sheets (SDS). These documents are available through automatic distributions and responses to ad hoc requests, as well as via our internet and intranet sites.

Transport Safety

Through our internal network of highly trained professionals, CITGO is responsible for the transportation and storage of crude oil, chemicals and refined products. Whether it is at the beginning, middle or end of the transportation supply chain, our trained professionals are focused on ensuring that the raw materials and finished products are accurately classified, compliant with regulatory requirements and that operational techniques, such as on- and off-loading are completed properly. For example, following the 2013 regulation issued by the Department of Transportation regarding rail loading and crude oil by rail tank standards, CITGO successfully completed an inspection in 2016 focused on program compliance for applicable facilities. It is through these efforts that CITGO consistently transports products in a safe and environmentally responsible manner.



Fueling Environmental Stewardship



To continue to produce energy products that meet the needs of our customers, now and into the future, CITGO acknowledges the importance of caring for the environments in which we operate. Each of our facilities fuels environmental performance forward by more efficiently utilizing resources, reducing the quantity of waste generated and emitting fewer emissions per barrel produced. In the big picture, as environmental stewards, we work to closely adhere to all applicable environmental regulations and proactively identify and manage operational environmental risks.

14% reduction in air emissions from all three refineries

2016 marked one of the best Environmental Index scores yet for CITGO

\$74.7 million invested in infrastructure upgrades



Performance Management

Our team of dedicated environmental specialists at CITGO corporate offices, refineries, lubricant production facilities and terminals works to achieve regulatory compliance and effectively manage our environmental performance. Responsibilities of this team include:

- **Assisting and training facility staff on new initiatives;**
- **Representing CITGO in industry and trade associations;**
- **Overseeing and implementing the New Source Review Consent Decree;**
- **Maintaining the compliance questionnaire in conformance 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, wastewater discharges and waste for the refineries and terminals;**
- **Looking for and developing opportunities to continually improve environmental performance and systems;**
- **Developing and reporting environmental Key Performance Indicators; and**
- **Developing environmental management systems for alerting, tracking and identifying compliance limits.**

Compliance audits allow us to monitor, manage and improve environmental performance. In 2016, CITGO carried out nine environmental audits at its refineries. The three assessments conducted at each refinery included heat exchanger maximum achievable control technology, ozone-depleting substances and contingent liabilities (legal and environmental reserves). In addition, five self-assessments were carried out in Lemont and one external audit in Corpus Christi.

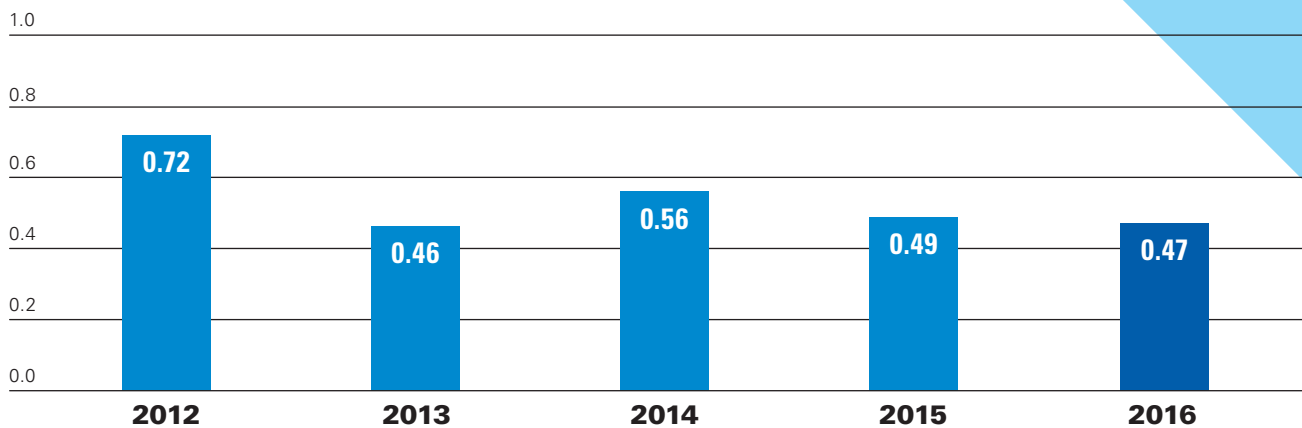


Environmental Index

To systematically monitor our environmental performance, we established an integrated measurement factor called the Environmental Index (EI). The EI is one of the elements for calculating the variable component of employee remuneration, promoting a shared dedication to

environmental protection and conservation. The EI covers the performance of our refineries and includes reportable incidents in accordance with federal law, refining waste, energy consumption, wastewater hydrocarbon discharge, atmospheric emissions and incident notifications to regulatory agencies. The year 2016 recorded one of our best EI performance years to date.

CITGO ENVIRONMENTAL INDEX PERFORMANCE*



* For ease of interpretation, a decreasing EI reflects improvements in performance. The EI is calculated based on the performance of the Lake Charles, Lemont and Corpus Christi Refineries.



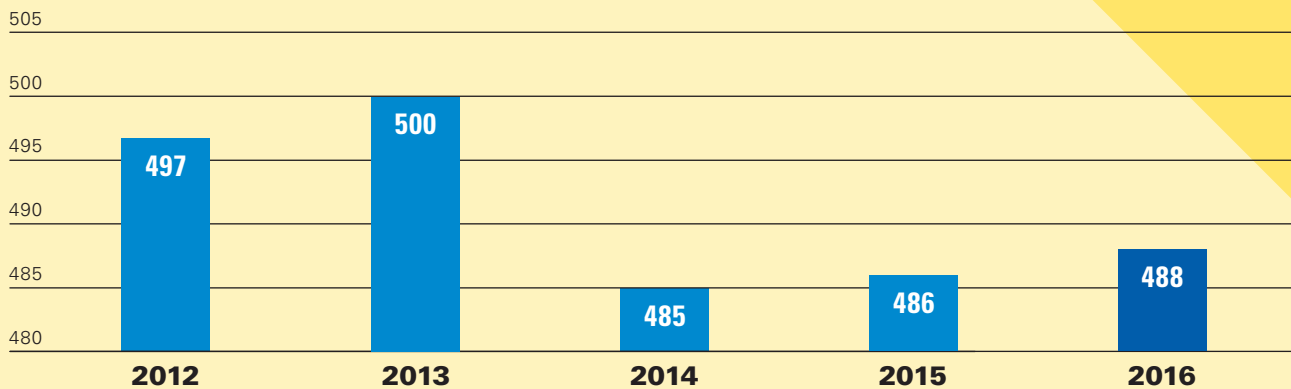
Energy Use and Greenhouse Gas Emissions

As part of our commitment to environmental stewardship, we actively work to reduce our energy consumption and thus our greenhouse gas (GHG) emissions, which also helps to minimize operational costs. CITGO measures and monitors energy usage at each refinery through the EI to

predict our GHG emissions. We report refinery GHG emissions as required under the Greenhouse Gas Mandatory Reporting Rule. CITGO experienced a 3 percent decrease in metric tons of carbon dioxide (CO₂) equivalent per 1,000 barrels of crude, from 26.1 in 2015 to 25.2 in 2016. Energy use has remained flat for the last two years on a per barrel throughput basis.

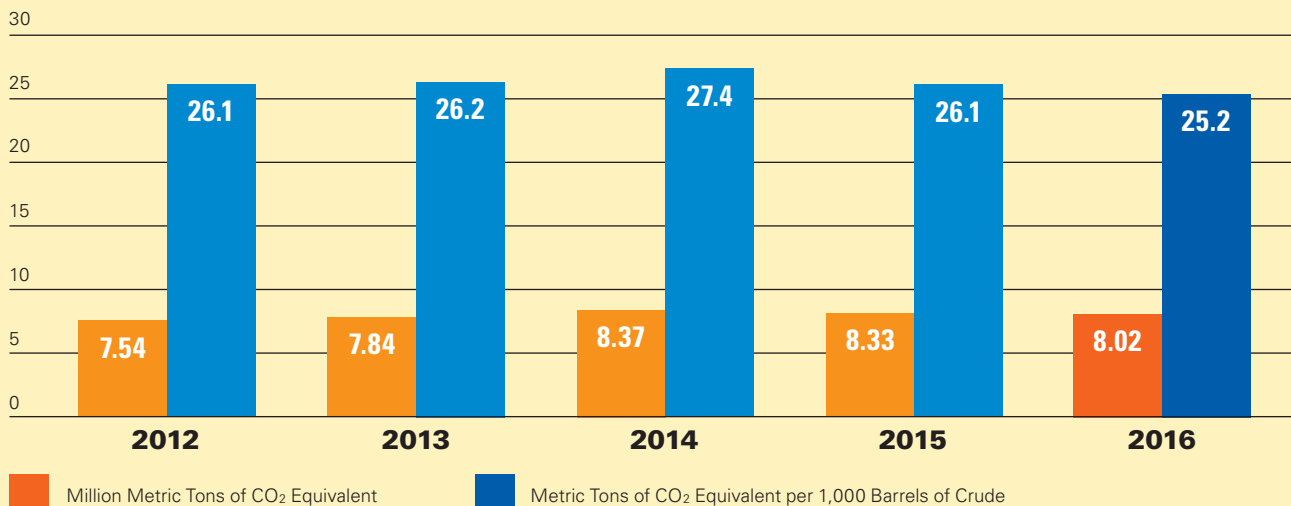
ENERGY USE AT REFINERIES

THOUSAND BRITISH THERMAL UNITS (BTUs) PER BARREL THROUGHPUT*



* Total BTUs of energy used, including purchased steam, electricity and natural gas per barrel of oil processed.

GREENHOUSE GAS EMISSIONS FROM REFINERIES



As a supplier of fuels, we generate indirect CO2 emissions through the combustion of our products by individuals and organizations outside of our control. CITGO reports these CO2 emissions based on the U.S. Environmental Protection Agency's (USEPA) regulatory guidance that presumes that fuels CITGO produced were combusted primarily by vehicles. In 2016, these U.S. emissions totaled 105.4 million metric tons, corresponding to the CO2 generated by 22.3 million automobiles in one year.

Air Emissions

We measure and monitor air emissions of criteria pollutants emitted at refineries, such as volatile organic compounds (VOCs), nitrogen oxides (NOx) and sulfur dioxide (SO2). We have significantly reduced these pollutants at all three refineries since 2008.

CITGO has taken a lead in the industry for years by exploring the opportunities that lie within flare gas recovery. By capturing and compressing gases that are created as a byproduct of the refining process, we can reduce our air emissions and utilize the captured gas as fuel elsewhere in our

facility. Our objective is to maintain our flare gas recovery systems such that we never have to flare. To achieve this, we conduct frequent audits of our flare management plans at each refinery to ensure we are achieving optimal environmental and economic outcomes. In 2016, the Corpus Christi Refinery conducted several flare gas recovery system optimization exercises to reduce downtime of the system and was able to drastically decrease the need for any flaring of gas byproducts. While unexpected system downtime was reduced, the Corpus Christi Refinery conducted several planned turnarounds, which required an overall increase in flaring. This short-term, sustained use of flaring contributed to an increase of SO2 emissions from 2015 to 2016 at the site.

Our flare gas recovery efforts have helped CITGO mitigate all air emissions, with particular impact noted in the levels of SO2 released into the atmosphere. The year 2016 marked the first full year of operation of the new flare gas recovery system at the Lake Charles Refinery. It was a successful year, with overall reductions in GHG, NOx, SO2 and VOC emissions. Most notably, the unit contributed to a more than 60 percent reduction in SO2.

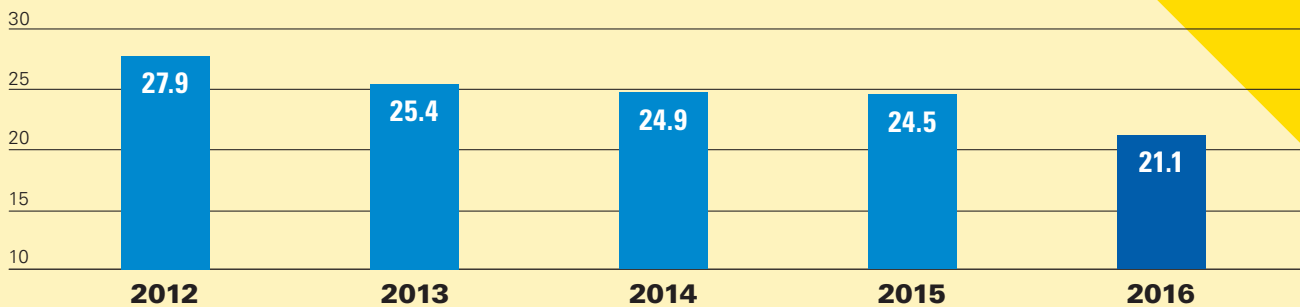
AIR EMISSIONS BY TYPE AND REFINERY

REFINERY	TYPE OF EMISSION	METRIC TONS 2014	METRIC TONS 2015	METRIC TONS 2016
LAKE CHARLES	VOC	507	436	434
	SO ₂	1,422	1,524	584
	NO _x	2,752	2,775	2,753
	Others*	2,533	2,143	1,881
CORPUS CHRISTI	VOC	619	647	603
	SO ₂	200	193	224
	NO _x	840	827	791
	Others	728	686	664
LEMONT	VOC	320	320	298
	SO ₂	326	323	204
	NO _x	601	632	608
	Others	604	590	420

* Others category includes carbon monoxide (CO) and particulate matter (PM).

AIR EMISSIONS FROM CITGO REFINERIES

METRIC TONS/MILLION BARRELS OF THROUGHPUT*



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

On December 1, 2015, the USEPA published final amendments to Refinery Sector Rules that address air emissions from petroleum refineries. A new fenceline monitoring program is included in the amendments. This program requires that refineries measure benzene concentrations through passive monitoring stations installed around the refinery perimeter. In 2016, all three CITGO refineries began pilot projects to determine compliance with the rule in advance of the 2018 implementation deadline.

LEMONT CLOSES OUT CONSENT DECREE WORK

At the end of 2016, CITGO closed out a Consent Decree with the USEPA by successfully completing a series of projects to mitigate environmental impacts caused by daily operations at the Lemont Refinery. Several of the actions required by the closed Consent Decree included the installation of a wet gas scrubber, a new tail gas unit for the Sulfur Plant, and the installation of low nitrous oxide burners for several process heaters and boilers. Through these efforts, the Lemont Refinery achieved significant emissions reductions.

With the successful completion of the last Consent Decree, a new Consent Decree between CITGO and the USEPA for additional emissions reducing efforts went into effect in January 2017. Through the new Consent Decree, the Lemont Refinery will install a spare flare gas recovery compressor as well as install ultra-low NOx burners on three additional process heaters. This secondary flare gas system will allow the refinery to avoid flaring during planned maintenance events as well as in the event of downtime of the main system. This will bring flare reliability performance from 99.4 percent in 2016 to nearly 100 percent once the new system comes online. CITGO has begun the planning process for how to best approach these goals in an efficient and timely manner.

Other Emissions: TRI

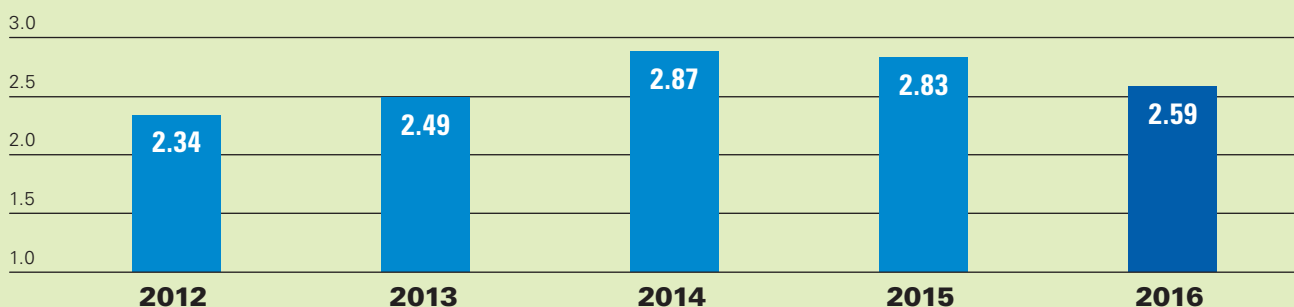
The Toxic Release Inventory (TRI) annual report is required under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA). There are currently 689 individual chemicals and chemical categories on the TRI toxic chemical list. The increase in reported discharges in the last two years is in large part due to more accurate stack testing, which showed higher than previously reported emissions. Actual discharges to the environment did not increase, rather reporting increased based on newer, more accurate test methods.

Waste

Reducing the amount of waste generated through the production process is a powerful avenue through which we can protect the environment, keep employees and community members healthy, increase productivity and reduce costs. Waste generated at CITGO refineries is largely dependent upon maintenance schedules and capital projects, with spikes in amounts of hazardous waste coinciding with Turnaround projects. Between the three refineries, the combined total of hazardous and non-hazardous waste was reduced by approximately 31 percent from 2015 to 2016.

TOXIC RELEASE INVENTORY (TRI) DISCHARGES FROM REFINERIES

TRI POUNDS, MILLION*



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

WASTE FROM CITGO REFINERIES, 2016

METRIC TONS

REFINERY	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	TOTAL WASTE
Lake Charles	1,408	12,114	13,523
Lemont	219	10,130	10,349
Corpus Christi	8,108	3,988	12,096
Total	9,736	26,232	35,968

ELECTRONICS AND SOLID WASTE RECYCLING

One method through which CITGO fuels it forward is by providing opportunities for our employees and community members to recycle. Each year, thousands of electronics are discarded. This “e-waste” contains materials that can pose risks to the environment if disposed of directly to landfills. Recycling holds positive economic and environmental potential, but often people are unsure where to bring difficult-to-recycle items. To minimize waste in our refineries, corporate offices and communities, we host electronics waste recycling (e-recycling) events at each of our facilities.

At the 8th annual CITGO E-Recycle Day, employees from the Lake Charles Refinery partnered with the City of Lake Charles, Keep Calcasieu Beautiful, Waste Management, McNeese State University and Team Green of Southwest Louisiana to provide a free opportunity for residents to divert unwanted electronics from landfills. During the event, 536 vehicles lined up to drop off waste. Nine roll-off boxes of e-waste, one van and one 18-wheeler of TVs was collected as well as approximately 1,002 light bulbs, five mercury items and 75 pounds of batteries.

The Lemont Refinery continues to sponsor two events per year with the Village of Lemont’s oil collection and recycling program. The goal of this event is to raise awareness and reduce illegal dumping by providing a free opportunity

for citizens to drop off their difficult-to-recycle items for proper disposal. At this event, significant amounts of used motor oil, fuel oil, lubricant oil, pesticides, batteries, brake/transmission fluid and antifreeze are collected. In 2016, our combined efforts resulted in the recycling of 400 pounds of solid pesticides, 130 pounds of alkaline batteries, 5,400 pounds of latex paint and 965 gallons of used oil.

On Earth Day, CITGO headquarters collaborated with our Information Technology Department to bring a vendor on site to manage the proper recycling of electronics. In total, 1,221 pounds of e-waste were recycled. CITGO also encouraged employees to gather their old and unneeded paper piles from their homes and offices for confidential shredding and recycling in honor of Earth Day. The Corpus Christi Refinery also holds employee e-waste recycling events once per quarter. In 2016, 5,843 pounds were collected and recycled.

CITGO Lake Charles continues to assess opportunities for recycling in different parts of its waste stream. Beginning in 2013, the Environmental Department took the initiative to begin assessing non-hazardous waste streams for potential reuse in other industries. The CITGO Environmental Department found an outlet to recycle approximately 2,400 tons of wet gas scrubber fines. As of 2016, CITGO has repurposed approximately 14,600 tons of non-hazardous waste material for other industries and kept it out of landfills.



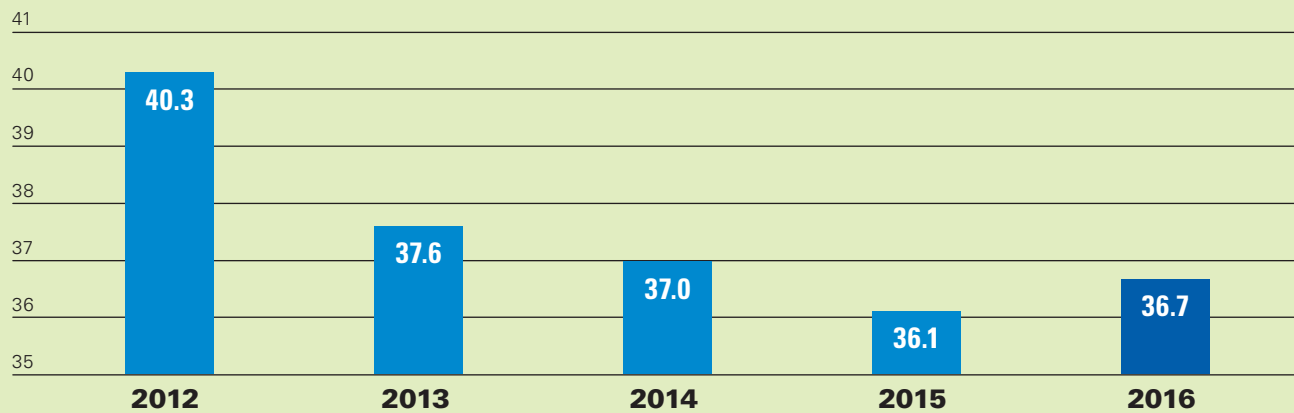
Water Use and Wastewater Discharge

Our three refineries are located in different watersheds, thus our approach to water management is individualized based on the distinct needs of each place. For example, the Lemont Refinery is located on an industrial canal outside of Chicago where water quality is a top

priority. The Corpus Christi Refinery is in a region that is at greater risk of water stress due to drought. CITGO is keenly aware of the risk of drought and has a long-term plan in place to reduce water consumption in our processes. The Lake Charles Refinery saw continued success in water conservation projects with reductions achieved for each of the last six years, totaling nearly 17 percent over that period.

WATER USE AT REFINERIES

GAL/BBL*

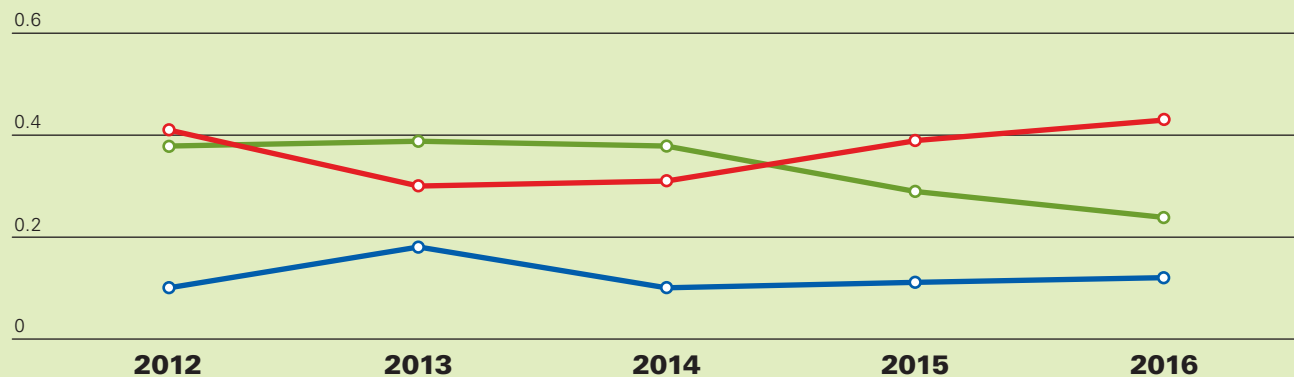


* Environmental data are reported only for the three CITGO-owned refineries.

HYDROCARBON DISCHARGE

METRIC TON/MMBBL

Corpus Christi Lake Charles Lemont



A key indicator of water quality used by CITGO is the volume of hydrocarbons discharged into surface water from our wastewater treatment systems. Though all discharges are within limits established by National Pollutant Discharge Elimination System (NPDES) operating permits, we are particularly aware of wastewater discharge at the Lemont Refinery given our neighbors and the watershed. CITGO strives to be a leader in our industry in terms of water quality standards, and we are working to minimize discharges and treatment volume. Through conscious effort and improved wastewater treatment processes, the Lemont Refinery now discharges water into the waterway at a higher quality than it receives it.

The Lemont Refinery is also participating in the Chicago Area Waterways chloride initiative with the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC). The goal of the chloride initiative is to reduce the amount of rock salt used on roadways and parking

lots of the refinery during the winter months. These anti-icing products contain chlorides and other chemicals that run off into streams with snowmelt and rain and cause water quality issues. In 2016, the Lemont Refinery set the goal of reducing rock salt used within the refinery by 127 tons per year. The actual offset achieved was 354 tons per year. The methods used by the Lemont team will be shared through the MWRDGC's Best Management Practices (BMP) Committee, to help duplicate the success in other locations.

Capital Projects

Infrastructure investments are essential to enhance the efficiency and dependability of our operations. In 2016, CITGO spent \$74.7 million on projects to comply with state, federal or local regulations related to occupational hygiene and safety, health and environment as well as risk reduction and management projects.



CAPITAL INVESTMENTS HELP TO MANAGE AND CONTROL RISKS ASSOCIATED WITH:

Occupational Hygiene and Safety

Health

Environment

Maintenance

Reliability

Operational Integrity

Reclamation

The restoration of natural habitats is an important aspect of our commitment to fuel environmental stewardship forward. We strive to invest in long-term programs dedicated to restoration and conservation. CITGO works to actively develop educational opportunities in conjunction with our restoration projects to engage local communities and foster a sense of connection between people and place.

In April 2009, CITGO donated Petty's Island to the state of New Jersey, and since then has contributed almost \$2 million to protect and restore the local native environment. Petty's Island was used as a CITGO product and fuel storage terminal for many years and now functions as an eco-reserve and historical and environmental education center. The island is nearly 300 acres, with an additional 140 acres of ecologically important tidal flats located on the Delaware River near the town of Camden, New Jersey. In addition to the donation of the land and remediation costs, as well as the money that

CITGO has already contributed, we have pledged another \$1 million to go toward the educational programs and cultural center on the island.

Beginning in 1973, the Lemont Refinery disposed of waste on site in an area called the Land Treatment Facility. At that time, land application of waste for treatment was a common practice to allow naturally occurring decomposition. When the local team decided to move away from this method of waste management in 1981, it began a more than 20-year closure process. CITGO worked closely with the Illinois EPA to ensure the site would be returned to an environmentally sound state, and ultimately selected an approach that features a blend of native vegetation, including unique prairie plants that will attract bees and butterflies. The vegetative cap will allow the natural decay process to continue while creating a natural pollinator habitat. CITGO will maintain the land for a minimum of 30 years and will monitor environmental conditions by regularly testing soil and groundwater.

"I am very proud of this project. We took an old refining disposal unit and turned it into an ecologically and environmentally friendly piece of land."

— Kevin Moss, Lemont Environment Department, Corrective Action and Waste Compliance Specialist

Fueling our Workforce



CITGO strives to fuel our workforce forward by equipping employees with the tools and training needed to accomplish professional and personal goals. By empowering our workforce, CITGO has achieved the position as a leading refiner, transporter and marketer of fuel, petrochemicals and industrial products.

Launched Leadership Rotational Program for critical positions

Expanded our Fuel Your Future Program for all employees company-wide

2,600+ activities Provided employees the opportunity to participate in more than 2,600 training activities

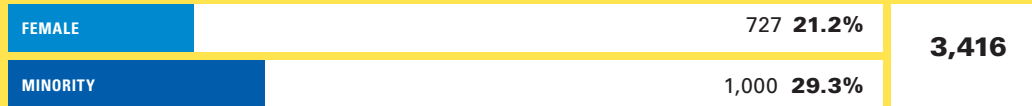


CREATING A DIVERSE WORKPLACE

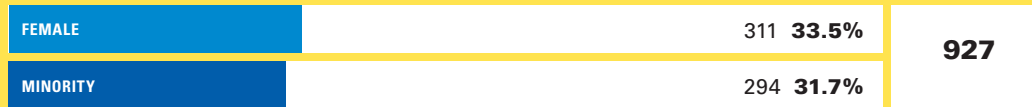
FIGURES AS OF DECEMBER 2016

FEMALE AND MINORITY EMPLOYEES COMPARED TO TOTAL NUMBER OF EMPLOYEES

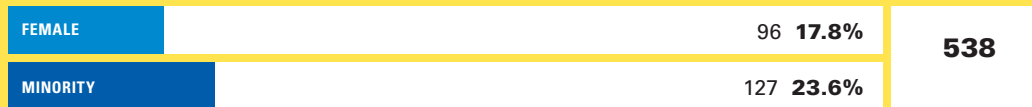
TOTAL EMPLOYEES



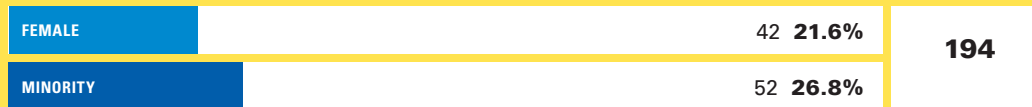
FEMALE AND MINORITY EMPLOYEES COMPARED TO EMPLOYEES CLASSIFIED AS PROFESSIONALS



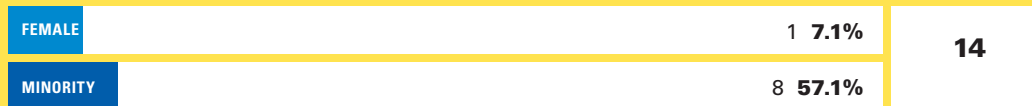
FEMALE AND MINORITY EMPLOYEES CLASSIFIED AS SUPERVISORS OR MANAGERS



FEMALE AND MINORITY EMPLOYEES CLASSIFIED AS MIDDLE MANAGERS



FEMALE AND MINORITY EMPLOYEES CLASSIFIED AS SENIOR MANAGERS



STAFFING LEVELS

EMPLOYEES

TOTAL EMPLOYEES



CONTRACTORS



Corporate/Corporate Field Corpus Christi Lake Charles Lemont

A Diverse and Inclusive Workforce

CITGO promotes diversity and inclusion across all roles and functions because diversity across backgrounds, abilities and experiences drives innovation and helps to fuel CITGO forward.

CITGO is committed to the equal treatment of all employees and encourages applicants for employment without regard to race, color, sex, religion, age, nationality, veteran status and physical or genetic disability.

This policy applies to all personnel actions and includes, but is not limited to, recruitment, hiring, benefits, compensation, promotions, transfers, terminations, training, educational assistance and social or recreational programs. We seek qualified candidates from a variety of sources, including those supporting minorities, veterans and disabled persons.

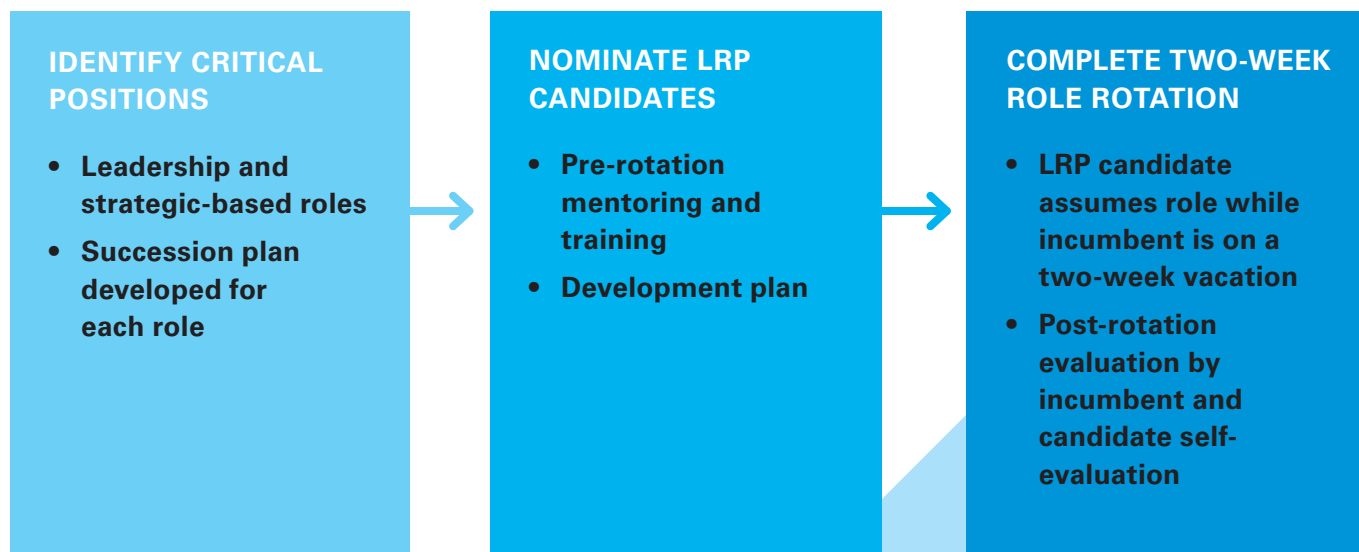
Workforce Training and Development

Developing and engaging our employees and strengthening our leadership is just one of the ways CITGO helps fuel the company forward. To do so, CITGO invests in a wide range of training and development initiatives for employees at all levels and across the company's operational footprint.

In 2016, CITGO offered more than 2,600 training opportunities to employees in Houston and the three refineries. These programs offered skill-based training for existing roles and fostered advancement opportunities for managers, supervisors and individual contributors. In total, about 160,000 training sessions were completed.

In 2015, CITGO developed the Leadership Rotational Program (LRP) and in June 2016 the program launched. The goal of the LRP is to provide development opportunities for top talent at CITGO, helping them prepare for some of our most critical roles—positions that require significant leadership responsibility and strategic functions. In 2016, 148 critical positions were identified for participation in the LRP program and 38 participants completed the rotational program.

LEADERSHIP ROTATIONAL PROGRAM



FUEL YOUR FUTURE

The Fuel Your Future Program is a foundational development program for CITGO employees. With three training modules, **LAUNCH**, **REFINE** and **LEAD**, the program offers employees a structured learning plan, a roadmap for development, accountability and recognition of accomplishment. The program is designed to support development throughout an individual's career from new employee to seasoned leadership. In 2016, CITGO refined the structure of the Fuel Your Future Program so that all new hire employees are automatically enrolled in the LAUNCH program and continue through each stage as they develop and progress their career at CITGO.

LEAD is a program for the development of conditions and characteristics of leadership for supervisors and managers. As of the end of 2016, 299 employees participated in LEAD courses.

REFINE is a structured, personalized learning and development program for salaried employees. It is intended to increase proficiency in our core competencies: customer focus, achieving results, decision-making, stewardship, technical skills, initiative, communication and teamwork. In 2016, 753 employees participated in the REFINE course.

LAUNCH is an onboarding program designed to introduce the individual to our company's culture and help them establish a commitment to efficiency and excellence in their work. Eight employees enrolled in the LAUNCH program in 2016.

REFINERY-LED TRAINING PROGRAMS

Managers, supervisors and union employees at CITGO refineries also have the opportunity to participate in the Line Manager Supervisor Development Program. Employees selected for the program assume supervisory responsibilities for a pre-determined time period. As part of succession planning, the program aims to identify candidates ready to take on Operations, Maintenance and Laboratory supervisory roles in a permanent capacity.

In addition to our corporate-led training initiatives, each year the refineries identify and lead a variety of training programs for their employees. Training is aligned with planned operational activities, regulatory requirements and individual development goals.

In 2016, Lake Charles imparted technical and professional skill training for engineering operations and maintenance employees. All employees were offered computer-training courses and writing courses. Emergency response training, firefighting training and wastewater training were a focus last year as well. Fifteen new employees received introductory school classes in the areas of job-function training and procedures, safety and regulations.

Numerous safety-focused training events were completed at the Corpus Christi Refinery in 2016 that focused on preparation for the worst-case, emergency response drill (see page 38), as well as safety and environmental training for the plant turnaround activities.

Safety training programs offered in Lemont included programs such as firefighting, incident investigation and various training programs for plant shutdown. Additionally, employees were offered training on presentation skills and logistics planning. A class of 15 Operation Technicians participated in technical new hire training in the areas of safety, regulations and job-specific procedures.

Local Recruitment and Community Involvement

At CITGO, community engagement also extends to recruitment efforts. To help fill vacancies in our refineries and manufacturing plants, we focus on hiring qualified candidates from the communities where we operate. By recruiting students nearing graduation at local high schools, trade and vocational schools, community colleges and universities, we are able to identify and hire new top-talent. Additionally, our support of STEM education programs provides a platform for young students to learn about the diverse career opportunities at CITGO and the oil and gas industry.

Addressing the Challenge of an Aging Workforce

The evolving age demographic of the CITGO workforce is presenting both challenges and opportunities for the company. With approximately 35 percent of employees over the age of 55, it is a priority to ensure employees of all generations are engaged and enabled with the right skills and qualifications to fuel CITGO forward.

WORKFORCE DEMOGRAPHICS AT CITGO

24 AND BELOW
45

25-34	35-44	45-54	55 AND ABOVE	TOTAL EMPLOYEES
577	738	843	1,213	3,416



SUCCESSION PLANNING

As the workforce demographics continue to transform at CITGO, we recognize that certain roles and individuals can have a great impact on our business operations. To maintain the business continuity and plan for the future, our succession planning efforts focus on experiential learning, mentoring and skill-based training.

In 2015, we developed the collaborative Leadership Rotational Program and saw that program successfully launch in 2016, as described on page 55. CITGO also began interviewing employees identified as critical talent with long-term career potential. The information gathered during the interviews is used to align candidates' career aspirations with future leadership opportunities. In 2016, 300 employees participated in the interview process.

EMPLOYEE ENGAGEMENT AND SATISFACTION

Using the feedback and results of our 2014 employee engagement workshop and informal feedback channels throughout the company, CITGO continues to evaluate programs and employee benefits that support retaining our talented and skilled team members.

CITGO did not implement any new programs or benefits in 2016; however, programs implemented within the last two years continue to increase in utilization across the company. For example, two years ago, CITGO introduced parental leave as an additional employee benefit. The benefit provides an eligible employee with paid time off to care for the employee's newborn child or make arrangements for the welfare of a child to be adopted or fostered by the employee. The term "parental" includes maternity, paternity and adoption/foster care. An employee may receive a maximum of 40 hours of parental leave to be taken as a continuous absence from work within a 12-month period. Parental leave will run concurrent with the Family and Medical Leave Act (FMLA) if the employee is eligible for FMLA. Since the rollout of the program, 46 employees across all our operating areas have benefited from this unique company offering.

In 2015, we rolled out a new recreation incentive for salaried employees focused on encouraging the use of well-deserved vacation time. The program provides a monetary incentive to employees who choose to take two weeks of vacation at a time. Since its implementation, most eligible employees have taken advantage of this benefit.



Employee Benefits

At CITGO, we provide a fair and competitive benefits package to help recruit new talent and retain our existing employees. Our benefits are carefully formulated and reviewed to provide peace of mind at every stage of our employees' lives and careers.

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

We also believe that health and well-being contribute to overall employee satisfaction at CITGO. We encourage employees to be active and take advantage of preventive health care through the Healthy Rewards and Fuel Your Health incentive programs. Our wellness services help employees get fit and maintain their health. Our Healthy Rewards Program is structured with different levels of achievement. When employees and their eligible spouses participate and complete activities within the program, participants may receive healthy living incentives of up to \$500, depending on their health insurance option.

CITGO also supports the educational pursuits of CITGO employees, and those of their eligible dependent children. Through the employee Educational Reimbursement Program, CITGO outlines conditions under which employees will be reimbursed for education expenses to those seeking to increase their professional skills through further academic training. The CITGO Petroleum Corporation Scholarship Program is for those eligible CITGO dependents just starting out their higher education pursuits. Since 1987, CITGO has awarded 300 scholarships totaling over \$2.8 million. In 2016, 10 scholarship recipients each were awarded \$4,000 per year for four years of higher education.

EMPLOYEE BENEFITS OVERVIEW

Competitive Salary

Performance Incentive Plan

Paid Vacation

**Recreation Incentive
(salaried employees only)**

Paid Holidays

Personal Time Off

Sick Leave

**Paternal, Bereavement, Jury Duty and
Military Leave**

Family Medical Leave

Workers' Compensation

Medical, Dental and Vision Insurance

Life and Disability Insurance

**Flexible Spending and Health
Savings Accounts**

401(k) Retirement Savings Plans

Educational Assistance

**CITGO Petroleum Corporation
Scholarship Program**

Healthy Rewards Program

Employee Assistance Program

**Voluntary Benefits Including:
Critical Illness, Prepaid Legal and
Accident Insurance**

Hearing Aid Discount Program

Retirement Awards

Service Recognition Awards

Matching Gifts Program

**Employee Discount through
High-Octane Extras**

Corporate Governance



At CITGO, our corporate governance practices and management policies provide accountability, reliability and transparency across all of our businesses and activities. We believe operating a strong, dependable and ethical company is critical to maintaining the trust and confidence of our customers, employees, neighbors and partners.

We recognize the impact that our day-to-day activities can have on our surrounding environment; accordingly, we carefully assess and manage our enterprise risks. We design our risk management programs to be responsive to the needs of our markets, our communities and our people. Our adherence to responsible business is shared by all employees, starting at the top of our organization.

Our Values Integrity Respect Fairness Social Responsibility
Availability Competitiveness Safety, Health and Environment



Vision, Mission and Values

At CITGO, corporate social responsibility is driven by our Fueling Good® philosophy. Our vision is to be a World Benchmark Corporation based on our sound success in the energy industry and our social development programs. To accomplish this vision, we uphold our mission to create the maximum value for our shareholders through the strength of our people. We constantly strive to efficiently and reliably provide the energy that fuels society's economies and improves our quality of life. Our core values, guided by our vision and mission, help keep us grounded, inspired and motivated to conduct our business so that all may achieve their personal best.

Organizational Responsibility

We understand that our long-term business success depends on our ability to practice exceptional corporate governance and maintain the highest ethical standards. We nominate and elect

board members on an annual basis. CITGO is a Delaware corporation, and the Board's powers and duties reflect Delaware law and our own bylaws. In 2016, the current five-member Board was chaired by the former CITGO President and Chief Executive Officer (CEO), Nelson P. Martínez. The Board committees included:

- **The Audit Committee, which is tasked with performing our financial auditing activities and ensuring adherence to all applicable accounting standards;**
- **The Compensation Committee, which reviews and approves compensation and bonuses for CITGO officers and material changes to benefit plans; and**
- **The Corporate Compliance Committee composed of six CITGO officers and employees, which is responsible for reviewing and evaluating compliance, ethics and corporate governance issues across all of the CITGO refining, distribution and marketing business elements.**



COMMITMENTS AND OBJECTIVES

We comply with all applicable federal, state and local laws and the laws in other jurisdictions that apply to our businesses. 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

As part of our longstanding Ethics and Conflicts of Interest Policy, we prohibit CITGO 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 REPORT AND ANTI-CORRUPTION TRADING

Corporate compliance is an issue CITGO takes seriously. Employees and third parties have several mechanisms through which to report suspected incidents of corruption. Reports may be made anonymously by calling or e-mailing 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 the General Auditor to voice any and all potential concerns.

CITGO corruption reporting hotlines are administered by a third party. Every complaint is reviewed by our internal and legal teams. We make sure we follow up on and investigate each incident. The General Auditor reports the results of each investigation to the Board of Directors' Audit Committee. Relevant issues are forwarded to the appropriate department to verify complaints are resolved.

We record, identify and track all incidents of noncompliance, systemic issues and areas for improvement. We are also able to generate trend reports and analyze data by topic, division, department or location.



CITGO periodically conducts mandatory online training for employees concerning the Foreign Corrupt Practices Act. In addition, the CITGO Internal Audit Department provides information and online training on the CITGO Ethics and Conflicts of Interest Policy. The CITGO Legal Department also provides online training modules on other topics such as business ethics and trade sanctions.

Political Advocacy

CITGO observes and follows all laws and regulations regarding contributions to political candidates, parties and political action committees. We employ in-house governmental affairs professionals and external lobbyists, and participate in public policy conferences to communicate the company's interests, image and brand. CITGO employs lobbying firms in Washington, D.C. on federal legislative issues. We are also represented by lobbying firms in Texas, Illinois and Louisiana, where we have core assets.

Additionally, CITGO participates in several trade 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), International Liquid Terminals Association (ILTA), Association of Oil Pipelines (AOPL), American Fuel & Petrochemical Manufacturers (AFPM) and the Texas Chemical Council (TCC). Within these organizations, CITGO employees participate as company representatives on various committees.

From a public policy perspective, CITGO is active within trade organizations such as the Greater Houston Partnership and the Texas Taxpayers and Research Association. Within these forums, CITGO participates in policy debates that we deem especially important.



FUEL IT
FORWARD

CITGO is proud to fuel it forward by providing the energy products people need each day, and by improving the quality of life within the communities where we operate. Our efforts to be a good corporate citizen span all aspects of our business from continuous environmental, health and safety performance improvement to fostering an engaged and diverse workforce; and by championing worthy causes through financial support, volunteer efforts, education and awareness building. Please contact us at CITGOCSRReport@CITGO.com with questions or comments.





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