

2013

# CORPORATE SOCIAL RESPONSIBILITY





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### About This Report

CITGO developed this third-annual Corporate Social Responsibility Report (CSR Report) to describe our corporate social responsibility and safety and environmental performance in 2013. This document focuses on the most relevant issues to our business and stakeholders, as determined by our subject matter experts during a materiality analysis. In addition to internal expertise, CITGO also utilized the Global Reporting Initiative (GRI) G3.1 Guidelines and IPIECA's (global oil and gas industry association for environmental and social issues) Sustainability Reporting Guidance. The principles embedded in GRI for defining report content and for ensuring report quality were considered during the development of this report.

CITGO management prepared the 2013 CSR Report and takes responsibility for the collection and accuracy of the information presented. The financial, safety, human resources, and philanthropic data included reflect the processes and performance of wholly owned CITGO operations, unless otherwise stated. Environmental data are presented for the three CITGO-owned refineries. All CITGO retail stations are independently owned and operated,

and this CSR Report does not include data or performance information for these stations.

Contact us at [CITGOCSRReport@CITGO.com](mailto:CITGOCSRReport@CITGO.com) with questions or comments.

#### CAUTIONARY STATEMENT

This CSR Report contains forward-looking statements regarding 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. All these terms are used for convenience only, and are not intended as a precise description of any of the separate entities, each of which manages its own affairs.

# Reliable Performance

At CITGO, we believe that reliability is more than just an aspiration. To us, reliability is a philosophy that guides the way we do business inside and outside of our fence line. In 2013, our dedicated employees worked every day to ensure consistent, dependable performance throughout all of our operations. This focus on reliability is how we ensure safety at our facilities; how we continue to make a positive environmental impact; how we retain our exceptional workforce; how we give back to our communities; and how we govern our company. In this report, we reflect back on 2013 and highlight our accomplishments in the following key areas:



## Safety

We strive to create a consistently safe work environment for every employee and contractor working at our operations.

## Environment

We recognize the importance of protecting our natural environment and continue to serve as environmental stewards in the communities where we operate.

## Workforce

To fuel the economy and refine products that benefit our world, we hire and retain the best and most qualified professionals.

## Community

Our commitment to humanitarian values goes well beyond our corporate citizenship efforts; it is an integral part of our business strategy and ingrained into our corporate culture.

## Governance

At CITGO, operating a strong, dependable and ethical company is crucial to our ability to maintain the trust and confidence of our customers, employees, community neighbors and business partners.





# CITGO

## COMPANY PROFILE

Headquartered in Houston, Texas, CITGO Petroleum Corporation (CITGO), a corporation created under the laws of the State of Delaware, is a refiner, marketer and transporter of gasoline, diesel fuel, jet fuel, lubricants, petrochemicals and other petroleum-based industrial products. CITGO is owned by PDV América, Inc., a Delaware corporation and an indirect, wholly owned subsidiary of Petróleos de Venezuela, S.A. (PDVSA), the national oil company of

**Fueling Good in Local Economies** In 2013, we employed 3,445 employees and 2,183 contractors, invested \$76 million in community engagement, and spent more than 11,000 hours volunteering for important causes.

**Optimizing Output** Our three refineries process approximately 749,000 barrels per day.

**Meeting Demand** In 2013, CITGO sold 14.8 billion gallons of refined products to independent distributors, mass marketers and industrial customers.



the Bolivarian Republic of Venezuela. PDVSA is a vertically integrated, global company with subsidiaries in North America, South America, Europe and the Caribbean. PDVSA controls a base of over 300 billion barrels of conventional and Orinoco heavy crude oil reserves that are connected, via ships, to the downstream portion of the system in the United States, where CITGO plays a key role. PDVSA remains the largest single supplier of crude oil to CITGO.

## Operational Highlights

CITGO refineries process approximately 234,000 barrels per day (bpd) of Venezuelan crudes, including supplies from Orinoco Oil Belt upgraders. PDVSA is the single largest supplier of crude oil to CITGO. We own and operate three highly complex crude oil refineries located in Lake Charles, Louisiana (425,000 bpd); Lemont, Illinois (167,000 bpd); and Corpus Christi, Texas (157,000 bpd). Our combined aggregate crude oil refining capacity of 749,000 bpd and our 48 owned and/or operated petroleum product terminals position us as one of the largest independent refiners and networks in the United States.

In 2013, CITGO sold 14.8 billion gallons of refined products. CITGO markets motor fuels to independent marketers who consistently rate us as one of the best-branded supplier companies in the industry. CITGO marketers sell motor fuels and other products through nearly 6,000 branded retail outlets and service stations.

CITGO also markets jet fuel directly to airlines and produces more than 500 types of lubricants, including agricultural, automotive and industrial, which are sold to independent distributors, mass marketers and industrial customers, as well as other clients. In addition, CITGO sells other petrochemicals and industrial products directly to various manufacturers and industrial companies throughout the United States.



### CITGO IS FUELING GOOD IN LOCAL ECONOMIES

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**3,445** EMPLOYEES

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**2,183** CONTRACTORS

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**\$76 MILLION** IN COMMUNITY INVESTMENTS

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**\$58.2 MILLION** IN SAFETY AND ENVIRONMENTAL INVESTMENT\*

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**11,708 HOURS** VOLUNTEERED

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**\$99 MILLION** SPENT WITH MINORITY- AND WOMEN-OWNED ENTERPRISES






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\*\$1.4 million in contributions to environmental protection, conservation and restoration, and \$56.8 million, in capital projects.



# Where We Operate



|   |   |   |
|---|---|---|
|  | Headquarters                              | *Operations shown on this map are intended to depict the full reach of CITGO operations. Pipelines on this map may be fully-or partially-owned by CITGO or may be owned by third parties and used to ship CITGO products. |
|  | Lubricants, Blending and Packaging Plants |   |
|  | Refineries (Barrels-Per-Day [BPD])        |   |
|  | Pipelines*                                |   |
|  | Refined Product Terminals                 |   |





# Reliable Operations

## SAFETY

At CITGO, we strive to create a consistently safe work environment for every employee and contractor working at our operations. It is part of our culture and a core value that is shared by all of our employees.

This goal requires CITGO employees at every level of the organization to work closely with each other and others in the industry to monitor and improve safety and health performance. We adhere to best practice standards by consistently training employees, monitoring performance and pushing for continuous improvement.

**Prioritizing Safety** In 2013, CITGO employees worked the entire year without a single Lost Work Day Case injury.

**Protecting Our Contractors** Forty-nine percent of CITGO contractors experienced no recordable incidents in 2013.

**Preparing for Emergencies** Simulations and drills help prepare employees and first responders.



## HSSE Management

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

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

In general, the objective of HSSE management is to prevent and mitigate adverse consequences associated with our operations and products. Each CITGO refinery, lubricant-blending facility, terminal or pipeline has health and safety staff working to support our mission and deliver our Integrated Management System (IMS) framework.

## Integrated Management System

In 2013, we re-launched an updated IMS that furthers our commitment to the health and safety of our employees and the environment. The CITGO IMS provides a framework for conducting our work efficiently and effectively. The framework consists of a four-step work model — Plan, Implement, Measure/Assess and Improve — and 12 elements, each with defined expectations. The 12 IMS elements represent the most critical types of management processes within the organization and align the CITGO Vision, Mission and Values to the business unit/department-specific procedures. The elements are supported by Key Work Processes (KWPs) that clearly identify responsibilities and outline what must be accomplished.

Over the next three to five years, we hope to establish KWPs and corresponding standards that will foster continuous improvement in our health, safety, security, environmental stewardship, mechanical integrity, maintenance, operational and financial performance. In the past year, we implemented three KWPs and began measuring the results. In early 2014, we started the planning stages on four more KWPs.

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





In 2013, we improved our Integrated Management System and began developing standards that will foster continuous improvement in our safety performance.



# Occupational Safety

The individual safety of our employees and contractors is of utmost importance. We take a rigorous approach to training our employees to follow safety standards and procedures. CITGO ranks among the best performers compared against benchmark data provided by the American Fuel and Petrochemical Manufacturers (AFPM). We attribute our occupational safety success to our comprehensive safety programs, which include program management, hazard identification, evaluation, prevention and control, training and communication, and regulatory compliance. Impressively, CITGO employees worked the entire year in 2013 without a single Lost Work Day Case injury. This was a monumental accomplishment and a company first. The slight increase in our Total Recordable Incident Rate (TRIR) for CITGO employees in 2013 represents an increase of five total incidents (from three in 2012 to eight in 2013). Similarly, we set high performance standards for our contractors and suppliers to ensure consistency among our workforce. Contractors are required to follow our operational policies

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

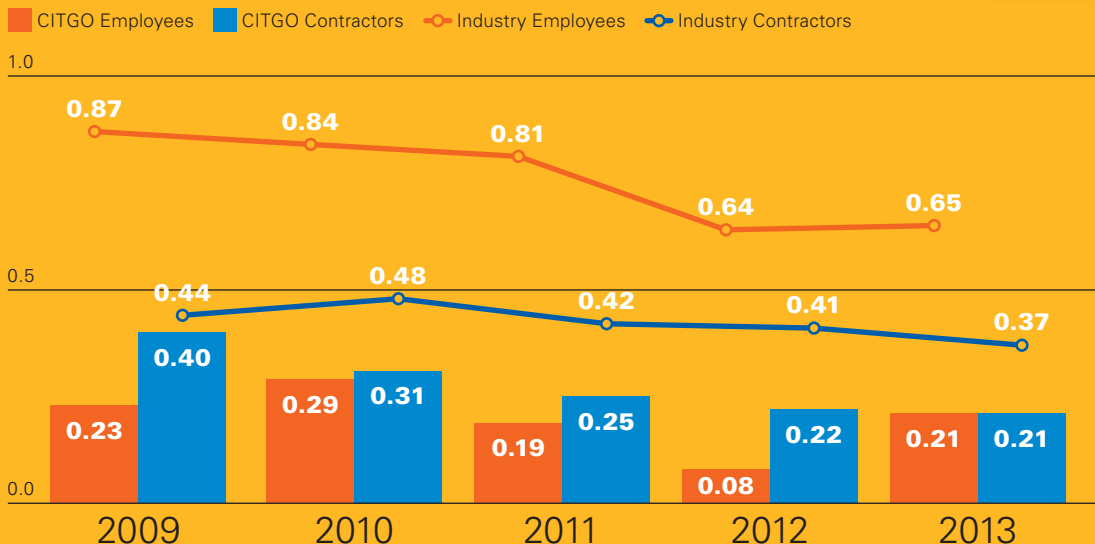
To ensure we only do business with contractors who share our dedication to safety and meet our standards, we prequalify, track and audit contractors based on their safety performance. We regularly evaluate contractor safety programs and performance. The majority of our contractors (58.9 percent) had a TRIR of less than 0.5, and 49 percent of CITGO contractors experienced no recordable incidents for the entire year of 2013.\* We work continuously with our contractors to improve on this success.

\*This data refers to the TRIR for the entirety of the contract organization and does not reflect their performance solely on CITGO projects.



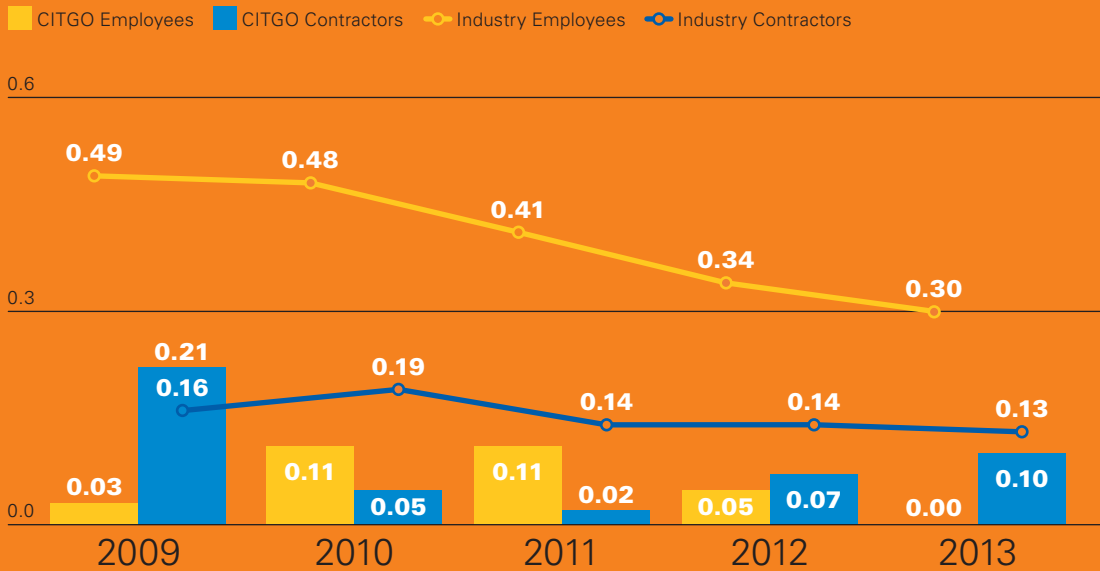
## TOTAL RECORDABLE INCIDENT RATE\*

\*Industry benchmark data is from the American Fuel and Petrochemical Manufacturers. Safety performance represents corporate-wide data. Rates are per 200,000 work hours. Contractor rates refer to contract activities on CITGO projects.



## TOTAL LOST WORK DAY CASE RATE\*

\*Rates are per 200,000 work hours.



## Process Safety and Reliability

The safety of our people starts with the reliability of our operations. By effectively managing our process safety, we can prevent uncontrolled releases of hydrocarbons, chemicals and other substances. Failure to contain these substances can lead to significant incidents with potentially serious impacts to people and the environment.

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

CITGO believes one of the best ways to improve process safety performance is by collaborating with and learning from our industry peers. CITGO has been a key advocate for and leader in the Advancing Process Safety (APS) program, coordinated by the AFPM and the American Petroleum Institute (API). The ultimate goal of the program is to provide industry with more opportunities to communicate and share

experiences. Initiatives designed to improve process safety performance under the APS program include performance metrics, event-sharing, hazards identification, regional networks and site assessments. CITGO is actively involved with all of these programs.

In 2013, the Lemont and Corpus Christi refineries used the program to conduct tri-annual API Recommended Practice (RP) 751 inspections related to the safe operation of HF alkylation units.

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

A Tier 1 Process Safety Event is an unplanned or uncontrolled release of any material with one or more of the following consequences: days

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

Lagging indicators, which track when an incident has occurred, do not provide enough information to improve safety performance. We must also focus on leading indicators that may be predictors of a future event. In 2013, we re-evaluated some of our leading indicators to develop better, actionable indicators that will enable leadership to make organizational or individual behavioral changes to affect outcomes.

#### **FACILITY SITING**

Facility siting is used to assess the location of buildings based upon known refining hazards. CITGO allocates considerable resources to manage facility siting risk, with an emphasis

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

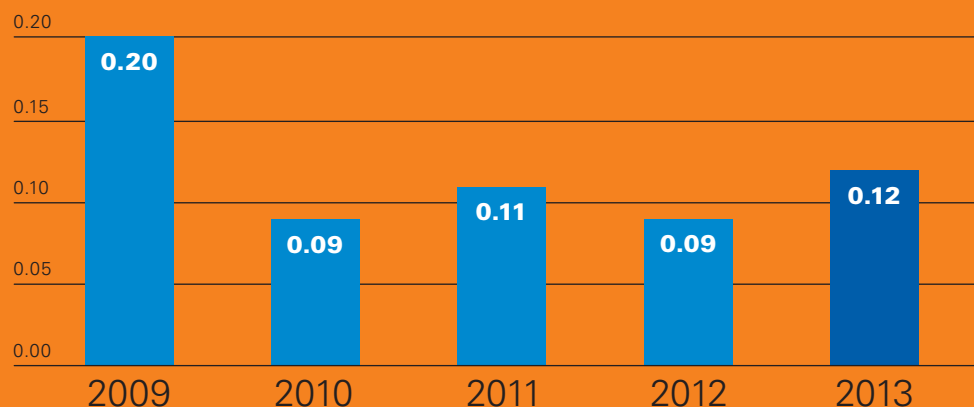
In 2013, we conducted quantitative risk assessments (QRAs) to revalidate our previous facility siting studies. QRAs allow us to objectively assess the risk associated with multiple scenarios, taking into account how a system could fail, the likelihood of failure, the effectiveness of existing mitigation options and other factors. The results of these analyses will be used to upgrade buildings and processes to further enhance the safety of our employees and communities.

#### **MECHANICAL INTEGRITY**

Mechanical integrity — i.e., the condition of process equipment and the proper training of workers who operate and maintain that equipment — is fundamental to our operations.

### **TIER 1 PROCESS SAFETY EVENT RATES\***

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





We implement quality control and quality assurance processes to ensure that equipment meets specifications and is fit for service. If the results of any inspection or testing of process equipment reveal a condition outside acceptable equipment limits, appropriate priority is given to correcting the situation. We maintain engineering, inspection and maintenance

documentation to assess the integrity and fitness for service of the equipment.

In 2014, a team will work to develop one set of corporate-wide mechanical integrity standards. The standards will be based on our current practices, but will provide consistent metrics and tools for the refineries, lubricant plants, and terminals and pipelines.



### **RISK REDUCTION CYCLE**



## What is a Turnaround?

A Turnaround is a maintenance event requiring the shutdown of process equipment for inspection and repairs. Turnarounds are necessary to perform maintenance on equipment that cannot be accessed with the unit “on line.” Depending on the equipment and the amount of maintenance needed, the length of the Turnaround can vary from days to a month or more of 24/7 activity with hundreds or thousands of additional contractors onsite. Regardless of the amount of time required, or the number of people on site, major Turnarounds involve all departments and personnel. Turnarounds also require significant levels of planning and execution to ensure all work is performed in a safe and effective manner. The objective for all CITGO employees and contractors is to return home safely after a day’s work.

The unique and intense level of activity required for Turnarounds demands coordinated project management. Safety planning is a key component for success, as Turnarounds present additional risk with more opportunities for safety incidents to occur than our traditional day-to-day operations and work activities. In addition to the safety of the individual workers, the safe and reliable unit shut-down and startup are also critical activities that require significant planning and coordination.

## Safety Culture

Our safety culture has evolved over decades and remains a Core Value at CITGO. Through all stages of our operations and work processes, safety is the top responsibility from the CEO to each and every CITGO employee and contractor.

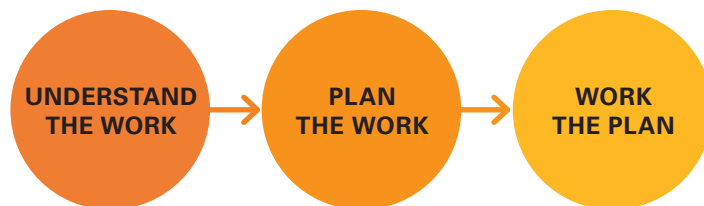
In the case of a Turnaround, there can be thousands of additional contractors onsite who have never worked at a CITGO facility before. In these instances, it is imperative that CITGO employees quickly demonstrate our culture to those less familiar with our expectations. This is achieved through the orientation process and management modeling the desired behaviors.

## Turnaround Safety Planning

Turnarounds require detailed planning to achieve positive results both from a technical standpoint as well as from a safety perspective.

### UNDERSTAND THE WORK

While no two Turnarounds are the same, we can learn from each one and take away best practices. At CITGO, we actively work to share the lessons we learn within a single site and from site-to-site to maintain the consistency



of our safety expectations and practices. We begin each project by evaluating the work that needs to be done and identifying the safety risks associated with executing the scope of work. In 2014, we will roll out enhancements to the CITGO Corporate Turnaround Manual to be used at all sites. The Manual provides guidance on items such as safety, contractor selection, scheduling, report generation, and roles and responsibilities. Additionally, we are installing an automated system at each site to further enhance our management of Turnarounds.

### PLAN THE WORK

Safety Action Plans are developed and reviewed with each crew member individually when they are staffed onto the Turnaround. Each job requires a safe work permit detailing the specifics of the job, associated risks, and risk avoidance mechanisms. In addition to the safe work permit, each job also requires a Job Safety Analysis (JSA) performed by every member of the work crew. Finally, numerous other meetings, both general and subject-specific, are held to ensure everyone has the safety information they need to make the right decision for the right reason.

### WORK THE PLAN

All employees and contractors are held accountable to the Safety Action Plan, safe work permit and JSA. Shortcuts are not permitted and anyone has the right to stop work at any time if they feel something is not being done safely or according to the plan. During a Turnaround, no shift begins without a safety meeting, which reviews specific issues and challenges the team may face during that particular shift. Field audits are also conducted during each shift. Typically, the findings are corrected on the spot, and all findings are reviewed on a daily basis with the entire team.

Employees and contractors are encouraged to communicate openly about safety concerns. Each month, we recognize individuals for submitting unsafe acts and unsafe conditions through the Contractor Safety Association. Additionally, each week that there are no recordable injuries or serious incidents on a specific Turnaround, we hold an awards ceremony to recognize individuals for their safety contributions.

Finally, no plan is complete without establishing a foundation for safe work by maintaining good housekeeping and ensuring a drug and alcohol free workplace. Programs are in place to actively meet the expectations in both of these areas.

By making safety performance a key part of everything we do, we consistently achieve industry-leading performance in employee and contractor safety.

## 2013 Turnaround Performance

- On average, 30 contract companies used per Turnaround
- More than 4,500 contract employees utilized at peak periods
- 4.5 million Turnaround work hours worked across 3 refineries
- 30 day duration for the average Turnaround
- 1 recordable injury across 3 refineries
- 2 sites worked all Turnarounds with no recordable injuries

Lemont Refinery Crude/Vacuum Unit Fire Repairs – October 2013

- 860,000 work-hours
- Record winter weather conditions
- 15+ days below 0 (lowest temperature -38 with -59 wind chill)
- 5+ days of high winds required work cranes to be shutdown
- 1 recordable injury



## Industrial Hygiene

CITGO investments and established policies reflect our commitment to high operational standards in industrial hygiene. We thoroughly monitor employee exposures to potential chemical and physical hazards, and analyze this information through a centralized data system dedicated to risk assessment. This centralized data tool allows a CITGO industrial hygienist to record exposure assessments based upon standards developed by the American Industrial Hygiene Association. Collecting this information

in a central database enables our industrial hygiene staff to analyze and enhance the overall quality of CITGO health assessments.

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

In 2013, our participation in local emergency response groups led to improved trust among the members of our community and our local emergency responders.



## Community Safety

Community safety remains a top priority at all of our facilities. Reliable safety performance extends beyond our fence line and requires collaboration with our local communities and facility neighbors. To ensure that we are prepared for any potential incident, we work with local boards, non-profit organizations and municipal departments to develop and maintain emergency response plans. Each of our refineries is part of a local emergency response committee.

At our Lemont Refinery, we participate in Community Awareness Emergency Response (CAER), an association of local municipalities, police and fire departments, emergency responders, and industry representatives that meets every other month to maintain a strong emergency response system. At CAER meetings, a Lemont Refinery representative provides updates on environmental performance, safety issues, operations and our community engagement efforts. Similarly, municipal representatives of CAER discuss upcoming events that may impact industry in the area. By actively engaging with CAER, we have built trust among the members of our community and our local emergency responders.

CAER was put to the test in 2013 when a small fire ignited at the Lemont Refinery. Members of CAER sprang into action and immediately responded to the needs of the refinery. While the fire caused little damage and no one was injured, this incident proved the importance of maintaining an effective and engaged group of local responders.

In Corpus Christi, our refinery participates in the Local Emergency Planning Committee (LEPC). The LEPC is dedicated to reducing risk in the community and providing emergency response planning for chemical and hazardous material releases. LEPC operates a Reverse Alert System

to notify the community of emergency situations. When an industry official issues a notification through the Reverse Alert System, all community participants receive a text, phone call or email. Participation in LEPC has helped us to create a positive and transparent relationship with our neighbors and community.

In addition to participating in local emergency response associations, we also host a safety simulation training every three years. Employees from each refinery come together for what we call a “worst-case drill.” These simulations are designed to test our emergency response procedures during serious incidents. To get the most out of the simulation training, we invite representatives from the U.S. Environmental Protection Agency (EPA), Chemical Safety Board, Attorney General and Coast Guard to participate in the drill. External participants observe the drill and provide valuable feedback on improving our processes and procedures to ensure the utmost safety of our communities if a real situation were to arise.



## Employee Health

The health of our employees is as important as their safety. CITGO Health Services aims to promote and protect the optimal health of our employees by working closely with operational departments to identify health risks and provide recommendations to control them. For example, in 2014, we will focus our efforts on reducing exposure to heat-related illnesses such as heat stroke, exhaustion, cramps, and rash. Historically, CITGO has managed heat exposure well; however, there are opportunities for further improvement. We are taking steps to educate employees on external and personal risk factors, signs and prevention measures.

CITGO is vigilant in keeping our workplaces free of controlled substances to ensure all of our employees remain safe from drug-related accidents and injuries. The company's drug and alcohol program, administered by Health Services, conducts drug and alcohol testing of employees both on site and in coordination with other clinics throughout the country to meet the requirements of the U.S. Department of Transportation (DOT) and CITGO corporate policy.

In addition to regular medical examinations, the Health Services department provides immunization, advice and assistance on travel health, as well as consulting for employees on health and wellness related to work.



## Product Stewardship

Product stewardship includes the identification and minimization of hazards, as well as the communication of potential hazards to employees and contractors. The Safety Data Sheet (SDS) is the most visible instrument CITGO uses to consistently communicate health and safety information to our vendors and customers. These documents are available through automatic distributions and responses to ad hoc requests, as well as via our internet and intranet sites. CITGO is fully engaged in the process of converting our Material Safety Data Sheets to the new SDS form, to conform to the revised Occupational Safety and Health Administration (OSHA) Hazard Communication Standard, which adopts the United Nations' Globally Harmonized System of Classification and Labeling of Chemicals (GHS). The new format will provide a common approach to classifying chemicals and communicating hazard information on labels and SDSs.

In 2013, we met the requirement to provide training to all applicable employees on the new SDS form. To meet the final regulatory deadline of June 1, 2015, we are actively upgrading our software systems to more effectively author GHS-compliant SDSs.

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

## Transportation

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

CITGO has transportation specialists throughout the organization who review current regulations governing the shipment of hazardous materials to ensure that packaging, labeling, loading and unloading operations are carried out safely. In 2013, employees in Lake Charles and Corpus Christi received training on the transport of dangerous goods per U.S. DOT standards. Employees at our Lemont Refinery will receive this DOT training in 2014.



With one of the most robust networks of terminals in the country, CITGO Terminals Facilities and Pipeline (TPL) serves the vital economic purpose of ensuring people can get the fuel they need, where they need it, when they need it. Our terminals store and distribute petroleum products such as gasoline, diesel, heating oil and jet fuel in strategic locations across the United States and have a total storage capacity of over 22 million barrels.

The CITGO TPL network is comprised of:

- 48 petroleum product terminals in 22 states (38 are wholly-owned and 10 are jointly-owned)
- 9 pipelines (3 are wholly-owned and 6 are jointly-owned)

## Environmental Protection through Spill Prevention

CITGO is driven by our commitment to safeguarding the environment we share with our neighbors. Spill prevention is an important focus when storing and transporting petroleum products. Our efforts center on both the integrity of our approximately 400 miles of regulated pipelines and of our aboveground storage tanks. To achieve maximum results, we have established committees and implemented programs to ensure regulatory compliance and strive for continuous improvement in our TPL sector.

The CITGO Aboveground Storage Tank Inspection Program (ASTIP) Committee is an example of our focus on continually improving reliability, while enhancing environmental, health and safety performance. The ASTIP Committee was formed in 1989, before the first industry guidance was published by the American Petroleum Institute (API), and remains an important piece of our terminals and pipelines integrity program. This committee coordinates the inspection and maintenance schedules of hundreds of tanks each year and was redesigned a few years ago to efficiently keep pace with internal and external demands for inspections. The ASTIP Committee is also involved in implementing improvement projects which drive our environmental performance.

In addition to ASTIP, CITGO has a robust pipeline integrity program. In 2013 approximately 190 miles of Department of Transportation (DOT) regulated pipeline were inspected by either inline inspection tools or hydrostatic testing. CITGO also performed 42 field inspections. Some additional preventative measures taken include aerial patrol over our pipelines, atmospheric corrosion inspections of aboveground piping and tanks, cathodic protection for buried pipe and tank bottoms, and underwater surveys for river crossings. The pipeline integrity program is designed to meet DOT standards and as such is focused in particular on protecting drinking water, navigable waterways, ecologically sensitive and high density population areas.





## Award Winning Safety Performance

The environmental, health and safety philosophy at CITGO is simple; "An incident free workplace is achievable and is expected."

In an effort to predict future incidents and prevent them from occurring, CITGO TPL is tracking a set of Safety Leading Indicators. CITGO believes that by tracking and monitoring leading indicator performance, we can better predict those events that are associated with and precede an incident and thus we are able to act before an incident occurs. As such, they are tracked on a monthly and year-to-date basis and are tied to the balanced scorecard for each business unit. These indicators help drive some of our proactive risk reduction activities and are tied to our corporate metrics for continuous improvement. The Leading Indicators listed below are some of the most important safety metrics for our organization and include;

- 1 COMMITMENT AND LEADERSHIP**
- 2 TRAINING AND DEVELOPMENT**
- 3 HAZARD/RISK EVALUATION AND REDUCTION**
- 4 IMPACT INCIDENT INVESTIGATION**

We also track environmental and safety metrics as part of our balanced scorecard. These are trailing indicators such as OSHA recordable incidents, vehicular accidents, environmental incidents, and process safety events.

As a result of our focus on safety for our employees and contractors and the numerous programs and controls in place, CITGO TPL operations completed both the 2012 and 2013 calendar year with zero employee Lost Workday Cases and zero employee OSHA Recordable Incidents.

### ILTA PLATINUM SAFETY AWARD

The International Liquid Terminals Association (ILTA) recognized CITGO Petroleum Corporation with its highest award, the Platinum Safety Award, for safety excellence, making it the third time that CITGO has received the coveted industry award in the last eight years.

The Platinum Safety Award, recognizes the year's most exemplary performer based on 2013 data for all domestic terminal operations and a thorough review of the applicant's safety and management systems. ILTA represents 80 companies and partnerships that operate bulk liquid storage terminals in 49 countries.

## CITGO Terminal Facilities & Pipeline are Fueling Good

In addition to continuously being recognized as an industry leader in safety excellence, CITGO TPL is an important contributor to community programs. With 48 terminals, the CITGO TPL team reaches into our local communities whether by investing resources or by rolling up our sleeves and volunteering. CITGO TPL brings positive energy to every charitable initiative or social program that CITGO supports. From the United Way and the Muscular Dystrophy Association (MDA) to Habitat for Humanity and Charlie's Place, our employee-driven volunteer groups fuel good every day.

Among our many MDA efforts in 2013, our CITGO East Chicago Terminal held its 17th annual MDA Golf Outing. The total support over those years is now more than \$470,000, which goes towards funding MDA's ongoing research projects and key programs such as summer camps, clinics, support groups and equipment assistance. Additionally, over the last 13 years, the Annual CITGO/Parker Oil MDA Golf Outing, held by our CITGO Richmond Terminal and supported by our CITGO Chesapeake Terminal has raised approximately \$775,000 for MDA.





# Reliable Stewards

## ENVIRONMENT

CITGO prioritizes the protection of the environment and, as stewards, we comply with all applicable environmental regulations, actively improve our performance and engage our neighbors.

In 2013, we implemented a company-wide effort to standardize our processes for environmental performance at all of our operations. We improved reliability and consistency across our facilities, and

**Reducing Our Impact** Since 2007, we have consistently reduced our air emissions, including VOC, NO<sub>x</sub> and SO<sub>2</sub>, at all three of our refineries.

**Managing Our Performance** In 2013, efficient management of our operations resulted in the lowest rates of incidents, air emissions on a per barrel basis, and continuous emission monitoring systems (CEMS) downtime since 2008.

**Driving Recycling** Through initiatives at all three of our refineries, we recycled nearly 69,000 pounds of electronic waste in 2013.



increased our run-time, reduced time offline and made great strides towards operational excellence. By ensuring reliability at our facilities, we minimize the likelihood and frequency of harmful environmental impacts. Similarly, by maintaining reliable systems, we use fewer resources, generate less waste and emit fewer emissions per barrel produced.

## Performance Management

To effectively manage our environmental performance, we focus on regulatory compliance, dedicating a team of environmental specialists at our corporate offices, refineries, lubricant-production facilities and terminals to:

- Assist and train facility staff on new initiatives;
- Represent CITGO in industry and trade associations;
- Oversee and implement the New Source Review Consent Decree;
- Maintain the compliance questionnaire in conformity with accounting due diligence as required under U.S. accounting principles;
- Serve as subject matter experts for reviews and assessments and during emergency operations;
- File environmental reports for hazardous chemical and toxic release inventories, emissions, discharge and waste for the refineries and terminals; and
- Define and report environmental Key Performance Indicators.

## Environmental Index

CITGO operates in strict compliance with environmental regulations throughout our operational footprint. In this regard, we use the concepts of integrated operational management systems, continuous improvement and management control.

CITGO uses an Environmental Index (EI) to comprehensively measure our environmental performance. In 2013, the EI covered the performance of our refineries and included the following elements:

- *Environmental incidents*, which reflects the number of environmental incidents during 2013, including discharges of hazardous materials (such as sulfur dioxide (SO<sub>2</sub>), hydrogen sulfide (H<sub>2</sub>S) and benzene) in reportable quantities, the number of wastewater discharges above limits allowed by the federal National Pollutant Discharge Elimination System (NPDES), the number of spills on navigable water producing oil films on the surface, and spills that contain reportable quantities of hazardous materials;
- *Discharge of hydrocarbon in wastewater*, which does not include rainwater;
- *Atmospheric emissions*, which reflects emissions of volatile organic compounds (VOCs), nitrogen oxides (NO<sub>x</sub>) and SO<sub>2</sub>;
- *Energy consumption*;
- *Uncontrolled benzene*, reflecting the projected or actual amount of benzene released;
- *Stoppages of Continuous Emissions Monitoring Systems (CEMS)*, reflecting monitoring of system downtime; and



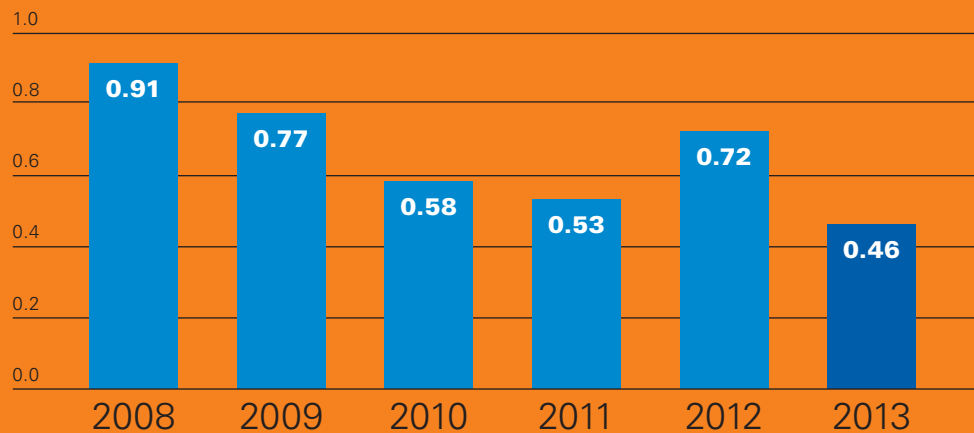
- *Notifications to federal and state agencies*, reflecting the number of notifications sent to federal and state agencies on abnormal conditions in refineries, including incidents of flaring beyond the normal process flow, spills in navigable waters and on land, oil films on water, opacity, and discharge of chemicals.

We recognize that, along with the health and safety of our employees, environmental stewardship is everyone’s responsibility. Toward this shared responsibility, CITGO incorporated

the EI as one of the elements for calculating the variable component of employee remuneration. Thus, CITGO cascades our commitment to environmental protection and conservation to each of our employees, ensuring collaboration and shared dedication. In 2013, we achieved our best EI performance in the last six years. In particular, our efforts led to the lowest rates of incidents, air emissions on a per-barrel basis and CEMS downtime since the EI was implemented.

## CITGO ENVIRONMENTAL INDEX PERFORMANCE

2008 – 2013: Lake Charles, Lemont, and Corpus Christi refineries



For ease of interpretation, a decreasing EI reflects improvements in performance.



## Energy Usage and Greenhouse Gas Emissions

CITGO monitors energy usage at our refineries through the EI as a predictor for greenhouse gas (GHG) emissions. We work to manage our energy use to reduce the amount of energy we consume, directly contributing to reductions in our GHG emissions and operational costs. As required under the Greenhouse Gas Mandatory Reporting Rule, CITGO began reporting our refinery GHG emissions in calendar year 2010. Since that benchmark year, we have reduced GHGs emitted by our refineries, based on throughput.

As a supplier of fuels, additional indirect carbon dioxide (CO<sub>2</sub>) emissions are generated through the combustion of our products by individuals and organizations outside of our control. CITGO reports these CO<sub>2</sub> emissions assuming that all the fuels were combusted primarily by vehicles. For 2013, these U.S. emissions totaled 85.6 million metric tons, corresponding to the CO<sub>2</sub> generated by 13.7 million cars in one year.

## Air Emissions

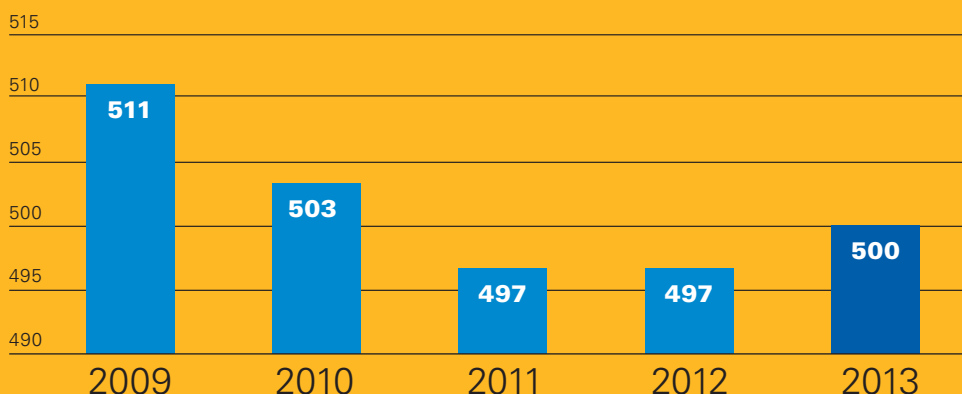
CITGO monitors air emissions of significant pollutants at our refineries, such as VOCs, NO<sub>x</sub>, and SO<sub>2</sub>. We continue to reduce atmospheric releases of SO<sub>2</sub> and NO<sub>x</sub> while reducing fugitive emissions. In the past year, we have reduced the metric tons per million barrels of throughput by 9 percent, a reflection of how our continued focus on equipment reliability has improved both our production and environmental performance. (See Page 30)

We have significantly reduced the total emissions at all three refineries since 2007. From that baseline, VOCs have been reduced by 255 percent (2,871 tons per year), SO<sub>2</sub> by 1,280 percent (23,133 tons per year) and NO<sub>x</sub> by 256 percent (6,261 tons per year). A significant driver for the SO<sub>2</sub> reduction was the installation of additional control and recovery systems at the Lemont and Lake Charles refineries.

Differing conditions across the country can elevate the significance of certain emissions over others. For example, in 2013, the area around the Lemont Refinery was designated by the U.S. EPA as “non-attainment” for the SO<sub>2</sub> National Ambient Air Quality Standard.

### ENERGY USAGE 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.

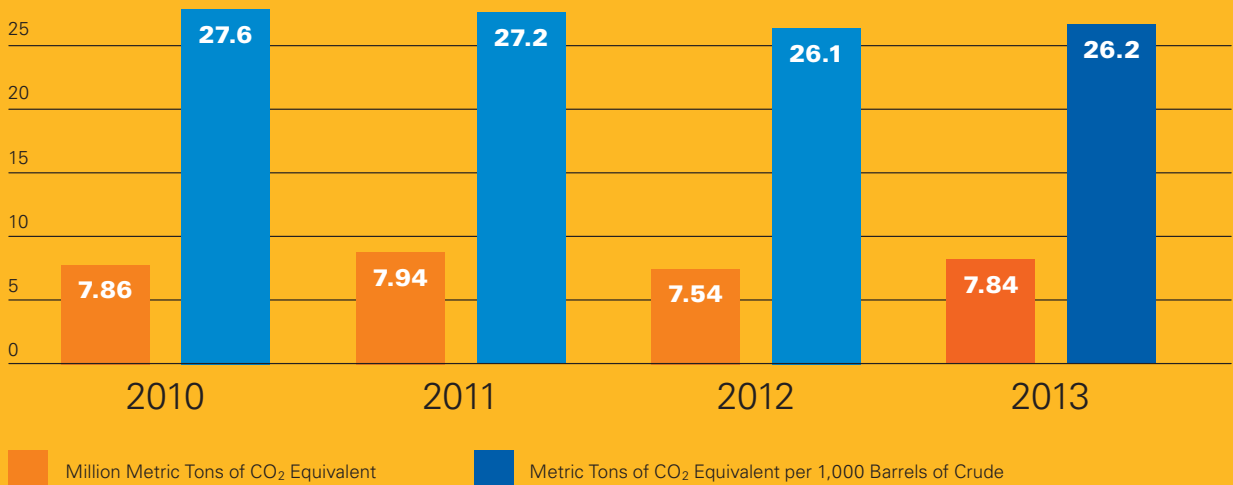


Since 2007, we have consistently reduced our air emissions at all three of our refineries.

In response, the Illinois EPA (IEPA) modeled the area and contributing sources and began developing a set of rules to bring the area into attainment. Of the major industrial sources in the area, the Lemont Refinery is currently the lowest-emitting.

Similarly, ozone forms when NO<sub>x</sub> and VOCs combine in the air during hot and sunny days. When there is not enough wind to disperse it, ozone can accumulate and cause health issues, especially for sensitive populations. In 2008, CITGO and other industries in the area voluntarily implemented Ozone Action Plans to handle days when the ozone was forecast to go above the standard. This industry effort has helped Calcasieu Parish achieve attainment status under the new 75 parts per billion (ppb) standard. But with the new lower standard, CITGO and our neighbors must remain diligent in minimizing emissions where possible during ozone season. In 2013, the area reduced ozone levels to 70 ppb from 74 ppb in 2012.

## GREENHOUSE GAS EMISSIONS FROM REFINERIES



## SUMMARY BY TYPE OF EMISSIONS

BY REFINERY, IN 2013

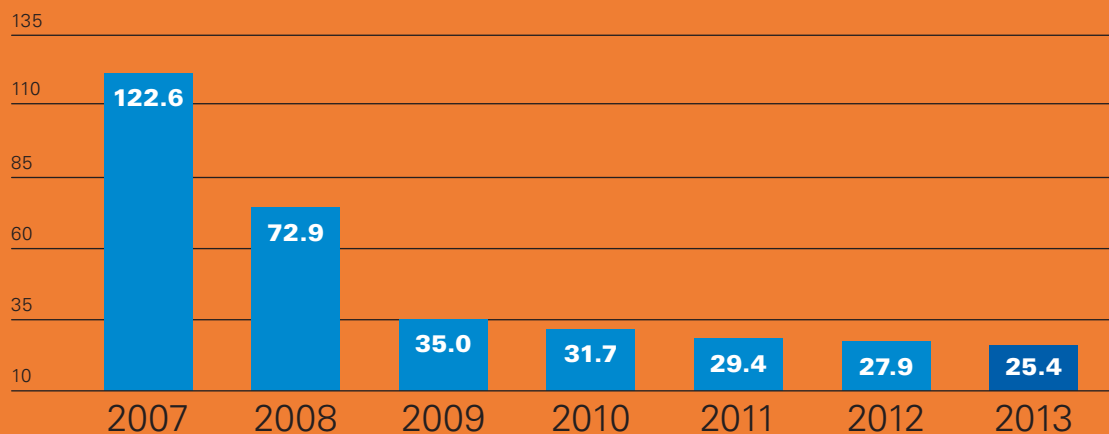
| REFINERY       | TYPE OF EMISSION | METRIC TONS |
|----------------|------------------|-------------|
| LAKE CHARLES   | VOC              | 442.22      |
|                | SO <sub>2</sub>  | 1,523.62    |
|                | NO <sub>x</sub>  | 2,603.39    |
|                | Others           | 2,313.77    |
| CORPUS CHRISTI | VOC              | 644.28      |
|                | SO <sub>2</sub>  | 182.40      |
|                | NO <sub>x</sub>  | 875.68      |
|                | Others           | 760.44      |
| LEMONT         | VOC              | 381.87      |
|                | SO <sub>2</sub>  | 371.36      |
|                | NO <sub>x</sub>  | 585.83      |
|                | Others           | 607.24      |

Note: The category "Others" includes CO<sub>2</sub> and particulate material.



## AIR EMISSIONS FROM REFINERIES

METRIC TONS/MILLION BARRELS OF THROUGHPUT\*



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



## CAPITAL PROJECTS – FLARE GAS RECOVERY SYSTEMS

To advance environmental performance at our facilities, we continue to invest in infrastructure that improves the reliability and consistency of our operations. In 2013, the Lake Charles Refinery undertook a significant project to upgrade its A Cat Gasoline Hydrotreater (ACGHT). When the ACGHT was built in 2004, flare systems were originally designed and built as emergency devices to manage hydrocarbon releases during unit upsets, shutdowns and startups with little consideration of flow rate or sulfur concentration.

A new U.S. EPA rule requires all process units to achieve flare minimization. This requires that operators understand their flare sources and take steps to minimize flows where possible. Flare gas minimization, especially during peak flow periods such as unit shutdowns and startups, is essential for effective and reliable operation of the flare gas recovery systems.

A cross-functional team revised existing procedures and equipment to achieve desired flaring objectives. We currently rely on a common template for our regulatory flare management plan and, as the program matures, we plan to implement additional management procedures.

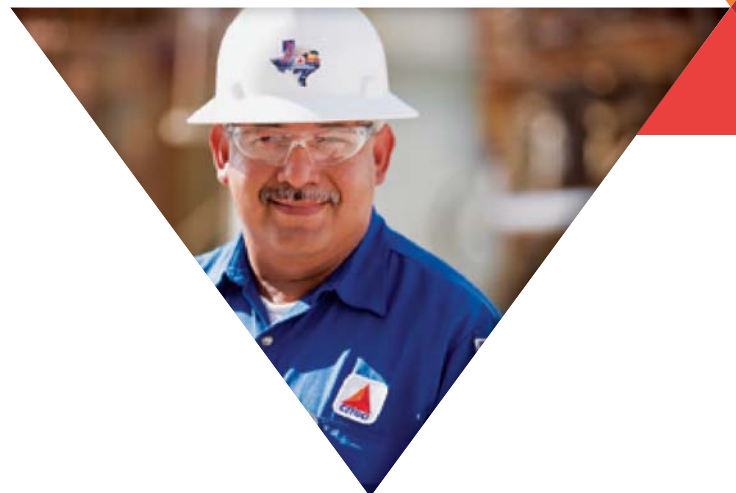
Our effort to minimize hydrocarbons to the flare system reflects the emphasis CITGO places on compliance. In addition, flares are a key visual representation of our refinery operations to the community, and a focus of the U.S. EPA. Because of the significance flares have for these stakeholders, the Lake Charles Refinery is in the middle of engineering another major flare gas recovery project that will result in upgrades to the process for 11 out of 13 flares.

We completed similar capital projects at our other refineries. At the Lemont Refinery, we upgraded the Alky Flare to improve the combustion process and control. Meanwhile, the Corpus Christi Refinery replaced hydrogen compressors that were over 40 years old with electric-driven motors. While the focus of this project was to improve reliability, it also immediately reduced emissions. The compressor replacement is anticipated to reduce emissions by 66 tons per year.

## Other emissions – TRI

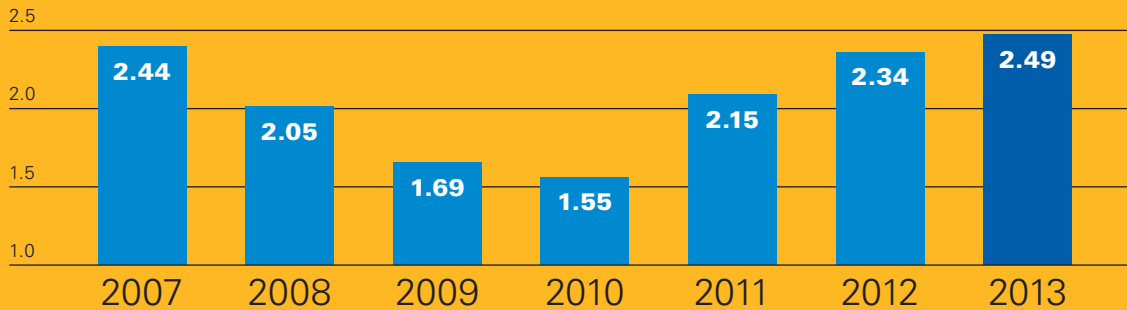
The Toxic Release Inventory (TRI) annual report is required under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA). There are currently 683 individual chemicals and chemical categories on the TRI toxic chemical list.

While CITGO has achieved significant reductions in chemicals released, improved monitoring and the addition of new chemicals to the TRI list explain the increase in emissions reported since 2010.



## TRI EMISSIONS FROM REFINERIES

TRI POUNDS, MILLION\*



\*Beginning in 2012, data include hydrogen sulfide. Environmental data are reported only for the three CITGO-owned refineries.

\*\*TRI data have been restated since the publication of our 2012 report.

## Compliance Audits

Compliance audits are an important part of how we manage our environmental performance and achieve consistency throughout our operations. During 2013, CITGO conducted a total of 15 internal environmental audits at our refineries including nine in Lemont, two in Corpus Christi and four in Lake Charles. In addition to our internal audits, BWON laboratory audits were conducted on our Benzene Waste Operations NESHAPs (BWON) and leak detection and repair (LDAR) programs at all three facilities. In many instances, we identified program enhancements as a result of these self-assessments. At the Lemont Refinery, for example, program enhancements included improved handling of waste wipes in the refinery's lab and process improvements for handling missing LDAR tags and updating the refinery's Pollution Prevention (P2) policy.

## Waste

By successfully reducing waste generation, we can protect the environment, maintain a safe and healthy workplace for our employees, increase operational efficiencies and achieve cost savings. Given our role in our communities, we are able to facilitate waste reduction beyond our fence line, as well.

Waste generated at CITGO refineries is largely influenced by maintenance schedules and capital projects.

Several initiatives are underway to increase recycling of operational waste streams and reduce our waste generation. For example, in July 2013, the Lake Charles Refinery initiated a recycling program for the Purge Treatment Unit (PTU) Cat Fines waste stream. The non-hazardous industrial material is recycled into road base, embankment/backfill, rip-rap, and other commercial products. In 2013, we recycled 2,394 tons of PTU Cat Fines for road base material instead of sending it to a landfill. With an eye toward expanding this program, the

refinery’s Environmental Protection Department is investigating other potential waste streams that could be recycled.

Another ongoing initiative at the Lake Charles Refinery is the recovery of hydrocarbons from oily sludges. Various oil-bearing secondary materials are separated into solids, oil and wastewater. The oil is returned to the refinery for reprocessing, and the wastewater is sent for treatment. In 2013, we recycled a record of 396,012 barrels of Coker Slurry in this manner.

In recent years, CITGO has begun auditing waste disposers and recyclers in an effort to promote responsible waste stewardship and to reduce future potential environmental liability associated with waste disposal. The audits aide CITGO in assessing and managing environmental risks associated with the third-party management of wastes inherent to manufacturing activities. The audits are being handled through an industry trade association that conducts comprehensive, independent reviews of commercial facilities that treat, store, dispose of, recycle or transport

waste. Waste facilities are selected for review by CITGO and other member companies and evaluations are performed according to a standard protocol by independent and experienced environmental firms under contract.

#### **ELECTRONICS AND SOLID WASTE RECYCLING**

Our electronics waste recycling (e-recycling) program is among the most successful initiatives to reduce waste in our refineries, corporate offices and neighborhoods. Each year, CITGO employees and volunteers collect discarded electronics — including computers, monitors, keyboards, phones and radios — through employee and community e-recycling events. In 2013, our combined efforts resulted in the recycling of nearly 69,000 pounds of electronics.

The CITGO refineries spearhead a number of e-recycling initiatives through which they directly engage local communities. For example, at the Lake Charles Refinery, the Environmental Protection Department teamed with the City of Sulphur and others for the Annual E-Recycle

### **WASTE (METRIC TONS) – CITGO REFINING, 2013**

| <b>Refinery</b>       | <b>Hazardous waste</b> | <b>Non-hazardous waste</b> | <b>Total waste</b> |
|-----------------------|------------------------|----------------------------|--------------------|
| <b>Lake Charles</b>   | 6,613.34               | 16,936.14                  | 23,549.48          |
| <b>Lemont</b>         | 1,031.19               | 13,986.38                  | 10,758.88          |
| <b>Corpus Christi</b> | 6,423.52               | 9,030.94                   | 15,454.46          |
| <b>Total</b>          | 14,068.05              | 35,694.77                  | 49,762.82          |

Day. This event is typically held in April when the number of new televisions and appliances purchased is greatest and old ones are disposed of or recycled. The community was invited to bring old electronic goods for proper handling and packaging for recycling. The facility ensures that products containing mercury are appropriately recycled. Since 2009, approximately 400,000 pounds of electronics have been collected and recycled at the Lake Charles Refinery.

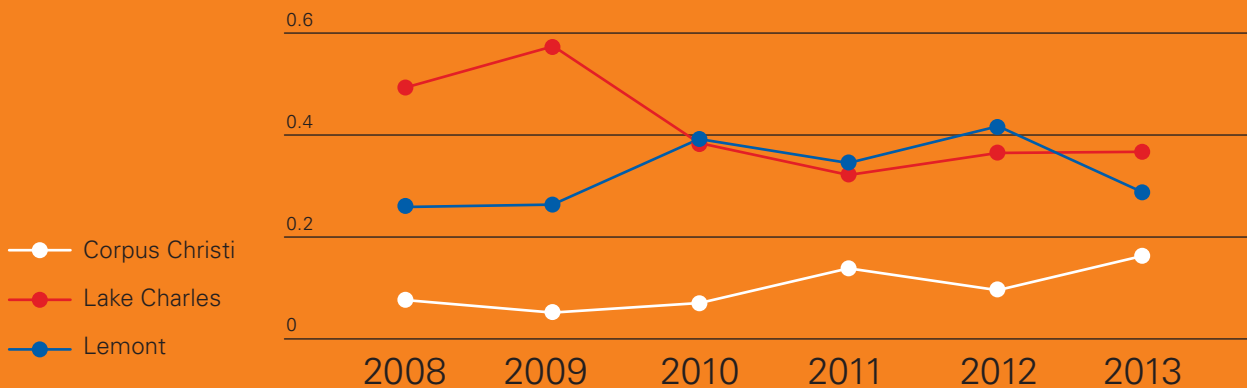
At the Lemont Refinery, employees held their annual Household Hazardous Waste and Electronics Collection Day hosted by the refinery's Waste Minimization and Pollution Prevention Committee. Separately, on Earth Day, the Lemont Refinery sponsored the Village of Lemont's oil collection and recycling event. Refinery employees volunteered at the event, which allowed residents to drop off their used oil for proper disposal.

**ENVIRONMENTAL EMPLOYEE OF THE MONTH**

As part of our belief that environmental performance is everyone's responsibility, we work to ensure that individuals are recognized for their contributions. The Lemont Waste Minimization and Pollution Prevention Subcommittee created the Environmental Employee of the Month (EEOM) program, which may recognize any employee or contractor on site. The EEOM program encourages employees to find new and creative ways to support the refinery's Reduce-Reuse and Recycle program.



**HYDROCARBON DISCHARGE (METRIC TON/MMBBL)**



## Water Usage

Fundamentally, water is a local issue. Because of this, CITGO focuses our water-related efforts on the needs of the local watershed. While all three of our refineries are located on water bodies, the characteristics of those watersheds are different. For example, the Lemont Refinery is located on an industrial canal outside of Chicago where water quality is a key concern, while the Corpus Christi Refinery is located in a region that is more at risk of stress on water supply.

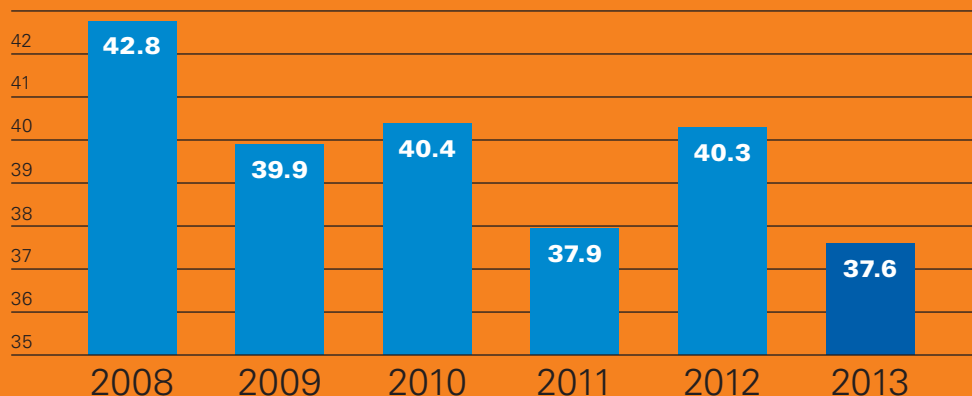
A key indicator of water quality, given the nature of our refineries' operations, is the amount of hydrocarbons discharged into surface water from our wastewater treatment systems. Though all discharges are within limits set by NPDES operating permits, wastewater discharge is particularly relevant at the Lemont Refinery

given our neighbors and the watershed. We are working to decrease discharges and treatment volume through reduced water usage, in addition to undertaking efforts to reduce the amount of hydrocarbons contained in discharged water. Over the past several years, improved process tanks and waste treatment plant operations have allowed us to discharge water into the river at a higher quality than we receive it.

Our Corpus Christi Refinery is sometimes affected by water restrictions as a result of droughts and water shortages. To prepare for this possibility, the Corpus Christi Refinery has a plan in place to reduce its water consumption by 15 percent during periods of water restriction by implementing short-term process improvements throughout the refinery. In 2013, our total reduction in water usage was a result of water restrictions in Corpus Christi.

At CITGO, we work to ensure that the water we discharge into local water bodies is of a higher quality than when we receive it.

**TOTAL WATER USAGE (GAL/BBL)**



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

## Petty's Island Ecological Reserve

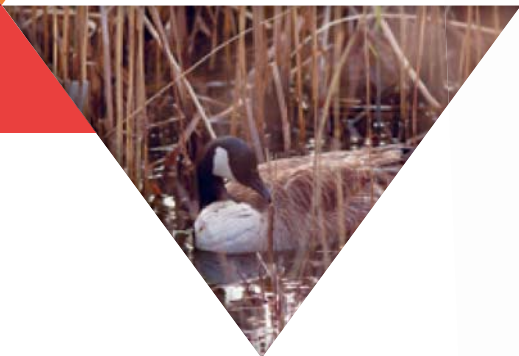
In April 2009, CITGO officially donated a Conservation Easement for Petty's Island to the state of New Jersey, under the New Jersey Natural Lands Trust, to be used as an ecological reserve and center for historical and environmental education. In addition to donating the property, CITGO is committed to donating an additional \$3 million, of which \$125,000 was donated in 2013, to finance part of the efforts to restore the island and to help establish a cultural and education center. The Trust will include the 300-acre island and 140 acres of ecologically important tidal flats located on the Delaware River near the town of Camden, New Jersey.

There is a rich diversity of flora and fauna on Petty's Island. The island is home to a variety of wildlife, including American bald eagles, hawks, falcons and waterfowl species such as osprey, Cooper's hawk, American kestrel and American

black duck. Petty's Island also has a range of plant species and rare plants including the water marigold, which is designated as a global rare plant and is only found in the Delaware River in New Jersey.

The island's historical legacy dates from the beginning of North American history as the scene for early Native American and colonial settlements. Due to the social, cultural and environmental value of the island, some have called for it to be designated a site of National Historical Wealth, while at the same time pushing forward with preservation, restoration and educational opportunities. CITGO and our predecessor companies operated on the island from 1919 to 2001.

The Trust has been conducting various educational programming for high school groups and the general public on the history of the island and its natural resources. In 2013, almost 200 people enjoyed the island as it hosted six public presentations and four field trips from local high schools, as well as two volunteer cleanups. These educational programs were provided by the New Jersey Audubon Society, the Delaware RiverKeeper Network and the Cooper River Watershed Association. For 2014, the New Jersey Natural Lands Trust has authorized the New Jersey Audubon Society to conduct birding surveys and begin developing a stewardship plan for part of the island.



The Petty's Island ecological reserve and center for historical and environmental education will provide valuable habitat for rare plants and animals.





# Reliable Professionals

## WORKFORCE

To fuel the economy and refine products that benefit our world, we must hire and retain the best and most reliable network of professionals. We believe our employees' knowledge, skills, talent and commitment give CITGO a competitive edge and we are committed to providing the tools, resources and environment necessary to enable the people of CITGO to grow both professionally and personally.





**Recruiting Local Talent** In 2013, each of the CITGO refineries continued to promote careers in the oil and gas industry through local schools and organizations.

**Investing in Training and Development** In 2013, we spent nearly \$1.1 million on employee training programs in business, management, technical areas, safety, computers, and regulatory information.

**Measuring Satisfaction** In 2013, we conducted an employee engagement survey of 2,225 employees to measure satisfaction and identify opportunities for improvement.



Having a diverse workforce is a key strength for CITGO. Our employees continuously bring varied perspectives to the workplace. We appreciate, respect and support the differences that enable each of us to fully contribute and add unique value to our work environment.

## Human Resources

The CITGO Human Resources (HR) Department is responsible for overseeing our hiring, development and retention objectives. To achieve these objectives, HR has established three specializations. Corporate HR serves as a strategic partner with the business units to support employee recruitment, coaching, performance counseling, discipline, and policy interpretation and application. Staffing and Employee Services manages recruiting, Equal Employment Opportunity compliance and the HR Service Center. Finally, HR Total Rewards oversees compensation, benefits, training, development, recognition, goal-setting, performance appraisals, succession planning, engagement surveys and retention incentives. We regularly evaluate our programs in an effort to provide our employees with the best workplace possible.

## Diverse Workforce

To build a diverse and reliable workforce, we strive to hire and develop employees that reflect the local communities in which we do business. This also helps bolster local economic development. We not only recruit from colleges; we also solicit qualified candidates from various sources, including those supporting minorities, veterans and disabled persons.

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



## CITGO WORKFORCE BY GENDER AND MINORITY

AS OF DEC. 31, 2013

FEMALE AND MINORITY EMPLOYEES COMPARED  
TO TOTAL NUMBER OF EMPLOYEES

2013 TOTAL  
EMPLOYEES

|          |             |       |
|----------|-------------|-------|
| FEMALE   | 729 (21.2%) | 3,445 |
| MINORITY | 977 (28.4%) |       |

FEMALE AND MINORITY EMPLOYEES COMPARED  
TO EMPLOYEES CLASSIFIED AS PROFESSIONALS

|          |             |     |
|----------|-------------|-----|
| FEMALE   | 301 (34.3%) | 877 |
| MINORITY | 261 (29.8%) |     |

FEMALE AND MINORITY EMPLOYEES CLASSIFIED  
AS SUPERVISORS OR MANAGERS

|          |             |     |
|----------|-------------|-----|
| FEMALE   | 106 (18.9%) | 562 |
| MINORITY | 142 (25.3%) |     |

FEMALE AND MINORITY EMPLOYEES  
CLASSIFIED AS MIDDLE MANAGERS

|          |            |     |
|----------|------------|-----|
| FEMALE   | 32 (16.8%) | 190 |
| MINORITY | 33 (17.4%) |     |

FEMALE AND MINORITY EMPLOYEES CLASSIFIED  
AS SENIOR MANAGERS

|          |           |    |
|----------|-----------|----|
| FEMALE   | 0 (0%)    | 12 |
| MINORITY | 7 (58.3%) |    |



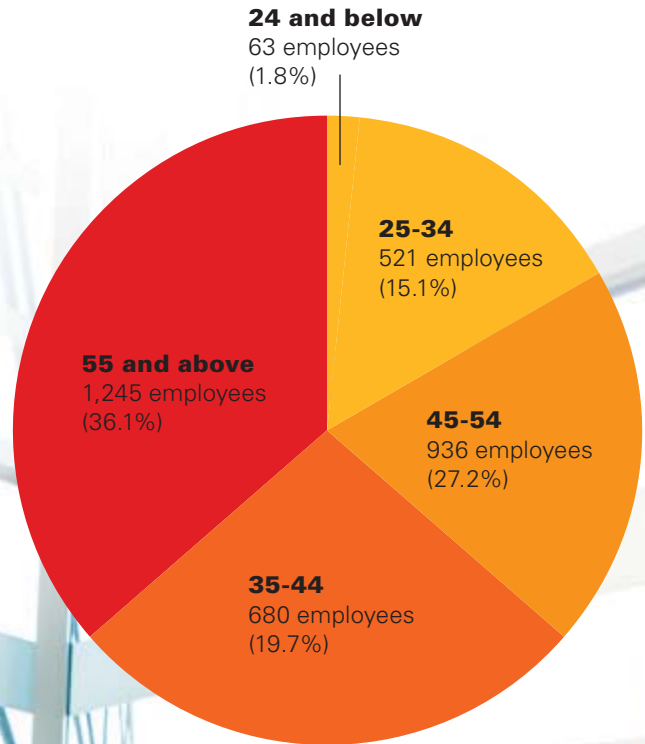
## STAFFING LEVELS AS OF DEC. 31, 2013

| CORPORATE/<br>CORPORATE FIELD | CORPUS<br>CHRISTI | LAKE<br>CHARLES | LEMONT | TOTAL<br>EMPLOYEES |
|-------------------------------|-------------------|-----------------|--------|--------------------|
| 1,251                         | 546               | 1,107           | 541    | 3,445              |



## Addressing the Challenge of an Aging Workforce

Our long history could not have been possible without the dedication of our workforce. One of the greatest challenges we will face as a company in the coming years will be to rebuild our workforce, as 36 percent of our employees are currently over the age of 55. To successfully integrate new members into the workforce, we must ensure the reliable transfer of knowledge between our veteran employees and new recruits. We address this challenge through succession planning and active recruitment and retention efforts.



## **SUCCESSION PLANNING**

At CITGO, we cultivate our next generation of leaders by investing in our employees and providing them with opportunities for professional and personal growth. Through our succession planning and management process, we identify critical roles, current and future candidates, and the developmental activities they need to advance. At the beginning of each year, HR facilitates talent review meetings with each business unit. During these meetings, the leaders of the business units review and update their respective strategies, develop a succession plan for critical positions and grade employees on their performance and potential. Throughout the year, senior management is involved in developing employees that are part of the succession plan, to prepare them for transition to critical positions as they become available. Developmental opportunities may include experiential learning, targeted training, rotational assignments and coaching.

The goal of the CITGO management succession process is to develop a pool of potential corporate leaders who are ready to meet the demands of a changing business environment in alignment with our core values.

## **RECRUITMENT**

In addition to succession planning, we are actively working to recruit qualified candidates from our local communities. Many of our retirement-eligible employees work in our refineries and manufacturing plants. We seek out new talent and top-caliber recruits by targeting local high schools, trade and vocational schools, community colleges and universities.

In 2013, we continued to promote careers in our industry through various engagement activities. We opened our doors to teachers and counselors to come and learn about our facilities, offering them tours and presentations to help them understand what it means to work

in our industry. We visited local schools and taught classes on science and geology. We attended recruitment events at local colleges and universities, and made significant financial contributions to help universities develop programs focused on engineering. These and other efforts are investments in the talent of tomorrow.

## **LAKE CHARLES**

In 2013, CITGO recruited and hired 13 graduates from SOWELA Technical Community College located just 11 miles from our Lake Charles Refinery. In 2014, SOWELA implemented a fast-track, 12-week program for students interested in obtaining a Process Technology degree. This program is helping place local students in the many skilled-labor positions available in Southwestern Louisiana and, in particular, at our Lake Charles Refinery.

SOWELA also offers an Associate's Degree in the Process Technology program to students interested in this discipline. This degree can be used in place of five years of experience when applying for jobs at the Lake Charles Refinery.

## **LEMONT**

In an effort to promote engineering among youth, we work with local schools to educate students on math, science and environmental stewardship. Many of our young engineers at the Lemont Refinery teach classes at elementary, middle and high schools and serve as judges in local science fairs.

We also work with Project Infinite Green, an afterschool program for students in the eighth and ninth grades. The program encourages science, technology, engineering and math (STEM) education by helping students explore U.S. energy sources. We partner with mentors from the Department of Energy, Argonne National Laboratories and other industries to teach students about green initiatives in the energy field. Students from Project Infinite

Green have presented their business plans to the Illinois Chamber of Commerce Energy Council and even Congress.

In addition to educating youth about our industry, we also recruit at the University of Illinois, Purdue University and the University of Wisconsin, Madison, which all have top-tier engineering programs.

#### **CORPUS CHRISTI**

We completed a five-year investment into the launch of Texas A&M – Corpus Christi’s Mechanical Engineering Program. Our \$150,000 contribution helps to provide the laboratory space, faculty, research opportunities and scholarships necessary for an outstanding program. As one of the major employers in the area, we committed to this investment in the hope of ensuring a steady stream of exceptional graduates who could build their careers at CITGO. In 2013, we hired two Texas A&M – Corpus Christi graduates with degrees in accounting and chemistry, and anticipate that we will continue to hire from our local university.



## **Workforce Training and Development**

Each member of the CITGO Team is afforded a unique opportunity to learn and achieve throughout their career. We invest in corporate training and development initiatives that offer advancement opportunities for managers, supervisors and individual contributors. Our employees have access to an extensive curriculum of instructor-led and computer-based training courses in the areas of professional business skills, management development, technical skills, safety and regulatory information, and computer skills. We estimate that in 2013, we spent nearly \$1.1 million on employee training programs.

Each year, our employees establish their individualized development plans. To make the plans more meaningful and streamlined, we encourage employees to utilize the Fuel Your Future Program. In 2013, we conducted an extensive re-launch campaign to ensure all employees were aware of the resources available to them through Fuel Your Future.

#### **FUEL YOUR FUTURE**

Fuel Your Future is a development strategy consisting of programs designed specifically for CITGO employees. The programs are customizable and focused on each employee’s individual development needs, while providing a structured approach for every stage of an employee’s career, from new hires to senior leaders.

Fuel Your Future has three key programs: LAUNCH, REFINE and LEAD. Each offers employees a structured learning plan, a roadmap for individual development, a flexible timeframe, accountability for success and recognition of accomplishments.



In 2013, we spent nearly \$1.1 million on employee training programs.

LAUNCH is our four-stage onboarding program designed to help newly hired salaried employees effectively transition into their new roles at CITGO within the first six months of employment. LAUNCH specifically helps these employees:

- Learn about CITGO;
- Adopt CITGO values;
- Utilize existing skills and acquire new skills;
- Navigate the CITGO systems;
- Challenge existing ideas; and
- Honor CITGO traditions.

REFINE is a structured, individualized learning and development program for salaried employees. It is intended to increase proficiency in our CITGO core competencies: customer focus, achieving results, decision-making, stewardship, technical skills, initiative, communication and teamwork. Learning modalities include instructor-led classes, computer-based training, books and videos.

LEAD provides a comprehensive and intuitive way to build or enhance a salaried supervisor or manager's professional business skills. The LEAD Program provides the flexibility to be individualized while maintaining a structured approach to ensure our supervisors and managers receive the developmental resources needed to become successful at CITGO. Like REFINE, LEAD encompasses a blended-learning strategy in which participants choose from instructor-led classes, computer-based training, books and videos.

As of May 2014, 693 employees were enrolled in the LEAD and REFINE programs. We support training programs like these as an investment in our workforce.

#### **TECHNICAL DEVELOPMENT**

While Fuel Your Future is predominantly focused on professional business skills, CITGO also offers a variety of technical development opportunities.

CITGO refinery training and employee development initiatives comprise both technical and professional development courses. The Technical Development Initiative for 2013 included eight refinery-hosted, corporate-wide conferences designed to expand training opportunities for technical personnel and enhance collaboration between refinery teams. These conferences focused on furnaces and boilers, operation of centrifugal compressors, fluid catalytic cracking, support system design, and new associate engineering processes. In addition to the joint refinery conference, each refinery also coordinated a variety of technical trainings. In 2013, employees from engineering, operations and maintenance received training on topics such as pumping systems, vibration in machinery, basic flaring principles, water treatment and other important topics.

In 2014, we plan to conduct a pilot program with a group of our engineers to formalize a technical skills training program similar to Fuel Your Future.

#### **EMPLOYEE ENGAGEMENT AND SATISFACTION**

With more than 50 percent of our workforce over the age of 50, and with increased demand for talent across our industry, we know that retaining our dependable, high-caliber talent is very important. To better understand employee satisfaction, we regularly conduct organizational surveys, communication luncheons, focus groups and executive presentations. We conducted two major employee engagement initiatives in 2013: stay interviews and an employee engagement survey.

To understand how we can retain employees, we piloted stay interviews with our IT group in 2013. A stay interview is a one-on-one meeting between a manager and their employee to better understand what motivates that employee and why he or she stays with CITGO. Examples



of stay interview questions include “What do you like most and least about your job?”, “Do you think your current position fully utilizes your talents?” and “What kind of ‘trigger’ would it take to get you to consider leaving?”

We also conducted an employee engagement survey of 1,707 salaried and 518 hourly employees. The survey focused on retention. Broadly speaking, pay, opportunities for advancement and job stability were the top attrition risks identified in the survey. We are integrating the survey results into future workforce planning projects.

## Employee Benefits

Our benefits are carefully formulated to provide our employees and their loved ones with the peace of mind needed to enjoy their career and life.

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

### BENEFIT OVERVIEW

- Competitive salary
- Life and disability insurance
- Paid holidays and vacation days
- Voluntary benefits, including critical illness insurance, accident insurance and pre-paid legal services
- Hearing aid discount program
- Pension and retirement plans
- Medical, dental and vision insurance
- Healthy Rewards Program
- Flexible Spending and Health Savings Accounts
- Employee Assistance Program
- 401(k) savings plans with a guaranteed contribution and matched contribution up to a percentage of eligible compensation
- Other programs such as matching gifts, service awards, educational reimbursement, scholarships, and employee discount programs



In 2013, we offered our employees up to \$1,600 in healthy living incentives through our Healthy Rewards Program.



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

We also provide programs and services to help our employees live healthier lives and proactively safeguard their health. In addition to periodic physicals, CITGO Health Services administers inoculations and advises employees on healthy travel, personal and work-related health issues, and general wellness, providing a ready resource for health-related information in the workplace.

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

Our Healthy Rewards Program is structured with three levels of achievement—Bronze, Silver and Gold. When both our employees and their eligible covered spouses participate and complete each level in the program, employees may receive healthy living incentives of up to \$1,600, depending on their health insurance option.

## FUEL YOUR HEALTH: HEALTHY REWARDS PROGRAM

| LEVEL   | CRITERIA  | 2013 WELLNESS GOALS   |
|---|---|---|
| <b>BRONZE</b>   | Completion of Health Assessment and Biometric Screening   | Complete both   |
| <b>SILVER</b><br>(MEET 2 OF 4 CRITERIA) AND TOBACCO/NICOTINE                          | Blood Pressure  | Less than or equal to 135/90  |
|   | Glucose   | Less than or equal to 100 fasting   |
|   | HDL Cholesterol   | More than or equal to 40 Male or 50 Female  |
|   | Body Mass Index (BMI) or Waist Circumference              | Less than or equal to 29.9 or waist measurement is less than 40" male or 35" female |
|   | Tobacco/Nicotine  | Negative or completion of cessation program   |
| <b>GOLD</b><br>(MEET 3 OF 4 CRITERIA ABOVE, TOBACCO/NICOTINE AND ADDITIONAL CRITERIA) | Benefit Advisory Coaching and Online Workshop Assignments | Remain compliant  |

A woman with long dark hair and a prosthetic left leg is sitting on a stone ledge in a park. She is wearing a black zip-up jacket, black pants, and brown boots. She is smiling and looking towards the camera. The background shows a metal fence and lush greenery.

# Reliable Neighbors

## COMMUNITY

At CITGO, our commitment to humanitarian values goes well beyond our corporate citizenship efforts; it is an integral part of our business strategy and ingrained into our corporate culture. We believe we have a responsibility to the communities in which we operate and we invest considerable human and monetary capital to support local initiatives to improve the quality of life for our neighbors. CITGO remains dedicated

**Expanding Health Care Access** Through the Simón Bolívar Foundation we provided medical assistance to 127 patients in 2013 for treatments including liver transplants, cochlear implants, and bone marrow transplants.

**Supporting Higher Education** Since 2007, CITGO has proudly awarded annual scholarships to universities in nine states, totaling more than \$1.15 million, and benefiting 233 students.

**Providing Energy Assistance** In 2013, we delivered 19.03 million gallons of heating oil, worth \$58.15 million, to low-income recipients in 25 states and the District of Columbia.



to growing our existing social responsibility programs and cultivating new projects that assist traditionally underserved populations.

To do this, we promote volunteerism at all levels of our organization and encourage employees to take active roles in the communities we call home.

Total hours of volunteerism: 11,708  
Total giving: \$76,012,926



## Focus Areas

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

- **ENERGY ASSISTANCE**
- **ENVIRONMENTAL PROTECTION, CONSERVATION AND RESTORATION**
- **EDUCATION AND SOCIAL INVESTMENT**
- **HEALTH**

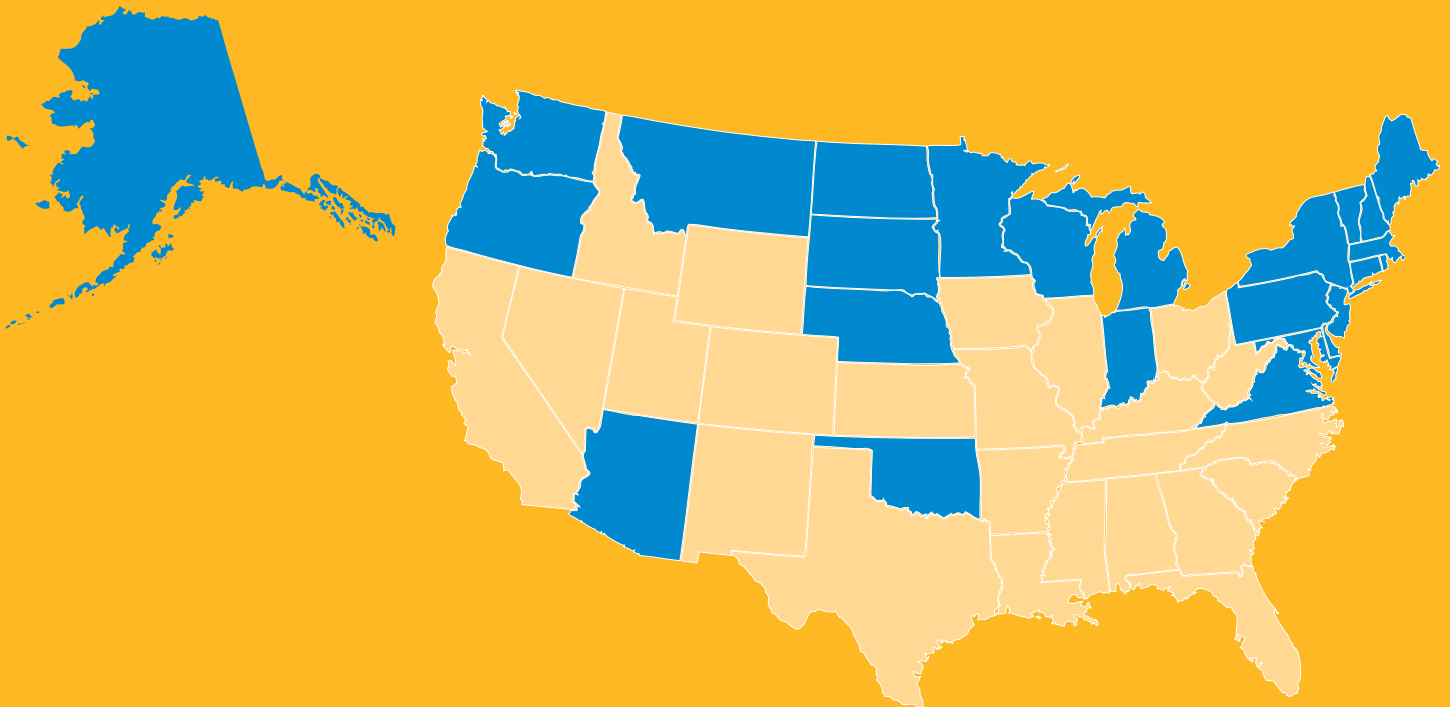
## Energy Assistance

As energy costs rise across the United States, millions of people struggle to afford this basic necessity. At CITGO, we believe it is our responsibility to help make heating costs more affordable for those in need. To that end, we invest in programs and initiatives that offer the greatest impact and that prioritize and promote energy efficiency.

### HEATING OIL PROGRAM

Federal and state governments provide some help to low-income families struggling to heat their homes during the winter. Historically, this assistance alone is not enough, leaving vulnerable families with little choice but to cut back on food, medicine and other life essentials when their home energy costs rise.

### BENEFICIARY STATES TO THE CITGO-VENEZUELA HEATING OIL PROGRAM



19.03 million gallons of heating oil worth \$58.15 million

In response to this problem, the CITGO-Venezuela Heating Oil Program has helped provide energy assistance to millions of people across the United States since 2005. We created this important social initiative in response to a request for humanitarian assistance from residents of the Bronx, New York, when oil prices spiked after Hurricanes Katrina and Rita. The sharp rise in fuel costs impacted some of the poorest and most vulnerable communities in the country. The geographical scope of the program has increased from eight states in 2005 to 25 states and the District of Columbia in 2013.

The CITGO-Venezuela Heating Oil Program helps disadvantaged families and people residing in:

1. Single-family dwellings
2. Apartment buildings
3. Homeless shelters
4. Native American Communities

To guarantee the long-term success of the program, we partner with Citizens Energy Corporation in its implementation and management. CITGO-Venezuela and Citizens Energy Corporation work with a national network

## 2013 CITGO-VENEZUELA HEATING OIL PROGRAM BENEFICIARIES:

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**373,641** LOW-INCOME PEOPLE

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**108,175** HOUSEHOLDS

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**261** NATIVE AMERICAN COMMUNITIES IN **15** STATES REPRESENTING OVER **24,000** TRIBAL HOUSEHOLDS

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**204** HOMELESS SHELTERS, PROVIDING ASSISTANCE TO **49,116** HOMELESS PEOPLE

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**68,027** FAMILIES IN SINGLE-FAMILY HOMES

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**217** APARTMENT BUILDINGS, HOUSING **15,917** FAMILIES

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of dealers to provide assistance to the four different segments. In 2013, more than 2,500 dealers helped to make this program possible.

## Environmental Protection, Conservation & Restoration

CITGO demonstrates our steadfast commitment to environmental protection, conservation and restoration through a wide range of projects and initiatives. We strive to serve as environmental stewards and safeguard the environment we all share — for today and generations to come. In addition to the operational efforts at each of our refineries, we engage with environmental advocacy groups and our communities to promote restoration and preservation of natural habitats, national parks and natural resources, as well as energy efficiency. Please see the Environment section of this report for more information on our environmental programs.

### CITGO-VENEZUELA ENERGY EFFICIENT LIGHTING PROGRAM

According to figures from the U.S. Department of Energy and the U.S. EPA, if every home in the United States replaced just one regular incandescent light bulb with compact fluorescent light (CFL) bulbs, the country would save enough

electricity to light more than three million homes for one year. Our CITGO-Venezuela Energy Efficient Lighting Program (EELP) launched in 2008 and helps distribute CFL bulbs to low-income and underserved communities.

In 2013, we expanded the EELP and distributed 625,000 CFL bulbs to approximately 62,500 low-income families in 21 U.S. cities. To make this effort possible, we partnered with energy-efficient non-profit agencies in each city to assist with the distribution of CFL bulbs and management of the program. Over the last four years, the EELP effort has distributed over 1.9 million CFL bulbs to benefit more than 177,760 low-income households. Ultimately, recipients of the CFL bulbs reduce energy costs for their households while playing an important role in protecting the environment. We estimate that over their lifetime, the CFL bulbs donated through this program in 2013 will provide savings of \$29 million in energy costs. This will reduce electricity consumption by 303 million kilowatt hours — roughly enough electricity to power 28,000 U.S. homes for a year — and reduce emissions of carbon dioxide by 400,000 tons.

## CITGO-VENEZUELA ENERGY EFFICIENT LIGHTING PROGRAM

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DISTRIBUTED **625,000** COMPACT FLUORESCENT LIGHT BULBS TO BENEFIT **62,500** HOUSEHOLDS

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WORKED WITH ENERGY-EFFICIENT NON-PROFIT AGENCIES IN **21** U.S. CITIES THAT PROVIDE PROGRAMS TO HELP LOW-INCOME FAMILIES

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BENEFITED **62,500** HOUSEHOLDS

---

SAVED **\$29 MILLION** IN ENERGY COSTS

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ACCOUNTED FOR **303 MILLION** KILOWATT HOURS IN ELECTRICITY CONSUMPTION

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POTENTIAL TO REDUCE CO<sub>2</sub> EMISSIONS BY **400,000 TONS**

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## Education

We believe that through knowledge, communities can equip themselves to achieve long-lasting sustainability. CITGO is committed to supporting educational initiatives that empower people to contribute to progress and economic growth in their communities. Such initiatives include education for children and adults, tutoring and afterschool programs, and programs that provide classroom resources to schools in need.

### SCHOLARSHIP DONATIONS

CITGO proudly supports higher education opportunities for students from low-income families who are pursuing degrees in engineering, mathematics and other related studies. Since 2007, we have awarded annual scholarships to universities in nine states, totaling more than \$1.15 million. These scholarships have benefited 233 students.

### CASA DE MARYLAND

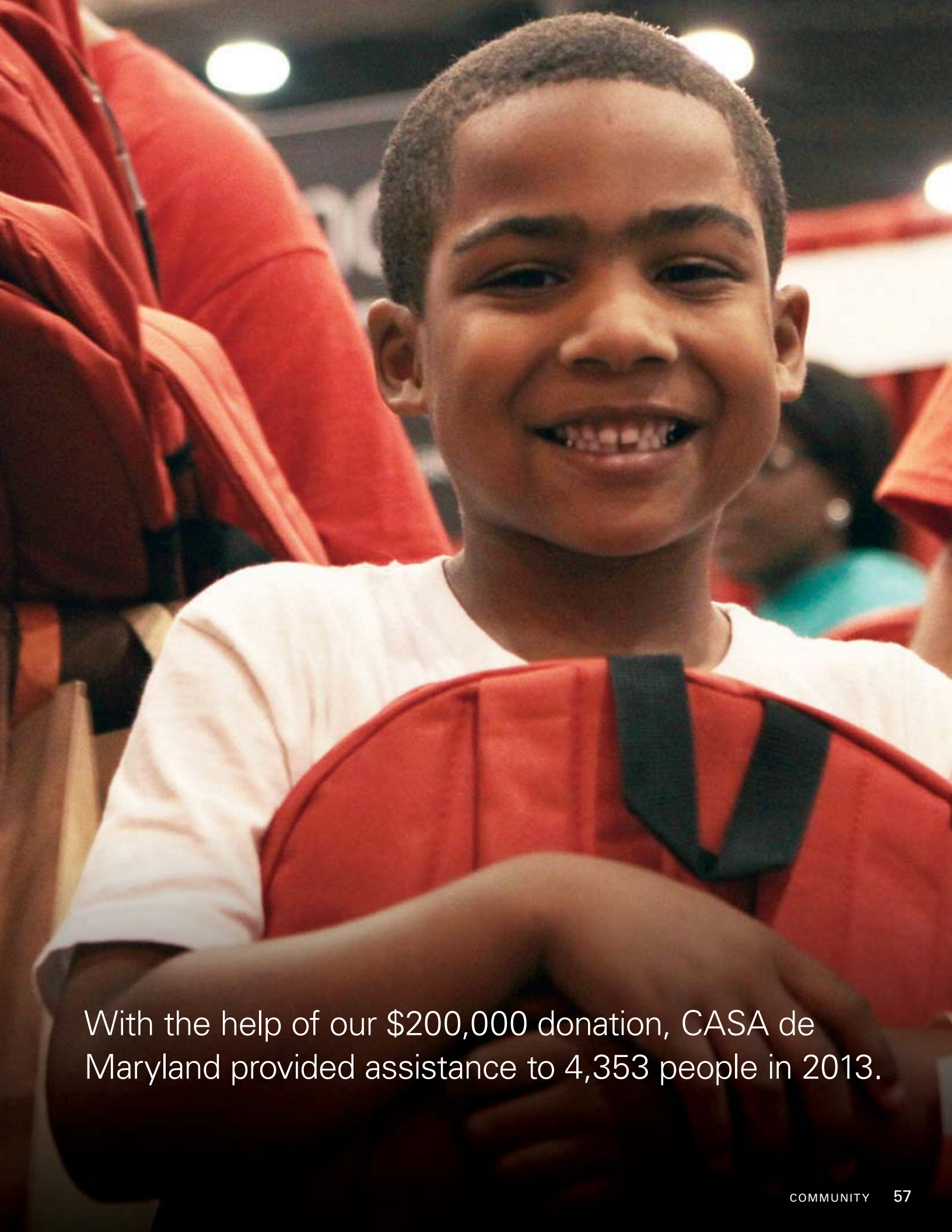
In 2013, CITGO continued our ongoing support of CASA de Maryland, Inc., a non-profit organization that provides training programs and social assistance services to the Latino and

African American population in the metropolitan Washington, D.C., area and the neighboring state of Maryland. Our support enables the organization to promote courses in financial education, Spanish language, information technology, seven levels of English as a second language (ESL), and vocational courses in electrical, plumbing and home improvement.

With the help of our \$200,000 donation, CASA de Maryland provided assistance to 4,353 people in 2013. As part of these services:

- 1,903 people attended various courses in financial literacy
- 118 people received civic education
- 14 people attended literacy courses in the Spanish language
- 268 people attended ESL literacy courses
- 57 people attended computer courses
- 460 participated in various vocational electrical, plumbing and home improvement courses
- 1,533 received other services including information and referral services





With the help of our \$200,000 donation, CASA de Maryland provided assistance to 4,353 people in 2013.

## TRANSAFRICA

Since 2007, CITGO has proudly supported the TransAfrica Forum, a leading educational and social research institution focused on political issues associated with Africa, Latin America and the Caribbean. In 2013, we increased our financial support to \$150,000, which the TransAfrica Forum used to promote several important initiatives that reached a total of 7,305 beneficiaries.

With our support, the organization continued to build on their “I am TransAfrican” campaign in 2013. The campaign is a multi-media initiative to rebrand TransAfrica and serve as a call to action to re-engage its constituents. The campaign is a unique way of strengthening the relationships between Afro-descendants all over the world.

In 2013, with support from CITGO, the TransAfrica Forum presented the ninth New African Film Festival at the American Film Institute Silver Theatre Cultural Center in Silver Spring, Maryland. The festival familiarizes attendees with Afro-Caribbean art, culture and traditions. Twenty-five films were featured at the festival, which drew an audience of 3,191 people.

In addition to these initiatives, TransAfrica also hosted a series of discussion forums that attracted 1,114 participants, and created a radio

program exclusively focused on African American affairs. The radio program has had an audience of about 3,000 people each week.

## 2013 BRONX SOCIAL PROGRAMS

In 2007, CITGO began the South Bronx Social Program and Environmental Initiative to promote civic engagement in the underserved community of the South Bronx, New York, the poorest congressional district in the United States. This program showcases our commitment to being a reliable neighbor and supporting community organizations that cultivate safe, resilient neighborhoods. We are proud to be part of a movement that promotes positive social transformation through community inclusion in alignment with the social development principles of our shareholder, PDVSA.

Over the last seven years, CITGO and our charitable organization, the Simón Bolívar Foundation, have offered grants to 81 non-profit organizations committed to social development in the South Bronx. These organizations provide services in the areas of education, health, environmental education, and arts and culture, with the common goal of improving the living conditions and outlook for the region's residents.

In 2013, CITGO extended grants to 32 organizations with contributions totaling \$1.2 million. Recipients this year included seven arts and culture programs, seven environmental initiatives, seven health programs, and eleven educational initiatives.

Since its inception, our Bronx Social Program has benefited more than 183,182 people and, in 2013, 70,088 residents of the South Bronx benefited from the program. Our investment has impacted lives in many ways, by supporting afterschool programs, providing access to fresh foods and funding arts for the community to enjoy, among other initiatives.





## Health

At CITGO, we strive to help improve the lives of people. Through our charitable organization—the Simón Bolívar Foundation—we help provide access to specialized medical treatment and critical health services for people affected by poverty, and whose medical treatment is not available in their country of origin. We also support direct service delivery programs that address immediate health needs while leveraging services to educate and empower beneficiaries to take ownership of their health. This unflinching commitment to the health of our communities also means we are ready to provide humanitarian aid when natural disasters occur.

### **SIMÓN BOLÍVAR FOUNDATION**

The Simón Bolívar Foundation was created in 2006 to expand health care access to underprivileged individuals affected by critical illnesses and who suffer from the severe backlash of poverty throughout the Americas. The Foundation offers charitable grants for medical assistance to qualifying participants and serves as a liaison between hospitals, patients and their families. During 2013, 127 patients benefited from the support of the Foundation. Additionally, the Foundation funded follow-up treatment for 92 patients admitted in previous years.

**LIVER TRANSPLANTS** Through a partnership between the Hospital Italiano in Buenos Aires, Argentina, and the Simón Bolívar Foundation, we help underprivileged children obtain liver transplants and related medical treatment. In 2013, we provided financial assistance to two patients who successfully received liver transplants.



### **WILLIAM TORRES**

William once suffered from a series of medical conditions that began at birth. Through support provided by the Simón Bolívar Foundation, William underwent a successful liver transplant and is now a healthy and happy child, beating incredible odds.

“We offer all of our gratitude on behalf of myself, my husband, my son and my family. If the Foundation did not exist, I believe that my son would not be with us. I ask for the Foundation to always be there — not only for liver patients, but also for other children battling a medical crisis. I offer my deepest thanks to the Simón Bolívar Foundation and to Petróleos de Venezuela, S.A. (PDVSA)”

— YAMILETH CACERES, MOTHER OF WILLIAM TORRES



## NUMBER OF PATIENTS BENEFITING FROM THE SIMÓN BOLÍVAR FOUNDATION (2005–2013)

| PROGRAMS   | 2005-2007 | 2008       | 2009       | 2010      | 2011       | 2012       | 2013       | TOTAL      |
|--|-----------|------------|------------|-----------|------------|------------|------------|------------|
| <b>CITGO*</b>  | 32        | 14         | 4          | 2         | 1          | 2          | 2          | 57         |
| <b>SIMÓN BOLÍVAR FOUNDATION</b>                        |           |            |            |           |            |            |            |            |
| SPECIALIZED MEDICAL ASSISTANCE TO VENEZUELAN PATIENTS  | 0         | 22         | 7          | 5         | 5          | 21         | 24         | 84         |
| SPECIALIZED MEDICAL ASSISTANCE TO PATIENTS IN THE U.S. | 0         | 2          | 3          | 5         | 5          | 4          | 4          | 23         |
| COCHLEAR IMPLANTS                                      | 0         | 63         | 58         | 36        | 28         | 52         | 53         | 290        |
| LIVER TRANSPLANTS AND OTHER PATHOLOGIES                | 0         | 6          | 4          | 10        | 7          | 9          | 2          | 38         |
| MEDICAL ASSISTANCE TO BONE MARROW TRANSPLANT PATIENTS  | 0         | 6          | 51         | 24        | 57         | 14         | 39         | 191        |
| OTHER DONATIONS**                                      | 0         | 1          | 7          | 11        | 14         | 6          | 3          | 42         |
| <b>TOTAL</b>   | <b>32</b> | <b>114</b> | <b>134</b> | <b>93</b> | <b>117</b> | <b>108</b> | <b>127</b> | <b>725</b> |

\* Patients seen by medical agreements between PDVSA and CITGO before the creation of the Foundation.

\*\* Other contributions including medications and related medical expenses.

**HEARING SOLUTIONS** The Simón Bolívar Foundation provides financial assistance to people who are severely deaf and require hearing aids or cochlear implants. Successful cochlear implants can restore the gift of sound and, in many cases, the gift of speech to patients suffering from hearing problems. In 2013, the Simón Bolívar Foundation, in partnership with PDVSA and the Fundación Venezolana de Otolología (Venezuelan Foundation of Otolology), a charitable foundation specializing in hearing aid implants, successfully provided 53 cochlear implants to patients in need.



**NAYERLINE MARIN**

Nayerline was born prematurely. When she was only seven months old, she suffered ear damage. The Simón Bolívar Foundation supported her surgery, calibrations and therapy. She can now hear and will continue to enjoy a full life.

“Please keep working to help people and children. Most people with severe conditions such as my daughter, who are deaf, are usually children. I believe children are the future and the Simón Bolívar Foundation and Petróleos de Venezuela, S.A. (PDVSA) have the opportunity to provide support for children and give them the opportunity to listen. For this reason, I applaud them. Its work is truly worthwhile — not only in Venezuela, but worldwide.”

— MAYELIN DEL CARMEN RIERA, MOTHER OF NAYERLINE MARIN





### MUSCULAR DYSTROPHY ASSOCIATION

The Muscular Dystrophy Association (MDA) is the world's leading non-profit health agency dedicated to finding treatments and cures for muscular dystrophy. The MDA provides assistance to more than one million families in the United States through its rehabilitation programs. CITGO has remained a principal sponsor of the MDA for 27 years and, in 2013, we contributed more than \$900,000 to the organization. To date, CITGO employees, contractors, retailers, marketers, family and friends have helped to raise more than \$160 million through a variety of fundraising events, from golf and bowling tournaments to walk-a-thons and auctions.

### HUMANITARIAN RELIEF

In recent years, extreme weather has left many U.S. communities reeling in the aftermath of hurricanes, tornadoes, floods and other natural disasters. The impact of these events can be

devastating to communities, leaving residents homeless and without access to basic necessities. We believe it is our responsibility to provide disaster relief and assistance to communities in need.

On May 20, 2013, a series of devastating tornadoes destroyed the town of Moore, Oklahoma, causing 24 deaths and 237 injuries and leaving more than 20,000 families homeless. Several employees of the CITGO lubricants plant located in the nearby community of Oklahoma City were among those people who suffered property damage.

In response to this natural disaster, CITGO started a relief effort to assist the Moore community. Corporate contributions, coupled with a CITGO employee donation program, raised \$12,374 for two non-profit organizations in the area. We provided general support through the American Red Cross and helped reconstruct affected schools through Donors Choose.



## Community Volunteerism

CITGO upholds a longstanding tradition of community engagement and volunteer-focused giving. Our “Fueling Good” philosophy encourages CITGO employees, retirees, contractors and families to get involved in their local communities. The employees in our four CITGO facilities (three refineries and corporate headquarters) contributed 11,708 volunteer hours.

In 2013, we began implementing a corporate-wide initiative to improve the processes and mechanisms for promoting, tracking and recording volunteer events and hours. By standardizing volunteer tracking across our refineries and corporate headquarters, we will be able to better target specific events and organizations, track our progress year over year, and set achievable volunteer goals for the future.

To ensure that we have maximum impact at the local level, each of our facilities maintains teams dedicated to leading volunteer efforts in their communities. These teams coordinate volunteers in support of local and national programs that include youth mentoring, tutoring, food and clothing donations to those in need, and hands-on help to families affected by natural disasters. CITGO employees also support local chambers of commerce, work with local agencies to improve emergency response infrastructure, and provide leadership and support to countless civic improvement efforts.



### VOLUNTEERISM DATA BY LOCATION

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#### LEMONT

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Events: 48

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CITGO Volunteer Hours: 1,373

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#### LAKE CHARLES

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Events: 50

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CITGO Volunteer Hours: 3,691

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#### CORPUS CHRISTI

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Events: 57

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CITGO Volunteer Hours: 4,438

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#### HOUSTON

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Events: 43

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CITGO Volunteer Hours: 2,206

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\* Volunteer hours include CITGO employees, family members and retirees.

## VOLUNTEERISM AND GIVING

# HOUSTON

Houston's CITGO in Action team dedicates its time, effort and talent to help local organizations fuel good in their community. In 2013, the team volunteered on projects that spanned from educational initiatives to health programs to environmental outreach projects and everything in between. The CITGO in Action team partners with other organizations to ensure a reliable and sustainable presence for the present and the future.

## Kindling Young Minds

In December 2013, CITGO began an initiative in collaboration with the Harris County Sheriff's Office (HCSO) to increase school attendance for high school students at risk of dropping out. The "Kindling Young Minds" program encourages student attendance at the independent school districts in Alief, Houston and Spring Branch, where low attendance is a chronic problem. At the end of the 2013-2014 school year, CITGO and the HCSO rewarded 60 students who demonstrated improved or perfect attendance with a Kindle Fire HD tablet.

## Mexican Institute of Greater Houston

In 2013, we contributed \$10,000 to the Mexican Institute of Greater Houston (MIGH) to promote computer literacy among adults in the community. Fifty-five low-income adults and parents participated in the program in 2013, increasing their knowledge and skills. CITGO provides financial assistance to program participants to complete courses in basic computer literacy and Microsoft Office Word. Beneficiaries of this program report that the skills they learn at the MIGH make them better employees, help them engage with their children and improve their confidence.

"The need to learn and stay up to date with technology is possible when knowing how to use the computer. It is very important to learn! Now I need the computer to complete any report at work. I am in the construction industry and now I am able to impress my clients by presenting them more professional reports."

— SERGIO BERMÚDEZ, PROGRAM PARTICIPANT



## HOUSTON CONTINUED

**BACK TO SCHOOL SUPPLY DRIVE** More than 130 employees donated school supplies to be distributed to the Alief, Houston and Spring Branch school districts near the CITGO headquarters in Houston, Texas. In addition, employees who donated were entered into a drawing to direct a donation to a school of their choice.

**ELVES & MORE** Elves & More is dedicated to “changing lives-one bike at a time!” The organization focuses on at-risk children living in Greater Houston, an eight-county area in which 330,000 children live in poverty. By giving bicycles to impoverished children, Elves & More helps them stay in school and out of trouble while improving their health. Once a child earns a bicycle, that child’s ability to get out of his or her neighborhood and into mentored afterschool programs dramatically increases. More than 50 CITGO employees volunteered for this bike-build activity.

**EARTH WEEK** More than 30 CITGO Houston employees volunteered for activities ranging from block cleanups to our electronics recycling drive. More than 60 employees brought in around 220 electronic items to be recycled. As a way to increase awareness about local non-profits doing environmental work, CITGO employees were asked to vote on three local non-profits to receive a grant on their behalf. The Houston Audubon Society was selected, and a donation in the amount of \$500 was made to the organization.

**THE BEACON** The Beacon is a non-profit organization providing social and health services to poor and homeless men, women, children and youth living in the Houston area. The Beacon has been one of the most popular employee initiatives, and CITGO volunteers commit to the organization on a quarterly basis. As a day shelter, the Beacon offers meals, showers,

laundry service, case management, medical and psychiatric care, pro bono legal services, and other services. In addition to volunteer support, CITGO donated \$5,000 to the organization’s annual fund-raising dinner.

### VOICES FROM THE COMMUNITY

“Yesterday, I had the privilege of helping unload and organize gifts to be given to school children in Alief ISD. Many of the children probably would not get any gifts — especially gifts that they wanted. Thanks to your company and Be an Angel, 430 children will have a very merry Christmas.

The employees from CITGO that were here to help were wonderful. We were able to solicit help from some of our special education students from Hastings High School, who were so energetic and excited about helping. I think I can truly say that this project was a blessing not only for the children receiving the gifts, but a bigger blessing for those of us there to help. Have a wonderful holiday and thank you to CITGO and your employees for looking out for those less fortunate.

Merry Christmas.”

— JACKIE BODEN, LIFE SKILLS FACILITATOR  
IN THE SPECIAL EDUCATION DEPARTMENT, ALIEF ISD



## CORPUS CHRISTI

The Corpus Christi Refinery engages the CITGO Cares Team to lead volunteer efforts in their local communities. We are dedicated to supporting commerce, economic stability and community development in Corpus Christi, and seek out opportunities and partnerships that enable us to make an impact in these areas. In 2013, the Corpus Christi Refinery contributed \$380,512 to local non-profits, donated 4,438 volunteer hours to 36 community organizations, and raised an all-time record of \$550,000 for the United Way.

### Hands for Hillcrest

Hillcrest is a community located near the CITGO refinery in Corpus Christi, Texas. This community consists of 563 families, of which 93 percent are of African American and/or Hispanic descent and 53 percent live below the national poverty level.

The Hands for Hillcrest Grant Program, launched by CITGO in May 2012, is a three-year investment of up to \$1.5 million toward non-profit organizations in Corpus Christi. These organizations provide crucial services to Hillcrest residents related to education and job skills, health, and the environment.

In 2013, thanks to the Hands for Hillcrest Program:

- 112 children received free daycare while their family worked or studied
- 200 children received backpacks and school supplies
- 25 children received books through the "Imagination" Library
- 605 books were donated to the Oak Park and Evans elementary schools
- 47 children received literacy packages

- 11 students were assigned to volunteers acting as "big brother or sister"
- 63 students received personalized services in the Miller High School
- 94 percent of those students graduated or advanced to a higher grade
- 100 percent of them improved their academic record by the end of the year
- 530 youth participated in a leadership program
- 46 adolescent girls participated in a mentoring program
- 34 adults attended tutorials to improve their job skills, prepare for the high school equivalency test and improve their reading and writing
- 1,485 students received information about the dangers of smoking
- 17 homes were repaired
- 362 individuals received free health checks

During the 2013-2014 Hands for Hillcrest grant-making cycle, 10 organizations were selected for funding out of 25 applicants. Recipients were chosen by a volunteer advisory team of community members and area experts. A total \$500,000 was awarded to the selected organizations.



## Support of STEM education

The Corpus Christi Refinery supports a number of educational programs, including STEM education. The refinery partners with the Foy H. Moody High School Innovation Academy to encourage students to pursue STEM curriculum and consider careers in our industry with courses including Engineering Design and Development, Civil Engineering, and Environmental Science. Through the Innovation Academy, CITGO has reached approximately 650 students, who have taken home awards such as Excellence in Action: STEM Career Cluster winner, Innovation Award: First Place in the Tech Challenge, and the Skills USA: First Place in Applied Engineering three years in a row. We are proud that our partnership with the Academy garnered a 2014 Texas Education Partnership (Gold Award).

## First in Family

One of our newest education efforts is a program called "First in Family." In collaboration with the Corpus Christi Education Foundation and the Corpus Christi Independent School District, First in Family awards a \$1,000 scholarship to local high school students who are the first in their family to graduate. In 2013, we awarded scholarships to 12 students from six local high schools.



## VOLUNTEERISM AND GIVING

# LAKE CHARLES

The Team CITGO mission is to be regarded by the community as the most caring, energetic and effective corporate volunteer group in the Lake Area and together, we continue to achieve that goal. As the first industry volunteer organization in Southwest Louisiana, Team CITGO has a rich history of volunteerism in the five parish area. Team CITGO employees, retirees and their families and friends donated 3,691 volunteer hours in 2013. In addition, we assist in fundraising opportunities, cleanup efforts and mentoring programs. Known by our bright smiles and red shirts, Team CITGO remains a steadfast force of good throughout the generations in Southwest Louisiana.

## United Way Southwest Louisiana

Year after year, the CITGO Lake Charles Manufacturing Complex is a recognized leader for our donations to the United Way, supporting local agencies with more than \$12 million in raised funds since 1975. Our employees run an internal fundraising campaign that promotes

giving while building community. Every year, Lake Charles Refinery employees consistently give 14 percent of the United Way annual goal of \$4 million raised for our community.

## Muscular Dystrophy Association

At the 29th annual CITGO MDA Golf Classic, the Lake Charles Refinery made history with the largest single-day fundraiser in Louisiana. The renowned annual tournament attracted 224 golfers and 50 CITGO employee volunteers who helped make the event a spectacular success. The event raised \$315,000 to support more than 800 children and adults served by the MDA of Southwest Louisiana and also sent 100 children affected by muscular dystrophy to MDA summer camp — an experience they'll never forget. The relationship that CITGO Lake Charles and MDA Southwest Louisiana share through the CITGO MDA Golf Classic offers hope to the families in the community affected by MDA. We are privileged to continue this great tradition for years to come.







## Earth Keepers

In December 2013, the Lake Charles Refinery created a stimulating new program called CITGO Earth Keepers, to encourage recycling in the local community. As part of the program, area schools were outfitted with green recycling dumpsters and provided with smaller containers for every classroom and office. In partnership with the City of Sulphur, the Calcasieu Parish School Board, Waste Management and Stine Lumber Company, we have implemented the CITGO Earth Keepers program in six schools, collected forty-two 24-foot dumpsters containing approximately 124 pickup truckloads of recycled waste, and engaged 8,200 students.

This program continues to grow and is expanding into the City of Lake Charles, as well. The recycling initiative is particularly significant for our

communities because the City of Sulphur, Lake Charles and neighboring communities are not able to offer curbside recycling. The receptacles provided at participating schools give local residents a place to easily dispose of their recyclable materials. The ultimate goal of the program is to demonstrate the demand for curbside recycling. We will continue to work with our communities in the coming years to develop strategies for bringing recycling to our neighborhoods.



## LEMONT

The Lemont, Illinois Refinery is located among the communities of Romeoville, Lemont and Lockport, and is an important economic engine in Chicago's southwest suburban Will County. The refinery and the CITGO Community Action Team (CCAT) work year-round to engage with the 88 surrounding communities where our employees live and work.

To meet the many needs of our communities, we strive to keep our outreach diverse and expansive. In recent years, we have shifted to a strong volunteer-based model of philanthropy that connects our employees to our communities. In 2013, the CCAT hosted 37 events, attracted 358 volunteers and logged 1,373 volunteer hours. In addition to our volunteer efforts, the Lemont Refinery gave thousands of dollars in donations and household goods to local causes, including more than \$537,000 raised for the MDA, \$121,000 for the United Way and \$21,000 for the Multiple Sclerosis Society.

### MorningStar Mission Joliet – Birthday Party Program

MorningStar Mission provides food, clothing and shelter for the homeless and needy. Many of the children at MorningStar Mission Joliet are in a transitional phase in life, and often their birthdays are overlooked. At the end of 2013, we partnered with MorningStar Mission Joliet to help celebrate the birthdays of the many children it serves. Our simple goal was to bring joy, recognition and support to homeless children and families during difficult times in their lives. Each month, CITGO employees donate gifts and volunteer their time to throw a birthday party at MorningStar Mission.

All of the children are invited to celebrate with cake and gifts for the birthday boys and girls. This program has been extremely successful in its early days, and we anticipate increased participation in 2014.

### Muscular Dystrophy Association Events

The Lemont Refinery has a strong and long-lasting relationship with the MDA, and continues to build support for the organization. In 2013, the Lemont Refinery continued its three annual MDA fundraising events: the Muscle Team, Shamrock Bowl and Golf Scramble. Together, these three events raised \$537,000 in 2013 and more than \$2 million for MDA since 2009.

The Muscle Team, which takes place in Chicago and "buddies" professional athletes with a local child living with a neuromuscular disease, has helped us to double our contribution to MDA. In 2013, the Fifth Annual Muscle Team event raised more than \$200,000 for MDA. The proceeds will benefit thousands of families in the Chicagoland area living with neuromuscular disease.

For the Fourth Annual MDA Shamrock Bowl, 246 CITGO participants came out to bowl for the cause. The well-attended event resulted in \$65,000 of giving to the MDA.

In July 2013, the Lemont Refinery teamed up with the MDA for the 17th Annual CITGO MDA Driving for a Cure Golf Scramble, which included 360 CITGO employee, contractor and sponsor participants. The tournament raised more than \$270,000 to benefit the MDA and its muscular dystrophy advocacy, awareness, research and support services for families in Illinois.

## United Way

In 2013, Lemont raised \$121,000 for the United Way through our annual fundraiser, continuing our strong partnership. Each year, the Lemont Refinery hosts a lunch party for employees and solicits United Way contributions. Additionally, we hold an online auction with proceeds going to the United Way. Through these two fundraising events, we exceeded our 2013 United Way goal for giving by \$10,000. In addition to the generous support from our employees, the Lemont Refinery contributed another \$80,000 to the organization. Our local Will County United Way continues to set an example of community engagement by assisting children and youth, promoting self-sufficiency among families and individuals, strengthening neighborhoods, and providing essential human services.

## Food Pantry Collection Drives

The CCAT continued its dedication to help those in need by organizing a Fall Food Drive benefiting six area food pantries in 2013. For two weeks in September, CCAT members placed boxes at designated collection sites throughout the refinery grounds and asked employees and contractors to donate non-perishable food items for local families in need. CITGO employees donated a total of 12 large storage containers full of non-perishable food items.



While the “face” of CITGO is reflected in the nearly 6,000 CITGO-branded retail stations spanning 27 states, these locations are actually individually owned and operated. CITGO supplies TriCLEAN gasoline and approximately 500 lubricant products to independent Marketers and Retailers and they, in turn, sell products to their customers or individual consumers. CITGO is committed to providing reliable and responsive service to our business partners, as we know that our success is inherently and fundamentally tied to the success of these locally owned and operated businesses.

As part of the same value chain, we provide Marketers and Retailers with the tools needed to be a successful business and good corporate citizen, and emphasize how these two practices go hand-in-hand. Fueling Good combines both of these elements.

## Fueling Good Together

Fueling Good is a philosophy that transcends our geographic and socioeconomic boundaries and encourages everyone to get involved in their community and share responsibility for improving the lives of others. The principles of Fueling Good can be seen in all aspects of the CITGO brand — from the quality TriCLEAN fuel and exceptional service provided at locally owned CITGO stations to the continuous fundraising and community efforts of local CITGO employees, Marketers and Retailers.

Two great examples of this are the Fueling Good Project and the Fueling Education Promotion, both of which are designed to assist local non-profit organizations. To participate in the Fueling Good Project, 501(c)(3) organizations enter with an essay that details how they do good in their local communities. The general public then votes for their favorite entry and the entries with the most votes receive \$5,000 in CITGO Gift Cards. CITGO Marketers and Retailers are encouraged to promote the contest among non-profits in their communities and vote for their favorites. To date, CITGO has awarded gift cards to more than 200 organizations.

Fueling Education focuses on teachers, student teachers and PTA/PTO members by giving them a chance to win \$1,000 in school supplies for their classrooms. Since education is one of the four CITGO pillars of good, Fueling Education is a perfect way to help teachers purchase supplies that might otherwise be funded out of their own pockets. As with the Fueling Good Project, CITGO Marketers and Retailers receive communication materials so they can promote this program within their communities.

These and other Fueling Good programs are effective because they originate at the grassroots level in our local communities. By partnering with organizations such as Bess the Book Bus and the Miss America Organization, we can achieve a broader reach. Bess the Book Bus is a mobile literacy program that promotes a love of reading among underprivileged children. CITGO Marketers and Retailers regularly work with Bess to hold reading sessions and distribute new books to children in their local communities.

State representatives of the Miss America Organization serve as role models in their communities and strong ambassadors for the CITGO brand, supporting events at locally owned CITGO-branded locations in their respective states. These events provide a platform to discuss important issues like education and healthy lifestyles. In 2013, CITGO Marketers and Retailers worked with state winners from New York, Connecticut, Arkansas, Indiana, Michigan, Wisconsin, New Jersey, Massachusetts, Pennsylvania, Virginia, Maryland, New Hampshire, Maine and Florida.

## Marketer and Retailer Highlights

While our corporate vision clearly encompasses social development programs that help people, we accomplish this by working together with our Marketers and Retailers and by partnering with organizations in our local communities. The people of CITGO have always known the importance of being a reliable neighbor. We do not want to simply serve



communities; we want to strengthen them, a philosophy that extends to our Marketers and Retailers, as well.

Our Marketers and Retailers understand the needs of their communities and put this knowledge to use by supporting a variety of organizations and services. For example, in 2013 CITGO Marketers and Retailers implemented nearly 100 programs to support organizations in their local communities, raising hundreds of thousands of dollars and providing numerous volunteer hours and other contributions. Some of the specific initiatives are described below.

## HEALTH

For example, in 2013 many CITGO Marketers and Retailers raised money for MDA through many individual events, all of which align with CITGO and its role as the organization's largest corporate donor. A few specific examples of these fundraising events include Quality State Oil's "Shamrocks Against Dystrophy" mobile campaign, which raised nearly \$30,000, and its MDA golf tournament. Indiana-based Bellman Oil, Texas-based Tigua Inc., Fick & Sons in Michigan and Consumers Petroleum of Connecticut also hosted MDA golf tournaments. Maine-based C.N. Brown Company donated \$130,000 to MDA programs in the northeast with funds raised from the organization's 26th Annual MDA Golf Tournament and its "Apple of Our Eye" mobile campaign. Northeast Marketers including Sat Raj, Inc., MSS Enterprises, LLC., and Multani Enterprises, Inc., organized a "Make a Muscle. Make a Difference." campaign to raise money for 2,500 MDA families in Pennsylvania and New Jersey, and Flash Oil hosted Little Rock Muscle Madness for MDA in Arkansas.

But the support extends beyond all the great efforts for MDA. Carroll Independent Fuel held a bake sale to raise funds for Cookies for Kids' Cancer, a non-profit that supports research for pediatric cancer. C.S. Mott's third annual "Month of Mott" Campaign brought together six Michigan-based CITGO Marketers to raise funds for C.S. Mott Children's Hospital car safety program.

In addition, CCO, LLC helped Sam's Children, Inc., raise \$83,000 to benefit families with ill children in Connecticut, and Knox Nelson Oil Company held its 50th Annual Arkansas Children's Hospital Fundraiser.

## ENVIRONMENTAL PROTECTION, CONSERVATION AND RESTORATION

Protecting and enhancing the surrounding environment is a core value of CITGO and one that we take very seriously in all of our local communities. Likewise, CITGO Marketers and Retailers do their part in their own communities. Perhaps one of the best examples is the work done with The Eight Mile Boulevard Association (8MBA) in Detroit, Michigan. Through this partnership, CITGO Marketers participated in the 17th Annual "Clean the D" event to revitalize and beautify the Eight Mile corridor through cleanups and planting projects.

## EDUCATION AND SOCIAL INVESTMENT

Several of our Marketers and Retailers focus on ensuring their neighbors have enough food. PS Food Mart and Folk Oil's "Fight Hunger. Give Hope" campaign raised more than \$66,000 for Michigan food banks, and Carroll Independent Fuel donated \$10,000 and 850 pounds of food to the Maryland Food Bank. Little Oil Company of Virginia collected canned food during its Customer Appreciation Days.

Additionally, education is as important to our Marketers as it is to CITGO. For example, Graham Enterprises' Tournament of Hope raised more than \$80,000 for the "Fueling the Minds of the Future" scholarship program, and Eden Corner Express donated money to the PTOs at two Wisconsin elementary schools. SPJ Distributors and Warex Terminals teamed up to host CITGO "Fueling Good Day" presentations at four Long Island high schools alongside Miss New York, and Eden Oil sponsored its annual "Back to School Carnival" in North Carolina. In Vermont, Champlain Oil Co. launched a "Be A Star. Buy A Star." campaign to benefit "Project Graduation" at six local high schools. And last, but not least, CITGO-sponsored Bess the Book Bus worked with several Marketers throughout the year to promote literacy among children, including Goetz Energy Corporation in Buffalo, NY and Quality State Oil in Wisconsin.



A man in a dark suit and glasses is shown in profile, holding a document. In the background, a woman is seated at a table in a meeting room, looking towards the man. The scene is brightly lit with a warm, orange-toned background.

# Reliable Management

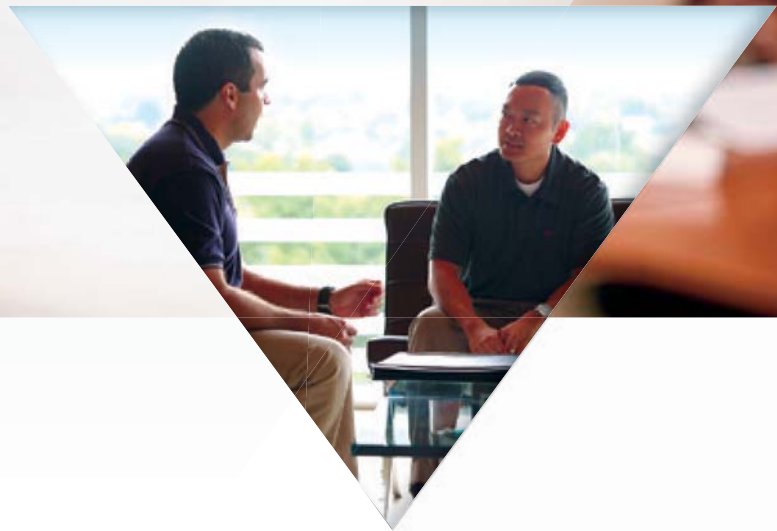
## GOVERNANCE

At CITGO, operating a strong, dependable and ethical company is crucial to our ability to maintain the trust and confidence of our customers, employees, community neighbors and business partners. Our corporate governance practices and management policies provide accountability, reliability and transparency across all of our businesses and activities. This commitment to responsible business is shared by all employees. It starts at the top of our organization.

**Upholding Our Mission** Our vision, mission and values guide everything we do.

**Preventing Corruption** Each year, approximately 2,500 CITGO employees, including all company officers and the majority of management personnel, complete our Ethics and Conflicts of Interest questionnaire.

**Governing with Integrity** Our audit, compensation and corporate compliance board committees ensure that our company operates with integrity and in compliance with all ethical regulations and internal policies and procedures.



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. Our risk management programs are designed to be responsive to the needs of our markets, our communities and our people.

## Vision, Mission and Values

At CITGO, our vision, mission and values guide everything we do. These fundamentals keep us grounded, inspired and motivated to conduct our business in a way that makes everyone proud.

### VISION

To be a World Benchmark Corporation based on our sound success in the energy industry and our social development programs.

### MISSION

We will create the maximum value for our Shareholder through the strength of our people. We will efficiently and reliably provide the energy that fuels societies' economies and improves our quality of life.

### VALUES

#### SAFETY, HEALTH & ENVIRONMENT

We operate our businesses safely and as good stewards of the environment. If it is not safe, we will not do it. We will comply with environmental regulations and serve as guardians of our natural resources and environment. We recognize that safety, the health of our employees and environmental stewardship are every employee's responsibility.

#### INTEGRITY

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

#### RESPECT

We understand the value of people to our corporation's success. As such, we trust, respect and value the opinions of all employees, customers and stakeholders. This is critical to teamwork and collaborative efforts. We will work as a team, seamlessly and across departmental lines to achieve our corporate goals.

#### FAIRNESS

We reward employees on the basis of their performance and contribution to the corporation. We recognize diversity as a key strength. We recognize the unique value of each employee and the varied perspective he or she provides. We foster an inclusive environment that enables each of us to fully participate and contribute.

#### SOCIAL RESPONSIBILITY

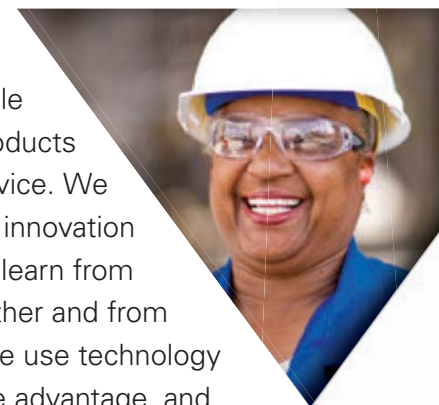
We understand that we operate as a privilege in the communities where we serve, not as a right. We promote and participate in a wide variety of social development programs to improve the quality of life of people, especially those who feel the severe backlash of poverty. We also promote the spirit of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

#### AVAILABILITY

We will ensure the availability of our operations by making sure work processes and equipment are always ready and capable of performing their assigned work. It is only by being available that we can continue to ensure the safety and health of our employees and our neighbors, the protection of our natural resources, the reliable supply of product to our customers and our commitment to social responsibility.

#### COMPETITIVENESS

We will be competitive through efficient and reliable operations, high quality products and superior customer service. We adopt best practices, seek innovation and share knowledge. We learn from our mistakes, from each other and from the best in our industry. We use technology to increase our competitive advantage, and diligently manage controllable costs.





We strive to efficiently provide the energy that fuels economies and improves our quality of life.



## Ethics and Transparency

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

### ORGANIZATIONAL RESPONSIBILITY

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

Our Board committees include:

- The Audit Committee, which is tasked with performing our financial auditing activities and ensuring all applicable accounting standards are followed;

- The Compensation Committee, which reviews and approves compensation and bonuses for CITGO officers and material changes to benefit plans; and
- The Corporate Compliance Committee, led by the Chief Compliance Officer and composed of six CITGO officers and employees, is responsible for reviewing and evaluating compliance, ethics and corporate governance issues across all of the CITGO refining, distribution and marketing business elements.

As the person ultimately responsible for ethics and transparency at CITGO, our Chief Compliance Officer ensures our compliance with the rules and regulations of federal and state agencies, including the U.S. EPA, OSHA, and the Department of Labor, which oversee the array of CITGO business programs.



## Commitments and Objectives

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

### STANDARDS OF BUSINESS CONDUCT

Our longstanding Ethics and Conflicts of Interest Policy prohibits CITGO, our employees and agents from directly or indirectly making payments or providing gifts or entertainment of any sort, other than of nominal value, to government officials or employees and their immediate families, except customary and nominal facilitating payments to minor officials. The same formal policy applies to the giving or receiving of payments or gifts between CITGO employees or their immediate families and vendors or customers.

### CORRUPTION REPORTING AND ANTI-CORRUPTION TRAINING

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

CITGO corruption reporting hotlines are administered by a third party and every complaint is reviewed by our internal and

legal teams. While the majority of the issues reported concern third-party-owned CITGO retail locations, we make sure each incident is followed up on and investigated. The results of each investigation are reported by the General Auditor to the Board of Directors' Audit Committee. Relevant issues are forwarded to our light oils and lubricant marketing teams to ensure complaints are resolved. Additionally, our electronic employee newsletter, "CITGO Today," provides information about any disciplinary actions that result from an employee-initiated investigation.

In 2013, we upgraded our hotline system to expand awareness and improve the ease of reporting non-compliance incidents. The new software records, identifies and tracks all non-compliance incidents, systemic issues and areas for improvement. The new system also generates trend reports and allows for data to be analyzed by division, department, or location. The system tracks complaints on the following issues:

- Accounting and auditing matters
- General concerns, inquiries and suggestions
- Discrimination or harassment
- Misconduct/inappropriate behavior
- Violence or threat
- Theft
- Embezzlement
- Falsification of reports or records
- Conflict of interest
- Unsafe working conditions
- Violation of policy
- Substance abuse

CITGO periodically conducts mandatory online training for employees concerning the FCPA.

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 employs in-house governmental affairs professionals and external lobbyists, and participates in public policy conferences to communicate the company's interests, image and brand. CITGO observes all laws and regulations regarding contributions to political candidate parties and political action committees. However, in 2013 and for several previous years, CITGO has not made any type of political contributions.



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

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

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



## GRI/IIPECA INDEX

This report was informed by the sustainability reporting guidelines published by the Global Reporting Initiative (version 3.1) and the American Petroleum Institute, IPECA, and the International Association of Oil and Gas Producers. A distinction has not been made between fully and partially reported indicators.

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