

California Transparency in Supply Chains Act Disclosure



The California Transparency in Supply Chains Act of 2010 requires that companies manufacturing or selling products in California disclose information regarding their efforts to eradicate slavery and human trafficking in their direct supply chains.

CITGO Petroleum Corporation, along with its subsidiaries and affiliated companies (collectively, "CITGO" or the "Company"), is committed to conducting all business activities in accordance with its high standards for ethical business behavior and adherence to applicable law. CITGO requires the same of its suppliers and contractors.

The Company's corporate policies outline its expectations of ethical conduct and compliance with all laws by every employee. Specifically, in all Company-related activities, CITGO employees are expected to comply with all applicable laws and regulations and behave in accordance with the highest moral and ethical standards of responsibility, accountability, and integrity.

While this Policy applies to all employees, it pertains particularly to employees who buy or sell, or have any control or supervision over buying or selling, on behalf of CITGO. The Company is committed to obtaining all equipment, materials, supplies, and services from reputable suppliers and contractors at a fair and reasonable cost, consistent with the Company's requirements. CITGO expects its employees to exercise all necessary safeguards and controls in carrying out this Policy, including, but not limited to, competitive bidding, economic analysis, specification valuation, approval of vendors, and alternative vendor sourcing.

Employees are required to: (1) complete the "Business Ethics and Conflict of Interest Questionnaire" accompanying this Policy; (2) sign the Questionnaire to acknowledge that he/she is presently in compliance with the Policy and will continue to comply with the Policy; and (3) return the Questionnaire to the General Auditor. In addition to completing the Questionnaire, each employee must disclose any activity, transaction, interest, or association which might be a conflict of interest or in conflict with this Policy. Such disclosure must be made promptly upon the occurrence of a triggering event, in writing, directed to CITGO, Attention: General Auditor. Disclosure enables the Company to determine whether any conflict exists, and, if so, what action must be taken to protect the interests of the Company and its shareholder. Employees should discuss potential conflicts with their supervisors before making arrangements or commitments. Any employee or contractor found to have violated this Policy is subject to disciplinary action, up to and including termination of employment or contracts, and referral to appropriate legal authorities.

All CITGO employees who buy or sell, or have any control or supervision over buying or selling, on behalf of CITGO in connection with any CITGO products sold or manufactured in California are also required to complete annual ethics and compliance training related to maintaining the integrity of the Company's supply chain and compliance with this Policy and all current laws and regulations.

CITGO has always required its suppliers and contractors to comply with all applicable laws. CITGO has implemented an additional provision in its supplier contracts requiring all suppliers to warrant to CITGO that they will remain in material compliance with all environmental, health, safety, and labor laws applicable to the operation and use of the facilities at which products are manufactured or stored. Suppliers are also required to agree to: (1) conduct business in an ethical and fair manner; (2) maintain facilities for workers that provide a safe and healthy environment; (3) provide wages and benefits that conform to the prevailing industry standards; (4) monitor work hours so as not to exceed local work hour limits; (5) avoid the direct or indirect use of any child labor (*i.e.*, workers younger than 16 years of age or the compulsory age for school attendance), or purchase materials from any entity that uses child labor; (6) avoid the direct or indirect use of forced labor or participation in human trafficking or purchasing materials from any entity that uses forced labor or participates in human trafficking; and (7) refrain from discriminating on the basis of personal characteristics or beliefs.