

# Corporate Social Responsibility 2014





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### About This Report

To detail our corporate social responsibility, safety and environmental performance in 2014, CITGO developed this fourth annual Corporate Social Responsibility Report (CSR Report). This report is guided by the issues that are most material to our business and stakeholders. To determine those issues, we surveyed our subject matter experts at the end of 2014. The issues they identified are discussed most heavily in this report. In addition to internal expertise, CITGO also used the Global Reporting Initiative (GRI) G3.1 Guidelines and IPIECA's (the global oil and gas industry association for environmental and social issues) Sustainability Reporting Guidance. Furthermore, we consider the principles embedded in GRI for defining report content and for ensuring report quality.

Unless otherwise stated, the financial, safety, human resources and philanthropic data included reflect the processes and performance of wholly owned CITGO operations. Environmental data are collected for the three CITGO-owned refineries. This CSR Report does not include data or performance information for CITGO retail stations, as they are independently owned and operated. CITGO management developed the 2014 CSR Report and takes responsibility for the collection and accuracy of the information presented.

Please 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.

# CITGO Cares

At CITGO, caring is embedded in our work and our culture. We are and have been mainstays in many neighborhoods throughout the United States, helping in a variety of ways: we provide jobs, pay taxes, volunteer, donate to causes we believe in, and work toward continuous environmental and safety improvement. Whether we are Fueling Good in our communities, operating safely at our job sites, making positive environmental impacts or governing our company in a way that makes us proud, we care. This focus on citizenship allows us to go above and beyond to serve as a good neighbor in every community where we operate. Our refineries located in Corpus Christi, Texas; Lake Charles, La.; and Lemont, Ill., exemplify the deep thoughtfulness and commitment that CITGO strives to achieve.



## CORPUS CHRISTI, TEXAS

Since our modest beginning in the mid-1930s, the CITGO Corpus Christi Refinery has matured into one of the most sophisticated and efficient fuel and petrochemical refineries in the nation. We supply not only high-octane gasoline for automobiles, but also the basic building blocks necessary for making a wide assortment of products, from carpets to aircrafts to windows to hosiery. Through careful design and engineering, our CITGO Corpus Christi Refinery is a strong competitor in the global marketplace and a stable, long-term contributor to the Corpus Christi community. In fact, the CITGO Corpus Christi Refinery is estimated to have a total economic impact of \$441 million a year within the community. In 2014, we donated 2,940 hours of community service and employed 544 people.

## LAKE CHARLES, LOUISIANA

CITGO has been part of the Louisiana community for 70 years. Our operations in the state include a refinery, products terminal and several miles of pipeline. Our Lake Charles Refinery is the sixth-largest refining facility in the United States, and in 2014, had an estimated local economic impact of approximately \$809.5 million. Strategically located on 2,000 acres along the banks of the Calcasieu Ship Channel, the complex is recognized as a leading manufacturer of high-quality transportation fuels and petrochemicals. Our facility employs approximately 1,100 full-time employees, and in 2014, we hosted 60 events to give back to our Lake Charles community.

## LEMONT, ILLINOIS

The CITGO Lemont Refinery is a strategic supplier of transportation fuels, including several grades of gasoline, diesel and jet fuel, as well as high-quality hydrocarbon solvents used in the production of paints, adhesives and coatings. The refinery has a long history of supporting the needs of the upper Midwest, as the original Lemont Refinery was built almost a century ago. CITGO annually contributes more than \$217 million to the local economy through salaries, benefits, goods, services and taxes, and in 2014 employed 522 people. We implement a strong volunteer-based model of giving to meet the many needs of the Chicago area. In 2014, Lemont's Team CITGO broke all of our community giving records, and hosted 76 events, attracted 746 volunteers and logged 2,116 volunteer hours.

We are excited to share our progress not only in these communities, but throughout our company as a whole. In this report, we reflect on 2014 and highlight our accomplishments.



# Company Profile

## **CITGO** Petroleum Corporation (CITGO)

is a corporation created under the laws of the State of Delaware, headquartered in Houston, Texas. CITGO 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 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 more than 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.

\*As of January 2015, the company changed its name to CITGO Holding, Inc.



## Operational Highlights

CITGO refineries process approximately 285,000 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, La. (425,000 bpd); Lemont, Ill. (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 2014, CITGO sold 14.8 billion gallons of refined products. The company sells fuel through independent distributors. Brand marketers sell fuel through nearly 6,000 service stations with the CITGO brand. CITGO also sells aviation fuel directly to airlines and produces a range of agricultural, automotive and industrial lubricants, which are sold wholesale through independent distributors and industrial clients, as well as other customers. In addition, the company sells petrochemicals and industrial products directly to several manufacturers and industrial companies throughout the United States.

## Caring for Our Local Economies



\$42

MILLION IN COMMUNITY SOCIAL AND ENVIRONMENTAL PROGRAMS\*

\*\$1.18 MILLION IN CONTRIBUTIONS TO ENVIRONMENTAL PROTECTION, CONSERVATION AND RESTORATION, AND \$40.82 MILLION IN COMMUNITY SOCIAL INVESTMENTS

\$138

MILLION SPENT WITH MINORITY- AND WOMEN-OWNED ENTERPRISES

\$70

MILLION IN SAFETY & ENVIRONMENTAL INVESTMENTS

3,469

EMPLOYEES

2,154

CONTRACTORS

12,012

HOURS VOLUNTEERED\*

\*VOLUNTEER HOURS REPRESENT PARTICIPATION FROM THE THREE CITGO REFINERIES, CORPORATE OFFICE, AND OUR TERMINALS AND PIPELINES BUSINESS.



## Where We Operate

- Headquarters
- Lubricants, Blending and Packaging Plants
- Refineries (Barrels-Per-Day [BPD])
- Pipelines\*
- Refined Product Terminals

\*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.



# Safety



**OUR** goal is to consistently create a work environment that keeps every CITGO employee and contractor safe. To achieve this, all CITGO employees must work together and with industry to measure and continuously improve health and safety performance. We observe best practices and strive for continual improvement in our performance by conducting rigorous trainings and consistently monitoring safety data. Safety remains a core value and a key component of our culture as a company.



## **CONTINUED TO MAKE IMPROVEMENTS**

to the Integrated Management System to further align the program with business unit- and department-specific procedures

## **REDUCED OUR PROCESS SAFETY**

event rate by more than half through continual improvement efforts

## **OPENED A PRIMARY CARE FACILITY**

at our Corporate Headquarters for employees to get basic medical care on site

## HSSE Management

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

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

Each CITGO refinery, lubricant-blending facility, terminal or pipeline has health and safety staff working to support this policy and implement our Integrated Management System (IMS) framework.

## Integrated Management System

The CITGO IMS establishes a common, systematic approach to conducting efficient and effective work throughout the organization. The IMS consists of four steps: Plan, Implement, Measure/Assess and Improve. The steps can be broken down into 12 elements that further specify the expectations of management processes within each step. Key Work Processes (KWPs) define the responsibilities and objectives of each element.

In 2014, we continued to make improvements to the IMS to further align the program with business unit- and department-specific procedures. The most noteworthy accomplishments were made in the “Implement” section of the framework, where we prioritized KWPs to direct the organization’s efforts and available resources toward initiatives that affirm our core values. Over the next few years, we hope to establish additional KWPs and corresponding standards to foster continual improvement in our HSSE stewardship, mechanical integrity, maintenance, operational and financial performance.

Our health and safety staff reviews our environmental performance through a series of audits. These audits not only track safety compliance, but also assess how effectively we are implementing our IMS. We track to closure any deficiencies identified through these audits. The response status is reported at the facility and business unit levels, and ultimately reaches the CEO and Audit Committee.



## Occupational Safety

The safety of our employees and contractors is of the utmost importance, and our comprehensive approach to training gives them the tools they need to understand and apply safety standards and procedures. When compared against benchmark data provided by the American Fuel and Petrochemical Manufacturers (AFPM), CITGO ranks among the top performers. Our occupational safety success stems from our rigorous safety programs, which include hazard identification, evaluation, prevention and control; training and communication; and regulatory compliance.

After a record-breaking Lost Work Day Case Injury rate in 2013, we saw an increase in 2014 (see chart on page 12). We also experienced an increase in our Total Recordable Incident Rate (TRIR) for CITGO employees. To address this increase, safety staff is reviewing systems, processes and data for trends and leading indicators that will help identify improvement opportunities. Additionally, we launched some initiatives in 2014 that highlight actionable tips for maintaining a safe workplace and support

ongoing efforts to reduce incidents and near-misses. Implementation included engaging media such as posters, bulletins, computer wallpaper, life-size cut-outs and others.

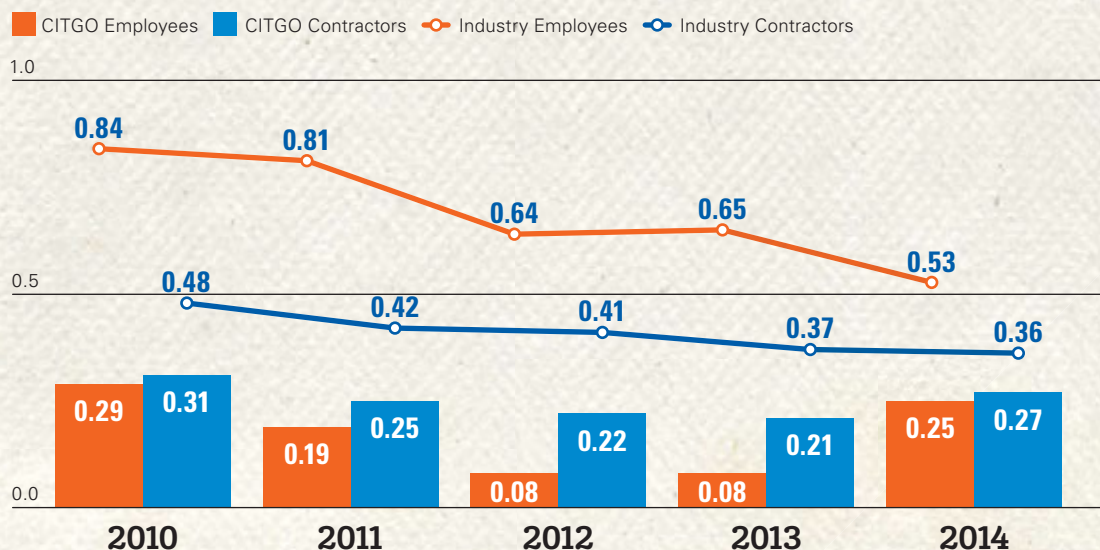
Our commitment to safety is emphasized through the high performance standards we set for contractors and suppliers working on our behalf. We require contractors to follow our operational policies and procedures and they are held to the equally high health and safety standards expected of our employees. For example, contract employees have the authority to use good judgment in all work activities and stop work on any job, at any time, in the interest of safety.

Our prequalification, tracking and auditing processes ensure that we only do business with contractors who share our dedication to safety and meet our standards. The majority of our contractors (63 percent) had a TRIR of less than 0.5, and 53 percent of CITGO contractors experienced no recordable incidents for the entire year of 2014.\*

\* These data refer 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 are 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.



## Process Safety

The safety of our employees, contractors and neighbors starts with the reliability of our operations. We strive to prevent uncontrolled releases of chemicals, hydrocarbons and other substances by effectively managing process safety. Through plant design and engineering, equipment maintenance, operational procedures, workforce training and incident analysis, we aim to achieve the best possible process safety performance.

We measure and monitor process safety performance to continuously improve our ability to provide the safest and healthiest work environment possible. As an example, we reduced our API RP 754 Tier 1 process safety event rate by more than half, from 0.12 in 2013 to 0.05 in 2014. We attribute this decrease to our continuous improvement efforts since 2009 to standardize process safety across our entire business, as well as our involvement with industry initiatives. A Tier 1 Process Safety Event is defined as an unplanned

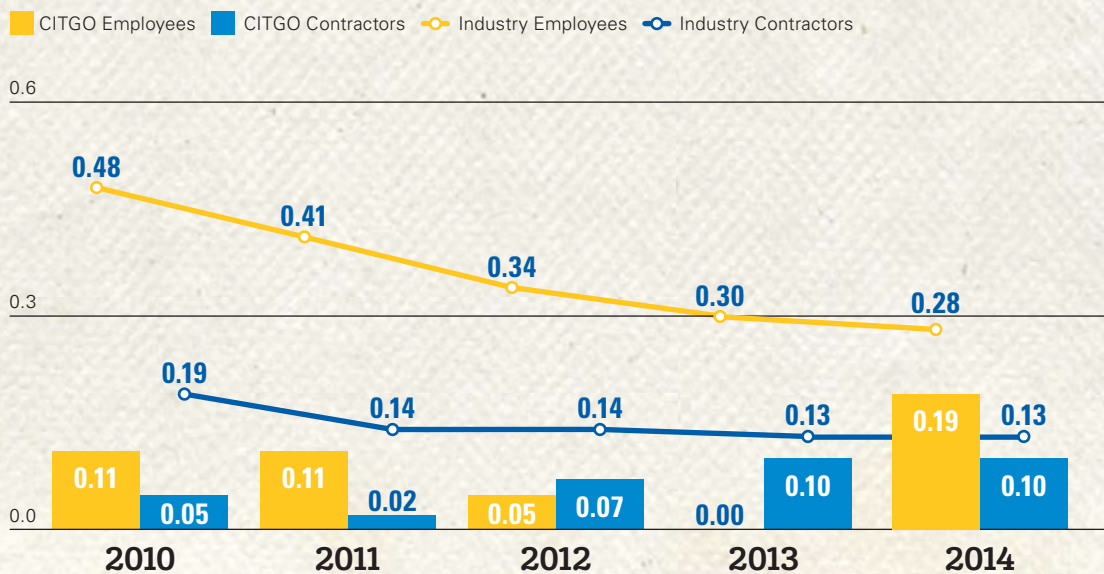
or uncontrolled release of any material with one or more of the following consequences: days away from work, injury, fatality, officially declared community evacuation or community shelter-in-place, fire or explosion resulting in a direct cost of \$25,000 or more to the company, or a release amount that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

Lagging indicators such as Tier 1 events, which track the number of incidents that occur, do not provide enough information to improve safety performance. To address this gap, we are focusing our efforts on leading indicators, which may be the best predictors of future events.

For example, we track and analyze incidents such as equipment leaks, activation of safety systems or other near-miss events to help us identify potential

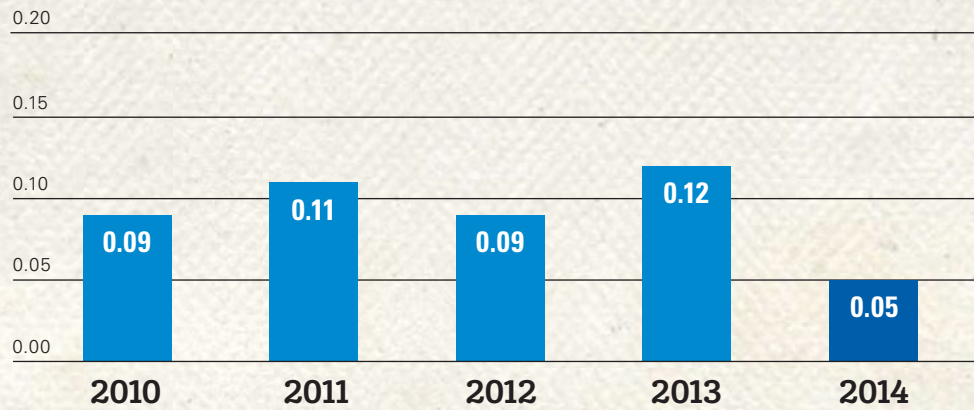
### TOTAL LOST WORK DAY CASE RATE

Rates are per 200,000 work hours. Safety performance represents corporate-wide data.



## 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.



The safety of our employees, contractors and neighbors starts with the reliability of our operations.



trends. When identified trends are addressed, we believe it can lead to a reduction in the occurrences of actual events. Other leading indicators include management participation in facility housekeeping inspections, percent of incident reports entered on time, percent of hazard and operability (HAZOP) action item recommendations completed by due date, percent of work permits reviewed with zero errors and the percent of incident action items completed by due date.

In addition to reviewing and learning from the internal leading indicators, it is also important to engage our peers to identify improvements for CITGO and the industry. CITGO continues to serve as a key advocate for the Advancing Process Safety (APS) program, coordinated by the AFPM and the American Petroleum Institute (API). The APS program provides a platform to communicate and share process safety experiences, including performance metrics, event sharing, hazards identification, regional networks and site assessments.

### **MECHANICAL INTEGRITY**

CITGO follows mechanical integrity protocols and recommended practices, which include the condition of process equipment and the proper training of workers who operate and maintain that equipment. To maintain mechanical integrity, we implement quality control and quality assurance processes to validate that equipment meets specifications and is fit for service. If an inspection or testing of process equipment reveals a

condition outside acceptable equipment limits, we take action to rectify the situation. We maintain engineering, inspection and maintenance documentation, which is used by our staff to evaluate the equipment's integrity and suitability for service.

In 2014, we established a performance team to develop corporate-wide mechanical integrity standards. The team developed a Protocol Document that will serve to identify the company's mechanical integrity program requirements and verify they are in accordance with federal, state, local and CITGO standards. The Protocol Document will also protect the integrity of equipment and the environment, as well as serve as a "road map" for the development and implementation of the company's mechanical integrity standards.

### **FACILITY SITING**

To manage risks associated with facility siting, we allocate considerable resources to identify occupied buildings and trailers that may expose employees to potential risk based on proximity to process hazards. If our facility siting team identifies buildings with an unacceptable level of risk, we put in place mitigation strategies that can include occupant relocation, building replacement or structural retrofit. We recently conducted quantitative risk assessments (QRAs) that allowed 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 suggested a few changes to our processes and equipment, which we are planning to implement within the next few years.

**CITGO believes health and safety go hand in hand.**



## Industrial Hygiene

CITGO investments and established policies reflect our commitment to high operational standards in industrial hygiene. The CITGO industrial hygiene groups perform numerous employee exposure assessments each year, including assessments of chemical, ergonomic and physical stressors such as noise, radiation and temperature extremes. We compare the information collected in these assessments to established exposure limits, report it to appropriate management and employees, and record it in a centralized database. Based on that information, we implement corrective or preventive actions as necessary. Those activities help to ensure a safe and healthy work environment for CITGO employees, contractors and visitors.

## Employee Health

CITGO believes health and safety go hand in hand. CITGO Health Services works closely with operational departments to identify health risks and provide recommendations to mitigate them. In 2014, we focused our efforts on reducing exposure to heat-related illnesses such as heat stroke, exhaustion, cramps and rash. We are taking additional steps to educate employees on external and personal risk factors, signs and prevention measures, especially in our facilities in the southern United States.

CITGO has a drug and alcohol program, administered by Health Services, that 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. We remain

committed to a workplace free of controlled substances to safeguard employees from any drug-related incidents and injuries.

The CITGO Health Services department provides regular medical examinations, immunizations, advice and assistance on travel health, as well as health and wellness consulting. In 2014, we expanded our Health Services to include primary medical care for our employees at our Corporate Headquarters. Our nurse practitioner oversees this service for our employees. Open during working hours, this service allows employees to address basic health issues without having to leave the building.

Additionally, CITGO Health Services continues to address potential pandemic outbreaks. In this respect, we developed education and training programs to contribute to the preservation of employee health. Through collaboration with the Wellness Committee and the coordination of health fairs, we disbursed information to employees regarding health services available in their local communities.



## Community Safety

Our attention to safety performance extends beyond our fence line and into the community. We focus on proactive preparedness, community interactions and collaborative training with internal and external first responders to protect our communities and the environment. Over the past year, we adapted the CITGO Emergency Management Program to enhance the overall preparedness and response capacities of

the CITGO Mobile Emergency Response Team. Some of the initiatives included standardized training, upgraded emergency notifications and response systems, and an increased understanding of available response resources.

Every three years, each refinery hosts a “worst-case drill” simulation to test the effectiveness of our emergency response program. In addition to employees, local, state and federal regulatory agencies, response contractors and community representatives are invited to participate in the drills. External participants observe the drill and provide thoughts on improving our processes and procedures to protect the safety of our communities if a real situation were to occur. In 2014, the Lemont Refinery hosted a worst-case drill. The scenario given was a spill in the canal, requiring us to engage with all of our local emergency responders. After the drill was completed, we hosted a media briefing on the results, including plans to improve technology training on emergency response.

To supplement worst-case drills, we also participate in local emergency response associations. For example, our Lemont Refinery participates in Community Awareness Emergency Response (CAER), an association of local municipalities, police and fire departments,



emergency responders and industry representatives. At bimonthly CAER meetings, a Lemont Refinery representative provides current information on our environmental performance, safety issues, operations and community engagement efforts. Additionally, municipal representatives of CAER discuss events that could impact businesses in the area. Through active engagement with CAER, we maintain trust and promote collaboration among the members of our community and our local emergency responders.

Lake Charles also participates in a local CAER group. Refinery representatives attend monthly CAER meetings and the alert system is tested every Monday at noon.

To maintain an open relationship with our local community, the Corpus Christi Refinery participates in the Local Emergency Planning Committee (LEPC). The LEPC is dedicated to reducing community risk by providing emergency response planning for chemical and hazardous material releases. The LEPC maintains a Reverse Alert System to notify the community of emergency situations. The Reverse Alert System allows industry officials to issue a notification to community participants with a text, phone call or email. This system also serves as a notification tool to inform the community of non-routine activities at the refinery.

### *Product Stewardship*

The ultimate goal of the CITGO product stewardship program is to assure our customers, vendors and the community that the products we produce are handled safely throughout their entire life cycle. This initiative includes the identification and minimization of hazards associated with the use of our products, as well as the communication of potential hazards to employees, customers and contractors. We also engage with others in our industry to promote laws, regulations and practices to protect employees, communities and the environment.

We are continuing the process of converting our Material Safety Data Sheets to the new Safety Data Sheet (SDS) form. This effort is in response 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). This transition will deliver a common approach to classifying chemicals and communicating hazard information on labels and SDSs.

### *Transportation*

CITGO is committed to the safe transportation of crude oil, chemicals and petroleum products. We utilize a multifaceted team of regulatory and operational professionals to transport our raw materials and finished products in a way that is safe and environmentally responsible. We also verify all transportation is completed in a manner compliant with regulatory requirements. To validate that packaging, labeling, loading and unloading operations are completed in a safe manner, we employ transportation specialists throughout our organization.

We are often recognized by transportation companies as a leader in transport safety. In 2014, we were a recipient of the Union Pacific Chemical Transportation Safety Pinnacle Award due to our safe loading practices and zero non-accident releases. This award demonstrates our ongoing dedication to the safe transportation of hazardous material.

# CITGO Terminal Facilities & Pipeline





CITGO Terminal Facilities and Pipeline (TPL) has one of the most extensive networks of terminals in the country. They ensure our neighbors have access to the energy and 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 more than 22 million barrels.

The CITGO TPL network comprises:

- 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

As responsible neighbors, we share a commitment to safeguarding the environment and keeping others safe. Our environmental performance is the direct result of our team of talented professionals as well as our company's philosophy of continuous improvement. We are vigilant in preventing spills when we store and transport petroleum products throughout our operations. Our efforts focus on maintaining the integrity of our approximately 400 miles of regulated pipelines and our aboveground storage tanks. We are proud to report that our strong focus on environmental and safety performance earned us the API Pipeline Occupational Safety Award for the 6th year in a row.

We formed our Aboveground Storage Tank Inspection Program (ASTIP) Committee in 1989, before the first industry guidance was published by API. ASTIP remains an important piece of our terminals and pipelines integrity program and the Committee is tasked with coordinating the inspections and maintenance of hundreds of tanks. In 2014, we completed 87 API 653 inspections.

The ASTIP Committee also implements projects designed to drive continuous improvement on environmental and safety performance. In 2014, our capital expenditures totaled approximately \$10 million to advance our TPL network. We installed four new tank bottoms to better prevent against leaks and invested in seven new aluminum

internal floating roofs with cable suspension to help minimize emissions of volatile organic compounds (VOCs). The roofs also enhance safety by enabling inspection without having to physically enter the tank. In 2015, we plan to install an additional seven tank bottoms and 12 aluminum internal floating roofs.

In addition to ASTIP, CITGO has a robust pipeline integrity program. In 2014, we completed 27 formal paint inspections across our network to identify instances of atmospheric corrosion and potential safety issues caused by weathering and improper applications, among other issues. Based on these inspections, we developed action plans to correct the issues identified.

We also initiated a "dead leg" program. Traditionally, dead legs consist of small sections of pipeline that have been isolated and no longer maintain flow or have low flow of liquid or gas. Dead legs can pose risks should product inadvertently become trapped in them, especially in colder weather. With this program, we intend to create a CITGO-specific definition of dead legs and set up a system to collect information to assess risk created by dead legs across our operations. This program is scheduled to continue in 2015, with the ultimate goal of mitigating as many of the risks identified as possible.

Additional preventative measures 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 CITGO pipeline integrity program is designed to meet DOT standards and focuses on issues such as protection of drinking water, navigable waterways and ecologically sensitive and high-density population areas. In October 2014, we experienced our first-ever integrated DOT audit at one of our largest facilities in East Chicago.

# Environment

A close-up photograph of a worker wearing a blue uniform and white gloves. The worker is holding a handheld electronic device, possibly a scanner or data collector, against a large green pipe. The background is slightly blurred, showing an industrial setting. A yellow diagonal graphic element is overlaid on the bottom left of the page.

**CITGO** prioritizes the protection of the environment and actively works to improve our environmental performance and use fewer resources, generate less waste and emit fewer emissions per barrel produced. As caring environmental stewards, we comply with all applicable environmental regulations, identify opportunities to improve the efficiency of our processes and engage with our neighbors. At our facilities, we aim to minimize the likelihood and frequency of harmful environmental impacts. We care about being a responsible community member and neighbor, and environmental protection is no exception.



## **IMPROVED OUR PERFORMANCE**

by conducting 11 internal audits and third-party reviews of our refineries

## **VOLUNTEERED THOUSANDS OF HOURS**

in Illinois, Louisiana and Texas to help restore native habitats

## **COLLECTED AND RECYCLED**

approximately 400,000 pounds of electronics since 2009

## Performance Management

We employ a team of dedicated environmental specialists at our corporate offices, refineries, lubricant-production facilities and terminals to achieve regulatory compliance and effectively manage our environmental performance. Their responsibilities include:

- Assisting and training facility staff on new initiatives;
- Representing CITGO in industry and trade associations;
- Overseeing and implementing the New Source Review Consent Decree;
- Maintaining the compliance questionnaire in conformance with accounting due diligence as required under U.S. accounting principles;
- Serving as subject matter experts for reviews and assessments and during emergency operations;
- Filing environmental reports for hazardous chemical and toxic release inventories, emissions, discharge and waste for the refineries and terminals; and
- Defining and reporting environmental Key Performance Indicators.

We conduct compliance audits as a way to monitor, manage and improve environmental performance. In 2014, we conducted a total of 11 internal environmental audits at our refineries.

## Environmental Index

To systematically measure our environmental performance, we use an Environmental Index (EI). The EI is one of the elements for calculating the variable component of employee remuneration, promoting a shared dedication to our commitment to environmental

protection and conservation. In 2014, the EI covered the performance of our refineries and included the following elements:

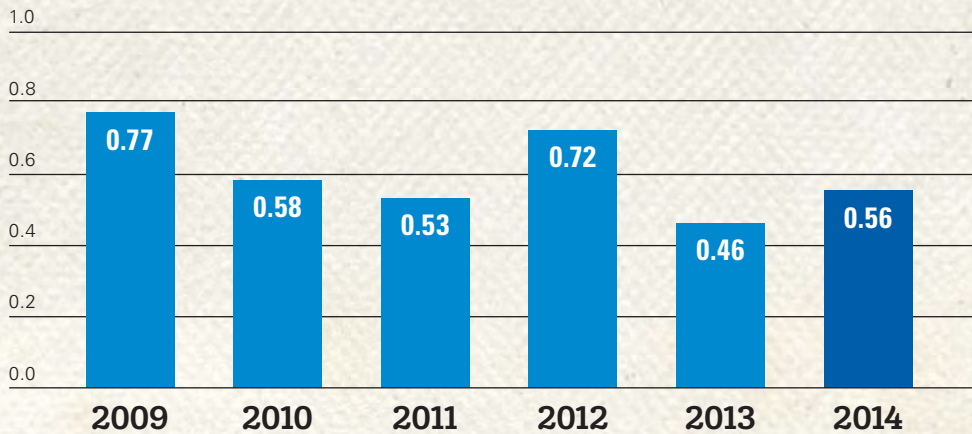
- *Environmental incidents*, which tracks the number of environmental incidents that occurred in 2014, including discharges of hazardous materials (such as sulfur dioxide (SO<sub>2</sub>), hydrogen sulfide (H<sub>2</sub>S) and benzene) in reportable quantities, the number of wastewater discharges above 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 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.
- *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.

In 2014, the EI increased by approximately 20 percent compared to 2013. A number of factors contributed to this increase, including the addition of a new facility, the Corpus Christi West Plant, to our uncontrolled benzene waste reporting. Additionally, in 2014, we saw an increase in the number of reportable quantity events.



## CITGO ENVIRONMENTAL INDEX PERFORMANCE

2009 – 2014: LAKE CHARLES, LEMONT AND CORPUS CHRISTI REFINERIES



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

We employ a team of dedicated environmental specialists to effectively manage our environmental performance.

## Energy Use and Greenhouse Gas Emissions

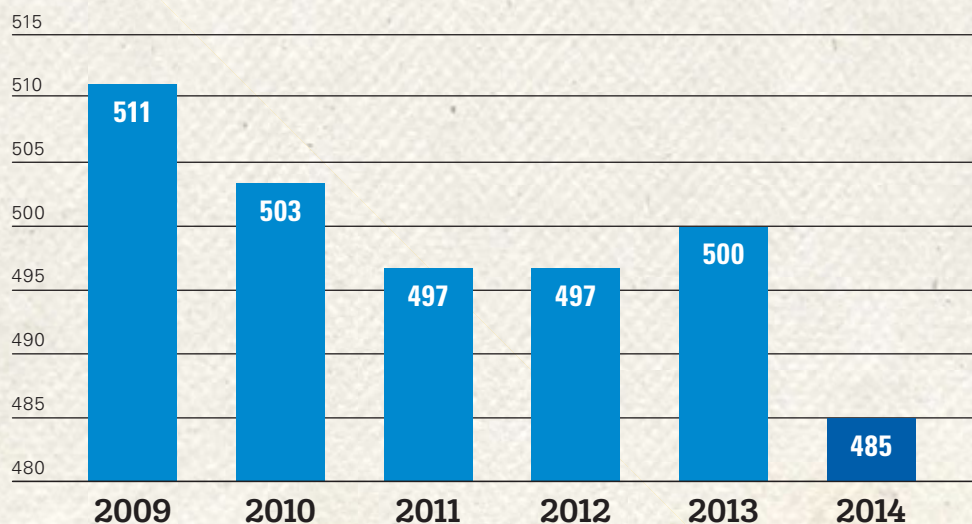
CITGO measures and monitors energy usage at each refinery through the EI as a predictor for greenhouse gas (GHG) emissions. Energy consumption directly contributes to GHG emissions. Because of this, we actively work to manage our energy use to reduce our GHG emissions and overall operational costs. We report refinery GHG emissions as required under the Greenhouse Gas Mandatory Reporting Rule. CITGO experienced an approximately 5 percent increase in metric tons of CO<sub>2</sub> equivalent per 1,000 barrels of

crude, from 26.2 in 2013 to 27.4 in 2014, representing our first increase since 2010. We are currently investigating the cause for the increase, and believe that extreme weather may have played a role. However, our energy usage declined 3 percent in 2014 due to initiatives such as crude unit reforming, ultra-low-sulfur diesel (ULSD) burner pressure increase and a focus on more efficient use of condensate makeup.

As a supplier of fuels, we generate additional indirect carbon dioxide (CO<sub>2</sub>) emissions through the combustion of our products by individuals and organizations outside of our control. CITGO reports these CO<sub>2</sub> emissions assuming that fuels produced were combusted primarily by vehicles. In 2014, these U.S. emissions totaled 93.3 million metric tons, corresponding to the CO<sub>2</sub> generated by 13.6 million automobiles in one year.

### 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.

## Air Emissions

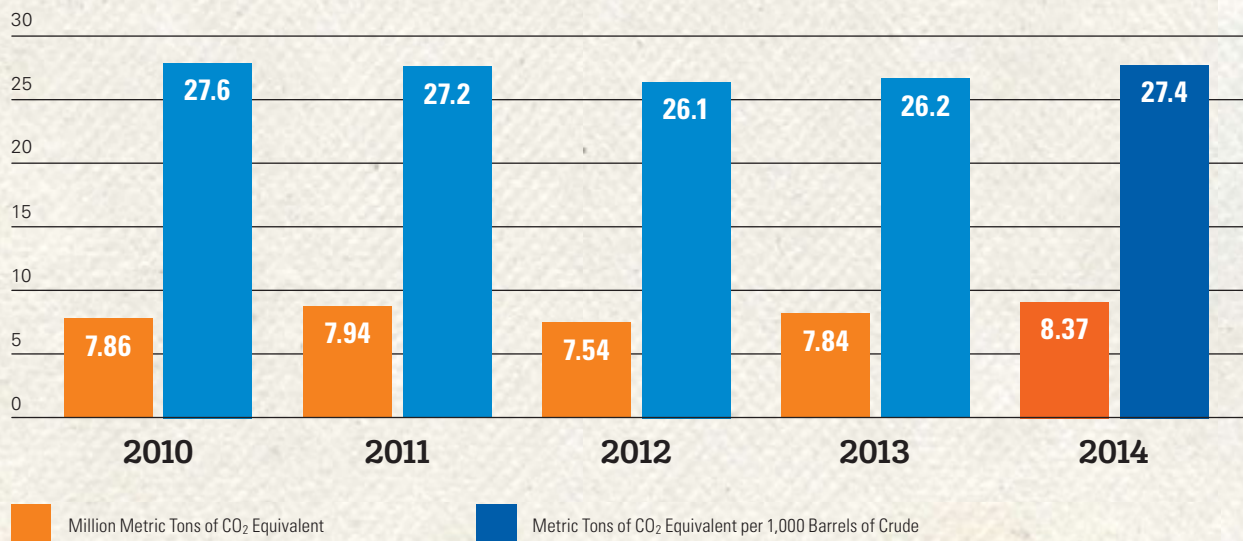
CITGO tracks air emissions of criteria pollutants emitted at refineries, such as VOCs, NO<sub>x</sub> and SO<sub>2</sub>. We have significantly reduced the total emissions at all three refineries since 2008. From that baseline, VOCs have been reduced by 268 percent (2,972 tons per year), SO<sub>2</sub> by 1,371 percent (23,278 tons per year) and NO<sub>x</sub> by 249 percent (6,181 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. In 2014 in Corpus Christi, we experienced a decrease in VOCs, SO<sub>2</sub> and NO<sub>x</sub>, largely due to a scheduled Turnaround that required a shutdown of many units for maintenance.

Varying conditions around our areas of operation 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. 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. Because of this, we placed additional emphasis on operational improvements to reduce emissions at Lemont. In 2014, this refinery reported its lowest emissions since the EI began.

To help our neighbors better understand how to reduce ozone levels, we participate in a program in Corpus Christi that enables volunteer CITGO employees to develop curriculum and talk to students about how to reduce ozone levels. *The Adventures of Super Earth and the Crusade against Bad Ozone* program provides educators with the information and materials needed to inform children and their parents about air quality and the role they can play to protect our earth from pollutants. The curriculum has been taught at several schools in the area, benefiting more than 600 students.

### GREENHOUSE GAS EMISSIONS FROM REFINERIES



## SUMMARY BY TYPE OF EMISSIONS

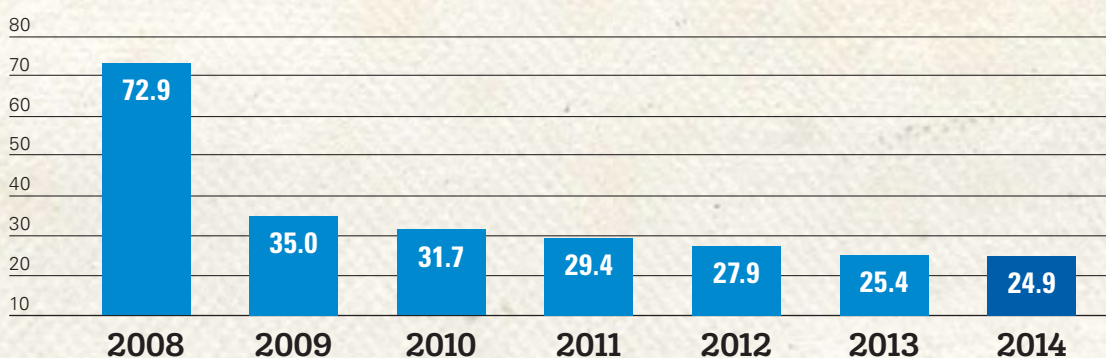
BY REFINERY, IN 2014

REFINERY	TYPE OF EMISSION	METRIC TONS
LAKE CHARLES	VOC	507
	SO <sub>2</sub>	1,422
	NO <sub>x</sub>	2,752
	Others	2,533
CORPUS CHRISTI	VOC	619
	SO <sub>2</sub>	200
	NO <sub>x</sub>	840
	Others	728
LEMONT	VOC	320
	SO <sub>2</sub>	326
	NO <sub>x</sub>	601
	Others	604

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

## AIR EMISSIONS FROM REFINERIES

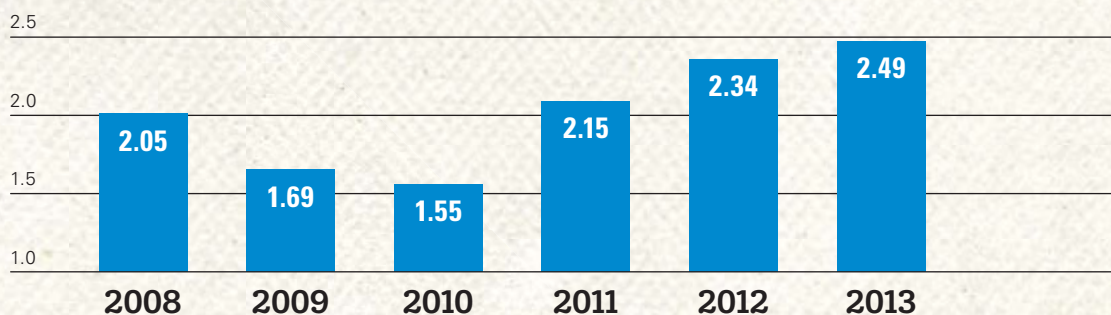
METRIC TONS/MILLION BARRELS OF THROUGHPUT\*



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

## TOXIC RELEASE INVENTORY (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. 2014 data was unavailable at time of publication.

## CAPITAL PROJECTS – FLARE GAS RECOVERY SYSTEMS

We remain committed to investing in infrastructure that enhances the efficiency and dependability of our operations. In 2014, the major upgrade to the Lake Charles Refinery's A Cat Gasoline Hydrotreater (ACGHT) continued to progress. When the ACGHT was built in 2004, flare systems were originally designed and constructed as emergency devices to manage hydrocarbon releases during unit upsets, shutdowns and startups with little consideration of flow rate or sulfur concentration.

In response to the U.S. EPA rule requiring all process units to achieve flare minimization, we have set out to better understand our flare sources and take steps to minimize flows where possible. Through ongoing efforts, we have identified that we can remove five flares and replace them with two.

We completed similar capital projects at our other refineries in 2014. In Lemont, we completed a project to upgrade our C1 flare, replacing the flare tip, control system and drains to make it more efficient.

## Other Emissions - TRI

The Toxic Release Inventory (TRI) annual report is required under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA). There are currently 689 individual chemicals and chemical categories on the TRI toxic chemical list.

While CITGO has achieved significant reductions in chemicals released and improved monitoring, the addition of new chemicals to the TRI list explains the increase in emissions reported since 2010. For example, the increases are primarily due to the reporting of hydrogen cyanide (HCN), which was added to the TRI list in 2010. In 2012, hydrogen sulfide (H<sub>2</sub>S) was required to be reported, another contributor to the increases.

## Waste

We can safeguard the environment, keep employees and community members healthy, achieve cost savings and experience more productive operations by reducing the amount of waste we generate. Given our role as a responsible neighbor in our communities, we also support waste reduction beyond our fence line.



Waste generated at CITGO refineries is largely influenced by maintenance schedules and capital projects. In Corpus Christi, a major Turnaround in 2014 caused hydrocarbon-containing vessels, pumps and containers to be de-inventoried. Some of the residual hydrocarbon in the units was hazardous by regulatory classification, resulting in an increased amount of reportable hazardous waste. However, several initiatives are underway to increase recycling of operational waste streams and reduce our waste generation. For example, at our Corpus Christi Refinery, we are working to improve our non-hazardous waste segregation process to verify that waste goes to its intended disposal site.

To promote responsible waste stewardship and reduce environmental liability, we implemented a program to audit waste disposers and recyclers. The audits help CITGO monitor and manage environmental risks associated with third-party waste management. All evaluations are performed by independent and experienced environmental firms according to a standard protocol.

### ELECTRONICS AND SOLID WASTE RECYCLING

To reduce waste in our refineries, corporate offices and neighborhoods, we host annual electronics waste recycling (e-recycling) programs at each of our facilities. Each year, CITGO employees and volunteers collect

unwanted electronics — including computers, monitors, keyboards, phones and radios — through employee and community e-recycling events. In 2014, the three CITGO refineries collected nearly 82,000 pounds of e-waste for recycling.

In order to make these events successful, we directly engage local communities. For example, at the Lake Charles Refinery, the Environmental Protection Department teamed up with the City of Lake Charles and others for the Sixth Annual E-Recycle Day. A new partnership with Team Green of Southwest Louisiana enabled us to add batteries to the list of accepted recyclables for the first time. In 2014, 462 vehicles attended to discard items for recycling, filling up eight roll-off boxes and an 18-wheeler. Since 2009, approximately 400,000 pounds of electronics have been collected and recycled.

The Lemont Refinery continues to sponsor the Village of Lemont’s oil collection and recycling event. The goal of this event is to raise awareness and reduce illegal dumping by providing a free opportunity for citizens to drop off their used oil for proper disposal. Because of this event, significant amounts of used motor oil, fuel oil, lubricant oil, brake/transmission fluid and antifreeze are collected. In 2014, our combined efforts resulted in the recycling of 800 gallons of oil, 55 gallons of flammable liquids, 55 gallons of antifreeze and 55 gallons of oil filters.

## WASTE—CITGO REFINING, 2014

METRIC TONS

Refinery	Hazardous waste	Non-hazardous waste	Total waste
Lake Charles	1,634	16,920	18,554
Lemont	802	11,892	12,694
Corpus Christi	9,024	7,931	16,955
<b>Total</b>	<b>11,460</b>	<b>36,743</b>	<b>48,203</b>



NEIGHBORLY

## EARTH KEEPERS

In 2013, CITGO launched the Earth Keepers program in partnership with the City of Sulphur, the Calcasieu Parish School Board, Waste Management and Stine Lumber Company to promote recycling within the Lake Charles community and local schools. Participating schools are outfitted with free green recycling

dumpsters and recycling containers for each classroom and office. Teachers and students also received education and instruction on program maintenance. In 2014, 14 schools participated in the program and collected enough materials to fill 264 eight-yard-capacity dumpsters – the equivalent of ten 18-wheeler trucks. The Earth Keepers recognized each school's participation through a tree-planting campaign intended to represent their dedication to a greener future. Thanks to our community members, the Earth Keepers program has diverted a total of 5,088 cubic yards of material from landfills to date.



## Water Usage

Our approach to water centers around local watershed needs. Even though our three refineries are located on water bodies, the characteristics of each watershed are different. Our 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 water stress due to drought.

A key indicator of water quality for CITGO is the volume of hydrocarbons discharged into surface water from our wastewater treatment systems. Though all discharges are within limits established by National Pollutant Discharge Elimination System (NPDES) operating permits, wastewater discharge is particularly relevant at the Lemont Refinery given our neighbors and the watershed. We are working to minimize discharges and treatment volume by reducing our water usage, as well as undertaking efforts to diminish the amount of hydrocarbons contained in discharged water. By utilizing improved process tanks and wastewater treatment plant operations, we have made significant progress on this front and now discharge water into the waterway at a higher quality than we receive it.

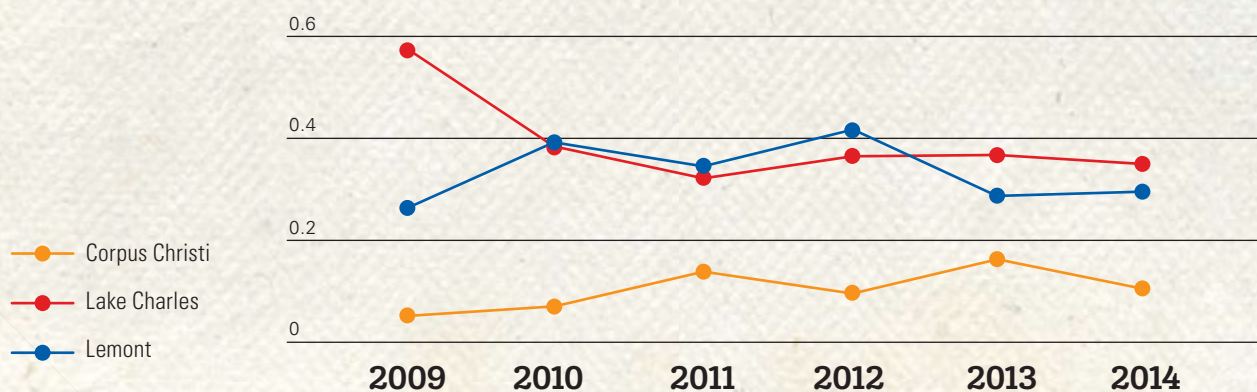
The Lemont Refinery is also participating in a project with the City of Chicago and the Illinois Department of Transportation to reduce the amount of anti-icing products used. These products contain chlorides and other chemicals that can run off into streams and cause water quality issues. Through our participation in the pilot plans of this project, we are developing site-specific best practices to share with others.

Our Corpus Christi Refinery can be affected by water restrictions as a result of droughts and water shortages, especially in warmer months. This refinery has implemented a plan consisting of short-term process improvements to reduce water consumption by 15 percent during potential periods of water restriction. In 2014, our total reduction of 1.6 percent in water usage was a result of water restrictions in Corpus Christi.

In 2014, our Lake Charles Refinery reported its lowest water usage since 2007 due to an ongoing initiative to improve water recycling. Our efforts to improve the quality of recycled water are making more water reliably available to be put back into the system for reuse.

### HYDROCARBON DISCHARGE

METRIC TON/MMBBL





## PETTY'S ISLAND

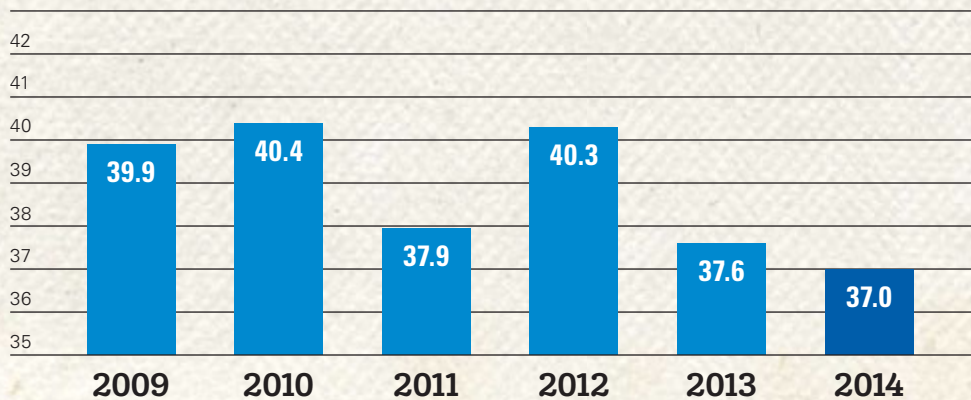
CITGO invests in long-term programs dedicated to the restoration of natural habitats. One of our biggest examples of environmental stewardship is the protection and restoration of Petty's Island.

In 2009, CITGO 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. 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, N.J. In addition to donating the property, we are committed to donating an additional \$3 million, of which \$125,000 was donated in 2014. CITGO has donated a total of \$1.67 million to date. These donations assist in efforts to restore the island and to help launch a cultural and education center.

## TOTAL WATER USAGE

GAL/BBL



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

# Caring for our Coast

1,225

VOLUNTEERS ENGAGED  
IN 12 VOLUNTEER EVENTS  
OVER 4 MONTHS

70,200

GRASS PLUGS, TREES  
AND BUSHES PLANTED

7  
GRANTS

AWARDED FOR  
ENVIRONMENTAL  
CONSERVATION AND  
RESTORATION

81  
ACRES RESTORED

231  
POUNDS OF TRASH  
COLLECTED

CITGO Caring for our Coast is a year-long series of projects and programs focused on coastal conservation and restoration in remembrance of Hurricanes Katrina and Rita. Almost 10 years ago, the Gulf Coast region was united by tragedy when Hurricanes Katrina and Rita struck less than a month apart. Today, it is united by hope and the promise of a better future.

In August 2014, CITGO Caring for Our Coast was launched at an event to promote marine education with Dr. Robert Ballard's Ocean Exploration Trust. Since then, CITGO has initiated and led a series of volunteer efforts dedicated to mitigating coastal change, restoring vulnerable habitats and promoting the importance of ecological preservation within our communities.

Thousands of volunteers throughout Louisiana, Illinois and Texas have joined us in the commitment to take a more active role in environmental conservation and understand the many challenges coastal communities and habitats face.

## LAKE CHARLES, LOUISIANA

Holly Beach, an iconic and cherished part of Louisiana's natural landscape, sits just 35 miles south of the Lake Charles Refinery. In 2005, storm surges from Hurricane Rita overwhelmed the shoreline, causing severe erosion and inland flooding. In September 2014, CITGO and the Coalition to



Restore Coastal Louisiana (CRCL), assembled approximately 400 CITGO employees and local volunteers to plant 70,000 plugs of dune grass along a five-mile stretch of Holly Beach. The new grass will promote dune growth and sediment retention, while also providing a habitat for nesting shorebirds.

Just a few weeks before restoring Holly Beach, CITGO, CRCL and the Audubon Nature Institute commemorated the ninth anniversary of Hurricane Katrina by donating more than 600 hours of labor to help restore critical wetlands destroyed during the storm. As part of the restoration project, CITGO volunteers, along with local volunteers from several organizations, cleared roughly 2.25 acres of land, stopping the advance of the destructive Chinese tallow tree. The project will enable the Audubon Nature Institute to begin restoring the ecosystem with native trees such as cypress, tupelo and red maple.

### **LEMONT, ILLINOIS**

Dating back to the construction of the Illinois and Michigan Canal, the Lemont Heritage Quarries are rich in both history and ecological value. After the quarry industry declined in the early 1900s, underground springs filled the area, creating several freshwater lakes and resulting in a beautiful area for local community members to visit.

Over time, the recreation area has become overrun with invasive species, but the Village of Lemont lacked the funding to undertake a full-scale ecological restoration effort. In November 2014, the Lemont Refinery, together with the Village of Lemont, Lemont High School and the Wildlife Habitat Council, hosted a community event with nearly 300 volunteers from

local schools, community organizations and Team CITGO. The event marked the first phase of a larger project to permanently remove invasive species from the Lemont Heritage Quarries and restore the area as a recreational and ecological oasis for the community.

Also in November, CITGO collaborated with the Alliance for the Great Lakes and hosted a community-wide Adopt-a-Beach™ cleanup project to promote preservation of the shoreline. As the world's largest surface freshwater system, the Great Lakes make up 20 percent of the earth's surface freshwater and provide drinking water to more than 40 million people. The quality of water in the Great Lakes is regularly impacted by various factors that can affect their use as a natural resource for nearby ecosystems, habitats and communities. Under the guidance of Alliance staff, CITGO employees and local volunteers assessed the beach's water quality and cleaned up trash along the shore. The findings were then logged into the Alliance's Adopt-a-Beach™ online system to be shared with local, state and regional beach health officials.

### **CORPUS CHRISTI, TEXAS**

The Nueces Delta Preserve has been a long-time focus of the Coastal Bend Bays & Estuaries Program (CBBEP), a nonprofit group dedicated to researching, restoring and protecting the bays and estuaries of the Texas Coastal Bend. As a fellow member of the Corpus Christi community, CITGO shares that same dedication and recently joined together with the CBBEP to host a large scale volunteer effort to clean-up and restore the Preserve.

In November 2014, 400 volunteers from CITGO, CBBEP and local school districts gathered to scatter native grass and wildflower seeds – the first step in stunting the spread of invasive species and promoting the growth

of indigenous plant life. They also planted native vegetation within a newly created wetland area that will act as a nesting location for water fowl wintering in the area.

In collaboration with the Corpus Christi Parks and Recreation Department, Team CITGO members worked to revitalize the Oso Bay Wetland Preserve, a 160-acre area of reclaimed agricultural land. In December 2014, CITGO employees, students and local volunteers spent the morning learning about the Preserve while planting trees, grasses and other vegetation that native wildlife will soon call home. Hands-on work stations were also set up for students in attendance to learn about natural habitats and environmental conservation.

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*“Partnerships with local businesses like CITGO who not only have the resources to help make a difference, but also are actually interested in participating in these efforts are so important to achieving our goals. These volunteers have not only brought positive change to the Preserve, but they have also brought awareness to the steps we can take as a community to protect our natural resources. We truly appreciate the partnership and support.”*

— Michael Morris, Director for Corpus Christi Parks and Recreation.

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# Workforce

A woman wearing a white hard hat, safety glasses, and a blue work uniform with a high-visibility vest is smiling. She is holding a tool in her gloved hands. The background is an industrial setting with pipes and machinery, illuminated with warm orange lighting. A large yellow diagonal shape is overlaid on the bottom left of the image.

**OUR** employees' talent, dedication and skills are the core of our company. We diligently work to develop our employees and provide the tools, resources and environment to empower them to grow and flourish in their careers. Additionally, CITGO recognizes the wealth of value a diverse workplace can create, where our differences enable each team member to fully and distinctly contribute to the company.

A photograph of a worker in a blue jacket and white gloves, standing in an industrial environment with complex machinery and pipes. The scene is lit with warm, orange-toned lights. A large blue triangle is overlaid on the right side of the image.

## **LAUNCHED LEADERSHIP PERSPECTIVES**

a new type of assessment designed to help an employee identify gaps between how they see themselves and how others see them

## **CONDUCTED AN EMPLOYEE ENGAGEMENT WORKSHOP**

to better understand what motivates our team members

## **TEN OUT OF OUR 14 SENIOR MANAGERS**

were either female or a minority

## CITGO WORKFORCE BY GENDER AND MINORITY AS OF DEC. 31, 2014

FEMALE AND MINORITY EMPLOYEES COMPARED TO TOTAL NUMBER OF EMPLOYEES

TOTAL EMPLOYEES

FEMALE	742	21.4%	3,469
MINORITY	1,004	28.9%	

FEMALE AND MINORITY EMPLOYEES COMPARED TO EMPLOYEES CLASSIFIED AS PROFESSIONALS

FEMALE	320	35.2%	908
MINORITY	278	30.6%	

FEMALE AND MINORITY EMPLOYEES CLASSIFIED AS SUPERVISORS OR MANAGERS

FEMALE	98	17.7%	553
MINORITY	136	24.6%	

FEMALE AND MINORITY EMPLOYEES CLASSIFIED AS MIDDLE MANAGERS

FEMALE	33	17.4%	190
MINORITY	40	21.0%	

FEMALE AND MINORITY EMPLOYEES CLASSIFIED AS SENIOR MANAGERS

FEMALE	1	7.14%	14
MINORITY	9	64.3%	

## STAFFING LEVELS AS OF DEC. 31, 2014

CORPORATE/ CORPORATE FIELD	CORPUS CHRISTI	LAKE CHARLES	LEMONT	TOTAL EMPLOYEES
1,265	544	1,138	522	3,469

## WORKFORCE AGE

24 AND BELOW					TOTAL EMPLOYEES
25-34	35-44	45-54	55 AND ABOVE		
64	565	712	880	1,248	3,469

## Diverse Workforce

We aim to hire and develop a workforce that reflects the local communities where we conduct business; through this we can promote diversity and contribute to local economic development. In addition to recruiting from college campuses, we seek qualified candidates from a variety of sources, including those supporting minorities, veterans and disabled persons.

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

## Addressing the Challenge of an Aging Workforce

Like many companies in our industry, we face a significant challenge in backfilling our workforce in preparation for large-scale retirements. With approximately 36 percent of employees over the age of 55, we continue to focus on succession planning, recruitment and retention efforts, as well as on knowledge transfer between tenured employees and new team members to support successful integration.

### **SUCCESSION PLANNING**

We cultivate the leaders of tomorrow by investing in our employees and providing them with opportunities for professional and personal growth. CITGO identifies critical roles, current and future candidates, and the developmental activities these candidates need to advance through our succession planning and management process. At the beginning of each year, human resources (HR) conducts talent review meetings with each business unit in which leaders 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 engages employees that are part of the succession plan, to prepare them to transition into leadership positions as they become available. Developmental opportunities include activities such as experiential learning, targeted training, rotational assignments and coaching. Through successful implementation of the CITGO succession management process, we are developing a pool of potential leaders who are ready to meet the demands of a changing business environment.

### **BUILDING BENCH STRENGTH**

As employees are promoted through the succession management process to higher-level management positions, we have a need to make sure the next generation of leaders is prepared. To this end, we launched a developmental program for exceptional university graduates that will prepare them to step into a managerial role within five years of employment. To date, 10 employees have enrolled in the program. In 2015, four additional new employees will join the program.

To continue our efforts to fill job vacancies internally, HR launched a new Employee Profile tool in 2014. The online tool allows employees to consistently keep information relating to their work experience and education up-to-date.







## Local Recruitment

To help fill vacancies in our refineries and manufacturing plants, we actively recruit qualified candidates from our local communities. Our approach to identifying new talent and top-caliber recruits is to pursue students nearing graduation at local high schools, trade and vocational schools, community colleges and universities.

### **LAKE CHARLES**

In 2014, SOWELA Technical Community College, located 11 miles from our Lake Charles Refinery, implemented a fast-track, 12-week program for students interested in obtaining a Process Technology degree. This program helps 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. CITGO employees sit on the college's Process Technology Advisory Board to ensure continuity between the degree and its professional application. This particular degree can be used in place of five years of experience when applying for jobs at the Lake Charles Refinery. We hire many operations personnel at the Lake Charles Refinery through this program.

### **LEMONT**

To actively promote engineering to younger generations, we work with local schools to educate students on math, science and environmental stewardship. For example, CITGO employees volunteer to teach classes at elementary, middle and high schools and even participate as judges in local science fairs. We have also continued our work with Project Infinite Green, an afterschool program for students in the eighth and ninth grades. The Project focuses on providing practical interactive experiences guided by professional organizations such as CITGO, the Department of Energy, Argonne National Laboratories and other industries to help students understand the ramifications of everyday actions and decisions concerning energy.

Additionally, engineers at the Lemont Refinery assisted with the inaugural six-week LEGO Robotics program at Old Quarry Middle School in Lemont. Employees introduced students to real-world engineering challenges, critical thinking problem-solving and analytical skills by building LEGO-based robots. These project-focused activities expose middle school students to college and career-readiness skills aligned with the common core state standards.

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

### **CORPUS CHRISTI**

As one of the major employers in the area, we are committed to investing in local efforts to develop talent. For example, we supported Texas A&M in developing the Corpus Christi Mechanical Engineering Program to ensure a steady stream of exceptional graduates who can build their careers at CITGO.

## Workforce Training and Development

We continue to 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 focused on business skills, management development, technical areas, safety and regulatory information, and other areas. We estimate that in 2014, we spent nearly \$1.1 million on employee training programs.

Each year, every employee establishes an individualized development plan. To get the most out of these plans, we encourage employees to utilize the Fuel Your Future Program.

### **FUEL YOUR FUTURE**

Fuel Your Future is a development strategy consisting of several programs designed specifically for CITGO employees. The programs are flexible 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. As of year-end 2014, 861 employees were enrolled in the Fuel your Future programs.

Fuel Your Future consists of 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.

**LAUNCH** is a four-stage onboarding program designed to help newly hired salaried employees effectively transition into their roles at CITGO in their first six months of employment. LAUNCH specifically helps new employees learn about CITGO, adopt our values, utilize existing skills and acquire new skills, navigate our systems, challenge existing ideas and honor our

traditions. Since 2012, 157 CITGO employees have participated in the LAUNCH program, and at the end of 2014 121 employees had completed all aspects of the program.

**REFINE** is a structured, personalized learning and development program for salaried employees. It is intended to increase proficiency in our core competencies: customer focus, achieving results, decision-making, stewardship, technical skills, initiative, communication and teamwork. The program includes instructor-led classes, computer-based training, books and videos. As of the end of 2014, 455 employees were enrolled in REFINE and 14 employees have completed the program.

**LEAD** provides a complete 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 validate our supervisors and managers receive the developmental resources needed to continue to be 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 the end of 2014, 251 employees were enrolled in LEAD and 15 employees have completed the program.

In 2014, CITGO launched Leadership Perspectives, a 360 assessment designed to help employees identify their strengths and opportunities for development. The survey is completed by the employee, their manager, direct reports, peers and internal customers who provide valuable feedback and rate the employee on performance on our core competencies. In 2014, 15 employees completed the 360 assessment process and attended courses on topics identified as opportunities to develop.



**ONLINE EXPENSE REPORT OVERVIEW**

- **Use Your New Card Upon Receipt**
  - New Card = New System
  - Old Card = Old System (Excel Spreadsheet)
    - Deactivated Late September
- **Travel Cardholder Agreement**
  - Print, Sign, Scan and Email Both Copies
    - Email Program Administrator if you need a Card Holder Agreement
  - Sent From YOUR CITGO Email Account
  - Send to: [cardagreement@ops.citgo.com](mailto:cardagreement@ops.citgo.com)
  - Signed Agreement = New Travel Card

IN 2014, WE SPENT NEARLY

**\$1.1**  
**MILLION**

ON EMPLOYEE TRAINING PROGRAMS.

## EMPLOYEE ENGAGEMENT AND SATISFACTION

We understand that retaining our team members is very important. To determine what keeps our employees satisfied with their jobs, we regularly conduct organizational surveys, communication luncheons, focus groups and executive presentations.

We are committed to improving employee satisfaction through communication and engagement. In order to sustain the workforce that will continue to support our success in coming years, we plan to hire ahead of attrition, focus on critical knowledge transfer and provide employee benefits that are competitive with our industry peers.

In 2014, we conducted an employee engagement workshop to better understand employee satisfaction. The primary objectives of the workshop were to identify:

- Underlying issues that may cause employees to leave CITGO,
- Opportunities for improving employee retention, and
- Pathways for career development and transfer of critical knowledge.

Of the 45 participants, 40 individuals responded to a pre-workshop questionnaire. These responses helped guide workshop discussions. Over the course of two days, we asked workshop participants to evaluate various elements of the company's employee-facing programs. An assessment of these comments led to more competitive compensation and an adjustment to time-off procedures.

## 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

## EMPLOYEE BENEFITS

At CITGO, we provide a competitive benefits package to help our employees care for themselves and their families. We believe that health and well-being are key elements of employee satisfaction. To that end, we provide programs and services that help our employees live healthy, fulfilling lives.

Our employees have a choice of medical plan options, including dental and vision, to meet their health care needs. Health and insurance benefits at CITGO also extend to eligible retirees. CITGO Health Services also administers periodic physicals and inoculations and advises employees on healthy travel, personal and work-related health issues, and general wellness. Our Employee Assistance Program helps employees resolve other problems that may impact work performance or health and well-being.

CITGO encourages employees to get active and take advantage of preventative care through the Healthy Rewards and Fuel Your Health incentive programs. CITGO employees can be reimbursed 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 spouses participate and complete each level in the program, employees may receive healthy living incentives of up to \$1,800, depending on their health insurance option.

## FUEL YOUR HEALTH: HEALTHY REWARDS PROGRAM

LEVEL	CRITERIA	2014 WELLNESS GOALS
<b>BRONZE</b>	Completion of Health Assessment and Biometric Screening	Complete both
<b>SILVER</b> (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> (MEET 3 OF 4 CRITERIA ABOVE, TOBACCO/NICOTINE AND ADDITIONAL CRITERIA)	Benefit Advisory Coaching and Online Workshop Assignments	Remain compliant

# Community

**IT** is an integral part of our business strategy and culture to act as good neighbors everywhere we conduct business and we invest human and monetary capital to support initiatives that improve quality of life. We continue to support our existing social responsibility initiatives and programs and implement new projects to better serve our neighbors. This includes promoting volunteerism at all levels of our organization and encouraging employees to take active roles in their communities.



## TEAM CITGO

volunteer activities unite the compassion of our employees, retirees and their families

## TOUCHED THE LIVES OF APPROXIMATELY 400,000 PEOPLE

in the United States through our community engagement efforts

## INVESTED MORE THAN \$42 MILLION

in our communities



## Focus Areas

In 2014, CITGO touched the lives of approximately 400,000 people in the United States through our community engagement efforts. Additionally, the company invested more than \$42 million in our communities, particularly in the focus areas below:

- **Energy Assistance**
- **Environmental Protection, Conservation and Restoration**
- **Education and Social Investment**
- **Health**

## Energy Assistance

Millions of Americans struggle to afford basic necessities such as heating, fuel and electricity. At CITGO, we believe in using the strength of our resources to make heating costs more affordable for those in need.

### **HEATING OIL PROGRAM**

The CITGO-Venezuela Heating Oil Program is one of the most important social initiatives we have implemented to date. In 2005, we created this program in response to a request for humanitarian assistance from residents of

the Bronx, N.Y., when oil prices spiked after Hurricanes Katrina and Rita. With insufficient federal and state government support, fuel cost increases impacted some of the most-vulnerable communities in the country. CITGO was the only company in our industry to respond to the crisis. The program's significance was restated when Hurricane Sandy struck the eastern seaboard in 2012.

In 2014, approximately 240,000 people benefited from the program, including 193 homeless shelters. Since its inception, the program has assisted more than 1.8 million people in 25 states and the District of Columbia. Our assistance targets individuals in the following four segments:

- Single-family homes
- Apartment buildings
- Homeless shelters
- Native American communities

To guarantee the long-term success of the program, we partner with Citizens Energy Corporation to help with implementation and management. CITGO and Citizens Energy Corporation work with a national network of dealers to provide assistance to the four different segments.

The CITGO-Venezuela Heating Oil Program is one of the most important social initiatives we have implemented to date.



# 2014 CITGO-Venezuela Heating Oil Program Beneficiaries

239,925 LOW-INCOME PEOPLE

75,724 HOUSEHOLDS

42,438 FAMILIES IN SINGLE-FAMILY HOMES

260 NATIVE AMERICAN COMMUNITIES IN 15 STATES REPRESENTING 18,205 TRIBAL FAMILIES

193 HOMELESS SHELTERS PROVIDING ASSISTANCE TO 12,753 HOMELESS PEOPLE

162 APARTMENT BUILDINGS HOUSING 15,081 FAMILIES





NEIGHBORLY

## *Environmental Protection, Conservation & Restoration*

We participate in a wide range of projects and initiatives to assist in environmental protection, conservation and restoration. We act as stewards to preserve the environment we all share — for our neighbors of today and tomorrow. As a supplement to the operational efforts undertaken at each of our refineries, we work with our neighbors on projects to promote restoration and preservation of natural habitats and resources, as well as energy efficiency. For more information on our environmental programs, please see the Environment section of this report.

## *Education and Social Investment*

Communities sustain themselves through ongoing education. CITGO supports educational initiatives that empower people to contribute to 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, computer science, business and related studies. The goal of this initiative is to provide support to young adults in fragile economic situations, who are keen to develop careers that have a direct impact on their communities. In 2014, we donated \$190,000 in scholarship grants to students at 17 universities in the United States.

### **BOYS & GIRLS CLUBS OF AMERICA**

In 2014, CITGO provided a \$110,000 donation to inspire youth to engage in active lifestyles. The donation supports general programming to enable all young people, especially those who need it most, to reach their full potential as productive, caring and responsible citizens. More than 8,900 children at Boys & Girls Clubs in 11 cities benefited from healthy lifestyles

programs such as intramural sports leagues, daily challenges and sports tournaments for activities like flag football and soccer. For example, daily challenges were designed to last a minimum of 60 minutes and provide a combination of aerobic exercise (such as running, hopping, skipping, jumping rope and dancing), muscle strengthening (such as unstructured play on playground equipment, climbing, tug-of-war and work with resistance bands) and bone strengthening (running, jumping rope, basketball, football and hopscotch).

### **CASA DE MARYLAND**

In 2014, we continued our support of CASA de Maryland, Inc., a nonprofit organization that provides training programs and social assistance services to the Latino and African American populations in the metropolitan Washington, D.C., area and the neighboring state of Maryland. Our support enables the organization to promote courses in finance, civics, Spanish language, information technology, seven levels of English as a second language (ESL), and vocational courses in electrical work, plumbing and home improvement.

With the help of our \$250,000 donation in 2014, CASA de Maryland provided assistance to approximately 11,000 people. As part of this:

- 376 people participated in various vocational electrical, plumbing and home improvement courses
- 1,188 neighbors attended ESL literacy courses
- 77 people attended computer courses
- 37 community members attended Spanish classes
- 715 neighbors attended civics classes, and 459 of these neighbors earned U.S. citizenship
- 3,253 people attended various courses in financial literacy
- 1,854 people opened a bank account
- 3,640 received other services including information and referral services

## BRONX SOCIAL PROGRAMS

Since 2007, with support from North Star Funds (2007 to 2010) and our charitable organization the Simón Bolívar Foundation (2011 to present), we have provided grants to 90 projects that support social development in the South Bronx, N.Y., one of the most underserved communities in the United States.

In the 2013-2014 cycle, the Bronx Social Programs selected 32 nonprofit organizations to receive grants focused on the areas of education, health, environment, and arts and culture. Nearly 20,000 individuals benefited from these services in the 2013-2014 program year. Since the program's inception, more than 200,000 direct and indirect beneficiaries have been served. These totals represent a calculated percentage of the program's beneficiaries supported by our specific grant amount in relation to the full program budget.

For the 2014-2015 program year, the Bronx Social Programs initiated the Path to Progress to focus its programming on enhancing support of education and a career-bound environment. Path to Progress consists of the following elements:

### Grants Program

- 37 awards totaling \$900,000 in four focus areas (Arts and Culture, Education, Environment and Healthy Living)
- Program activities run from Sept. 1, 2014, through Aug. 31, 2015

### Academic Achievers Program

- \$50,000 awarded to Hostos Community College for services to enhance academic achievement and high school and college retention

### Scholarship Program

- \$200,000 awarded to Hostos Community College to administer scholarships to individuals who have successfully completed the Academic Achievers Program

3,120 individuals benefited  
from green workforce job skills  
through Bronx Social Programs.

## SPRINGSPIRIT BASEBALL

In 2014, CITGO donated \$25,000 to SpringSpirit Baseball to support the nonprofit organization's general education, afterschool and academic programs. The funds contributed will benefit more than 350 elementary and middle-school students enrolled in Spring Branch Independent School District Title I schools. SpringSpirit Baseball supports the Spring Branch school district's "T-2-4 Initiative," aimed at doubling the number of students who complete a technical certificate or military training, or a two- or four-year degree. CITGO support will enhance the general SpringSpirit Baseball education program's curriculum by providing extra lessons to increase reading and math comprehension, sponsoring educational discussions on the importance of a college education, hosting a reading club and providing hands-on mentoring by coaches and program volunteers.



## Health

Through our charitable organization, the Simón Bolívar Foundation, we invest in health and well-being by helping provide access to specialized medical treatment and critical health services to individuals affected by poverty, whose medical treatment may not be available in their country of origin. We also support direct-service delivery programs that address immediate health needs while also leveraging services to educate and empower recipients to take ownership of their health.

During 2014, 84 new patients benefited from the support of the Foundation. Additionally, the Foundation funded follow-up treatment for 233 patients admitted in previous years.

**Liver Transplants** We help underprivileged children obtain liver transplants and related medical treatment through a partnership between the Hospital Italiano in Buenos Aires, Argentina, and the Simón Bolívar Foundation. In 2014, we provided financial assistance to four patients who successfully received liver transplants.

**Hearing Solutions** The Simón Bolívar Foundation also provides financial assistance to people who require hearing aids or cochlear implants. Successful cochlear implants can restore the sense of sound and, in many cases, help patients with their speech. In 2014, 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 41 cochlear implants to patients in need.

### **MUSCULAR DYSTROPHY ASSOCIATION**

The Muscular Dystrophy Association (MDA) is the world's leading nonprofit health agency dedicated to finding treatments and cures for muscular dystrophy. The organization provides rehabilitation assistance to more than one million families in the United States. CITGO has served as a principal sponsor of MDA for 28 years and, in 2014, we contributed more than \$930,000 to the organization. To date, CITGO employees, contractors, Retailers, Marketers, family and friends have helped raise more than \$180 million through a variety of fundraising events, from golf and bowling tournaments to walk-a-thons and auctions.



# Patients Benefiting from the Simón Bolívar Foundation

8000+ PATIENTS SERVED  
SINCE 2005

84 NEW PATIENTS SERVED IN 2014

108 SPECIALIZED MEDICAL  
ASSISTANCE  
TO VENEZUELAN PATIENTS  
SINCE 2005

27 SPECIALIZED MEDICAL  
ASSISTANCE  
TO PATIENTS IN THE U.S.  
SINCE 2005

331  
COCHLEAR IMPLANTS  
SINCE 2005

193  
MEDICAL ASSISTANCE  
TO BONE MARROW  
TRANSPLANT PATIENTS  
SINCE 2005

42  
LIVER TRANSPLANTS  
AND OTHER  
PATHOLOGIES  
SINCE 2005



## Community Volunteerism

CITGO maintains our tradition of community engagement and volunteer-focused giving. The CITGO “Fueling Good” philosophy encourages our employees, retirees, contractors, families and neighbors to get involved in their local communities. In 2014 alone, the employees from our Terminals and Pipeline business and in our four largest CITGO facilities (three refineries and corporate headquarters) contributed 12,012 volunteer hours.

In 2014, we merged our volunteer groups across our company-wide operations under one name: Team CITGO. This new name unites the generosity of our employees, retirees and their families with the goal of

strengthening our community impact. The Team CITGO mission is to involve the membership in community activities, provide volunteer services for worthy causes and organizations within the community, and conduct fundraising activities for charitable organizations. Team CITGO coordinates 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

### LEMONT

2,116 CITGO VOLUNTEER HOURS

### CORPUS CHRISTI

2,940 CITGO VOLUNTEER HOURS

### LAKE CHARLES

3,647 CITGO VOLUNTEER HOURS

### CORPORATE

2,950 CITGO VOLUNTEER HOURS

### TERMINALS & PIPELINES (MULTIPLE LOCATIONS)

359 CITGO VOLUNTEER HOURS



VOLUNTEERISM AND GIVING

# Terminals & Pipelines (TPL)



The CITGO TPL team cares for our local communities by investing resources and by rolling up our sleeves and volunteering. From the Muscular Dystrophy Association (MDA) to education initiatives to environmental restoration, our employee-driven volunteer groups fuel good every day. In 2014, TPL donated approximately \$50,000 to more than 50 different community initiatives in 20 states.

Among our many MDA efforts, golf outings held by CITGO East Chicago, Richmond, Jackson, Linden, Baltimore, Braintree and Ferrysburg Terminals raised more than \$186,000 in 2014. These contributions support MDA's ongoing research projects and key programs such as summer camps, clinics, support groups and equipment assistance.

Other examples of contributions in 2014 included more than \$7,500 in school supplies donations to a number of local schools, a \$6,000 contribution in Georgia to build an outdoor classroom and a \$3,000 donation to a speaker series for at-risk students in New Jersey. CITGO TPL also contributed funds to 13 fire districts to provide needed equipment and support to local fire stations. Employees at the East Chicago Terminal volunteered 65 hours to rehabilitate a park across from the facility, including cleaning the property, trimming trees, replacing and staining benches and picnic tables, and planting flowers. The CITGO TPL team contributed a total 359 volunteer hours in 2014.

# Houston



**In 2014, our CITGO Corporate Headquarters partnered with nearly 20 organizations, investing in projects in education, environment and health, and donating almost 3,000 volunteer hours to local community efforts.**

### *Promoting Education*

In December 2014, CITGO continued our 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 inspires 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.

In the same school districts, we supported the fourth annual CITGO Back-to-School Supply Drive with a public donation station at a CITGO Retail Concept Center Fueling Good Market in Houston and a collection effort at the CITGO corporate headquarters. The campaign raised more than \$3,400 in cash donations, collected 10 bins of school supplies and provided backpacks for 500 students to carry their new items.

To promote the competent and ethical use of technology by teens, CITGO donated \$10,000 and teamed up with the Houston Public Library Foundation to host a Teen Tech Fair in October 2014. The free event allowed teens to conduct 3D printing and play



with interactive wireless robots from the American Robotics Academy among other activities. This event was part of Teen Tech Week, a national initiative of the Young Adult Library Services Association (YALSA) directed at teens, their parents, educators and other concerned adults.

### *Assisting those in Need*

In 2014, more than 46 CITGO employees and family members volunteered with The Elves & More organization. With more than 330,000 children living in poverty, The Elves & More organization helps at-risk children living in Greater Houston. By gifting bicycles to impoverished children, this program encourages them to stay in school and out of trouble while improving their

health. Once a child receives a bicycle, it helps him or her attend afterschool programs that can contribute to increased success in school.

We also continue to support the Beacon, a local nonprofit organization providing social and health services to poor and homeless men, women and children. As one of our most popular employee initiatives, Team CITGO volunteers help 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 others. In 2014, we held four events at the shelter, each with approximately 25 Team CITGO employees and family members serving as volunteers.

# Corpus Christi



**The Corpus Christi Refinery is dedicated to supporting commerce, economic stability and community development in Corpus Christi through a variety of opportunities and partnerships. In 2014, the Corpus Christi Refinery contributed \$1,237,347 to local nonprofits, our employees donated 2,940 volunteer hours to community organizations and raised an all-time record of \$576,940 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 nonprofit organizations in Corpus Christi. These organizations provide crucial services to Hillcrest residents related to education and job skills, health and the environment. The following are highlights of the 2013-2014 program implemented by 10 local community organization partners:

- 42 children received free childcare for families that are working or pursuing their education
- 124 students received individualized services at Miller High School and Driscoll Middle Schools
- 40 young girls participated in a leadership and mentorship program
- 34 adults attended tutoring sessions to improve job skills, prepare for the GED and increase literacy
- 578 students learned about healthy eating habits in four area schools
- Up to 24 households are on target to receive vital weatherization or household repairs to keep their homes safe as well as cool in the summer and warm in the winter



- 91 individuals have received information and referrals for educational or career services
- 46 residents are receiving healthy food boxes as part of an education program for diabetes self-management

During the 2014-2015 Hands for Hillcrest grant-making cycle, nine organizations were selected for funding. Recipients were chosen by a volunteer advisory team of community members and area experts. A total of \$500,000 was awarded to the selected organizations in this cycle.

### *Support of STEM education*

We are proud to support a number of educational programs, including those aimed at furthering education in science, technology, engineering and mathematics (STEM). The Corpus Christi Refinery partners with the Foy H. Moody High School's CITGO Innovation Academy to encourage students to pursue STEM curriculum

and consider careers in these fields with courses including Engineering Design and Development, Civil Engineering, and Environmental Science. Through the CITGO Innovation Academy, we have reached approximately 308 students. The CITGO Innovation Academy has been recognized as an Exemplary STEM Academy by the Texas High School Project and as a Model Engineering School by the Project Lead the Way national engineering program.

### *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 2014, 20 students benefited from this initiative.

# Lake Charles



**In October 2014, our CITGO Lake Charles Refinery celebrated its 70th anniversary. Our refinery has a rich history of sustained production, dedicated service and social responsibility. As part of the greater Lake Charles and Sulphur communities, CITGO supports and enhances the lives of our neighbors around us. In 2014, Lake Charles CITGO employees, retirees, their families and friends assisted with fundraising opportunities, environmental restoration projects and mentoring programs and donated 3,647 volunteer hours to the community. In appreciation of our efforts, Sulphur Mayor Chris Duncan presented Team CITGO with a key to the city in October, 2014. Known by our bright smiles and red shirts, Team CITGO remains a steadfast force of good throughout Southwest Louisiana.**

## *Civil Air Patrol*

CITGO partnered with Civil Air Patrol (CAP) to honor members for their service during World War II. As a premier sponsor of CAP's Congressional Gold Medal presentation, our funds enabled the purchase of replica Congressional Gold Medals that were awarded to CAP World War II veterans in Washington, D.C., at the medal presentation and celebratory reception. Those who were unable to travel were presented a replica medal by CAP in their hometowns. Congress awarded the Congressional Gold Medal to CAP in recognition of its founding members' roles in warding off deadly German U-boat attacks on oil tankers and other merchant ships along vital shipping routes off the East and Gulf coasts



during World War II. This group's efforts helped push the submarine threat well away from coastal shipping lanes at a critical time when the nation's military did not have enough resources. During the war, five CITGO tankers, of then Cities Service, were sunk by enemy fire.

### *United Way Southwest Louisiana*

Since 1975, the Lake Charles Refinery has raised more than \$12.7 million for United Way. In 2014, employees alone contributed \$503,920 to the organization. The CITGO employee campaign continues to be the largest benefactor of United Way Southwest Louisiana. Our contributions help run the 31 United Way agencies and 57 programs in Southwest Louisiana that impact the quality of life for people in our community.

### *Muscular Dystrophy Association*

This year marked the 30th anniversary of the CITGO MDA Golf Classic. At the sold-out event, 36 teams and 224 golfers raised \$322,000 for MDA, making it the most highly attended event since the program began. To date, the CITGO MDA Golf Classic has fundraised more than \$3.5 million. Our contributions support families affected by muscular dystrophy in Southwest Louisiana and enable research projects seeking the causes of, and effective treatments for, neuromuscular diseases. We are proud to continue to support MDA in their efforts.

# Lemont



**Our Lemont 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 Chicago area has many needs, so we strive to keep our outreach diverse and expansive. In recent years, we have shifted to a strong volunteer-based model of giving that connects our employees to our communities. In 2014, Lemont's Team CITGO hosted 76 events, attracted 746 volunteers and logged 2,116 volunteer hours —all record-setting totals for our refinery.**

## *MorningStar Mission Joliet*

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. Team CITGO volunteers donate their time and talents to throw birthday parties for children at MorningStar Mission. Since November 2013, CITGO has celebrated 30 birthdays with the help of 80 CITGO volunteers.

In 2014, we also became involved with MorningStar Mission's Jump on the Bus Program. The program helps provide low-income and homeless children from kindergarten to 17 years old with the school supplies and clothing needed to return to school each year. Lemont Refinery employees and contractors purchased school supplies and clothes for a total of 20 families in the Will County area.

## *Muscular Dystrophy Association Events*

The Lemont Refinery has a longstanding relationship with MDA, and continues to build support for the organization. In 2014, the Lemont Refinery continued its three annual MDA fundraising events and set new records for the amounts raised in each one: the Muscle Team, Shamrock Bowl and Golf Scramble. Together, these three events raised \$657,000 in 2014, and more than \$2.6 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 increase our annual contribution to MDA. In 2014, the sixth annual Muscle Team event raised more than \$390,000 for MDA. The proceeds will benefit thousands of families in the Chicagoland area living with neuromuscular disease. The money will also assist with repairs to medical equipment, provide flu shots, fund support groups and send local children to a week of MDA Camp. At the fifth annual MDA Shamrock Bowl, 306 members of Team CITGO came out to bowl for the cause. The well-attended event resulted in more than \$79,000 of giving to MDA.

In August 2014, the Lemont Refinery teamed up with MDA for the 17th annual CITGO MDA Driving for a Cure Golf Scramble, which included 360 CITGO employees, contractor and sponsor participants. The tournament raised more than \$313,000 to help send children in the area to MDA summer camp and directly support local clinics, as well as care programs and research efforts in Illinois.

### *Bike MS Event*

In 2014, members of Team CITGO cycled between 35 and 200 miles to raise more than \$37,750 in the 33rd annual Bike MS: Tour de Farms Event hosted by the Greater Chicagoland Chapter of the National Multiple Sclerosis Society. Fifty-eight Team CITGO cyclists and volunteers participated in the ride and beat last year’s fundraising record by more than \$15,000. In addition to its fundraising victory, Team CITGO had another reason to celebrate: for the sixth time in seven years, CITGO won the best tent award with a hit superhero theme.

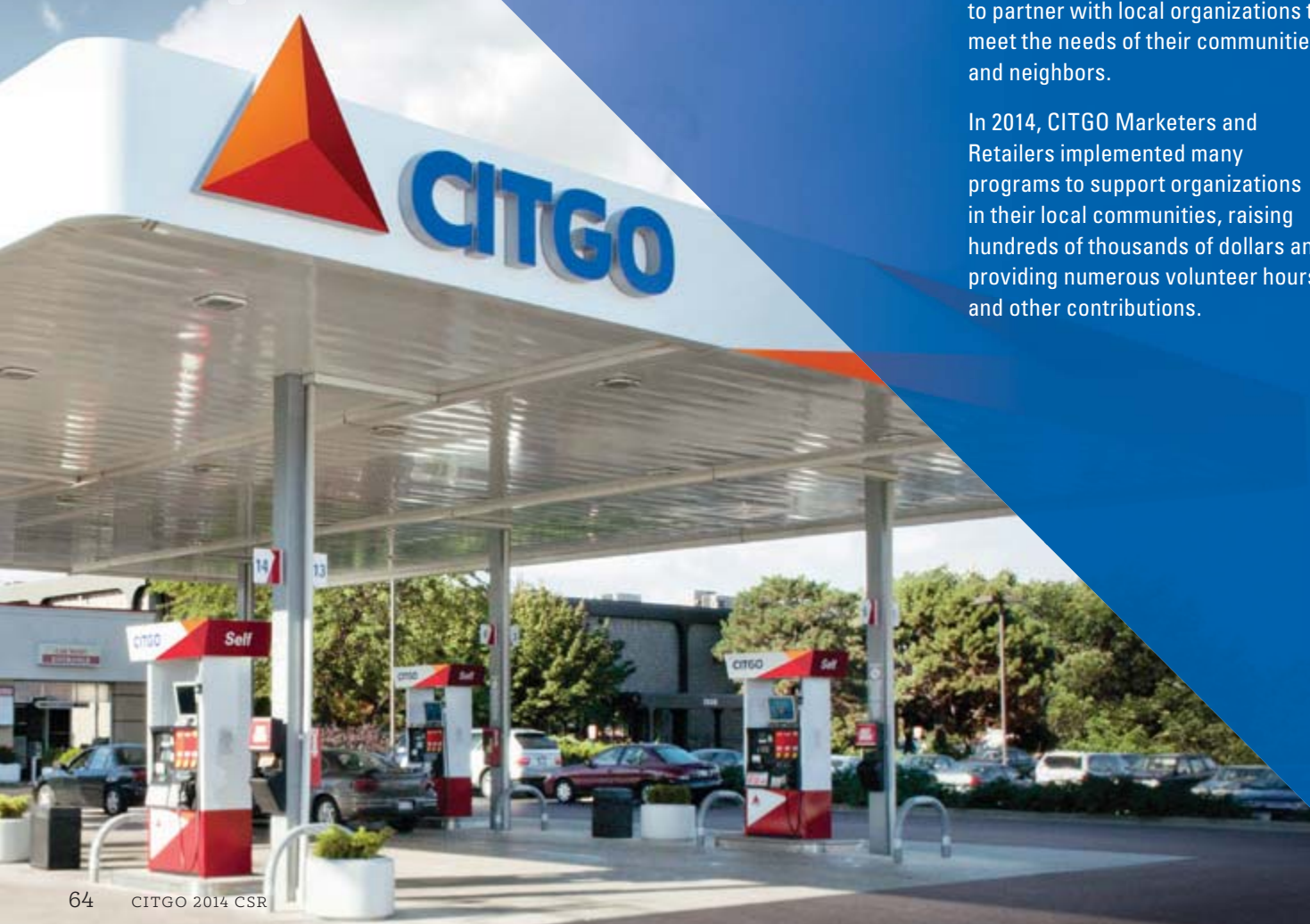
### *Food Pantry Collection Drives*

Team CITGO continued its dedication to help those in need by organizing a Fall Food Drive benefiting six area food pantries in 2014. The group collected more than 1,000 non-perishable food items from employees and contractors, which were distributed to families and individuals through the chosen charities. The ability to provide healthy, nutritious meals to people in need is extremely rewarding and, through the generosity of our employees, we are able to accomplish this year after year.

# Independent Marketers and Retailers

The CITGO brand includes approximately 5,500 locally owned and operated retail stations. As the “face” of the company, CITGO strives to provide Marketers and Retailers with the products and tools necessary to be successful business operators and exceptional corporate citizens. CITGO supplies TriCLEAN™ gasoline, diesel fuel and approximately 500 lubricant products to independent Marketers and Retailers and they, in turn, sell products to their customers or individual consumers. We understand that the success of CITGO is inherently tied to the success of our business partners. However, CITGO is about much more than fuel, lubricants and customer service: The people of CITGO are committed to social development and community support. As our corporate vision clearly defines these values, we support and encourage our independent Marketers and Retailers to partner with local organizations to meet the needs of their communities and neighbors.

In 2014, CITGO Marketers and Retailers implemented many programs to support organizations in their local communities, raising hundreds of thousands of dollars and providing numerous volunteer hours and other contributions.



## FUELING EDUCATION

CITGO is proud to support education through our annual Fueling Education promotion, which offers teachers, student teachers and PTA/PTO members a chance to win \$1,000 in school supplies for their classrooms. This program is promoted by CITGO Marketers and Retailers from across our marketing footprint. By encouraging teachers from their local communities to participate in the program, our Marketers and Retailers help provide education materials that may otherwise be unavailable. In 2014, we had a total of 29,107 entries in the program — 23 times more than the year before — and 84 winners were selected.

In addition to school supplies, CITGO Marketers and Retailers partner with organizations such as Bess the Book Bus and the Miss America Organization to further support educational opportunities throughout the country. Bess the Book Bus is one of the nation's most innovative mobile literacy initiatives. The program's mission is to promote literacy and provide underserved children with access to new and engaging books. CITGO Marketers and Retailers regularly work with Bess to deliver free books and host reading sessions in local communities. In 2014, CITGO provided nearly 12,000 books for Marketers and Retailers to distribute at their events.

CITGO also teamed up with the Miss America Organization in 2014 to broaden the reach of Bess the Book Bus activities and other community-related initiatives. We partnered with Miss America state representatives, as role models in their communities, to garner support for community events and provide a platform to discuss important issues such as education and healthy lifestyles. CITGO Marketers and Retailers worked with state titleholders from 18 U.S. states.

## HEALTH

Our Independent Marketers and Retailers play a significant role in the company's support of MDA. With their help, CITGO raised \$13.6 million for MDA in 2014 — a new record. In Wisconsin, eight local Marketers (Saunders Oil Company, Condon Oil Company, Quality State Oil, Garrow Oil, Van Zeeland Oil, Frawley Oil, US Venture and Lakeside Oil Company) raised more than \$444,000 in 2014 through annual golf outings, raffles, live and silent auctions, and other events. Garrow Oil held its inaugural Toast to Life Gala in Appleton, and 170 attendees raised more than \$40,000. Condon Oil Company and Frawley Oil Company teamed up for the second annual MDA Madison Muscle Team event at the Keva Sports Center in Middleton, where children with neuromuscular diseases enjoyed an evening with state, local and national athletes, including Hall of Fame Inductee Ahman Green and former Green Bay Packers football players William Henderson and Antonio Freeman. The event attracted more than 450 individuals and raised more than \$110,000 in support of the Southern Wisconsin Chapter of MDA. In Maine, New Hampshire and Vermont, C.N. Brown Company and CITGO sponsored the annual "Shamrocks Against Dystrophy" paper mobile program to benefit MDA, and raised more than \$103,000 to benefit children, adults and families affected by neuromuscular disease in their local communities.

## COMMUNITY REVITALIZATION

As local business owners, our Marketers and Retailers are committed to protecting and enhancing their communities. In 2014, Barrick Enterprises, Inc. hosted a cleanup event at a local H A&Z CITGO station where more than 20 community members and

Barrick employees gathered to remove graffiti, paint buildings and plant flowers at the station. The cleanup event was part of Barrick's latest mission to revamp the Detroit community by enhancing CITGO locations.

The Bazzi Oil & Gas Company also supports Detroit's community cleanup initiatives by participating in an annual "Clean the D" event hosted by The Eight Mile Boulevard Association (8MBA). In 2014, more than 150 volunteers participated in painting projects, flower planting and trash pickup throughout Detroit's Eight Mile corridor.

## SOCIAL INVESTMENTS

Many of our independent Marketers and Retailers choose to support their local communities through various forms of social investments. Through the "Be A Star. Buy A Star." fundraiser, customers at 19 Atlas Oil Company locations were invited to purchase paper stars in support of the 2014 Relentless Tour: Ianni Project — a grassroots initiative by the Autism Alliance of Michigan designed to help eradicate bullying throughout the state. Local CITGO Marketer JEL, Inc. also hosted a "Be a Star. Buy a Star." fundraiser to support four local charities throughout Louisiana, including Colors for a Cause, Operation Homefront, the Food Bank of Northwest Louisiana and Saint Helena Action for Equality (SAFE).

The Folk Oil Company teamed up with PS Food Mart to support local food pantries, afterschool lunch programs and churches in the fifth annual Kellogg's Pop-Tarts™ fundraiser. Through this initiative, customers purchased Pop-Tarts™ at participating locations for donation to a local charity chosen by the store manager. Last year, the company was able to donate more than 127,000 Pop-Tarts™ to children and families in need.

# Governance

**AT** CITGO, operating a strong, dependable and ethical company is crucial to maintaining the trust and confidence of our customers, employees, 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, starting at the top of our organization.

We recognize the impact that our day-to-day activities can have on our surrounding environment. Accordingly, we carefully assess and manage our enterprise risks. We design our risk management programs to be responsive to the needs of our markets, our communities and our people.





## 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 society's 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 that people are critical to our success. We trust, respect and value the opinions of all employees, customers and stakeholders. We work as a team, collaboratively, 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 by privilege, not right, in the communities we serve. We promote and participate in a wide variety of social development programs to improve the overall quality of life, especially for those living in poverty. We promote the spirit of volunteerism and encourage employees to take active roles in our communities.

#### **AVAILABILITY**

We ensure the availability of our operations by keeping work processes and equipment ready and able to perform their assigned tasks. This around-the-clock readiness helps ensure the safety and health of our employees and neighbors, protect our natural resources, supply product to our customers without interruption, and maintain our commitment to social responsibility.

#### **COMPETITIVENESS**

We compete 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 manage controllable costs.



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OUR VISION AND  
VALUES GUIDE  
EVERYTHING WE DO.

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## Ethics and Transparency

In order to maintain the highest ethical standards, we 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**

We nominate and elect Board members annually. CITGO is a Delaware corporation, and 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. Martínez.

Our Board committees include:

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

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

### **COMMITMENTS AND OBJECTIVES**

We abide by 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

CITGO takes corporate compliance seriously, and provides several mechanisms through which employees and third-parties may report suspected incidents of corruption. Reports of corruption may be made anonymously by calling or e-mailing the corruption reporting hotline found on our internal and external websites. Employees may also e-mail the Legal Department, or contact a CITGO attorney, our Chief Compliance Officer or the General Auditor.

CITGO corruption reporting hotlines are administered by a third party. 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 we follow up on and investigate each incident. The General Auditor reports the results of each investigation to the Board of Directors' Audit Committee. Relevant issues are forwarded to 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 noncompliance incidents. The new software records, identifies and tracks all incidents of noncompliance,

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 threats
- Theft
- Embezzlement
- Falsification of reports or records
- Conflicts 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 and follows all laws and regulations regarding contributions to political candidates, parties and political action committees. However, in 2014 and for several previous years, CITGO has made no 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 as company representatives on various committees.

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