



COMMUNITY INVESTMENT | COMMITMENT PROGRAM
A GUIDE FOR PARTNERS





Together, we go the extra mile.



Introduction

Valero Energy Inc. owns and operates the Jean Gaulin Refinery in Lévis, which has a refining capacity of approximately 235,000 barrels a day, and several other logistical infrastructures in Eastern Canada, including the Montreal-East oil terminal, the largest of its kind in Canada, and the Pipeline Saint-Laurent, linking its Lévis refinery and its facilities in Montreal.

Its Canadian activities make it a leader, mainly in industrial and commercial sales of oil products and with independent distributors and resellers. **Valero Energy Inc.** is a wholly owned subsidiary of the Valero Energy Corporation.

The Valero Energy Foundation (the “Foundation”), the philanthropic arm of Valero, is a corporation constituted under the *Canada Corporations Act* and constituted pursuant to the *Canada Not-for Profit Corporations Act*, whose mission is to provide financial support for non-profit organizations working with children and fighting to keep them in school.

Valero Energy recognizes that, as a responsible actor and stakeholder in society, it must actively participate in the well-being and development of communities where it is established.

Valero Energy’s Community Investment and Commitment Program enables the company to realize this willingness to create better living environments for communities. In this vein, Valero provides financial support for many causes and to community organizations, while encouraging its employees to take part in volunteer initiatives. The program reflects Valero’s philanthropic vision, where communities benefit from its commercial activities both now and in the future.

Support for community initiatives and organizations

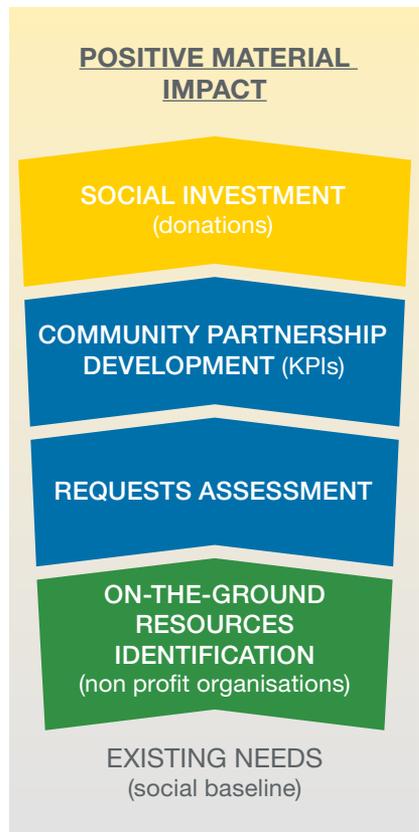
Valero’s donations are governed by its **Community Investment and Commitment Program** (“Program”) and must be made to non-profit organizations recognized as charity organizations registered with the Canada Revenue Agency.

Valero’s process requires that the company:

1. Perform a exercise beforehand to identify and evaluate community needs (an evaluation of the communities’ basic socioeconomic needs)
2. Establish in order of priority the initiatives to support based on the issues identified as the most important ones; and
3. Ensure that the partner organizations are able to produce the results expected by all parties.

The established approach generates positive concrete impacts by supporting organizations in the community network that meet the most pressing socioeconomic needs according to public health indicators in sectors where Valero Energy is active.

The established process:



Niches of community involvement

Valero Energy supports initiatives in one or several of these three niches of community involvement:



Success and school perseverance



**Families
women, immigrants
and elders**



**Healthy lifestyle
and food security**



Community initiatives receiving financial support from Valero Energy must generate concrete and structuring impacts that are measurable both qualitatively and quantitatively within a given community.

How to submit an application for financial support

All potential partners wishing to receive financial support pursuant to the Valero Energy Program are invited to submit an application to the company, which will review it. The application form is in the **Community** section of the company's website at energievalero.ca and can be downloaded.

All applications for funding must include a certain amount of information, including the following:

1. Brief overview of the organization requesting financial support and its charity organization registration number.
2. Details on the proposed community initiative or service, with information on how this service or initiative corresponds to one or several of Valero Energy's priority sectors.
3. The amount and duration of the financing requested.
4. A detailed breakdown of how the funds will be used (e.g., activities, programs, services, salaries, equipment, administration).
5. The major results sought, which can be measured by specific indicators (the type that a performance evaluation report would contain).
6. Planned strategies to ensure the viability of the proposed community initiative or service after the financing requested has stopped.
7. Ways of promoting the initiative/ program and recognizing Valero Energy's engagement.
8. Proposed schedule for the submission of progress reports assessing the effectiveness of financing with respect to the results sought (in the case of a partnership lasting several years).





Centre de la Grande Région
du Grand Montréal



Steps in the application review process

1. Receipt of the application

Valero has centralized its financial support application review process. All applications for donations or sponsorships must be emailed to **affairespubliques@valero.com**

No donations or sponsorships are automatically renewed. A new application must be submitted for a renewal and evaluated once again by the company.

2. Analysis and recommendation

Applications are analyzed in accordance with guidelines governing the Community Investment and Commitment Program, as presented herein.

All applications are evaluated by an internal review committee. Applicants may be asked for additional information for the committee to better assess their request.

3. Response to the applicant

If at all possible, applicants shall receive a written reply confirming Valero's decision within 6 to 8 weeks of the date the application was submitted.

Note: At times, Valero Energy does receive more applications for projects of interest than it is able to finance. Although each application is extensively reviewed, Valero Energy is not required to specify the reasons for its decisions.

Multi-year partnership agreement

Multi-year partnerships that fit within one or several of the program's community involvement niches can be proposed to Valero.

As is the case with one-time donation or sponsorship requests, applicants must submit a financing application in accordance with the normal candidacy process. In addition, for multi-year partnership proposals in particular, applicants must sign an agreement setting out the legal terms and conditions of that partnership.

Negotiating an agreement

Valero works in close cooperation with its community partners to develop agreements that confirm the financial, material and other resources that will help fulfill the mission of an organization, initiative or specific project.

A typical agreement describes the major objectives and duration of the partnership, a payment schedule, a schedule of reports describing the progress achieved during the partnership based on clearly defined success indicators, elements of visibility and recognition devoted to the partnership and to Valero as a major financial supporter, and so on.

Depending on the nature of the agreement with Valero, the financing of some initiatives could be broken down into several payments based on the various steps that lead to the achievement of objectives.

Follow-up and evaluation (partner's obligations)

A schedule of reports and project evaluations will be drawn up to measure the progress the organization has made with respect to the objectives and targets it has set. The reports must contain, at a minimum, the following information:

- Name(s) of the partner(s)
- Amount paid (final report)
- Amount spent to date (periodic report)
- Amount paid by other sources
- Brief descriptions of the partnership/project:
 - Partner organization
 - Issue the partnership addresses
 - Duration of the partnership
 - Report on the indicators that were the subject of an agreement (e.g., situation, progress)
- Examples of success, case studies
- Following steps, if necessary
- Photos, if necessary

Program exclusions

Valero does not support the following:

- Requests from individuals (e.g., requests for financial support to pursue an education, sporting events, trips or funding of other organizations)
- Political contributions of any nature
- Religious activities exclusive to a lone community of believers
- Conferences or speakers at conventions or symposia
- Trips or tournaments of sports teams

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Valero Energy Inc.

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