

Innovation & Investment in Low Carbon Fuels

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Valero is the largest producer of renewable fuels in the world



Increasing
Renewable Diesel
production



Advancing
Renewable Naphtha
production



Developing
Sustainable Aviation Fuel (SAF)



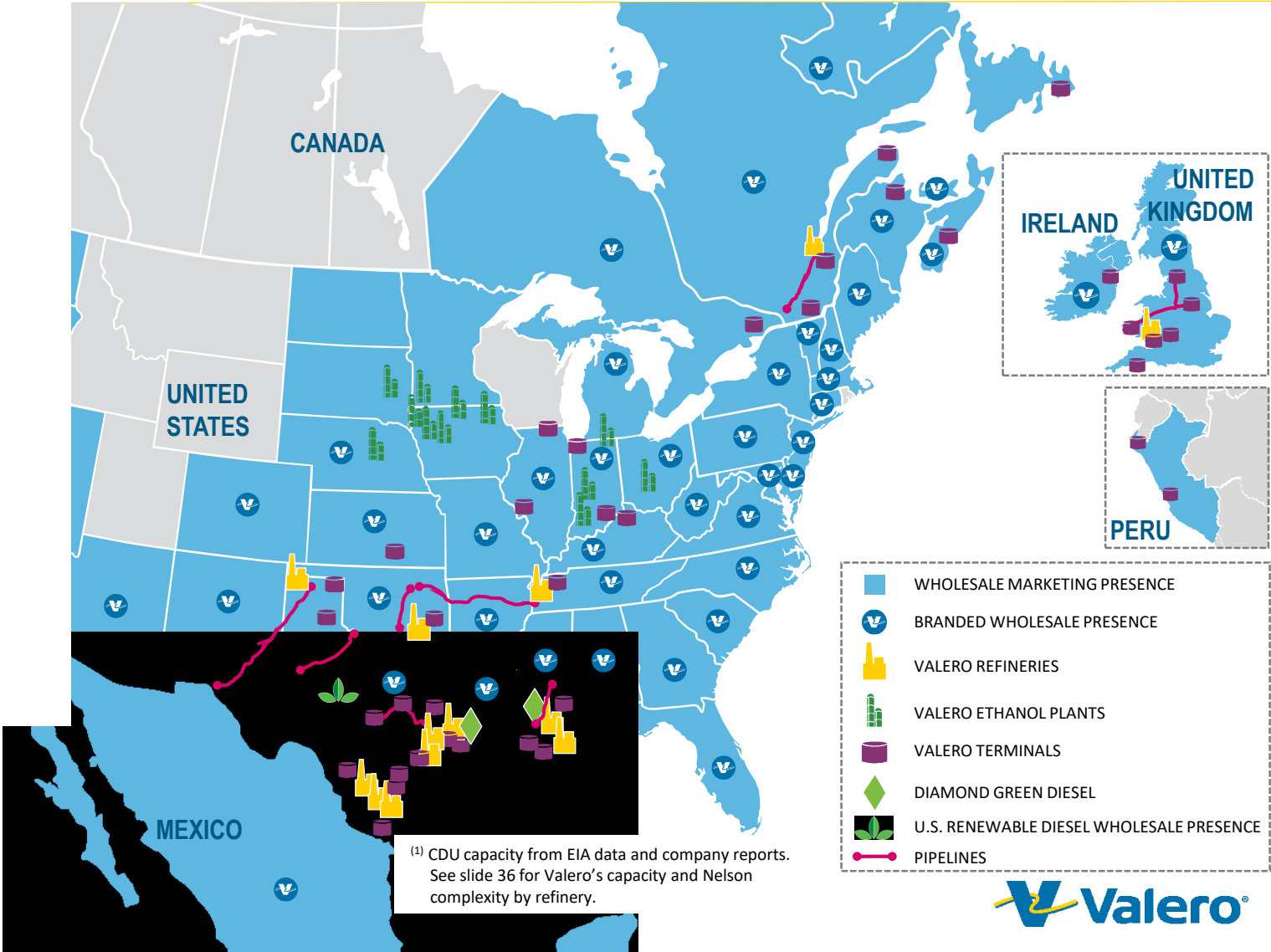
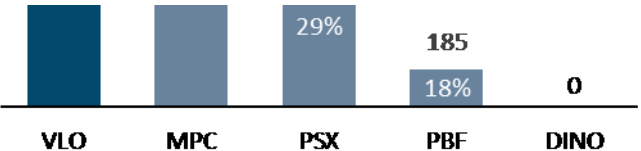
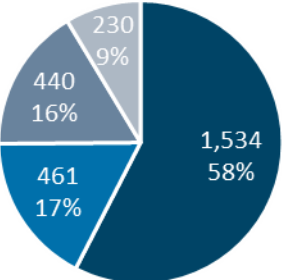
Developing
Renewable Hydrogen



Building
Ethanol Carbon Sequestration

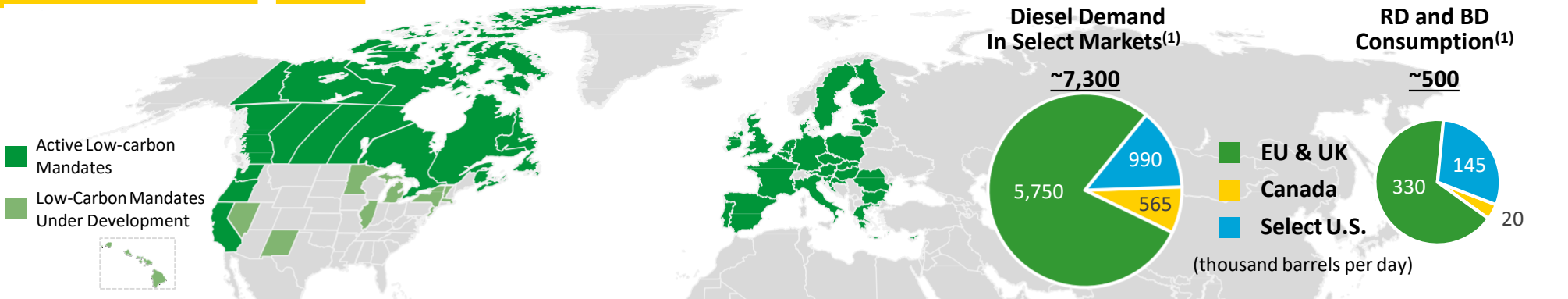
Market demands and policy support continue to incentivize our growth and innovation in renewables

ration in advantaged U.S. Gulf Coast



⁽¹⁾ CDU capacity from EIA data and company reports. See slide 36 for Valero's capacity and Nelson complexity by refinery.

Low-carbon fuel policies drive demand for renewable fuels



	2030 GHG Emissions Reduction Target	Net-zero GHG Emissions Target	Primary Transportation Fuel Policy Mechanism	2030 Transportation Fuels Goal
California	40%	Net-zero by 2045	Low Carbon Fuel Standard (LCFS)	Reduce the carbon intensity of transportation fuels by at least 20%
Canada	40 to 45%	Net-zero by 2050	Clean Fuel Regulations (CFR)	Reduce the carbon intensity of transportation fuels by 15%
EU	55%	Net-zero by 2050	Renewable Energy Directive III (RED III)	Replace 29% of transport fuels with renewable energy, or reduce sector GHG intensity by 14.5%
UK	68%	Net-zero by 2050	Renewable Transport Fuel Obligation (RTFO)	Replace 19% of transport fuels with renewable fuels
Other Policies in Place	<ul style="list-style-type: none"> Oregon’s Clean Fuels Program requires a 20% carbon intensity reduction by 2030 and a 37% reduction by 2035 Washington State’s Clean Fuel Standard requires a 20% carbon intensity reduction by 2034 New Mexico enacted a Clean Fuel Standard in 2024, for implementation in 2026 British Columbia’s LCFS requires a 30% carbon intensity reduction by 2030 Norway has a biofuel blending mandate for diesel of 40% by 2030 Sweden currently has a diesel GHG reduction requirement of 66% by 2030 Finland aims for 34% of transport fuels to be biofuels by 2030 			
Potential Policies	<ul style="list-style-type: none"> Hawaii, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, New York, Nevada and Vermont are considering low-carbon fuel programs 			

Up to 80% reduction in life cycle GHG emissions

Cost-effective fuel that can be used with existing vehicles

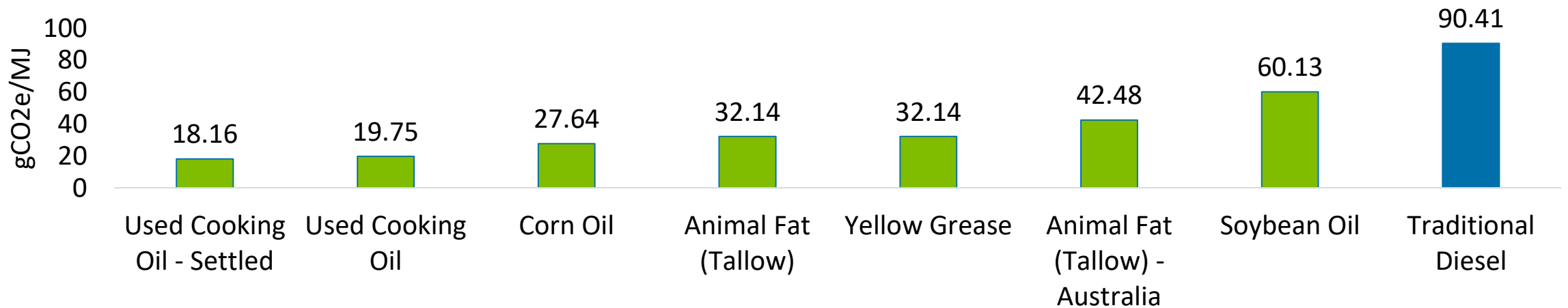
Drop-in fuel that does not require infrastructure investments

Source: DOE, agency websites, industry consultants and Valero estimates.
⁽¹⁾ 2022 diesel demand, inclusive of biofuels, and 2022 Renewable Diesel (RD) and Biodiesel (BD) consumption in Canada, EU, UK, and U.S. states with mandates in place or in consideration (CA, OR, WA, NM, HI, IL, MA, MI, MN, NJ, NY, NV, and VT).

DGD utilizes a variety of renewable feedstocks



DGD St Charles Renewable Diesel California Carbon Intensity Scores



Feedstocks and product markets for renewable diesel



Sustainable Aviation Fuel (SAF) Key Lingo

Terminology

- **SPK (Synthetic Paraffinic Kerosene)**

- Term used for the SAF blend stock component is SPK – it is also referred to as “Neat SAF”
- The blend stock is produced from the SAF fractionation tower which separates our renewable diesel product stream

- **SAF (Sustainable Aviation Fuel)**

- Refers to the finished fuel and consists of a blend of SPK and conventional jet fuel
- Once certified, SAF is a drop in fuel with conventional jet fuel and meets all of the same specifications as jet fuel purchased by airlines today from Valero



DGD Port Arthur – SAF project update

- Sustainable Aviation Fuel (SAF) environmental permit approved June 2023
- Project on course to be completed in 3Q 2024 with production expected in 4Q 2024
- Addition of feedstock import pipeline expected to be complete in 4Q 2024

