



# 2020 Summary Annual Report

[www.valero.com](http://www.valero.com)



# Our Products Fuel Modern Life

Petroleum-based products surround us in our daily lives. Whether at home, on the road, at the office, in hospitals, in the classroom or in the great outdoors, Valero's products help make our lives better.

**MEDICAL EQUIPMENT:**

- Surgical tools
- Polyester face masks and scrubs
- X-Rays and MRIs
- Breathing masks

**SCHOOL SUPPLIES:**

- Paper, pens and crayons
- Chalk and chalkboards
- Playground equipment
- Rulers, scissors, glue and tape

**HOUSEHOLD ITEMS:**

- Laundry detergent and baskets
- Televisions
- Refrigerators and food containers
- Toys

**TECHNOLOGY:**

- Keyboards and mouse pads
- iPads
- Mobile phones
- Ear buds
- Gaming systems and controllers

**OUTDOOR EQUIPMENT:**

- Camping and hiking gear
- Waterproof apparel
- Plastic coolers
- Bathing suits, sunglasses and umbrellas
- Sporting goods

# ADVANCING THE FUTURE OF...





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# 2020 Summary Annual Report

Please visit [www.valero.com](http://www.valero.com) to learn more about our company. The terms “Valero,” “we,” “our” and “us,” when used herein, may refer to Valero Energy Corporation (NYSE: VLO), to one or more of our consolidated subsidiaries, or to all of them taken as a whole.



Albert City, Iowa, Ethanol Plant



Best-in-class producer of fuels and products that are **essential to modern life**



Growth through **innovation in renewables**

-  Increasing **Renewable Diesel** production
-  Advancing **Renewable Naphtha** production
-  Developing **Sustainable Aviation Fuel (SAF)**
-  Developing **Renewable Hydrogen**
-  Evaluating additional **Carbon Sequestration** opportunities

Financial **Summary**

	2020	2019
Revenues	\$ 64,912	\$ 108,324
Operating Income (Loss)	\$ (1,579)	\$ 3,836
Net Income (Loss) Attributable to Valero Stockholders	\$ (1,421)	\$ 2,422
Earnings (Loss) Per Common Share – Assuming Dilution	\$ (3.50)	\$ 5.84
Total Assets	\$ 51,774	\$ 53,864
Total Valero Stockholders’ Equity	\$ 18,801	\$ 21,803
Cash and Cash Equivalents Included in Current Assets	\$ 3,313	\$ 2,583
Dividends per Common Share (year ended December 31)	\$ 3.92	\$ 3.60
Capital Investments Attributable to Valero <sup>1</sup>	\$ 1,965	\$ 2,633

Amounts in millions of dollars, except for per share amounts.

This is only a financial summary. The company's full, audited financial statements are contained in its Annual Report on Form 10-K for the year ended Dec. 31, 2020, which has been filed with the U.S. Securities and Exchange Commission and made available to all stockholders. This information is also available at [www.valero.com](http://www.valero.com).

Cautionary Statement Regarding Forward-Looking Statements

This summary annual report contains forward-looking statements made by Valero or management intended to be covered by the safe-harbor provisions under federal securities laws. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other forward-looking information. You can identify forward-looking statements by words such as “plan,” “should,” “strive,” “pursue,” “intend,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “could,” “would,” “track,” “continue,” “poised,” “focused,” “seek,” “opportunity,” “scheduled,” “may,” “will,” “targeting,” or other similar expressions that convey the uncertainty of future events or outcomes. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of Valero and are difficult to predict including, but not limited to, the effect, impact, potential duration or other implications of the COVID-19 pandemic and various events arising therefrom. These statements are often based upon various assumptions, many of which are based, in turn, upon further assumptions, including examination of historical operating trends made by the management of Valero. Although Valero believes that the assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Valero cannot give assurance that it will achieve or accomplish its expectations, beliefs or intentions. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in Valero's filings with the Securities and Exchange Commission, including Valero's annual report on Form 10-K, quarterly reports on Form 10-Q, and other reports available on Valero's website at [www.valero.com](http://www.valero.com). These risks could cause the actual results of Valero to differ materially from those contained in any forward-looking statement.

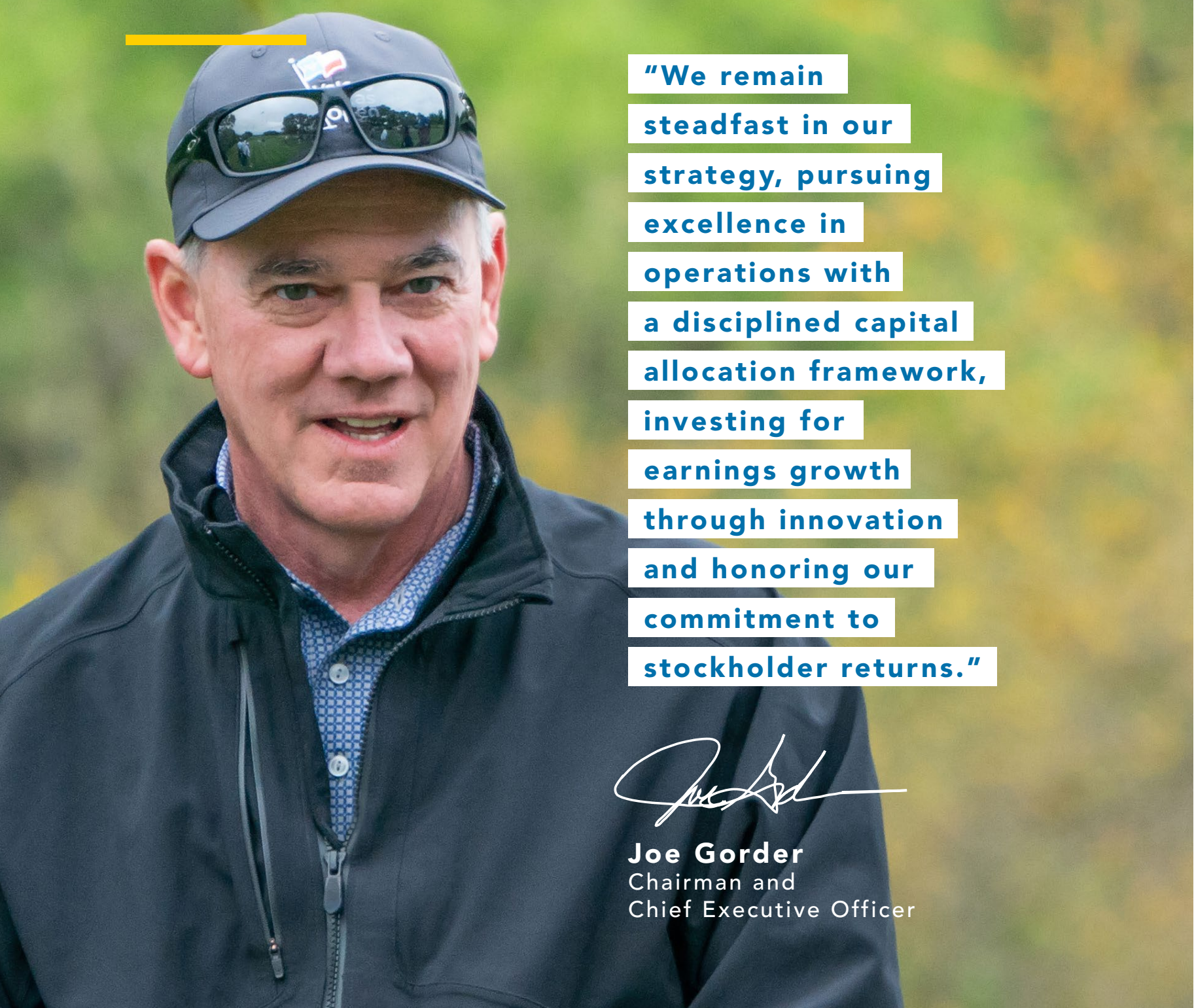
Non-GAAP Financial Measures

This summary annual report includes certain financial measures that are not defined under U.S. generally accepted accounting principles (“GAAP”) and are considered to be non-GAAP measures. Valero has defined these non-GAAP measures and believes they are useful to the external users of its financial statements, including industry analysts, investors, lenders, and rating agencies. Valero believes these measures are useful to assess its ongoing financial performance because, when reconciled to their most comparable U.S. GAAP measures, they provide improved comparability between periods after adjusting for certain items that Valero believes are not indicative of its core operating performance and that may obscure its underlying business results and trends. These non-GAAP measures should not be considered as alternatives to their most comparable U.S. GAAP measures nor should they be considered in isolation or as a substitute for an analysis of Valero's results of operations as reported under U.S. GAAP. In addition, these non-GAAP measures may not be comparable to similarly titled measures used by other companies because Valero may define them differently, which diminishes their utility. Valero's reconciliations of GAAP financial measures to non-GAAP financial measures are located at the end of this summary annual report.

<sup>1</sup> See pages 38-39 for non-GAAP disclosures.



# Message to our Stockholders



**"We remain  
steadfast in our  
strategy, pursuing  
excellence in  
operations with  
a disciplined capital  
allocation framework,  
investing for  
earnings growth  
through innovation  
and honoring our  
commitment to  
stockholder returns."**

**Joe Gorder**  
Chairman and  
Chief Executive Officer

The COVID-19 pandemic had an extraordinary impact on families, communities and businesses across the globe. Our industry, like so many others, faced unprecedented challenges but I am incredibly proud of Team Valero for their dedication to keeping our company moving forward, making products that people depend on in our country and across the globe.

Valero, considered part of the country's critical infrastructure, kept operating safely throughout the pandemic and honored our long-standing commitments to safety, environmental stewardship, our communities and our stockholders during this time. Our focus on safety, combined with investments in reliability and environmental stewardship, provide the foundation for our operations excellence.

In fact, we achieved several operational records last year, delivering our best year ever in safety and environmental performance. This dedication is what makes Valero a best-in-class producer of fuels and products that are essential to modern life.

Valero entered the economic downturn in a position of strength, and our team was thorough, decisive and swift in its operational and financial response. Operationally, we adjusted the throughput rates at our refineries to more closely match product supply with demand to ensure that our supply chain did not become physically infeasible. We also temporarily idled a number of our ethanol plants and reduced the amount of corn feedstock processed at the remaining plants to address the decreased demand for ethanol. Financially, we remained well capitalized. We entered into a new \$875 million revolving credit facility and raised \$4 billion of debt at attractive rates for additional liquidity. We also temporarily suspended buybacks in mid-March and reduced our capital budget by over \$500 million while keeping our high return, low-carbon projects moving forward. Through all of this we never wavered in our commitment to stockholders. Valero returned \$1.8 billion to our owners, while maintaining its dividend and

investment grade credit ratings, ending the year with over \$3 billion of cash and more than \$9 billion of total available liquidity.

Despite the challenges and hardships through the pandemic, I was encouraged to see individuals selflessly helping and stepping up to support those in need. In this spirit of giving, I am proud that Valero continued to support the communities where we operate, with employee volunteerism and more than \$58 million in charitable contributions, including COVID-19 relief funding – for food, shelter, educational resources and other life necessities.

Recognizing the world wants cleaner fuels, and consistent with our long-standing commitment to sustainability, we shared our plan to reduce and offset 63% of refining greenhouse gas (GHG) emissions by 2025. And we have line of sight to this target with projects that have been approved by the Board and are already in execution. These renewable energy projects reduce the carbon intensity of our products while earning attractive returns to further strengthen our long-term competitive advantage.

We also made significant progress on our international strategy to expand our product supply chain into higher growth markets with the start of waterborne product shipments to the new Veracruz terminal, making Valero one of the largest fuel importers into Mexico.

Our framework served us well during a challenging 2020 just as it has in previous years, and we'll continue to adhere to it in the future. We remain steadfast in our strategy, pursuing excellence in operations with a disciplined capital allocation framework, investing for earnings growth through innovation and honoring our commitment to stockholder returns.

Thank you for your continued support and trust.

On behalf of Team Valero, may you and your loved ones be blessed.



# Company Summary

Valero Energy Corporation, through its subsidiaries, is an international manufacturer and marketer of transportation fuels and petrochemical products.

Valero is based in San Antonio, Texas, and operates 15 petroleum refineries with a combined throughput capacity of approximately 3.2 million barrels per day and 13 ethanol plants with a combined production capacity of 1.7 billion gallons per year.

Valero is also a joint venture partner in Diamond Green Diesel (DGD), which owns and operates a renewable diesel plant next to Valero's St. Charles refinery in Louisiana.





# Map of Operations

## REFINING

**Assets:** 15 petroleum refineries in the U.S., Canada and the U.K.

**Products:** Gasoline, diesel, jet fuel and other specialty products, including asphalt and petrochemicals, that fuel modern life

**Throughput Capacity:** 3.2 million barrels per day of crude oil and other feedstocks

## RENEWABLE DIESEL

**Assets:** Diamond Green Diesel (joint venture), Norco, Louisiana

**Products:** Renewable diesel fuel

**Capacity:** 290 million gallons per year

## ETHANOL

**Assets:** 13 plants in mid-continent U.S.

**Products:** Ethanol, distillers grains and fuel-grade corn oil

**Capacity:** 1.7 billion gallons per year of ethanol; 4.5 million tons of distillers grains



## LOGISTICS ASSETS

~3,000 miles of active pipeline  
~130 million barrels of active shell capacity for crude oil and products  
200+ truck rack bays

~5,200 railcars  
50+ docks  
2 Panamax-class vessels

Includes assets that have other joint venture or minority interests. Does not include ethanol assets, except for railcars.

## ALTERNATIVE ENERGY GENERATION

33 wind turbines with 50 megawatts of electricity capacity to help power the McKee refinery in the Texas Panhandle

4 cogeneration plants in the U.S. and the U.K.



# Guiding Principles

## OUR VISION

The world requires reliable, affordable and sustainable energy, and we see this as an opportunity.

We are committed to advancing the future of energy through innovation, ingenuity and unmatched execution.

### SAFETY

Safety is our foundation for success.

### ENVIRONMENT

We are committed stewards of the environment.

### COMMUNITY

We will be a good neighbor by sharing our success with the communities where we live and work through volunteerism, charitable giving and the economic support of being a good employer.

### EMPLOYEES

We consider our employees a competitive advantage and our greatest asset. We foster a culture that supports diversity and inclusion, and we provide a safe, healthy and rewarding work environment with opportunities for growth.

### GOVERNANCE

We view our stakeholders as partners to whom we seek to deliver operational excellence, disciplined management of capital and long-term value on a foundation of strong governance and ethical standards.





# ESG

We believe that proactive and consistent dialogue with stakeholders helps us address environmental, social and governance priorities, which enhance our business.

Our Sustainability Accounting Standards Board (SASB) report, which aligns Valero’s performance data with the recommendations of SASB’s framework in the Oil and Gas – Refining and Marketing industry standard, can be found on our website at [www.valero.com](http://www.valero.com) > Investors > ESG > Reports and Presentations.

In 2018, we published our Review of Climate-Related Risks and Opportunities assessing the resilience of our business strategies under a potential transition to a lower-carbon economy consistent with a 2°C scenario. We intend to present an updated report following the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations later in 2021. We are participating in the CDP Climate Change Questionnaire 2021.

### ENVIRONMENTAL

On track to achieve **63% refining GHG emissions reduction/offset** target by 2025

2020 **best year ever** for environmental performance

- World's 2<sup>nd</sup> largest renewable diesel producer
- Renewable diesel and ethanol reduce life cycle GHG emissions up to **80%** and **30%**, respectively
- World's 2<sup>nd</sup> largest corn ethanol producer
- Growth projects in low-carbon fuels as well as carbon capture and storage

### SOCIAL

2020 **best year ever** for safety performance

Surpassed **\$58 million** in community donations and fundraising, with more than **\$12 million** for COVID-19-related support in 2020

- 9,964 global employees<sup>2</sup>
- 35% of our U.S. workforce are minorities<sup>2</sup>
- 29% of our global professional employees are women<sup>2</sup>
- Named to **Forbes** 2020 World’s Best Employers

### GOVERNANCE

**Diverse, independent Board of Directors:**  
5 of 11 represent diversity of race or gender  
3 of 11 are women • 10 are independent  
3 fully independent committees

- Board and committee **oversight of risks and compliance**, including climate change risks, GHG reductions and renewable fuels strategy
- **Compensation aligned with performance:** all-employee **bonus program** includes ESG efforts and improvements; and executive performance shares include an **Energy Transition performance measure** (as a modifier to relative TSR) linking compensation to the company’s progress toward its publicly-announced GHG emissions reduction/offset target and percentage of growth CAPEX deployed for low-carbon initiatives



# Advancing the Future of Energy

WITH CAPITAL DISCIPLINE, INNOVATION  
AND UNMATCHED EXECUTION

**RELIABLE**  
**AFFORDABLE**  
**SUSTAINABLE**  
**ENERGY**

Proudly keeping families  
and critical supplies moving  
around the world.



# Innovation

Building upon Valero's expertise, we are leveraging our global liquid fuels platform to continue expanding our long-term competitive advantage with investments in economic low-carbon transportation fuels projects.

Global low-carbon fuel policies are driving demand for renewable diesel, and we are making great progress on an expansion of our Diamond Green Diesel (DGD) joint venture plant located next to our St. Charles refinery in Louisiana. This expansion is slated for completion in 2021 and is expected to increase production capacity by 400 million gallons per year to a total production capacity of 690 million gallons per year.

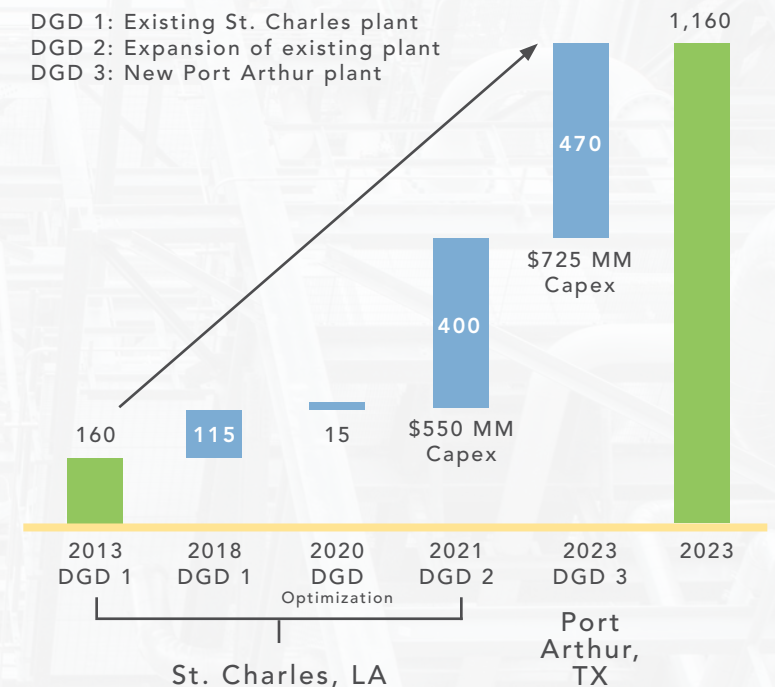
DGD also announced a new renewable diesel plant to be located next to our Port Arthur refinery. Once this plant is complete, DGD's total renewable diesel capacity is expected to be 1.2 billion gallons per year. We believe this will strengthen Valero's long-term competitive advantage in a low-carbon transportation fuels world, further solidifying our position as the world's second-largest renewable diesel producer.

Diamond Green Diesel at Valero's St. Charles Refinery

We are reinvesting capital with diversification into higher growth, higher return and lower carbon renewable fuels.

## RENEWABLE DIESEL CAPACITY

Million gallons per year



Diamond Green Diesel Capex reflects Valero's 50% share.

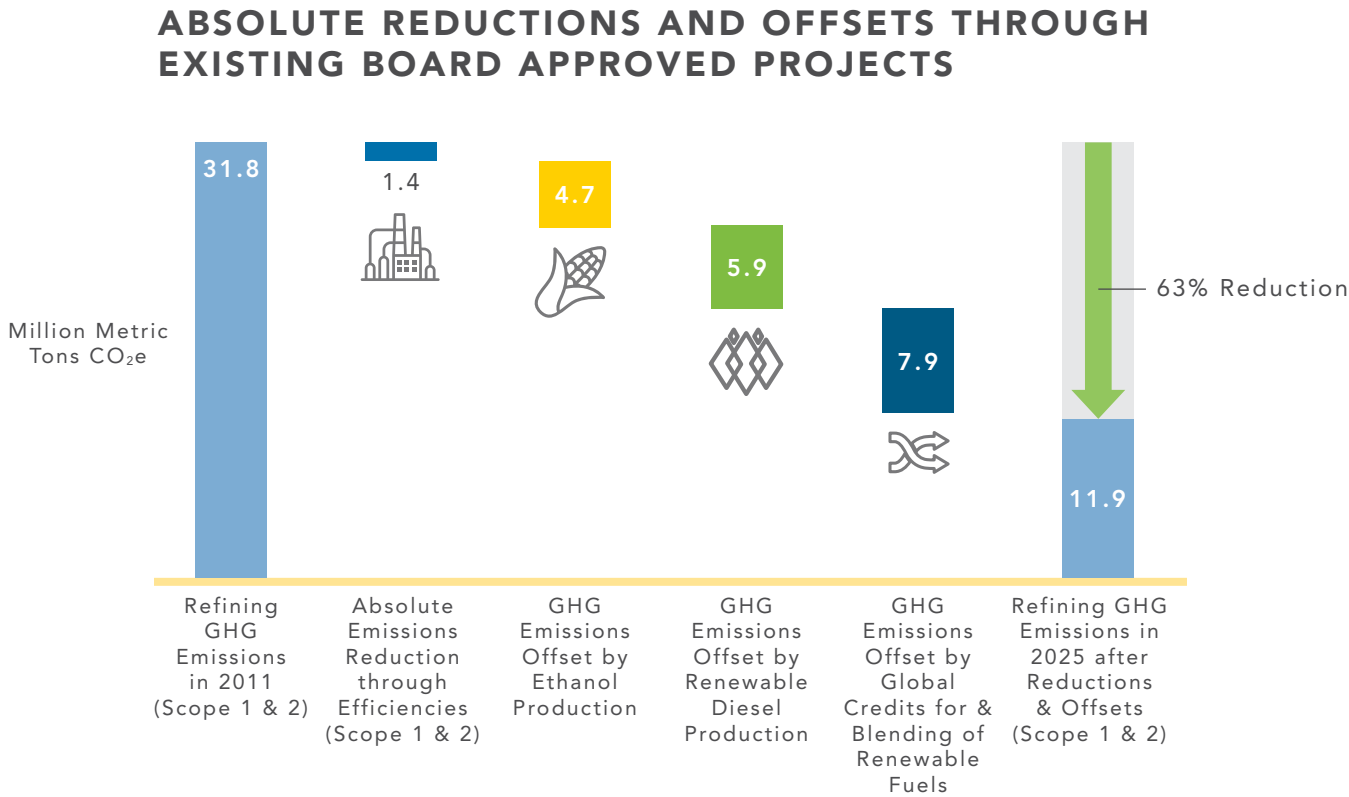


Since 2009, we have invested more than \$3 billion\* in our renewable fuels businesses, and we are exploring additional growth opportunities, including our recently announced carbon sequestration project with BlackRock and Navigator.

We are working with BlackRock and Navigator to develop an industrial-scale carbon capture and storage system in the U.S. Midwest that would capture and store carbon dioxide (CO<sub>2</sub>) from eight of Valero’s ethanol plants, lowering the carbon intensity of the ethanol product.

Also, we are expanding our renewable naphtha production capacity, and sustainable aviation fuel (SAF) is under development.

Valero is targeting to reduce and offset 63% of our refining GHG emissions by 2025 through investments in Board approved projects.



\*Our investment to date in our renewable fuels businesses consists of \$1.4 billion in capital investments to build our renewable diesel business and \$1.7 billion to build our ethanol business. Capital investments in renewable diesel represent 100 percent of the capital investments made by DGD.





# Capital Discipline

Even though 2020 was a year like no other, Valero's disciplined capital management framework was the strong foundation that kept us moving forward and remains a constant in our strategy.

Valero remains focused on maintaining a **strong balance sheet**, with investment grade credit ratings.

Our premier refining portfolio is resilient even in a carbon-constrained scenario. We have a **long-term sustainable competitive advantage** with the highest free cash flow within our peer group.

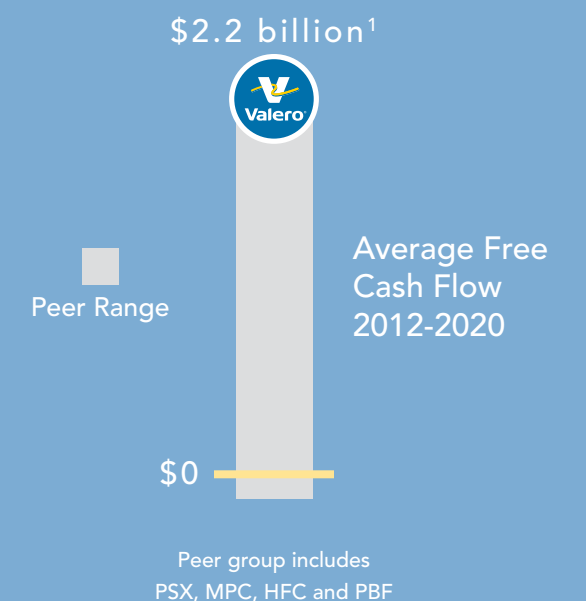
Valero's **non-discretionary expenditures** included **sustaining capital spending** as well as the common **stock dividend**. We target approximately \$1.5 billion annually to sustain our operations, including costs for turnaround maintenance, catalysts and regulatory compliance. These investments are key to safety and reliability, and were demonstrated in 2020 with our best year ever for safety and environmental performance.



Three Rivers Refinery

We have a long-term sustainable competitive advantage with the highest free cash flow within our peer group.

## HIGHEST FREE CASH FLOW WITHIN PEER GROUP



<sup>1</sup> See pages 38-39 for non-GAAP disclosures.



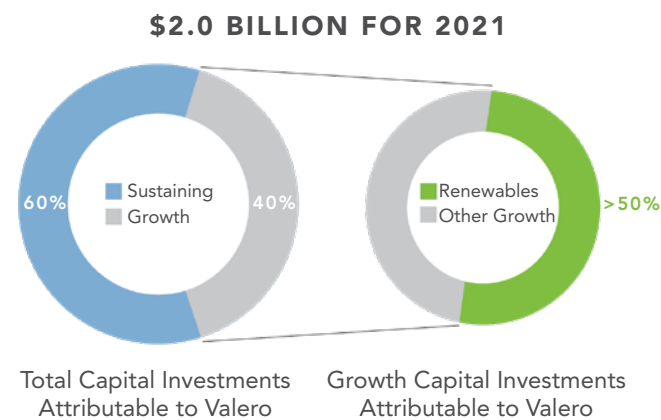
In 2020, Valero remained committed to its stockholders.

Valero's discretionary expenditures are centered upon three areas: growth capital, acquisitions and stock buybacks.

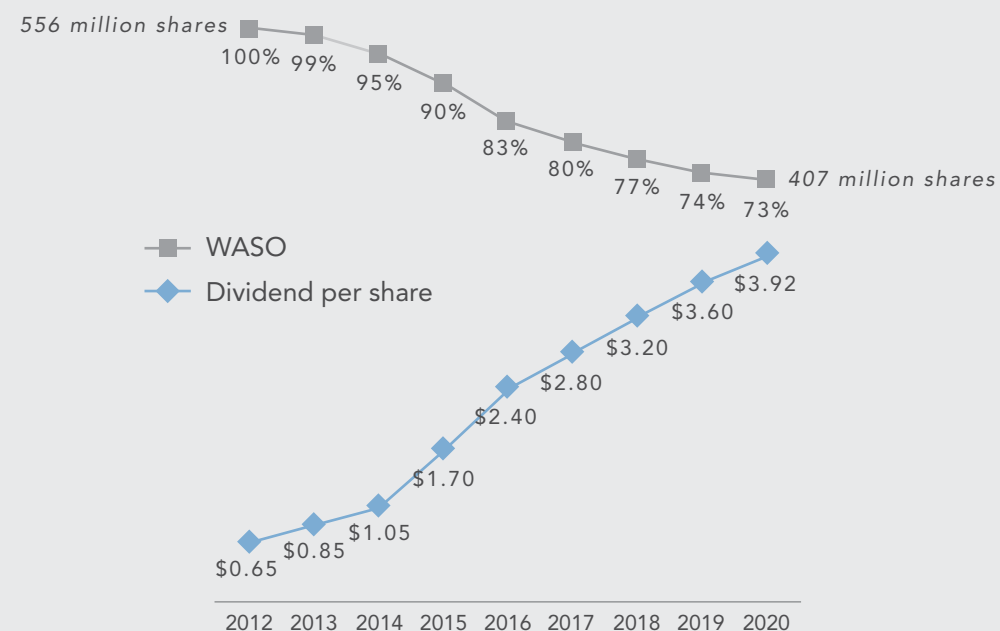
For **growth capital**, we look for a 25% after-tax internal rate of return for projects. In our refining business, projects are focused on operating costs control, market expansion, and margin improvement. For **acquisitions**, we always evaluate each opportunity versus alternative uses of cash.

Combined with common stock dividends, we target **stock buybacks** to achieve a long-term payout ratio of 40% to 50% of adjusted net cash provided by operating activities. Our stock buyback program consists of ratable and opportunistic purchases.

## ESTIMATED CAPITAL INVESTMENTS ATTRIBUTABLE TO VALERO\*



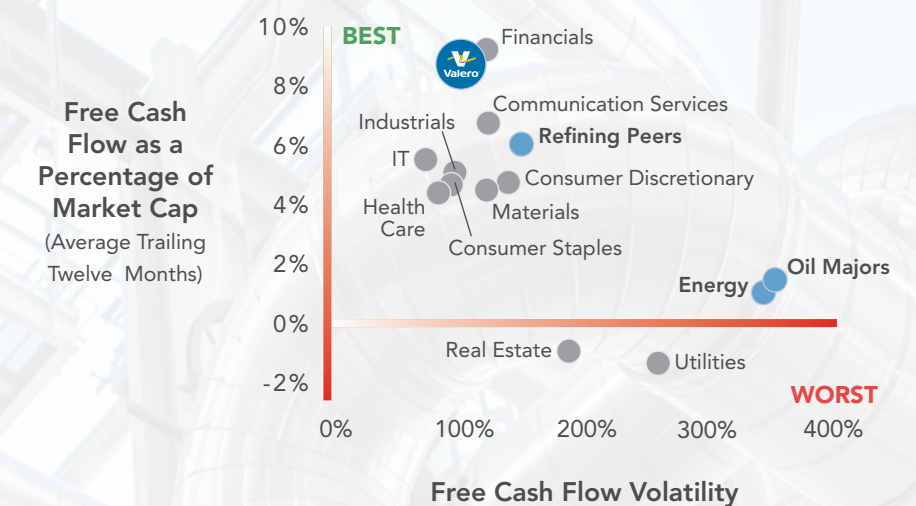
## ANNUAL DIVIDEND PER SHARE & WEIGHTED AVERAGE SHARES OUTSTANDING (WASO) AS PERCENTAGE RELATIVE TO 2012



\*See page 38-39 for non-GAAP disclosures.

Over the years, Valero has demonstrated lower volatility in earnings and free cash flow than other refiners, integrated companies and most S&P 500 sectors.

## S&P 500 FREE CASH FLOW VOLATILITY AND RETURN PROFILE 2012-2020



See page 38-39 for non-GAAP disclosures. Average free cash flow reflects 2012 through the most recent annual filing. Average free cash flow for PBF reflects years 2013 to 2020 due to its December 2012 IPO. Volatility expressed as coefficient of variance, or the standard deviation divided by the mean, of the respective metric on a quarterly basis from the first quarter of 2012 through the fourth quarter of 2020. Refining peer group includes PSX, MPC, HFC and PBF. Oil majors include XOM, CVX, COP and EOG.

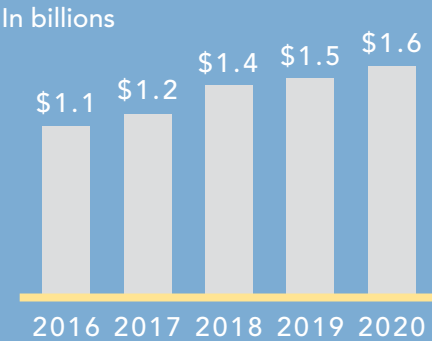


Wilmington Refinery

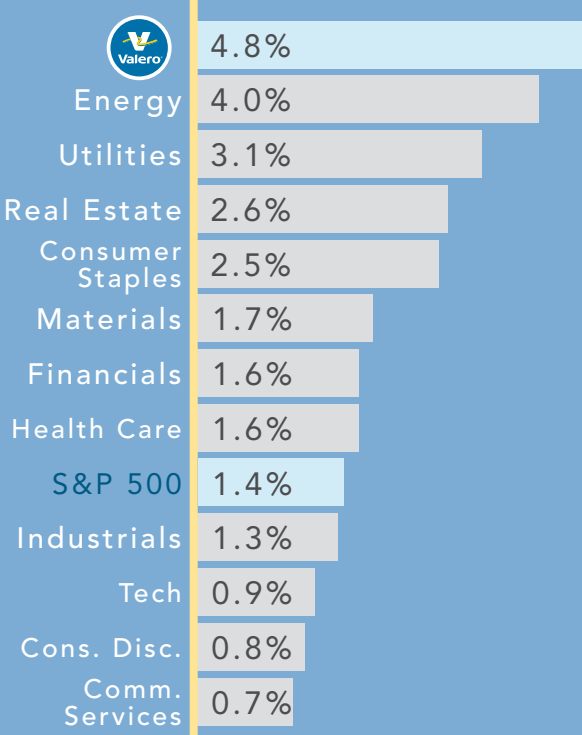
Valero  
targets a  
sustainable  
and growing  
dividend  
with a  
payout at  
the high end  
of the peer  
group.

In 2020, we  
returned  
\$1.6 billion  
through our  
dividend.

STOCKHOLDER  
DIVIDENDS



DIVIDEND YIELD



Dividend yield for sectors reflects the Index Yield of the respective SPDR exchange-traded fund (ETF), as of May 14, 2021.



# Unmatched Execution

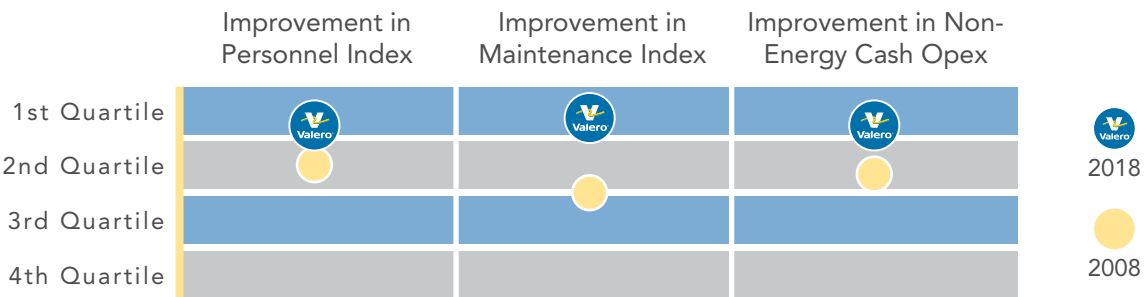
with a proven history of operations excellence

Despite the challenges of 2020, Valero’s commitment to safety, reliability and environmental stewardship never wavered.

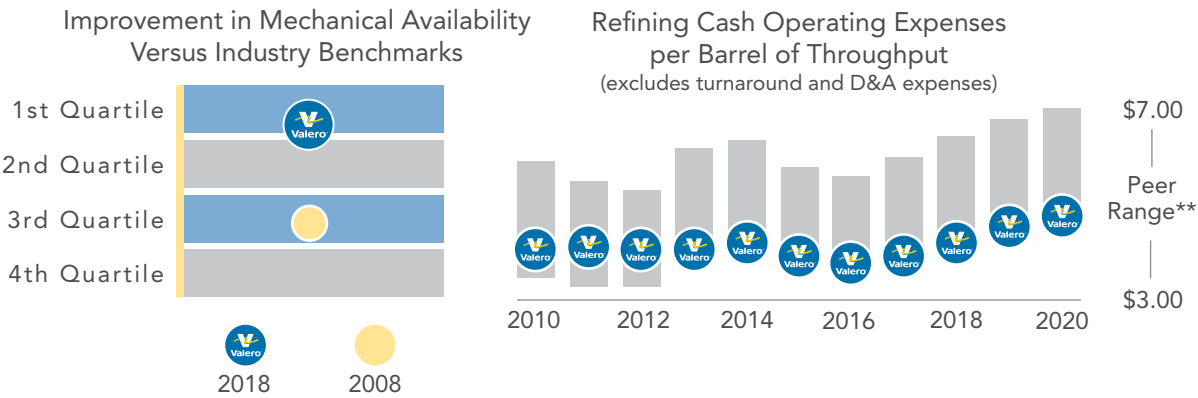
In 2020, Valero delivered its best year ever on safety performance and had the lowest number of environmental events in company history.

Investments in reliability are critical to operations excellence. This results in fewer unplanned shutdowns, ensuring safe, reliable and environmentally responsible operations, a foundation for Valero’s profitability.

Valero’s improvement versus industry benchmarks has led to Greater Margin Capture, Lower Operating Expenses and Better Efficiency\*



Increased mechanical availability – the percentage of time our refineries are available to operate – continues to deliver excellent reliability and has driven Valero to be the lowest cost producer in the industry, with a 97.2% mechanical availability in 2020.





### PERSONNEL SAFETY\*

Valero (Bar), Industry (Line)

Total Recordable Incident Rate (TRIR)

Year	Valero	Industry
2010	0.68	0.90
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		0.40
2020	0.23	

Refining Industry Employees (U.S. Bureau of Labor Statistics)

\*Industry TRIR from U.S. Bureau of Labor Statistics. Valero TRIR includes refining employee and contractor data.

\*\*Peer group includes PSX, MPC, HFC and PBF



Valero is a best-in-class producer of fuels and products essential to modern life.

Key Locations & Export Demands

Valero has a strong presence in the U.S. Gulf Coast and Mid-Continent along with advantaged crude supply in these markets.

As markets such as Latin America, the Caribbean, Eastern Canada, Europe and Africa work through their economic recovery and face potential energy shortages, Valero is poised to help meet the anticipated U.S. export demand.

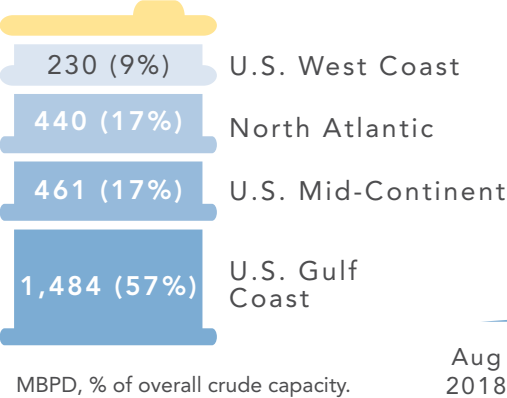
Exports to Latin America comprise 85% of total U.S. product exports. Valero continues to expand the supply chain into these high demand markets, such as Mexico, by investing and growing a flexible logistics supply system.

Operational Flexibility & Refinery Optimizations

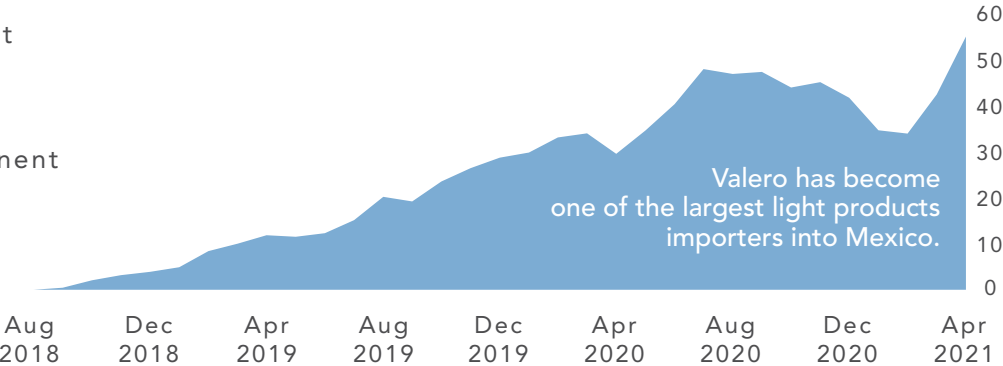
Valero has the operational flexibility to process a wide range of feedstocks.

This flexibility, along with the ability to optimize operations and shift product yields as market conditions change, gives Valero more opportunities to improve margin even through challenging times.

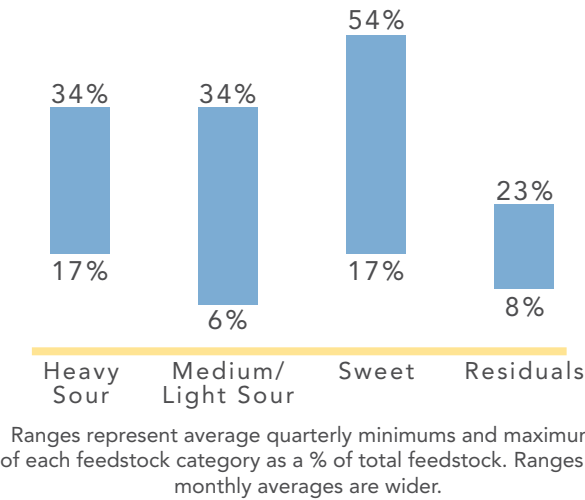
VALERO REFINING CAPACITY  
2.6 MILLION BARRELS PER DAY



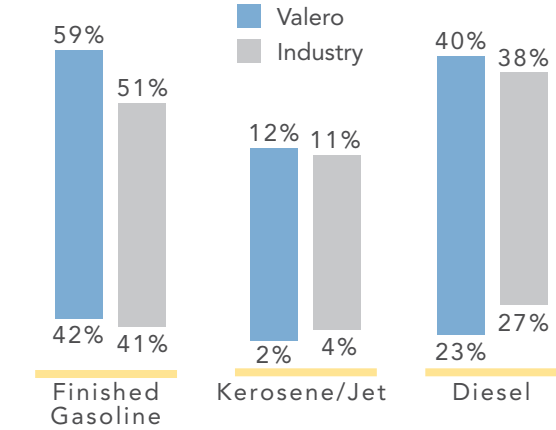
VALERO'S MEXICO WHOLESALE  
VOLUME GROWTH  
(thousand barrels per day)



GULF COAST FEEDSTOCK  
RANGES (2012 through Q1 2021)



2012-2020 REFINERY PRODUCT  
YIELD RANGES (monthly averages)





# Board of Directors

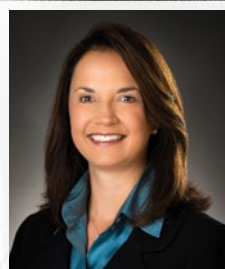
St. Charles Refinery



**Joe Gorder**  
Chairman of the Board  
and CEO, Valero  
Energy Corporation



**H. Paulett Eberhart**  
Chair and CEO,  
HMS Ventures



**Kimberly S. Greene**  
Chair, CEO and  
President, Southern  
Company Gas



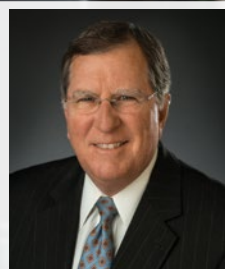
**Deborah P. Majoras**  
Chief Legal Officer and  
Secretary, The Procter  
& Gamble Company



**Eric D. Mullins**  
Chairman and CEO,  
Lime Rock Resources



**Sen. Don Nickles**  
Retired U.S. Senator  
(R-Okla.) and Chairman  
and CEO, The Nickles  
Group



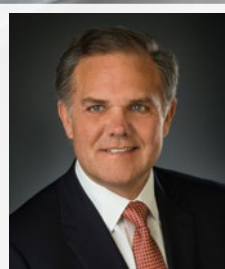
**Philip J. Pfeiffer**  
Of Counsel, Norton  
Rose Fulbright LLP,  
San Antonio



**Robert A. Profusek**  
Partner and Practice  
Leader, Global Mergers  
and Acquisitions,  
Jones Day



**Stephen M. Waters**  
Managing Partner,  
Compass Partners Capital  
and Compass Partners  
Advisers LLP; former  
CEO, Compass Partners  
European Equity Fund



**Randall J.  
Weisenburger**  
Managing Member,  
Mile 26 Capital LLC;  
former EVP and CFO,  
Omnicom Group Inc.



**Rayford  
Wilkins, Jr.**  
Former CEO-Diversified  
Businesses, AT&T Inc.

11 MEMBERS

10  
independent

5 of 11

directors represent diversity  
of race or gender

3 of 11

directors are women





# Executive Team



**Joe Gorder**  
Chairman of the Board  
and CEO



**Lane Riggs**  
President and Chief  
Operating Officer



**Jason Fraser**  
Executive Vice  
President and Chief  
Financial Officer



**Gary Simmons**  
Executive Vice  
President and Chief  
Commercial Officer



**Eric Fisher**  
Senior Vice President -  
Wholesale Marketing and  
International Commercial  
Operations



**Rich Lashway**  
Senior Vice President -  
Corporate  
Development and  
Strategy



**Martin Parrish**  
Senior Vice President -  
Alternative Energy  
and Project  
Development



**Julia Rendon  
Reinhart**  
Senior Vice President  
and Chief Human  
Resources Officer



**Mark Schmeltekopf**  
Senior Vice President  
and Chief Accounting  
Officer



**Cheryl Thomas**  
Senior Vice President  
and Chief Technology  
Officer



**Rich Walsh**  
Senior Vice President,  
General Counsel and  
Secretary



**Homer Bhullar**  
Vice President -  
Investor Relations and  
Finance



**Greg Bram**  
Vice President -  
Supply Chain  
Optimization



**Eric Honeyman**  
Vice President -  
Refining Operations



**John Locke**  
Vice President and  
Treasurer



Valero Headquarters



# Non-GAAP Disclosures

## Free Cash Flow

VLO defines free cash flow as net cash provided by operating activities less capital expenditures, deferred turnaround and catalyst cost expenditures, investments in joint ventures, and changes in current assets and liabilities. VLO believes that the presentation of free cash flow provides useful information to investors in assessing VLO's ability to cover ongoing costs and VLO's ability to generate cash returns to stockholders. The GAAP measures most directly comparable to free cash flow are net cash provided by operating activities and net cash used in investing activities.

Reconciliation of Net Cash Provided by Operating Activities Under GAAP to Free Cash Flow (unaudited, in millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net cash provided by operating activities	\$5,270	\$5,564	\$4,241	\$5,611	\$4,820	\$5,482	\$4,371	\$5,531	\$ 948
Less: Capital expenditures	\$2,931	\$2,121	\$2,153	\$1,618	\$1,278	\$1,353	\$1,628	\$1,769	\$1,537
Less: Deferred turnaround and catalyst cost expenditures	\$ 479	\$ 634	\$ 649	\$ 673	\$ 718	\$ 523	\$ 915	\$ 780	\$ 648
Less: Investments in joint ventures	\$ 57	\$ 76	\$ 14	\$ 141	\$ 4	\$ 406	\$ 181	\$ 164	\$ 54
Less: Changes in current assets and current liabilities	\$ (302)	\$ 922	\$ (1,810)	\$ (1,306)	\$ 976	\$1,289	\$ (1,297)	\$ 294	\$ (345)
Free cash flow	\$2,105	\$1,811	\$3,235	\$4,485	\$1,844	\$1,911	\$2,944	\$2,524	\$ (946)
Total free cash flow, 2012-2020									\$ 19,913
Number of years									9
Average free cash flow, 2012-2020									\$ 2,213

## Capital investments attributable to Valero

VLO defines capital investments attributable to Valero as all capital expenditures, deferred turnaround and catalyst cost expenditures, and investments in unconsolidated joint ventures presented in VLO's consolidated statements of cash flows excluding the portion of DGD's capital investments attributable to our joint venture partner and all of the capital expenditures of other VIEs.

VLO is a 50/50 joint venture partner in DGD and consolidate DGD's financial statements; as a result, all of DGD's net cash provided by operating activities is included in VLO's consolidated net cash provided by operating activities. DGD's partners use DGD's operating cash flow (excluding changes in its current assets and current liabilities) to fund its capital investments rather than distribute all of that cash to themselves. Because DGD's operating cash flow is effectively attributable to each partner, only 50 percent of DGD's capital investments should be attributed to VLO's net share of capital investments. VLO also excludes the capital expenditures of other consolidated VIEs because VLO does not operate those VIEs. VLO believes that capital investments attributable to Valero is an important measure because it more accurately reflects capital investments of VLO.

Year ended December 31		
Reconciliation of Total Capital Investments to Capital Investments Attributable to Valero (in millions)	2020	2019
Capital expenditures (excluding VIEs)	\$1,014	\$1,627
Capital expenditures of VIEs:		
DGD	\$ 523	\$ 142
Other VIEs	\$ 251	\$ 225
Deferred turnaround and catalyst cost expenditures (excluding VIEs)	\$ 623	\$ 762
Deferred turnaround and catalyst cost expenditures of DGD	\$ 25	\$ 18
Investments in unconsolidated joint ventures	\$ 54	\$ 164
Total capital investments	\$2,490	\$2,938
Adjustments:		
DGD's capital investments attributable to our joint venture partner	\$ (274)	\$ (80)
Capital expenditures of other VIEs	\$ (251)	\$ (225)
Capital investments attributable to Valero	\$1,965	\$2,633





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