



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 2, 2024

Richard J. Walsh
Valero Energy Corporation

Re: Valero Energy Corporation (the "Company")
Incoming letter dated February 1, 2024

Dear Richard J. Walsh:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by SEIU Master Trust (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its January 4, 2024 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Maureen O'Brien
Segal Marco Advisors



Richard J. Walsh
Senior Vice President, General Counsel and Secretary
Valero Energy Corporation

January 4, 2024

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Valero Energy Corporation 2024 Annual Meeting of Shareholders
Proposal of SEIU MasterTrust

Ladies and Gentlemen:

I am submitting this letter on behalf of Valero Energy Corporation, a Delaware corporation (“Valero”), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Valero is seeking to omit a shareholder proposal and supporting statement (the “Proposal”) that it received from SEIU MasterTrust (the “Proponent”), from inclusion in the proxy materials to be distributed by Valero in connection with its 2024 annual meeting of shareholders (the “2024 proxy materials”). Copies of the Proposal and related relevant correspondence received from the Proponent are attached hereto as Exhibit A. For the reasons stated below, we respectfully request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) not recommend action against Valero if Valero omits the Proposal from the 2024 proxy materials.

Valero currently intends to file its 2024 definitive proxy materials on or about March 26, 2024. In accordance with the Staff’s instructions published in November 2023, we are submitting this letter and its attachments through the Commission’s website. A copy of this letter and its attachments are also being sent to the Proponent as notice of Valero’s intent to omit the Proposal from the 2024 proxy materials. We will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by email only to Valero. Further, we take this opportunity to remind the Proponent that under the applicable rules, if the Proponent submits correspondence to the Staff regarding the Proposal, a copy of that correspondence should be concurrently furnished to the undersigned on behalf of Valero.

The Proposal

The text of the resolution in the Proposal states: “RESOLVED that shareholders of Valero Energy Corporation (‘Valero’) urge the Board of Directors to oversee an independent third-party racial equity audit analyzing Valero’s impacts on nonwhite stakeholders and communities of color and Valero’s plans, if any, to mitigate those impacts. Input from civil rights organizations, experts on environmental racism, and employees should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Valero’s website.”

Basis for Exclusion

For the reasons described in this letter, we respectfully request that the Staff concur in Valero’s view that it may exclude the Proposal from the 2024 proxy materials pursuant to Rule 14a-8(i)(10) because Valero has substantially implemented the Proposal.

Analysis

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the “substantially implemented” standard in 1983 after determining that the “previous formalistic application” of Rule 14a-8(i)(10) defeated its purpose, which is to “avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the “1983 Release”) and Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be “fully effected” provided that they have been “substantially implemented” by the company. *See* the 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal under Rule 14a-8(i)(10) when it has determined that the company’s policies, practices and procedures compare favorably with the guidelines of the proposal. *See Texaco, Inc. (recon. granted* Mar. 28, 1991); *Walgreen Co.* (Sept. 26, 2013); *Entergy Corp.* (Feb. 14, 2014); *Boeing Co.* (Feb. 17, 2011); *Anthem, Inc.* (Mar. 19, 2018); *Dollar General Corp.* (Mar. 7, 2014). Accordingly, when a company has satisfactorily addressed the underlying concerns and essential objectives of a proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded. For example, in *Starbucks Corp.* (Jan. 19, 2022), the company argued that its civil rights and non-discrimination audit substantially implemented a proposal requesting, in relevant part, that the board commission a workplace non-discrimination audit analyzing the company’s impacts on civil rights and non-discrimination, and the impacts of those issues on the company’s business, because such civil rights and non-discrimination audit and other public disclosures assessed the company’s commitment to civil rights, equity, diversity and inclusion. The Staff concurred with the company’s view that the proposal may be excluded under Rule 14a-8(i)(10), noting that “the [c]ompany’s public disclosures substantially implement the [p]roposal.” *See also Exxon Mobil Corporation* (Jan. 24, 2001) (permitting exclusion under Rule

14a-8(i)(10) of a proposal requesting that the board review a pipeline project, develop criteria for the company's involvement in the project and report the results to shareholders, where the company had already provided public disclosures concerning its evaluation of the impact of the pipeline project and other related information in its response to an essentially identical proposal submitted in the prior year); *Nordstrom Inc.* (Feb. 8, 1995) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board commit to a code of conduct to ensure its overseas suppliers meet basic standards of conduct and prepare a report on the company's compliance efforts and plans, where the company had adopted guidelines addressing each area of business conduct contained in the proposal's suggested standards of conduct and provided information regarding its supplier policy through a press release); *General Electric Co.* (Jan. 23, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board explore with certain executive officers the renunciation of stock option grants where the board had already conducted discussions with the executive officers on that topic); *Deere & Company* (Nov. 13, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company amend its code of business conduct to include human rights as a guide for its operations, where the company's existing code of business conduct and supplier code of conduct already incorporated human rights standards and principles).

Furthermore, the Staff has on numerous occasions concurred with the exclusion of proposals under Rule 14a-8(i)(10) when the proposal requested reports regarding subject matter the company had already publicly disclosed, regardless of the form of the company's disclosure. *See Hess Corp.* (Apr. 11, 2019) (permitting the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on aligning the company's carbon footprint with the necessary greenhouse gas reductions to achieve the Paris Agreement's goal, where the company had substantially implemented the proposal through its most recent sustainability report, its responses to the Carbon Disclosure Project Climate Change Questionnaire, and its investor day presentation); *Mondelēz International Inc.* (Mar. 7, 2014) (permitting the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company's process for identifying and analyzing potential and actual human rights risks of the company's operations and supply chain, where the company had publicly disclosed its risk management processes); *PPG Industries Inc.* (Jan. 16, 2020) (permitting the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company's processes for implementing human rights commitments within company-owned operations and through business relationships, where the company had disclosed the requested information in its global code of ethics, global supplier code of conduct, supplier sustainability policy and sustainability report); *Amazon.com, Inc.* (Apr. 7, 2021) (permitting the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company's efforts to address hate speech and the sale or promotion of offensive products throughout its businesses, where the company had substantially implemented the proposal by disclosing the requested information in a blog post and the policies described therein).

Here, as in the examples of excluded proposals cited above, the Proposal is excludable from the 2024 proxy materials because Valero has addressed the underlying concerns and essential objective of the Proposal by virtue of its comprehensive existing reports and public disclosures.

The essential objective of the Proposal is a report on Valero’s policies, procedures, commitments, and actions with respect to racial equity, and the underlying concerns of the Proposal relate to the assessment of Valero’s impacts on nonwhite stakeholders and communities of color and Valero’s plans, if any, to mitigate those impacts. Valero has already commissioned and made public such a report. The Audit of Valero’s Environmental Justice Commitments and Actions, issued in February 2023 (the “Environmental Justice Audit Report”),¹ the Racial Equity Assessment, dated February 23, 2023 (the “Racial Equity Assessment”),² and certain other public disclosures described below, each of which have been made publicly available on the environmental, social, and governance (“ESG”) section of Valero’s investor website, not only substantially implement the essential objective of the Proposal, but also satisfactorily address the underlying concerns thereof. Valero has even gone beyond the essential objective of the Proposal by also substantially implementing each of the following items discussed in the Proposal’s resolution: (i) an independent third-party racial equity audit that (ii) analyzes Valero’s impacts on nonwhite stakeholders and communities of color and Valero’s plans, if any, to mitigate those impacts and (iii) considers input from civil rights organizations, experts on environmental racism, and employees.

(1) Independent Third-Party Racial Equity Audit

In 2022, Valero commissioned an independent racial equity audit and, in 2023, it published the resulting Environmental Justice Audit Report on its website. More specifically, in 2022, Valero engaged Montrose Environmental Group, Inc. (“Montrose”), an independent third-party consultant with expertise in social and environmental justice and community assessments, to conduct an extensive environmental justice audit (the “Environmental Justice Audit”) and prepare the Environmental Justice Audit Report. As noted in Valero’s proxy statement for its 2023 annual meeting of shareholders (the “2023 Annual Meeting”), at a company like Valero, racial equity and environmental justice are inherently linked.³ Taking this into consideration, the Environmental Justice Audit Report assesses Valero’s policies, procedures, commitments, and actions with respect to racial equity and “environmental justice,” which is generally described by Montrose as the “societal challenge regarding environmental harms inequitably distributed on the basis of race, color, national origin, or class.”⁴ In addition, Valero engaged Nadira Clarke, an attorney whose core areas of practice include environmental justice and who previously served in the Civil Rights Division of the U.S. Department of Justice, to perform the Racial Equity Assessment. The Racial Equity Assessment evaluates whether Valero’s current programs, policies, and recent reports (including the Environmental Justice Audit Report) align with the factors considered in a racial

¹ The full Environmental Justice Audit Report is available at:

https://s23.q4cdn.com/587626645/files/doc_downloads/2023/02/_public-ej-audit-final-02152023.pdf

² The full Racial Equity Assessment is available at:

https://s23.q4cdn.com/587626645/files/doc_downloads/2023/02/2023.02.23-valero-racial-equity-assessment-letter.pdf

³ See Valero’s proxy statement filed with the Commission on March 22, 2023, available at:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1035002/000103500223000040/vlo-20230322.htm> at page 105.

⁴ See the Environmental Justice Audit Report at pages 3-4.

equity audit. The Racial Equity Assessment also analyzed Valero's commitments and actions with respect to racial equity and environmental justice.⁵ The Racial Equity Assessment notes that while there is no single, prevailing standard for assessing a corporation's commitment to racial equity, including environmental justice, the guidelines of Institutional Shareholder Services ("ISS") and Glass Lewis are useful references for determining whether such an assessment has occurred.⁶ Each of the Environmental Justice Audit Report and the Racial Equity Assessment (together, the "Racial Equity Reports") publicly report independent third-party assessments of Valero's (i) policies, procedures, commitments, and actions with respect to racial equity, the Proposal's essential objective, and (ii) impacts on nonwhite stakeholders and communities of color and Valero's plans, if any, to mitigate those impacts, which relate to the Proposal's underlying concerns.

The Proponent, effectively conceding that the Racial Equity Reports already address all other aspects of the Proposal, argues that the additional report requested by the Proposal is necessary because the Racial Equity Reports were conducted by third parties that, in the Proponent's speculative and unfounded opinion, are somehow not sufficiently independent. However, the Proposal does not provide any specific definition of "independence." In fact, the Proposal also does not even make a passing reference to any standards or guidelines upon which its independence determination was informed, and it fails to articulate any principles or examples that would allow for Valero or its shareholders to determine which third parties the Proponent would find sufficiently independent. Additionally, the Proposal does not point to any specific way in which the third parties engaged by Valero to conduct the Racial Equity Reports are not sufficiently qualified or knowledgeable or detract from the reports' quality, accuracy or achievement of the Proposal's essential objective, which is a third-party report on its policies, procedures, commitments, and actions with respect to racial equity. Valero selected Montrose and Ms. Clarke to conduct the Racial Equity Reports based on its reasonable business judgement that they were effectively suited to provide meaningful and reliable assessments and reports in the relevant subject matter areas given their deep knowledge and expertise in these areas and, importantly, based on Valero's good faith belief that their experience working with companies in the energy industry provided them with the knowledge and understanding of Valero's business and operations needed to effectively conduct such reports. Both Montrose and Ms. Clarke are third-party service providers whose business depends upon their reputation for providing objective, ethical, accurate, and credible assessments. While the Environmental Justice Audit Report and the Racial Equity Assessment were made available on Valero's website, they are the reports of Montrose and Ms. Clarke, respectively, not Valero, and were issued under their names, not Valero's. These reports are widely available to any interested parties and could very easily jeopardize the wider-reputation and business of their authors if they were perceived to reflect anything other than high-quality and objective research and analysis, performed with integrity. Additionally, Montrose utilized its own proprietary methodology and the U.S. EPA's EJScreen 2.0 tool as part of its audit.⁷ As a result, Valero, under the oversight of its board of directors (the

⁵ See the Racial Equity Assessment at page 1.

⁶ *Id.* at page 4.

⁷ See the Environmental Justice Audit Report at page 9.

“Board”) and its Sustainability and Public Policy Committee, which is composed entirely of independent directors, determined that Montrose and Ms. Clarke would be sufficiently independent and objective in preparing their reports.

Even in circumstances in which a proposal has not been implemented exactly as the proponent wished, the Staff has consistently permitted the exclusion of a proposal under Rule 14a-8(i)(10) where a company already satisfactorily addressed the underlying concerns and essential objectives of the proposal. In *Duke Energy Corp.* (Feb. 21, 2012), the company argued that the existing disclosures in its Annual Report on Form 10-K and annual sustainability report substantially implemented a proposal requesting that a committee of independent directors of the board assess the company’s actions to build shareholder value and reduce greenhouse gas and other air emissions, even though those existing disclosures had not been reviewed by a special committee of independent directors. The Staff agreed and permitted exclusion of the proposal under Rule 14a-8(i)(10), noting that the disclosures “compared favorably” with the guidelines set forth in the proposal. Similarly, in *Talbots Inc.* (Apr. 5, 2002), the company received a proposal requesting that the company establish a code of corporate conduct based on the United Nations International Labor Organization standards and commit to a program of outside, independent monitoring. In response to the company’s argument that its own standards for business practice, code of conduct for suppliers and compliance program substantially implemented the proposal, the proponent claimed that the company had not met a critical component of the proposal because its compliance program, which consisted of an audit process conducted by an outside, independent consultant and periodic factory reviews conducted by company representatives, was not conducted by “respected human rights” or “religious organizations,” as suggested by the proposal’s supporting statement. Nevertheless, the Staff agreed with the company and permitted exclusion of the proposal under Rule 14a-8(i)(10). See also *Wal-Mart Stores, Inc.* (Mar. 30, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company adopt six principles for national and international action to stop global warming, where the company published a report that set forth only four principles that covered most, but not all, of the issues raised by the proposal); *Quest Diagnostics Inc.* (Mar. 17, 2016) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board adopt a proxy access bylaw with certain procedures and criteria where the company adopted a proxy access bylaw with certain limitations not provided for in the proposal, noting that the company’s proxy access bylaw addressed the “essential objective” of the proposal).

The Proponent submitted the exact same proposed resolution to Valero under Rule 14a-8 (the “Prior Proposal”) in connection with Valero’s 2023 Annual Meeting.⁸ After Valero publicly disclosed the Racial Equity Reports in February 2023, the Proponent filed an exempt solicitation with the Commission asserting the same speculative and unfounded opinion with respect to independence discussed above (the “Exempt Solicitation”).⁹ As with the Proposal, the Exempt Solicitation failed to provide any specific definition of “independence,” did not even make a

⁸ See Valero’s proxy statement filed with the Commission on March 22, 2023 at pages 104-105.

⁹ The Proponent’s Exempt Solicitation was filed with the Commission on May 1, 2023, and is available at: <https://www.sec.gov/Archives/edgar/data/1035002/000121465923006269/x51231px14a6g.htm>

passing reference to any standards or guidelines upon which its independence determination was informed, and failed to articulate any principles or examples that would allow for Valero or its shareholders to determine which third parties the Proponent would find sufficiently independent. If the Proponent's views with respect to the independence of the third parties that Valero engaged for the Racial Equity Reports was in fact an essential element of the Proposal, then it would be reasonable to expect that the Proponent would have made at least some effort in the text of the Proposal this year to provide even a brief amount of new information or disclosure beyond what it already included in the Prior Proposal and Exempt Solicitation in order to help Valero and its shareholders understand the Proponent's rationale for why an additional racial equity audit conducted by new third parties is necessary, or would even be helpful. Instead, the text of the Proposal simply reasserts certain points that it already made in the Exempt Solicitation. The Proponent makes no effort this year to better explain or describe to Valero and its shareholders why the Proponent's own speculative and unfounded views on the independence of the third parties Valero engaged to prepare the Racial Equity Reports undermines the essential objective of the Proposal. As noted above, the text of the Proposal simply requests an "independent third-party" audit without even specifying actionable principles for determining, or providing examples of, the types of independent third parties that the Proponent would find acceptable. Even though the Proposal may not be implemented using the specific, though unidentified, third parties that the Proponent has in mind and clearly prefers over the third parties that Valero, under the oversight of its Board and the fully independent Sustainability and Public Policy Committee, determined to be advisable for conducting the Racial Equity Reports, Valero believes that, as in *Duke Energy* and *Talbots*, its policies, procedures, commitments, and actions compare favorably with those requested by the Proposal.

Shareholders of Valero and leading proxy advisory firms, ISS and Glass Lewis, have also already concurred in the view that Valero has substantially implemented the Proposal. As noted above, the Proponent submitted the exact same proposed resolution to Valero in the Prior Proposal for Valero's 2023 Annual Meeting. Valero included the Prior Proposal in its proxy materials for the 2023 Annual Meeting, along with an opposition statement describing the Environmental Justice Audit Report and Racial Equity Assessment.¹⁰ Despite raising the same independence arguments discussed above in its Exempt Solicitation, at the 2023 Annual Meeting, the Prior Proposal failed, only receiving 11.7% support.¹¹ In addition, each of ISS and Glass Lewis issued recommendations against the Prior Proposal. Notably, ISS reissued its recommendation report in response to the Proponent's Exempt Solicitation, with no change in its analysis or recommendation as a result of the arguments raised with respect to independence in the Exempt Solicitation.

(2) Analysis of Valero's Impact and Valero's Plans to Mitigate Those Impacts

¹⁰ See Valero's proxy statement filed with the Commission on March 22, 2023 at pages 104-105.

¹¹ See the Form 8-K Valero filed with the Commission on May 12, 2023, which discloses the results of the 2023 Annual Meeting, available at:
<https://www.sec.gov/ix?doc=/Archives/edgar/data/0001035002/000119312523142878/d476944d8k.htm>

The Racial Equity Reports also satisfactorily address the specific topics underlying the concerns of the Proposal, namely, “Valero’s impacts on nonwhite stakeholders and communities of color” and “Valero’s plans, if any, to mitigate those impacts.” These matters are discussed at length in the Racial Equity Reports and Valero’s other public disclosures, as described below.

The Environmental Justice Audit Report provides that the Environmental Justice Audit involved an analysis of the impacts of Valero’s operations and actions in the communities in which it operates and describes in detail the methodology used to conduct that analysis, including, among other things, the review of the U.S. Environmental Protection Agency (“U.S. EPA”) screenings to understand pollution and socioeconomic indicators in the areas surrounding Valero refineries, benzene fenceline monitoring data and annual emissions data (where available), California Environmental Protection Agency screenings to identify census tracts in surrounding areas that are disproportionately burdened by socioeconomic and environmental pollution factors, and polling and interviews with residents, stakeholders, activists, and political leaders in Valero’s fenceline communities.¹²

The Environmental Justice Audit Report also addresses the Proposal’s underlying concerns by discussing extensively the impacts of Valero’s activities on its various stakeholders, including nonwhite stakeholders and communities of color. The report’s discussion includes the following findings:

- Valero has a history of improving lives, well-being and health in the communities in which it operates through its investments and fundraising activities;¹³
- Valero’s refinery facilities are viewed positively by Valero’s fenceline communities, including minority and underrepresented neighbors;¹⁴
- Valero’s community investments were found to benefit the most vulnerable among its fenceline communities, including minority and underrepresented neighbors, with a giving focus, in part, on women and minorities;¹⁵
- Valero refinery personnel indicated a recognized responsibility to protect and advocate for women and minorities and Valero’s activities positively impact women and minorities outside of Valero’s own organization;¹⁶ and
- Valero personnel demonstrated a strong understanding of the principles, responsibilities and challenges that relate to environmental justice, including to mitigate potential environmental impacts on disadvantaged communities.¹⁷

In describing Valero’s commitment to environmental justice, the Environmental Justice Audit Report not only assesses Valero’s impact on nonwhite stakeholders and communities of

¹² See the Environmental Justice Audit Report at pages 9, 11, 32, and 39.

¹³ *Id.* at page 39.

¹⁴ *Id.*

¹⁵ *Id.* at page 33.

¹⁶ *Id.* at page 35.

¹⁷ *Id.* at page 20.

color, but also details the actions taken by Valero to mitigate environmental and health concerns and improve the quality of life of underserved communities. In particular, the Environmental Justice Audit Report outlines Valero's commitment to collaboration with its fence-line communities, including minority and underrepresented neighbors, through partnerships with educational institutions, businesses and nonprofits serving such communities, and Valero's trainings for refinery personnel around the principles of environmental justice.¹⁸ Additionally, the Environmental Justice Audit Report describes Valero's written plans to formalize practices around community outreach and engagement.¹⁹

The Racial Equity Assessment also discusses the impacts on nonwhite stakeholders and communities of color of Valero's actions regarding and commitment to diversity.²⁰ For example, in discussing Valero's impact on such stakeholders and communities, the Racial Equity Assessment states that Valero's Board is one of the most diverse in its industry, with seven out of 12 of its members being female or members of a racial or ethnic minority.²¹ The Racial Equity Assessment also cites the impressive data regarding Valero's workforce diversity and inclusion (e.g., at the time of such report, a 37% minority workforce with 42% of employees hired in 2022 being racially or ethnically diverse)²² and Valero's nearly \$1.4 million investment in a non-profit supporter of education and economic mobility for Latino families.²³

Additionally, the Racial Equity Assessment describes in great detail Valero's "robust set of internal processes for addressing racial inequity and discrimination, consistent with anti-discrimination practices documented in similar racial justice audits."²⁴ In particular, the Racial Equity Assessment highlights Valero's training procedures for hiring managers and recruiting teams designed to minimize unconscious bias in the interview process, meaningful disclosure of metrics and goals related to Valero's workforce unity, diversity, and inclusion, and immersion and scholarship programs for college students designed to develop Valero's minority talent pipeline.²⁵

Several of Valero's other public disclosures further address the essential objective and underlying concerns of the Proposal by providing disclosures relating to Valero's actions and commitments with respect to the communities surrounding its operations, which include communities of color. For example, Valero's Environmental Justice Policy Statement states that Valero aims to "treat its fence-line neighbors fairly, regardless of race, color, national origin, culture or income."²⁶ Similarly, Valero's Health, Safety and Environmental Policy describes Valero's commitment to building strong community partnerships by creating awareness of health,

¹⁸ *Id.* at pages 17-20.

¹⁹ *Id.* at page 28.

²⁰ See the Racial Equity Assessment at pages 2-6.

²¹ *Id.* at page 2.

²² *Id.* at page 7.

²³ *Id.* at page 11.

²⁴ *Id.* at page 4.

²⁵ *Id.* at pages 4-6.

²⁶ Valero's full Environmental Justice Policy Statement is available at:

https://s23.q4cdn.com/587626645/files/doc_downloads/2021/09/Environmental-Justice-Policy-Statement.pdf

safety and environmental issues and transparent communication on its performance with the communities where it operates and other key stakeholders.²⁷ Finally, Valero’s 2023 ESG Report contains detailed disclosures on Valero’s community involvement and investment, including with organizations that celebrate unity, diversity, and inclusion, and how the impact of its direct and indirect financial support and other actions contribute to the overall health and vitality of communities where Valero operates.²⁸ Valero’s 2023 ESG Report also contains detailed disclosures on other actions that Valero takes to collaborate with its stakeholders and communities (including nonwhite stakeholders and communities of color) and assist in addressing social, economic, and environmental concerns, including Valero’s (i) partnership with and support of organizations working to improve its fence-line communities, (ii) Valero’s efforts to ensure that its neighbors understand its activities and have an opportunity to voice their concerns, including through tailored outreach efforts such as hotlines, newsletters, direct mailings, electronic notifications, websites and participation in community advisory councils or community advisory panels, (iii) engagements with regulatory agencies and government officials, (iv) efforts to work with non-governmental organizations to look for ways that Valero can partner on projects for the betterment of the community, and (v) actions to work with indigenous tribes to preserve sites with biodiverse, historical, cultural, and spiritual significance.²⁹

The supporting statement in the Proposal suggests that a racial equity audit could also examine whether Valero’s political activities have a negative racial impact and references Valero’s lobbying activities with the American Fuel and Petrochemical Manufacturers (“AFPM”) and its contributions to members of U.S. Congress who objected to certifying the results of the 2020 election. The underlying concern of this statement, namely, the racial impact of Valero’s political activities, is also already satisfactorily addressed by Valero’s public disclosures. The Racial Equity Assessment specifically discusses Valero’s political activities with respect to AFPM and its U.S. Congressional contributions referenced in the Proposal, and concludes that “Valero’s political activity appears to center around issues that affect its business and the energy industry” and that Valero’s “lobbying efforts and political contributions...do not appear to be racially motivated.”³⁰ Other public disclosures that address Valero’s policies, procedures, commitments, and actions with respect to political activities include the committee charter for the Sustainability and Public Policy Committee of Valero’s Board,³¹ which sets forth that committee’s oversight responsibilities with respect to (i) corporate responsibility and reputation management, (ii) political issues, including political contributions and lobbying activities, and (iii) social,

²⁷ Valero’s full Health, Safety and Environmental Policy is available at:
https://s23.q4cdn.com/587626645/files/doc_downloads/2021/09/Health-Safety-and-Environmental-Policy-Statement.pdf

²⁸ See Valero’s 2023 ESG Report, available at:
https://s23.q4cdn.com/587626645/files/doc_downloads/esg_reports/2023/2023-esg-report-final-082123-pages.pdf at pages 39-49.

²⁹ *Id.*

³⁰ See the Racial Equity Assessment at pages 12-13.

³¹ Valero’s full Sustainability and Public Policy Committee charter is available at:
https://s23.q4cdn.com/587626645/files/doc_downloads/charters/2022/Valero-Sustainability-and-Public-Policy-Comm-Charter-2022-03-15.pdf

community, and public policy strategies and initiatives. Additionally, Valero has a specific Political Contributions, Lobbying and Trade Associations Policy.³² Under this policy, contribution recommendations from Valero’s Government Affairs team are reviewed for approval by Valero’s CEO and General Counsel, and the Sustainability and Public Policy Committee receives, at least annually, a formal report from management on Valero’s political activities.³³ Moreover, the results of Valero’s annual climate lobbying analysis and report are published on Valero’s website, along with detailed disclosures on Valero’s political and lobbying activities, and a description of how Valero advocates for the best interests of its shareholders, employees, neighbors, and other stakeholders.³⁴

In short, Valero’s impacts on nonwhite stakeholders and communities of color, as well as its plans, policies, procedures, commitments, and actions with respect thereto (including any plans to mitigate the impacts thereof), are thoroughly assessed and well documented in the Racial Equity Reports and Valero’s other public disclosures.

(3) Input from External Stakeholders

Finally, the manner in which the Environmental Justice Audit was conducted compares quite favorably to the Proposal’s suggestion that the requested racial equity audit consider input from civil rights organizations, experts on environmental racism, and employees.

Montrose states that it conducted the Environmental Justice Audit by engaging a team of “multi-disciplinary experts...who bring...[environmental justice] expertise in community engagement and environmental justice considerations,” as well as publicly available information provided by certain environmental organizations, including the U.S. EPA and the Environmental Integrity Project.³⁵ As part of the initial phase of the Environmental Justice Audit, and to provide baseline information and to inform the overall audit, Montrose gathered information regarding Valero’s refineries and the surrounding communities and reviewed certain completed questionnaires, shared documents, and internal interviews.³⁶

Additionally, in connection with the Environmental Justice Audit, Montrose conducted interviews with civil rights organizations and environmental justice groups, such as the National Association for the Advancement of Colored People (NAACP) and the Community in Power & Development Association of Port Arthur, Texas.³⁷ The Environmental Justice Audit Report also incorporates and was informed by input from various Valero employees, including from leaders

³² Valero’s full Political Contributions, Lobbying and Trade Associations Policy is available at:
https://esg.investorvalero.com/wp-content/uploads/2021/08/Political-Contributions-Lobbying-Trade-Associations-Policy_.pdf

³³ *Id.*

³⁴ See the links under Political Engagement caption in the ESG Section of Valero’s investor website, available at:
<https://investorvalero.com/esg/default.aspx#political-engagement>

³⁵ See the Environmental Justice Audit Report at pages 3 and 9-11.

³⁶ *Id.* at page 9.

³⁷ *Id.* at page 32.

of the Health, Safety and Environment teams, Public and Community Affairs teams and Government Affairs teams, to employees in the refineries.³⁸

In fact, the Environmental Justice Audit considered input from stakeholders well beyond what the Proposal requests. In addition to using “engineers, scientists, certified auditors and other professionals who bring informed and technical environmental expertise, including toxicology epidemiology [and] biostatistics,” Montrose reviewed the results of professional random polling of fenceline communities and stakeholder interviews in its fenceline communities that were conducted by a yet another third-party, Causeway Solutions, which is an independent interview and polling company.³⁹ This random polling and such stakeholder interviews were completed in October 2022, well before the publication of the Environmental Justice Audit Report, and were reviewed by Montrose as part of its Environmental Justice Audit and informed its overall audit.⁴⁰ Montrose also solicited community input and feedback through its own interviews with leaders from non-profit organizations, government, businesses, educational institutions, healthcare providers and regulatory agencies in the communities surrounding Valero’s operations.⁴¹

While the Proposal also makes a bare and unsupported assertion that the Racial Equity Reports “focuse[d] on Valero’s public processes, commitments, and positions” instead of “Valero’s actual behavior,” this is belied by the extensive discussion of the efforts Valero took to obtain direct and authentic community feedback on Valero’s behavior and impacts on the community.

In summary, the Environmental Justice Audit Report and the Racial Equity Assessment, together with Valero’s other public disclosures noted above, already describe in detail Valero’s policies, procedures, commitments, and actions with respect to racial equity. An analysis of these disclosures demonstrates that Valero’s actions and disclosures compare quite favorably with the Proposal’s requests and that Valero has addressed both the underlying concerns and essential objective of the Proposal.

Accordingly, consistent with the precedent described above, Valero believes that the Proposal may be excluded from the 2024 proxy materials pursuant to Rule 14a-8(i)(10).

Conclusion

On the basis of the foregoing, Valero respectfully requests that the Staff concur that it will take no action if Valero excludes the Proposal from the 2024 proxy materials. If the Staff disagrees with the conclusions set forth in this letter, or should any additional information be desired in

³⁸ *Id.* at pages 12-14.

³⁹ *Id.* at pages 3, 9, 12-14, and 31.

⁴⁰ *Id.*

⁴¹ *Id.*

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
January 4, 2024
Page 13 of 13

support of Valero's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response.

If you have any questions with respect to this matter, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Richard Walsh". The signature is fluid and cursive, with the first name "Richard" written in a larger, more prominent script than the last name "Walsh".

Richard J. Walsh

cc: Megan Sweeny
Chair
SEIU MasterTrust

Maureen O'Brien
Segal Marco Advisors

Exhibit A: Shareholder proposal received from SEIU MasterTrust

Exhibit B: Deficiency Notice

Exhibit C: Response to Deficiency Notice

Exhibit D: Other correspondence with SEIU MasterTrust

Exhibit A

Shareholder Proposal



November 17, 2023

Via regular mail and email: [REDACTED]

Richard J. Walsh
SVP, General Counsel & Secretary
Valero
One Valero Way
San Antonio, Texas 78249

RE: Shareholder Proposal Submission for 2024 Stockholder's Meeting

Dear Richard J. Walsh:

In my capacity as Chair of SEIU MasterTrust (the "Fund"), I write to give notice that pursuant to the 2023 proxy statement of Valero (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2024 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting. Please note the SEIU MasterTrust is the lead filer on this proposal.

A letter from the Fund's custodian documenting the Fund's continuous ownership of the requisite amount of the Company's stock is being sent separately. The Fund also intends to continue its ownership of at least the minimum number of shares required by the SEC regulations through the date of the Annual Meeting. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the attached Proposal. I declare the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally.

Fund representatives are available to meet with the Company in person or via teleconference on Thursday, Nov. 30 - 1pm CT or Monday, Dec. 4 - 1 pm CT.

Representation – Important Notice

Please be advised that we will hereafter be using a representative regarding the management of this proposal. Please send a copy of any correspondence regarding this proposal including deficiency notices, no action requests or engagement scheduling to Maureen O'Brien, [REDACTED] at [REDACTED]. I authorize the representative to speak on my behalf, negotiate withdrawal of the proposal and engage with the company and its representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "MS", is written over a white background.

Megan Sweeny
Chair

Physical address:

[REDACTED]
[REDACTED]

RESOLVED that shareholders of Valero Energy Corporation (“Valero”) urge the Board of Directors to oversee an independent third-party racial equity audit analyzing Valero’s impacts on nonwhite stakeholders and communities of color and Valero’s plans, if any, to mitigate those impacts. Input from civil rights organizations, experts on environmental racism, and employees should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Valero’s website.

SUPPORTING STATEMENT

Several aspects of Valero’s business and operations suggest that a racial equity audit would be useful. In 2020, the Office of Federal Contract Compliance Programs found that a Valero subsidiary had used an employment selection processes with an adverse impact on nonwhite applicants.¹

Valero’s Environmental Justice Policy Statement asserts that Valero “strives to operate as a good neighbor, and looks for opportunities to work with local officials and directly with fence line neighbors to improve the quality of life for neighbors and communities.”² But Valero has come under fire for polluting communities of color:

- Residents have fought to limit a Texas refinery’s emissions of hydrogen cyanide, a neurotoxin, in Hispanic neighborhoods.³
- The neighborhood in which another Texas refinery is located, which is 90% African American, “ranks above the 95th percentile nationally for both the EPA’s air toxics cancer risk and respiratory hazard metrics.”⁴
- As You Sow’s Racial Justice Scorecard for S&P 500 companies placed Valero in the bottom 10, with negative scores on the environmental racism performance indicators, meaning that it harms communities of color more than benefits them.⁵

A racial equity audit could also examine whether Valero’s political activities have a negative racial impact. In 2019, Valero and the American Fuel and Petrochemical Manufacturers (“AFPM”), to which Valero belongs,⁶ lobbied states to criminalize pipeline protests.⁷ Valero contributed \$192,000 during the 2020 election cycle to Members of Congress who objected to certifying the

¹ <https://www.dol.gov/sites/dolgov/files/ofccp/foia/files/2020-03-25Valero-CA-SW-Redacted.pdf>

² https://s23.q4cdn.com/587626645/files/doc_downloads/2021/09/Environmental-Justice-Policy-Statement.pdf

³ <https://www.sierraclub.org/texas/blog/2020/08/houston-community-continues-fight-against-valero-for-polluting-air-hydrogen>

⁴ <https://www.greenpeace.org/usa/valero-energy-blocking-climate-solutions-taking-handouts/>

⁵ <https://www.asyousow.org/press-releases/2021/8/11/environmental-racism-metrics-as-you-sow-racial-justice-scorecard>

⁶ https://esg.investorvalero.com/wp-content/uploads/2023/09/Trade-Associations_FINAL_07-01-22-to-06-30-2023.pdf

⁷ <https://theintercept.com/2019/08/19/oil-lobby-pipeline-protests/>

2020 election results,⁸ an action some viewed as “a direct attack on the voting rights of people of color.”⁹

Last year, Valero argued that two reports it had issued, a “Racial Equity Assessment” and “Audit of Valero’s Environmental Justice Commitments and Actions”, obviated the need for a racial equity audit. Neither of those reports was produced by a firm that is clearly independent from Valero: The Assessment was produced by a partner in a law firm that has represented Valero for at least 10 years in securities offerings, transactions, and litigation.¹⁰ Montrose Environmental Group, which conducted the Audit, was a “diamond sponsor” of a recent Valero charity fundraiser and will reprise that role in 2024,¹¹ suggesting that it does or hopes to do business with Valero. While the Assessment focuses on Valero’s public processes, commitments and positions, a racial equity audit would analyze Valero’s actual behavior.

⁸ <https://www.cnn.com/interactive/2021/01/business/corporate-pac-suspensions/>

⁹ See <https://www.nytimes.com/2021/01/15/us/politics/lankford-apology-election-biden.html>;
<https://www.marketwatch.com/story/business-leaders-call-for-action-on-trump-after-mob-siege-at-capitol-11609976655>

¹⁰ E.g., <https://www.bakerbotts.com/news/2021/12/baker-botts-represents-valero-energy-corporation-in-billion-dollar-senior-notes-offering>; <https://www.sec.gov/Archives/edgar/data/1583103/000158310313000013/exh81-formofopinionofbaker.htm>; https://www.epa.gov/sites/default/files/2017-12/documents/court_document_us_app_cadc_17-1259_12.12.2017_petition_for_review.pdf

¹¹ <https://valerotexasopen.com/benefit-for-children/sponsors>



November 17, 2023

Via regular mail and email: [REDACTED]

Richard J. Walsh
SVP, General Counsel & Secretary
Valero
One Valero Way
San Antonio, Texas 78249

RE: Shareholder Proposal Submission for 2024 Stockholder's Meeting

Dear Richard J. Walsh,

I write concerning a shareholder proposal (the "Proposal") submitted to Valero (the "Company") by SEIU MasterTrust (the "Fund").

As custodian of SEIU MasterTrust, we are writing to report that as of the close of business on 11/17/2023, Fund held shares of Company stock in our account at Depository Trust Company and registered in its nominee name of Cede & Co.

As of 11/17/2023, SEIU MasterTrust beneficially owned, and had beneficially owned continuously for at least one year, shares worth \$25,000 of Company common stock.

Amalgamated Bank has acted as record holder of the Shares and is a DTC participant, [REDACTED]. If you require any additional information, please do not hesitate to contact me at: [REDACTED] or by email at: [REDACTED].

Very truly yours,

A handwritten signature in blue ink that reads "James Ryan". The signature is written in a cursive style and is set against a light yellow rectangular background.

James Ryan
First Vice President

[REDACTED]

Exhibit B

Deficiency Notice

From: [Rueda, Giovanna \(Valero Energy Corporation\)](#)
To: [Armando Pintado](#)
Cc: [Manley, Renaye \(Service Employees International Union\)](#); [Edgar Hernandez](#); [O'Brien, Maureen \(Segal Marco Advisors\)](#); [Ngo, Karen](#)
Subject: RE: SEIU Pension Plans Master Trust 14a-8 Proposal Submission
Attachments: [VLO - 2023 Deficiency Notice - 11.27.23.pdf](#)
[17 CFR 240.14a-8.pdf](#)
[Staff Legal Bulletin No. 14.pdf](#)
[Staff Legal Bulletin No. 14F.pdf](#)
[Staff Legal Bulletin No. 14G.pdf](#)

Attached please find a deficiency letter related to your shareholder proposal submission.

Best regards, Giovanna

Giovanna Rueda
Valero
VP, ESG

One Valero Way | San Antonio, TX 78249 | Phone: [REDACTED]

From: Armando Pintado [REDACTED]
Sent: Friday, November 17, 2023 8:39 AM
To: Investor Relations [REDACTED]; Rueda, Giovanna [REDACTED]; Ngo, Karen [REDACTED]
Cc: Renaye Manley [REDACTED]; Edgar Hernandez [REDACTED]; Maureen O'Brien [REDACTED]
Subject: SEIU Pension Plans Master Trust 14a-8 Proposal Submission

Dear Mr. Walsh:

Please find attached our submission for a shareholder proposal for Valero's 2024 annual meeting, pursuant to SEC Rule 14a-8. We would appreciate it if you could confirm receipt of this submission. You will also receive a copy of this filing via regular mail.

If you have any questions, please let me know.

Best,

Armando Pintado
Senior Field Researcher
Capital Stewardship Program
Service Employees International Union



Richard J. Walsh
Senior Vice President,
General Counsel and
Secretary

November 27, 2023

VIA EMAIL

Maureen O'Brien
Segal Marco Advisors

Megan Sweeney
Chair, SEIU MasterTrust

Re: Stockholder Proposal

Dear Sir or Madam:

This will acknowledge receipt of your letter, dated November 17, 2023, in which SEIU MasterTrust (the "Proponent") has submitted a stockholder proposal (the "Proposal") in connection with the 2024 annual meeting of stockholders (the "Annual Meeting") of Valero Energy Corporation ("Valero"). By way of rules adopted pursuant to the Securities Exchange Act of 1934 (as amended, the "Exchange Act"), the U.S. Securities and Exchange Commission (the "SEC") has prescribed certain procedural and eligibility requirements for the submission of proposals to be included in a company's proxy materials. I write to provide notice of certain defects in your submission, as described below.

Pursuant to Exchange Act Rule 14a-8(b)(ii), to be eligible to submit a proposal, a proponent must be a Valero stockholder and must provide Valero with a written statement that it intends to continue to hold the requisite amount of securities, determined in accordance with paragraphs (b)(1)(i)(A) through (C) of Rule 14a-8, through the date of the Annual Meeting.

The cover letter we received from the Proponent includes the statement that the Proponent intends to "continue its ownership of at least the minimum number of shares required by the SEC regulations through the date of the Annual Meeting." The bare reference to "SEC regulations" without reference to Rule 14a-8 does not make clear that the Proponent intends to continue to hold the requisite amount of Valero securities, determined in accordance with paragraphs (b)(1)(i)(A) through (C) of Rule 14a-8, through the date of the Annual Meeting.

In order for us to properly consider the Proponent's request, please provide to us a statement that it intends to continue to hold the requisite amount of securities, determined in accordance with paragraphs (b)(1)(i)(A) through (C) of Rule 14a-8, through the date of the Annual Meeting.

Additionally, pursuant to Exchange Act Rule 14a-8(b), to be eligible to submit a proposal, the Proponent must be a Valero stockholder, either as a registered holder or as a beneficial holder (*i.e.*, a street name holder), and must have continuously held at least:

(a) \$2,000 in market value of Valero securities entitled to vote on the Proposal for at least three years preceding and including the date the Proposal was submitted to Valero;

(b) \$15,000 in market value of Valero securities entitled to vote on the Proposal for at least two years preceding and including the date the Proposal was submitted to Valero; or

(c) \$25,000 in market value of Valero securities entitled to vote on the Proposal for at least one year preceding and including the date the Proposal was submitted to Valero (collectively, the "Ownership Requirements").

Our records do not indicate that the Proponent is a registered holder of Valero's common stock. Exchange Act Rules 14a-8(b)(2) and (3) and SEC staff guidance provide that if the Proponent is not a registered holder the Proponent must prove its eligibility by submitting to Valero either:

1. a written statement from the "record" holder of the Proponent's securities (usually a broker or bank) verifying that, at the time the Proponent submitted the Proposal, the Proponent continuously held the requisite amount of Valero securities to satisfy at least one of the Ownership Requirements; or
2. a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, demonstrating that the Proponent continuously held the requisite amount of Valero securities to satisfy at least one of the Ownership Requirements, and any subsequent amendments reporting a change in ownership level, along with a written statement that the Proponent continuously held the requisite amount of Valero securities to satisfy at least one of the Ownership Requirements.

To date, we have not received sufficient proof of the Proponent's ownership of Valero securities.

In the proof of ownership statement, dated November 17, 2023 and submitted by Amalgamated Bank (the "Proof of Ownership Statement"), "Company" is defined as "Valero." However, the name of our company is "Valero Energy Corporation." Therefore, the Proof of Ownership Statement does not confirm that the Proponent held Valero Energy Corporation securities, as opposed to the securities of a different company, in the requisite amount for the applicable amount of time to satisfy at least one of the Ownership Requirements.

In order for us to properly consider the Proponent's request, please provide to us acceptable documentation from the DTC participant through which the Valero securities are held that the Proponent is a stockholder of Valero and has continuously held the requisite amount of Valero securities to satisfy at least one of the Ownership Requirements.

Maureen O'Brien
Megan Sweeney
Page 3

Your response may be sent to my attention at the address below or by email [REDACTED]. Pursuant to Exchange Act Rule 14a-8(f), your response must be postmarked or transmitted electronically no later than 14 days from the date you receive this letter.

Please note that because your submission has not satisfied the procedural requirements described above, we have not yet determined whether the submission could be omitted from the Valero proxy statement on other grounds. If you adequately correct the procedural deficiencies within the 14-day time frame, we reserve the right to omit your Proposal pursuant to Rule 14a-8 on other valid grounds for such action.

Copies of Exchange Act Rule 14a-8 and Staff Legal Bulletin Nos. 14, 14F and 14G are enclosed for your convenience.

If you have any questions or would like to speak with a representative from Valero about your Proposal, please contact me at [REDACTED] or Giovanna Rueda at [REDACTED].

Sincerely,



Richard J. Walsh

Exhibit C

Response to Deficiency Notice



Master Trust

December 4, 2023

Via regular mail and email: [REDACTED]

Richard J. Walsh
SVP, General Counsel & Secretary
Valero
One Valero Way
San Antonio, Texas 78249

RE: Shareholder Proposal Submission for 2024 Stockholder's Meeting

Dear Richard J. Walsh:

In response to your letter dated November 27, 2023 in which you requested a more precise reference to the SEC regulation and a more precise reference to the Company's name, please note this revised letter along with a revised custodial verification is being submitted to remedy your concerns.

In my capacity as Chair of SEIU MasterTrust (the "Fund"), I write to give notice that pursuant to the 2023 proxy statement of Valero (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2024 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting. Please note The SEIU MasterTrust is the lead filer on this proposal.

A revised letter from the Fund's custodian documenting the Fund's continuous ownership of the requisite amount of the Company's stock is being sent separately. The Fund also intends to continue its ownership of at least the minimum number of shares required by **paragraphs (b)(1)(i)(A) through (C) of SEC Rule 14a-8** through the date of the Annual Meeting. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the attached Proposal. I declare the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally.

Fund representatives are available to meet with the Company in person or via teleconference on Thursday, Nov. 30 at 1pm CST or Monday, Dec. 4 at 1pm CST.

Representation – Important Notice

Please be advised that we will hereafter be using a representative regarding the management of this proposal. Please send a copy of any correspondence regarding this proposal including deficiency notices, no action requests or engagement scheduling to Maureen O'Brien, [REDACTED] at [REDACTED]. I authorize the representative to speak on my behalf, negotiate withdrawal of the proposal and engage with the company and its representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "MS", is written over the printed name "Megan Sweeney".

Megan Sweeney
Chair

Physical address:

[REDACTED]
[REDACTED]



December 4, 2023

Via regular mail and email: [REDACTED]

Richard J. Walsh
SVP, General Counsel & Secretary
Valero Energy Corporation
One Valero Way
San Antonio, Texas 78249

RE: Shareholder Proposal Submission for 2024 Stockholder's Meeting

Dear Richard J. Walsh,

I write concerning your letter of Nov. 27, in which you requested a revised custodial letter that more precisely identified the Company as Valero Energy Corporation. Please note this revised letter sent to remedy your concern.

This letter, initially dated for November 17, 2023, pertains to a shareholder proposal (the "Proposal") submitted to Valero Energy Company (the "Company") by SEIU MasterTrust (the "Fund").

As custodian of SEIU MasterTrust, we are writing to report that as of the close of business on November 17, 2023, the Fund held shares of Company stock in our account at Depository Trust Company and registered in its nominee name of Cede & Co.

As of November 17, 2023, SEIU MasterTrust beneficially owned, and had beneficially owned continuously for at least one year, shares worth \$25,000 of Company common stock.

Amalgamated Bank has acted as record holder of the Shares and is a DTC participant, [REDACTED]. If there are any other questions or concerns regarding this matter, please feel free to contact me at [REDACTED] or [REDACTED].

Sincerely,

A handwritten signature in blue ink that reads "James Ryan".

James Ryan
First Vice President

[REDACTED]

Exhibit D

Other Correspondence

From: [Rueda, Giovanna \(Valero Energy Corporation\)](#)
To: [Armando Pintado](#)
Cc: [Manley, Renaye \(Service Employees International Union\)](#); [Edgar Hernandez](#); [O'Brien, Maureen \(Segal Marco Advisors\)](#); [Ngo, Karen](#)
Subject: Re: SEIU Pension Plans Master Trust 14a-8 Proposal Submission

9 am CT works. Thanks Armando

Sent from my iPhone

On Nov 17, 2023, at 11:45 AM, Armando Pintado

<[REDACTED]> wrote:

Hi Giovanna,

It looks like I hit send a bit early in my email and failed to notice we had a scheduling conflict at that time. Does 9am CT work for you, also on Nov. 30?

If that works, I can send around an invite for Zoom. I've been having some audio problems with Webex and Teams lately.

On Fri, Nov 17, 2023 at 12:15 PM Rueda, Giovanna

<[REDACTED]> wrote:

Nov. 30 at 1pm CT works well.

We can only use Webex. But if you send the invite we can use any platform. Let me know your preference.

Thank you.

From: Armando Pintado <[REDACTED]>

Sent: Friday, November 17, 2023 10:29 AM

To: Rueda, Giovanna <[REDACTED]>

Cc: Renaye Manley <[REDACTED]>; Edgar Hernandez

<[REDACTED]>; Maureen O'Brien

<[REDACTED]>; Ngo, Karen <[REDACTED]>

Subject: Re: SEIU Pension Plans Master Trust 14a-8 Proposal Submission

We can do Thursday, Nov. 30 at 1pm CT or Monday, Dec. 4 at 1 pm CT. Does either of these work?

On Fri, Nov 17, 2023 at 11:03 AM Rueda, Giovanna

<[REDACTED]> wrote:

Any availability for a call the last week of November or the first week of December?

Thank you, Giovanna

From: Armando Pintado <[REDACTED]>
Sent: Friday, November 17, 2023 9:59 AM
To: Rueda, Giovanna <[REDACTED]>
Cc: Renaye Manley <[REDACTED]>; Edgar Hernandez <[REDACTED]>; Maureen O'Brien <[REDACTED]>; Ngo, Karen <[REDACTED]>
Subject: Re: SEIU Pension Plans Master Trust 14a-8 Proposal Submission

Thank you, Giovanna.

On Fri, Nov 17, 2023 at 10:25 AM Rueda, Giovanna <[REDACTED]> wrote:

Hi Armando and SEIU team,

We have received your email. We will be reviewing soon and will get back to you with questions.

Best regards,

Giovanna

Giovanna Rueda

Valero

VP, ESG

One Valero Way | San Antonio, TX 78249 | Phone: [REDACTED]

From: Armando Pintado <[REDACTED]>
Sent: Friday, November 17, 2023 8:39 AM
To: Investor Relations <[REDACTED]>; Rueda, Giovanna <[REDACTED]>; Ngo, Karen <[REDACTED]>
Cc: Renaye Manley <[REDACTED]>; Edgar Hernandez <[REDACTED]>; Maureen O'Brien <[REDACTED]>
Subject: SEIU Pension Plans Master Trust 14a-8 Proposal Submission

Dear Mr. Walsh:

Please find attached our submission for a shareholder proposal for Valero's 2024 annual meeting, pursuant to SEC Rule 14a-8. We would appreciate it if you could confirm receipt of this submission. You will also receive a copy of this filing via regular mail.

If you have any questions, please let me know.

Best,

**Armando Pintado
Senior Field Researcher
Capital Stewardship Program
Service Employees International Union**

From: [Armando Pintado](#)
To: [Rueda, Giovanna \(Valero Energy Corporation\)](#)
Cc: [O'Brien, Maureen \(Segal Marco Advisors\)](#); [Manley, Renaye \(Service Employees International Union\)](#); [Edgar Hernandez](#)
Subject: State Street REA report
Date: Thursday, November 30, 2023 10:53:16 AM

Hi Giovanna,

This is the link to the State Street report: <https://www.statestreet.com/web/about/our-people/documents/state-street-relman-civil-rights-audit.pdf>



Richard J. Walsh
Senior Vice President, General Counsel and Secretary
Valero Energy Corporation

February 1, 2024

VIA ONLINE SHAREHOLDER PROPOSAL PORTAL

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: *Valero Energy Corporation*
Shareholder Proposal of SEIU Master Trust

Ladies and Gentlemen:

I refer to the letter from Valero Energy Corporation (the “Company”) dated January 4, 2024 (the “No-Action Letter”) respectfully requesting that the Staff of the Division of Corporation Finance of the Securities and Exchange Commission concur in the Company’s view that the shareholder proposal (the “Proposal”) that the Company received from SEIU Master Trust (the “Proponent”) and statements in support thereof may be excluded from the Company’s proxy statement and form of proxy for its 2024 annual meeting of shareholders.

Enclosed hereto as Exhibit A is correspondence dated January 29, 2024 on behalf of the Proponent withdrawing the Proposal (the “Withdrawal Confirmation”). In reliance on the Withdrawal Confirmation, the Company hereby withdraws the No-Action Letter.

Very truly yours,

A handwritten signature in black ink that reads 'Richard J. Walsh'. The signature is written in a cursive, flowing style.

Richard J. Walsh

Enclosure

cc: Jude A. Dworaczyk, Valero Energy Corporation
Giovanna Rueda, Valero Energy Corporation
Megan Sweeny, SEIU MasterTrust
Maureen O’Brien, Segal Marco Advisors

Exhibit A



Master Trust

P.O. Box 22650
Lehigh Valley, PA 18002-2650

January 29, 2024

Via regular mail and email: investorrelations@valero.com

Richard J. Walsh
SVP, General Counsel & Secretary
Valero
One Valero Way
San Antonio, Texas 78249

RE: Shareholder Proposal Submission for 2024 Stockholder's Meeting

Dear Richard J. Walsh:

In my capacity as Chair of the Service Employees International Union Pension Plans Master Trust (the "Fund"), I write to give notice that the Fund is withdrawing its shareholder proposal that it had intended to present at the 2024 annual meeting of shareholders (the "Annual Meeting").

We look forward to future engagement on the issue.

Sincerely,

A handwritten signature in black ink, appearing to read "MS", is written over a light gray signature line.

Megan Sweeny
Chair

Physical address:
1800 Massachusetts Ave. NW
Suite 301
Washington, DC 20036