



TESORO

# Mandan Refinery

## F A C T S H E E T

### Mandan Refinery

The Tesoro Mandan refinery began operations in 1954, three years after crude oil was discovered in North Dakota, with an initial capacity of 30,000 barrels per day. Today, the refinery has a capacity of 60,000 barrels per day and processes primarily sweet (low sulfur) domestic crude oil, from North Dakota. The facility manufactures gasoline, diesel fuel, jet fuel, heavy fuel oils and liquefied petroleum gas. Most of the refinery's products are shipped via pipeline to eastern North Dakota and Minnesota.

Tesoro operates more than 900 miles of crude and product pipelines, transporting more than 380,000 barrels per day across our system. The largest part of this system is a 750-mile crude oil gathering and mainline system that delivers all of the Mandan refinery's crude supply.

Tesoro distributes approximately 85 percent of the Mandan refinery's production through a third-party refined products pipeline system that serves various areas from Bismarck, North Dakota to Minneapolis, Minnesota.

Tesoro Mandan occupies 960 acres and is situated on the Missouri River in central North Dakota, approximately five miles west of Bismarck, in Mandan.

### About Tesoro Corporation

Tesoro Corporation, headquartered in San Antonio, Texas, is a Fortune 150 and a Global 500 company with approximately 5,900 employees. As a leading independent refiner and marketer of petroleum products, Tesoro, through its subsidiaries, operates seven refineries primarily in the western United States with a combined crude oil capacity of more than 660,000 barrels per day. The seven refineries are located in:

- ◆ Anacortes, Wash.
- ◆ Kapolei, Hawaii
- ◆ Kenai, Alaska
- ◆ Mandan, N.D.
- ◆ Martinez, Calif.
- ◆ Salt Lake City, Utah
- ◆ Wilmington, Calif.

Tesoro's retail marketing system includes over 900 branded retail stations, of which more than 445 are company operated under the Tesoro®, Shell®, Mirastar® and USA Gasoline® brands.

Tesoro's commercial marketing system includes sales of jet and marine fuels.



Employing 230 full-time workers, Mandan Refinery generates

**\$20 million\***

annually in employee salaries and wages and property taxes in the state of North Dakota

#### MANDAN REFINERY

900 Old Red Trail N.E.  
Mandan, North Dakota 58554  
(701) 667-2400

#### REFINERY CONTACTS:

Alan R. Anderson  
Vice President, Northern Great Plains Region  
(701) 667-2402

Leif W. Peterson  
Manager, Human Resources  
(701) 667-2405

WEB SITE: [www.tsocorp.com](http://www.tsocorp.com)

\* Based on 2006 data. All numbers are approximate.





## Environment

Tesoro's Mandan refinery has dedicated about 640 acres of its property adjacent to the refinery's process units and tank farm to serve as a natural wildlife habitat. Originally constructed in 1972 as part of an engineered wetland for treated wastewater, the area has been enhanced over the years to provide exceptional wildlife habitat. Waterfowl, wild turkeys, pheasants and the endangered Least Tern nest in the area. Deer, coyotes, foxes and badgers also live and forage within its boundaries. Employees at the Mandan refinery have built nesting structures and planted thousands of trees, including fruit trees, to provide cover and food for the refinery's wildlife.



For this outstanding example of environmental stewardship, the Mandan refinery has received national recognition from the Nature Conservancy, the Wildlife Habitat Council and the National Wildlife Federation.

## Health and Safety

Tesoro's vigilant safety programs have contributed to continuing improvement in employee safety over the past several years. This can be seen in our 45 percent reduction in the frequency-of-injury rate since 2004. In 2006, we posted the lowest Occupational Safety and Health Administration recordable incident rate in our history.



In 2007, the Mandan refinery attained Merit status under the Occupational Safety and Health Administration's Voluntary Protection Program. The refinery was also recognized in 2006 by the National Petrochemical and Refiners Association (NPRA) with the *Gold Award*, which recognizes facilities that have reduced by 25 percent or more their

total recordable incident rate with no workplace-related fatality of an employee or non-employee during the calendar year.

The refinery also won the NPRA's *Meritorious Safety Performance Award* for achieving a total recordable incident rate of 1.2 or less with no workplace-related fatality of an employee or non-employee during the calendar year. NPRA also awarded the Mandan refinery with the *Award for Safety Achievement: 1+ Years*, recognizing it for operating one or more years without an employee lost workday case involving days away from work and without a workplace-related fatality of an employee or non-employee during the evaluation period.

## Community

Tesoro and its employees partner with surrounding communities, donating not only money but also time to support local activities focused on education, environment and community vitality. The Mandan refinery and its employees, in particular, are recognized for a tradition of commitment and contributions to the communities of Mandan and Bismarck and to the state of North Dakota. This commitment is reflected by Tesoro's contributions to the Missouri Slope Areawide United Way and by the support of more than 70 volunteers, representing one-third of the refinery employees, who give countless personal volunteer hours each year to the *Golden Age Project*, which makes repairs and improvements to the homes of senior citizens. Employees also raise thousands of dollars each year to support cerebral palsy research through participation in the *Great American Bike Race*.

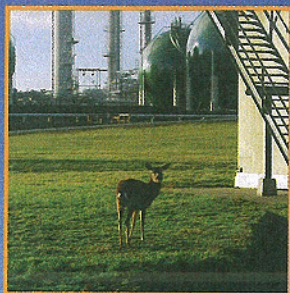
Among the areas that benefit and enrich North Dakota communities, Tesoro Mandan is most passionate about education and the environment. For the past 17 years, Tesoro Mandan refinery employees have joined with Mandan and Bismarck Girl Scouts and Boy Scouts and the Mandan and Bismarck City Forestry and Parks and Recreation Departments to plant more than 300 trees and bushes in honor of Arbor Month each May.

In 2007, Tesoro awarded a \$50,000 grant to help restore native prairie areas, improve wildlife habitat, and develop educational and recreation opportunities at President Theodore Roosevelt's Elkhorn Ranch in North Dakota.



# TESORO





# We Value

The Communities We Serve.



TESORO



Our mission is to build strategic partnerships with the communities where we operate. At Tesoro, our community investment efforts focus on community vitality, education and the environment.

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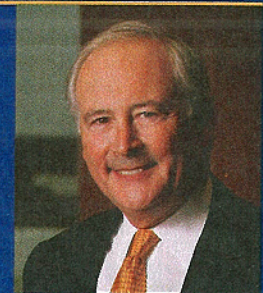
Tesoro Corporation, a Fortune 150 company, is an independent refiner and marketer of petroleum products. Tesoro, through its subsidiaries, operates seven refineries in the western United States with a combined capacity of approximately 660,000 barrels per day. Tesoro's retail marketing system includes over 890 branded retail stations, of which more than 450 are company-owned.



**We value** the potential of each Tesoro employee to strengthen our communities, enrich educational opportunities and protect the environment.

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At Tesoro, we measure our success not only by the bottom line, but also by how well we perform as a responsible corporate citizen in the communities where our employees live and work. Volunteering and charitable giving are woven into our company culture, and we strive to make an impact in three primary areas:



#### **COMMUNITY VITALITY**

We aim to play a major role in making communities stronger and more dynamic through helping people and improving their opportunities in life.

#### **EDUCATION**

We focus on giving students the tools they need to succeed and grow, both in knowledge and character.

#### **ENVIRONMENT**

We help better the lives of people for generations to come by preserving natural resources and promoting clean surroundings.

Each year, Tesoro employees dedicate thousands of volunteer hours to worthwhile causes in communities around the country. They paint homes for senior citizens, clean up highway litter, judge local science fairs and plant trees. They donate to blood banks, collect food for families in need and walk for the March of Dimes. They take to their feet, bikes and even motorcycles to raise money for worthy causes. They continue to support our men and women who serve or have served in the military.

Our employees contribute to our success in many ways, not the least of which is the excellent way they represent Tesoro in their communities every day. We are extremely proud of their efforts. They are, in every way, invaluable to our company and our communities.

A stylized, handwritten signature in white ink, appearing to read 'B. Smith'.

Bruce A. Smith  
Chairman, President and Chief Executive Officer

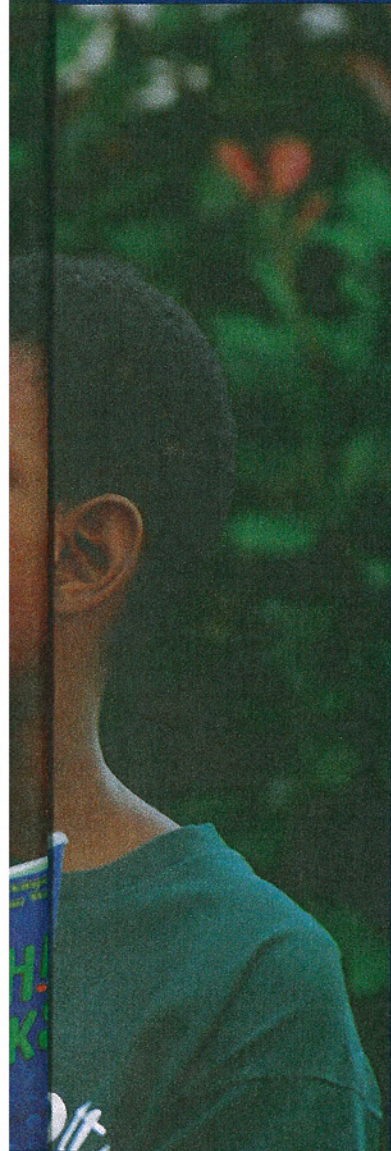


We value our commitment to working and giving where it counts.



- ◆ Tesoro's corporate headquarters sponsors a mentoring program, in which employees are matched one-on-one with elementary school students.





Behind Tesoro's mission to be a responsible corporate citizen is a solid team of community-minded and committed employees who consistently support worthy causes with their hearts, their time and their money.

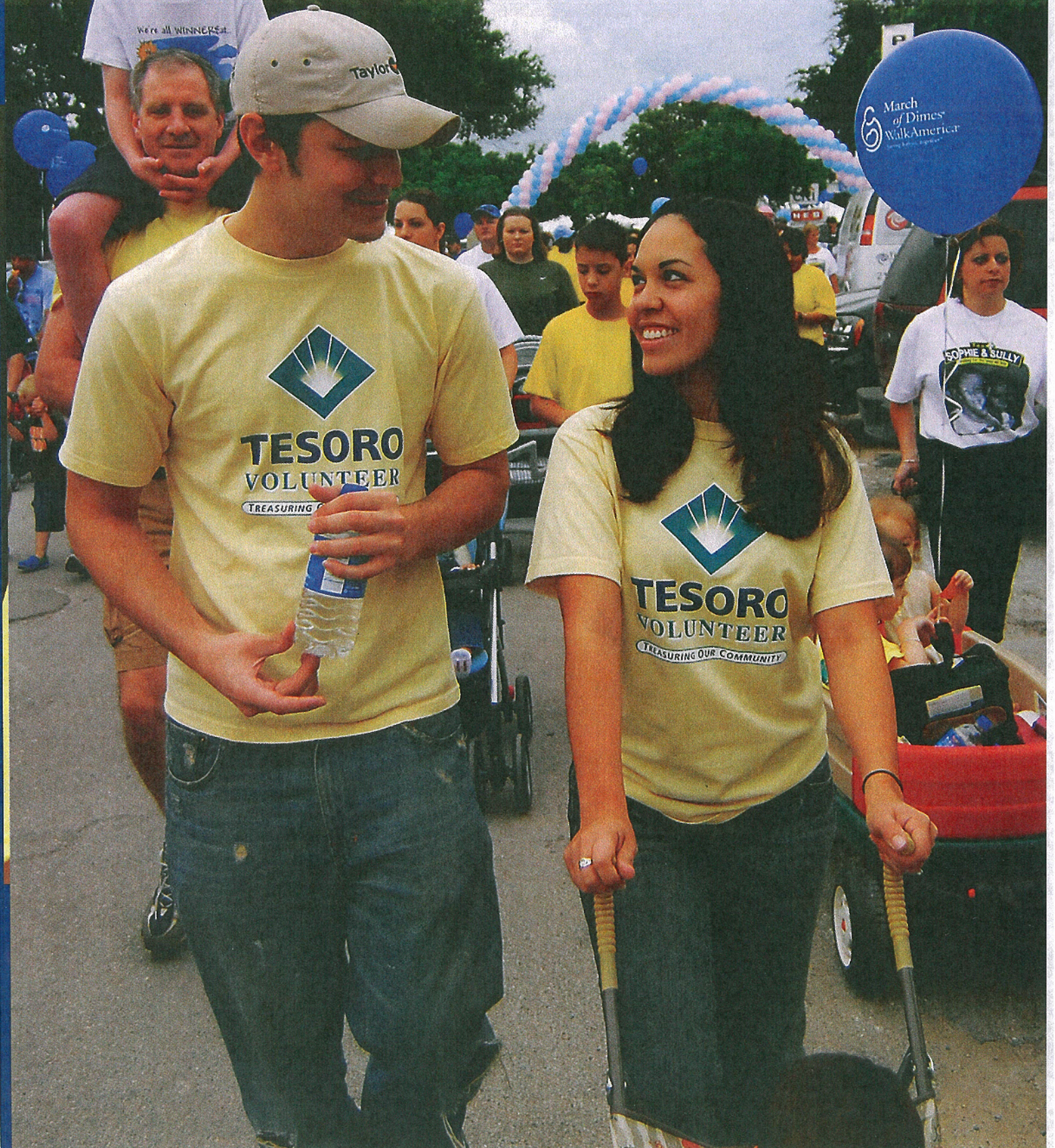
Through strategic partnerships at the local level, Tesoro makes a vital difference for people, groups and environmental organizations that need help in each area we serve.

On a company-wide level, Tesoro supports three charitable organizations that best match our own goals for making a difference: Special Olympics, Big Brothers Big Sisters and Meals On Wheels.

On the following pages we highlight some of the accomplishments that set Tesoro apart in terms of our work and our giving to these important endeavors. Through service to community vitality, education and the environment, we aim to be a guiding force that will improve, protect and preserve our natural resources and community assets.



# Community





## We value the opportunity to make a difference in the lives of others.

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At Tesoro, we believe that we can make a significant and positive impact on the communities we serve. We know that people from all walks of life benefit greatly when everyone works together for the common good.

Tesoro embodies a generous, giving spirit of social responsibility that is driven by the compassion and caring nature of our employees. We are deeply committed to making community investments that turn possibilities into realities.

Through our *Team Tesoro* volunteer program, we not only lend support and encouragement to vital community programs, but also partner hands-on with organizations that have a broader reach. Our strong support of United Way exemplifies our dedication to working as a team within our company to achieve outstanding results. Every year our employees rally to hold United Way fund-raising activities and pledge campaigns across the country—a highly successful effort that is magnified by Tesoro's commitment to matching employee contributions dollar for dollar.

We have also seen our ties with Meals On Wheels, Special Olympics and Big Brothers Big Sisters produce rewarding partnerships. Our charitable giving program benefits these and a host of other organizations, while helping to build relationships with national charities and their local counterparts.

Community involvement is just one way that Tesoro responds to make a difference in the lives of others.

Each year, Tesoro employees raise thousands of dollars for worthy causes and organizations, such as the March of Dimes.



**We value partnerships.**

**Tesoro teams up with three organizations to make a difference.**

Meals On Wheels, Big Brothers Big Sisters and Special Olympics bring hope to thousands of people—young and old—in the communities served by Tesoro. In turn, our continuing volunteer and fund-raising efforts for these signature charitable organizations bring out the best in Tesoro employees.

### **Meals On Wheels**

#### **Working together to alleviate hunger**

Tesoro believes that no senior citizen should go hungry. Because of our concern for their welfare, Meals On Wheels was Tesoro's first company-wide sponsorship. Not only does Tesoro donate money and fuel cards to help purchase gasoline needed to make deliveries, but our employees play a vital role by personally delivering hot meals to seniors.



The company established its partnership with Meals On Wheels in 2006 with a donation of more than \$100,000 to the Meals On Wheels Association of America Foundation. The money was raised through Tesoro's donation of 2 cents for every gallon of gasoline sold at 475 retail stations over a three-day period to the Meals On Wheels program.

During this campaign, Tesoro funded a public awareness campaign by Meals On Wheels to bring attention to the issue of senior hunger. Tesoro hosted live radio remotes and events in 13 markets, where employees joined in to greet customers, pump gas, wash windshields and collect donations. In addition to the \$100,000 donation, the company also provided Meals On Wheels with more than \$28,000 worth of media exposure, promotional materials and cash donations collected at the retail sites.

Tesoro partners with local Meals On Wheels programs in 13 markets. In San Antonio, more than 90 Tesoro volunteers donate their time to deliver meals to homebound seniors every weekday. Through the San Antonio Meals On Wheels program, more than 600,000 meals are provided to seniors in the area each year.

### **Big Brothers Big Sisters**

#### **Positive mentoring for boys and girls**

Throughout the company, Tesoro employees are enthusiastic in their support of Big Brothers Big Sisters. This nationwide youth mentoring organization strives to reach more young people every day.

Tesoro San Antonio helps make this possible through major fund-raisers like the *Tesoro Par for Kids' Sake* golf tournament. Thanks to employees, vendors and many other groups that participated in the tournament, the event raised more than \$150,000 for





Big Brothers Big Sisters of South Texas in 2006. In 2007, the tournament more than doubled the contribution, raising more than \$342,000 for the organization.

Tesoro's Anacortes refinery is an annual sponsor of *Bowl for Kids' Sake*, which benefits Big Brothers Big Sisters in Northwest Washington. Employees and friends join together for a great time of bowling to help provide funds for more Big Brothers and Big Sisters to be matched with children.

## Special Olympics

### Cheering athletes on to victory

Supporting athletes with intellectual disabilities through Special Olympics is an important priority for Tesoro and its employees. Tesoro volunteers support year-round sports training and competition opportunities for these athletes.

Among the Special Olympics events in which Tesoro actively participates:

- Tesoro's corporate headquarters sponsors the *Tesoro Plane Pull* for Special Olympics Texas, raising a total of approximately \$70,000 in 2006 and 2007. More than 100 Tesoro employees from around the country come together in San Antonio to participate in the fund-raiser.
- For the past two years, Tesoro Hawaii has held a fund-raising promotion called *Fueling Dreams*, raising a total of \$58,000 to benefit athletes competing in the *Special Olympics World Summer Games* in different international locations. During the 12-hour promotion, gasoline prices were dropped by at least 10 cents per gallon at 14 Tesoro stations in Hawaii, and we donated 10 cents per gallon sold to Special Olympics.
- In Hawaii, more than 100 volunteers help host the *Special Olympics Hawaii Summer Games Opening Ceremony*, sponsored by Tesoro for the past 10 years.



- The Golden Eagle refinery in Martinez, California annually hosts the *Special Olympics Northern California Softball Regional Championships*, serving more than 700 athletes and their families at the Tesoro Golden Eagle baseball fields. Tesoro presented a check for \$60,000 to Special Olympics of Northern California, and more than 60 Tesoro employees and their families volunteered to support the event.
- Tesoro's Mandan, North Dakota refinery presented Special Olympics North Dakota with a check for more than \$7,000 as the result of its *Tesoro Mandan Refinery Golf Extravaganza* in which 88 golfers participated.
- Tesoro's corporate headquarters is a presenting sponsor of *OscarNight® America*, the Academy of Motion Picture Arts and Sciences' grassroots program that enables charities to host official viewing parties as fund-raising events. In 2006, the San Antonio *OscarNight* event raised \$50,000 for Special Olympics.
- Tesoro's Los Angeles refinery took second place at the *Special Olympics Southern California Plane Pull Challenge* fund-raiser. The team of 20 competed with other groups to pull a 150,000-pound FedEx airplane 25 feet.



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## We value the positive impact of community involvement.

Look everywhere that Tesoro refineries are located—and beyond. Tesoro is immersed in the communities we serve, volunteering to help better the lives of residents across the board. We are involved in charity events, mentoring at schools, assisting seniors who need a hand, and giving back to our troops in the military.

Tesoro employees seek to make a meaningful difference through community outreach programs, signature programs and partnerships, and charitable donations. Many of our refineries develop their own innovative programs to meet local needs with outstanding results.

We are proud that Tesoro stands out because of efforts like these that are focused on people. The impact of such programs and events strengthens the vitality of every community we serve.

### Leading the United Way charge

Tesoro employees enthusiastically and substantially support United Way. Contributions continue to rise significantly each year, and the company has increased its match of employee donations over the last two years from 50 cents to dollar for dollar. In total, Tesoro raised more than \$1.4 million company-wide in 2006 through fund-raising activities and pledge campaigns.

Local efforts included:

- *Day of Caring* at the Anacortes, Washington refinery, where Tesoro work crews volunteered to install ceiling tiles at a local community center for youth. Through this and other activities, Tesoro employees raised \$88,000 for United Way of Skagit County.
- In North Dakota, our Mandan refinery sponsored numerous activities, including a silent auction of items donated by employees. A leading contributor to the local United Way effort, the Mandan refinery also published and sold a cookbook of employees' recipes. In total, Mandan refinery employees donated more than \$69,000 to the Missouri Slope Areawide United Way.
- In Salt Lake City, Tesoro contributed more than \$133,000 in 2006 through such activities as a motorcycle team event, a used furniture sale and a challenge campaign to meet their goal—which ended successfully with Tesoro management sporting newly dyed multi-hued hair. Tesoro also donated a year's worth of Tesoro gas cards to go with the BMW provided by a local dealership for the United Way of Salt Lake's annual prize program.
- In Alaska, Tesoro's Kenai refinery sponsored its *6th Annual Tesoro Golf Tournament*. More than 30 area businesses contributed to the 2006 event, 21 teams participated, and the effort raised \$15,000 for United Way. In 2006, Alaska employees donated a total of \$92,000 to the United Way of Anchorage and Kenai Peninsula United Way.



- More than 90 Tesoro employees from corporate headquarters and the Anacortes, Golden Eagle, Salt Lake City and Mandan refineries participated in the *Tesoro Plane Pull Challenge* benefiting Special Olympics Texas.



- Runners participate in the Anacortes refinery *March Point Run*, an annual community event that raises money for United Way of Skagit County.



- The Golden Eagle refinery hosted the *2nd Annual Special Olympics Northern California Softball Regional Championships*, serving more than 700 athletes and their families.







◆ Tesoro employees are enthusiastic in their support of Big Brothers Big Sisters. In its second year, the Tesoro *Par for Kids' Sake* golf tournament raised more than \$335,000 for the organization.



- The Golden Eagle refinery raised more than \$230,000 in 2006 in employee contributions for United Way of the Bay Area. Employees set a refinery record with contributions totaling 40 percent more than the previous year's donations. In total with a company contribution, more than \$400,000 was donated.

In addition to extensive employee participation, Tesoro provides leadership to area-wide United Way campaigns. Tesoro Vice President Al Anderson co-chaired the Missouri Slope Area-wide United Way campaign in 2006; and Tesoro Chairman, President and CEO Bruce Smith chaired the 2007 San Antonio campaign.

Tesoro's corporate headquarters was named the 2007 *Corporate Volunteer of the Year* by United Way of San Antonio and Bexar County. Special recognition was given to the 250-member employee volunteer program, *Team Tesoro*, which contributed nearly 2,500 volunteer hours to 20 events, organizations and community causes in 2006.

#### **Continuing community commitment in Anacortes**

The Anacortes refinery in Washington consistently lends its helping hands to many causes. Among the organizations they assist are Big Brothers Big Sisters of Northwest Washington, Skagit Hospice Foundation, Adopt-a-Highway, Habitat for Humanity and the Anacortes Parks Foundation. Anacortes employees demonstrate sheer dedication and endurance for the 18-hour American Cancer

Society's *Relay for Life*, where *Team Tesoro's* 18 walkers and runners recently logged 103 miles. The event raised \$80,000 for American Cancer Society.

#### **Taking steps to make a difference**

Tesoro's Auburn, Washington office is dedicated to raising funds for two important organizations: the American Heart Association and The Leukemia & Lymphoma Society. Auburn office volunteers participate in the area's *Annual Heart Walk*, raising funds for research and programs to fight cardiovascular disease. Together, employee volunteers and Pacific Northwest Tesoro 2Go store employees raised more than \$13,200 for the organization. The Auburn office also sponsored the *Links for Life* golf tournament benefiting The Leukemia & Lymphoma Society. The event raised \$119,000 in 2006.

#### **Fueling the way to winter victory**

In 2006, the Kenai refinery served as the *Arctic Winter Games* official fuel sponsor. The sport competition attracted 2,050 northern and Arctic area athletes from Alaska, Canada and Greenland and featured sports such as dog mushing, snowshoeing and curling.





- ◆ Soldiers are made to feel welcome and appreciated during an Independence Day celebration at the Army Fisher Houses at Fort Sam Houston in San Antonio.



- ◆ Tesoro's Golden Eagle refinery employees serve the Boys & Girls Club of Diablo Valley through many events and financial support.



- ◆ Mandan refinery and marketing employees turned out for the annual Great American Bike Race. The volunteer bikers joined hundreds of people on stationary bikes to raise money, benefiting patients with cerebral palsy and their families.



#### **Hammering out home repairs for seniors**

Each spring, Mandan refinery employees volunteer countless hours to the *Golden Age Project* with the mission of improving the living environments of local senior citizens. The Mandan refinery, in conjunction with the United Steel Workers Union, has taken on community projects benefiting seniors in Mandan and Bismarck since 1992. The team works closely with two community outreach programs—Mandan Golden Age Services and the Bismarck Senior Center.

#### **On board with making a difference**

Tesoro's Salt Lake City refinery provides leadership through its representation on a number of boards of community-minded organizations, including United Way of Salt Lake, Junior Achievement of Utah and the Utah Safety Council. In addition, Tesoro provides support for such local community organizations as the NAACP, Toys for Tots, 4-H Clubs and the Rose Park Neighborhood Council.

#### **Going the extra mile**

Refinery and marketing employees at the Mandan refinery in North Dakota turned out in force for the 2006 *Great American Bike Race* for cerebral palsy. Tesoro employees joined hundreds of other local volunteers on stationary bikes amid balloons and banners at the Bismarck State College Armory to raise money for patients with cerebral palsy and their families. In its 11th year, the 2006 bike race raised a record \$170,000. Tesoro's corporate headquarters matched the Mandan refinery's donation of \$1,500, for a total contribution of \$3,000 to the organization.

#### **Showing support for our troops**

Supporting the military is a key Tesoro priority. At the Army Fisher Houses and Powless Guest House at Fort Sam Houston in San Antonio, wounded soldiers are made to feel welcome and appreciated for their service to our country. Tesoro employees host Independence Day carnivals for soldiers and their families, decorate the houses for the Christmas holidays and provide hospitality and support through other volunteer activities.

#### **Hope fulfilled by horsing around**

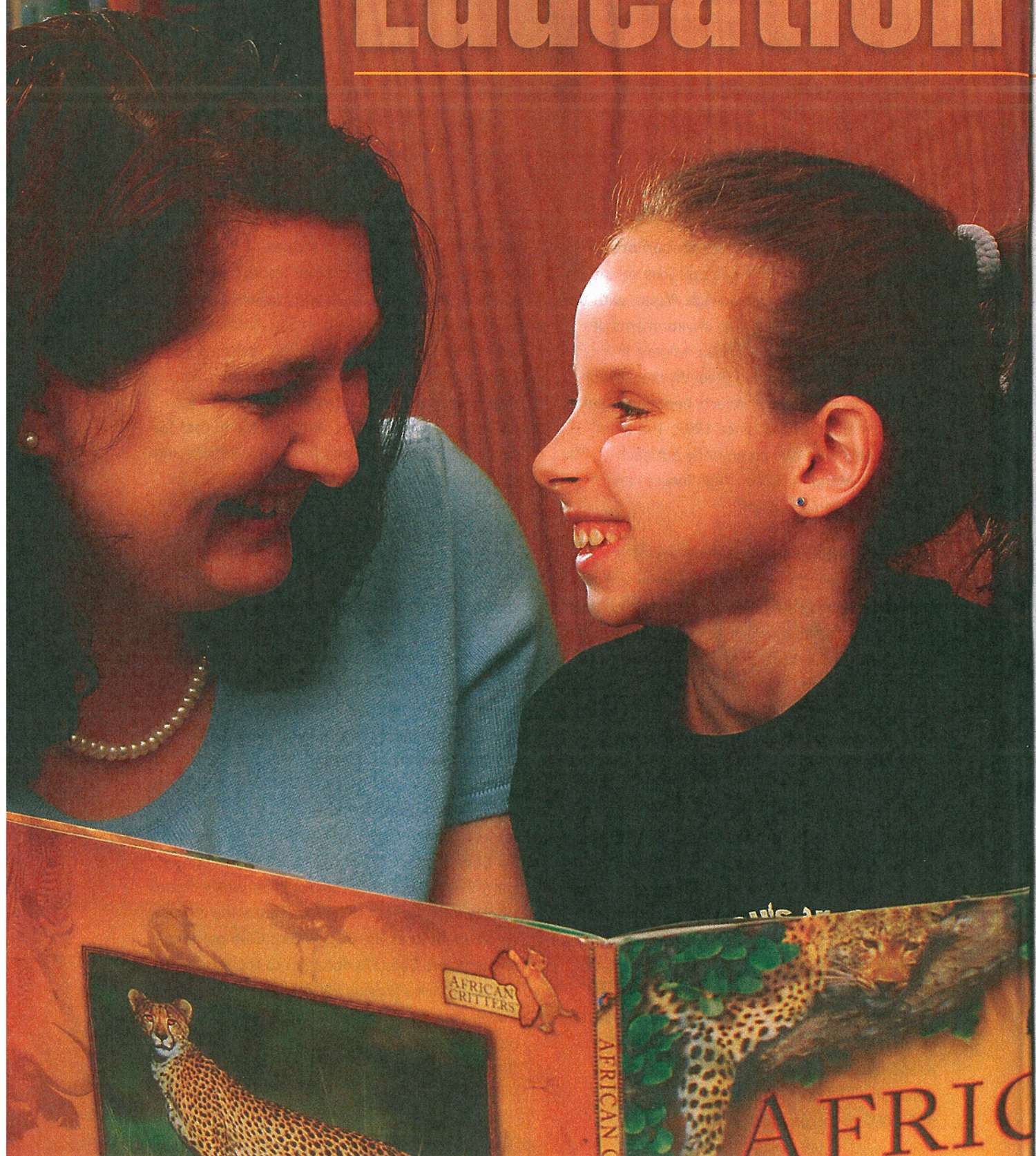
The Children's Hope Learning Center, which serves children with special needs, benefits from the participation and support of the Mandan refinery. Employees have served on the center's Board of Directors for over 10 years. In the *Catch a Painted Pony* community-wide fund-raiser, Tesoro sponsors one of 30 life-sized painted ponies each year to help raise money for the center and for Easter Seals Goodwill North Dakota.

#### **Positive programs for kids**

Tesoro's Golden Eagle refinery employees serve the Boys & Girls Club of Diablo Valley through many events, including *Day For Kids*, where Tesoro employees volunteer to help celebrate the children who benefit from the Boys & Girls Club programs. The refinery's \$25,000 donation to the Boys & Girls Club helps provide youth with programs that encourage self-esteem, purpose and a positive attitude.



# Education





## We value the impact that educational support can make on young minds.


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Tesoro believes that today's students are the driving force behind tomorrow's communities. They must be given every opportunity to learn and to believe in themselves, academically and personally. If even a single student benefits from a Tesoro employee's mentoring or encouragement, it is a great accomplishment.

You will find Tesoro represented in classrooms, early childhood learning centers, colleges and other educational institutions. Many of our employees mentor, teach and raise funds, providing support that inspires students to reach greater heights. Others promote engineering careers to high schoolers, judge science fairs or read aloud to kindergartners.

At some Tesoro facilities, students have the opportunity to explore careers in the sciences by conducting experiments that involve basic concepts. Scholarships that encourage high school seniors to pursue advanced education in math and science, funded in part by Tesoro, have made it possible for students to attend college—sometimes as the first in their families to do so.

Where education is concerned, Tesoro strives to make a major impact on students in every community we serve. By partnering with schools and other community groups to promote innovative programs, we can help ensure academic success.

 Tesoro employees partner with schools and colleges in various ways to help ensure academic success for students of all ages.



## Bringing more value to the environment of learning.

When education becomes a major focus for businesses and nonprofit groups, the benefits to the community can be far-reaching. Tesoro employees exemplify the spirit of helping students to succeed, every chance they get. They enthusiastically take part in local initiatives and develop innovative ways to motivate students to learn and continue with higher education.

### Mentoring multiplied

In just a few years, Tesoro's participation in the mentoring program at Agnes Cotton Elementary in San Antonio has grown by 150 percent. Employees find that they get more than they give when they dedicate one hour a week to help make a difference in a child's life. The mentoring program focuses on helping students in academics, as well as providing recognition for conduct and citizenship. Currently, nearly 40 Tesoro employees participate as mentors in the program. In many instances, Tesoro's commitment to the school goes beyond mentoring. Tesoro has adopted this elementary school and has pledged monetary and volunteer support to make a significant impact. At the start of the school year, Tesoro donated more than 400 backpacks full of school supplies at a back-to-school rally. Tesoro employees contributed by donating more than 13,000 school supply items. Employees have also taken part in the school's *National Night Out*, an event observed across the country to focus on neighborhood drug and crime prevention.

### Driving student achievement

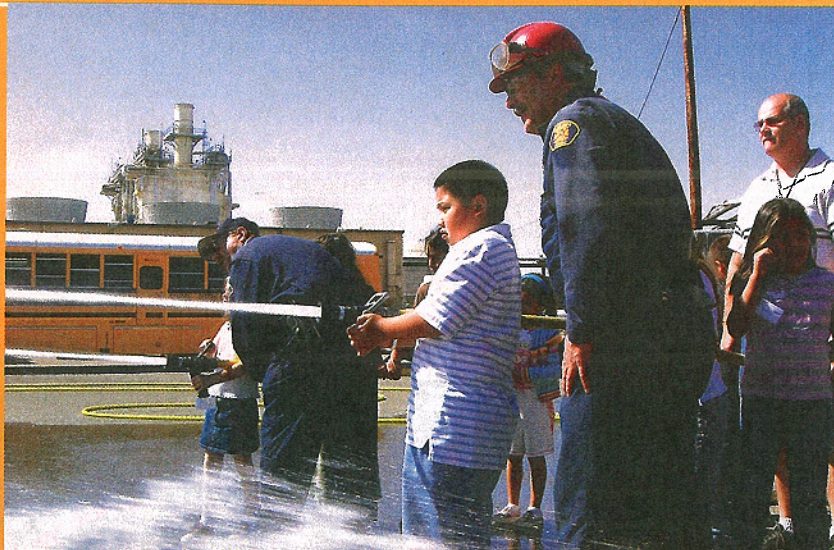
Tesoro offers a unique program aimed at encouraging academic excellence. Designed to benefit the up-and-coming next generation of Tesoro customers, our *Gallons for Grades* program rewards students who earn good grades with Tesoro fuelCards, good for free gasoline at participating Tesoro stations. The program first began in Alaska in 1997 and has since expanded to Hawaii, Utah, North Dakota, Idaho and Minnesota. Qualified high school and college students are awarded \$2 for each A and \$1 for each B on their report cards. Tesoro processed nearly 11,000 student report cards in the 2006 – 2007 school year and awarded more than \$119,000 in gift cards to students.

### A taste of academic success

Tesoro employees at the Kapolei refinery work tirelessly to support educational efforts in Hawaii. Tesoro volunteers play a major role to help put on the *Taste at Kapolei* scholarship fund-raiser, which in 2006 raised \$300,000 for scholarships benefiting high school seniors. Employees also participate as instructors for Leeward Community College Process Technology certification training.



◆ Employees at the Golden Eagle refinery host local elementary school kids involved in the *Kids and the Power of Work* program, where students can visit a workplace to participate in hands-on educational activities.



◆ Tesoro's Los Angeles refinery hosts a luncheon for scholarship recipients. City and state representatives were on hand to congratulate the students on their achievements.



◆ Students participate in *Reaction Time*, a hands-on science program sponsored by Tesoro's Salt Lake City refinery and developed by The Children's Museum of Utah to promote scientific literacy among fifth-grade students.







◆ Tesoro's *Gallons for Grades* program encourages academic excellence among high school and college students. The community rewards program provides a practical incentive for doing well in school by rewarding students with Tesoro fuelCards that are good for free gasoline at participating Tesoro stations.



### Intelligent science fair support

The *Hawaii State Science and Engineering Fair* is the oldest and largest science education program in Hawaii. Over 6,000 students participate in the science fair program each year, with about 400 reaching the statewide event. In 2006, the program found a knowledgeable resource in Tesoro Hawaii. Kapolei refinery employees served as judges and mentors for the statewide event and also provided a safety representative to ensure that projects were conducted in a safe manner. Tesoro also provided financial awards for the winners.

### An outer space dream come true

With the help of Tesoro funding, all sixth-grade students on Alaska's Kenai Peninsula were treated to a day at the Challenger Learning Center of Alaska, including a two-hour simulated spaceflight mission. As part of the Center's *Starbase* program, this offers the next best thing to an actual flight, right down to a mission control room that replicates the one at NASA in Houston. The event is designed to foster interest in math, science and technology.

### Engineering boost for students

Tesoro employees in North Dakota look forward to the annual *Engineering Week* at Mandan/Bismarck high schools. During this week, Team Tesoro volunteers visit the high schools and speak to math and science students about careers in engineering. In addition, a number of students have an opportunity to shadow Tesoro engineers on the job.

The Mandan refinery also supports the *United Tribes International Powwow*, presented annually by the United Tribes Technical College, a nonprofit

organization that serves the academic and cultural needs of American Indian students and their families. The college provides higher education in applied sciences.

### Learning to excel in Salt Lake City

As a school sponsor for the United Way program in Salt Lake City, Tesoro adopted Escalante Grade School and provided program instructors. The Salt Lake City refinery also sponsored the West High School summer internship program, and through its efforts the program was able to continue operation.

### Fast reaction time

Tesoro's Salt Lake City operations enabled students at 20 Utah schools to take part in *Reaction Time*, a hands-on chemistry program for elementary students presented by The Children's Museum of Utah. Thanks to Tesoro's sponsorship, fifth-graders became junior scientists and conducted interactive experiments using common household substances.

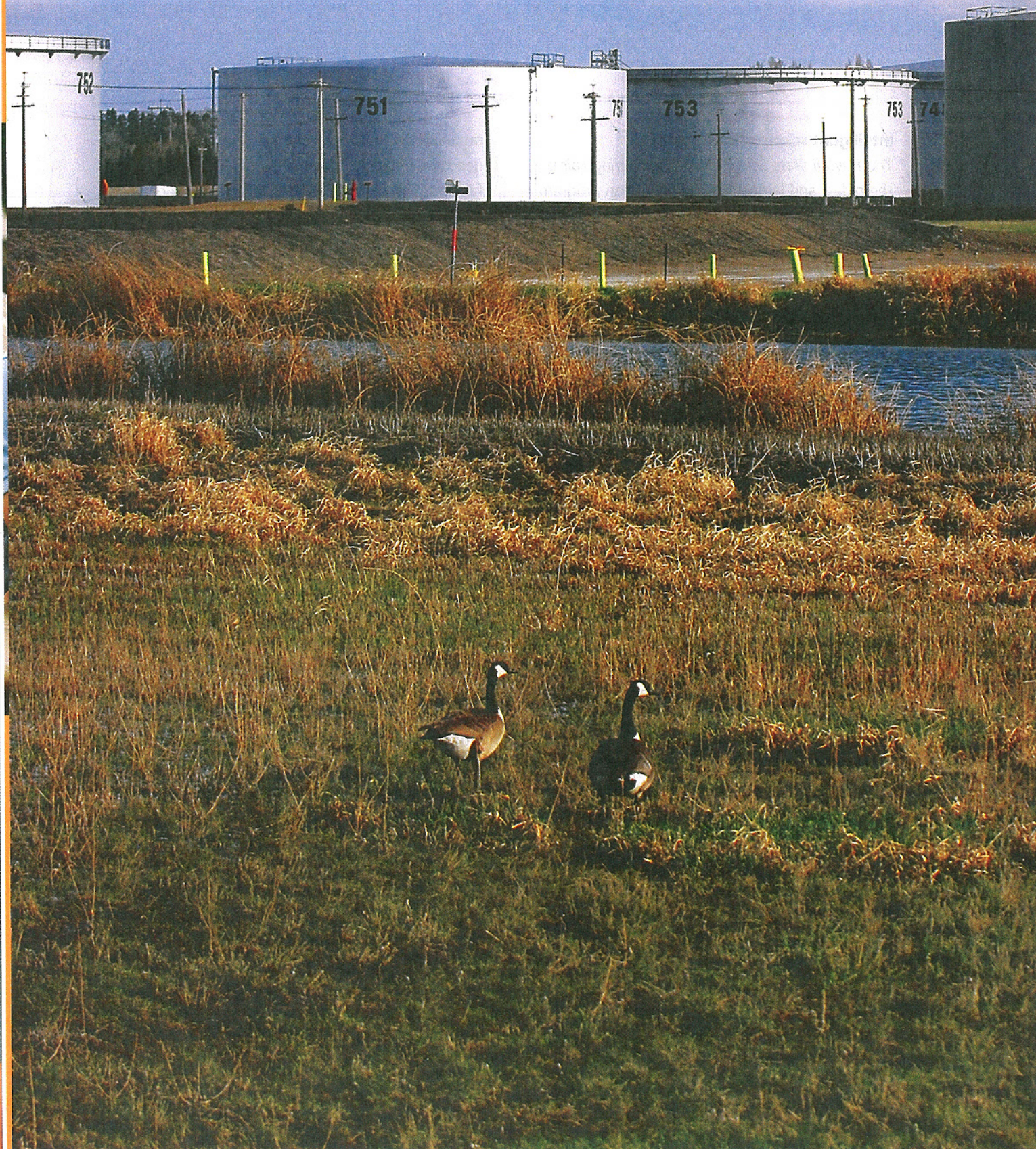
### The power of working with schools

Employees at Tesoro's Golden Eagle refinery serve as mentors to local elementary students through a program called *Kids and the Power of Work* (KAPOW). Throughout the school year, Tesoro volunteers meet for an hour at a time with students and teachers in the Mount Diablo Unified School District, providing instruction on the application of skills learned in the classroom to career opportunities in the future. More than 200 students participate in the program, finishing the year with a tour of the refinery and interacting with emergency rescue teams, shipping, medical and fire department employees.



# Environment

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## We value the importance of preserving and protecting the sensitive environments in which we operate.

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At Tesoro, we believe that a company committed to protecting natural resources has a responsibility to safeguard the environment for today and for generations to come. Environmental stewardship is particularly important because our company operates in ecosystems that are extremely sensitive. Whether it be the tropical rainforests of Hawaii, the vast northern frontiers of Alaska, the grasslands of the Dakotas or other naturally fragile regions, Tesoro is focused on responsible management of the environment.

Tesoro's environmental initiatives include waterway and highway cleanup efforts, oil spill prevention, maintaining highly effective emission control systems to reduce airborne pollutants, and outreach programs with a number of environmental groups.

Tesoro is focused on forging alliances with environmental groups in order to build and strengthen relationships so that the natural surroundings in which we operate can thrive. We believe the greater the stake Tesoro has in effecting positive change in the local environment, the more beneficial our efforts will be to the entire community.



Tesoro's Mandan refinery has dedicated about 640 acres of property adjacent to the refinery's process units and tank farm to serve as a natural wildlife habitat.



## We work nonstop to preserve and protect the water, animals, plants and other valuable elements of our environment.

Being a careful steward of our natural resources goes hand in hand with producing transportation fuels and related products that are safe for the environment.

We live and work in areas that are vitally dependent on environmental protection: waterways, wildlife habitats, forests, farmland, beaches and mountains.

Tesoro is charged with being more than just a good corporate citizen operating in environmentally sensitive areas. Our company is committed to pursuing environmental initiatives that ensure sound, sustainable conditions for the long run across every community. To this end, we partner with government agencies, youth groups, environmental organizations, independent entities and community groups.

### Going natural with North 40

In North Dakota, Tesoro Mandan has set aside approximately 640 acres of its property as a natural wildlife habitat. The area, situated adjacent to the refinery, also features an award-winning wastewater treatment system. Each May, Tesoro works alongside Girl Scouts and Boy Scouts from Mandan and Bismarck, and the parks and recreation departments of both cities, to plant more than 300 trees and bushes in honor of Arbor Month.

### Green Team gets green light to clean up

The *Salt Lake City Green Team* counts the local Tesoro refinery among its membership of environmentally responsible companies. The *Green Team* is a citizen-based advisory committee that advises the mayor on environmental needs, assists with community outreach and hosts guest speakers on environmental issues that can affect the community.

### Good works for San Antonio

Employees at Tesoro's corporate headquarters are committed to protecting the environmental quality of the community. In 2007, employees turned out for the *Basura Bash*, the annual cleanup of a 12-mile stretch of the San Antonio River. More than 200 tons of metal and 1,500 tires have been removed from the river banks during the 12 years that the event has been held. Recently, Tesoro employees and their families partnered with employee volunteers from AT&T to improve an often-neglected part of the river near the San Antonio Museum of Art.

### Preserving the best of California

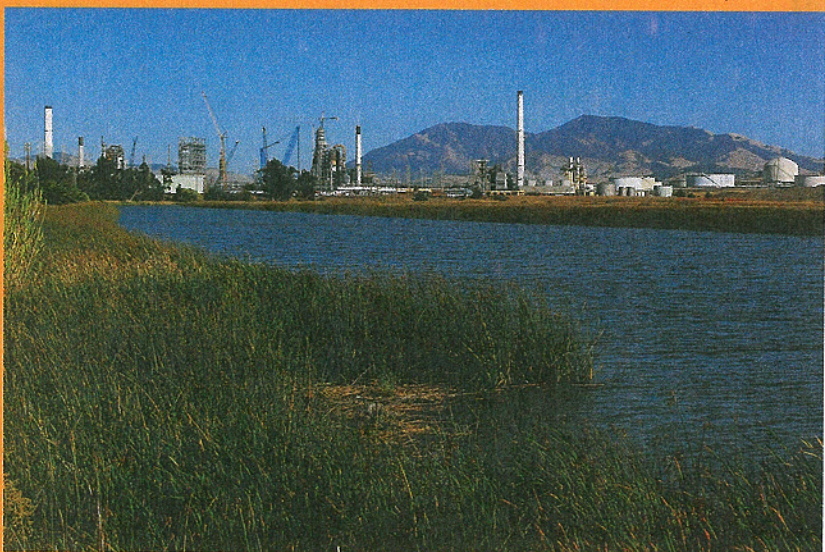
Tesoro's Golden Eagle refinery in Northern California is situated in the midst of beautiful wetlands and waterways. Our company stays current and involved in important natural resource protection matters through ongoing involvement with a number of environmentally minded organizations, including the John Muir Heritage Land Trust, Coast Guard Foundation, Maritime Foundation and Bird Rescue Center.



- ◆ Tesoro funded the purchase of 15,000 trees for national forests damaged by fires and disease through the National Arbor Day Foundation's reforestation efforts. The commitment is part of a long-term effort to promote environmental stewardship, which is one of Tesoro's core values.



- ◆ At Tesoro's San Francisco-area Golden Eagle refinery, state-recognized wetlands and an estuary are located on and adjacent to the facility.



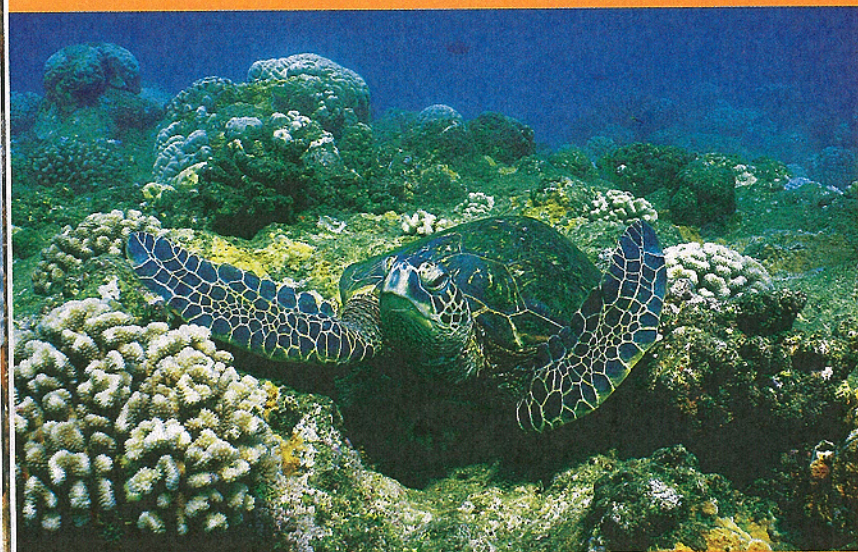
- ◆ *The Pacheco Slough Cleanup* engaged the Tesoro Golden Eagle Community Advisory Panel and local schools to fill an 11-ton container with debris removed from neighboring creeks and sloughs near the refinery.







◆ Team Tesoro volunteers participate in San Antonio's largest volunteer environmental cleanup project, the *Basura Bash* annual river cleanup.



◆ Tesoro is partnering with the National Fish and Wildlife Foundation to develop an education and outreach campaign to support projects that reduce and prevent degradation of coral reefs in Hawaii.



◆ Golden Eagle employees work to support environmental initiatives by helping build a two-mile trail for the John Muir Heritage Land Trust in Martinez, California.



### **Recognized for advancements in oil spill prevention**

Tesoro Hawaii was recognized by the Pacific States/British Columbia Oil Spill Task Force in 2006 as a recipient of its *Legacy Award for Oil Spill Prevention, Preparedness and Response*. Tesoro Hawaii was recognized for investments in spill prevention and response at its single point mooring operations, located 1.7 miles offshore of Barbers Point on Oahu, Hawaii, where 65 percent of all petroleum products enter the state.

The Kenai refinery in Alaska is actively engaged in the development of the *Geographic Response Strategies* in Alaska, and is proactive in working with the Cook Inlet Regional Citizens Advisory Council regarding training and participation in Tesoro Spill Management Team activities.

### **Working to protect marine life**

Tesoro is partnering with the National Fish and Wildlife Foundation (NFWF) to develop an education and outreach campaign to support the organization's *Coral Reef Conservation Fund*. The purpose of the campaign is to provide grants for projects that reduce and prevent degradation of coral reefs and associated reef habitats in Hawaii.

Providing targeted marine education is one of NFWF's stated conservation strategies and is a primary goal of the Tesoro campaign as well.

### **Earth-aware EAGLES fly high**

The Tesoro Anacortes refinery in Washington is active in the *Environmental Awareness Group Learning Environmental Solutions (EAGLES)* program, which focuses on environmental projects

like roadside litter cleanup and Earth Day observances. Anacortes has also undertaken a number of environmental projects including construction of a state-of-the-art emission control system that can reduce sulfur dioxide emissions by 95 percent. The refinery also produces a gasoline blend designed to reduce pollution from vehicles. This product has already earned high acclaim from local regulatory agencies.

### **Tons of cleanup work**

*The Pacheco Slough Cleanup* engaged the Tesoro Golden Eagle Community Advisory Panel (CAP) and local schools to fill an 11-ton container with debris removed from neighboring creeks and sloughs near the refinery. In addition, Golden Eagle employees, CAP, and local county officials partnered to further support the schools with environmental stewardship through employee science fair displays showing real-world applications within the refining industry.

### **Putting down roots for the environment**

In early 2007, Tesoro committed to fund the purchase of 15,000 trees for national forests damaged by fires and disease. Tesoro has pledged to support the National Arbor Day Foundation's reforestation efforts as part of a long-term effort to promote environmental stewardship, which is one of Tesoro's core values.

For all these reasons, Tesoro has become an industry leader in preserving environmental harmony and promoting clean, safe environmental practices.



**We value our accomplishments in every location.**



#### **GOLDEN EAGLE REFINERY**

Martinez, California

- Hosted more than 700 athletes at the Junior Optimist Baseball League and Tesoro Golden Eagle baseball fields.
- Donated more than 150 toys for the *Toys for Tots* holiday drive in a joint effort with the local Marine Corps.
- Received the top prize, the *Refinery Colors Trophy*, in competition with other local refineries to raise the most money for the local food bank.
- Employees donated over 200 units of blood in 2006.
- Supports Diablo Valley College, Boys & Girls Club of Diablo Valley and local youth baseball leagues.
- Strong supporter of Bird Rescue Center, Maritime Foundation, Coast Guard Foundation, East Bay Parks and Recreation, John Muir Heritage Land Trust, Pacheco Slough Cleanup, Special Olympics Northern California, Los Medanos College, Mount Diablo Unified School District, Teacher of the Year, Sheriff's Charities, Shelter Inc., Wellness Community, American Cancer Society Foundation, Relay for Life, Contra Costa Crisis Center and Make-A-Wish Foundation.
- Volunteer force supports a variety of local community vitality activities in the surrounding communities of Martinez, Concord and Pittsburg/Bay Point.
- Supports the local Food Bank of Contra Costa and Solano County, raising more than 167,000 pounds of food a year through various fund-raising activities, including a motorcycle refinery run and turkey collection for the holidays.



#### **ANACORTES REFINERY**

Anacortes, Washington

- Hosts the *March Point Run*, an annual community event that takes place at the refinery, featuring hundreds of runners and raising money for United Way of Skagit County.
- Participated in the American Cancer Society's *Relay for Life*, which raised \$80,000.
- Supports Boys & Girls Club of Skagit County, Bellingham Technical School, Anacortes Community and Youth Arts, Habitat for Humanity, County Homeless Shelter, Island Hospital and Skagit Hospital charities, Skagit Hospice Foundation and Anacortes School Foundation.
- Involved in the *Environmental Awareness Group Learning Environmental Solutions (EAGLES)* program.
- Sponsors Adopt-a-Highway and Padilla Bay Foundation.

“Students often hear about business in the abstract, but when Tesoro volunteers have an opportunity through Junior Achievement to teach them, they get to learn about concepts like sales, marketing and pricing. They also learn financial concepts like exchange rates and the cost of doing business with real-world applications.”

Kristi Gabrielse  
Anacortes refinery

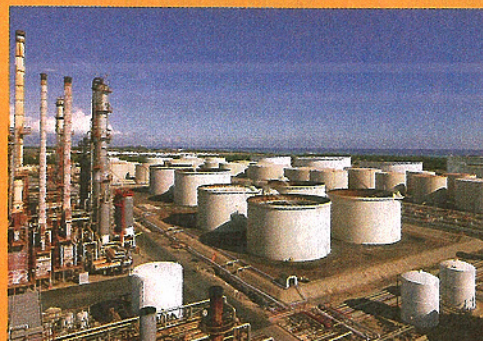




### KENAI REFINERY

Kenai, Alaska

- Provided funding to the Challenger Learning Center of Alaska's *Starbase* program.
- Served as 2006 *Arctic Winter Games* Official Fuel Sponsor.
- Raised more than \$45,000 in 2006 for Muscular Dystrophy Association.
- Supports Boys & Girls Clubs of the Kenai Peninsula, March of Dimes, the Kenai Peninsula Food Bank, Kenai's Town Clock, Kenai Peninsula High School scholarships, Junior Achievement of Alaska and the Salvation Army.
- Coordinated with Cook Inlet Citizens Advisory Council for vessel and facility tours, conducting training and participation in Tesoro Spill Management tours.
- Sponsor of *Kenai River Festival*; educated residents on environmental protection of the river.



### KAPOLEI REFINERY

Kapolei, Hawaii

- Provided volunteers for *Special Olympics Hawaii Summer Games Opening Ceremony* and throughout the Special Olympics games.
- Supported *Project Graduation* efforts for 10 local high schools.
- Contributed to planning and execution of the *Taste at Kapolei* Rotary scholarship fund-raiser, which raised \$300,000 for Leeward Coast High School senior scholarships.
- Provided support for 2006 *Hawaii State Science and Engineering Fair* by supplying judges, mentors, safety representation and funds for science fair winners.
- Partnering with the National Fish and Wildlife Foundation to promote coral reef awareness and preservation throughout the state of Hawaii.
- Supporter of the Hawaii Nature Center in Honolulu.
- Received *Legacy Award for Oil Spill Prevention, Preparedness and Response* from Pacific States/British Columbia Oil Spill Task Force.



“I am proud of the contribution that Tesoro Alaska makes to United Way through the efforts of its employees in organizing our golf tournament every year. In 2006, 33 different area businesses contributed to the golf tournament, 21 teams participated, and the effort raised \$15,000 for United Way.”

Bea Lashlee  
Kenai refinery





### LOS ANGELES REFINERY

Los Angeles, California

- Raised more than \$4,000 to fund ChildSight vision screenings and provide free prescription eyeglasses for third- and fourth-grade students at Hudson Elementary. ChildSight is a program of Helen Keller International.
- A Tesoro employee chairs the Wilmington Coordinating Council, an organization known for promoting pride within the community. The Council promotes recognitions such as *Teacher of the Year*, *Student of the Year* and *Business of the Year*.
- Employees participated in a local elementary school's *Math Madness Ice Cream Challenge*, an event that encourages and rewards proficiency in math.
- Donated \$8,000 to the Friends of the Cabrillo Marine Aquarium, in support of an educational program enabling surrounding schools to visit the aquarium and conduct marine research.
- Participated in the *Wilmington Neighborhood Cleanup*, an effort to beautify a neighborhood defaced by violence and vandalism.
- Sponsored students to attend and participate in year-round Wilmington Boys & Girls Clubs events.
- Served as panelists and judges for educational career days and science fairs at local schools.
- Joined local law enforcement agencies in *National Night Out* activities; honored law enforcement officers with awards for service.



### MANDAN REFINERY

Mandan, North Dakota

- Employees volunteer for the *Golden Age Project*, making repairs and improvements to senior citizens' homes.
- Participated in the *Great American Bike Race* for cerebral palsy. Tesoro's corporate headquarters matched the refinery's donation of \$1,500 to present the organization with a total of \$3,000.
- Supports *A Sporting Chance*, an organization that helps people with disabilities and disadvantaged youth enjoy outdoor sports and recreational activities.
- Supports United Tribes Technical College *International Powwow*.
- Supporter of *Close Up Foundation*, which offers students the opportunity to learn about government through visits to Washington, D.C.
- Speaks to Mandan/Bismarck high school math and science students about engineering careers during *Engineering Week*.
- Participates in *Catch a Painted Pony* community-wide fundraiser benefiting Easter Seals Goodwill North Dakota and Children's Hope Learning Center.
- Supporter of Bismarck State College.
- Dedicates approximately 640 acres of property adjacent to the refinery's process units and tank farm to serve as a natural wildlife habitat.
- Joined with Mandan and Bismarck Girl Scouts and Boy Scouts and the local forestry and parks and recreation departments to plant more than 300 trees and bushes in honor of Arbor Month.

“We are always glad to contribute to our community. We recently refurbished a room for teens at the Long Beach Westside Center. The center is located across the street from the high school, and now the students have a place to go after school to study while preparing for college.”

Brissa Sotelo  
Los Angeles refinery

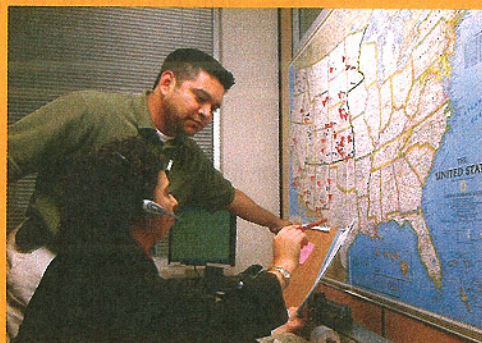




### SALT LAKE REFINERY

Salt Lake City, Utah

- Tesoro employees serve as board members for the United Way, Junior Achievement and Safety Council.
- Supported Toys for Tots, the county 4-H Fair, the NAACP and the *Rose Park Neighborhood Council Festival* with funds and donations.
- Served as *Whole School Sponsor* for Escalante Grade School for United Way of Salt Lake and provided program instructors.
- Sponsored the West High School student summer internship program with funds to enable continuation of the program.
- Recognized by *Salt Lake City Green Team*, which looks for long-term ways to protect the environment and make Salt Lake City a more sustainable community.
- Supports the Nature Conservancy, Junior Achievement of Utah and the Utah Children's Museum.



### TESORO CORPORATE HEADQUARTERS

San Antonio, Texas

- Approximately 90 employees volunteer to deliver Meals On Wheels to homebound seniors in San Antonio.
- Provided volunteers to help the San Antonio Food Bank feed 384 people for one week and packaged 4,816 pounds of food in one day.
- Raised more than \$342,000 in 2007 for Big Brothers Big Sisters of South Texas through the *Tesoro Par for Kids' Sake* golf tournament.
- Hosted the *Tesoro Plahe Pull* and raised \$35,000 for Special Olympics Texas.
- Helped children learn life skills and character-building through the game of golf with First Tee of San Antonio.
- Supporter of Boy Scouts and Girl Scouts.
- Provide volunteers and support for Army Fisher Houses and Powless Guest House at Fort Sam Houston.
- Nearly 40 employees participate in a mentoring program for Agnes Cotton Elementary.
- Participated in *Basura Bash*, San Antonio's largest river cleanup project.



“Mentoring is by far the most rewarding thing I have ever done in my life. I believe that this program not only strengthens a student's educational success, but also builds character traits that are important for a young child.”

Cynthia Fick  
San Antonio



## Giving Criteria

Please refer to these guidelines for requirements, limitations and procedures when applying for grants.

### Guidelines

Grants made in support of Tesoro's community investment fall into three main focus areas: Education, Environment and Community Vitality. In all our charitable giving activities, we pay special attention to those requests from nonprofits that address issues related to youth development and education, particularly for low-income and minority populations, intellectually disabled youth and adults and the elderly.

We encourage nonprofit applicants to carefully review the requirements and limitations outlined in the Tesoro Charitable Contribution Guidelines found on our Web site, [www.tsocorp.com](http://www.tsocorp.com), to ensure eligibility before completing and submitting the application. This application can also be downloaded from the Web site.

### Limitations

To further clarify the Tesoro review process, we have instituted the following limitations. These limitations govern our charitable contributions.

We do not support the following:

- Nonprofit organizations that do not hold 501(c)(3) tax-deductible status under the Internal Revenue Code
- Research programs
- Government agencies
- Individuals
- Travel, either by group or individuals
- Sporting events
- Meetings, conferences or seminars
- Advertising or marketing sponsorships
- Capital projects
- Religious organizations
- Political groups

### Dates and Deadlines

Proposal review is ongoing, from January 1 through December 31 of each year.

### Application Procedures

Eligible nonprofits must complete the Tesoro Charitable Contribution Application and submit it with all required attachments. We will review only those proposals that completely meet the requirements. Incomplete applications will not be reviewed or returned. We submit our decision in writing regarding complete proposals. We typically outline the terms of payments in a letter, along with any requirements for evaluation and final reporting.

Tesoro reserves the right to target its resources to certain geographic areas, program categories and projects.

Each application is reviewed by a local committee in the area where the charitable organization is located. To find the local address for mailing your charitable contribution application, visit the **Social Responsibility** section of the Tesoro Web site at [www.tsocorp.com](http://www.tsocorp.com).



# Tesoro Charitable Contribution Application

Please type or print. If additional space is needed, you may attach pages.

## Information about your organization

Organization Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Web Site: \_\_\_\_\_

Name of contact person familiar with the details of this request: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Program Category:

☐

Education

☐

Environment

☐

Community Vitality

Date of Incorporation: \_\_\_\_\_

Number of Employees: \_\_\_\_\_

Number of Volunteers: \_\_\_\_\_

If your organization is a chapter or affiliate of a larger nonprofit organization, please provide the name and address of the "parent group."

Name of "parent group": \_\_\_\_\_

Address of "parent group": \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Population served by your organization: \_\_\_\_\_

Organization's mission: \_\_\_\_\_

Organization's history: \_\_\_\_\_

Geographical area your organization serves: \_\_\_\_\_



# Tesoro Charitable Contribution Application

## Information about your proposal

Requested Amount: \$ \_\_\_\_\_

Describe the project/program for which support is requested, including projected outcome results.

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Goals of the project/program:

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How does this project/program benefit the community you serve?

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How and when will this project/program be evaluated?

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Are Tesoro employees involved in your organization? ☐ Yes ☐ No

If yes, describe briefly.

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Is this a request for renewed support? ☐ Yes ☐ No

If yes, please attach a final report or evaluation to this application.

## Budget Information

Annual Operating Budget: \$ \_\_\_\_\_

Total Program/Project Budget: \$ \_\_\_\_\_

Requested Amount: \$ \_\_\_\_\_

List additional sources of support that will be available to cover the balance of the program/operating budget.

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Is your organization carrying a deficit? ☐ Yes ☐ No

## Attachments

Please include the following with this application:

- IRS 501(c)(3) Determination Letter
- List of Principal Sources of Income
- List of Key Staff
- Board of Directors and Officers

Each application is reviewed by a local committee in the area where the charitable organization is located. To find the local address for mailing your charitable contribution application, visit the **Social Responsibility** section of the Tesoro Web site at [www.tsocorp.com](http://www.tsocorp.com).





**TESORO**

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