

During the investigation into the Anacortes explosion, Fault Lines requested responses from the Tesoro Corporation in two separate emails. The following are responses from the company on November 23, 2016:

Fault Lines: The L&I investigation into the Tesoro Anacortes 2010 explosion alleged that required testing of the heat exchangers had not been done in over 10 years prior to the explosion. What is your response to this?

Tesoro: Focusing on personal and process safety is integral part of everything we do at Tesoro and we strive for continuous improvement in our performance. Rigorous maintenance and inspection programs are integral to that core mandate, and ours are based on industry practices. While we disagree with L&I's characterizations of our operations at Anacortes and believe the conclusions of their investigation are mistaken; it does not alter our focus on continually learning from incidents and improving the safety of our operations.

Fault Lines: A former L&I investigator spoke to us and said Tesoro repeatedly operated on "the edge of catastrophe" and did not follow requirements carefully enough when it came to safety. What is your response?

Tesoro: Focusing on personal and process safety is integral part of everything we do at Tesoro and we strive for continuous improvement in our performance. Rigorous maintenance and inspection programs are integral to that core mandate, and ours are based on industry practices. While we disagree with L&I's characterizations of our operations at Anacortes and believe the conclusions of their investigation are mistaken; it does not alter our focus on continually learning from incidents and improving the safety of our operations.

Fault Lines: A former employee of Tesoro alleges that your company tried to make workers believe that process safety should not be of concern to workers and something they would not benefit from. What is your response to this?

Tesoro: Safety is - and always has been - an integral part of everything we do at Tesoro. We strive for an injury-free workplace by proactively managing risks, following rigorous standards, ensuring our leadership is committed and our employees have a personal responsibility for safety. We work hard each day to cultivate a culture in which every person is committed to his/her own safety and the safety of their colleagues. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

Fault Lines: Several of our sources say Tesoro never took responsibility for the Anacortes 2010 explosion. Is this true? If so, why has the company never taken responsibility?

Tesoro: In 2014, the US Chemical Safety Board report was released confirming that HTHA was the cause of the failure and concluding that the industry standard for HTHA was not sufficiently protective. Following CSB's findings, in April 2015, the American Petroleum Institute (API) voted to adopt a new industry standard for HTHA.

In 2015, the CSB Board affirmed that Tesoro's proposed responses to CSB recommendations were acceptable and that they meet the intent of the recommendations.

More broadly, Tesoro has also implemented a number of safety improvements to strengthen our emphasis on the mechanical integrity of our operating facilities. We have critically evaluated our entire mechanical integrity

organization at each of our refineries. We have significantly invested in additional expertise in mechanical integrity and implemented a continuous cycle of training and knowledge sharing.

Fault Lines: In the Chemical Safety Board investigation of the April 2, 2010 explosion at the Anacortes refinery, there are references to “ineffective safeguards” to prevent equipment failure from HTHA damage. What is your response to this? Has it been sufficiently corrected?

Tesoro: Since the tragic events at our Anacortes Refinery, we along with industry have learned much with respect to the cause of the incident, which was determined to be High Temperature Hydrogen Attack (HTHA). We have proactively shared with industry and regulators what we have learned and the aggressive approach we have taken to both prevention and mitigation of HTHA.

Since 2010, we have made significant safety improvements with respect to potential HTHA. In 2010, we conducted an independent technical study of all Tesoro refineries with similar equipment and recommended appropriate operating limits and equipment replacements to reduce the risk of equipment degradation from HTHA. At the Anacortes Refinery, we have completed replacement of all but one of the originally identified components to date, and the one remaining component will be replaced in 2018.

In addition, Tesoro also developed an HTHA Mitigation Standard to continuously monitor and control process conditions and outlines a uniform method for our facilities to assess operating conditions and provide mitigation for HTHA. Tesoro's HTHA Mitigation Standard also requires new inspection protocols and establishment of Integrity Operating Windows that are more conservative than the new API RP 941.

More broadly, Tesoro has also implemented a number of safety improvements to strengthen our emphasis on the mechanical integrity of our operating facilities. We have critically evaluated our entire mechanical integrity organization at each of our refineries. We have significantly invested in additional expertise in mechanical integrity and implemented a continuous cycle of training and knowledge sharing.

Fault Lines: In the Chemical Safety Board investigation of the April 2, 2010 explosion at the Anacortes refinery, there are allegations that Tesoro allowed dangerous flammable leaks to go on for years without fixing the problem and that management had been complacent and not investigated these leaks properly. What is your response?

Tesoro: In 2014, the US Chemical Safety Board report was released confirming that HTHA was the cause of the failure and concluding that the industry standard for HTHA was not sufficiently protective. Following CSB's findings, in April 2015, the American Petroleum Institute (API) voted to adopt a new industry standard for HTHA.

In 2015, the CSB Board affirmed that Tesoro's proposed responses to CSB recommendations were acceptable and that they meet the intent of the recommendations.

Fault Lines: Can Tesoro guarantee its workers and the public that flammable leaks are no longer happening today at the Tesoro Anacortes refinery?

Tesoro: Tesoro's facilities are designed, operated and maintained to ensure safe work environments. To maintain the integrity of our operating systems, we enforce a disciplined framework that includes comprehensive design, engineering, operating and maintenance practices. We use industry-recognized methodologies to assure process safety and asset integrity and reduce the risk of incidents.

Fault Lines: In the Chemical Safety Board investigation of the 2014 sulfuric acid releases at the Martinez

refinery, the report states that “Tesoro tolerated” many sulfuric acid worker injuries from 2010 to 2014. The report goes on to allege that this “demonstrates a culture that does not effectively prioritize worker safety”. What is your response to this?

Tesoro: Since 2014, Tesoro conducted an extensive review of procedures, controls and training. As a result of this effort, we identified several areas to reduce the operating risk including modifying procedures, practices and equipment specifications. The improvements made since 2014 include standardisation of tubing assembly and testing, updated protective equipment and standards, upgraded sample system equipment and procedures, elevated safety communications and initiatives and improved tools and processes that enable continuous improvement.

We have, and continue to, share information with industry groups to ensure that others in our industry can also learn from these events. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

Fault Lines: The CSB Martinez report also stated that even while a safer sampling system was available to use, Tesoro took it out of service and used an older system that was riskier. What is your response to this?

Tesoro: Since 2014, Tesoro conducted an extensive review of procedures, controls and training. As a result of this effort, we identified several areas to reduce the operating risk including modifying procedures, practices and equipment specifications. The improvements made since 2014 include standardization of tubing assembly and testing, updated protective equipment and standards, upgraded sample system equipment and procedures, elevated safety communications and initiatives and improved tools and processes that enable continuous improvement.

We have, and continue to, share information with industry groups to ensure that others in our industry can also learn from these events. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

Fault Lines: Why did Tesoro allow so many workers to be injured by sulfuric acid releases before 2014?

Tesoro: Safety is - and always has been - an integral part of everything we do at Tesoro. We strive for an injury-free workplace by proactively managing risks, following rigorous standards, ensuring our leadership is committed and our employees have a personal responsibility for safety. We work hard each day to cultivate a culture in which every person is committed to his/her own safety and the safety of their colleagues. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

We have, and continue to, share information with industry groups to ensure that others in our industry can also learn from these events. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

Fault Lines: In what ways has Tesoro corrected the problem to prevent more worker injuries?

Tesoro: Since 2014, Tesoro conducted an extensive review of procedures, controls and training. As a result of this effort, we identified several areas to reduce the operating risk including modifying procedures, practices and equipment specifications. The improvements made since 2014 include standardization of tubing assembly and testing, updated protective equipment and standards, upgraded sample system equipment and procedures, elevated safety communications and initiatives and improved tools and processes that enable continuous improvement.

We have, and continue to, share information with industry groups to ensure that others in our industry can also learn from these events. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

Fault Lines: In a letter dated February 26, 2014, the Chemical Safety Board addressed a letter to CEO Gregory Goff stating that Tesoro was blocking the CSB from properly investigating the February 12, 2014 sulfuric acid release at the Martinez refinery. It states that Tesoro refused access to return to the site, refused to preserve the site and prohibited the conduct of certain interviews, among other things, at that time. What is your response to this?

Tesoro: Tesoro voluntarily and promptly provided information to facilitate and assist the CSB in assessing the incident and making a threshold jurisdictional determination. For the next several days and despite our legitimate questions and certainly contrary to CSB's assertion that it was barred from the refinery, Tesoro allowed the CSB's investigative team to enter the refinery, inspect the incident scene and take photographs. We placed no restrictions on the amount of time the teams spent at the scene. We also provided documents and space to work at the refinery and facilitated interviews of employees with knowledge of the incident including the incident commander the night of the incident, the shift supervisor and an area operations manager.

Fault Lines: Does Tesoro take action against workers who speak out about safety problems – either internally or externally to press or to the community? Is there history of Tesoro firing someone for speaking out about safety issues in any of your refineries?

Tesoro: Safety is an integral part of everything we do at Tesoro. We strive for an injury-free workplace by proactively managing risks, following rigorous standards, ensuring our leadership is committed and our employees have a personal responsibility for safety. We work hard each day to cultivate a culture in which every person is committed to his/her own safety and the safety of their colleagues. We are committed to continuing our journey toward an injury-free work place by nurturing a positive process safety culture and employing the right tools and processes.

Fault Lines: Should Tesoro employees feel safe in speaking to the media about Tesoro's safety culture? Is there any reason they should fear losing their job?

Tesoro: Safety is - and always has been - an integral part of everything we do at Tesoro. We strive for an injury-free workplace by proactively managing risks, following rigorous standards, ensuring our leadership is committed and our employees have a personal responsibility for safety.

Each year, we report on our overall safety performance in our Social Responsibility Report. Read more about our safety performance in 2015: <http://tsocorp.com/social-responsibility/social-responsibility-reports/personal-process-safety/>.

Fault Lines: Why is Tesoro still appealing the citations issued by L&I after the 2010 explosion at Anacortes?

Tesoro: Focusing on personal and process safety is integral part of everything we do at Tesoro and we strive for continuous improvement in our performance. Rigorous maintenance and inspection programs are integral to that core mandate, and ours are based on industry practices. While we disagree with L&I's characterizations of our operations at Anacortes and believe the conclusions of their investigation are mistaken; it does not alter our focus on continually learning from incidents and improving the safety of our operations.

Fault Lines: In public lobbying records for Tesoro Corporation, from the Q1 2015 filing through the Q2 2016 filing, the company listed the U.S. Chemical Safety Board in “specific lobbying issues” under Interior budget appropriations for FY16 and FY17. Is Tesoro trying to influence the U.S. Chemical Safety Board's budget? What is the company lobbying for or against in relation to the U.S. Chemical Safety Board?

Tesoro: Due to the nature of what we do, public policy decisions can affect our current and future business. As such, we believe it is our responsibility to advocate for sound energy policies and actively engage in the political process. Our activities align with our Guiding Principles, are in accordance with strict oversight and guidelines, and are reported in a way that demonstrates accountability and transparency. For more information on our advocacy efforts, visit www.tsocorp.com/responsibility

THE BELOW IS TESORO'S RESPONSE TO A FOLLOW-UP EMAIL FROM FAULT LINES WITH TWO ADDITIONAL QUESTIONS ON DECEMBER 2nd 2016:

Fault Lines: A former employees alleges that Tesoro protects the company's legal and business interests before the workers' or the public's interests. What is your response to this?

Tesoro: We will not be providing any further information.

Fault Lines: A former employee alleges that Tesoro did not provide full transparency into the details of the 2010 explosion and how it would work to prevent such an explosion in the future to its workers or the public. What is your response to this?

Tesoro: We will not be providing any further information.