



BAZAN GROUP

Committed to a Sustainable Future



**ESG Report
BAZAN GROUP 2024**

**BACK IN
MOTION** →

Warfighters in Blue

This report is dedicated to the memory of our three friends, members of the Bazan family, who, while fulfilling their mission – to ensure energy continuity for the economy and for all Israeli citizens – were killed during a missile attack from Iran, in the war for our homeland.



Igor Fradkin OBM (50)



Uri Levi OBM (58)



Daniel Abraham OBM (58)



May their memory be blessed.

A Word from the Chairman and CEO



Our Messages

Dear Partners,

The Israeli public is currently entering a "post-war" period, after two years that have genuinely put Israeli resilience to the test, facing extremely significant challenges. As one of the most significant pillars in the economy, the Bazan Group has led an effort encompassing a large variety of issues relating to each and every citizen in Israel and will continue to be a mainstay, both in maintaining energy continuity - to the defense establishment and petrochemical customers - and on the social front.

This last year, 2025, was also the year in which the War physically penetrated the heart of the Bazan compound following a direct hit of three missiles during Operation Rising Lion. We would like to begin by paying homage to three dear employees, genuine fighters in blue overalls, Daniel Avraham, Uri Levy and Igor Fradkin, who were killed in the line of duty while working to secure the State of Israel's energy continuity. Their heritage and memory shall serve as a guiding light for us in all our future endeavors.

The principle of the Red Queen (based on the above quote), which describes the need to adjust and adapt rapidly to changes in order to survive and make progress, accurately reflects the efforts of the Bazan Group this year. The severe damage incurred paralyzed all of the Group's activities, compelling us to act as quickly as possible to

restore operations, regenerate the environment, continue investing in them, and provide support to the community as part of our social policy. This support includes residents of the surrounding area and the community of Kibbutz Nahal Oz, residents of northern Israel who were evacuated from their homes and are now returning to them, as well as victims of the War – both physically and psychologically. From October 7, 2023 to the end of 2024, the Bazan Group has donated over NIS 30 million to Israeli society, out of a sense of mutual responsibility and commitment to Israel.

During this challenging period, we flexed the organization's overall muscle to maintain energy continuity for the economy and the defense establishment, we invested considerable efforts to safeguard our employees' resilience, we continued to provide active support to all of the Group's customers, and we also continued to contribute to the Company's strength in Israel.

Even when under fire, we didn't flinch and kept our eyes firmly focused on the future. We continue to implement our strategy for long-term energy transformation. We formulated a long-term plan to reduce carbon emissions and set an ambitious target of 19% reduction in carbon emissions in Israel by 2030.

International entities - such as the International Air Transport Association (IATA) and the European Union - have set ambitious goals to incorporate SAF in aircraft refueling. We are proud that the Bazan Group is pioneering this effort in Israel. Bazan is a leader in a consortium operating under the auspices of the Israel Innovation Authority, together with Israel Aerospace Industries, the Technion, and start-up companies from the field, with the aim of developing technologies for the production of renewable source jet fuel. Furthermore, the Bazan Group is part of a broader consortium led by Boeing International Corporation, EL AL and the Technion, to develop and manufacture SAF.

All this has been done, while we continue to advance the field of hydrogen in Israel and are paving the way for future infrastructure, and during the reporting period we established a certified hydrogen laboratory in Bazan, which will be equipped to provide a solution for the storage and transportation of clean hydrogen for transport.

However, the Group is also clearly focused on providing environmental solutions of relevance to the present, and not just the strategic future. Carmel Olefins succeeded in producing a polymer from used cooking oil originating from the food industry; instead of evacuating it as hazardous waste, we were able to extract high-quality bio-polymer from it.

"Well, in our country," said Alice, still panting a little, "you'd generally get to somewhere else - if you ran" very fast for a long time, as we've been doing."

"A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"

(Lewis Carroll, "Through the Looking-Glass.")

In such a complex year, we have not neglected our efforts to provide uncompromising support on the social front for a single moment. We are also currently continuing a long series of social initiatives, first and foremost continuing to support - in every possible way - the community of Kibbutz Nahal Oz, which we adopted immediately after October 7. As we promised the kibbutz management even back then, we will support, assist and direct in every way possible, until the community is ready to firmly and securely stand on its own two feet.

We can sum up a challenging year with a sense of immense pride for meeting the goals we set and the staunch Israeli spirit that pervades the entire Company. Bazan will continue to be a bedrock of energy and economic stability, driving the industry toward a more sustainable future.

We wish to sincerely thank all of Bazan's dedicated employees - you are our driving force. In June 2025, we suffered a very painful blow, but immediately afterwards we launched the project "Restarting – Continuing Full Steam Ahead". This is a good opportunity to thank all of you who took part in this ambitious project, thank you to those who made the impossible possible.

The entire State of Israel is now moving from the stage of war to the "post-war" period. Historical experience shows that such periods are accompanied by numerous challenges - economic, social and others. We are confident in the strength of the society in Israel, that it will know how to use this period to pull together and succeed in building a better future with a different reality.

Sincerely,

Moshe Kaplinsky
Chairman of the Board of Directors

Asaf Almagor
CEO

Committed to ESG Principles

It is thanks to people.

In a year of continuous war, under unprecedented circumstances, it is the people who are our real game changers: Bazan Group employees, our business partners and the communities around us. Both the considerable activity invested and achievements gained during this challenging period – belong to those who work night and day with tireless devotion; it is them that we must thank.

2024 gave rise to many unprecedented challenges against the background of an ongoing war and activity conducted in an emergency-routine format. Alongside routine challenges and ongoing operational aspects, we were also required to provide a solution to the arising needs of the wartime economy. Among other things, we worked to supply diesel fuel, gasoline for transportation and jet fuel.

Even against the backdrop of the challenging reality, it was a year of an overall quantum leap forward and uncompromising action in all areas, of forging tighter cross-organizational interfaces and expanding the positive impact of the Group, both internally and externally. The ability to move forward in any situation while adhering to our values was made possible by the Group employees, our business partners and the communities around us. In this report, you will learn about the extensive work carried out and the outstanding achievements for the 2024 reporting year. This year's report also includes videos that will allow you to gain a closer look at what we do.

Among the achievements and main activities for the 2024 reporting year are the following:

Environment and climate activity –

- **Completion of a long-term plan to reduce carbon emissions**, which defines reduction targets for the Group's facilities: a 55% reduction by 2030 for the Group's facilities in Europe, and a desire for a further reduction by 2050; as well as a 19% reduction by 2030 for the Group's facilities in Israel, and an additional examination towards 2030, in accordance with the regulatory developments and conditions in the field. In order to provide relevant context, it should be said that the difference in the goals defined stems from regulatory differences between Israel and Europe in this area – you can read more about this in the chapter entitled Environment and Climate.
- Constant activity to reduce the use of potable water and increase wastewater storage capacity.

- Merging the activities of Carmel Eco, which focuses on recycling industrial waste, within the framework of the Group's policy to promote a **circular economy** and provide another round of life for used materials.
- **Maintaining achievements in the field of pollutant emissions** relative to parallel refineries in Europe.

Corporate governance & ethics –

- **Revising the Group's code of ethics**, while adapting it to the global reality and spirit of the period – this is carried out in collaboration with the Group's management and the ESG Steering Committee, the employee unions and the representatives of the various units.
- **Expanding ESG governance** – promoting Group-wide activity led by the ESG Steering Committee and the subject-specific work teams: approving policies for the management of non-hazardous waste; implementing digitization for the benefit of data accessibility and increasing transparency; integrating the values of sustainability in the purchasing worlds, and deepening cooperation in this field with the Group's suppliers and value chain; imparting knowledge among the Group's employees and managers, etc.
- **Reports and transparency** – compliance with global reporting standards (best practices) while adhering to the best practices of TCFD as well as implementation of global GRI, SASB practices, including in the climate field.

2024 was also characterized by **the creation and expansion of partnerships and involvement in the ecosystem** – in collaboration with industry, academic institutions and the non-profit sector. This includes activity and leadership of ESG think tanks in academic institutions and leading trade and industry organizations.

The Group's endeavors gained recognition via an increase in **ranking to the "Maala" Platinum rating for 2024** for the first time since it entered the rating – an achievement that has also been maintained in 2025. Significant improvement




was also recorded in the global rankings resulting from constant activity at all levels. Alongside all this, we continue to strive to achieve the goals we set for ourselves and set new goals for the coming years – which you can find in detail later in this report.

Social outreach activity –

Throughout 2024, the Group contributed approx. NIS 18 million, subject to defined goals and in line with the UN's Sustainable Development Goals. The main areas of support were defined with the ongoing war clearly in mind: mental resilience and post-trauma; rehabilitation of war wounded; and support for the community of Kibbutz Nahal Oz, which was adopted into the Bazan family as early as October 2023.

In addition to the financial contribution, we worked to forge a strong connection between the Group's employees and the situation in the communities on the ground, with the initiation of a **volunteering model** and encouragement of community involvement, as well as the adoption of NGOs by each of the Group's units for volunteer activities throughout the year. Activities in the community are carried out during working hours in accordance with the Group's policy.

We have promoted **strategic support for the nonprofit partner organizations**. The decisive importance of the NGOs in preserving the overall social fabric clearly emerged following the events of October 7 and the reality that developed afterwards. Their presence on the ground, their vast knowledge and ability to offer immediate and wide-ranging support have led to the development of an unparalleled social "Iron Dome". With this understanding, we chose a groundbreaking social approach and initiated collaboration with the "Midot" organization for effective management, for the benefit of providing the NGOs with management tools that will assist them in their long-term vision.

We are also proud to launch a **multi-annual flagship project in the field of education**, with the aim of assisting students in the north address learning deficits and return

to normalcy upon their return to their homes after a long period of absence. Learning centers established in the northern region already began operating during the summer vacation and will operate throughout the 2025-2026 academic year.

Alongside all this, it is a privilege for us to continue to build a profound connection with the dear **community of Kibbutz Nahal Oz**, which has become an integral part of the Bazan family since October 2023. We will continue to work on a variety of levels to support, rebuild, and provide a positive outlook for the community's long-awaited return home.

In October 2025, after he endured two years of captivity as a hostage in the Gaza Strip, we finally got to see Omri Miran - a member of Kibbutz Nahal Oz - return home alongside most hostages, both the living and the deceased.

We call for the speedy return of the last remaining hostage who has yet to return home, even now, while we hope and pray for continued peace in the region for the years ahead.

We are looking ahead towards 2026 and for the coming years with a full commitment to maintaining the aforementioned values, to further improvement and accuracy, and to playing an active role in promoting ESG values in the industry and Israeli society as a whole.

The sincere gratitude for all the work, achievements and steadfastness in the Group's tasks – during both peacetime and wartime, under fire and unprecedented circumstances – is something we genuinely owe the dedicated employees of the Bazan Group. We would also like to thank all the partners along the way, who together with us define our resilience as an economy and a society every single day.

We all wish for better days ahead.

Hagit Genish Gill
Head of ESG

Table of Contents

A Word from the Chairman and CEO 4

Committed to ESG Principles 6

10

40

70

ABOUT Bazan Group

Introducing Bazan12

Nine decades of leadership12

Our Areas of Activity16

Bazan Group in the midst
of ongoing war24

Our Strategy26

Material Topics Reviewed
in the Report 33

SDGs34

Our impact – ESG – key figures36

Quantitative targets 38

PLANET Committed to the Environment

Continuing to lead the hydrogen
revolution in Israel43

Reduction of GHG Emissions44

Reduction of Pollutant
Emissions52

Circular Economy 56

Waste Management at
the Group62

Water and Wastewater
Treatment 65

PEOPLE Committed to Society and the Community

Economic and Social Impact73

Collaborations in the Ecosystem74

Social Investments and community
engagement78

Human Resource Development87

Diversity and inclusion in
the Bazan Group 89

Managing safety and health 90

Employee health97

98

PURPOSE & POLICY Committed to Corporate Governance

Transparency with Stakeholders ..101

Committed to adequate corporate
governance106

Responsible supply chain –
application of sustainability values
in procurement109

Risk Management110

112

DATA Data and Indices

About the Report 114

External Assurance116

GRI127

SASB131

Committed to a Sustainable Future

About

BAZAN GROUP

BACK IN MOTION



Introducing the Bazan Group

The Bazan Group (Oil Refineries Ltd.), one of the largest and most complex energy groups in Israel, owns and operates the leading refining and petrochemical conglomerate in Israel. This serves a variety of crucial needs in industry, transportation, agriculture, infrastructure and domestic consumption.

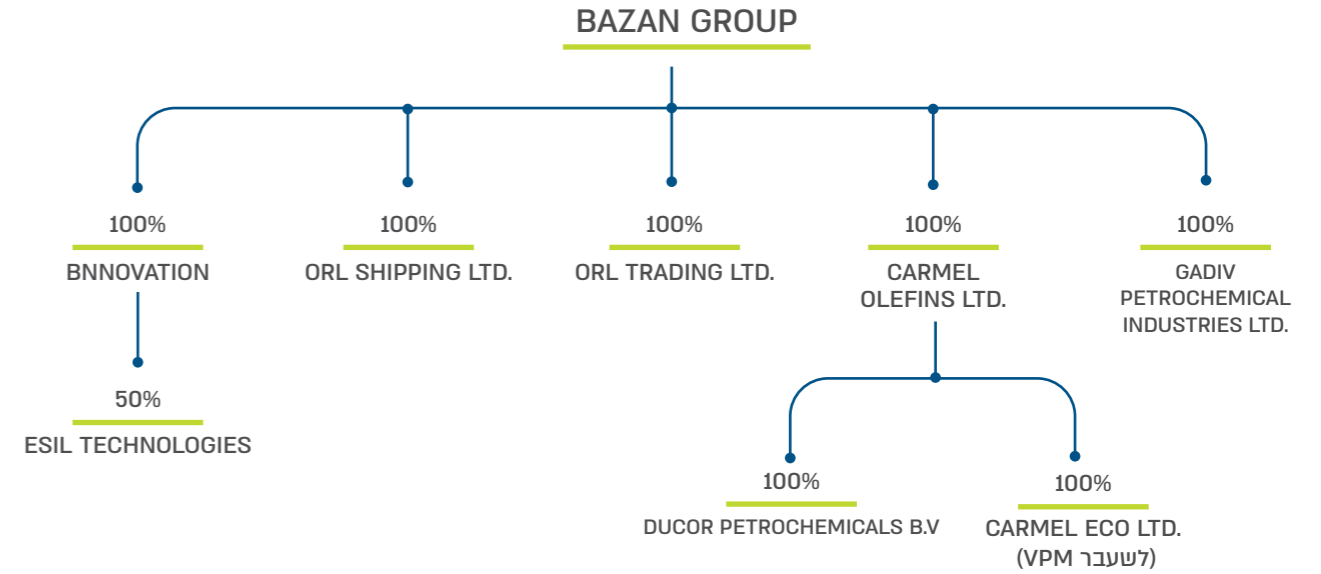
In addition to its wide range of fuel products, the Bazan Group is a leader in the production of downstream products, such as: polymers for the plastics industry, as well as aromatics, which constitute intermediate products for manufacturing clothing, packaging, pharmaceuticals, and paints.

The Bazan Group is traded on the Tel Aviv Stock Exchange and as of the end of 2024, it has approx. 1,500 direct employees. In Israel, its plants are located in Haifa Bay and

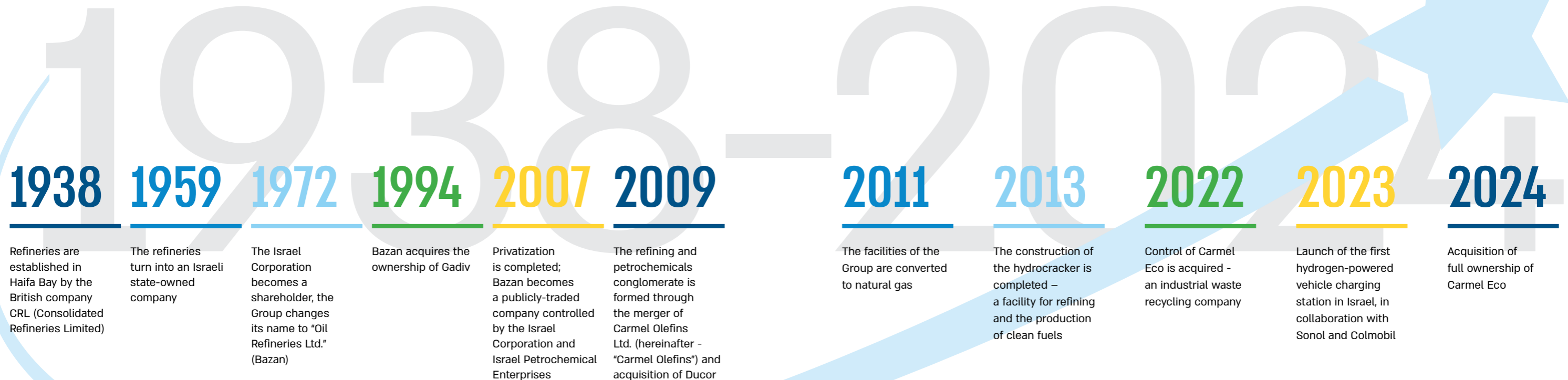
at the Carmel Eco subsidiary site in the Western Galilee, which is engaged in mechanical recycling. An additional arm of the Group is Ducor Petrochemicals B.V. (hereinafter - Ducor), which owns a polymer production plant in Rotterdam in The Netherlands.

The Group is active on both the domestic and global markets and the broad variety of its products contribute to the Israeli economy, promoting the presence of 'blue and white' products around the world.

The Group's holding structure (*as of December 2025)



Nine decades of leadership



Our numbers

Approx. **10 Million**

tons per annum –
petroleum refining capacity

2

geographic areas:
Israel and The Netherlands

Approx. **1,500**

employees as of late 2024 at locations in
Israel and The Netherlands.

Approx. **NIS 8.1 Billion**

total contribution to Israel's GNP in 2023*
(0.43% of the GDP in Israel)

Approx. **15,800**

employees – direct and indirect
contribution to employment in Israel*

11.1

Nelson Complexity Index score:
11.1, for the activity of the refinery
and the aromatics facilities

Exports

to dozens of destinations worldwide

More than **20%**

of the electricity consumed by the Bazan
Group is self-produced

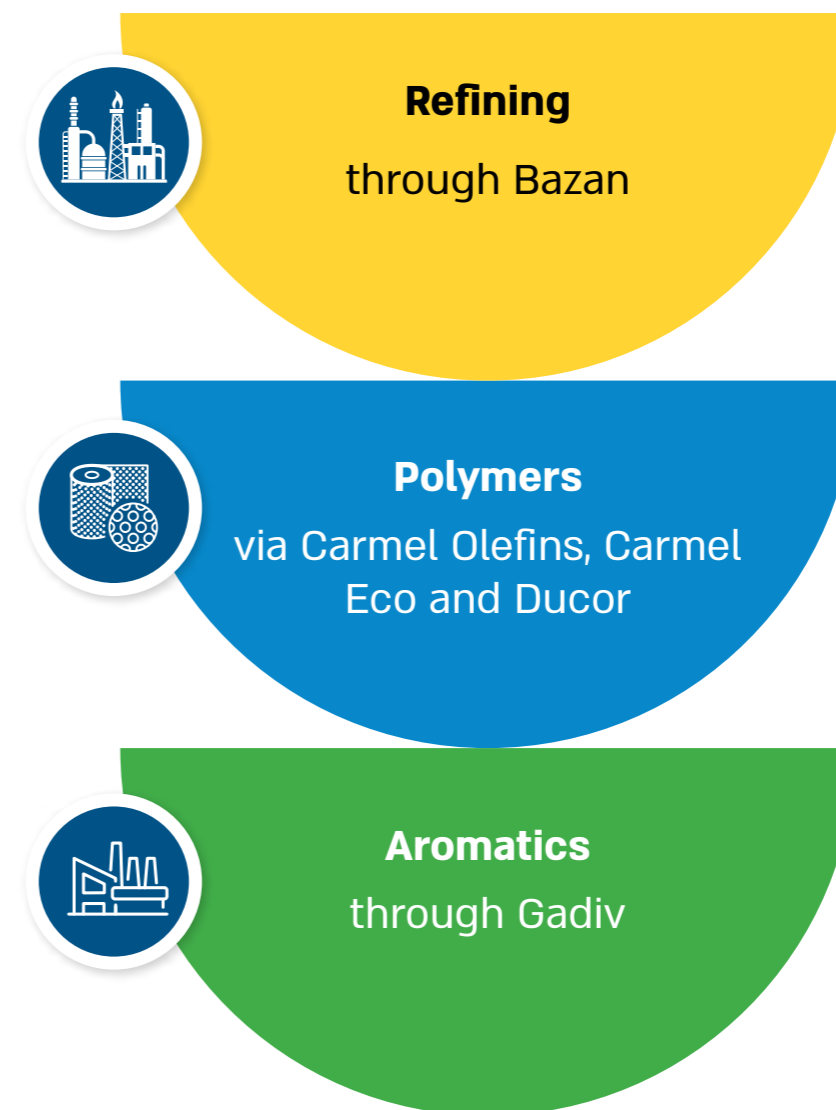
* According to a report by global consulting firm BDO for 2023

** The data refer to 2024.

A whole greater than the sum of its parts

The Bazan Group is committed to serving as a bridge to the future via its products and fields of activity, and in particular with regard to energy sources and solutions for plastic waste. Another goal concerns Israeli resilience in peacetime and during times of emergency – with the ability to immediately switch between routine and emergency, and at any given moment provide the country's energy needs (including the supply of metal-free diesel fuel suitable for use by the Israel Electric Corporation, with the Bazan Group being the only company to produce it).

The Group is engaged in three main areas of activity:



The Company's Areas of Activity

The refinery

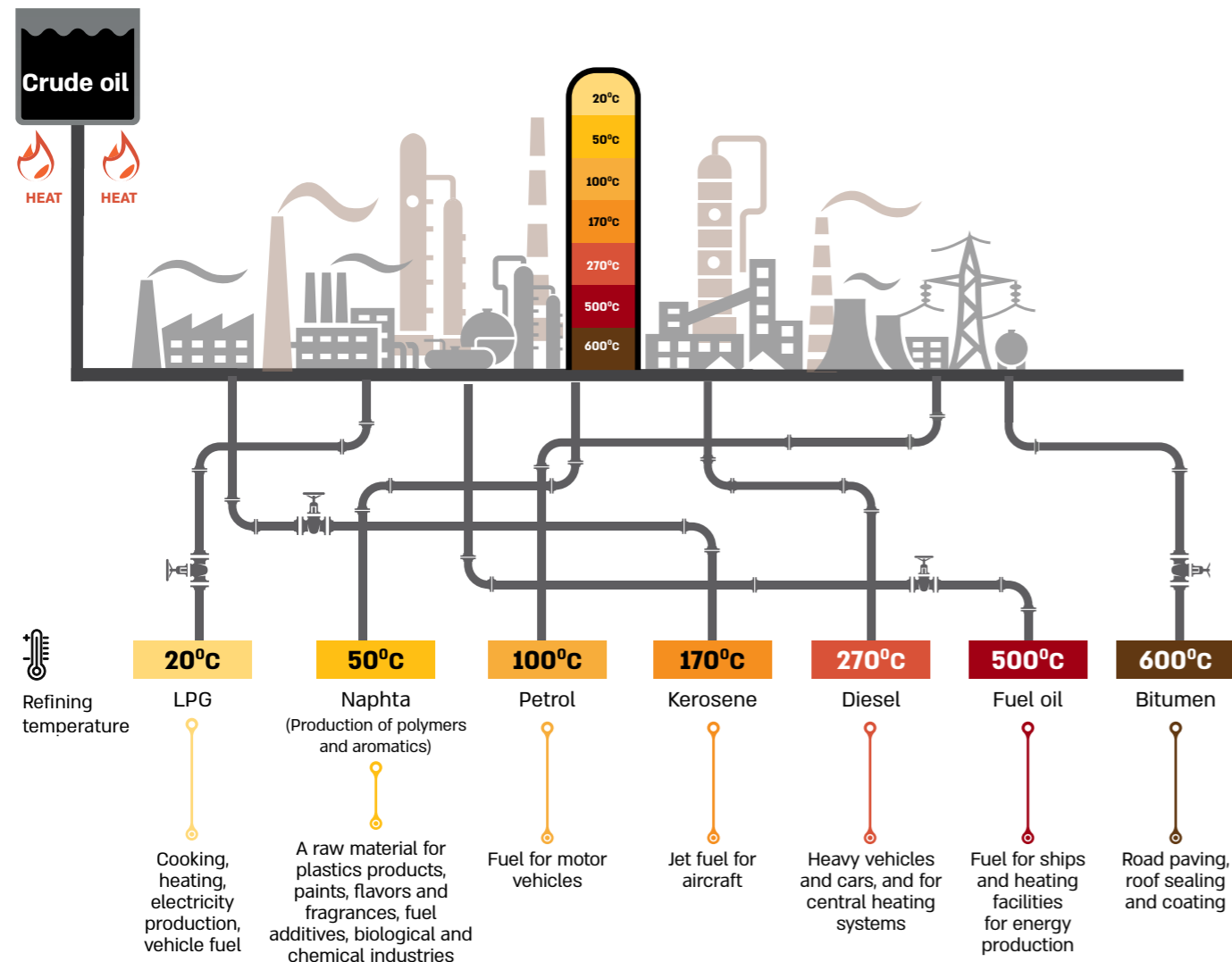
The Bazan Group refines, separates, and processes crude oil into finished petroleum products and raw materials used to manufacture other products. The refined products have a wide range of vital applications relevant to meeting people's needs and making the modern way of life possible, in industry, consumer goods, transportation, and agriculture.

A moment of science



Crude oil reaches the refinery from various global sources via tankers. The refining process separates its various components, transforming them into useful products. The refining process is carried out at high temperature of approx. 400°C; the products are different in terms of their respective boiling points. The unrefined residue remaining is used to produce asphalt and fuel oil. It undergoes a process of visbreaking, such that the fuel oil is able to flow through the pipes at ambient temperature. The outputs undergo finishing-off processes for the purpose of decontamination and cleansing, and to improve product attributes, such as by reducing sulfur content. In the final stage, the products undergo finishing processes in order to meet the requisite specifications.

Refining outputs



Polymers

Carmel Olefins and Ducor, subsidiaries of the Bazan Group (Ducor is registered and operates in the Netherlands), manufacture polypropylene and polyethylene – the main raw materials used in the plastics industry.

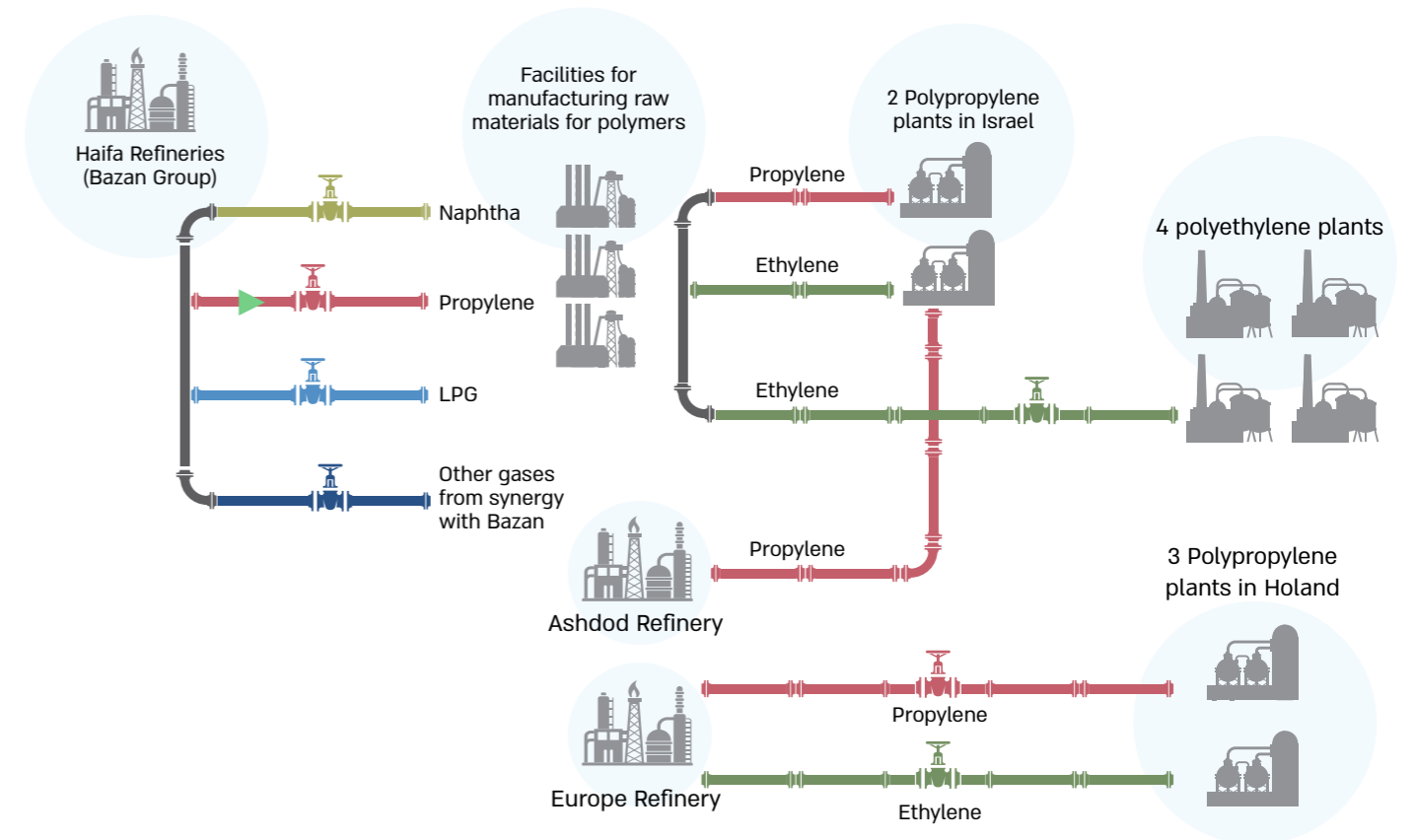
Carmel Olefins production facilities in Israel operate as a single concern, with interdependency among three main clusters of plants: the monomer plants cluster (the naphtha and LPG cracker facility, for ethylene and propylene production, and the OCU facility, which manufactures

propylene); the polypropylene plants cluster; and the polyethylene plants cluster. A pipeline system directly connects the monomer facilities with the polymerization facilities. The facilities receive shared services such as the supply of electricity, steam, water, storage and other services from a central service system, partially backed by the Group's service mechanism.

Manufacturing processes are performed at a wide range of temperatures, from minus 165°C to approx. 900°C.

Access to a variety of raw materials

Legend: Ethylene (green), Propylene (red), LPG (blue), Naphta (yellow), Other gases from synergy with Bazan (dark blue)



Aromatics

Gadiv of the Bazan Group is engaged in the production and marketing of aromatic products, which serve as intermediate products or make up the raw materials for a variety of products – clothing, packaging, computers, pharmaceuticals, cosmetics etc. Mostly it is the production of benzene, toluene, xylene, paraxylene, orthoxylene, phthalic anhydride and solvents.

A moment of science



Aromatic materials are made of chemical compounds containing benzene or carbon rings. Their unique electron structure ensures chemical stability and resilience to withstand extreme conditions. Gadiv, which was founded in 1974 and since 1994 has been wholly owned by the Bazan Group, is the only company in Israel engaged in this field.



Synergy as a basis for improved operational and energy efficiency

The fact that most of the Group's plants are concentrated in one geographic area enables the maximum utilization of raw materials, while reducing byproducts. In such a structure, the byproducts of one are used as the raw material for another – as is the case with the energy and the intermediate materials that are transferred from one plant to the other. Hence, this involves the maximal utilization of material and the prevention of waste, as well as the reduction of emissions into the air and landfills.

To maximize the Group's added value, its companies operate jointly. For example, production planning is performed by the Optimization Unit; inputs (natural gas, electricity, etc.) are purchased jointly; and headquarters provides services to all of the Group companies and integrates their needs with maximum efficiency. The joint headquarters also manifests increased economic efficiency.

To achieve maximum synergy in the value chain – from the oil well to the final products, commencing in August 2025, Bazan holds (through a dedicated holding structure) approx. 52% of the equity interests in the American private

corporation Cantium Management LLC and the corporations under its control (hereinafter - "Cantium"). Cantium was founded in 2016, with its main activity being production and operation of shallow water oil and gas assets located near the Louisiana coastline (in the Bay Marchand and Main Pass areas), which include oil discoveries acquired from Chevron in 2017.

Cantium has significant experience throughout the oil production value chain. Cantium, which employs an extensive team of experienced geologists, among other, owns extensive infrastructure which includes hundreds of active wells, connecting infrastructures (pipelines), as well as production and processing platforms and tanker farms.

The acquisition demonstrates a significant expansion in Bazan Group's areas of activity – from focusing on distillation only (downstream) to production (upstream) – and in its global operations. The move constitutes a significant milestone in the realization of the strategic plan, also as a way to reduce dependence on suppliers and bolster profitability.



Our products are used across all walks of life



IN TRANSPORTATION

-  **Land transportation**
Output: gasoline and diesel fuel
Production: Refineries
-  **Jet fuel**
Output: kerosene
Production: Refineries
-  **Asphalt for roads**
Output: fuels
Production: Refineries
-  **Ship fuel (low-sulfur fuel oil)**
Output: fuel oil
Production: Refineries



IN MANUFACTURING

-  **Energy and raw materials**
Output: fuel oil and others.
Production: refineries
-  **Paints**
Output: paraxylene.
Production: Gadiv
-  **Sealing products**
Output: bitumen.
Production: refineries
-  **Vehicle components**
Output: polymers.
Production: Carmel Olefins, Ducor
-  **Pipelines**
Output: polymers.
Production: Carmel Olefins, Ducor
-  **Insulation products**
Output: bitumen.
Production: refineries
-  **Additives for cooling systems**
Output: aromatics.
Production: Gadiv

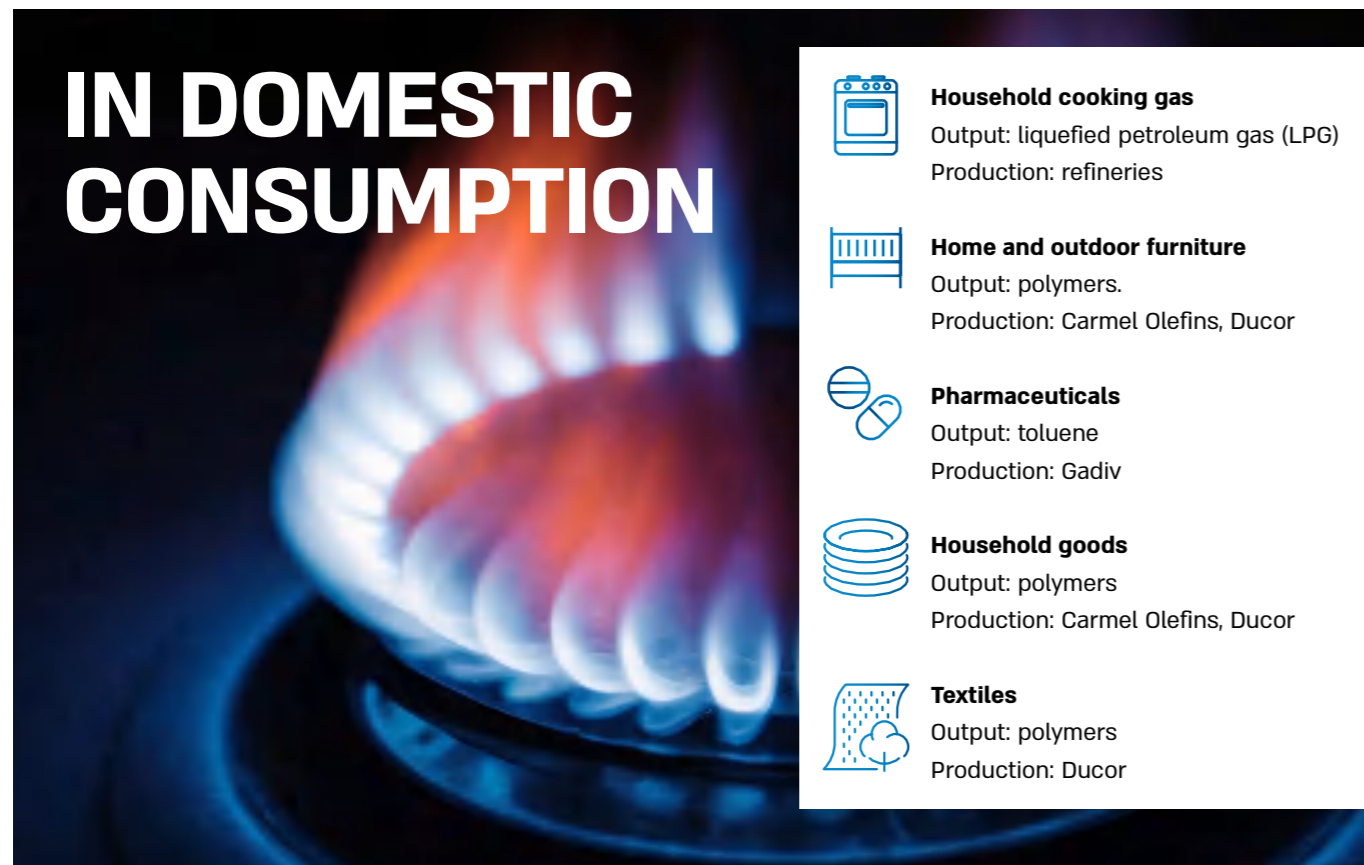
Our products are used across all walks of life






IN AGRICULTURE



-  **Pesticides**
Output: solgad
Production: Gadiv
-  **Sheets for agriculture**
Output: polymers
Production: Carmel Olefins
-  **Pesticides**
Output: orthoxylene
Production: Gadiv

IN DOMESTIC CONSUMPTION



-  **Household cooking gas**
Output: liquefied petroleum gas (LPG)
Production: refineries
-  **Home and outdoor furniture**
Output: polymers.
Production: Carmel Olefins, Ducor
-  **Pharmaceuticals**
Output: toluene
Production: Gadiv
-  **Household goods**
Output: polymers
Production: Carmel Olefins, Ducor
-  **Textiles**
Output: polymers
Production: Ducor

IN CONSUMER GOODS



-  **Medical protective equipment**
Output: polymers
Production: Ducor
-  **Cosmetics**
Output: aromatics
Production: Gadiv
-  **Cosmetics packaging**
Output: polymers
Production: Ducor
-  **Diapers**
Output: polymers
Production: Carmel Olefins
-  **Toys**
Output: polymers
Production: Carmel Olefins, Ducor
-  **Bottles**
Output: polymers
Production: Ducor
-  **Toolboxes**
Output: polymers
Production: Carmel Olefins, Ducor
-  **Packaging**
Output: fuels.
Production: refineries
-  **Appliances**
Output: polymers
Production: Ducor
-  **Clothing**
Output: polymers
Production: Carmel Olefins

Bazan Group in the midst of ongoing war

2024 was a year entirely defined by war. The longest, multi-theater military campaign in the history of Israel, which broke out following the brutal attack on October 7, 2023, put the country's national resilience – including its energetic resilience – to an unprecedented test. Throughout this entire period, the Bazan Group was engaged in a constant effort to ensure the State of Israel's energy continuity.

The Bazan Group, for whom the supply of the economy's energy needs, both during peacetime and in times of emergency, is its national mission – stepped up to support the exceptional effort immediately upon the outbreak of the War and throughout its entire duration, with many adjustments across the entire spectrum of its activities. Naturally, its location in northern Israel and the fact that it is a critical infrastructure plant made this a much more strenuous challenge.

Immediately after the beginning of the fighting and throughout 2024, the Bazan Group dedicated its efforts to supplying the needs of the economy and to ensuring the State of Israel's energy continuity – jet fuel for military aircraft, diesel fuel for the IEC to produce electricity instead of natural gas whose production was discontinued intermittently, and all other essential fuels required for the economy and the war effort. During the work on this report, additional and separate intense fighting broke out, on an unprecedented scale, against Iran ("Operation Rising Lion"). This operation lasted 12 days, inflicting numerous fatalities and considerable destruction on the Israeli home front. The refinery was

hit, and consequently three of the Group's employees were killed, leading to the shutdown of all the refinery facilities and the subsidiaries. Among other things, the power plant which produces some of the steam and electricity used by the Group's facilities was substantially damaged. In an unprecedented period of about ten days, Bazan restored two of its refining facilities to operation, as well as other facilities, while continuing to provide for the needs of the economy.

Throughout the entire period, once again the Bazan Group's critical importance to the economy in times of emergency was further highlighted, and this became more apparent than ever.

The Group's activities pertaining to the Iron Swords War have been carried out in two main areas: supplying the military establishment's needs while ensuring the energy continuity **required for the war effort**, along with **ensuring energy continuity** for the electricity sector and the entire economy in Israel; as well as **mobilization on the social front** – which included a significant increase in the budget for donations and an increased presence in the field. All this was carried out while steadfastly facing the challenges

that emerged during the year along Israel's northern border and from much more distant fronts too; and while creating a supportive structure for the Group's employees who were harmed, both directly and indirectly, by the events of the protracted war.

As early as October 2023, the Bazan Group responded to the overall effort to provide support and was one of the first companies to be present on the social front – giving support to those involved in providing mental health services and contending with post-trauma; finding solutions to provide accommodation for the residents of the Gaza border communities before an orderly solution was found for them; assisting evacuees from all over the country; by way of working in the field and providing solutions for immediate needs in real time. About a week after the outbreak of the War, the Group's Board of Directors decided to increase the scope of support and contributions to the community by 3 times to NIS 30 million. This trend of supporting the home front and assisting, by providing donations and employee volunteer work, continued throughout 2024 and into 2025.

As part of this social outreach activity, Bazan adopted Kibbutz Nahal Oz, which was severely hit during the murderous terrorist attack. The activity focused both on the immediate and logistic needs of the community evacuated to the north, and on its essence: moving from a mode of survival to one of strategic planning, putting the community back on its feet, returning to its rehabilitated home (and even earlier, moving half of it to Netivot) and building a better future for it. We regard this rapport with the Nahal

Oz community as both a moral duty and a genuine honor. We continue to support the community and regard our relationship with its members as both a moral duty and a great honor.

The manner in which our employees rose to the occasion and pitched in was extremely moving – both in terms of increased activity and reinforcement of shifts on the factory floor in order to maintain the State of Israel's energy continuity, as well as volunteering throughout the country. The Group's employees took part in initiatives and activities to assist evacuees and to provide support on the ground, to raise resources and collect equipment, and also in agricultural work to save agricultural crops and large quantities of food that otherwise would have gone to waste. In order to facilitate this highly appreciated activity, a new model for employee volunteering was built and it was decided to allow them to volunteer two days a year at the Company's expense (for further details on this, see later on in the report).



So what did we do during the Iron Swords War? To watch the video summarizing the Group's activity in ensuring Israel's energy security, supporting the war effort and contributing to society and the community – scan the barcode or [click here](#)



Our strategy

The Group's revised strategy focuses on several issues: Strengthening and improving the existing production function in the Refining and Polymers activity while focusing on improving efficiency and implementing advanced technologies and tools, reinforcing relationships with customers and increasing the ability to respond to changes in market demand; examining and developing significant new activities; and continuing to establish capabilities in future fields, including green fuels, green polymers and hydrogen, while maintaining its position as a market leader in Israel.

The Company executes the above while ensuring safety, staying committed to the principles of sustainability and ESG and maintaining the level of financial debt at the structure and composition prescribed by the Board, taking into account the Company's solvency and the average duration of its debt, while ensuring the Group's liquidity and financial robustness).

In times of emergency – as has been all too evident on a daily basis over the past year – the Bazan Group plays a central role in maintaining energy continuity for the State of Israel as well as its ability to respond, while demonstrating its strategic value as an essential enterprise of vital importance to national security. The company's dynamic capabilities in refining and converting fuels, according to the changing needs of the economy, facilitate a fast, flexible and reliable response – even in conditions of combat or global supply disruptions.

Unlike situations of dependence on imported distillates, which sometimes lack flexibility or availability, the Group provides Israel with operational independence and energy security, and provides an immediate and significant response in real time – at a time when the state and the economy need it more than ever.

[For more information on these issues, please see the Company's 2024 Periodic Report.](#)



Our strategy

Digitization supports strategy

Innovation supports strategy

Digitization in support of strategy

Even a traditional industry such as energy production is characterized by great complexity and requires the implementation of digitization and innovative technologies on a frequent basis. In support of the realization of the organizational strategy, the Bazan Group is implementing a master plan for IT that focuses on a large-scale shift to cloud services with the Cloud First approach.

As part of the IT program, digitization, automation, and improved efficiency of work processes are being implemented, while integrating robotics (RPA), artificial intelligence-based predictive technologies, and advanced BI systems to manage, monitor, and report data (from human resources to safety and environmental data).

As part of the activity, the Group's websites were renewed and refreshed, and they were authorized to the maximum conformance level of the Web Content Accessibility Guidelines (WCAG) standard AAA – which it was voluntarily decided to implement even though the Group is not obligated to do so. In terms of information security and privacy protection, the sites comply with the ISO 27001 standard.

The operating model for the IT/OT unit has been adapted to the management of the master plan, while fostering even closer work interfaces with the business and operations units. This innovative model, which enables the pooling of resources and provides a look at the organization from a holistic perspective, is gaining ground among a variety of organizations both in Israel and around the world.

The fully integrated unit acts as a key player in improving environmental responsibility, promoting employees and their safety, and strengthening data-driven corporate governance and automation. It complies with the Information Technology General Controls (ITGC) standard, which is designed to ensure the integrity, reliability, availability and security of information and computerized processes across the organization. We see technology as a strategic tool in leveraging business sustainability and leading the Group to a smarter, safer and more sustainable future.

Preventive maintenance

The massive transition from breakdown/reactive maintenance to predictive/preemptive maintenance is proceeding based on the collection of sensor data combined with IoT technologies, trend analysis and two-way interfaces with an existing system.

Digitization to support corporate governance

Data and data reliability

Implementation of advanced BI solutions, while supporting data-driven decision making and producing maintenance and business forecasts. This saves resources and enables improved data analysis. This saving is manifested, among other things, in working hours and in the rapid retrieval of data with a higher level of accuracy and reliability.

Cyber

The Bazan Group is committed to the standards of the Israel National Cyber Directorate and meets the most stringent international certifications and standards, including ISO 27001. In the reporting year, work in this field was extended, while bolstering and strengthening the monitoring and protection systems with the assistance of automatic identification and response tools. Among other things, core systems have been updated, communication networks have been separated, servers have been upgraded, and a cloud infrastructure has been built, enabling employees to use applications securely.

The environment

The IT and Digital Unit contributes to reducing the environmental impact by the transition to cloud-based systems, reducing the use of paper and increasing the use of digital tools for monitoring industrial processes. Among other things, advanced analytical solutions have been implemented to reduce energy consumption and limit emissions, increase efficiency in production resources and timing the fuels on the factory floor.

The "paperless warehouse" approach was promoted, including inventory counts using RFID (radio frequency identification) technology and rapid identification of items in the warehouse for dispensing.

Organizational process efficiency and expanding the use of automation

In the reporting year, the unit led dozens of projects to improve and streamline organizational processes, which focused on an in-depth examination of the existing work processes, dismantling them and then reassembling them more efficiently. The emphasis is placed on the overall planning of the process from end to end, with cooperation among several organizational units, alongside the implementation of digital tools. The projects are designed to reduce dependence on manual resources, shorten response times, improve the interfaces and relationship with suppliers and authorities, strengthen the reliability of information, and reduce operating costs.

In the reporting year, automation was implemented in dozens of key processes that help accelerate and improve work interfaces and synergy between departments.

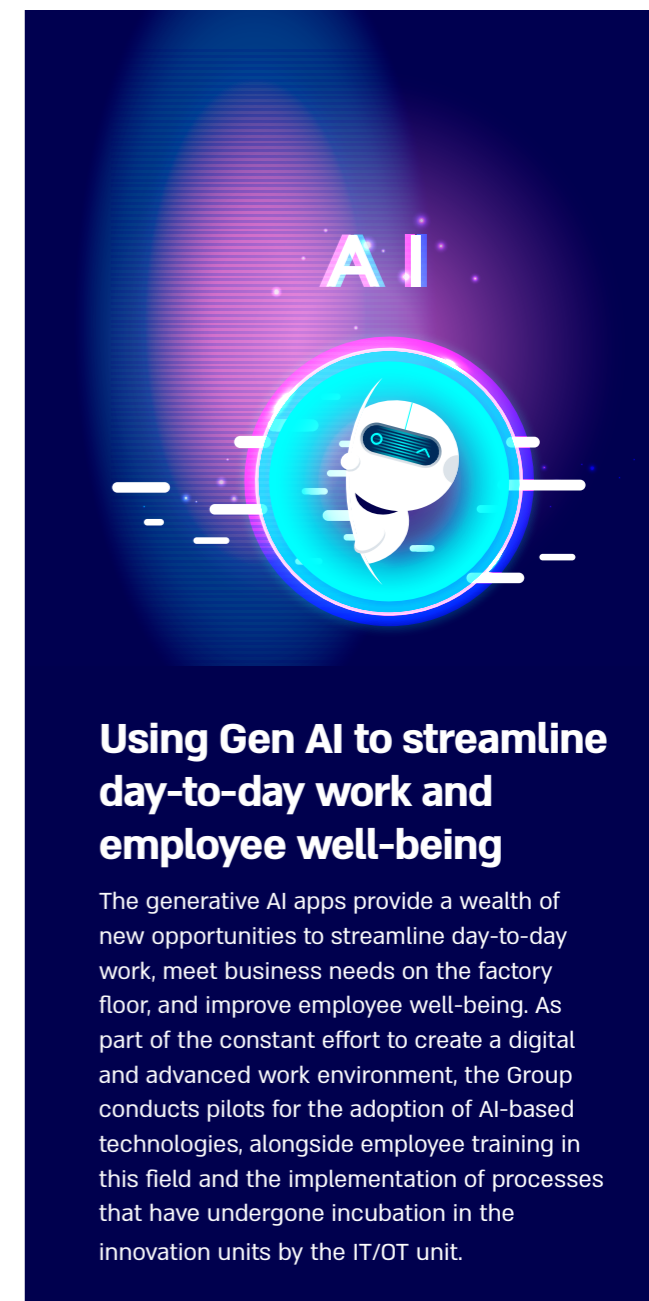
Digitization to improve safety and human resource management

Operations and safety

The IT and Digital unit supports critical control systems for safe operation management and strengthening organizational capabilities. Among other things, dashboards have been implemented for monitoring risks, documenting safety incidents, digital reporting and improving the response in the field as well as compliance with strict safety standards.

Human resources

In 2024, a central platform for automation of recruitment processes, certifications, assessments and employee compensation was implemented, alongside knowledge management systems. In addition, platforms were used to support the operational and personal needs of employees, while improving the user experience and thus effecting a saving on both manual labor and paper.



Using Gen AI to streamline day-to-day work and employee well-being

The generative AI apps provide a wealth of new opportunities to streamline day-to-day work, meet business needs on the factory floor, and improve employee well-being. As part of the constant effort to create a digital and advanced work environment, the Group conducts pilots for the adoption of AI-based technologies, alongside employee training in this field and the implementation of processes that have undergone incubation in the innovation units by the IT/OT unit.

Innovation in support of strategy

As part of the streamlining processes, and especially in light of its commitment to responsible conduct in the environment, the Group invests heavily in innovation – including finding alternative solutions, or those that will improve and streamline the activity, for raw materials, core products and production processes.

bnnovation

Bnnovation, the Group's innovation platform, runs unique programs for ventures pertaining to the Group's core areas and related fields. The program is designed for startups in the areas of energy efficiency, hydrogen and alternative fuels, digitization, etc.

The five strategic focus areas in innovation activity are:



Improving energy efficiency



Green polymers



Hydrogen and alternative fuels



Industry 4.0 and digitization



Environmental technologies

This channel of activity exists within the plant, incorporating dozens of Group employees who support innovation, in accordance with the five channels. This activity is focused on implementing innovation into the Group's activity and on promoting collaborations, with an emphasis on pilot projects on the premises of the plant, working with the Group's labs, and investments in ventures outside the organization which are aligned with its innovation strategy.

The Group's direct activity with what are for the most part Israeli start-up companies, entrepreneurs and researchers, helps create a business ecosystem to promote, develop and accelerate innovative solutions, while adopting the "open innovation model" in the five focus areas. As such, pilot projects and proof of concept tests (PoCs) are conducted in the Group to digitize processes, preventive maintenance, optimize production, monitor and control, preserve knowledge, streamline operational efficiency, etc.

The Bazan Group invests comprehensive efforts in locating startups aligned with the Group's strategy. This is a "win-win" approach, as it serves as a platform for them, while enabling them to experiment, streamline, accumulate knowledge and experience, and receive valuable quantitative and data products as a result of the pilot; while it benefits from a combination of innovative technologies, with the possibility of purchasing the products and progressing on to long-term agreements.

As part of the Group's business development and innovation operations, suitable entrepreneurs and startups are referred to ESIL, the Group's Environmental Sustainability Innovation Lab (in collaboration with EDF), to examine the possibility of obtaining an initial investment.



To watch the video about the Bnnovation innovation platform activity scan the barcode or click [here](#)

Unique collaborations through Bnnovation

The Bazan Group is working to formulate advanced solutions and expand its capabilities in the Industry 4.0 era, including through deeper collaborations with AI and IoT companies, such as the following:

Augury

the company specializes in predictive and preventive maintenance. The solution includes AI-based vibration sensors connected to machines on production lines that are capable of alerting in advance on malfunctions and providing recommendations for action. This technology has been implemented throughout the Group and saves high repair costs, prolonged shutdowns and loss of output, while improving efficiency and productivity.

Feelit

technology that enables multi-sensing monitoring capabilities for detecting operational malfunctions using stickers with an ink-based sensing technology. This groundbreaking development from the Technion has been implemented onsite in several of the Group's locations, in close collaboration with the Group's engineers. Following several successful pilot projects, The Group decided to participate in the company's round of funding.

Additional pilots take place, among others, with **Enwize**, which is developing an application for knowledge retention and operational savings through 3D simulation, and with **Aperio**, which specializes in identifying operational anomalies for improving data quality.

Quantum Hub

Alongside its central direct channel, the Group operates through two additional channels. In one of them, it is a partner in the Quantum Hub – an industrial innovation incubator in collaboration with the Taavura-Livnat Group, Hyundai and VDL, whose goal is to locate, accompany and promote technological startups operating in the strategic areas of the partnership, while connecting them to the industry for pilots, investment or large-scale implementation. The Group benefits from a deal flow of innovative technologies adapted to the challenges arising from the company's units, with the incubator team assisting in identifying the needs, preparing specifications and requirements documents and accompanying the implementation of the pilots in the field. The incubator also assists Bazan in the planning of professional tours, lectures and academic content for the development of innovative thinking.

ESIL

The second indirect channel in promoting startups and supporting the industrial ecosystem is through the Environmental Sustainability Innovation Lab (ESIL). In this laboratory, which invests in the fields of environment, sustainability and clean energy, and operates under the auspices of the Israel Innovation Authority and the Ministry of Environmental Protection, the Group has partnered with EDF Renewables of the French energy group EDF and the British chemicals corporation Johnson Matthey. In addition to direct financial investment, the lab offers start-ups the opportunity to run pilot projects at a range of sites around the world, benefit from close professional mentoring by experts, and connect with potential customers in various countries.

To date, ESIL has invested in more than 14 start-ups from various fields, including: pollutant identification, cooling systems, carbon capture, hydrogen storage, energy storage, robotics, and solar paint. Despite the War, 2024 was a peak year for this activity, with investments in five companies.

Joint ventures with groundbreaking startups under ESIL

EEXION develops innovative cathodes for batteries based on organic materials and carbon, and without the use of rare metals. This technology aims to enable high energy density, low production cost and long battery life, while mitigating the environmental impacts of battery production. The solution has the potential to be integrated into industrial storage systems and support the integration of renewable energies in the industry. This is part of an effort to promote innovative solutions in the field.

Kotleak develops technology for detecting air pressure leaks, with the aim of enabling significant savings in energy consumption and carbon emissions in the industry. Using acoustic sensors, artificial intelligence and machine learning, the system detects leaks with extremely high precision. In December 2024, a pilot was launched at Bazan with the company, which included the installation of three detectors to detect leaks from compressed air pipes. The detectors were deliberately installed in a noisy work environment, near pump motors and other active equipment, to test whether they were able to detect leaks even under these conditions. Initiated leaks were not detected in the first installation, and the company made adjustments such as installing new hardware which filters the noisy environment. Subsequently, several successful detections of the presence of a leak within a 10-meter radius were recorded, demonstrating the ability to show the direction of the leak. Additional tests are planned.

For details and more information, visit the [ESIL website](#).

Pilot projects during the War

At the outbreak of the Iron Swords War, as part of the Group's supportive efforts, the innovation unit mobilized to step up its collaborations with Israeli companies. This, among other things, is due to the importance the Group attributes to supporting Israeli startups and also as an additional contribution to strengthening the domestic economy. Within a brief period, alongside the other pilot projects underway at the Group's premises, agreements for pilot projects were signed with four companies:

MetaBIM

which has developed a platform that supports multi-system industrial facilities in information control and management, by aggregating digital models (outputs of laser scans), process documents (P&ID), and additional engineering information, the data is linked to a digital twin of the plant.



Treedis

which developed a system that enables the creation of a digital twin of a facility through a relatively short and simple laser scan procedure.

Korra

A company which has developed a project in the field of GenAI for intra-organizational use, designed to connect the vast quantities of information at organizations with specific problems and usages.

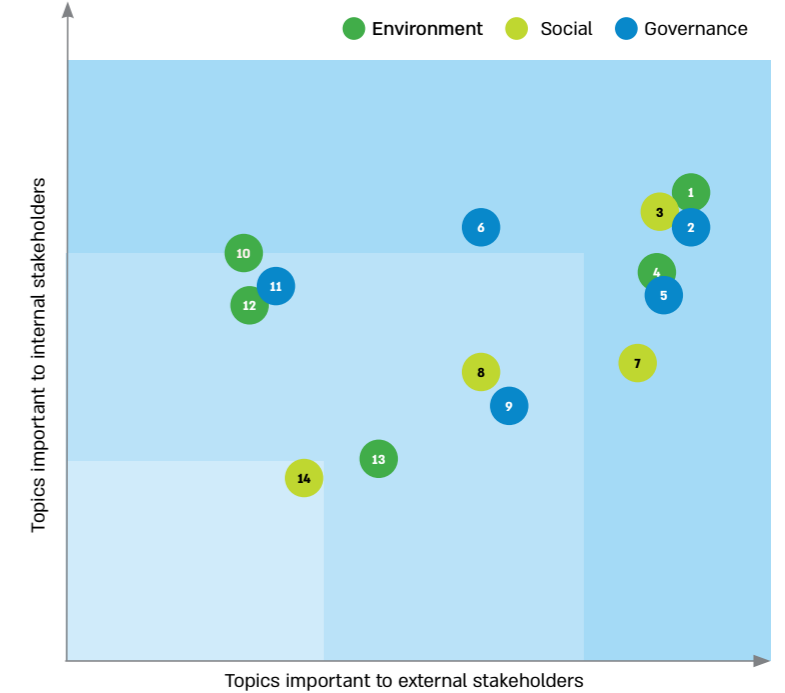
Material topics reviewed in the Report

This report reviews topics that have emerged as material to the activity of the Group in a materiality analysis conducted in collaboration with internal and external stakeholders in 2023. The process was accompanied by a professional team from a global consulting firm. This process included a review of the topics reported in the previous report; a methodological examination of the topics was carried out and a reevaluation was conducted together with the stakeholders; prioritization and rating were also performed to identify the material topics for the Group, from a broad perspective.

Identifying the topics encompassed, among other things: external reference points based on sector-specific and general industry players; mapping of intra-organizational and external stakeholders and dialogue with them to rank identified topics; as well as rating based on the information elicited from the stakeholders.

Stakeholders who took part in the process include managers and employees in the Group; representatives of the business, industrial and financial sectors and members of the Group's value chain. The extensive participation in the process enabled us to gain a deeper understanding of the material topics and helped us focus the content in this report. However, the scope of this report goes beyond the list of material topics, to create as broad a platform as possible for sharing and reporting.

Bazan materiality matrix



Environment



Social



Governance

Number	Topic
1	Air quality and emission of pollutants
2	Compliance with the law
3	Occupational Health and Safety
4	GHG and energy efficiency
5	Risk and crisis management
6	Ethics, transparency, and messaging
7	Human capital

Number	Topic
8	Human Rights
9	Protecting energy security
10	Waste Management
11	Sustainable procurement
12	Adaptation and resilience to climate change
13	Circular economy
14	Diversity and inclusion

UN Sustainable Development Goals (SDGs)

The Bazan Group works constantly and continuously to further the UN's Sustainable Development Goals (SDGs). The main goals that we supported during the reporting year:

Gender Equality

Act to ensure gender equality in the business sector and in the community

The Group takes pride in the substantial presence of women across the Group's management ranks, and the representation of women in its various departments and in diverse managerial roles, including in the areas of manufacturing, innovation and R&D. As of 2024, five of the 14 members of the Group's senior management are women. In the reporting year, an additional goal was set for the representation of women at mid-level management – an increase of two positions compared with the previous year. This goal is an ongoing goal to be revalidated on an annual basis. At the same time, the issue of gender equality, with an emphasis on equal opportunities, is a central goal of the Group's social-community activity, as reflected in its support of NGOs that assist in training, providing tools, business support, empowering women and young girls, etc.

Affordable and Clean Energy

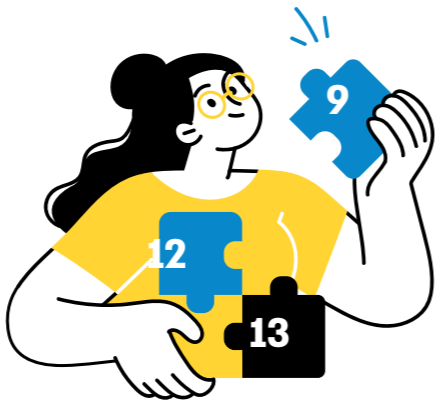
Promote the availability of sustainable energy sources.

Encouraging the use of hydrogen-based energy, with the development of hydrogen-based solutions, is one of the five main activity channels of the Group's innovation platform. The Bazan Group has assumed a pioneering role in the hydrogen industry in Israel, and, in collaboration with Sonol and Colmobil, Bazan inaugurated the first hydrogen-powered fueling station in Israel. In 2024, the vision became a daily reality on the ground, when a hydrogen-powered truck began to be used for various transports according to the Group's needs. The first hydrogen-driven bus arrived in Israel during 2025 and is currently in the stages of obtaining permits, as well as an innovation process with Israel Railways for examining a hydrogen-driven locomotive. In addition, a consortium was established with Boeing Global and the Technion to create a hydrogen-based sustainable aviation fuel (SAF), and in preparation processes for submitting a tender for the establishment of a hydrogen valley in conjunction with the Neshar Municipality and the Technion. In addition to this, in terms of the circular economy: cracking used cooking oil for the production of green monomers (propylene and ethylene) at the refinery, in conjunction with Fandango.

Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation.

Over the last few years, we have worked to reduce water consumption, optimize water quality, and reclaim significant quantities of wastewater. The industrial effluent reclamation facility saves approx. 2.5 million cubic meters of water per year in the Israeli water system (equivalent to consumption by approx. 40,000 residents*). At the same time, in conjunction with Aqwise, an advanced process is underway to dismantle the nitrogen compound in wastewater using MBBR (Moving Bed Reactor Biofilm) technology. Most wastewater generated in the Group's production operations is treated at a wastewater treatment plant and approx. 60% of effluents are reclaimed for use.



Decent Work & Economic Growth

Promoting economic growth and creating a safe and productive work environment

The Group operates according to a code of ethics aimed at ensuring fairness in business and adherence to ethical principles. In the reporting year, a comprehensive process was carried out to update and revise the Code, while refining and expanding the core values, adapting it to international ethical principles and extensive reference to anti-corruption and bribery. Bazan has set a target of an increase in the number of employees with special needs compared with the previous year. Regarding the impact on economic growth – Bazan's overall contribution to the Israeli economy in 2023 is estimated at approx. NIS 8.1 billion, or approx. 0.43% of GDP.* Bazan directly employs approx. 1,500 men and women in Israel, and its overall contribution to the labor market is estimated at approx. 15,800 jobs, mostly in northern Israel.

Industry, Innovation and Infrastructure

Promote inclusive industrialization, and foster innovation

The Bazan Group's leadership in the transportation fuel market in Israel, which forms part of its group strategy, is reinforced by digitization, embedding advanced technologies in production, innovation, and continued reduction of the environmental impacts, while continually adapting to market changes and upgrading and expanding advanced logistical infrastructures and trade capabilities in order to ensure the continuity of supply for the Israeli economy. In a year of multi-theater war, which included unprecedented damage to the home front, these aspects were reflected much more intensely.

Responsible Consumption and Production

Manage business systems with responsibility towards natural resources

The Group has chosen to play a key role in the solution to the problem of waste, focusing on plastic waste. Extensive resources are invested in R&D on this subject, especially in the production of polymers with an environmental signature and a reduced carbon footprint. In the reporting year, the Group acquired the balance of holdings in Carmel Eco Ltd. (formerly VPM). The Group's mode of operation facilitates synergy among its facilities, and consequently the optimal utilization of raw materials and byproducts, as well as operational efficiency.

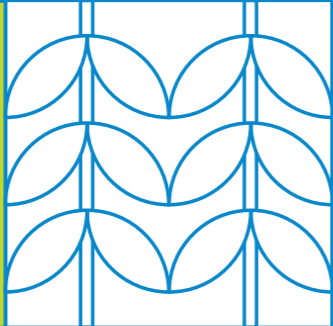
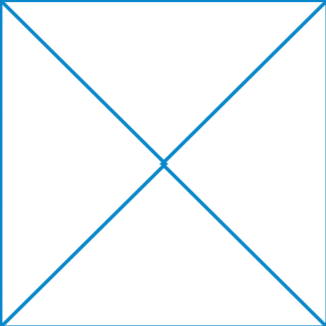
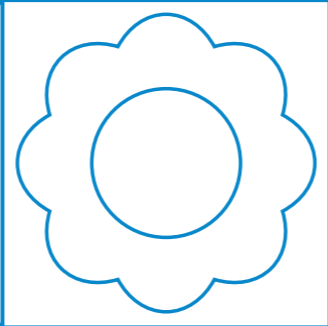
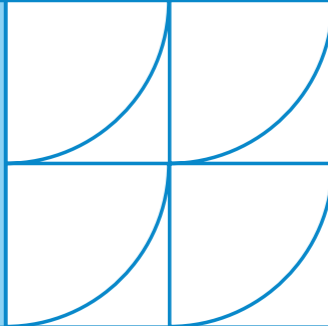
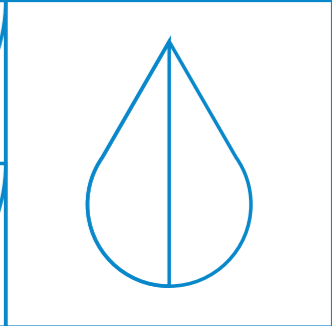
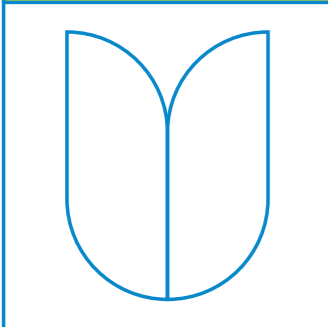
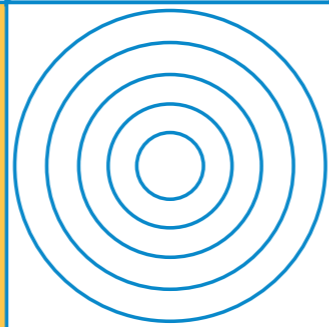
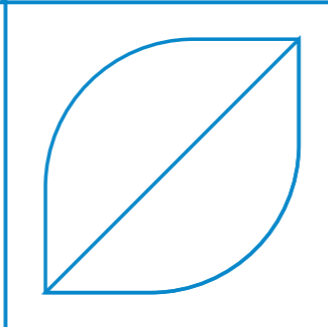
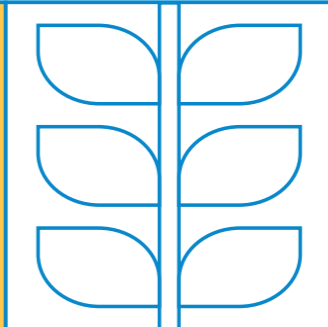
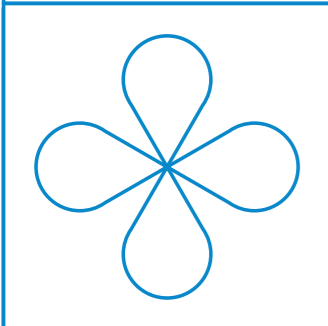
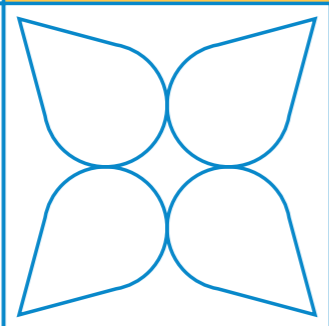
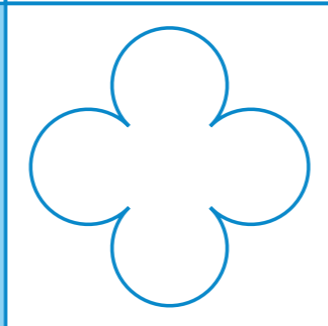
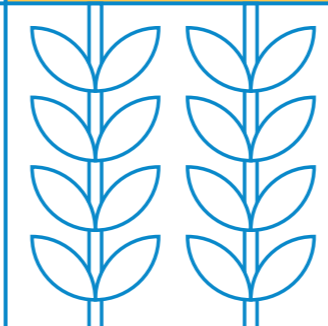
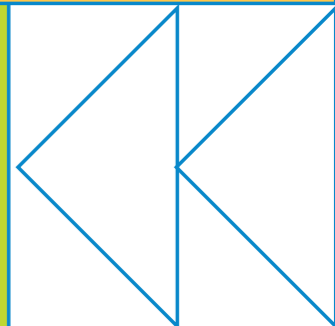
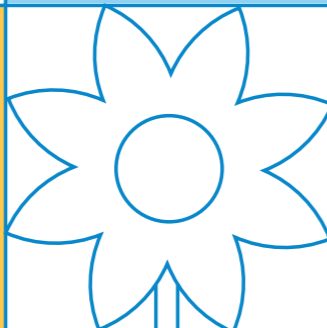
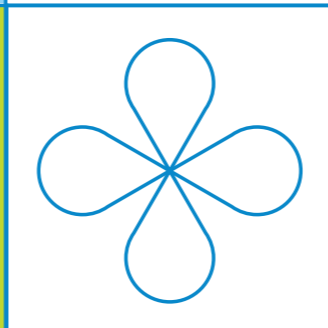
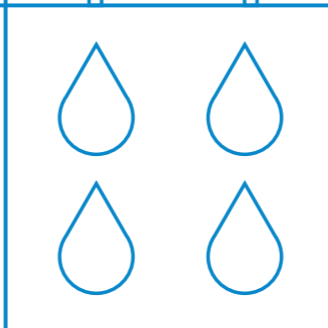
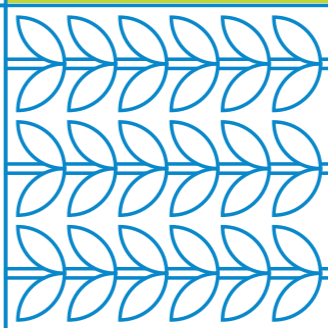
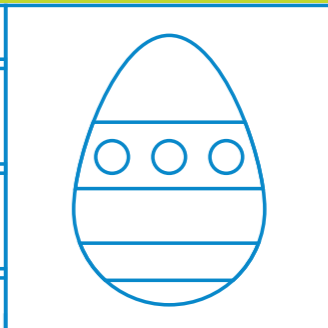
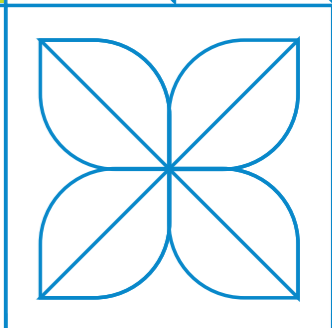
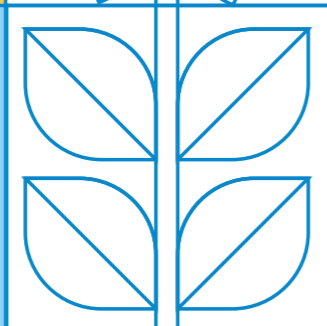
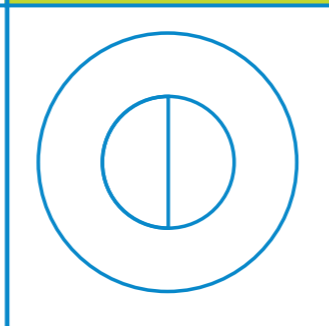
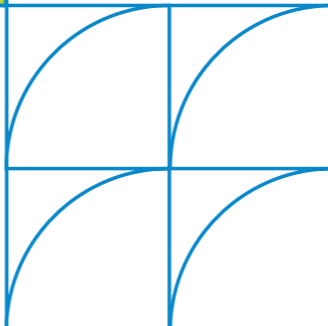
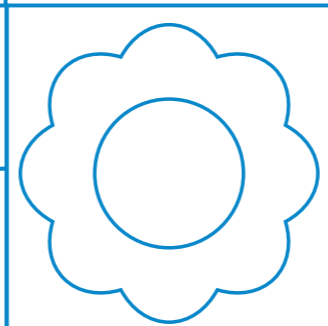
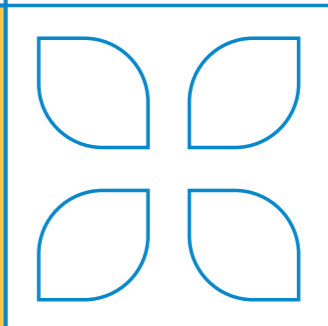
Climate Change

Taking action to combat climate change and its impacts

As part of a new and comprehensive short-medium term and long-term climate plan, the Group presented feasible targets for reducing GHG emissions from its activities in Israel and the Netherlands. In addition, resources are invested, mainly via the Bnovation innovation arm, in the development of technologies for reducing emissions and in startups engaged in this - such as H2Pro, which is developing innovative technology for the production of green hydrogen via electrolysis.

* According to a report by global consulting firm BDO for 2023, excluding Carmel Eco and Ducor

Our impact – ESG – key figures

<p>Benzene emissions in Israel have been cut back by over 90% from 2016 to 2024</p>				<p>In 2016-2024, there was a 10% decrease in the volume of Scope 1 emissions</p>			
	<p>A 6% reduction in total emissions compared to 2023</p>			<p>A decrease of Approx. 21% in LTIR to 0.66* compared to 2023</p>		<p>Quantity of landfilled hazardous waste was reduced by 24% compared with 2023</p>	
		<p>Approx. NIS 18 million in community outreach during 2024</p>			<p>In 2024-2016, there was a 65% reduction in non-methane volatile organic compound emissions (NMVOCs)</p>		
<p>Approx. NIS 30 million was donated to community outreach (between the outbreak of the Iron Swords War in October 2023 and the end of 2024)</p>		<p>Use of water in Israel: decreased by 9% in 2016-2024</p>					
<p>Quantity of hazardous waste generated was reduced by 45% compared with 2016</p>					<p>Adopting a non-hazardous waste treatment policy</p>		<p>A 9% decrease in the volume of Scope 3 emissions compared to 2023</p>

* Excluding Carmel Eco and Ducor

The Bazan Group – Quantitative Objectives

Category	Topic	Goal	Target year	Status in the reporting year
Environmental protection	Benzene reduction	Reduction of benzene emissions by 66% relative to 2018 (the baseline year), from 2.2 tons to 0.75 tons	2024	Objective attained and even beyond that: a reduction of 85% to 0.37 tons in 2024 - one of the lowest emission rates throughout the global industry
	Pollutant emissions	Improve the Company's positioning from the 15th to the 10th percentile of companies with the lowest environmental impact in the refining industry, based on the European BREF reference document ¹	2024	Achieved
Climate Change	Climate action and GHG (greenhouse-gas) emissions	Formulating a long-term plan to reduce carbon emissions	2024	Achieved.
		Take actions to reduce emissions by 25,000 tons	2024	Achieved
	A desire to attain a 19% reduction in carbon emissions in the Group's operations in Israel compared with the base year of 2015	2030	In process	
		A desire to attain a 55% reduction in carbon emissions across the Group's entire operations in Israel compared with the baseline year of 2015	2030	Achieved. An agreement to purchase green electricity was signed during the reporting year, which will lead to reduced emissions as defined in the target
Improved efficiency in the use of water resources	Increased wastewater recycling	Recycling of up to 500,000m ³ of wastewater per annum, resulting in increased Group synergy	2025	

Category	Topic	Goal	Target year	Status in the reporting year
Employee safety	Lost time injury rate	LTIR = 0.5 ^{**}	2025	In process. To date, attained: LTIR = 0.66, compared to 0.84 in the previous year
	Safety climate ^{***}	A safety climate rating of 4.5	2026	In process. To date, safety climate rating of 4.08
Ethics in the supply chain	Sustainability due diligence check	Formulation and initial integration of suppliers questionnaire	2025	In process
Diversity and inclusion	Women in mid-level management	An increase of 2 in the number of mid-level/low-level managers compared to the previous year		Achieved
	People with special needs	An increase of 2 employees with special needs compared with the previous year	2025	Achieved****
Society and the Community	Community support and donations	Formulation of community support and donations policy in accordance with the SDGs	2025	Achieved
		Adapting the amount of donations to the global benchmark	2025	Achieved
Social outreach	Definition of volunteering policy and community outreach hours according to the Group's social model		2025	In process

* BREF - Refining of Mineral Oil and Gas.

** No. of accidents weighted per 200,000 hours of work.

*** The safety climate is measured through questionnaires, interviews, and field observations, rated on a 1-5 scale. For further details, see the subchapter entitled "Safety Climate".

**** Target achieved for 2024, Objective updated on a yearly basis.

Committed to a Sustainable Future

Planet

**COMMITTED TO
THE ENVIRONMENT**

**BACK IN
MOTION**



Committed to the Environment

The Bazan Group, a key player in the Israeli energy market, recognizes its role and responsibility in climate and environment issues, and its capacity to stimulate large-scale change in its business environment. The Group's activities are based on a clear environmental policy; it is oriented to sustainability and promotes the implementation of innovation and technological solutions to achieve its goals, which focus on the areas of fuels, a circular economy, and hydrogen.

Operating the
**first hydrogen-powered
fueling station**
of its kind in Israel

Circular economy
production of polypropylene and
polyethylene using used cooking oil

Use of water decreased
by 9% between 2016 and 2024*

**Quantity of hazardous
waste landfilled reduced**
by 24% compared with 2023

x2.5
quantity of waste sent for
recycling 2.5 times higher
than in 2016



Environmental protection at the Group is managed according to **ISO 14001**, using, among other things, the **PI ProcessBook system**.

The system collects information from various systems located in the field and presents it in an integrative manner. The system enables continuous monitoring of operational parameters such as temperature, pressure, flow, and environmental data; it is used to detect malfunctions, anomalies, or various trends in order to improve safety, efficiency, and ongoing functioning, and supports the ability of teams to conduct analyses and generate tailored reports. The system contributes to transparency, monitoring of the volume of emissions, energy efficiency, and compliance with regulatory requirements.

We maintain **ongoing consultation with stakeholders** through frequent meetings with representatives of the Ministry of Environmental Protection, municipalities, city associations, etc., alongside regular reporting to the regulator.



Bazan's hydrogen truck

Continuing to lead the hydrogen revolution in Israel

Hydrogen fuel is considered highly promising, in the context of the search for and development of clean energy sources. It holds significant potential for the replacement of polluting fuel sources, particularly in the area of heavy vehicles. Bazan is proud to be at the forefront of innovation in Israel and to promote the use of green fuels in transportation and industry.

The vision of hydrogen was transformed into everyday reality in 2024, when the Group began to use a hydrogen-powered truck for various transport needs, mainly for the benefit of the war effort and to assist victims of the war. From October 2024 through October 2025, distance travelled totaled approx. 8,900 km.

The truck is refueled with hydrogen fuel at the first station of its kind in Israel, which opened at Kibbutz Yagur a year earlier, in cooperation with Sonol and Colmobil. The station has the capacity to refuel up to 20 trucks per day. It is also expected to be used to refuel hydrogen-powered buses, which began arriving in Israel during 2025, with the completion of European standards and import processes. One of the buses was purchased by the Bazan Group, and will be used to transport its employees in northern Israel.

In addition, the Group is working to explore initiatives to integrate clean-energy hydrogen applications more broadly in the future. These include an innovation process with Israel Railways examining a hydrogen locomotive; a consortium established with the global company Boeing and the Technion for the production of hydrogen and carbon dioxide-based sustainable aviation fuel (SAF); and initial preparations to bid on a tender for the establishment of a "hydrogen valley," initiated by the Ministry of Energy, in cooperation with the Neshar municipality and the Technion.

To emphasize, Bazan's surplus hydrogen production capabilities enable it to adjust production volumes to the needs of the economy and to the plan to bring hydrogen-fueled vehicles to Israel.



The revolution is here – scan the barcode to watch a video about our hydrogen activity or click [here](#)

A moment of science



Hydrogen power is considered less polluting than electrical power. In terms of emissions, the only byproduct of the engines is a small quantity of water droplets released into the air. Further, due to the nature of the mechanical procedure, hydrogen-fueled engines have greater energy density, a clear advantage for battery storage in heavy vehicles. For the time being, hydrogen fuel is produced using natural gas ("gray hydrogen"). In the future, the plan is to switch to "green hydrogen" extracted from water only, using electrolysis and renewable energies. The production of green hydrogen involves no greenhouse-gas emissions, is more efficient than other methods, and is expected to lead to another dramatic reduction in carbon footprint. To promote this process, the Group has invested in H2Pro, which is developing innovative dedicated technology.

The only certified hydrogen laboratory in Israel

Another strategic move in the development of hydrogen-based solutions, and in the promotion of technologies to make hydrogen an accessible, user-friendly energy source, is the Bazan Hydrogen Laboratory. Key challenges to be worked on by the laboratory include hydrogen storage and transportation, and economic aspects. This laboratory, which is equipped with the best devices and equipment in the field, has obtained all of the required certifications, including from the National Laboratory Accreditation Authority, and certification in trace analysis for transportation fuel produced and sold by the Group, which requires identification and quantification at the level of one in a million polluting particles.

* Including freshwater

Reduction of GHG emissions

As of 2024, the Group's focus in the field of emissions was on expanding reports in all three scopes, as well as formulating a climate plan, while setting long-term goals for cutting back Scope 1 and 2 emissions. The goals of the plan are realistic and adapted to the regulatory situation in Israel and Europe, as well as the current circumstances at each of the Group's sites.

In view of the responsibility involved in the Group's activity, and its size and centrality in the industry, we see great importance in setting achievable goals for each of the sites. We are proud of our work, which has already yielded results, generated by a decade of monetary investments and extensive labor, and we are committed to continuing our efforts to achieve our goals for the future.

In this report, further to its predecessors, we state the main targets set within the climate plan for the reduction of carbon emissions in the Group's operations in Israel and Europe. Alongside this report, we have rigorously maintained voluntary reporting to the Ministry of Environmental Protection since 2011, beyond regulatory requirements (Beyond Compliance), based on a proactive approach to reducing emissions. For the purpose of ongoing reporting, emissions were mapped and calculated by DNV, a global company with expertise in this field. This is based on data for 2021, in line with the international GHG Protocol and ISO 14067 on product carbon footprint. In this context, the carbon footprint of all of the Company's products was calculated.

According to the mapping, **Scope 1 emissions** account for approx. 27% of the Group's emissions. These emissions result from the production of energy needed for heating in production processes (production of steam, electricity produced for own consumption by way of cogeneration, and catalytic reformer processes). Compared to the previous reporting period, **there was no material change** in the volume of emissions in this scope.

Scope 2 emissions, which constitute approx. 4% of the Group's total emissions, originate from the use of electricity purchased from OPC, mainly produced from natural gas. This electricity is used primarily to power motors, process-related compressors, air compressors, air coolers, and other process-related equipment. The volume of emissions in this scope **decreased by approx. 3%** in 2024 compared to 2023, as a result of the replacement of some of the electricity purchased from external parties with in-house production of electricity at the Group's plants. In addition, a maintenance



A moment of science

Scope 1 concerns direct emissions of the organization resulting from its activity.

Scope 2 refers to emissions originating with the production of energy used by the organization.

Scope 3 Overall emissions caused by the organization's supply chain.

process at one of the electricity generation facilities led to an increase in steam utilization, increasing the energy conversion efficiency of the independently produced electricity.

Scope 3 emissions account for approx. 69% of total emissions. We currently measure emissions in the GHG Protocol categories essential for our operations, upstream in the supply chain: procurement of products and services – raw materials for refining, particularly crude oil and chemicals; energy and fuel activities – emissions generated by the production of natural gas used for our operations; transportation upstream in the supply chain – for the purchased crude oil; and waste treatment. The vast majority of these emissions (98.8%) originate with the production of crude oil used in manufacturing processes. Scope 3 emissions **decreased by 9%** in the reported period compared with 2023.

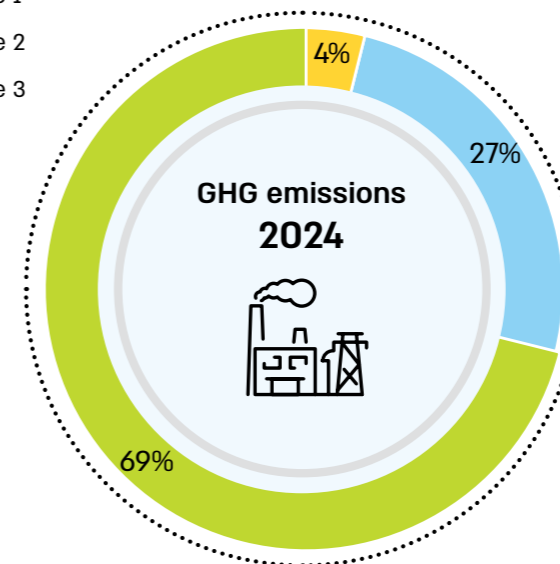
Scope 3 reporting, performed by the Group since 2022 (since 2023 for Carmel Eco and Ducor), is important both for the ability of the Group to monitor and manage its emissions and for the ability of its customers to map the comprehensive carbon footprint of its products. With full reporting on all three scopes, customers can expand their emission measurements and make informed decisions about their use of raw materials. They can also be offered a life-cycle assessment of the product categories they purchase from the Group, on demand.

The Group monitors and analyzes the quantity of its emissions on a daily basis; transparency is maintained as a guideline. Improvements have been made in the Group's emission calculation methodology in recent years, with transition to a more accurate method based on measurement of the chemical composition of gases, rather than emission factors.



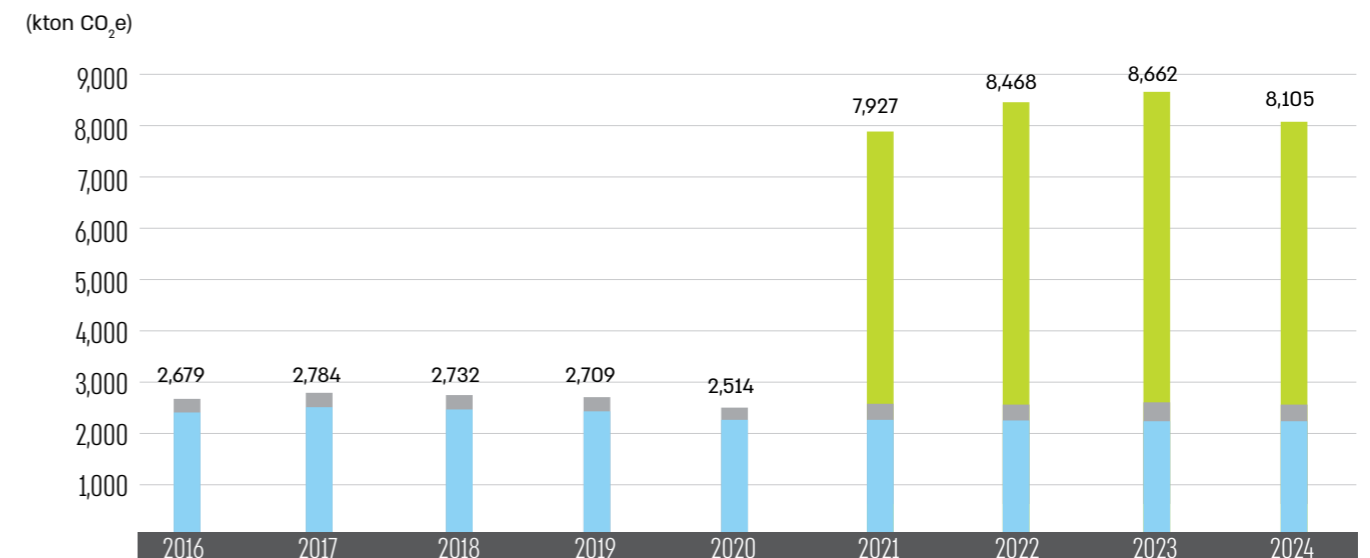
Greenhouse-gas emissions - 2024

- Total - Scope 1
- Total - Scope 2
- Total - Scope 3



GHG emissions - Scopes 1,2 and 3 (kton CO₂e)

- Scope 1
- Scope 2
- Scope 3



* Monitoring of Scope 3 emissions has been conducted since 2021

Climate objectives and indicators

During 2024, the Bazan Group worked to formulate a plan to reduce carbon emissions at its sites in Israel and the Netherlands. The plan was the conclusion of a comprehensive process, guided by world-renowned experts on climate and the environment, as part of the Group's efforts to apply European standards and adopt best practices, adapted to the local landscape. The process included the examination of various means of reduction, existing and future technologies, infrastructure in Israel and abroad, policies and incentives in Israel and abroad, and economic feasibility.

New climate plan for the Bazan Group – Haifa site

In the reported year, we completed the formulation of the plan for the reduction of carbon emissions in the Group's operations. The plan aligns with the concept of sustainability as a significant pillar of strategy, and with the current regulatory situation in Israel, balancing ambitious environmental goals with pragmatic business considerations. The plan sets realistic goals for 2030, attainable under current conditions, without government incentives, subsidies, physical infrastructures, or binding regulation, while preparing for a deeper reduction by 2040, based on advanced technologies and supportive policies.

From 2015 to this writing, Scope 1 and 2 emissions at the Haifa site decreased by 10%, through improvements in operations and investments of USD 619 million in 2007-2022. A 19% reduction is targeted by 2030, in line with Israel's national climate bill, in reference to 2015 as the baseline year. Looking ahead to 2040, we are aiming for a reduction of up to 50% – depending on advanced decarbonization technologies, supportive government policies, and infrastructure investments in Israel, which would support the economic viability of the adoption of the reduction measures. At this time, these conditions have not been met.

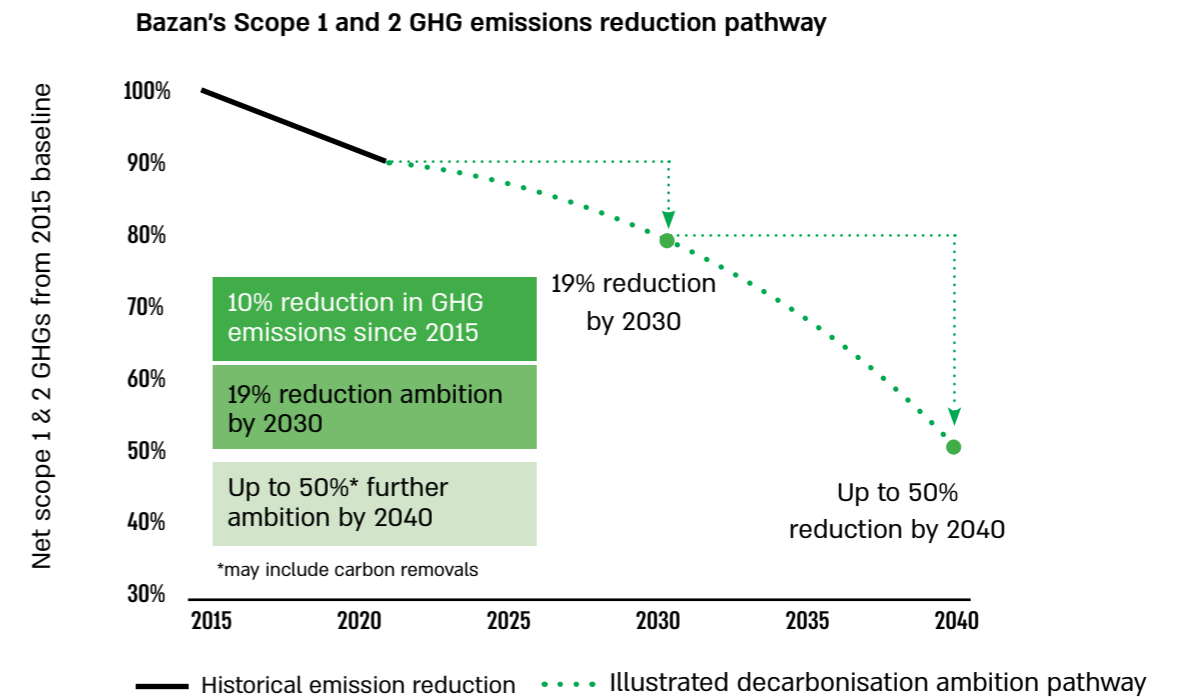


Risk management methodology

The Bazan Group is committed to understanding the opportunities and risks involved in climate change and decarbonization. Based on the TCFD (Taskforce on Climate-related Financial Disclosures) framework, we conducted a comprehensive process to identify physical and transition risks that may affect the Group, in collaboration with internal and external stakeholders. The impact and probability assessment was carried out in accordance with the organizational risk management framework, and five risks were identified as particularly significant: decreased demand for fuel products; carbon pricing; investments required to reduce emissions in operations; regulation to reduce emissions; and investments required to reduce emissions in the logistics network. The robust structure established in recent years, consisting of supervision by the board of directors (the environment, safety, and ESG committee), the ESG unit reporting to the CEO, strategic coordination with all units, etc., ensures close monitoring of the objectives, as well as managerial responsibility.

Future vision and broad impact

Alongside the focus on reducing emissions in Scopes 1 and 2, the reduction of Scope 3 emissions is no less important to the achievement of climate goals. Although not included in the immediate emission reduction strategy, we are partnering with our value chain to promote broader efforts for sustainability in the future.



The Group's strategy to reduce GHG emissions consists of three phases:

Phase 1 is based on operational excellence, the implementation of which has resulted in approx. 10% reduction in Scope 1 and 2 emissions.

Among the measures taken:

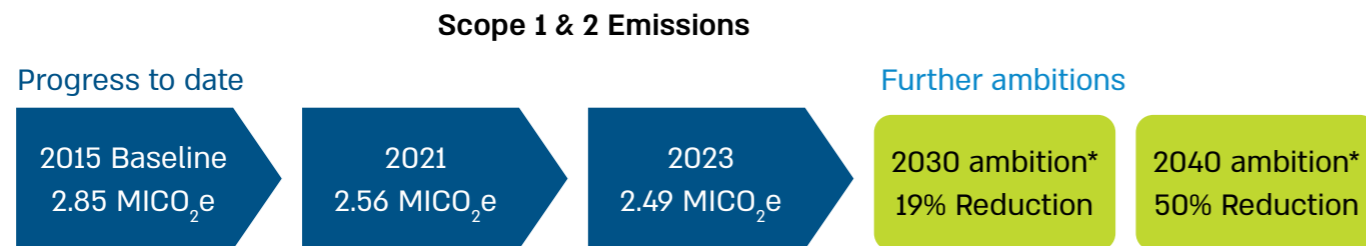
- Upgrades of furnaces and installation of modern burners
- Optimization of steam tanks and gas recovery systems
- Continuous monitoring of excess air in burning and improvement of combustion efficiency
- Improvements to heat exchange systems

Phase 2 focuses on the integration of renewable energy (2023-2030)

- Through the purchase of green electricity and 10-year green certificates in an agreement with OPC (signed in 2023 and reported in the previous report).
- Concurrently, further operational improvements and energy efficiencies will be examined, subject to economic feasibility and to the regulatory conditions and incentives in the field.

Phase 3 incorporates technology testing, according to the maturation process, and subject to external regulatory and infrastructure conditions for the Group (after 2030). Possibilities including the following will be considered:

- Production of green hydrogen using electrolysis, as a substitute for fossil fuels
- Biomethane – a substitute for natural gas from renewable sources
- Carbon capture and storage – capture
- Transportation and storage of CO₂ from industrial processes
- Electrification



*Compared to 2015 baseline emissions



A new climate plan for Ducor in Europe

As part of the plan to reduce carbon emissions, a dedicated plan was formulated for Ducor, which operates in Rotterdam, the Netherlands. This process is based on a commitment to the goals of the Paris Agreement and the climate policies of the European Union, and aligned with the European Green Deal and the Fit for 55 policy package. The plan sets targets for reducing GHG emissions while maintaining business competitiveness and regulatory compliance.

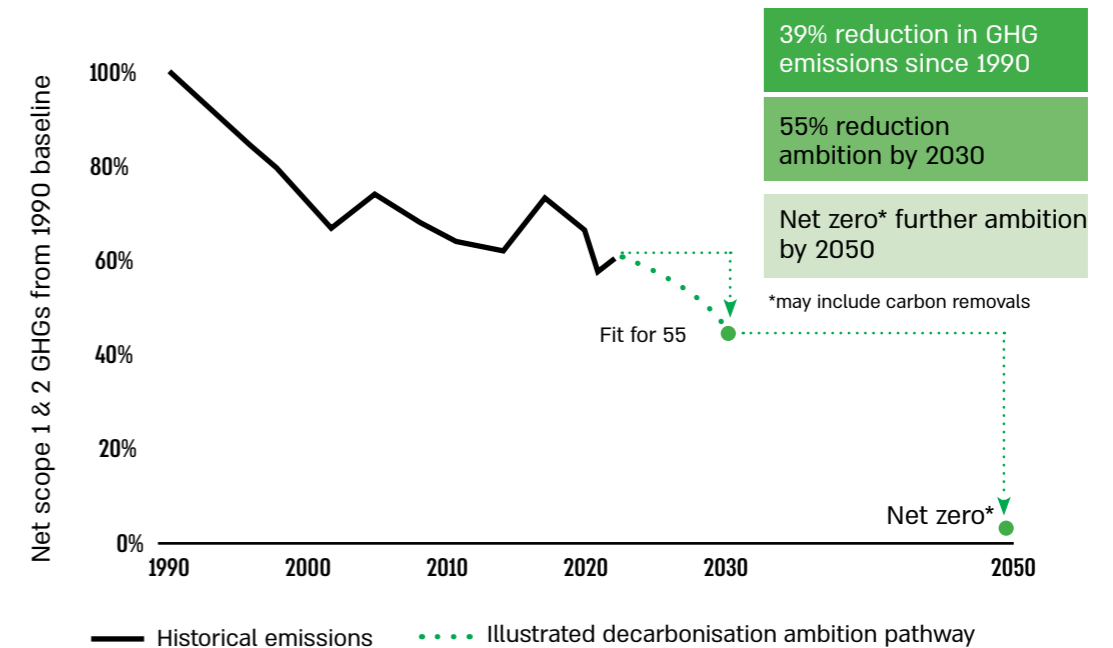
Since 1990, Ducor's Scope 1 and 2 emissions have decreased by approx. 39%, mainly due to operational improvements and reduced emissions from electricity sources. The new target for reducing these emissions is 55% by 2030, relative to the baseline year 2015*, with the ambition of achieving net zero emissions by 2050, inasmuch as permitted by future conditions.

The process was guided by world-renowned global experts, and included marginal cost analyses of mitigation

measures such as agreements for green electricity from various sources, carbon capture and storage (CCS) systems, electrification of industrial processes, and systematic utilization of residual heat. These options will be considered in relation to economic feasibility analyses. The program is managed under the direct supervision of Ducor's CEO, and refers to the established targets.

During 2024, the company implemented a number of energy efficiency initiatives, including replacing all lighting fixtures with LED lighting, insulating windows, and installing double-glazed windows, as well as installing solar panels. These measures led to significant improvement in energy consumption at the site, and led to an energy rating of B (the second-best level) from the authorized organization E-Label Nederland B.V.

Ducor's scope 1 & 2 GHG emissions reduction pathway



It should be noted that achieving net-zero emissions poses a significant challenge that depends on additional factors, and will require reliance on applicable technologies that demonstrate long-term economic viability. Measures to be explored include operational upgrades and optimization, including focused emission reduction projects, improved insulation systems, and residual heat utilization; transition to low-carbon energy through green power purchase agreements (PPAs), low-carbon steam imports, and the use of heat pump technologies; and procurement of sustainable raw materials (which would contribute to reduction of Scope 3 emissions), while promoting circular economy principles and compliance with packaging regulations.

* The baseline year for measuring GHG emissions is set by the European regulation covering the reporting of carbon emission data.

Committed to energy efficiency

The reduction in emissions was achieved through cumulative investments totaling approx. USD 607 million in efficiency and improvement of the Group's environmental performance in 2009-2024, including refurbishment of furnaces, installation of new burners that enable optimal combustion in furnaces and tanks while reducing environmental emissions, efficient energy management, efficiency improvements in steam tanks, insulation of pipelines to prevent heat loss and emissions, and improvements in everyday work routines.

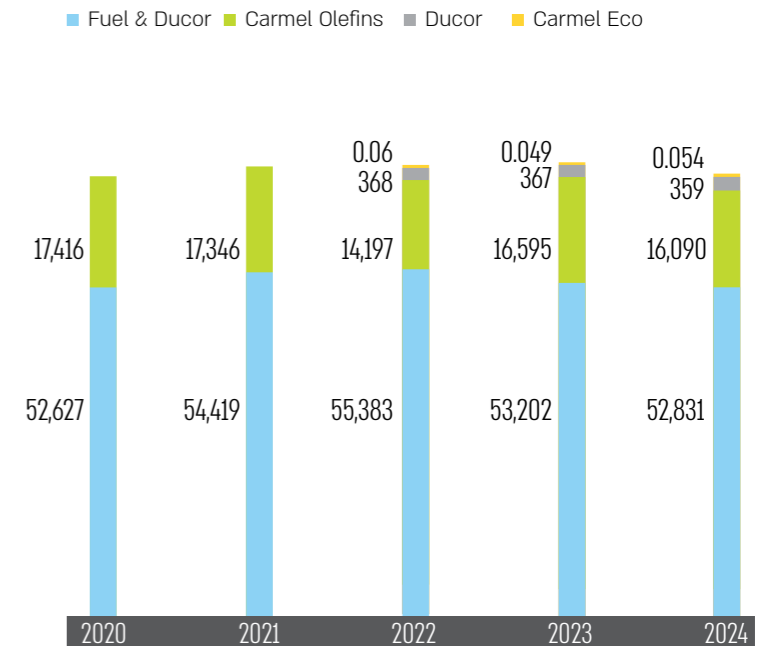
As a result of these processes, despite the increase in production volumes, energy consumption at the Group remained similar to that of the preceding year, at approx. 68 million gigajoules. Bazan Group determined to reduce and improve the efficiency of energy consumption at its facilities, as part of the Group's strategy.

Over the past year, with the assistance of global experts in the fields of climate and the environment, we have examined additional options for reducing Scope 1 and 2 emissions in domestic operations. The findings of this comprehensive but preliminary examination indicate that it is possible to aspire to a reduction of approx. 50% by 2040 compared with 2015 levels, using green hydrogen, biomethane, and electrification, as well as carbon capture and storage (CCS). However, all such efforts are subject to the existence of new technologies, as well as supportive regulatory policies that make the adoption of these mitigation measures technically and economically feasible. At the current point in time, these necessary conditions are not present. The situation will therefore be reexamined towards the end of this decade.

These activities led to a decrease in the energy intensity of the refining operations, such that less energy was required for production.

As a rule, striving for energy efficiency has a key role in the Group's production activities and logistics. We promote an advanced energy management policy, which has led in recent years to a significant reduction in the consumption of energy from polluting sources. The Group has set significant targets for reducing consumption, including through the examination of its performance based on the Solomon methodology. This method allows comparative analysis of performance relative to refineries around the world. Our energy management system encompasses all of the activities of the Group's plants. The Group's energy management policy is based on ISO 50001, the standard under which it was accredited in 2016. The Group was reaccredited for this standard in 2022, for three additional years, under its new guidelines.

Energy consumption by activity (GJ)



The following are some of the notable processes undertaken in this area:



Transition to natural gas: to mitigate environmental impacts, natural gas is used for burning. During periods of natural-gas shortages, liquefied petroleum gas (LPG) and synergy gases are used. The shift to natural gas occurred about a decade ago.



Steam: The steam production process consumes significant amounts of energy. A daily optimization process is therefore performed to determine the financial precedence for production between steam consumers and electricity consumers within the Group. In addition, optimization is applied to steam production among the Company's production facilities (power plants, residual heat tanks, etc.), which helps reduce emissions and improve the plant's overall energy efficiency. This process involves the various facilities and business units – fuels, polyolefins, and aromatics. The principle is maximum production of steam through cogeneration at the power plant and from residual heat tanks.



Synergy gases are process gases originating with the refining process: a byproduct used by Carmel Olefins to feed its facilities as part of the synergy between the plants. The gases lead to reduced consumption of fuel and feeding of crude oil to the refinery. Synergy gases are used as much as possible, to save on natural gas and raw materials.



Electricity: A contract with a supplier to purchase electricity generated using natural gas, and in the future - from renewable sources as well.



Recovery of hydrogen from process gases: the recovery of hydrogen generated as a byproduct of refining processes leads to savings on natural gas fed into the hydrogen production facility, energy savings, and reduced atmospheric emissions, particularly of CO₂.



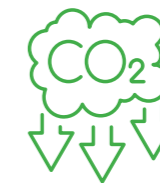
Replacement of refrigerants: Replacement of older refrigerants in air-conditioning systems.



Purchasing green electricity

The Group has an agreement with OPC Energy for the purchase of energy, for up to 10 years beginning in July 2023, at a maximum volume of 125 MWh. Starting in January 2025, Bazan gradually receives electricity at a capacity of approx. 25-50 MW from renewable energy sources as well as I-RECs (International Renewable Energy Certificates) compliant with international standards. Approx. 40% of Bazan's estimated average electricity consumption under the agreement will come from green electricity and green certificates.

The green electricity supply will enable the Group to attain its targets, in stages: in the first phase, beginning in 2025, it will be able to cut back at least 12.5 thousand tons of CO₂ emissions. In the second phase, from 2026, it will be able to cut back up to 140 thousand tons, based on a supply from renewable energy sources in Israel.



Investment in technologies to reduce emissions

The Bazan Group invests in innovative technologies to benefit operational efficiency and reduction of GHG emissions. Within this effort, the Group joined the French company EDF Renewables and the British company Johnson Matthey in a global partnership to found the Environmental Sustainability Innovation Lab (ESIL), which invests in startup companies in this field. The Group also directly invests in startups in various fields, such as carbon capture and hydrogen storage. See additional information later in this chapter.

Reduction of air pollutant emissions

In terms of air emissions, Bazan met the target set in its previous report: to be in the top percentile of refineries with the lowest environmental impact in Europe (compared to the European reference document for environmental regulation of the refining industry – BREF, Refining of Mineral Oil and Gas).

Pollutant reduction target

The pollutant reduction target is highly important to the Group, and we are proud to consistently meet it: from 2016 to the reported period, **volumes of the main air pollutants decreased by tens of percent.**

To comply with strict standards and the requirements of the permits, and in order to provide alerts of malfunctions in real time, Bazan operates an advanced monitoring system at the stacks of its plants and on fences, as well as advanced processing systems at its production facilities, which it ensures are routinely maintained. In 2024, as part of periodic preventive maintenance, the fuels facilities were renovated.

Benzene (C₆H₆)

Benzene emissions cut back by over 90% in the years 2016-2013*

Benzene arrives at the Bazan refinery as a part of crude oil, and is also generated by various production processes, including in the continuous catalytic reformer, the naphtha cracker facility for ethylene production, and Gadiv's facilities. This organic compound is a basic and vital ingredient in manufacturing processes of pharmaceuticals, plastics, synthetic fibers, cleaning detergents, and pesticides. However, exposure to a high concentration of the substance may be harmful to human health.

The Bazan Group has set a key target of reducing benzene emissions in its production process. In the report published in 2018, the Group set a target of reducing the emissions from approx. 2,200 kg to approx. 750 kg by 2024. This target was actually achieved as early as 2019. In the reported year, benzene emissions increased by 8%, to 338 kg, after a 10% reduction recorded in the preceding year. From 2016 to 2024, Benzene emissions were cut back by over 90%*

* Excluding Ducor

Air quality in the vicinity of the refinery is monitored in accordance with the specific standards for the various substances:

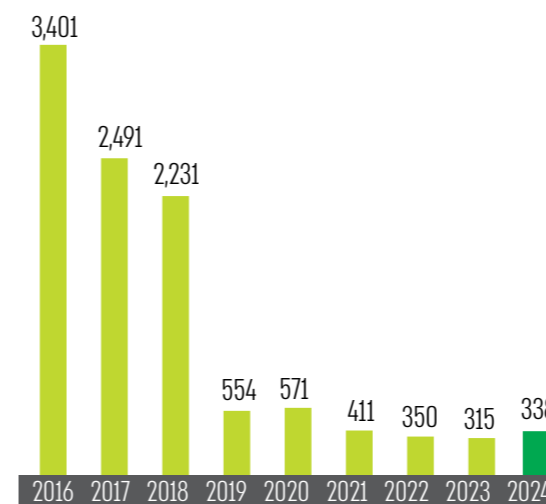
- Benzene (C₆H₆)
- Sulfur oxides (SO_x)
- Nitrogen oxides (NO_x)
- Suspended particulate matter (SPM)
- Non-methane volatile organic compounds (NMVOCs)



A moment of science

The standard for the concentration of benzene in gasoline is up to 1% in terms of volume; however, the gasoline produced at Bazan has a significantly lower concentration. This is primarily due to optimization of the production process, with the subsidiary Gadiv, where the benzene component is separated and sold as a chemical. In this way, the annual average concentration of benzene has dropped to 0.55% – with a significant environmental contribution reflected in a reduction in emissions of end users of gasoline, primarily in transportation.

Benzene in Kg/year (C₆H₆)*



* Excluding Ducor

So what exactly is the role of the torch?



When excess gas pressure is created in the production facilities, it is released in a controlled manner into the torch, to be exhausted by the flame before emission into the atmosphere. The torch handles approx. 99% of the gases emitted, as well as emitting water vapor and carbon dioxide. The operation of the torch is considered the safest and most effective technology for environmental conservation, and is the prevalent safety mechanism throughout the petrochemical industry in Western countries. The Bazan Group's torch is one of the most advanced in the world and meets the strictest standards. To reduce the volume of gases sent to the torch, in recent years we have invested immense sums in adapting the facilities for green operation, succeeding in reducing the quantity of gas discharged to the torch by more than 90% (the ethylene plant torch at Carmel Olefins only). The Group is committed to the strictest global standards for protecting the environment, with the most advanced measurement and control in the field.



To watch a video explaining the role and importance of the torch in the refinery, scan the barcode or click [here](#)

Main actions taken to reduce benzene emissions:

Switching to equipment components with higher impermeability:

- Proactive replacement of components, including old taps with new low-emission or ultra-low-emission taps
- Proactive replacement of controller valves.
- Diffuse leak detection and repair (LDAR) activities.

Activity pertaining to storage containers:

- Installation of means of reducing emissions into the air from storage containers, such as secondary and tertiary seals, guide pillar seals, and sealing devices for container roof legs.
- Installation of domes for storage containers with an external floating roof, to reduce the effect of hydrocarbon drift due to wind.
- Upgrade of container draining systems to closed systems.

Addition of secondary environmental systems to treat emissions:

- To facilities for the reduction of emissions from ecological treatment systems.
- VRU for the reduction of emissions when loading tankers with fuels.
- RTO for the reduction of emissions from a bitumen facility.
- CTO at Carmel Olefins for the reduction of emissions from storage tanks.
- CTO+VRU at the Gadiv factory to reduce emissions from tanker and tank loading.

Operational changes to reduce the quantity of stored pygas

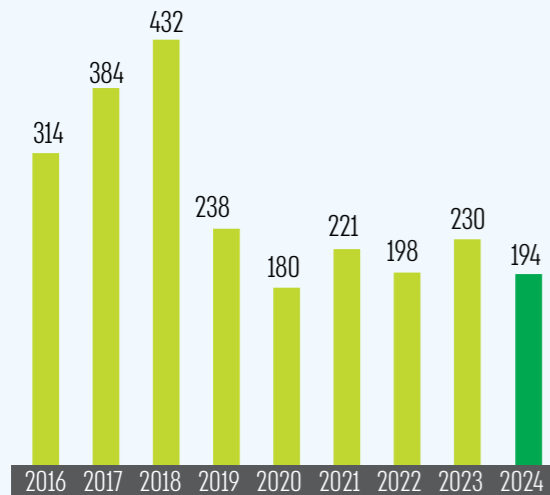
- A half-benzene gas mixture generated in the production process at Carmel Olefins. As part of the synergy between the plants, the mixture is sent to Gadiv to be used as feedstock. The benzene is separated and sold as a product, with the remaining components reused by the refinery.

Sulfur oxides (SOx)

Total emissions decreased by 16% in the reported year in comparison to the preceding year

Total emissions **decreased by 16%** in the reported year in comparison to the preceding year, **a cumulative decline of 38%** since 2016*. We expect this trend to continue in the coming years.

Sulfur oxides (SOx) in tons per year



Nitrogen oxides (NOx)

A 3% increase occurred in the reported year in comparison to 2023.

A 3% increase occurred in the reported year in comparison to 2023. However, there is an overall downward trend in emissions, **with a total reduction of 33% at the Group's facilities** compared with 2016*. The decrease resulted from measures such as installing flue gas recirculation (FGR) systems to reduce emissions of nitrogen oxides in steam vats, replacing combustion systems with ultra-low NOx burner systems, and establishing a dedicated burner calibration team to maintain combustion conditions.

Nitrogen oxides (NOx) in tons per year



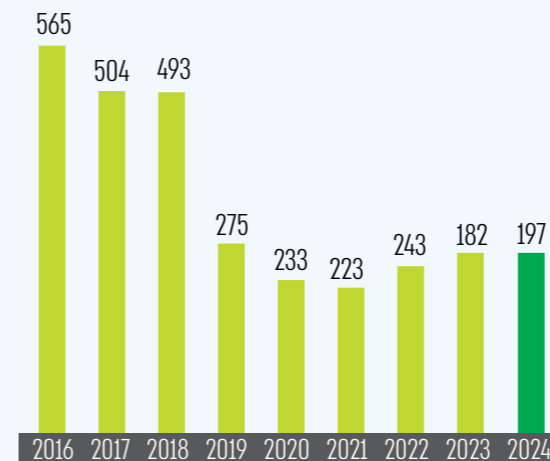
Non-methane volatile organic compounds (NMVOCs)

Increased by 8% compared to the preceding year

In the reporting year, emissions of these pollutants at the Group's facilities in Israel increased by 8% compared to the preceding year; **however, since 2016*, despite the increase in production, emissions have decreased by 65%**. We expect the downward trend to continue into the future.

Over the years, the reduction trend has been achieved through regular monitoring by a team of experts with dedicated equipment for the detection of minuscule leaks and immediate repair, as well as the installation of means for treating emissions from storage tanks (seals, socks, a guide pillar seal, etc.).

Non-methane volatile organic compounds (NMVOCs) in tons per year



24/7 fence-top monitoring

The Group has taken a number of measures in recent years to reduce air pollution, and in particular benzene emissions, in accordance with the stringent conditions established by the state. As part of this effort, the UV-DOAS system was established for real-time monitoring of BTEX (benzene, toluene, ethylbenzene, and xylene) concentration. This system, the first of its kind in Israel and among the most advanced in the world – in fact, the first in the world to be certified under the ISO 17025 standard – is used to prevent and reduce the environmental impact of the Group's activity beyond the boundaries of its facilities. The system, which includes monitoring devices installed on fences, operates throughout the day and night, and calculates and analyzes the data in real time, taking into account meteorological variables such as wind direction and speed. The system's measurement and quality assurance methods are based on those of the US Environmental Protection Agency (EPA), and the Bazan Group has been accredited to them by the National Laboratory Accreditation Authority. System data is made [accessible to the public in a transparent manner](#).

Communicating with the public in real time

The Group operates a call center for public inquiries, available 24/7 to address events with an environmental impact, or for inquiries into the environmental impacts of an activity. Every complaint received at the hotline is conveyed to the person on call.

During unusual events, we make sure to provide relevant up-to-date information in real time on the Group's website and Facebook page, in reports to the media, and by updating emergency services and municipal contact centers, as necessary. In addition, updates on the torch burner at the refinery are provided continuously on the Group's website.

* The baseline year for pollutant missions is 2016, the year on which the Group's emission permits were first issued.

Circular economy

A circular economy relies on the reduction, reuse, and recycling of resources. The leading principle is giving products another round of life after they are used, so that the byproducts of one of the factories on the Group's premises serve as raw materials for another.

For Bazan Group, as a leading company in the fuel and polymer industry in Israel, the adoption of a circular economy model as an opening for broad opportunities, from the reduction of its environmental footprint by cutting back emissions and waste, to conservation of resources and significant cost savings, and to the encouragement of

innovation and creation of new revenue streams leading to sustainable growth. Hence, the field of recycled and biodegradable polymers and biopolymers is of great importance, and is one of the pillars of the Group's strategy for good reason.

Recycled, biodegradables and biopolymers

The development of products with lower carbon footprints is an important part of the Group's environmental strategy. In 2024, we began to produce monomers (ethylene and propylene) as well as polymers (polypropylene and polyethylene) from used cooking oil, reducing the use of crude oil, turning waste from a biological source into a resource, and mitigating the impact of the plastic production process on the climate.

The production process illustrates the synergies among the Group's plants: cracking of cooking oil used for green monomers at the refinery, and conversion to a green polymer (bio-circular low-density polyethylene or polypropylene) at Carmel Olefins.

For this pioneering process, approx. 300 tons of green propylene and ethylene were produced at the refinery, which will be used for polymer production at Carmel Olefins. The process was conducted through a supplier for the collection of used oil from kitchens, illustrating the circular economy principle of granting another round of life to plant-based oils.

During the reported period, Carmel Olefins was granted ISCC+ certification.



A moment of science



The ISCC (International Sustainability and Carbon Certification) ensures compliance with sustainability and traceability standards throughout the supply chain of biological and renewable materials. It focuses on reducing greenhouse-gas emissions, preserving biodiversity, and responsible use of resources. While this certification is recognized in the European market for adapting biofuels to local legislation, ISCC+ is its extension to the global market, for recycled products from biological or renewable sources.



Research and development in the polymer industry

Bazan invests considerable resources in R&D in the field of polymers, both upstream in the supply chain – through the development of alternative raw materials derived from waste, plant-based, and renewable sources; and downstream – through striving to produce fully recyclable polymers that can contain high quantities of recycled polymer, with no damage to the properties of the final product.

The R&D department at Carmel Olefins is leading the development of solutions in this area. This includes researchers, engineers, and technicians focusing on the **development of advanced processes and products in accordance with market requirements and unique features** (e.g., combining recycled polymer with virgin polymer while maintaining product features), using innovative laboratory equipment. The department is highly important for the plant, as most of the Company's polypropylene and polyethylene products were developed there. Several patents have even been registered for unique compositions of polymers with added value.

All of Carmel Olefins' products are recyclable Moreover, we use sacks containing 30% recycled plastic to package and ship plastic pellets produced by the company, saving the use of approx. 500 tons of virgin plastic per year. We have also reduced the quantity of ink printed on the sacks so that they are more appropriately designed for recycling, as a further step in making our supply chain more sustainable.

Carmel Olefins' innovation in recycling and biopolymers is expressed in three channels:

- **Mechanical recycling** – mechanical processing of plastic waste that preserves the qualities of the material.
- **Chemical recycling** – usually through pyrolysis, where the raw material is waste plastic and the output is pyrolytic oil. This oil can be fed into the cracking facilities as a substitute for petroleum in the production of monomers. These are used as raw materials for polymers that are identical in quality to the primary product derived from petroleum. The process makes it possible to reduce the carbon footprint, in relation to the fossil polymer, and increase the use of biological waste.
- **Biopolymer** – plastic from plant-based and renewable sources, mainly from the food industry, using post-consumer waste. These channels span a range of activity centers - collaborative work with customers in the local and international markets, developments in accordance with the changing requirements in the markets, and Israel Innovation Authority consortiums, within collaborations between industry and academia.



From cooking oil to biopolymer

How easy is it to take waste from the food industry, and instead of burning or landfilling it, use it to produce a biologically sourced high-quality polymer - 100% recyclable, without any use of fossil-fuel-based sources? Not very easy, but that's what we are doing.

Carmel Olefins feeds purified used cooking oil sourced from various food suppliers into its production plants. This oil waste is used as a raw material for the production of high-quality polypropylene and low-density polyethylene, which can be used in various applications, including items that come into contact with food.



From waste to useful product: Carmel Eco's uniqueness

In view of the environmental challenges, regulatory trends, and expected demand, the Group is working to promote the production of recycled and biodegradable polymers and biopolymers, among the total polymers marketed by Carmel Olefins. Acquired ownership of Carmel Eco (formerly VPM). In 2024, Bazan Group acquired the remaining holdings in Carmel Eco.

The R&D department of Carmel Olefins guides Carmel Eco in setting goals, improving products, and supporting customers. By embedding innovation and technological tools and knowledge. As part of this process, a new laboratory has been established at Carmel Eco, for product quality control and the development of high-quality recycled materials (HIPS, HDPE, PP, LDPE) of various hues, according to the customer's needs. These materials are used to produce a wide range of household products, components in the automotive industry, packaging, etc., maintaining the added value of sustainability, as they are recycled products and can be recycled in turn.

Along with the technical and technological improvements, a business plan has been completed for the establishment of a sorting, washing, and crushing plant for unseparated municipal plastic waste, in collaboration with other companies.

Carmel Eco converts industrial scrap and waste from various factories in Israel into quality secondary raw materials adapted to customers' needs, as a practical application of the circular economy vision. Its integration into the Bazan Group, particularly since the completion of the acquisition, has also taken the form of clarification of safety procedures and adaptation of operations to high standards. This includes emphasis on the acquisition and development of safety means and personal equipment designed for its activities. In addition, in the area of human resources, employment terms were adjusted to meet the Group's high standards.

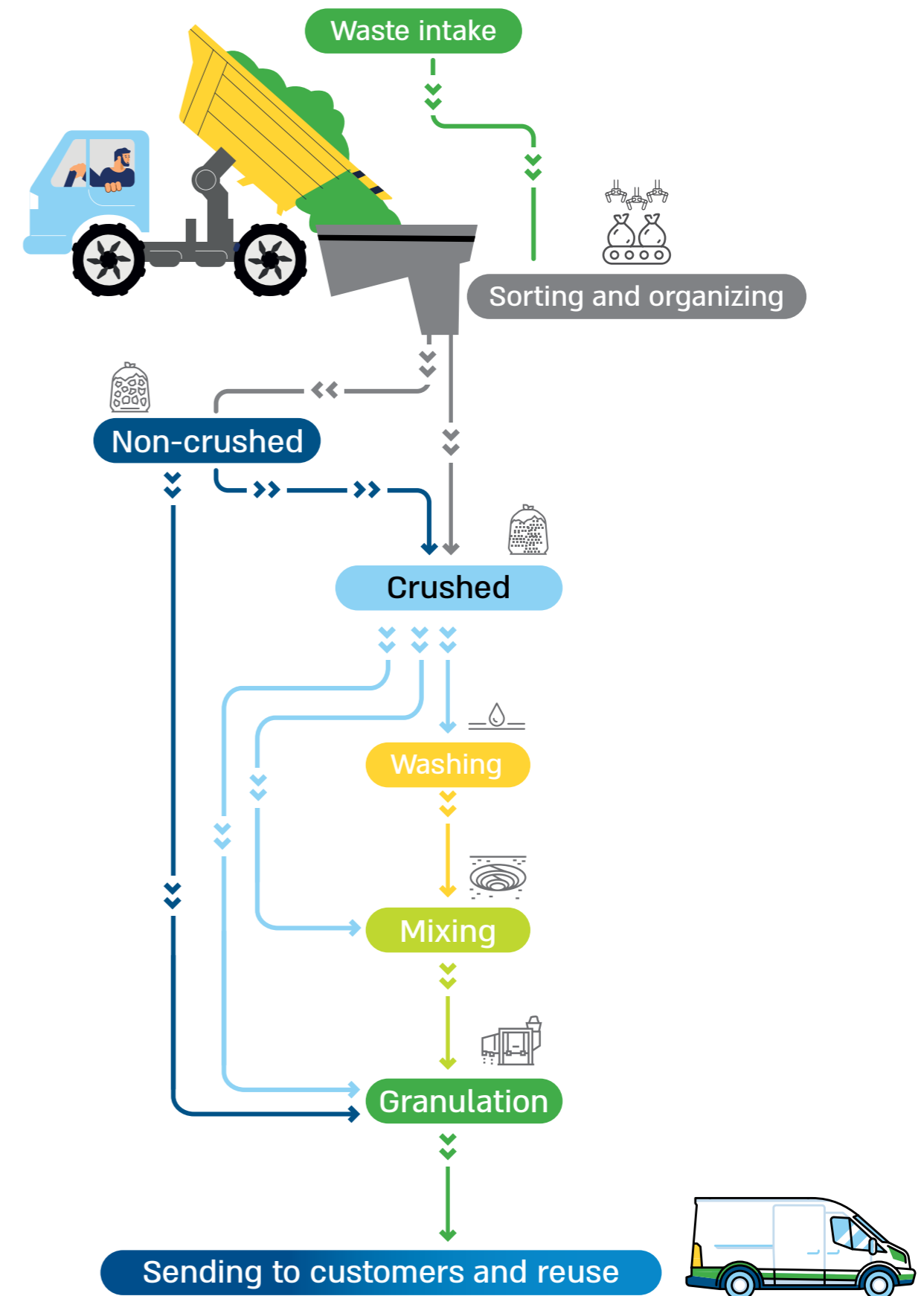
A similar process was applied in mapping environmental impacts. After the acquisition, as part of the standard on transparency with stakeholders, the Group's environmental protection unit began to measure the carbon footprint of the polymers manufactured by Carmel Eco. The analysis was performed by a European company specializing in this field, according to the ISO 14067 standard, including examination of the cradle-to-gate climate impacts of

the production of the recycled polymers. **The findings of this analysis indicated that the recycled polymers manufactured at Carmel Eco have a carbon footprint 80% lower than virgin polymers.** This important figure addresses the need of the company's current and future customers, both local and international, to comply with evolving regulations.

In 2024, RecyClass certification for Carmel Eco as a recycling enterprise was completed – certification aligned with the requirements of the European Standard EN 15343:2007 for recycled plastic. As part of the process, transparency and other aspects of the supply chain were examined, the quality of the production process and the final products was demonstrated, and the communication and transparency regarding the source of the raw materials and traceability management were presented.

The certification enables Carmel Eco customers who process the plastic pellets into end products to establish trust and transparency in their supply chains with regard to the use of recycled plastic pellets. As part of this effort, the R&D team participates in seminars held by the international organization RecyClass, to stay informed of current global requirements and be at the forefront of the recycling industry. The certification, which is well known around the world, reflects the **Group's commitment to a sustainable future and a circular economy**, while supporting customers who, in turn, are required to demonstrate the inclusion of recycled plastic in their products in order to meet regulatory and tax requirements in the various markets.

Carmel Eco's production capacity is **10,000 tons per year**, providing an important and quality alternative to landfilling industrial plastic waste.



Proactive in a circular economy in Europe: Ducor's contribution

Another arm of the Group promoting a circular economy is Ducor Petrochemicals, an active player in the business community in the region of Rotterdam Port in the Netherlands.

As part of its diverse products, Ducor has material grades sold under the brand name DuMore. These products may be developed in accordance with specific applications and are composed of polypropylene compounds combined with recycled post-consumer waste, cleansed and sorted by color.

These DuMore compounds may contain 30%-100% in recycled post-consumer waste, according to the customer's request. Technological improvements have led to higher product quality and strength, allowing for expanded future use. Moreover, as part of this activity, a joint venture has been launched by Ducor and Morein in Western Europe - to supply special compounds based on recycled materials.

Ducor is involved in various environmental and climate initiatives, including the global program Operation Clean Sweep to raise awareness and reduce the loss of plastic pellets by manufacturers, transporters, and others in the supply chain, in order to protect marine environments and biodiversity. Ducor has signed the program's charter and is promoting measures accordingly to prevent plastic pellets from leaking into the marine environment. In addition, Ducor is a member of Plastics Europe, an association of plastic manufacturers in Europe promoting the implementation of circular-economy principles and collaborations to find environmental solutions. Ducor is also involved in initiatives to promote climate and environmental dialogue among stakeholders in the Rotterdam industrial district.



Collaborations to promote a circular economy

The Bazan Group collaborates with research institutions and industry companies, enriching the ecosystem and multiplying its power to promote a circular economy. We believe that collaboration and knowledge sharing are the foundation for the development and advancement of solutions in a wide range of fields, and in the environmental field in particular.

One effective channel connecting academia and industry in the joint development of solutions and technologies is the MAGNET Consortiums (generic technology research and development) program run and financed by the Israel Innovation Authority. In its aggregator activity, the Group is attentive to the needs of the markets, developments in regulation, and challenges requiring the development of special polymers, and endeavors to provide solutions through research and development on the integration of innovative materials.

Carmel Olefins leads the **BIO-PLAST** Consortium for the treatment of waste and environmental pollution of non-recyclable single-use plastic products, by imparting properties of biodegradability under natural conditions or in compost.



For more about the BIO-PLAST Consortium and the magic of bioplastics, scan the barcode to watch the video or click [here](#)

Additional collaborations

The Group has partnered with Ben Gurion and Bar Ilan Universities to establish another consortium focused on the production of aviation fuel from renewable raw materials (sustainable aviation fuel, or SAF). The consortium's goal is to develop innovative generic technologies for the various stages of production, with the aim of achieving maximum process efficiency. Bazan will contribute its experience and expertise in the field of fuels, and engage in comprehensive research on the production of SAF with improved properties.

The Bazan Group is also investing in the Israeli company Melodea. It develops coating materials for packages made from cellulose, sourced from trees, which has unique biopolymer qualities. The material is designed to replace comparable materials derived from oil, or to be integrated with such materials as a coating layer for flexible packages, such as those intended for laundry powder or pet food.

Alternative fuel and R&D in the field of fuels

Bazan operates a dedicated unit responsible for research and development in the field of fuels. The activities of the unit's staff, who hold advanced degrees in engineering and chemistry, include the analysis of oil waste from various industries and sources for other uses, paving the way for support for startups in this field. In the reported year, the research focused on the following topics:

- Development of a catalytic coating for electrodes containing sulfur, as a byproduct of the refining process. This study, in collaboration with the Technion, is aimed at the ability to incorporate sulfur generated as a byproduct of the refining process in electrodes to be used in the hydrogen production process.
- Development of a water purification system to treat oil contamination, based on a polymer produced from waste.
- Efficiency of refining products – use of sludge waste for the production of bitumen.
- Recycling of waste from the production process of phthalic anhydride. The byproducts of the process – phthalic acid and benzoic acid – are removed as hazardous waste. To maximize utilization of the process and create a value chain, we examined the possibility of separating these byproducts from the general waste stream and selling them as a product, thereby reducing hazardous waste.

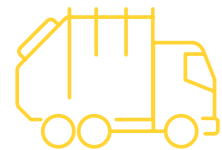
- Raw materials for the production of renewable fuels and conventional fuels with improved properties – research in cooperation with academia.
- In the field of alternative fuels, an experiment has begun at the Group for the production of plant-based High X Oil (HBO) diesel fuel. Another project focuses on converting facilities for the use of vegetable oil. It is important to note that the concentration of the green component in diesel fuel made from used oil was approx. 7%. For the production and sale of this product, we have received ISCC certification attesting to compliance with sustainable process criteria (see further details above).

Collaborations with the Israel Innovation Authority as a key source of patent development

- **CIRCLE** – An aggregator established in 2019 in response to two challenges in plastic recycling: first, treating scrap multilayer plastic sheets, which are complicated to recycle due to their heterogeneous composition and the difficulty of separating the layers. Secondly, increasing the quantity of recycled material in plastic products, which have inferior qualities relative to new material, while maintaining or improving final plastic quality.
- **SMART** – Development of technologies based on essential oils to protect agricultural produce from hazards such as viruses, pests, molds, and fungi, using active plastic sheets manufactured from active plastic pellets produced at Carmel Olefins. To address regulatory, health, and environmental constraints associated with pesticide use, the technologies developed within the consortium enable leveraging widely used agricultural plastics to help reduce agricultural produce loss.
- **Bio-Plast** - Carmel Olefins is leading the consortium for the treatment of waste and environmental pollution of non-recyclable single-use plastic products by imparting properties of biodegradability under natural conditions or in compost.
- **SAF-IL** - Begins work in the last quarter of 2025. The consortium focuses on the production of sustainable aviation fuel with improved features. The consortium combines the work of many members of academia with the industry.

Waste management at the Group

Bazan Group has set a goal of maximum reduction of waste generated in production processes, instead reusing materials. To this end, the Group invests great effort in instilling advanced circular economy perspectives and finding technological solutions for the reuse of wastes.



The quantity of waste sent to landfills decreased by 48% in 2024 compared with the baseline year 2016, and the quantity of waste sent to recycling facilities was 2.5 times higher.



Hazardous waste

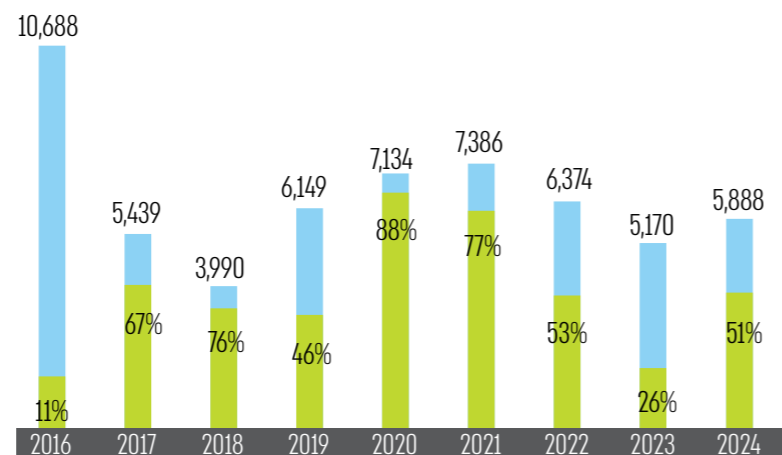
Total hazardous waste produced at the Group increased by 14% compared with the preceding year, but **decreased by 45%** compared with the baseline year 2016.

Reducing emissions and landfilled waste – notable examples of the implementation of circular-economy principles

- **Benzoic acid** is a residue of refining that contains organic materials from the solids facility. In recent years, Bazan has exported these residues in the form of cubes, at a volume of approx. 1 cubic meter and a weight of approx. 1 ton, to countries that burn the material to generate energy. A flocculation facility was completed at Gadiv in 2023, such that the benzoic acid cubes will be replaced with flocs. This change will make it possible to package the material in sacks and sell it as a product, due to its high caloric value. This will lead to reductions in emissions of odors and gases, transport problems, safety and hygiene problems, and waste treatment costs.
- Until recent years, isododecane waste produced at the Carmel Olefins plant was landfilled, at an annual volume of approx. 1,000 tons. Today it serves as a raw material in the refinery, significantly reducing landfilling volumes. In fact, since 2023, all isododecane waste from Carmel Olefins has been transferred to the refinery for reuse.

Hazardous waste in tons/year

■ Treated waste ■ Landfilled wasted



* In Dokor zero hazardous waste was sent to landfill

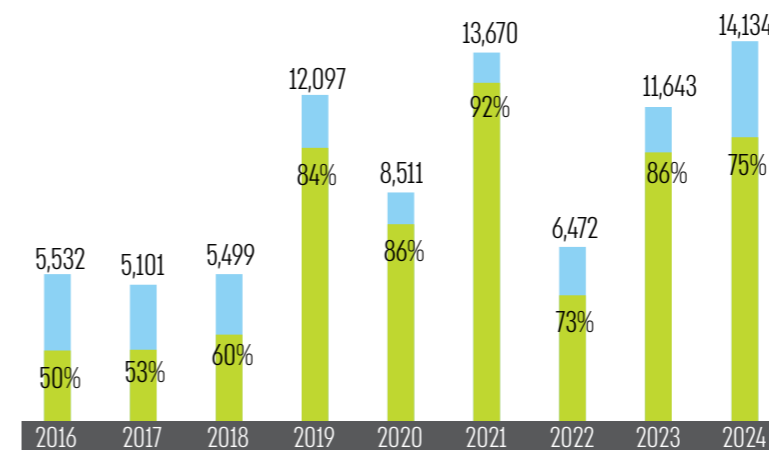
Non-hazardous waste

The overall volume of non-hazardous waste produced by the Group increased this year, due to periodic renovation of facilities.

Methods of treating non-hazardous waste at the Group have improved significantly in recent years. Types of waste separated on factory premises include metals, construction waste, processed soil, etc.

Non-hazardous waste in tons/year

■ Treated waste ■ Landfilled wasted



Non-hazardous waste policy

In late 2024, the Group began [formulating a new policy](#) for non-hazardous waste management, as part of its commitment to environmental and climate management supportive of a circular economy and responsible environmental management. The policy is designed to reduce the environmental impacts of the Group's activities and streamline the use of resources, even beyond the requirements of regulation (Beyond Compliance).

Implementation of the policy will include formulating a multi-year waste management plan focused on reducing waste at source, reuse, recycling, and appropriate treatment, along with monitoring performance through quantitative indicators, setting goals, and implementing continuous improvement mechanisms. Policy implementation will also include communicating appropriate content to the Group's employees and their inclusion in the important effort established by the policy.



Preventing leaks of plastic particles into the marine environment

Particle spills, which are harmful to the marine environment, can be prevented through improvements and regular monitoring at production sites, implementation of innovative technologies, high involvement of employees, and keeping spaces clean of particles, to allow rapid detection and treatment of spills. Internal tests by a certified team and training programs also allow continual improvement in this area. Particles collected from spills are repurposed through recycling.

The global program Operation Clean Sweep (OCS) is aimed at raising awareness of the harmful impacts of this issue and promoting preventive measures by manufacturers, transporters, and others. Ducor, a member of the Bazan Group, joined this initiative in 2020, and took a series of steps to meet its objectives. In September 2023, the Dutch Company held a week dedicated to this topic, to raise



awareness among employees, provide training on the new spill procedure, and clean the plant of particles. All employees and contractors were invited to an event and participated in training sessions and cleanup activities. During this process, the main areas where plastic particles accumulate were identified and the most effective cleanup methods were studied. The company also received official accreditation in 2024.

In the absence of official representation of the initiative in Israel, Carmel Olefins has decided to take a proactive approach and implement measures in the spirit of the program. Among other matters, it is promoting the prevention of plastic pellet loss from production facilities through improvements at the sites, as well as rapid detection, treatment, and containment of pellet spills.



Water and wastewater treatment

There is no need to elaborate on the importance of water as a basic resource of existential, national, and global importance. The Bazan Group consistently works to reduce water consumption, optimize water quality treatment, and reclaim significant quantities of wastewater.

Most water consumption at the Group's plants is designated for the production of steam used in hydrogen production processes, and for cooling of production facilities, to ensure continuity in these processes. In recent years, the Group has implemented a significant process of transition to massive use of reclaimed wastewater, reducing the usage of potable water (grid water).

The Group's water sources, and principal uses of water:

Source	Uses
Mei Carmel (Mekorot)	Feeding water for the RO facility (a reverse osmosis facility that takes in water and emits highly clean water to produce steam and hydrogen) in the Fuels Unit, and for cooling towers, fire safety, drinking water, and sanitation in all business units.
Bazan's brackish water wells	Use of brackish water from Bazan's wells in place of potable water to produce feeding water for the RO facility at the power plant (for steam production and feeding water for the hydrogen production facility) in the Fuels Unit.
Wastewater reclamation facility (in collaboration with BlueGen, formerly GES)	Wastewater treatment for reuse in place of potable water to produce feeding water for steam production, feeding water for the RO facility at the Fuels Unit, and an option for supplemental water for cooling towers for the Fuels Unit and Carmel Olefins.
Revivim (fertilizers)	Use of brackish water in place of potable water, to produce feeding water for steam production, used primarily by Carmel Olefins, but also at the power plant and at Gadiv's facilities.

Water consumption – management and reduction

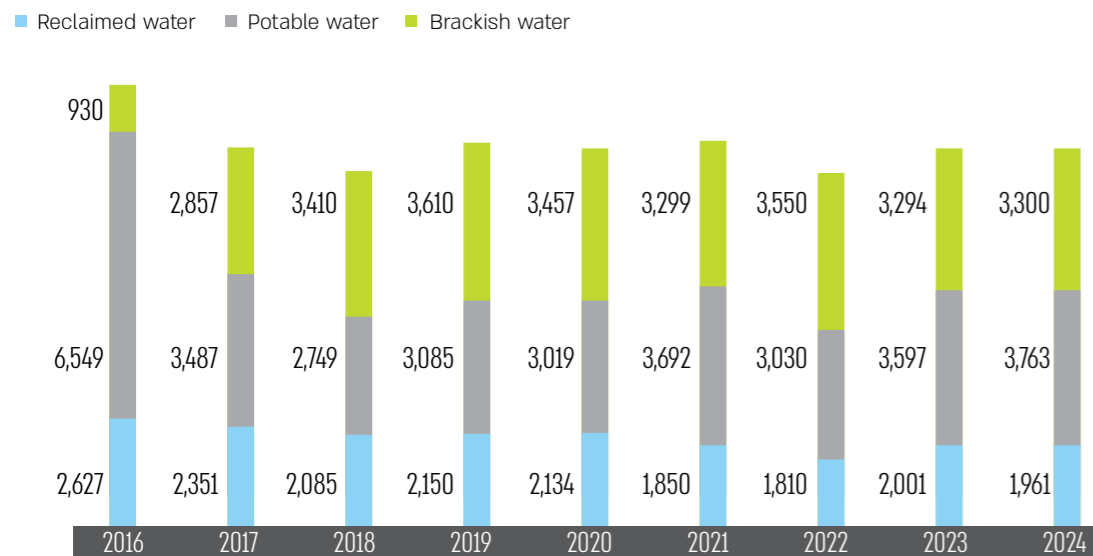
The Group attributes great importance to the treatment of industrial wastewater. Most wastewater generated in the course of production operations are treated at a wastewater treatment plant, and further treated at an industrial effluent reclamation facility. Some of the treated wastewater is discharged to the cooling towers and used as cooling water in processes. If the industrial effluent reclamation facility is unable to take in additional treated wastewater, the latter is continuously monitored for water quality, and when the appropriate quality is attained the water is discharged into the Kishon River. Approx. 60% of effluents are reclaimed for use; the significant increase in volume has contributed to a double-digit percentage decrease in the use of potable water.

When problems or anomalies in water consumption are identified in the Group's operations, corrective actions are taken: adjustment of procedures, repair of malfunctions, replacement of equipment, etc. In these situations, the goal is not only to correct the malfunction, but also to learn lessons from it. In addition, internal audits are conducted to manage water resources, addressing compliance with procedures, identification of risks, and locating opportunities for improvement.

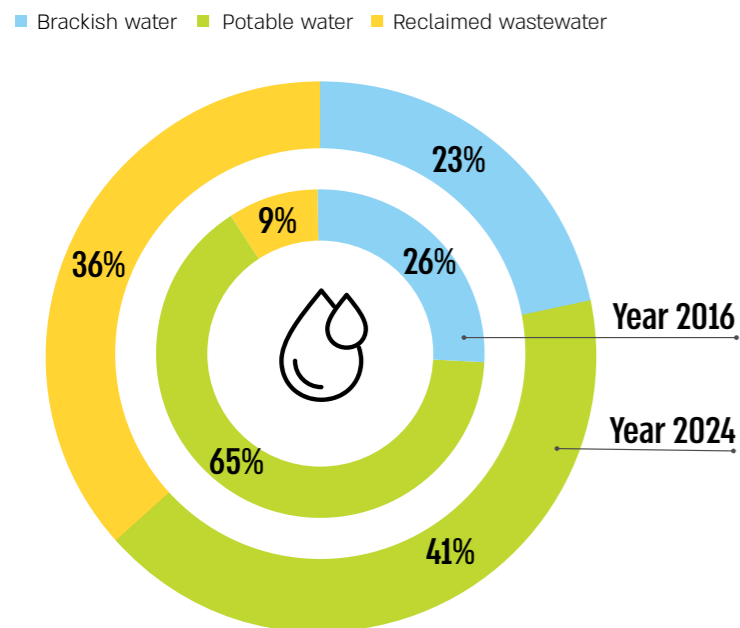
Rates of change in water consumption, by type, compared with the preceding year and the baseline year 2016*:

	Reporting year compared to 2023	Reporting year compared to 2016
Use of potable water	5% increase	43% decrease
Use of brackish water	9% increase	17% decrease
Use of reclaimed wastewater	0.2% increase	255% increase
Total water consumption by the Group	4% increase	9% decrease

Mix of water consumption at the Group's facilities in Israel (Thousand m³/year)



Mix of water consumption at the Group's facilities in Israel



A moment of science

Potable water is high-quality water suitable for drinking.

Brackish water has a salinity level higher than freshwater, but lower than seawater. It is not suitable for drinking, but can be used in industry.

Effluents are wastewater that has undergone decontamination processes for reuse. In Israel, this water is mainly used for agricultural purposes; Bazan reuses it for industrial purposes, in producing steam.

The industrial wastewater treatment system

Wastewater **at the refinery** contain oils (hydrocarbons), solids, salts, and additional substances that require thorough treatment. They are divided into two main types:

- **Process wastewater** – The use of water or steam in production processes leads to the formation of mixtures of water and hydrocarbons derived from crude oil and products thereof.
- **Oil-free brines** – Concentrate water originating with the water purification process to remove salts, for the production of steam, which is used to generate heat in production processes and to generate electricity for self-consumption and the cooling towers.

Wastewater treatment at the refinery requires operation of multiple facilities, including separators, physicochemical treatment, intensive biological treatment, sand filtration, ultra-filtration and desalination. The facilities operate sequentially, treating wastewater and bringing it to the threshold condition of the Ministry of Environmental Protection for discharge into the Kishon River. A critical link in the treatment is the water laboratory, which is responsible for testing the Group's wastewater system and ensuring its compliance with the standards required by the Ministry of Environmental Protection.

Carmel Olefins has two wastewater treatment facilities for treatment of various types of wastewater:

- **Wastewater from polymerization facilities** – polymer wastewater treatment includes pumping stations, storage tanks, separation and sedimentation facilities

for the separation of oils and polymer grains, a sand filtration system, and sludge treatment systems. The treated wastewater is discharged into the Kishon River under continuous monitoring, in accordance with the threshold conditions of the Ministry of Environmental Protection.

- **Wastewater from the monomer facilities** – the monomer wastewater treatment facility includes pumping stations, storage tanks, and a coal filter system. The treated wastewater is discharged into the wastewater treatment system of the fuel unit for further treatment.

Moving bed biofilm reactor (MBBR) technology by Aqwise for biological wastewater treatment has been implemented at the Group since 2018. This innovative device has uniquely structured carriers, to which microorganisms attach that can biologically dismantle the nitrogen compounds in wastewater. The carriers are made of recycled plastic. The process removes the nitrogen from wastewater with 2 to 6 times greater efficacy compared to existing technologies. The innovative technology thus results in optimal nitrogen removal and significant energy savings.

After a line at SBC was upgraded to MBBR technology in 2023, another line was upgraded to this advanced technology in 2024, and wastewater storage capacity was increased by 35%. Close to USD 2 million was invested in this state-of-the-art system.



After a line at SBC was upgraded to MBBR technology in 2023, **another line was upgraded to this advanced technology in 2024, and wastewater storage capacity was increased by 35%. Close to USD 2 million was invested in this state-of-the-art system.**

* The baseline year for water is 2016, which represents the status prior to activating the wastewater reclamation facility, which was introduced in 2017.

Wastewater reclamation

Industrial wastewater reclamation has two main benefits: the quality of the concentrate water in the reclamation facility is improved to a level suitable for discharging into the river, leading to a lower load of nitrates in the river; a maximum quantity of the effluents generated at Bazan and Carmel Olefins are reclaimed as excellent-quality process water. **Approx. 60% of the effluents (treated wastewater) is reclaimed for reuse as process water.**

The Group invests extensive resources in improving the quality and efficiency of processes involving the use of water. Within this effort, in an important move in cooperation with GES, a facility for reclaiming industrial effluents was installed on Bazan premises to treat wastewater from the refinery and Carmel Olefins and reclaim water for reuse.

The facility is one of the most advanced of its kind; it won the 2018 Green Chemistry Industry award from the Israel Chemical Society. It **saves an average of approx. 2.5 million cubic meters of potable water per year for the Israeli economy – equivalent to consumption by about 40,000 residents** (calculated based on average consumption of approx. 170 liters per person per day).

Approx. 60% of the effluents (treated wastewater) is reclaimed for reuse as process water.



Protecting the Kishon River

In recent years, thanks to an extensive effort to improve the efficiency of industrial wastewater treatment by routinely transferring it to wastewater treatment plants, except during unusual rain events, total organic carbon (TOC) and mineral oil discharges into the river have decreased considerably. Concurrently, industrial wastewater has become a resource reused in the production process at Bazan, significantly reducing the environmental impact on the river and seawater.

Since 2016, discharges of mineral oil into the Kishon River have been dramatically reduced. This was largely due to the use of wastewater treatment facilities that increase the ability to reuse mineral oil by 74%. While the volume of TOC

reclamation through wastewater treatment facilities has remained similar since the baseline year, discharges of this form of wastewater into the Kishon have decreased by 91%.

Wastewater removed from the plant facility meets the quality standard that permits it to be discharged into the Kishon River, according to a permit issued by the Ministry of Environmental Protection. During the removal of concentrate water from the desalination stage (treated effluents), all of the required parameters are monitored continuously (and online), in accordance with the permit. The values established are consistent with the Public Health Regulations and the Inbar Standard for discharging into the river.

To prevent pollution of runoff water and overloading the wastewater treatment system within the Group's facilities, a venture was established for separation of clean surface runoff water (which pools in the areas of office buildings and roads) from runoff water in operational areas, which is discharged into the wastewater treatment system. The separation makes it possible to allow clean surface runoff to flow directly into the river, thereby reducing its potential for pollution and hydraulic load in the wastewater treatment system.

Total discharges into the Kishon River have decreased by approx. 69% since 2016.

Total discharges into the Kishon River have **decreased by approx. 69%** since 2016.



Committed to a Sustainable Future

People COMMITTED TO SOCIETY AND THE COMMUNITY

**BACK IN
MOTION**



“Anyone who sustains a single soul, is ascribed credit as if he has sustained an entire world,”

from the Mishnah in Tractate Sanhedrin Chapter 4

Approx. 0.4%*
of Israel's GDP

NIS 18.7 million
The total sum of monetary donations and' social procurement amounts

Gender equality
setting a new target for increasing women's representation in mid-level management

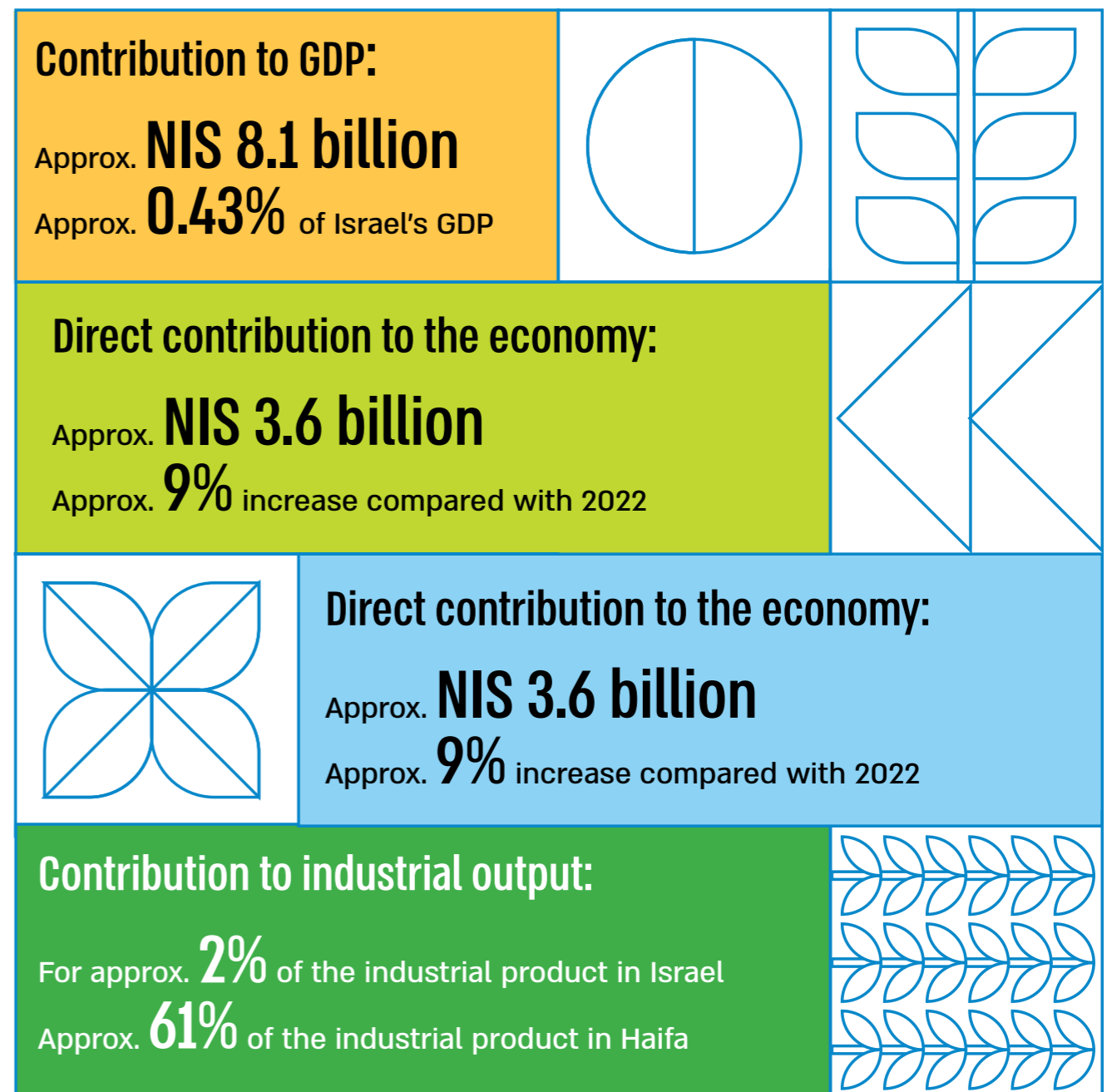
Diversity and inclusion
setting goals for the inclusion of people with disabilities at the Group

Society and the community
focus on impact projects to support the residents of northern Israel and the Gaza border communities



Economic and social impact

The Bazan Group is a key player in the energy sector in Israel and in the Israeli economy in general; it is considered a major employer in the Haifa region and northern Israel. A comprehensive analysis from 2023 by global consulting firm BDO quantified its direct and indirect contribution* to the economy, socioeconomic resilience and the northern region:



* According to a report by global consulting firm BDO for 2023, excluding Carmel Eco and Ducor

Collaborations in the ecosystem

Expanding the circles of influence is a force multiplier in the promotion of the ESG approach and in the application of the United Nations' Sustainable Development Goals (SDGs), in line with the Group's sustainability strategy. We are proud of our collaborations with various organizations and our shared work to promote these goals. We believe that this is the right way to increase the significant positive impact on the immediate and broader environment in which we operate.

Involvement and cooperation with stakeholders in Israel



Manufacturers' Association of Israel

Representative organization of the industrial sectors in Israel [Link](#)

Relevance to Bazan: The Group and its subsidiaries are a member of the association, and representatives of the Group both lead and participate in the association's professional forums.

As of 2025, the Group leads the ESG Forum in the association, in which an active dialogue is held with the industry and stakeholders on sustainability issues: climate and environment, society and corporate governance – with regard to the industry.



Standards Institution of Israel

The Standards Institution of Israel (SII) leads the Israeli economy in preparing standards for ensuring the integrity and safety of products, laboratory tests as well as services and processes pertaining to all areas of life, as part of the international quality community. [Link](#)

Relevance to Bazan: The Group is an active participant in the SII's expert committees relevant to the fuel sector. Our representatives provide a significant contribution based on the extensive professional knowledge accumulated in the Group in the various fields, including: quality, transport and storage of various types of fuels, alternative fuels, etc., and also provide updates and important changes in each forum in which they are actively involved.



The Israel Institute of Energy and Environment

The Institute works to promote and enhance the technological knowhow pertaining to oil and oil products, electricity, natural gas, the energy industries and the environmental treatment processes in Israel. [Link](#)

Relevance to Bazan: The Bazan Group has an active representation in the forum and in a dedicated group on the subject of sustainability.



EnergyCom.IL

The Israeli Energy Innovation Community's vision is to position the country at the forefront of innovation in the energy markets by expanding the research on this field, creating jobs, sharing knowhow and enhancing the market in Israel. [Link](#)

Relevance to Bazan: There is ongoing cooperation with the organization.



Ignite The Spark

This is a community dedicated to the advancement of innovation in the energy sector, focusing on renewable energy sources, energy storage, energy efficiency and hydrogen technologies, through collaboration within the industry. [Link](#)

Relevance to Bazan : There is ongoing cooperation with the organization.

An active member of the SAF Consortium

A consortium in collaboration with leading business firms, academic institutions and government agencies, accompanied by Boeing, for research and development in the field of sustainable aviation fuel (SAF).

Relevance to Bazan: Bazan has been an active member of the consortium since 2025.



Quantum Hub

A global platform for the promotion of joint ventures between industrial companies and startups and exposure to projects with business feasibility in the ecosystem. Alongside the Group, its partners also include Israeli and international companies: the Taavura-Livnat Group, Talcar (importer of Kia), VDL and Hyundai. [Link](#)

Relevance to Bazan: The Group is a partner in this platform.



Eilat-Eilat Renewable Energy

The Eilat-Eilat Renewable Energy Company is a public benefit company, owned by the kibbutzim in the Arava region, the Jewish National Fund and various industrial, development and academic institutions in Israel. It was founded due to a common interest in the development of local sustainable energy, and following identification of the need for the use of local resources. The company aspires to turn the Arava region into an international technological center of R&D for renewable energy production. [Link](#)

Relevance to Bazan: This is part of ongoing multi-annual cooperation with the company.



Technion Israel Institute of Technology

Approx. 14,500 students study at the Technion for bachelors, masters and more advanced degrees across 18 faculties and engineering & scientific research units. A total of 52 research centers and institutions operate withing the Technion in a broad variety of fields. [Link](#)

Relevance to Bazan: Bazan is involved in a broad spectrum of collaboration with the institute, including special days of exposure to the Chemical Engineering section, job fairs, visits of Technion students with the Group, as well as scholarships awarded to students and paid for by it.



Maala

An umbrella organization incorporating the leading companies in the economy and working to promote corporate social responsibility and develop responsible management standards in Israel. The organization offers sessions devoted to study and development of knowhow, professional support and personal development for CSR managers, and leads the Maala Index – an annual questionnaire for measuring sustainability and ESG values in businesses. [Link](#)

Relevance to Bazan: There is ongoing cooperation with the organization. This is the eighth consecutive year in which the Bazan Group has been an active participant in the ESG ranking. In 2024, it was awarded Platinum ranking, for the first time ever, for the previous year's performance.



The Arison Center for ESG at Reichman University

A practical academic center that works to assimilate environmental, climate, social and corporate governance considerations into the core business activities of companies. This is achieved, among other things, through research, dialogue and education. [Link](#)

Relevance to Bazan: The Group has been a member of the Center's Advisory Committee since its inception in 2024, alongside year-round involvement, including knowledge sharing, stakeholder consultations and meetings with students on the issue of sustainability.



Midot organization for measuring effective management of social organizations

Midot, an organization in the SFI Group, promotes effectiveness in social action through the development of advanced measurement tools, quality seals (such as the Midot Seal for Effectiveness), social mapping, applied research, consulting, conferences and training. [Link](#)

Relevance to Bazan: Collaboration to strengthen the strategic tools available to the partner NGOs (Non-Profit Organizations) and the beneficiaries.



SFI – A non-profit social organization that promotes innovation in the efforts to address social issues in Israel

The SFI Group develops and implements innovative models and tools for measuring the effectiveness of social projects and services in Israel. [Link](#)

Relevance to Bazan: A methodology for measuring social impact, financial and cash-equivalent donations, with the aim of increasing the positive future impact vis-à-vis the partners and stakeholders.



The Israel-America Chamber of Commerce (AmCham-Israel) Sustainability Forum

A dedicated forum for discussing and promoting joint ventures on sustainability-related issues, with the participation of the Chamber's member companies. [Link](#)

Relevance to Bazan: Bazan serves as an active member of the Am-Cham Sustainability Forum.



The Association of Engineers, Architects and Graduates in Technological Sciences in Israel (AEAI)

An umbrella organization with the aim of fostering and furthering the field of engineering and technology in Israel. [Link](#)

Relevance to Bazan: The Bazan Group representative serves as Chairman of the Chemical Processes and Hazardous Materials Safety Branch

Collaborations in Europe - through Ducor



Plastic Europe

An organization incorporating the European plastic manufacturers to reduce the adverse environmental effects of plastic, while furthering the circular economy and providing responses to waste-related issues. [Link](#)

Relevance to Bazan: Ducor has been a member of the organization since 2022.



Deltalinqs

An umbrella organization representing over 700 companies in the port of Rotterdam (95% of the companies operating in it), which promotes sustainable growth, fair competition, appropriate conditions, the development of infrastructure and the promotion of environmental and sustainability values. [Link](#)

Relevance to Bazan: Ducor is a member of the organization.



Burengesprek Botlek Europort

An initiative to further dialogue among the various stakeholders in the vicinity of Rotterdam's port and industrial zones. Enables a variety of civil organizations, government entities and industrial companies to discuss, share problems and find solutions by working together. [Link](#)

Relevance to Bazan: Ducor representatives take part in forums in the partnership, which meet four times a year.



Operation Clean Sweep

A volunteer program that aims to prevent microplastic particles entering water and sea sources. Focuses on enhancing working methods and providing guidance and tools to support plastics value chain companies. [Link](#)

Relevance to Bazan: Ducor is a signatory to the organization's charter and strictly adheres to its clauses.



Taskforce Clean Sweep Rotterdam

A number of companies have joined forces with the Port of Rotterdam Authority, the Netherlands Environmental Protection Agency and additional organizations in order to set up a task force to combat plastic granule pollution in the port. The team is associated with the Operation Clean Sweep pledge. [Link](#)

Relevance to Bazan: Ducor is one of the founder companies of the task force, and since 2022 has served as the organization's chair.



Social investments and community engagement

We consider it a great privilege to be involved in the company and to contribute to the community. These activities are afforded a high priority within our organizational culture and form an integral part of the daily discourse on the factory floor. Bazan employees, most of whom live in northern Israel, are motivated by a sense of commitment and calling, a feeling of family belonging and team spirit.



The Bazan Group on the social front during the Iron Swords War – to watch the video, scan the barcode or click [here](#)

The social investment strategy is based on the SDGs while maximizing impact

In order to ensure that our support for the community creates a tangible positive impact and contributes to its empowerment, we engaged in a structured process to develop the Group's social strategy and social investment policy. The aim is to establish the Group's social activities in accordance with the UN's Sustainable Development Goals, and to ensure that its contribution generates maximum positive impact.

This process, conducted with the members of the ESG Steering Committee, representatives of the employee unions and management representatives, included professional workshops, lectures by experts in the field, joint discussions and the formulation of recommendations, which were brought to the management and adopted by it.

The social investment strategy that was decided upon is based on the UN's Sustainable Development Goals (SDGs) and focuses on five of them, as emerged in the focus process we conducted:

- Education and equal opportunity in studies
- Decent economic growth and promoting equality in employment
- Good health, well-being and quality of life
- Gender equality
- Assistance for peripheral regions and disadvantaged population groups

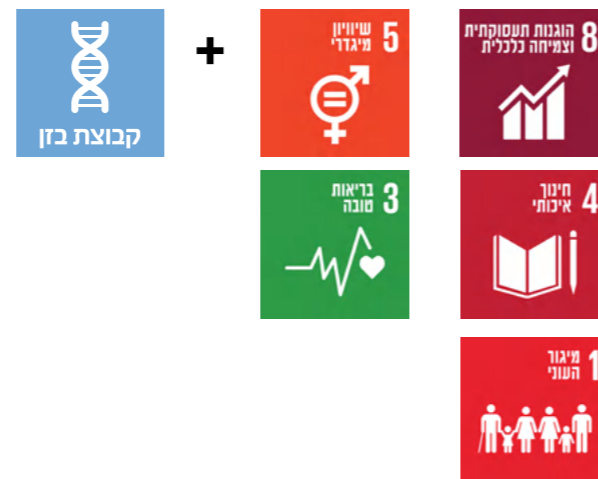
To these, we added a goal that we defined as characterizing the Bazan Group's DNA:

- Mutual responsibility

In accordance with this principle, as a 'blue-and-white' group playing a significant role in the Israeli economy, the Bazan Group aspires to create a positive, long-term impact on a broad range of communities.



THE GLOBAL GOALS
For Sustainable Development



Realization of the social investment strategy

2024 has also put us to the test in terms of social outreach activity – in the face of the ongoing war and the ever growing needs of the community. The Bazan Group was required to demonstrate its ability to adapt decision-making to a constantly changing environment and to ensure accuracy while doing so, to implement and monitor this in the field and to establish a quality relationship with our partners, the recipients of our social outreach efforts. Our social investment strategy, which combines current needs with long-term strategic thinking, is put into practice in two main ways: employee volunteering and financial donations.



Employee volunteering and presence in the field

In addition to the significant financial donations, we place considerable importance on involvement and community outreach, as well as on-going support for the development of the community in long-term programs integrating employees and managers in the Group.

In the reporting year, we formulated a new policy for employee volunteering in the community, in which each employee is allocated two days a year for fully-paid volunteer work. Based on this policy, we have built a model for structured implementation of the activity, to enable as broad coverage as possible of the Group's employees and its managers who wish to be involved.

According to this model, each of the organization's units (business units, headquarters units and even the group's management) adopts an NGO, accompanies it and conducts significant volunteer activity with it throughout the year. A representative from each adopting unit leads this activity, and once a quarter a forum of all representatives convenes for updates, consultation, experience sharing and brainstorming. This practice makes it possible to build a stable, strong and long-lasting relationship, while deepening acquaintance, refining needs and support and creating a real impact in the field.

It should be clarified that the Bazan Group does not take part in political donations and prohibits any organizational activity in the realm of politics.

In 2024, **10 NGOs were adopted** by 10 units in the Group.
In 2024, employees were actively involved **about 1,200 hours of community outreach work – an increase of approx. 30% compared to the previous year.**

Our presence in the field was also expanded, the relationship with the NGOs was enhanced, and there was an increase in commitment and impact metrics.

More than 20 field trips and activities were conducted to enhance the relationship with the Group's partners.

It is noted that immediately upon the outbreak of the Iron Swords War, on October 7, 2023, many of the workers turned to volunteer throughout the country, some of them in an organized manner as part of the employee unions efforts, and took part in various initiatives and activities – from assistance to evacuees, through raising resources and collecting equipment, to agricultural work designed to save crops that would otherwise have gone to waste.

The Bazan Group's [social investment policy](#) is available for all stakeholders on its website.



Monetary donations

The Group donates to the leading NGOs involved in social projects, with the aim of creating a positive and significant influence on those communities and fields to which it donates. Beginning in 2023, we have been donating in accordance with the global benchmark, 0.5% of profits before tax. In October of that year, subsequent to the outbreak of the Iron Swords War, **the donation budget was increased to NIS 30 million to allow for widespread, real-time support, according to the needs on the ground and from a long-term perspective.** This update was approved by the Group's Board of Directors, in light of the importance and as part of the realization of the ESG strategy. This amount was invested in the community between October 2023 and the end of 2024.

In 2024, **the total scope of community outreach and Bazan's social procurement amounted to NIS 18.7 million**

The hours of community outreach put in by the Group's employees in 2024 are estimated to be equivalent to a value of NIS 274,390.

More than 50 NGOs were supported by the Group during the year.

Below is the distribution of donations according to the main categories in the reporting year, alongside examples of NGOs supported:



Mental resilience and coping with PTSD

NIS 3.3 million

Support for a variety of NGOs working to provide aid and a support package for populations affected by the war, such as: survivors of the Nova music festival, IDF warfighters and their families, as well as evacuees and cancer patients and their families. These NGOs included: Natal, Izun-Back to Balance, Home by the Sea and Brothers in Yoga.

"Your donation is life-saving and will help us continue our mission, treat trauma, restore mental health and strengthen the resilience of Israel's citizens".

NATAL NGO – Israel Trauma and Resiliency Center

Immediately upon the outbreak of the War, the Bazan Group enlisted emergency support for Natal, with the aim of assisting combatants and civilians coping with trauma in the process of returning to continuous functioning and the cycle of employment and studies. This activity included: individual support and occupational and academic training; development of treatment-related knowhow; publication of a book documenting the work of mental health professionals following the October 7 events, which will incorporate models and treatment methods; lectures for women in HR and reservists in business organizations on trauma-focused employment; and direct connection of professional teams from Natal to those of the Sha'ar Hanegev Resilience Center and Kibbutz Nahal Oz, whose community was adopted by Bazan following its evacuation to the north.



Adoption of the Kibbutz Nahal Oz community

NIS 2.4 million

All-encompassing and long-term support for the kibbutz evacuees according to their needs, accompanying and raising resources to get the community back on its feet and building a better future for its members in the long term.

Rehabilitation

NIS 2.3 million

Support for a variety of entities and NGOs working to rehabilitate, treat and empower those suffering from war injuries, through: Friends of the Zahal Disabled Veterans Organization (ZDVO), Sheba Medical Center Tel Hashomer, Etgarim, the Israel Sports Association for the Disabled/the Israel Paralympic Committee, etc.



Education

NIS 2.5 million

Scholarships for reservists, scholarships for members of the Ethiopian community, support for chemical engineering studies at the Technion and support for NGOs and movements such as Derech Eretz and Sea Scouts, which promote education among disadvantaged populations and run educational-social programs for youth from all sectors of Israeli society.

In 2024, in the face of the growing need on the ground, the field of rehabilitation was defined as one of the main areas of support. The Bazan Group supports the Beyond Borders and Beyond Limits project of the Israel Sports Association for the Disabled, designed to help rehabilitate the war-wounded and integrate them into the community through sport. The Association works to assist the wounded in hospitals, rehabilitation centers and Beit Halochem through guidance for the various sports and trials in a variety of different sports during the rehabilitation period. The project is being promoted in cooperation with rehabilitation departments across the country and social organizations. In addition, the Group will award a monthly stipend over a two-year period to four outstanding Paralympic athletes destined to participate in the 2028 Los Angeles Olympics: rowers Salah Shaheen and Shahar Milfelder, bronze medalists in Paris 2024; swimmer Veronica Guirenko who has participated in three Paralympic Games, winning silver medals at the World and European Championships; and Mor Sapir, a Paralympic World Champion climber.

Looking to 2025 and beyond, the Group has launched a strategic project to support the rehabilitation of residents of northern Israel who were evacuated during the war and are now returning to their homes, with an emphasis on academic catch-up programs for junior-high and high school students – a clear need that arose in comprehensive needs mapping in the last quarter of 2024. The support focuses on two main efforts: (1) rehabilitating the learning infrastructures in order to enable students to enter a framework that supports their needs and enables a normal study routine; (2) establishing learning centers operating during the afternoons in order to facilitate the academic catch-up with the help of expert teams, and without this adding any extra economic burden on the families. In these centers, the students enjoy a collaborative space and will be able to enrich their abilities with advanced technological tools. **These multi-year projects are designed to provide the students in northern Israel with a broad and supportive structure, with an equal opportunity to catch up, assisted by the best experts available. This is based on our view of the field of education as the basis for building social resilience and strengthening the future generations.**



Gender equality

NIS 615,000

Promoting equal gender opportunity in Israel through training, providing tools, business support, empowerment and improving the economic and social status of women. Those NGOs benefiting from this support include: Yozmot Atid, Jasmine and Shavot (Girls' leadership).



Rescue and security forces, and emergency crews

NIS 1.5 million –

Support for a wide range of activities, including: adopting IDF battalions, financing rescue equipment northern Israel, supporting projects for IDF units in the field and lone soldiers.



The Bazan Group actively supports Shavot's Israeli Girl Week, which brings together tens of thousands of girls and boys with thousands of leading and inspiring women every year. This is the third year in a row that the Group has been involved in activities and leads a delegation of female employees, who speak Hebrew and Arabic and who meet with young girls in schools in the Haifa area and northern Israel. They talk to them about their personal stories and shattering glass ceilings, and serve as a role model for inspiration and emulation.

"Together we will discover how – even in the midst of a storm – there is room to dream, to be inspired and to strive forward"

Shavot NGO – Israeli Girls' Week 2024

The Group supports the volunteer organization United Hatzalah, which assists, treats and provides immediate medical response in times of disaster and emergency. Among other things, this year a dedicated off-road vehicle was donated to the organization's Hula Valley branch, to enable rapid and accessible response throughout the region. This contribution embodies Bazan's commitment to strengthening medical resilience and the national emergency network, and to supporting organizations working to provide life-saving treatment.

"Thanks to your donation, Israeli citizens will receive immediate professional and free treatment in any medical emergency. The vehicle is active 24/7, responding to thousands of emergency calls each year".

United Hatzalah of Israel



Youth at Risk

NIS 2 million

support for the Shanti House NGO, which provides a warm home for youth who have been ejected from their own homes and from the family framework and have a genuine need for a supportive framework that will enable them to maintain normal life routine; support for Ahava (Love), an NGO working to provide children and youth at risk with a home environment and meet their physical, emotional, educational and social needs; support for the Migdalar (Lighthouse) pre-military preparatory academy for social leadership for youth at risk, which aims to prepare for military service, develop social leadership, and empower youth by using the sea as a tool for empowerment; as well as the multi-annual adoption of the youth villages of Yemin Orde and Nirim, which provide a broad support package for youth at risk and new immigrants coping with the challenges of absorption in Israel, while providing an educational framework until the end of high school, accompanied by follow-on support for the subsequent stages of life.



The Bazan Group maintains a multi-year partnership with the Yemin Orde pre-military preparatory program, run by The Village Way. As such, we support a variety of educational and social programs aimed at promoting excellence, personal resilience and equal opportunities for youth and students, many of whom are new immigrants. Among those programs supported: promoting education and encouraging excellence in the sciences; preparing for induction into the IDF and meaningful service; personal support and scholarships for student graduates; supporting the program to bolster the emotional resilience of the village students and graduates; supporting a "an adventure challenge expedition" in the Israeli mountains accompanied by educational activities, training, fitness training, as well as physical and mental preparations, in order to forge a strong connection between the youth and the country, its heritage and Israeli culture; strengthening leadership skills; and a unique mentoring program in cooperation with the Group's employees to provide tools, inspiration and guidance for the path ahead in building relationships, meetings and meaningful activities. The Group's contribution to the pre-military college helps youth realize their innate potential, grow in a supportive environment, and acquire multiple tools for success at important milestones in their lives.

"Your decision to continue being present is a powerful expression of your commitment and humanity".

Yemin Orde

"Together, we will make a significant difference in the lives of boys and girls who deserve a genuine opportunity to build a good and meaningful life".

Nirim NGO



People with special needs

NIS 1.5 million

Promoting the integration of people with special needs into Israeli society, partly by supporting nonprofit organizations that specialize in addressing their needs, including: Kfar Tikva for special people; Migdal Ohr, which deals with the functional, occupational, social and emotional advancement of people with vision impairments or blindness; the Great in Uniform project for recruiting youth with special needs for full military service, under the auspices of the Lend a Hand to a Special Child NGO; and supporting after-school informal education activities in the afternoons through the Krembo Wings NGO.



Lend a Hand to a Special Child is an NGO dedicated to promoting the integration of people with special needs into Israeli society while providing relevant support to their families. It runs the Great in Uniform project that helps integrate about a thousand young people with special needs in 70 IDF bases and allows them to play a significant part in the activity there. As a result, a unit with the support of the Group was established in 2024, enabling the recruitment of youth with special needs for full volunteer service in the IDF. The partnership creates a deep connection between Israeli industry and social and educational activity and provides a sense of belonging, respect and hope.

"Thanks to you, these young adults will proudly wear their uniforms, fulfilling a long-held dream of joining the IDF and Great in Uniform. By adopting the Great in Uniform - Bazan Unit, you have given meaningful expression to your values as the keystone of Israeli industry".

Great in Uniform



To watch a video about Bazan's activities as part of the Great in Uniform project together with Lend a Hand to a Special Child - scan the barcode or click [here](#)



Health and welfare

NIS 600,000

Financing emergency medical equipment for the Ziv Medical Center in Safed as well as financing the renovation of the waiting room in the intensive care unit at the Galilee Medical Center in Nahariya, in order to alleviate the strain on patients' families while waiting for their loved ones.



Periphery and underprivileged populations

NIS 512,000

Immediate assistance with basic needs for disadvantaged sectors of the population, such as: food packages for Holocaust survivors and the elderly during Jewish festivals and holidays, supporting frameworks for women at risk, encouragement of populations in the geographic and social periphery to acquire education and professional training, etc., through the following NGOs: Yad Ezer Lahaver, the Association for the Advancement of the Israeli Druze Soldier, the Tov Vehesed NGO, and others.



As part of Bazan's social commitment to reducing gaps and promoting equal opportunity, especially among peripheral populations, in 2024 the Company contributed to the establishment of a software QA testing course at the Druze Tech Empowerment Center (DTEC) in Usfiya, for Druze soldiers. The center, which was established in order to reduce the existing gaps among the Druze community through their integration into the economy and industry, and in particular in the fields of high-tech and technology, constitutes a unique platform for training and placement in the high-tech sector. The course, consisting of 360 academic hours, includes international accreditation on behalf of ISTQB and a certificate from the Ministry of Labor. After rigorous screening, 25 young Druze men were selected who began the course in January 2024 and are currently in the middle of an in-depth learning process. Bazan is proud to be a partner in this initiative, which is compatible with its values and works to reduce social gaps by investing in human capital and providing new opportunities in the world of high-tech and technology.



Supportive corporate governance for social action

Implementing the social investment policy according to the focus areas selected, requires a joint effort by the entire Group, alongside ongoing cooperation and contact with the NGOs and organizations involved in the effort. Since the establishment of the ESG function in the Group, we have built a range of capabilities enabling us to operate in accordance with rigorous standards and best practices – and create significant action in this field.

As part of the management of its social activity, the Group operates a Support and Donations Committee, which includes management representatives from the headquarters and the field. The committee convenes on a quarterly as well as ad hoc basis and in accordance with

the needs arising from the field, and serves as an important factor in promoting social outreach and increasing employee partnership, transparency and involvement.

In order to improve data management, monitoring and implementation, as well as conveying this activity to our stakeholders, a dedicated digital platform focused on our social activity was built. This supports the acceptance of applications, documentation of processes and donations, data management, monitoring the response, ensuring compliance with the UN goals, forging closer interfaces with external parties, and data analysis designed to enable a strategic approach to the Group's social outreach activity.

A strategic move to strengthen the partner associations

Since the outbreak of the War, we have again witnessed the decisive role of the non-profit sector and the considerable and critical activity of the NGOs in their various fields. This is derived from their ability to function over time and from their long-term view of this field, as well as from the availability of the financial and managerial resources at their disposal. Therefore, in the second half of 2024 we initiated strategic cooperation with Midot, an NGO from the SFI group, designed to promote the examination of the managerial effectiveness of the NGOs. This effort had a dual purpose: (1) mapping and analysis of the level of effectiveness in the NGO's management, and communicating the insights to its managers for the benefit of sustaining and enhancing its activity; (2) subject to meeting defined criteria – promotion towards obtaining a "Midot standard seal of approval", which is expected to contribute to the organization's ability to recruit resources with a long-term perspective, while reducing dependence on individual donors.

In 2025, the project entered the pilot phase with a number of selected NGOs, and a decision to expand it will be made subject to results. We believe that this move contributes to reducing future risks for both the nonprofits and the company making the contribution and becoming involved – and also strengthens the positive impact for the future.

Measuring the effectiveness and strengthening the supported partnerships, in respect of the degree of investment, is conducted in collaboration with the SFI Group and Midot, the organization operating within it. This professional and leading entity, with in-depth knowledge and broad practical experience, specializes in promoting data-driven social change as part of an international network of organizations. The emphasis is on results-oriented thinking, while developing an ability to gauge and examine effectiveness in social processes.

In general, in 2024, which was characterized by management of social investments under the wartime routine, there was a strategic leap forward in the Group's social-community outreach activity - among others, in the connection between the contribution and the field, refining the impact, strengthening the partner NGOs and providing them with strategic tools. **We are proud to adopt a groundbreaking approach in this important area, which largely represents our resilience – as individuals, as a company and as a country.**

Human resource development

Human capital at the Bazan Group is a significant asset, vital to its long-term growth and success. We regard our employees as business partners and endeavor to provide them with a broad response to all of their needs, from onboarding to departure or retirement, and even afterward.

Human capital at the Bazan Group is a significant asset, vital to its long-term growth and success. We regard our employees as business partners and endeavor to provide them with a broad response to all of their needs, from onboarding to departure or retirement, and even afterward.

Leadership succession tracks, personalized instruction and training sessions, activities for welfare and quality of life – these are just some of the ways to empower the employees and realize our approach, which constitutes a win-win situation: personal growth and development for the employees – alongside professional and stable business growth for the organization.

Employee training and cultivation of professional skills. The Group's training and instruction unit is entrusted with developing the employees' professionalism and keeping them up to date in their areas of activity, through the inculcation of knowledge, and the provision of tools and skills. The Training Department provides a set of tutorials adapted to each role within the Company.



In 2024, 100% of the Group's employees in Israel* received professional feedback designed to enable progress, development and learning and provide tools to develop professional capabilities as needed.

Training for employees and managers

Internal training sessions are delivered by persons from within the Group and are intended to provide a response to a number of needs – regulatory demands, the development of professional and soft skills, qualifications and licenses as well as nurturing a management foundation. Beyond the face-to-face instruction sessions, tutorials are provided year-round to reinforce and inculcate internal procedures, as well as focused practical training sessions on the factory floor.

The internal training sessions are required in part by law and are defined as mandatory. Others are designed to enrich and train managers and employees for their roles and provide them with tools designed to enable them to contend more effectively with the challenges of their role. These streamline workflows and intra-organizational communication. In addition, **external training sessions** are provided by officials, mainly for the purpose of professional certifications and maintaining professional competence.

*Excluding Carmel Eco and Ducor

Alongside professional training sessions and on-the-job training (OJT), the training sessions for employees and managers deal, among other things, with issues of ethics, health and safety, as well as sustainability and ESG - diversity and inclusion, joining the fight against climate change, social investments, etc. These training sessions are also conducted during orientation days for new employees, to encourage familiarity and engagement with the issues and to instill ESG values in the organizational culture. The Group endeavors to maintain gender equality in training hours.

In 2024, despite the constraints due to the War, an average of 42 training hours were given to each employee – an increase of 7% compared with the previous year. Throughout the year, nearly 240 training sessions were held on a wide range of topics.

Managers survey for building a training plan

In order to provide a response to the changing requirements, once a year all managers in the Group are asked to update which subjects they would like their employees to be trained in over the following year. Based on the findings of the 2024 survey, which included group and personal meetings with the managers, the training unit determined the additional professional training that the employees will undergo in internal and external courses. In this manner the Group succeeds in developing a relevant, interesting and focused series of training sessions.

Identifying capabilities and developing skills

Extensive resources are invested in imparting skills and capabilities aligned with the needs of employees and the organization, including providing tools for identifying capabilities and developing skills, as well as options for professional mobility within the Group. In this way, employees attain self-fulfillment, and the organization benefits from high employee satisfaction due to stronger intra-organizational mobility.

89 employees were transferred to various positions within the Group in 2024.

Employee development for management positions

The Bazan Group is diligent about development for managers at various management ranks, using a range of methods, including courses; individual mentoring by senior executives; individual meetings with organizational consultants; individual professional guidance, when starting a position and on the job; and, in appropriate cases, team development activities. The Group also enables employees and managers to obtain higher education at the top academic institutions in Israel, and finances their tuition.

In 2024, 20 employees were enrolled in advanced degree programs with financing from the Company.

Ties with the academic world

The Group regards its efforts to strengthen its ties with the academic world as a key means for laying the groundwork for the future generation of its employees, as well as a significant contribution towards strengthening the ecosystem and the Israeli economy. Activities with academia are conducted on three levels: imparting knowledge accumulated at the organization through

lectures during academic programs; building a leadership succession by recruiting students to work during their studies, and building follow-on programs for graduates; and giving scholarships.

In 2024, the Group allocated 26 scholarships to students studying engineering subjects at the Technion and the Western Galilee Academic College, including scholarships for outstanding students, Ethiopian immigrants, students from complex socioeconomic backgrounds and IDF reservists. The subsidiary Ducor also maintains ties with academia, and engaged five interns for periods of 4-24 weeks during the course of 2024.

Terms of employment and a full package of responses to needs

As of 2024, 85% of employees in Israel and 64% of employees in Ducor are employed in accordance with collective agreements. The companies of the Bazan Group are party to the agreements, which provide optimal conditions for their employees. Some employees are employed under personal contracts, and they too are entitled to social benefits, which are tailored to them. It should be clarified that the Bazan Group is subject to the laws of the state that allow labor unions, and as stated, such unions do indeed exist within the Group.

Caring for employees pre- and post-retirement

Retirement is marked by a dignified ceremony with many attendees; the retiring employees customarily invite their extended families to attend. The Group CEO, VPs, direct managers, and colleagues are present at the ceremony. Retiring employees receive a medal for their contribution marked with the number of years they worked for the Group, and a gift from the Group and the employee union.

The Group's employees approaching retirement age are entitled to a preparatory course for retirees, with the participation of the Histadrut General Federation of Labor. In the last few years, the course has been given by Irgun Acher, and the 2023 course was held at Sammy Ofer Stadium over three days. In 2024, due to the War, no course was held in this format.

The Group remains in contact with its retirees after they retire. Through a retiree club, trips and getaways, enrichment lectures, and other activities designed to maintain a sense of community. A major event is held on

Hanukkah, usually a meal and a performance by a guest artist, with hundreds of Group retirees invited. For the holidays of Rosh Hashanah and Passover, retirees receive holiday gifts and products from the Company, like our active employees. They also distribute annual gifts from the employee union.

Diversity and inclusion in the Bazan Group

The principles of diversity and inclusion are of considerable socioeconomic value for the Group. A diverse workforce leads to a more dynamic work environment that stimulates innovative and trailblazing thinking. Employment of individuals with special needs, encouraging the employment of underrepresented sectors of the population and gender diversity in our workforce and management help us to increase the sense of belonging among our employees, and represent a broad variety of skill sets and a vast pool of knowhow in the industry. Our diverse and professional workforce enables us to address the challenges of the time and to quickly adjust to the changing reality. In order to create an inclusive work environment, we improved the channels of communication between the employees and the management, we have increased transparency, reduced bureaucratic processes and encouraged seamless and productive communication among various persons at the Group. Issues relating to discrimination, in accordance with the requirements of the ILO, are addressed in detail in the updated Code of Ethics.

Gender equality

A statistic that faithfully reflects the Group's approach to the issue is the gender diversity in its management: as of the **reporting period, women account for 35% of the Group's management - 5 out of 14.**

The Group is proud of the significant female presence in its various roles, including in production, innovation and R&D, and promotes action to encourage this welcome trend – from education to mentoring, as well as mentoring within the organization and promotion within the Group. We aim to expand our goals to strengthen gender diversity in professional teams and management levels, and in 2024 we set **a goal – increasing the number of female mid-level managers** compared to the previous year.

As for wage gaps – a comparative analysis conducted in the Group, subject to the Male and Female Workers (Equal Pay) Law, (1996), it was found that in six out of 14 groups, according to a breakdown of generations and sectors, a gap

Employee survey

An opinion survey among employees of the Group was conducted in 2023. The response rate was very high, at 85%, compared with 51% in the previous survey from 2021. The results were processed and presented to management and the heads of the business units.



of up to 29% was identified in the average wage in favor of women. The highest gap in favor of men was only 11% and resulted from differences in seniority. The gaps in pay are impacted by circumstances such as professional seniority and experience, satisfaction, and attainment of objectives rather than gender differences. Further information is available in the Group's 2024 [Equal Pay Law Report](#).

The Group also strives to promote gender equality through its social action. This includes, among other things, supporting projects to reduce gaps and acquire relevant business tools and skills. During the reporting year, women employees and managers volunteered in mentoring programs for teenage girls across Israel, as part of an initiative for breaking glass ceilings and boosting empowerment at an early stage.

Inclusion of people with special needs

In 2022, we set a goal for direct employment of employees with special needs, and not just as contract workers in more peripheral positions, while engaging with organizations specializing in inclusion in society and employment. **In 2024, the target was updated to increase the number of such employees compared to the previous year.**

In the reporting year, nine employees with special needs are employed at the Group's sites throughout Israel – most of them directly employed, and four via Hameshakem (Employment for the Elderly and Individuals with Limited Working Capacity). The necessary modifications were also made in order to provide these employees with a beneficial and safe work environment.

Safety and health

The Bazan Group invests extensive efforts and resources in ensuring a safe and healthy work environment. Before commencing any work on the factory floor, risk analyses are conducted in order to identify possible risk scenarios, provide them with an appropriate solution, and take appropriate protective and precautionary measures. In addition, many process-based risk analyses are performed in the Company (both for existing processes and before any change is made in the process) in order to identify possible scenarios of failures and ensure the existence of appropriate protections.

Based on the Group's policy and as part of its long-term outlook, its facilities allocate considerable financial and administrative resources to comply with all applicable regulatory provisions. On safety issues, a "beyond compliance" approach is taken – meeting a threshold higher than required by law, as reflected in the ongoing operation, construction of new facilities and the adoption of a management approach that encourages continuous improvement in the safety climate.

We work to create a culture of safe and responsible work, raising awareness and reinforcing the commitment of employees and managers to this goal. The Group revamps its approach in this area every year through an updated safety management plan, sections of which are presented in this report.



Compliance with safety and quality standards

The Group complies with a series of local and international management standards, detailing the requirements of the various management systems that are integrated into the Group's overall management activity:

- Occupational Health and Safety Management Standard - IS ISO 45001:2018
- Environmental Management Standard – IS ISO 14001:2015
- Quality Management Standard – IS ISO 9001:2015
- Energy Management Standard – IS ISO 50001: 2018
- Information Security Management Standard – IS ISO 27001:2013

Since 2017, the Group has held the Standards Institution of Israel's Platinum Mark certificate, which is awarded to organizations committed to quality and excellence.



Managing safety and health

The subject is coordinated by an overall-organizational safety system, which is responsible for implementing risk management (identification of risk factors, risk analysis and safety controls to minimize it) and safety procedures in day-to-day work planning and implementation of projects. This is achieved both proactively – through tours, inspections, etc., and reactively - by learning from incidents and identifying the root causes of failures. As a complementary measure, personal objectives are set for operations and maintenance managers in the relevant areas, which affect compensation elements such as the annual bonus, and appreciation awards are given to employees who demonstrate a strong commitment to safety.

The Board of Directors operates an Environment, Safety and ESG Committee. This committee formulates the health and safety policy, receives reports about activities, and monitors them.

The individual who leads the safety field in the Group and is regularly responsible for it is the Deputy CEO, who serves, among other things, as the VP Safety, Security and Environment. It is chaired by a safety committee that meets

every month. The various business units, headed by the operations managers, have safety management committees that convene approximately eight times a year.

The Group has a broad safety network encompassing a safety headquarters, safety managers (engineers certified as safety supervisors with operational experience as facility managers at the Group), and safety inspectors (who are also certified as safety supervisors).

Three safety managers at headquarters are managerially subordinate to the Executive Vice President, and are responsible for following areas: personal and process safety, electricity safety, and fire safety. In addition, three safety supervisors in the business units are responsible for implementing the policies and procedures in the field. Reporting to them are safety, health, and environment inspectors, who are safety supervisors by training and have qualification certificates, who serve as safety advisors to the cluster managers. In this capacity, they have all the obligations of the safety trustees, including employee training, identifying safety hazards and engaging in activity to improve the safety conditions.

Indicators and targets for maintaining safety and investigating incidents

In order to ensure that employee safety is optimally maintained, indicators and targets have been defined for all levels across the organization, including an improvement in LTIR (indicating the incidence of work accidents causing a loss of work days, weighted to 200,000 annual hours of work). This figure, with the exception of 2022 due to the end of the Covid-19 pandemic, and massive renovation of

the plant's facilities (which we believe will help improve processes and improve safety in the long term), highlights the downward trend since 2017, which was defined as the baseline year. Therefore, an ambitious target of LTIR=0.5 was set to be attained by 2025. In 2024, the figure was LTIR=0.66 (excluding Carmel Eco and Ducor).

Updated target for 2025:
* **LTIR = 0.5**

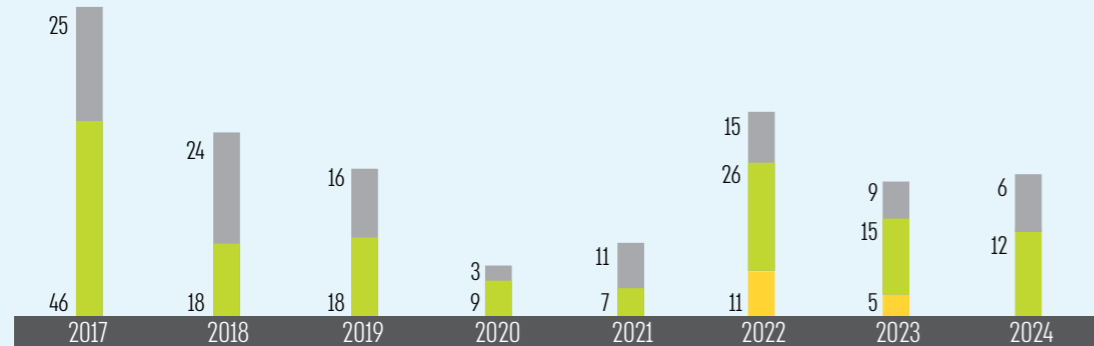


2024:
* **LTIR = 0.66**

* The LTIR is calculated excluding Ducor and Carmel Eco.

No. of work-related injuries

- Bazan Group - Company employees
- Bazan Group - Contract workers
- Subsidiaries' employees



Leading (proactive) indicators and targets were defined for safety activities and taking advantage of opportunities:

Indicator	Execution rate
Annual safety plan	100%
Compliance testing plan (including internal tests)	100%
Occupational health and safety	100%
Annual Group traffic accident reduction plan	100%
Exceptional event study reports	Ongoing

Reporting on and drawing lessons from safety incidents

Instilling a culture of safety in the group is achieved, among other things, by cultivating an intra-organizational dialogue on this subject, combined with a frequently updated system of internal reports, including procedures for reporting, investigating, and learning from incidents. Via this function, employees can report in real time, from any device, on any

situation that may cause a safety incident – whether it is due to a human failure or a near-miss event, with the aim of identifying unsafe components in the work environment. Incident reports are posted on the Group portal and are available to all employees.

* The report for 2022 has been modified due to the application of the reporting to Carmel Eco.

Safety risks management

The safety management plan in the Bazan Group emphasizes risk management – identification, assessment, and control. The plan establishes methods and means for the identification of risk factors; a risk matrix and boundaries of risk acceptable in the workplace; and rules for determining the function in the organization responsible for the risk and for applying controls.

An annual plan has been formulated for risk management, including a procedure for applying controls (including schedules) and specifying methods for monitoring risk mitigation. A safety plan is written annually, detailing the safety policy. The plan is based on past experience and lessons learned. The plan is approved by the CEO of the Group; main points are presented to the safety committee of the board of directors.

For new facilities, during the planning stage as well as upon its completion, risk analysis is applied using the HAZOP

(Hazard & Operability Analysis) methodology. Modifications of existing facilities require examination of the need for a risk analysis, using the HAZOP methodology in the case of a complex change, or the What If method for simpler changes.

Both types of risk analysis are performed by a team consisting of a professional overseer, relevant operational representatives, the project manager/engineer, and the safety manager of the business unit or relevant safety representatives. As necessary, facility maintenance representatives, a control engineer, the project or facility's electric or instrumentation engineer participate, as does the environmental protection engineer of the relevant unit,

The full risk analysis is validated and updated every five years.

Technological innovation to promote excellence in safety

The field of safety is an integral part of the Group's approach to innovation. This includes the use of innovative digital technologies and tools, such as Connected Worker 4.0, to improve the Group's safety performance and safety climate.

The tools developed and implemented included the following:

- A mobile app for documentation of study tours, developed and implemented in the Bazan Group on the basis of the HOP (Human and Organizational Performance) model, considered to be the global leader in improving the safety climate. The method is based on continual methodical examination of work processes by Group managers, identifying possible failures, and resolving them by ensuring that appropriate effective defenses are in place for each risk scenario (even before they develop into safety incidents).
- Mobile app for job safety analysis (JSA).
- A computerized system for reporting unsafe behaviors and near-miss events, to make it possible to learn

lessons and minimize the probability of an accident.

- The Power BI system, for real-time updates on safety performance, including process safety indicators, work accident statistics (IR/SR), the number of incident study reports, and the pace of implementation of remedial actions.



Safety climate

The "safety climate" estimates the tendency of employees to prefer safe modes of action over other goals such as comfort and outputs. It is measured in questionnaires, interviews and observations and is rated on a scale of 1-5.

A comprehensive survey of approx. 600 employees at all the production facilities, conducted in 2023 in cooperation with the Technion's Faculty of Data and Decisions Science (formerly Industrial Engineering and Management), revealed that the Group's safety climate was higher than that of comparable plants in Israel, with a rating of 4.08. In the reporting year, **a target was set to increase the rating to 4.5 by 2026.**

During 2024, Bazan invested in a series of significant efforts to bolster and improve the safety climate in the organization. These steps focused on understanding the safety climate's current status, identifying vulnerabilities and leading focused intervention processes to improve both employee and manager conduct. As such, the findings of the safety climate survey were presented to the Group's management. The survey examined the level of commitment, perceptions and behavior of both the employees and the managers towards safety-related issues, including analysis of trends, strengths, areas for improvement and defining relevant courses of action for the future. Presentation of the survey findings enabled the Group to raise organizational awareness to this issue and strengthen the relationship between the management and the employees in the field. Moreover, it served as a basis for data-driven decision-making (DDDM) on safety-related matters.

Furthermore, dedicated intervention measures were adopted led by an academic expert in the field of organizational psychology and safety climate, with the aim of driving behavioral and managerial change among managers identified as being significantly deficient in this area. The intervention included in-depth conversations, personal mentoring and the development of safety-related managerial skills such as optimal communication, a visible safety presence on site, consistent enforcement, encouragement of near miss reports and leading an open discourse as well as learning from safety incidents. These efforts form part of the measures adopted as part of the organizational awareness and the effort to bolster the safety culture at Bazan.



A moment of science

The safety climate approach was developed in academia and is considered an innovative and holistic approach, advancing and expanding beyond traditional assumptions in the field, which focus on engineering, enforcement, education and emergency. Instead, it emphasizes employee perceptions of the importance of safety, which are influenced, among other things, by the behavior and decisions of managers. Hence, improving the safety climate is done by influencing the daily behavior of managers, from senior management decisions to operational decisions in the field, and by emphasizing the importance of the issue as an ideal and as a practice.



Courses and training sessions for designated safety officers

- **Safety Integrity Level course** – intended for engineers working at the Company, enabling them to verify an appropriate safety integrity level (SIL) for safety equipment systems/safety shutdown systems).
- **Risk Range Assessment Course** – designed for environmental engineers, providing them with tools for assessing possible risk ranges of hazardous material incidents in extreme scenarios (including war-related incidents).
- **An industrial fire fighting course at a dedicated facility at A&M University in Texas** – is held once a year for 15 employees and managers from the Group's production facilities.

Safety training

- **For Company employees** – potential severity assessment of hazardous material incidents using ALOHA software (Areal Locations of Hazardous Atmospheres) – a US Environmental Protection Agency (EPA) simulation tool, which enables simulation of hazardous material leakage or dispersion scenarios in the air and assesses the risk range.
- **For employees of service providers** – as part of the maintenance of the high standard of safety, the Group requires the contractor's employees at its facilities to undergo safety training as well.
- **OJT training** - dedicated training sessions on safety topics for a variety of positions - (lab employees, electricians, employees working at height, etc).
- **Guests at the Group's facilities** – must take a safety-related online course before entering the plant, which is valid for one year.

Among the topics covered are: explosion-proof equipment, safety equipment systems, etc.

Actions to increase awareness, explanations and publicity

- Encouraging managers to attend supplementary safety courses.
- Monthly sessions designed to engage in lesson learning from past incidents in Israel and abroad
- A safety supervisors course for engineers, managers, maintenance workers and operators.
- Dissemination of knowhow, incident investigations and lessons learned through the organization portal.
- A circular on the travel laws at the Group's facilities.
- Safety climate seminars led by Prof. Gil Luria.

Leading hydrogen safety in Israel and around the world

In 2024, the Group's Process Safety Manager, who also serves as Chairman of the Process Safety and Hazardous Materials Branch of the AEAI (Association of Engineers, Architects and Graduates in Technological Sciences in Israel), led the first conference on hydrogen safety. The conference was attended by experts from the academic world, the regulatory entities (the Ministry of Labor's Safety Administration, representatives of environmental protection entities and firefighting and rescue personnel) and the industry (plants that use hydrogen and start-up companies engaged in the development of hydrogen technologies). The purpose of the conference was to promote knowledge about safety in the use of hydrogen, in order to minimize the probability of accidents.

At the same time, the Group took part in the working group of the CCPS, the American Center for Chemical Process Safety, which wrote a safety guidance booklet on the use of renewable energies.

Preparedness for emergency scenarios

Preparation and preparedness for emergency scenarios are an integral part of the routine work at Bazan, and considerable financial and human resources are allocated to addressing this issue.

Towards the closure of this report, the Bazan Group suffered damage from an Iranian missile strike that cost the lives of three of its employees and led to the plant's temporary shutdown. At the time of the report's publication, the Group's plants are operating at almost full capacity. Further details of the issue will be reported in the Company's ESG report for 2025.

Fire preparedness

In recent years, the Bazan Group has invested approx. USD 26 million in upgrading the firefighting system in the compound. In the Group's complex and facilities, a permanent array of fire extinguishing devices is deployed for immediate and effective response. The Group has a professional fire station staffed by qualified firefighters, employees of the Group, who are trained and skilled at extinguishing industrial fires. The station has the only industrial firefighting equipment in Israel, including: fire trucks with dedicated equipment including a water cannon with a high flow rate of 15 thousand liters/min, a remote-controlled assault robot, mobile foam tanks (ISO tanks) that can be transported on a dedicated truck at the station, a pump for transporting water from a stream or reservoir with high flow rates, as well as water-cannon trailers with high flow rates of up to 26 thousand liters/min.

As a leader in the field of firefighting, which also defines environmental quality as a top priority, the Bazan Group is the first company in Israel to begin replacing firefighting foams with PFAS-free foams, which have met the strictest efficiency tests in the world. By the end of 2025, 50% of the foams in the Company will be replaced.

An external audit ranked the site's firefighting capabilities among the top 5%-10% of the world's refineries.



Drilling of emergency situations

The emergency preparedness array places emphasis on preventive action and drills, including:

- Rigorously maintaining high preparedness of Bazan's employees through specialized comprehensive training. 140 of them participated in a course dedicated to fire incidents in the petrochemical industry at Texas A&M University.
- A large number of drills are conducted at all facilities with all the Group's emergency crews.
- Implementation of protective systems, including dedicated fire-extinguishment systems.
- The rescue team comprises approx. 25 employees and specializes in three types of rescue operations: height, surrounded spaces and destruction. The team trains on a regular basis at sites that have been established especially for that purpose on the Group's premise, with dedicated advanced equipment.
- Annual participation in a fire safety drill led by the authorities within the Group's facilities, together with municipal firefighters and IDF forces.
- Industrial firefighting training for the national firefighting network held within the Company's premises.
- Placement of dedicated personnel in each shift – employees with appropriate certification and experience in the field of firefighting, including dedicated training relevant to fire incidents in the petrochemical industry.
- An ambulance is stationed on 24/7 standby in the factory yard.



Employee health and welfare

In taking care of its employees health, the Group applies a broad approach, focused both on preventive treatment – minimizing exposure to safety and health hazards, such as hazardous materials, noise and radiation, using protective equipment; as well as on-going monitoring of employees' health – periodic checks to examine their medical condition and the degree of their exposure to hazardous materials, environmental checks of the concentrations of pollutants in the air in the work zones, and monitoring of noise damage through hearing tests and other steps.

Concern for employee health and well-being is more than an ethical obligation of the Group towards its employees; it is an essential condition for its organizational and business success. The Group promotes this cause through a range of channels and means, including:

- **Comprehensive health insurance policies:** The Group subsidizes its employees' medical and dental insurance policies, and offers them the option to insure their family members at discounted rates.
- **Staying fit, even on site:** A fitness center for employees offers weekly classes, such as yoga and Pilates. Dozens of employees participate in the classes and in various sports teams. Furthermore, messages are sent to employees to raise awareness of the importance of sports, a healthy lifestyle and the various activities offered to them.
- **Resuscitation devices:** there are 31 defibrillators located across the Group's sites.
- **Special benefits:** the Group publishes updates to employees regarding benefits and teambuilding activities, unique activities for children and retirees, etc. - through various communication channels, as well as a culture room operated throughout the week.
- **Day camps for employees' children:** during the summer period, the Company runs a day camp for employees' children aged 6-12. The camp takes place at various sites throughout the country and combines educational, experiential and values-based activities. Every year, approx. 55 children participate in it, who enjoy a variety of content and an opportunity to forge social connections, while providing a quality and accessible response for the working parents.
- **Support from a dedicated fund:** The Group's welfare fund provides support for employees during medical events and life events that necessitate financial aid, such as for employees evacuated from their homes in war zones, in need of costly medical treatments, and more. The fund is managed by a committee headed by the VP of Human Resources, with the participation of representatives of the employee unions and the various business units.

- **Unmediated communication between management and employees:** The Group's CEO holds periodic talks with employees from various ranks and positions, to gain a reliable and genuine view of the situation on the ground, including needs and gaps awaiting resolution.

A gradual return from military reserve service in the War with emphasis on sensitivity to the reservists' needs

Since the outbreak of the Iron Swords War, we have taken a series of actions to support employees and their families – continuous telephone contact with them and family members, support for workers who were evacuated from their homes or whose family members were injured, gift distribution to recruited workers, etc.

Special preparations were made ahead of the return to work of employees and managers from periods of military reserve service, based on the understanding that returning from military service to civilian routine may be extremely complex and challenging. Our aim was to enable the reservists to return on a gradual basis, tailored to individual needs and with the appropriate requisite support, out of the organizational responsibility for the welfare of those employees serving on reserve duty and their full reintegration into the working environment.

The preparations included preparatory workshops for managers, in order to enable a good understanding of the reservists' background and needs, and to facilitate their return in the most appropriate and sensitive manner – focusing on identifying those behavioral responses that are within the norm, and those that require intervention. Group workshops were also given to reservists themselves – for the processing of experiences, sharing personal stories, identifying strengths and personal resources, and coping with the challenges of the transition. Individual support was also provided, whenever necessary.

Throughout the reporting year, 183 employees and managers participated in workshops facilitating a smooth return to work following military reserve service.

Committed to a Sustainable Future

Purpose COMMITTED TO CORPORATE GOVERNANCE & Policy

**BACK IN
MOTION**





Ensuring full transparency and compliance with all laws and rules applicable to the Group are fundamental principles in the Group, and we invest considerable resources in order to strictly comply with them. As a publicly-traded company in Israel, Bazan is subject to securities laws, company laws and competition laws. The environmental laws and directives in Israel also apply to it, which are considered to be extremely stringent and advanced on an international level. In addition, we maintain a high standard of morality and ethics in all of the Group's activities.



Since 2023,
the Bazan Group has been a signatory to the UN Global Compact (UNGC) initiative on issues of sustainability and human rights

The Maala ESG Index ranking an increase to platinum status

Formulating a policy for non-hazardous waste management

The process of updating the Group's Code of Ethics has been completed.

Transparency with stakeholders

The various stakeholders – from the general public and the environment through the various authorities and regulators, customers, suppliers, financial institutions, emergency bodies to shareholders and our employees - are our direct and indirect partners, and we attach great importance to continuous communication and transparency with them. The materiality analysis process conducted in 2023 enabled us to engage with the stakeholders and to learn about the topics they consider most significant in terms of action and reporting, as detailed in the report below. The ongoing dialogue with all stakeholders enables us to gain an in-depth understanding of expectations and needs, and to constantly examine the value produced.

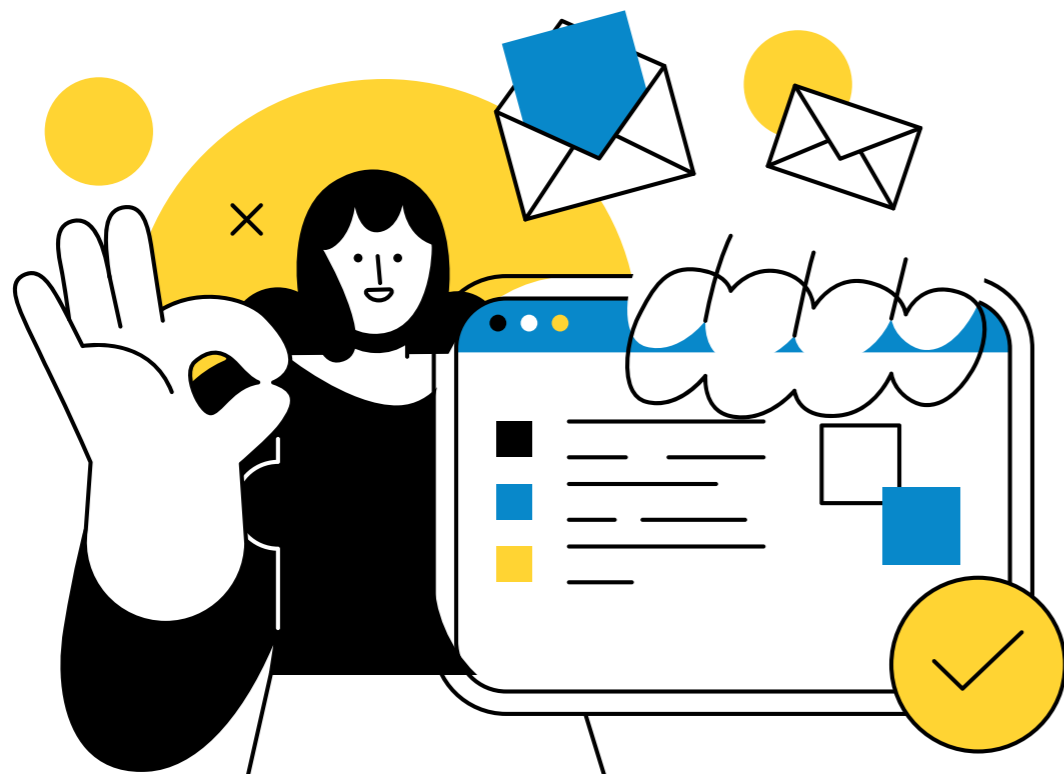
Stakeholder group	Communication channels
The Group's employees	Open dialogue with Group employees, as part of an "open door" policy, is a key value. Thus, among other things, periodic cross-organizational conversations are held between groups of employees and managers with the CEO, round-table meetings are held, there is an organizational portal that is regularly updated and employee events are held frequently.
The Group's customers	The Bazan Group, as a relatively small player in the global market, is able to provide rapid, professional, quality service that meets the changing market conditions and regulatory requirements. We ensure seamless and rapid communication with customers, while granting them a considerable degree of access to information. This is attained, among other things, via an up-to-date website as well as an annual customer survey, which reflects the degree of satisfaction and raises issues for improvement.
Investors and financing entities	The Group maintains an ongoing and close dialogue with its investors, with both the financiers and the financial institutions.
The surrounding community	The Bazan Group ensures that information is accessible pertaining to its ongoing activities. This is achieved, among other things, through ongoing internal communications and a website available to the public in Hebrew and English.
Bazan suppliers	The Bazan Group has a broad range of suppliers, contractors and service providers, and is committed to full transparency with them through continuous dialogue – mainly through the purchasing and contractual mechanisms in the supply chain.
Regulators	The dialogue is conducted via the Group's management and those officers responsible for the various operating segments – environmental protection, security, health and safety, etc.
Emergency responders	There is a lively and ongoing discourse, as well as periodic exercises, with all relevant emergency and security organizations.

Compliance, ethics, and anticorruption

Ethics and rules of proper conduct are the bedrock of our activity, forming our borders and compass. The Group is committed to adhering to reporting obligation pursuant to the securities laws aimed at ensuring transparency towards all stakeholders, and maintains compliance plans in a number of fields, designed to ensure rigorous compliance with the requirements of the law and with internal procedures.

Any employee may contact the relevant enforcement supervisor or the Legal Bureau, openly or anonymously, to report or consult on these issues. The enforcement plans contain explicit instructions on how to handle complaints, the protection of complainants and deviations from procedures. There is also a formalized procedure in place for handling anonymous complaints, while ensuring that both complainants and the objects of the complaint are protected against any damage to their reputation.

The Group operates pursuant to the provisions of the law and the directives regarding securities and company laws, laws regarding competition, the prevention of sexual harassment and protection of the environment and safety, and the enforcement of trade restrictions. There are internal procedures applying to these spheres that are enforced on a routine basis by those entities responsible for this within the Company. In 2020-2024, no legal proceedings were taken against the Group in the area of antitrust or competition law. Details of exceptional events can be found in the Company's periodic report



Code of Ethics and Ethical Conduct in the Group

Bazan Group's Code of Ethics was first published in 2012, and over the years has undergone several updates. In the reporting year, a process was initiated to revise the Code of Ethics. This process was completed just prior to the report publication date and its purpose was to adapt it to

global standards and best practice, including in the areas of human rights, anti-corruption and various aspects of rights at work. The code sets forth the values, principles, standards, and behavioral norms of the Group, and provides tools for appropriate decision-making.

The code is based on five core values (which in 2024 were also expanded, refined and revised):



Transparency
and reliability



Fairness and
integrity



Professionalism
and pursuit of
objectives



Health and
safety and the
environment



Mutual
responsibility and
role modeling

With the Group's customers

Bazan's success relies on the delivery of quality products to its customers and on its fair conduct towards them. The Group is committed to customer satisfaction, achieved by learning about customers' needs and striving to find adapted solutions, with an emphasis on a service mindset.

from its suppliers, which makes them business partners that are essential to its success. We believe in long-term collaborations that include understanding the needs of our suppliers and service providers, coordination of expectations, and full transparency.

With the Group's employees

The partnership between the Bazan Group and its employees is a key element of its success. This partnership is based on long-term mutual commitment, promoting shared goals. The Group provides its employees with a healthy, safe and respectful work environment, enabling every employee to grow, to contribute to and benefit from the Group.

Environment and community

It is crucial for the Group to function as a good corporate citizen within the community. We make efforts to be attentive to the community and engage with it where we can exert a positive social and community impact, immediately and in the long term.

With vendors and service providers

Good business results depend, among other factors, on the quality of services and materials procured by the Group

Proper organizational conduct

We are committed to business conduct based on compliance with the law, transparency, and fairness, while promoting the goals of the Group and maximizing its profits. All employees of the Group are committed to these principles, as well as to intra-organizational teamwork and cooperation with the various stakeholders.

Revision of the Code of Ethics

As part of the goals the Group set for itself, during 2024 a thorough process was carried out to revise and update the Code of Ethics. This is in order to adapt it to the current spirit of the period and to accurately reflect to all stakeholders the principles, values and standards expected from and applied in the Group.

The Code has been reviewed and updated in a process led by the Group's Corporate Secretary, in collaboration with the ESG Steering Committee and representatives of the employee unions, and with reference to global and local changes. The updated Code was approved by the Group's management during 2025.

As befits a document that serves as an "organizational spotlight" for all employees, and defines the core principles for the coming years, the process of updating the Code was comprehensive and highly structured. It included, among other things: a professional workshop on ethics led by academic experts, a series of consultations and benchmarking. Further to the insights derived from the process, an orderly working directive was formulated and updated internally for the effective application of the Code of Ethics. An anti-corruption and bribery (ABC) policy and procedure were also incorporated into the Code.

As part of the Code of Ethics, the Bazan Group declares its commitment to accepted international standards in the field, as well as the Human Rights and Labor Initiative and the International Labour Organization's (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) – which encourages businesses and corporations around the world to adopt principles in the fields of human rights, fair work, the environment and anti-corruption.

A summary of the Code of Ethics appears on the [Group's website](#).

Implementing the Code of Ethics and building mechanisms for its implementation

The Group has a number of mechanisms for consultation and reporting on ethics complaints. The ethics officer can be contacted anonymously through the Group's portal or by mail, email, or telephone. A formalized procedure for processing anonymous complaints establishes the

processes and actions to be applied when a complaint is filed, while ensuring that the reputation of the subjects of the complaint is not tarnished unnecessarily. Complainants who communicate non-anonymously receive a detailed response to their message, and after the matter has been examined, they receive a report on the conclusions drawn and the subsequent actions taken. The procedure is aimed at identifying violations of the Code of Ethics, drawing lessons from cases and preventing their recurrence.

No. of complaints received in recent reporting years:

- 2020 - one complaint
- 2021 - three complaints
- 2022 - two complaints
- 2023 - four complaints
- 2024 - five complaints

As part of the implementation of the Code and its application, the Group's employees are required to undergo an online course on ethics and the Code of Ethics. Close to 97% of the Group's employees in Israel have completed the online tutorial.



Prevention of sexual harassment and retribution

Bullying and sexual harassment are among the serious disciplinary offenses mentioned in the collective labor agreement, and the Group relates to them as a matter of severe consequence. Every two years, The Group employees participate in mandatory training using an up-to-date tutorial; newly hired employees complete the tutorial and receive information regarding the law from the Human Resources Department. In order to promote and raise awareness, from time to time, dedicated training sessions are provided to managers by an external company on the subject of sexual harassment and bullying in the workplace.

The Group's bylaws for the prevention of sexual harassment are posted on every bulletin board in the Group, including contact information for sexual harassment prevention supervisors. Anonymous messages can be sent through the Group's portal or by mail, email, or telephone, or in person in a meeting with the sexual harassment prevention supervisor, who underwent designated training.

No. of complaints received in recent reporting years:

- 2020 - one complaint
- 2021 - two complaints
- 2022 - one complaint
- 2023 - one complaint
- 2024 - one complaint

All of the complaints were handled through an individual meeting with the sexual harassment prevention supervisor, with further action taken according to the circumstances.

Anti-corruption and bribery

As an organization operating in multiple global markets, the Group is committed to meeting not only its contractual obligations, but also relevant laws, regulations and regulatory requirements in its operating markets, including high standards of maintaining integrity and primarily mechanisms that ensure anti-corruption and bribery.

An anti-corruption and bribery procedure in the spirit of the Group's principles constitutes an important element of the Code of Ethics. This procedure concerns the prevention of corruption and bribery with stakeholders, primarily customers and suppliers. It provides the employees, as well as third parties operating on behalf of the Group, with the basic knowhow required for the identification and prevention of acts of bribery and corruption, alongside methods of receiving training and guidance on this matter. **Key policy items:**

1. The Bazan Group shall not be involved in any form of bribery and corruption, whether this involves government officials or officers in private companies.
2. The Bazan Group shall not accept, request, agree to accept, promise, offer or give, either directly or indirectly, a bribe or any inappropriate payment.
3. The Bazan Group shall not tolerate the fact that employees or business partners acting in its name or on its behalf shall pay or receive a bribe or shall breach this policy in any other manner.

Bazan regards compliance with anti-bribery and corruption laws not only as compliance with the requirements of the law and the Group's business partners, but also an expression of the Bazan Group's strong business ethics. The Company is committed to the anti-bribery and corruption policy, which is disseminated to all the Group employees for their knowledge, together with the third parties operating on its behalf.

The Group has a reporting mechanism regarding whistleblowers that is based on the referral and reporting channels of the Code of Ethics.

Human rights

As one of the largest and most complex energy groups in Israel, the Bazan Group takes action to adopt universal principles of human rights, employee rights, the environment and anti-corruption – and to instill them among the Group's employees and throughout the entire supply and value chain. The existence of strict due diligence checks, stakeholder management and the constant improvement in policy and procedures are some of the steps being adopted in order to do so. The Group acts in accordance with the principles of the United Nations Global Compact (UNGC) Declaration that addresses issues of human rights, fair work, environment and the fight against corruption. In 2024 it joined the Declaration as a signatory.

Privacy protection

The Bazan Group complies with strict information privacy requirements, in accordance with the Israeli Privacy Protection Regulations (Privacy Protection Law, Information Security Regulations). A clear policy to maintain personal information as confidential and safeguard it is applied, including data encryption, access controls, employee training and incident reporting mechanisms. Compliance with these standards strengthens our commitment to responsible corporate governance and is a key pillar of the ESG indices, emphasizing transparency, ethics and individual rights in the digital environment.



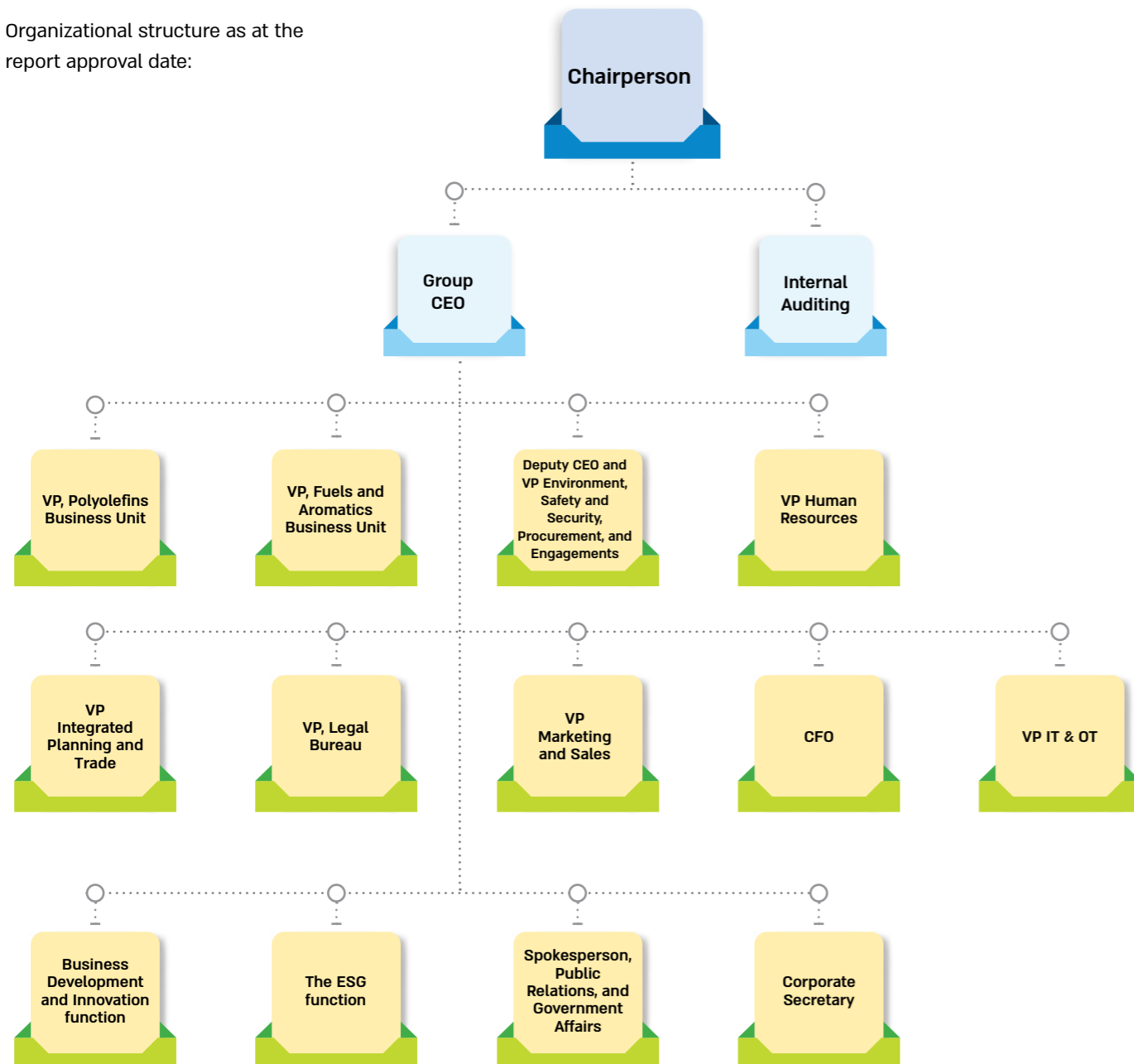
United Nations
Global Compact

In 2024, Bazan Group joined as a Signatory to the UN project on human rights and sustainability, the UNGC

Committed to adequate corporate governance

The Bazan Group is committed to proper corporate governance, which includes ethical conduct, responsibility, and transparency towards shareholders and stakeholders. The Group operates in accordance with the law and strict rules of corporate governance, through formalized procedures that, among others, guide the work of the Board of Directors and its committees, the process of identifying and approving interested-party transactions, and the process of appointment and approval of officer compensation. These rules delineate the relationships between the Company, management, the Board of Directors, shareholders, and other stakeholders.

Organizational structure as at the report approval date:



Board of Directors of the Group

A committee, which is also responsible for ESG, has been operating since 2021 as part of the Group's Board of Directors.

The Bazan Group Board of Directors approves the Group's policies in all its areas of activity, including ethics, social and environmental issues. All corporate governance topics are supervised by it in recognition of their importance to proper conduct. Among other means, this is achieved through an internal compliance system in the area of securities and corporate law, which includes regular reports to the Audit Committee (twice a year) and the Board of Directors itself (once a year), training, and investigation of violations.

The Board of Directors usually convenes once a month and at least once a quarter. Meetings of the various committees are held from time to time, including the Balance Sheet and Audit Committee. Once a year, the Board of Directors holds a meeting without management to discuss aspects such as the functioning of the Board of Directors itself. All the material topics are reported regularly in a monthly report submitted by the CEO to the directors. This is in addition to ongoing reporting on key topics of the Company's activity during the meetings. Each quarter, as part of the discussions on the financial statements, the Company units present their activities, via the relevant VPs.

Upon the appointment of the directors (appointed and acting pursuant to the Companies Law, 1999) the subject is discussed directly by the Board of Directors. During the discussion, a statement by the director is presented as well as a comprehensive questionnaire detailing relevant aspects of the matter, including those stipulated in the compliance system's procedures, including the director's qualifications and the classification of his expertise, the extent of his availability, and conflicts of interest are also examined. In addition to the Board of Directors discussion, as necessary and in accordance with the provisions of the law, preliminary discussions are held in the Audit Committee, for the purpose of examining and classifying an independent director and/or other required aspects as well as a discussion in the Compensation Committee.

As of the report publication date, there are nine serving members of the Board of Directors, including two women.

For further information on the composition of the Board of Directors, see the [Company's 2024 Periodic Report](#).

ESG management in the Group

The ESG function in the Bazan Group was established in 2022, and it reports to the Group's CEO.

The function operates in accordance with the Group's strategy, and in line with the organizational vision, relating to clear, defined objectives in the work plan that are approved on an annual basis by the CEO and the Board of Directors. In 2023, it was decided to place emphasis on improving the reports and increasing the degree of transparency in accordance with global standards (SASB, GRI and TCFD) and regulatory requirements and the emerging trends in this field. This was carried out alongside a commitment to report on an annual basis that will include regular updates regarding the various areas of activity for internal and external stakeholders.

In 2022-2023, organization-wide infrastructure for ESG governance was put in place – starting with the definition of the main building blocks and focus areas to be promoted; for the establishment of an ESG steering committee, composed of representatives from all the units in the Group; and ending with the formulation of policies in the various fields, environmental and social, and the establishment of dedicated committees for the promotion and implementation of the decisions. The infrastructures established were put to the test following the October 7 attack and the outbreak of the Iron Swords War. They have enabled seamless functioning in the relevant fields, including decision-making, stakeholder engagement, and on-the-fly adjustments.

During 2024, the Group adopted a proactive approach in all areas related to sustainability and reporting, and in order to support the efforts to further the objectives from a long-term perspective. Prominent moves included: preparation for reporting regulations, including CSRD; adjustment of reporting to the TCFD framework for climate-related financial risks and opportunities as well as the reduction of GHG emissions; examination and management of the relationship with the stakeholders; activity and leading activities in the ecosystem; strengthening existing partnerships and creating new ones; working closely with the business units to provide a response to the Group's customers in Israel and abroad; adopting best practices in this field; and continuing to instill the principles of sustainability in the organizational culture and among the Group's employees.

The issue of transparency and strict adherence to reliable reporting forms a central part of our ESG strategy, in conjunction with all the Group's units.

ESG in management and Board of Directors

ESG issues are reported on a weekly basis as part of the Group management meetings, as well as on a regular basis as part of a review on the Group's operations for the members of the Board of Directors.

The Board of Directors' Environment and Safety Committee was authorized in 2021 to oversee ESG activities as well. The Chairperson of the Board is a member of this committee, which constitutes an important voice in the formulation of policy and in implementing the principles in the corporate culture.

The Board of Directors' Committee on Environment, Safety and ESG receives a number of updates per year on the aforementioned professional issues, including: an overview of global and local trends, promotion of the relevant fields in view of the strategy and the multi-annual work plan, instilling the principles of sustainability in the organizational culture and their integration in the activity in accordance with the focus areas. The Committee also discusses and approves the annual ESG report presented for your review.

Instilling the ESG principles in the organizational culture and routine activity

In order to implement the Group strategy on this topic, it was decided to gain a more in-depth familiarity of the entire organization with the issue of sustainability and the relevant interfaces in the Group and as part of its routine activity. This was to be achieved, among other things, via: training sessions for both managers and employees, professional workshops led by members of the academia and global experts, regular updates within the various units and making information accessible on the employee portal.

The ESG Steering Committee was established during the first quarter of 2023, and its members include representatives of the various Group units on the basis of an official appointment. The Committee's function is to act as the "spearhead" of ESG-related activity, to serve as a platform for discussions and to formulate ESG recommendations for the management, as well as aiding in organization-wide promotion of related working processes. The Committee convenes on a quarterly basis and is active throughout the entire year.

Members of the Steering Committee lead working teams on various areas of activity. These include additional employees and managers from the Group units, who work throughout the year to promote projects and organization-wide processes in the relevant field. The working teams update the Steering Committee on a quarterly basis and they engage in collaborative thinking to advance the various processes.

As of the reporting period, these are the work teams operating within the framework of the Committee and the main actions that they have promoted:

Digitization

- Data collection and management, including establishing a smart BI infrastructure to integrate and manage sustainability reporting and ESG.
- Implementing a suitable platform for collecting, managing and documenting social issues and on the subject of donations, in order to improve management capabilities and increase transparency.
- Making content and reports accessible to all stakeholders in Hebrew and English.

Climate

- Formulation of a plan to reduce carbon emissions at the Group's sites in Israel and The Netherlands. This includes short-term and long-term application targets, with reference to reducing Scope 1 and 2 GHG emissions (for further information, see subsection entitled "Reduction of GHG Emissions").
- Examination of additional, climate-related environmental aspects.

The value chain

- Coordination of value chain-related reporting aspects, including identification of needs and compliance with reporting regulations (focusing on CSRD) and accounting reporting standards (ISSB).
- Leading the interface to customers and making information accessible for them (disclosure) with a view to enabling them to meet global regulatory requirements.
- Strategic thinking and building an organizational knowledge and excellence center for managing the reporting aspects in the value chain.

Environment

- Review the manner of sorting and handling non-hazardous wastes.
- Knowledge acquisition and peer learning in the field.
- Formulation of recommendations for management from a long-term perspective.
- Promoting an appropriate policy based on the team's findings.

Procurement

- Examining the aspects of sustainability in the procurement policy and from an overall organizational perspective.
- Dialogue with suppliers on sustainability issues and encouraging them to integrate ESG principles in procurement and across the value chain.

- Implementing an ESG appendix in the contractual documents with suppliers and service providers/contractors.
- Raising awareness of ESG among employees of the procurement unit, in initiated meetings and joint thinking.

Society

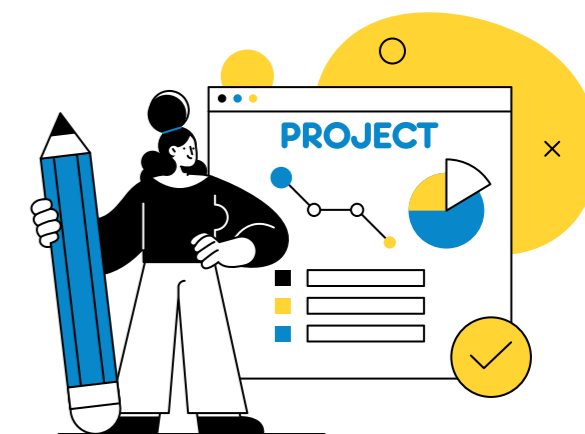
- Formulating a model for employee volunteering in order to deepen the impact and accuracy of community support.
- Concentrating the activities of the Forum of Representatives of the Group's units in the field of volunteering and on-site activity.
- Ongoing monitoring of on-site activity, the ongoing implementation of the adoption of non-profit organizations and policy.

Responsible supply chain – application of sustainability values in procurement

The procurement unit works to integrate advanced technologies while implementing the values of sustainability, as an integral part of the organizational culture and the relationship with suppliers. In the past year, specific emphasis has been placed on the human and value-based relationship with suppliers, especially in light of the challenges of the period, through direct communication, regular updates and support.

In collaboration with the innovation unit, the unit promotes initiatives and projects to integrate operational innovation. In this context, a dedicated team of AI leaders was set up to hold monthly meetings in order to learn, share knowledge and drive innovative processes to improve productivity in everyday work in general and in procurement work in particular.

An example of the ongoing collaboration with the IT and Digitization department is the development and implementation of a procurement data platform (dashboard) for buyers and managers. This includes KPI data and ongoing operational information, which enable immediate access to data and informed decision-making in real time. Another data platform is related to inventory management and the control of the business units' inventory targets. It reflects the situation at every given moment and supports the improvement of control, efficiency and operational responsibility at a cross-unit level.



Risk management

The Bazan Group consistently works to strengthen its commitment to risk management among its managers and employees, while integrating the issue as an integral part of its business operations. This is essential for improving performance, achieving strategic and business goals, and maintaining an effective corporate governance policy.

The Group's management has adopted a policy in this area based on an international models (ERM COSO) and implemented a formalized process to manage the risks to which it is exposed. Procedures have been set out that define the areas of responsibility and authority of the various functions in the unit, and mechanisms for identifying, controlling, and monitoring risks have also been established.

Risk management is led by the Group's CFO, alongside the Risk Management Forum that convenes at least once a quarter. The Forum works to identify the Group's risks and prioritize them, to formulate plans to mitigate them and to address and monitor their development, and is aided by external consultants who specialize in the field. Reports on the matter are submitted to the Risk Management Steering Committee headed by the Company's CEO, the Board of Directors' Audit Committee, and the Board of Directors itself, in accordance with the frequency defined in the Group's risk management procedures. In addition, an orderly process was formulated for annually validating and updating the risk map.

Once every few years, a new risk survey is conducted in the Group accompanied by a professional consultant. In 2024, a comprehensive risk survey was completed, which included interviews with management members and relevant officials in order to identify and remap all the risks facing the Group. Subsequently, these were assessed and ranked according to quantitative and qualitative criteria, in order to define the key risks. The results of the risk survey were presented to the Board of Directors for approval by the Board's Audit Committee as well as to the Board of Directors itself.

Immediately upon completion of the survey, the Group began to formulate mitigation plans and definition of KRIs (Key Risk Indicators) for all newly identified key risks, and to revise the plans and metrics for the older key risks. This was effected, with both specific and cross-organizational

reference to the risk factors involved in ESG aspects; and with an emphasis on possible mitigation actions corresponding with ESG risks identified in a dedicated risk survey for this field.

The principal risks identified include:

- Non-compliance with laws and regulatory regulations
- Sanctions and trade restrictions
- Emergency events – preparation, management and recovery
- Failure to realize the strategic plan
- Environmental risks and hazards
- Dependence on infrastructure suppliers and the supply chain
- Cyber events
- Financing and liquidity

ESG risks

As a rule, the Bazan Group's Board of Directors supervises the financial, social, and environmental performance, including risks and opportunities. Its members examine the risk management conducted by the group, monitor the implementation of the risk mitigation plans and are updated on an ongoing basis.

The process of mapping out, ranking and prioritizing the ESG risks was completed in 2023 with external consultants specializing in the field, and in accordance with global methodologies. The process included defining risk categories according to the material topics in the ESG report; assessment of the risks identified and selection of key risks as well as definition of mitigation plans for each of the risks.

The risk survey examined the environmental, climate, social and corporate governance areas in accordance with the organization's material topics – including GHG emission management, energy efficiency, occupational safety,

diversity, human capital and business ethics. It focuses on identifying risks and impacts in these areas and on addressing them.

Cyber risks management

Cyber risks are constantly evolving and becoming ever more sophisticated too. In light of this reality, the Group works at all times to improve its protections and strengthen information security across the entire organization, in aspects such as secure architecture, monitoring tools, reporting and event management, etc.

The corporate cyber program includes a series of mechanisms and processes designed to strengthen the Group's resilience and digital footprint. Key components include: conducting internal and external assessments and audits to identify discrepancies; mandatory training for employees on cyber and information security; orderly disaster recovery policies; and management processes for cyber events. All of these are supported by a dedicated corporate governance that ensures effective supervision, control and management of cyber risks.

The Group's policy on the subject is derived from the state laws and regulations. The Bazan Group, which is defined as an essential infrastructure in the State of Israel, is subject to the Israel National Cyber Directorate and its regulatory directives on this matter, and is compliant with the ISO 27001 and ISOX standards. To identify and assess these material risks, the Group performs annual cyber risk surveys using standard methodologies of NIST and Rimon software of the Cyber Directorate. The work plans are determined based on the risk surveys. Ongoing activities also take place, such as penetration tests, compliance with information security standards and internal audits, with the help of internal and external experts.

The Critical Infrastructure Cybersecurity Program is designed to ensure comprehensive protection of operational and critical systems. As part of this, the organization conducts periodic drills to contend with cyber attacks, conducts penetration and risk surveys, and is in possession of an updated risk map. Cyber management

is integrated as an integral part of the organizational risk management process and is raised for discussion on a quarterly basis. The organization also works to manage cyber risks related to operational systems and industrial technology, it monitors threats on a routine and continuous basis, it operates an emergency plan that includes a cyber component and shares relevant information with government agencies in order to address threats systemically.

The Group has detailed procedures for managing cyber risks, including methodologies, controls, and work flows designed to raise awareness, prevent such risks and protect against them. The existing training procedure requires all employees to be updated on the various threats, and from time to time - drills are held for employees, especially for the technical teams.

The officer responsible for coordinating the Group's cyber security is the Chief Information Security Officer (CISO), who is subject to the Deputy CEO and VP Environment, Safety and Security, Procurement and Engagements. The Group's management allocates a considerable amount of resources to address this issue and has in place regular control processes to ensure resilience against the various threats. A Cyber Steering Committee, headed by the Company Deputy CEO, convenes twice a year. At the same time, twice a year a dedicated report is presented to the Board of Directors, and a report is delivered to its members on a quarterly basis.

Risk management in the supply chain

As part of the Group risk mapping, there has been an increase in the risk of dependence on suppliers and the supply chain. As part of the effort to contend with this risk, important steps were promoted in the reporting period to improve and streamline the ongoing activity:

Advanced inventory management

A comprehensive project has been completed to optimize the inventory policy and update inventory levels. The move included scanning and analyzing 150 thousand items using advanced statistical methods. To this end, a "Criticality Model" was developed and implemented that weighs parameters such as delivery times, redundancy, item criticality and its impact on processes, consumption history and more, and provides data-based recommendations for the inventory management policy. An in-depth analysis of all inventory movements during the past seven years was also conducted, examining the item-level usage rate. The conclusions and decisions of the project team were embedded in the SAP system.

Improved reliability and maintenance

A comprehensive multi-year plan was implemented to improve the reliability of the equipment, including preventive maintenance according to specific criticality and malfunction history. Augury's advanced preventive maintenance technology has also been successfully implemented, enabling early detection of failures in critical equipment units for planning handling and prevention of malfunctions.

Procurement system upgrade

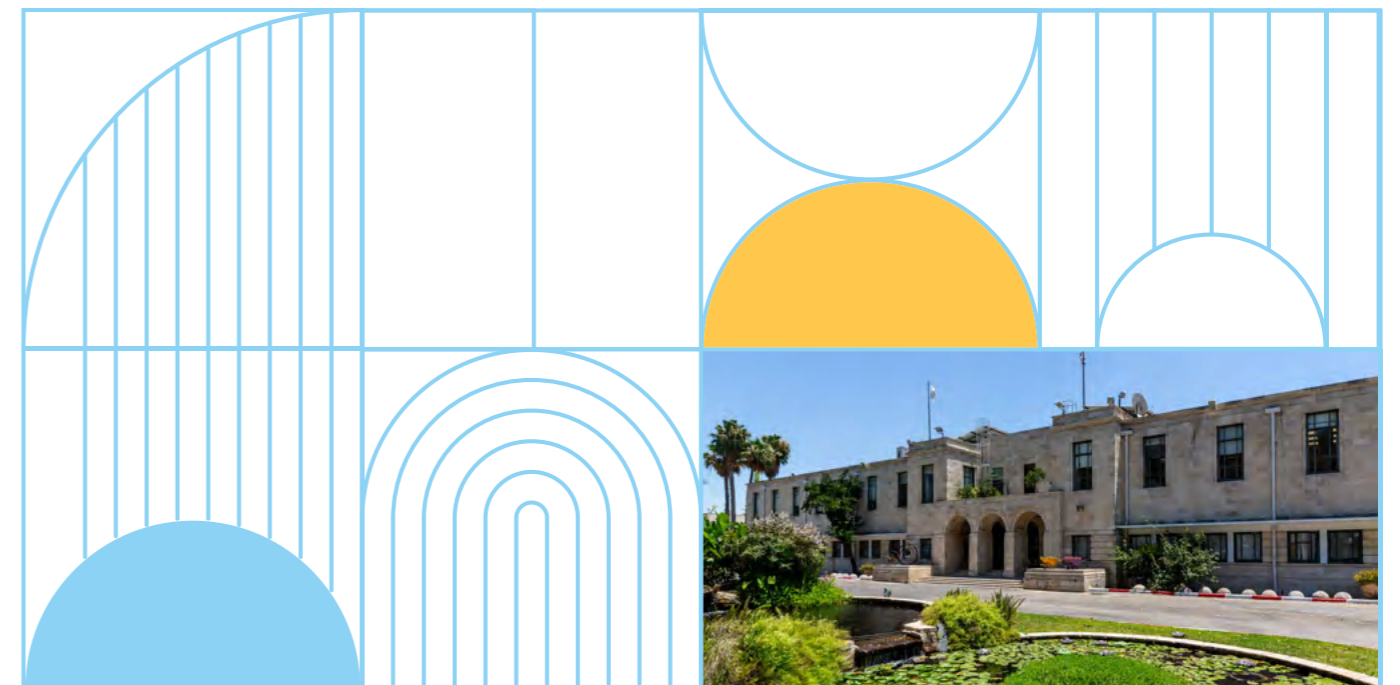
A new organizational structure was implemented, new roles and new role definitions were defined for product and service procurement officers, and the control and monitoring processes for the availability of materials and the arrival of shipments were improved, enabling a faster response to changes in the supply chain. At the same time, investment has continued in developing and nurturing long-term relationships with strategic suppliers, who turned out to be critical during emergencies such as the Covid-19 pandemic and the Iron Swords War.

Supplier diversity and reduction of dependence

A multi-year strategic project, led by Carmel Olefin's R&D unit, seeks to develop and approve alternatives to unique compounds from exclusive suppliers. In addition, a policy is adopted to maintain a number of active suppliers for chemicals and packaging, while expanding the supply sources even if this entails higher costs. Finally, a diverse shipping strategy is pursued.

Committed to a Sustainable Future

SASB & GRI Data DATA AND INDICES



**BACK IN
MOTION** 

About the Report

This is the Bazan Group's fourth ESG report, describing its environmental, social, and governance activities in 2024.

The report was written in accordance with the following reporting standards:

- GRI (Global Reporting Initiative) – In Accordance
- SASB (Sustainability accounting standards board). Sector: Extractives and mineral processing – Oil & Gas – refining and marketing (SASB Code – EM-RM)
- TCFD - Task Force on Climate-related Financial Disclosures

In some data tables, due to numbers rounded up or down, percentages may not reach 100% or exact figures. Please note that data in this report may differ from data reported in the past, due to data cleansing, improvement of data collection processes, and supportive controls. This report has been extensively verified internally and has undergone a limited assurance procedure by the accounting firm Somekh Chaikin KPMG. This ESG report was approved by the board of directors of Bazan, the safety and ESG committee, and the CEO and management of the Group.



EXTERNAL ASSURANCE



Somekh Chaikin
 KPMG Millennium Tower
 17 Ha'arba'a Street, PO Box 609
 Tel Aviv 61006, Israel
 +972 3 684 8000

Independent Limited Assurance Report to the users/readers of BAZAN Group Ltd. 2024 ESG Report

Conclusion

We have performed a limited assurance engagement on the specific topics in Bazan Group Ltd's (further referred to as "Bazan" or "the group") 2024 ESG Report (further referred to as "the report" or "the ESG report"), regarding the group's Israel data only.

Based on the procedures performed and evidence obtained, nothing has come to our attention to indicate that the specific topics, as mentioned in the table below, in Bazan's 2024 ESG report are not presented, in all material respects, in accordance with the group's reporting criteria.

Below is the list of specific data for which limited assurance was performed:

Subject Matter	Units	2024
Total number of employees	#	1,394
Average employees' training hours – total	hours	42
Average employees' training hours – men	hours	41
Average employees' training hours – women	hours	43
Employees completing Code of Ethics tutorial	%	97
Injury rate (IR) – total	#	0.66
Injury rate (IR) – company employees (direct)	#	0.81
Injury rate (IR) – contract workers	#	0.49
Number of work-related accidents – total	#	18
Number of work-related accidents – company employees (direct)	#	12
Number of work-related accidents – contract workers	#	6
Absence rate (SR) – direct company employees (Israel)	#	33.7
Natural gas consumption	GJ	30,620,714
Electricity consumption - external sources	GJ	2,887,429
Electricity consumption - internal production	GJ	951,579
Potable water consumption	m ³	3,760,859
Reclaimed wastewater	m ³	3,300,303
Brackish water consumption	m ³	1,961,034
Industrial effluents discharged into the Kishon River - total	m ³	869,099
Industrial effluents discharged into the Kishon River - Caol	m ³	130,622
Industrial effluents discharged into the Kishon River - Fuels	m ³	738,477
Hazardous waste - total	ton	5,328

Further information and details, including the scope, content, assumptions, and estimates determined by the group regarding the specific topics included in the process, can be found in the relevant chapters of Bazan's ESG Report.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the group

Bazan's management is responsible for (A) designing, implementing and maintaining internal control relevant to the preparation of the report such that it is free from material misstatement, whether due to fraud or error; (B) selecting or developing suitable criteria for preparing the report and appropriately referring to or describing the criteria used; (C) preparing/fairly stating/properly calculating the report in accordance with the relevant criteria.

Responsibilities of KPMG Somekh Chaikin

We are responsible for (A) planning and performing the engagement to obtain limited assurance about whether the report is free from material misstatement, whether due to fraud or error; (B) forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; (C) reporting our conclusion to the users/readers of the group's ESG report.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the specific topics, which is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the specific topics and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- examination of the specific topics in the report, for the purpose of performing a limited assurance
- conducting interviews with the professional stakeholders in the group, who are responsible for providing the information required for preparing the report, in order to gain an understanding of the specific topics
- comparing the information regarding the specific topics presented in the report to corresponding information in the relevant sources, to determine whether all material information from these sources has been included in the report
- where relevant, conducting interviews regarding the calculation, aggregation and methods used to collect and report material information and the specific topics in the report

As part of the limited assurance process, we reviewed the final version of the report to ensure it reflects our findings

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance report is made solely to Bazan in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Bazan those specified parts we have been engaged to state in this limited assurance report and for no other purpose or in any other context. We do not accept or assume responsibility to anyone other than Bazan for our work, for this limited assurance report, or for the conclusions we have reached.

KPMG Somekh Chaikin

Tel Aviv, Israel

12 January 2026

Group's Data

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water consumption in m³/year									
Total brackish water	2,627,373	2,351,479	2,085,839	2,150,424	2,133,733	1,849,724	1,809,508	2,000,886	2,176,888
Total brackish water in Israel	2,641,256	2,351,479	2,085,839	2,150,424	2,133,733	1,849,724	1,538,508	1,781,886	1,961,034
Fuels	2,206,942	1,875,515	1,604,368	1,559,622	1,592,456	1,270,600	1,038,624	1,199,712	1,392,109
Carmel Olefins	366,914	434,254	447,636	530,836	492,171	499,174	430,107	519,906	523,712
Gadiv	67,400	41,710	33,835	59,967	49,106	79,951	69,777	62,268	45,213
Ducor							271,000	219,000	215,854
Total potable water	6,548,927	3,486,630	2,748,576	3,085,874	3,018,690	3,691,528	3,030,461	3,597,025	3,763,435
Total potable water in Israel	6,548,927	3,486,630	2,748,576	3,085,874	3,018,690	3,691,528	3,027,701	3,594,906	3,760,859
Fuels	5,020,716	1,827,605	1,173,059	1,506,782	1,380,657	2,057,061	1,525,274	1,811,426	1,981,057
Carmel Olefins	1,193,935	1,347,360	1,255,106	1,341,735	1,383,981	1,384,710	1,241,756	1,557,100	1,589,513
Gadiv	334,276	311,665	320,411	237,357	254,053	249,757	260,671	226,380	190,289
Ducor							500	504	462
Carmel Eco							2,260	1,615	2,114
Total reclaimed wastewater	929,866	2,856,555	3,409,661	3,610,419	3,457,150	3,299,322	3,550,493	3,294,159	3,300,303
Fuels	929,866	2,856,555	3,409,661	3,610,419	3,457,150	3,299,322	3,550,493	3,294,159	3,300,303
Carmel Olefins									
Gadiv									
Ducor									
Total water consumption	10,106,166	8,694,664	8,244,076	8,846,717	8,609,573	8,840,574	8,390,462	8,892,070	9,240,626

Group's Data

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Effluents, m³/year									
Total mineral oil discharged into the river	2,492		3,262	6,402	6,043				711
Fuels	2,492		3,262	6,402	6,043				711
Carmel Olefins									
Total mineral oil discharged to effluent treatment plant	822	3,765	4,199	4,278	3,410	1,426	1,912	1,655	1,064
Fuels		1,145	1,639	1,628	1,390	581	526	828	1,064
Carmel Olefins	822	2,620	2,560	2,650	2,020	846	1,386	827	
Total TOC discharged into the river	27,191	6,304	5,919	11,682	12,105	1,927	2,523	1,768	6,446
Fuels	24,395	6,304	5,919	11,682	10,500	1,927	2,523	1,768	6,446
Carmel Olefins	2,796			1,605					
Total TOC discharged into effluent treatment plant	50,899	86,620	84,674	60,250	60,527	49,071	55,290	63,704	46,243
Fuels	29,680	53,231	51,850	44,876	40,771	31,087	39,589	45,158	34,593
Carmel Olefins	21,219	33,389	32,824	15,374	19,756	17,984	15,701	18,546	11,650
Total discharges into the river	2,719,233	578,650	662,674	821,235	1,070,564	300,215	311,693	427,044	869,099
Fuels		542,855	522,487	667,397	843,831	205,987	250,890	341,649	738,477
Carmel Olefins		35,794	140,187	153,838	226,733	94,228	60,803	85,395	130,622
Total wastewater in The Netherlands - Ducor							6,779	5,087	2,025
Mineral oil discharged into surface water							52	67	34
TOC discharged to surface water							6,727	5,020	1,991

Group's Data

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Wastes in tons/year									
Total hazardous waste - treated	1,127	3,665	3,018	2,833	6,257	5,699	4,003	1,364	2,999
Fuels	295	1,760	979	593	4,578	3,463	2,384	160	1,228
Carmel Olefins	832	1,218	1,159	1,448	994	1,223	304	220	228
Gadiv		687	880	792	686	1,013	1,186	931	983
Ducor							129	53	560
Carmel Eco									
Total hazardous waste - landfilled	9,561	1,774	972	3,322	877	1,686	3,035	3,806	2,889
Fuels	8,549	1,554	841	2,724	609	1,500	2,713	3,494	2,143
Carmel Olefins	259	209	124	66	23	42	198	48	81
Gadiv	753	11	8	532	246	144	124	263	665
Ducor									
Total hazardous waste	10,688	5,439	3,990	6,155	7,134	7,385	7,038	5,170	5,888
Total hazardous waste - Israel	10,688	5,439	3,990	6,149	7,134	7,386	6,244	5,117	5,328
Total non-hazardous waste - treated	2,777	2,723	3,310	10,197	7,343	12,542	4,700	10,030	10,632
Fuels	2,274	2,184	2,633	8,836	6,567	11,158	3,426	7,653	9,435
Carmel Olefins	503	375	501	965	651	1,228	1,018	1,108	362
Gadiv	5	673	619	396	125	156	89	1,101	569
Ducor								168	266
Carmel Eco									
Total non-hazardous waste - landfilled	2,755	2,378	2,189	1,899	1,168	1,128	1,772	1,613	3,502
Fuels	2,743	1,566	1,104	1,135	620	687	1,007	755	1,093
Carmel Olefins	5	673	619	131	471	366	565	406	566
Gadiv	7	139	466	633	77	74	119	87	122
Ducor							1	2	4
Carmel Eco							80	363	1,717
Total non-hazardous waste	5,532	5,101	5,499	12,097	8,511	13,670	6,472	11,643	14,134

Group's Data

Employee turnover rates

	2019		2020		2021		2022 (including Ducor)		2023*		2024*	
	Hired employees	Exited employees	Hired employees	Exited employees	Hired employees	Exited employees	Hired employees	Exited employees	Hired employees	Exited employees	Hired employees	Exited employees
Men	4%	6%	3%	4%	7%	8%	11%	6%	7%	9%	7%	7%
Women	1%	1%	0%	1%	1%	1%	2%	2%	1%	1%	1%	1%
Age 30 or under	1%	0%	1%	0%	3%	0%	4%	1%	3%	3%	3%	2%
Aged 30-50	3%	3%	2%	2%	5%	3%	7%	5%	4%	4%	4%	2%
Over 50	0%	4%	0%	3%	1%	5%	2%	3%	1%	1%	1%	4%
Total	4%	7%	3%	5%	8%	8%	13%	9%	8%	10%	8%	8%

* Including Carmel Eco and Ducor.

Bazan Group employees

	2019	2020	2021	2022	2023	2024
Israel						
Company headquarters and management	274	263	257	274	269	271
Fuels Business Unit	549	541	548	582	569	571
Polyolefins Business Unit	448	447	447	466	468	463
Aromatics and Oils Business Unit	94	90	80	84	86	89
Total direct employees in Israel	1,365	1,341	1,332	1,406	1,392	1,394
Service providers and employees of contractors and service providers of the Bazan Group	1,610	1,830	1,881	2,359	1,716	2,363
Ducor						
Total direct employees in The Netherlands				99	97	98
Service providers and employees of contractors and service providers of Ducor				30	38	46
Carmel Eco						
Total direct employees					34	39
Service providers and employees of contractors and service providers of Carmel Eco					0	2

Group's Data

Diversity and inclusion at the Bazan Group - Israel**

Employee rank*	2019		2020		2021		2022		2023		2024	
	% of women	% of underemployed groups	% of women	% of underemployed groups	% of women	% of underemployed groups	% of women	% of underemployed groups	% of women	% of underemployed groups	% of women	% of underemployed groups
Senior management	33%	11%	27%	9%	27%	10%	40%	7%	36%	7%	38%	6%
Managers	15%	3%	16%	3%	19%	3%	19%	4%	20%	5%	21%	6%
Non-manager employees	14%	9%	14%	9%	14%	9%	14%	10%	14%	10%	14%	10%
Total	15%	8%	15%	8%	15%	8%	14%	9%	15%	10%	15%	10%

* Data in the tables refer to tenured employees.

** Excluding Carmel Eco.

Diversity and inclusion at the Bazan Group - Ducor

Employee rank*	2022		2023		2024	
	% of women	% of underemployed groups	% of women	% of underemployed groups	% of women	% of underemployed groups
Senior management	17%	0%	0%	0%	43%	0%
Managers	0%	0%	14%	0%	0%	0%
Non-manager employees	0%	0%	0%	0%	0%	0%
Total	11%	1%	13%	1%	11%	1%

* Data in the tables refer to tenured employees.

Bazan Group* training hours – average training hours per employee

Gender	2018	2019	2020	2021	2022	2023	2024
Women	31	24	10	19	31	30	43
Men	38	35	21	29	42	41	41
Total	37	34	19	27	41	39	42

*Excluding Carmel Eco and Ducor.

Group's Data

Parental Leave

	2019			2020			2021			2022			*2023			*2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees entitled to parental leave	12	63	75	14	58	72	10	62	72	10	54	64	9	54	63	11	60	71
Employees who exercised their entitlement to parental leave	12	1	13	14	1	15	10	0	10	10	2	12	9	14	23	12	3	15
Employees who returned to work after parental leave	4	1	5	5	1	6	10	0	10	6	2	8	3	1	4	1	3	4
Employees who remained at work 12 months after returning from parental leave	4	1	5	12	1	13	10	0	10	0	0	0	7	13	20	2	2	4
Employees who returned to work after extension of parental leave																9	2	11

* Including Ducor.

Employee feedback sessions

	2019	2020	2021	2022		2023		2024	
				Israel	The Netherlands	Israel	The Netherlands	Israel*	The Netherlands
% of employees given periodic professional evaluation and feedback	73%	80%	100%	100%	0.81	100%	56%	100%	62%

* Excluding Carmel Eco.

Group's Data

Work-related injuries

	2017	2018	2019	2020	2021	2022	2023	2024
No. of workplace accidents* (Israel)								
Company employees	46	18	18	9	7	26	12	12
Contract workers	25	24	16	3	11	15	9	6
All employees	71	42	34	12	18	41	21	18
No. of workplace accidents - Ducor								
Company employees	-	-	-	-	-	2	0	0
Contract workers	-	-	-	-	-	4	1	0
All employees	-	-	-	-	-	6	1	0
No. of workplace accidents - Carmel Eco								
Company employees	-	-	-	-	-	-	4	2
Contract workers	-	-	-	-	-	-	0	0
All employees	-	-	-	-	-	-	4	2
No. of workplace accidents* (total for Bazan Group)								
Company employees	-	-	-	-	-	28	16	14
Contract workers	-	-	-	-	-	19	10	6
All employees	-	-	-	-	-	47	26	20
Lost time injury rate (LTIR)** (Israel)								
Company employees	2.9	1.2	1.2	0.62	0.49	1.79	0.79	0.81
Contract workers	1.9	1.8	1.34	0.36	1.26	1.15	0.91	0.49
All employees	2.4	1.5	1.26	0.53	0.78	1.49	0.84	0.66
Rate of accidents - LTIR (The Netherlands)								
Company employees	-	-	-	-	-	3.5	0	0
Contract workers	-	-	-	-	-	14	1.1	0
All employees	-	-	-	-	-	7	1.1	0
Average no. of absence days due to safety incidents (Company employees) – SR***								
Company employees	7	18	13	23	27	17	31.6	33.7
Rate of fatal accidents								
Bazan Group*	-	-	0	0	0	0	0	0

* Excluding Carmel Eco.

** Injury rate (IR) - Weighted number of accidents per 200,000 hours of work.

*** Reporting on the number of workplace accidents, the average incident rate (IR) and severity rate (SR) of absence days are reported according to the guidelines of the Occupational Safety and Health Administration (OSHA) in the United States.

GRI Index

Indicator no.	Indicator	Source	Location
The Organization & its Reporting Practices			
2-1	Organizational details	ESG Report	p. 12-15
2-2	Entities included in the organization's sustainability reporting	ESG Report	p. 16-18, 114
2-3	Reporting period, frequency and contact point	ESG Report	p. 6-7, 114
2-5	External assurance for the report	ESG Report	p. 116-117
2-6	Activities, value chain and other business relationships	ESG Report	p. 16-23, 109
2-7	Employees	ESG Report	p. 123-125
2-8	Workers who are not employees	ESG Report	p. 123-125
Governance & Ethics			
2-9	Governance structure and composition	ESG Report	p. 106
2-10	Determining the composition of the board of directors	Periodic Report for 2024	Part D Additional Details about the Corporation Regulation 26, p. 9-16
2-11	Role of the chair of the board of directors	Periodic Report for 2024	Part D Additional Details about the Corporation Regulation 26, p. 6-13
2-12	Role of the board of directors in overseeing the management of ESG impacts	ESG Report	p. 106-109
2-13	Delegation of authority for managing ESG impacts	ESG Report	p. 106-109
2-14	Role of the board of directors in sustainability reporting	ESG Report	p. 106-109
2-17	Advancement of the knowledge regarding ESG among board members	ESG Report	p. 106-109
2-19	The Company's compensation policies	Periodic Report for 2024	Chapter A Description of the Corporation's Business p. 64
2-20	Process for determining compensation in Company	Periodic Report for 2024	Chapter A Description of the Corporation's Business p. 64

GRI Index

Indicator no.	Indicator	Source	Location
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	ESG Report	p. 4-7, 26-32
2-23	Statement on responsible business conduct	ESG Report	p. 102-107
2-24	Embedding the statement on responsible business conduct	ESG Report	p. 102-107
2-26	Mechanisms for seeking advice and raising concerns on ethics	ESG Report	p. 102-105
2-27	Compliance with laws and regulations	ESG Report Periodic Report for 2023	p. 100 Part C Consolidated financial statements Note 20, 68-80
2-28	Membership in industry associations and consortia and other membership associations and consortia	ESG Report	p. 74-77
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	ESG Report	p. 101
Employment & OHS			
2-30	Collective bargaining agreements	ESG Report	p. 88
Material Topics			
3-1	Process to determine material topics	ESG Report	p. 33
3-2	List of material topics	ESG Report	p. 33
Economic Performances			
201-1	Direct economic value generated and distributed	Periodic Report for 2024	Part C Consolidated financial statements p. 9-15
201-3	Defined benefit plan obligations and other retirement plans	Periodic Report for 2024	Part C Consolidated financial statements Note 3, 31-33 Note 18, 62-65
Indirect Economic Impacts			
203-2	Significant indirect economic impacts	ESG Report	p. 73

GRI Index

Indicator no.	Indicator	Source	Location
Anti-Competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Periodic Report for 2024	Part C Consolidated financial statements Note 20, 68-80
Energy			
302-1	Energy consumption within the organization	ESG Report	p. 50-51, 118
302-4	The organization's energy consumption reduction	ESG Report	p. 34, 43, 48-49, 50-51
Water & Effluent			
303-1	Management of water as a shared resource	ESG Report	p. 65-69
303-2	Management of water discharge-related impacts	ESG Report	p. 65-69, 120-121
303-3	Use of potable water	ESG Report	p. 65-69, 120-121
303-4	Water discharge	ESG Report	p. 65-69, 120-121
303-5	Water consumption	ESG Report	p. 65-69, 120-121
Emissions			
305-1	(Direct GHG emissions (Scope 1	ESG Report	p. 44-49, 118
305-2	(Indirect GHG emissions (Scope 2	ESG Report	p. 44-49, 118
305-3	(Indirect GHG emissions (Scope 3	ESG Report	p. 44-49, 118
305-7	Air pollutant emissions	ESG Report	p. 44-49, 118
Waste			
306-1	Waste generation and waste-related impacts	ESG Report	p. 56-64
306-3	Waste generated	ESG Report	p. 56-64, 122
306-4	Waste diverted from landfilling	ESG Report	p. 56-64, 122
306-5	Landfilled waste	ESG Report	p. 56-64, 122
Employment			
401-1	New employee hires and employee turnover	ESG Report	p. 123
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report	p. 87-88, 97
401-3	Parental Leave	ESG Report	p. 125

GRI Index

Indicator no.	Indicator	Source	Location
Occupational Health & Safety			
403-1	Occupational health and safety management system	ESG Report	p. 90-96
403-2	Hazard identification, risk management, and incident investigation	ESG Report	p. 90-96
403-5	Worker training on occupational health and safety	ESG Report	p. 90-96
403-6	Promotion of worker health	ESG Report	p. 90-97
403-9	Work-related injuries	ESG Report	p. 91-92, 126
Training & Education			
404-1	Average hours of training per employee	ESG Report	p. 124
404-2	Programs for upgrading employee skills and transition assistance programs	ESG Report	p. 87-88
404-3	of employees receiving regular % performance and career development reviews	ESG Report	p. 87-88
Diversity & Equal Opportunity			
405-1	Diversity of governance bodies and employees	ESG Report	p. 89, 124
405-2	Ratio of basic salary and remuneration of women to men	ESG Report	p. 89

SASB Sector Level: OIL & GAS - REFINING & MARKETING

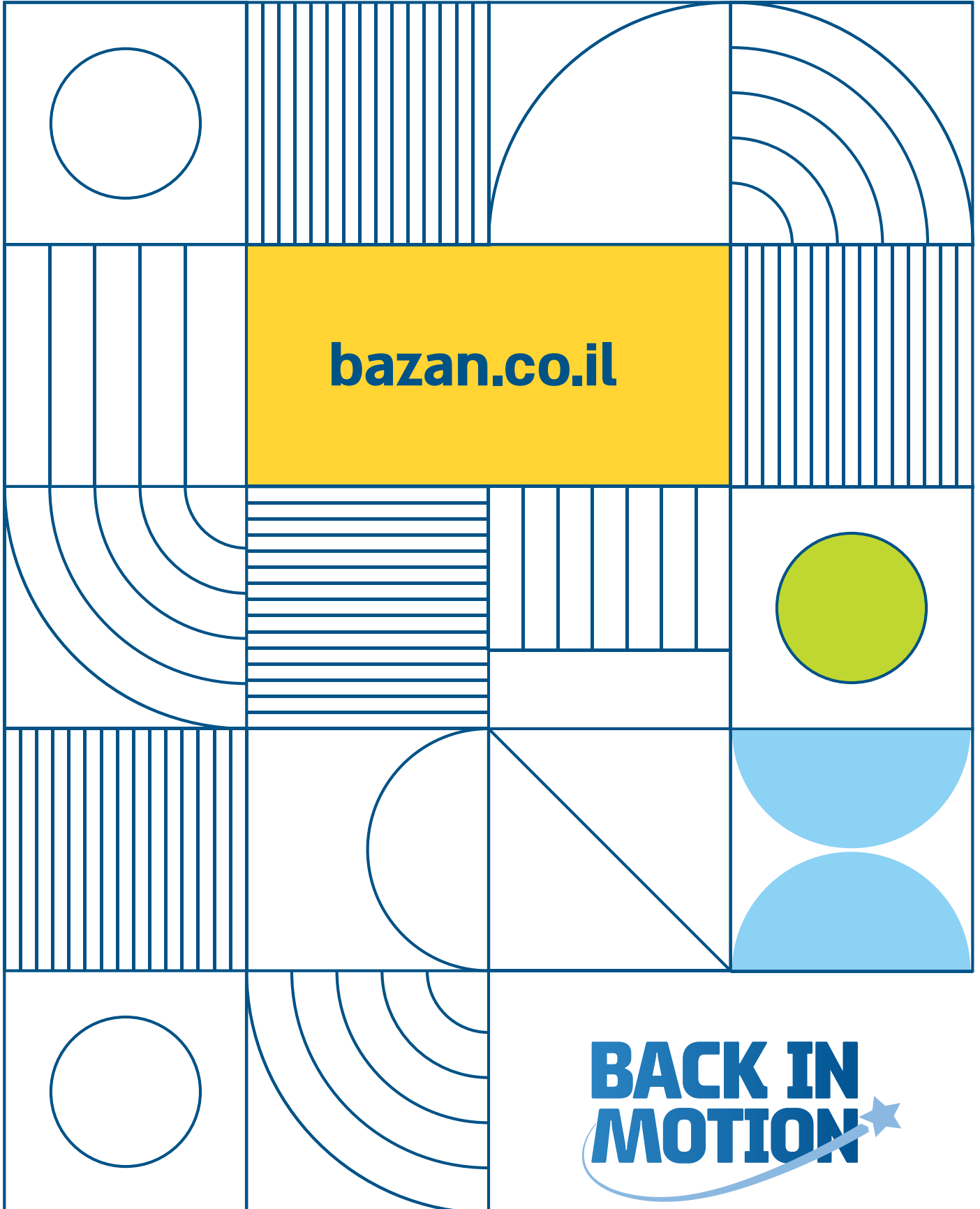
Table 1. Sustainability Disclosure Topics & Accounting Metrics

SB DISCLOSURE TOPIC	DESCRIPTION	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions, percentage	Quantitative	metric tons (t) CO ₂ -e, percentage (%)	EM-RM-110a.1	Sustainability Report, p.45, 130
	Discussion of long-term and short-term	Discussion and Analysis	n/a	EM-RM-110a.2	Sustainability report, p.44-51
Air Quality	Air emissions of the following pollutants: (1)	Quantitative	Metric tons (t)	EM-RM-120a.1	Sustainability Report, P.53-55
	Number of refineries in or near areas of dense population	Quantitative	number	EM-RM-120a.2	1
Water Management	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	EM-RM-140a.1	Sustainability Report, p.65-69, 120
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	EM-RM-120a.1	0
Hazardous Materials Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-RM-150a.1	Sustainability report, p.62, 122
	(1) Number of underground storage tanks (USTs), (2) number of UST releases requiring cleanup, and (3) percentage in states with UST financial assurance funds	Quantitative	Number, Percentage (%)	EM-RM-150a.2	0
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2)	Quantitative	Rate	EM-RM-320a.1	sustainability report, p.91-92, 126
	Discussion of management systems used to integrate a culture of safety	Discussion and Analysis	n/a	EM-RM-320a.2	Sustainability report, p.90-97

SB DISCLOSURE TOPIC	DESCRIPTION	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Product Specifications & Clean Fuel Blends	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of "separated" renewable identification numbers (RIN)	Quantitative	Percentage (%)	EM- RM- 410a.1	We :applicable Not produce not do fuels renewable yet.
	Total addressable market and share of market for advanced biofuels and associated infrastructure	Quantitative	Reporting currency, Percentage (%)	EM- RM- 410a.2	We :applicable Not produce not do fuels renewable yet.
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	Quantitative	Reporting currency	EM- RM- 520a.1	This is not relevant due to local laws and regulations in areas of operation
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	EM- RM- 530a.1	At this moment, Bazan is not able to report on this topic and is planning to do so in future reports.
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Quantitative	Rate	EM- RM- 540a.1	Data is unavailable at this time
	Challenges to Safety Systems indicator rate (Tier 3)	Quantitative	Rate	EM- RM- 540a.2	Data is unavailable at this time
	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	Discussion and Analysis	n/a	EM- RM- 540a.3	Data is unavailable at this time



BAZAN GROUP



bazan.co.il

**BACK IN
MOTION** 