

# 2020-2021 SUSTAINABILITY REPORT





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# From the CEO

Delek prioritizes stewardship of the environment, and we focus on how to positively impact our shareholders, employees, customers and the communities where we operate. In light of increased opportunities for environment and social changes, we are inspired to increase our sustainability efforts, and have launched a focused campaign to improve our environmental, social and governance (ESG) performance. Where we once lagged behind our peers, we are now poised to be an industry leader. In the pages that follow, we highlight a number of transparency and performance advancements we have made in all areas of ESG.

## GHG Reduction Goal

Whether they are happening in the boardroom, the breakroom or the kitchen table, conversations about the energy industry all have a common theme: the need to transition to a carbon-neutral future. Liquid transportation fuels will continue to be in high demand for decades to come. Delek aspires to be a leader in this transition while still providing affordable transportation



Our goal is to **reduce our Scope 1 & Scope 2 emissions by 34% by 2030** through a combination of reductions and offsets.

## Diversity

Delek was delighted that the Federal government recognized Juneteenth as a national holiday, and we have added it to our internal calendar. While formal observation of the historic occasion is appropriate, the commemoration must be accompanied by action. Businesses have the power to alleviate many of the racial disparities that linger in American society. That's why Delek intensified our efforts to recruit, support and retain an ever more diverse workforce of employees.

fuels that improve the standard of living in the communities we serve. I am pleased to share that this report lays out our company's first greenhouse gas (GHG) reduction target. Our goal is to reduce our Scope 1 & Scope 2 emissions by 34% by 2030 through a combination of reductions and offsets. This target was developed to ensure it is aligned with both the IEA's Sustainable Development Scenario (SDS) and the Paris Accord's goal of limiting global warming to less than 2°C above pre-industrial levels.

## COVID-19

I am proud of the conscientious manner with which Delek's employees have conducted themselves over the last year. With thousands of employees interacting with the public or working in confined spaces every day, their adherence to our protective protocols has kept infections among employees and disruptions to our business to a minimum. We will continue to evolve our COVID policies as we learn more about this deadly pandemic.

I hope that you find the highlights contained in this report valuable and informative and will continue to follow our progress in the years ahead.



**Uzi Yemin**

Chairman, President and Chief Executive Officer





# Environment

Delek has always been committed to operating our business in an environmentally responsible manner and is dedicated to continuously improving our performance. To demonstrate our intentions, over the last twelve months, we increased our transparency by making a series of disclosure firsts, articulated a number of original policies and executed a number of innovative programs. Most notable among our environmental efforts is the release of Delek's first greenhouse gas (GHG) reduction goals. This year's Sustainability Report also contains a more comprehensive response to the Taskforce on Climate-related Financial Disclosures (TCFD) and our first Sustainability Accounting Standards (SASB) aligned reporting.

## Greenhouse Gas (GHG) Reductions

Delek recognizes that the global economy is undergoing a dramatic transformation. Our stakeholders – investors, neighbors, and employees – are driving an evolution in the methods by which energy is produced, marketed, delivered, and consumed. In recognition of this transformation, Delek established a Decarbonization Task Force in 2020 and has been developing a strategy and business model to ensure Delek's long-term sustainability in a carbon neutral environment. Renamed the New Energy Task Force in 2021, the group has been studying and reporting internally our current emissions status, pinpointing potential means to achieve reductions, providing updates on carbon capture and regulatory issues, and identifying transformational opportunities consistent with the Intergovernmental Panel on Climate Change's (IPCC) 2° scenarios.

Empowered by the Task Force's work, Delek is pleased to announce our first GHG-reduction goal. By 2030, we

will reduce our Scope 1 & 2 emissions by 34% through reductions and offsets. This goal is aligned with both the IEA's Sustainable Development Scenario (SDS) and the Paris Accord's goal of limiting warming to less than 2°C above pre-industrial levels.

Using 2012 as our baseline, we plan to pursue the reductions via a combination of steps including, but not limited to:

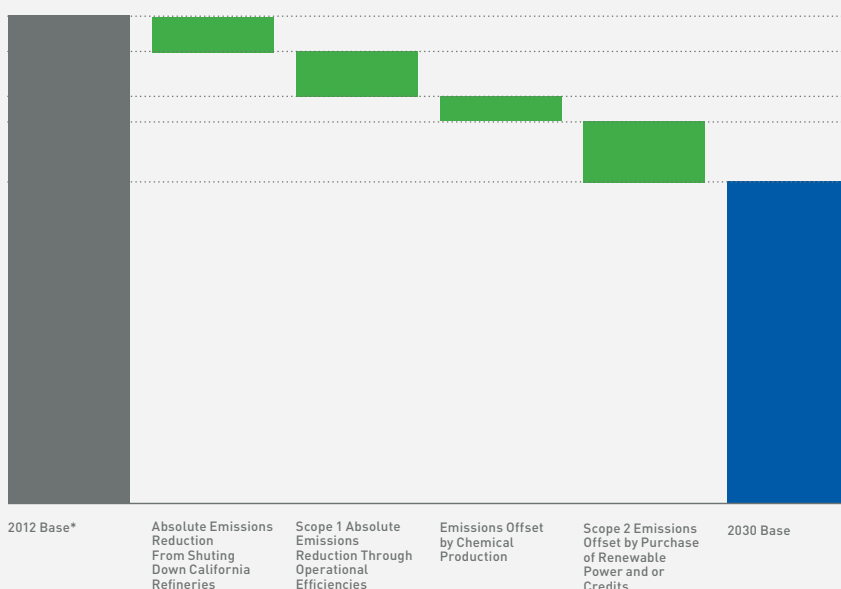
- » [Energy-efficient operational improvements](#)
- » [Transitioning some refinery production away from transportation fuels and towards chemicals](#)
- » [Renewable power purchases, when feasible, and offsets, when necessary](#)
- » [Previously executed facility shutdowns that were later divested](#)

Our pledge is the first step towards a long-term roadmap which we are seeking to align with the Science Based Targets Initiative (SBTI), to move Delek



## Road to Paris: 34% Net Emissions Reduction Target by 2030

\*Data before 2017 inclusive of the Alon refining assets that DK did not own so that performance can be compared across the same asset base over time. Estimates used in some instances where historic data was unavailable. Environmental performance reported for facilities of which DK has operational control.



firmly in the direction of the carbon-neutral operating environment that we expect to exist by mid-century, as envisioned by the Paris Accords.

### Energy Transition Strategy

Delek is well positioned to achieve its ambitious climate target while skillfully navigating the energy transition that is underway. We have developed and are evaluating a menu of options that will enhance both the flexibility and optionality of our business model. Delek is performing long-term scenario planning for its assets with outlooks described in the IEA's Stated Policies Scenario (STEPS) and Sustainable Development Scenarios (SDS).

Delek's refineries are already, on average, among the top quartile for carbon emissions per barrel, as measured by Solomon. To improve on that performance, a number of efficiency projects have been identified for each of our refineries. Once implemented, they will provide a modest but steady decrease in the energy usage and emissions intensity of our facilities. These investments should generate incremental returns via reduced energy consumption and increased productivity.

We plan to run our newly efficient facilities with renewable power when feasible and, when necessary, offset emissions through carbon credits.

The strong growth of petrochemicals, as forecasted by both the STEPS and SDS, has highlighted opportunities for Delek to shift some existing capacity at our refineries away from transportation fuels and towards the production of aromatics and olefins. The anticipated resiliency of jet fuel demand also provides an opening to begin production of ultra-low sulfur kerosene. The initial transitional projects contemplated for the refineries are not particularly capital intensive, and they are being evaluated against both an internal price of carbon and our longstanding criteria for return on investment.

### Environmental Policy

Delek's original pledge to environmental stewardship was contained in our Health, Safety & Environmental Commitment. Considering the increased emphasis and effort we are making to sustainability, Delek has articulated a new, standalone environmental policy. This document commits our company to:

- » Comply with all relevant laws and regulations
- » Enhance our environmental management system (EMS)
- » Seek to reduce the resources we consume, emissions we produce and waste we generate
- » Strive to protect the biodiversity of the communities in which we operate



- » Measure, daily, and publicly report, annually, our environmental performance
- » Review our progress, quarterly with the Board of Directors
- » Educate our employees regarding the company's efforts to protect the environment and how employee support contributes to our success
- » Consult with our neighbors and other stakeholders on a regular basis
- » Encourage our suppliers to implement environmental standards of the same scale and scope we are undertaking

## SASB Disclosure

To help our stakeholders track the environmental, social and governance (ESG) factors that can impact our financial results, Delek disclosed its performance against a number of related criteria using the Sustainability Accounting Standards Board (SASB) framework. Delek's use of the SASB framework allows interested parties to track our performance via standardized data, comparable across companies and industries. Our first SASB-aligned disclosure can be found on our website. A copy has also been reproduced in the appendix of this report.

## Enterprise-Wide Scope 1 & 2 Emissions (in one-million metric tons of CO<sub>2</sub>e)

METRIC	2019	2020
Scope 1	2.5	2.3
Scope 2	0.4	0.3
<b>Total</b>	<b>2.9</b>	<b>2.6</b>

## Carbon Intensity of the Refining Business Unit (in metric tons of CO<sub>2</sub>e per one-thousand barrels of refinery throughput of crude and other feed stocks.)

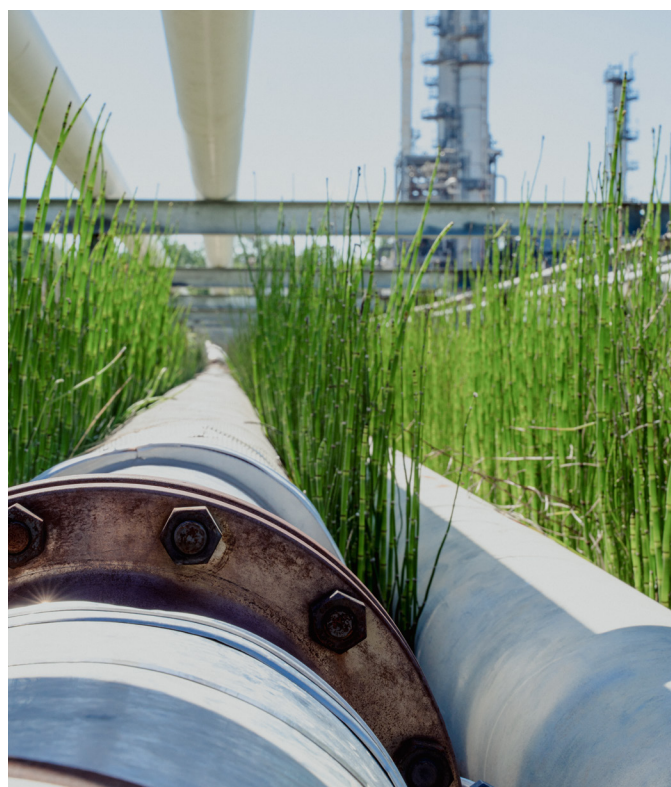
2018	2019	2020
27	28	26

## Scope 3 Emissions

Scope 3 emissions includes all indirect emissions, such as those created by our customers' use of our gasoline or diesel in cars and trucks. While we do not generate these emissions directly, we are studying multiple methods of addressing them.

### Potential Scope 3 Emissions for 2020 (in one-million metric tons of CO<sub>2</sub>e)

38



## Sustainability Screening of Capital Projects

Recognizing that sustainable business practices are more important than ever, Delek is always looking for opportunities to enhance its environmental stewardship. Our newest sustainability initiative is in the capital planning group.

Business units proposing capital projects are now required to answer a series of questions regarding the environmental and social impact of their proposed projects when submitting them for consideration.



Quantitative and qualitative data corresponding to several sustainability criteria are now required. The criteria include:

- » Greenhouse (GHG) emissions
- » Carbon intensity
- » Water usage
- » Electricity usage
- » Waste generation
- » Biodiversity impact
- » Impact on indigenous peoples

The data submitted provides Delek management with a more thorough understanding of a project’s potential environmental and social impacts. The information gathered will help Delek more closely track the impact we have on both the communities in which we operate and the environment at large.

## Krotz Springs Emissions Reductions



Delek is focused on serving as a good steward of the environment and being a supportive member of the communities in which we operate. We implemented a number of effective changes at the Krotz Springs (Louisiana) Refinery in September of 2020. Since taking those steps, the refinery’s two-week average fence line monitoring results for Benzene have been below the EPA’s threshold and, as anticipated, the refinery’s rolling twelve-month monitoring average fell below the EPA’s threshold by July of 2021.

The steps Delek took to achieve the improvements included:

- » 3rd party inspections of storage tank roof seals
- » Upgrades to multiple storage tank roofs and the removal of some tanks from service
- » Upgrading dock procedures to improve the depressurization of third-party barges using our Vapor Destruction Unit
- » Use of an optical gas imaging camera to identify and address root causes, including identification of offsite sources (e.g., barges)
- » Use of hand-held devices to check non-regulated areas for other potential sources
- » Installation of real-time continuous volatile organic compound (VOC) monitors adjacent to the EPA’s passive monitors

## Decarbonization Legislation

Delek recognizes the downstream energy industry is changing and that our stakeholders expect companies to identify and put in place methods and technologies capable of reducing GHG emissions. We also believe that companies have a constructive role to play in transparently shaping the legislative and regulatory environments under which this transformation will take place. As such, Delek has encouraged Members of Congress to adopt legislation to enable significant reductions in greenhouse gas emissions and/or the carbon intensity of petroleum refineries.



The specific complexity of our processing units combined with our commitment to utilize Permian crude allows Delek to operate its refineries with a lower than industry average carbon intensity.







The bill we have proposed would require the US Department of Energy to develop a road map for advancing the readiness level of such technologies from laboratory scale to industrial use within five years. The legislation would also encourage the development of proof of concept pilot projects for such commercial-scale carbon emissions and intensity-reduction technologies.

### **Sustainability as Innovation Criteria**

Delek's Innovation division conducts an annual contest to scout internal talent and generate ideas that will yield improvements to our processes and, ultimately, profitability. Teams of employees pitch their ideas to the executive team in hopes of seeing their concepts adopted by the company. The popular contest has generated various programs which have gone on to be implemented and has yielded millions of dollars' worth of value.

For 2021, the rules of the contest were enhanced to give a bonus to those teams whose ideas improved Delek's

sustainability, in addition to solving a practical business challenge. The added emphasis on green thinking has helped to boost participation in the already popular "Innovation Challenge" to new heights.

### **DKL SmartWay High Performer Recognition**

In 2021, Delek Logistics (DKL) Transportation received a SmartWay Excellence Award from the US Environmental Protection Agency (EPA) for achieving a high-performance ranking as a tanker-truck carrier in the carbon category. According to the EPA, DKL Transportation "has achieved significant shipping and freight efficiencies that merit special attention." Fewer than 10 percent of all SmartWay carriers operate fleets efficient enough to make the SmartWay High Performer list for carbon emissions.

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# SOCIAL

Fully aligned with society's move towards greater opportunities for broader segments of the population, Delek continues to expand its efforts to promote diversity, equality and inclusion (DE&I) in the workplace. Whether increasing the pool of diverse job candidates, creating an ever more supportive work environment, or enhancing the transparency of our workforce demographics, we are committed to making Delek an employer where hard-working, talented people from all backgrounds can build rewarding careers.

## Equal Employment Opportunity (EEO-1) Disclosure

Our commitment to building a diverse and inclusive workforce is made better by our transparency and accountability. In the spirit of transparency, and to provide our stakeholders with the information they need to follow our progress, we are sharing more details around our diversity demographics, which helps us identify gaps to close in bringing in talented and diverse employees at all levels. You can find the disclosure on our website. A copy of the disclosure is also in the appendix of this report.

Because we recognize that there is more progress to be made, we have committed more resources than ever to reach an ever-larger group of diverse job candidates and have committed to foster an inclusive workplace where our talented and diverse employees will want to build rewarding careers.

## Mentor Me Program

In January of 2021, each of Delek's dozen most senior executives was assigned a diverse, high-potential junior employee to mentor. The mentors are intended to impart their skills and experience to prepare the mentees to manage through the business and leadership challenges our company is facing. Mentors and mentees meet at least once a month to review reading assignments, discuss management best practices and implement a professional development plan that provides the mentee with opportunities for advancement within the company. At the end of the year-long program, the mentees are poised to put their enhanced skills to work, tackling challenges and enhancing Delek's performance.

## Unconscious Bias Training

All 650+ people leaders at Delek participated in unconscious bias training during the 1st half of 2021. The program equipped participants with the tools needed to identify and counter learned behaviors when interacting with people they perceive as different from themselves. The training has helped to create a more collaborative atmosphere and is improving employee retention.

The members of Delek's executive leadership team also received additional unconscious bias training. It was



conducted by the Dallas Holocaust Museum’s Director of Education. Their program went beyond self-awareness, to include empowering managers and leveraging new behaviors to promote organizational change.

## Affirmative Action Plans

Human Resources (HR) undertook extensive reviews of each business unit and corporate shared service. The reviews were followed up by a series of specific recommendations intended to help each entity recruit and retain a more diverse workforce. The constructive, user-friendly recommendations typically identified:

- » Areas where the business unit or shared service are excelling
- » Areas where the business unit or shared service has demonstrated satisfactory performance
- » Areas where the business unit should focus additional effort
- » Advice on how to enhance performance in any areas where improvements are possible

Once the recommendations were distributed, HR initiated a series of quarterly meetings with each business unit and shared service to track implementation. The process will be repeated annually.

## Blind Resume Review Pilot Project

To help prevent potential bias from influencing hiring decisions, Delek’s Refining business unit launched a blind resume review pilot project. Personally identifying information (PII) was removed from resumes before hiring managers were able to review resumes to select candidates for interviews. The PII that was removed included:

- » Names
- » Genders
- » Educational histories

Based upon initial results, the pilot project increased the percentage of interviews offered to diverse job candidates. If blind resume reviews are determined to be a success upon the completion of the pilot project, the practice will be deployed across additional business units.

## New Employee Resource Groups

Four new employee resource groups (ERG) were established in 2021. They were created to foster a diverse, inclusive workplace that aligns with Delek’s mission, vision, and values. Each ERG has a specific focus and is available to all employees, at all locations. They are:

- » Millennials 1st
- » Delek Veterans
- » Women in Energy
- » Delek LGBTQ+

Each of Delek's ERGs are employee-led groups formed around common interests, common bonds, or similar backgrounds. By bringing together employees with similar backgrounds, Delek is expanding opportunities for networking, mentorships, and other opportunities for professional and personal development.

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### Juneteenth Holiday

In concert with the federal government's establishment of a new holiday marking the emancipation of the last American slaves from bondage, Delek announced that Juneteenth would be incorporated into our official holiday calendar for non-represented employees, beginning in 2022. When commemorating this turning point in American history, we hope all employees will also use the occasion to reflect upon the need to eradicate lingering racial disparities.

### Indigenous Peoples

Delek's new sustainability screen for capital projects requires business units that are proposing capital projects to answer a series of questions regarding the environmental and social impact of their plans when submitting them for consideration. One set of questions concerns a project's potential impact on indigenous peoples. If a project sponsor determines that a project could impact indigenous peoples, they will need to quantify the potential impact. They will also need to describe what steps would be taken to mitigate the potential impacts. Delek's management will then use the information to help them conduct a thorough evaluation of a project's necessity and value.

### Expanded Supplier Social Standards

In 2020, Delek adopted a set of standards that we expect suppliers to practice in order to promote the wellbeing of their employees and ensure responsible product sourcing. In 2021, we began to incorporate reference to the Standards in our contract templates. This is part of an effort to encourage our suppliers to implement protections of the same scale and scope as Delek.





Our highest priority is the **health and safety** of  
our employees, contractors, and neighbors.



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# SAFETY

Our highest priority is the health and safety of our employees, contractors, and neighbors. Safety is first among our six core values. Our goal was and remains: zero accidents or injuries, everyday. Until we achieve this goal, we will continue to approach our jobs with mindfulness and determination.

DELEK Logistics Partners: **TRIR: ZERO** | **DART: ZERO**

## DKL Achieves Safety Milestones

During 2020, Delek Logistics Partners (NYSE: DKL), the midstream Master Limited Partnership controlled by Delek, achieved two significant safety milestones: a total recordable incident rate (TRIR) of zero and a days away, restricted or transferred (DART) rate of zero.

## HSE Reporting Tool

As we continuously strive to improve our safety performance, we also attempt to improve our safety processes. A new reporting tool has been developed which provides real-time data on our Health, Safety and Environmental (HSE) numbers across the organization. Data is now being pulled directly from Gensuite, the incident and measurement tracking system used by all our business units. Employees who have been compiling manual reports each month will now use this tool for automated data reporting, and employees who submit data for these reports will now only need to submit safety events as they happen.

- » Updates to this new HSE report are made each night for the current month and weekly for the full year, capturing edits made to previous month's data.
- » In addition to the data feed, a monthly review and validation process is completed with HSE departments across the company. This review ensures the prior month has accurate final numbers, making the data our single point of truth.
- » Historical data is now available in this tool back to January 2019.

## Retail Business Unit: More Than Twice as Safe as the Industry Average. Again.

Statistics compiled by the US Department of Labor's Bureau of Labor Statistics (BLS) show that the recordable incident rate for Delek's Retail business unit has been better than average in five of the last six years. During 2019,



## OSHA TRIR by Year NAICS Code 447110



the last year for which industry statistics are available, Delek Retail's TRIR measure was approximately one-fourth of the industry average.

## Integration of Drones

Delek is always evaluating new technologies to determine their potential to beneficially impact safety, reliability, and profitability. One that has recently taken flight at Delek's refineries is an unmanned aerial system or "drone". After completing a thorough evaluation process in the second half of 2020, Delek's SKYi Drone Management Ecosystem was fielded at two of our refineries. The flight systems employ artificial intelligence and 4K resolution thermal cameras to conduct autonomous operations. The drones bolster our corporate ESG efforts by supporting the safe, compliant, reliable, and efficient utilization of our assets. The systems are used to conduct:

- » Aerial observation and inspection of equipment and supplies
- » Perimeter security monitoring
- » Emergency response support

Due to the program's early success, the initiative will expand from our Tyler, Texas and El Dorado, Arkansas refineries to all four of our refineries by the end of 2021.



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# GOVERNANCE

Delek is committed to continuous improvement in our sustainability performance. Key to our year-over-year improvements is the responsible, ethical, and transparent leadership demonstrated by our Board of Directors and executive team. Working in concert, these leaders are driving an organization that delivers market competitive returns to investors while providing tangible benefits to all our stakeholders.

## Board Oversight

The strategy and direction of our business begins with our Board of Directors. The Board is committed to developing and implementing Delek's ESG-related goals, taking an active role in overseeing management's efforts. To assist those efforts, the Board has delegated a number of sustainability-related responsibilities to its standing committees.

Primary responsibility for overseeing ESG-related matters has been assigned to the Nominating and Corporate Governance (NCG) Committee of our Board of Directors. The NCG Committee, which has been helping guide these activities is focused on elevating Delek's ESG performance to that of a leader amongst its peers.

The Compensation Committee of our Board of Directors also has responsibilities related to ESG-related matters, such as the connection of executive compensation to the achievement of ESG-related goals, the execution of our DE&I programs, and the disclosure of our EEO-1 report.

The Environment, Health and Safety (EHS) Committee of our Board of Directors exercises direct oversight over a number of ESG-related matters such as the publication of our first greenhouse gas (GHG) reductions goals and the continual improvement of our safety performance.

In 2021, our Board of Directors formed a Technology Committee to oversee Delek's activities related to digitalization, technology, and information security. This new committee gives the Board additional support to address the growing importance of technology and information security.

## Board Diversity

In 2020, Delek pledged that not less than 30% of its Board of Directors would be female and/or racially diverse by 2022. In January of 2021, Delek welcomed Laurie Tolson to the Board. The second female member of Delek's Board, she brings more than 30 years of experience with the manufacturing and software industries. Ms. Tolson's background includes research & development, product management and infrastructure. In light of her expertise, she has assumed the role of Lead Director on the Technology Committee.

Ms. Tolson's appointment brought Delek's Board diversity to 25%. Our Board is currently working to identify an additional board member that will further expand our Board's racial and/or ethnic diversity. We are confident that we will meet or exceed the 30% goal in 2022.

## Tying Compensation to ESG

To ensure optimal performance with regards to sustainability, Delek has long tied employee compensation to our performance on a variety of environmental and safety measurements. The Board of Directors recently instructed an expansion of the metrics used to determine annual incentive compensation to include a number of new, ESG-related topics.

In addition to the standard safety and environmental metrics that will continue to be measured, new goals have been added, including:

- » A targeted decrease in reportable environmental events
- » A reduction in the refining business unit's energy intensity index (EII) measurement
- » Successful execution of our DE&I programs

## Cybersecurity

The Board of Directors and executive leadership team at Delek are committed to investing the attention and resources necessary to maintain and enhance the company's resiliency against cyber threats. In 2021, we conducted an Enterprise Risk Assessment (ERA) for Cyber risk for critical business processes through all lines of business and are building a three-year work plan to mitigate identified risks.

Delek's Cyber Security Unit is leading an effort to harden our network infrastructure and deploying state-of-the-art technology to mitigate cyber threats. To address the human element of cyber risk, IT and cybersecurity exercises are conducted throughout the year to educate managers and users and improve the

organization's timely response to such threats.

## Political Activity Policy

Delek believes that companies can play a constructive role in the development of public policies that positively impact their industries, employees, suppliers, and customers. As such, we are committed to participating in the legislative and regulatory processes. To ensure that such activities are conducted in a manner that inspires confidence in our ethics and integrity, Delek developed a new policy that promotes transparency with regards to our interactions with government entities and political campaigns.

Within the new policy, Delek commits to:

- » Obey applicable laws and regulations;
- » Disclose corporate advocacy activities and contributions to tax exempt organizations that lobby;
- » Support policies that facilitate the transition of the downstream and midstream energy industries towards a decarbonized future;
- » Prohibit the use of corporate funds to directly support individual candidates for elected office or for independent expenditures;
- » Publish the criteria used by our Political Action Committee to evaluate candidates for elected office.

This policy applies to situations where employees act on behalf of Delek. When engaging in personal political activity on their own time and at their own cost, employees must not represent themselves as acting on behalf of the company. Employees must also comply with the "Political Contributions" provisions of the Code of Business Conduct and Ethics.

## Trade Associations

Delek is a member of the following trade associations that engage in advocacy activities before state and/or federal legislators and regulators:



- » Association of Oil Pipelines (AOPL)
- » Hydrogen Council (HC)
- » National Association of Convenience Stores (NACS)
- » Texas Oil & Gas Association (TXOGA)

## Advocacy Activity

Consistent with the commitment to transparency contained in our new Political Activity Policy, Delek is pleased to detail the advocacy activities we engaged in during the preceding twelve months. During the second half of 2020, our federal advocacy efforts focused on:

- » The Renewable Fuel Standards (RFS)
- » National Ambient Air Quality Standards (NAAQS)

During the first half of 2021, Delek's federal advocacy efforts have focused on two subjects:

- » Increasing federal support for decarbonization of the refining sector
- » The RFS and the undue hardship created for Delek by the RFS

We have not engaged in any advocacy, directly or working indirectly through our trade associations, in opposition to any legislation that promotes a path to net-zero greenhouse gas (GHG) emissions by 2050.

## Whistleblower Program

Employees, suppliers and customers have always been encouraged to ask questions and raise concerns about actual or suspected violations of our Code of Business Conduct and Ethics, company policies and/or applicable laws and regulations to management, human resources, internal audit services, legal or our third-party compliance and ethics hotline. Delek prohibits retaliation against anyone who makes a report in good faith to further promote an ethical workplace. The third-party compliance and ethics hotline is available 24 hours a day, seven days a week by telephone at 800-867-9267 or online.

In the interest of transparency, Delek will continue to disclose our internal statistics on this topic. That a minority of the allegations were made anonymously reflects a general trust in manner in which Delek adjudicates such matters.

Allegations Received From All Sources	157
Compliance Investigations Conducted	71
Referrals to HR or Business Unit	32

# COMMUNITY

Delek is proud of the positive impacts our company and employees have on the places we call home. During recent trying times, the mutually supportive relationships we have developed became more important than ever. This past year saw our team demonstrate new levels of strength and compassion. We look forward to forging even closer ties and doing better, in the year ahead.



## #EDR6 Strong

The refinery in El Dorado experienced a fire in early 2021. Although the fire was quickly extinguished and the air quality beyond our fence line was not impacted, we were deeply saddened that six employees were injured as a result.

Out of that unfortunate experience, the company sprang into action to assist our colleagues and their families. We provided support to the families while their loved ones recovered and made counseling available to employees. Employees from around the company, and the community of El Dorado, rallied to the cause. They adopted “#EDR6 Strong” as their mantra. Multiple fund-raising events were conducted with the proceeds flowing directly to



the families of the impacted employees. Delek is committed to supporting these employees and their families throughout the remaining chapters of the healing process.

## Fund for Hope

The first pandemic in more than a century kept to a minimum opportunities for employees to interact. That did not stop Delek's charitable organization from positively impacting the communities in which we operate, and the philanthropic causes to which our employees are dedicated. From canned food drives and riverine clean-ups to school supply drives and fundraisers for the #EDR6, the employees that power the Fund for Hope (FFH) maintained a brisk schedule of charitable activities. In all, the Fund donated more than **\$2.1 million to 296 entities during 2020**.

During the height of the pandemic, the Fund donated thousands of pieces of personal protective equipment (PPE), including masks and gloves, to a dozen medical facilities in need. All of the facilities are found in communities where Delek has a physical presence and all were short of critical supplies. One facility, a veterans' service organization, had been closed due to a lack of PPE but was able to re-open with the FFH's assistance.



## Delek Sons and Daughters Scholarships

Delek is committed to the financial wellness and educational pursuits of Delek employees and their families. In 2021, the company awarded forty, \$2,500 college scholarships to the sons and daughters of employees. The awards are used to support the post-high school educational endeavors of our dedicated workforce.



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# APPENDIX

## Taskforce on Climate-related Financial Disclosures (TCFD)

### 1. GOVERNANCE

#### **a.) Disclose the role of the Board of the organization in overseeing climate-related risks.**

The Board of Directors receives frequent updates from management on the activities of internal groups focused on climate-related matters, such as the Decarbonization Task Force and receives formal presentations on a quarterly basis. Based upon that input, the Board directed management to implement Delek's first ever GHG-reduction targets. The 10-year target included in our program is the exciting launching point for our long-term commitment to the reduction of greenhouse gas. We are committed to bring Delek's operations in line with the Paris Accords and to align with the IEA's 2-degree scenario. Because of the importance of these goals, our Compensation Committee is committed to appropriately tie executive remuneration to the achievement of those goals.

#### **b.) Disclose management's role in assessing and managing climate-related risks and opportunities.**

Management established several groups during 2020 – the first among them the Decarbonization Task Force – which examined how to eliminate or offset our GHG emissions in a manner that ensures Delek's long-term sustainability in a carbon neutral environment. The membership of the Task Force included the leads of each of Delek's primary business and operational units (refining, logistics, biofuels, commercial, retail and innovation) as well as experts in engineering and capital planning. The Decarbonization group met 16 times during the second half of 2020 and 14 times during the first half of 2021.

The frameworks used by the Task Force to assess long-term risks and opportunities are the International Energy Agency's (IEA) Sustainable Development Scenario (SDS), as well as the IEA's Stated Policies Scenario (STEPS). By examining our business through these lenses, we are better able to identify sustainable models under both scenarios.

As the work of this group matured during 2021, the structure has evolved. For example, the Decarbonization Task Force has become the New Energy Task Force. The change in focus reflects the fact that management now has a more acute understanding of the broader climatic, regulatory, and financial forces that are reshaping the energy industry. We are broadening our focus from merely reducing greenhouse gas (GHG) emissions to offering products and services that will be sustainable in the post-2050, net carbon neutral environment.

The Task Force continues to meet on bi-weekly basis and report its findings and recommendations up to senior management at regular intervals. The entire executive leadership team also has access to the presentation materials and meeting minutes. The input is beginning to shape the short, medium, and long-term planning activities as they relate to strategy and capital expenditures, among others.

### 2. STRATEGY

#### **a.) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.**

**Policy & Legal:** Multiple legislative and regulatory measures to address climate change and GHG emissions

(including carbon dioxide, methane and nitrous oxides) are in various phases of discussion and implementation and could affect our operations. They include proposed and enacted federal regulation and state actions to develop statewide, regional or nationwide programs designed to control and reduce GHG emissions from mixed sources, such as our refineries, as well as mobile transportation sources and fuels. Many states and regions have implemented, or are in the process of implementing, measures to reduce emissions of GHGs, primarily through cap and trade programs or low carbon fuel standards.

Congress could adopt legislation levying a significant price on GHG emissions. The pace of the implementation of such carbon fees could outstrip the ability of refiners to adopt emissions limiting technologies which are still in development, such as carbon capture and storage (CCS). The size of fees could be so large as to prevent refiners from being able to recoup the costs via commercial transactions, threatening the viability of refineries of marginal economic performance.

More state and local governments and even private parties could sue entities in the mid and downstream industries, attempting to win damages for severe weather incidents that cannot be directly attributed to the emissions of any particular facility or operation. If successful, such lawsuits could create significant financial liabilities for legally permitted operations.

There is evidence that public policies towards fossil-fuel companies will not be entirely punitive. Bipartisan majorities of Congress recently supported legislation which would inject billions of dollars into the development and deployment of CCS technologies. Such technologies could allow refineries to operate longer than they otherwise would in an environment where GHG emissions are heavily taxed.

Delek has been advocating for legislation on Capitol Hill which would direct the Department of Energy to expand existing energy initiatives to allow the development and deployment of technology, equipment and facilities that reduces refinery GHG emissions and/or carbon intensity.

If enacted, this legislation could provide significant financial and, ultimately, regulatory relief to downstream companies.

Increases to the value of the federal 45Q credit for carbon capture and sequestration would improve the economics of installing CCS equipment at our refineries. In addition, the EPA's grant of small refinery exemptions for Delek would allow us to redirect funds we currently pay third parties for RINs under the RFS program to more programs that would further reduce our carbon footprint.

**Technological:** In the short-term, the sluggish pace of electric vehicle (EV) adoption is unlikely to cause widespread demand destruction for liquid transportation fuels. Past 2040, when most passenger vehicle sales will be fully electrified and heavy-duty trucking becomes less diesel-centric, demand for liquid transportation fuels will steadily diminish. That will challenge the financial viability of many refineries across the country and around the world.

Advances in technology, particularly carbon capture and sequestration (CCS), could prolong the viability of refineries, including those owned by Delek, two of which are adjacent to CO<sub>2</sub> pipelines. Widespread, commercially affordable CCS technology is also key to the birth of a truly "circular economy," where carbon emissions are captured and transformed into valuable products.

**Reputational:** Increasingly negative public perceptions of companies in the mid and downstream energy industries could make it more difficult to attract new employees to the industry, in general, and our company, in particular. Enthusiastic new employees are perennially needed to both operate our existing equipment and help chart a viable path toward the decarbonized future. Negative investor perception of companies in fossil fuel industries may also create negative and non-fundamentally justified downward pressure on share prices. That could limit companies' ability to access capital markets which will be needed to fund the investments required to transition to the future state of energy.



**Physical:** An increase in the frequency and strength of storms, be they hurricanes or tornadoes, could threaten the physical safety of many of our assets. If impacted, there is the associated possibility of extended shutdowns until repairs are completed. To mitigate such risks, Delek routinely conducts preparedness exercises, training employees on how to prepare for and quickly respond to extreme weather events.

**Efficiency:** Delek sees numerous opportunities to decrease its Scope 1 & 2 emissions and reduce our electricity consumption via improved efficiency of multiple processing systems at our refineries. We are executing a ten-year plan to realize these gains by running our equipment in accordance with more precise operating protocols that correspond to real-time changes in operational conditions. We are also investing in physical efficiency upgrades to select systems which will lessen the amount of energy needed to operate the equipment.

**Products and Services:** Advances in technology and adjustments to legislation and regulations could foster the emergence of new energy-related products and services, such as the wide scale use of hydrogen for power generation or the production of goods manufactured from recycled CO<sub>2</sub>. To ensure our readiness to take advantage of the emergence of such opportunities, Delek has joined new trade associations such as the Hydrogen Council.

### 3. RISK MANAGEMENT

#### **a.) Describe the organization's processes for identifying and assessing climate-related risks and opportunities.**

Delek adopted a new and more robust Enterprise Risk Management Framework in 2021. One of the missions of the new structure established according to the Framework is the "proactive identification, assessment, measurement, management and monitoring of our risk portfolio." The Joint Risk Committee sits atop the Framework, and reports, quarterly, to the Board of Directors. Of the three standing subcommittees underneath the Joint Risk Committee, one is focused on

ESG-related matters with a focus on decarbonization. The subcommittee will oversee a number of issues including:

- » Market fundamentals including investor preferences
- » Technological advancements
- » Legislative and regulatory developments

#### **b.) Describe the organization's processes for managing climate-related risks.**

Our Enterprise Risk Management Framework provides dynamic risk management through the integration of risk and control activities across the enterprise through support of a common, holistic, and prioritized view of risks and controls. Climate-related risks, like all others, are managed using the following processes:

- » Governance – Promote structure, consistency and uniformity among the internal risk community
- » Risk & Control Assessment – Convert incongruent and nebulous risk pools and control data into an integrated informational review
- » Risk Quantification and Aggregation – Proactively identify, assess, measure, manage and monitor our risk portfolio
- » Risk Monitoring and Reporting – Empower business management to make risk-informed resource utilization decisions
- » Risk and Control Validation – Validate that current residual risk exposure is aligned with risk appetite

#### **c.) Describe how processes for identifying and managing climate-related risks are integrated into risk management.**

Whether the climate-related risk is environmental, operational, competitive, regulatory, legal, financial, or reputational, the individuals on the ESG Subcommittee are responsible for identifying climate-related risks within their areas of responsibility and reporting them to the Enterprise Risk Management apparatus.

Members of the ESG Subcommittee include, but are not limited to, our VP for Health, Safety & Environment, the President of our refining business unit, the SVP of Investor Relations, the VP of Public Affairs, and our Chief Risk Officer. Once climate-related risks have been identified, a centralized risk assessment and mitigation (CRAM) process is initiated. The CRAM process provides the enterprise with a uniform process for tracking and evaluating risks and the steps taken to minimize the hazard.

Our Planning and Economics function began performing, in 2021, long-term scenario planning exercises every quarter. This department examines the viability of Delek’s assets out to 2030 under base, high, and low price set scenarios.

## 4. Disclosures

### a.) Disclose the metrics used to assess climate-related risks and opportunities in line with the company’s strategy.

It is Delek’s policy to seek to reduce the resources we consume, emissions we produce and waste we generate. Accordingly, we closely track a number of climate-related metrics including:

- » [Scope 1, 2 & 3 emissions of CO<sub>2</sub>](#)
- » [Carbon intensity of our refining business unit](#)
- » [Constituent emissions](#)
- » [Freshwater withdrawal and opportunities to change to recycled water](#)
- » [Hazardous waste generation](#)
- » [Electrical usage and reduction opportunities](#)

With those statistics providing context, Delek closely tracks international climate negotiations, as well as legislative and regulatory developments at the state and federal level. Delek studies how the proposals would both impact our operations and shape our future decarbonization pathways.

Considering increasing interest from the finance sector,

Delek closely tracks potential climate-related conditions that lenders could insist upon in the future. As investors are the single most influential force driving companies towards the decarbonized future, Delek regularly conducts conversations with our largest shareholders and actively monitors their climate-related investment stewardship guidelines.

### b.) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions.

#### Enterprise-Wide Scope 1 & 2 Emissions (in one-million metric tons of CO<sub>2</sub>e)

METRIC	2019	2020
Scope 1	2.5	2.3
Scope 2	0.4	0.3
<b>Total</b>	<b>2.9</b>	<b>2.6</b>

#### Scope 3 Emissions

Scope 3 emissions includes all indirect emissions, such as those created by our customers’ use of our gasoline or diesel in cars and trucks. While we do not generate these emissions directly, we are studying multiple methods of addressing them.

#### Potential Scope 3 Emissions for 2020 (in one-million metric tons of CO<sub>2</sub>e)

38

### c.) Describe the targets to manage climate-related risks and opportunities and performance against those targets.

Delek recognizes that the global economy is undergoing a dramatic transformation. Our stakeholders – investors, neighbors, and employees – are driving an evolution in the methods by which energy is produced, marketed, delivered, and consumed. In recognition of this transformation, Delek established a Decarbonization Task Force in 2020 and has been developing a strategy and business model to ensure Delek’s long-term sustainability in a carbon neutral environment. Renamed the New Energy Task Force in



2021, the group been studying and reporting internally our current emissions status, pinpointing potential means to achieve reductions, providing updates on carbon capture and regulatory issues, and identifying transformational opportunities consistent with the Intergovernmental Panel on Climate Change's (IPCC) 2° scenario.

Empowered by the Task Force's work, Delek is pleased to announce our first GHG-reduction goal. By 2030, we will reduce our Scope 1 & 2 emissions by 34% through reductions and offsets. This goal is aligned with both the IEA's Sustainable Development Scenario (SDS) and the Paris Accord's goal of limiting warming to less than 2°C above pre-industrial levels. Using 2012 as our baseline, we plan to pursue the reductions via a combination of steps including, but not limited to:

- » Energy-efficient operational improvements
- » Transitioning some refinery production away from transportation fuels and towards chemicals
- » Renewable power purchases, when feasible, and offsets, when necessary
- » Previously executed facility shutdowns that were later divested

Our pledge is the first step towards a long-term roadmap which we are seeking to align with the Science Based Targets Initiative (SBTI), to move Delek firmly in the direction of the carbon-neutral operating environment that we expect to exist by mid-century, as envisioned by the Paris Accords.

## 2020 EQUAL EMPLOYMENT OPPORTUNITY REPORT (EEO-1)

Consistent with our Mission, Vision and Core Values, Delek believes that a diverse workforce composed of individuals with a variety of personal and professional backgrounds and identities makes our company stronger. We are committed to increasing the diversity of our already inclusive workforce and generating greater professional and economic opportunities for all employees. Achieving these mutually supportive goals will make us stronger, more agile, and resilient. In the spirit of transparency, and to provide our stakeholders with the information they need to follow our progress, Delek is disclosing the data from the consolidated Equal Employment Opportunity Report (EEO-1) we filed with the US Department of Labor for 2020.

Section D - Employment Data	Hispanic or Latino		***** MALE *****						***** FEMALE *****						Total A-N
Job Categories	HM (A)	HF (B)	WH (C)	BM (D)	PIM (E)	ASNM (F)	AIAM (G)	2+ M (H)	WF (I)	BF (J)	PIF (K)	ASNF (L)	AIAF (M)	2+ F (N)	(O)
Executive/SR LVL. Officials & Managers	3	0	27	1	0	2	1	4	4	1	0	0	0	0	43
First Mid-Level Official & Managers	61	84	257	21	0	12	0	2	147	15	0	5	1	2	607
Professionals	27	7	236	17	1	22	1	7	103	11	0	10	2	7	451
Technicians	4	0	41	4	0	2	0	0	6	1	0	0	0	0	58
Sales Workers	199	338	201	40	3	8	7	12	239	74	6	4	21	13	1165
Administrative Support Workers	4	14	11	2	0	0	0	0	66	16	0	2	1	1	117
Craft Workers (Skilled)	29	1	198	22	0	0	1	1	0	0	0	0	0	0	252
Operatives (Semi-skilled)	74	2	547	132	1	2	7	3	3	1	0	0	0	0	18
Laborers and Helpers (Unskilled)	2	0	14	1	0	0	0	0	1	0	0	0	0	0	18
Service Workers	9	13	7	2	0	0	0	1	17	1	0	0	2	1	53
<b>Total</b>	<b>412</b>	<b>459</b>	<b>1539</b>	<b>242</b>	<b>5</b>	<b>48</b>	<b>17</b>	<b>30</b>	<b>586</b>	<b>120</b>	<b>6</b>	<b>21</b>	<b>27</b>	<b>24</b>	<b>3536</b>
<b>Previously Reported Total</b>	<b>428</b>	<b>493</b>	<b>1623</b>	<b>250</b>	<b>4</b>	<b>42</b>	<b>28</b>	<b>29</b>	<b>668</b>	<b>130</b>	<b>6</b>	<b>22</b>	<b>25</b>	<b>30</b>	<b>3778</b>

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Metric	SASB Code	Units	2016	2017	2018	2019	2020
Greenhouse Gases							
Delek Refining Operations							
Scope 1 and 2 Emissions <sup>1,2</sup>	--	One-million metric tons CO <sub>2</sub> e		2.7	2.8	2.8	2.5
Scope 1 Emissions <sup>3</sup>				2.4	2.5	2.4	2.2
Scope 2 Emissions <sup>4</sup>				0.38	0.36	0.36	0.33
Scope 3 Emissions <sup>5</sup>							38
Scope 1 and 2 Intensity <sup>2,3,4</sup>	--	Metric tons per thousand barrels			27	28	26
Delek Operations <sup>6</sup>							
Scope 1 Emissions <sup>3</sup>	EM-RM-110a.1	One-million metric tons CO <sub>2</sub> e				2.4	2.2
Percentage covered under emissions-limiting regulations	EM-RM-110a.1	Percent				0	0
Scope 2 Emissions <sup>4</sup>	--	One-million metric tons CO <sub>2</sub> e				0.40	0.36
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-RM-110a.2	<p>Delek recognizes that the global economy is undergoing a dramatic transformation. Our stakeholders – investors, neighbors, and employees – are driving an evolution in the methods by which energy is produced, marketed, delivered, and consumed. In recognition of this transformation, Delek established a Decarbonization Task Force in 2020 and has been developing a strategy and business model to ensure Delek's long-term sustainability in a carbon neutral environment. Renamed the New Energy Task Force in 2021, the group has been studying and reporting internally our current emissions status, pinpointing potential means to achieve reductions, providing updates on carbon capture and regulatory issues, and identifying transformational opportunities consistent with the Intergovernmental Panel on Climate Change's (IPCC) 2° scenarios. Empowered by the Task Force's work, Delek is pleased to announce our first GHG-reduction goal. <b>By 2030, we will reduce our Scope 1 &amp; 2 emissions by 34% through reductions and offsets.</b> This goal is aligned with both the IEA's Sustainable Development Scenario (SDS) and the Paris Accord's goal of limiting warming to less than 2°C above pre-industrial levels. Using 2012 as our baseline, we will pursue the reductions via a combination of steps including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Energy-efficient operational improvements</li> <li>• Transitioning some refinery production away from transportation fuels and towards chemicals</li> <li>• Renewable power purchases, when feasible, and offsets, when necessary</li> <li>• Previously executed facility shutdowns that were later divested</li> </ul> <p>Our pledge is the first step towards a long-term roadmap which we are seeking to align with the Science Based Targets Initiative (SBTI), to move Delek firmly in the direction of the carbon-neutral operating environment that we expect to exist by mid-century, as envisioned by the Paris Accords.</p>					



Metric	SASB Code	Units	2016	2017	2018	2019	2020
Air Quality							
Delek Refining Operations							
Air Emissions	EM-RM-120a.1	Thousand tons					1.5
Nitrogen Oxides							
Sulfur Dioxide							
Volatile Organic Compounds							
Inhalable Particulate Matter <sup>7</sup>							
Air Emissions Intensity	--	Tons per million barrels					15
Nitrogen Oxides							
Sulfur Dioxide							
Volatile Organic Compounds							
Inhalable Particulate Matter <sup>7</sup>							
# of refineries in or near areas of dense population	EM-RM-120a.1	# of refineries					1
Hazardous Materials Management							
Delek Refining Operations							
Amount of hazardous waste	EM-RM-150a.1	Thousand tons					1.4
Delek Retail Operations							
# of underground storage tanks (USTs)	EM-RM-150a.2	# of USTs					575
# of UST releases requiring cleanup		# of USTs					3
Percentage in states with UST financial assurance funds		Percent					0
Workforce Health & Safety							
Delek Refining Operations <sup>1</sup>							
Total Recordable Injuries <sup>8</sup>	EM-RM-320a.1	# per 2,000 hours	1.22	1.45	0.26	0.24	0.44
Employee							
Contractors							
Days Away, Restricted, or Transferred Cases <sup>8</sup>	--	# per 2,000 hours	0.35	0.90	0.09	0.16	0.26
Employee							
Contractors							
Serious Injuries <sup>9</sup>	--	# per 2,000 hours				0.00	0.04
Employee & Contractors							
Fatalities	EM-RM-320a.1	# per 2,000 hours	0.00	0.00	0.00	0.00	0.00
Employee							
Contractors							

High Potential Near Misses <sup>10</sup>							
Employee & Contractors	EM-RM-320a.1	# per 2,000 hours				1.23	1.01
Delek Operations <sup>1,6</sup>							
Total Recordable Injuries <sup>8</sup>							
Employee	EM-RM-320a.1	# per 2,000 hours	2.55	1.75	1.01	0.62	0.64
Contractors	--	# of cases				6	1
Days Away, Restricted, or Transferred Cases <sup>8</sup>							
Employee	--	# per 2,000 hours	1.93	1.33	0.61	0.32	0.39
Contractors	--	# of cases				3	0
Serious Injuries <sup>9</sup>							
Employee & Contractors	--	# of cases				0	3
Fatalities							
Employee	EM-RM-320a.1	# per 2,000 hours	0.05	0.00	0.00	0.02	0.00
Contractors	--	# of cases	0	0	0	0	0
High Potential Near Misses <sup>10</sup>							
Employee & Contractors	--	# of cases				35	25



Metric	SASB Code	Units	2016	2017	2018	2019	2020
Workforce Health & Safety (continued)							
Discussion of management systems used to integrate a culture of safety	EM-RM-320a.2	<p>Delek's highest priority is the safety of our employees, contractors, and the communities in which we operate. Our efforts in this area have resulted in year-over-year progress, and while we are proud of our enviable performance in this area, we will not rest until we achieve our goal of ZERO accidents or injuries. Safety is one of Delek's six Core Values. This means that we ensure the health and safety of our employees, contractors and the communities in which we operate, while going beyond the legal requirements to provide an accident-free workplace. Our progress as a company demonstrates that our goal of ZERO recordable injuries is possible. Until that milestone is reached, we will repeat our "I Own It" safety mantra and strive to ensure that each day is safer than the day before.</p> <p>Delek moved quickly to respond to the COVID-19 pandemic. A Combined Joint Task Force was established and met daily to oversee and coordinate efforts. Our business units and corporate shared services each developed and adopted tailored suites of safety protocols that have allowed us to continue to operate safely and deliver the products, services and results expected by our customers and shareholders.</p> <p>Our Integrity Management System (IMS) provides a framework to normalize excellence through creation of a structured approach to every aspect of our business including health &amp; safety, process safety, emergency preparedness, and security. Our core values are embedded into each IMS element. IMS instills discipline in our organization while developing our employees to their highest potential. A culture of continuous improvement delivers the desired results.</p>					
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	EM-RM-530a.1	<p>To facilitate a more rapid transition of the downstream energy sector, Delek is leading an effort to advance legislation which would elevate federal support for the decarbonization of refiners. If enacted, the legislation would dedicate significant federal resources towards the development, demonstration, and deployment of technologies to lower the greenhouse gas emissions and carbon intensity of refineries. We have also adopted a new political activity policy which commits Delek to disclose its corporate advocacy activities and contributions to tax exempt organizations that lobby.</p>					
Critical Incident Risk Management							
Delek Refining Operations <sup>1</sup>							
Tier 1 Process Safety Event Rate <sup>11</sup>	EM-RM-540a.1	# per 2,000 hours				0.21	0.13
Tier 2 Process Safety Event Rate <sup>11</sup>						0.29	0.26
# of Tier 1 Process Safety Events <sup>11</sup>	--	# of events	4	6	2	5	3
# of Tier 2 Process Safety Events <sup>11</sup>			11	12	8	7	6
Delek Operations <sup>1,6</sup>							
# of Tier 1 Process Safety Events <sup>11</sup>	--	# of events	9	10	6	7	4
# of Tier 2 Process Safety Events <sup>11</sup>			14	17	17	7	7

Metric	SASB Code	Units	2016	2017	2018	2019	2020
Critical Incident Risk Management (continued)							
Challenges to Safety Systems indicator rate (Tier 3)	EM-RM-540a.2	In January 2021, Delek adopted an internal standard to establish and upgrade guidelines for defining a set of Tier 3 Process Safety Event (PSE) metrics. These upgraded metrics allow Delek to consistently monitor near-miss PSEs across our individual facilities. A Tier 3 PSE represents a challenge to a safety system that progressed along the path to harm but was stopped short of a Tier 1 or Tier 2 PSE consequence, i.e., a near-miss PSE. A Tier 3 PSE serves as an indicator to provide an additional opportunity to identify and correct weaknesses within safety systems. Tier 3 stewardship is intended to reduce the likelihood of Tier 1 and Tier 2 PSEs. Guidance for Tier 3 PSE metrics is provided by American Petroleum Institute (API) Recommended Practice 754. Delek has defined company specific Tier 3 metrics which include the following events that do not result in a Tier 1 or Tier 2 PSE: <ul style="list-style-type: none"><li>• Safe Operating Limit Excursions</li><li>• Safety System Malfunctions</li><li>• Demands on Safety Systems</li><li>• High Hazard Loss of Primary Containment</li><li>• Repeat Loss of Primary Containment</li><li>• Other Loss of Primary Containment</li><li>• Fire/Explosion</li></ul>					
Activity Metric							
Delek Refining Operations							
Throughput of crude oil and other feedstocks <sup>12</sup>	EM-RM-000.A	thousand barrels per day			289	272	268
Crude throughput operating capacity <sup>12</sup>	EM-RM-000.B	thousand barrels per day			302	302	302

<sup>1</sup>Metrics prior to 2018 are inclusive of metrics for the Big Spring and Krotz Springs refineries which were not owned by Delek so performance can be compared across the same asset base over time.

<sup>2</sup>Metrics do not include GHG emissions from the Bakersfield Refinery which was not operational.

<sup>3</sup>Scope 1 GHG emissions are calculated per the EPA's Mandatory Greenhouse Gas Reporting Program or the 2009 API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry. Scope 1 GHG emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and sulfur hexafluoride (SF<sub>6</sub>).

<sup>4</sup>Scope 2 GHG emissions are based on EPA location specific emissions factors for purchased electricity.

<sup>5</sup>Scope 3 GHG emissions from refinery produced products that are combusted when they are used by consumers are based on the refinery yield method.

<sup>6</sup>Delek Operations include Refining, Renewables, Retail, Pipeline Stations, Product Terminals, Transportation, Corporate Offices, and joint ventures under operational control.

<sup>7</sup>Particulate matter with a diameter of 10 microns or smaller.

<sup>8</sup>Total recordable injuries and days away, restricted, or transferred cases are determined based on Occupational Safety and Health Administration (OSHA) requirements (29 CFR 1904). To present comparable year over year data, the data presented does not include COVID-19 cases.

<sup>9</sup>Includes incidents resulting in a hospitalization or life-altering injury per American Fuels & Petrochemical Manufacturers (AFPM) guidance.

<sup>10</sup>Includes incidents with the potential for a fatality, hospitalization, or life-altering injury with a less than serious outcome per AFPM guidance.

<sup>11</sup>Includes incidents resulting in Process Safety Events (PSE) as defined by American Petroleum Institute (API) Recommended Practice 754.

<sup>12</sup>As reported in Delek's Annual Reports (Form 10-K).



# ABOUT THIS REPORT

This report contains forward-looking statements about Delek's operations, plans, strategies, objectives, beliefs, expectations and intentions that are based on management's current estimates, expectations, and projections about future plans, actions, and events. These statements are not guarantees of future conduct or policy and are subject to change. Management's forward-looking statements are also subject to certain risks, uncertainties, and other factors, many of which are beyond management's control. See the cautionary language under Forward-Looking Statements below.

Therefore, the actual conduct of our activities, including any program, policy or initiative discussed or forecasted in this report, may differ materially in the future. As with any projections or estimates, actual results or numbers may vary. Many of the standards and metrics used in preparing this report are subject to evolving standards and are based on assumptions management believed to be reasonable at the time of preparation but should not be considered guarantees. The statements of intention in this report speak only as of the date of this report. Delek undertakes no obligation to update publicly any statements in this report.

As used in this report, the term "Delek" and such terms as "the company," "the corporation," "our," "its," "we" and "us" may refer to one or more of Delek's consolidated subsidiaries or affiliates or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

## Forward-Looking Statements

This report contains forward-looking statements that are based upon current expectations and involve a number of risks and uncertainties. Statements concerning current estimates, expectations and projections about opportunities, plans, actions and events and other statements, concerns or matters that are not historical facts are "forward-looking statements," as that term is defined under the federal securities laws. These statements contain words such as "possible," "believe," "should," "could," "would," "predict," "plan," "estimate," "intend," "may," "anticipate," "will," "if," "potential," "expect"

or similar expressions, as well as statements in the future tense. Forward-looking statements should not be read as a guarantee of future actions, events or results and will not be accurate indications of the times at, or by, which such actions, events or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events and is subject to risks and uncertainties that could cause actual actions, events, or results to differ materially from those expressed in the statements. Delek undertakes no obligation to update or revise any such forward-looking statements to reflect events or circumstances that occur, or which Delek becomes aware of, after the date hereof, except as required by applicable law or regulation.

The following important factors, among others, may affect these forward-looking statements: changes in crude oil and other commodity prices; changes in refining margins; the company's ability to realize anticipated cost savings and expenditure reductions; actions of competitors or regulators; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company's operations due to war, accidents, political events, civil unrest, severe weather, cyber threats, terrorist acts or other natural or human causes beyond the company's control; uncertainties regarding future decisions by OPEC regarding production and pricing disputes between OPEC members and Russia; the competitiveness of alternate energy sources or product substitutes; technological developments; uncertainty relating to the impact of the COVID-19 outbreak on the demand for crude oil, refined products and transportation and storage services; risks related to Delek's exposure to Permian Basin crude oil, such as supply, pricing, gathering, production and transportation capacity; management's ability to execute its strategy of growth, including risks associated with acquisitions and dispositions; the potential liability resulting from other pending or future litigation; operating hazards inherent in transporting, storing and processing crude oil and intermediate and finished petroleum products; our competitive position and the effects of competition; the projected growth of the industries in which we operate; general economic and business conditions affecting the geographic areas in which we operate; the company's ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and other risks described in Delek's filings with the United States Securities and Exchange Commission (the "SEC"), including risks disclosed in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings and reports with the SEC.

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