

# 2019-2020 SUSTAINABILITY REPORT

The Delek US logo is a red circle containing the word "Delek" in white bold sans-serif font, with "US" in a smaller white bold sans-serif font below it.

**Delek**  
**US**



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# From the CEO

Inspired by our Mission, driven by our Vision, and guided by our Core Values, Delek's commitment to exceptional corporate citizenship is deeply embedded in our DNA. We have long recognized our responsibility to address environmental, social and governance (ESG) topics and we are pleased to share Delek's ESG journey, including disclosing year-end 2019 statistics, detailing actions we took in 2020, and describing some of the steps we are planning to take in the future. We are proud of what we have accomplished and excited about the plans to implement a holistic ESG program that will take Delek proudly into the future.

## Vision, Mission and Values

Delek, which was once a small company, has grown large. What began with a \$40 million investment in convenience stores has grown into a multi-billion dollar enterprise with thousands of employees powering downstream, midstream, retail, renewables, and logistics businesses. To ensure that the same principles that guided our initial growth continue to animate our company as we navigate a transformative period in the energy industry, our Vision and Mission statements have been refreshed to better reflect our history, ambition, and performance.

**VISION** – Creating long-term value through sustainable energy solutions in an evolving world.

“Never doubt that a small group of thoughtful, committed **people can change the world**. Indeed, it is the only thing that ever has.”

DR. MARGARET MEAD



**MISSION** – We are a company led by innovation, committed to safety leadership, diversity, and the pursuit of growth and excellence for the benefit of all of our stakeholders.

Our **CORE VALUES** have also been updated with “Innovation and Excellence.” We think this better reflects how our persistent curiosity, adoption of technology, and operational superiority help us achieve exceptional outcomes.

## COVID-19

While we remain focused on our long term plans, we cannot fail to address the unprecedented pandemic that struck as we prepared this report. I am proud of the way that Delek responded to COVID-19. We acted early and swiftly to protect our employees, their families, and the communities in which we operate. Delek's various business units and corporate shared services each developed and adopted tailored suites of safety protocols that allowed us to continue to operate safely and deliver the products, services and results expected by our customers and shareholders. We will continue to utilize enhanced sanitation protocols, masks, sneeze guards, social distancing, remote work and other measures to protect our employees, contractors and the public. As new information becomes available, we continuously improve to ensure the wellbeing of all of our stakeholders.

## Safety

Safety is one of Delek's six Core Values and 2019 was our safest year as measured by Total Recordable Incident Rate (TRIR) and Days Away, Restricted or Transferred (DART). After four consecutive years of improvement for both measures, statistics compiled by the American Fuel and Petrochemical Manufacturers (AFPM) show that Delek's Refining business unit was among the safest refiners in 2019. Delek Retail has made similarly impressive strides, reducing workplace injuries to less than one-half of the industry's average benchmark. Delek Logistics earned a spot in the top quartile of the midstream industry's leaders in safety. 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.

## Diversity

Delek has a history of providing equal opportunities to women, minorities, and individuals irrespective of their sexual orientation or gender identity. We know that a more inclusive workforce inspires greater collaboration, enjoys higher productivity, and experiences lower turnover. The ongoing socioeconomic inequality we are witnessing has inspired Delek to increase our longstanding focus on diversity. Because we recognize that there is more progress to be made, we have committed more resources to reach an ever larger group of diverse job candidates and to foster an inclusive workplace where our talented and diverse employees will want to build rewarding careers.

## Transparency

Delek has always cared about the impact we have on the environment, our stakeholders, and our shareholders. 2019 marked the first year Delek measured our ongoing efforts through the lenses of multiple ESG frameworks. Delek's ESG Steering Committee meets monthly to benchmark our performance against those sustainability frameworks and to make recommendations. We are committed to enhancing transparency and ensuring stakeholders have the information they need to evaluate the transformative steps that we are taking to create and capture opportunities in the future.

We look forward to accelerating our journey towards a more sustainable future and to your partnership along the way.



**Uzi Yemin**

Chairman, President and Chief Executive Officer



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# Environment

Delek recognizes that manufacturing, transporting, and retailing transportation fuels is a resource- and energy-intensive undertaking, and we are committed to reducing our carbon-intensity and energy usage. As part of our journey towards a decarbonized business, we have begun to benchmark ourselves against some of the many sustainability frameworks that exist.

## Climate-Related Opportunities & Risks

Pursuant to the Taskforce on Climate-Related Financial Disclosures (TCFD), Delek is pleased to outline its approach to governance, strategy and risk management with respect to climate-related opportunities and risks.

## Governance

Because climate opportunities and risks are such broad topics, multiple committees of the Board of Directors are actively overseeing ESG matters.

- » The EHS Committee is focused on environmental, safety and regulatory risks and opportunities for improvement.
- » The NCG Committee examines certain governance topics as well as reviewing investor feedback in the area of ESG.
- » The Audit Committee concentrates on compliance and governance issues and assurance.
- » The Compensation Committee focuses on the use of environmental metrics in our annual incentive programs to drive performance.

In addition, the Board of Directors oversees annual budgeting and capital allocation as well as decisions in relation to mergers and acquisitions, all against the backdrop of regular financial reports including forecasts that take into account anticipated regulatory changes and demand fluctuations.

Delek's senior executive team routinely examines climate-related opportunities and risks and incorporates appropriate responses into our business strategy which is tailored to deliver industry-competitive results to our investors. In addition, Delek has established a Decarbonization Task Force to develop a strategy and business model that ensures Delek's long-term sustainability in a carbon neutral environment. The Task Force's charter lays out its duty to study and report internally on our

current emissions status, pinpoint potential means to achieve reductions, provide updates on carbon capture and regulatory issues, and to identify transformational opportunities.

## Strategy

We routinely seek to maximize opportunities and minimize risks during the planning and execution of our business strategy, including identifying the investments needed to realize our vision for a lower carbon future. Delek had already begun to focus on technology as a means to improve efficiency across its businesses. However, the current environment has accelerated the sense of urgency, prompting Delek to create its Decarbonization Task Force as well as a New Business Model Team to make recommendations about our future. Delek sees the world in the early stages of a fundamental energy transition, and we see opportunities for Delek to meaningfully participate.

Delek has identified multiple opportunities and risks related to climate, including:

- » **Transformation:** Delek regularly evaluates opportunities to adopt technologies, utilize lower carbon feed stocks, and modernize our refineries in ways that should generate fewer greenhouse gases, increase our energy efficiency, and allow us to produce products that are less carbon intensive. These opportunities target reductions in Scope 1, 2, and 3 emissions.
- » **Renewable Fuels:** Demand for renewable fuels is highly likely to increase, creating new opportunities in the marketplace. Delek owns three renewable fuel plants that produce, approximately, 41 million gallons of biodiesel per year. The company also has an option to participate in a renewable diesel plant currently under construction in Bakersfield

California.

- » **Transition Assistance:** The US Government could recognize that support for the development and deployment of decarbonizing technologies would assist transportation fuel producers' transition to a less GHG-intensive product portfolio. Such support would preserve middle-class jobs while protecting economic growth.
- » **Carbon Price:** The US Government may adopt a price on carbon which would increase operating costs and lower profits while distorting the playing field for transportation fuels. This may force inefficient refiners out of operation while presenting opportunity and a larger market share to refiners who achieve greater levels of efficiency through technology or otherwise. It may also present opportunities to create new lines of business for efficient operators and technology developers.
- » **Emissions Regulations:** Government entities could adopt greenhouse gas (GHG) emissions rules incompatible with operating in an economical manner and negatively impact the ability to provide attractive returns to investors. This may force some refiners out of operation, while presenting surviving operators an opportunity to gain a larger market share. As previously mentioned, the regulatory landscape may also create opportunities for efficient operators to monetize their technological or other operational developments.

## Risk Management

We have created multiple cross-disciplinary teams that are responsible for examining climate-related opportunities and risks as they relate to both our current operating model and our decarbonized future-state. For example:



- » The Decarbonization Task Force is examining how to eliminate or offset our GHG emissions in a manner that ensures Delek's long-term sustainability in a carbon neutral environment;
- » Our ESG Steering Committee reviews the proliferating sustainability frameworks and makes recommendations on what relevant information should be disclosed;
- » The New Business Model Team is responsible for recommending a forward-looking profit generation formula that takes into account factors that include the Paris Accords and the International Energy Agency's (IEA) Sustainable Development Scenario (SDS).

The important work performed by these teams is supplemented by twice-daily sustainability briefings to Executives and detailed regulatory updates as circumstances warrant.

The executive leadership team and Board of Directors are responsible for synthesizing input from the various teams that manage climate-related opportunities and guiding adjustments to our strategies, policies and procedures, as necessary. The corporate Environment, Health & Safety (EHS) team is responsible for helping the business units manage relevant operational risks identified by management.

## Metrics and Targets

Delek employs multiple criteria to assess and manage relevant climate-related opportunities and risks. Internally, we measure our Scope 1 and Scope 2 emissions, as well as the carbon intensity of our products. Externally, we track relevant public policy activities. As mentioned above, we are in the process of analyzing our greenhouse gas emissions and developing an actionable plan to meaningfully move operations toward alignment with the Paris Accords and the IEA's Sustainable Development Scenarios while

continuing to deliver industry competitive returns to investors.

## Greenhouse Gas (GHG) Emissions

Refining Business Unit\* Scope 1 & 2 Emissions, Per Year

	2017	2018	2019
<b>SCOPE 1</b>	2,201	2,318	2,269
<b>SCOPE 2</b>	380	360	359

(In 1,000 metric tons of carbon dioxide equivalents  
(In kt CO<sub>2</sub>e)

\*Does not include the Bakersfield facility, which has not produced transportation fuels since 2015, nor does it include our biodiesel plants.

## 2019 Company-Wide Scope 1 & 2 Emissions

<b>Scope 1 GHG Emissions for Refining Business Unit</b>	2,269
<b>Scope 2 GHG Emissions for Refining Business Unit</b>	359
<b>Scope 1 GHG Emissions for DK Other Business Units*</b>	22
<b>Scope 2 GHG Emissions for DK Other Business Units*</b>	31
<b>Scope 1 GHG Emissions for DK Logistics</b>	50
<b>Scope 2 GHG Emissions for DK Logistics</b>	5
<b>Total Enterprise-Wide Scope 1 &amp; 2 GHG Emissions</b>	2,732

(In kt CO<sub>2</sub>e)

\*Includes the Bakersfield facility and our biodiesel plants.

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.

## Carbon Intensity of Refining Business Unit\* Indexed to Total Refinery Input

2018 Delek US Refining	25.4
2019 Delek US Refining	26.5

(Metric tons of CO<sub>2</sub>e per 1,000 barrels of refinery throughput of crude and other feed stocks)

\*Does not include the Bakersfield facility, which has not produced transportation fuels since 2015, nor does it include our biodiesel plants.

## Health, Safety & Environmental Commitment

Delek has been committed to continuous improvement in its environmental stewardship and long ago formally documented its pledge in its Health, Safety & Environmental Commitment. Our focus is on minimizing environmental impacts by reducing emissions and waste. We strive to identify new technologies and improve operational methods that will allow us to more efficiently operate our businesses while ensuring greater environmental protections. Environmental considerations are paramount in our dealings with contractors and suppliers and in our relationship with the public.

## Annual Incentive Plan Environmental and Safety Metrics

Since 2014, Delek has included environmental and safety metrics in its Annual Incentive Plan (AIP). Twenty percent of total compensation under this plan is dependent on meeting or exceeding challenging criteria that track:

- » Spills and releases
- » Flaring
- » Water exceedances
- » Process Safety
- » Total Recordable Injury Rate (TRIR)

» Days Away Restricted/Transferred (DART)

## Reliability/Efficiency Capital Projects

Reliable equipment is necessary to increase energy efficiency, limit process interruptions and reduce unplanned GHG emissions. During the last three years, Delek has invested over \$500 million into its refineries to complete turnarounds and multiple independent capital projects focused on improving the reliability and enhancing the energy efficiency of critical systems.

## Business Transformation

Delek is focused on the changes it will make to its business model to secure its continued profitability. We have never been a company that is content to rest on its laurels and have proven ourselves to be highly adaptive and growth driven. Now, more than ever, these characteristics are critical. To facilitate its transformation, Delek is investing in emerging technologies designed to improve the efficiency and reliability of Delek’s assets. We believe these investments will also present opportunities for further growth. Delek has not ruled out any options to adapt and transform our business more dramatically, and we continue to study all alternatives.





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# SAFETY

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.

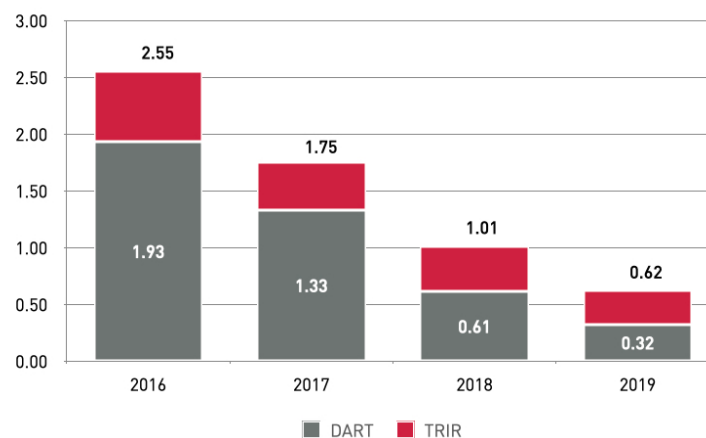
## Core Value

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.

To emphasize the importance of this Core Value, every meeting at Delek begins with a "safety moment." Delek identifies and publishes opportunities to improve safety through monthly, weekly and when necessary, daily communications. Through our "I Own It" initiative, Delek empowers its employees to contribute toward a safe workplace, ensuring that employees are aware they have the right, and in fact the obligation, to stop work where they see an unsafe condition.

Employee Total Recordable Incident Rate (TRIR) & Days Away Restricted/Transferred (DART)

## Refining Business Unit: Industry-Leading Safety Performance



According to the US Bureau of Labor Statistics, the refining industry ranks 1<sup>st</sup> among 513 manufacturers for the lowest rates of injury and illness. And statistics published by the American Fuel and Petrochemical Manufacturers (AFPM) show that Delek's refining business unit safety record in 2019



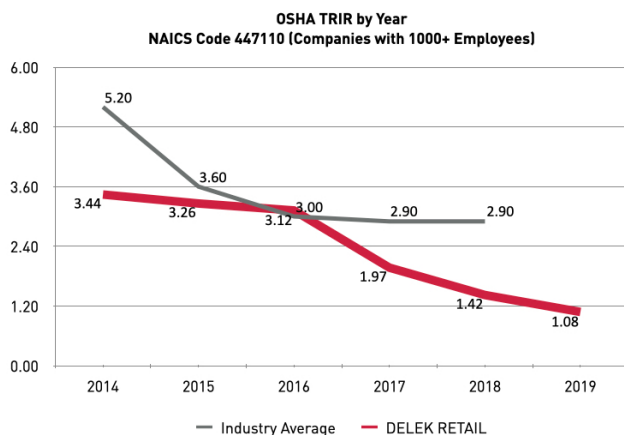
was tied for second-best in the industry among those companies that operate multiple refineries. This achievement demonstrates that our dedication to health and safety is producing tangible results and shows that our goal of ZERO recordable injuries is possible.

Company	Combined		Facility		Contractor	
	TRIR	DART	TRIR	DART	TRIR	DART
Phillips 66	0.19	0.08	0.16	0.09	0.20	0.07
DelekUS	0.20	0.08	0.24	0.16	0.17	0.00
Exxon Mobil	0.19	0.09	0.23	0.16	0.17	0.06
CVR	0.21	0.00	0.27	0.00	0.14	0.00
BP	0.25	0.09	0.27	0.15	0.25	0.05
CITGO	0.26	0.08	0.29	0.16	0.25	0.04
Chevron	0.25	0.16	0.30	0.28	0.21	0.07
Marathon	0.28	0.11	0.32	0.18	0.26	0.07
Valero	0.36	0.15	0.22	0.13	0.44	0.17
Hunt	0.38	0.00	0.44	0.00	0.30	0.00
Ergon	0.49	0.32	0.47	0.24	0.52	0.52
HollyFrontier	0.64	0.26	0.60	0.34	0.67	0.19
Flint Hills	0.71	0.25	0.57	0.27	0.82	0.24
Husky	0.76	0.35	0.67	0.27	0.78	0.37
PBF	0.70	0.53	1.12	0.90	0.28	0.17
CHS	0.82	0.56	2.35	1.61	0.00	0.00
Sinclair	0.96	0.52	0.44	0.30	1.48	0.74
Par	1.08	0.43	0.62	0.31	2.14	0.71

SOURCE: AFPM REPORT OF OCCUPATIONAL INJURIES & ILLNESSES, 2019

## Retail Business Unit: Twice as Safe as the Industry Average

Statistics compiled by the US Department of Labor’s Bureau of Labor Statistics (BLS) show that the recordable injury rate for Delek’s Retail business unit has been better than average in four of the last five years. During 2018, the last year for which industry statistics are available, Delek Retail’s TRIR measure was one-half the industry average. Delek Retail’s TRIR performance in 2019 improved an additional 34 basis points over 2018.



SOURCE: US BUREAU OF LABOR STATISTICS, INDUSTRY INJURY AND ILLNESS DATA

## Delek Logistics: A Leader in Safety

A combination of smart policies and the unwavering commitment by employees to operate safely allowed Delek Logistics (DKL) to complete 2019 without any lost-time accidents to company employees for both DKL's pipeline and terminal operations. This outstanding record makes DKL a leader in the midstream sector.

## Health, Safety & Environmental Commitment

Delek is committed to continuous improvement in health and safety. We will not be satisfied until our workplace is safe from hazards and our employees and contractors are injury free. Our commitment is achieved by:

- » Quantifying goals, measuring progress regularly and reporting that progress to our management, employees and other stakeholders;
- » Involving our employees in the development and implementation of HSE programs;
- » Sustaining a culture in which every employee exhibits Delek's Core Values and follows Delek's Life Saving Principles and Process Safety Principles.



“Delek’s **highest priority** is the safety of our employees, contractors, and the communities in which we operate.”

## COVID-19

Delek moved quickly to respond to the 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.

The Retail Organization adopted eighteen distinct steps, including enhanced sanitation of shared surfaces, sneeze guards at every register, and strict occupancy limits for every location.

We adopted a remote working posture at our corporate offices.



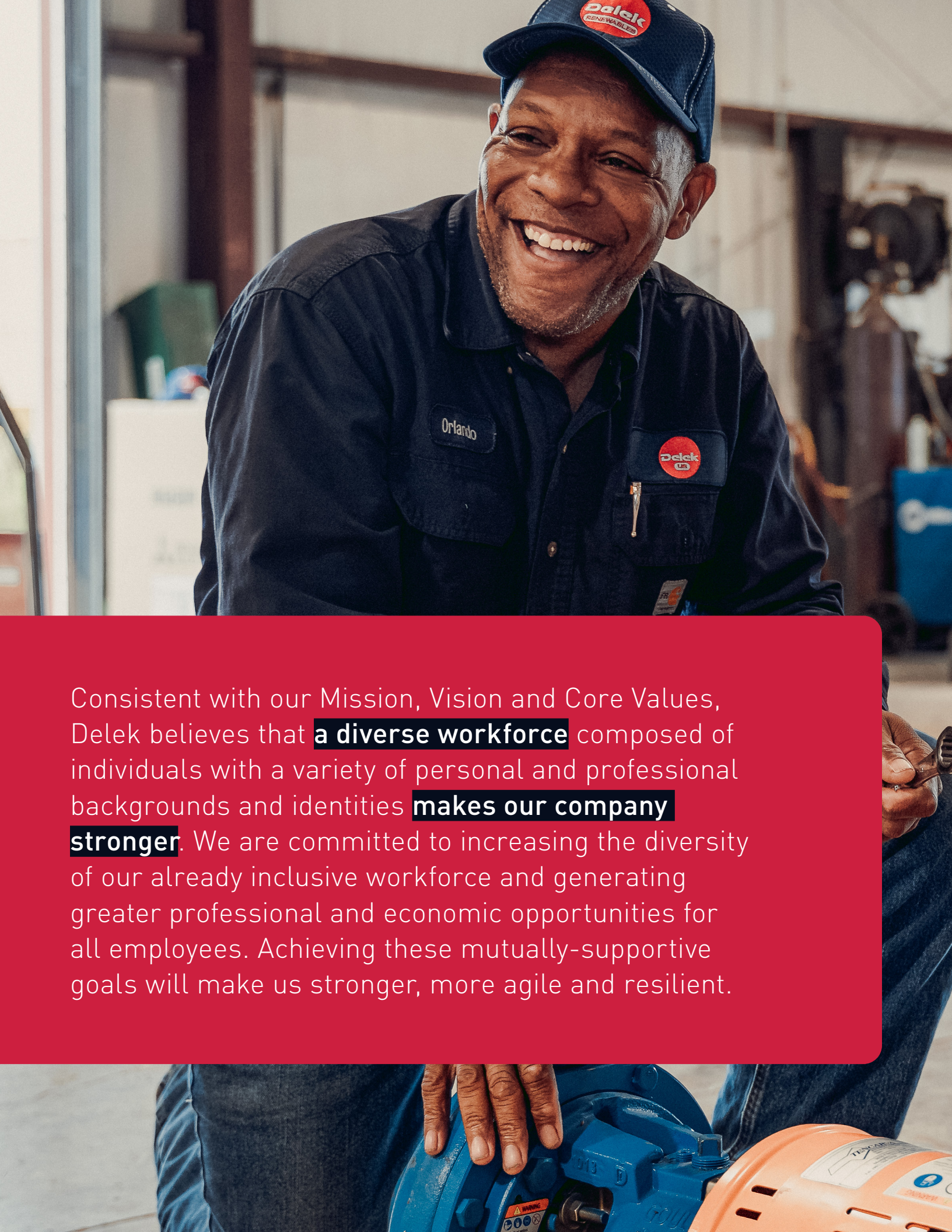
Attendance at the office has been limited according to protocols which have been regularly reevaluated, and all employees whose presence in the office has been permitted are required to perform a temperature check upon entry in addition to being required to utilize PPE, which Delek furnishes. In-person meetings are discouraged in their entirety and subject to protocols when unavoidable, and masks are required in all shared spaces. Barriers have also been installed in open space areas to lower the risk of contagion.

The Refining Organization developed a Business Continuity Management plan specific to COVID-19. At its heart are four layers of protection:

- » Setting expectations for employees and contractors;
- » Planning work to maximize social distancing;
- » Ensuring that workers are fit for duty and that PPE is available;
- » Engaging supervision to ensure compliance through audits.







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.

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# SOCIAL

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.

## Ethical Culture

To ensure that appropriate workplace behaviors are understood by employees throughout the enterprise, we survey co-workers annually. The results of our latest assessment, both in the overall response rate to the survey and the positive responses to the questions, reflect new highs.

96%

of respondents know where to find Delek's [Code of Business Conduct and Ethics](#) (the "Code").

92%

of respondents agree that Delek does not tolerate sexual harassment, discrimination, safety violations or unethical behavior.

90%

of respondents trust that they can truly report concerns anonymously through Delek's Compliance and Ethics Hotline.

86%

of respondents agree that Delek will timely and appropriately investigate good faith reports of potential Code or ethics violations.

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## Broadening and Deepening Minority Recruitment

We are enhancing our recruitment programs to ensure that we reach an ever more diverse pool of talented candidates. Particular focus will be placed on strengthening relationships with historically black colleges and universities (HBCUs) and we will engage the predominantly minority fraternities and sororities present at most HBCUs. Delek will also emphasize engagement of Latino fraternities and sororities. These enhancements will ensure that a broader audience of female and diverse candidates is made aware of the opportunities to build a rewarding career at Delek.

To ensure effective outreach, the Talent Acquisition (TA) team will coordinate weekly with our Senior



Director of DE&I, a newly created position. The Senior Director will also be responsible for developing and implementing related policies and procedures.



## Council on Diversity, Equity & Inclusion (DE&I)

Oversight of the full range of our expanded efforts will be the responsibility of our newly established DE&I Council. Sponsored and led by the executive team, the DE&I Council will guide our efforts to make Delek an employer of choice. From recruitment and retention to training and advancement, the Council will ensure that all of Delek's business units and shared services realize this inclusive vision.

Every member of the Council will mentor a female employee or a coworker who is a member of an underrepresented group. The mentors will boost the careers of their mentees by sharing their decades of knowledge and expertise. This program will formalize the access of female and minority employees to senior managers with the goal of assisting traditionally underrepresented demographic groups in our workforce in securing management positions.

## DE&I Policy

Delek US Holdings, Inc. is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion. Our DE&I Policy is designed to foster a work environment built on the premise of gender and diversity equity that encourages and enforces:

- » Respectful communication and cooperation between all employees;
- » Teamwork and employee participation, permitting the representation of all groups and employee perspectives; and
- » Employer and employee contributions to the communities we serve to promote a greater understanding and respect for all members of the community.

## Employee Affinity Groups

Delek will expand the number of affinity groups it sponsors. These formally sanctioned assemblies of employees with shared characteristics or life experiences will provide additional forums for collaboration and comradery. The first three groups include:

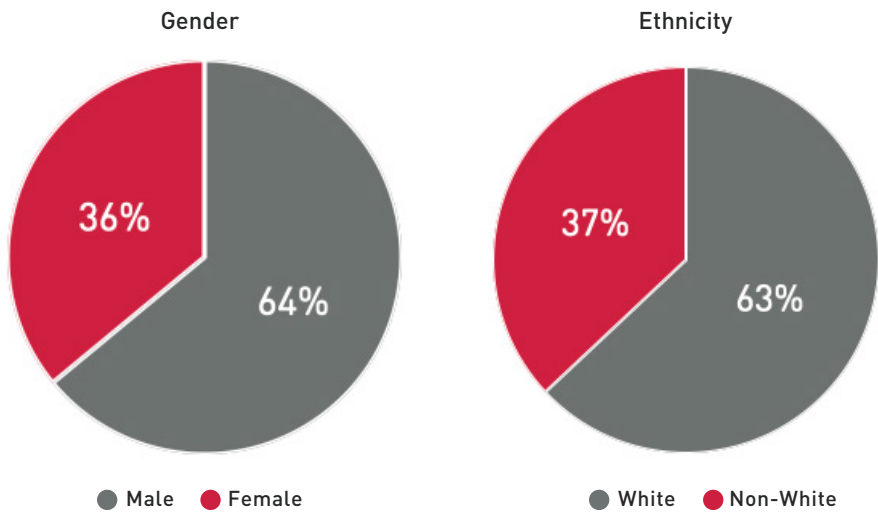
- » Women
- » Veterans
- » Millennials



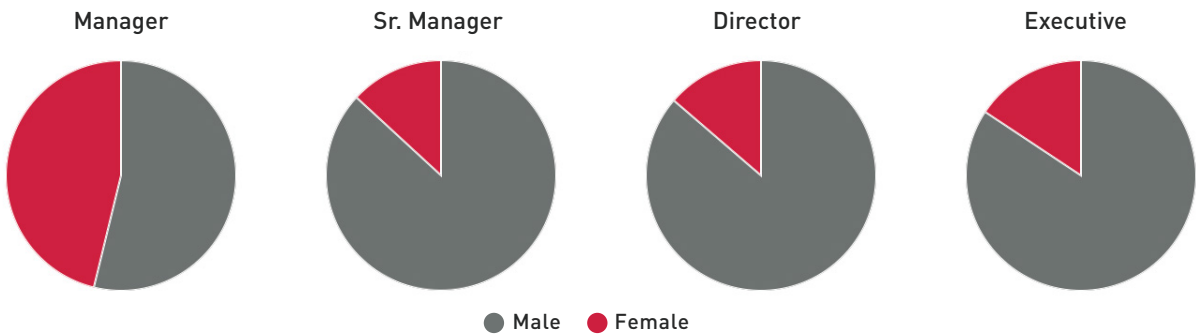
# Workforce Demographics

To demonstrate Delek’s evolution towards becoming a more inclusive employer, we are sharing demographic information on our existing workforce. We hope you will follow our progress in the years ahead.

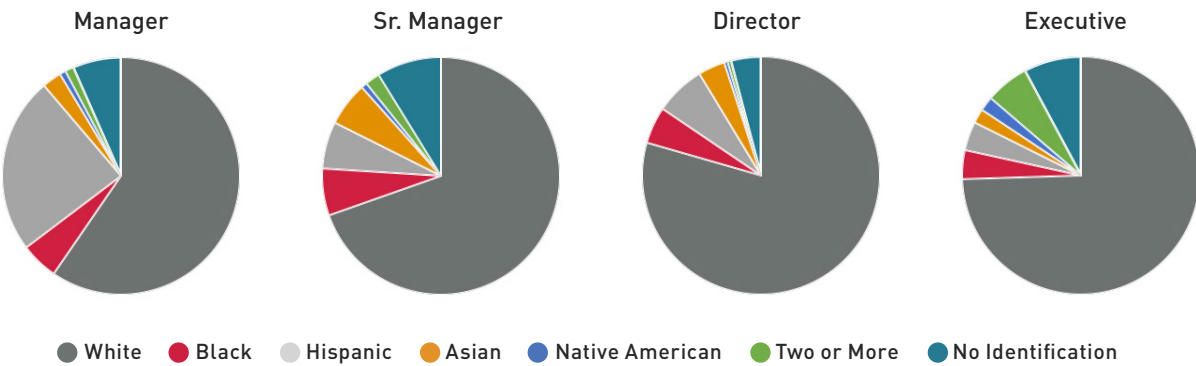
## Total Employees by Gender and Ethnicity



## Manager and Above by Gender



## Manager and Above by Ethnicity



## Human Rights Policy

Respecting human rights has always been of fundamental importance to Delek, and part of our Code of Business Conduct and Ethics. We recognize the dignity, value, and worth of all human beings, and we are committed to conducting our operations to meet or exceed compliance with all applicable laws and regulations and consistent with the Universal Declaration of Human Rights. To emphasize our commitment, Delek has memorialized its commitments to human rights as a stand-alone policy. Our Human Rights Policy articulates a number of principles that guide our behavior as individual employees and as an enterprise. These principles include:

- » Prohibiting all forms of discrimination or harassment in the workplace on any legally recognized basis;
- » Respecting freedom of association and the right of employees to unionize;
- » Embedding human rights into environmental and social impact assessments as appropriate, and;
- » In instances where there is a conflict between a legal requirement and its Policy, Delek always applies the most stringent standard as stipulated in the UN Guiding Principles on Business and Human Rights, without violating domestic law.

## Supplier Social Standards

Corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to Delek and its subsidiaries and affiliates. We have established and published formal standards requiring our suppliers, vendors and contractors to:

- » Promote a safe, secure and healthy workplace, while protecting the environment in the places where they operate;
- » Respect their employees' freedom of association and right to collective bargaining;
- » Adhere to the Occupational Safety and Health Administration's Occupational Safety and Process Safety Management Standards, the Environmental Protection Agency's Risk Management Program Standard as well as other government and industry safety standards, when appropriate, such as those published by the American Petroleum Institute, and;
- » Plan and execute activities in a manner that respects human rights and is consistent with the United Nations Guiding Principles on Business and Human Rights.

## Sexual Harassment Policy

Delek US Holdings, Inc. strives to create and maintain a work environment in which people are treated with dignity, decency and respect. Delek has long prohibited sexual harassment and hostile work environment in the Code of Business Conduct and Ethics, and we are proud to say that this prohibition against harassment or hostility has always expressly included sexual orientation and gender identity. In light of the Supreme Court's recent landmark decision on the topic, which brought the law of the land into parity with Delek's practices, it was timely to adopt our existing comprehensive proscription as a stand-alone policy. All employees will be required to annually certify their compliance with the sexual harassment policy.

## Whistleblower Program

Employees, suppliers and customers are encouraged to ask questions and raise concerns



about actual or suspected violations of the 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. Reports are confidential and may be made anonymously at the discretion of the reporter. All allegations—whether reported directly to management or through the hotline, are taken seriously and investigated appropriately in accordance with the Compliance Investigation Procedure. Because not all of the calls to the hotline touch on ethical or compliance-related topics, many inquiries can be successfully resolved by referring them to the leadership of the appropriate business unit or shared service.

Because we believe so strongly in the value of speaking up, we are now disclosing statistics on this topic.

<b>Reports to Ethics Hotline</b>
117
<b>Investigations Conducted</b>
87
<b>Referrals to Other Channels</b>
74

Health Insurance

Delek is pleased to offer its full-time employees comprehensive health insurance and prescription drug coverage. We are most proud to report that we have been able to hold employee health insurance premiums flat for the past three

years. This superlative result is due in large part to robust employee participation in programs designed to manage chronic health conditions.

Wellness Programs

Our employees are Delek’s most valuable asset. To ensure their mental, physical, and financial comfort, we provide a comprehensive suite of wellness programs. From parental leave and insurance premium rebates to tobacco cessation classes and flexible spending accounts, Delek’s broad array of offerings help to take care of our employees’ minds, bodies and wallets.

Tuition Reimbursement & Scholarships

Beginning in 2018, Delek redoubled its support for the personal and professional development of our employees by implementing a tuition reimbursement program. The “Fuel Our Future” reimbursement program enables employees to receive over \$5,000 per calendar year in reimbursements for degree-seeking courses. Due to the program’s successful reception, it was expanded in 2019 to offer support to the children of employees. Forty children of Delek employees each received \$2,500 to support their pursuit of college degrees.

Conflict Minerals Policy

Delek conducts business honestly, ethically, and in compliance with all applicable laws and regulations including the U.S. Securities and Exchange Commission’s (SEC) rule on “conflict minerals.” In accordance with our Conflict Minerals Policy, we have made commitments to avoid purchasing and contracting to manufacture products that contain tantalum, tin, tungsten, or gold from countries covered by the SEC Rule. Delek expects its suppliers to implement similar policies with their suppliers to ensure a robust, validated conflict-free supply chain.

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# GOVERNANCE

Delek observes responsible, ethical and transparent business practices. Led by our Board of Directors and executive leadership team, we strive to deliver market competitive returns to investors while providing tangible benefits to all of our stakeholders. As the company matures, Delek is embedding more Environmental, Social and Governance (ESG) considerations into the foundation of all of our business units and shared services. We hope stakeholders, such as you, will follow our progress in the years ahead.

## Board Diversity

Diversity on corporate boards is an asset. Representation by seasoned individuals with a variety of backgrounds, identities and experiences leads to improved oversight and decision making.

We are pleased to note that the Board of Directors of Delek added Vicky Sutil to its membership. The first female member of Delek's Board, Sutil brings a wealth of experience to her role. With over 30 years of experience in the petroleum and refining industries and a background that includes engineering, mergers and acquisitions, operations, marketing, financial and business development, she has earned significant management experience.

Continuing in this vein, Delek Logistics was proud to announce the recent addition of Gennifer Kelly to its Board of Directors. Kelly brings extensive operational experience extending over 25 years as a petroleum engineer. Over her career, Kelly was elevated to increasingly senior positions in Strategic Planning, Operations Transformation, and Marketing, culminating in a position as COO and SVP in a midstream organization.

Delek is committed to increasing the diversity of its Directors to enjoy the benefits generated by an ever more diverse Board. By 2022, not less than 30% of our Board Directors will be female and/or racially diverse.

By 2022, not less than  
**30% of our Board of  
Directors** will be female  
and/or racially diverse.

## Shareholder Rights Plan

During the onset of the COVID-19 pandemic in March, we learned that a shareholder had aggressively accumulated just under a 15% stake in our company. The timing of the acquisition and the anticipated downturn in the global equity markets created well placed concerns that a takeover could be achieved at a bargain basement price. Acting swiftly, we implemented a rights plan to protect our shareholders from losing control of the company at an unreasonable valuation. The adoption of the rights plan also provided time for our executive team to focus their attention on ensuring our people were safe and our assets were running reliably in the midst of the COVID-19 environment.

## Update of Clawback Policy

In response to investor feedback and a review of best-in-class practices, Delek US Holdings has refreshed its policy, strengthening the company's ability to protect shareholders from executive misfeasance or malfeasance by:

- » Applying “no fault” (i.e. clawback) if there is a restatement of financial performance for any of the prior 3 years due to material noncompliance with reporting requirements under securities laws, irrespective of whether the Executive is at fault for the restatement;
- » Adding fraud or misconduct by an executive, or failure by the Executive to manage or monitor conduct, in either case where it results in significant financial or reputational harm, irrespective of whether or not it results in a restatement of financial performance;
- » Allowing not just clawback but also forfeiture and set-off against future compensation.







# COMMUNITY

Delek is committed to our employees, the environment, and the communities in which we operate while delivering great products, services, and other initiatives that impact lives within and outside the organization.

## Fund for Hope

Established in 2008, the Delek Fund for Hope, a 501(c)(3), is the charitable arm of our business. From our headquarters region to our refinery locations and the various communities where we have a significant logistics or retail presence, the Fund's goal is to create positive impacts that address the specific needs of our neighbors. Since 2008, in partnership with our employees and business partners, the Fund has supported over 1,840 non-profits and awarded more than \$17.8 million worth of grants.

Over the last 18 months, the Delek Fund for Hope has supported 875 organizations through awarded grants in excess of \$2.1 million. The grants impacted communities suffering through natural disasters by providing meals, shelter, and clothing for those directly affected. We also have an ongoing commitment to support child-based programs providing resources for after school activities, recreational programs, meals, school supplies and support through technology investments through our partners.

In 2019, the scope of the Fund's charitable activities broadened to include ecologically-focused activities.

We supported environmental groups, tree planting programs, river clean-ups and debris removal. Additionally, Delek US and the Fund for Hope have lent a hand to first responders throughout the COVID-19 pandemic by supplying them with surplus personal protective equipment (PPE).

Delek US also invests in our employees by supporting their charitable interests. Our ongoing payroll deduction program allows employees to make donations to the Delek Fund for Hope. The company matches those contributions, which are then distributed by employees for local use.

In addition to providing financial support, Delek employees also assist their communities through volunteer service. A new program, The Delek Day of Caring, is an ongoing commitment to engage local non-profits, build relationships and seek partnering opportunities. This initiative has already seen employees log thousands of volunteer hours supporting the environment, child service programs, and community improvements.

## Employee Care Fund

The Delek family has always come together in times of need to help one another. From a house fire to a flood, serious illness to challenging personal situations, coworkers can occasionally experience hard times. For situations such as these, Delek has established an Employee Care Fund. Money from this Fund, supported by the Delek Fund for Hope, is available for employees who experience economic hardship due to natural disasters, life-threatening illness, death or catastrophic circumstances.

## Community Action Panels

In order to strengthen the bond that exists between our refineries and the communities in which they operate, Delek recently relaunched its Community Action Panel (CAP) program. CAPs provide Delek's refineries with a forum to share our commitment to the public, coordinate on emergency preparedness and identify new opportunities for local collaboration.

Led by the VP & General Manager of each refinery, CAPs consist of approximately two dozen Delek employees and community leaders. They meet twice per year and always begin with a safety presentation. Following an operational update, the community representatives have an opportunity to ask questions.

While only in operation for a short period, the regular, structured interactions provided by the CAP have generated numerous benefits for the company and for our neighbors. Lines of communication are clearer and coordination on matters of public safety are improved.



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# ABOUT THIS REPORT

This report contains forward-looking statements about Delek's operations 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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