



ESG **Report**

2023



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Message from the Chairman and the CEO

Dear Reader,

We are pleased to share this ESG report of the Navitas Petroleum partnership ("**Navitas**" or the "**Partnership**") with the public. The report details the Partnership's environmental, social and corporate governance activities, performance and commitments in 2023.

Navitas is proud of its operations and its asset portfolio, which includes production-phase projects, discoveries in development towards production, proven discoveries before development (pre-FID) and exploration assets. During 2023 Navitas advanced the development of the Shenandoah project and at the beginning of June 2024 Shenandoah operator successfully completed drilling the four development and production wells to their final depth. During July 2024, the completion activities of the development and production wells commenced and are proceeding according to plan. Production from the project is expected to commence during the second quarter of 2025. The Buckskin fourth production well was drilled during 2023 in the northern reservoir. The well was completed and began to produce in August 2024. Additionally, in August 2024 the Buckskin operator successfully completed drilling the first development and production well in the southern part of the reservoir. Navitas is continuing to work assiduously to develop and enhance the Partnership's assets.

During 2023 Navitas completed the acquisition of the Monument project, an additional proven discovery in the Gulf of Mexico, USA, which is adjacent to the

Shenandoah project. The final investment decision (FID) for this project was taken in March 2024.

Alongside investing in developing its existing assets, Navitas continually keeps track of trends in the business world, in general, and in the energy arena, in particular, and is not oblivious to developments in the field. Navitas is proud to have led a process vis-à-vis regulators which has made it possible, since July 2021, for oil and gas partnerships, including Navitas, to also operate in the field of renewable energy.

Navitas believes it is very important to be transparent with our various stakeholders and to show the various ways Navitas operates in the ESG arenas. This ESG report details our efforts to create positive value in the communities where Navitas operates; to contribute to the existence of a vibrant and efficient energy market while concurrently mitigating the environmental impacts related to Navitas' operations; to diligently protect the health and safety of all people involved in Navitas' operations; and to provide employees proper conditions and attend to their wellbeing. The report also details our efforts to manage all of Navitas' business activity properly and ethically, while implementing rules of responsible corporate governance.

We hope our readers enjoy reading this report and, as part of our commitment to open dialogue and constant improvement, we welcome any feedback.



Gideon Tadmor
Chairman



Amit Kornhauser
CEO and Director

Navitas at a Glance in 2023



9

Years of operation

7

years of operating as a publicly traded partnership

6

Producing fields

2

Fields under development (post-FID discoveries)

5.4

Billion NIS market value*

312

Million \$ equity

51.6

Million \$ EBITDA

821

MMBOE Navitas' share in all existing oil and gas reservoirs**

As of 08.29.2024 *

In the 2P+2C categories **

E

30.6

Scope 1 production emissions intensity (kgCO₂eq/BOE)

11.5

Scope 2 production emissions intensity (kgCO₂eq/BOE)

1.6

MMBOE produced in 2023

Net Zero emissions goal before 2050

S

42

employees

31%

of the Partnership's employees are women

33%

of management are women

G

2

Directors with financial and accounting expertise

2

External directors

1

independent director

100%

of employees undergo corporate governance training

25%

of the members of the Board of Directors are women

0

Bribery and corruption incidents

About the Partnership

Navitas is a publicly traded limited partnership that engages in production, development and exploration of natural gas and oil assets, focusing on the North American region. Navitas registered as a limited partnership in Israel in September 2015, and in September 2017 was offered to the public and was listed for trade on the Tel Aviv Stock Exchange Ltd.

The ongoing management of the Partnership is carried out by the general partner, the FLR Oil and Gas Management Ltd. (the "**General Partner**") and is supervised by the Partnership's supervisor, Fahn Kanne & Co., CPA (the "**Supervisor**"). The General Partner is a private company whose holders of control, as of the date of this report, are Gideon Tadmor, the Chairman of the Board of Directors of the General Partner, and Yacob Katz, Director, Vice Chairman, and Senior Business Development Manager of the General Partner. The Partnership operates from its headquarters in Herzliya, Israel, and from its offices in Houston, Texas, USA and London, England.

The Partnership operates through investments it makes via subsidiaries it owns (the "**Group Companies**" or the "**Group**")¹ in oil and gas assets, along with companies that serve as operators of oil and gas assets ("**Operator Companies**") and other partners that hold rights in oil and gas assets in various territories. Navitas actively works to reduce our carbon footprint and to diversify the business model. Navitas focuses on projects that combine production of oil and gas. The oil production from main Navitas' projects has some of the lowest levels of carbon emissions in the industry worldwide. In parallel Navitas examines, from time to time, opportunities in the renewable energy field and strives to create a diverse

Revenue
Million \$

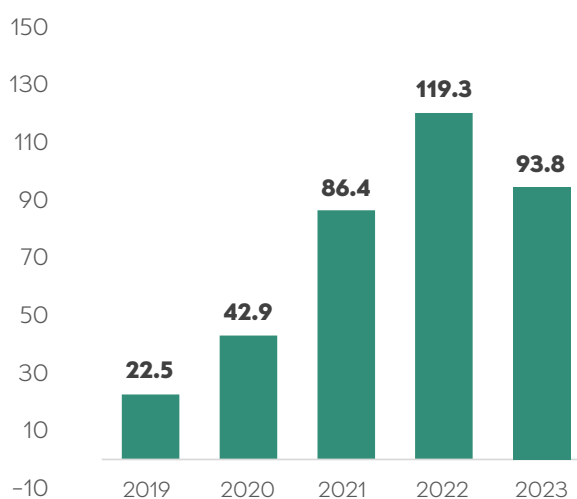


Figure 1 | Oil and Gas Sales Revenues

and sustainable energy portfolio. As of the date of this report, the Partnership's assets include offshore assets (Buckskin, Shenandoah, Monument, and North Yucatan) in the Gulf of Mexico, south of the coasts of Texas and Louisiana, USA, onshore assets (the Neches and Denbury fields) in Texas, USA, the Sea Lion discovery in the South Atlantic Ocean, North of the Falkland Islands, and an exploration asset (SC76) in the Philippines. The Partnership also has an option to join as a partner in an additional offshore asset located offshore Morocco.

Since 2019, there has been a significant increase in the Partnership's revenues from the sales of oil and gas production.

¹ As can be seen on page 9 in the Navitas group's holding structure.

Flagship Project | A Discovery in Development | Shenandoah

An overall investment in development of approximately 1.8B\$, in the framework of project financing, Navitas' share is approximately 955M\$.

Production expected to commence during the second quarter of 2025.

Shenandoah is one of the largest reservoirs located in the U.S. Exclusive Economic Zone in the Gulf of Mexico. The reservoir has reserves that are estimated at approximately 429 MMBOE and Navitas' share is approximately 210 MMBOE. During July 2024, the completion of development and production wells activities commenced and is proceeding according to plan.

In August 2021 a final investment decision (FID) was taken by the project's partners. The development plan includes drilling and completion activities for four production wells, installing subsea pipelines and equipment for transport and control of the oil and gas from the production wells to the production platform, erecting a floating production system ("FPS"), installing export pipelines for the oil and gas from the production platform and connecting them to the existing main pipeline to the coast. The drilling of the production wells to their final depth was completed successfully at the June 2024.

In July 2023 a binding agreement was signed for the provision of services for the processing and handling of the oil and natural gas that shall be produced from the Monument project (a discovery neighboring Shenandoah) using the FPS which shall serve the Shenandoah project. The provision of the processing and handling services requires additional equipment and adjustments to the FPS, which will increase the total planned production and handling capacity from approximately 100,000 barrels of oil per day to approximately 120,000 barrels of oil per day.

The Partnership estimates that the expected revenues for the Partnership (as a partner in Shenandoah) from the production and handling services may amount to approximately 15-20M\$ per year (depending on the actual production rates from the Monument project), commencing from the beginning of commercial production from the Monument project, which is expected to begin in 4th quarter 2026.

Navitas holds 49% of the rights in Shenandoah via the ShenHai LLC subsidiary. The additional partners in the reservoir are Beacon Offshore Energy Development and BOE II Exploration LLC (an affiliate) which are held by funds of the Blackstone Group (which hold 20.05% and 10.95% of the rights, respectively) and HEQ Blue Ridge, LLC, which is held by the Quantum Energy Partners investment fund (which holds 20% of the rights).

Prior to the acquisition of the reservoir by Navitas, approximately 1.8B\$ were invested in Shenandoah, and nine exploration and appraisal wells were drilled in the field. The project is expected to produce an average of approximately 100 thousand barrels of oil per day for all the project's partners, from four production wells.

The project is expected to create a discounted cash flow (at a rate of 10%) for Navitas of approximately 3.5B\$.²

² For details regarding cash flows and the discounts therefor (including forecasts regarding prices of natural gas and oil), see Part A of the Partnership's Periodic Report for 2023.

Value Creating Projects as of December 31, 2023

Discounted Cash Flow (NPV10-2C/2P Navitas' Share)

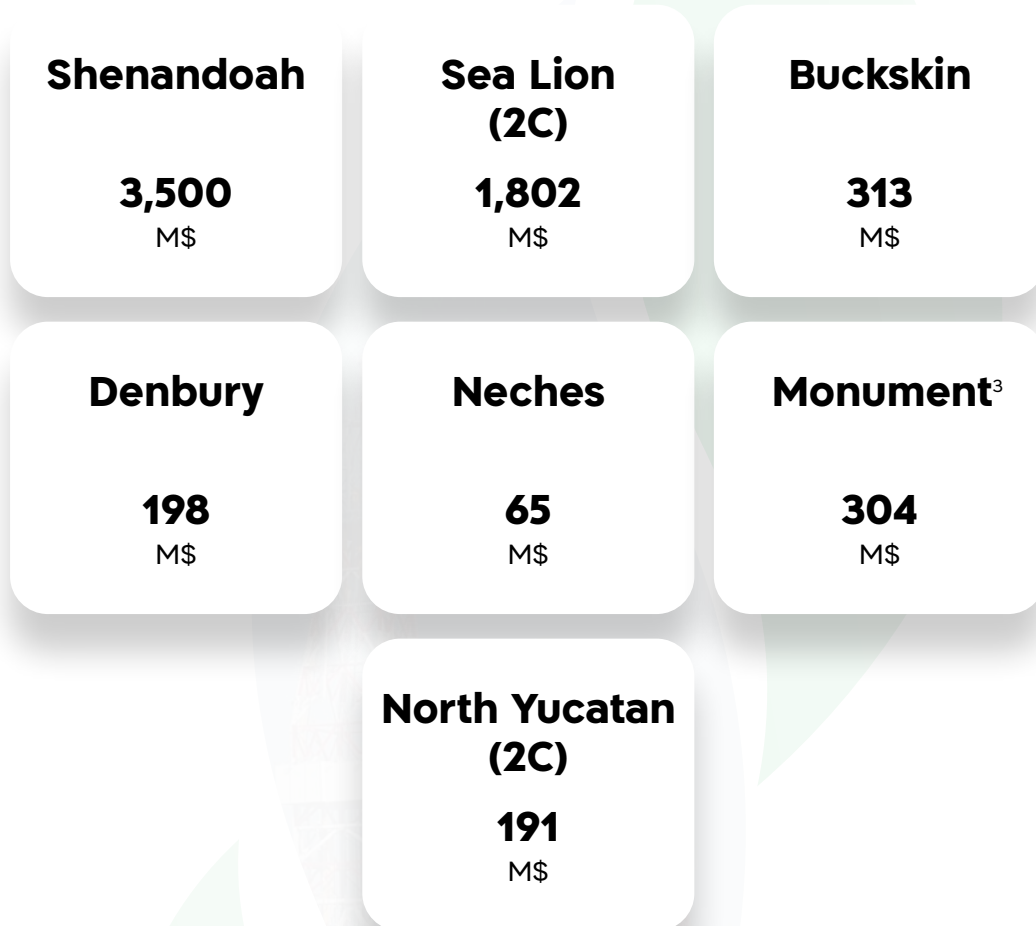


Figure 2 | Value Creating Projects

3 This figure includes the discounted cash flow expected for the Partnership as a partner in the Shenandoah project from the production and handling services..

Navitas Petroleum's Structure and Operations

Navitas has subsidiaries as specified in the holding structure and associated companies' chart. These companies assist in executing the Partnership's strategy.⁴

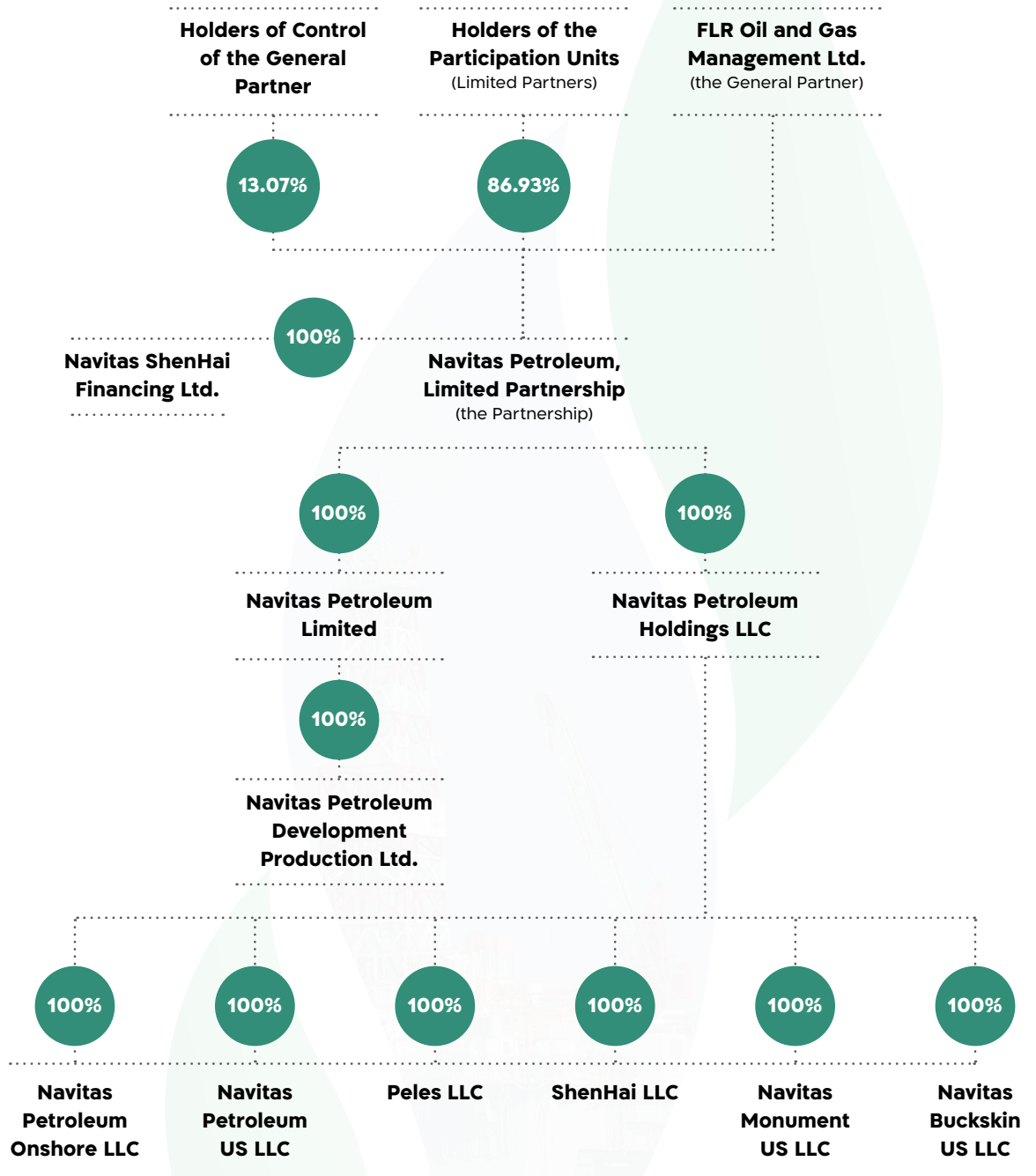


Figure 3 | Chart of the Partnership's Main Holdings as of the Date of the Publication of this Report

4 GRI 2-2

Organizational Structure | Navitas Petroleum Limited Partnership⁵

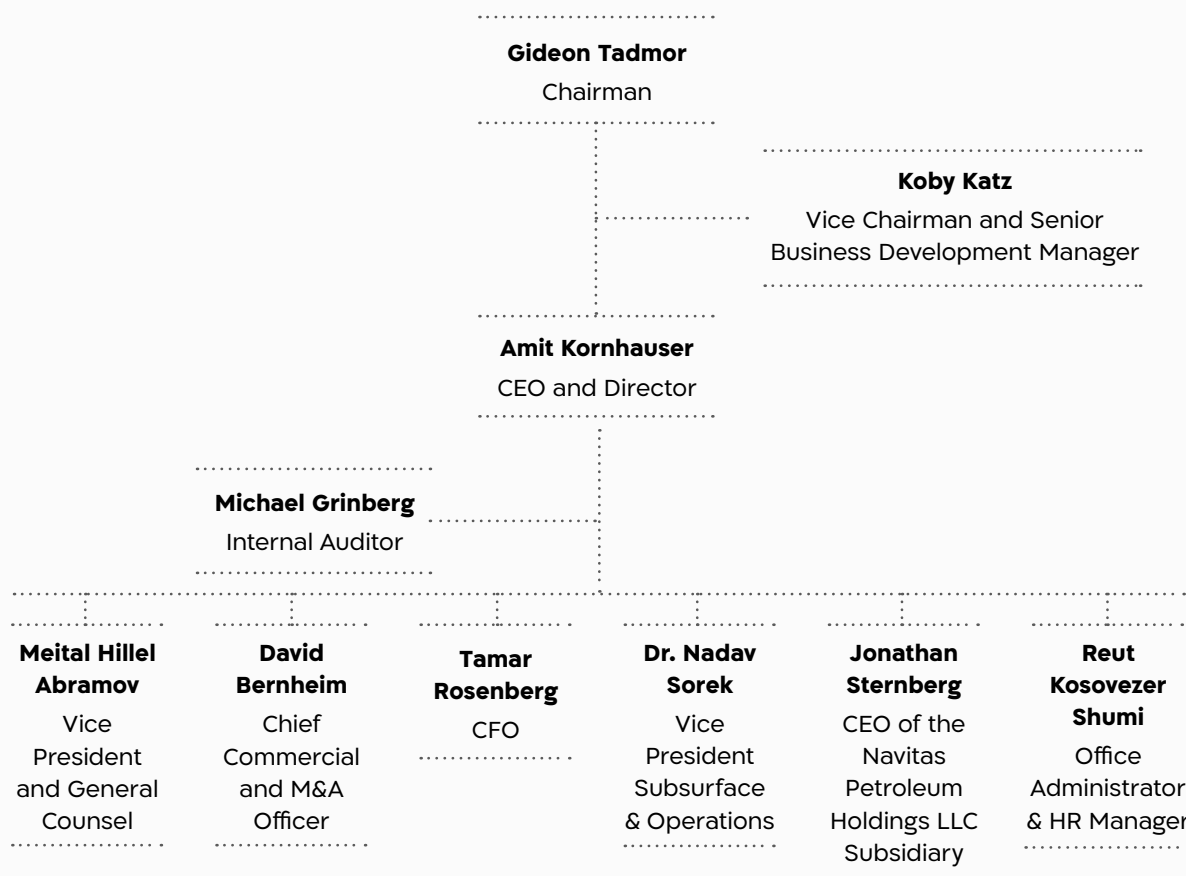


Figure 4 | Organizational Structure

Financial Stability | Creating Shared Economic Value

During 2023, Navitas focused on developing its assets (particularly the Shenandoah project) and on completing the Monument transaction. Navitas and its partners agreed to make the entire development budget, which amounts to approximately 1.8 billion dollars, available in advance for the benefit of developing the Shenandoah project, for which the FID was taken in 2021. Navitas led the financing process, which included a syndication loan from a number of banks and financial institutions in the international and Israeli market, led by Societe Generale, in an amount of approximately 1 billion dollars, for all of the project's partners, and in doing so Navitas succeeded in securing the financial closing and in reaching the FID. The Shenandoah project is now at the end of the development stage, and production is expected to begin at Shenandoah during the second quarter of 2025.

Navitas operates in an industry that is characterized by risks and significant costs. In order to mitigate the risks, and in line with the Partnership's strategy, Navitas focuses mainly on realizing investment opportunities in oil and gas assets which contain proven reserves which have been discovered and not yet developed. A typical development and production process for oil and natural gas in an area where a discovery has been declared, generally includes drilling or completing production wells, laying out pipelines, building handling facilities and the like. The operations also include production of the oil or the gas, including ongoing maintenance and operation of the facilities as well and development works which are meant to preserve or increase the scope of production.

As mentioned, the Partnership has deepwater oil assets that are producing and in development in the Gulf of Mexico, USA, as well as onshore assets in the Texas region. These areas have existing infrastructures for the handling and transport of oil.

⁵ Organizational structure as of the date of the publication of the report.

Due to the complexity of the development and production operations and the many risks they carry, they are generally carried out in the framework of transactions among a number of partners who are party to a "Joint Operating Agreement" (or a "JOA"), in which one of the partners functions as the operator of the joint asset. In most oil or gas assets (which include multiple licenses) the partners sign an additional agreement called a "Unitization and Unit Operating Agreement" or a "Unitization and Joint Development Operating Agreement", which regulates the operations in the joint areas, including oil and gas production operations in the asset.

Navitas is committed towards its stakeholders to maximize the value from the projects it owns. Navitas views its operations in the oil and natural gas production field as an energetic anchor, alongside the world's gradual progression towards a low-carbon economy and the transition towards the use of renewable energy. The oil and gas produced from Navitas' assets contribute to energy security, which is expressed in the supply of available and reliable energy, which enables continuous economic development and activity. Navitas concentrates its efforts on developing proven opportunities and limiting exposure to exploration activities and this contributes to its success in creating relative stability for its stakeholders in a market that is characterized by uncertainty.

Moreover, Navitas' activity generates economic value for its employees, suppliers, public entities and communities.

Criterion	Thousands of Dollars, 2023
Salary and benefits for employees	6,889
Tax payments to governments	11,028
Donations to the community	196
Shared Economic Value	18,113

Table 1 | Shared Economic Value

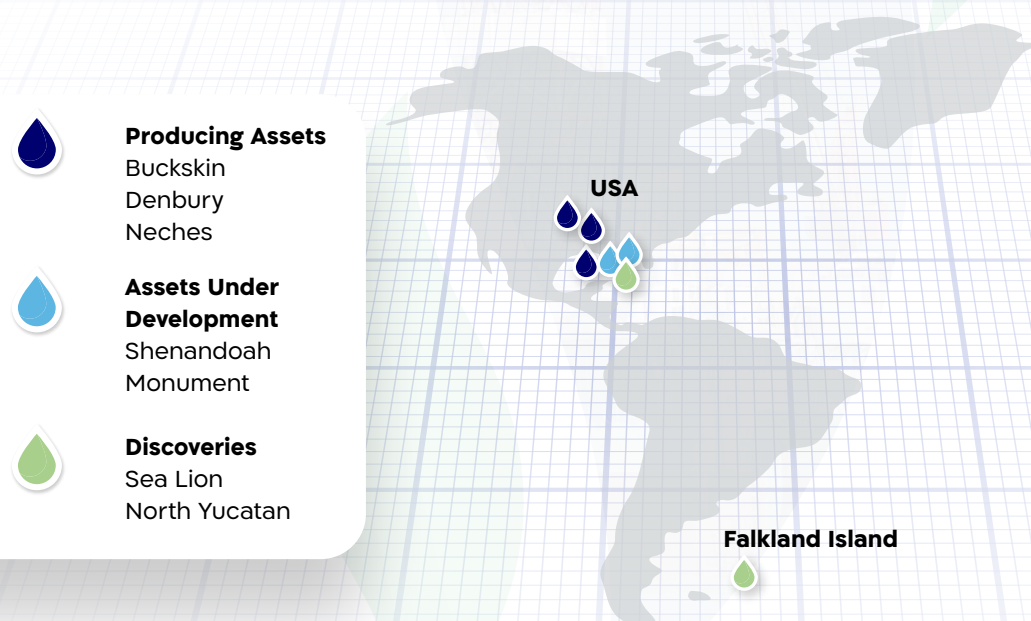


Figure 5 | The Partnership's Main Assets, Geographical Spread as of the Date of Publication of the Report

Name of Asset	Description	Navitas' Share	The Partners and their Share in the Asset		The Operating Partner
Shenandoah A discovery in development	An offshore deepwater asset in the Gulf of Mexico, approximately 255 miles south of New Orleans, Louisiana, USA, at a depth of between 1,770 and 1,920 meters. The oil asset's total area is approximately 17,280 acres (approximately 69.9 sq.km).	49%	Beacon Offshore Energy Development LLC	20.05%	BOE Exploration & Production, LLC
			HEQ Blue Ridge, LLC	20%	
			BOE II Exploration LLC	10.95%	
Buckskin Commercial production from the northern part, southern part is in development	A deepwater oil asset in the Gulf of Mexico, that is located 267 miles southwest of New Orleans, Louisiana, USA, at a depth of approximately 2,000 meters. The oil asset's total area is approximately 37,440 acres (approximately 151.5 sq.km).	7.5%	Repsol E&P USA Inc.	22.5%	LLOG Exploration Offshore, LLC
			Ridgewood Buckskin, LLC	8.75%	
			ILX Prospect Buckskin, LLC	5.83%	
			OGOG (Buckskin), LLC	18.7%	
			LLOG Deepwater Development Company I LLC	5.0%	
			Buckstone Development Company LLC	28.8%	
			Ridgewood Rialto Holdings, LLC	2.91%	
Monument A discovery in development	An offshore asset in the Gulf of Mexico, approximately 400 km southwest of New Orleans, Louisiana, USA, at a depth of approximately 1,930 meters. Located 27 km south of Shenandoah.	28.57%	Beacon Offshore Energy Exploration LLC	42.86%	BOE Exploration & Production LLC
			Repsol E&P USA LLC	28.57%	

Name of Asset	Description	Navitas' Share	The Partners and their Share in the Asset		The Operating Partner
Sea Lion A pre-development discovery	An offshore asset in the southern Atlantic Ocean, approximately 220 km north of the Falkland Islands, at a depth of approximately 450 meters. Total area of approximately 2,697 sq.km.	65%	Rockhopper (Hydrocarbons) Limited	35%	Navitas via Navitas Petroleum Development and Production Limited
		65%	Desire Petroleum Limited Rockhopper Exploration (Oil) Limited	30% 5%	
Denbury Fields Thompson East Manvel Webster Hastings Commercial Production	20-38 miles south of Houston, Texas, USA. 8,454 acres (approximately 34.2 sq.km).	49.8% 50%	Denbury Onshore, LLC	49.8% 50%	Denbury Onshore, LLC
Neches Commercial production	East Texas 9,400 acres (approximately 38 sq.km).	98%			Navitas via Peles, LLC
North Yucatan A pre-development discovery	An offshore deepwater asset in the Gulf of Mexico, approximately 175 miles south of Louisiana, USA, at a depth of approximately 1,780 meters. The oil asset's total area is approximately 5,760 acres (approximately 23.3 sq.km).	41.85%	Beacon II Development LLC Beacon Offshore Energy Exploration LLC Beacon Offshore Energy Operating LLC Houston Energy, L.P.	27.08% 13.95% 11.25% 5.86%	BOE Exploration & Production, LLC
SC76 Exploration	Offshore area in the exclusive economic zone of the Republic of the Philippines, at a depth that ranges from 900 to 1,700 meters.	30%	Ratio Petroleum Limited Prime Oil and Gas Inc.	35% 35%	Ratio Petroleum Limited

Table 2 | Specification of the Partnership's Assets and the Rate of Navitas' Holdings, as of the Date of Publication of the Report

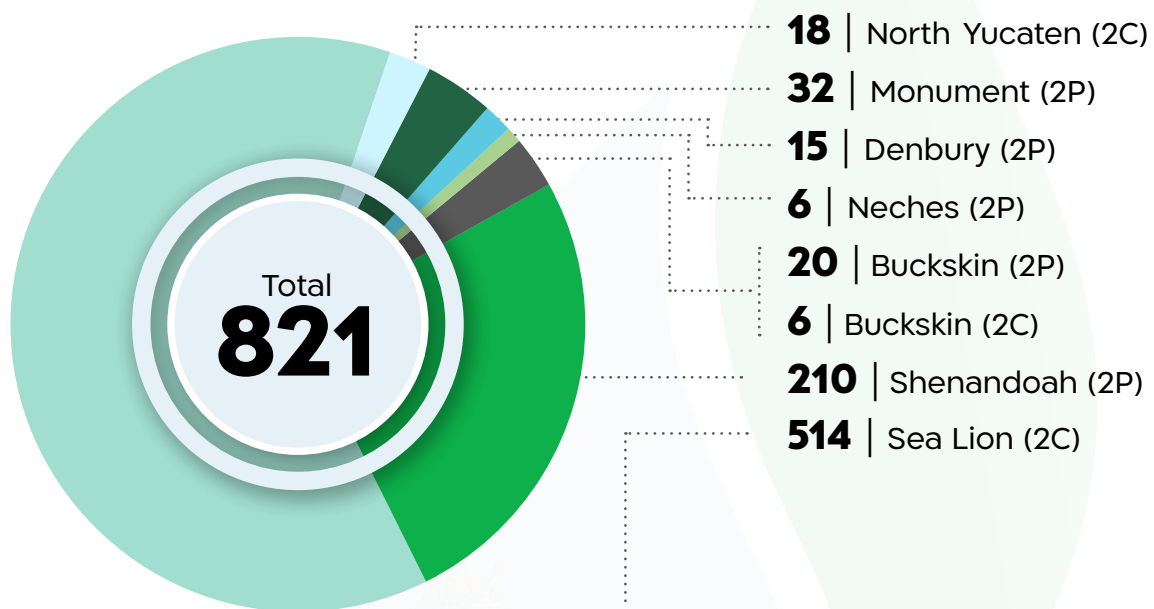


Figure 6 | The Partnership's Assets in MMBOE⁶

⁶ As of December 31, 2023

About the Report

This report only surveys the operations of the Partnership, unless explicitly stated that the information relates to Group Companies or Operator Companies. The report has been prepared in the spirit of and with reference to the Universal GRI Reporting Standards and describes the Partnership's operations during the 2023 reporting year.

The Partnership publishes an ESG report once a year, in which it reports material changes that shall be made between the reporting periods.

To reach out about the matters addressed in the report or to engage in a dialogue relating to the information presented, please contact

Meital Hillel Abramov | the Partnership's Vice President and General Counsel

Meital@navitaspet.com.

BDO Consulting's ESG and Corporate Responsibility Unit accompanied the preparation of the report.

Material Topics and Stakeholders

Identifying the Material ESG Topics⁷

In the framework of the reporting process, Navitas focused on the topics that are material to its operations and assessed their social, economic and environmental impact both on the Partnership internally, and on its external stakeholders. In order to identify the material topics, which derive, inter alia, from the positions of the stakeholders that are relevant to the exploration, development and production sector, a comprehensive review of the sector was conducted. The review included ESG reports of partnerships and companies of a similar operational nature, in addition to those of leading companies in the global exploration and development of oil and natural gas assets sector. In addition, questionnaires of three international agencies that review the ESG performance of corporations, for investors, were examined. The relevant focuses for the sector, as reflected in customary global reporting standards (GRI, SASB), were also examined.

At the second stage, fourteen topics that were identified as material for the sector were presented to Navitas' management for discussion, and the eight topics which were ranked as most material were selected as topics to be reported for 2023. In the framework of updating the 2023 ESG report, an in-depth process was conducted to examine the need to validate and update the list of material topics. In the framework of the process, updates that had been made to customary reporting standards, in general, and to those specific to the gas and oil sector, in particular, were examined. Additionally, a new review of leading companies in the sector was also conducted to identify the material topics that they had defined. Upon the completion of the assessment process, Navitas decided to add the topic of managing climate-related risks and opportunities to the list of material topics that had been defined for the 2023 report, and also to expand and elaborate on all the topics. Furthermore, Navitas chose to expand the reporting also to additional topics which were not selected as material, given their importance to Navitas.

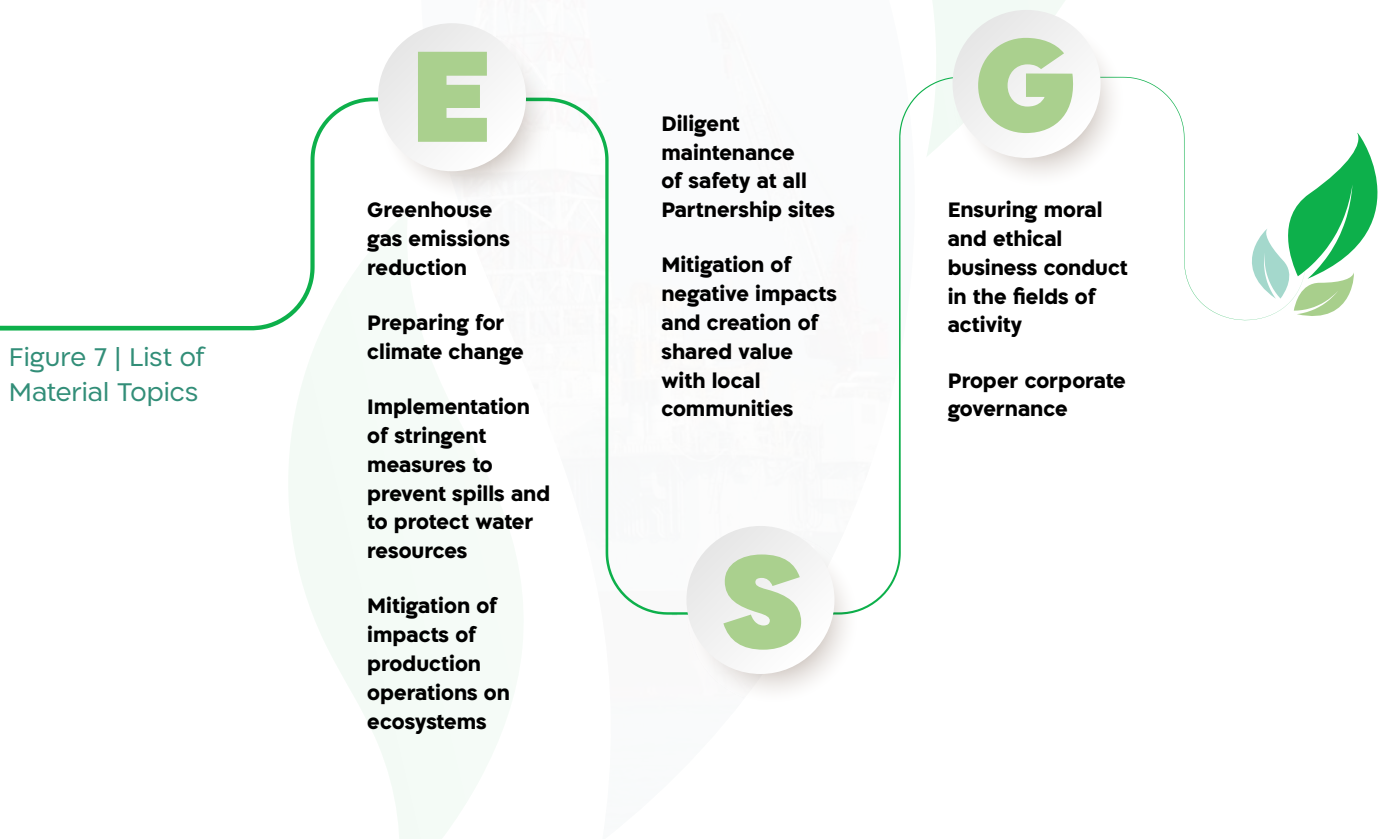


Figure 7 | List of Material Topics

⁷ GRI 3-1, 3-2

Serial Number	Material Topic for Reporting	Description	GRI Standard	Impact Boundaries
1	Greenhouse gas emissions	Monitoring and reducing greenhouse emissions from ongoing operations	GRI 305: Emissions 2016	Beyond the organization
2	Preparing for climate change	Climate crisis risks and opportunities	GRI 302: Energy 2016 GRI 305: Emissions 2016 GRI 201: Economic Performance 2016	Beyond the organization and within the organization
3	Implementation of stringent measures to prevent spills and to protect water resources	Environmental compliance and diligence regarding optimal technologies to protect against environmental hazards, prevent spills, protect water resources and treat waste	GRI 303: Water and Effluents 2018 GRI 306: Effluents and Waste 2016	Beyond the organization and within the organization
4	Diligent maintenance of safety at all Partnership sites	Management and internalization of stringent safety procedures vis-à-vis the operating partners	GRI 403: Occupational Health and Safety 2018	Beyond the organization
5	Ethics, business transparency and anti-corruption	Commitment to ethical business conduct, professional integrity and diligently adhering to the law and competitive conduct	GRI 205: Anti-corruption 2016	Beyond the organization and within the organization
6	Mitigation of impacts of production operations on ecosystems	Protecting biodiversity	GRI 304: Biodiversity 2016	Beyond the organization
7	Mitigation of negative impacts and creation of shared value with local communities	Engaging in dialogues, encouraging donations and volunteering, cultivating long-term partnerships	GRI 413: Local Communities 2016	Beyond the organization and within the organization
8	Solid corporate governance	Governance structure, audit, compensation policy, development of compensation goals according to Navitas' ESG goals, responsible and professional risk management	GRI 2: General Disclosure 2021	Within the organization

Table 3 | List of Material Topics and Their Impact Boundaries (as Ranked)

The Holders of Our Participation Units

Navitas is committed to creating financial value for the holders of its participation units and servicing its debtholders and is aware that this cannot be done without continuously assessing the changes in the dynamic world around it, along with the expectations of all the stakeholders.

This ongoing assessment results in sustainability and ESG aspects becoming an integral part of the Partnership's core activity. Accordingly, Navitas is committed to continuously examining its operations also through the ESG prism, which reflects the growing expectations of all the various stakeholders, including employees, suppliers, communities, customers, investors, regulators, and more. The ESG report is a tool for the Partnership to engage in a dialogue with its main stakeholders, to consider the needs that have changed during 2023 and to develop courses of action which will lead to continuous improvement. Further elaboration about the essence of the engagement with various stakeholders appears throughout this report⁹.



Table 4 | Stakeholders

Stakeholders	Description and Essence of Engagement	Dialogue Channels	Main Issues that Emerged in the Dialogue
Employees	The Partnership's employees are a small and high-quality team that is a central asset in Navitas' success. The Partnership acts to ensure appropriate working conditions and an environment that fosters personal development and growth, and open and ongoing dialogue through a variety of avenues.	<ul style="list-style-type: none"> • Meetings • Personal conversations and feedback • Company events and teambuilding activities 	<ul style="list-style-type: none"> • Employee engagement • Inclusion and diversity • Employment relations • Learning and development • Employee enrichment • Cultivating and retaining talent
Business Partners Holders of additional rights	The collaboration among Navitas' various partners is based on a shared vision, transparency and decency among the parties.	<ul style="list-style-type: none"> • JOA • Periodic sessions and work meetings • Regulatory collaborations 	<ul style="list-style-type: none"> • Creation of shared value • Responsible use of natural resources • Energy efficiency

Stakeholders	Description and Essence of Engagement	Dialogue Channels	Main Issues that Emerged in the Dialogue
Operator Companies	Operations of exploration, development and production of oil and natural gas are carried out under a JOA, pursuant to which an operator is appointed to a project.	<ul style="list-style-type: none"> • Visits to the facilities • Periodic sessions and work meetings • Partner meetings • Reports • Ongoing conversations 	<ul style="list-style-type: none"> • Operator's compliance plan on environmental and safety matters • Employees' rights – safety and security, human rights • Daily update report
Regulators and Governmental Authorities	<p>The main governmental authorities relevant to the Partnership's operations in the various countries and additional regulatory entities at the state and federal level. In addition, relevant agencies at the U.S. Department of the Interior which supervise oil and natural gas operations on federal lands.</p> <p>There is continuous dialogue with the Falkland Islands government to advance the development of the Sea Lion project while assisting with establishing the regulatory infrastructure to facilitate this.</p>	<ul style="list-style-type: none"> • Ongoing dialogue with regulators and authorities • Reports and permit applications to the regulator as required • Promoting policy changes • Participation in study days on behalf of the various regulators 	<ul style="list-style-type: none"> • Complying with regulatory requirements • Developing the global energy market • Promoting regulatory processes such as the possibility of engaging in renewable energies
Customers	<p>The oil and gas produced from the Buckskin project are marketed by LLOG to the ExxonMobil Oil Corporation.</p> <p>The oil produced from the Denbury fields is sold to Ergon Oil Purchasing Inc and to Gulfmark Energy Inc.</p> <p>The oil produced from the Neches fields is sold to Lion Oil Trading and Transportation LLC.</p>	<ul style="list-style-type: none"> • Sale Agreements 	<ul style="list-style-type: none"> • High quality energy • Continuous supply • Encouraging competition
Main Suppliers Temporary and Permanent Consultants	The Partnership's suppliers mainly include professional service providers and various consultants in a range of fields.	<ul style="list-style-type: none"> • Work conversations • Meetings as needed • Ongoing correspondence and contractual engagements 	<ul style="list-style-type: none"> • Learning and development • Business ethics and anti-corruption

Stakeholders	Description and Essence of Engagement	Dialogue Channels	Main Issues that Emerged in the Dialogue
Holders of Participation Units and Holders of Negotiable Debentures	Navitas is a publicly traded partnership that is traded on the Tel Aviv Stock Exchange. From time to time, the Partnership issues participation units, debentures and options to institutional entities and to the public, and this, inter alia, finances its operations.	<ul style="list-style-type: none"> • Full and comprehensive reports via the MAGNA system • Investor presentations and investor relations • Ongoing contact with the Partnership's management 	<ul style="list-style-type: none"> • Financial performance • Participation unit price • Corporate governance • Business ethics and anti-corruption • Business transparency • Management of climate and environmental risks
Holders of Non-negotiable Debts	The Partnership finances the development of its assets, inter alia, in the framework of project financing agreements with international and local banking corporations and uses various financing instruments.	<ul style="list-style-type: none"> • Ongoing contact with the Partnership's management 	<ul style="list-style-type: none"> • Business ethics and anti-corruption
Community, Local Authorities, Environmental Organizations, Not-For-Profit Associations and Residents	It is important to Navitas to promote investments in the community, in a way that is aligned with its business strategy, while addressing the needs of the communities in the vicinity of which it operates, both in the territories in which its assets are located and in Israel.	<ul style="list-style-type: none"> • Regulated public participation processes in the framework of establishing sites • Engagement in local social initiatives • Participation in conferences and events 	<ul style="list-style-type: none"> • Local economic development • Mitigating Navitas' environmental impact and mitigating climate crisis impacts • Financial donations • Employee volunteering

Table 4 | Stakeholders




Sustainable Development Goals (SDGs)



In 2015, the 193 member states of the United Nations adopted 17 global sustainable development goals (SDGs) and 169 targets which delineate an agenda for inclusive economic growth by 2030. The SDGs cover a wide range of challenges, such as financial inclusion, reducing gender inequality, reducing utilization of natural resources and coping with climate change impacts. Advancing towards achievement of the goals will undoubtedly also contribute to the prosperity of businesses around the world since they will be operating in a more just, sustainable and healthy environment.

Given the breadth of the scope and the significant challenges that the SDGs encompass, there is sweeping global consensus that the goals will only be achieved through broad collaboration among governments, the business sector and civil society organizations.

Navitas perceives its contribution to the realization of the global goals at the local level as a significant business opportunity in the framework of which it improves, develops and implements innovative practices in a way that will create value for all its stakeholders. The three goals below were identified as the goals where the Partnership has the potential to make the most material impact through its operations.

UN Goal	Target Relevant to Navitas' Operations	Navitas' Actions to Achieve These Targets
 7 AFFORDABLE AND CLEAN ENERGY	7.2 Increase global percentage of renewable energy By 2030, increase substantially the share of renewable energy in the global energy mix.	Navitas strives to support the increasing global energy needs and to facilitate business continuity and high quality of life. The Partnership is promoting, from regulatory and operational aspects, the examination of the development and production of its assets in a way that will reduce greenhouse gas emissions and is also examining the range of channels available to enter and develop the field of renewable energies.
 8 DECENT WORK AND ECONOMIC GROWTH	8.5 Comprehensive employment and decent work, equal pay By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	Navitas contributes to direct and indirect employment of employees and provides its employees impartial, fair and equal conditions, and opportunities to learn and develop.
 13 CLIMATE ACTION	13.3 Climate action awareness Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Navitas strives to be part of the global effort towards adopting a low-carbon economy, which shall assist in moderating climate change. Navitas conducts a number of concurrent business and operational activities which contribute to promoting this goal.

Environment



Navitas is a leading partnership in the exploration and production of oil and natural gas sector. Exploration and production of these sources of energy create significant value and are vital to existence in modern society, since they enable reliable supply of energy to households around the world and to additional essential transportation and industrial needs. Improvements in standards of living are based on creating and consuming energy, and therefore the Partnership's operations constitute a significant part in advancing the standard of living of communities across the globe.

Having said that, Navitas is well aware of the connection between the Partnership's business activity within the Partnership's scope and its impacts on climate change. The acceleration of global warming has led to the need to significantly reduce greenhouse gas emissions. As such, along with many western countries, including Israel, which have set renewable energy production goals and emission reduction goals, the Partnership strives to play its part in the global transition towards a low-carbon economy, and therefore, in a general Climate Change Policy (the "**Climate Statement**"), it addressed that it would exercise the means at its disposal as part of its business operations to promote the matter, as can be read in detail throughout this chapter.

Navitas' Climate Policy

Navitas' Climate Policy, which was approved by the General Partner's Board of Directors in 2021, includes the following undertakings:

1. Monitoring greenhouse gas emissions from the Partnership's assets.
2. Actions to reduce greenhouse gas emissions, by improving energy efficiency, reducing flaring in ongoing and maintenance activities, and examining investments in carbon capturing and reduction of fugitive methane emissions projects.
3. Examining entering renewable energy projects.



Environment

30.6 Scope 1 emissions intensity (kgCO₂eq/BOE)

11.5 Scope 2 emissions intensity (kgCO₂eq/BOE)

1.6 MMBOE produced in 2023

Navitas acts and invests resources in the above three categories. In the field of measurement and monitoring, Navitas established a dashboard control setup, that is updated daily and monitors production and emission amounts, such that if there is an unusual emissions incident, the incident is reported and reviewed. Additionally, the operators also perform quarterly and annual monitoring and analyses which are reported and presented to the Partnership. In the field of reducing greenhouse gas emissions, Navitas declares in this report that it shall act to reach the goal of net zero emissions before 2050. In the field of renewable energies, Navitas examines investments in renewable energy projects from time to time.

Preparing for Climate Change

Navitas views climate change as one of the biggest challenges faced by humanity and as having material implications for the energy sector and the global economy. The Partnership acknowledges its possible contribution to moderating the impacts of the climate crisis, while maintaining energy security and economic stability. To that end, the Partnership has set a goal of net zero emissions before 2050 (see below in this report).

Climate change creates significant risks for the global economy and business operations, particularly in the energy sector. As an oil and gas partnership, we face unique challenges when navigating the transition towards low-carbon economic activity. The following table describes the main **climate risks** that we have identified as having a potential impact on the Partnership's operations:

Risk Category	Type of Risk	Description	Possible Implications	How the Partnership is Handling the Risk	Time Frame
Physical	Acute	Extreme weather events, such as severe sea conditions, hurricanes, floods and fires, at sea or on land	Such events could damage the Partnership's assets and the operational processes	The asset operators are taking cautionary measures to reduce the risks posed by climate change. For example, upon notification of extreme weather conditions the operators of the deepwater assets in the Gulf of Mexico cease production and even evacuate personnel from the sites, to prevent damage and casualties in accordance with industry practice.	Short-medium term
Physical	Chronic	Rising sea level	Impact on the offshore operations, increased insurance and maintenance costs, need to relocate facilities	Navitas' offshore assets are deepwater assets and therefore are not exposed to the potential impact of rising sea levels. The facilities are designed to withstand the latest criteria for extreme weather.	Long term
Transition	Policy and Legal (Carbon Taxation)	Implementation of carbon taxes (national, or upon export, for example the CBAM) or cap and trade systems	Increased operational costs Reduced demand for fossil fuels Potential of "stranded assets"	The Partnership is acting to advance the energy efficiency of its operations and to reduce production emissions, while using designated emission reduction systems and setting reduction goals for various time frames. The Partnership is also monitoring developments in this field.	Short-medium term

Risk Category	Type of Risk	Description	Possible Implications	How the Partnership is Handling the Risk	Time Frame
Transition	Technology (Advancement in Renewable Energy Technologies)	A rapid step up in the development and adoption of renewable energy technologies	Rapid reduction in demand for fossil fuels Potential outdating of existing infrastructure	The Partnership examines, from time to time, business opportunities in this field and monitors forecasts of future demand for the various types of energy.	long term
Transition	Technology (Technological Breakthrough in Fossil Fuel Production)	A technological change that would enable fossil fuel production through a low-emissions process, and/or a breakthrough in carbon capture and storing (CCS) technologies	Increasing capital expenditures Competitive advantage for competitors with such technologies	Navitas examines, from time to time, the feasibility and economic viability of investing in carbon emission reduction technologies such as carbon capture, utilization and storage (CCUS).	Long term
Transition	Market	Changes in market and consumer preferences towards renewable energy	Reduced demand for traditional oil and gas products Pressures to diversify the business model Rising financing and capital costs Loss of investors' trust	According to the OPEC and EIA forecasts, global demand for oil is expected to continue to rise until 2045-2050. The increase in demand is partly from the United States and European countries, and mostly from non-OECD countries, with the main contributors to the increase being India, followed by China. As stated, the Partnership is monitoring future demand forecasts, as well as other current trends, for the various types of energy.	Medium-long term
Transition	Policy and Legal (Duties of Disclosure)	Regulatory obligations and investors' requirements to disclose the Partnership's climate risks, opportunities and impacts	Increasing regulatory burden	Navitas is allocating resources to comply with the increasing regulatory burden, as it understands the importance of the matter and the need to address it in an experienced and professional manner.	Short term

Risk Category	Type of Risk	Description	Possible Implications	How the Partnership is Handling the Risk	Time Frame
Transition	Policy and Legal (Climate Litigation)	Litigation proceedings against the Partnership on grounds of harm to environment, violation of human rights, lack of adequate disclosure	Costs of legal proceedings Reputational damage Financial fines	Navitas does not serve as an operator at the core assets in which it owns rights. The operators take out relevant insurance policies and comply with all applicable regulatory requirements.	Medium term
Transition	Reputation	The fossil fuel industry's negative reputation and increasing concern by various stakeholders regarding the industry's environmental and climate impacts	Difficulties in raising capital and engaging investors Difficulties in recruiting employees Harm to the Partnership's "social license"	Promoting and investing in environmental matters is important to Navitas. It also acts to make the matter accessible to its investors and stakeholders and acts transparently and in accordance with what is customary in the field of operations.	Medium term

The challenge faced by humanity due to climate change and its associated risks, also presents a number of opportunities for the Partnership, to innovate, diversify and lead developments in the energy sector. The Partnership is in a significant strategic position to seize the opportunities, while leveraging the Partnership's expertise, infrastructures and financial resources, which will enable creating long term value.

In the short term, Navitas will focus on developing oil assets that have some of the lowest carbon emissions intensities in the world. Additionally, Navitas invests in technologies to reduce fugitive methane

leaks and is examining carbon capturing and storing (CCS) solutions. The Partnership led the process of amending the Israeli Stock Exchange Rules and Regulations regarding renewable energies, so that gas and oil partnerships can integrate renewable energy projects in their operations. Looking forward, Navitas is examining the field of renewable energies and its various segments.

These initiatives have the potential to diversify our portfolio, and concurrently place us in a position in which we will be able to contribute to energy transition and seize the opportunities deriving therefrom, including by entering new markets.

Net Zero Emissions Goal Before 2050

The Partnership is working to reduce greenhouse gas emissions by improving energy efficiency, reducing flaring and examining investments in carbon capturing and fugitive methane emission reduction projects. The Partnership has set the following goals:

1

Short term

significant reduction by 2026 of Scope 1 and Scope 2 emissions intensities by more than 50% of the current average industry value⁹, by:

- I. Focusing on low-carbon production from the Shenandoah and Buckskin offshore projects in the Gulf of Mexico which are characterized by energy efficiency that is due, inter alia, to a developed pipeline infrastructure which makes it possible to sell gas and avoid flaring excellent reservoir quality, and one of the most stringent regulatory environments globally.
- II. Taking leak detection and repair (LDAR) actions to detect fugitive methane leaks, and if necessary, repair them.
- III. Investing in infrastructures to reduce fugitive emissions, by collecting methane from the production safety valves in the separation and storage tanks at the Partnership's assets.

2

Medium term

significant reduction by 2027 of Scope 1 and Scope 2 emission intensities by more than 60%¹⁰ of the current average industry value, by:

- I. Expanding production from low-carbon production assets in the Gulf of Mexico, such as Monument and North Yucatan.
- II. Significantly reducing the carbon footprint from the onshore assets.

3

Long term

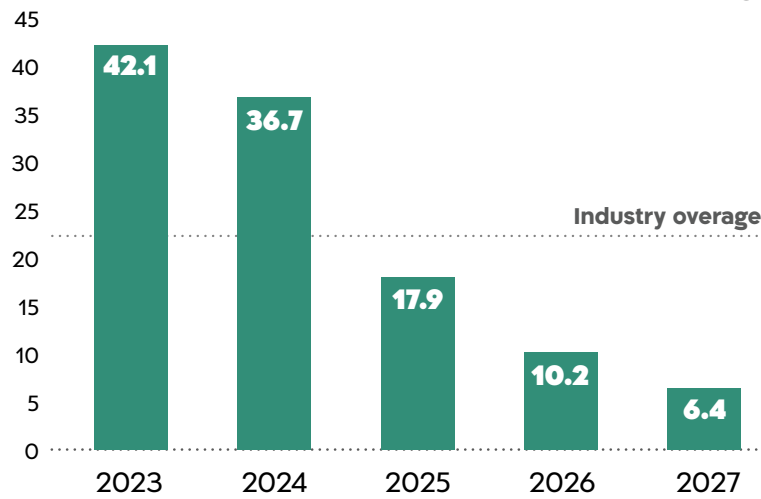
reaching zero emissions in Scope 1 and Scope 2 by 2050, by:

- I. Identifying carbon offsetting projects, such as carbon capture and storage or sequestering carbon in plants, and more. The Partnership is examining potential projects for investment, considering, inter alia, the existing regulation and incentives that are meant to create both environmental and economic value.
- II. Establishing an internal investment fund to promote carbon offsetting initiatives.

⁹ Current average value: 22.3 kgCO₂eq/BOE, source: Welligence 2024. In its 2022 ESG Report, the Partnership had stated its intent to reduce the production emissions intensity by more than 50% by 2025. The date of reaching the goal was postponed to 2026 due to the delay in the commencement of low-emission production from the Shenandoah project, which is expected to commence during the second quarter of 2025.

¹⁰ In its 2022 ESG Report, the Partnership had stated its intent to reduce the production emissions intensity by more than 60% in 2027. The Partnership updated the reduction rate in light of comprehensive feasibility tests for the emission reduction plans at the Sea Lion asset. According to the tests, it appears that it will not be possible to reach net zero emissions upon the commencement of the production, but rather only at a more advanced stage.

Navitas' Carbon Intensity Goals in Scope 1 and Scope 2 (accompanying the production)^{11,12}

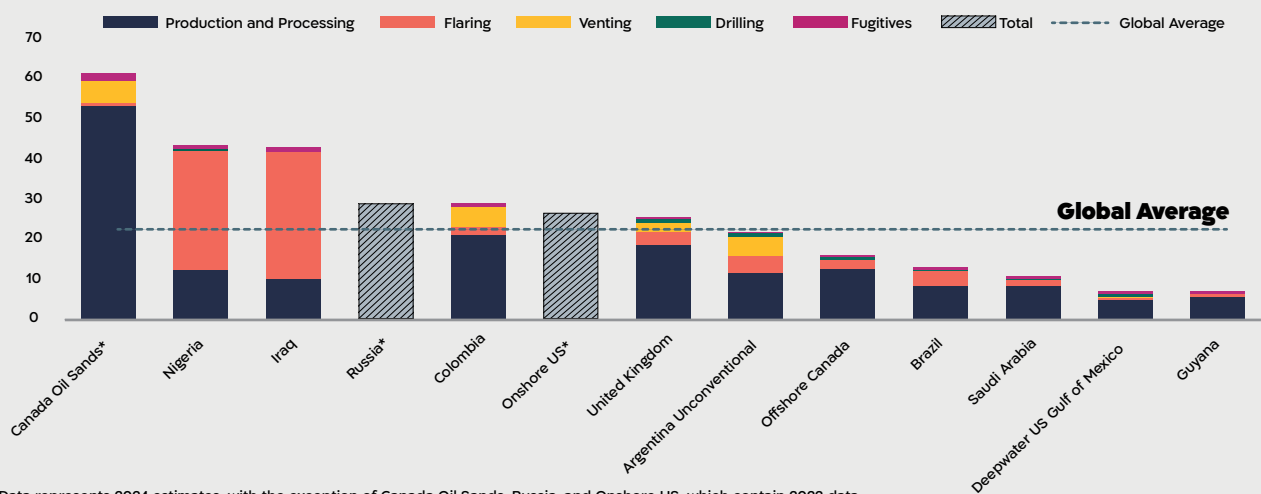


Current average value: 22.3 kgCO2eq/BOE, source: Welligence.

Short Term Emissions Reduction Goal | Focusing on Gulf of Mexico Production

The carbon intensity of fossil energy produced in the Gulf of Mexico, USA, is the lowest in the United States and one of the lowest worldwide, as can be seen in the figure below. Navitas currently produces oil in the Gulf of Mexico from the Buckskin oil asset and is expected to be significantly expanding production from this region upon the completion of the development of the Shenandoah field.

Most Recent Emissions Intensity



*Data represents 2024 estimates, with the exception of Canada Oil Sands, Russia, and Onshore US, which contain 2022 data
Source: Welligence Energy Analytics

Emissions intensity according to world regions. Source: Welligence.

The Gulf of Mexico fossil energy industry region has extensive infrastructures, excellent quality reservoirs which do not require high energy consumption for production, and stringent emission regulation. These

all contribute to a low carbon value per energy unit compared to other hydrocarbon production industry regions around the world.

11 The forecasted values are higher than in the previous report, due to two main reasons:

1. A delay in the low-carbon intensity production from the Shenandoah project – in the previous report production from the Shenandoah project was expected to commence during 2024, while the updated forecast is now the second quarter of 2025.
2. Updates to the development plan have resulted in an updated forecast of emissions intensity from the Sea Lion project.

12 Approximately 94% of the 2023 emissions intensity value is attributed to the Partnership's onshore oil assets.

The Shenandoah Project, for example:

Shenandoah's carbon intensity throughout the first years of the project is anticipated to be approximately 5 kgCO₂eq/BOE. This low-carbon footprint is facilitated by:

- An extensive existing infrastructure of pipelines and facilities.
- A prohibition against permanent flaring of methane.
- A reservoir that has excellent features, which allow production that does not require consumption of extensive external energy.
- Significant improvements compared to previous facilities in the area, such as improving the sealing of the gas system, thus reducing the scope of fugitive emissions. Equipment redundancy at the facility was also enhanced, such as an additional compressor for low-pressure gas, thus reducing the need for repeated maintenance at the facility which entails controlled flaring.
- **Production from this project is expected to commence during the second quarter of 2025 and will lead to a particularly significant reduction of the emissions intensity of all of Navitas' assets.**

Medium Term Emissions Reduction Goal | **Expanding Low-Carbon Operations in the Gulf of Mexico and Significantly Reducing Onshore Assets Emissions**

In addition to the Buckskin and Shenandoah assets, Navitas' portfolio includes additional assets in the Gulf of Mexico, such as Monument and North Yucatan which are to begin low-carbon emission production

in the coming years. The Partnership is also frequently examining entering additional assets in the Gulf of Mexico. Navitas has also set a goal to significantly reduce the onshore assets' emissions intensity.

The Monument Project, an example of expanding low-emission production in the Gulf of Mexico:

During 2023 Navitas completed the acquisition of Monument, an additional proven discovery in the Gulf of Mexico, USA, which is adjacent to the Shenandoah project. The FID to develop this project was taken in March 2024. This project is to commence production in 2026 and will contribute

to reducing the emissions intensity attributed to the Partnership. The Monument project will be connected to the same FPS that shall serve Shenandoah, and will expand Navitas' low-emission production from the Gulf of Mexico, USA.

The Denbury Project, an example of reducing onshore assets emissions:

ExxonMobil acquired the Denbury company in 2023 and became the Operator Company¹³ of the Partnership's onshore assets (with the exception of Neches).

reduce the carbon intensity of the upstream assets by 40-50 percent, the methane emissions intensity by 70-80 percent, and its flaring intensity by 60-70 percent.

Over the past years ExxonMobil has been significantly advancing sustainability in general¹⁴, and climate solutions, in particular¹⁵. For example, ExxonMobil has set a goal that by 2030 it shall

Navitas is working with ExxonMobil on monitoring emissions and on means to reduce them in the coming years.

13 An indirect operator, through a subsidiary.

14 <https://corporate.exxonmobil.com/-/media/global/files/sustainability-report/2023/sr-executive-summary.pdf>

15 <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf>

Long Term Emissions Reduction Goal | **Carbon Offsetting Projects and Establishing an Internal Carbon Offsetting Investment Fund**

Navitas has set a goal to reach net zero emissions in Scope 1 and Scope 2 before 2050 (Net Zero Target). In doing so, Navitas joins a group of companies which have taken on this Net Zero Target. This is a group that is comprised of approximately 70 percent of the global oil companies¹⁶. The Net Zero Target can be attained by various means of carbon offsetting. These means include, among others, carbon capturing and underground storage (CCS); capturing carbon, and using it for commercial uses, for example for oil production (CCUS); capturing atmospheric carbon and reducing its concentration in the air (direct air capturing); reforestation and more.

The Partnership has begun to examine, and will continue to examine, investments in potential carbon offsetting projects. This examination shall consider, inter alia, the existing incentives and regulation to create both environmental and economic value. In addition, in the framework of the Sea Lion project, Navitas intends to establish an internal investment fund to promote carbon offsetting. The fund will examine and locate carbon offsetting projects, such as burying carbon in soil, sequestering carbon in plants, and more.

The Sea Lion Project, an example of a low-emission production asset and of establishing an investment fund to promote carbon offsetting

The Sea Lion project is located in the Falkland Islands, which is a British Overseas territory. In accordance with the policies and guidelines of the Falkland Islands Government, Navitas, as the operator is committed to evaluating opportunities and implementing measures to significantly offset and reduce greenhouse gas emissions produced by the project and enhance local biodiversity. To enable this, Navitas has committed to establishing an offsetting fund for carbon and biodiversity initiatives.

This fund shall serve research and development of projects for offsetting carbon emissions and

adverse impacts on biodiversity. Sample projects that shall be examined are the restoration and rehabilitation of habitats in the Falkland Islands by planting vegetation in order to sequester atmospheric carbon dioxide and facilitate greater and richer biodiversity on the Islands.

The project is also expected to focus on implementing measures that reduce the operations' carbon emissions. For example, the production facility shall be designed to accomplish zero routine flare emissions and no produced water discharges to the sea, during steady state production.

¹⁶ According to a survey conducted by Welligence

Renewable Energy

Until July 2021, all publicly traded registered partnerships in the energy field in Israel were barred from investments and operations in the field of renewable energies, pursuant to the regulatory directives of the Tel Aviv Stock Exchange ("TASE"). Following a process to change the policy which was led by a number of energy partnerships, and headed by Navitas, vis-à-vis TASE and the Israel Securities Authority (in this section: the "Regulator"), on July 7, 2021, the authorities approved an amendment to the TASE Rules and Regulations and the TASE guidelines on renewable energies (the "Amendment"). According to the Amendment, oil and gas partnerships are allowed, in principle, to integrate renewable energy projects, as defined in the amended TASE Rules and Regulations, in their operations, as long as the partnership's main activity remains in the field of oil or gas explorations, such that the total investment in renewable energy projects shall not exceed 25% of the total value of the partnership's entire assets. According to the Amendment, a partnership such as Navitas that was traded prior to the Amendment coming into effect, shall be able to invest in renewable energy projects subject to the approval of an amendment to the limited partnership agreement at a meeting of the holders of the participation units, by a special majority¹⁷.

Navitas continues, from the time, to examine the renewable energy field and its various segments, as well as the possibility of establishing strategic collaborations as part of entering the field.

¹⁷ In order to allow the Partnership such operations, subject to what is required in Section 65(51) of the Partnerships Ordinance regarding approval of a private offering.

Greenhouse Gas Emissions at Navitas

Navitas' carbon footprint is comprised of the Partnership's direct (Scope 1) and indirect (Scope 2) operations. The direct greenhouse gas emissions are created during the oil and natural gas production process at Navitas' facilities and therefore the Partnership attributes its contribution to these emissions based on its pro rata share in the holdings of the production facilities, despite not being the operator of the production assets, except for the Neches asset.

In the framework of its Climate Statement, Navitas undertakes to act to measure and monitor the greenhouse gas emissions of the Partnership's production facilities, and also to continue to investigate and examine sources of emissions and how to reduce them. In addition, Navitas undertakes to act to reduce greenhouse gas emissions at all its sites by taking actions that advance energy efficiency, installing designated emission reduction systems, as well as ongoing reduction of flaring, as part of its ongoing activity to mitigate emissions.

The operators of the projects in which Navitas is a partner currently collect and manage greenhouse gas emission data and any other environmental impact of the sites' operations in accordance with the requirements of the local law. Navitas collects the various data from the operators and monitors it on a comprehensive designated data dashboard, that is updated in real time, which allows tight supervision and control of the various aspects of production activities and reporting to the operators.

According to the planned schedule, production from the Shenandoah project which is located in the Gulf of Mexico will commence during the second quarter of 2025. Cutting-edge equipment is being used in the development of this project, allowing for very low emission levels compared to the global industry. The developed and advanced transport infrastructures in the Gulf of Mexico also allow the gas that is generated to be sold without needing to burn it at the production site.

Navitas' asset development and investment policy strongly emphasizes emissions intensity. With the commencement of production at the Shenandoah asset, Navitas' emissions intensity is expected to drop dramatically in the coming years.

Navitas' Carbon Footprint – CO ₂ eq (metric tons)	2022	2023
Scope 1 Direct emissions (emissions from the natural gas and oil production process at Navitas' various producing assets, as per Navitas' holdings in each asset)	51,053	50,212
Scope 2 Indirect emissions (electricity consumption from external sources at the producing assets)	17,963	18,879
Total Scope 1+2	69,016	69,090

Table 5 | Navitas' Carbon Footprint

Navitas' carbon footprint includes the emissions from Navitas' producing assets but does not include the environmental impacts of the Partnership's headquarters and offices (negligent impacts compared to the assets' emissions). The production emissions intensity is presented in the tables below and represents the amounts of greenhouse gas in terms of emitted kgCO₂eq/BOE, as per Navitas' holdings in each asset.

The 3% increase in the emissions intensity derives from a decline in production (Scope 1) and an increase in use of electric pumps (Scope 2).

Emissions Intensity of Navitas' Production (kgCO ₂ eq/BOE)	2022	2023
Scope 1 Intensity	30.1	30.6
Scope 2 Intensity	10.6	11.5
Scope 1+2 Intensity	40.7	42.1

Table 6 | Navitas' 2023 Emissions Intensity

Mitigation of Negative

Produced Energy	2022	2023
Oil (BBL)	1,548,946	1,502,273
Gas (MCF)	893,428	831,475
Total produced energy (MMBOE)	1.7	1.6

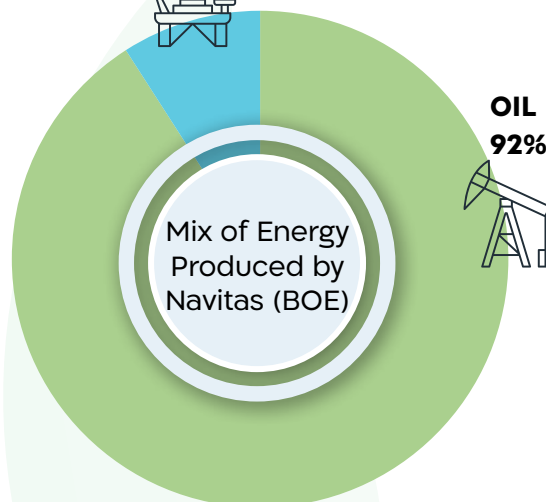
Table 7 | Amount of Produced Energy, as per Navitas' Holdings in Each Producing Asset

Environmental Impacts

Mitigating the environmental impacts of its business operations is very important to Navitas, and therefore, even though it is legally the obligation of the partner operating the operation sites to manage the environmental risks, Navitas oversees, to the best of its ability, the business operations in which it is involved.

Environmental

GAS
8%



Graph 1 | Produced Energy Mix

Management System

In the offshore projects, Navitas oversees the environmental risk management systems used by the companies operating the sites. The Partnership reviews and comments on the development plans while emphasizing HSE aspects. The Partnership also contributes to workshops on risks and planning of wells and facilities and brings its industry expertise to support safe operations and prevent impact to the environment. Water treatment systems are also used on offshore projects to ensure that produced water is treated in accordance with regulatory standards. The operators test the systems on an ongoing basis to verify that discharges are compliant with the required standards. In the Sea Lion project, water will not be discharged overboard, but rather reinjected underground. Finally, Navitas and its partners are obligated to perform plugging and abandonment of wells and decommissioning of platforms and subsea pipeline equipment in accordance with government regulations and the operators' customary industry practices. Any abandoned onshore project is decommissioned and returned to a proper condition per the landowner's specifications.

The environmental aspects of every component of projects that Navitas promotes are thoroughly examined, including, carbon footprint mitigation, protection of biodiversity and making facility

decommissioning procedures better for the environment. The Partnership and the operators at the various assets operate in accordance with an internal environmental policy, which includes investments and actions to protect biodiversity, such as pre-drilling seafloor surveys to locate biological habitats and narrowing production areas at onshore assets to protect the environment, when an unusable area is decommissioned and goes back to being used by the landowners in accordance with their agreements. Additionally, Navitas has adopted a horizontal drilling method in the Denbury Fields, by which there is no need to significantly increase the area of land necessary for resource production, particularly compared to vertical drillings.

In general, Navitas and its partners perform environmental surveys before exploration, development and production operations. These surveys' directly impact the development plans in general, including the location of the wells, the construction and operation of the facilities. Onshore well placement and facility construction are conducted to avoid wetlands as well as avoid significant tree removal. (arborist are consulted in this event). In the Shenandoah project, it was decided to invest significant resources to make changes to the original plan of the platform's orientation and

mooring locations, to minimize damage to the marine environment. Additionally, at the platform design stage, an electric crane was integrated into the project plan, instead of the traditional diesel-fueled engine.

Additionally, in relevant projects, Navitas, along with its partners, supports entities that conduct environment-related research to assist in gas and oil exploration decisions.

In the Partnership's offshore and onshore projects, the operators uphold a clear reporting policy regarding any safety or environmental incident as well as "near miss" incidents, so all the partners can learn and take additional measures, if necessary, to reduce the risk of future incidents. For example, in the Neches Field, which the Partnership operates, there is an automatic reporting system that sends an

email in the event of a malfunction. If malfunctions occur, they are reported on an ongoing basis in the framework of the daily production report that the Partnership receives, and in addition, the operators provide a weekly report on these matters to Navitas' management.

Navitas has appointed Mr. Mike Beattie, President, Offshore Projects, of the Group's Houston office, as its senior HSE manager. Mike Beattie is in constant contact with the operators at Navitas' various assets regarding these matters. Mr. Beattie sends the reports that are received from the operators to the Partnership's management on a continuous basis. Additionally, at the beginning of 2024, Mr. Mark Yates from the Group's London office, was appointed as the Sea Lion project's VP HSE.

Implementation of Stringent Measures to Prevent Spills and Protect the Water Resource

Navitas' offshore business operations carry various environmental risks, including the generation of waste, pollutants, and, primarily, risks of leakage of oil or natural gas into the ocean. Therefore, the operators of Navitas' assets continuously operate in accordance with the law, and also, voluntarily, applies stringent measures to prevent leakage or discharges of wastewater and to protect the water sources in which it operates and their surroundings. Most of Navitas' offshore operations are located in

the United States (in the Gulf of Mexico region), and therefore, Navitas is subject to oversight by state and federal regulators such as the FERC (Federal Energy Regulatory Commission), the U.S. Department of Energy, and more, as well as agencies of the U.S. Department of the Interior that oversee oil and natural gas operations on federal lands, in general, and on federal offshore lands in particular, such as BOEM and BSEE.

Working to Prevent Spills and Protect Water Sources

Alongside uncompromising diligence regarding all regulatory and local and federal authority requirements, at every one of Navitas' operational sites, each site prepares, operates, and from to time updates, a spill prevention, control, and countermeasure (SPCC) plan, in accordance with relevant regulations. For example, at the Neches project, which Navitas operates, the SPCC plan includes comprehensive guidelines for the operation and maintenance of all the equipment at the site, alongside response protocols which are meant to quickly and efficiently contain and handle any possible spill. In addition, all the facilities are maintained in accordance with inspection, maintenance and repair protocols, in accordance with the operators'

procedures and the relevant risk management and monitoring regulations.

The pipelines and facilities at the sites are monitored, on a quarterly basis, to detect pressure drops or signs of corrosion, which could indicate leakage and Navitas has a maintenance and repair setup as well as a professional team that decides how frequently to renew equipment to reduce the risk of leakage. The site also operates a supervisory control and data acquisition (SCADA) system which is connected to continuous monitoring devices at all the site's wells (tanks of oil and formation water¹⁸ produced from the well), provides real time alerts of any potential leakage, and has emergency leakage-prevention

¹⁸ Formation water – water that is produced from the layers of the geological reservoir along with the production of the gas and/or the oil.

shutdown and isolation capabilities. Navitas also inspects and maintains berms that are kept empty to ensure maximum spill capture, if such shall occur. All oil storage areas are isolated from exposure to fire and are accommodated to contain any liquid during an incident, to prevent fires and to reduce potential environmental impacts. Navitas also proactively continuously trains the team operating the site regarding all aspects of the SPCC plan, including by investigating known past incidents.

Navitas acts to protect groundwater. In its operations, the wells' casings form a surrounding barrier that separates the groundwater aquifers from the Partnership's operations and hence protects the quality of the groundwater. Navitas and its onshore partners along with the state regulators maintain an annual schedule to ensure that all inactive wells are checked to confirm there is no potential for groundwater contamination. Wells that do not pass this strict policy is subject to plug and abandonment to ensure that the groundwater is protected at all times.

The methods of isolating the water sources undergoes an internal approval and inspection process by Navitas (or by the drilling engineering team on behalf of the relevant asset's operator), and an inspection

is also held, and an approval received, by the local regulator. This process is held before any drilling in a well by the drilling engineering team and by the regulator and includes verifying isolation of sensitive layers by sealing with a pipe casing and the concrete.

Navitas perceives any leak to be significant with substantial potential and therefore any visible leak, in any scope, is reported to management, even though local Texas regulation for onshore assets only requires reporting above a threshold of 5 barrels of oil.

Navitas acts and invests in plugging and abandoning wells which no longer produce, in accordance with stringent regulations to prevent leakage both above surface and in the underground layers that carry groundwater.

Navitas also acts to mitigate the risks its operations carry and to protect the environment adjacent to its assets in its offshore operations (at the Buckskin and Shenandoah projects in the Gulf of Mexico). This includes Navitas being a member of HWCG, a consortium of companies that own oil and gas assets in the Gulf of Mexico. Additional information about the organization appears in the paragraph below.

Membership in Initiatives and Organizations

As stated, Navitas is a member of the HWCG organization, a consortium of companies that own oil and gas assets in the deep waters of the Gulf of Mexico. The consortium members are committed to creating safe, quick and comprehensive response equipment for spills, based on cooperation and mutual aid, including budgetary support and practical assistance in the event the risk materializes. In order to be admitted as a member of the organization, among other requirements, a detailed disclosure of the experts employed by Navitas was required, and a meticulous and orderly admission process was conducted on behalf of the organization. After its admission to the organization, Navitas paid an entry fee to the organization and pays additional membership fees every calendar quarter. Members of the organization make on call teams available to

the other members and conduct complex simulations and drills which include spill scenarios, to maintain professional competency.

Accordingly, Navitas' Gulf of Mexico assets benefit from the membership in this organization and their enhanced protection against risks of spills. Currently, the organization's resources are at Navitas' disposal whenever there are drillings at the offshore projects. Additionally, the two operators of Navitas' main offshore assets (LLOG and Beacon at the Buckskin project and the Shenandoah project, respectively) are members of CGA (Clean Gulf Associates), an organization with goals similar to those of HWCG, which provides advanced equipment and experienced personnel for handling spill emergencies, thus adding an additional layer of protection to these projects.

Mitigation of Impacts on Ecosystems and Protecting Biodiversity

As a partnership that produces oil both onshore and offshore, Navitas is committed to protecting both terrestrial and marine biodiversity. The Partnership takes all actions necessary, both during planning stages and operational stages, to prevent adverse impacts on local flora and fauna. These include, inter alia, the advanced leakage prevention measures described above.

The onshore Neches oil field, that is operated by the Partnership, is located near an area of large and protected natural wetlands. Therefore, before any new development in the area, the Partnership hires environmental experts that are approved by the relevant local authorities to survey the ground and examine possible impacts on the wetlands. The wetland surveys that are received guide the Partnership in its planning and development processes and help reduce above-ground disturbances when constructing access roads, well sites and facilities. Additionally, when planning new well locations, drilling is performed mainly from

one above-ground site to avoid additional drillings at different points. This practice helps reduce the carbon footprint and moderates the impact on natural areas and biodiversity.

In addition, Navitas acts to protect biodiversity among species of birds that mistakenly identify open above-ground reserve pits adjacent to the drilling pads as resting sites and thus become exposed to the risk of contamination and extinction. The reserve pits are an integral part of drilling pads in the production industry and accumulate mud and fluids extracted from the drilling pads to prevent environmental pollution.

Given the risk the reserve pits pose to birds, Navitas uses alternate recycling technologies that allows it to protect the environment and biodiversity.

In 2023, no economic or other sanctions or fines related to environmental conduct were imposed upon the Partnership, the General Partner, or the Partnership's employees.

Spills

Oil spills and their volume are monitored and reported in accordance with regulation in Texas and the Gulf of Mexico. During 2023 there were no incidents of spills

at the onshore assets and at the Buckskin offshore asset.

Environmental Waste Reduction Goals

Water is also produced as part of the oil and gas production. The volume of the produced water is significant primarily at Navitas' onshore assets. The produced water, which is also referred to as formation water, has high salinity and is non-potable, and therefore must be disposed underground. At its onshore assets, Navitas has set a disposal goal that all the produced formation water be disposed

underground and in 2023 it met this goal in full. The formation water is disposed in accordance with customary oil and gas production working practices and subject to local regulation and undergoes cleaning and separation processes, so it does not harm the layers of potable groundwater.

Society

Navitas' employees play a central part in its success, and the Partnership strives to provide a fitting and respectful working environment, while being uncompromisingly diligent about complying with the provisions of the law with regards to fair employment conditions, in the various arenas in which the Partnership operates. Moreover, Navitas is committed to cultivating its human capital, offering learning and development opportunities, all while strictly protecting health and safety. The Partnership also upholds a "zero-tolerance" policy towards any kind of harassment, bullying or discrimination which are considered fundamentally wrongful conduct that is contrary to the Partnership's values and the way it conducts its business.

Employees and Subcontractors

The Navitas Group employs 42 full time employees, of whom 28 hold academic degrees and 11 are engineers¹⁹. Navitas acts to promote occupational diversity and to implement equal opportunities in employment and has therefore adopted a policy prohibiting discrimination based on gender, ethnicity, age, disability, religion and sexual orientation, which is reflected, inter alia, in the Partnership's Code of Ethics. Accordingly, 31% of the employees are women, 33% of the senior management positions are held by women, and 50% of the mid-management positions, subordinate to senior management, are held by women.

During 2023 and until the date of this report, approximately 13 employees have been recruited to the Sea Lion project that operates out of the Group's offices in London. The employees underwent an orderly onboarding process, including compliance training by the Group's Vice President and General Counsel. The employees were also briefed regarding relevant procedures, including international travel procedures, privacy procedures and the Code of Ethics.



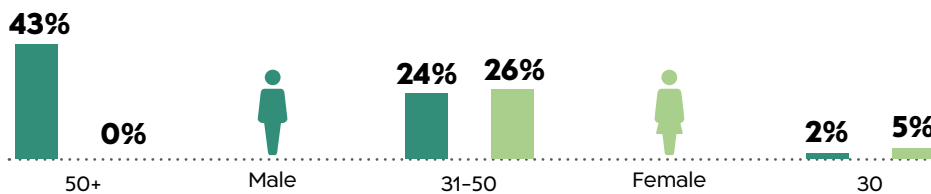
Social

42 Employees

31% of the Partnership's employees are women

33% of management positions are held by women

Segmentation of the Group's Employees According to Age and Gender in 2023



Graph 2 | Segmentation of the Partnership's Employees

Diligent Maintenance of Health and Safety at all Partnership Sites

The health and safety of all the Partnership's employees, contractors and visitors at its sites is Navitas' highest priority at all the sites and organs of its operations. In each of the regions in which it operates, the Partnership and its partners act in compliance with health, safety and environmental

(HSE) regulations and local and federal laws, as applicable, and in cases when there are no clear guidelines, the Partnership and its partners voluntarily implement stringent and meticulous procedures. The companies operating Navitas' projects and the production facility that serves the Buckskin project are among the leading companies in the industry that implement a stringent ESG policy (ExxonMobil, Oxy, Beacon and LLOG). These companies implement a stringent policy under SEMS (Safety and Environmental Management System) documents, recognized as best practice in the market.

Navitas aims to perpetually improve its HSE practices and has therefore appointed HSE managers as specified above. The senior HSE manager in the United States, Mike Beattie, is in constant contact

¹⁹ In addition to dozens of contractors in varying scopes of positions.

with the project operators at the producing assets and sends weekly HSE reports to Navitas' management. The operators that Navitas works with adhere to safety procedures that include briefings when beginning work, and at critical transitions between various stages of work. The Partnership also encourages improvement in these matters by monitoring key performance indicators (KPIs). The operators that Navitas works with also hold safety briefings when beginning work and at critical transitions between various stages of work.

Employee and Contractor Employee Safety

Compliance with External Standards

The BSEE (Bureau of Safety and Environment Enforcement), which is subject to the U.S. Department of the Interior, is the relevant prescriptive agency in the offshore oil and gas industry in the United States. This agency is charged with prescribing standards, enforcement and reporting obligations regarding compliance therewith. The operators of Navitas' offshore assets in the United States comply with the reporting obligations and adhere to the internal procedures pursuant to BSEE's SEMS rule (30 CFR 250.1929). Each operator is required to maintain the Safety and Environmental Management System. This system is inspected and audited once every three years after an initial audit after two years in practice.

Quantitative Performance Reporting

In the framework of the BSEE's required procedures, each operator is required to file an environmental and safety performance measures report during the first quarter of each year.

In this framework, the Shenandoah project's operator filed the following measures:

- TRIR (Total Recordable Incident Rate) – this measure calculates the ratio between the number of safety incidents and the hours of work on the project. For example, in 2023, Shenandoah's operator reported a TRIR = 0 to the BSEE during the establishment of the project:

$$\text{Total Recordable Incident Rate (TRIR)} = \frac{\text{Number of Recordable Incidents} \times 200,000}{\text{Total Number of Employee Hours Worked in 1 Year}}$$

- The number 200,000 represents the working hours of 100 employees in 50 weeks of 40 working hours per day.

- DART (Days Away, Restricted or Transferred) – for example, in 2023, Shenandoah's operator reported a DART = 0 to the BSEE during the establishment of the project. This measure describes the number of injuries and illnesses per each 100 full-time employees that led to days away from work, restricted working activity and/or transferring an employee from their position.

Initiatives to Improve the Organization's Safety Conditions

Navitas began an initiative of reporting HSE (Health, Safety and Environment) incidents at the top of the weekly operational report to the management.

In addition, when completion or drilling activities are being performed at an offshore well, a morning video conversation is held with the team of the operator on the drillship. During the daily drilling conversation, the operator's HSE manager states whether there were any safety incidents.

Safety-Related Dialogue with Employees and Contractors

The Partnership understands that an open and honest dialogue is needed to preserve health and safety. To that end, it keeps lines of communication with all employees and contractors open so they can seek advice, ask questions and report safety incidents or unsafe working conditions. The Partnership is also diligent about conducting routine safety training sessions for all its employees, while encouraging the taking of personal responsibility and instilling a culture of safety. The Partnership places the primary responsibility for implementing these principles on the supervisory personnel on its behalf in the field, at the offices or at any site of operations.

Health and Safety Procedures

Operators at all of Navitas' oil and gas sites have safety manuals which all employees are required to learn. At the Neches Field, which Navitas operates through the Peles subsidiary, there are safety procedures that are relevant to all Navitas employees and subcontractor employees operating in the field. The manuals provide information, working procedures and guidelines to ensure safe operation of equipment and maintaining safety.

The following are some guidelines that are included in the Health and Safety Manual of the Neches Site, which are meant to reduce the risk of work-related accidents:

- Upholding detailed working procedures for specific types and fields of work.
- Performing routine safety inspections at the work site and attending to hazards found.
- Reporting data on injuries and “near misses”, identifying hazards and documenting data.
- Implementing lessons learned from incidents/hazards found and striving to eliminate the hazards.
- Ensuring the availability and usability of all required safety equipment.
- Allowing only qualified, trained and physically capable people to perform works.
- Conducting routine and continuous safety training for the entire team.

A Culture of Equal and Fitting Employment

Navitas strives to be a preferred workplace for its employees and to ensure an inclusive and pleasant working environment that is characterized by participation, dialogue and openness, and that incorporates various fields of experience, skills and diverse perspectives. Such a working environment facilitates inclusiveness, occupational diversity and gender equality, and promotes Navitas' business goals.

Alongside diligent compliance with local labor laws for all its employees, Navitas has appointed an HR manager who is responsible for addressing the employees' ongoing needs and supporting their continuous development. Navitas is conscientious about taking its employees' personal and family needs into consideration and helping them achieve a work-life balance. Navitas also promotes the employees' health and comfort throughout the workday, including by being diligent about an ergonomic working environment. Navitas also trains employees and enhances their skills in the fields of operations, thus promoting shared value – by concurrently developing both the employee and Navitas.

Fair Employment

Navitas is diligent about fair and respectful conduct towards its employees. There is a box located in the office of Navitas' Vice President and General Counsel, in which employees can place complaints relating to sexual harassment, bullying, retaliation and any kind of offensive behavior directed at them. **No complaints were made concerning these matters in 2023.**

Employee Participation, Empowerment and Wellbeing Initiatives

It is very important to Navitas to cultivate and empower its employees and it is deliberate about organizing various activities for employees, which contribute to the sense of belonging of the employees and their families. These include:

- Communal pre-holiday and birthday toasts and meals
- Personalized birthday gifts
- Purim and other holiday parties
- Movie premiere events
- Activities for employees' children, usually during summer vacation
- A “routine-breaking” teambuilding day trip
- Hosting “Zikaron Basalon” gatherings with holocaust survivors who share their stories
- Hosting someone who was injured in the Swords of Iron war to share his story

Navitas also grants its employees various benefits such as holiday gifts, acknowledgement of significant life-cycle events, and teambuilding activities such as organized vacations with spouses. At the beginning of the Swords of Iron war, encouragement packages were sent by the Partnership to the employees' homes. Employees also receive various gifts for dedicating special efforts in the framework of offerings, transactions and significant events. These all enhance a sense of belonging and identification among Navitas' employees. Additionally, Navitas encourages social engagement and community volunteering, in which all employees take part.

Navitas conducts employee training programs that include participation in professional workshops and conferences, compliance and ethics training for new employees, “first aid responder” training,

and more. Navitas also supports employees experiencing personal or family crises. This is all part of Navitas' commitment to its employees' personal and professional health, wellbeing and growth. The following are all part of Navitas' said policy and employment conditions:

- **“Open Door” Policy |** Navitas' CEO, the U.S. subsidiary's CEO and the Sea Lion COO have instituted an “open door” policy at the headquarters in Israel and at Navitas' offices in Houston and London and they encourage all employees to reach out to them regarding any personal and/or professional matter.
- **The Health Movement at Navitas USA |** Employees in the United States are welcome to participate in a program that encourages and rewards them for physical activity and daily achievements.
- **Navitas Israel's Fitness Group |** Weekly workouts with a fitness instructor were held in 2023 at the Israeli headquarters and the employees participated in the Tel-Aviv Race.
- **Healthy Menu |** Healthy food is served at the Partnership's cafeterias to encourage its employees' healthy lifestyle.
- **Employee Workshops in Israel |** Navitas' employees participate in professional workshops and conferences to become familiar with and learn about the energy markets. Over the past year, approximately 6 employees participated in conferences that are relevant to their field of employment.
- **U.S. Employee Training Program |** During 2023 Navitas' employees in the United States participated in training programs which focused on engineering, geology, law and accounting. Over the past year approximately 30% of the employees underwent training.
- **Annual Study Day |** The Partnership registered the members of the Board of Directors as members in the Israel Directors' Union. In the framework of this annual membership, the directors receive ongoing professional updates and participate in conferences on matters that are relevant to their activity as directors in a publicly traded partnership.
- **Employee Benefits |** Navitas' employees and some of the employees of the supply chain receive holiday gifts and additional wellbeing benefits, beyond the social benefits that are required by law. Additionally, Navitas allows parental leave, subject to and beyond the law, while being considerate of parents' needs.
- **Financial Support |** Navitas supports its employees on an ongoing basis and assists them financially. This support is mostly evident at times of a personal or family crisis.
- **Employee Teambuilding |** Navitas organizes vacations for employees and their spouses, to promote a sense of belonging and better working relations.
- **Employee Feedback |** At the end of every year employees are invited to a personal feedback session with the CEO and their direct manager to discuss growth, progress, matters to maintain/improve and personal and professional development goals.
- **Earning Above Minimum Wage |** The Partnership makes sure that all of Navitas' employees earned salaries that are at least 10% above minimum wage.
- **New Employee Training |** As part of their onboarding, new Partnership employees undergo training sessions with the Partnership's Vice President Subsurface & Operations regarding oil and gas drillings and production. Said training lasts approximately 3 hours. Approximately 16 employees participated in the training in 2023. Additionally, new employees in Israel, the United States and England, participated in 2023 in training sessions by Navitas' Vice President and General Counsel, regarding the compliance plan, the international travel procedure and the Code of Ethics.
- **Extended Maternity Leave |** Navitas finds it appropriate to allow maternity leave to be extended beyond what is prescribed by law, in coordination with the direct manager and with a gradual return to routine.
- **Medical Review |** Navitas considers its employees' health to be of the utmost importance, and therefore does what it can to provide the foundation for maintaining their health. As such, employees who reach the age of 40 are entitled to comprehensive medical examinations at Navitas' expense.

Creation of Shared Value with Local Communities and Mitigation of Negative Impacts

Community Engagement

Navitas sees itself as an integral part of the communities in which it operates in Israel, the United States and Britain. Navitas aspires to create a better future for its employees, customers and society at large, by supporting and engaging with these communities. In November 2022, Navitas' Board of Directors approved a detailed donations policy.

The Partnership decided to perennially adopt the Givati Brigade by donating to the brigade's not-for-profit association which is intended to attend to the wellbeing of bereaved families, lone soldiers and scholarships for released soldiers. In November 2023, further to the Swords of Iron war, the General Partner's Board of Directors approved increasing the annual donation cap to a total of one million NIS, and the donations that were transferred to the brigade also served for the wellbeing of the brigade's regular-service and reserve-duty soldiers. The Partnership also donated funds to the ZAKA organization and to additional activities for evacuated families.

Additionally, and in the framework of the approved amounts, the Partnership supported disadvantaged populations and donated funds to the "Live with Dignity" not-for-profit association, which mainly provides hot meals to holocaust survivors, to the HABAD not-for-profit association which assists with daily meals for the underprivileged and needy, and also assists families evacuated from the north and the south.

Employee Volunteering

Navitas' employees engage in a wide variety of volunteer activities in Israel and the United States and demonstrate extraordinary dedication to strengthening the community and the environment. Navitas' management actively encourages employees to volunteer, including by personal example, based on the conviction that community engagement creates a strong and cohesive society. Employees are granted flexibility in their workday so they can participate in volunteer activities during regular working hours. Navitas' HR manager manages and coordinates the volunteering at the Partnership and is in contact with various not-for-profit associations and organizations.

The following are some examples of volunteering activities and donations to local communities in which Navitas' employees are involved:

- **Helping local agriculture:** When the Swords of Iron war broke out, Navitas' managers and employees volunteered to help short-staffed farmers harvest their cauliflowers. This illustrated Navitas' commitment to support farmers and help them at times of crisis.
- **Distributing food baskets and hot meals:** Navitas' employees participated in door-to-door delivery of food baskets and hot meals to disadvantaged populations. More than 300 hot meals were delivered personally each day by the volunteers to those in need.
- **Involvement in the United States:** In the United States, Navitas' employees participate in athletic tournaments and events which are dedicated to raising funds for educational and community institutions. They also participate in tree-planting projects at schools in underprivileged areas, through environmental organizations. Driven by the commitment to help people in difficult economic situations, the employees also participated in a cooking and food donation project for disadvantaged populations.

Generally speaking, social engagement, and particularly Navitas' employees' volunteering, is an integral part of Navitas' values and reflects the group's organizational DNA and culture. The employees' active participation and commitment to strengthen the community and the environment contribute to the community's wellbeing and to enhancing social resilience. Navitas is proud of its employees and continues to encourage engagement and volunteering, to continue to build a strong, supportive and cohesive community.

Governance

Navitas is committed to implementing strong and advanced practices for proper corporate governance. As a registered and publicly traded partnership, Navitas is subject to stringent legal provisions and requirements with which it diligently complies.

Navitas' General Partner, through the General Partner's Board of Directors, manages Navitas. Navitas' senior management also tightly supervises its business strategy and fiscal/budget responsibility, as well as its fair and ethical treatment of business partners and stakeholders.

Ensuring Moral and Ethical Business Conduct in the Fields of Activity

Risk Management

Navitas uses a variety of means to manage its business risks, including ESG risks.

First, Navitas has a clear working procedure that defines how the Group's investment projects are found and its business opportunities examined. This procedure defines processes of due diligence for every project and of risk and opportunity management by Navitas' management, with the assistance of local professionals and advisors, such as lawyers and geology and reservoir engineering experts. Navitas relies on the asset operators in all that relates to physical risk management and complying with customary industry standards.

Second, Navitas has a risk management policy, in the framework of which the Board of Directors and management have voluntarily adopted an internal securities compliance plan (for further details see the "Compliance Mechanisms" sub-section below). Additionally, an annual independent discussion is held by an audit committee that is comprised by the Partnership's accountant, internal auditor and Vice President and General Counsel to review whether there are any deficiencies in the management of the Partnership's business by the Board of Directors. This is in accordance with the recommended corporate governance provisions set forth in the Companies Law.

Finally, based on the understanding that ESG risks are an integral part of the nature of Navitas' business operations, Navitas requires that its material suppliers, when entering contracts, undertake to comply with local regulation and legislation. Additionally, Navitas continues to expand the ESG topics it addresses from year to year. For example, based on the understanding that thought must be given to ethical risks that may emerge from its operations, Navitas has formulated, distributed among its employees and implemented a code of ethics. In addition, the topic of climate risks has been added this year to the ESG report and has been defined as a topic that is material to Navitas' operations. By doing so, the Partnership has expanded the scope of its reporting.



Governance

0	Bribery and corruption incidents
25%	of the members of the Board of Directors are women
100%	of employees undergo ethical training once a year
2	External directors
1	Independent director
2	directors with financial and accounting expertise
13	meetings of the Board of Directors
15	meeting of Board of Director committees

In this context, this year, for the first time, Navitas mapped out the climate risks with the assistance of an external consulting company. The above chart (in the "Preparing for Climate Change" chapter) is an initial mapping of the climate risks that the Partnership has identified as being potentially relevant to its operations, in various time frames. This mapping will serve as a basis for the Partnership for additional detailed risk assessments, and for strategic planning that is meant to reduce these risks and seize potential opportunities.

No legal proceedings were taken against Navitas during the reported period.

Ensuring Compliance and Ethical Conduct

Compliance Mechanisms

Navitas adopted a Securities Compliance Plan (the **"Compliance Plan"**) in 2019, which is led by Navitas' Vice President and General Counsel. The plan was adopted voluntarily at the internal organizational level and is intended to ensure a standard of compliance by Navitas and its employees, at all levels, and fair conduct at all organs of the business operations. The Compliance Plan makes it possible to detect and prevent violations and offenses by individuals associated with the Partnership or by Navitas itself, which are related to the provisions of the law. As part of the plan, working procedures were adopted that include procedures regarding the acts of the Board of Directors and its committees, an information flow procedure, a procedure for prevention of the use of insider information, a procedure for reports by interested parties and officers, an anti-bribery and corruption procedure, a related party transaction procedure, and more. The procedures address various ethical issues, map potential noncompliance risks and actions to mitigate such risks and offer ethics and compliance training for management and employees. These procedures are sent to all the Partnership's employees. During March 2024, further to a comprehensive compliance survey, the Compliance Plan was updated and approved by the audit committee.

Navitas acts fairly in its contractual engagement procedures with business partners, in general, and with production site operators, in particular. Navitas is diligent about drafting agreements that are based on customary protocols in the oil and gas production industry. Among the undertakings that the partners and operators assume is an undertaking to comply with the requirements of the law and regulation in the area of operations, and to act responsibly and with caution. Additionally, Navitas is continuously assisted by local legal advisors who update the Partnership's Vice President and General Counsel of developments in the countries where Navitas conducts business, to ensure maximum compliance also with the regulation in such regions.

Moral and Business Ethics

As of the date of publication of the report, the Partnership has a Code of Ethics that was approved in 2021 by the General Partner's Board of Directors. The Code of Ethics has been distributed to Navitas' employees in Israel, the United States and Britain.

Navitas' management communicates Navitas' values in the framework of the Code of Ethics, the Compliance Plan, and in its day-to-day conduct, and the Partnership's employees can file complaints on ethics-related issues using a box located in the office of the Partnership's Vice President and General Counsel, who is responsible for ethics and compliance at the organization, or through anonymous email messages. **No inquiries or complaints concerning ethics in the organization were received in 2023.**

Navitas operates in accordance with the Partnership's anti-bribery and corruption procedure, which binds all its employees, at all levels. **In 2023, no bribery or corruption incidents were discovered and no incidents were recorded that led to disciplinary proceedings or the termination of engagements with business entities**, including suppliers, due to incidents of such nature. In addition, as part of its policy, Navitas does not donate funds to any political body or candidate in any region in which it operates.

Navitas is also active in a number of relevant professional associations, including the Association of Oil and Gas Exploration Industries in Israel and the Association of Publicly Traded Companies in Israel. Its participation in these associations is in full compliance with the requirements of the law.

Cyber and Information Security

Navitas works to protect proper operations and to maintain the security of existing information. The Partnership has appointed a CISO – Chief Information Security Officer, who manages the entire technological matter together with an IT company, vis-à-vis external entities, in accordance with the Partnership's Cyber and Information Security Policy.

Future Goals

Preserving the Partnership's current state of completely refraining from incidents of corruption and/or unfair business conduct.

Proper Corporate Governance

The Group's corporate governance is based on the guidelines of the General Partner's Board of Directors, which is comprised of six men and two women (one of whom is under the age of 50 and the rest over 50). Navitas is subject, inter alia, to the Partnership Ordinance, which incorporates provisions from the Companies Law, the Securities Law and its regulations, as well as directives from the Securities Authority. The ordinary directors and the independent director were appointed by the general meeting of the General Partner company, and the external directors were appointed by the meeting of holders of Navitas' participation units, for a three-year period, as required by the provisions of the law. In addition, since Navitas is a publicly traded and registered partnership, it has appointed, in addition to an internal auditor,

a certified external Supervisor on behalf of the holders of the participation units, to supervise the Board of Directors and Navitas' overall operations, in accordance with the Partnership Ordinance.

The chairman of General Partner company's Board of Directors does not serve in additional positions in the Partnership, to ensure proper corporate governance. Navitas also relies on its Compliance Plan and the working procedures, which include reporting of transactions with related parties to avoid conflicts of interest, training for members of the board of directors regarding required courses of action, and more. The Board of Directors is subject to an undertaking to avoid conflicts of interest and updates the Partnership's Vice President and General Counsel of any developments that could raise a concern of conflicts of interest.

8 Directors

7

Directors

50+

1

Director
30-50 years old

30-50

6

Men Directors



2

Women Directors



2

Directors with
Financial and
Accounting Expertise



1

Partnership
Supervisor



1

Independent
Director



2

External
Directors



Board of Director Committees

Balance Sheet Committee

The committee was appointed in accordance with the provisions of the law, and its duties include supervising the Partnership's business activities and financial statements. Three directors serve on the committee – an independent director and the two external directors, one of whom has accounting and financial expertise. The committee convened five times in 2023 and had an attendance rate of 100%.

Audit Committee

The committee was appointed in accordance with the provisions of the law, and its duties include reviewing the internal auditor's work plans, performance and scope of employment. Three directors serve on the committee – an independent director and the two external directors. The committee convened six times in 2023 and had an attendance rate of 100%.

Compensation Committee

The committee was appointed in accordance with the provisions of the law, and its duty is to determine a framework for the compensation policy for the Partnership's officers. The policy framework is in accordance with the Companies Law and the Partnership Ordinance and contains recommendations to the Board of Directors regarding reviewing the implementation of the compensation policy and updating it. The committee is also responsible for approving transactions related to the terms of office and employment of officers. Three directors serve on the committee – an independent director and the two external directors. The committee convened four times in 2023 and had an attendance rate of 100%.

Officer Compensation Policy

On November 14, 2022, the Board of Directors and the meeting of holders of participation units approved the compensation policy for officers of the Partnership and the General Partner, in accordance with the provisions of the Partnership Ordinance.

Internal Audit, External Audit and Tax Policy

The Partnership's internal auditor has been providing the Partnership outsourced internal auditing services since 2018 and has no other role in the Partnership, so as to maintain independence in the audit activities. His appointment was approved by the General Partner's Board of Directors, in accordance with the recommendation of the audit committee and in accordance with the internal auditor's qualifications.

In 2023, the internal auditor dedicated approximately 400 hours working on a work plan on the topics of approval and control of payment demands by drilling operators abroad, and on reviewing follow up on internal audit findings. The Partnership also receives independent external audit services and tax services from external service providers. Navitas pays taxes to the State of Israel, subject to the law. Although a partnership generally is not assessed for tax purposes and its revenues and expenses are attributed to its partners, Navitas acts in accordance with the provisions of the Income Tax (Types of Partnerships to be Deemed a Company) Order, 5767-2017, and the tax regime applicable to it is that of a company, for all intents and purposes. The Partnership also is compliant with federal corporate tax payments in the United States.

For further details on this matter, please see the Partnership's 2023 financial statements.

Board of Directors' Involvement in ESG Proceedings

Navitas' operations, by their very nature, involve various ESG risks. Navitas' activities, including exploration, development and production of oil and natural gas carry risks of causing environmental damage, including ocean, air and ground pollution, as well as creating waste and hazardous materials. The Board of Directors of the General Partner company and Navitas' management play an active role in reviewing and promoting ESG procedures within the Group and participated in formulating the Climate Policy and the Code of Ethics. In order to maintain the competence of the board members on ESG matters and to keep them informed of relevant developments in the field, periodic training on this subject will be provided by an external party.

The Partnership's management has appointed Dr. Nadav Sorek, Vice President Subsurface & Operations as the person responsible for environmental and climate matters on behalf of the Partnership (the **"Environment and Climate Appointee"**). The Environment and Climate Appointee shall manage this matter, inter alia, via the relevant officers in the Partnership and the Group Companies. The audit committee has been appointed as the committee responsible for ESG and climate matters, and it is expected to receive annual reports on these matters from the Environment and Climate Appointee and from the Partnership's General Counsel.

Navitas has also formulated an ESG procedure that was approved by the Board of Directors' forum and defines how the field is managed within the Group.

Navitas' management discussed this report prior to its publication, and it is presented to the public with the signatures of the Chairperson and the CEO of Navitas.



Legal Disclaimer

This Sustainability and Corporate Responsibility Report (the **"Sustainability Report"**, the **"Corporate Responsibility Report"** and the **"Report"**) reviews the activity of Navitas Petroleum, Limited Partnership (**"Navitas"**) during 2023, on the topics relating to the field of sustainability and corporate responsibility. This report is not an offer of Navitas' securities to the public and should not be interpreted as an offer of securities to the public and is also not a report pursuant to the Securities Law, 5728-1968, including the regulations pursuant thereto. The Report focuses on the integration of sustainability principles, environmental and social values and corporate governance principles into Navitas' business activity, and the benefits these principles and values generate for Navitas and in Navitas' interactions with its stakeholders – employees, interested parties, business partners, local communities, etc. This document reflects Navitas' policy in these fields, which is "beyond mere compliance with the provisions of the law". As such, it reflects the goals, the targets and the milestones that Navitas aspires to achieve, but has no legal obligation to meet and which are subject to changes and updates. Navitas has made efforts to ensure that this document shall be correct and accurate, and to the best of Navitas' knowledge, it is indeed correct and accurate, based on the information Navitas has as of the said date. However, as in any document, it may contain generalizations, inaccuracies, errors and omissions, and accordingly, Navitas assumes no liability for its accuracy or completeness, and it does not permit reliance on or use of the information contained therein, by anyone. In any event of a contradiction between the information in this document and the information in Navitas' public reports that are published on the Israel Securities Authority reporting website, the information in the public and official publications on the Israel Securities Authority website shall prevail. The Report contains reference to a number of topics considered to be relevant by Navitas, however, the inclusion of one or another specific detail in the Report or the exclusion of other details, does not constitute

an indication that these details are material or non-material (respectively) to Navitas' operations, and that which is stated in the Report does not represent or purport to represent Navitas' entire operations. It shall be emphasized that the Report is based on business data relevant to Navitas' operations and neither constitutes part of nor replaces any data whatsoever appearing in the financial statements and/or the immediate reports published by Navitas by law. Therefore, in all that relates to Navitas' financial data and/or data relating to the scope of activity, profitability, forecasts, etc., only data specified in the financial statements may be considered binding, and in any event of a contradiction or discrepancy, the data specified in the financial statements shall prevail and they are binding upon Navitas. This Report does not constitute an explicit or implicit representation or undertaking on behalf of Navitas, and the accuracy, completeness or correctness of the information or any opinion included therein should not be relied upon. Neither Navitas nor any of its employees or representatives shall bear liability (either due to negligence or for any other reason) for any loss caused in any manner whatsoever from the use of this Report or its contents or in any other context relating to this Report. Forward-looking reports regarding Navitas' operations and results are subject to risks and uncertainty. Finally, the assessments and estimates contained in this document reflect assessments and estimates that are subjective by nature and are not necessarily measurable.

The essence of Navitas' Climate Policy and of the actions specified thereby in this Report are published in this Report and are intended to allow meeting the goal of net-zero emissions by 2050, with a subdivision into various time frames. The ESG and Corporate Responsibility Unit at BDO Consulting did not take part in the formation, design, drafting and writing of this policy and these actions, and they are based on assumptions of Navitas that may constitute forward-looking information, and were written by Navitas.

Glossary



Term	Meaning
BBL Billion barrels of Oil Equivalent	An energy unit for Barrels of Oil
BOE Barrel of Oil Equivalent	An energy unit for Barrels of Oil Equivalent
CO₂eq Carbon dioxide equivalent	Carbon Dioxide Equivalent
EBITA Earnings before interest, taxes, and amortization	Earnings Before Interest, Taxes and Amortization
ESG Environment, social, governance	Environmental, Social, Governance matters
GRI Global Reporting Initiative	Global Reporting Initiative – an international corporate responsibility reporting standard
HSE Health and Safety	Health, Safety and Environment
HWCG	A consortium of deepwater operators and non-operators committed to creating safe, quick and comprehensive spill response mechanisms, through collaboration and mutual aid.
JOA Joint Agreement Operating	Joint Operating Agreement – an agreement signed by a number of partners, pursuant to which one of the partners is appointed as the operator of the joint field or the operating companies.
LDAR leak detection and repair	Leak Detection and Repair – a survey for detecting and repairing leaks from equipment components
MCF Mille cubic feet	An energy unit for Thousand Cubic Feet of natural gas
MMBOE Million barrels of oil	A representation of all the resources including gas resources in a Million Barrels of Oil Equivalent, assuming BOE=6 MCF.
OGI optical gas inspection	Supervisory Control and Data Acquisition system
SCADA supervisory control and data acquisition	Spill Prevention, Control, and Countermeasure plan
SPCC Spill Prevention, Control, and Countermeasure	Spill Prevention, Control, and Countermeasure plan

Table 6 | Glossary

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Management approaches and performance indicators

GRI Standard	Disclosure	Description	Page
Topic 11.1 GHG emissions			
	3-3	Management of material topics	23
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	31-32
	305-2	Energy indirect (Scope 2) GHG emissions	31-32
	305-4	GHG Emissions intensity	31-32
GRI 302: Energy 2016	302-1	Energy consumption within the organization	58
Topic 11.2 Climate Adaptation, Resilience, and Transition			
	3-3	Management of material topics	23
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	24-26
GRI 305: Emissions	305-5	Reduction of GHG emissions	27-32
Topic 11.3 Air Emissions			
	3-3	Management of material topics	23
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx) and other significant air emissions	58
Topic 11.4 Biodiversity			
	3-3	Management of material topics	33
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35
	304-2	Significant impacts of activities, products and services on biodiversity	35
Topic 11.6 Water and Effluents			
	3-3	Management of material topics	33
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	34
	303-2	Management of water discharge-related impacts	35
GRI 306: Waste 2020	306-4	Spills prevention	34

GRI Standard	Disclosure	Description	Page
Topic 11.9 Occupational health and safety			
	3-3	Management of material topics	38
	403-1	Occupational health and safety management system	38-40
GRI 403: Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	40
	403-3	Occupational health services	39-40
	403-6	Worker participation, consultation, and communication on occupational health and safety	39-40
Topic 11.10 Employment Practices			
	3-3	Management of material topics	38
GRI 401: Employment	401-1	New employee hires and employee turnover	38,59
	401-2	Benefits provided to full-time employees	40-41
	401-3	Parental leave	41
Topic 11.11 non-discrimination and equal opportunity			
	3-3	Management of material topics	37
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	38,40-41,46
	405-2	Ratio of basic salary and remuneration	40-41
Topic 11.14 Economic impacts			
	3-3	Management of material topics	10
Topic 11.14 Economic impacts	203-1	Infrastructure investments and services supported	10-11
Topic 11.15 Local communities			
	3-3	Management of material topics	42
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	42
Topic 11.20 Anti-corruption			
	3-3	Management of material topics	19,45
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	45

TCFD Index



TCFD Pillar	Disclosure	Description	Page Reference
Governance	a) Board's oversight	Describe the board's oversight of climate-related risks and opportunities.	23,44
	b) Management's role	Describe management's role in assessing and managing climate-related risks and opportunities.	47
Strategy	a) Climate-related risks and opportunities	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	24-26
	b) Impact on business, strategy, and financial planning	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	23-31
	c) Resilience of the strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	23-26
Risk Management	a) Risk identification and assessment processes	Describe the organization's processes for identifying and assessing climate-related risks.	23-26
	b) Risk management processes	Describe the organization's processes for managing climate-related risks.	23-26
	c) Integration into overall risk management	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	23-26
Metrics and Targets	a) Metrics used	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	33-36
	b) Scope 1, 2, and 3 GHG emissions	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	31-32
	c) Climate-related targets	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	27-30, 33-36

Appendices



Thousands of \$	2022	2023
Market value (Billion NIS, as of December 31)	1.7	3.1
Revenue from sales of oil and gas, net of royalties	119,319	93,791
Salary and associated expenses	5,884	6,889
Taxes on revenue	10,684	6,073
EBITDA	76,400	51,600
Net profit	59,632	25,504
Gross profit	72,570	47,965
Assets	876,313	1,127,638
Short term investments and cash	80,712	108,576
Equity	291,084	311,696

Table 7 | Financial Data

Denbury Fields Environmental Performance and Data		2022	2023
GHG Emissions (metric tons)	Carbon Dioxide (CO ₂)	59,148	70,777
	Methane (CH ₄)	1,993	1,587
	Nitrous Oxide (N ₂ O)	0.1	0.3
	Scope 1 – Direct emissions	91,651	90,608
	Scope 2 – Indirect emissions	17,431	19,923
	Total Scope 1+2	109,081	110,532
Production Emissions Intensity (kgCO₂eq/BOE)	Scope 1	68	73
	Scope 2	13	16
Produced Energy	Oil (BBL)	1,200,512	1,076,958
	Gas (MCF)	932,266	986,286
	Total produced energy	1,355,890	1,241,339
CO₂eq (metric tons)	Flaring	1,215	6,088
	Fugitive emissions	30,998	29,350
	Venting	18,858	15,671
Energy Consumption	Electricity (kWh)	46,750,225	53,745,539
	GHG emissions from own fuel consumption (CO ₂ eq ton)	40,580	47,639

Table 8 | Denbury Environmental Data (report relates to entire asset, irrespective of the rate of Navitas' holdings in the asset)

	Buckskin		Neches	
	2022	2023	2022	2023
Produced Energy BOE	889,547	906,429	130,356	114,082
Scope 1+2 Emission (tCO2eq)	4,144	3,917	10,332	9,907
Scope 1+2 Emissions Intensity (kgCO2eq/BOE)	4.66	4.3	79.25	86.8

Table 9 | Neches and Buckskin Environmental Data, 2023 (as per the rate of Navitas' holdings in each asset)

Scope of Employment	2023		
	Women	Men	Percent
Part-time position	0	0	0%
Full-time position	11	31	100%
Total	11	31	100%

Scope of Employment	2022			2023		
	Women	Men	Percent	Women	Men	Percent
Part-time position	0	0	0	0	0	0
Full-time position	9	17	100%	11	31	100%
Total	9	17	100%	11	31	100%

Table 10 | Employees' Segmentation by Scope of Employment

Type of Position	2023		
	Women	Men	Percent
Temporary position	0	0	0%
Permanent position	11	31	100%
Total	11	31	100%

Type of Position	2022			2023		
	Women	Men	Percent	Women	Men	Percent
Temporary position	0	0	0	0	0	0
Permanent position	9	17	100%	11	31	100%
Total	9	17	100%	11	31	100%

Table 11 | Employees' Segmentation by Employment Agreement