



Huliot Group 2024 Sustainability Report



Where most see pipes,
WE SEE PEOPLE

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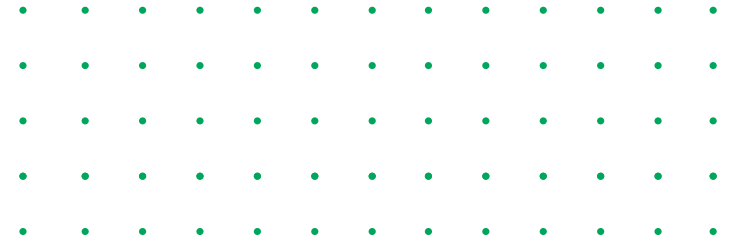
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Introduction

 Huliot®Group





From the CEO

Dear Reader,

It is my pleasure to welcome you to our second annual sustainability report. 2024 was a challenging year for Huliot Group, particularly for our Israeli employees. The hostilities on Israel's northern border resulted in the evacuation of thousands of northern residents, and a significant portion of our workforce was called up for reserve military duty. Despite this difficult period, we remained steadfast and committed to achieving our business and sustainability goals.

In 2023, we published our inaugural sustainability report, which focused on our largest facility, Huliot Israel. This year, we have included six additional subsidiaries located in Israel, the EU, and India. These seven facilities represent 90% of the company's operations.

We are producing this voluntary report for the second consecutive year because we are committed to being at the forefront of our industry—not just in our products, but also in our commitment to transparency and sustainability. We are proud of our accomplishments in providing value to the community, promoting environmental stewardship, and cultivating a dedicated workforce.

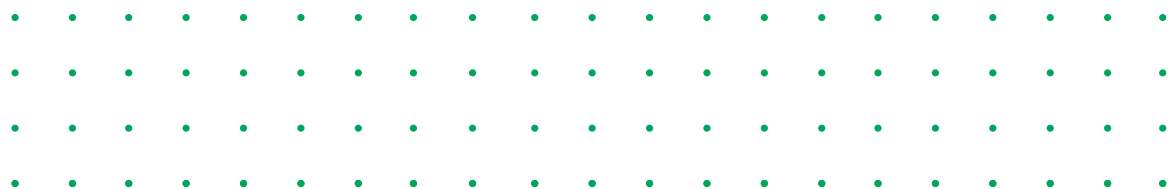
In this report, you will learn about our progress in reducing landfill waste, increasing recycling efforts, and monitoring our energy and water consumption. Setting KPIs for our newest acquisitions proved challenging because, in several cases, we lacked previous baseline data. I attribute the instances where targets were missed to our aggressive approach to continuous improvement. Overall, significant progress has been achieved throughout the company.

I would like to take this opportunity to thank Huliot's employees, who are our greatest asset. Our achievements would not be possible without their dedication, commitment, and contribution to Huliot's success.

Thank you for taking the time to read this report. We are grateful to our stakeholders for their confidence and trust in Huliot Group and our products. We will continue to constantly improve efficiency in our operations and product quality.

Sincerely,

Nitzan Cohen, CEO Huliot Group





Key Highlights

2024 VS 2022



CUSTOMER RELATIONS

21%

fewer complaints



LANDFILL WASTE

33.5%

less waste sent to landfill



SUPPLIER RELATIONS

19.5%

fewer complaints



WORK ACCIDENTS

26%

fewer accidents



REFUSE DERIVED FUEL (RDF)

210.34t

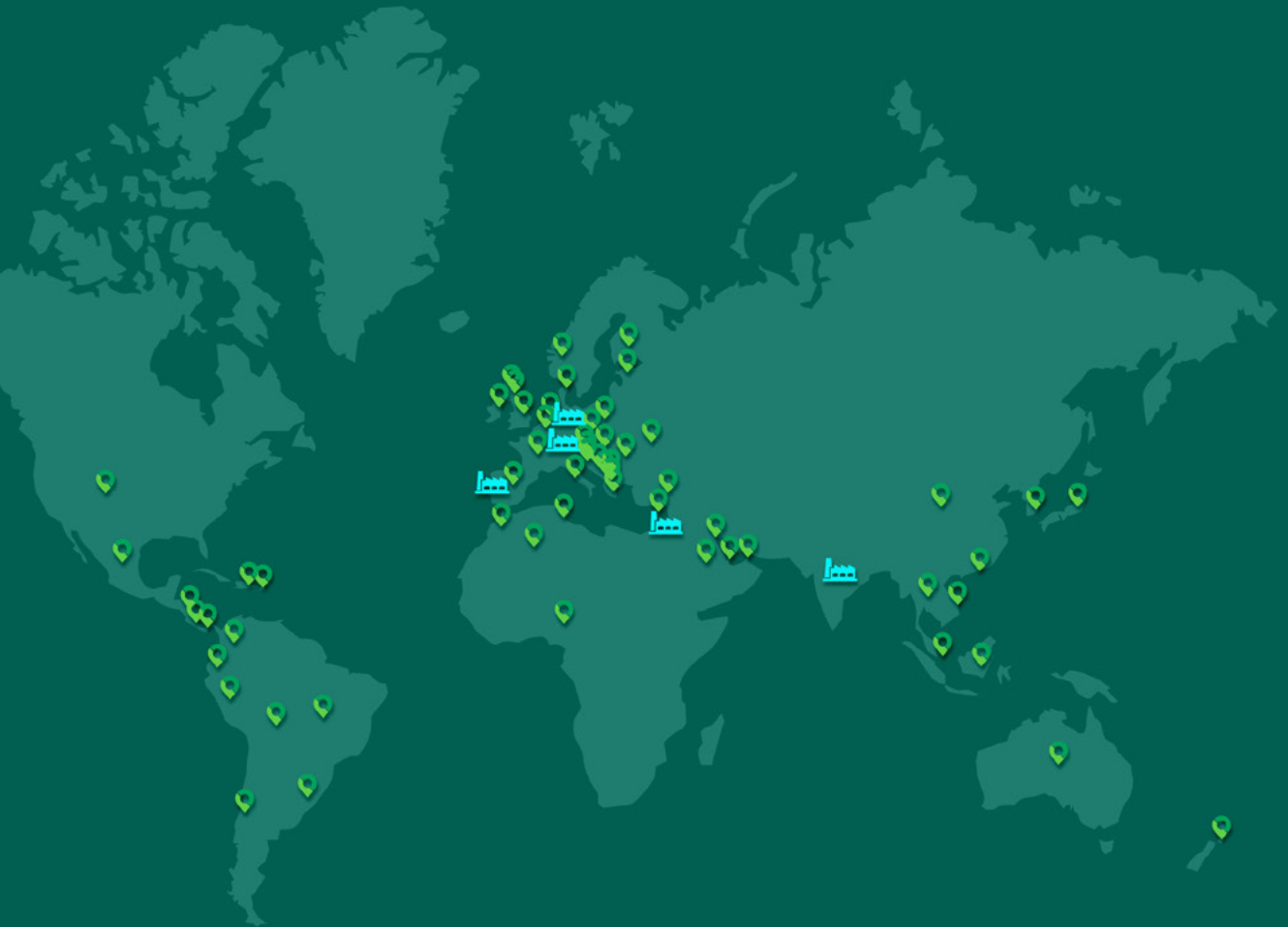
nonrecyclable PPE were converted to RDF, providing renewable fuel to Israel's largest cement production facility



The Huliot Group Global Family

Since its founding as a small plastic manufacturing facility in 1947, Huliot has grown through strategic acquisitions, product innovation, and market expansion. Today the company serves over 60 markets worldwide through seven main subsidiaries: Huliot Israel, Huliot Slovenia, Huliot India, Hofit (Israel), Heliroma (Portugal), Weisman Friedman (Israel), and hpg Plastics (Germany). Huliot serves the construction and infrastructure markets with solutions for water delivery and disposal. The Group's products are designed and developed based on decades of accumulated experience in extrusion, rotation, and injection-molding technologies.

Huliot's family of companies provides a comprehensive offering, supplying the water flow needs of infrastructure and construction projects. Huliot Israel serves the local construction market. Huliot Slovenia and Heliroma serve as production and distribution centers for European and Middle Eastern countries. Huliot India is the Group's first PP production site and serves the domestic market with PP wastewater discharge systems. The headcount of these seven companies in 2024 totaled 674 employees, representing 70% of the Group's total headcount and over 90% of its operations.





Ownership & Management

The Huliot Group companies are owned by Huliot Industries Agricultural Cooperative Society Ltd (referred to as Huliot in this report).

In Israel, a cooperative is a legal entity established by a group of people and/or entities that come together to achieve a common goal. Frequently, cooperatives function to focus on member welfare rather than profit, although profit can also be a goal. The management committee of this cooperative consists of 7 men and 1 woman.



BOARD OF DIRECTORS

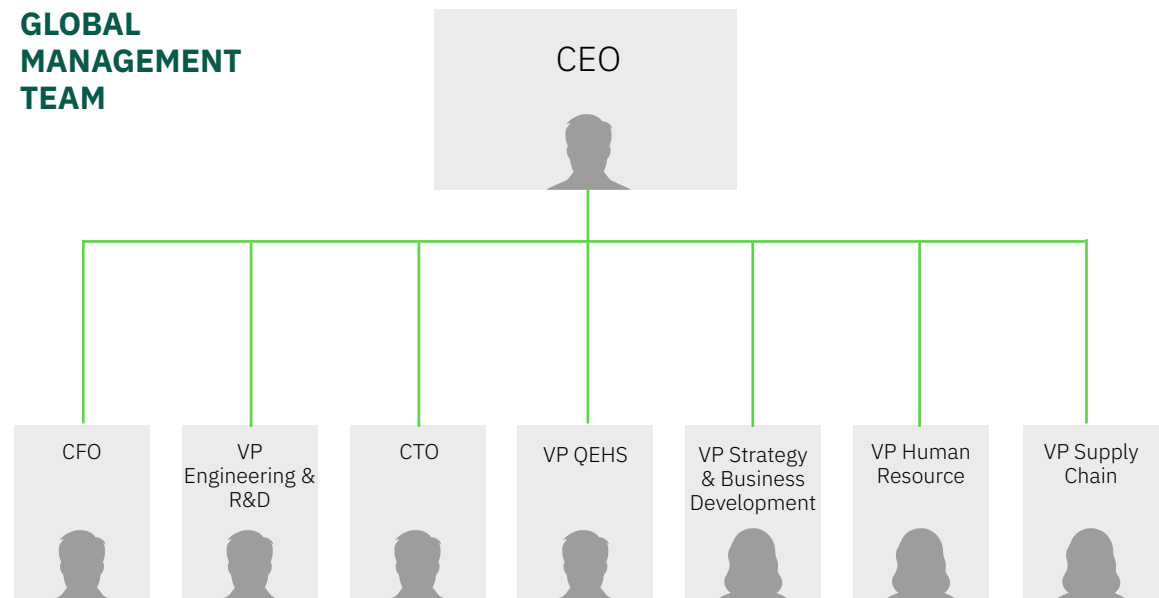
2 External directors, both registered accountants

2 Investor directors

8 Internal directors bringing professional experience in finance and/ or management

1 Observer appointed by Kibbutz Sde Nehemia

GLOBAL MANAGEMENT TEAM





Company Timeline



Huliot enters wastewater sector & starts producing pipes & fittings

- 1956 Huliot starts producing PVC pipes & fittings
- 1970 Huliot starts producing PP pipes
- 2010 Huliot starts producing multi-layered PP/PVC pipes



Global expansion BEGINS

- Acquisition of ARGO d.o.o in Slovenia
- Huliot opens India's first PP plant

Huliot enters the water supply sector

- 2018 Huliot opens a second plant in Sde Nechemia, for PE-X products
- 2019 Acquisition of HELIROMA in Portugal (water supply and PPR)
- 2021 Launch of Zen Weld



Strategic Leap: Launching a New Brand Identity as an Integrated Group

- 2021 Launch of the Huliot Group brand
- 2022 Establishment of Group HQ in Ramat Ishai, Israel

Where most see pipes, WE SEE PEOPLE

Launching Flow Academy

Innovative Group Marketing & knowledge Hub: Centered on the Customer.

**1947****1956****2012****2014****2018****2019****2020****2021****2024****2025**

Huliot is founded by members of Kibbutz Sde Nechemia



Launch of **ULTRASILENT™**
An innovative first of its kind acoustic system which utilizes advanced noise isolation

- 2023 Launch of NANO SILENT
- 2024 Huliot receives German fire approval



Huliot **WELCOMES** Tene Fund as an equal partner

Growth strategy combines M&A and internal synergies

- 2020 Focus of growth in Spain & Germany Huliot acquires Hofit Israel
- 2021 Purchase of the majority shares (51%) of Weisman Friedman Israel (infrastructure)
- 2023 Acquisition of hpg in Germany Purchase of the majority shares (70%) of Mahal Pumps



New Growth Strategy: 4 Strategic Pillars

Focusing on AI, Stormwater management, Prefabricated walls, AC solutions



Huliot Group Companies



Company	Year	Location	Headcount	% Ownership
 Huliot ^{Israel}	1947	Israel	235	100%
 Huliot ^{Slovenia}	2014	Slovenia	78	100%
 Huliot ^{India}	2014	India	89	100%
 Heliroma ^{by Huliot Group}	2019	Portugal	76	100%
 Huliot ^{Hofit}	2020	Israel	75	100%
 Weisman Friedman ^{by Huliot Group}	2021	Israel	80	51%
 hpg ^{Plastics by Huliot Group}	2023	Germany	41	100%



HULIOT ISRAEL



Established in 1947, Huliot Israel serves the local market as a manufacturer of advanced flow solutions, developing innovative products for multiple applications including water supply, drainage, sewerage, wastewater treatment, and recycling systems. Huliot Israel's extensive product offering is manufactured using state-of-the-art extrusion and injection molding technologies, adhering to the most stringent local and international standards.



HOFIT



A veteran manufacturer of systems for controlling sewage and drainage from buildings into public water systems, Hofit expands Huliot's product offering to address broader infrastructure needs and new segments. Among its manufacturing capabilities are solutions for agricultural wastewater, food and beverage, and other chemical industries. The company employs injection and rotation molding methods and produces a variety of products including manholes for sewage; drainage and communication control chambers; sewage separation and septic tanks for sewage, oils and fuels; grease and fat separators, chemical and drinking water tanks, spill containment pallets, and custom-made products.



HULIOT SLOVENIA



Previously known as Argo d.o.o., the Slovenia facility was Huliot's first acquisition in Europe. The company specializes in the production of polypropylene acoustic piping systems for wastewater and grey water. This facility's strategic location serves as a hub for Central Europe, allowing efficient production and shipping to nearby countries including Italy, Austria, Germany, the Balkan States, and Eastern Europe.



HELIROMA



Acquired in 2019, Heliroma, based in Portugal, is a leading provider of water supply, firefighting, and HVAC solutions. Heliroma is one of the few European manufacturers to use fiberglass composite in PP-R water pipes, expanding Huliot's market reach throughout Europe and other markets with water supply solutions using multilayer PE-RT/AL/PE-RT pipes, PPSU and brass fittings and cross-linked polyethylene PE-Xa and PE-RT with and without oxygen barriers.



WEISMAN FRIEDMAN INDUSTRIES (WFI)



WFI joined the Huliot Group in 2021 with a 51% acquisition and serves Israel's infrastructure market. The company manufactures and distributes plastic piping for electricity and communications infrastructure, gravitational drainage and sewage, and geotechnical products for civil engineering projects.



HPG PLASTICS



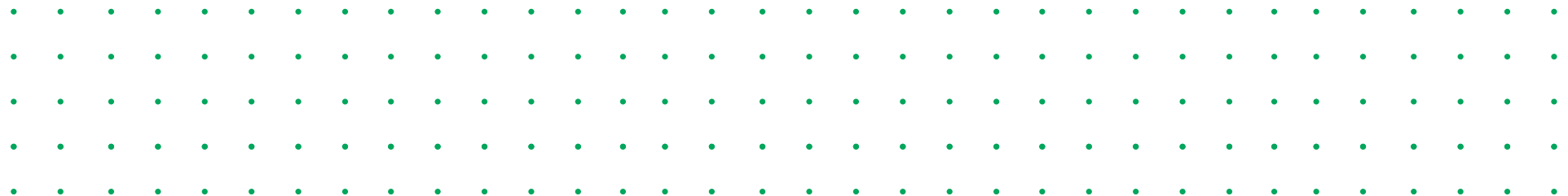
Founded in 1984, hpg Plastics was acquired in 2023. The company is known for pioneering PE-RT pipe products and leads the field of underfloor heating with the world's first five-layer pipe. All hpg Plastics products comply with DIN and ISO standards making them well suited for various applications including underfloor and wall heating, concrete core activation, and heating and cooling ceilings.



HULIOT INDIA



Recognizing the immense potential of the Indian market for Huliot products, Huliot India was established in 2014 with the construction of India's first facility for manufacturing acoustic polypropylene pipes and fittings for wastewater discharge. Over the years, Huliot India has evolved into a multifaceted operation, serving both as a manufacturing hub and a regional sales office that supplies the full range of Huliot Group products to customers in the region.





Mission, Values & Synergy

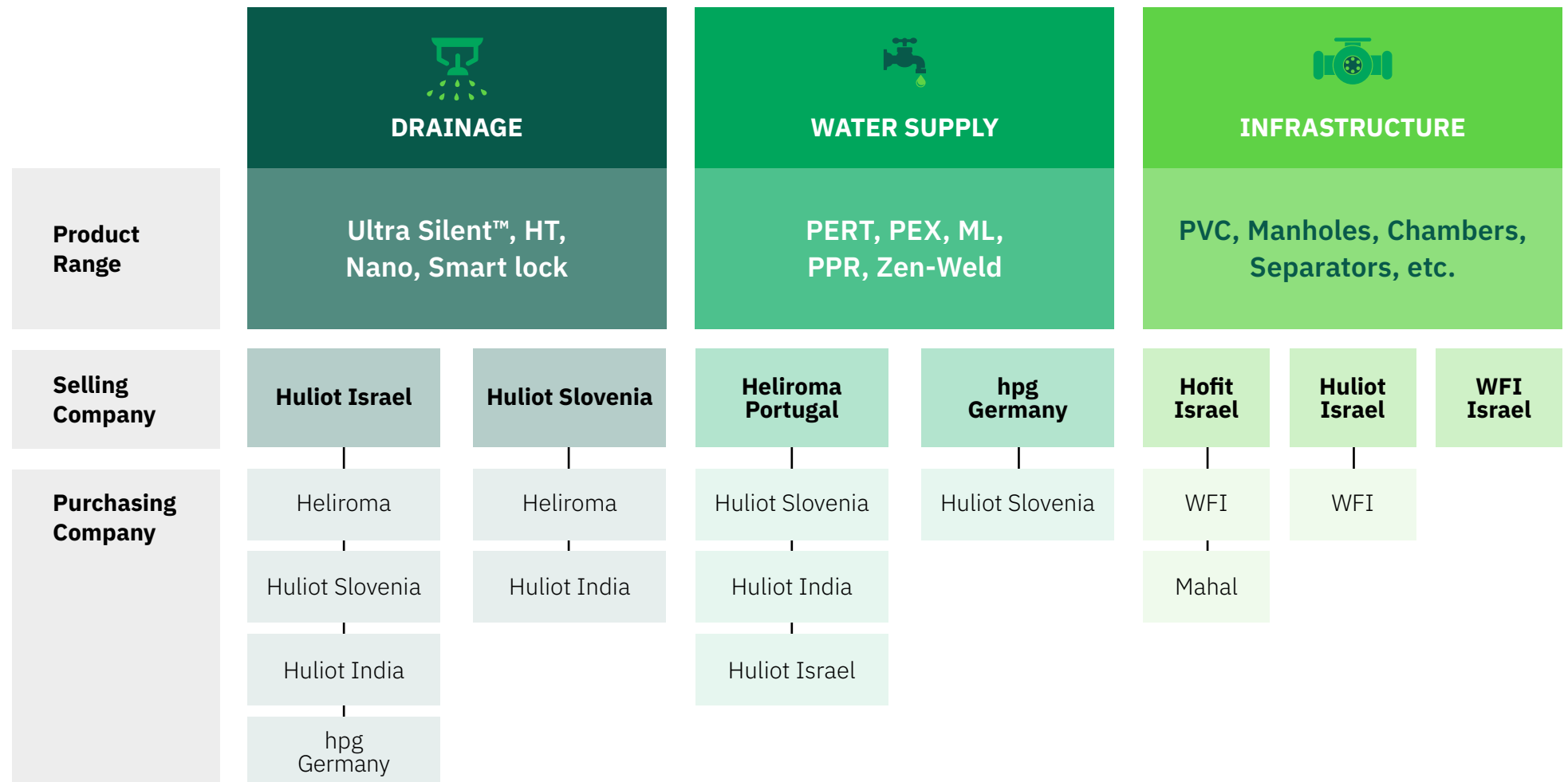
Our mission is to create consistent, quiet water flow for end users in their homes, at workplaces, and commercial and public buildings through the delivery of reliable, state-of-the-art solutions. We have expanded our reach globally by acquiring companies that create synergy with our mission and allow us to serve customers with expanded product lines. This approach has created a synergistic group of companies and capabilities united by the shared goal of providing the market with comprehensive sanitation and water flow solutions within a single international entity.

Huliot is committed to the values of humility, leadership, integrity, professionalism, mutual support, and corporate citizenship throughout our entire value chain. Huliot seeks to be a leader in our industry by promoting and implementing business practices that consider our employees and shareholders as well as our suppliers, customers, community, and future generations.

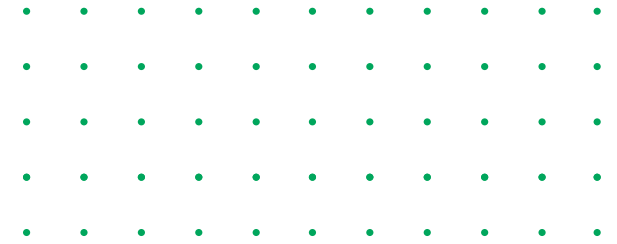




Synergy Map



Plastic Piping Industry and Net Zero





Sustainability in the Built Environment



Huliot Group products are manufactured from plastic, a material that presents challenges to sustainability objectives. The raw materials used to produce plastic are petrochemical products that are processed into ethylene, propylene, and chlorine.

These products form the key components used to synthesize polymers. Conversely, compared with alternatives such as pipes produced from metal or concrete, plastic piping is considered the most sustainable solution for water flow.

Plastic piping used for water flow is relatively lightweight, highly resilient, noncorrosive, and lasts decades. Plastic piping is essential to modern urban life. Within the built environment, piping is primarily used to transport clean water in and sewage, out as well as electronics and communications cabling. Decarbonization of the construction sector is critical to achieving net zero goals.

In March 2024, the World Business Council for Sustainable Development (WBCSD) announced the official launch of the Built Environment Market Transformation Action Agenda¹ during the first Buildings and Climate Global Forum held in Paris. The Action Agenda brings together built environment stakeholders from throughout the value chain to overcome key barriers to achieving a net zero built environment and aligns with the Buildings Breakthrough² initiative unveiled at COP28. This initiative is a call to action for cooperation among governments to drive net zero emissions and resilient buildings as the norm by 2030.

Multiple lifecycle assessments (LCA) have shown that plastic piping is significantly more sustainable than either concrete or metal pipes. Plastic pipes are designed to last at least 50 years but can last up to 100 years. Additionally, pipes recovered from building and infrastructure demolition sites can be recycled.

Huliot Group is a manufacturing participant with impact in both production and end-of-life consequences. Huliot Group can contribute to this effort by increasing recyclable and recycled materials in its product lines, reducing GHG emissions from its operations, and preventing plastic in any form from entering the natural environment.

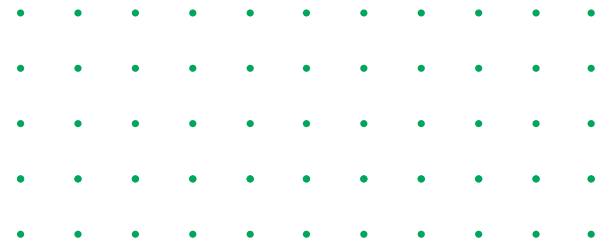
¹ [built-environment-market-transformation-action-agenda](#)

² [buildings-breakthrough](#)

³ EPDs and LCAs on the TEPPFA site, PIPA site

Products and Solutions

Huliot Group offers a comprehensive suite of solutions for water flow infrastructure based on innovative and patented product development and proprietary manufacturing techniques. Pipes, fittings, and additional solutions are available for water supply, wastewater and drainage, and infrastructure needs.





Water Supply, Cooling & Heating



Multi Layer



PP-R



PE-RT | PE-X



Induction
Technology



Fire Protection
Networks



PE-RT 5 layers
Underfloor Heating



Drainage and Wastewater



Domestic Drainage



Acoustic Drainage System



Domestic Drainage



HT PRO Drainage System



Rainwater Drainage System



PVC Drainage Infrastructure System



Infrastructure & Electricity Cables



Manholes, Inspection Chambers & Tanks



Grease, Fat & Oil Separators



Stormwater Management



Electrical & Communication

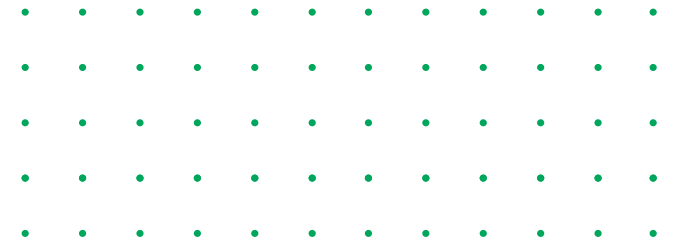


Wastewater and Sewage Pumps



Water Supply Pumps

Quality Management





Integrated Quality Management System

Huliot Group maintains an integrated management system (IMS) to ensure consistent product quality, employee safety, and environmental protection. The IMS serves as a centralized system that integrates multiple management systems to help the organization function as a unified unit working to achieve shared goals. This framework has been shown to increase organizational efficiency and productivity. Huliot's IMS is based on ISO 9001:2015, ISO 14001, and ISO 45001:2018 standards.

Operating within an IMS enforces Huliot's priorities and long-term strategy and enables formulating clear quality policies, goals, and objectives. Appropriate resources are allocated, with ongoing monitoring of performance and effectiveness to ensure that any issues are promptly addressed.

QEHS policies are implemented through various channels including regular status meetings, management surveys, production area tours, manager guidance and development, and collaboration and consultation with employees. The company

prioritizes activities promoting social responsibility, employee safety, and environmental stewardship. Annual stakeholder surveys are conducted with customers and employees, driving improvement in all company operations. The company quality policy is regularly updated and posted to the bulletin boards and on the company's website and is included in the new employee onboarding process.

Each facility appoints an environmental team that oversees environment related issues. This team is responsible for ensuring that the company's operations do not have a detrimental impact on the environment. The team includes the QA manager, a poison control manager, a representative from the engineering department, and an employee responsible for automated systems.

The safety of our employees is managed under ISO 45001 certification, an internationally recognized standard for Occupational Health and Safety management. In 2024 the number of work accidents decreased compared to previous years. At every facility trained safety managers and trustees are responsible for maintaining a safe work environment, detecting and monitoring safety hazards, and ensuring that employees use required safety equipment and are properly trained to operate equipment.





Certifications and Standards

Multiple certifications and quality marks attest to our commitment to meet and exceed industry quality standards while designing and manufacturing sustainable products. In addition to corporate-wide certifications, individual facilities have received local recognition for sustainability efforts.

WORLDWIDE CERTIFICATIONS



ISO



ISO 14001: 2015
Environmental Management System



ISO 9001: 2015
Quality Management System



ISO 45001:2018
Occupational, Health and Safety Management System

GREEN LABEL + EPD



Given to companies that minimize the use of hazardous materials, improve energy efficiency and reduce environmental degradation





Green Label

In 2024, the Standards Institution of Israel (SII) renewed the prestigious Green Label License for UltraSilent pipes, UltraSilent branches, UltraSilent bends, UltraSilent swept branches, UltraSWG™ pipes, pipes and fittings for SWG, UltraBeton™, SmartLock™ pipe and fitting system, and the Nano Silent PP-MD-ML-S16 system. The Green Label is awarded in recognition of verifiable actions to mitigate the company's environmental impact.





GEM CERTIFICATION

Huliot India's products have been certified as sustainable under the Indian Government's Green Environment Management (GEM) sustainable manufacturing program.



PLATINUM MARK

In recognition of the company's commitment to quality management throughout its operations, Huliot was awarded the Platinum Mark. This Mark is the SII's quality certification for companies that are certified for at least five management systems.



DIN-CERTCO

This certification was awarded to hpg Plastics for our PE-RT pipes, documenting compliance with requirements specified in DIN, DIN EN, or DIN EN ISO Standards as well as appropriate certification schemes.

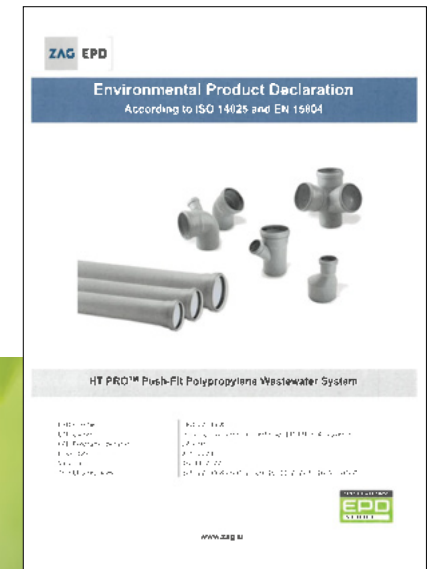
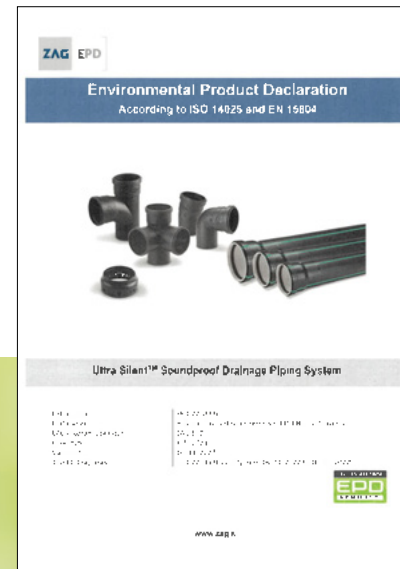




Environmental Product Declarations (EPD)

EPDs are useful in understanding a product's key environmental impacts, including greenhouse gas emissions resulting from its manufacturing. Part of the EPD development process involves conducting a full lifecycle analysis (LCA). EPDs reflect a company's commitment to transparency and actions to measure and reduce the environmental impact of their products and operations. EPDs are available for two of Helioma's largest product lines – HT Pro and UltraSilent. The company is currently developing EPDs for our underfloor heating product line.

Download the EPDs [here](#) and [here](#) respectively.





Innovation

Huliot Group engages in continuous innovation focused on increasing customer value, reducing materials and improving efficiency. In 2024, Huliot completed development of a unique patented backflow indicator that provides visual and wireless warning for high flow levels and alerts when critical maintenance is needed. Deployed in drainage and sewerage systems, this innovation serves as an early warning system to prevent clogging and can be retrofitted on installed systems.

Managing diverse manufacturing technologies in the same facility – including extrusion for single, multi-layer, and corrugated pipes ranging from 8 mm to 800 mm, rotation, and injection molding – is a unique feature of Huliot's production capabilities. The company has commercialized several innovations, some of which are patented or in the process of being patented, such as:

- **Dual component injection** performed robotically in a single injection process and monitored with specialized vision equipment.
- **Induction welding fitting technology** that uses a single welding unit for a range of multilayer composite pipe diameters for hot-and-cold-water fitting systems.
- **4-layer acoustic sewage pipe** based on proprietary nanotechnology for extraordinary acoustic insulation with socket connection.
- **Extra strong PP sewage piping** integrating multi-layer technology to support high loads.



A high flow level indicator



Creates a warning for high flow level

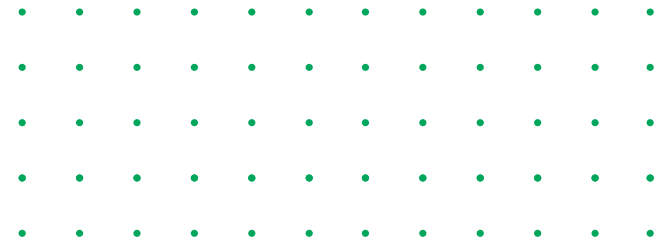


Provides an indication for critical maintenance



3 types of alerts:
Buzzer & Led,
Wireless, Wired

Sustainability at Huliott Group





Driving Innovation Through ESG

Sustainability at Huliot Group is led by the Quality, Environmental, Health, and Safety (QEHS) team with a mandate from the corporate executive team. An integrated documentation system facilitates managing quality, safety and environmental issues. The company's procedures conform with ISO 9001:2015, ISO 14001:2004, and ISO 45001 standards that, together, comprise an Integrated Management System (IMS). The subsidiaries that have already instituted the IMS include Huliot Israel, Huliot India, Huliot Slovenia, and Hofit. Huliot Portugal is on track to launch IMS by the beginning of 2025. Incorporating IMS into operations at WFI and hpg Plastics began in 2024.

This 2024 report and last year's 2023 report reflect the company's commitment to transparency. Our subsidiary in Slovenia prepared its own comprehensive ESG report this year, including a full materiality assessment and Scopes 1 and 2 emissions. Management is following the dynamic regulatory environment as the EU strives to balance its environmental and climate goals with market and economic considerations.

Huliot endeavors to incorporate environmental

considerations in product design and production including environmental impact, energy consumption, and raw materials. A key target of zero residual waste is implemented through effective waste separation, monetizing, reusing, and recycling waste. These efforts are expected to lead to a drastic decrease in landfilled waste while providing additional revenue sources.

In 2024 Huliot developed and implemented a product strategy that emphasizes the company's commitment to sustainability and ESG principles:

Stormwater drainage solutions – Climate change is causing extreme flooding around the globe. This phenomenon is particularly critical in urban environments where infrastructure is not built to handle excessive amounts of rainwater. Huliot is investing in developing smart technologies and real-time water management solutions to address this challenge and prevent the loss of property and life.

Transition of industrial steel HVAC systems to plastic – Globally, builders are replacing steel with plastic piping. The European Plastic Pipes and Fittings Association (TEPPFA) has performed lifecycle assessments showing that plastic piping is significantly more sustainable than pipes produced from steel or concrete⁴.

Introduction of AI into company operations – Huliot is introducing AI processes and technology into its operations to increase efficiency and long-term value to our stakeholders. AI enables 24/7 customer interaction and provides advanced business insights that will be used to improve our value proposition and drive customer and supplier satisfaction.

⁴ <https://www.teppfa.eu/sustainability/environmental-footprint/lca/>



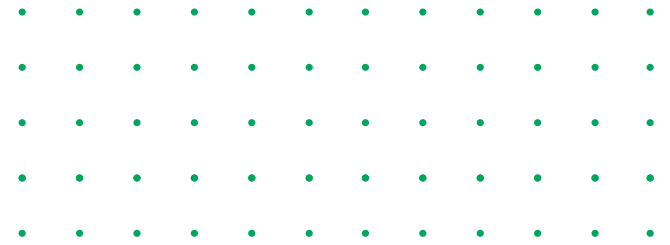
Global Trend of Transitioning from Steel to Plastic

- **Disadvantages of Traditional Metal Pipes:** Traditional metal pipes and fittings are susceptible to corrosion, leakage, scaling, and bacteria growth.
- **Advantages of PPR Pipes:** PPR pipes offer higher quality, increased resistance, and a longer life cycle compared to metal pipes.
- **Customer Objectives:** The shift to PPR pipes aligns with customer goals to reduce energy consumption and maintenance costs, and to improve environmental performance.

Based on MAYA Global PP-RCT Pipe Market Research Report 2024



Environment





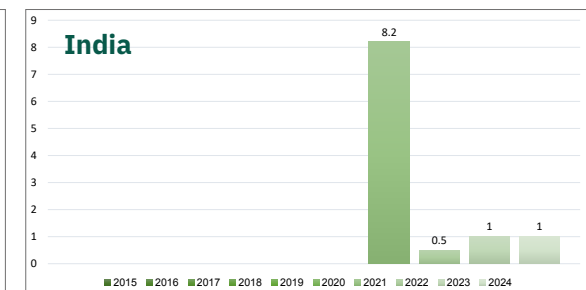
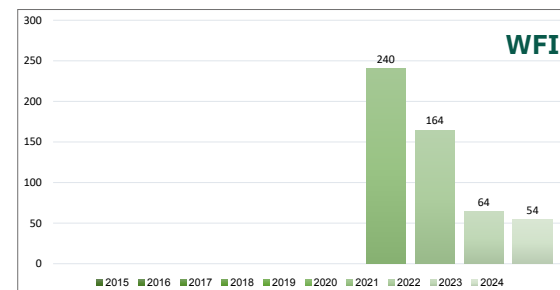
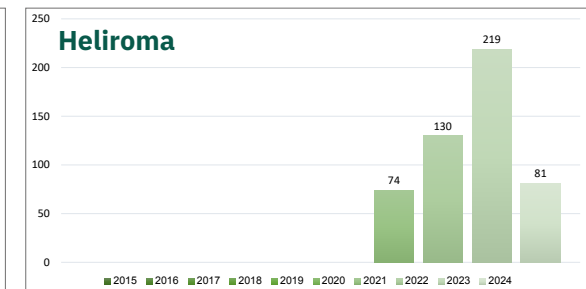
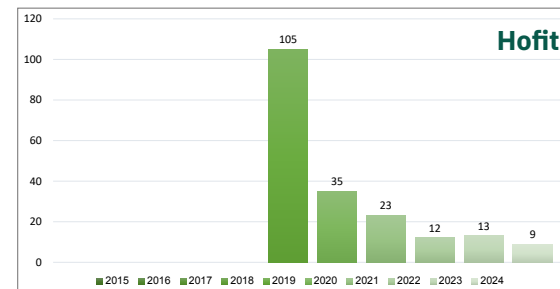
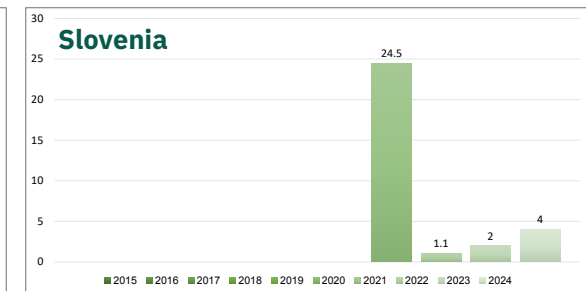
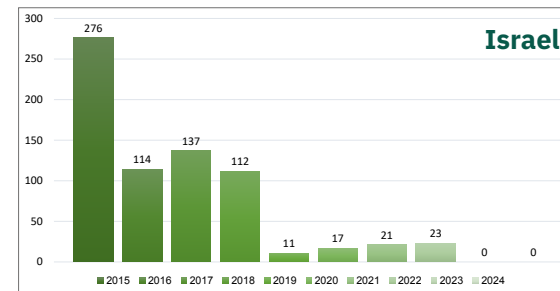
Circular Economy and Zero Waste

As a manufacturer in the plastic industry, Huliot invests in reducing waste to the absolute minimum. Every facility has multiple recycling stations. Employees are requested to dispose of recyclable waste such as paper, cardboard, nonproduction plastic, cans, and bottles in designated bins.

Solutions are identified for other types of waste such as “big bags” – large sacks, usually made of PP, that are used to deliver materials. Huliot sells these as well as usable pallets, plastic wrap used for transportation of materials, and any metal waste to other companies for reuse. The impact of these efforts has reduced landfill waste to zero at some of the company’s facilities. Solutions for waste are continuously identified and implemented to achieve zero waste.

The products that have received the Green Label contain 30% recycled materials from known sources. Each company except Heliroma, which can only use virgin materials in its products, uses some portion of recycled residual waste in its products. WFI stands out, using up to 73% recycled materials. At least 10% of the company’s residual waste is reused in company products.

LANDFILL WASTE REDUCTION





Focus on Environment: **Weisman Friedman Recycling Center**

Weisman Friedman operates an on-site recycling facility that enables the reintegration of recycled materials directly into its manufacturing processes. In-house recycling combined with procurement of recycled raw materials from suppliers, results in 73% of the company's products being composed of recycled content. This approach yields financial benefits including reduced material costs and lower landfill expenses. By providing recycling services for other companies' residual waste, the WFI recycling facility further minimizes material expenditure while diverting waste from landfills.





Focus on Environment: **Solar Energy at Heliroma**

Heliroma, our Portugal facility, is powered by 100% green energy. In 2024, a Self-Consumption Production System (SCPS) consisting of 1,017 PV panels was installed on the facility's roof. The SCPS provides total energy production of 557,265 kWp. According to the provider, Prosolia Energy, the system will reduce carbon emissions by 376t CO₂eq annually.



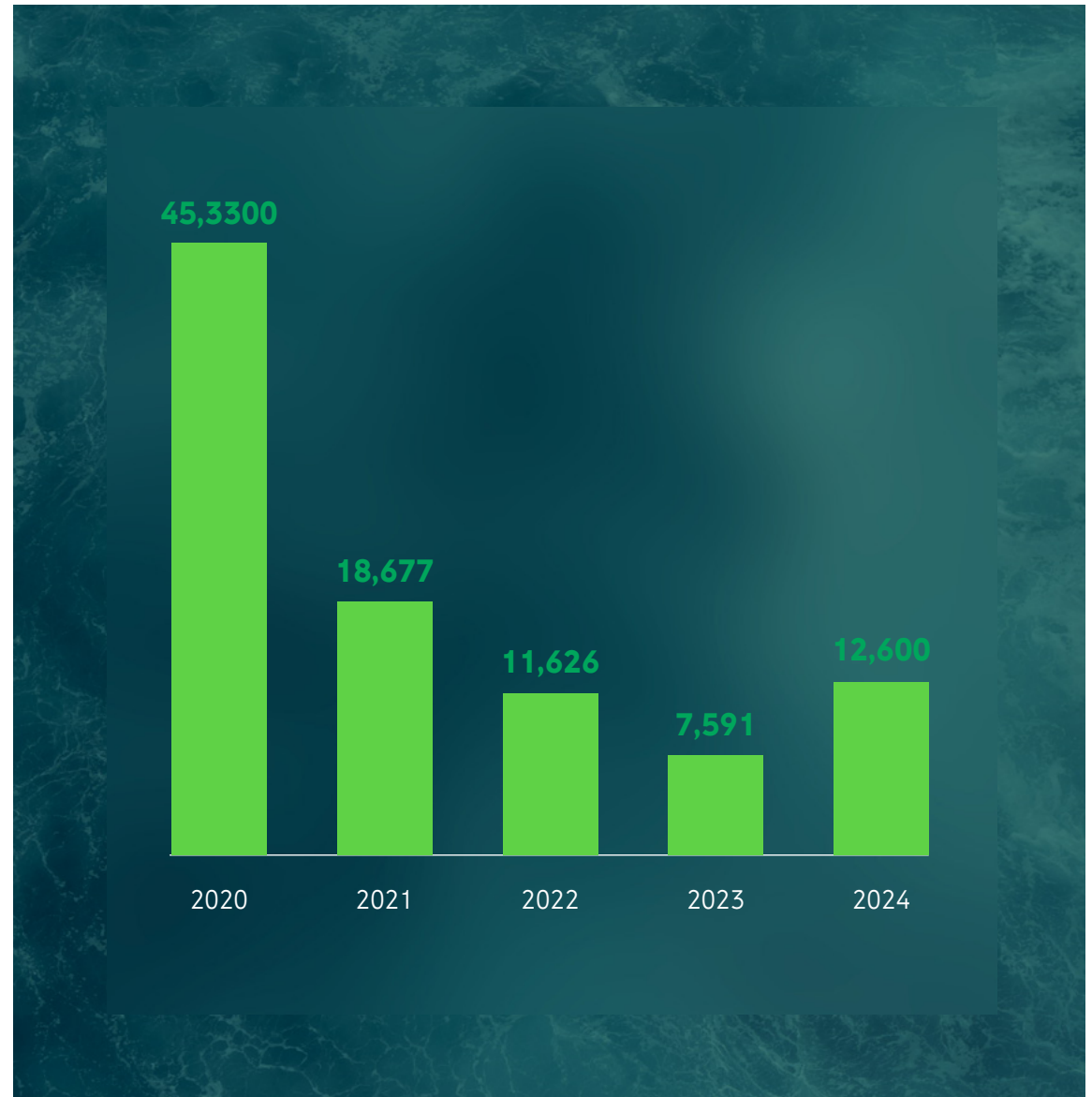


Focus on Environment: Water Recycling

Huliot Israel implemented a closed-loop water system in the extrusion and injection departments designed to cool machinery and products without discharging water into the environment.

In this system, water circulates continuously through cooling units and is reused after passing through heat exchangers or chillers. This significantly reduces the need for fresh water and minimizes wastewater generation.

By maintaining a closed system, the company contributes to water conservation, improves environmental performance, and supports overall sustainability goals. In 2024, the system experienced a serious leak that has since been repaired.

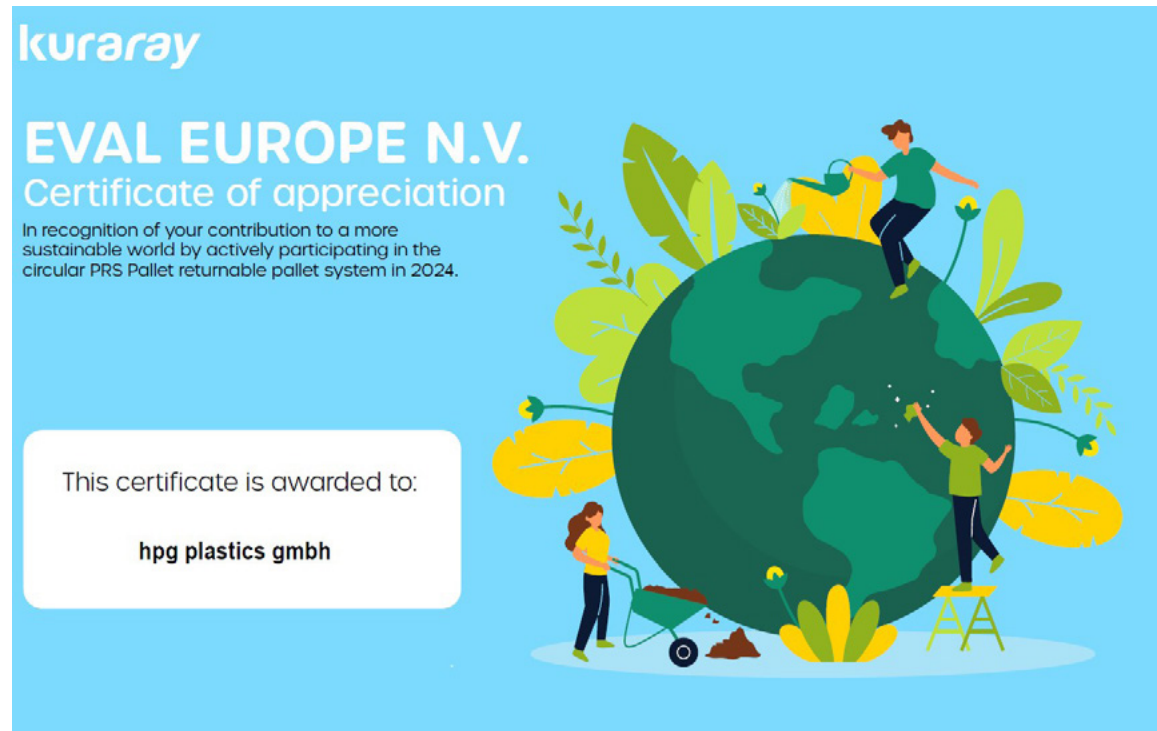




Focus on Environment: Sustainable Supply Chain

Our facility in Germany, hpg Plastics, is our most recent acquisition. The company was recognized by EVAL EUROPE for participating in EVAL's pallet return program. EVAL Europe N.V., a Kuraray company, partners with their pallet supplier, PRS, to manage the reuse of CP-type pallets across the European chemical industry. Any EVAL partner that helps EVAL collect and reuse their PRS pallets and achieves a recovery rate of at least 65% receives a certificate of appreciation.

According to the European Federation of Wooden Pallet and Packaging Manufacturers (FEFPEB), over four billion wooden pallets are in circulation in Europe. The wood used for these pallets stores over 108 billion kilograms of CO².



FOR PEOPLE AND THE PLANET—TO ACHIEVE WHAT NO ONE ELSE CAN.

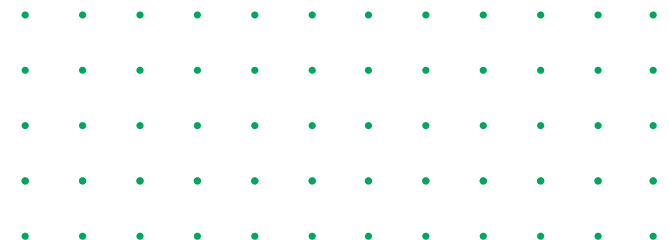


Social

Huliot Group encourages and supports various employee and community activities. Employees organize and engage with local communities through projects that contribute to environmental, educational, and social welfare.

Sharing our accumulated knowledge and expertise is a guiding principle of Huliot's approach to responsible corporate citizenship. Employees engage with educational and business communities at academic institutions and professional conferences. Our activities include leading workshops and collaborating with organizations to advance environmental responsibility, as well as involvement through supporting local non-profit organizations.

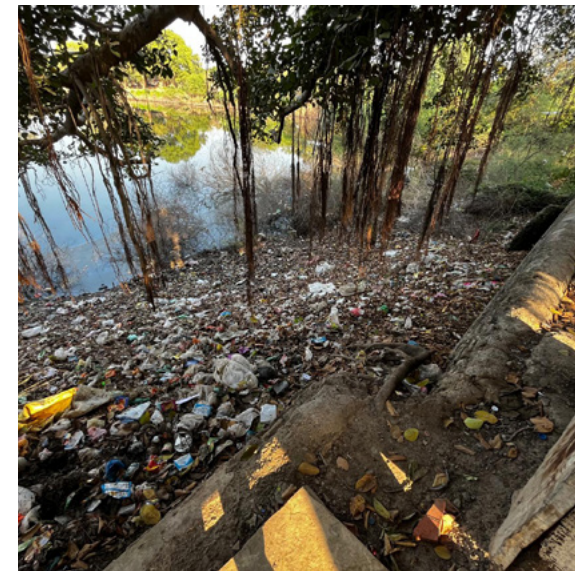
Huliot invests in employee welfare and development through offering various courses, both mandatory and optional, including basic first aid and emergency response, fire safety, and prevention of sexual harassment. Employee health and wellbeing is promoted through programs such as healthy eating and smoking cessation.





Focus on Community Engagement: **Village Cleanup Day**

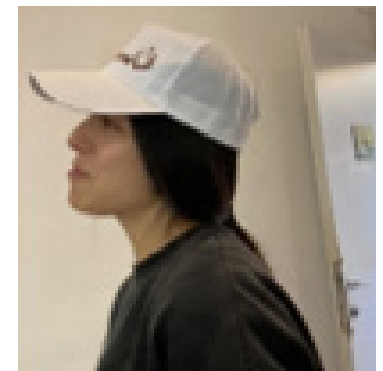
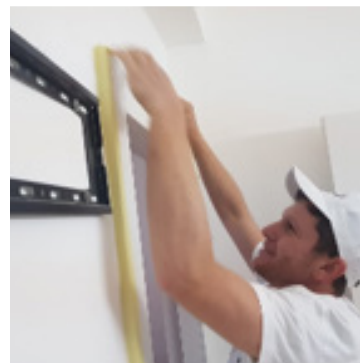
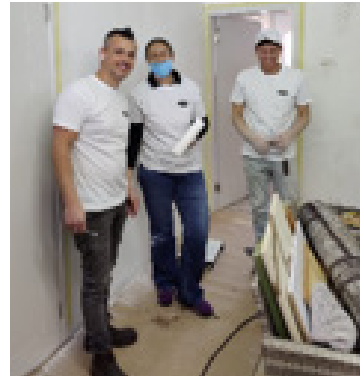
The Huliot India site is located near a small village. In keeping with the company's commitment to environmental awareness and community involvement, employees led an initiative to clean up trash strewn around the area. Some of these volunteers reside in the village and they were joined by the village council leader. From an area covered with litter, the volunteers created a clean and peaceful place, helping to instill pride and the value of taking responsibility for community wellbeing.





Focus on Community Engagement: **Volunteering in the Community**

Huliot Israel provides multiple opportunities for employees to contribute to the local community, leading hands-on educational programs and volunteering in agricultural areas that were destroyed during the war. In 2024, a group of employees renovated a senior citizens home and established gardens in a special needs school.





Focus on Community Engagement:

Cleaning Campaigns in Slovenia

As a manufacturing company, we have an impact on the local community. Huliot Slovenia makes every effort to reduce and eliminate disturbances to the local community such as reducing operational noise to below the legal limit. The company sponsors clean-up campaigns, and employee volunteers organize and participate in them. This photo was taken at a campaign in the municipality of Horjul.





Focus on Community:

Huliot India Donates ClearBlack™ Sewage Treatment System (STP)

Huliot finds many ways to express its commitment to “Making Water Flow”. In that spirit, the India facility donated a wastewater treatment system to a local church. The recycled water can be used for non-potable applications such as cleaning and gardening. The team also planted trees in the church garden.

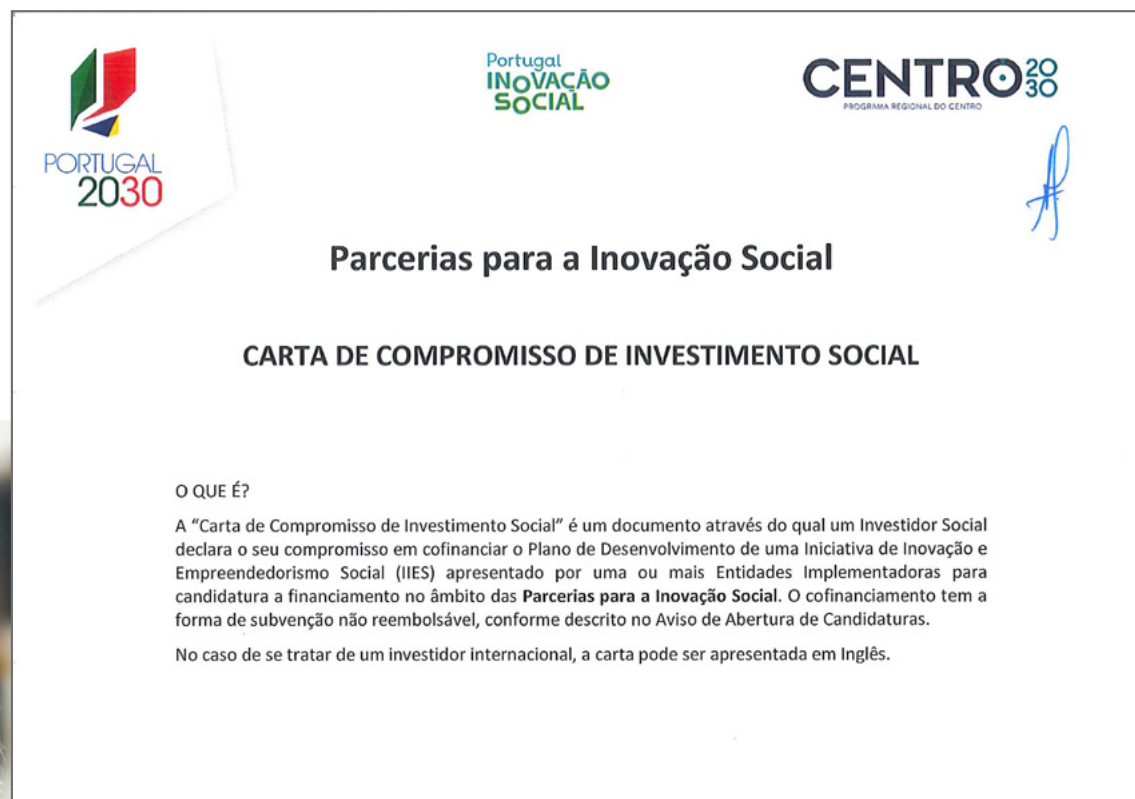




Focus on Community:

Social Partnerships

Heliroma, our facility in Portugal, has committed to supporting a Teen Building Project under the auspices of Portugal Inovacao Social through donations and future actions. Inovacao Social is a public initiative that promotes social innovation and boosts the social investment market in Portugal.





Focus on Community:

Hofit Contributes Containers for Field Showers

Over the past two years, Israel's soldiers have been on the front lines diligently protecting the country's citizens. Hofit contributed 1,500-liter plastic containers that were converted into field showers for soldiers. These containers provide soldiers with the luxury of a hot shower after a hard day. The company also contributed a washing machine so soldiers can wash their uniforms, providing a more comfortable and sanitary environment.





Focus on Employee Wellbeing: **Climb to Success!**

Koreno is a 729-meter-high hill, located north of Horjul. It's known for its panoramic views, a large cross, and the Church of St. Hermagoras and Fortunatus situated at the summit. In 2024, our Slovenia team initiated a “Hike Koreno” challenge to promote health and connection with nature. Employees who take the challenge benefit from better health, stronger connections, and improved teamwork. Their climbs are tracked, and every fourth hike earns a reward. It's not just about walking – it's about bonding, maintaining positivity, staying healthy, and growing together.





Focus on Employee Wellbeing: Team Building Through Sports

Our team-building event was sports oriented and full of energy. Through sports challenges we build trust, improve engagement, and have fun in a relaxed environment. The activities were tailored to include all team members, regardless of fitness level, fostering even greater teamwork and participation.





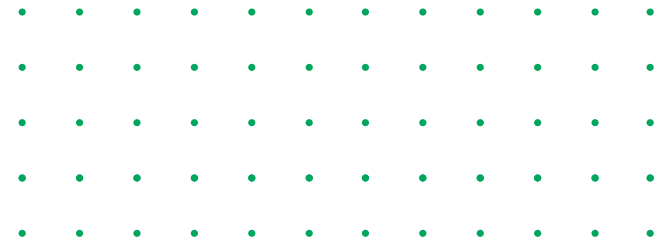
Focus on Community:

Huliot Cares Initiative

The Huliot Care initiative is a program implemented by Huliot India to contribute to and engage with the local community. The program focuses on needy populations by collecting and distributing secondhand clothing and household goods.



Governance & Stakeholders





ROLES, RESPONSIBILITIES AND ENGAGEMENT

The Board of Directors determines priorities and makes key decisions on behalf of the entire group and its shareholders. Huliot Group's CEO reports to the company's shareholders, the members of Kibbutz Sde Nehemia (50%) and Tena Capital (50%). Together they approve the company's goals and strategic plan and oversee the company's investment plan, budget, and M&A decisions. Tene Capital became a 50% shareholder in Huliot Group in 2018. Established in 2004, Tene is a private equity fund that invests primarily in kibbutz based industrial entities. This partnership has strengthened Huliot's financial position and enabled expanded development capacity.

Local communities The VP of QEHS is responsible for meeting the expectations of local municipalities regarding environmental quality. This includes monitoring and resolving any deviations of factors such as noise, air quality, odors, and radiation.

Employees and labor unions Complying with terms of employment and commitments to union agreements is a top priority for the company's management. The company's management is diligent about ensuring compliance with all safety and environmental quality requirements. Appropriate equipment and protection are provided in all company operations. Mandatory and voluntary employee training and certification are conducted to enable employees to improve and acquire new competencies and skills. Employee satisfaction is assessed through ongoing feedback.

Suppliers Cultivating an efficient and trustworthy supply chain is necessary to ensure the company meets its commitments. The VP Supply Chain and VP QEHS are responsible for overseeing procurement agreements and specifications and ensuring that quality requirements are met.

Customers The sales manager and the VP QEHS are responsible for keeping our customers satisfied. Their mandate is to ensure that contracts are fully executed and product quality exceeds customer expectations. Ongoing customer engagement includes an annual customer satisfaction survey conducted through calls with customers to support these objectives.

Upper Galilee municipality Huliot's CEO oversees compliance with wastewater quality, industrial and domestic waste disposal, and environmental impact standards. Activities performed to ensure compliance include wastewater sampling and monitoring, routine drainage maintenance, preventive maintenance of machinery, and attention to leaks.

The Israel Innovation Authority (IIA) Huliot is the recipient of funding and collaborations supported by the Israeli government for various R&D programs. As part of the conditions for this support, the company's VP of Finance and VP of Engineering are responsible for submitting regular reports and updates.

Kibbutz Industry Association (KIA) As a kibbutz owned company, Huliot is a member of the KIA which represents kibbutz industry factories in state institutions and with economic and business stakeholders. The company's CEO ensures compliance with employee regulations and requirements for receiving incentives.

Other regulatory bodies The VP of QEHS manages relationships with regulatory agencies such as the Ministry of Environmental Protection and water authorities. This responsibility includes ensuring compliance with wastewater quality standards, waste disposal, and licensing requirements.

Risks and Opportunities

Regional hostilities that started in 2023 and continued in 2024 presented Israeli companies with numerous challenges. Employees served in reserve duty for months at a time, disrupting operations and work processes. Over 160,000 evacuated citizens were still residing in temporary arrangements, frequently far from their homes and workplaces. Schools and educational programs throughout the country functioned under emergency conditions. Many companies located near the country's northern and southwestern borders were forced to close or relocate. Despite these challenges, Huliote Group enacted its emergency readiness plans and was able to adjust work plans to enable our Israel based companies to meet their business goals.

In Europe, Huliote's subsidiaries are exposed to risks caused by the ongoing war in Ukraine including supply chain disruptions, rising costs of raw materials, and market instability. In a press release following the BAU⁵ Information Talks in November 2024, the war in Ukraine was cited as a major factor in slowing growth in the medium term causing a sharp rise in construction costs, a general economic slowdown, and a temporary jump in interest rates⁶. Ludwig Dorffmeister, Information und Forschung Institute (ifo) industry expert for construction and real estate, presented data from the ifo's construction industry forecast: *"According to the 2024 summer forecast, European construction activity will fall by a total of 4% in the 2023/24 period, but only increase by 3% thereafter until 2026"*⁷.



⁵ BAU, the World's Leading Trade Fair for Architecture, Materials and Systems, aggregates the European construction market industry information and data.

⁶ [https://bau-muenchen.com/en/trade-fair/press/press-releases/detail/end-of-negative-trend-in-construction-activity-in-sight.html#:~:text=According%20to%20the%202024%20summer,expansion%20undeterred%20\(+7.8%25\).](https://bau-muenchen.com/en/trade-fair/press/press-releases/detail/end-of-negative-trend-in-construction-activity-in-sight.html#:~:text=According%20to%20the%202024%20summer,expansion%20undeterred%20(+7.8%25).)

⁷ [https://bau-muenchen.com/en/trade-fair/press/press-releases/detail/end-of-negative-trend-in-construction-activity-in-sight.html#:~:text=According%20to%20the%202024%20summer,expansion%20undeterred%20\(+7.8%25\).](https://bau-muenchen.com/en/trade-fair/press/press-releases/detail/end-of-negative-trend-in-construction-activity-in-sight.html#:~:text=According%20to%20the%202024%20summer,expansion%20undeterred%20(+7.8%25).)



RISKS

Huliot's 2024 risk assessment determined the key external risks as cyber-attacks, global instability impacting economies, climate change, fire, and earthquakes. A comprehensive fire prevention and mitigation plan was developed focusing on training emergency teams, awareness, detection, and deploying accessible firefighting equipment throughout the facilities. The probability of earthquakes was assessed as high for three facilities, medium for two facilities, and low for their India facility. The company has prepared for this possibility by ensuring there is sufficient insurance coverage, confirming that structures comply with earthquake standards, and preparing emergency teams for response in the event of an earthquake.

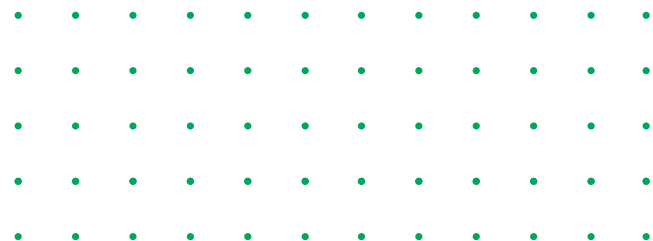


OPPORTUNITIES

Our management team is optimistic about the company's future. Mergers and acquisitions will continue to drive the company's product and market expansion. The strategy of focusing on synergies among our subsidiaries will drive a wider range of product offerings and enhance customer value.

The company's approach to sustainability will be a key factor in the company's success and will guide activities such as developing additional EPDs and expanding opportunities for employees to engage in volunteering and community building. Reducing scrap material through increased efficiency in production processes is a key goal for 2025. In 2024, the company succeeded in reducing residual materials by 6.3% compared to 2023. This trend will continue in 2025 and following years.

About this Report





Basis for Preparation

In 2020, the European Union approved the Green Deal, a set of policies and regulations designed to drive the EU's ambition to become the first continent to achieve net zero emissions by 2050. As part of this undertaking, entities conducting business within the EU are required to disclose their impact on a wide range of environmental, social, and governance issues. A graduated timeline for compliance is based on several factors including whether the company is public, where it's headquartered (within or outside the EU), and company size based on number of employees, revenue, and turnover. The disclosure framework is encompassed in the Corporate Sustainability Reporting Directive (CSRD) regulations.

In September 2023, the European Commission tasked the European Financial Reporting Advisory Group (EFRAG) with developing a simple and standardized framework to provide SMEs that are not within the CSRD scope with a framework for reporting on ESG issues. The Voluntary Small and Medium Enterprises (VSME) standards provide multiple benefits for companies that

are not in scope for mandatory reporting including:

- Creating better opportunities to obtain green financing
- Facilitating the transition to a sustainable economy
- Enabling companies to respond to requests for sustainability information in an efficient and proportionate manner

While the VSME reporting framework aligns with the CSRD, the authors prioritized identifying a proportionate set of indicators as a credible replacement for a substantial portion of the CSRD data set. At the same time, the standard supports a complete picture of ESG impacts.

As a private company headquartered in Israel, Huliot Group is not yet required to comply with the Directive. However, with respect for and alignment with the EU's goals, Huliot Group is voluntarily reporting based on the VSME framework. The VSME framework, published in December 2024, provides a streamlined process to evaluate and communicate a company's sustainability positions.

Multiple benefits of implementing and disclosing a sustainability review include:

- Acting on management's commitment to address environmental and social issues
- Gaining a better understanding of the risks and opportunities impacted by sustainability issues to increase company resilience
- Putting in place processes and methods to facilitate mandatory disclosure compliance

In compiling this report, we gained a greater understanding of the topics and data points that will need to be included in our future reports. Preparing for mandatory reporting involves developing and implementing a synchronized data reporting system throughout the Group. Huliot is committed to gaining experience and deploying resources to achieve our sustainability targets and continue our leadership as a responsible and caring corporate citizen.



Appendix

General Information

Name of the reporting entity Huli Industries Agricultural Cooperative Society Ltd.

Currency of the monetary values in the report Euro

Reporting period 01/01/2024 - 31/12/2024

Basis for Preparation and other general information

Basis for preparation		See About this report – Basis for Preparation			
Undertaking's legal form		Cooperative			
List of subsidiaries	Legal form	NACE sector classification code(s)	# of FTEs (annual average)	Country of primary operations and location	Geolocation of sites owned, leased or managed
Huliot Israel	Private limited liability	C.22.21.22	220	Israel	33.18438458455939, 35.621621385685216
Hofit	Private limited liability	C.22.23:1	74	Israel	32.712371604044925, 35.56518690007421
Weisman Friedman Industries (WFI)	Private limited liability	C.22.21.22	82	Israel	32.77862340616948, 35.07232395549338
hpg Plastics	Private limited liability	C.22.21.22	62	Germany	51.291880611564075, 6.833700286623406
Huliot India	Private limited liability	C.22.21.22	90	India	22.441701422560925, 73.22612629375936
Heliroma	Private limited liability	C.22.21.22	76	Portugal	40.71790792319819, -8.48574201716148
Huliot Slovenia	Private limited liability	C.22.21.22	73	Slovenia	46.01928612894871, 14.301723137085816

Description of sustainability related certification(s) or label(s), including, where relevant, the issuers of the certification or label, date and rating score

See [Certifications and Standards](#) and [Environmental Product Declarations \(EPD\)](#)

**Practices, policies and future initiatives for transitioning towards a more sustainable economy**

	Do you have existing sustainability practices/ policies/ future initiatives that address any of the following sustainability issues? [YES/NO]	Are they publicly available? [YES/NO]	Do the policies have any targets? [YES/NO]
Climate Change	No		
Pollution	Yes (Huliot complies with the ISO 14001 environmental management standard.)	No	No
Water and Marine Resources	No		
Biodiversity and Ecosystems	No		
Circular Economy	Yes (See Circular Economy and Zero Waste)	Yes	No
Own Workforce	Yes	No	No
Workers in the Value Chain	Yes	No	No
Affected Communities	Yes [See Social and https://www.huliotgroup.com/drives_us/sustainability-environment/]	Yes	Yes
Consumers and end-users	Yes	No	No
Business conduct	Yes	No	No

**Environment**

Energy & GHG Emissions	WFI	Israel	India	Hofit	Slovenia	Heliroma
Conventional (fossil fuel based) energy consumption in production (MW)	2.47	6.13	0.725	0.6	1.78	1.6
Green energy consumption (MW)	0.1675	0.387	0.562	0.575	1.148	0.327
Gas/diesel fueled vehicles (Liter)	23,220	85,195	1,980	50,005	25,563	34,114
# electric vehicles	2	17	1 (hybrid)	4 (forklifts)		
Energy consumption offset actions through tree planting (no.)	0	0	320	0	0	89

Circular Economy	WFI	Israel	India	Hofit	Slovenia	Heliroma
% of recycled raw material used out of total raw material processed by the company	73	8	3.12	6.8	3.19	0
Waste per ton product (Kg)	73.9	70.35	35.53	33	32	88.2
Waste sent to landfill (Ton)	54	0	1	8.7	4.3	80.98
Material recycled (Ton)	3154	1200	46.0	127.5	49.4	99.4
Cost savings from waste reduction/offset (€)	€194,869	€502,875	€15,175*	€125,400	0	0

*From the sale of wooden plastics, unusable plastic, corrugated boxes, etc. to an authorized recycler.



Environment

Water	WFI	Israel	India	Hofit	Slovenia	Heliroma
Water usage (m ³)	2,320	12,600	1,920	3,800	880	1,175
Water reduction (%)	0	0	0	17	0	0
Water recycling (m ³)	0	0	0	0	0	0

Social Responsibility

Workplace Practices	WFI	Israel	India	Hofit	Slovenia	Heliroma
Training and development programs	Employees at all sites undergo regular trainings including sexual harassment prevention, new employee onboarding that integrates quality, environmental, and safety issues, raising awareness and preparing for a cyber-attack, first aid, health and wellness, and executive development courses					
Diversity and inclusion initiatives	Huliot makes every effort to recruit minorities and fill management ranks with female executives. On a global level, about 35% of the company's managers are female.					



Social Responsibility

Community Engagement	WFI	Israel	India	Hofit	Slovenia	Heliroma
Community support and development projects	All Huliote's facilities engage in community support and volunteering activities focused on environmental awareness and education and supporting communities in need. (See Social) The company also supports local athletes and maintains strong partnerships with schools and the local university. These partnerships focus on career orientation and provide opportunities for practical training and internships for students, contributing to their professional development and future employability.					
Partnerships with local organizations	T.M.I.R. Manufacturers Recycling Corporation in Israel Ltd., a public benefit corporation	Collaboration with customers on green construction issues T.M.I.R. Manufacturers Recycling Corporation in Israel Ltd., a public benefit corporation		T.M.I.R. Manufacturers Recycling Corporation in Israel Ltd., a public benefit corporation	Huliote Slovenia actively collaborates with the local volunteer fire brigade, the municipal associations through joint events, educational activities, community campaigns, and donations. ity, and various sports	
Customer & Supplier Relations	WFI	Israel	India	Hofit	Slovenia	Heliroma
Process for engaging with customers and suppliers	All sites conduct annual customer and supplier surveys (QMS). The results are summarized in the company's KPI report.					



Social Responsibility

Corporate Governance	WFI	Israel	India	Hofit	Slovenia	Heliroma
Females in managerial positions	22%	33%	13%	43%	50%	50%
Process(es) for Identifying and mitigating environmental risks and adherence to environmental regulations	Huliot Group complies with global standards ISO 14001:2015 and ISO 45001:2015. (See Integrated Quality Management System) Each company complies with local environmental regulations. No company in the Group has been fined or sanctioned for labor, governance, or environmental violations.					
Compliance with labor laws and standards	All Huliot Group companies comply with local and international labor laws and standards.					



 **Huliot**Israel  **Huliot**Slovenia  **Huliot**India  **Huliot**Hofit  **Heliroma**
by Huliot Group  **Weisman Friedman**
by Huliot Group  **Mahal Pumps**
by Huliot Group   **Huliot**Storage  **hpg**Plastics
by Huliot Group

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