

2021 Sustainability Report Highlights





Better Food. Better Choices. Better Impact

2021 SUSTAINABILITY REPORT HIGHLIGHTS



Throughout this report, you can scan QR codes with your smartphone to see videos or read more about our sustainability progress.

Our Purpose



“ You have to have a strong belief that what you’re doing is the right thing. This feeling must accompany you in everything you do, just like music. ”

Michael Strauss



Nourishing a better tomorrow

Our Purpose

Nourishing a better tomorrow



Our purpose will authentically articulate our aspiration to do good in the present and for future generations.

Our purpose reflects our passion for food. It reflects our dedication to manufacturing delicious, high-quality food and beverages that empower, indulge and delight people. It is a testimony to our commitment to improve our products and widen the variety of choices we offer. It tells people who we are – caring people, with a spirit of giving and a real desire to nurture.

Nourishing is the spirit and desire to give to others, through caring and empathy. The spirit of nourishing is a big part of what defines us as individuals and as a company.

We want to nourish relationships, friendships, families, communities. We want to empower and encourage people to grow and thrive. We want to give more than we take to both people and planet.

We want to make peoples' lives better: Live healthier, Live longer and Live together.

We will work together to build a more sustainable and stable world, both for us and for future generations. "Better" embodies a way of life that constantly strives to improve. Thinking about a better tomorrow is a commitment for the present and also for the future.

We are here for the long term. We are building a tomorrow of generosity and inclusion. By working together, we can make a difference. The goal of our actions is to create long-term influence and impact, not only immediate results. That is why we take full responsibility for the entire supply chain, from raw materials to plate.

Pioneering and innovating are rooted in the idea of a better tomorrow. A successful entrepreneur must be optimistic. A vision for change is essential. A vision for something better. It motivates you. Those are the ideas that make our world better.

Our Commitments

People of Strauss

We will nurture and foster the special potential that lies in each one of you. We will encourage you to be the best version of yourself and make an impact for the better.

Our Consumers

We will cultivate the uniqueness of each person and help everyone to live a happy and full life, by offering them safe, healthy, nutritional, accessible and sustainable food, that will attend their needs and provide them with choices.

Our Shareholders

We will continue being a company that provides top-tier TSR and exceptional performance for a sustainable future of growth and success to all our shareholders.

Our Business Partners

We will continue to nourish our relationships, with respect, honesty, and collaborations to promote and create joint business growth, and make sure that you continue to feel part of the family.

For the Communities, the Next Generation and the Earth

We promise to leave a positive imprint, on our society and the planet.

Our Journey Towards a Better Tomorrow



Dear Friends and Colleagues,

As we publish our sustainability report for 2021, as much as I would be happy to discuss all our progress and efforts in the realm of Environmental, Social, and Governance (ESG), how we're working relentlessly to build and nourish the planet and our communities for a better tomorrow, I cannot stand by and ignore the atrocities and suffering brought about by the war in Ukraine.

The pandemic has taught us we are able to meet the greatest of challenges through cooperation between organizations, nations, and companies. We have learned how interconnected and interdependent we are as a society. Nothing is regional or local anymore. The war in Ukraine is NOT solely the problem of the Ukrainian people. It touches

us all. It touches us in exactly the same way a small virus in a market in Wuhan has turned the whole world upside down. It touches us in the same way a frost in Brazil has affected coffee prices around the world and in the way the Black Lives Matter movement has inspired people everywhere to speak up for minorities and human rights. I admire the bravery and determination of the women and men of Ukraine. Let us remember that women and girls are always the first victims of crises. Today, more than 40 million women and girls around the world have been forced to flee their homes due to violence and persecution.

2021 was a pivotal year for us as we took a major step toward the future we want to see and be a part of. We introduced Strauss Group's purpose: "Nourishing a Better Tomorrow". We wanted to use everything we have learned and who we are in order to ensure that we continue to grow in a sustainable way without leaving anyone behind. We want to make sure we grow as we supply people with more choices of nourishing, healthy, safe food that answers their unique wants and needs. Expanding our offers and having our products tailor-made to fit the needs of people around the world

while acknowledging their diversity and allowing them to choose what is right for them. We promise to do this in a data- and science-backed way to ensure that people not only live a longer life but also maintain their wellbeing. We will make sure we grow by giving back more than we take.

In this annual sustainability report we not only summarize our efforts to be more sustainable in 2021, but, for the first time, we also set goals and commitments for the future. We have articulated 5 ESG pillars that will lead the way to where we want to be in 2030. This is how we live up to our promise of Nourishing a Better Tomorrow. We will continue to work with our partners all around the world, making sure we create a better tomorrow, as we stay true to ourselves and loyal to all our stakeholders.

I've been working around the issue of the world refugee crisis for over a year now, after joining the Tent Partnership for Refugees' Advisory Council, a non-profit coalition of businesses committed to helping refugees around the world.

Yours,

Ofra Strauss
Chairperson of the Board

Building a Sustainable Food System



As we enter the third year of the pandemic, the world around us has changed beyond recognition.

More than ever our lives and food systems are affected by political unrest and war in Europe, pollution, food waste, human rights violations, socio-economic instability and dwindling resources. The climate crisis is among the gravest threats before humanity today. We have a responsibility to create science-based partnerships to prevent its exacerbation and mitigate its implications. This decade is our test.

Our recently launched purpose will be reflected in our range of products and investments. It will enable us to better understand and offer choices to consumers. As a food and beverage company, we understand the deep impact our actions have on people, the environment and the

“ Even if I knew that tomorrow the world would go to pieces, I would still plant my apple tree. ”

Martin Luther

food ecosystem. We are present in the daily lives of millions around the world: Potato farmers in the Negev, grocers in the Galilee or the coffee grower in Uganda, restaurateurs in Romania or herb producers in the Netherlands. In their morning coffee, their snack on the way to work, Hummus for lunch or glass of water before bed. We wake up and go to sleep together.

We must not let this system disintegrate.

Over the past year, we've made a series of significant moves in the worlds of ESG and have implemented a sustainability mindset as an essential part of our business strategy. Every action and business decision will be viewed through the prism of our new purpose – Nourishing a Better Tomorrow.

We took upon ourselves true responsibility in how we nurture and cultivate relationships, how we behave as an employer, the responsibility we have for public health and our ability to consistently create sustainable long-term impact.

This year, as in previous years, we continue to invest in diversity and inclusion and in developing leadership that makes a difference in the world. We are proud of our rankings as a diverse, inclusive and sustainable company and as a desirable place to work.

We will continue to ensure that all our products have a positive impact and that the goals we set, such as recyclable packaging or the use of renewable energies, are fully achieved.

My commitment is that we will continue to partner to plant more apple trees and strengthen a sustainable food system, community and society. Together we will nourish a better tomorrow.

Join us in our journey.

Giora Bardea,
President and CEO, Strauss Group

Leading Sustainability at Strauss Group



As the world continues battling the pandemic, health and wellbeing still pose a great challenge for many communities. In its shadow, the role of food in people's lives and its impact on public wellbeing is evident. Food can bring joy, serve as a comfort during hardship and create connections between individuals and cultures.

As borders closed, the importance of guaranteeing nutritional security rose. The need to reshape the economy with more flexibility, tested companies' agility. As whole sectors shut down or had to be re-imagined, the values of solidarity, caring and sharing shone. As we were writing this report, the war in Ukraine started. While we ceased our operations there, we focused on our people's safety and wellbeing as well as ensuring salary continuation and aid with donations, to relieve the humanitarian needs in the area. We pray for the quick end of fighting in the region.

We are proud that even in a year like 2021, we not only continued but enhanced and expanded our work. We launched a new purpose – "Nourishing a Better Tomorrow" and drew from it goals and roadmaps for creating positive impact, centered around our sustainability mission to promote better food, better choices, and better impact. Our commitment is to nourish a better future for both planet and people: one of a just and equal society, set on sustainable foundations that consider the wellbeing of future generations.

We set ambitious goals focusing on five themes: Nutrition & Health, Sustainable Supply Chain, Climate, Water, and People & Communities.

We've expanded our investments in food tech with 'The Kitchen' hub, and Israel's Innovation Authority announced us as one of the winners of the new incubators program. We entered the Bloomberg Gender

Equality Index, and launched numerous projects to implement our strategy and achieve our sustainability targets, while continuing our social impact with investments in communities.

Food and beverage companies deal with unique sustainability challenges. At Strauss, we made a commitment to continuous improvement. Sustainability is at the core of the business and is intertwined with our operations and activities. Future investments as well as current activities are measured considering ESG principles. KPIs are crucial to improvement and are carried across the company. The group's leadership members have functional ESG goals, and these are integrated into the performance-based component of their compensation.

We would be delighted to hear any feedback you may have on the information presented in our 2021 sustainability report.

Thank you,

Osnat Golan
VP Communications, Sustainability and Corporate Brand

Shay Bialik
Director of Global Sustainability and Ethics

Ratings and Recognitions



Strauss was recognized for its achievements by the following bodies:



Strauss Brand was ranked among the top 5 most influential brands in Israel, and 1st of the F&B companies



Obela ANZ and Strauss Israel were recognized domestically as Employer of Choice in 2021 country



Sabra Everything Bagel Seasoned Hummus received the [Food Network Magazine](#) 2021 Supermarket Award for innovation



3 projects recognized with awards at the annual conference of the Israel Human Resources Association



Award for diversity in marketing by the Israel Marketing Association

Strauss is rated by the following ratings agencies:



FTSE4Good

Certificate Member Company in the FTSE4Good Index Series



Ma'ala ESG Index: Platinum +



Bloomberg Gender Equality Index: 79.32



ESG Risk Rating License

ESG Highlights

2021

Environment

18.6%

reduction in intensity of GHG emissions from 2016

81%

recyclable packaging in Israel

92%

of waste diverted from landfill

100%

of our dairy farms are in sustainable dairy farming programs

986 tons

of food donated through food saving projects

Social

NIS 21.5M

invested to achieve Social Impact

23%

of employees in Israel from underrepresented communities

930

products catering for special dietary needs

47.1%

of managers role are held by women

14,218

hours of volunteering by employees

Corporate Governance

58%

women on the board of Directors

723

suppliers evaluated for environmental or social impacts

100%

of employees have had Ethics Training

Over 80

hours of managements meetings on sustainability

\$222M

raised by The Kitchen Hub portfolio companies

3

new start-ups added to The Kitchen Hub portfolio companies



Our Sustainability Strategy

Sustainability for a Better Tomorrow

Managing business while keeping sustainability in mind, has always been in our nature. Expectations from consumers, employees, investors and other stakeholders are increasing significantly in recent years, leading to changes in the ecosystem. To ensure we remain future fit, we carried out a long process to create a comprehensive sustainability strategy that will support our sustainable and inclusive

growth while creating value for all stakeholders. We learned local and global agendas and trends, listened to stakeholder expectations, and analyzed frameworks such as the UN Sustainable Development Goals to identify the topics covered by common and best practices. Out of these, we defined our key areas of influence and where we had the highest potential to create shared value – for us and for

our stakeholders. In 2021 the Group Management approved the new strategy, followed by a discussion in the Board of Directors.

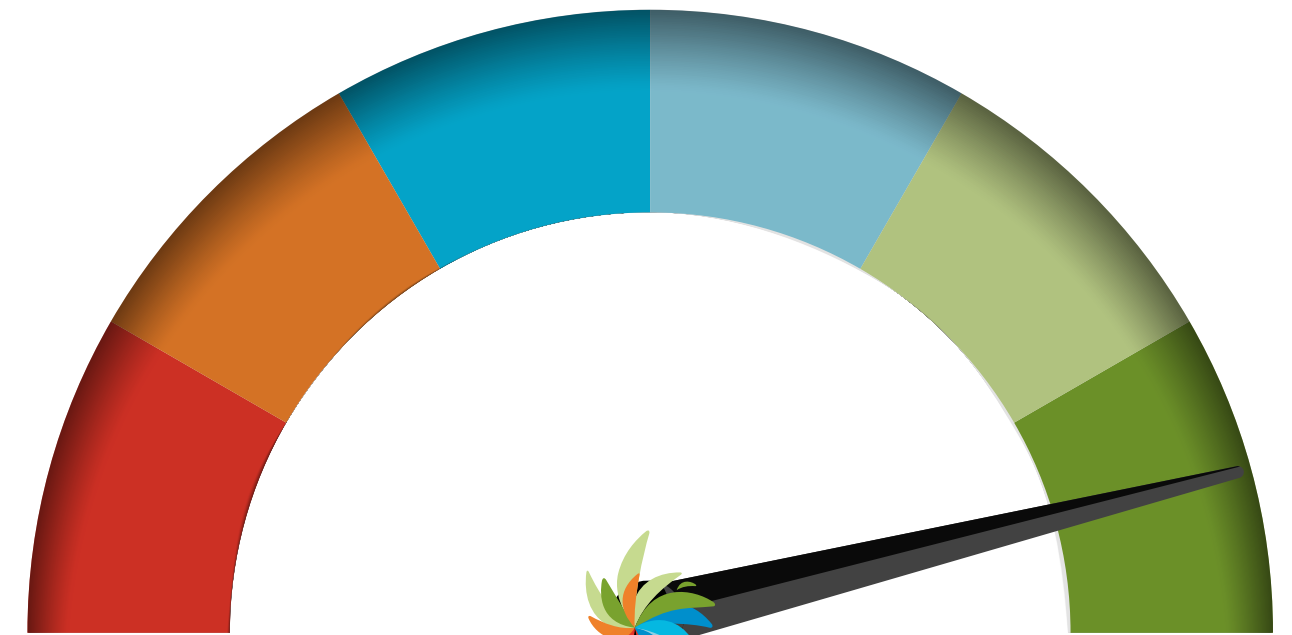
Within our purpose of “nourishing a better tomorrow”, our values and commitments were framed to our sustainability mission; Better food, Better choices, and Better impact.

To achieve our mission, we have defined five focus areas. In some, we already have extensive activity and others will require more effort to be made in future. For each, we defined a roadmap to 2030, defining short- mid- and long-term targets to guide our way, motivate, and drive progress. Achieving these targets will require adaptations to our operations and infrastructure, changes to existing products and development of new products. As we make decisions throughout the company on each of these realms, our purpose, mission, and strategic focus areas serve as the guide.



Sustainability Mission

Better Food. Better Choices. Better Impact.



Better Food

We commit to make food that we love and to constantly improve the food that we make for our loved ones, using innovation and technology to build a more sustainable future for all.

Better Choices

We commit to giving more people more opportunities by offering better possibilities when choosing a employer, partner or brands in choices that effect people, planet and profit.

Better Impact

We commit to pursuing a positive impact on people and the environment in all fields of our activity and to implementing a broader view of stakeholder & purpose-based success.



2030 Sustainability Goals

Nutrition and Health

Goal

Leverage our brands, foods, drinks, products, and solutions we provide, to improve the health, nutrition, overall happiness, and well-being of our communities and consumers

2030 Targets

- Align our portfolio to our purpose
- Extend portfolio of special needs products
- Adjust & build our raw materials
- Harness innovation to address the global food challenge

SDGs



Sustainable Supply Chain

Goal

Promote a no waste environment and improve the livelihood of all partners across our global value chain for a stronger more sustainable food system

2030 Targets

- 100% reusable, recyclable or degradable packages
- 50% reduction in food waste
- Responsible Sourcing framework on key raw materials
- Working with suppliers and farmers to improve livelihood

SDGs



Climate

Goal

Fulfill our part in the global effort to mitigate the climate crisis

2030 Targets

- 100% Electricity from renewable energy in Israel's sites
- Midway to Net Zero carbon
- Developing new alternative raw materials with lower carbon footprint

SDGs



Water

Goal

Increase clean water security and water-use efficiency

2030 Targets

- Reduce water consumption by 20%
- Proving access to 10 million people to good drinking water
- Bring our water solution to untapped populations

SDGs



People & Communities

Goal

Providing more people better opportunities and choices while leaving no one behind

2030 Targets

- 50% women in mid & senior management
- 10% diversity in management roles
- Advancing human rights across our value chain
- Investing 1% of EBIT in impact projects

SDGs



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People & Communities



COVID-19

NIS 1.3M

were granted to employees needing financial support

1,235

free sessions for emotional support

20,000

families in need received food donations

HOW ARE YOU SUPPORTING THE COMMUNITY THROUGH COVID-19?

Coping with The Pandemic

The whole world is still affected by the consequences of the Covid-19 pandemic. At Strauss-Group, we believe that as a large-scale, socially conscious organization, we have a responsibility to provide support and assistance wherever we can. We do that by harnessing our capabilities and helping our employees, suppliers, and surrounding communities.

our purchasing power to help them maintain business continuity. One of the major challenges during the past two years was understanding and following the frequent changes in government policies. To help our suppliers, we set up a website where they could get reliable information.

Supporting our Employees

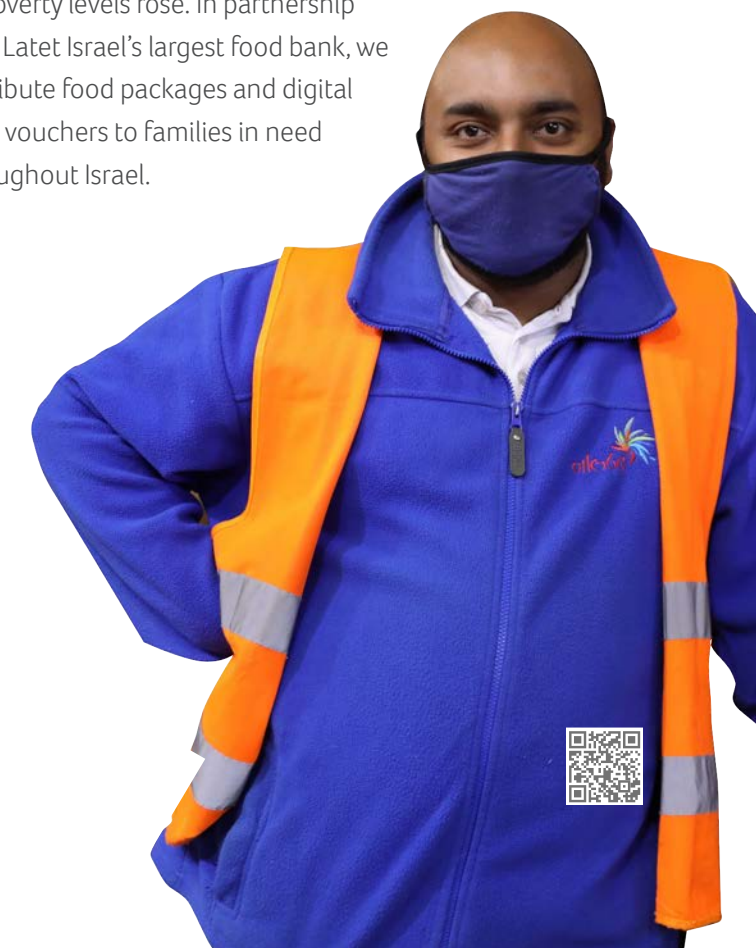
Following on from 2020, we continued the ongoing support we offer our people in multiple ways, taking a holistic approach that cares for the physical and mental aspects of their well being. We mandated and encouraged vaccinations and made efforts to make them easily accessible to our employees in locations throughout the entire global operation. We also adapted work environments to the new needs and requirements as they arose. We offer financial support and established an emotional support line for employees in need, expanded social benefits and sent out care packages sent to our employees to make them feel seen and appreciated.

Supporting Communities

Socio-economically weak communities were impacted deeply by this ongoing world crisis. In 2021 we focused our efforts on food security which decreased as poverty levels rose. In partnership with Latet Israel's largest food bank, we distribute food packages and digital food vouchers to families in need throughout Israel.

Supporting Suppliers

We value our suppliers and see them as our partners. Understanding the hardships this era brings to smaller businesses, we've set out to give them significant assistance where possible. To aid our suppliers we adjusted payment terms supporting their cash flow and mobilized



Nutrition and Health



99%
of Sabra and Israel products have no artificial ingredients

930
products for special dietary requirements (79% of the Israeli portfolio)

34.1%
salt reduction per ton product in Israeli portfolio since 2018

5.7%
sugar reduction per ton product in Israeli portfolio since 2018



SDGs



WHAT DO WE DO TO HELP PEOPLE LIVE HEALTHIER AND TASTIER LIVES?

Nutrition Strategy



Our Nutrition Strategy Includes The Following Elements:

- Improving the nutritional profile of existing products and proposing balanced alternatives via new developments to increase the supply of products with clear nutritional advantages
- Developing products for consumers with special dietary needs and preferences including adjusting our materials and infrastructure to include more allergenic-free products
- Seeking high quality ingredients and extending our raw materials to include more plant-based options
- Reducing sugar, sodium, and artificial materials throughout the portfolio while strengthening the nutritional value with beneficial ingredients such as vitamins, minerals, and probiotics
- Increasing the number of clean label products and making an effort to transition to natural ingredients only
- Implementing portion control to reach no more than 200kcal per serving in personal deserts, snacks and candies
- Maintaining transparency and consistency with clear and transparent presentation of information to consumers

We strive to create food that fits into healthy lifestyles with simply good food that is true to its source, made from good ingredients, and offered in reasonable serving sizes. In developing our products, we aim to create products that make better choices easier. Our goal is to leverage our brands, products, and solutions to improve the health, nutrition, and overall happiness and well-being of communities and consumers.

We are working to align our portfolio with our purpose by extending the number of products that cater to different and special nutritional needs and raising the nutritional profile of each product, along with maintaining clear and transparent communication to our consumers.

Our nutrition policy is driven by the development and technology teams who collaborate with nutritionists and other relevant professional communities. Through dialogue, we work to develop products that respond to the expectations and needs of our stakeholders and offer more nutritious solutions that address a wider range of preferences while maintaining great taste.



Healthy Product Portfolio

593
gluten-free Products
(50% of the Israeli portfolio)

272
vegan friendly products (23.2% of the Israeli portfolio)

411
products sold in controlled individual portion sizes



“ In the confectionery factory in the Galilee we are on a journey with a promise to produce allergy-free products so that consumers with allergies can enjoy chocolate bars for the first time. This is an ongoing process that must be worked on all the time to allow consumers with allergies to enjoy these products while maintaining their safety. ”

Etiya Talbi Cohen, Food Safety Manager, Strauss Confectionery, Strauss Israel

WHAT IF I HAVE SPECIAL REQUIREMENTS?

Catering for Different Needs and Preferences

Accessible Nutrition



We are consistently working on providing solutions to audiences and communities with different needs and desires. We have several markings on our products identifying products as lactose-free, non-allergenic, vegan, gluten-free, or kosher. This year we invested in an isolated and controlled manufacturing line for our chocolate bars creating an allergen-free environment. Similarly, in the savory-snacks factory the peanuts-related factory lines were isolated to create lines free from allergens.



Accessible Packaging

We developed a solution for making our snack packaging more accessible to people with motoric disabilities who were finding it difficult to open our packages. In collaboration with the 'Equals in market' project by JDC, and with insights from people with disabilities, occupational therapy clinics and others, we identified the design change needed which makes a big difference. We are adapting our packaging machines accordingly. This is an important first step on the way to making all our packages more accessible.



Promoting Healthy Food Choices

We are promoting healthy nutrition within our portfolio and through different initiatives to promote awareness in various communities. For example, our pouch yogurts give parents a more nutritious option for on-the-go-snacks for their children, and another on-the-go option: the new line of plant-based, vegan and non-GMO snacks for kids, which is a healthy offer for school lunchboxes.. We run various community engagement initiatives educating children and adults about nutrition and our marketing messaging incorporates nutritional information to help people "know their food".



“ The healthy lifestyle workshops were amazing! I had fun and learnt a lot of new things about healthy habits. The best thing was the practical healthy cooking workshop where we learnt to make food that is high in iron and healthy sandwiches for children. I learnt about the importance of physical activity like in games from long ago. I will adopt healthy habits in my own life and with my family and the parent group I work with. ”

AJEEC

أجيك • معهد للثقافة
 آج'יק • מכון הנגב
 أمالة ونجديج مسورة של حريشون

Jik Lin Katnari, participated in an Ajeec program which is supported by Strauss Group.

WHAT IS THE FUTURE OF FOOD?

The future of food is all about adapting our offering to meet the needs of tomorrow, with better nutrition, and lower impact on the planet. The Alpha Strauss venture aims to promote and create a complete ecosystem in technologies relevant to the food industry. It fosters operative cooperation between entrepreneurs and group companies, creates business collaboration between Strauss's innovation arm and entrepreneurs and is behind The Kitchen Hub for food-Tech.



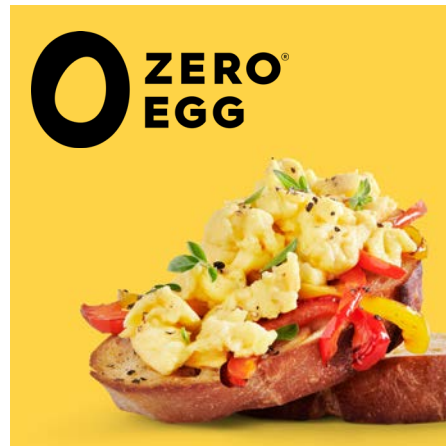
UPLAND



An example of successful collaboration is the launch of Upland Snacks. Upland's innovative proprietary nutrient dense technology combines all the wholesome goodness and flavor of whole grains, fruits, seeds, vegetables and spices into a delightfully airy bite. It captures the minerals and vitamins and Locks in the original flavor, color and nutrition, providing 20% of the daily recommended intake of Vitamin C and Zinc.



Zero Egg



Zero Egg is one of the portfolio companies of The Kitchen. Zero Egg is a nutritious plant-based egg that tastes, looks and functions like the ordinary egg. It has high nutritional values and is safe and economical addressing the extreme challenges of this \$100B industry such as food safety, animal welfare, environmental impact and price fluctuations



Imagindairy



Another portfolio company with The Kitchen is Imagindairy that integrates AI technology with system biology to develop a commercial and viable animal free dairy protein. Their vision is to offer healthy and tasty animal-free dairy goods at an affordable price, while preserving the environment and protecting animals.



Strauss group has a legacy of over 80 years of innovation, and our R&D teams innovate daily. To foster and accelerate innovation, we established Alpha Strauss (the Israeli FoodTech community) in 2011. Strauss Group's food-tech incubator, The Kitchen, was founded in 2015 to harness Israel's renowned innovation capacity in order to address global food challenges. It nourishes promising FoodTech ventures that can disrupt the global food system- making it more productive, more affordable, more sustainable, and healthier – by start-ups seeking to do good, by doing food. FoodTech IL is the main event of the Israeli FoodTech ecosystem since 2011. The event, along with the community, has grown from a few dozen to more than 1500 participants in 2021. The annual conference was in collaboration with AgriVest to create the 3-day virtual Israel Agrifood Summit bringing together representatives throughout the ecosystem to discuss the future of food.

The Kitchen
FoodTech Hub

HOW DO YOU INNOVATE?





Sustainable Supply Chain



63%

more of food donated from the Israeli food saving project compared to 2020

7%

reduction in packaging weight in Obela

82,300

tons of organic and sustainable key ingredients

13,182

farmers and locals took part in our coffee farm initiatives

2,838M

personal single use water bottles saved by Strauss Water customers

10

"More Than a Cup" projects in 8 countries

SDGs



IS IT RECYCLABLE?

Packaging and Waste

The Strauss Group companies manufacture packaged foods and we understand and acknowledge the environmental implications of our packages. The production processes and materials used to make the packaging and their end-of-life treatment can all have significant implications for the environment. To mitigate these, we invest in making our packaging more sustainable and in developing solutions that are aligned with local recycling systems in each of our operating locations.



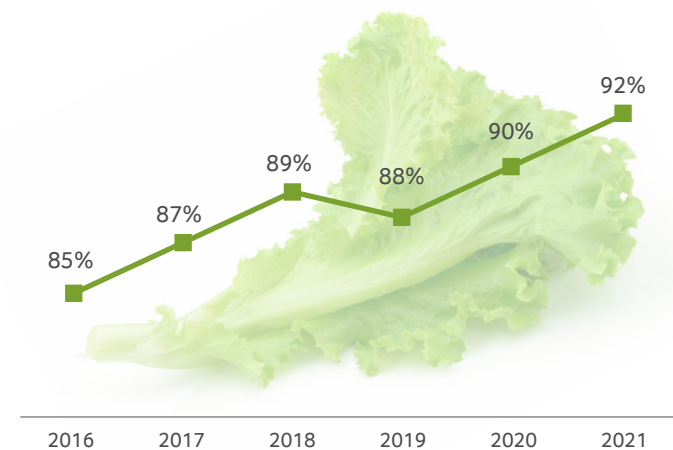
Each of the Group companies has defined goals in this area and built work plans for achieving them with multi-disciplinary task forces established to lead the process and find innovative solutions based on smarter engineering, logistics and operations. Our efforts typically include the following elements;

1. Reducing the use of materials that cannot be recycled and the absolute weight of packaging
2. Increasing the percentage of recycled materials in our packages
3. Increasing the use of materials that can be effectively recycled. In this we are especially conscious of the existing waste management infrastructure in each of our markets to ensure packages can be effectively recycled in practice
4. Making sure our consumers are aware of the relevant recycling method for each item mostly through labeling and public awareness campaigns

Beyond the packaging of our products, we also invest efforts and resources in reducing waste to landfill throughout our operations to minimize impacts of production.



Total Waste Diverted from Landfill (%)



“ The challenge is to adapt packaging to be more sustainable in several fronts environmental, economic and social- if it's to existing treatment infrastructures without compromising its purpose, or to the circular economy with the possibility to repurposing it. ”

Danny Marom, Packaging development, Coffee Technology Center, Strauss Coffee



81%
of Strauss Israel's product packaging is recyclable

70%
of Strauss water packaging is recycled materials

20
20 capsule-product packages changed to be recyclable

HOW DO YOU REDUCE FOOD WASTE?

Saving Food While Preventing Food Waste and Loss

Food waste has severe societal and environmental implications, including the inefficient use of natural resources and contribution to food insecurity. As such, we have set food waste reduction as one of our significant goals and major areas of focus in 2021 and in our strategy going forward.

In order to achieve our goal of reducing food waste by a full 50% by 2030, we have initiated and carried out numerous food waste reduction programs addressing food loss during

production, and food waste throughout our operations and even to help consumers waste less. We established extensive food salvage programs throughout our logistics operations, as well as taking steps to make expiration date labeling on food products more accurate, prominent, and transparent so that consumers can make smart consumption choices.

Sabra saved food and donated it to associations, such as the Central Virginia Food Bank and "Feed the Hungry".



In an effort to reduce food waste and increase food security, we expanded the long-standing collaboration with the Latet, the largest food bank in Israel, partnering with the Yohananoff supermarket chain for our flagship food rescue program. In the project, food products taken off the shelves are collected and distributed to families in need throughout Israel. The pilot of 10 stores was expanded in October 2021 to include all 34 Yochannanoff stores. Over 3 tons of produce were saved and donated already.



69.4%
Food saved through food saving projects in Sabra



“ The challenge is to adapt packaging to be more sustainable in several fronts environmental, economic and social- if it's to existing treatment infrastructures without compromising its purpose, or to the circular economy with the possibility to repurposing it. ”

Eran Weintrob, CEO, LATET



WHERE DO YOUR INGREDIENTS COME FROM?



Promoting a More Sustainable Food Value Chain

Sustainability in Dairy Farms

We believe that we have a responsibility to ethically source our dairy products including ensuring the welfare and wellbeing of animals. This has led us to establish localized sustainable dairy farming initiatives which require our dairy suppliers to meet sustainability criteria such as feed origin, water management, and, since 2021, renewable energy use, as well as animal welfare criteria such as medical care and living conditions. All of the dairy farms we work with are part of these initiatives.



Beanz – Farm to Cup Coffee



BeanZ Café is a unique coffee brand, and one of our leading sustainable sourcing coffee projects. The brand is based on long-term, fair and responsible relationships with coffee farmers offering customers coffee beans procured directly from smaller, specially selected farms delivered straight to their door – Farm to cup. This commitment shortens the number of hands the coffee goes through between farm and cup which increases the value to farmers and gives us and the consumers more certainty that sustainable and ethical practices are maintained.

Local Farming for Sustainable Growth

We acknowledge our part in ensuring that that feeding the planet’s population today doesn’t overshadow the planet’s tomorrow. Part of this is considering suppliers’ environmental impact. We encourage sustainable practices and seek to minimize supply lines for both resilience and to lower carbon footprint. In all locations, we prefer working with local farmers and invest their development. An example of this is the Strauss-Yad Mordechai project to rehabilitate bee communities in Israel as part of efforts to prevent the massive extinction threat of the bee population.



As coffee companies, Strauss Coffee and 3corações group are committed to coffee growers and their communities. We do this with three main programs; Strauss Coffee’s **More Than a Cup** collaborates with local partners to work with coffee growing collectives to expand their capacity through training, infrastructure improvements, tools, and equipment. By that, we empower women coffee growers to take greater professional roles within their family farms and communities. In the 10 local programs running in 2021, we saw growth in yield, commercial activities, and in the number of women seeking to join, all leading to higher income and greater prosperity. In Brazil, two projects promote sustainable development. **Florada** aims to give visibility to the work of women coffee growers, and has impacted over 2,500 women so far. **Tribos** promotes harmonious coexistence between indigenous communities and the cultivation of Specialty Coffees in the Amazon Forest, currently working with 132 indigenous coffee growers in 28 villages in the cities of Cacoal and Alta Floresta D’Oeste.



MORE THAN A CUP



Climate

27%

rise in total solar energy consumption at Strauss Coffee factories

27 tons

(approx. 10,000 liters) saved in fuel usage due to capacity increase in Strauss Israel trucks

18.6%

reduction in intensity of GHG emissions since 2016

1,100 Mwh

renewable energy produced in Israel

2.9%

reduction in energy intensity since 2020



SDGs



HOW ARE YOU CONTRIBUTING TO CLIMATE CHANGE MITIGATION?

Reducing GHG Emissions

Climate change and global warming have the potential to adversely impact millions of lives and severely disrupt human development. These threats necessitate decisive and comprehensive action primarily through swift and extensive reduction of GHG emissions. At Strauss, we see ourselves as part of the global effort to combat climate change and its effects. We implement measures throughout our activity to reduce our carbon footprint by increasing efficiency and reducing emissions. Our main focuses are responsible energy management, operational efficiency in shipping and transportation, and reducing food waste.

Energy

Man-made greenhouse gas (GHG) emissions, mainly CO₂ (carbon dioxide) are a major contributor to climate change and global warming. Conventional energy sources are a significant contributor and so we formulated an ambitious emission reduction plan culminating in 100% renewable energy sources and 55% emission reduction in energy intensity by 2040. By implementing a multi-pronged approach of increasing renewable energy usage and improving energy and operational efficiency throughout our activity we've reduced our energy consumption by 0.3%.

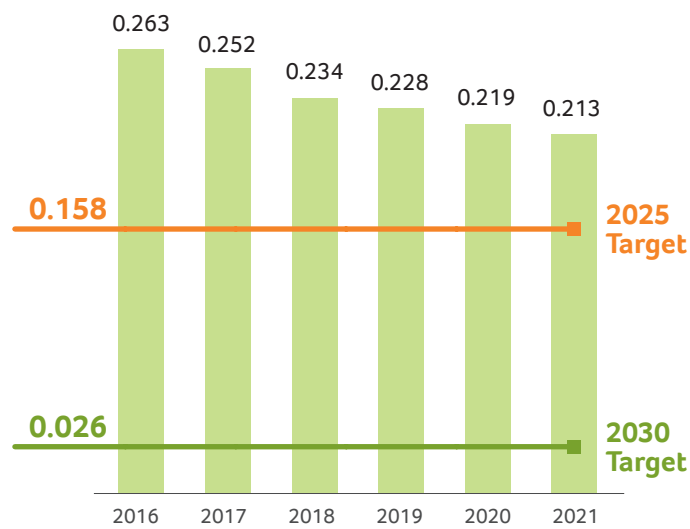
Transport and Logistics

We seek ways to lower emissions from both our corporate and operational vehicles and practices. Employees are encouraged to opt for hybrid or electric vehicles or forego a corporate vehicle altogether in return for other forms of compensation. In our operations, we seek to procure from local suppliers as much as possible to minimize supply lines and plan exactly to maximize utilization and minimize fuel usage.

Food Waste

One of the reasons the food industry is a major contributor to GHG emissions is the improper disposal of food waste. We make significant efforts to minimize food waste both in order to contribute to eradicating food insecurity and to minimize the emissions from food waste sent to landfill or improperly disposed of.

GHG Emissions intensity, 2016-2021



At Sabra we aim to run the offices more sustainably and encourage employees to adopt such practices in their own lives. In 2021, we held an Earth Day celebration that highlighted and boosted our year-round sustainability efforts. We distributed information on living a more sustainable lifestyle and handed out reusable coffee mugs and LED energy-efficient lightbulbs to get them on their way. Other activities include implementing recycling practices, thereby diverting numerous tons of waste from landfills, as well as holding an annual farmers' market for Sabra employees.

PROMOTING SUSTAINABLE LIFESTYLES AT SABRA

HOW DO YOU PROMOTE SUSTAINABLE INFRASTRUCTURE?

Working Together to Build a Greener Tomorrow

Transparency and Goals in Strauss Israel

While working and finalizing the Strauss Group 2030 sustainability strategy, the energy efficiency team in Israel releases a monthly progress report and in completed the local climate action plan. In the 2021 Israel Business Conference the CEO of Strauss Israel declared to the public the company's energy goals which include 100% electricity from renewable energy by 2030.

Consistent Improvements



Throughout the Group, in all geographies and all companies, we consistently invest in infrastructure upgrades utilizing new technologies to improve our efficiency and lower

environmental impacts especially as regards energy use. In 2021, infrastructure improvements included installing solar panels to increase percentage of energy used that is self-generated and from renewable sources, and increasing efficiency by replacing chillers and roasters, and installing sophisticated monitoring systems. In 2021 in the Romania was the leading site in using internal PV renewable energy.

Energetic Coordination

The Shoham Logistics Center initiated reducing electricity demands for predefined time windows according to guidance from Noga, The Israel Independent System Operator. This contributes to regulating the national grid capacity to enable getting through demand surges without using pickers which have high GHG emissions and negative impacts on the environment.



REDUCING CARBON FOOTPRINT



new Edge Water-Bar received the Energy Star

2,838M personal single use water bottles saved by Strauss Water customers

70% saving on GHG Emissions on full lifecycle of drinking bottled water



“ We are consistently in search for solutions and innovation to reduce our environmental footprint. We're focused on our GHG Emissions, sustainable packaging, supply chain sustainability, waste and creating a positive impact on people and our plane. ”

Kristen Royal, Senior Manager, Sustainability, Sabra US

Water

3.07
water Intensity –
M³ water consumed
per ton of product

72%
of wastewater redirected
to agriculture, in Israel

42% more
owners of Tami4 water bars
drink 42% more water than
the population average

90%
of Tami4 customers
polled said that with
the water bars they
drink more water¹



¹ TNS – telephone poll on brand Equity (9.2021)

² Sapio R&D, water drinking survey (7.2020)

SDGs



HOW DO YOU TREAT HUMANITY'S MOST ESSENTIAL RESOURCE?

Water Stewardship



Water is a fundamental resource which is central to our way of life and to life itself. Our water stewardship focuses on two major efforts. The first is conserving water by reducing the water intensity of our operations. Water intensity, calculated as the amount of water per ton of product produced, was 3.07 m³/t in 2021. This represents a 5% decrease in water consumption compared to 2017 and a 3.7% increase in water consumption throughout our chain of operations. Despite this minor setback, we are committed to our 2030 goal of 18% improvement of water use efficiency compared to our base-year of 2016. Our water efficiency improvement efforts focus on water reclamation and recycling throughout our facilities.

Our second area of focus is managing our wastewater. This varies between sites. In some sites, we have on-site wastewater treatment facilities where

Drinking Water of The Highest Quality



Water is essential to the functioning of the human body and drinking water has been proven to have numerous health benefits. Strauss Water works to increase public awareness of these benefits and encourages people to drink plenty of water. Marketing activities such as videos and advertising were published on the most popular platforms in Israel as well as widespread activity on social media and an informational blog. To help people know how much water they should drink, we created the drinking water

calculator where people can calculate how many glasses of water they should drink per day based on personal and lifestyle characteristics such as gender, age and physical activity.

Our research shows that with a water bar, households drink more water. Strauss Water develops and incorporates in its products advanced technologies that purify water in order to maintain the health of its customers. Our new Maze water filter utilizes patented technology using the world's most advanced water purification technology to remove chemical and biological contaminants while keeping essential minerals. Unlike other filtration systems, the multi-layered system removes only what is harmful and filters 100% of the water so that there is no wasted water lost in the process.



We treat the water so that it meets the highest levels of water quality and can be reused. In others, we treat the wastewater in accordance with the regulatory requirement and transfer it for further treatment at regional facilities.

We aim to enable water discharged from our operations to be reused. For example, in 2021, approximately 900,000m³ of our wastewater in Israel was redirected to agricultural enterprises following treatment, representing 72% of our total effluents.



“Water is the source of life, by providing people environmentally-friendly, heating and cooling Water Bars, we not only improve people access to clean tasty water, but we also help reduce plastic pollution caused by single-use bottle which otherwise is the common solution here in China.”

GUE Chun Peng, CEO of HSW



HOW DO WE ENCOURAGE FUTURE GENERATIONS?



In 2021, Strauss Water had the privilege to accompany a group of young people from the Unistream Or Yehuda organization. Unistream works to create equal opportunities and promote socio-economic change by encouraging the development of entrepreneurial, innovative, and technological thinking among teenagers in the social and geographic periphery of Israel. Two of our product development experts worked with the group of youngsters as advisors in developing a unique water bottle aiming to build healthy drinking habits in young children.

People & Communities

17,400
total employees

30+
community
involvement
programs

85%
respondents said they are
proud to work for Strauss
Coffee on the annual
engagement survey

23%
of employees in
Israel are from
underrepresented
communities

6.2%
of skilled and
management positions
at Strauss Israel are held
by members of the Arab
community

47.1%
of Management positions
are held by women



SDGs



WHAT IS YOUR APPROACH TO DIVERSITY?

Diversity, Equity and Inclusion

We believe that inclusive business practices empower our employees and foster innovation. For us, diversity, equity, and inclusion (“DEI”) represent both a business necessity and a core belief, and are a long term and systematic efforts

Our efforts in this area are based on 5 core principles:

- Equal Opportunity for All
- DEI in leadership roles
- Equal Pay for Equal Work
- Professional Development
- Leading with our employees and working with our communities

Gender Equality and Promoting Women in Leadership

Gender equality and equal opportunity are at the core of what Strauss does and what Strauss is. From our extensive efforts to ensure equal access to leadership positions to our robust policy of pay parity, equal pay for equal work, we place gender equality at the center of our DEI efforts.

Promoting Underrepresented Groups

We take considerable steps to provide employment opportunities for people from underrepresented groups and create an inclusive and respectful work environment. In Strauss Israel, our main focus is on promoting employees from the Arab sector, along with providing opportunities for ultra-orthodox women.

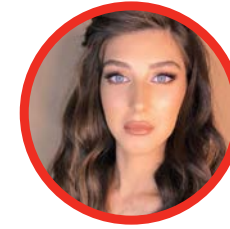
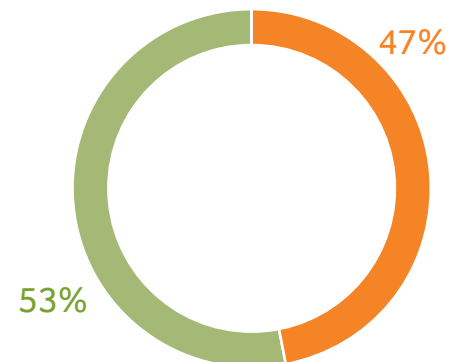
Promoting People with Disabilities

Our efforts to integrate people with disabilities stems from a deep sense of social responsibility and a belief in the meaningful contribution people with disabilities are able to make. Our dedicated Task Force for promoting people with disabilities carries out various initiatives, including increasing accessibility and training recruitment managers. We also give priority to suppliers who employ people with disabilities.

Social and Conscious Marketing

Marketing contributes to shaping public discourse. As a large consumer goods company with a significant public presence, we strive to authentically showcase different strokes of society so that everyone is included in the conversation, contributing to creating a more inclusive and diverse discourse. In 2021, we were acknowledged in these efforts with a prize for inclusivity in marketing at a ceremony held at the President of Israel’s residence.

Woman in Management



“ I love talent acquisition because I love people, which is the engine of growth in an organization and here human resources is a key priority. Strauss sees the person as a human first and foremost and each employee has a voice, agency and the support of the company to dare and grow, no matter where you come from. ”

Asala Halaby, Talent acquisition team, Strauss Israel



HOW DO WE PROMOTE EQUAL OPPORTUNITY AND SOCIAL EQUALITY?

Expanding Employment Opportunities

Strauss' Years-Long Work with Co-Impact



In collaboration with Co-Impact, in October we launched Altlanka, a bootcamp dedicated to providing career development opportunities for Arab students. The program enables university students from the Arab sector to develop a comprehensive professional and personal skillset which will empower them to fulfil their potential and achieve meaningful and advanced careers. Simultaneously, we opened Strauss Water's Bootcamp for sales and Customer Service Representatives. Through out, Strauss' Arad recruitment in Israel rose by about 25% in 2021.

Movilot Bootcamp for Ultra-Orthodox Women



In 2021, we launched a career development bootcamp program for ultra-orthodox women in Israel in collaboration with the Movilot organization. The program identifies ultra-orthodox women with exceptional skills and potential and provides them with professional marketing training, focusing on building the necessary skillset for becoming Brand Leaders. It provides participants with invaluable personal and professional skills, tools, and information they can use in their next marketing position at Strauss or elsewhere.

Obela Australia Works on Opportunities with Bedford



In Australia, Obela Fresh Dips & Spreads (a partnership between Strauss Group and PepsiCo), works with Bedford, an organization dedicated to employing individuals living with a disability, to package some of its popular snacking products. Over the years since it was established the collaboration has led to the creation of over 100 employment opportunities for people with disabilities at Obela locally in Adelaide. Bedford employees do meaningful work in a supported environment giving them a sense of empowerment and achievement.



227,372
training hours for all group employees

13
training hours on average per employee

100%
of employees receive training on ethics

WHAT DO YOU DO TO SUPPORT EMPLOYEE WELLBEING AND GROWTH?

At Strauss, we believe in the importance of employee development for the long-term success of our business and wellbeing of our employees. We created development programs for all our employees at all levels and positions. Ensuring our employees feel seen is key. Together we build personalized suggested career paths with defined learning opportunities and experiences including personal and professional growth goals.

As part of **3corações** leadership development program, we established the ACELERA CORAÇÃO – an MBA program in collaboration with Fundação Getúlio Vargas. The program prepares leaders for the strategic challenges of a complex and competitive business environment. It included 36 participants, leaders from various departments such as Sales, Logistics, Finance, and HR, by their potential to assume strategic roles in the company in the future.

45%
of management roles were internal promotions

HOW DO YOU INVEST IN COMMUNITIES?

Our Commitment to Strengthening Communities' Resilience

Amanina



We partnered with Amanina (NGO) to promote a program

focused on empowering Arab youth in Israel and expanding their skillset to provide opportunities for social mobility. The project brings the youth together with inspiring individuals from Arab communities and broadens their perspective in terms of career options, personal development and their future as a whole. A total of 350 children and teens participate in physical meetings throughout the program and around 1,000 more participate in virtual meetings. The program will continue in 2022.

Wizo



We initiated a collaborative project with WIZO (NGO), an organization dedicated to providing education and social services and promoting an equal society. The program focuses on developing positive attitudes toward food and eating habits in kindergartens in Israel. It includes dietary workshops for the kindergartens' staff, creating a balanced and healthy diet, and educational activities for the children and their parents. This program helps the children adopt positive lifestyles and healthy, balanced diets.

Preventing Gender-Based Violence



At Strauss, we work diligently to promote awareness and take part in initiatives that support women affected by violence, both within the company and through social organizations; including participating in the UN's campaign against gender-based violence and in 2021, we trained employees with tools to identify cases of domestic violence making us the first large company designate and train employees in charge of preventing domestic abuse.



30+
community
impact projects

650
youth ambassadors
to promote health
in Israeli schools

NIS 21.5M
value of money donations,
product donations and
volunteering

14K
total hours of
volunteering



“ The Almanara computer class I participated in, which is designed for people with disabilities like myself, gave my new options and more opportunities in my social life and in employment. ”

Jihan Igbaria, participated in an Almanara program which is supported by Strauss Group.

HOW DO YOU MANAGE TO REPRESENT ALL INTERESTS ?

Corporate Governance

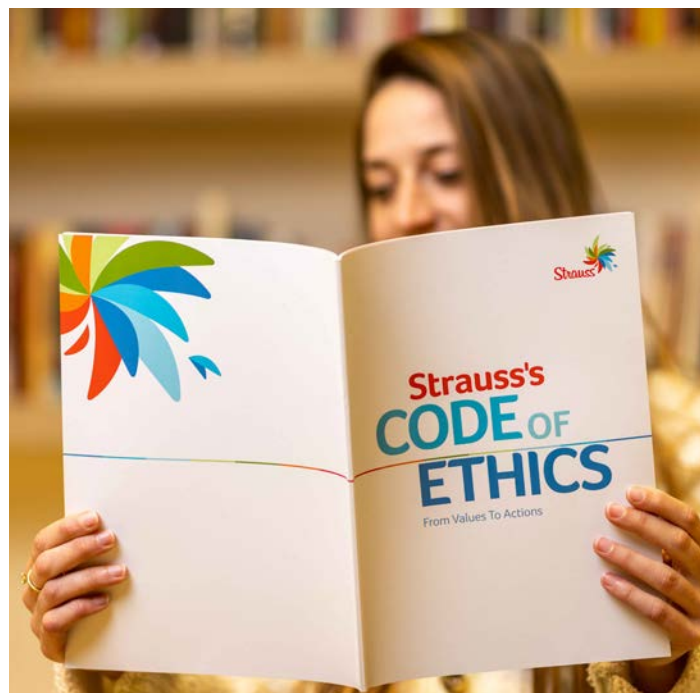
Strauss group's Board of Directors is elected by our shareholders to represent their interests and ensure that the company's management acts on their behalf. The Board of Directors, chaired by Mrs. Ofra Strauss, consists of 12 members including 7 women and 5 independent directors. The Board of Directors is routinely updated about the Group's activities and is familiar with our work and business status so that they can effectively contribute to the creation of value for the Group and its stakeholders in the long term.

All our senior leaders have an ESG functional goal. This group includes the President and CEO of Strauss Group, Giora Bardea, and the CXOs in our headquarters as well as

the subsidiaries CEO's. We are consistently working to ensure gender equality in our leadership and see this number going up steadily over time.

We are obligated to ensure that our business activities throughout the world are carried out in line with the highest ethical standards. To this end, the Group has published its [Code of Ethics](#) and an Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Compliance Program adheres to the standards of all laws and regulations for the prevention of bribery and corruption applicable to Strauss Group (which may include the US Foreign Corrupt Practices Act (FCPA, 1977), the UK Bribery Act (2010) and other laws and regulations). For more information see the Group's [Policy on Anti Bribery and Corruption](#).

Ethical conduct goes beyond the prevention of corruption. We comply with the local laws and regulations at all our operating locations and align our internal values and policies, guided by the principles of the UN Declaration on Human Rights and its implications as described in the UN guiding principles on Business and Human Rights.



About This Report

This is a summary of Strauss Group's 2021 ESG Report (or Sustainability Report), the Group's 14th consecutive annual report. It describes the impact of the Group's business, social, and environmental activities on its stakeholders in 2021. The report was compiled in accordance with two leading non-financial disclosure standards: The Global Reporting Initiative (GRI): Core Option, and the Sustainability Accounting Standards Board (SASB)³. This report incorporates and reflects the Group's commitment to advancing the United Nations' Sustainable Development Goals (SDGs) and represents the Group's annual report to the Global Compact project of the United Nations (UNG), of which it has been a member since 2008.

The information contained in this report refers to the 2021 calendar year and we intend to continue publishing our ESG Report on an annual basis. This report encompasses the activity of all the companies under the Group's operational control, including joint ventures that are reported as full entities⁴. All data presented throughout the report are aggregate data of all these companies, unless explicitly stated otherwise.

The 2021 ESG Report is not part of Strauss Group's financial, immediate, or periodic statements. In the event of discrepancies between information stated in this report and the aforementioned reports, the wording of the financial statements takes precedence. No substantial retroactive amendments or additions were made to previous reports.

³ In accordance with three sectorial SASB standards: Non-alcoholic Beverages (SICS FB-NB), Processed Foods (SICS FB-PF), and Meat, Poultry & Dairy (SICS FB-MP)

⁴ Strauss Coffee B.V, Strauss Israel, Strauss Water, and PepsiCo-Strauss Fresh Dips and Spreads



We thank you for your interest in this summary and invite you to read the [full report](#). We also invite you to submit questions and comments concerning the report and Strauss Group's sustainability efforts to

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