



SUSTAINABILITY

BEYOND THE MASK

Highlights from the 2020 Sustainability Report



Michael Strauss

1934–2020



“Someone asked me not long ago what type of company I would have expected this company to be. I expected Strauss to be a **profitable** company. That the company would be a **humane** company. That its priorities would be: Quality and excellence, **taking the consumer into consideration** and fulfilling their needs, not losing perspective over time instead always remaining with your feet on the ground and never forgetting about the world in which we live. To be a company that is aware of its **environment**, and a company that really **loves** what it does. Don’t let anyone eat a product that you wouldn’t love to eat yourself and don’t **treat** people any differently to the way you would wish to be treated yourself. **Be together. Together** for a long time.”

Michael Strauss

This year we lost Michael Strauss, who was one of the founders and developers of the food industry in Israel, a second generation founder of Strauss Group, and along with his great love for the industry, dedicated the last decades of his life to public and social service.

Throughout the years, Michael saw fit to not only promote Strauss, but also its business and human environment, out of a belief that a fruitful business environment creates true value. Out of this belief, he always acted on behalf of the welfare of the farmers, suppliers, employees and the community at large.

We, at Strauss, parted from a man who shaped the company in his image and over many years, was a leader who paved the way for us, on a path on which he labored his whole life to ensure that the company his parents founded would continue to grow and succeed, have a positive impact, and care for people. We are committed to continuing on his journey into the future.

May his memory be a blessing

Table of Contents

6

Introduction

14

Our Response to COVID-19

30

The People of Strauss

42

Deepening the Connections with Communities

56

Practicing Good Business



10

About Strauss Group

22

An Appetite for Better Food



34

Diversity, Equity and Inclusion



48

Protecting Our Planet

65

About This Report



A Letter from the Chairperson of the Board

We contemplated on how to create stability within the chaos, we searched for foundations to lean on, and most of all, we wanted certainty.

We, the generation that was used to talking in terms of progress, revolution and positive transformation, found ourselves in a state of regression – it seemed that life was coming to a standstill, and we experienced true existential fear – we wanted to make sure we will be able to support our families, and to be able to put food on the table and feed our children. In previous years, when we talked about sustainability, we were privileged to mainly discuss the issue saving the planet and our environment, as everything else seemed guaranteed, this year, for me, the term “sustainability” took on a much wider and deeper meaning: Our health and our existence was being called into question.

From now on, sustainability is not just the wellbeing of the planet, rather also the health and wellbeing of people. The Coronavirus taught us about the clear connection between the health of people and animals, and the vitality of nature’s resources. This year taught us that one cannot be advanced at the expense of the other. On the contrary, true sustainability preserves the value chain and the health of the people that drive it. Sustainability is essentially our ability to find the balance that will enable us, as a food company, to continue to feed the world’s population with nutritious, healthy, high quality food that’s accessible to all, without damaging the life and natural resources around us.

The discourse about sustainability must lead us on a journey of creating a healthier and safer future. This mission can only succeed from a place of true

cooperation between all sectors, countries and those who operate in the public sphere. The Coronavirus vaccine is an example of a result of this kind of cooperation, which is no less than a living miracle – a vaccine that was produced and marketed within less than a year, while the pandemic continued to spread around the world. The vaccine is a direct result of an unprecedented partnership created for one purpose – saving humanity.

When my late father, Michael, founder of the company, was asked what kind of company he saw Strauss becoming, he emphasized the importance of caring for others, acknowledging our impact on the environment, and how important it is to maintain the connection with the communities in which we operate. It was important to him that we preserve our uniqueness and our togetherness. To me, this is everything, these are our foundations, and we continue to strengthen them and to grow from that place. Me, personally, and us, as a company.

I would like to thank everyone in the company who works every day, every hour, hand in hand, to support our basis of existence – the ongoing, safe and responsible supply of healthy and nutritious food from the farm to our customers’ tables around the world. Thank you. You help us be the best version of ourselves.

Yours,

Ofra Strauss
Chairperson of the Board

This past year has certainly been unprecedented and unusual in almost every aspect. Concepts that used to only be in the domain of the medical and biological professions became common discourse. We all became experts, talking about the effectiveness of the vaccine in reducing the viral load, calculating mortality rates, and correlations between lockdowns and the drop in hospitalizations. The pandemic took over our lives and the public discourse, and it seemed that sometimes, important subjects we would deal with as part of our normal routine, were pushed aside until the chaos passed.

But, in fact, even though it seemed that everything stopped, life has its way to keep on going. The year dealing with the COVID-19 pandemic was also a year in which we all, as individuals, a society and as a company, extensively dealt with issues of personal reckoning and of vision. It was a year that enabled us to look inward, to hone our thoughts about what separates the wheat from the chaff, about what is truly important in our lives. We thought about what it is that makes us happy, about what is good for us.



A Letter from the President and CEO

The values and vision that have accompanied Strauss since its inception have guided our management and team from the onset. We pledged not to let the mask cover our eyes. At the start of the crisis, we designed an impact policy that correlates to the “new normal”. We decided to continue pushing for improvement in sustainability. Alongside this, we realized that this is the time to increase and deepen our investment in the communities in which we operate, and support the food eco-system to maintain its resilience. First and foremost, we focused our activities on our people, especially those at the forefront, who dedicated themselves every morning to a tremendous sense of purpose, maintaining business continuity and creating confidence for our consumers and suppliers.

During 2020, we led collaborations with large food banks and developed innovative ventures such as the ‘Doing Good, Together’ venture, for tens of thousands of families significantly affected by the crisis through our wide range of customizable products. We have created collaborations to promote ventures that promote inclusive employment, based on our understanding that the weakened populations in this pandemic have become even more weakened, and the only way to recover is by way of inclusive recovery. We have assisted our suppliers, farmers and manufacturers, with the understanding that we must strengthen the food ecosystem.

At the same time, we made sure to look beyond the mask.

We understood how important it is to produce a long-term channel that will allow us to strengthen our impact

in creating a better future. We have refreshed our ethics infrastructure, built a long-term sustainability strategy and set ourselves ambitious goals in the field of mindful nutrition, sustainable value chain, water, environment and packaging, diversity, equity and inclusion, impact and many other issues.

We have deepened our investments in FoodTech and innovation with the understanding that the world must develop a stronger food system, and advanced technologies will help us to create better food through better industry. Food that will be tailored to the needs of diverse populations.

Sustainability is just one step in an endless journey, and we understand that our success as a company and the prosperity of the communities in which we operate go hand in hand. Successful companies must do more than produce profit. They must create value and improve the lives of those they influence. This is our vision. That’s what we do.

I feel fortunate to work alongside women and men who are so committed, driven by a common purpose, and understand the magnitude of our responsibility, and the value we at Strauss strive to create for the world. I want to thank our stakeholders who help push us forward all the time. You make us better.

I hope you enjoy reading,

Giora Bardea,
President and CEO, Strauss Group

2020 was a tumultuous year for all of us. Challenges we have been facing for a long time, such as the climate crisis, inequality, discrimination, loss of trust, and social injustice, have only intensified. The COVID-19 pandemic plunged the world into ongoing trauma. Uncertainty, event chasing event, quarantine alongside vaccines, fake news and lies alongside science and knowledge, exploitation alongside solidarity, despair alongside hope.

The past year has sharpened our understanding of just how pivotal our role in the lives of people is. The role of food is to bring joy and confidence. The power of food and drink lies in its capacity to form a bridge between people. The meaning and importance of healthy eating and maintaining a healthy lifestyle for physical, mental and resilience of us all.

Life during the ongoing crisis crystalized the deep meaning of sustainability. The COVID-19 pandemic serves as a test for businesses, governments, communities and people around the world. It has completely changed the way we work, buy, learn, and manage relationships and collaborations between people and groups.



Managing Sustainability at Strauss Group

Highlights & Looking Towards the Future

VP Communications, Sustainability & Corporate Brand

In 2019, we embarked on the development of a new sustainability strategy for Strauss Group. After assessing and identifying the global trends, and analyzing the United Nations' Sustainable Development Goals, we focused our key areas of influence and defined where we have an intrinsic impact and can create value. We identified the topics we would continue with and in parallel, we chose areas of activity where a significant leap forward is required, while the whole process is influenced by the main mission that we've taken upon ourselves – to be a company that improves the lives of people.

The COVID-19 pandemic deepened our understanding of the importance of running a sustainable company, of planning processes, products and relationships with the people in the company, with our suppliers and everyone who is part of our ecosystem. The pandemic strengthened our approach to mutual responsibility. The struggle to maintain resilience, and enable recovery and a better future, accelerated the realization that we had to set extended goals and implement additional improvement plans. Accordingly, we set broader sustainability goals, which translated into goals for our subsidiaries and are currently being validated and approved in the Group's senior management forums.

As part of our commitment to promoting sustainability, we defined a series of key and significant ESG (Environment,

Social, Corporate Governance) goals for our Group activities. We chose five major areas in which we set ambitious goals for 2030.

1. Nutrition and Health

Over decades, the Group has been developing, manufacturing and marketing high quality food products. In the past few years, we increased our investment in improving the nutritional composition of our products out of the understanding of the increasing connection between food and public health.

We intend to increase our investment in improving the nutritional composition and value of the Group's products, so that by 2030, we will have continuously improved about 75% of our product portfolio.

Unique dietary preferences and needs: In parallel, we are working to create varied choices and to provide solutions for populations with unique dietary needs or preferences. Following the investments that were made in the past year in this area (seen in our full Sustainability Report), we will expand the range of products that are tailored to various needs and target markets so that at least 30% of our product portfolio will offer solutions for special dietary needs and will offer people a broad range of choices. We will also continue the Group's efforts to promote conscious

nutrition among diverse communities.

As part of our ongoing commitment to promoting conscious nutrition, we have committed ourselves to improving Inclusive design and accessible packaging, and we will assess all our products packaging with the aim of testing and adapting them for use by all people.

2. Sustainable Supply Chain

We understand that in order to manufacture food in the best way possible, we have to look at the entire food supply chain. Mapping the challenges of our supply chain led us to take action in a number of areas of focus: Reducing food waste: At every company in the Group, we will perform assessments and make adjustments to processes, starting with the dialog with suppliers and farmers, to manufacturing processes in the Group's factories, logistics chain and distribution, and points of sale, in order to enable us to reduce our food waste to 0%.

Sustainable Packaging: Along with food, one of the challenges of the food and beverage industry is the impact of plastic on the environment. We will work to develop and use sustainable packaging, aiming at 100% recyclable, reusable or compostable packaging.

3. Climate

Climate change and global warming are global challenges. As part of our responsibility to reduce our environmental impact, we will promote a number of issues including a commitment to 0% landfill waste by 2030. We will work with partners to reduce our carbon footprint, and we will join coalitions and endeavor to become a company with zero carbon emissions by 2050.

4. Water

Is a significant part of our activities and the future of us all. We believe that everyone deserve access to safe, good drinking water. Therefore, we will make every effort to significantly improve the water management and aim for a 20% reduction in water per ton of

product. We will work to promote the accessibility of safe, clean and tasty drinking water, and we will continue to invest in developing technologies to offer more people access to good water, including in developing countries and emerging markets. In every area of activity, we will encourage and assist with educating the public on drinking water as part of a healthy lifestyle.

5. People

They were and will always be part of our way, our partners in fulfilling our mission, whether they be our employees, suppliers, customers or anyone who is part of our positive way of producing food. Fifteen years ago, we chose the issue of diversity and inclusion out of a moral commitment to helping people create a better future, alongside a deep belief that a company without diversity cannot succeed in the long run.

Looking ahead to the coming decade, we will continue to promote gender equality within and outside the Group. Today, after a decade of internal investment in the organization, the rate of women in management positions in the Group is 45%. Working with communities within the company, we set a goal of 50% women in management positions by 2024, and we will expand this with the goal of 50% women in middle and senior management roles by 2030. We will also promote diversity and inclusion in order to reach 10% representation of diverse populations in the Group's management (people with disabilities and populations from diverse sectors in line with the Group's areas of activities).

Out of a responsibility to our sources of raw materials and how they are manufactured, we will implement a gradual process full coverage of human rights due diligence in our Group activities and among our suppliers (Level 1).

We will continue to assist and create partnerships with Civil Society Organizations that promote diversity and

The pandemic strengthened our approach to mutual responsibility. The struggle to maintain resilience, enable recovery and provide a better future, accelerated the realization that we had to set extended goals and implement additional improvement plans

inclusion and socio-economic resilience in the main countries we operate in.

Through these goals and commitments, we will work to become a trustworthy company. A company that creates value for the lives of people, a company that takes responsibility for its actions, regarding the environment as well, and is committed to a better future for future generations as well.

This report is another milestone on our continuing journey towards sustainability. Many good people worked on the many activities and components that can be seen in our 2020 sustainability efforts, and it's important to me to thank them from the bottom of my heart for all their work. Without you, none of this would have happened.

Sincerely,

Osnat Golan
VP Communications, Sustainability and Corporate Brand

About Strauss Group

Strauss Group is an international food and beverage company, which aims to improve the lives of people with fresh, tasty, nutritious and innovative products. The Strauss Group headquarters are located in Israel. Its companies manufacture at 29 sites around the world, and market and sell products in 22 countries. In 2020, the Group's consolidated sales turnover was approximately 8.6 billion NIS. There are over 16,000 people employed by Strauss Group, and indirectly,

the Group provides employment to independent distributors, suppliers and thousands of business partners around the world. Strauss Group is traded on the Tel Aviv Stock Exchange and is one of the companies on the TA-35 index, which tracks the largest public companies in Israel. The group is rated IAA+ stable by Maalot, a subsidiary of Standard & Poor's. At Strauss, we ascribe great importance to our strategic partnerships, out of the belief that they

create opportunities to expand our supply for the benefit of consumers around the world. We have partnerships with leading and highly-regarded multinational companies - including Danone, PepsiCo, Virgin and Haier, as well as leading local entities such as Sao Miguel in Brazil, and Yotvata and Yad Mordechai in Israel.

Strauss Group operates via four companies:



Strauss Israel

The second largest food and beverage company in Israel in terms of sales cycle, and which operates in the field of milk and dairy products, fresh dips and spreads, savory and confectionary snacks, coffee, olive oil, honey and more.



Strauss Coffee

Operating in 10 countries with 16 brands. The company leads the coffee markets in Israel and Brazil and is among the top 10 coffee companies in the world in terms of market share.



Strauss Water

Specializes in filtered water solutions and offers hot and cold water coolers for home and business use. Strauss Water leads the market in Israel, and operates in China through a partnership with Haier and in the U.K. through a partnership with Virgin



Sabra and Obela

Companies co-owned by Strauss and PepsiCo in the fresh dips and spreads sectors: Sabra in North America (United States and Canada), and Obela in Mexico, Australia, New Zealand, the Netherlands and Germany



OUR VISION

Make Wonders Out of the Most Basic Things

OUR VALUES

Caring and Daring | Fervor and Responsibility | Teamwork

OUR MISSION

Improve People's Lives



SUSTAINABLE DEVELOPMENT GOALS

Target

Examples of Activities (presented extensively in the report)



- Making food accessible to various populations, including during the pandemic, through food and financial, as well as "Plant with a Purpose" project.
- "More than One Cup" project, which currently operates in 10 countries, supporting and local female coffee growers.



- Promoting diverse, local and responsible procurement.
- Finding and developing sustainable solutions for expanding product offerings without animal protein.
- Finding reusable solutions for certain materials and treating waste in sustainable ways, currently in 3 factories we have zero industrial waste going to land mine.
- Promote responsible marketing approach
- Encourage the implementation of existing work norms by our suppliers.



- Improving the nutritional profile of products, and adding food products that take into account changing health and dietary considerations, such as gluten-free products etc.
- Implement the nine principles of the Balanced Nutrition Strategy.
- Cooperating with "MeHayom" (Heb: starting today), which focuses on education for healthier life style, balancer nutrition and preventing diabetics.



- Developing and launching of new products; Innovation in Improvements – Using innovative technologies to improve the products from both the nutritional composition and the way of packing, taking the environment into account; Open Innovation in a New Model – Establishing and leading the FoodTech community in Israel since 2011.
- The Kitchen: Continue the FoodTech hub in partnership with the Israeli Innovation Authority. Strauss pledged to invest up to NIS 100 million in 30 FoodTech start-ups, over a period of 8 years.
- The Social- Economic Forum, supporting MSMEs
- Building and upgrading facilities to LEED standards, and, moving to automation processes based factories



- Reducing greenhouse gas emissions per ton of product.
- Preparing to integrate climate change risk attitudes within the Group's strategic plans.



- Female majority in decision making (58%) in Board of Directors
- Promoting women to managerial positions, from 36% in 2011 to 45.4% in 2020, and with the goal of 50% by 2024.
- 2020 procurement in Israel from women-owned businesses in the sum of NIS 123 million.
- Support agriculture for productivity and quality improvement, especially in the coffee sector, including the Rwenzori area farmers and the Florida project in Brazil.
- "More than One Cup" project, through which we work to improve the capacity of female coffee growers in developing countries and help develop their skills in order to increase their contribution to local prosperity. In 2020, there were 14,400 participants in the program, in 10 partnerships.



- Developing and manufacturing diverse and accessible water bars for the use of different population, and encourage the quality and delicious water drinking.
- Developing innovative solutions to encourage water drinking.
- Donating water bars for the community to raise access to water.
- Progress in water and water waste management towards the goals.

Connecting the UN SDGs to Strauss Activities

The United Nations' Sustainable Development Goals 17 goals and 169 targets, were adopted by the UN's General Assembly in 2015, as part of the 2030 Agenda. The SDGs are the blueprint to achieve a better and more sustainable future for all.

The Strauss Group believes that connecting its activities to the Sustainable Development Goals is a business opportunity, enabling us to identify where significant gaps exist in its areas of business, so that it can focus and develop its activities in directions that generate maximum value. Connecting to the goals

helps the Group communicate in a global language and deepen meaningful activities in global ways.

In 2019, we performed an in-depth mapping of the Group's activities in relation to the Goals and Targets, in order to identify the areas in which Strauss' relative advantage and areas of specialty can create the most impact. We believe that the current mapping will aid to establish shared value projects for maximum value creation. In addition, the process was used in planning and developing the Group's 2030 sustainability strategy.



Our Response to COVID-19



Unexpected global events such as the Coronavirus crisis, which have grave impacts on economic, social and environmental systems, compel us all to unite, to support and to aid in coping with the situation. The challenges we faced in the Coronavirus pandemic were especially complex and demanded a new approach to handling of this situation.

At the outbreak of the pandemic, we understood the necessity of adapting our behavior, and we immediately took steps to formulate an action plan. We focused our efforts on maintaining business continuity while

meticulously safeguarding the health of Strauss men and women. In parallel, we took steps regarding our external stakeholders, because the pandemic did not ignore a single segment of the population.

As early as February 2020, we adapted our work plans in order to maintain business and operational continuity. At the same time, we formulated a structured and organized operational plan vis-à-vis all our stakeholders: first and foremost, our employees, the heart of our company; as well as the communities that surround us; our suppliers; our customers; our food eco-system.



- Protecting our Employees
- Protecting Communities
- Protecting our Suppliers & Costumers
- Protecting the Food Eco-System



Supporting Strauss Men & Women

Our people are always at the core of our activities, since the onset of the pandemic we prepared to provide a safe framework to ensure continued work and incomes around the world, alongside providing a safe net for each and every employee and his/her family

We make sure to provide 360 aid, and reduce stress among employees whose spouses had been dismissed from their jobs, or put on unpaid leave. So, we set up a 'Coronavirus Fund', to which employees could turn to request various types of assistance – changes in shifts, financial grants and even babysitters refunds. 250 of the 290 (86%) of the requests submitted by

our employees were approved. The grants from the fund were in the range of NIS 1,000–5,000.

Additionally, we increased the awareness of mental health and provided professional counseling and subsidized psychological care, along with a wellbeing program for a healthy lifestyle. We adapted all our welfare activities for social distancing, offering events to employees and their children, such as parenting workshops , financial responsibility, entertainment shows and more. Throughout the year, we organized dozens of virtual events, work milestones, team building evenings and lecture.

Throughout the Coronavirus crisis, we made sure to maintain the numbers of our employees and we even continued expanding and recruiting new employees.

Our people are always at the core of our activities, since the onset of the pandemic we prepared to provide a safe framework to ensure continued work and incomes around the world, alongside providing a safe net for each and every employee and his/her family

NIS
1.5 million
Value of total grants given to employees

Supporting Our Suppliers

Our suppliers are integral partners in our successful continuity and maintenance of food supply and in our operational continuity. Strauss is committed to its suppliers, and as such, as soon as the Coronavirus crisis began, we set up support systems for them. At Strauss Israel, we launched a NIS 7 million fund fund to support our suppliers with pre-payments, loans assistance, etc. In addition, we defined a rapid approval mechanism to assist the suppliers who requested immediate payment to facilitate their cash flow

Examples for initiatives in Israel:

- Temporarily payment waiver on water bars for micro and small enterprises
- "Field to You" – connecting farmers and consumers through the "Ta'am HaTeva" (Heb: Nature's Flavor) e-commerce site.
- Support of small businesses through campaigns and procurement: small and family dairies, chocolatiers, hummus restaurants and more.
- initiating projects providing employment to our suppliers in the fields of media and production, for example, the Milky Summer Show (details in p. 21)



80,000

Food baskets donated during the year

Business Continuity & Safeguarding Our Customers' Food Supply

Alongside the health of our employees, we focused on the effort to maintain our production and food capabilities for our customers around the world, all while demands for increasing as people remained at home.

An Emergency was established in the Group to manage the crisis, headed by the Group's CTO. In each of our subsidiaries, a local committee reported regularly to the Group's Steering Committee as part of the risk management process. The committees formulated

relevant work procedures, regularly communicated updated directives and supervision procedures to the employees; implemented work standards in keeping with updates in local governments' requirements, signage and dedicated systems installed at all sites, and we established mechanisms for the immediate and effective handling of cases of exposure to Coronavirus, and more. In parallel, the IT teams led the adaptation of infrastructures for this massive and unexpected transformation, in order to facilitate full business continuity.

The Coronavirus crisis and the increasing demand for food, emphasized, more than ever, the need for innovation in the foods, and optimally adapting it to various communities and populations and changing life situations. One of the most relevant examples in the Coronavirus period is the limited editions that we launched in 2020: Actimel (Danone) brand, with Vitamin C and D, to strengthen the body's natural defense.

Supporting Communities

Strauss Group assisted the various communities in which the company operates. We adjusted this assistance to the needs that changed with the different waves of Coronavirus. Support included food donations to the elderly, who were critically impacted by the pandemic, along with donations to medical teams and well as essential workers. In the summer of 2020, we increased our support of families that were facing material difficulties as a result of unemployment and the continuing economic crisis. Along with substantial food donations, we also harnessed our technology to fight the pandemic."

"Doing Good, Together" – Helping to Achieve Zero Hunger

The economic crisis that accompanied the Coronavirus pandemic resulted in a significant increase in poverty levels in Israel and other countries. According to the Alternative Poverty Report of the Latet organization, over 420,000 new households in Israel (over 38% of all Israeli households) were affected by economic hardships. The Israeli middle class shrunk, while many Israelis dropped on the socio-economic scale. According to this report, over 10% of Israeli households were forced to forego food during the crisis, and about 23% of families live with a lack of food security.

Lack of food security is the most drastic sign of poverty, expressed by a lack of economic means and the regular access to basic food required for a balanced and healthy existence. The outbreak of the Coronavirus pandemic expanded and exacerbated the lack of food security in Israel.

One of our main efforts to deal with this societal problem is the "Doing Good, Together" initiative, in partnership with the Latet organization. 12,000 families were given digital smart vouchers for purchasing Strauss products at Israel's leading food chains for four months from September till December 2020. Strauss was in direct touch with every family, and via the vouchers, enabled every one of them to choose the food that was best for them, including healthy, fresh and even indulgent options.

12K

families,
Most of which never needed assistance before COVID-19, received food aid

300K

Products
For people who suffer from lack of food security in Virginia



Strauss initiated and led a partnership of over 50 corporations donating over 10K food baskets

The Sabra company in the US responded to the urgent and diverse needs in the various communities in which it operates, with a contribution of over 300,000 products for people who suffer from a lack of food safety in the Central Virginia region, as well as about 10,000 products in the Chesterfield and Petersburg areas in Virginia, which were distributed among school students and populations suffering from a lack of food security. In Brazil, the 3corações company (the joint venture of Strauss Coffee and other partners) also joined the effort to support the needs of communities during the crisis. This was done via financial donations to organizations and public hospitals for the purchase of ventilators, PPE, beds, and basic food supplies, all at a total value of over 7.5 million Brazilian Real. An additional donation of about 270,000 masks and 6,000 face protectors to organizations in 51 local authorities, and products donations for food baskets to the value of 2 million Brazilian Real.

In Israel Strauss continued to provide ongoing support to people and communities in need. Over 15000 food baskets were donated with and by NGOs and nonprofits such as: Latet, Leket Israel, Ezer Mizio, Pitchon Lev, Ajeec, Israel Celiac Association. For the Jewish New Year, we donated about 80,000 holiday meals. Another multidimensional initiative was focused on supporting the social enterprise 'The Roster and the Lion', which provide vocational training to teenagers in the Tikva neighborhood in south Tel Aviv, By acquiring meals for the Tel Aviv Sourasky Medical Center's staff over a period of several weeks, we ensured they stay in business and the youth kept their training. In addition, marketing and PR managers for Strauss volunteer in aid to adopted the business adapt to the crisis

Supporting Senior Citizens

In Israel, Strauss teamed up with the Latet organization and the Israel Association of Community Centers in an effort to assist this population. Ahead of Pesach (Passover) and Ramadan, 4,000 food baskets were distributed to senior citizens in need in the Jewish and Arab communities. Before the festival of Shavuot (Tabernacles), Strauss, along with the Food Industries Association, initiated and was one of the leaders of a joint project of about 50 companies distributing 10,000 additional food baskets to the elderly.

On Rosh Hashanah (Jewish New Year), we joined the social impact project called "Sweet for the Soul" (Matok Le'neshama). Within the framework of this project, people received home baking kits to prepare 450 cakes and baked goods, which they distributed

to the elderly. In addition to material assistance, Strauss employees volunteered to assist the elderly going through emotional difficulties. About 70 Strauss employees volunteered to hold "happy calls" with senior citizens living alone. Furthermore, 850 Strauss-made cakes were donated to Holocaust survivors as part of the "Memories in the Living Room" (Zichronot Be'salon) initiative. In Serbia, the company donated 50,000 containers of coffee.

Supporting Medical Teams

In March 2020, during the first wave of Coronavirus in Israel, Strauss launched a far-reaching campaign to donate packages to medical teams in hospitals around Israel, and to the teams and volunteers at the Magen

David Adom (MDA) ambulance service. The packages reached more than 70 medical institutions and MDA centers throughout Israel, and about 5,000 members of medical teams, volunteers and other support staff enjoyed the company's products.

In November 2020, Strauss made further donations to 30 Coronavirus departments throughout Israel. In addition, Strauss Water installed 37 Water Bars for use by medical teams in Coronavirus wards in five hospitals in Israel. The Sabra company in the US responded to the urgent and diverse needs in the various communities in which it operates. The company donated about 75,000 boxes of products to the total value of over \$830,000 and in over 27 different products to five different hospitals. In Poznan Poland, Strauss Coffee donated coffee to hospitals, and in Romania, the company distributed coffee products to medical teams and police officers in appreciation of their hard work.

Supporting More Communities

At the same time as the Coronavirus pandemic was raging in 2020, large regions of the world had to cope with hurricanes that left many citizens without a roof over their heads or basic necessities. Strauss Coffee stepped up to assist victims of these disasters in the communities in which it operates. Most of the work was concentrated in Honduras, which was badly affected by Hurricane Eta and Hurricane Iota. The company also provided families with supplies they needed - water, food, mattresses, clothing, blankets, alcohol/gel, masks, etc. Furthermore, in order to assist with a return to normal, donations were collected to purchase basic household equipment such as ovens, refrigerators and beds.



75k
Boxes of Products
Donated by Sabra to nearby hospitals





Strauss CARE 2020

Our Social Responsibility Week – Strauss CARE – enabled Strauss employees to reach out, get to know and contribute to the different communities in our area of activity that needed additional support in wake of the crisis. This year, Social Responsibility Week also focused on Strauss’ core business and our central themes – conscious nutrition and a healthy lifestyle in various communities.

Examples of Strauss CARE 2020 activities:

- Support for farmers and gathering crops in open fields
- Packing 4,000 food baskets in food banks and distributing them to families in need, in partnership with Leket Israel, Pitchon Lev and Latet.
- Virtual activities with senior citizens living alone.
- Online tutorials on balanced diets, healthy lifestyles, volunteering and mutual responsibility.
- Activities for supporting immediate needs of various global communities.

Health & Innovation Around the World in During the Pandemic

Strauss developed and donated disinfection devices to hospitals. Strauss Water developed a groundbreaking device for sterilization and disinfection of equipment for medical teams in hospitals. The device is based on the disinfection capability of the UV bulb in the company’s water bars. The company adapted its disinfection capacity by modifying the number of bulbs and the wavelength. These adjustments proved highly efficient especially in sterilizing pathogens, with an emphasis on the Coronavirus



virus. The device proved itself effective in sterilizing medical equipment such as spectacles, stethoscopes, mobile phones and protective masks. Use of the device significantly reduced the risk of transmitting the virus to those that the medical team came into contact with after working hours, including their families. The 3corações company (the joint venture of Strauss Coffee and other partners) also adapted its business to 2020’s hygiene challenges. As soon as the crisis began, the company converted its Nova factory, which generally manufactures coffee filters, to produce disposable masks. This transformation was born out

of a recognition of the hardships the disadvantaged population in communities near the site in Rio De Janeiro were trying to cope with, including a shortage of basic hygiene supplies required to prevent infection. 3corações immediately set up a partnership with a local manufacturer (Ahlstrom–Munksjö) specializing in fiber-based solutions and products. The company supplied the Nova factory with raw materials for the manufacture of protective masks. At the initial stage, the factory produced 500,000 masks that were distributed to residents in need in the Vidigal and Rocinha quarters of metropolitan Rio de Janeiro.

The Nova factory in Brazil, which normally manufactures coffee filters, produced

500k

Face Masks

Milky Summer Activities – Community Impact



At Strauss, we advocate the approach of supporting various stakeholders and having an impact on as broad circles of influence as possible through our activities. One example is the Milky Summer Show, and how we modified it to Coronavirus constraints. Families in Israel were offered the chance to enjoy a variety of events at dedicated drive-in complexes, which conformed to the Coronavirus directives of the authorities. Participation was offered at a symbolic cost only, and the initiative offered work and a livelihood to dozens of stage workers, artists, production people, advertisers, and more – sectors that were particularly hard hit by Coronavirus restrictions. In addition, tickets were donated to the families of medical teams as a token of appreciation for their dedication during the ongoing crisis. All proceeds of the events were donated to Latet, for the purchase of food baskets for families who fell victim to Coronavirus.

By the end of the Milky brand summer initiative, 15 shows had been staged that provided work for about 130 people from the stage and production world and over 1,000 messengers, and donations of many food baskets.





An Appetite for Better Food



74%

In 2020, the level of sales of “enabling” products that increase the range of nutritional choices available to our consumers stood at about 74% of our total sales around the world

At Strauss we love food and serve high-quality, tasty and nutritious food. We work in many different ways to constantly improve our food, along with increasing the number of options we offer our consumers. Over the past few years, we’ve improved the nutritional composition of our products while retaining our consumers’ favorite tastes and textures. We are constantly expanding our offerings for people with diverse nutritional preferences – gluten-free, low lactose, protein and vitamin enriched, vegan food, and more.

Nutrition & Gastronomic Strategy

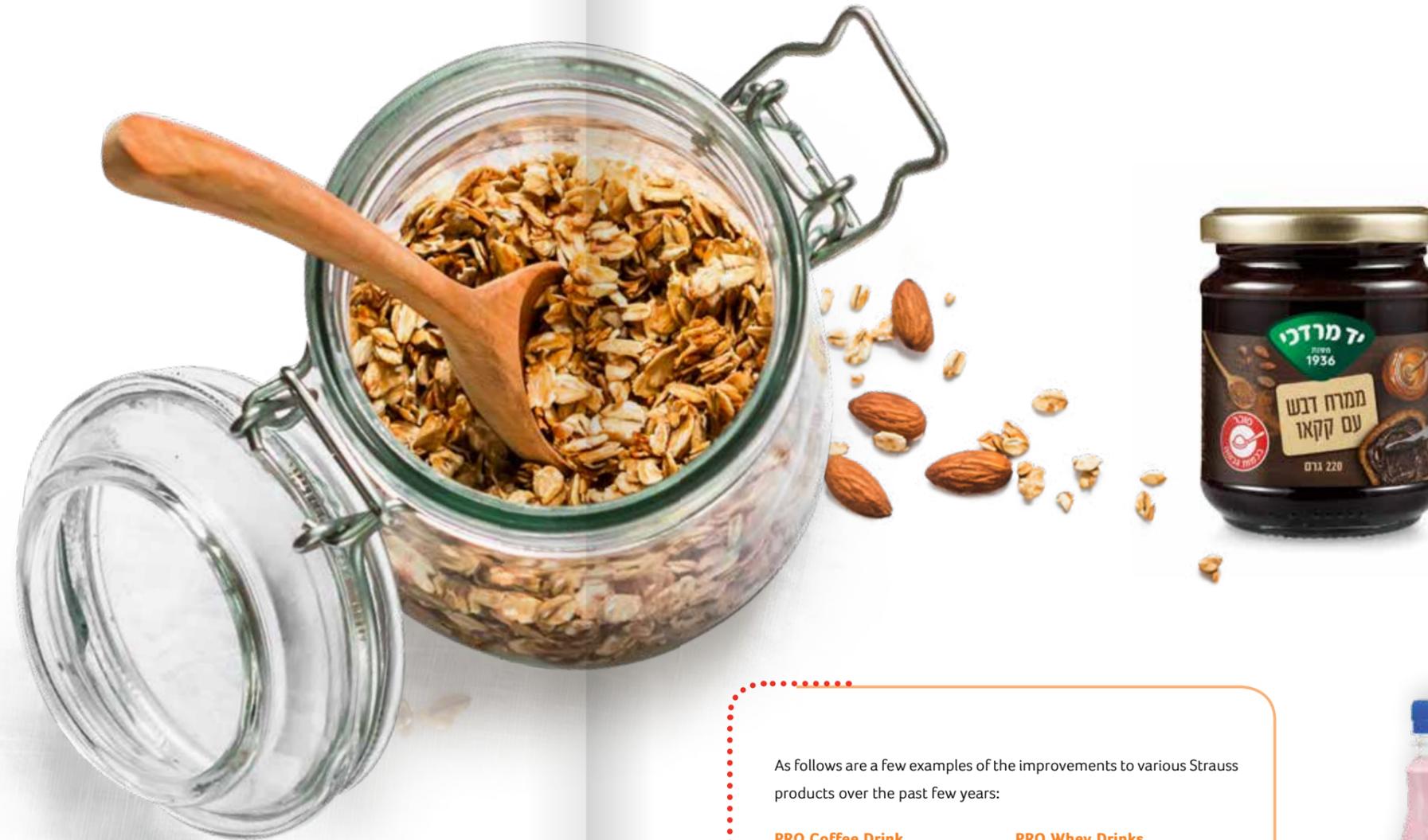
Strauss Group formulated a nutrition strategy based on nine principles of good nutrition.

The Nine Principles

- 1. Constant improvement:** Improving the nutritional profile of existing products and proposing balanced alternatives via new development.
- 2. Balanced nutrition:** Increasing the supply of products offered in various package sizes including measured-out servings.
- 3. Clean Label:** Removing ingredients that are not an inherent part of the product and making an effort to transition to natural ingredients only.
- 4. Strengthening the good:** Increasing the supply of products that have clear nutritional advantages.
- 5. Accessible nutrition:** Developing products for consumers with special dietary needs.
- 6. A balanced diet for all:** Fair and accessible pricing.
- 7. Sustainability:** Taking responsibility for our impact throughout the supply chain.
- 8. Transparency and consistency:** Clear and transparent presentation of information to consumers.
- 9. A passion for food:** Awareness of the role of food in our lives that is way beyond functional.

7.4 tons of salt

from our salty snacks. Between 2016 and 2020 we reduced the amount of salt in about 28% of our salty snacks, Tapuchips and Doritos. We are working towards reducing a further 10% of the amount of salt in our various chips by the end of 2021



Clean Label Products

Clean Label indicates a small number of ingredients familiar to us from our home kitchens, and products devoid of what the consumer doesn't expect them to contain, such as additives, sweeteners or preservatives. A recently launched pure honey with cocoa spread, containing only two ingredients – pure honey and cocoa.

Sugar reduction (by tons), 2020:

-142 tons of sugar:

-54

tons of sugar from our confectionary

-92

tons from our dairies (Milky, Limbo and Dani drinks)

Reducing Sugar & Salt in our Products

Since 2011, we have been taking steps to constantly reduce the amounts of sugar in our products while maintaining their excellent taste. Some examples include reducing the amount of sugar in the Actimel and Milky recipes by about 50%, and in over 60% of our chocolate milk products; producing and marketing a confiture line of products with 33% less sugar; and launching a new slab of low sugar chocolate.

In addition, we significantly reduced the salt in a variety of products, including salty snacks, Ski cheese, chips, cereal bars, peanut chips, corn chips, salads, hummus, and more.

As follows are a few examples of the improvements to various Strauss products over the past few years:

PRO Coffee Drink

No processed starch, reduced food additives – from 2 to 1 E number only

Cream Sauces

Replaced food additives with citrus fibers and unprocessed starch, a total reduction of 4-8 E numbers

Banana Punch Drink

Reduced food additives – from four to only one

PRO Whey Drinks

No food coloring

Mocha Drink

Reduced stabilizers – from four to two, and reduced acidity

Yogurt Bar

Reduced the ingredients, removed processed starch and replaced it with milk protein

Adashim

Switched to natural food coloring





Extending Products to a Variety of Consumers & Markets

Our purpose at Strauss is to ensure that as many people as possible can enjoy as many of our products as possible. We do this by making our products available to a wide range of consumers and target markets, adapting them to sensitivities and different needs, and to changing and growing nutritional trends.

Alpro - Plant-Based Milk Substitute

Strauss first entered the Plant Based product world a few years ago, with a partnership with a startup that developed the Yofix and Soom desserts. About a year ago, Strauss announced an agreement to market Alpro products in Israel. Alpro is a world leading manufacturer of plant-based milk products and is owned by Danone, a partner (20%) in Strauss Dairies.

At the start of 2021, Strauss Israel announced an investment of about 150 million NIS in a factory in the north of Israel, where it will manufacture fresh products under the Alpro label, including refrigerated desserts and plant-based milk. This factory will enable implementing new technologies, promoting local procurement and employment, and reducing the environmental impact. About 100 workers will be employed at the 4,000 meter plant, which is located not far from the Strauss Ahihud Dairy (on the Acre-Karmiel road).

40

Gluten free products launched in 2020

14

Lactose free products launched in 2020

98

New vegan products launched in 2020



Gluten Free Product Offered in Israel (total products, by year)



Increasing the Gluten Free Product Range

As a food manufacturer, we have a responsibility to ensure that our food is safe for populations with special dietary needs as well, including those who have an intolerance for certain foods such as gluten and lactose. Adapting to dietary sensitivity-adjusted nutrition not only impacts the individual, but also their entire environment - family and social circles such as nursery schools, schools, work places, and more.

Florentin, Organic Hummus & Salad Brand

One of the most innovative brands that has joined Strauss Group is Florentin, which markets Mediterranean foods in Europe. The brand brings together the increasing popularity of healthy Mediterranean cuisine and the demand for organic food. The products are manufactured in the Netherlands and are marketed in France, Belgium, the Netherlands and Germany.

Florentin products are free of any food additives, and are based on non-GMO (genetically modified) organic produce, grown without pesticides. The company procures from ethical and local (fair trade) sources, which are environmentally responsible and are subject to meticulous quality control. Florentin invests significant efforts in locating appropriate organic suppliers in the European Union, in order to strengthen local farmers and to reduce the environmental footprint of transporting raw materials.



Florentin hummus won the French Organic Product of the Year award for 2020 in both the Bio and Eco categories.



PRO Products - Supporting Active Lifestyle

We offer a wide range of products with protein as the added value, in the dairy sphere and beyond. The Danone PRO and Pasta PRO range were developed with the aim of providing tasty and accessible solutions for the consumption of protein, allowing those who engage in physical activity to be able to upgrade their daily nutrition.



Encouraging Drinking Water

Water is essential to the functioning of the human body. Drinking plenty of water, in general, and in particular as a substitute for sweet beverages, has been proven to have numerous health benefits. Therefore, we set ourselves a goal to increase public awareness of drinking plenty of water, and choosing water over sweet beverages. **Strauss Water** launched an awareness campaign that encourages drinking water and using a “**Water Calculator**” that we developed, enables calculating how much water should be drunk in a day. We encourage drinking water throughout the year, and even more so in the summer months.

Food Safety

As a global food and beverage company, we have a responsibility towards millions of people who enjoy our products every day. Our responsibility is to manufacture and market nutritious and safe food that will improve the lives of people around the world and will not threaten their health.

Our ability to continue operating in the market as a trusted manufacturer of food, beverages and advanced water purifiers depends on careful, constant and

uncompromising attention, and a full commitment to product safety. This is fundamentally important to our business success and longevity, to creating value and to protecting the health of the communities in which we operate.

In 2020, we had no instances of non-compliance in areas of food safety and quality that culminated in fines or sanctions. Nevertheless, Strauss Israel carried out seven voluntary product recalls out of the concern

of not complying to company standards, as part of an uncompromising commitment to food safety and quality. In these isolated cases, the company was careful to announce the recall on a variety of media channels, and recently even sent personal messages to consumers who purchased the products.

In 2020 the company prepared itself for testing by the American FDA in factories, some of which do not export products abroad. But these tests were

ROOTS

Local FoodHub By Strauss

Nurturing a Professional Community & Food-related Research

Roots is a gastronomic platform on social media that was established by Strauss for professionals who work with food in all its forms. The platform deals with local food and its aim is to empower the local food system, while recognizing Strauss' integral role in this system. Through the Roots platform, we collaborate with a range of organizations, men and women who share a mission with us to provide high-quality, tasty and healthy food to the millions of residents of Israel.

Currently, there are about 500 expert-members in the community, professionals from the local food community and 30 mentors from various fields, and most of the activities are conducted online. As part of the community's activities, a mentoring program will be set up for a team of local manufacturers; local manufacturers will receive benefits in the form of advertising and promotion of their online stores on the Strauss+ app; a dedicated academy will be set up for the platform, and more.

500 Expert-members in the ROOTS Community

not carried out because of the Corona crisis. In 2021 we will continue to make adjustments in order to comply with FDA standards, and to prepare for the tests when possible.

The New Ta'am Hateva (Taste of Nature) Factory in Bror Hayil, with the most advanced food safety standards: The new fresh salads factory of the Food division was built with extremely high food safety

standards. Compliance with these high standards is extremely important especially in light of the short shelf lives of the factory's products.

New Food Safety System at Strauss Coffee: In 2020, we completed the implementation of the system and its framework supported by a cloud-based management platform at all Strauss Coffee's sites worldwide, along with admin routines for all local quality managers.

Water Safety at Strauss Water: A special emphasis was placed on Strauss Water factories in China, the first country in the world to be impacted by the Coronavirus crisis. With the return to work in China following the first outbreak at the start of 2020, a more rigorous than usual acceptance test was carried out in order to ensure that the products complied with all the requirements, even in the shadow of the pandemic.



The Men & Women of Strauss

Strauss Employees, as Key Partners

Strauss employees are the most significant partners of the Strauss Way, its results and its choices. Onboarding, development and retention of employees with the capabilities, skills and motivation required in our company are critical for the continued success and growth of our business. We take numerous varied steps to support and improve our employees' welfare and wellbeing.

Recognition of Strauss as a High-Quality & Leading Employer

Obela Australia has won the Australian Business Awards' Preferred Employer Award, fourth year in a row. Strauss Israel was ranked in sixth place in the BDI code rankings of the best companies to work in Israel (based mainly on feedback from company employees). Also, Strauss Israel won first place in the 2020 Excellence Competition of the Human Resources Organization in the "Entrepreneurship in the Corona Era at Large Companies" category.

Strengthening Employees' Engagement

We believe in the importance of maintaining and strengthening the engagement of our employees with the organization. Thus, in 2020 Strauss Israel joined an employee engagement forum with three other leading companies in the Israeli market - Bank Hapoalim, Netafim and Elbit. The forum created the Re:Engage hackathon that brought together work teams from all four companies in order to brainstorm on how we can reinvent ourselves for the work world of the future. The teams sought solutions for several challenges. These challenges were also sent to about 200 employees from all four organizations for their input, and they provided additional ideas to be considered by the teams. The leading ideas were awarded prizes and recognition, and are currently being assessed for implementation in the different organizations.



40%
of New Recruits in 2020 Were Women

Obela Australia has won the Australian Business Awards' Preferred Employer Award



Employee Survey Results

An extensive Strauss Group employee survey is conducted once a year to strengthen dialog with the employees, receive feedback, examine the improvement and growth of the company in relation to the employees, and create a cross-company cultural snapshot. The last survey of the entire Group took place in 2019, with a response rate of 88% of all Strauss employees. That survey indicated a high level of satisfaction among the employees, while very high grades (over 80%) were received in all main metrics. In 2020, after the start of the Corona crisis, local surveys were conducted, tailored to the various companies and countries in which they operate:

Strauss Israel: The company conducted two surveys during the year. The first was at the end of April, immediately after the start of the Corona crisis. The second, wide scale survey, took place towards the end of 2020. The time gap between surveys enabled the company to assess the feelings and needs of the employees from two perspectives – the early stage of dealing with the crisis, and after an extended period of time of working in the new routine. The results indicated a high level of employee trust in the company from a number of perspectives: proper, stable and well-communicated management of the crisis (92% of respondents); received all the equipment and resources required to stay healthy (92%); commitment and high motivation (86%); caring on the part of the managers (89%); sense of security, employment stability and meaning (94%); sense of pride in the company

Strauss Coffee: Participation in two surveys conducted in 2020 by Lotem Sensing was high (75% average of Strauss Coffee employees, not including Israel or Ukraine, which participated in separate surveys.) The findings pointed to a high level of satisfaction among employees with the company's conduct during the Corona crisis and the adjustments made to deal with it (89% on average). All of the additional metrics surveyed received very high results (over 90%): sense of meaning, support and attention from the managers, and effectiveness of the remote work processes established during the crisis.

Strauss Water: The company conducted an organization survey in September 2020 to assess the commitment of



its employees in the shadow of the Corona crisis. The data indicated extremely positive results in all metrics surveyed: High sense of connectedness to the organization (about 94% of the respondents); high overall satisfaction with working at the company (89%); sense of pride in the company (95%); sense of meaning in the role (94%); concern for the employees by the company (91%); and recommendation of Strauss Water as a preferred place of work (93%).

Sabra Obela: The surveys examined the needs of the employees in the shadow of the Corona crisis, levels of employee commitment and dedication, and various metrics regarding the organization's capabilities, trust and effectiveness during the Corona period. The results showed a high level of satisfaction (83% on average), which increased consistently throughout the year.

Development Opportunities

In the dynamic 21st century workplace, Strauss regards with great importance imparting the necessary skills to all our employees to be able to optimally carry out their roles, in accordance with the needs of the employment environment and life in the digital age. A central focus in 2020 was integrating innovative learning solutions with digital tools in light of the switch to remote work and the restrictions on physical gatherings, as a result of the Corona crisis. In addition, we expanded our training activities to provide a solution for imparting the skills necessary for developing various professional domains. We endeavor to contribute to the personal and professional development of our employees and to improve their abilities to be employable today and in the future. In this way, we contribute to social and economic development as a whole. Therefore, in every one of our current training programs, we focus on upskilling the employee

Personal & Professional Development

"Bootcamp" – Promoting Economists from the Arab Society

At Strauss we see the importance of promoting diverse employment, with an emphasis on employees from the Arab-Israeli sector, therefore, we wish to expand the options for hiring academics from the Arab sector at Strauss Israel. Out of this need, we developed a new program called the Strauss Finance Bootcamp, an intensive course that prepares graduates with undergraduate degrees in economics and accounting from the Arab sector to work as economists in the leading companies in the Israeli economy.

The program was developed in partnership with the Kav Mashve and Co-Impact, non-profit organizations, and includes 10 meetings for 6 men and 6 women, led by Strauss professionals. The program is a bridge between the end of studies and the employment world, and enables the participants to get to know Strauss, to develop the relevant professional capabilities for the finance world, and to acquire personal skills that prepare them for the current employment market.

One of the Bootcamp participants has already been hired for a permanent job at Strauss Israel, and three additional participants have already found employment at other well-established companies, and we are sure that the skills they acquired during the bootcamp significantly assisted them in getting these jobs.

The "Tenufa" (Momentum) Program Industry Building Learning

The company developed the Momentum Program, as part of its broader strategy in the operational sphere at Strauss, for the advanced training of employees in the technological professions. The Momentum Program started with formulating a comprehensive study program for training the company's control and automation engineers, in partnership with the Future College and the Ruppin Academic Center, the Government Institute for Technology and Science Training (MAHAT), the Maoz Organization, the Manufacturers Association of Israel, and other employers in the industry. With these partners, we created a positive change, coordinated on a national level, with a curriculum for the study of control and automation. To achieve this, we cracked the profile of the learner, created a new syllabus adjusted to the current industrial content (including 300 hours of training in factories), made adjustments to final projects and exams, and recommended branding and a new name for this course. At the end of this period, the graduates are awarded a degree in control and automation engineering and a practical electrician's certificate.



18 Strauss Employees

were chosen to participate (out of 75 nominees) received full funding from Strauss. None of the first class have prior academic degrees or engineering certificates prior to the program. About 80% of these participants are from population groups in Israeli society defined as "underemployed"



Diversity, Equity & Inclusion

The Aspiration to be a
More Diverse & Inclusive
Company is a Way of
Life for Strauss

Diversity and inclusion is the willingness to change ourselves to enable people to integrate, and ability to adapt the company's products and services to achieve better business results, and create a more just and healthy society. Diversity and inclusion is a key issue we have chosen to promote, and for us, it is a significant component of sustainability management.

Promoting Women & Gender Equality

A central emphasis of the entire company is promoting women, alongside creating a culture of inclusion in all its aspects, at every site, in keeping with the local populations, and encouraging diverse hiring that represents the populations in which we operate.

Global Group Goal for Gender Equality

	Strauss Israel	Strauss Water	Strauss Coffee	Sabra & Obela
45.5% Women in management roles				
Women in management roles 50%	46.3%	43.2%	44.5%	45.8%
28.6% Female members in executive leadership				
Female members Company executive leadership 50%	30%	66%	0%	50%





45.4% Women in management roles

58% Women on the Strauss Board of Directors
In 2020, a female majority of 58% was achieved on the board, 7 out of 12

The “Woman to Woman” program at Strauss Israel, Strauss Water and the Group HQ – The program offers group mentoring using a unique model of female manager mentors for women in pre-management roles. It includes 8 mentors and 35 participants. In addition, many women of all ranks, are participating in local programs and seminars. For example, in Strauss Water’s “Personal for Me” program (est. 2019) provides career development tools. In 2020 the program had 11 participants. Also “Everything you can imagine is real”: for the personal development and empowerment of 30 female employees in finance departments.

Strauss Israel’s “Fulfilment” program: participating female production line employees Confectionary Factory: The program includes content presented by the “Be’atzmi” organization. The program’s content includes improving self-confidence; examining aspirations, skills and needs; coping with internal and external obstacles; formulating goals and employment plans for female workers and how to achieve them; computer skills; and familiarity with a range of roles at Strauss and with the success stories of the and female managers from Strauss who serve as mentors.

In 2020, Strauss Israel sponsored the **Israel’s first Girls Week organized by Shavot organization.** As part of the activities, hundreds of boys and girls from all over Israel met with leading women, including managers at Strauss, to get inspiration from them and meet role models in a range of fields. In addition, Strauss Chairperson Ofra Strauss was interviewed as part of a series of interviews with groundbreaking women that was broadcast on social media.

In addition, in 2020, we continued our long-term work with organizations that promote empowerment, such as Jasmine, WIZO, Ajeec (for women from the Bedouin population), One in Nine, and more.

Promoting Underrepresented Populations

Promoting Opportunities for Members of the Arab Sector in Israel

Over the past four years, we have made an extra effort to include more Israeli Arab employees in our companies. Arabs comprise 21% of the population of Israel, and about 25% of all Strauss Israel and Group HQ employees, about 6% of Strauss Water employees, and 15% of Strauss Coffee in Israel. Following efforts to strengthen diversity and inclusion, 5% of all professional and management roles at Strauss Israel are now from the Arab society (79), more than double the number (36) from 2019. In addition, 6 new recruits from to middle management roles, compared to only 1 in 2019, including 2 IT positions, the first diversity recruits to this division. In Strauss Water, 4 out of the 6 people recruited for HQ positions in 2020 (66%) were from the Arab sector. In 2020, Strauss Water intensified its search for obstacles to integrating employees from the Arab sector and come up with solutions. The company’s efforts in this area garnered external recognition when it was awarded the Israel Forum for **Employment Diversity’s Dov Lautman Business Diversity Award.** In 2020, Strauss Israel and Strauss Water continued with their collaboration with the **Co-Impact initiative**, in a cross-sectoral partnership that was established in 2013 to achieve a breakthrough in employing members of the Arab society in Israel. Also:

- Strauss participated in employment fairs targeted at the Arab sector, for example, the employment fair at the Technion Institute of Technology.
- Launch of the **Bootcamp Program** for training economists from the Arab sector to take up financial positions at Strauss.
- Embarking on a unique project to develop an employer brand in the Arab sector.
- Established a Peers forum with 17 employees from the Arab society, committed to assist with leading the change and building appropriate tools.

Leading in the Socioeconomic Forum

On the national level, the CEO of Strauss Israel heads a work team for the promotion of the prosperity of Arab society within the framework of the Israel Socio-Economic Forum (Israel Business Round Table). The team promotes solutions for diverse procurement and employment. Here, the social, business and government sectors drive joint work processes focused on finding solutions to stimulate more meaningful integration of the Arab sector by promoting employment and diverse procurement. The proposed solutions were presented at the Israel Socio-Economic Forum’s annual event hosted by the President of Israel.



On the national level, the CEO of Strauss Israel heads a work team for the promotion of the prosperity of Arab society within the framework of the Israel Socio-Economic Forum (Israel Business Round Table)



Promoting Awareness of the Importance of Diversity & Inclusion in Marketing Activities

Strauss Group is active in promoting awareness of diversity and inclusion among the business and wider communities, including through the company's advertising campaigns. One example is the Sabra ad aired at halftime of the 2020 Superbowl in the US. The campaign used celebrities who represent diverse communities. It included unprecedented representation of the LGBTQ community in a Superbowl ad with the participation of drag queens from RuPaul's Drag Race. The campaign garnered many positive responses and received glowing media coverage.

The campaign included unprecedented representation of the LGBTQ+ community



Promoting Diversity & Inclusion

In May 2020, Strauss Israel launched an intensive initiative to promote diversity and inclusion under the heading "Only when we meet can we really know", out of the approach that strengthening familiarity serves as a foundation for diversity and inclusion. As part of this initiative, several events were held, such as "Celebrating Diversity" – a cross-organizational event to get to know the groups in Israeli society.

Obela Europe, a Diverse Company

Is one of the most diverse companies in Strauss Group. The 50 employees in the company headquarters in the Netherlands come from 14 different countries. The company is proud of this and celebrates its human and cultural diversity. In an effort to connect this diversity with the food it manufactures, the company even started a tradition of lunches for the employees based on its products adapted to the various cuisines of each country of origin, for example, Moroccan, German, Colombian, etc., hummus meals.

Support for the LGBTQ+ Community

In June 2020, we held an event to mark Pride Month in Israel with a panel of employees who shared their stories and the challenges they cope with. During the month, Strauss Chairperson Ofra Strauss spoke at the community's opening event in Israel.

14

Different Nationalities in One Office

The 50 employees in Obela's HQ in the Netherlands come from 14 different countries – Netherlands, Israel, Morocco, Tunisia, Nigeria, Ghana, Germany, Britain, Poland, Colombia, Aruba, Surinam, and USA

Promoting People with Disabilities

In 2019, we completed the process of adapting Strauss as per the Israeli Law for Equal Rights for people with disabilities, which began in 2015 in company buildings as well as providing service to our customers. In 2020, a multi-sector work team was established with the aim of promoting the employment of people with disabilities; physical and digital accessibility to the company's sites and services, beyond what is required by law; strengthening the connection with organizations that promote accessibility and activities in this field for the community; as well as increasing the awareness and involvement of employees. Strauss Water appointed

a dedicated person to lead the integration plan, and a goal of 5% people with disabilities of the workforce was placed for 2021.

Strauss' efforts to include people with disabilities also includes its products. In 2021, Strauss Israel will launch several packages for its leading products that were designed with accessibility in mind. The concepts for these packages were developed by industrial design students at the Holon Institute of Technology during a dedicated hackathon. The concepts for development include an easy to open chip packet, a dairy dessert with a tab for easy opening of the lid, and more.

In 2020, 14 employees with disabilities started working at the Strauss factory in Southern Israel, in production line roles. A total of 20 employees with disabilities working at that factory, as part of a process that began in 2019 with hiring three deaf-mute employees

Social & Racial Justice



Promoting Inclusive Conversation & Fighting for Racial Justice

Sabra US recognizes and celebrates their employees' diverse backgrounds, by, for example, marking significant events for each population during the year. This includes Black History Month, International Women's Day, Pride Month, Cinco de Mayo, and Hispanic Heritage Month.

The Black Lives Matter (#BLM) movement has sparked our recognition of responsibility to all people affected by racism and injustice. Black Lives Matter was built to strengthen local communities, combat violence and racism, and improve people's lives. The moments of unrest that have shaken parts of the world over the past year have forced a moment of reckoning for us as a global organization.

There is still much more work to be done to create an environment of inclusion. Sabra has taken the issue

of racism and put it on its agenda and has made great strides towards improving people's lives by creating a more inclusive and diverse working environment.

In 2020, Sabra's CEO issued a letter to all employees, in which he wrote: "We as a company must stand against injustices to people of color – specifically those in the Black community." Sabra has since launched training and educational programs for leaders to recognize psychological distress and to foster openness in the workplace.

Sabra has also addressed the issues of racial equity and social justice with a series of internal educational initiatives for their executive and managerial team. Sabra has implemented an ongoing organizational listening program that will help teach the executives and managers to support people wherever necessary. Sabra has made a considerable effort toward creating a more inclusive and diverse working environment.

Prevention of Gender-based Violence & Activities for Awareness & Support for Victims

The Corona crisis was a unique testing ground for Strauss' values and attitudes, for understanding the varied needs of diverse populations and the need to provide them all with a safe space. In 2020, the Corona crisis resulted in a widening of gaps and a major regression regarding gender issues, where, for example, many women were dismissed, were put on extended unpaid leave, or were forced to bear the increasing burden of domestic chores while continuing to work from remote, and many were forced to or chose to quit their jobs because of the realities of the Corona period.

During the Corona crisis, there was a drastic increase in instances of domestic violence around the world, in what was termed by the UN as a "shadow pandemic". Therefore, in 2020, we promoted awareness and projects to support female victims of violence by:

- Joining the UN's "Shadow Pandemic" campaign to eradicate violence against women, and adopting the color orange, which is the branded color for the International Day for the Elimination of Violence against Women.

In 2020, We Promoted Awareness & Projects to Support Female Victims of Violence by Joining the UN's "Shadow Pandemic" Campaign to Eradicate Violence Against Women



- A dedicated virtual event for employees
- Branding the company's trucks that cover over 12,000 km with the message: "Stop the Violence Against Women"
- Illuminating the Strauss offices and factories in Israel with orange lights as a sign of solidarity and increasing awareness of the International Day for the Elimination of Violence against Women
- Supporting the Ruach Nashit (Women's Spirit) organization, the Women Against Violence organization (for opening women's shelters, recruiting and gathering evidence from women in the Arab sector) and the Michal Sela Forum
- Promoting advertising on the subject on digital networks that attracted over 80,000 user responses.
- Providing an option to change profile picture frames on social media to increase awareness (taken up by over 7,500 users)
- Achla hummus joined a campaign in which a full ad break was devoted to increasing awareness of violence against women and requesting contacting the WIZO Centers for the Treatment and Prevention of Violence.





Deepening the Connection with Communities

At Strauss we consider the resilience of our communities as extremely important. The communities made up of our employees, business partners and consumers, are the basis for all our organization's activities. We believe that strong communities foster strong businesses. Our goal is to improve the lives of people, including all the local communities in which we do business. Real trust with communities happens when the community feels that the company considers its needs when making decisions, when people feel that the company cares about them – caring that's expressed by adapting the company's products, but not only. It's also about concern for the social and economic development of the members of the community, and not just for the business. We strive to maintain close connections with the local communities in which we operate.

Donations & Volunteering

Strauss is active in communities, with an emphasis on promoting diversity and inclusion as well as promoting balanced nutrition and a healthy lifestyle. We collaborate with over 50 non-profit organizations in our ongoing community programs around the world.

	2016	2017	2018	2019	2020
Investment in the community (in millions NIS)					
Monetary donations	3.4	4.9	4.5	4.8	10.7
Value of Product	6.7	6.7	6	7.7	13.4
Donations					
Value of Employee Volunteer Ours & Community Outreach	1.7	1.7	1.5	2.1	1
Total	11.8	13.3	12	14.6	25.1



NIS
25.1
million
Total sum of 2020
donations

The resilience of our communities is extremely important to us

Creating Long-term Value for Female Coffee Growers

As one of the largest green coffee purchasers in the world, Strauss places significant effort on strengthening the global value chain, including support for coffee-growing communities in Africa, Asia and Latin America. Strauss Coffee's More than a Cup (MTAC) initiative (est. 2016), is a long term strategic commitment to the coffee growers. The goal of the project is to support coffee agriculture by improving farming infrastructures, investing in professional equipment, and providing professional, managerial and financial training to the farmers. In this way, the project assists with promoting gender equality and reducing poverty in developing countries. The local partnerships within the framework of the MTAC are directly managed by coffee growing groups and local cooperatives. By the end of 2020, MTAC included 10 active partners in 8 countries and over 14,400 coffee growers, empowering them to support their families and communities.

In 2020, we entered into new partnerships in the Congo that include 500 households of coffee growers who are members of the local cooperative. In addition, in the partnership we supported by providing aid to the specific challenges presented due to the coronavirus, to this end we provided thousands of sanitation kits and gravity water transportation systems to improve access to sanitation infrastructures. Furthermore, Strauss Coffee donated to a Coronavirus fund in East Africa.



MTAC Included 10 Active Partners in 8 Countries & Over 14,400 Coffee Growers, Empowering Them to Support Their Families & Communities

14,400

Coffee Growers



Project Florada

Project Florada was launched in 2018 by the Brazilian coffee company 3corações (a partnership between Strauss Coffee and Sao Miguel Holdings) for local female coffee growers and their communities. Florada is a sustainable social program that facilitates the development of a productive supply chain and fosters the production of high-quality coffee. The goal of the program is to enrich the knowledge of the coffee growers in Brazil and to enable them to expand their employment horizons, by making optimal use of industry best practices

In 2020, the project reached peak registration for the annual competition of about 1,000 coffee growers (600 participants in 2019). In parallel in 2020, coffee sales significantly grew with an increase in monthly sales of coffee purchased from small farms run by women farmers totaling about 8 tons per month (up from 3 tons per month in 2019). 100% of the profits generated from Florada coffee sales as part of the abovementioned marketing campaign were transferred to the coffee growers. The profits were equally divided between 2020's top 50 growers, the winners of the 2020 competition, amounting to approximately.



In 2020 the project continued to gain recognition in Brazil and around the world, and it won the Whow! Innovation prize in Brazil. This prize encourages and recognizes companies and institutions in Brazil that constantly generate innovation with a positive impact on the business environment.

Amazon Communities – Tribos

Launched in 2019 by 3corações (a partnership between Strauss Coffee and Sao Miguel Holdings), Project Tribos focuses on the indigenous tribes in the Amazon reserve in Brazil.

In recent decades, these tribes have experienced significant difficulties making a living and supporting themselves due to factors including the urbanization trend, increasing damage to the Amazon's natural environment, and changes in tribal habitats. As a result, the indigenous population in the Amazon is turning to new employment solutions. The goal of Project Tribos is to provide these tribes with the means to make a living by specializing in growing coffee beans, while preserving the environment in a region of important and sensitive ecological value. Project Tribos is based on three pillars that we believe in – assisting the community, protecting the environment,

and holistically producing a high quality product. The project enables the tribal populations in the Amazon to acquire new tools, equipment and knowledge for professionally growing high quality coffee.

The focus of the program thus far has been on the tribes in the state of Rorônia in Brazil, who live in an area of over 200 dunams (50 acres) in the Amazon forests. As a way to show confidence in the quality and the positive impact of the project, in addition to providing a safety net for the coffee farmers, 3corações committed to purchasing all the coffee from the crops that originate in the project. In addition, the company promised consumers that 100% of the profits from Tribos coffee will be reinvested in the project in particular and in the indigenous population in general.



Social Initiatives in Israel

Partnership with ORT to Promote a Healthy Lifestyle & Mindful Eating

In 2019, we formed a collaboration with the ORT schools network to create a program to promote mindful eating and wellbeing among students. This partnership included a comprehensive program of lesson that includes normal body indices and healthy nutrition, and is supported by professionals from Strauss Group. The program encourages learning through the active involvement of the students. In addition, the program conducts workshops that teach participants how to build a campaign aimed at raising awareness of a healthy lifestyle. The program is currently active in eight ORT schools in Ashkelon, Karmiel, Pardes Hannah, Ramle, Abu Talul, Bustan al-Marj, Kfar Saba and Ateret Rachel, which include a diverse range of students from different population groups in Israeli society. For us at Strauss, the diversity of this population is part of the company's goal of improving healthy lifestyles in a wide range of communities. There are a total of 130 students in the leadership group, 1,100 students participated in classroom workshops, and about 6,000 students participated in milestone days.



6000
Students Participated
in Milestone Days

In 2019, we formed a collaboration with the ORT schools network to create a program to promote mindful eating and wellbeing among students. This partnership included a comprehensive program of lesson that includes normal body indices and healthy nutrition



Aiding
60k
Families

In 2020, in the shadow of the Corona crisis, Strauss supported Latet in a range of projects throughout the year and with donations estimated at about 550 tons of products.

Collaboration to Eradicate Hunger in Israel

Latet is a not for profit organization whose goal is to reduce poverty in Israel. One of the organization's activities is a comprehensive program to salvage food and redistribute it. In this way, the organization helps to distribute food packages to about 60,000 families per month. Strauss Israel partnered with Latet over a decade ago, and provides the organization with food products and assists them in sorting and distributing the food packages. In 2020, in the shadow of the Corona crisis, Strauss supported Latet in a range of projects throughout the year and with donations estimated at about 550 tons of products. In 2020, we also extended our support to additional organizations that provide food security in Israel, including Leket Israel. The organization provides baskets of just fruits and vegetables at a weight of

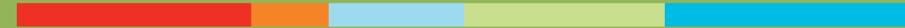
10kg per family of five. During the Corona period, Strauss supported about 11,000 families through Leket Israel, and volunteers from Strauss Israel assisted.

The organization calculates the environmental and economic impact of the donation of the baskets and accordingly, estimated that the value of Strauss' contribution was about 56,600 shekels. The calculation includes the economic benefits of salvaging the fruits and vegetables, and savings on the reduced environmental impact from reducing greenhouse gas emissions, and reducing loss of water and land resources.

For more information about Strauss' activities to promote food security in the shadow of Corona, see the chapter - Corona - Supporting the Community



Protecting our Planet



Strauss Group produces and markets food and beverages in many countries and thereby assists in improving food security around the world. Our production activity has a significant impact on the environment. Stakeholders including consumers, employees, investors, the communities in which we operate and others, expect Strauss to reduce this impact.

-7%

Reduce in energy consumption per ton of product, since 2016

13%

Reduce in water consumption per ton of product, since 2016

90%

Waste recycled or reused in 2020

-17%

Greenhouse gas emissions per ton of product, since 2016

13%

Reduction in landfill waste in 2020 (compared to 2019)

NIS
46 million

Expenses and investments in the area of environmental protection in 2020

Energy Efficiency and Climate Action

Climate change is a key cause for concern and interest on a global level. Climate change poses various risks to different regions of the world. Common examples are rising temperatures and the associated problems; the increasing frequency of extreme weather events and associated physical damage; agricultural challenges in large parts of the world; significant population migration within and outside of countries; and more.

As a leading manufacturing company, Strauss is also committed to do our part to reduce greenhouse gas emissions and to fight against climate change. We are investing significant efforts and resources

in energy efficiency initiatives. In 2020, in spite of the challenges of the coronavirus crisis, we began to gradually transition some of our sites to the use of renewable energy.

At Strauss, we are working to reduce indirect emissions related to our operations. Part of these efforts are taking place in the supply chain, for example, purchasing local raw materials close to our sites, wherever possible, thereby reducing the emissions associated with their transportation. Other efforts in the supply chain include reducing packaging waste associated with our products and increasing our recycling capabilities.

In 2020, despite the challenges caused by the pandemic, we began to gradually transition sites to the renewable energy





Shift to Renewable & Alternative Energy

In the past few years, thanks to various technological breakthroughs, renewable energy has become a realistic economic option. Renewable energy infrastructures – solar/photovoltaic, wind energy, hydroelectric, and more – are being set up at an increasing pace around the world. Strauss Group began to assess and implement various options for switching to renewable energy. In 2020, the Group set an ambitious goal of a 100% shift to renewable energy at its facilities in Israel by 2040. This will result in a **100% reduction in greenhouse** gas emissions at Strauss Israel related to energy consumption at permanent facilities (Scope 1) and external electricity consumption (Scope 2). To achieve this goal, the company formulated a multi-year plan to build solar energy infrastructures (PV)

at most of its production sites and logistics centers throughout Israel. Initial implementation is planned at several sites in 2021.

At the same time, efforts are being made to use renewable energy in other countries that Strauss operates in around the world. Implementation pioneers in the Group were the Strauss Coffee sites in Eastern Europe:

- The Strauss Coffee factory in Romania built two PV systems at its site in 2019. In 2020, these systems generated a total of 188 MWh, comprising about 11% of the total electricity consumption at the site.
- The Strauss Coffee factory in Serbia built a similar system at the end of 2019. This system generated 23 MWh, 4% of the site's total energy consumption.

Aiming to Net Zero by 2050 & shift to 100% renewable energy at its facilities in Israel by 2040

Strauss Coffee factory in Romania built two PV systems at its site in 2019

Sabra factory (US) has gold LEED certification, for Leadership in Energy and Environmental Design

- Obela in Australia partners with a local factory (SA Water) on shared energy efficiencies. Over the past years, Obela has provided the SA Water factory with sludge from treatment of the Obela factory's wastewater. This sludge is transferred for anaerobic digestion at the SA Water site, which produces biogas. This biogas is used to generate electricity, and replaces fossil fuels. The combined product saves waste that requires treatment, and reduces greenhouse gas emissions
- Sabra factory in the US was certified as a LEED gold building for its green construction and energy saving. As part of the certification, the factory implemented comprehensive energy saving steps, which reduced over 800 MWh (or about 44%) of the site's consumption in 2020. These steps focused on the shift to energy-saving LED lights in the vast majority of the lighting in the factory. Additional

results of the certification process were a 45% reduction in Sabra's annual water consumption, and an avoidance of the use of paint and coating materials with the potential to reduce air quality at the site.

Reducing Environmental Impact in Israel

Improving the air compressor system at the Ahihud Dairy

The air compressor system at the Ahihud Dairy is a main consumer of electricity, comprising 20% of the dairy's total electricity consumption. The dairy partnered with a startup called EcoPlant to implement innovative technology to control and improve the

system and increase its efficiency. This led to a 13% drop in energy consumption at the Ahihud site of about 400 MWh per year. The technology works by individually monitoring the compressors and making dynamic changes to increase efficiency.

Improving the water cooling systems at the confectionary factory in Nof Hagalil, Israel

There are three water cooling systems at the factory providing different temperatures, according to the requirements of the process. After consulting with all the internal consumers of the cooled water, the streams were redirected to prevent "overcooling" of the water and energy wastage. The current savings on these processes are estimated at 1.2 MWh annually.

Increased Shipping Efficiency

In the effort to reduce greenhouse gas emissions connected to the shipping of products, changes were made to this system. The company implemented a solution of adding height to the shipping trucks, to enable loading a larger number of containers and products per delivery. This resulted in a substantial reduction in truck trips, which converts to a saving estimated at about 10,000 liters of diesel fuel, which is the equivalent of about 27 tons of greenhouse gases.



27 tons of GHG

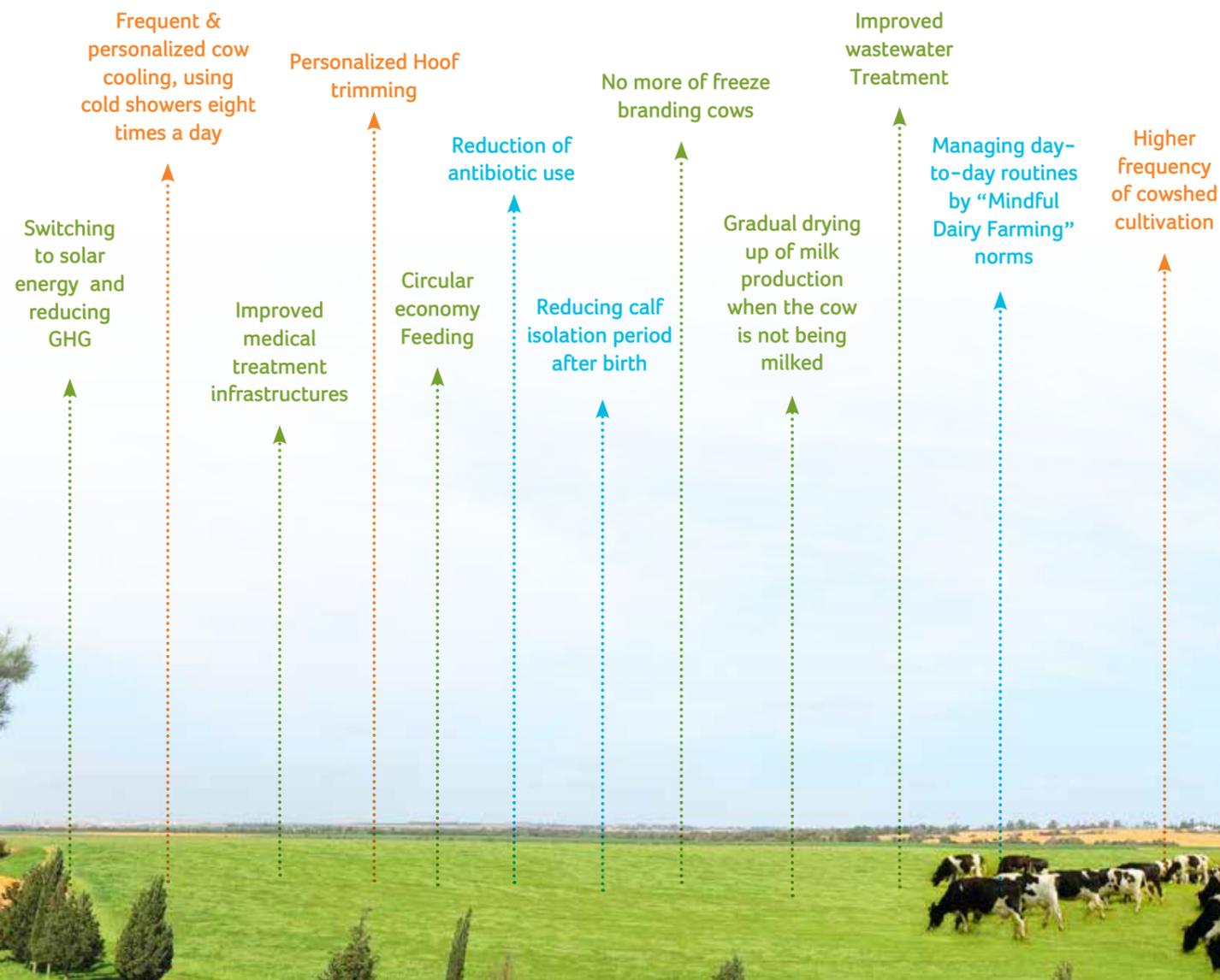
The equivalent of the reduction in truck trips, which is estimated at about 10,000L of diesel fuel



Sustainable Dairy Farming

At Strauss, we take responsibility for what takes place in our dairies. In 2017, we mapped the processes of our dairy supply chain and launched the **Sustainable Dairy Farming** program for improving the living conditions of the cows and reducing the environmental impact of cowshed activities among partnering dairy producers.

The Criteria for Sustainable Dairy Farming:



Eshkar Ginosar,
Milk Receiving
Manager at
Yotvata Dairy

Increased transparency: In 2021, we hope to begin the implementation of pilot to install cameras for online broadcasts from the Yotvata dairy, to provide transparency to the general public (the project was planned for 2020 but was frozen due to the Corona crisis).

Welfare of the cows: Non-separation of calves in 2021 – We are about to begin a pilot where calves are not separated from the cows and rather stay with them until the weaning phase. This is an innovative, groundbreaking initiative that doesn't currently exist in industrial dairies. The pilot is expected to last for 20 months, with close monitoring by veterinarians, nutritionists, medical professionals and other experts

We are about to begin a pilot where calves are not separated from the cows and rather stay with them until the weaning phase. This is an innovative, groundbreaking initiative that doesn't currently exist in industrial dairies

Establishing a Global Environment Community in Strauss Group

As part of the Group's constant efforts to improve our environmental management activities, we carried out an in depth study of the internal work processes responsible for the development and management of environmental projects in all relevant spheres (wastewater and water quality, energy and climate change, waste and the circular economy, and more). Along with the importance of maintaining an environmentally supportive organizational culture, we saw a need to unite the forces of all the companies in the Group to promote significant, structured and cross-company improvement. In 2019, we started planning a global environment community of all

Strauss Group companies. The goal of this community is to pave the way for environmental excellence and Strauss Group's sustainability principles together, to ensure success over time and to adapt to the ever-changing challenges and risks we face.

In 2020, the activities of the Global Environment Community was launched, and its goals were defined as a platform for knowledge sharing, inspiration, locating business opportunities for the promotion of environmental sustainability, while meeting stakeholders' expectations, as well as promoting the challenging goals that the various .



Responsibility for Packaging & Increased Recycling

As a leading food and beverage manufacturer, Strauss Group is aware of the gravity of the issue of packaging as part of its environmental footprint. We recognize that we have a responsibility to reduce packaging waste connected to the company's activities, to increase our recycling capabilities, and to facilitate waste treatment.

In 2019, a work team was set up to formulate a strategy for reducing the environmental impact of Strauss packaging throughout the value chain. This team examines ways to reduce the environmental footprint of Strauss' packaging by reducing the quantity and size of the packaging, switching to recyclable and/or pre-recycled environmentally

friendly materials, and improving packaging handling options after use. In 2020, the team finished formulating the strategy and action plan for the coming year, developed decision-making instruments and started to work with product development teams in companies throughout the Group.

Dedicated work teams were set up in the Group's companies to examine the local challenges, tools and accumulated knowledge, and they started to formulate local work plans. For example, the Strauss Israel work team mapped 28 types of packaging, assessed their usage, and defined priorities for dealing with each type of packaging, including partially implementing the LCA principles and adapting them to the treatment infrastructures in Israel. Accordingly, a prioritized map of all the challenges in handling packaging was created. Based on this analysis, a workplan was formulated for immediate, medium-term and long-term tasks in the field of packaging at Strauss Israel.

100%

Of Strauss Israel packaging will be recyclable and/or degradable by 2025

85%

Of Strauss Israel packaging will be made of recycled material, by 2025

Packaging Labeling & Promoting Recycling

In 2020, at Strauss Israel we started to add labeling information to products to increase the awareness of the option to recycle the packaging in order to best assist consumers in locating an appropriate recycling bin. We believe that this labeling can also encourage local authorities to increase their supply of recycling bins, especially those who have not yet made these bins available to their residents. This was done in partnership with the local Israeli Tamir Recycling Corporation. This project is expected to continue into 2021

The Salty Snacks Factory Won an Award for Separation & Recycling

The factory in Sderot won the 2020 "recycling award", which was presented to them by the TAMIR recycling cooperation, for their trailblazing work in separating packages waste and shipments recycling facilities. The emphasis of packages waste of the products produced in the factory is also manifested in the ongoing process to minimize the packages and serving sizes.

Share of total packaging



Share of packaging reaching the consumers



Additional Steps for Improving Packaging & Increasing Recycling

- Sabra succeeded in reducing over 240 tons of material in a move to lighter packaging materials. By redesigning its personal salad containers, reducing the mass of the previous packaging by 15%, which translates into a total reduction of about 100 tons of material.
- Yad Mordechai promotes a use in 50% recycled plastic in its containers. Its glass jars contain 60% recycled material, and the company is considering reusable alternatives to these containers
- Yotveta launched a bottle of 50% recycled plastic (rPet)
- Strauss Coffee Romania, reduce the coffee vacuum pack by 7%, without changing the serving amount, a process that begun in 2019.
- Obela Europe is currently making changes to its container, that in the future will be made from 100% recyclable material, and will weigh about 6% less than the previous container. This will also be reducing the greenhouse gases emission from transport. Launch is planned for mid-2021.
- Strauss Water 's MAZE water filters and UV lights used in the water bars are collected by messengers from the homes of our customers. Furthermore, in 2021, customers will receive a bonus, in order to encourage the recycling of components. The recycling is done by MAI (Israel Electronics Recycling Corporation).



Orange Bin
All packaging waste, including clean plastic food and beverage packaging



Bottle Recycling Bin
Plastic beverage bottles that don't have a deposit fee (and their caps)



Purple Bin
Glass waste



Blue Bin
Paper, cardboard, and cartons



Responsible Business Conduct

We invest in promoting innovation in order to produce better food and create a healthier food system, for current and future generations

Leveraging Innovation to Create Impact

Innovation has always been part of our way to improve and impact the lives of people. Our Innovation is part of our processes, technologies, and the search for better raw materials to expand our range of products as an answer to evolving needs. In the past few years, Strauss invested in FoodTech, out of a commitment to develop sustainable food, which fulfils the needs of diverse consumers and has grown or been produced while taking the environment into consideration. Our innovation can be seen in various activities, in the products we produce and market, the services we provide and the way in which we reach our consumers. During 2020, we've expanded our range of D2C

options, and our ability to reach our consumers in real time, where it is convenient for them and in a way that is convenient for them to purchase and consume our products.

We increased the activities of the Strauss+ app, and expanded the volume of Elite Coffee's e-commerce - Elite Coffee's site added new categories this year, such as the "GIFT IT" gift packages, which enables people to send a warm message to other in spite distance. We increased the variety of our products and activities out of a desire to listen to and respond to our customers in real time. This year, we increased our technological capabilities and our understanding of the consumer through use of data on our e-platforms. We significantly increased the number of subscribers to the BEANZ project, an entrepreneurial project within Strauss, that provide fresh, high-quality coffee beans from farms, straight to the homes of the costumers, which they then hand grind at the their homes.

Our investment in promoting innovation comes from the wish to produce better food and to create a healthier food system for the coming generations as well. This is what we are trying to create in the FoodTech sphere. FoodTech is based on on the desire of consumers who are seeking food that's healthier, tastier, more natural and better for the planet. Innovation and FoodTech will provide the solutions. The Strauss innovation branch, which includes Alpha Strauss and The Kitchen hub in Ashdod, is based on the deep understanding that is at the heart of the food revolution. Startups and technological development companies that we have guided to success, to launch products, deals and successful capital investments around the world, are trailblazers in every aspect of the FoodTech world. Our innovation framework is comprised of three channels: (1) in products, (2) in adapting to target markets, and a (3) new model of open innovation in the Alpha Strauss - FoodTech Community.

\$54 million
Total raised capital by the hub's companies

The Kitchen
FoodTech Hub

The Kitchen Hub

The Kitchen hub was established in 2015 and is a supportive home for 19 startups in all areas of FoodTech, from healthy food substitutes to innovative ingredients that preserve the quality of the food. To date, the companies in the hub have raised capital totaling over \$54 million, in various financing rounds, assisting them in developing their products and services and accelerating their global activities. A total of over 100 employees work at the hub's startups and the products that they produce and market are developed for consumers around the world. In 2020, 6 startups joined the hub:

Vanilla Vida - Develops a natural and healthy solution for the problem of the worldwide shortage of vanilla by growing vanilla using vertical agriculture.

Torr FoodTech - Develops innovative technology that eliminates the need for the use of sugar as a binding agent in products such as sweet snacks, energy bars and other sugar-free foods.

Anina - Develops technology for dehydrating food while preserving its nutritional value and utilizing "ugly" fruit and vegetables to prevent food waste.

Imagine Dairy - Develops technology for the manufacture of cheese using a biotechnological process without the use of animal-based milk, based on a combination of artificial intelligence technology and systemic biology.

Privera - Treats water using an innovative biological solution based on anti-bacterial peptides.

YEAP - Produces protein out of the discarded yeast from the beer industry, used today as raw material for meat substitutes.

In parallel, we continued to develop and support the more mature companies that demonstrated impressive achievements this year:

Zero Egg - Offers a high-quality egg substitute that can be used in baking, omelets and more. Last year, it began manufacturing in the US.

• **Aleph Farms** - Created the first cultivated meat in the world grown in laboratory conditions without harming animals. In 2020, they completed the development of their first commercial product, which will be marketed in 2022.

• **Rilbite** - Produces a tasty and nutritious plant-based substitute that can be used in place of ground beef. The product boasts the Clean Label and is made of only eight natural ingredients.

• **Better Juice** - Enables converting the sugar in products containing fruit (such as orange juice) into dietary fiber. The company will launch a pilot in Brazil in 2021 with one of the largest fruit juice manufacturers in the world.

• **Amai Proteins** - Manufactures protein that has the highest level of sweetness in the world - 15,000 times the level of white sugar.



The Destiny Project

An Innovative Method for Growing Local Sesame Seeds

We aim to manufacture the majority of our tahini from these new varieties of sesame



The Destiny Project begun in 2015 with the aim of offering better control over our supply chain and product quality, along with promoting sustainable and local solutions. As part of the project Equinom, an Israeli company developed high-quality sesame varieties for us, tailored to grow in the US. These varieties combine all the required characteristics for high-quality tahina production, in line with the taste and consistency required for manufacturing tahini. This is the first sesame variety of its kind that is non-GMO, and was developed to enable mechanical harvesting in line with modern agriculture.

Our aim is to manufacture the vast majority of our tahina from these new varieties of sesame. In this way, we will reduce carbon emissions and avoid having to transport thousands of tons of sesame over thousands of kilometers from Africa to the US every year, significantly reducing the environmental footprint of hummus production, and strengthening local farmers in the process.

Responsible, Innovative & Flexible Supply Chain

Our extended supply chain includes tens of thousands of suppliers who partner with Strauss Group to supply products and services in the markets in which we operate. This supply chain is an integral part of our ability to offer tasty and nutritious food and beverage products that provide the optimal solutions for our customers every day. Our suppliers are partners in fulfilling our mission, so we expect them to follow the same standards of moral, responsible and sustainable business operations according to which we conduct ourselves at Strauss Group. We ensure that we behave with integrity towards our suppliers. We make sure we act honestly towards our suppliers and we choose to work with suppliers with values that are common to ours. The Corona crisis, which started in early 2020, was a challenge for the food industry because of the need to meet the heavy demands in the shortest time while being dependent upon a wide global supply chain. Our supply chains around the world coped with many challenges, from operational difficulties in light of lockdowns and illness, to logistical problems regarding transporting the raw materials that the company needed to import, and availability of technicians to service the factories. The successful management of the supply chain in this challenging time proved Strauss Group's ability to respond quickly, to best meet the growth in demand, and even to gain a competitive advantage, all while providing a sense of security and stability to our customers in a period of uncertainty. We formulated a clear and immediate plan for a gradual response:

1. Preventative measures - to maintain a clean, safe and healthy factory for our employees
2. Backing up the workforce - in cases where employees are diagnosed with Corona, and to prevent closure
3. Utilizing inventory - when employees aren't allowed to work on site, managing inventory to ensure product delivery.
4. Back-up production plan - based on widespread mapping and formulation of a detailed workplan according to the products that are essential for delivery, and based on six scenarios - from total shut down of the factory, to partial shut-down due to shortages of raw materials. Solutions include contracting with new suppliers, enlisting the help of other factories in the Group, etc.

On the outbreak of Coronavirus in China, compelled an immediate respond to concerns about shortages in parts manufactured in China. The company formulated an immediate and comprehensive plan for providing a solution to the volatility in the supply of raw materials and inventory to provide continues service to our consumers in China, England and Israel. For example, an increase in device security inventory, maintaining an inventory of perishable parts. In the North America, Sabra had changing demands - a sharp increase in demands for domestic use products while a decline in demands of institutions and restaurants. To best use the inventory and prevent food waste, the company donated products to hospitals, NGOs and foodbanks.



We created support for our local suppliers and established a 'support fund' to assist them in coping with the challenges of the new and complex reality



Responsible Purchasing & Human Rights

Our global supply chain includes over 14,000 suppliers of materials, products and services, to the value of over \$1 billion per year, and is an integral component of our ability to offer tasty and nutritional food and beverages that will fulfil the expectations of our consumers every day. The majority of our production takes place at our 26 factories around the world, and is supported by an operational chain of warehouses, logistics and distribution to supply our products to our consumers.

We expect our suppliers to operate according to same standards of ethical activity, responsibility and sustainability as Strauss Group. Partnership and integrity, as well as working with suppliers with similar values to ours, enable us to gain the trust of our consumers and

of our other stakeholders. In addition, we are committed to respecting human rights throughout our supply chain and in the communities in which we operate. We comply with the human rights laws in the countries in which we operate and run our business operations out of a respect for human rights and in line with the principles of the Global Compact initiative of the United Nations, which Strauss joined in 2008. Our approach is supported by the Group's Responsible Procurement Charter, as well as by the Strauss Ethics Charter for Suppliers, which, in recent years, has increasingly been included in the terms of the agreements with our suppliers in the Group's areas of activity. Strauss Israel encourages procurement from women-owned business.

NIS
123
million

Total procurement from women-owned business in 2020 in Israel

Diverse Procurement

The activities of the Strauss Israel work team, headed by the company CEO, to increase productivity in the Arab society in Israel, made it clear that a key opportunity lies in encouraging diverse procurement. Consequently, Strauss Israel announced increased support of diverse procurement on a national level, and, with the team, began to promote, guide and develop a platform that connects a diverse population of suppliers (who undergo a process a process of due diligence) with large companies, with the goal of increasing purchasing from them. The e-platform, called Wesource, enables companies to promote procurement from diverse entities, and thus mitigate risk, increase matching between diverse suppliers and diverse customers, encourage dynamism, flexibility, innovation and quick responses to market needs, as well as fulfilling the expectations of the stakeholders in this area.

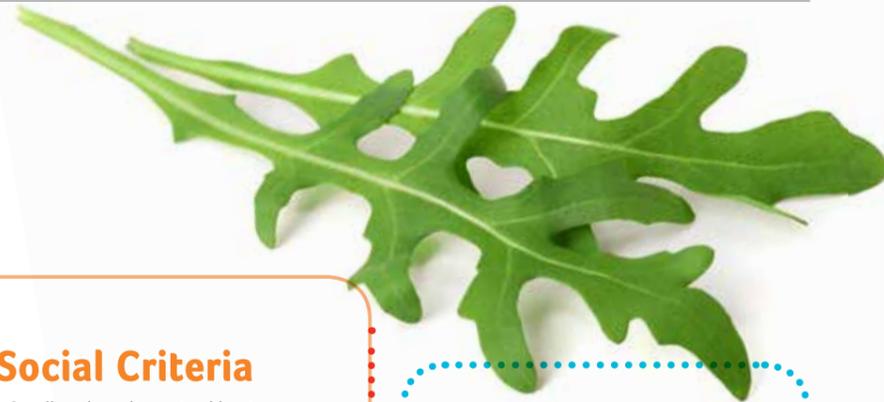
Diverse procurement enables local economic development, increased growth and prosperity, while nurturing communities and creating jobs.

Social Criteria

- Small and medium sized businesses
- Owned by women/minorities
- Located in the periphery/locally
- Socio-economic model
- Employees from underemployed populations - women, disabled, Arabs, Ultra-Orthodox, Ethiopians, new immigrants, youth with no family support
- Approved as a diverse business by Wesource

Business Criteria

- In business for over 3 years
- More than 3 employees
- Annual turnover of 300,000-20 million shekels
- Legally registered and pays salaries according to the law
- Shows growth
- Positive past experience / trained by Wesource
- Active in the internet sphere



Sustainable Local Procurement

Strauss Israel promotes procurement from local suppliers with the view that a local supply chain boosts the resilience of communities and the local economy. As a result, we are primarily committed to our farmers. For example, Strauss Israel set a goal of 90% of all procurement from local Israeli agriculture. For instance, 87% of the potatoes used at our Tapuchips factory in Sderot are sourced from local farms

Another example of local procurement is Strauss' Florentin organic hummus and spreads brand that is marketed in Europe. As part of the organic distinctiveness of this brand, the procurement activity for the Florentin brand aims to reduce transportation distances and its resulting environmental footprint, and to increase local employment in the EU. Implementing this policy requires locating suitable organic suppliers in the target regions. A clear example where, in the past years, we moved from purchasing the majority of our organic hummus beans needed for production from Turkey to organic growers in Italy. Another example is the shift of part of the procurement of avocados from Mexico to Spain. As part of our activities in Australia and New Zealand, the Obela spreads company aspires to local procurement practices. Based on a company

assessment, about 20% of the raw materials and packaging that the company uses are produced in South Australia (where the company's center of production is located), and over 65% of all raw materials and packaging are manufactured in Australia. This high rate of local production saves the need for long-distance maritime transportation and consequently, significantly prevents the emission of greenhouse gasses. This is in addition to strengthening and supporting the local Australian farmers.



90%

Strauss Israel set a goal of 90% of all agriculture procurement to be from local Israeli agriculture

“My sense of purpose as a farmer has been strengthened by working with Florentin. Ultimately, every one of these hummus beans becomes a healthy, high-quality food product for consumers. I am so happy to see how my work supports this.”

Salvatore Lorenz, Italy.



400

Dunams Were Planted with Olive Trees in the Jezreel Valley, Israel

Yad Mordechai promotes local agriculture

A unique initiative to promote a sustainable local agriculture partnership is the strategic connection between Yad Mordechai and the olive mil in kibbutz HaYogev in the Jezreel Valley in northern Israel. During 2020, the mil employees planted 400 dunams of olive trees in valley (98.8 acres). Marking the connection to the land, and the understanding that the olive trees and the oil productions strongly symbolizes the connection between Israeli agriculture and industry.

Responsible Marketing

As a global food company, Strauss Group is committed to respecting our consumers and endeavors to gain their trust throughout all our activities and products. We update our consumers about new or improved products via the various electronic, digital, print and voice marketing and advertising channels.

Our products are meticulously and clearly labeled, beyond what is required by law when relevant, and always provide accurate data about the product's nutritional value in order to enable the consumers to make informed choices. Following any adjustment to a product's ingredients, clear information about the changes are displayed on the product packaging. Strauss Group complies with the product labeling laws in every

market in which it operates, and enlarges the labeling print when the packaging permits, in order to make this vital information more accessible to consumers. The way in which we market our products influences the way in which people consume food. As part of our responsibility to encourage conscious nutrition, we voluntarily created our marketing charter in Israel, which includes a commitment to the following:

- Encourage use of positive messaging and promote a positive social impact via our brands.
- Avoid advertising and marketing aimed at children under the age of 16 in all media channels.
- Avoid distributing marketing material at schools or in their vicinity.

- Cancel the use of gifts targeted at children in promotional packages.
- Encourage inclusion by avoiding gender stereotypes.
- Foster a consciousness of inclusion via our marketing communications.

In 2020, there were no instances of non-compliance with industry guidelines or local regulations regarding labeling or marketing processes at any of Strauss' companies around the world

Corporate Governance

58%

of Our BDO are Women

As of the end of 2020, the Strauss Group Board of Directors had 12 members, of which seven are women. In 2020, one director resigned, and one director was appointed to the Board of Directors of Strauss Group. The new director brought with her extensive experience in the fields of strategy, technology, marketing and global management. With the goal of assessing and improving the effectiveness of the board's work, we carry out self-assessment processes. In 2020, we performed a self-assessment process guided by an expert consultant from the US. The process examined the effectiveness of the work of the board, the committees, and the leadership of the chairperson of the board. As a product of the process, an action plan to improve the effectiveness of the board was formulated.



The Ethical Infrastructure

Strauss sees great importance in ensuring the implementation and assimilation of the ethics infrastructure, which demonstrates the company's commitment to ethical conduct, values and transparency, while also being the key building block of trust for our employees, consumers, investors, and community partners. In 2020, we finalized the process of updating of our ethics infrastructure and implementing our updated Code of Ethics, a series of policy papers on substantive issues for our stakeholders, as well as updating our work supporting procedures and our ethics hotline for whistle blowers. This update was based on a re-examination of the substantive issues that needed to be included in the Group's ethics framework, and was in accordance with the main changes to business, society and the environment. Strauss' new policy papers represent the Group's standpoints and principles on a number of core issues, including human rights, diversity and inclusion, product safety, environmental sustainability, responsible marketing, sustainable raw materials, employee health and safety, investment in communities, and animal welfare, as well as serving as an updated policy on preventing bribery and corruption and protecting privacy. Implementing the Code of Ethics and the policy papers was carried out using implementation tools and an extensive training series, along with widespread communications. In Israel, a new tutorial was developed along with upgrading the Ethics Trustee infrastructure at the different sites, in order to deepen the knowledge in the units and ensure responsiveness. At the Coffee Company, training was run by HR, and tests were given on the content. In addition, a new system was implemented to train employees on ethics principles, compliance and guidelines on data protection and privacy, including tests on the material. At every site in the Group, the physical ethics stands were updated with the Codes of Ethics in the languages relevant to each site.

Prevention of Corruption

As a global company that operates in over 20 countries and employs about 16,000 people, Strauss Group has a very wide reach. Therefore, we are obligated to ensure that our business activities throughout the world are carried out in line with highest moral standards, and that we prevent potential risks associated with corruption. Strauss Group complies with all laws and regulations for the prevention of bribery and corruption applicable in all our regions of operation, including the US Foreign Corrupt Practices Act (FCPA, 1977) for the prevention of corruption abroad, the British Bribery Act (2010) for the prevention of bribery, and other laws and regulations. Violation or alleged violation of the laws for the prevention of corruption could result in damage to

regulations relevant to our activities, as well as with our organization's internal standards, in every country in which we operate. Strauss Group managers are responsible for adhering to the enforcement plan and reporting to the managers and directors, or to the Board of Directors accordingly. Strauss Group's internal controller performs regular reviews to assess the scope of the implementation of the company's enforcement programs. We work according to our Code of Ethics, available in 11 languages, which guides our employees on the behaviors that are expected of them as a member of Strauss Group. All new employees undergo training on the Code of Ethics, and all employees receive bi-annual refresher courses. Each business unit has an



the reputation of Strauss Group and to its employees, and could culminate in punishments stipulated by law, including monetary fines or imprisonment. Violation of corruption prevention laws will lead to significant disciplinary action being taken against employees, that could include dismissal. In 2020, no significant instances of corruption or bribery were reported in the Group. Ethics, Compliance & Prevention of Corruption We make every effort to comply with the laws and

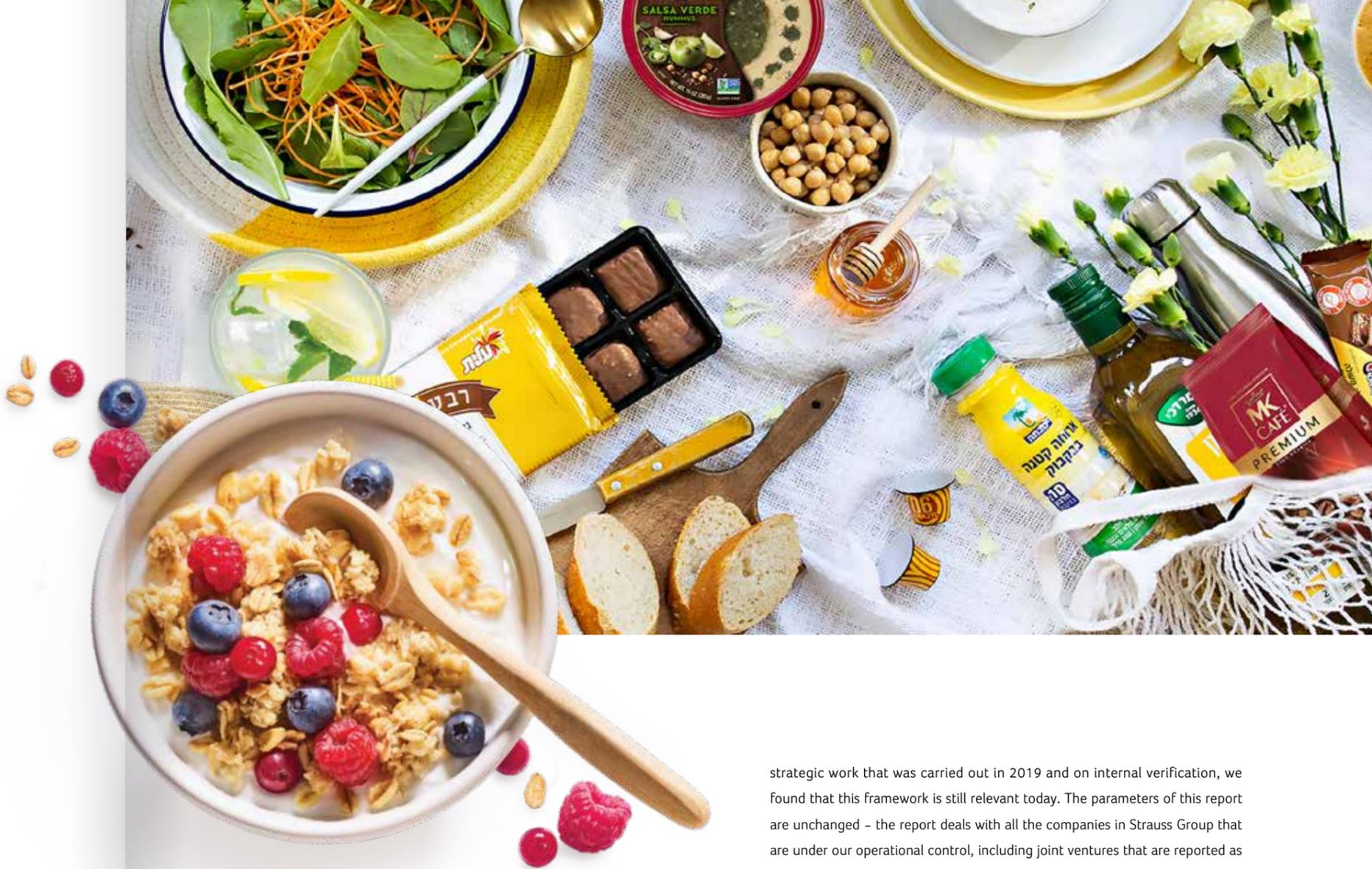
Ethics Officer who is the point of contact for employee questions and reports on suspected ethical violations. The Ethics Officers run local ethics courses and make sure that employees work according to the procedures. We run our business with integrity, without resorting to bribery. Therefore, we will not receive from or give to any person, directly or indirectly, anything of value with the intention of receiving or granting an advantage through misconduct or any other unfair advantage.

Relevant employees participate in training on Strauss Group's anti-bribery and corruption policy, on specific policies, as well as on specific procedures on the subjects of giving and receiving gifts, donations and contracting via third parties who act on our behalf. The training includes a frontal class, online training and regular updates.

The hotline for reporting potential violations of the Code of Ethics and/or laws that the Group is subject to, was established in 2009, and has been run by an internal controller since January 2011. We encourage Strauss Group employees around the world to submit reports via the hotline, without fear of retribution. As part of an upgrade of our ethics infrastructure, the hotline platform was updated, including making the website easy and convenient to use and available to all employees in a number of languages, supported internally. In 2020, no calls to the hotline were received. We transparently report on the influence of our activities in this Sustainability Report, which also serves as an annual report on our progress in the United Nations' Global Compact. We believe in transparency towards our stakeholders, and in providing all the information they require to make informed decisions regarding Strauss Group. From time to time, we publish additional reports or local reports.

Protection of Private Information

In line with the global emphasis placed on the protection of personal identifying information, we act and continue to work towards implementing the field of privacy protection in the company, including formulating policies and procedures on the subject, requiring suppliers to commit to personal privacy standards, and conducting training of employees in roles impacted by legal requirements and privacy protection regulations. In addition, we are rigorously implementing the Strauss Group Information Privacy Charter.



About the Summary of the Report

This is Strauss Group's 13th sustainability report. It describes the impact of the Group's business, social and environmental activities on its stakeholders in 2020. This report was prepared in accordance with standards of the Global Reporting Initiative (GRI): Core Option. Furthermore, the report represents the Group's annual report to the Global Compact project of the United Nations, which it has been a member of since 2008.

The information in the report refers to the 2020 calendar year. Our previous full sustainability report was published in 2020 and referred to 2019. We intend to continue to publish our sustainability report on an annual basis.

In this report, we kept to the same essential framework from 2014. Based on

strategic work that was carried out in 2019 and on internal verification, we found that this framework is still relevant today. The parameters of this report are unchanged – the report deals with all the companies in Strauss Group that are under our operational control, including joint ventures that are reported as full entities. No substantial retroactive amendments were made to data that was presented in previous reports. Minor adjustments that were made are indicated alongside the data as they are shown.

This summary, as well as the 2020 Sustainability Report are not part of Strauss Group's financial, immediate or periodic statements. In the event of a discrepancy between what is stated in this report and the aforementioned reports, the wording of the financial statements is the binding one.

We thank you for your interest in this report and welcome your feedback.

Shay Bialik

Director of Global Sustainability and Ethics, Strauss Group

Shay.Bialik@strauss-group.com

Telephone: +972-3-6752400

(she, her, hers)

<https://sustainability.strauss-group.com/>

Strauss's Substitutability Framework to Promote ESG

Strauss Group supports full transparency in presenting its activities for advocating sustainability among all member of the Group. This transparency is reflected in the rankings carried out by international and local ratings and analysis companies that analyze the Group's ESG performance in accordance with the Group's reports and this sustainability report. The dialog that takes place with these analysis companies enables learning and intensifying the activities along with effectively identifying gaps, and familiarity with the leading expectations and trends in our sphere on both the global and local levels.

In 2020, Strauss Group conducted an ongoing dialog and was ranked by several ratings and analysis bodies. We used the various groups' rankings and analyses to formulate an improvement plan and to close gaps, and this has already been partially implemented within the framework of the updated practices presented in this report.

As follows are the results of the most updated Strauss Group ESG ratings:

Protect our Planet	E (Environment)
People and Communities	S (Social)
Practice good business	G (Governance)

ESG Ratings

Ratings and Analysis Body	Score Range	Strauss 2020 Score/Rank
MSCI ESG Score	CCC-AAA	AA
SUSTAINLYTICS	0-40	30.6
Bloomberg ESG Disclosure Score	0-100	54.4
FTSE4GOOD ESG Score	1-5	2.9
Ma'ala Index	Gold-Platinum+	Platinum+

Economic Impact on Stakeholders

The bulk of the economic value we generate as a Group is rerouted to our stakeholders. About 62% of our economic value (income, interest on assets, investments) in 2020 was used for payment for products and services that we consume within the framework of our business activities. About 22% of the economic value was passed on to our employees in the form of salaries and bonuses. About 0.4% was invested directly in our communities, in the form of monetary, product and employee volunteer hour donations.

As follows is the distribution of the economic value to our stakeholders in recent years:

In Millions of NIS	2017	2018	2019	2020
Direct economic value generated by the company (income, interest on assets, investments)	5,488	5,635	5,700	5,879
Distributed Economic Value				
Operating expenses (payments to suppliers)	3,604	3,578	3,541	3,625
Employee salaries and benefits	1,212	1,277	1,273	1,277
Payments to capital providers	449	418	364	443
Payments to shareholders	228	204	254	229
Payments to governments	100	85	84	227
Investments in communities	13.3	12	14.6	25.3
Total economic value distributed	5,606	5,574	5,536	5,802
Economic value remaining in the company	-119	61	170	77

Graphic Design: Studio Merhav
Photography: DiTales studio, Ezra Levi, Achikam Ben Yosef,
Alef Farms, Shai Yihezkel, Ido Lavi

