

# STRAUSS GROUP SUSTAINABILITY REPORT 2015

## LISTENING, ACTING, IMPROVING | EXECUTIVE SUMMARY

### COMPANY OVERVIEW

<b>NAME:</b>	Strauss Group	<b>GLOBAL SALES:</b>	\$2.1 billion
<b>COMPANY HQ:</b>	Israel	<b>GROUP PRESIDENT &amp; CEO:</b>	Gadi Lesin
<b>TRADED:</b>	STRS (Tel Aviv 25)	<b>NUMBER OF SUSTAINABILITY REPORTS:</b>	9
<b>MAIN ACTIVITIES:</b>	Manufacturing and sales of food and beverage products		
<b>REPORTING HISTORY:</b>	This report is Strauss Group's ninth annual Sustainability Report		
<b>MAIN REPORT SECTIONS:</b>	<ul style="list-style-type: none"> <li>• Performance versus our Sustainability Strategy 2020</li> <li>• Impacts on our stakeholders in three strategic pillars: colleagues, consumers, citizenship</li> <li>• Confirmation of commitment to the UN Global Compact</li> </ul>		
<b>REPORTING FRAMEWORK:</b>	Our entire global operations, including partnerships with operational control		

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In the past year, our activities have focused on strengthening relationships with our stakeholders. All the companies in the Group have started to embed a holistic approach based on the concept of “social license to operate”.

We have intensified our investment in improving our service for our consumers. We promote healthy nutrition to our consumers and have improved the nutritional profiles of tens of products in our portfolio with an emphasis on reducing added sugar and salt. We have implemented several efficiency initiatives with an aim to reduce the prices of products in selected categories in Israel – and we reduced our prices in prominent categories in order to make our products more accessible to consumers. We have invested millions of shekels in making our portfolio of products accessible to those with special dietary needs, including increasing our range of gluten free products

and tens of product lines which are certified with the highest level of Kosher certification. We have increased our investment in our own organizational development with an emphasis on advancing diversity, equal opportunity and gender balance. We also allocated resources to a new social program for Strauss employees in Israel to reduce social inequalities by helping them to cope with the increasing cost of living. We continued to invest in improving our environmental infrastructure throughout the Group.

The review of our activities in this report is a part of our journey of continuously listening, acting and improving. I invite you to engage in dialog with us and send us your feedback.

**Gadi Lesin**  
President & CEO, Strauss Group

### SUSTAINABILITY STRATEGY 2020 AND MATERIAL IMPACTS

The six material impacts that form the foundation of our 2020 Sustainability Strategy are:

**Advancing healthy lifestyles:** improving quality of life for our colleagues and consumers

**Ethical supply chain:** managing social and environmental risk

**Product transparency & responsible marketing:** helping consumers make informed choices

**Diversity in everything we do:** supporting innovation, creativity and inclusive opportunity

**Reducing resource consumption & waste:** preserving the planet

**Engaging our employees and aligning our organization to meet sustainability goals**

#### Social License to Operate

In 2015, we developed and started to adopt our management approach of “Social license to operate”. By adopting this approach, we aspire to embed in our organization a management culture characterized by close, long-term relationships with our stakeholders and in consideration of stakeholder needs and expectations from us as a food and beverage company.

## WITH OUR COLLEAGUES

### For a better society- our new social program in Israel

The purpose of this long-term strategic program is to assist employees to cope with the cost of living and provide them with benefits that will assist them in improving their financial circumstances. This program is the direct continuation of measures of recent years that included a wage increase for employees and additional benefits. In 2016, we expanded the program in three main areas: Establishing a minimum salary at Strauss at least \$77 above the legal minimum wage in Israel, contribution to child day-care and the opportunity to contribute to a long-term savings fund with matched contributions by Strauss.

### Women and leadership at Strauss

Since the launch of our gender balance initiative in 2012, we have achieved a consistent annual improvement in the number of women in management roles. In 2015, 42% of our managers in the Group were women, versus 36% in 2011.

### Diversity

In 2015, we collaborated with several organizations to advance hiring and placement of employees from the Arab and Jewish Orthodox populations in Israel

## CONSUMERS AND HEALTHY LIFESTYLES

### Reducing sugar and salt

Between 2012 and 2015, we have reduced levels of added sugar by 15-35% in a range of products in different categories.

### Gluten-free and strictly Kosher products

We have expanded our range of products that are gluten-free to more than 100 products and we increased to 80% of our products the number of products that are certified to the highest Kosher certification in hummus products.

### Natural products

We launched a new range of products under the Yad Mordechai brand that include only natural ingredients, with no artificial colors or preservatives and Sabra in the U.S. has started using only non-GMO ingredients in hummus products.

### Price reductions

In 2015, we implemented in Israel a set of list price reductions on a range of leading products at a rate of 2.5% to 22.8%. These price decreases are the result of a management decision at Strauss

Israel to advance efficiencies in our manufacturing operations while retaining product quality and added value of our products for our consumers.

### Innovation

We launched The Kitchen, our food-tech incubator with an aim to develop breakthrough food technologies that will improve food manufacturing processes.

### Responsible marketing charter

In 2015 we launched our ethical marketing charter which defines the guidelines for all marketing and advertising activity. The Charter applies to all marketing professionals at Strauss across all media channels, and also to our suppliers.

## ENVIRONMENT AND COMMUNITY

### Our environmental performance

(compared to base year 2013)

↓ Reduction of energy consumption by 13.3% per ton of product

↓ Reduction of 30.2% greenhouse gas emissions per ton of product

↓ Reduction of 15.4% in water use per ton of product

### Yotvata milk bottle

In 2015, we launched our plastic Yotvata milk bottle. This enabled us to improve production and transportation efficiency and reduce our environmental impact, passing on savings to our consumers of 17.5%.

### Recycling and energy efficiency

Our recycling program at Strauss Water enables our customers to assist in the recycling of non-degradable components of our WaterBars, and recycled coffee remains are used to produce organic fertilizer at our Brazilian coffee factory. We installed a real-time energy measurement system in our Israeli factories to help improve process efficiencies.

### Procurement

In Sabra in the U.S., we started a new initiative to develop local growing of sesame seeds. In 2015, we purchased green coffee representing 10.2% of our total coffee requirements at Strauss (excluding Brazil).

### Community investment

In 2015, Strauss Group invested \$3.1 million in our communities. Strauss Group employees donated 20,330 hours of volunteering time.