



# Driven by Responsibility

## Strauss Group Sustainability Report 2013



# Executive Summary

For the full report: [www.strauss-group.com](http://www.strauss-group.com)

## Company Overview

<b>Name:</b>	Strauss Group	<b>Global turnover in \$:</b>	2.35 billion
<b>HQ location:</b>	Israel	<b>Global employees:</b>	13,500
<b>Publicly Traded:</b>	STRS (Tel Aviv 25)	<b>CEO:</b>	Gadi Lesin
<b>Key activity:</b>	Manufacturing and sales of food and beverage products		
<b>Reporting history:</b>	This report is Strauss Group's seventh annual Sustainability Report		

## Report Overview

<b>GRI:</b>	Yes	<b>Period covered:</b>	2013 calendar year
<b>GRI standard:</b>	G4	<b>Format(s):</b>	PDF and web
<b>GRI level:</b>	Core	<b>Length:</b>	105 pages
<b>Sector supplement:</b>	Food and Beverage	<b>External assurance:</b>	No
<b>Number of performance indicators fully reported:</b>	27	<b>Material issues:</b>	6
<b>Global Compact statement:</b>	Yes		
<b>Key report sections:</b>	<ul style="list-style-type: none"> <li>• An overview of Strauss Group's business and sustainability management.</li> <li>• Our efforts to improve the lives of our stakeholders by managing our impacts and creating value focusing on six priority issues.</li> <li>• Information regarding our dialogue with stakeholders, governance, ethics and information about our sustainability reporting.</li> </ul>		
<b>Report boundary:</b>	All global operations including joint ventures under operational control.		

## Leadership statement – key messages

“Improving lives” is the theme that runs through this Sustainability Report as we continue to be Driven by Responsibility to make a positive contribution to people, society and the planet. 2013 was a landmark year in our sustainability journey, as we completed our group 2020 Sustainability Strategy and became early adopters of the Global Reporting Initiative G4 sustainability reporting framework, aligning our reporting with current leading global practice in transparency and accountability. In 2013, as in previous years, we continued to face economic, political, social and environmental challenges. However,

new opportunities contributed to our continuous business growth, maintaining Strauss Group global sales at more than \$2.35 billion, delivering more than \$220 million in operating profit, and achieving growth in all product categories. Our new Sustainability Strategy includes 15 targets that will drive performance improvements in relation to our employees, our consumers and the way we maintain an ethical supply chain and contribute to our communities. The strategy will guide our sustainability efforts through 2020 as we continue to improve people's lives.

**Ofra Strauss**  
Strauss Group  
Chairwoman

**Gadi Lesin**  
Strauss Group President  
and CEO

**Mike Avner**  
General Counsel  
and CR Officer

**Daniela Prusky-Sion**  
Global Corporate  
Responsibility Manager

# Report sections



## Our sustainability strategy 2014-2020

This section describes the way we developed our 2020 Sustainability Strategy and provides relevant context, explanation of the strategy elements and defines long term targets. The strategy is based on three degrees of impact - Colleagues, Consumers and Citizenship – with 15 targets. The targets expect us to “meet” basic sustainability performance requirements as an ongoing fundamental part of our approach, “exceed” prior performance in critical areas such as environmental efficiency and employee development, and “lead” with strong performance in three overarching areas for the group: employee wellness, supplier diversity and supporting healthy lifestyles.

## Priority sustainability issues

Our 2013 report focuses on the six core issues we identified as representing the most important impacts of our business and their relevance to our stakeholders. These issues were prioritized following consultation with stakeholders, and review by our management, and are aligned with our Sustainability Strategy. In line with the GRI G4 framework, these issues formed the basis for developing the content of this report, and for selecting G4 performance indicators. Our six priority sustainability issues are:

- Advancing healthy lifestyles
- Diversity in everything we do
- Product transparency and responsible marketing
- Engaging our employees
- Reducing resource consumption and waste
- Ethical supply chain

## Reporting our priority issues

This part of the report is comprised of 6 sections reflecting the issues noted above, providing the sustainability context for each issue and how it corresponds with our Sustainability Strategy. Each section provides information about how Strauss Group manages the impacts associated with these material issues.

**Healthy lifestyles:** This is an overview of Strauss Group’s activities and performance with regard to impacts on consumers and their healthy lifestyles. We describe our multi-year plan for reformulating products to reduce salt, fat and sugar content, offering product choices that help maintain healthy lifestyles, as well as offering new fortified and functional products. Notable results include a 20-25% reduction of added sugar in fruit yogurts and yogurt beverages, new Country Hummus with 40% less fat, new coffee products that provide health and lifestyle benefits, and more than 30 new products or product variants to improve the quality of life for consumers in Israel.

Strauss Israel also invests in nutritional education and research through the Strauss Institute, awarding over \$50,000 in grants to four students interested in examining the link between nutrition choices, food ingredients and health.

**Product transparency:** This section refers to how we manage our relationships with consumers and customers and provide transparent and accessible product information, engaging in open dialogue, and address feedback to improve our performance. In 2013, 154,000 consumers contacted our consumer service through our call center and its digital platforms, and 85 percent of consumers confirmed our call-center responses are very good or excellent.

**Engaging our employees:** We align our organization by embedding our values, caring for our employees’ safety and wellbeing, investing in developing their capabilities and rewarding them for their efforts. A global employee engagement survey conducted in 2013 demonstrated engagement scores of 75% to 92% across Strauss Group companies. In 2013, we invested over 190,000 hours of training for more than 10,000 employees, and focused on improving the capabilities of our employees in an automated work environment. We launched the “Planning for the Future” initiative to educate employees about retirement provisions and provide them with tools to make informed decisions. We remain committed to providing a safe and healthy work environment and strive to continuously improve safety performance. Our injury rate per 100 employees reduced by 0.47% in 2013 at a global level, with Israel recording a 29% reduction in workplace injuries (1.62% reduction in injury rate).



**Diversity in everything we do:** We advance diversity by focusing on three key areas. This section provides an overview of our activities:

- **Colleagues** - Advancing women in management: In 2013 women represented 41% of our global workforce and 39% of managers.
- **Consumers** - We develop products to support diverse health and dietary needs, and communicate with diverse populations in a way that respects their values and culture.
- **Citizenship** - We advance supplier diversity, focusing on women-owned businesses and generally supporting women in our communities. A survey of 2,500 suppliers of Strauss Israel demonstrated that 9% of our suppliers are woman-owned businesses. In the community we are active in supporting the advancement of women from diverse backgrounds through our work with Jasmine, Catalyst, and other organizations. Furthermore, in 2013, we awarded \$26,000 in scholarships to 16 young women from diverse backgrounds.

**Ethical supply chain:** We aim to maintain an ethical supply chain both to ensure business continuity and mitigate risks, and to address stakeholder demands relating to human rights and environmental stewardship. In 2013, 44% of suppliers in Israel signed our Social Charter, signifying their commitment to adopt the standards of corporate responsibility required by Strauss Group. We continue to invest in sustainable sourcing of coffee and cocoa. In 2013, 6% of coffee procurement for our European and Israeli factories was sustainable coffee verified by the 4C Association, and 100% of cocoa in Strauss Israel, and 59% of cocoa purchased by Max Brenner is sourced sustainably.

**Managing resource consumption and waste:** We continue to invest in improving our environmental management infrastructure, investing \$9.67 million in 2013, a 63% increase over 2012. We invest in food-tech innovation through our Alpha Strauss initiative. To date, Alpha Strauss has screened over 500 technologies, 20 are in development, and 4 technologies are close to operationalization. We continue to focus on improving our environmental performance at our factories. For example, in our Karmiel factory, on a per ton of product basis, energy consumption reduced by 9%, water consumption reduced by 6%, and greenhouse gas emissions reduced by 4%. However, overall, due to the addition of new facilities, we record increases in certain environmental impacts:

- Energy consumption increased by 9% per ton of product.
- Water consumption increased by 8% per ton of product.
- Greenhouse gas emissions decreased by 1% per ton of product.
- Tons of waste to landfill decreased by 19%.

## Engaging stakeholders

This part of our report provides an overview of the way we engage with our stakeholders, and contains information about our governance, ethics and reporting:

**Stakeholder dialogue:** We employ a 360 degree approach to stakeholder dialogue that includes providing managers with tools to better engage with internal and external stakeholders, and consider their perspectives in decision-making processes. In 2013, we reached more than 80,000 consumers in Israel in more than 30 specific unique market research initiatives, and over 7 million consumers engaged with us through our digital platforms. We continue to be involved in our communities, supporting a range of social causes with a focus on employment for diverse populations and women's empowerment. In 2013, the level of support we provided increased by 36% to \$3.41 million, which includes 23,000 hours employee volunteering hours globally.

**Governance and ethics:** The Strauss Board of Directors is comprised of 12 members, of which 5 are women (42%). Corporate Responsibility at Strauss Group is managed by a senior VP and a full-time CR manager. 35 Social Responsibility Trustees representing business units from all Strauss Group companies help manage CR activities in their operations. We continue to invest in ethics and compliance, and in 2013, we launched a computerized learning module to refresh knowledge of our Code of Ethics. 1,500 employees in Israel completed the module in 2013. 23% of our sites and business units worldwide underwent an audit in 2013 to monitor legal compliance and adherence to internal company policies.

**About our reporting:** This section describes the parameters and process for developing the report, the scope of the report, and lists all the disclosures in the Global Reporting Initiative (GRI) Index, and cross-references these to the United Nations Global Compact principles.

**Feedback:** We welcome feedback. Please send your comments to: [Daniela.Prusky-Sion@Strauss-Group.com](mailto:Daniela.Prusky-Sion@Strauss-Group.com)