

2025 ESG Report





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Introduction



Message from our CEO and General Counsel



Dear Stakeholders,

We are pleased to present Strauss Group’s ESG Report for 2025, another year marked by significant challenges on national, business, and personal levels. Geopolitical uncertainty, and ongoing volatility across global markets affected our people, communities, and value chains. Throughout this period, we remained guided by our purpose: Nourishing a Better Tomorrow, together with our values of agility, responsibility, and a deep commitment to all our stakeholders, first and foremost our people around the world.

In 2025, we defined a new vision for the next decade: co-creating and delivering bold nourishment through loved local brands around the world. With this vision in mind, we updated our sustainability 2030 strategy according to the **Strauss Sustainability Value Squared (SV²)**. At its core is a principle that has guided us for many years: Sustainability is when value is created for both society and our business. This principle now serves as a framework for how we allocate resources, manage risks, and pursue growth opportunities across the Group. As a leading food and beverage company, it helps us build supply chain resilience, support sustainable agriculture, respond to changing consumer expectations, and create long-term value.

This approach shaped many of our actions during the year. We invested in capabilities that support both our business and the regions in which we operate, including the opening of the Michael Campus in northern Israel, which was undertaken during a particularly challenging time in the country, and improving our operational efficiency and business continuity while contributing to regional growth and recovery.

We advanced innovation across our portfolio, improving nutritional profiles, achieving our 2025 sugar and sodium reduction targets, and

expanding solutions that address diverse consumer needs. During the year, we introduced innovative product lines, such as CowFree dairy alternatives and tami4shabbat, reflecting our commitment to broadening consumer choice while supporting the long-term competitiveness of our brands.

Across our operations and value chain, we advanced initiatives that improve environmental performance and long-term sustainability. We strengthened responsible sourcing and traceability practices, expanded circularity, and increased resource efficiency across our operations. We are proud that during the year, 95% of our waste was diverted from landfill, supporting both environmental progress and more efficient use of resources.

We also placed significant focus on developing our people. During a period of rapid technological change, we expanded leadership capabilities, broadened professional development programs, and accelerated AI learning and adoption across the organization. By building future-ready skills and expertise, we help our people succeed while developing the capabilities our business will require in the years ahead.

Our commitment to social impact remained equally important. In Israel, we assisted communities affected by the war and launched “A New Taste for the North”, a flagship initiative designed to advance economic recovery and social resilience in northern Israel through investment in local food and culinary businesses. In Ukraine, we supported employees, families, and local stakeholders facing the ongoing impacts of the war. In Brazil, together with our partners at Sao Miguel, we continued to strengthen inclusive economic growth by empowering women and Indigenous coffee growers while investing in workforce innovation and digital capabilities.

Looking ahead, we will continue embedding sustainability into our strategy, operations, and decision-making processes. Our experience reinforces the principle that sits at the heart of SV²: the strongest outcomes are created when business values and corporate responsibility advance together. We believe this approach will help us build a stronger business while contributing to a more sustainable future for the people, regions, and environments connected to Strauss Group.

Thank you to our people, farmers, suppliers, customers, partners, and communities for their trust, partnership, and commitment. Together, we advance our shared purpose of nourishing a better tomorrow.

Shai Babad
CEO and President,
Strauss Group

Yael Nevo
EVP, General Counsel & Corporate Secretary,
Strauss Group



2025 ESG Highlights

Nutrition & Health

- **41%** vegan products (Strauss Israel)
- **71%** gluten-free products (Strauss Israel)

Climate & Environment

- **95%** of waste diverted from landfill
- **4B** plastic bottles saved annually (33 tons) via Strauss water purifiers
- **86%** of purchased packaging materials are recyclable

Sustainable Agriculture and Responsible Sourcing

- **81%** of Strauss Group suppliers were local
- **100%** of milk suppliers participated in our sustainable dairy programs

People & Communities

- **Over 800** machine operators participated in in-depth skills mapping process
- **NIS 14.9M** donated (cash and equivalents)
- **48%** management roles held by women (excl. JV in Brazil)

Governance

- **89%** board meeting attendance
- **67%** board seats held by women (as of 31.12.2025)
- **95%** completion of ethics training (relevant roles)





About Strauss Group

Our Purpose: “Nourishing A Better Tomorrow”

Our purpose is “Nourishing A Better Tomorrow,” which stands for a promise to leave a positive mark on the world through food, beverages, and other means. We strive for a world where people live in an equal and supportive society, in a sustainable environment, that will continue to thrive for future generations. Our purpose unites the Group around a shared path and values and serves as the North Star in all of our activities.

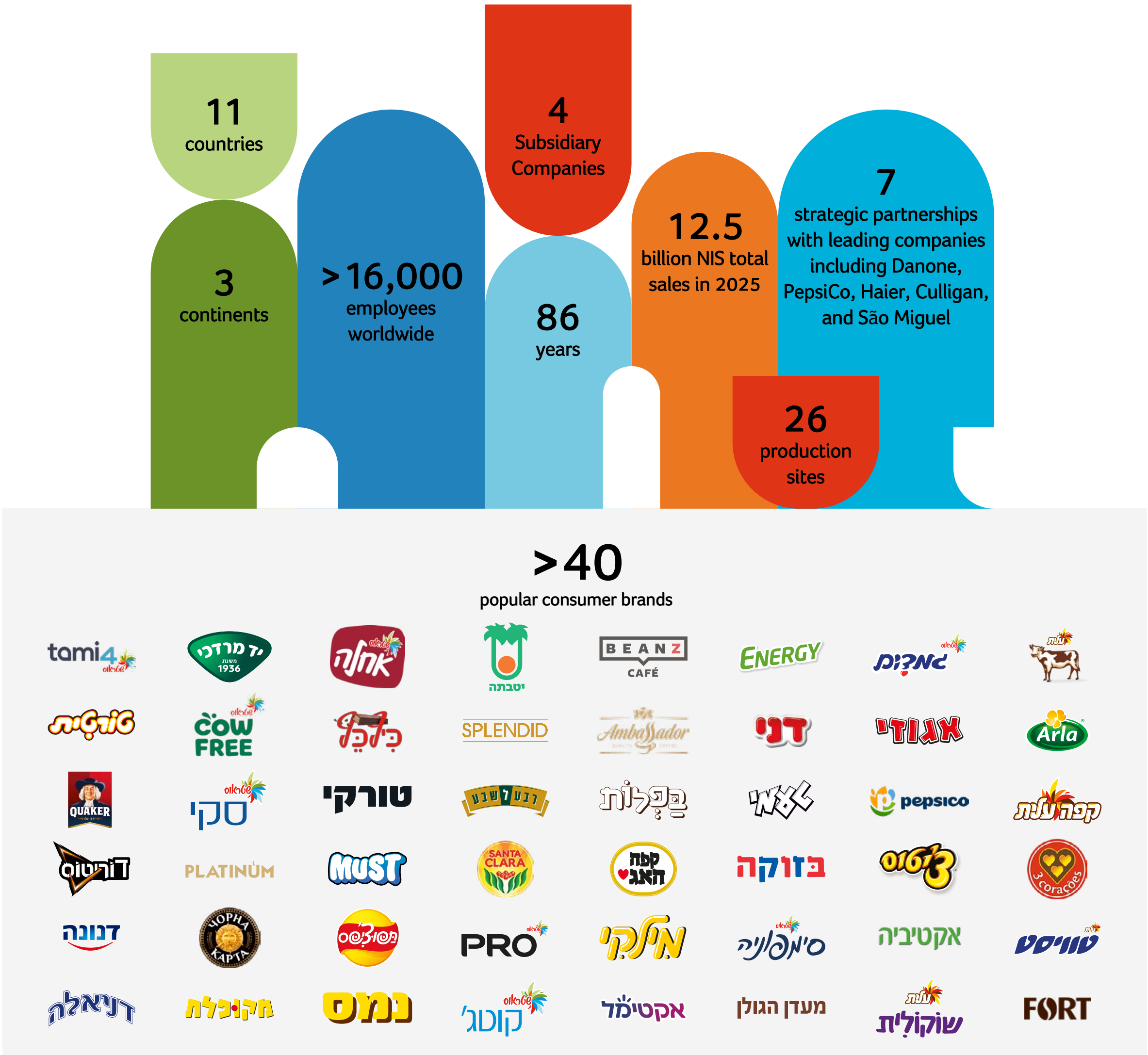
Major Business Units

Strauss Israel	13 sites
	11 operational areas (e.g. dairy, chocolate & confectionery, salads)
Strauss Coffee	Top 3 in the world 8 countries
Strauss Water	#2 in China
	#1 in Israel

Strauss Group is an innovative, international food and beverage group. Throughout our 86-year history, we have developed and nurtured an ever-expanding range of products that include fresh food, coffee, water, and health and wellness products, all aimed at meeting rapidly changing consumer needs.

Our dedication to our promise of “nourishing a better tomorrow” underpins every business decision. We constantly focus on building a better future for people and the planet, through sustainable and responsible practices and high-quality products.

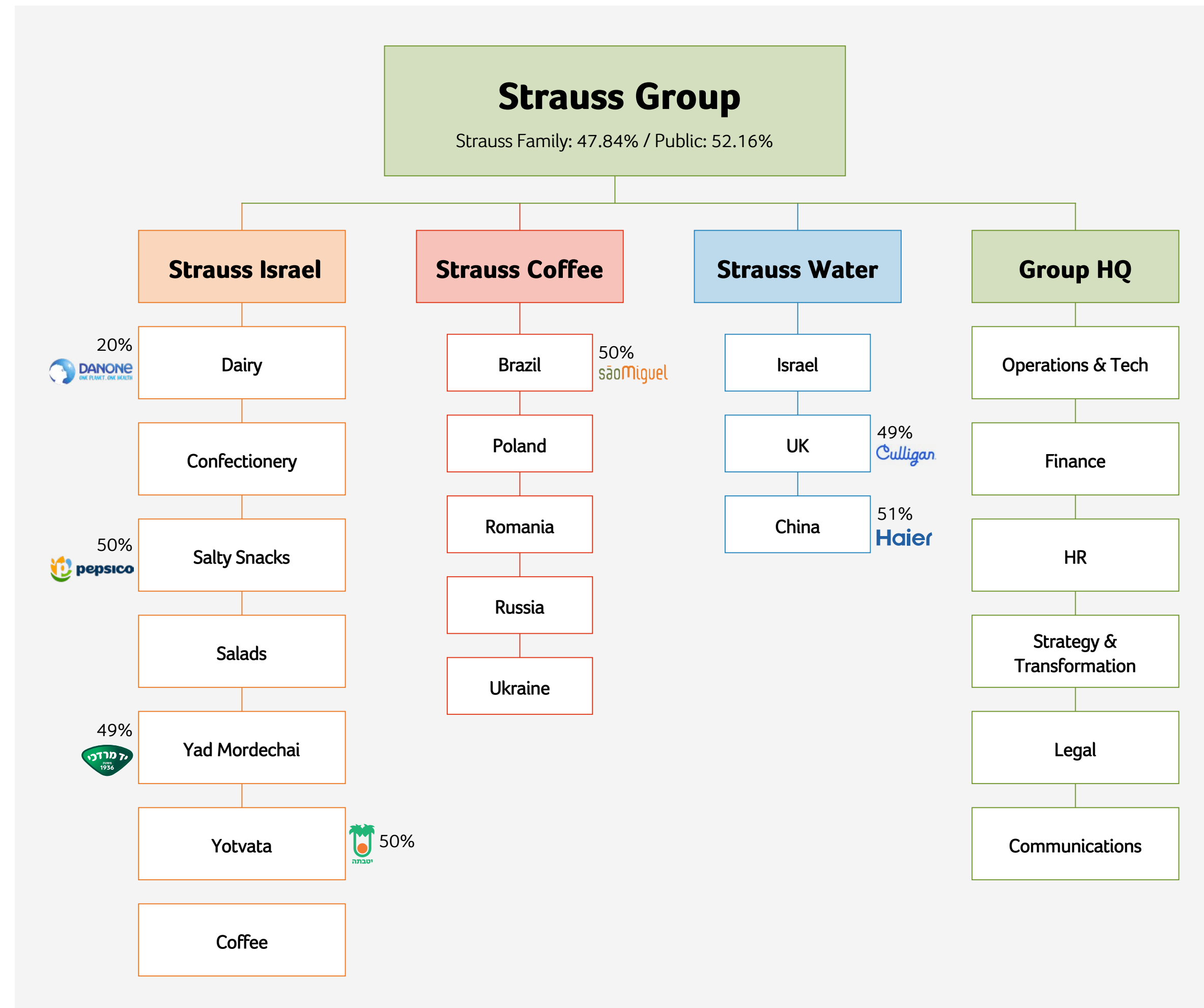
The company is headquartered in Israel and trades on the Tel Aviv 35 Index.



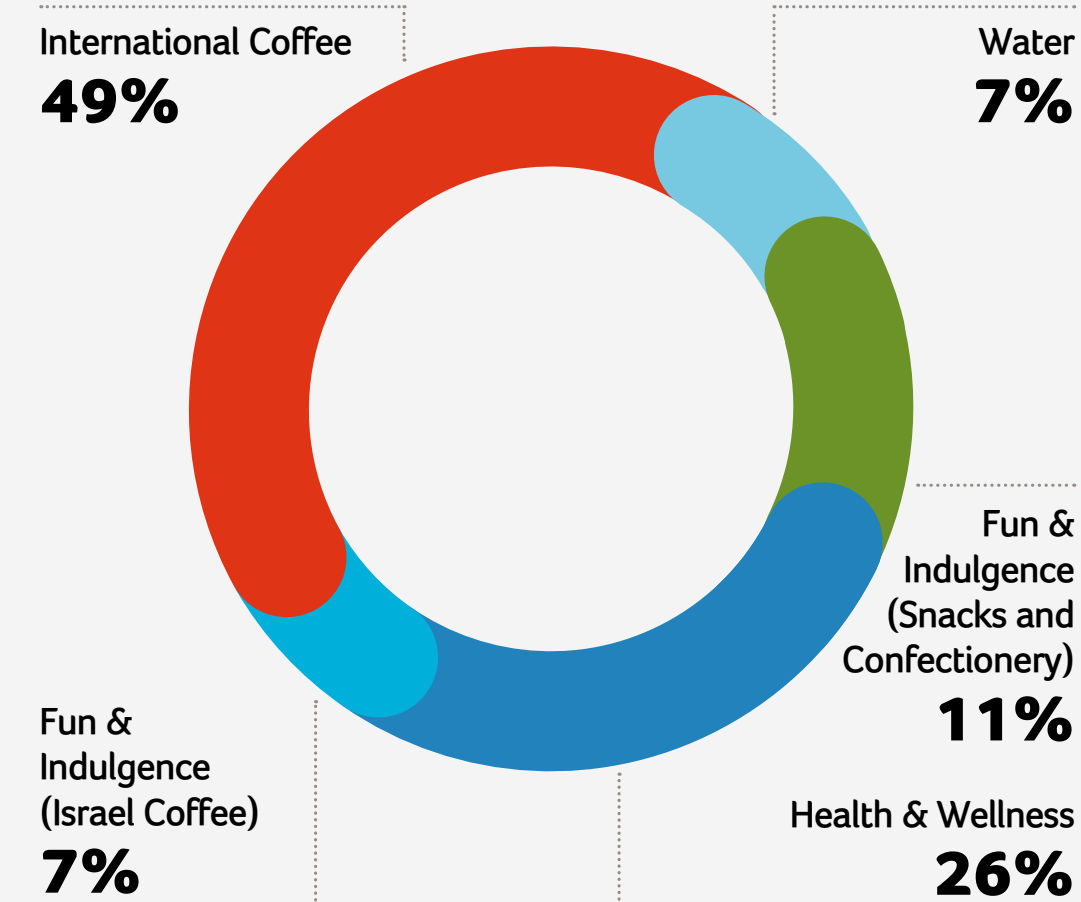
Economic Impact

Millions of NIS	2022	2023	2024	2025
Direct economic value generated by the company (income, interest on assets, investments)	6,114	6,878	7,659	7,880
Distributed Economic Value				
Operating expenses (payments to suppliers)	4,271	4,473	4,799	5,355
Employee salaries and benefits	1,342	1,425	1,437	1,485
Payments to capital providers	-22	775	31	694
Payments to shareholders	327	38	320	416
Payments to governments for taxes, etc.	111	107	123	105
Investments in communities	23.6	21.9	20.7	15
Total economic value distributed	6,029	6,818	6,731	8,070
Economic value remaining in the company	85	59	927	-190

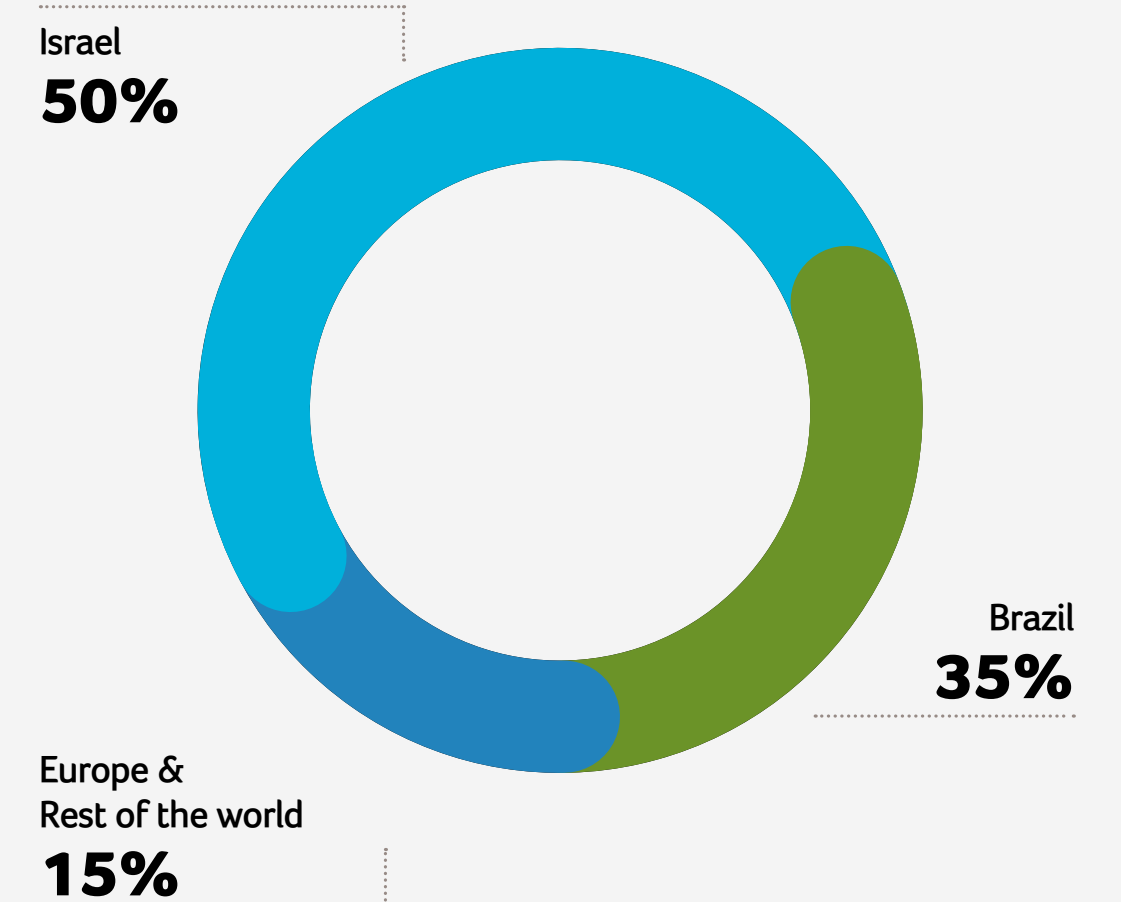
Strauss Group Organizational Structure



2025 Sales by Operating Segments



2025 Sales by Geography



Our Vision

In 2025, we defined our vision for the coming decade: “Co-create and deliver bold nourishment, to scale loved local brands for people around the world.” This vision guides our strategic direction and reinforces our focus on innovation that creates business, social, and environmental value. By developing and scaling well-loved local brands, we seek to meet evolving consumer needs across international markets while continuing to grow as a global company. In the spirit of this vision, we will formulate our strategy for 2027–2030 in 2026. We also carried out a strategic review of our coffee companies in Eastern Europe, which was approved by the Board of Directors.

Updated Business Strategy – 2024–2026

We regularly review our strategic plans and update our goals according to changes in the business environment and internal events within the Group. In recent years, significant changes have occurred in the external environment, alongside our own internal challenges, leading us to update our strategy for 2024–2026.

In March 2024, our Board of Directors approved an update to the strategy as outlined below:

We aim to strengthen and grow our base in Israel, expand our coffee business, and grow in the international water market. In parallel, we plan to invest in infrastructure and the Group’s capabilities, to ensure excellence in our performance and the quality of the products and services we provide to all our stakeholders.

This strategy is built on three main pillars:

- (1) Renew the Core – Renew and strengthen the core business as defined by the Group.
- (2) Expand & Build – Expand existing activities and create infrastructure for future growth drivers.
- (3) Transform – Significantly strengthen the Group’s resilience to ensure improvements in productivity and profitability, alongside business excellence.

**“I don’t want to be the biggest,
I want to be the best at what we do.”**

Michael Strauss

We Strive to Offer a Healthy Portfolio for Balanced Nutrition

~15%
Fun For You

Salty and Sweet Snacks,
Dairy Desserts



~85%
Good For You

Nutrition Dairy, Dips and
Spreads, Coffee, and Water

Sustainability at Strauss Group

Our purpose, Nourishing a better tomorrow, reflects not only what we aspire to achieve, but also how we choose to operate our business every day. At Strauss, sustainability is not a separate discipline or standalone initiative – it is embedded in the way we manage our company.

Nourishing a better tomorrow

Across nearly every business activity, ESG principles are inherently reflected in the way we engage with our employees, support our communities, collaborate with suppliers, drive operational excellence, ensure quality and transparency, and continuously improve the efficiency and resilience of our value chain.

The different dimensions of our strategy naturally embody a wide range of sustainability aspects, from improving and expanding access to products for diverse populations, to advancing responsible operations, reducing impacts, promoting innovation, and strengthening people and communities.

For us, ESG is a way of operating our business responsibly, transparently, and with a long-term perspective. It is how we create value while contributing to a healthier, more inclusive, and more sustainable future for people and the planet.



Sustainability Strategy and Materiality

In 2025, we updated and refined our Sustainability Strategy in a year-long, organization-wide process. We engaged senior leadership and business units across the Group, revisited our material issues, and analyzed regulatory, financial, and stakeholder expectations. This process sharpened our priorities and further strengthened the connection between sustainability and our core business activities.

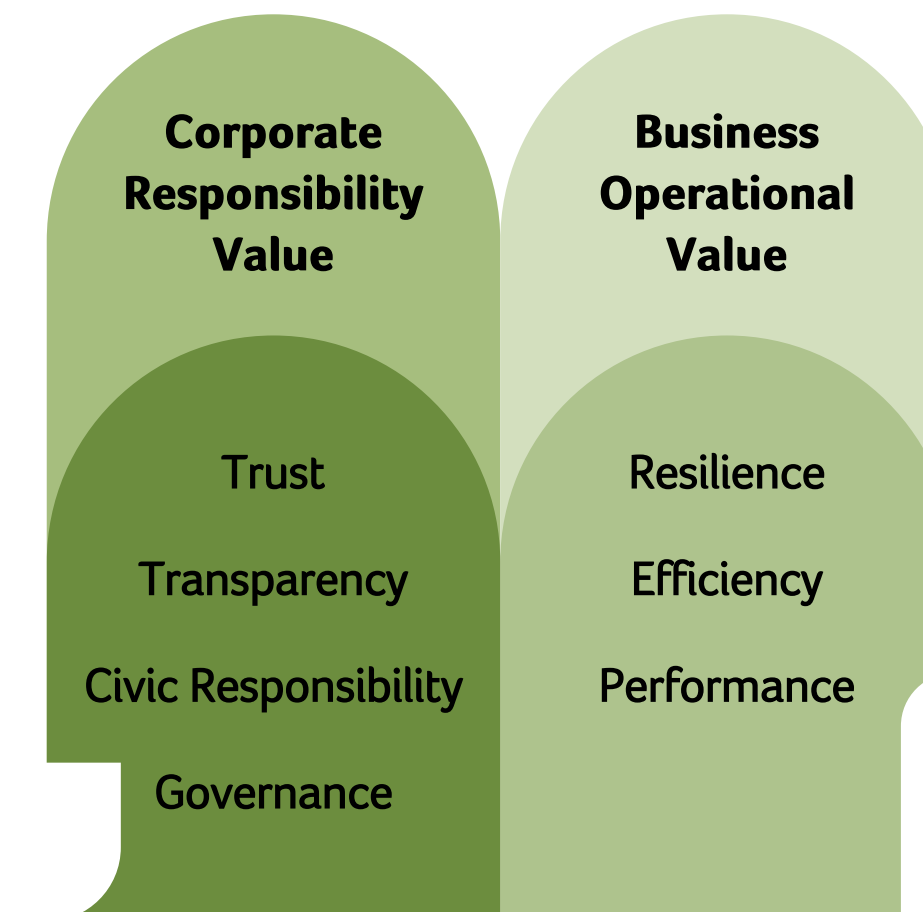
We conducted comprehensive internal reviews across business units and functions, including global operations, supply chain, quality, marketing, innovation, HR, and legal, examining how sustainability is reflected within daily decision-making. This review revealed that sustainability is often embedded within operational excellence activities, enabling us to build on existing practices while identifying gaps and opportunities.

In parallel, we conducted a broad benchmark assessment of global food and beverage peers, financial market expectations, climate risk assessments, and regulatory developments. This external perspective supported alignment with evolving sector risks, investor expectations and the broader operating environment.

Strauss Group is currently undertaking an update of our overall corporate strategy. As this process evolves, we will continue to assess its implications for our Sustainability Strategy, ensuring ongoing alignment between sustainability priorities and the Group's strategic direction. Where relevant, sustainability targets and commitments may be refined to reflect the updated corporate strategy.

Introducing: SV² – Strauss Sustainability Value Squared

SV² – Strauss Sustainability Value Squared – defines our approach: every sustainability initiative is designed to deliver double value, an integrated driver of responsible growth.



SV² centers on four global pillars: Nutrition and Health; Climate and Environment; Sustainable Agriculture and Responsible Sourcing; and People and Community. Together, these pillars translate our purpose: “Nourishing a Better Tomorrow”, into focused priorities, guiding our investments, and evolving measurement frameworks across the Group.

Material Topics

As part of our strategy update, we revisited the material topics from our formal materiality assessment.

This process resulted in 11 material issues across our value chain. We embedded these topics into our strategic pillars, where they guide our priorities, actions, and measurement frameworks, as follows:

Sustainability Pillars & Material Topics

Corporate Citizenship and Governance

Nutrition and Health

- Food Quality, Safety and Excellence
- Diverse and Personalized Nutrition
- Clean, Safe Water

Climate and Environment

- Operational Efficiency
- Carbon Emissions Management
- Food Waste Reduction
- Packaging, Waste Management and Circular Economy

Sustainable Agriculture and Responsible Sourcing

- Raw Material Management
- Sustainable (Regenerative) Agriculture

People and Communities

- Our People
- Local Communities

Corporate Citizenship and Governance is our overarching framework, guiding all four pillars through shared principles, policies, and oversight. Unlike the focus areas for each of the four main operational pillars which are fixed, the focus areas for the Corporate Citizenship umbrella adapt depending on which pillar they are being paired with, helping connect our business priorities with broader corporate-civic responsibilities. Through this framework, we integrate key topics such as human rights, consumer transparency and responsible marketing, supply chain responsibility, social resilience, innovation, climate responsibility, and the responsible use of natural resources across the relevant pillars of our sustainability strategy.

This structure reinforces our solid foundation of integrity, transparency, and accountability, and our commitment to generating double value (SV²).



Strauss Group Sustainability Vision, Goals and Targets

Corporate Citizenship

Vision

To serve as a solid foundation of responsible management, with a company culture that is upright, transparent, and accountable, fostering trust between the company and its stakeholders and supporting healthy, long-term business management.

Goal

To assimilate a value-based, strong and ethical corporate culture systems, to ensure discovery of failures, to protect against exposures, to protect human rights and privacy, and to manage risks in a responsible manner in company activities and throughout the value chain – thus building trust and maintaining the highest ethical standard across all company stakeholders.

Nutrition and Health				
Vision & Goal	Topic	Business Value	Corporate Responsibility Value	Targets
To be a leading and innovative food and beverage company by developing functional food products tailored to diverse populations and lifestyles, while addressing unique nutritional needs. Alongside this, we are committed to responsible communication, fostering professional relationships with the professional community, and supporting the promotion of healthy lifestyles within the community.	Developing & Improving Products According to the Nutritional Strategy, Addressing Populations with Specific Nutritional Requirements	Developing a product portfolio tailored to diverse nutritional needs, lifestyles, and population groups.	Contributing to healthier, more inclusive and resilient communities through accessible nutrition, responsible communication, and improved wellbeing for people across all stages of life.	• We will gradually improve the nutritional profile of our products by reducing sugar and sodium across relevant categories and expanding our portfolio of reduced-sugar products. We will maintain the majority of our sales without a red nutritional label (≥65% of sales value), ensure that 100% of our products remain free from aspartame, sodium benzoate, and harmful food colorants, and introduce at least 10 innovative SKUs containing functional ingredients that enhance the nutritional value of our products by 2030. • Promote portion-controlled consumption by offering products from our savory snacks, confectionery, and dairy businesses in portions of up to 200 calories or in resealable packaging (100% of confectionery and savory snacks sales, 70% of Yotvata sales, and 84% of Ahihud Dairy sales). • Maintain and expand our portfolio of products that address diverse consumer needs, including vegan, no-added-sugar, sugar-free, gluten-free, low-lactose, and lactose-free products, while strengthening growth categories such as plant-based foods and alternative proteins. • Allocate approximately 10% of our marketing budget to initiatives that promote sustainability agendas.
	Clean, Safe Water	Ensure access to safe, high-quality, and sustainable water for everyone, through innovation and long-standing expertise that deliver pure, high-quality water, anytime and anywhere it is needed.	Access to clean and safe water	• Make purified, high-quality water accessible to everyone through convenient, innovative, and affordable solutions. • Encourage water consumption as the foundation of a healthy lifestyle and supporting increased daily hydration. • Reduce the use of single-use plastic bottles through sustainable water solutions. • Promote awareness and adoption of reusable bottles to support environmental protection and enable greater water consumption outside the home. • Expand operations in China toward a sustainable production model, including reduced resource consumption, technological innovation, and strengthened local partnerships.

Climate and Environment

Vision & Goal	Topic	Business Value	Corporate Responsibility Value	Targets
Lead responsible business operations that promote the preservation of natural resources, reduce environmental footprint, and demonstrate a commitment to future generations. Reduce greenhouse gas emissions, conserve water and energy resources, prevent waste and pollution, and transition to renewable energy-based and circular economy models, while collaborating with suppliers, employees, and local communities.	Operational Efficiency	Manage resources responsibly and increase the use of renewable energy across all operations.	Manage finite natural resources responsibly and contribute to their long-term preservation.	- Gradually increase the use of renewable energy. - Achieve a cumulative reduction of approximately 15% in energy intensity (per ton product) by 2030. - Ensure responsible water resource management across operations, including a gradual reduction of sodium concentrations in wastewater. - Reduce the share of waste sent to landfill by 70% by 2028 and by 85% by 2030 compared to the base year.
	Carbon Emissions Management	Reduce greenhouse gas emissions across the entire value chain.	Building resilient supply chains and advancing climate action through transparency, accountability, and responsible business practices.	- Gradually reduce Scope 1 and Scope 2 emissions intensity by 2030. - Reduce our carbon footprint across the value chain (Scope 3 emissions).
	Food Waste Reduction	Reduce food loss and waste across the entire value chain—from raw materials to finished products.	Use food resources responsibly and ethically.	- Consistently reduce the Cost of Poor Quality (CoPQ) associated with food loss and waste, targeting an average annual reduction of approximately 7%–10% and a cumulative reduction of approximately 35% by 2030.. - Ensure that 90% of operations are managed with ongoing monitoring and control of food waste by 2030, including real-time identification of critical waste points by 2028.
	Packaging, Waste Management and Circular Economy	Reduce the use of virgin plastic and increase the use of recyclable materials and materials with high recycled content.	Reduce harm to natural ecosystems, decrease pressure on urban infrastructure, and protect public health.	- Gradually reduce virgin plastic in packaging by 25% by 2030 compared to the baseline year. - Progressively increase the use of recycled content in packaging, reaching 10% recycled content across total packaging materials by 2030, subject to material availability, technological readiness, and regulatory requirements.





Sustainable Agriculture and Responsible Sourcing

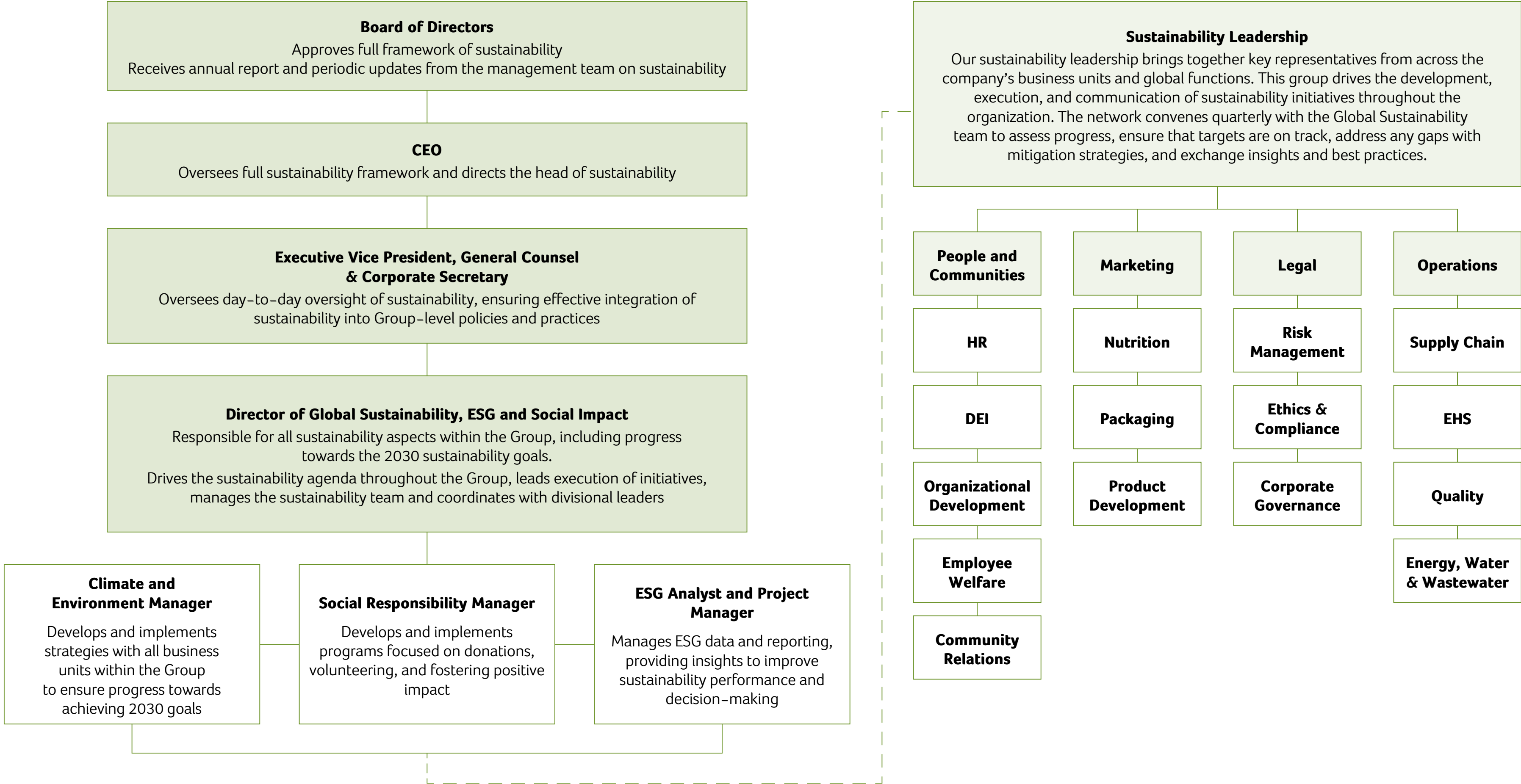
Vision & Goal	Topic	Business Value	Corporate Responsibility Value	Targets
Ensure that our food sources promote healthy soils, preserve ecosystems, and support the livelihoods of farmers and communities, while maintaining a balance between people, the environment, and the economy. Advance sustainable and regenerative agriculture based on fair partnerships with farmers and suppliers, ensure traceability and transparency across the supply chain, and reduce the environmental and social impacts of raw materials, from field to shelf.	Raw Material Management	Ensure the long-term availability, quality, and stability of key raw materials for the company’s operations through responsible supply source management, supplier diversification, the integration of environmental, social, and climate considerations into procurement agreements, and full traceability at the raw material level.	Building a sustainable and resilient supply chain through responsible sourcing, human rights protection, ethical business conduct, environmental stewardship, and long-term supplier partnerships.	• Source 90% of key raw materials from responsible sources (including environmental and social criteria) by 2030. • At least 95% of strategic suppliers to have signed the Code of Ethics and be audited by 2030.
	Sustainable (Regenerative) Agriculture	Promote a gradual transition to regenerative agriculture and strengthen the economic, environmental, and professional resilience of farmers and farming communities through long-term partnerships, the adoption of soil and water restorative practices, and the development of capabilities that ensure a stable and high-quality supply over time.	Continuous improvement of agricultural systems to strengthen biodiversity, soil health, and the resilience of rural farming communities.	• Increase the number of farmers and acreage adopting regenerative and precision agricultural practices, as part of a continuous improvement in raw material quality, crop stability, and supply chain resilience. • Expand the number of farmers, dairy producers, and beekeepers participating in support, collaboration, and training programs for regenerative and precision agriculture, and embed restorative farming practices by 2030.

People and Community

Vision & Goal	Topic	Business Value	Corporate Responsibility Value	Targets
Preserve a diverse, equitable, and inclusive organizational culture, and be an active and meaningful partner in strengthening the communities in which we operate. Invest in employee development, ensure a safe and fair work environment, strengthen a sense of belonging and pride, and build partnerships with the community in the fields of health, nutrition, education, and social resilience.	Our People	Maintain a safe, healthy, inclusive, and empowering work environment that respects human rights, promotes diversity, and inclusion, strengthens employee well-being, and ensures the development of skills and capabilities for the future.	Empowering people to thrive through inclusion, wellbeing, shared opportunities, and meaningful social impact.	• We will continuously improve our safety performance and safety culture, striving to achieve zero serious injuries. • Strive for gender equality and the equitable advancement of women into management roles across all group activities. • Foster a diverse, inclusive, and equitable organizational culture that strengthens a sense of belonging, respect, and fairness, and enables every employee to realize their potential.
	Local Communities	Strengthen the social and economic resilience of local communities in which the company operates through long-term partnerships, targeted investment, and activities closely aligned with the company’s core business.	Social resilience, partnerships and positive community impact	• Community impact depth: Adopt 10 communities worldwide into our social responsibility program to promote healthy lifestyles. • Social impact reach: Positively impact 10,000,000 people through our social programs. • Employee engagement: By 2030, 50% of our employees will participate in Group-organized volunteering activities, contributing a total of 24 volunteering hours per employee.

How We Manage Sustainability

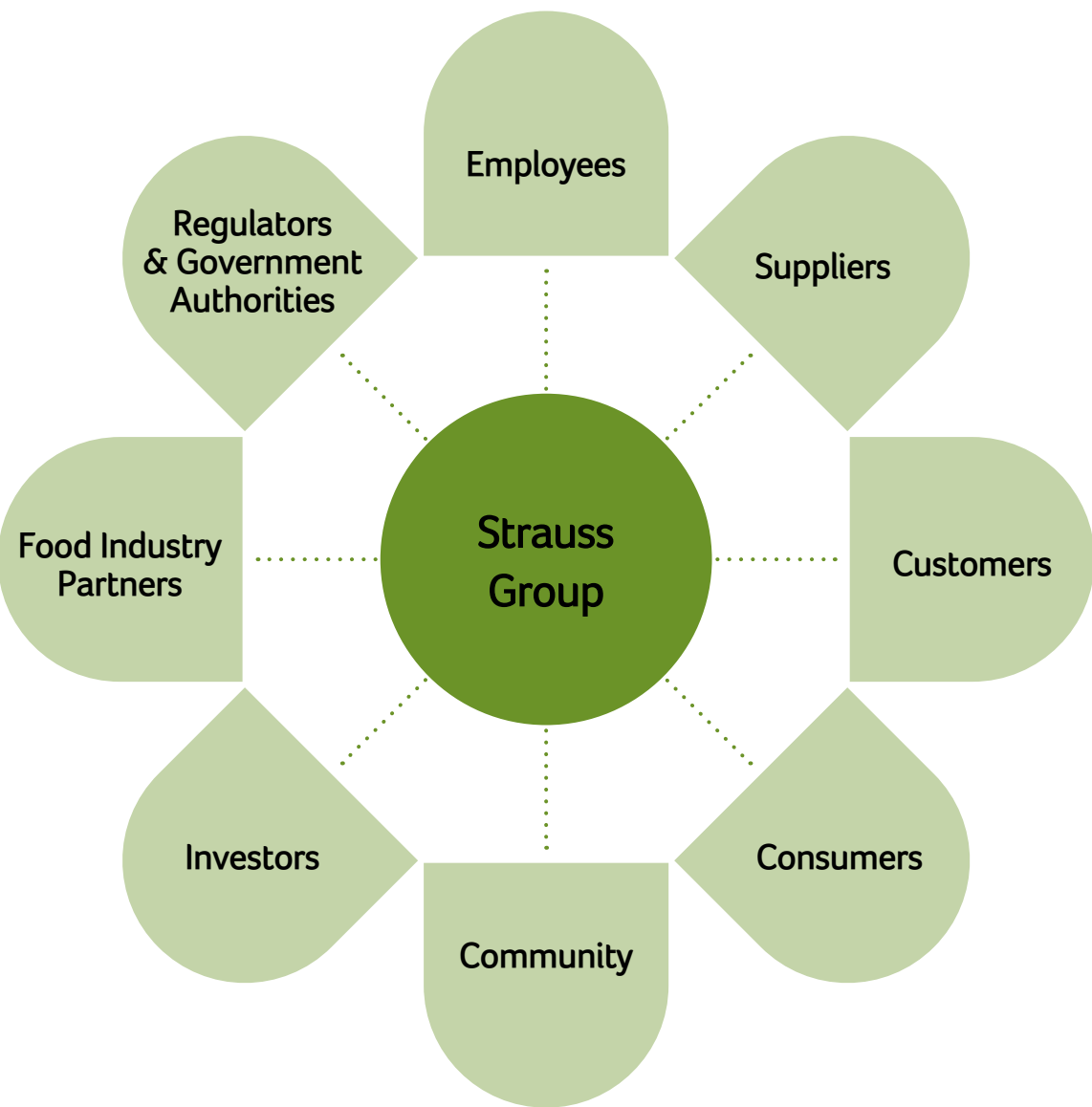
We manage sustainability at Strauss Group in a coordinated effort, blending strategic oversight with localized action to incorporate it into our core activities. A dedicated corporate-level team sets the vision and goals, while sustainability champions are embedded across various departments. We ensure our sustainability vision is operational through clear policies, KPIs, and a framework for implementation and monitoring throughout the Group.





Conducting Dialogue with Our Stakeholders

Our business and sustainability strategy is informed by ongoing dialogue with our key stakeholders to ensure that our actions meet their expectations, while continually striving to improve our social and environmental impact.



We regularly engage with our main stakeholders: our partners in the food industry, employees, suppliers, customers, regulators, and government authorities, all of whom contribute to the company’s success

Stakeholder group	Main communication channels	Main areas of interest
Employees	• Corporate portal • Corporate emails • Organizational WhatsApp groups • Screens at production sites and offices displaying important information • Dedicated corporate email and chatbot for employee inquiries • Facebook, Instagram, LinkedIn pages • Organizational surveys • Managers of internal corporate communications at headquarters and at the subsidiaries • Digital director at headquarters	• Employees’ engagement and involvement • Inclusion and diversity • Labor relations • Hygiene, health, and safety • Learning, professional and personal development, and enrichment • Business development
Local and global business partners	• Ongoing contact throughout the year via meetings, emails, etc. • Quarterly and annual reports • Regular meetings • Frequent visits and tours • Board meetings	• Shared value • Strategic planning, targets, and indicators • Improving, optimizing, and enhancing performance processes • Business strategy, targets, and KPIs • Sustainability policy and strategy, including in areas of employees, animal welfare, and sustainable agriculture
Suppliers	• Training programs, meetings, and controls • Relevant officials in each division/ company maintain regular contact with suppliers • Diverse supplier management system	• Safety • Workers’ rights • Business ethics and anti-corruption policies • Partnership approach • Inclusion and diversity • Improving, optimizing, and enhancing performance processes • Animal welfare • Sustainable agriculture • Food waste prevention, sustainable packaging, and recycling efforts

Stakeholder group	Main communication channels	Main areas of interest
Regulation and compliance agencies	• Regular interaction with legal department, public policy department, and others • Direct interaction with relevant members of the sustainability team • Indirect interaction through the Manufacturers’ Association	• Compliance with regulations • Minimizing negative environmental impact • Improving, optimizing, and enhancing performance processes
Customers	• Online and telephone customer service channels • Social networks such as Facebook, Instagram, and LinkedIn • Contact form on the Company website • Public inquiries telephone line • Mail, email • Visitor centers	• General queries • Feedback on social projects • Food quality and safety • Customer service • Discontinued or unavailable popular products • Pricing
Shareholders and Investors	• Regular reports on the Magna filing system • Investor conferences and personal meetings • Updates by the Group’s Investor Relations department • Investor relations website • Ongoing dialogue with investors and representatives of international rating agencies	• Financial results • Sustainability performance • Corporate governance • Tax policy, business ethics and corruption prevention • Work and strategy plans
Community, Local authorities and NGOs	• Ongoing communication through calls and meetings • Participation in conferences, workshops, lectures, round tables, and more	• Inclusion of underprivileged population groups • Promoting local communities’ health, safety, and wellbeing • Reducing food waste • Creating impact through social marketing

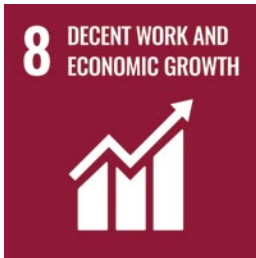
Our Alignment with UN Sustainable Development Goals

We are committed to taking an active role in advancing the UN Sustainable Development Goals, focusing on the most relevant SDGs in which we can make a significant impact.



Zero Hunger

We are committed to nourishing people and communities by ensuring access to safe, nutritious, and high-quality food. From reducing sugar and artificial additives to expanding plant-based and fortified options, we strive to make better nutrition accessible to all. As part of our social impact efforts, we donate thousands of tons of food to families in need, devoting surplus products to food security rather than waste. Food quality is a priority, which we target through rigorous control processes and a culture of shared responsibility.



Productive Employment for All

We aim to foster inclusive and sustainable economic growth by reducing labor market inequality and expanding opportunities for all. We actively recruit from underrepresented populations and provide mentorship programs both within the Group and in the wider community. Through retraining and reskilling initiatives, we empower employees with new skills, ensuring career growth and long-term economic participation. Our social impact efforts focus on promoting equal opportunities, helping individuals integrate into the workforce, and supporting professional development at every stage.



Gender Equality

We actively promote gender equality within the Group and outside of it, living our values through action. With 67% of our board and over 45% of management positions held by women, we champion equal pay, diversity goals, and leadership programs. We run social impact initiatives that empower women, fostering leadership and career growth within the company and society at large.



Responsible Consumption and Production

We are committed to responsible consumption and production throughout our supply chain. We prioritize responsible sourcing, waste reduction, and circular economy initiatives to minimize our environmental impact. Through strong supplier partnerships, regenerative agriculture, and innovative packaging strategies, we actively reduce waste while improving efficiency. From responsible dairy and coffee sourcing to local ingredient procurement, we integrate sustainability at every stage, ensuring ethical and transparent supply chain practices that create long-term value for people and the planet.



Clean Water and Sanitation

We are committed to expanding access to clean water while reducing our environmental impact. Millions of people in Israel, China, and the UK use our Strauss Water filtration systems, which improve water quality and reduce plastic waste. Across our operations, we optimize water management through closed-loop and wastewater treatment systems, recycling 80% of manufacturing water for irrigation and minimizing pollutants.



Combat Climate Change

We take our responsibility to combat climate change seriously, setting ambitious goals to reduce emissions, waste, and resource consumption. We recycle 80% of water for irrigation, aim to halve food and landfill waste, and meet or exceed local air emissions regulations, ensuring a more sustainable future for all.



Partnerships and Memberships

We believe in partnerships based on trust, honesty, mutual benefit, and learning. These principles are implemented in joint business ventures and company initiatives in collaboration with non-profit organizations, as well as through our memberships in external organizations and initiatives that promote various sustainability and ESG issues.

Strategic and Regional Partners

Our partnerships and relationships support our continuous improvement processes, provide access to advanced technologies and research, foster joint product development, and promote nutrition and innovation.



Since the 1970s, Strauss Dairies has had a relationship with the leading global corporation Danone. In 1996, Danone acquired 20% of Strauss Dairies, reinforcing our partnership and highlighting their trust in us. Together we maintain a joint board of directors and engage in an ongoing exchange of information on various topics, including best practices.



We are proud of our thirty-year relationship with PepsiCo, which has developed into the company Strauss Frito-Lay in Israel; 50% of the shares of Strauss Frito-Lay are held indirectly by PepsiCo.



In Brazil, we run an equal-share joint venture with the company São Miguel, Café Três Corações (or 3C), currently the leading coffee company in Brazil.



Strauss Water operates in China via its partnership with Haier, where Strauss holds 49% of the rights.



In the UK, Strauss and Culligan jointly hold Virgin Pure UK, with Strauss holding 51% of the rights to the joint venture.



In Israel, we have partnered with two kibbutzim: Yotvata & Yad Mordechai, where Strauss has controlling rights. For further details, see the company's annual report.

ESG and Industry Memberships

We are a member of various international, regional, and local organizations that aim to promote social and/or environmental goals, using the joint strengths of the various sectors of the economy: government, business, and non-profit organizations.

International



The Consumer Goods Forum is a global organization that supports partnerships between manufacturers and retailers, to strengthen consumer confidence and generate positive change. Strauss participates in the Sustainable Retail Summit, and follows the work of four coalitions, mainly the Coalition for Healthier Lives and the Food Waste Coalition.



Strauss is a member of the group Cellular Agriculture: Addressing Climate Change and Promoting Resilience in the Protein Sector, dedicated to enabling a just transition to resilient production systems that enhance food security, spur economic growth, empower local communities, and foster regional cooperation.



An initiative in partnership with the World Economic Forum (WEF) consisting of CEOs of the world's leading companies. The initiative seeks to encourage global corporations to utilize their significant influence to reduce inequality among people with disabilities. Valuable 500 was launched at Davos and is comprised of about 250 CEOs from 26 countries.

Local in Israel



Strauss Group is a member of the MAI and of the Food Industries Association. Strauss is also a member of the CEO Women's Forum, where we promote opportunities for women as mentors, spokespeople, and leaders in community initiatives.



Strauss has been a member of Maala since its establishment, and we participate annually in Maala's ESG rankings of companies.

Circular Economy and Environmental Academic Forums



Strauss Group is active in the forum of Tel Aviv University's Porter School of Environmental Studies and in Afeka College. The purpose of these forums is to create cross-sector dialogue to promote the issues of sustainability and the circular economy in Israel.

Co-Impact was established in 2013 with the aim of moving the needle on raising the percentage of quality employment among members of the Arab sector. Strauss Water works with Co-Impact on programs to integrate and advance women from the Arab sector in Israel.



Founded by the Israel Manufacturers' Association, T.M.I.R. was established to ensure that manufacturers and importers of packaged goods and packaging materials fulfill all their obligations under the Regulation of the Processing of Packaging Law, 5771-2011. Strauss is a shareholder and member of the Board of Directors.

ESG Ratings, Recognitions and Awards

At Strauss Group, we take great pride in turning our values into actions. Our performance is reflected in the awards we have won and our recognition by local and international ratings and analysis companies that analyze and rank our ESG performance in accordance with publicly available information.

We are grateful for the dialogue with these organizations, which keeps us accountable, and supports our efforts to identify gaps in our activity

and effectively address them, driving continuous improvement based on learning and familiarity with the leading expectations and trends on both the global and local levels.

In 2025, Strauss Group was recognized by several rating and analysis agencies (based on 2024 publicly available data). We have been recognized as follows:



30.2 – Medium Risk



AA 7.6



43



D



Platinum +

Strauss received the highest Maala ranking of Platinum+, and a rating of AA in the Maala ranking of public companies.



The 100 most loved and valued brands in Israel

Strauss was ranked 4th place in the food manufacturer category, and 6 of our brands ranked in the Globes index of the 100 most loved and valued brands in Israel.



The Human Resources Excellence Competition

Our HR team won two “Trailblazer” awards, the highest ranking award in the category for two of its initiatives.



Ranked in the top 100 brands of the Duns 100 ranking.



BDi Code is a central ranking of the leading companies in the Israeli economy. In 2025, **Strauss was ranked the #3 best place** to work in the food & beverage sector.



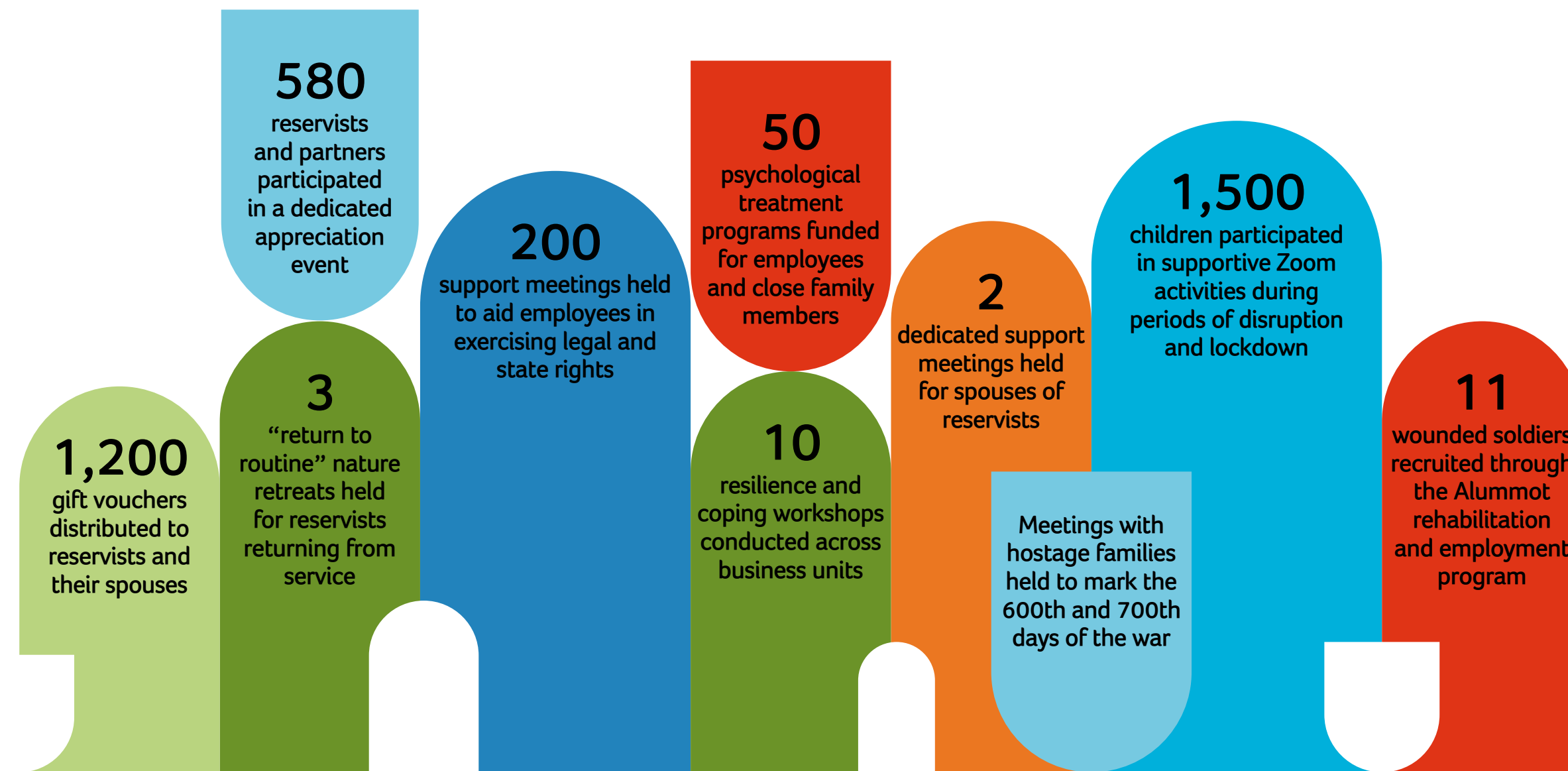
Strauss was awarded the Gender Diversity Award from the Association of Public Companies, recognizing our commitment to promoting gender equality.



Our digital onboarding solution was selected for the IT Excellence award from People and Computers.



Supporting our People and Communities During Wartime



Supporting Our Community During Wartime

Throughout the wars in 2025 – Swords of Iron and Rising Lion – we continued to support our employees, their families, and the broader community through a wide range of resilience, welfare, rehabilitation, and emergency response initiatives. We expanded support for reservists and their households, provided emotional and practical assistance to employees, strengthened community solidarity, and maintained business continuity throughout extended periods of conflict.

During Operation “Rising Lion,” we operated a daily emergency command center to coordinate rapid response efforts, and delivered product donations to security forces, hospitals, rescue and emergency units, and communities nationwide. In addition, we initiated stress-relief activities for families and children, including the distribution of giant games in shelters – and light rail stations that were serving as shelters – throughout Israel.

Support for the Hostages and Missing Families Headquarters

We remained committed to supporting the families of the hostages through ongoing assistance and fundraising initiatives, until the return of the last hostage. We regularly supplied the Hostages and Missing Families Forum headquarters with food products, coffee machines, and Strauss Water purification systems, helping ensure a continuous supply of meals and beverages.



Commemorating the Fallen Through Strauss Products: “Packages That Tell a Story”

The “Packages That Tell a Story” initiative began after October 7, 2023, when bereaved families approached us asking to commemorate their loved ones through our flagship products. Over the past year, employees from various departments collaborated to create 85 commemorative packages, each uniquely designed to tell the story of a person who was lost. These packages became meaningful tools for remembrance and connection. As part of the initiative, families of the fallen met with Strauss management to receive the packages in intimate and heartfelt gatherings that honored the memory of their loved ones.



“Swords of Iron” Service Headquarters by Strauss Water

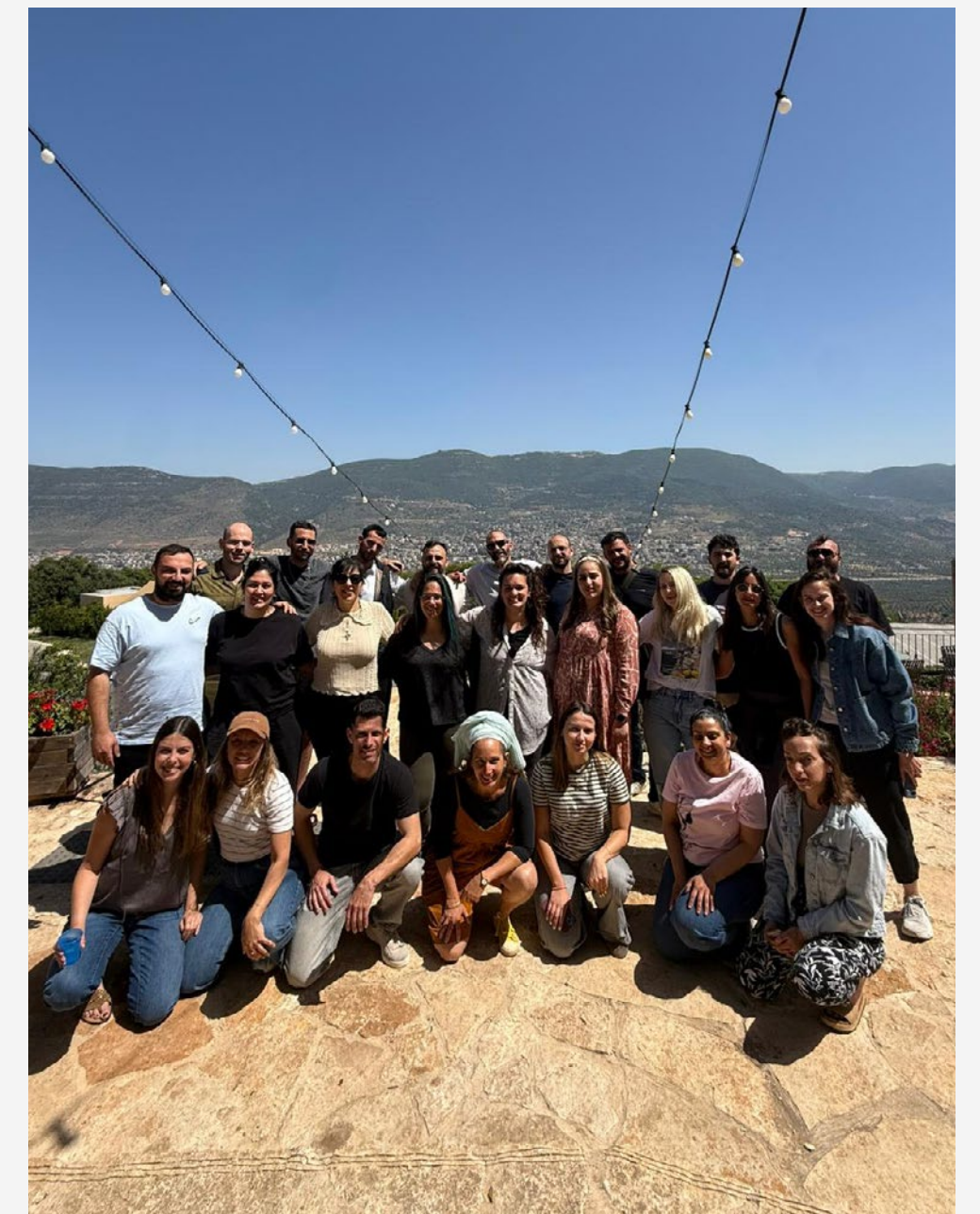
Strauss Water continued operating the “Swords of Iron” Service Headquarters in 2025, established with the Israeli Service Community to help bereaved families navigate bureaucratic challenges during periods of mourning. The initiative’s call center operates within Strauss Water’s Service Division, connecting families with volunteers and support services to reduce administrative burdens during a difficult time. As of 2026, approximately 400 volunteers work with 250 organizations to support around 860 families. Strauss Water employees coordinate with public and private entities to help resolve requests quickly, efficiently, and sensitively.



Northern Rehabilitation – “A New Taste for the North” Program

As part of the effort to rehabilitate northern Israel, we launched the “A New Taste for the North” program, a joint initiative with the Edmond de Rothschild Foundation and in collaboration with Elevation. The program is designed to strengthen small and medium-sized food and culinary businesses affected by the war.

Before the program’s launch, we led a widespread media campaign inviting businesses from northern Israel to apply. The program forms part of Strauss’s ongoing investment in the north, alongside the establishment of the Michael Campus.



Nutrition and Health

We are strongly committed to offering high-quality, tasty and nutritious food to a wide range of audiences and communities, while continuously improving our existing products and developing new ones.

As one of Israel's largest food companies, with a broad portfolio of snacks and a significant advertising presence, we recognize our influence and take responsibility through ongoing efforts to improve our products and encourage mindful consumption.



Excellence in Food Safety and Quality

We are committed to delivering products that improve lives while upholding the highest standards of health and quality. Safety is our highest priority, guiding everything we do to protect the millions who use our products each day. We assess 100% of our product categories for health and safety impacts and stay abreast of the evolving regulatory landscape to ensure compliance with all relevant regulations and standards.

We are committed to fostering a culture of quality throughout the Group, where every employee takes personal responsibility for product quality. We are proactive in ensuring that quality is perceived as a shared responsibility, not just the purview of the quality department. We blend this with comprehensive training programs, knowledge management, knowledge sharing, standardization, and policies and procedures.

We are now expanding to a Group-wide quality perspective, moving beyond food safety risk management toward safeguarding product excellence and brand trust. At the core of this shift is a strong quality culture, where ownership, accountability, and continuous improvement are embedded across the organization. By leveraging opportunities within the quality domain, we proactively support the company’s healthy and sustainable growth.

Quality Governance

The Quality organization at Strauss encompasses about 160 people across the entire Group. We have transformed the organizational structure over the past three years. Previously, each factory operated independently, but now a matrix structure is in place, in which all factory quality managers report to both the Quality Director and to their respective factory managers.

Each of the sites in the Strauss Group has a quality team responsible for:

- Ensuring product quality
- Food safety

- Procurement quality, including quality aspects of raw materials
- Monitoring local and international regulations regarding products and ingredients
- Quality management systems
- Continuous improvement

The facilities are certified to internationally recognized GFSI-recognized standards and comply with FDA requirements applicable to exports to the United States.

Quality Programs

We employ various programs to ensure quality. These include:

Standardized Processes

Organization-wide policies and procedures define key processes, including production, sanitation, and control activities. Escalation protocols and reporting lines are established to ensure appropriate management of deviations and non-conformities.

Quality Training and Instruction

Employees receive training and instruction regarding quality topics, with a master plan for mandatory training sessions maintained in our knowledge management platform, Lev HaYeda. This plan includes training for new employees in quality and food safety procedures.

To disseminate knowledge on quality and food safety, we also use learning capsules to provide training for each role, tailored to their professional needs.

In addition, each factory is required to set aside a specific day for training in food safety and quality.

Cost of Poor Quality (COPQ) Dashboard

We monitor loss and waste through our COPQ dashboard. This helps us compare performance against budget, and track improvements over the years.

Quality Management System (QMS)

In August 2025, we launched a new Quality Management System

(QMS), to strengthen the management of quality deviations, documentation, reporting, and analysis. The system replaces our previous tracking methods with a centralized platform integrated with our business intelligence tools, enabling more comprehensive analysis and deeper insights. It also provides each Strauss site with visibility into data and procedures across other sites, supporting greater collaboration, consistency, and transparency throughout the organization.

Audits

We conduct regular internal audits to ensure the quality of our products, guided by an annual audit program that includes Compliance Department audits, Corporate Auditor reviews, and additional internal audits.

We also undergo routine external audits conducted by independent third parties, including the Ministry of Health. In addition, we carry out Maturity Level assessments and engage external auditors to strengthen and enhance our evaluation processes.

We view external audits as an important tool for continuous improvement, and value the feedback and insights they provide, which often bring an additional perspective that helps us further improve our quality standards.





Quality Metrics

To ensure continuous improvement and accountability, we monitor key metrics related to our quality performance.

Cost of Poor Quality (COPQ)

The Cost of Poor Quality (COPQ) metric plays a pivotal role in identifying inefficiencies by quantifying the financial impact of quality-related issues, such as product defects, rework, and waste.

Complaints

We value consumer feedback as an important source of insight, helping us identify and address issues that may not have been detected internally. In 2025, we received 70,102 complaints, compared to 75,400 in 2024, a decrease of 7%.

Right First Time

In January 2025, we launched the “Right First Time” metric which we had defined the prior year. It measures the percentage of inventory released for sale without quality or food safety issues identified during inspection. The metric reflects our ability to complete production processes correctly on the first attempt, reducing rework, waste, and delays. The industry benchmark for the food sector ranges from 96% to 98%, and we achieved a score of 96% in 2025.

Supplier Quality Control

We maintain a comprehensive process for examining, certifying, and evaluating suppliers based on their risk and quality levels, to ensure the highest standards across our supply chain. Suppliers are classified based on risk and quality levels, with higher-risk suppliers undergoing more

frequent and thorough audits to mitigate potential issues. Additionally, we partner with external auditing firms, such as LRQA, to conduct thorough quality and food safety audits. Our partners and suppliers must demonstrate that they maintain regulated food safety systems. All new suppliers are audited to ensure that they meet the required standards.

Certification of our facilities:

- All of our factories are certified to the internationally recognized FSSC 22000 food safety standard, which is recognized by the Global Food Safety Initiative (GFSI).

All Group sites are measured against the same cross-organizational KPIs, which are monitored in real time to enable full transparency.

Going Beyond Water Quality Standards

At Strauss Water, we conduct approximately 24,000 water tests annually, analyzing close to one million parameters to help ensure water quality and safety. Our laboratories use advanced instruments and testing technologies to detect metals, organic compounds, and microbiological contaminants at extremely low concentrations, supporting rigorous monitoring processes that go beyond regulatory requirements.



2025 Nutritional Strategy

Our Nutrition Governance

Nutrition is a key part of our business strategy, and we set clear goals, track our progress, and report on our performance to ensure continuous improvement. Our nutrition team is involved in every aspect of marketing at Strauss Israel.

Each business unit within Strauss Israel is supported by a dedicated dietitian. We also have a multidisciplinary team of leaders in nutritional strategy, that integrates professionals from marketing, nutrition, and product development. The goal of this team is to enhance product quality and reinforce our commitment to innovation in the field of nutrition.

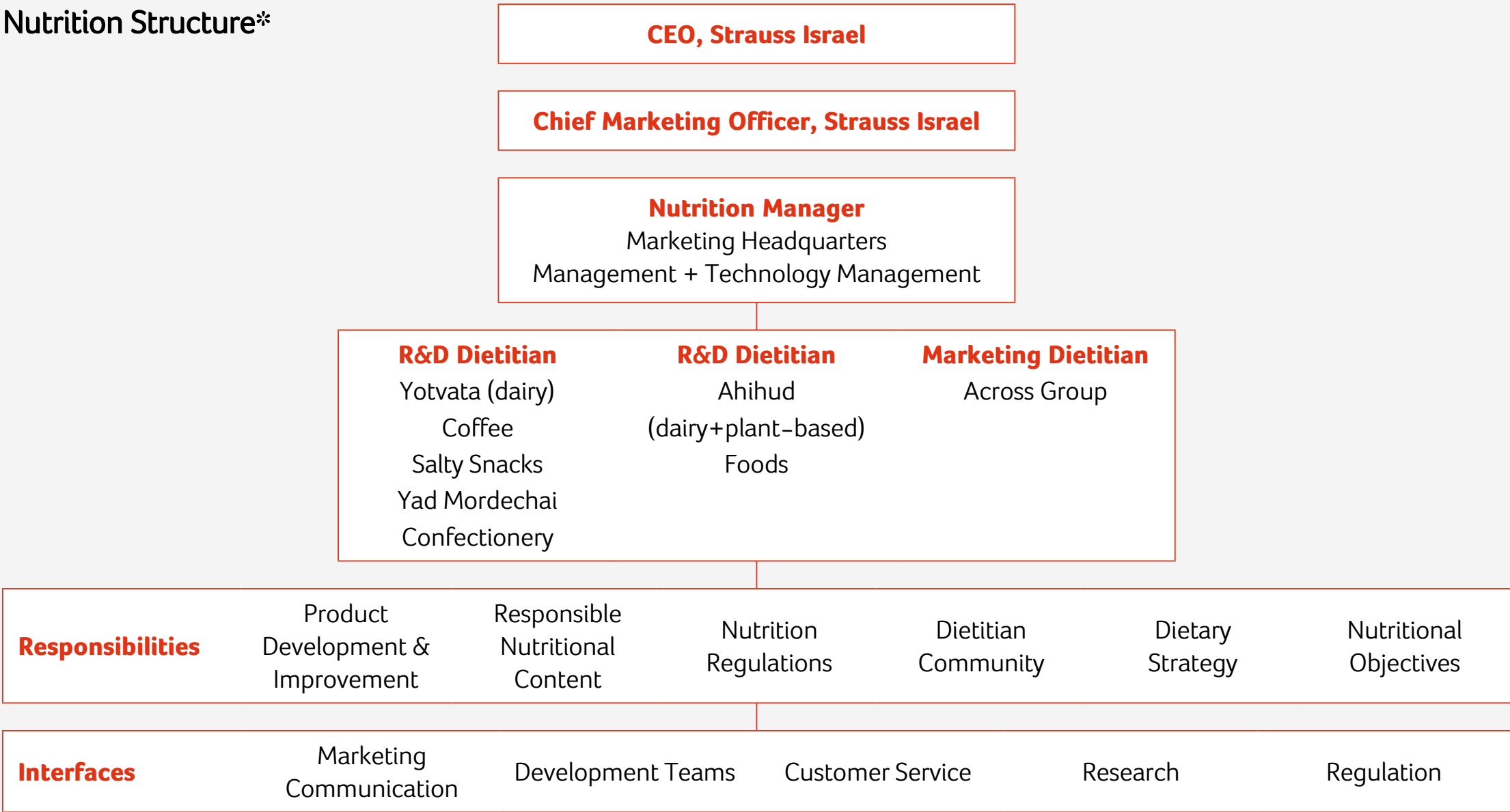
In 2025, our nutritional team continued holding joint sessions to deepen knowledge in nutrition, with a focus on longevity, weight-loss medications, and the nutritional aspects of various ingredients, while linking these topics to Strauss products.

We are developing a consistent, standardized approach to nutrition across our company, with internal guidelines for specific product categories such as sweeteners, protein products, and nutrition for the elderly.

Our claims committee, which includes internal experts from quality, regulation, legal, public relations, marketing, and nutrition, carefully reviews every product claim to ensure we comply with relevant regulations and maintain accuracy and integrity. Any ethical concerns, such as marketing to specific communities, are escalated to the Chief Marketing Officer (CMO) and the relevant business unit leaders, in alignment with our commitment to responsible and transparent communication.



Nutrition Structure*



*In Strauss Israel

Our Nutrition Team’s Involvement
Throughout the Product
Innovation Process

Product Concept

Nutritionists monitor and share consumer trends, preferences and standards

Development

Ensure ingredient choices suited to diverse consumer groups

Marketing

Responsible marketing, responsible communication of nutritional value, review all product claims

Consumer

Responsible nutritional communication in collaboration with influencer dietitians

Strauss Israel’s nutrition focus areas for 2025, as part of implementing the company’s vision, “Nourishing a Better Tomorrow”:

2025 Nutritional Focus Areas

	Reduce	Clean Label	Communicate	Functional	Accessibility for diverse audiences
Goals	Reduce sugar and sodium, and meet the sugar and sodium targets set for the business units. Expand the range of products offered in portion-controlled servings of <200 calories or resealable packaging. Most individually portioned products will contain up to 2 teaspoons (8g) of added sugar.	- No harmful food colorings - No aspartame, cyclamate, or saccharin (sweeteners) - No sodium benzoate (preservative) Maintain or reduce the percentage of products with red warning labels.	Create a meaningful community of the market’s leading dietitians. Develop internal cross-functional forum of nutrition agenda leaders (marketing, R&D, and nutrition). Incorporate nutritional guidance in communication campaigns.	Expand the range of functional products.	Increase products in the “Now I Can” health-focused line. Expand suitable products for people with dietary restrictions (gluten-free, vegan, no added sugar, low lactose) and specific diets (seniors, children).
2025 Results	Expanded the range of no added sugar products. Launched new products that meet sugar and sodium targets. Introduced resealable packaging for Para chocolate tablets.	Maintained 100% of Strauss Israel products free of harmful food colorings, aspartame, cyclamate, saccharin, and sodium benzoate.	Leading dietitians were invited to conferences and webinars sponsored by Strauss. Campaigns with leading dietitians to promote new products. The Nutrition Agenda Forum convened once per quarter.	Launched Danone Multi Collagen.	Expanded products for: - Gluten-free - Vegan - No added sugar Launched CowFree vegan, lactose-free products, an Israeli first. Opened plant-based dairy facility, expanding the range of products addressing diverse audiences and needs.

2030 Nutritional Goals

				
Portion Controls	“Now I Can”	Reduce Red Labels	2 Teaspoons of Added Sugar	No Artificial Food Coloring
Individually portioned products should contain <200 calories per serving	Increase products in the “Now I Can” health-focused line	Maintain or reduce the percentage of products with red warning labels	Most individually portioned products will contain up to 2 teaspoons (8g) of added sugar	All products will be free of any artificial food coloring



Improving Our Products’ Nutritional Profiles

During the year, we continued improving the nutritional profile of our products, while deepening the involvement of the nutrition team across all stages of development.

The nutrition team leads the formulation of the nutritional brief in line with the company’s nutrition targets and strategy. In addition, they drive cross-organizational projects to improve product composition, including sugar and sodium reduction initiatives, support their practical implementation, and serve as a professional authority influencing strategic decision-making related to product development.

Sugar and Sodium Reduction

We are committed to reducing the sugar and sodium content in our products while maintaining taste and consumer satisfaction. In 2025, we launched a new reduced-sugar flavor in our Activia line featuring flaxseed, chia, and oats.

We also expanded product ranges that support sugar-reduction goals and address different consumer needs, including Danone Multi, Danone Pro, Yotvata Pro, no-added-sugar chocolate snacks, and the So Much chocolate tablet series.

Across our food division, all new salad products launched in 2025 met our sodium targets. In the Savory Snacks Division, several newly launched limited-edition products also met these targets. Overall, Strauss Israel achieved the sugar and sodium targets defined for 2025.

Portion Sizes

In 2025, 59% of dairy, savory snacks, and confectionery products contained up to 200 calories per individual serving or were offered in resealable packaging.

Throughout the year, we continued to advance toward our portion-control targets through a series of cross-category initiatives. We launched new mini-format confectionery products, such as the Ta’amei X series and other mini packs; implemented resealable packaging for chocolate tablets; expanded the small-pack offerings in savory snacks; and launched the PRO Zero dessert and additional Danone products aligned with our portion-control goals.

The Red Label

In Israel, packaged foods are required to carry a red label if they contain high levels of saturated fat, sugar or sodium. In 2025, 68% of our food sales, and more than 63% of our SKUs, were free of red labels. We continue to work toward increasing this percentage across our portfolio.

Clean Label

As part of our commitment to cleaner labeling, Strauss Israel products do not contain food colorings considered harmful, or ingredients such as aspartame, saccharin, cyclamate, or sodium benzoate.

100% of Strauss Israel products are free of artificial food colorings

Functional Innovation

In 2025, we launched yogurt containing collagen under the Danone Multi brand, designed to address the evolving needs of the senior population.

100% of Strauss Israel products are free of aspartame, saccharin, and cyclamate



Consumer–Centricity and “Now I Can”

As a central pillar of our sustainability strategy, we strive to meet diverse nutritional and other needs, enabling more people to say: “Now I can eat a Strauss product,” aka “Now I Can.” We focus on offering a wide range of nutritious options for people on various diets, such as gluten-free (e.g. for celiac or gluten sensitivity), protein-rich, plant-based diets, flexitarian, kosher, or those with food allergies.

New Accessible Packaging for Visually Impaired People

In 2025, we redesigned our chocolate tablet packaging to improve accessibility, including clearer labeling, improved contrast, and easier opening. The new design also includes a resealable mechanism, supporting portion control and reducing food waste. As part of this initiative, we partnered with external stakeholders to support accessibility for diverse consumer groups. [View the video we created for special needs community to help them adapt to the new packaging >](#)



אני יכול לשמור אריזה של הוויקוליד שאני אוהב
אני יכול להרגיש, להריח ולטעום קצת מהשוקולד
באריזה החדשה - יהיה לי את אותו הטעם!
אני יכול להסתכל בסוף הקרטון הזה ולראות
את האריזות הישנות והחדשות של כל השוקולדים

Gluten-free Foods

71% of our products were gluten-free in 2025 in Strauss Israel

We offer a wide range of gluten-free products. In 2025, we expanded the assortment of gluten-free chocolate tablets through adjustments to raw materials and production lines. In addition, we carried out a broad initiative before Passover, including the launch of gluten-free confectionery products.

We place strong emphasis on expanding the range of products for this audience across all Strauss business units, with Yotvata ensuring that 100% of its products are gluten-free.

Vegan and Vegetarian Foods

41% of our products were vegan in 2025 in Strauss Israel

All our products are vegetarian, and we continue to work toward expanding our vegan product offerings to better meet consumer needs. In 2025, we opened a new plant-based dairy facility, to produce plant-based milk alternatives and related products.

The plant-based dairy is designed to provide a broad response to diverse audiences, including flexitarians, vegans, individuals with lactose sensitivity, and kosher consumers.

tami4shabbat: Innovation for Religious Consumers

As part of our commitment to serving diverse consumer needs, Strauss Water launched tami4shabbat, a purified water dispenser designed for everyday use as well as during the sabbath or holiday observance. Developed in consultation with religious authorities, the tami4shabbat allows observant consumers to enjoy safe, convenient, and sustainable access to drinking water at any time while aligning with their religious practices.

CowFree Products

In 2025, we introduced CowFree products based on the animal-free BLG protein, identical in composition to one of the key proteins in cow’s milk, produced through precision fermentation technology. Strauss is among the first companies globally to introduce this technological innovation to the refrigerated dairy category.

These innovative solutions offer consumers more choices through tasty, high-quality alternatives.



Kosher and Halal Foods

All our products are kosher certified at a wide range of kashrut levels and under the regulatory requirements of the Chief Rabbinate of Israel. These certifications meet the necessary dietary religious practices for both kosher and halal-observing Jews and Muslims.

Expanding Functional Food Innovation

We are committed to expanding our functional food offerings that provide benefits beyond basic sustenance or fun. By incorporating protein, probiotics, vitamins, and minerals into our products, we aim to support a wide range of consumers, from athletes to the elderly. Our focus is on delivering innovative solutions that help people make better nutritional choices without compromising on taste or enjoyment.

Multi: Supporting the Elderly with Targeted Nutrition

We developed the Multi series to address the unique and changing nutritional needs of the senior population, and it represents our commitment to diverse consumer segments. The range includes functional yogurts enriched with vitamin D, calcium, zinc, magnesium, and iron, and with no added sugar.

In 2025, we expanded the Multi series with new flavors, and launched Multi with added collagen.

PRO: High-protein products for an active lifestyle

We developed the PRO series for consumers with an active lifestyle who seek high-protein products as part of their daily nutrition habits. The range offers a wide variety of products, including yogurts, milk-based drinks, and protein snacks, designed specifically for this audience and for different consumption occasions.

In 2025, we continued to expand the product portfolio in this category, including PRO ZERO yogurts in a variety of flavors, a PRO drink with no added sugar, Danone PRO Crunch, PRO ZERO desserts, and protein snacks in new flavors.



Marketing Responsibly

As one of Israel’s largest advertisers, Strauss Group reaches a broad global audience, and we recognize the responsibility that comes with this. We ensure our marketing reflects our core values, and we prioritize trust, respect, and transparency in how we communicate with consumers, both in our ads and on our product labels. Beyond selling products, we use our advertising to promote social issues and challenge stereotypes.

Our marketing approach is guided by four key principles:

- **Transparency** – Our marketing and labels are clear and accurate. We clearly distinguish between editorial content and commercial promotions, always labeling promotional content transparently.
- **Authenticity** – We do not work covertly with influencers.
- **Inclusion** – Our messaging celebrates human diversity. We do not promote unrealistic or unattainable beauty standards. Our marketing and advertising content respects individuals and groups and avoids offensive or harmful messaging.
- **Honest claims** – We provide truthful and accurate information about our products and their ingredients. We follow a rigorous claims management process as outlined in the nutrition governance section earlier in this chapter, in which every statement – whether part of our marketing or displayed on packaging – is reviewed and approved by a dedicated claims committee.

Responsible Marketing Policy

The way we market our products shapes how people consume food. Recognizing our responsibility to promote mindful nutrition, we developed our Responsible Marketing Policy, which was updated in 2025, outlining our commitment to the following standards:

- We aim to promote a positive social impact through our brands.
- We do not directly target children under 16 with our marketing or advertising. We do not advertise in media in which at least 35% of the target audience is children aged 0–16, or on media or digital channels that are directed at children, or at children’s television viewing times.

- We avoid distributing marketing material at schools, community centers, and other informal education venues. Our products may be distributed as part of long-term collaborations not intended solely for marketing purposes.
- We do not include gifts targeted at children in promotional packages.
- We avoid gender stereotypes in our products and communication.
- We aim to foster an atmosphere of inclusion via our marketing activities, including through the choice of our advertising content and brand ambassadors.

We have discontinued the practice of including gifts representing TV characters in our product promotions; we do not use gender-specific language in our packaging; and we have moved key nutritional labeling to the front of products for children, to make it easier for their parents and caregivers to find them. We include these principles in our marketing and advertising processes, ensuring that our commitment to consumers is prioritized from the initial planning stages.

Transparency in Labelling

Product labels are a key way that we share vital information with consumers to help them make well-informed decisions, especially about nutritional value. We ensure that our labels are clear, transparent, and comply with the laws in all our markets. Where space allows, we expand label content and size to provide easy access to important details. We include labels like “vegan-friendly” and “gluten-free” to assist specific groups in making informed choices. Any changes to a product’s composition or nutritional values are clearly highlighted on the packaging.

In 2025 there were no incidents of non-compliance concerning product and service information and labeling or marketing communications.

For more information regarding our approach and guidelines for ethical marketing, see our [Responsible Marketing Policy](#).

“Marketing Shapes Reality”

Guided by our purpose and values, we embrace a “Marketing Shapes Reality” methodology, inspired by research that shows significant gaps in gender representation and roles in advertising. Initially focused on gender, we have since broadened our efforts to address a variety

of social and ethical issues, striving to highlight diversity and amplify underrepresented groups in every advertisement. This commitment extends to training all new marketing personnel and our advertising agencies, as well as developing external training materials to help other companies use their advertising budgets as a force for change, ensuring that everyone can see themselves reflected in public discourse.

Brands with Purpose

Several of our brands actively promote social or environmental issues as part of their own social marketing.

	Reducing loneliness by creating connections over a cup of coffee
	Diverse representation of Israeli families
	Gender equality
	Support for sport communities, including Olympians and para-Olympians
	Support for the Arava region in which Yotvata is located
	Honoring Holocaust heroes; bee conservation
	Supporting southern farmers

We believe the potential for impact and change in this area is immense. Our key messages:

1. **Championing a Diverse Society** – Businesses have a unique opportunity to lead the way in promoting diversity, helping to build a more inclusive and equitable world.
2. **The Role of Leadership** – A company’s commitment to diversity starts at the top. Leaders who prioritize diversity inspire their teams and set the tone for meaningful change.
3. **Leveraging Organizational Resources** – Marketing and communication, when strategically leveraged, can serve as powerful catalysts for creating a more diverse and inclusive workplace.
4. **Diversity: A Win-Win Proposition** – Embracing diversity not only contributes to a fairer society but also enhances business performance, by fostering innovation, creativity, and stronger customer connections.





Clean, Safe, Accessible Water

Strauss Water promotes healthier lifestyle choices by making high-quality drinking water easily accessible, convenient, and appealing in everyday settings. By offering chilled, hot, and carbonated water at the touch of a button, our purified water dispensers help reduce reliance on sugary beverages. The dispensers deliver safe, high-quality water while preserving beneficial minerals such as calcium, magnesium, and potassium through our MAZE™ filtration technology.

90% of Strauss Water customers
report increased water consumption

We encourage long-term behavior change through education. Our employees act as water ambassadors in schools and kindergartens, and we publish an annual Water Report, to promote hydration awareness.

Our solutions also reduce environmental impact. A family with two children avoids using approximately 1,654 plastic bottles per year when they use one of our water purifiers, contributing to the removal of billions of plastic bottles annually from Israel.

Our point-of-use systems minimize water waste compared to conventional filtration methods, which can discard up to half of the water they process. In addition, our “Our Taap” brand in the UK promotes a zero-waste approach to hydration.

Accessible by Design

We design our water dispensers for broad usability, including children and people with disabilities. Select models feature a pouring pedal, enabling independent use and improving access for wheelchair users and young children.

We use clear shape and color cues on our water dispensers to support users with visual impairments. Differentiated buttons and visual contrasts help identify functions such as hot, cold, and sparkling water, improving usability and reducing the risk of error.

Extending Access Through Refurbishment

We offer refurbished water purification dispensers as a more affordable option without compromising quality or safety, extending product life cycles and making healthy hydration accessible to more households.

Climate and Environment

The food and beverage industry faces significant challenges from climate change and water scarcity, driven in part by human activity, including our own. We are committed to managing and reducing the environmental impact of our operations, continuously seeking effective solutions and implementing them across our manufacturing, logistics, and product lifecycle.

We take a holistic approach to environmental management, addressing environmental considerations from production through product use and end-of-life. This includes improving energy efficiency, reducing emissions, waste and water use, and advancing circular solutions that minimize resource consumption while maintaining the high quality of our products.



How We Manage Climate and Environment

As part of our commitment to reducing our environmental footprint, we have four main focus-areas that have been chosen based on materiality. For each focus area we have goals for 2030, with 2023 as a base year. To see more about the 2030 goals, please see [chapter 1, Introduction](#).

Our approach to climate management integrates sustainability principles throughout the value chain supported by a structured assessment of climate-related risks and opportunities, based on advanced technological solutions and industry benchmarks, which are detailed below. This involves a collaborative effort between key stakeholders, which include:

- **Director of Energy** – oversees energy consumption and efficiency initiatives, driving efforts that not only meet compliance requirements but also exceed industry standards
- **EHS Director** – ensures compliance with environmental regulations and oversees the development and implementation of Environmental Management Systems (EMS)
- **Environmental and Climate Manager** – provides strategic leadership on climate change issues and drives the company's climate strategy

We have designated focal points within each of our business units to champion climate action and ensure that sustainability considerations are integrated into all aspects of their operations. To sustain an effective working process, we use software to manage our environmental data across all operational areas. This allows us to analyze, monitor, and improve the accuracy of our ESG data, and ensures consistency in our ESG reporting methodology.

Additionally, we aim to manage our production sites according to the highest environmental standards. More than two thirds of our manufacturing sites are ISO14001 certified, and the rest of our sites adhere to strong environmental management, enabling us to reduce our use of raw and auxiliary materials and improve our sourcing procedures.

Governance and Management of Climate Risks

In 2025, the Group completed an initial climate risk mapping to establish a risk management framework aligned with the IFRS S2/TCFD methodologies to support disclosure requirements, focusing on transitional and physical risks with potential financial materiality. Conducted by the Corporate Sustainability team with external consultants and cross-functional collaboration, including Risk Management, Legal, EHS, and Supply Chain, this process informed the climate disclosure in our Annual Financial Report.

In accordance with prevailing best practices in the field of climate risk management, the definition of time horizons is as follows: short term – up to three years; medium term – three to ten years; and long term – ten years and beyond.

This process identified several material transition risks, particularly regulatory risks arising from increasingly stringent requirements, including: obligations relating to sustainable packaging and waste reduction; reduced availability of land for agriculture; deforestation restrictions (EUDR); carbon pricing; and extensive disclosure requirements. These requirements may lead to increased costs, as well as exposure to penalties in the event of non-compliance. In parallel, market risks were identified, including changes in the supply and demand of raw materials and increasing expectations from consumers, investors and business partners with respect to sustainability. Failure to meet stakeholder expectations regarding ESG standards is liable to harm the Group's brand and reputation. In addition, there may be increases in legal and reputational risks associated with litigation and "greenwashing" claims.

Physical risks could affect agricultural yields and raw material production, and as a result, impact the availability, quality, pricing and supply of raw materials. Extreme events such as storms, floods, wildfires, droughts and frost, alongside chronic climate changes, including rising average temperatures and increased frequency of heatwaves, may adversely affect worker safety, our ability to supply products to customers on an ongoing basis, and may result in the shutdown of,

or disruption to, production and logistics processes in disaster-prone areas, reduced revenues, decreased production capacity, and increased operating and freight costs. These climate risks may also require us to transition to renewable technologies, increase complexity in medium- to long-term strategic planning, and result in potential reputational harm.

We are preparing for compliance with relevant ESG and climate related

regulatory requirements according to the requirements and the scope of the business in each of our countries of operation, including preparing for the Corporate Sustainability Reporting Directive (CSRD) and the European Union Deforestation Regulation (EUDR), managing our ESG reporting across various local and international ratings as part of our risk management approach, continuously monitoring regulatory requirements, and we intend to further deepen our assessment of climate risks and the related exposure.



Reducing Our Carbon Footprint

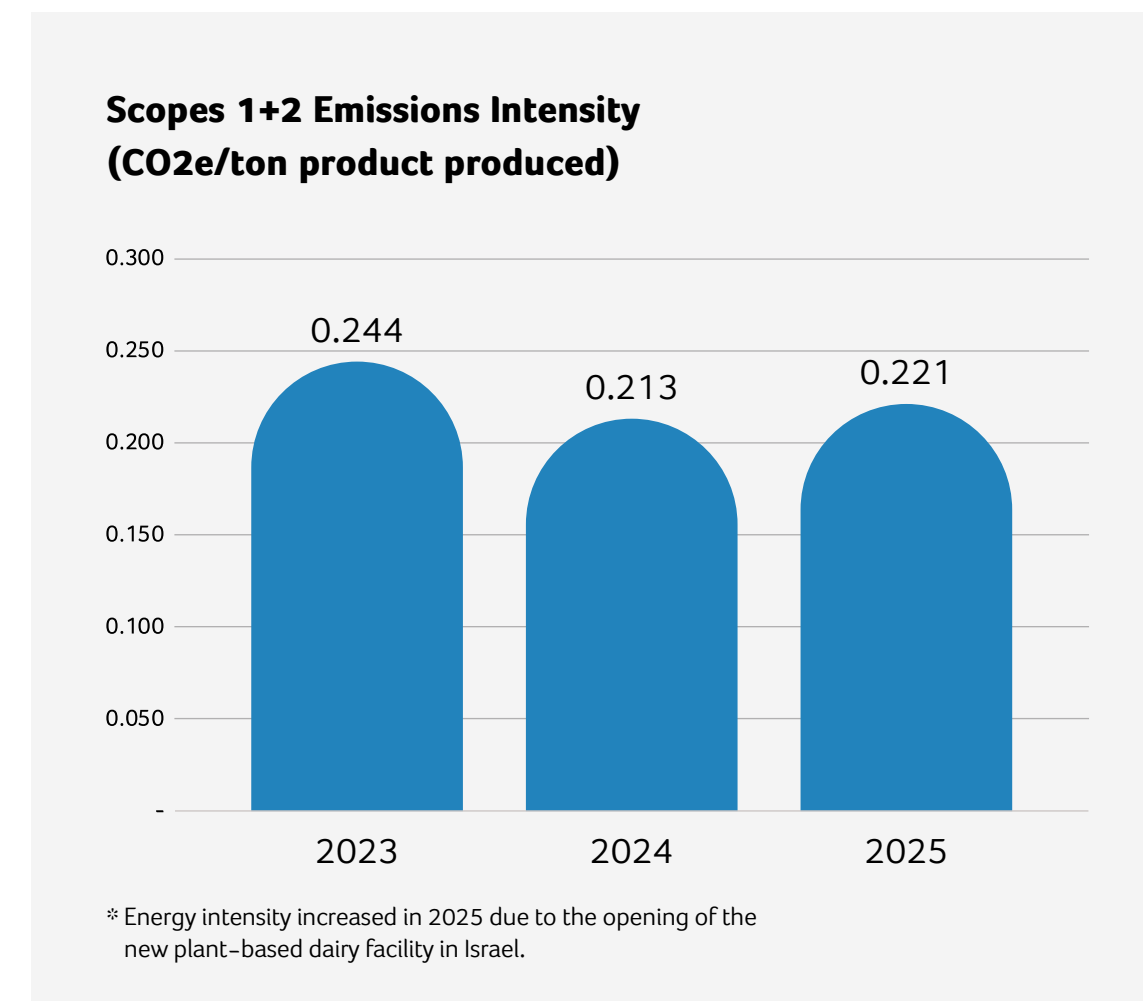
As a manufacturing company, Strauss Group is committed to making a difference through responsible energy management, operational efficiency in supply chain, and reducing emissions by procuring goods locally. We assess our Greenhouse Gas (GHG) emissions annually by analyzing operations and activities of all the Group's subsidiaries in accordance with the GHG Protocol for Scope 1 and Scope 2 emissions.

In 2024, we started assessing our indirect GHG emissions (Scope 3), which arise across our value chain, and in 2025, we completed a full Scope 3 emissions assessment. These indirect emissions constitute most of our environmental impact and encompass a wide range of indirect sources, including procurement, transportation, waste management, and the end-of-life cycle of our products.

This initial assessment, aligned with the GHG Protocol Corporate Standard and ISO 14064 Standard, used location-specific primary data where possible and incorporated established emission factors where necessary. Key focus areas identified through the assessment include optimizing shipments and palletizing, transitioning to single-material packaging, implementing regenerative agriculture, and reducing food waste throughout the value chain.

We selected 2023 as the base year for our emissions calculations to align with the development of our 2030 targets and broader global sustainability frameworks, including the United Nations Sustainable Development Goals adopted in 2015.

Compared to 2023, we reduced our Scopes 1 and 2 carbon emissions intensity per product volume by 4%.



Reducing Emissions at Manufacturing Sites

Plant-Based Dairy Facility at Ahihud

In September 2025, we expanded our Ahihud site with a new plant-based dairy facility designed to meet LEED Gold certification standards. This state-of-the-art plant maximizes resource efficiency through heat recovery systems, daylighting, and advanced monitoring of energy and water consumption. Key environmental milestones include the implementation of a circular water system that captures condensation and utilizes potash-based cleaning to improve wastewater quality, which in turn supports biogas production for steam generation. By repurposing production by-products as animal feed and utilizing energy recovery from solid waste, we have minimized our landfill footprint. In addition, local production of Alpro products significantly reduces international transportation emissions, reinforcing our commitment to a sustainable, low-carbon supply chain.

Lower-Impact Protein Production

We are working to reduce the environmental footprint of our products by introducing lower-impact alternatives and broadening our plant-based product portfolio. Through these efforts, we aim to lower associated emissions and resource use while maintaining quality and nutritional value.

At the same time, plant-based products expand accessibility to a wider range of consumers, including those with dietary preferences or restrictions. For more information, see Chapter 2: Nutrition and Health.

Yotvata CowFree

Our Yotvata CowFree production facility – launched in 2025 – is designed to produce CowFree products using non-animal protein which consumes significantly fewer resources compared to dairy-based protein. On average, based on the non-animal protein developers, our CowFree protein production requires approximately:

- 80% less water
- 80% lower CO₂ emissions
- ~60% less energy

Emissions Reduction in Strauss Water

Our water purifiers are designed for high energy efficiency. Since 2013, they have held Energy Star® certification and incorporate energy-saving modes, adaptive systems that optimize performance based on user behavior, and environmentally friendly refrigerants such as R-290.

Green Manufacturing Plant for Strauss Water

Building is underway for a new, green, Strauss Water manufacturing site in Qingdao, China. Expected to begin operations in 2026, the plant incorporates rooftop solar panels, rainwater recovery systems, recycling of laboratory water, and heat recovery technologies. These systems are designed to reduce energy and water consumption while supporting more efficient and sustainable operations.

Emissions Reduction through Service Operations

Approximately 50% of technical service calls for Strauss Water are resolved remotely by design, reducing the need for on-site visits.

For cases that require physical service, we optimize technician routes and use smaller, more efficient vehicles. We also implemented regional parts distribution points, reducing travel distances and associated emissions.





Emissions Reduction in Strauss Coffee

In Q3 2025, we went live with the major industrial biomass or Spent Grounds Boiler project at our German coffee factory (NDKW). The new boiler system utilizes spent coffee grounds, which would otherwise be discarded as waste, converting them into energy through a process of drying and combustion. The energy generated is used directly in the coffee production process, reducing reliance on natural gas.

This project, which included an investment of approximately EUR 11 million (including a subsidy of nearly EUR 4 million), is expected to reduce natural gas consumption by up to 25 GWh annually.

In addition, the system contributes to a reduction in water use and strengthens circularity by converting production by-products into a renewable energy source within the manufacturing process, supporting our broader goal of reducing waste sent to landfill.

Beyond its environmental benefits, the project also supports operational resilience by reducing exposure to energy price volatility and supply disruptions.



Emissions Reduction in the Supply Chain

Scope 3 Tracking and Reporting

Much of our environmental footprint originates in agricultural production, so strengthening sustainable sourcing and improving how we measure Scope 3 emissions are closely connected priorities. Increasing our understanding of emissions across the value chain is essential for identifying meaningful reduction opportunities.

In 2025, we transitioned parts of our Scope 3 reporting process to an

automated system, marking a significant step in how we measure, manage, and report emissions across our value chain. We established clear ownership for each Scope 3 data category by business unit and designated contact persons.

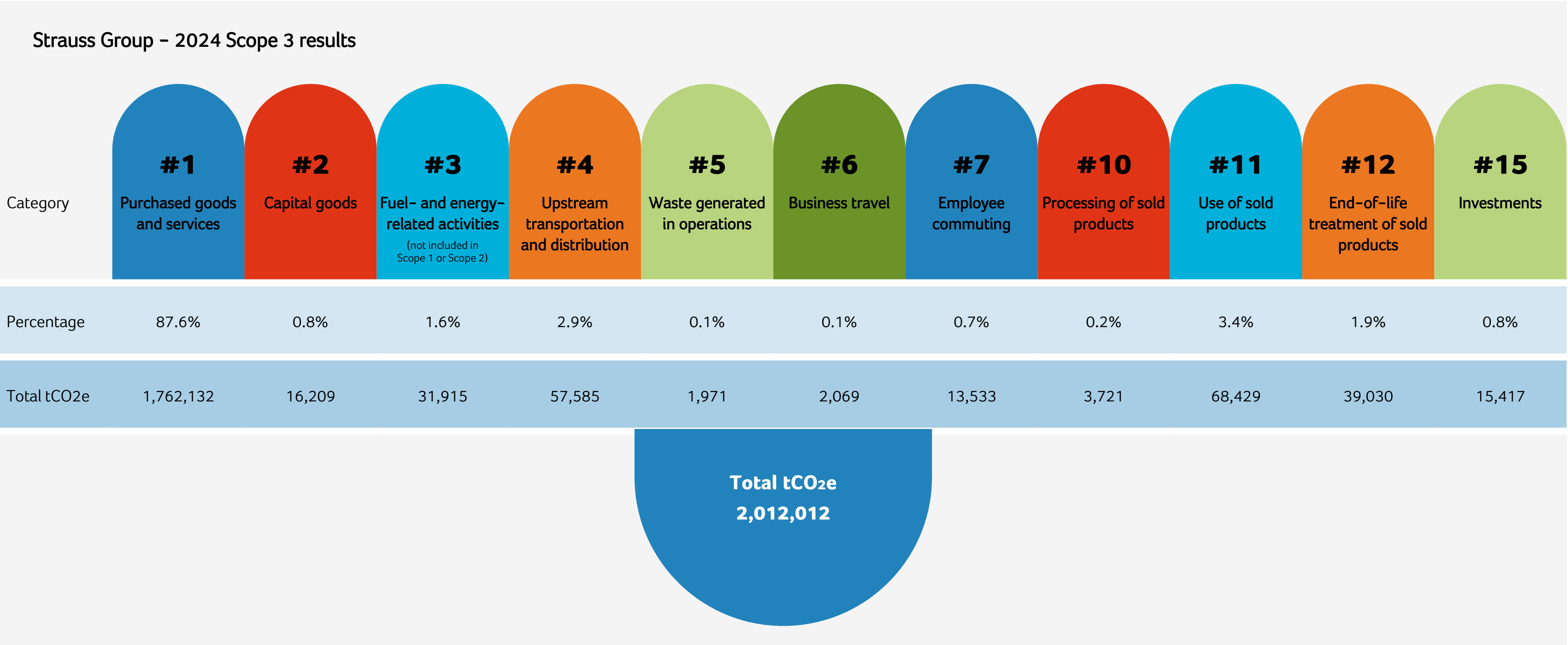
In parallel, in 2025, we carried out a comprehensive project to measure the Scope 3 emissions of the Strauss Group for the year 2024. The process required collecting extensive data across our operations and supply chain, including suppliers, procurement activities, subsidiaries, transportation of raw materials, packaging, and end-of-life treatment. As part of the process, we mapped the relevant Scope 3 categories for the Group.

This work provides a baseline for identifying priority emission sources.

We plan to continue tracking these emissions and improving our data collection processes. We performed the calculations in accordance with the following frameworks and standards:

- ISO 14064-1:2018
- GHG Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Along with conducting a scope assessment in 2025, we completed a life cycle assessment (LCA) of Yotvata’s 3% enriched milk. For more information and results, please see ‘Life Cycle Assessment of Yotvata Milk’ in the Sustainable Agriculture and Responsible Sourcing chapter.



Shipping Optimization

In 2025, we expanded our efforts to optimize our internal packing and shipping processes, including prioritizing lower-emission transportation methods. Strauss Israel and Strauss Water advanced logistics efficiency through strategic supplier collaborations focused on optimizing container and pallet utilization. Key initiatives included redesigning pallet configurations for Primo and Edge devices, increasing shipping capacity by up to 25% and reducing container requirements by 14%, alongside the expansion of palletless shipping using slip sheets for imported goods. These optimizations are projected to eliminate the use of over 2,240 wooden pallets annually while significantly reducing fuel consumption, transportation emissions, and material waste across our global supply chain.

To reduce emissions from air shipments, Strauss Water partnered with DHL Express GoGreen Plus to use Sustainable Aviation Fuel (SAF) for air shipments. DHL uses SAF made from recycled waste, such as used cooking oil or other renewable resources, that is specifically designed to be a substitute for traditional jet fuel. In 2025, we reduced 17.5ton CO2e by using SAF.

Electrifying Vehicles

We are focusing on electrifying our vehicle fleet in two areas: distribution trucks and employee vehicles.

Distribution Trucks

We initiated a significant step in 2023, by starting to equip some of our dry goods distribution trucks with solar panels connected to the trucks’ batteries. By the end of 2024, the entire fleet of 85 trucks had the panels installed, resulting in approximately 3% savings in fuel consumption while cutting emissions and promoting cleaner air.

In 2025, solar panels on distribution trucks led to a 14.5% improvement in travel efficiency (km per liter of diesel)

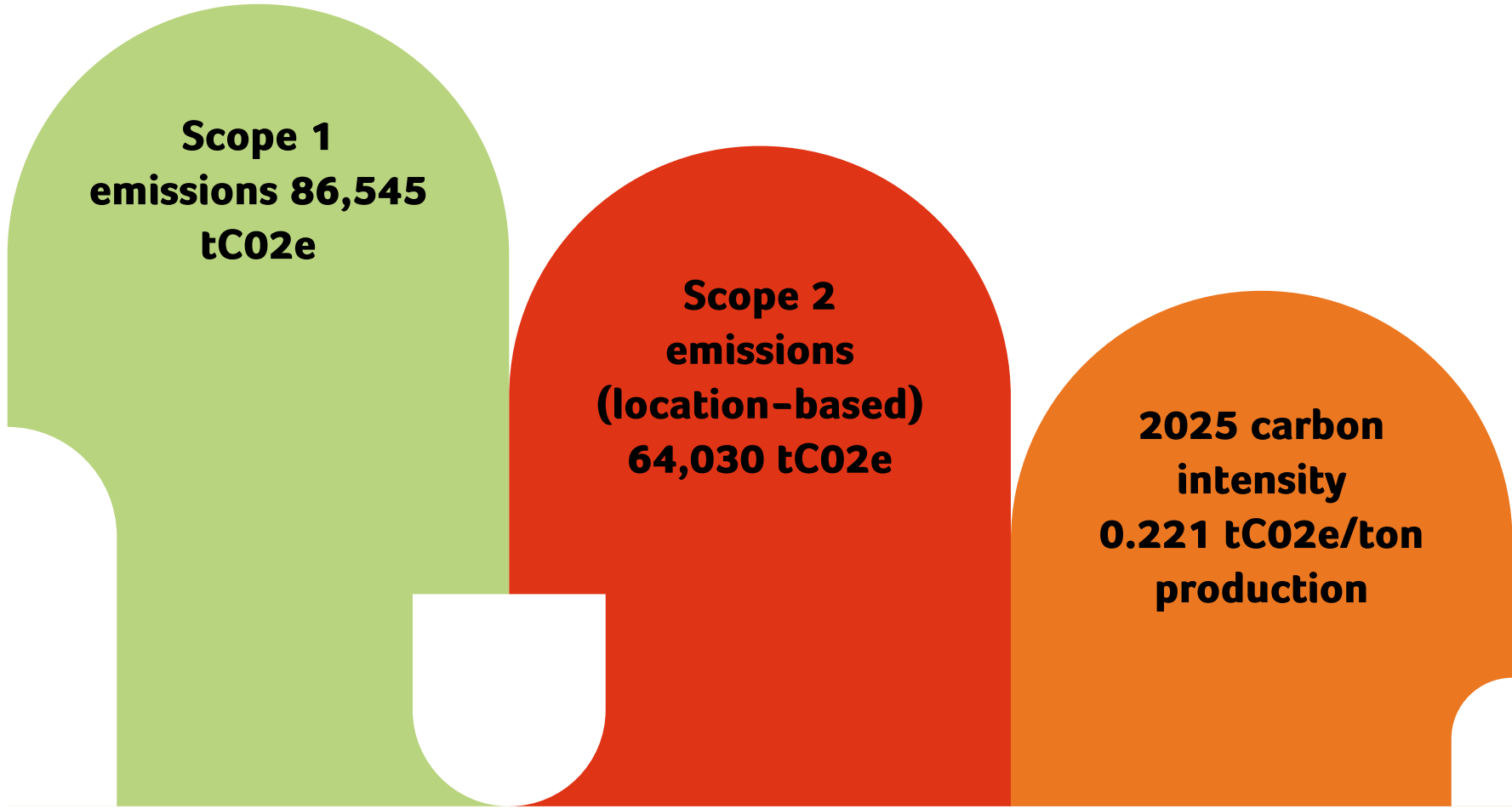
We are continuing to gather data on potential cost savings and environmental benefits of electric trucks before scaling up. While we manage our own dry goods distribution fleet, our chilled goods distribution is handled by independent distributors outside of our control.

Employee Vehicles

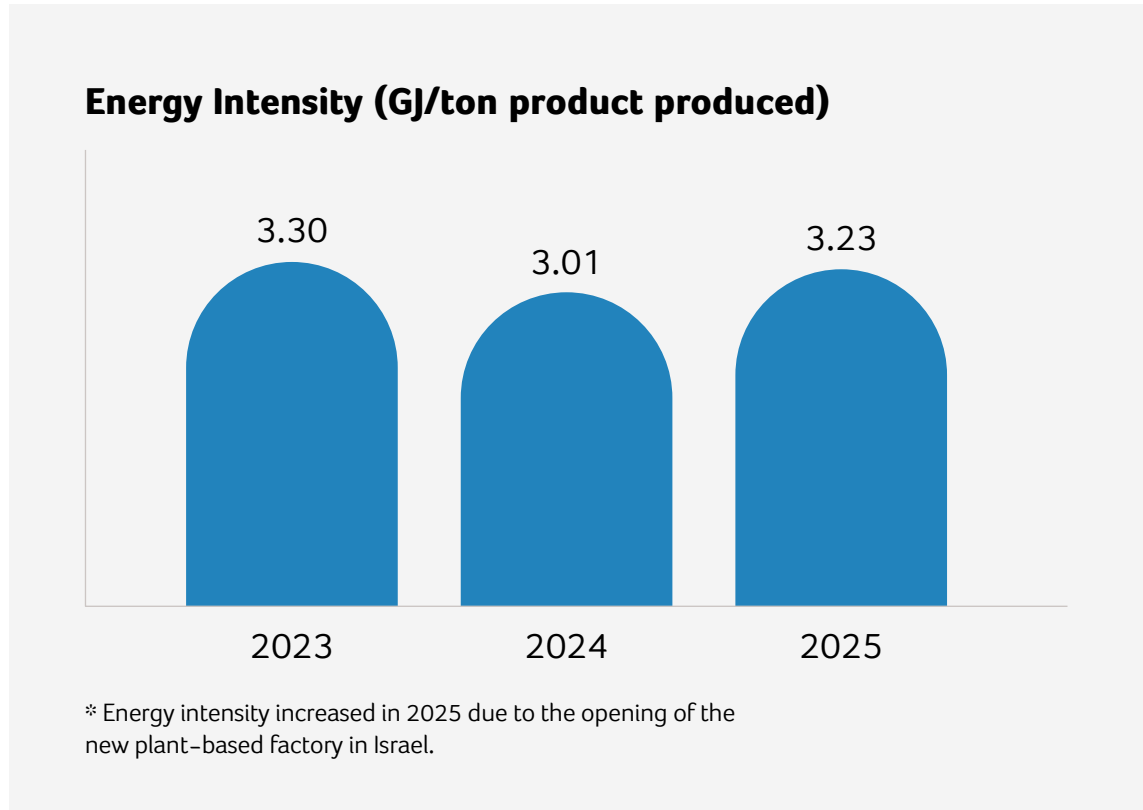
As part of our effort to reduce our emissions, we encourage employees to use electric hybrid or plug-in cars. In 2025 in Israel, our supply chain team had 194 employees using electric, plug-in hybrid or hybrid cars, up from 8 in 2023.

	Electric	Hybrid	Plug-in
2024	16	28	10
2025	37	112	45

To encourage electric vehicle use, we have installed charging stations at eight sites. The remaining three sites are planned for 2026.



Energy Management



A key component of our sustainability strategy is to reduce our environmental impact, particularly in energy consumption. We see great importance in the transition to clean and renewable energy use, which helps reduce our environmental footprint and decrease our dependency on fossil fuels. To achieve our goals, we are examining installing solar energy infrastructures (PV) at our production and supply chain sites, as well as partnering with PV solar fields outside our facilities and connecting them to the electric grid.

Our energy management strategy focuses on:

1. Reduction at source: projects that primarily save energy in our production facilities (such as replacing chillers with newer, more efficient systems and storing residual heat from chimneys to heat water)
2. Use of renewable energy sources: replacing non-renewable energy sources with renewable ones (e.g. solar) or biogas (from our industrial wastewater)
3. Sourcing our electricity from third-party renewable energy producers, partnering with them on new sites where we are a key customer, as we cannot generate all our electricity on-site.

Recognizing the importance of collective action with additional companies in Israel, we actively participate in collaborative efforts to accelerate the transition to renewable energy. Our Energy Director is a founding member of the Israeli coalition of influential companies working towards 100% renewable electricity.

In 2025, we continued to improve energy efficiency across several sites, driven by infrastructure upgrades, operational optimization, and the scaling of best practices. While performance varied between sites, most facilities recorded improvements in energy intensity, supported by both technological investments and process improvements.

Key Site Developments in 2025

Karmiel (Salads Facility)

In 2025, we completed the transition from liquefied petroleum gas (LPG) to natural gas at our Karmiel salads facility and upgraded the site’s steam boilers. We also implemented an innovative solar thermal system, which pre-heats water used in steam production, significantly reducing the energy required for heating. These improvements contributed to a 9% reduction in energy intensity, which decreased to 651 kWh/ton of product (from 790 in 2024), alongside a reduction in emissions intensity to 0.208 tCO₂e/ton of product.

Nof Hagalil (Confectionery)

At our Nof Hagalil confectionery site, we continued to benefit from the phase-out of heavy fuel oil and the transition to high-efficiency steam boilers. Combined with increased production volumes, these improvements led to a 3.9% reduction in energy intensity, reaching 1,606 kWh/ton of product (down from 1,671 in 2024), alongside improved emissions intensity.

Ahihud (Dairy)

At our Ahihud dairy, we expanded the wastewater treatment facility to support the new, adjacent plant-based dairy facility. As a result, the biogas system was not operational for most of the year, requiring increased reliance on natural gas. Despite this, energy intensity improved by 4.9%, reaching 634 kWh/ton of product (down from 655 in 2024), primarily due to higher production volumes.

Yotvata (Dairy)

At our Yotvata dairy, energy intensity increased by 4.7%, reaching 540 kWh/ton of product (up from 509 in 2024). This was primarily due to the installation of new production equipment, which required higher energy consumption during its initial operating phase, as well as power disruptions during the year.

Cross-Organizational Energy Efficiency Initiatives

In 2025, we expanded the use of advanced monitoring and maintenance tools across our operations. Following a successful pilot at our Ahihud dairy, we implemented the use of acoustic cameras across multiple sites to detect and repair compressed air leaks, reducing energy losses and improving operational efficiency.

In addition, we strengthened operational practices across our supply chain centers, focusing on behavioral and process improvements to reduce unnecessary energy consumption.

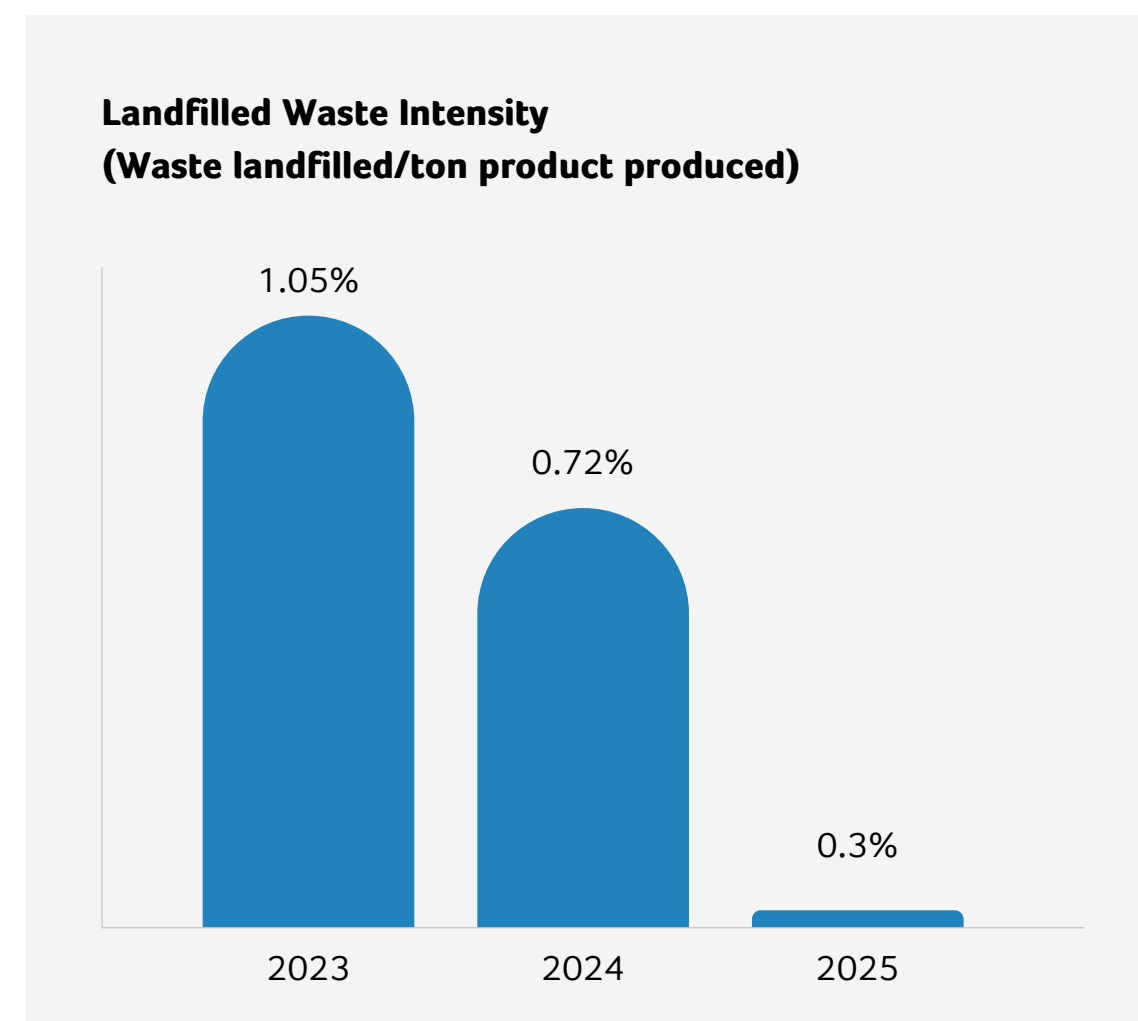
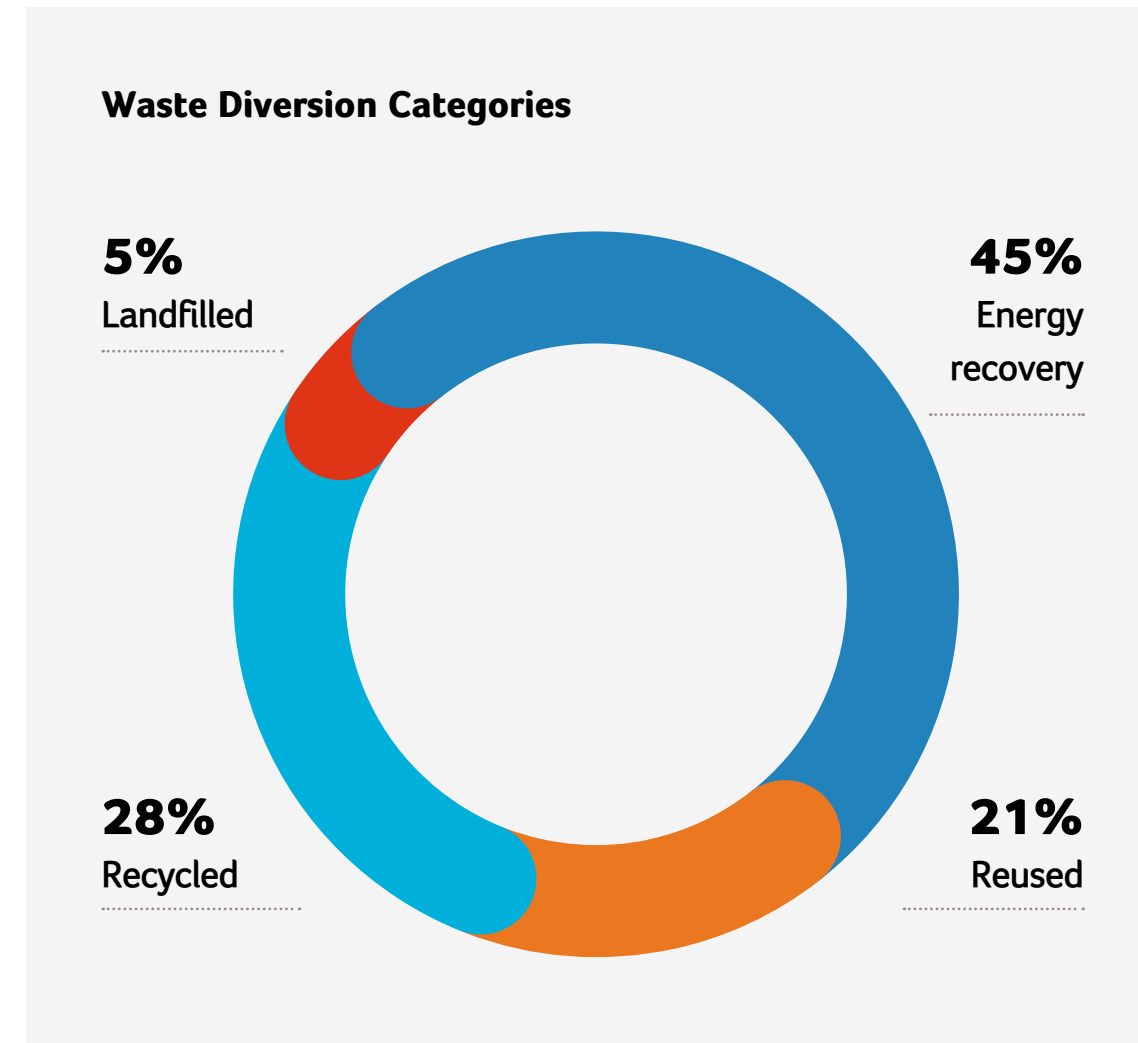
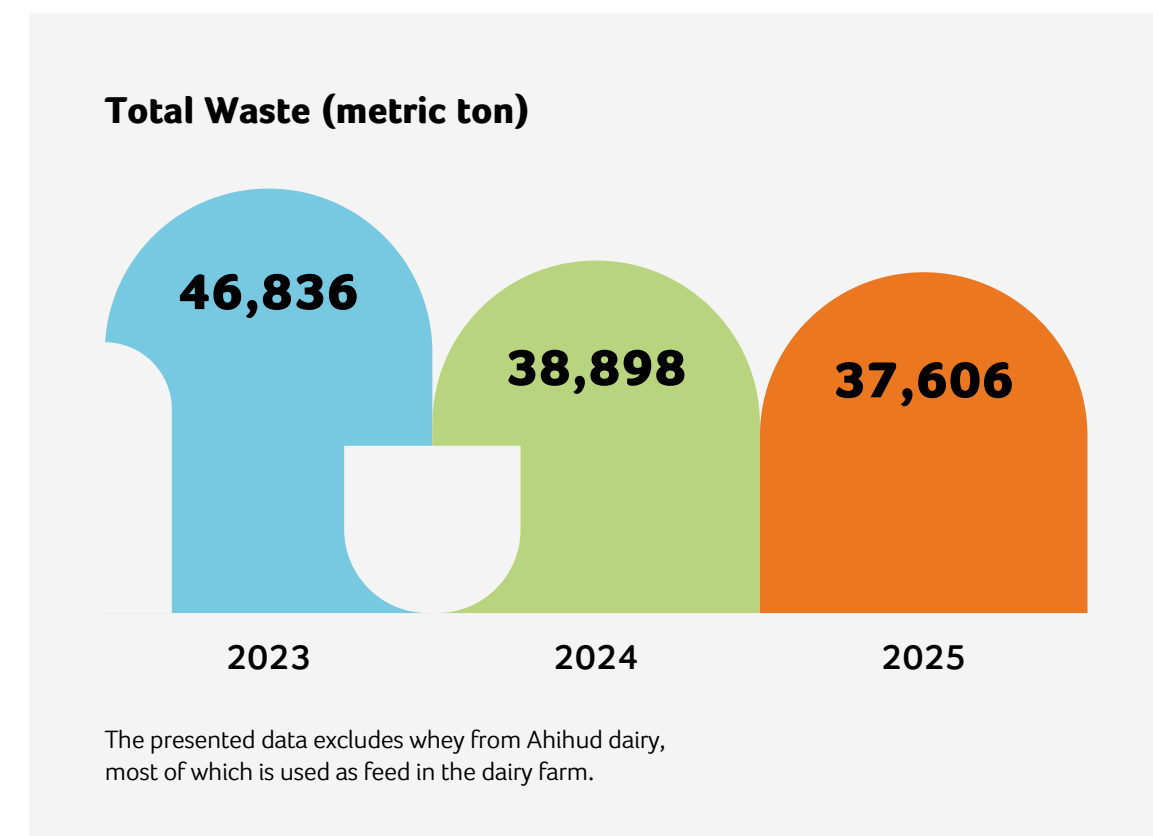


Waste Management

An additional key pillar of our sustainability strategy is our ambitious goal to reduce our landfilled waste by 85% (base year 2023) by 2030. This commitment underscores our dedication to a circular economy, where resources are valued, reused, and recycled to their maximum potential.

We manage our environmental impact through a structured waste hierarchy that prioritizes prevention and circularity over disposal:

- 1. Prevention & Reduction:** We are dedicated to reducing waste at source through innovative product design, efficient operations, and responsible sourcing practices.
- 2. Investing in sustainable solutions:** We are actively exploring innovative technologies and partnerships that support waste reduction and resource recovery.
- 3. Maximizing resource utilization:** We prioritize reuse/repair/recycle initiatives across our entire value chain.



Reducing Food Waste

We recognize that food waste is both a missed opportunity to feed people and a significant environmental challenge, contributing to GHG emissions and the unnecessary use of water, energy, and other resources. We therefore take responsibility for addressing this issue across all stages of our value chain, from sourcing raw materials to production and distribution.

We track and measure food waste as part of our broader Cost of Poor Quality (COPQ) metric (see the 'Excellence in [Food Safety and Quality](#)' section in Chapter 2).

Starting in 2024 and continuing into 2025, we have been standardizing quality processes across all our Israeli factories to ensure consistent reporting and analysis of food waste data. By implementing measures such as logging standardized reasons for food waste in our management tools, we aim to enhance transparency, improve accountability, and identify targeted opportunities for reducing waste.

Our efforts on reducing food waste focus on three main areas:

- **Minimizing production losses:** Through cross-department collaboration among our technology, quality, and production teams, we have improved efficiency by identifying loss risks, optimizing machine designs, and repurposing waste through measures like selling organic waste for compost.

- **Recovery of potentially wasted food:** Recovery of merchandise returned from the market, selling individual items to distributors, selling through employee stores, internal consumption via refrigerators at logistics sites.
- **Managing short shelf-life products:** By aligning with clients on shelf-life requirements, we proactively manage inventory to prevent waste. Unsellable but safe products are redirected to donations.

Additionally, food loss can occur before production, such as when raw materials are damaged or destroyed. To combat this at the source, we collaborate with agrotech companies and our farmer suppliers. These partnerships are crucial in tackling food loss within the supply chain. As part of our strategy, we also design products with consumer needs in mind, aiming for optimal package contents and longer shelf life.

In 2025, products worth NIS 7.4 million were donated.

All items were safe for consumption but unsuitable for retail sale due to production errors or nearing expiration dates. They would have otherwise been sent to landfill.

Packaging and Circular Economy

We see packaging as our first interaction with consumers, shaping both their experience and our environmental impact. We are dedicated to enhancing the sustainability of our packaging across all divisions by focusing on waste reduction and increased recyclability. We have adopted a comprehensive approach, undertaking various innovative initiatives across our product lines. Our sustainable packaging strategy is supported by a multidisciplinary task force and clear guidelines.

We emphasize reducing the overall weight of packaging and reliance on virgin materials, while prioritizing the elimination of materials that cannot be effectively recycled locally. In addition, we have committed to incorporating recycled materials into our packaging materials and achieving 15% recycled materials in our packages by 2030.

To achieve these goals, we foster collaborations with sorting and recycling centers, implementing long-term solutions for reclaiming, sorting, and recycling packages, and working in partnerships and coalitions to drive impactful change. We also work with third-party providers to improve packaging recyclability. As a shareholder and board member of the T.M.I.R. Manufacturers Recycling Corporation in Israel Ltd., we work closely with the organization to ensure that our packaging is suitable for the current recycling stream. We provide training to packaging development managers and purchasing teams to ensure they understand the practical limitations of the local recycling infrastructure.

As part of strengthening our capabilities in this area, in 2025, we established a Packaging Center of Excellence to deepen expertise, align cross-functional teams, and support the development of packaging that is both more sustainable and better suited to real-life consumer use.

86% of packaging materials purchased by Strauss Israel in 2025 **were recyclable.**

In 2025, we eliminated the use of PVC in the dairy division, fulfilling a key sustainability target.

We made several concrete changes in 2025 to improve our overall packaging sustainability management.

Packaging Improvements in the Dairy and Food Division

In 2025, we implemented several packaging innovations to enhance recyclability and reduce material waste, including shifting PRO yogurt cups to fully recyclable polypropylene and transitioning Actimel bottles to an embossed design. These initiatives eliminated the use of PVC in our dairy division and removed approximately 30 tons of paper annually. In addition, by phasing out secondary packaging for Dani 8-packs, we eliminated over 1.2 million cartons, saving more than 40 tons of paper yearly. In 2025, we also began the process of removing barcode stickers across brands such as Milky, Dani, and Maadan HaGolan. This process

is expected to be completed by mid-2026, and to save more than 8 tons of paper yearly. Across our food portfolio, we continued to reduce our environmental footprint by thinning plastic packaging, removing unnecessary sleeves, and increasing the integration of recycled materials.

Packaging Improvements in the Confectionery Category

Continuing our commitment to sustainable packaging, we achieved further material reductions across our confectionery and spreads categories in 2025. By transitioning to directly printed cups for the Pesek Zman spread, we reduced plastic use by approximately 50%, building on the success of similar initiatives for our Cow and Mimrahit brands. Furthermore, we redesigned our chocolate bars’ primary packaging to make them resealable and improve accessibility, along with improved efficiency of our display stands from 12 to 18 units per display and moved Mekupelet to a single-layer film. These combined efforts underscore our progress in minimizing plastic and paper waste throughout our product portfolio.



Packaging Improvements at Strauss Water

In 2025, we further optimized our consumable and component packaging by redesigning lamp and filter boxes to be smaller, more efficient, and composed of 70% recycled cardboard. By transitioning to uncoated brown boxes with simplified single-color printing and eliminating polyethylene bags for internal supplier shipments, we have significantly lowered both material and energy consumption. Additionally, we reduced our paper footprint by switching to 100% recycled, wood-free paper for user manuals, slimming down their page count and, where regulations permit, replacing physical manuals entirely with QR codes to provide digital instructions.

Transition to More Sustainable Packaging Pallets

In 2025, at Strauss Israel, we continued our transition from wooden pallets to reusable plastic pallets for internal logistics for dry goods, covering movement between factories and distribution centers. The plastic pallets are more durable than wooden pallets, with roughly twice the lifespan. They improve worker safety due to their lighter weight, support food safety, and are 100% recyclable through a local closed-loop recycling system. The wooden pallets were sorted and repurposed for transporting goods to the market, which means they were neither destroyed nor sent to landfill.

In 2025, we replaced 50,000 wooden pallets with plastic ones.

Circular Economy

We are committed to reducing our landfill disposal from our supply chain sites, and through intensive efforts in 2025 we diverted 95% of waste from landfill, continuing our upward trend we have been achieving in the last three years. We recycle and reuse a wide range of materials, including household waste, wooden pallets, shrink wrap, cardboard of all types, and packaging from dry and chilled products. These actions significantly reduce landfill disposal and support national recycling targets.

In 2025, ~93% of waste from our Shoham logistics center (Marlog) was diverted to recycling.

In 2025, 6,938 metric tons of food waste were reused for animal feed.

Goal: Zero Landfill in the Ahihud Dairy

In 2025, we launched a major project in our Ahihud dairy facility with a clear goal: achieving zero waste to landfill. We focused on improving waste separation at source and creating practical, dedicated solutions for each waste stream.

We now collect organic waste in sealed compression cassettes that prevent odors and liquid leakage. The closed system minimizes manual handling, improves employee safety, and supports more efficient operations.

We transfer waste from the dining hall, including containers, to the Hiriya site for conversion into refuse-derived fuel (RDF). We process wood and pruning waste on site using a newly installed shredder and we then send it to a designated treatment facility. We recycle HIPS plastic for reuse in plastic products, send fruit cooking barrels for metal scrap, and recycle cardboard at Infinya Ltd.

These changes improved productivity at the facility, while strengthening our safe, clean, and circular waste management practices.

Yotvata Circular Economy

At our Yotvata dairy facility, we implement circular practices that connect agriculture and production. We use dates that are not suitable for sale from the Arava region as feed for our cows. The manure generated at the dairy is then processed into compost, which is returned to agricultural use.

In addition, we repurpose whey, a byproduct of dairy production, as animal feed. This approach enables us to reduce waste while creating value from materials that would otherwise be discarded.

Circularity at Strauss Water

Strauss Water continues to champion circularity by prioritizing product longevity and comprehensive end-of-life management. In 2025, our North Macedonia facility refurbished 19,000 units – a 171% increase over 2024 – while the production of 18,800 repair kits enabled on-site cooling system repairs, significantly extending device lifespans and reducing e-waste. Our commitment to responsible disposal, in partnership with M.A.I., resulted in the recycling of over 160 tons of materials from older units. Additionally, we have streamlined the recycling of consumables by collecting used filters and UV bulbs directly from customers and are transitioning to reusable CO2 cylinders via a return-and-refill system, further minimizing our environmental footprint across the product lifecycle.

4 billion plastic half-liter bottles i.e. 33 tons of plastic are saved each year through the use of Strauss Water purifiers. Beyond reducing plastic waste, it also cuts out the need for transporting, disposing of, or recycling these bottles.

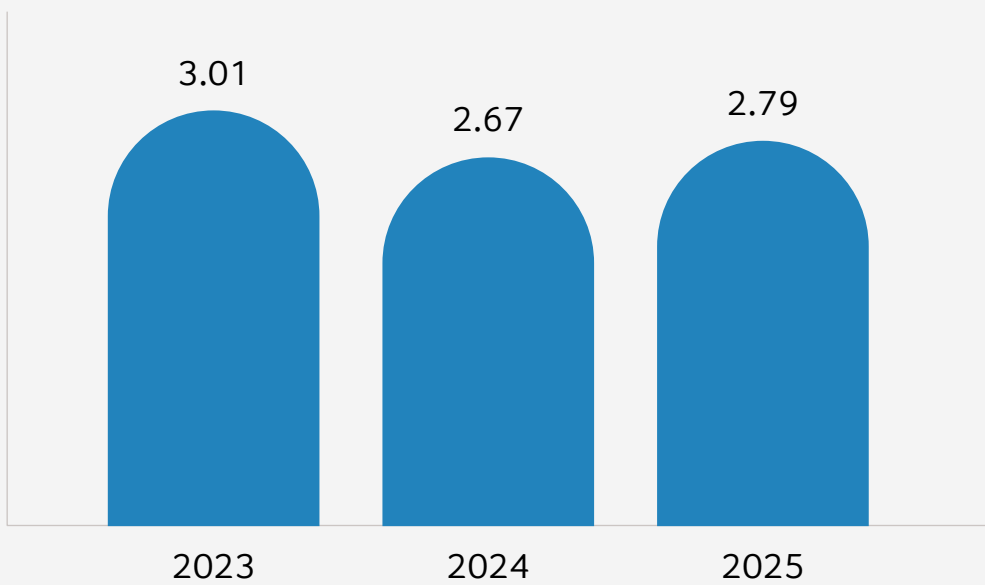
Recycling Coffee Capsules in Brazil 3corações

Our Cápsula Verde (“Green Capsule”) program continues to recycle coffee capsules, in partnership with the startup Umbloco, collecting over 186 tons in 2025. Prison inmates in Pernambuco participated in transforming the capsules into sustainable building blocks. The project achieved 93% waste utilization, promoting our objectives of optimizing packaging and reducing operational waste.



Water Management

Water Intensity (m3/ton product produced)



* Water intensity increased in 2025 due to the opening of the new plant-based factory in Israel.

Water is a critical resource across our value chain, and we are committed to mitigating global water scarcity through a framework centered on production-efficiency and reuse. In 2025, we achieved significant improvements in wastewater quality by transitioning to potash-based cleaning at our confectionery facility and optimizing our CIP (Clean-in-Place) processes at the salads factory via a new tank farm, which reduced both salt concentration and total wastewater volume. Today, approximately 80% of our manufacturing water in Israel is recycled for agricultural irrigation, supported by advanced filtration and innovative onsite treatment systems that convert wastewater into biogas for energy generation. These initiatives, alongside specialized designs like our new plant-based facility at Ahihud, ensure we maximize resource efficiency.

Sustainable Agriculture & Responsible Sourcing

At Strauss, we see ourselves as part of a continuous journey that begins in the fields and dairies and ends in the kitchens of the families who enjoy our food. The agricultural ingredients we rely on – milk, coffee, cocoa, potatoes, sesame, chickpeas, honey, and many others – connect us directly to growers and agricultural communities in Israel and around the world. These partnerships are essential not only for ensuring the quality and availability of our products, but also for supporting the land, ecosystems, and communities that make food production possible.

At the same time, climate change, biodiversity loss, and agricultural supply volatility are increasing risks for food production. In response, we work closely with farmers and suppliers to strengthen sustainable agricultural practices, improve animal welfare, protect soil health and biodiversity, and build more resilient supply chains. Through long-term partnerships, innovation in farming practices, and greater transparency across our value chain, we support the continued success of our agricultural partners while helping ensure that the food reaching families' tables is produced responsibly.



Responsible Sourcing Governance

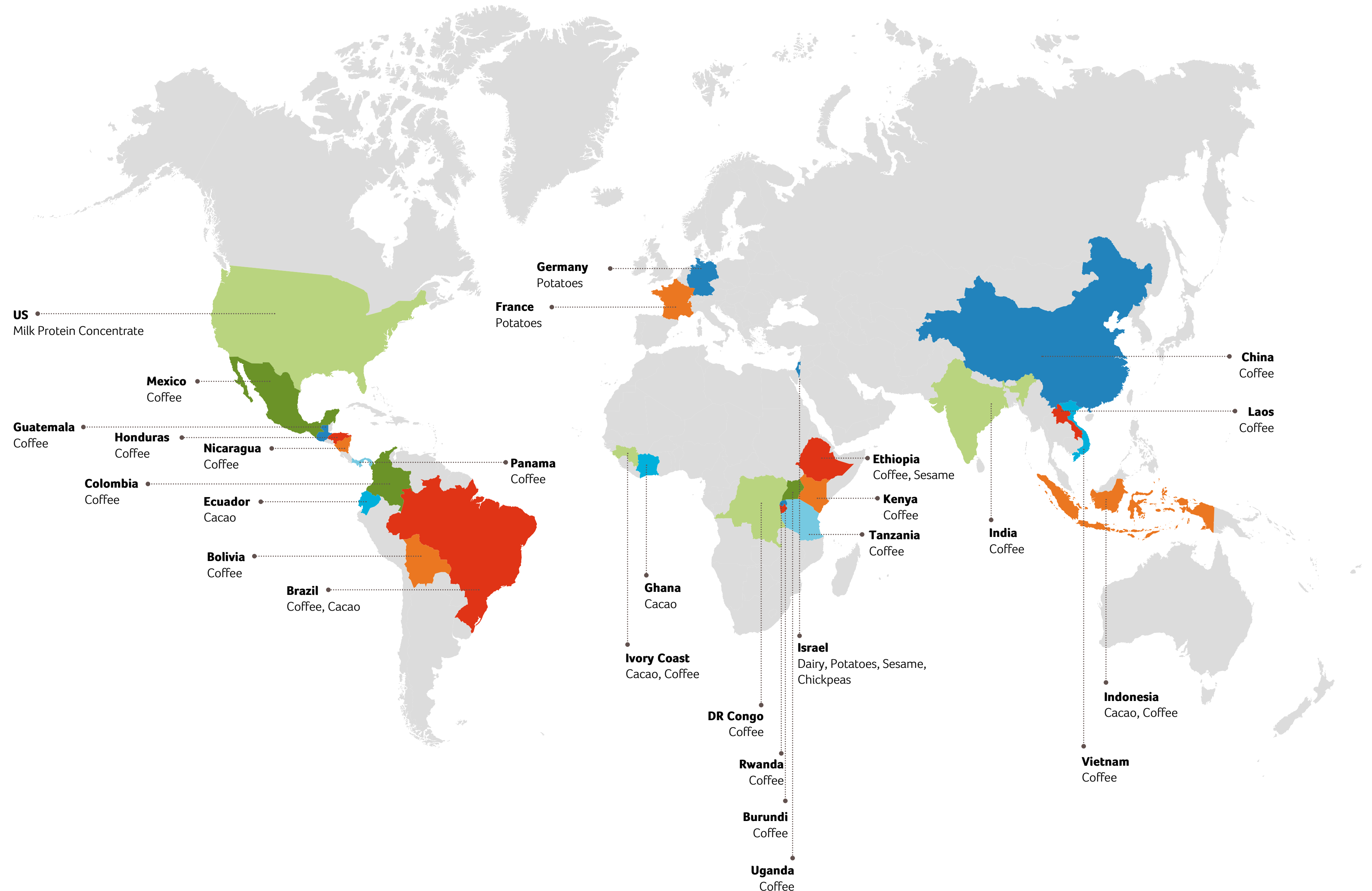
Oversight of the responsible procurement area is carried out through an organized procurement and supplier policy that is regularly monitored by Supply Chain management, led by the Chief Supply Chain Officer, who reviews implementation progress and the key risks within the supply chain. Procurement, sustainability, and quality teams work collaboratively to ensure that the policy is implemented consistently.

Sourcing Our Ingredients

We prioritize our responsible sourcing efforts on key ingredients and materials that offer the greatest potential for impact within our supply chain while minimizing associated risks. We take an integrated approach to sustainable sourcing, encompassing environmental, social, and economic considerations to drive meaningful change.

As part of that, we actively engage with our suppliers to ensure they share our sustainability values. Our suppliers include those with recognized certifications, such as B Corp, and those that source materials from reputable global brands with strong sustainability practices.

In 2025, we deepened our understanding of the environmental impacts within our value chain through expanded Scope 3 emissions analysis, recognizing that a significant share of our footprint originates in agricultural production. For more details on Scope 3, [see Chapter 3, Climate and Environment](#). As part of these efforts, we conducted a life cycle assessment (LCA) for Yotvata milk which is detailed below.



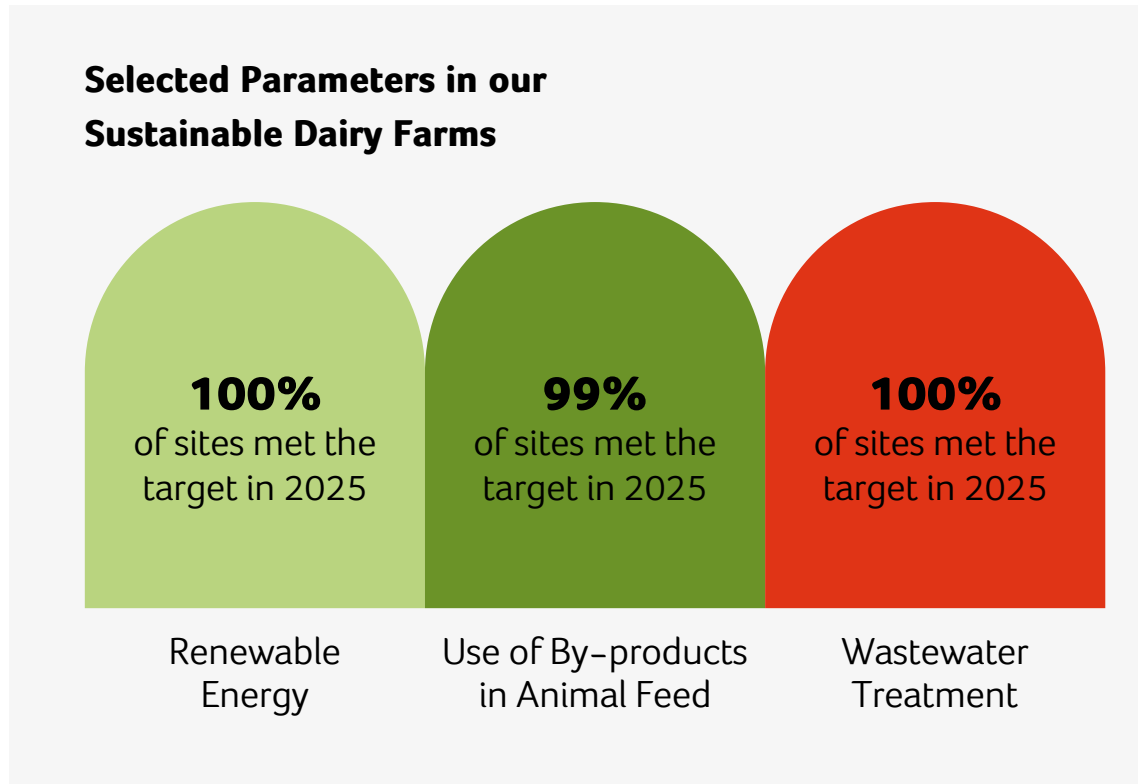
Dairy

Responsible Dairy Sourcing

At Strauss, we are committed to responsible dairy sourcing that prioritizes animal welfare, environmental sustainability, and transparency. Dairy farming is often associated with challenges such as greenhouse gas emissions from refrigeration, significant waste generation, and the environmental impact of feed production. We address these issues by working closely with our suppliers to implement sustainable practices that reduce emissions, manage waste responsibly, and ensure ethical treatment of animals.

Sustainable Dairy Farms

Both our Yotvata Dairy and our main Ahihud Dairy facilities in Strauss Israel champion sustainable dairy farms and invest in cow welfare. Together with veterinarians and animal nutrition experts, we established clear parameters for dairy farms supplying milk to Strauss. To incentivize compliance, we allocated NIS 5.25 million in monetary rewards in 2025 for farms that meet our standards. The Sustainable Dairy Farms initiative encompasses a commitment to 12 key aspects covering animal welfare, environmental stewardship, and waste management, implemented across Yotvata’s 22 dairies and Ahihud’s 53 dairies. For the past five years, including 2025, 95% of the dairies supplying Yotvata achieved 100% compliance in nearly every category. These efforts improve milk quality and enhance animal well-being and farm efficiency, reinforcing our commitment to responsible dairy production.



Life Cycle Assessment of Yotvata Milk

In 2025, we conducted a Life Cycle Assessment (LCA) of Yotvata’s 3% enriched milk (1-liter bottle) as part of our effort to deepen our understanding of the environmental footprint of key products and raw materials and to identify opportunities to reduce emissions across our value chain.

The cradle-to-gate analysis assessed the environmental footprint of the product from feed cultivation for dairy cows through milk production, processing, and packaging. In addition, we assessed distribution to supermarkets, including the treatment of packaging at the end of its life cycle.

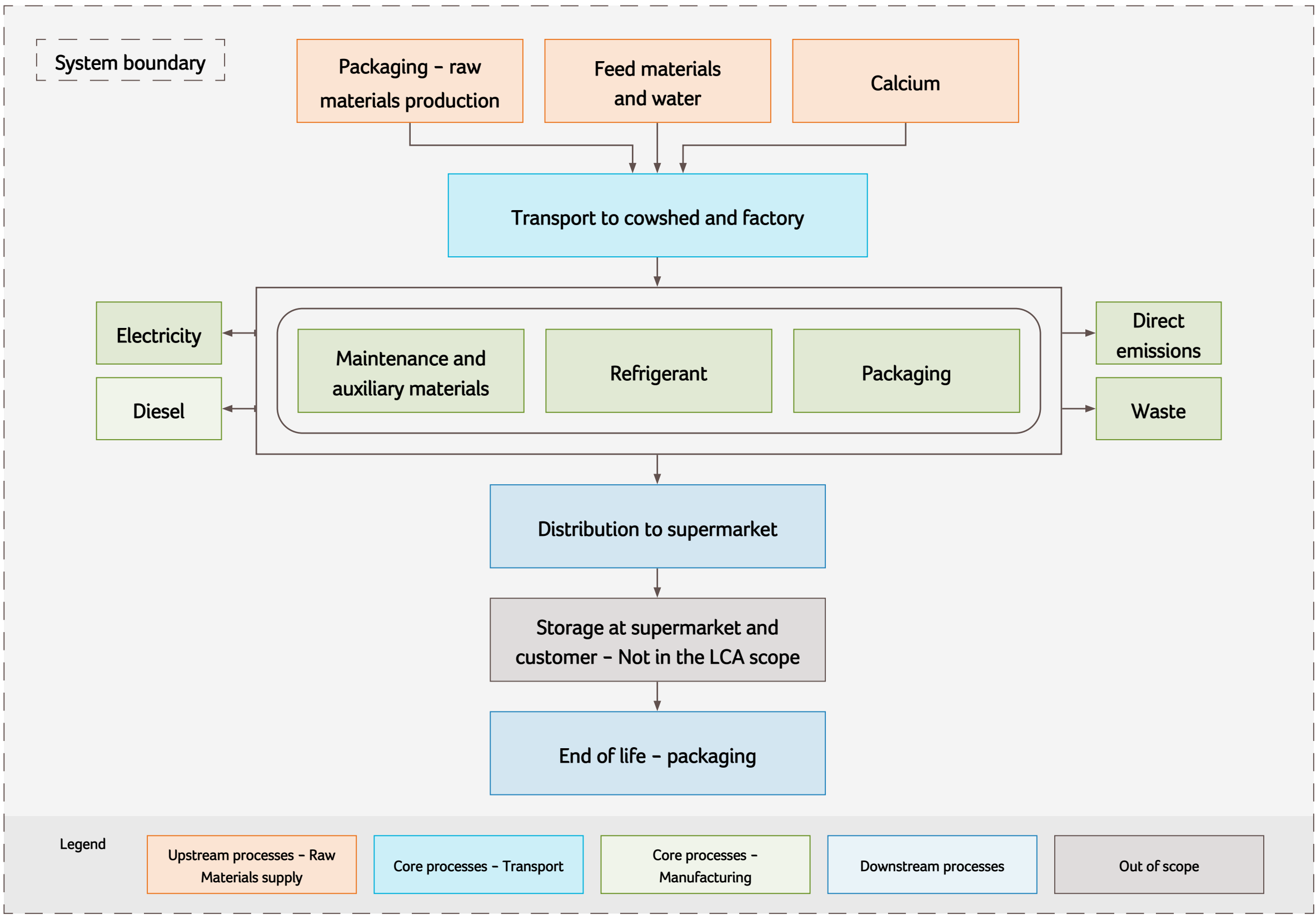
We conducted the study in accordance with ISO 14040 and ISO 14044 standards, using primary data from our operations and suppliers together with recognized methodologies for calculating agricultural emissions, including IPCC guidelines for methane emissions from dairy production. Only a small number of company-led studies in the field of milk production have been conducted worldwide, and in Israel, most assessments to date have been carried out in academic settings, making this study among the first of its kind conducted by a dairy company in the Israeli market.

The study found that total emissions are approximately 1.1 kg CO2e per liter of milk. This analysis provides a baseline for tracking future progress and supports our ongoing efforts to better understand and reduce the carbon footprint of our dairy products.

Along with conducting an LCA in 2025, we completed a full assessment of our scope 3 emissions. For more information and results, please see [‘Scope 3 Tracking and Reporting’ in the Climate and Environment chapter](#).



Scope of LCA Study



Milk Protein Concentrate (MPC)

Milk Protein Concentrate (MPC) is a priority raw material for Strauss for our yogurt products, valued for its clean flavor, excellent solubility, and versatile functional properties. We work closely with our MPC suppliers to ensure responsible sourcing and uphold our sustainability commitments. Our suppliers typically implement energy-efficient membrane filtration and drying technologies in the production process, reducing environmental impact while maintaining high-quality protein ingredients for our products.

As part of our dedication to sustainability, we collaborate with MPC suppliers who source locally whenever possible and align with global environmental and ethical standards. Our suppliers are actively engaged in sustainability initiatives, including Life Cycle Assessments (LCAs) to measure and reduce their environmental footprint. Additionally, they support industry-wide programs like the U.S. Dairy Stewardship Commitment and the Dairy Sustainability Alliance, working to lower Scope 3 FLAG greenhouse gas emissions and advance responsible dairy farming practices. We also ensure that the milk used in MPC production adheres to the Sustainable Dairy Partnership (SDP) standards.

Coffee

As the largest coffee company in Brazil and the third largest in the world through our Joint Venture 3corações Group, coffee bean sourcing is a key priority for Strauss Group. Climate change threatens coffee yields and drives deforestation as farmers seek higher-altitude land to avoid pests and diseases. Beyond environmental concerns, coffee-growing communities face economic instability due to climate impacts and volatile prices, often leading to unsustainable farming practices.

The European Union Deforestation Regulation (EUDR), originally scheduled to take effect in December 2025 and later postponed to the end of 2026, mandates strict traceability for certain commodities – including coffee and cocoa – linking them to the specific plots of land where they were cultivated. Under the regulation, commodities grown on deforested land cannot be imported into Europe. In preparation for the regulation, throughout 2025 we carried out a broad cross-functional effort across our coffee operations to strengthen traceability, due diligence, and responsible sourcing practices.

The project involved key business units in Romania, Poland, and Germany, with collaboration among sustainability, sourcing, procurement, operations, logistics, IT, legal, and regulatory teams. Throughout the year, we monitored legislative developments and evolving EU guidance, while maintaining close dialogue with green coffee traders, customers, retailers, and local authorities to align with emerging regulatory and market expectations. We also participated in industry-level discussions through the European Coffee Federation regarding implementation questions related to soluble coffee.

To support compliance, we adapted our ERP systems and strengthened due diligence and documentation processes across the supply chain. We also developed a dedicated risk management methodology for EUDR-related sourcing and evaluated external traceability solutions and verification models. Relevant employees and supply chain managers underwent training on EUDR-related logistics procedures, including management of Due Diligence Statements (DDS), geolocation data, and import-export documentation flows.

We mapped our green coffee usage, built inventory buffers to reduce potential supply disruptions, and evaluated the availability of EUDR-compliant green coffee, leading to adjustments in certain coffee blends and product trees. We also continued to assess the economic and sustainability impacts of certified sourcing.

To further strengthen traceability and sustainability, we continued

implementing COFFEE VERIFIED, a verification protocol developed by 3corações Group in partnership with AGROTOOLS, a leader in agribusiness technology. This initiative ensures that our coffee producers comply with both Brazilian environmental laws and international sustainability standards. Through independent digital monitoring, we can verify the origin of our beans with measurable, reportable, and scalable oversight. In 2025, the protocol verified 1,554 producers and 700 territories in 12 states in Brazil. A new digital platform for Green Coffee has been approved for 2026/2027, with the goal of covering 100% of Grupo 3corações’ coffee beans by 2030.

At origin, we also worked with third parties to strengthen field-level readiness. For example, within the MIDJO project in Togo, field agents were trained on farmer onboarding and mapping processes, resulting in polygon mapping for 1,044 registered coffee farmers to support future EUDR-compliant sourcing.

At 3corações Group, we are certified by the Rainforest Alliance, which ensures producers’ quality of life, the conservation of forests and rivers, and the biodiversity of coffee farms.



“More than a Cup”

Building on ten years of activity, our “More than a Cup” program partners with local coffee growers and organizations to strengthen responsible sourcing while supporting livelihoods, climate resilience, and women’s economic advancement. In 2025, we focused on four active projects in Côte d’Ivoire, Togo, Vietnam, and Uganda, reaching more than 3,300 farmers and community beneficiaries. Across the projects, we distributed more than 340,000 coffee seedlings and shade trees, established or expanded 48 Village Savings and Loan Association (VSLA) groups, and delivered agricultural, technical, and financial training programs tailored to local needs.



Key regional projects included:

- **Côte d’Ivoire:** Rehabilitation of 85 hectares of coffee farms, alongside women’s financial inclusion and new income opportunities through local seedling production.
- **Togo:** Climate-smart agriculture and women’s entrepreneurship initiatives, combined with alternative income programs such as cassava cultivation, soap making, and beekeeping. The project also launched 17 educational broadcasts through its new Farmer Voice Radio platform.
- **Vietnam:** Technical training, coffee hulling equipment, and preventative healthcare initiatives for female coffee farmers, including health check-ups for 150 women in remote communities.
- **Uganda:** Expansion of support for remote farming communities through community coffee nurseries, rural Agri-Input stores, and financial literacy programs, alongside post-distribution tracking of newly planted seedlings.

“I’m very grateful to be part of the VSLA group. I’ve learned a lot, and it’s helped me manage my money and save. I’ve also earned respect in my family thanks to the loans I can take.

Recently, my husband had a health crisis. I was able to borrow money and immediately treat him. It saved his life. Without this group, he might have died. And we’ve seen a big change in the community: there’s much more solidarity.

We don’t hesitate to support each other when someone is in trouble.”

Célestine, coffee and cassava farmer in Kpalimé region, Togo. She is a mother of five children and an adoptive mother of three orphans.



Cacao

Global cacao production is increasingly affected by climate change, plant disease, and aging plantations, creating supply volatility and placing growing pressure on smallholder farmers across producing regions. These dynamics reinforce the importance of responsible sourcing and long-term partnerships with farmers.

Cacao is a key raw material for Strauss Group, forming the foundation of all our chocolate products. As part of our commitment to responsible sourcing, we work only with companies in the cacao sector that declare and implement the following human rights principles, due diligence practices, and compliance requirements:

- Zero tolerance for modern slavery
- Prohibition of forced labor
- Child labor remediation
- Human Rights Due Diligence
- Supplier Codes of Conduct
- Human Rights Committees in cacao-growing communities
- Human rights risk mapping
- Supplier audits
- Compliance with applicable legislation, including:
 - ° UK Modern Slavery Act
 - ° California Transparency in Supply Chains Act
 - ° Canadian Forced Labour Act

To further enhance transparency and sustainability in our cacao supply chain, we support the Cocoa Horizons program. This initiative promotes traceability, improves farmer livelihoods, empowers women, and protects biodiversity. Additionally, through Cocoa Horizons, we support cacao farming communities by providing seedlings and improving access to quality education.

The challenges facing the cacao industry are also driving innovation, including efforts to develop alternative cocoa ingredients and new production technologies. Looking to the future, we are also exploring innovative solutions to secure a stable cacao supply. Kokomodo, a Strauss Kitchen incubator company, is pioneering a breakthrough in lab-grown cacao using cellular agriculture. This technology offers a sustainable alternative to traditional cacao farming, helping to mitigate climate-related risks and address potential shortages. With a successful proof-of-concept already achieved, Kokomodo represents a promising step toward a resilient and sustainable cacao industry.

Potatoes

We are deeply committed to improving the sustainability of the potatoes we source, as they are at the heart of many of our key products, including our signature Tapuchips potato chips. Ensuring a reliable and sustainable supply of high-quality potatoes is essential for our business, and we continue to advance a number of initiatives in this area.

In 2025, building on research conducted in 2024, we launched a field pilot of an innovative potato planting technique designed to improve yield while maintaining the same cultivated area. The pilot uses a three-row potato seed drill, which allows growers to plant three rows instead of two within the same plot. The equipment was acquired as a shared investment between one participating grower and the Strauss Farmers’ Fund, each contributing 50%, enabling a real-world test of the technology under commercial growing conditions.

Planting of approximately 8 hectares began in late 2025, and the first results are expected during the 2026 harvest cycle. Besides improving yield, the new method is expected to produce smaller and more uniform potatoes that may reduce raw-material losses during processing by being a better match for chip production. The new method will be evaluated over the next three years, with different planting methods being tested each year. Initial results indicate an average yield increase of approximately 25%. However, the trial still needs to be validated over the next growing seasons.

Also in 2025, we piloted the N-Drip precision irrigation system, which uses underground sensors to measure soil water pressure and guide irrigation decisions. The system collects field data and sends recommendations directly to growers’ mobile phones, enabling more accurate irrigation management and reducing manual monitoring. We funded this pilot in full, and the technology was used on both potato and corn fields during the 2025 season.

In parallel, we began testing DMN, a new sprout-inhibition material used during potato storage. This helps maintain lower sugar levels, preserve quality, and reduce losses during storage and transport. In 2025, we applied DMN to approximately 70% of the total produce, and reduced product destruction due to sprouting to 0%.

Most of the potatoes we use are grown in the Western Negev, close to our manufacturing facility in Israel. Due to the proximity between the factory and the farmers, transportation distances are short, and the carbon impact is minimal. We also develop, test, and cultivate unique potato varieties with significantly higher solids content. As part of our 50% partnership with PepsiCo, we conduct ongoing field trials to evaluate the performance and suitability of these varieties under local climate conditions.

As part of our commitment to supporting farmers and those affected by the October 7 attacks, we financed a potato harvesting combine for Kibbutz Be’eri. This helped restore the kibbutz’s independence in its cultivation fields and strengthened its long-term agricultural partnership with Strauss.



Sesame

Sesame plays a central role in our tahini and many of our salads, including our leading Achla Hummus. Recognizing the need for a more sustainable and locally controlled supply, we are transitioning from importing sesame to sourcing it locally.

Until recently, most of our sesame was imported from Ethiopia, where yields are low – only 29 g per sqm – and harvesting is done manually. In contrast, Israeli-grown sesame, which is currently in pilot, can yield 180–200 g per sqm and is harvested mechanically, increasing efficiency and reducing reliance on manual labor.

By moving to local sesame production, we are not only securing a more stable and high-quality supply, but also significantly improving our sustainability impact:

- **Reduced carbon footprint:** Local sourcing means less transportation, cutting emissions from shipping.
- **Faster delivery:** Sesame from Israel can be delivered within days, compared to the approximately three-month lead time from Ethiopia.
- **Greater transparency and quality control:** Growing sesame locally ensures better oversight of agricultural practices, from planting to processing, enabling us to maintain the highest quality standards with batch-level traceability.
- **Ethical and environmental responsibility:** The shift helps address concerns around labor conditions and pesticide use associated with imported sesame.

In 2025, we sourced approximately 200 tons of sesame from Israeli growers, and in 2026, we plan to continue sourcing a similar volume as we evaluate its economic feasibility for local growers. If the pilot succeeds, we intend to double the volume of locally grown sesame during 2026 and support the establishment of continuous local sesame cultivation.

In the next five to seven years, we aim to fully transition to using only Israeli sesame for the salad factory in Israel.

Chickpeas

As a key ingredient in Achla Hummus, chickpeas are a cornerstone of our operations. In 2025, Israel experienced a drought year, which caused an average yield reduction of approximately 28%. Despite this, we were able to source 90% of our chickpeas from Israel. Currently, we are working with growers and other stakeholders on developing new varieties that are more resistant to drought and soil diseases.

To further encourage sustainable practices, we are collaborating with the Israeli Ministry of Agriculture’s Soil Conservation Department to create financial incentives for farmers. These include field visits, tailored growth plans, and potentially financial support for implementing sustainable protocols.

We are also conducting pilot programs to test innovative farming methods for chickpeas. These methods involve utilizing advanced agritech techniques. Our goal is to achieve healthier, higher-quality yields while minimizing environmental impact and preserving soil integrity.

In parallel, we are working with some of the world’s leading seed companies and with leading research institutions from Israel and the US. The work includes the use of advanced genomic analysis and AI tools to identify desirable crop characteristics and help improve yield and agricultural productivity.

We also collaborate with youth villages across Israel to strengthen the connection between young people and agriculture. In these programs, students – many of them at risk or with disabilities – participate in growing chickpeas used in our Achla hummus products while learning about agricultural practices and soil stewardship.

European regulation has been adopted in Israel, and we work to ensure that our growers comply with the updated requirements and reduce pesticide use accordingly. In 2024, we tested the use of mycorrhizal fungi, which were intended to improve yields and strengthen plant resilience. We conducted trials in both chickpeas and potatoes, and are currently evaluating their potential impact.



Honey

We work closely with the beekeepers who supply honey for our Yad Mordechai brand to help ensure the long-term sustainability and stability of honey production in Israel. In recent years, beekeepers have faced increasing challenges, including rising production costs, environmental pressures, and fluctuations in nectar availability. In response, we have implemented several initiatives to support the resilience of the sector and strengthen our partnership with growers.

In 2025, we provided financial assistance to support beekeepers during a particularly challenging period and help them prepare for the upcoming extraction season.

To help lower production costs for growers, we are exploring options for joint purchasing of operational materials, enabling beekeepers to benefit from economies of scale when acquiring key inputs required for honey production.

We are also exploring technological and biological solutions to improve hive resilience and productivity.

Alongside these initiatives, we continue to work with the Israeli Honey Board and local beekeepers to strengthen cooperation across the sector and promote long-term solutions that enhance the stability of honey production in Israel.

Sustainable Agriculture and Supply Chain Resilience

Regenerative agriculture and precision agriculture are complementary approaches that support more environmentally responsible, efficient, and resilient agricultural practices. We work closely with growers to balance the implementation of these methods with economic viability for both Strauss and the growers.

Regenerative Agriculture

We are actively implementing regenerative agricultural practices to improve soil health and biodiversity. Key initiatives include:

- **Testing sustainable growing methods:** We are piloting innovative techniques for crops like corn, cabbage, potatoes, and chickpeas. These include integrated pest management with organic pesticides, advanced cultivation methods, and agritech strategies to enhance yields while minimizing environmental impact.
- **Soil erosion prevention:** By utilizing systems such as cover crops, we aim to preserve soil quality, boost yields, and enhance long-term soil health. Our Farmers' Fund is supporting these efforts by financing machinery to implement these systems.
- **Climate-resilient crops:** Through projects like the Crop Wild Relatives Project, we are researching and developing crop varieties that can withstand climate change.
- **Biological soil solutions:** In collaboration with the Ministry of Agriculture's Extension Service and Kibbutz Gvar'am, we are testing the use of mycorrhizal fungi in crops such as chickpeas. These fungi form symbiotic relationships with plant roots, helping improve nutrient uptake and soil health, reduce the need for nitrogen fertilization and associated emissions, and support increases in yield and dry matter.

Precision Agriculture

We leverage technology to help our growers optimize resource management and improve crop yields through a variety of innovative approaches. Advanced monitoring tools, such as drones, satellites, soil sensors, and information systems, are used to evaluate soil and crop quality, enabling precision agriculture practices. AI-powered management systems help growers optimize fertilization and irrigation, ensuring efficient resource use and improved productivity.

During 2025, our pilots included sensor-based irrigation systems and new planting technologies designed to improve crop uniformity, optimize fertilizer use, and increase yield per hectare while maintaining the same land area.

We regularly evaluate pilot projects with growers and technology partners to assess agronomic performance, environmental benefits, and scalability before considering wider adoption across our supply chain.

Collaboration and Partnerships

Collaboration is vital in our sustainability strategy. We foster partnerships with suppliers, research institutions, and government agencies, and we share agricultural data to empower farmers and promote innovation.

One example is our collaboration with Israel's Ministry of Agriculture to support various agricultural sustainability initiatives, ensuring a collective approach to tackling environmental challenges.

Local Sourcing

Prioritizing local sourcing enables us to reduce transportation emissions, support local economies, and enhance the resilience of our supply chain. Out of the NIS 14 million allocated by the Strauss Farmers' Fund in 2025, NIS 1.5 million was dedicated to sustainable agricultural projects, including testing and implementing innovative practices with local farmers. We place a strong focus on cultivating local crops such as potatoes, cabbage, carrots, and corn to decrease dependence on imports, and this reflects our commitment to fostering sustainability and resilience at the community level.

Supply Chain Resilience

To mitigate risks posed by climate change, geopolitical instability, and supply chain disruptions, we are reinforcing the resilience of our supply chain. Key efforts include reducing reliance on imports and addressing the vulnerability of agricultural supply chains to extreme weather events.





Responsible Supply Chain

Our global operation collaborates with over 11,500 suppliers worldwide, including more than 9,500 local suppliers in the regions where we operate, who are vital partners in our success. We are committed to fair, ethical, and transparent relationships with our suppliers. This includes clear contractual terms, responsible payment practices, and collaboration to strengthen quality standards and operational capabilities. Beyond this, we help suppliers advance by sharing knowledge, implementing quality standards, and building capabilities, helping strengthen local agricultural communities. In challenging times, we provide tailored support to help suppliers sustain their businesses, reflecting our belief that their growth drives our success and strengthens supply chain resilience.

Our expectations for responsible supply chains are defined through two complementary frameworks. While the [Responsible Sourcing Policy](#) sets the overall principles for ethical and sustainable sourcing, the [Strauss Suppliers Ethics Charter](#) establishes the operational standards suppliers must follow in areas such as labor practices, environmental responsibility, and business integrity. All procurement employees undergo training in responsible supply chain management, and all suppliers are required to sign and comply with the Ethics Charter as a condition for continued engagement with Strauss Group, reinforcing our commitment to responsible practices and trust across our value chain. As of 2025, 70% of our procurement spend is covered by suppliers who have signed the Suppliers Ethics Charter. Compliance with these requirements is monitored through supplier assessments, audits, and ongoing engagement processes designed to identify risks and support continuous improvement. By 2030, our aim is that 95% of suppliers will be signatories to the Suppliers Ethics Charter.

Human Rights

We do not tolerate human rights violations in any part of our operations or value chain. Rooted in the core values of the Strauss family, our approach to human rights prioritizes respect for individuals, their rights, and their ability to thrive, in every aspect of our business.

We are committed to protecting and promoting human rights across our value chain, as outlined in our Human Rights Policy. This policy upholds the principles of the United Nations' Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We also adhere to ethical standards that promote respect for all people, without discrimination, throughout all our business interactions.

Concerns related to human rights or ethical conduct in the supply chain can be reported anonymously through our whistleblower reporting channel, which is available to employees, suppliers, and all other stakeholders. This website is offered in several languages.

People and Communities

With over 16,000 employees worldwide, we strive to create a workplace where every employee can thrive. In 2025, we took a significant step forward in strengthening leadership across the organization, expanding professional capabilities, developing knowledge communities, and advancing learning tools aligned with evolving business needs. We also supported transformation initiatives that reshaped business processes, ways of working, and organizational culture, strengthening the connection between people, performance, and business value while accelerating the adoption of digital capabilities.

In a dynamic environment, we continue to position people and leadership as key drivers of organizational impact, fostering collaboration, continuous learning, innovation, and shared responsibility for long-term success.



Our Leadership Model

In 2025, we developed a new leadership model that serves as a central anchor of our people strategy and a shared compass for managerial and organizational conduct across the company.

The model is embedded throughout the employee lifecycle, from recruitment and assessment to talent development, performance management, and employee recognition. It creates a common leadership language, connects values to performance, and strengthens alignment between our culture and the way we lead our people and business.



The Five Strauss Leadership Model

Building a Future-Ready Organization

In 2025, we advanced a broad organizational and technological transformation focused on productivity, capability building, and long-term workforce readiness, supporting our transition to a more global, flexible, skills- and data-based organization. We led cross-organizational initiatives supported by structured change management, clear success metrics, targeted training, and major technology implementations.

In our progress towards a skills-based organizational model, we updated performance management, benefits, authorizations, and cross-organizational processes. We also strengthened our global talent infrastructure through unified role definitions, updated mobility models, and stronger leadership connections across our international organization.

Opened Two New Facilities

Alongside these organizational changes, and despite a particularly challenging year, we continued to invest in our physical footprint in Israel, opening two new facilities during a period of ongoing conflict: a logistics center in the south of Israel, supporting both business continuity and regional economic recovery, and the Michael Campus in the north, a green facility with a highly diverse workforce.

Establishing these sites under wartime conditions required operational flexibility and strong organizational commitment and reflects our long-term approach to strengthening local communities while supporting business resilience.



Workplace Experience

Well-being at work is a fundamental aspect of our organizational culture rather than a specific benefit or isolated initiative. It is about fostering an environment that values and prioritizes the overall health and happiness of our employees.

Holistic Well-Being Framework

In 2025, we expanded our holistic well-being framework to include additional emotional, mental, and financial well-being services. We view employee well-being as both our responsibility and a long-term investment in engagement, productivity, and organizational resilience. One example is “Nofesh Strauss,” a company-wide vacation initiative that strengthened employee well-being, connection, and belonging.



Technology Adoption

As part of our broader effort to strengthen the connection between people, technology, and business, we are embracing technology to transform our HR processes, making them faster, smarter, more data-driven, and more responsive to employees’ needs. Among these updates are the preparation for the transition to SAP S/4HANA and the expansion of the use of our smart bot that improves availability, accessibility, and accuracy of self-service.

We strengthened internal communication and employee engagement in 2025 through the launch of the “Strauss In” employee app. The platform achieved approximately 90% registration across our Israeli operations, enabling direct, ongoing communication with frontline employees. During the launch period, employees shared over 500 posts, generating more than 200,000 views. The app incorporates the chatbots that we launched the previous year and has increased their usage significantly. These AI-powered bots improve access to organizational knowledge and employee services, helping employees find information more efficiently and increasing their independence.

Mental Health

We strive to create an environment that encourages open communication, reduces stigma around mental health, and provides accessible support services. We offer psychological and social work counseling for employees and their families, resilience workshops in response to ongoing crises in Israel and Ukraine, and new, dedicated support communities, including a caregivers’ community with approximately 120 members.

Financial Resilience

With approximately 75% of our workforce in operational roles, we support employees’ financial well-being through enhanced wages, subsidies, scholarships, grants, interest-free loans, financial counseling, discounts, and dedicated assistance for those in need. In 2025, we also awarded 70 academic scholarships to employees’ children linked to community volunteering.



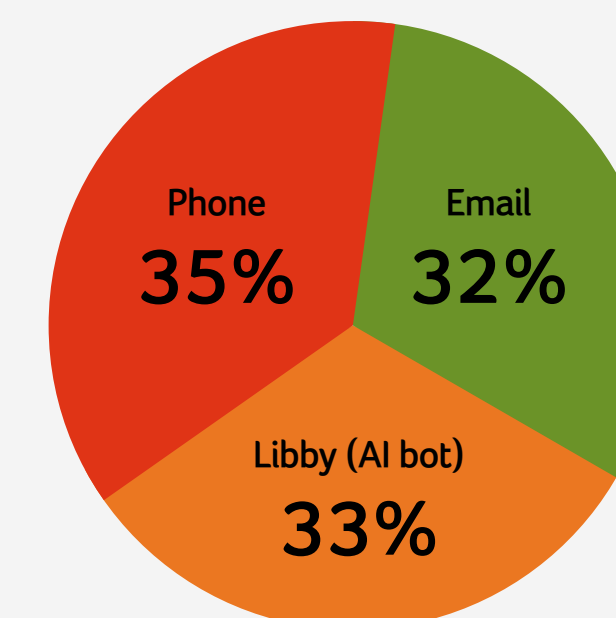
Physical Health

As a food and beverage company, we place great importance on nutrition, healthy eating habits, and overall well-being. Our initiatives include supplementary health coverage for employees and their families, nutrition-focused activities and lectures, breast cancer awareness programs, sports groups, and more.

Community and Belonging

We are committed to fostering a sense of belonging and connection through meaningful interactions both within and outside the organization. By celebrating diverse holidays, supporting employees through personal milestones, and offering empowerment programs, we create an inclusive and supportive environment.

In 2025, the HR Service Center handled **45,000 inquiries, with 66% of them managed digitally.**



Fully Digital Onboarding

In 2025, we unified our recruitment and onboarding systems and processes for Strauss Israel and Strauss Water, and moved to the ServiceNow platform, making it 100% digital and automated. This initiative drove onboarding satisfaction rates up from 75% to 95% and was selected for the “IT Excellence” award from “People and Computers.”

Embedding AI in the Way We Work

AI is a critical capability for the future of work, and we are investing in the tools, skills, and organizational capabilities needed to integrate AI into daily work. Across the organization, we are embedding AI into business processes to support productivity, learning, and innovation.

Within HR, AI helps streamline recruitment, knowledge management, and employee services by automating tasks such as interview transcription and candidate screening. We apply AI in accordance with our data privacy, ethics, and responsible technology guidelines, while maintaining human oversight in all recruitment and employee management decisions.

In 2025, we accelerated AI adoption through more than 20 hands-on Microsoft Copilot workshops, professional webinars, and training sessions. We also established an AI Champions community, bringing together dozens of employees to support the integration of AI tools across the organization.

Digital Ambassadors

We established a Digital Ambassador community, bringing together 42 employees who meet regularly to build digital communication capabilities and represent Strauss Israel externally. In 2025, content shared by this community generated over 1.2 million views, expanding our reach and strengthening authentic employee-driven storytelling.

Organizational Health Index Survey (OHI)

We prioritize employee feedback through formal and informal channels. Following our company-wide Organizational Health Index (OHI) survey in 2024, we used the findings to drive improvements across the organization in 2025. Our European operations also conduct annual engagement surveys, and we plan to conduct the next OHI survey in 2026.

Recruitment and Onboarding, Employee Mobility

We cultivate a dynamic, inclusive workplace, supporting our thousands of employees worldwide throughout their careers – from professional growth and diverse opportunities to a dignified retirement.

We recorded a headcount reduction in 2025 due to the sale of our Elite coffee chain and the new Food Law regulation, which required a one-third reduction in supermarket merchandising staff. We welcomed approximately 2,200 new hires while increasing vertical mobility and strengthening stability within our mid-level and management workforce. Voluntary turnover rates rose slightly compared to 2024, in line with industry trends. We continued our innovative recruitment initiatives, including international recruitment and expanding employment models.

We track recruitment effectiveness as a core KPI, measuring the long-term retention of new hires and serving as an indicator of hiring quality and workforce stability. In 2025, we placed a strong focus on improving this KPI, implementing a “360 recruitment effectiveness” approach. As a result, recruitment effectiveness increased to 43% in 2025, up from 39% in the previous year.

As we separated from some of our employees due to regulatory and business changes, we handled these processes with sensitivity, transparency, and personalized support, while expressing our appreciation for their contributions.

~500 positions were filled in 2025 through internal mobility processes.

Leadership Development Programs

Hundreds of managers participated in various leadership programs in Israel, in European markets, and in global units, aligned with our new leadership model developed in 2025.

The succession process strengthened our ability to ensure managerial continuity, through mapping critical roles, identifying talent pools, and connecting insights from the organizational survey with development programs.

“LeaderShape” Program for Operations Management

Our new LeaderShape program for plant managers and operations leaders combines leadership development with professional training. Developed with the Technion Faculty of Biotechnology and Food Engineering, the program strengthens leadership, decision-making, and expertise in food science, quality, safety, and innovation, supporting operational excellence and readiness for future challenges.



Upskilling and Reskilling

Upskilling and reskilling are central to how we prepare our people and our business for the future. We invest in professional development to help employees build new skills, seize new opportunities, and succeed in a changing world, while strengthening our collective capabilities and resilience. In 2025, participation increased significantly, with more than 2,000 employees in operations, logistics, call centers, sales, and supply chain involved in professional development programs.



Examples from 2025 include:

- **Building Multi-Product Capabilities at Strauss Water**
More than 1,000 employees participated in training programs supporting Strauss Water's transition to a Multi-Product organization, accumulating over 2,500 learning hours. The program included an AI-based escape room simulation designed to strengthen collaboration and problem-solving.
- **Production Technology Learning Program**
Through our Technology Community, employees participated in professional forums and learning programs focused on sensory expertise, packaging development, manufacturing technologies, and innovation in raw materials, with ongoing knowledge-sharing and exposure to external expertise.
- **SKILLS and GROW Programs**
Approximately 250 employees and managers participated in 18 workshops focused on professional and leadership skills, with

participation rates of around 90%. We also launched the GROW program in Operations, offering employees and managers year-round development opportunities.

- **New Development Model in Dairy, Confectionery and Salads**
We introduced a structured development model that supports career growth through defined expertise levels, professional training, hands-on learning, and advancement pathways.
- **Maintenance College**
In 2025, 150 electrician and technician employees participated in this specialized training for maintenance professionals, helping strengthen both professional capabilities and employee retention.
- **Sales Retraining and Upskilling**
As part of our Sales Division transformation, employees and managers participated in targeted training programs and digital-skills development to support new go-to-market processes and the implementation of Salesforce and other digital tools.

More than 800 employees participated in a comprehensive skills-mapping process in the new development model in Dairy, Confectionery and Salads. Among frontline employees who participated in the model, **more than 85%** advanced to a higher expertise level.

Continuous Learning Through Communities

Over the past three years, we have built professional learning communities that strengthen expertise, encourage collaboration, and support continuous learning. In 2025, employees participated in discipline-specific development programs across areas including marketing, technology, and procurement, and we established a new Engineering Community to strengthen knowledge-sharing and professional development among engineers. Across our coffee companies in Europe, more than 15 professional communities continued to strengthen professional capabilities and collaboration across functions and locations.



Unions and Workers' Compensation

We are dedicated to fair employment practices, ensuring competitive, equitable pay through wage analysis and efforts to close gender pay gaps. Our compensation exceeds legal requirements for pension and severance contributions. In Israel, starting pay is based on industry benchmarks, offering wages above the minimum wage, plus incentives like bonuses and vehicle benefits for eligible roles. We provide company-funded health insurance, with enhanced coverage for frontline employees. All employees in Israel enjoy benefits like vacations, holiday gift cards, daycare subsidies, and job-specific incentives, including guaranteed bonuses for new hires in incentive-based roles.

Trade Unions

At Strauss, we respect employees' freedom of association and their right to join trade unions and engage in collective bargaining. In Israel, nine collective agreements cover various facilities and units, regularly updated through negotiations between management and employee committees. Strauss upholds all agreements with workers and unions and operates in accordance with them. In 2025, no significant labor disputes or strikes occurred. The employee committee at Grupo 3corações, our joint venture in Brazil, which is elected every four years under the Works Constitution Act, represents the workforce, excluding middle management. The committee examines workforce concerns while safeguarding the employer's managerial prerogatives and free economic decision-making.

Diversity, Equity, and Inclusion

Led by our Chief HR Officer, diversity, equity, and inclusion (DEI) are central to our company’s identity, both as core values and as a key business principle. DEI reflects our diverse customer base and supports our aim to attract and retain the best talent. These values are a way of life for us at Strauss, shaping our strategy, daily interactions, and business practices.

We are continuously enhancing our data collection and management mechanisms for diversity, equity, and inclusion. We rely on voluntary statements from employees regarding their status, which are an integral part of our hiring process. Additionally, the data is managed and reviewed by DEI managers through a designated DEI dashboard, which operates with relevant DEI goals in mind, allowing for better management and analysis. In 2025, Strauss Water adopted Strauss Israel’s recruitment kit designed to improve collection of voluntary information to add to the data pool.

We set clear diversity goals for managers and implement initiatives to foster inclusive employment. Our ongoing DEI efforts are guided by these core principles:

- **Equal opportunities for all:** We actively promote a tolerant and inclusive workplace, employing people of all genders and backgrounds.
- **Diverse leadership:** We implement inclusive hiring practices to ensure diversity in decision-making roles.
- **Internal and external focus:** Our efforts extend to our teams, value chain, consumers, and the communities where we operate.
- **Inclusive culture:** We strive to create an environment where everyone feels safe, valued, and able to be their authentic selves.
- **Global and local impact:** We participate in international, cross-sector initiatives addressing universal challenges while supporting local efforts focused on underrepresented communities.
- **Long-term commitment:** We invest in systemic efforts, promoting social mobility, professional development, pay equity, and a sense of belonging for all.

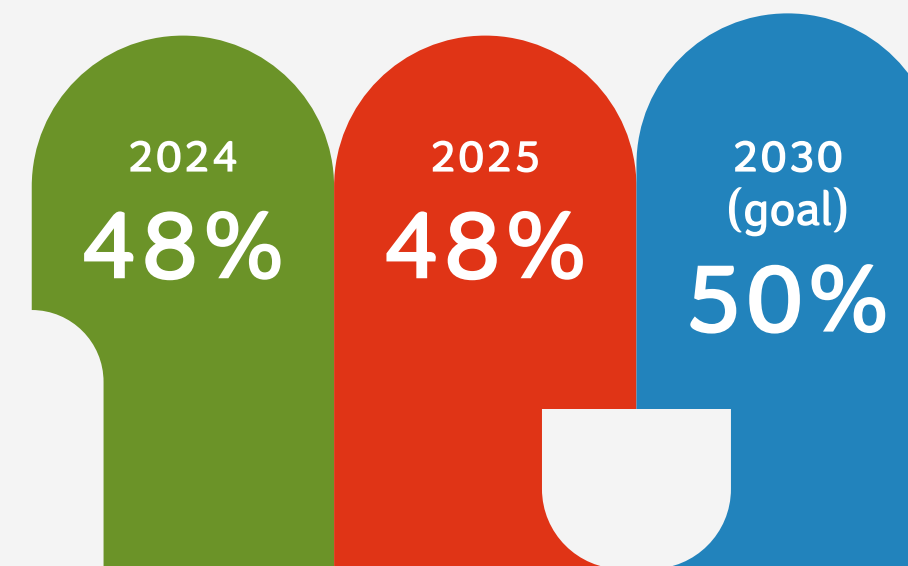
The Association of Public Companies awarded Strauss the **Gender Diversity Award in 2025**, recognizing our commitment to promoting gender equality.



Promoting Gender Equality and Women in Management

Gender equality and equal opportunity are central to our diversity and inclusion efforts. This starts with our extensive initiatives to ensure equal opportunities for women in management positions and extends to our strict policy of equal pay for equal work.

Percentage of women in management positions (excluding JV in Brazil)



Our gender equality initiatives are overseen by the company’s Chief HR Officer and a senior manager is responsible for day-to-day efforts in this area. Senior managers report directly to the CEO on departmental progress and performance in alignment with the company’s goals.

To promote gender diversity, we implement various programs and initiatives, including mentoring programs, partnerships with women’s organizations, and maintaining a gender-diverse candidate pool for management positions.

Our commitment to gender equality is also reflected in the composition of the board of directors and the Group’s management. Women hold a majority of seats on the Group’s board of directors.

54% of senior management positions are filled by women (as of 31.12.2025)

67% of positions on the board of directors are filled by women (as of 31.12.2025)

Investing in Career Growth

We aim to increase the representation of women in management through internal promotion and targeted programs that support their professional growth. We invest in programs to promote women in leadership roles, including a program that brought in external women leaders to talk with managers and employees in our factories and other sites across Israel. We have an initiative supporting women in frontline manufacturing roles, especially in Nazareth, where women were underrepresented in management positions. We also provide mentoring programs for women, including a program in sales that focuses on helping Arab women feel more confident speaking in Hebrew in the workplace, empowering them to advance their careers and expand their opportunities.

35% of people promoted at Strauss in 2025 were women

Promoting Pay Parity

Equal pay for equal work is a fundamental aspect of gender equality in the workplace and a cornerstone of our commitment to gender equality. We audit pay parity annually according to the guide to equal pay and compensation that we developed for use across the Group in 2021. In compliance with the Israeli Equal Pay Law, [an annual report showing gender pay gaps](#) from the previous year for Strauss Israel is published on our website and attached to all employees’ pay slips. Our analysis compares compensation across comparable roles, seniority levels, and geographic locations. Results are reviewed annually by HR leadership, and corrective actions are implemented where gaps are identified.

Employment Equity for Minorities

We are committed to providing employment opportunities for underrepresented communities and fostering an inclusive and respectful work environment. Our efforts focus on two key areas: actively recruiting people with disabilities in Israel and engaging with minority populations in each country based on local demographics.

Promoting Employment in the Underrepresented Arab Sector in Israel

We have worked for many years to better integrate individuals from the Arab community into our organization in Israel, a group that remains significantly underrepresented in many Israeli companies. As a result of these ongoing efforts, 22% of employees at Strauss Israel are from the Arab community.

We have various initiatives to enhance inclusion and equality for Arab employees in Israel, such as:

- Acknowledge and celebrate Arab holidays and religious traditions
- Managers' meeting on inclusive leadership

- Work with the recruitment department on sourcing and recruiting candidates from the Arab community
- Diversity Forum – a group of managers and employees from across the company dedicated to advancing this agenda

Integration of People with Disabilities

As part of our commitment to social responsibility, we actively integrate people with disabilities into our workforce. A dedicated team drives initiatives such as improving accessibility, training recruitment teams, and fostering internal communication. Our goal is to increase the percentage of employees with disabilities by working with organizations locally and globally to promote inclusion. We are committed to addressing disability inclusion at the board level, expanding employment opportunities, and sharing our efforts with the global business community.

In 2025, we intensified our work on integrating veterans and other people with disabilities through adapted roles and manager training. We launched the Alummot program for the integration of wounded veterans, successfully integrating 11 of them into various units and roles.



Our People’s Safety

Workplace safety is a top priority at Strauss, and we invest heavily in safeguarding the health and well-being of our people through robust safety management systems, including life-saving rules, risk assessments, protective equipment, training, and awareness programs. In 2025, we continued building on the major transition we made in 2024, strengthening our proactive incident reporting systems, improving governance structures, and introducing digital tools that support hazard reporting, training management, and risk analysis across our sites.

Safety Governance

We lead safety management in Israel through our EHS Director, who drives safety policies, standards, and improvement programs across all sites. At each site, we operate a dedicated safety team that implements safety procedures, conducts risk assessments, and supports managers and employees in maintaining safe working environments. These teams report locally to site management and maintain a dotted-line reporting relationship to the EHS Director, which helps us apply consistent safety standards across our operations.

We issue a monthly safety report from the EHS Director to several teams including the full operations leadership team, including operations managers from all sites and management. In this report, we review safety performance, examine incidents and corrective actions, and align operational priorities with our safety strategy.

We also manage safety governance through the following mechanisms:

- **Safety committees**
The committees consist of the safety manager, professional safety personnel, and additional technical or engineering team members. They meet at least 8 times per year to review incidents, risk assessments, and corrective actions.
- **Safety trustees**
Regular employees who serve as safety supervisors and leaders. They have received additional safety training and act as ambassadors and subject-matter experts throughout our sites.

- **Monthly reports**
A monthly safety report is issued throughout Strauss Group, listing all accidents, hazards and safety incidents that have occurred or been avoided. The safety and reporting standards in Israel are in accordance with globally accepted standards.
- **Safety audits**
During 2025, 108 safety audits were performed. The audits are divided into three types – focused field audits, safety management system audits, and compliance audits. The audits are performed by Strauss headquarters personnel, external advisors, and local safety managers who audit different sites.
- **Voluntary safety standards**
Some of our sites and facilities have been certified according to voluntary safety standards such as ISO 45001.

These safety management systems cover 100% of our employees in Israel.

Safety Management Across Our Global Operations

In parallel to the structured safety systems implemented in Israel, safety practices across our international operations are managed at the local level, in accordance with applicable regulatory requirements and site-specific procedures.

Our regional teams apply core safety practices across sites, such as hazard identification, risk assessment, employee training, and access to occupational health services, implemented through local regulatory frameworks and site-specific programs. For example:

- In JV in Brazil, safety management includes formal programs supporting systematic risk identification and mitigation.
- Across our European operations, safety is managed through defined procedures, work instructions, and documented processes aligned with local regulatory requirements.

- In several regions, safety practices are guided by national regulatory frameworks, which define requirements for training, reporting, and occupational health monitoring.

In many sites, employees can report hazards through established channels, and they participate in occupational health programs, including periodic medical screenings, in accordance with local regulations.

While these practices support a baseline of safety management across all regions, the level of standardization, digitalization, and data integration varies between sites.

Preventative Safety Incident Reporting

We report and investigate near-miss events (“safety incidents”) to identify hazards before they lead to injuries.

In Israel, due to our continued shift toward a proactive safety culture, we experienced a sharp increase in investigated safety incidents. Several specific initiatives implemented during the year contributed to this increase:

- We now investigate near-miss events based on their potential severity rather than their actual outcome, recognizing that the difference between a near-miss and a serious accident is often a matter of chance.
- Hazard reporting is now easily accessible through **Strauss In**, our internal communications app. Any employee can log a hazard directly in the app, which automatically creates a task in the safety system and alerts the relevant managers so it can be tracked in daily operational meetings.
- Strict quarterly safety reporting targets have replaced annual ones, helping maintain consistent attention to hazard reporting throughout the year.
- New Safety Leader Communities across our sites help employees understand the importance of reporting hazards and support a shared culture of proactive safety management.



Standardized Risk Assessment and Safety Methodologies

We continued implementing standardized methodologies for safety audits, risk assessment, and incident investigation across our Israel sites.

Audits

We have consolidated all previous audit types into three types to increase efficiency and strengthen oversight. Audit types include:

- Focused field audit: Cross-site audits conducted by safety managers from other facilities to verify compliance with legal requirements and internal procedures.
- Management system audit: In-depth reviews of site safety and environmental management systems conducted by the safety and environmental staff.
- Compliance audit: An audit of all sites periodically conducted by the HQ team and an external company.

In 2025, we significantly expanded audit activity across sites, conducting 108 safety audits, compared with 15 in 2024.

These audits helped identify recurring safety risks across facilities, including:

- Machine guarding for packaging robots
- Explosive dust risks in production environments
- Emergency opening mechanisms for cold room doors

Risk Assessment

We assess workplace risks using two standardized methodologies:

- JSA (Job Safety Analysis): analysis of tasks performed during a workday to identify operational risks.
- HAZOP (Hazard and Operability Study): risk analysis used for complex operational systems such as ammonia systems, CIP systems, and energy processes.

We evaluate risks using a comprehensive, unified hazard-based risk matrix that we developed in 2024, enabling consistent assessment across sites. By the end of 2025, we had completed 60% of these highly detailed risk assessments across sites, and we have begun fixing the significant risks identified. We expect to complete the remaining assessments by the end of 2026.

Safety Incident Investigation

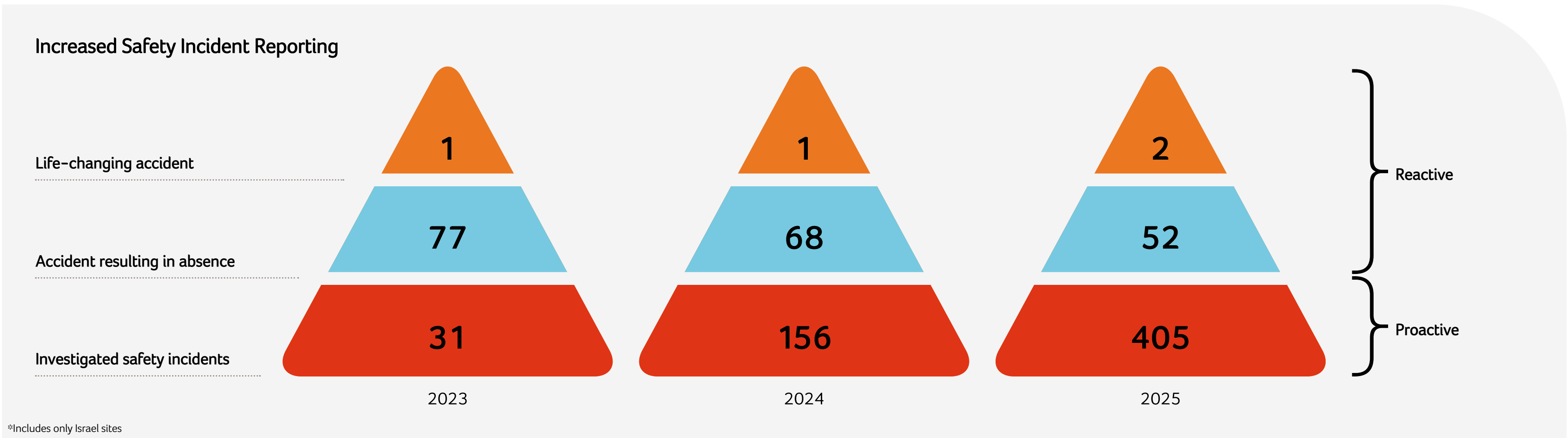
We use a standardized methodology across our Israel sites (except Strauss Water) to investigate safety incidents and identify their root causes in order to implement corrective actions in the entire factory, rather than just fix the immediate problem.

Reported Accidents

During 2025:

- 405 safety incidents were investigated (an increase from 156 in 2024)
- 52 accidents resulting in absences were recorded across our sites, representing a 25% reduction compared with the previous year.
- One work-related fatality occurred at a 3corações site (our JV in Brazil), resulting from a motorcycle traffic accident, prompting strengthened road safety training and awareness.

To support comparability over time, we also monitor a normalized accident indicator, calculated based on workforce size and working hours.



Employee Involvement

In 2025, we strengthened employee participation in safety-related activities by introducing quarterly engagement targets and expanding hazard reporting tools. For example, enabling hazard reporting through the “Strauss In” app effectively placed safety tools in every employee’s pocket and strengthened everyday awareness of workplace risks.

Safety Training and Activities

“Safety Moments” are short safety presentations incorporated into every operational management meeting to raise awareness of safety and to provide practical guidance for maintaining a safe workplace.

We also conduct broader safety engagement initiatives across sites, such as Safety Week and Safety Days, during which production may pause for safety talks, campaigns, and training activities.

In 2025, 95% of relevant employees completed mandatory safety training.

Occupational Health Services

We provide occupational health services designed to identify and manage health risks associated with workplace exposures. We manage these services through our EHS management platform.

Employees exposed to specific occupational hazards participate in periodic medical screenings, such as annual hearing tests for employees exposed to high noise levels. Employees can also consult an occupational physician for specific medical concerns related to their work.

If screening identifies an abnormal result, Human Resources monitors and addresses it through appropriate workplace adjustments or follow-up care.

To ensure high quality, we provide these services through recognized Health Maintenance Organizations that supply certified medical professionals. To make participation convenient, mobile health clinics visit our production sites, allowing employees to complete required screenings during their regular shifts. Workers scan a barcode when attending the clinic so their participation is recorded automatically in the safety system.

Contractor Safety Management

Contractor safety is an important component of our overall safety management framework. In 2025, contracts were updated to include a safety appendix, enabling the company to impose financial penalties for safety violations.

During the year:

- 10 contractor safety incidents were recorded, including a severe head injury involving a contractor at the Carmiel salads plant.
- Several fines were issued for safety violations, reaching up to 15,000 NIS.

Contractors are required to complete a twenty-minute digital safety training module, valid for one year, before entering any Strauss sites.

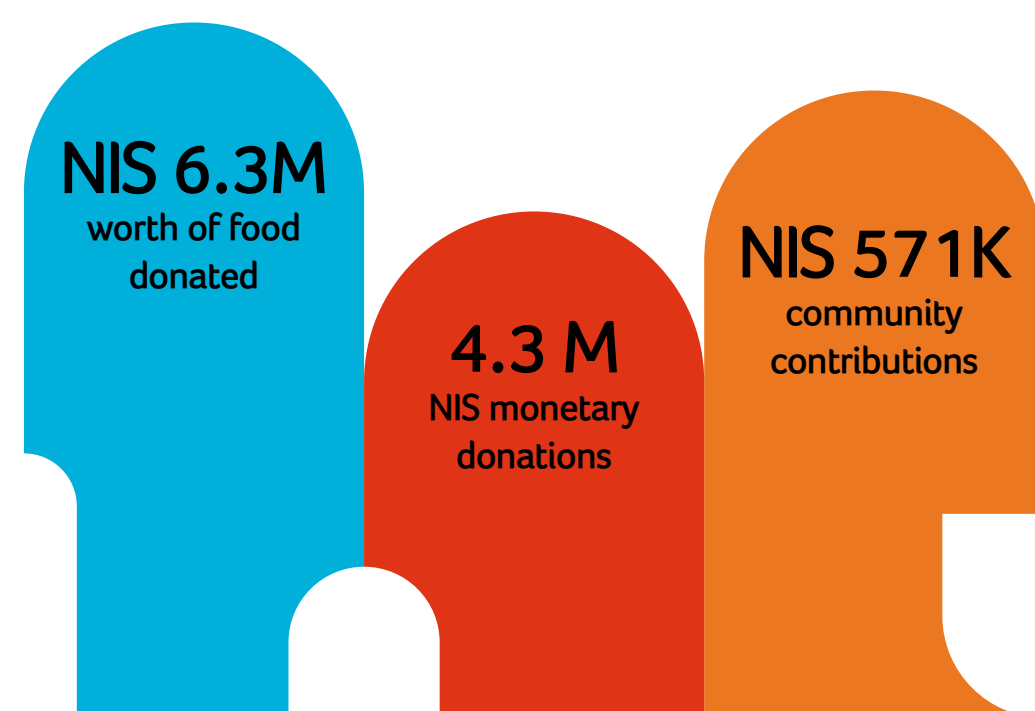
The EHS software platform tracks contractor training, site entry, work permits, and safety violations.

Continuing to Strengthen Our Safety Culture

Through the combined efforts of strong governance, digital safety management systems, proactive hazard reporting, and continuous employee engagement, we continue strengthening a culture in which safety is everyone’s responsibility. Protecting the people who work with us every day is a fundamental part of our purpose of “Nourishing a Better Tomorrow,” and we remain committed to ensuring that every employee and contractor returns home safely at the end of each day.



Our Social Impact



Live Longer, Live Better, Together

In 2025, we refined our social impact strategy to more closely connect our community activity, our purpose – Nourishing a Better Tomorrow – and our role as a global food and beverage company. Guided by our vision, Live Longer, Live Better, Together, we focus on improving well-being through nutrition, movement, community, and belonging, while supporting the regions in which we operate.

Inspired by research on “Blue Zones,” we translate the principles of balanced nutrition, physical activity, strong social connections, and mental resilience into practical programs that encourage healthier habits and stronger communities.

We manage our social impact activities through a structured governance framework aligned with our sustainability strategy and ESG goals. Oversight is provided by a Donations Committee comprising senior executives and representatives from our sustainability and legal teams. The committee meets quarterly to review and approve initiatives, supported by a formal Donations Policy and legal oversight.

Our social impact budget allocates 70% to large strategic initiatives and 30% to ongoing community partnerships and targeted donations.

In 2025, we strengthened the process for managing external requests for donations and collaborations through centralized tracking and are committed to a response time of up to seven days.

Engaging Our Employees in Our Social Vision

Impact 30

In 2025, we launched Impact 30, a cross-company initiative that brought together 30 employees from different departments and disciplines, across brands and manufacturing sites. During the sessions, we introduced the Blue Zones vision and our new social impact strategy, and we worked together to translate them into practical work plans.

Bringing together diverse parts of the organization fostered meaningful connections and ensured our dialogue was authentic and relevant. By listening to the voices of our people, we were able to refine the vision and start activating it from within, embedding it into our day-to-day activities.



Social Leadership Network

Our local volunteering efforts are driven by a dedicated network of approximately 60 social leaders from various departments, who take on this role alongside their regular responsibilities. Our goal is for each unit or division to develop a long-term project or partnership aligned with our social impact model.

We offer a variety of volunteering opportunities, including activities around holidays, mentoring within our programs, and a Social Responsibility Week held in November. The following pages highlight selected volunteer activities our employees engaged in during 2025.

“A New Taste for the North”

As part of our new strategic plan, we launched our first flagship initiative, “A New Taste for the North,” in partnership with the Edmond de Rothschild Foundation and Elevation.

The program supports recovery in the Galilee by strengthening local food entrepreneurship and encouraging young people and families to return to the region. It is designed for small and medium-sized food and culinary businesses established from 2022 onward and affected by the war.

In the first cycle, we selected 25 business owners from more than 150 applicants; the cohort reflects the diversity of the region, including women, Druze and ultra-Orthodox participants.

Participants receive mentoring from Strauss employees, professional guidance, and practical tools to strengthen their business and innovation capabilities. At the end of the program, five initiatives will receive financial support to help advance their long-term growth and contribution to the region.



Our Social Impact Goals

50%

Strauss employees are active partners in realizing the vision, at work, in their communities, and at home

1,000,000

People will take part in programs that promote nutrition, physical activity, and community

10

Local communities will live by the principles of good living – healthy lifestyles and a strong sense of belonging

Supporting Our Neighboring Communities

Promoting Equal Opportunities for Better Integration in Society and Economy

We believe that equal opportunities are essential for a healthy and thriving society. We are committed to creating an equitable and inclusive environment for all employees and communities, investing in vocational training, mentoring programs, and initiatives that help marginalized populations integrate into the labor market and succeed. Through our support of community programs, we empower disadvantaged groups by providing meaningful opportunities to reach their full potential. Here are some of the key projects we focused on in 2025:

Gdolim B'Madim (“Great in Uniform”)

We have an ongoing partnership to promote the integration of people with disabilities into meaningful national service. Throughout the year, the Employee Experience unit and Yotvata held dedicated activities, including company leadership’s participation in a milestone ceremony for one of the groups.

Shavot (“Equal”)

This focused, multi-year partnership is aligned with our commitment to promoting women’s leadership. Activities took place during Israeli Girls’ Week and the “Taking a Seat” initiative, with broad participation of women employees across the Group.

Lapidot (“Torches”)

We launched the second cohort of this leadership and impact advancement program for senior women managers in the ultra-Orthodox sector. As part of the program, study days were held at the company’s headquarters with the participation of 25 attendees.

Key Social Impact Initiatives and Partnerships

At the Yad Mordechai site, we launched a special edition of honey packages featuring illustrations by children from the Gaza envelope, with a portion of the proceeds donated to the Atufim Be’Ahava (“Wrapped in Love”) Association.



We replanted the “Grove of the Fallen” at Yad Mordechai, marking recovery, remembrance, and hope, on the second anniversary of the October 7 events.

We promoted youth entrepreneurship and sustainability through a partnership between Strauss Water and Unistream.

- With tensions rising along the Syrian border, we donated Strauss products to Druze communities across the border, out of concern for their well-being and in solidarity with the families of our Druze employees.
- As part of Breast Cancer Awareness Month, we raised awareness in a collaboration with One in Nine, together with Elite coffee capsules.
- In partnership with Shavve Development and ALUT, we adapted the packaging and communication for our Para chocolate products to make them more accessible for consumers on the autism spectrum.
- To mark the International Day for the Elimination of Violence against Women, we held a second-hand clothing sale with items donated by Strauss employees and contributed the proceeds to the Michal Sela Forum.



Strengthening Food Security

As a leading food company, we recognize our responsibility in addressing food security and are committed to improving access to food for vulnerable populations. For over 20 years, we have been a dedicated partner to Latet, Israel’s largest food bank, which supports over 210 local organizations in providing food assistance, educational programs, and essential services to underserved communities. We actively work to reduce hunger and food insecurity by donating products to those in need and supporting initiatives that help eradicate poverty and hunger. This year, we continued our efforts to rescue and distribute food to families in need.

In 2025, **6,000 holiday meals** were donated in collaboration with Latet, Pitchon Lev, and other organizations.

Food Rescue

We constantly strive to enhance our logistics chain to ensure that unsellable food is redirected for donation. This includes products nearing their expiration date, making them unsuitable for retail sale, or those with minor quality issues that do not affect their safety for consumption (e.g., discrepancies between the product label and its actual contents).

Food worth over NIS 6.3 million was successfully diverted from waste and redirected for donation to families in need in 2025, thanks to our partnerships with nonprofit organizations.

Strengthening Community Connections and Promoting Volunteering

At Strauss Group, we are dedicated to making a positive and meaningful impact on the community through purpose-driven business activities. We focus on understanding the needs of all our stakeholders and work to address them effectively. We believe that strong communities are the foundation of strong businesses. Our goal is to build and maintain close connections with local communities, both through our business operations and through our social initiatives.

In 2025, we encouraged our employees to volunteer for 24 hours a year during work hours, significantly increasing the number of volunteer hours over the previous year.

Hate, I Say No

Our team in Poland launched a campaign at one of the primary schools called “Hate, I Say No,” using short videos to combat violence and hate speech. The campaign aims to build a culture of empathy, courage, and mutual respect in responding to violence.



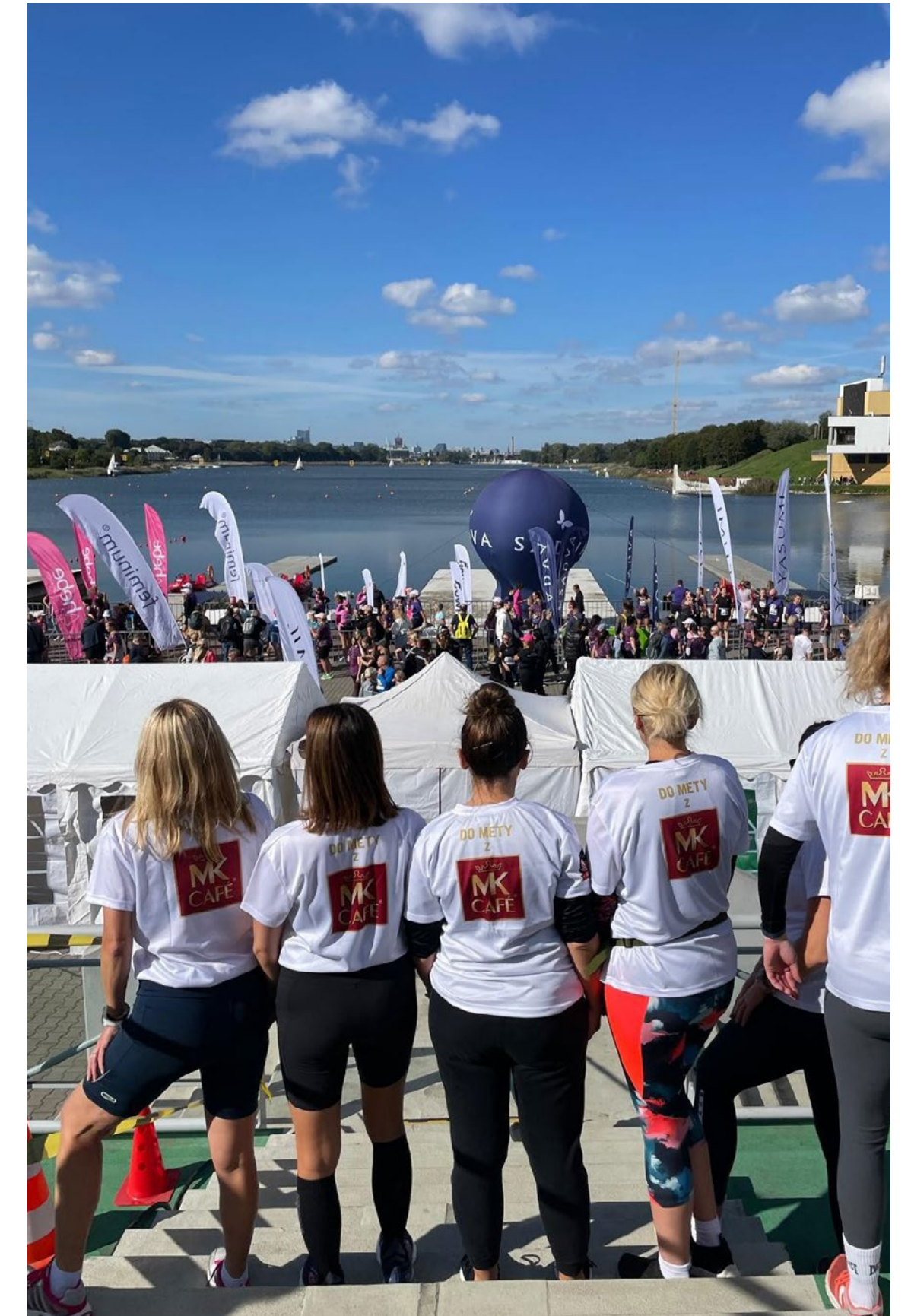
Social Responsibility Month

The theme for our Social Responsibility Month in 2025 was recovery and hope. Throughout the month, approximately 630 employees volunteered at 25 different locations across the country, supporting and strengthening communities, families, and populations affected by the war.



Women's Run

Several Strauss Poland employees participated in a local Women's Run that promotes health awareness, physical activity, and cancer prevention among women. The company joined in by encouraging wellness and physical activity among employees.



Ukraine: Mental Health Day

We organized and ran a Mental Health Day for employees and their family members at a social ranch, including therapeutic and fun activities.

Ukraine: Coffee Training & Entrepreneurship for Veterans

Our team in Kyiv organized and ran a coffee industry training program for military veterans, in response to their growing need for practical vocational training and sustainable income opportunities. Twenty-two veterans participated in three sessions at our office, gaining hands-on barista skills, entrepreneurial capabilities, and foundational knowledge of the industry. Three have since launched their own coffee businesses.



Ukraine: Children's Day

Strauss Ukraine employees participated in a Children's Day charity run to support children who lost their parents during the war, and Strauss contributed UAH 1,000 for each employee who participated.



Social Impact in Brazil

Supporting Women Coffee Farmers

Grupo 3corações's award-winning Florada Project continued to support women coffee growers in Brazil through the Florada Educa free training platform, Florada Contest for the best women-grown coffee, and Join Them campaign that purchases specialty microlots. Founded in 2018, this year the project generated over 7,000 contest entries from 494 cities and has purchased 331 tons of coffee with 100% of the profits returned to producers, ensuring a sustainable cycle and generating positive transformation for thousands of women coffee growers.

Caféina Hub Expansion Advances Operational Excellence

In 2025 we launched the Caféina +Tech program for Citizen Developers, a new initiative from 3corações' Caféina Hub innovation center which was founded in 2022. Forty-three people participated in the Data Track and 22 in the AppSheet Hackathon, generating 27 MVPs under development and 300+ tech ideas while cutting manual processes by more than 6,000 hours. A total of 514 employees have been trained on advanced digital platforms, driving increased productivity and operational excellence.

Empowering Indigenous Coffee Production

Launched in 2019, the Tribos Project, in support of indigenous communities in Rondônia, Brazil, gained strength in 2025. The project offers free training in coffee cultivation, investment in infrastructure, annual competitions, and guaranteed purchase, with 100% of the profits returned to the indigenous people. So far, 169 indigenous families in 35 villages directly benefited from the efforts to promote economic sustainability, generating sales of over 600 tons of specialty coffee.



Corporate Governance

Building and maintaining trust between us and our stakeholders, especially our consumers and investors, requires transparency, especially when it comes to ethical behavior, responsible engagements and risk management. We take precautions to limit potential risks, ensuring we can consistently meet demand, and we rely on a strong governance system to keep our operations running smoothly.



Our Corporate Governance Structure

Our corporate governance structure is built on the principles of the Three Lines Model, a well-known framework for effective governance, which defines clear roles and responsibilities to ensure accountability and foster a culture of integrity and transparency. This structure is designed to drive successful business operations while strengthening the trust established with our stakeholders. Implemented top-down across the company, it guides behavior and processes, ensuring alignment with the organization's goals and values.

Strauss Group Management



Shai Babad
CEO of Strauss Group



Ronen Zohar
Deputy CEO



Tobi Fischbein
CFO Strauss Group



Hila Mukevisius
EVP HR, Strauss Group



Yael Nevo
EVP, General Counsel
& Corporate Secretary



Linda Cohen Rofe
EVP, Strategy and
Transformation



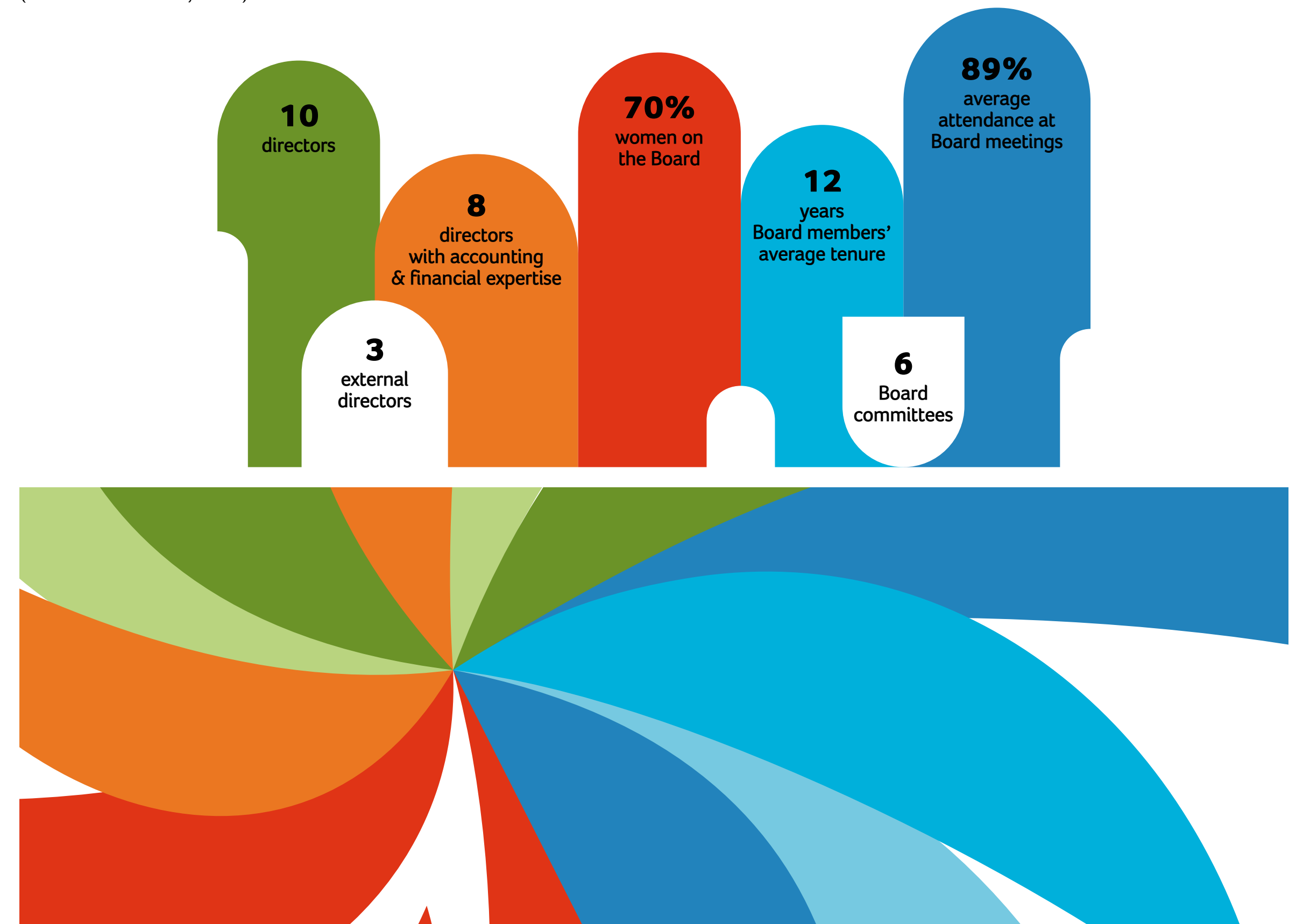
Raanan Kovalsky
CEO Strauss Israel



Esti Carmeli
CEO Strauss Water

Information about our Board of Directors¹

(As of December 31, 2025)



1. The Information above regarding the Board of Directors as of December 31, 2025. As of the publication date of this report, the following changes have occurred in the composition of the Board of Directors: on February 4, 2026, Ms. Dalia Narkys concluded her tenure as an external director of the Company; on March 25, 2026, Ms. Smadar Barber-Tsadic commenced her tenure as a director of the Company; and on April 30, 2026, Mr. Aviram Lahav commenced his tenure as an external director of the Company.

Board Composition, Appointment, and Independence (As of December 31, 2025)

The Board of Directors is the body responsible for determining the overall policy and strategy of the company, with a particular focus on corporate governance. In addition, the board is responsible for overseeing the procedures and processes for implementing and strengthening the interactions within the Group, which are the foundation for effective corporate governance, alongside the other strategic and supervisory roles granted to it by law.

The Board is appointed based on assessments of candidates’ financial expertise and professional competence, education, relevant experience, knowledge in the Strauss Group’s fields, and more. This ensures the Board possesses the necessary skills and knowledge to effectively guide the organization and oversee its activities. By ensuring independence and promoting responsible conduct, Strauss Group enables the Board to provide objective oversight and direction. For more detail, see [section 26 of Strauss Annual Report FY2025](#). Board compensation is defined in the Strauss Group Office Holders’ Compensation Policy, aligned with Israel’s Companies Law, and is available publicly on the TASE platform. Our remuneration policy is reaffirmed by the Remuneration Committee, the Board of Directors, and the shareholders, every three years, most recently in 2025.

The Board’s composition also reflects our strong commitment to gender equality, a demonstration of the company’s values and priorities. Further highlighting this commitment, our Board is chaired by Ms. Ofra Strauss.

We aim to maintain the independence of the Board; therefore, none of the members of the Board have served in executive management positions within the Group, and only two members of the Strauss family – Ofra Strauss and Adi Strauss – serve on the Board.

The Board receives reports from the Management and Internal Audit team, providing a channel for upward accountability. Simultaneously, the Board delegates authority and provides direction and oversight to the Management team, ensuring alignment with strategic objectives and risk appetite.

Professional Competence and Expertise of the Board

In accordance with the Board’s decision, at least three directors must have accounting and financial expertise. This decision was based on the size of the company, the scope of our activity, the number of serving Board members, and the degree of complexity of our financial reporting, among other factors. As of December 31, 2025, 8 directors have expertise in accounting and finance, and all members of the Board of Directors have professional qualifications, in accordance with the provisions of the Companies Regulations, 2005.

We are always striving to improve. To strengthen the Board’s effectiveness, we developed director training programs. Each new Board member takes part in an onboarding program, to ensure professional competence in the Strauss Group’s core business activities and in the practices required by local laws and regulations. Refresher courses are also held for incumbent directors. The aim is to ensure that the Board is highly familiar with the Strauss Group’s activities, the business environment in which we operate, and the changing demands and expectations.

Board Committees

As of December 31, 2025, the Board has six committees which meet regularly. The committees manage our most relevant and essential areas of policies and supervision and operate in accordance with the Israeli Companies Law.

The Board of Directors’ Committees

	Number of Members	Attendance %	Number of Meetings
Audit Committee	5	92%	8
Remuneration Committee	3	100%	16
Financial Statements Review Committee	3	100%	4
Human Resources, Nominating, and Corporate Governance Committee	6	83%	2
Finance and Investment Committee	6	96%	8
Risk Management Committee	6	72%	3

The role of the Audit Committee is to mainly assist the Board in monitoring Strauss Group’s compliance with laws and regulations; to guide and supervise Strauss Group’s internal audit work; and to fulfill its functions in accordance with the law.

The role of the Financial Statements Review Committee among other things, is to examine the financial statements of the company; formulate recommendations to the Board regarding the financial statements; monitor the existence of proper controls in the preparation process of the company’s financial statements; and report to the Board on any deficiencies or weaknesses discovered in the preparation of the financial statements and/or in the fairness of the data in the financial statements.

The Remuneration Committee’s role, among other things, is to evaluate and provide recommendations to the Board regarding the compensation policy that ensures adequate remuneration for the company’s executives, while aligning with the company’s objectives and business strategy.

The Human Resources, Nominating, and Corporate Governance Committee is responsible, among other things, for scrutinizing and evaluating the company’s human resources policies and strategies; analyzing the objectives and initiatives of the HR department; and supervising the process of director nomination for the Board.

The role of the Finance and Investment Committee is to assist the Board in duties related to the financial management and financial position of the company.

The Risk Management Committee oversees the execution of the group’s Enterprise Risk Management (ERM) Policy, which covers risk analysis, risk assessment, risk monitoring, and remediation plans, and reports to the Board on significant deviations between the company’s risk appetite statement and risk treatment. It provides recommendations to the Board regarding the annual risk assessment, the ERM Policy, and the corporate risk appetite statement; assesses risk culture decisions; allocates resources for ERM functions; examines the effectiveness of the ERM Governance and Operational framework and risk issues; and supervises the effectiveness of the Group’s Compliance Programs.





Risk Management

Our unified policy for ERM is based on the standard COSO ERM. The ERM Policy is an integral part of our corporate governance, which is based on our strategy and core values. Our ERM process supports the Management team in dealing effectively with uncertainties, as part of the decision-making process, enhancing their capabilities to create and protect value. To ensure the effectiveness of our ERM, we foster an environment where everyone feels comfortable speaking up; encourage sharing experiences and learning from successes and mistakes; assign clear accountability for managing each risk; set the tone and drive effective risk management through our executive leadership; and strive to embed risk management governance in our normal business processes, which are connected to the strategy plan, and based on a holistic operational framework.

ERM Roles and Responsibilities

The ERM roles and responsibilities are based on the organizational structure and the “Three Lines Model”:

- First Line – Business Divisions, Business Units, Group Functions: own and manage risks directly related to their objectives, serving consumers and providing products and services while implementing controls to mitigate risks.
- Second Line – Ethics, Risk & Compliance unit: provides specialized expertise, support, and monitoring to the First Line in effectively managing risks.
- Third Line – Internal Audit

ERM Governance

ERM Governance includes the following bodies:

- Board of Directors – Endorses the Group’s annual risk assessment, the ERM Policy, the annual ERM plan, and the corporate risk appetite statement per risk type.

- Board of Directors Risk Management Committee – Monitors the execution of the ERM plan by the Group on a quarterly basis (risk analysis, risk assessment, risk monitoring and remediation plans) and reports to the Board of Directors on significant deviations between the risk appetite statement and the risk treatment, per need.
- Group Management – Ensures that all entities follow the ERM operational framework, including risk scenario analysis, risk assessment, risk monitoring and remediation plan.

ERM Operational Framework

The operational framework includes:

1. Risk scenario analysis that addresses the factors of:
 - Macro risk, e.g. geopolitics, climate, financial risks
 - Industry risks, e.g. regulation, quality & food safety, supply chain, customer and consumer trends, climate and ESG
 - Unique risks, e.g. human resources, partnerships, cyber and data protection
2. Risk assessment process which considers the risk impact and the risk likelihood
3. Risk monitoring conducted continuously and using a standard methodology with a data-driven approach (i.e. key risk indicators) to ensure a sustainable and measurable process
4. Setting a remediation action plan to reduce risk to the acceptable level (subject to the risk appetite) and ensuring timely completion, with appropriate evidence
5. Defining a clear risk appetite to set the risk treatment

Internal Audit

The Third Line of the Three Lines Model is represented by our internal audit function, which provides independent and objective assurance. The internal audit activity is carried out by a dedicated team of internal auditors. When necessary, the team is supported by subject matter experts to ensure comprehensive and professional coverage of specific areas.

The Chief Audit Executive is responsible for carrying out annual internal audits for the Group according to the internal audit work plan, which is

risk-focused and adjusted to changes in the Group’s business activities, covering both the headquarters and subsidiaries in Israel and abroad.

In the Group’s joint ventures, the internal audit operates as follows: At Tres Corações, operating in Brazil, the internal audit is primarily conducted by a local internal auditor directly employed by the company in Brazil. At Haier Strauss Water, operating in China, the audit is carried out by Haier’s internal audit function. In companies where the internal audit is not conducted by the Group’s internal auditor, the Group auditor reviews the competence of the local internal audit function. The auditor reports directly to the Chairperson of the Board of Directors and the Audit Committee, submitting reports in writing throughout the year to these individuals as well as to the Group’s CEO, CEOs of subsidiaries, and the managers of audited activities. This direct reporting line to both the Chairperson and the Audit Committee ensures the independence of the internal audit function and facilitates open communication about key findings and recommendations.

The work plan is formulated in consultation with the Chairperson of the Board of Directors, members of the Audit Committee, the Group’s

CEO, management members, and the Chief Audit Executive. It is then submitted for review and approval by the Audit Committee and the Board of Directors.

This work plan is based on an assessment of the Group’s risks and is determined by various considerations, including the analysis of the organizational structure, coverage of core activities, identified risks and their levels, emerging risks, global auditing trends, audit cyclicity, and the follow-up on the implementation of recommendations. By focusing on a risk-based approach, the internal audit function provides assurance where it is most needed, contributing to effective risk management across the organization.

The internal audit work adheres to accepted professional standards.

The internal auditor is a full-time employee of the Strauss Group and is appointed by the Board of Directors after receiving the recommendation of the Audit Committee. The auditor’s work is regulated and defined by the Strauss Group Internal Auditor Work Procedure.



Ethics

Our Code of Ethics

The Strauss Code of Ethics outlines the Group’s commitment to ethical behavior, emphasizing values such as integrity, respect, and responsibility. It covers various aspects including fair treatment of employees, non–discrimination, and fostering a safe and inclusive work environment. The code also addresses the importance of transparency, anti–corruption measures, and responsible use of Group resources.

Additionally, it highlights our dedication to customer satisfaction, product safety, and environmental sustainability. The document serves as a guide for our employees to navigate ethical dilemmas and uphold the Group’s standards in all business activities. The code is built on our heritage, mission, and values, aiming to create a positive impact on people’s lives. It encourages employees to act with courage and care, promoting innovation and collaboration. We are committed to providing a healthy and safe work environment, ensuring fair treatment and non–discrimination based on race, religion, gender, or any other characteristic.

We also emphasize the importance of maintaining high standards of quality and safety for our products, ensuring accurate and honest labeling. We are dedicated to protecting consumer privacy and engaging in responsible marketing practices. Furthermore, the code outlines the Group’s commitment to social responsibility, supporting community development, and fostering economic resilience.

For more details about responsible labeling and marketing practices, see the [Nutrition and Health chapter](#). For more details about our social responsibility, see the [People and Communities chapter](#).

Our employees, suppliers and all other stakeholders are encouraged to report any ethical violations through various channels, including a whistleblower reporting channel, which is available in several languages. We are committed to addressing these reports seriously and taking necessary disciplinary actions. The code is reviewed to ensure its effectiveness and relevance.

All Strauss employees are required to attend an annual dedicated e–learning ethical training course based on our Code. In 2025, 100% of relevant employees completed the training. The implementation of the code is overseen by relevant corporate compliance programs,

e.g. anti–bribery and corruption, anti–sexual harassment, work safety, environment, product and promotional claims, data privacy, and competition. The Ethics, Risk & Compliance unit provides guidelines and high level oversight for these programs.

Preventing Bribery and Corruption

The Strauss Group Anti–Bribery and Anti–Corruption Policy adheres to all applicable laws and regulations for the prevention of bribery and corruption (including the Israeli Penal Law (1977), US Foreign Corrupt Practices Act (FCPA, 1977), UK Bribery Act (2010), and additional laws and regulations, when applicable).

Violation or alleged violation of laws for the prevention of corruption could result in severe damage to the reputation of Strauss Group and our employees, and could culminate in punishments stipulated by law, including monetary fines or imprisonment of employees or executives.

In accordance with Strauss Group’s policies, any violation of any anti–corruption laws by employees or third parties acting on behalf of the Group will lead to disciplinary actions that could result in termination of work or engagement with the Group, among other things. For further information, see our [Anti–Bribery and Corruption Policy](#).

The Strauss Group Anti–Bribery and Anti–Corruption Policy and procedures reinforce our commitment to conducting business with integrity. Accordingly, our [Code of Ethics](#) and Gift and Hospitality Procedures aim to prevent misconduct or any other unfair advantage. Other procedures regulate the anti–corruption of third parties and donations and contain procedures to protect whistle–blowing employees.

The Strauss Group Anti–Bribery and Anti–Corruption Compliance Program

This includes risk assessment, policies and procedures, ongoing monitoring, and training for employees, based on targeted populations.

Anti–bribery and anti–corruption training is performed via e–learning tools, or in an in–person/virtual meeting, or both, based on risk assessment.

In 2025, 100% of Strauss’ relevant employees completed the anti–bribery and anti–corruption e–learning training.

Corruption Prevention in the Supply Chain

As stipulated in our Code of Ethics, we are committed to selecting and conducting business with our partners and suppliers with fairness, integrity, and without bias, and to ensuring that these parties are also promoting the values and principles of Strauss Group’s ethical behavior. For further information on our efforts in our supply chain, [see our Sustainable Agriculture and Responsible Sourcing chapter](#).



Reporting and Transparency

The Strauss Group’s whistleblower hotline for reporting potential compliance violations was established in 2009 and has been running independently since January 2011. We encourage all stakeholders around the world to report any violations through this hotline, without any fear of retribution or harassment. The hotline platform has undergone multiple improvements over the years, including simplifying the hotline’s website, making it easier to use, and ensuring that it is accessible in several languages.

Political Involvement, Contributions, and Lobbying

As stipulated in our Code of Ethics, we avoid participating in any political events, contributions, or contribution collections for any party or politicians, or promotion of any political party or political candidate’s views as part of our work, or while using our facilities or products, in any location in which we operate.

Legal Proceedings Related to Non–Competitive Behavior, Monopolistic Conduct, and Antitrust

We aim to act with integrity and acknowledge our responsibility to uphold fair competition. We adhere to consolidated internal and formal procedures of fair competition. This includes the internal enforcement plan regarding the Economic Competition Law, 5748–1988 (“Competition Law”) and the Promotion of Competition in the Food Sector Law, 5974–2014.

The Competition Authority in Israel declared Strauss Group a local monopoly in four categories: dairy desserts, chocolate bars, instant coffee, and cocoa powder for domestic consumption. For further information, see Competition Laws in Chapter B, Description of the Company’s Business in [Strauss Group’s FY2025 annual report](#).

Privacy Protection and Cyber Security

At Strauss, we take data privacy and security seriously, with respect to our customers, our employees, and other parties with whom we engage. Cyber threats are a key risk since they could cause substantial difficulties for both people and the company, including exposure to trade secrets and disruption of various core processes. In addition, a material cyber incident could lead to the shutdown of critical and core systems as well as services and processes critical to the organization. With this in mind, we commissioned an extensive risk survey from an expert external consulting firm, based on industry-accepted methodology. We also have a cyber security strategy for the coming years. The risk survey and its results and the cyber strategy were presented to and discussed by the Group's management, Board members, and internal auditor. Moreover, we continuously monitor implementation progress of the defense plan and close any gaps found.

Our cyber defense plan is managed by the Head of Cyber Defense, who reports to the VP of Information and Digital Systems, and is responsible, among other things, for managing our cyber defense system; detecting relevant cyber risks including recent AI risks; formulating policy, procedures and controls required for addressing the risks; monitoring and implementing the cyber strategy; employee and management awareness; and cyber incident management.

We regularly employ various state-of-the-art technologies to detect risks at the early stages and use external monitoring and response services throughout the year. We receive real-time information from external cyber security intelligence and from Israel's National Cyber Directorate on potential cyber threats and ways to deal with them, in order to stay up to date. We are also a partner in the Information Security Managers Forum in Israel and in relevant cyber groups that lead the industry in knowledge sharing and defense strengthening efforts.

Management conducts readiness drills for dealing with a cyber crisis, practicing implementation of the designated procedure for dealing with such an incident as formulated by the company. The Board Audit Committee is responsible for reviewing the audit results, monitoring implementation of the recommendations, and constantly improving our cyber-readiness.

We have established a Data and Privacy Protection Policy which sets out basic principles that reflect our approach to personal information protection and privacy. These include the following principles:

- Transparency towards data subjects
- Adherence to relevant data privacy principles
- High level of data security measures and rapid response to cyber incidents

For further information, see our [Data and Privacy Protection Policy](#).

To ensure full compliance with our Data and Privacy Protection Policy, the General Data Protection Regulation (GDPR), Israeli privacy protection regulations, and other applicable privacy regulations, we establish and maintain appropriate compliance programs to ensure management and employees' involvement and allocate appropriate resources to address required actions. The privacy compliance program includes procedures, policies, and comprehensive training for employees. We regularly conduct audits and maintain internal controls to ensure an adequate level of compliance.



Annex



About this Report

Strauss Group's 2025 Environmental, Social, and Governance (ESG) Report reflects our efforts at transparency and effective communication with our stakeholders. The report was prepared in reference to three leading global non-financial disclosure standards: The Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD).

This year, for the second time, the ESG report underwent external assurance for specific parameters, as detailed in the Limited Assurance Report. The assurance was conducted by KPMG Somekh Chaikin in accordance with the Global Assurance Standard ISAE 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.

The information contained in this report refers to 1.1.2025 – 31.12.2025. The framework of this report was conceived in accordance with the Strauss Group's Sustainability Strategy and focuses on our four sustainability pillars. It covers all the companies under the Group's operational control, including joint ventures reported as full entities. Unless otherwise noted, all data presented is aggregated across these companies.

The 2025 ESG Report is not part of Strauss Group's financial, immediate, or periodic statements. In the event of any discrepancy, the financial statements prevail.

We thank you for your interest in this report and would be pleased to receive your feedback. We welcome you to submit questions and comments regarding the report and Strauss Group's sustainability efforts to:

Lee Singer-Snir
Director of Global Sustainability,
ESG and Social Impact,
Strauss Group

E-mail: lee.singer-snir@strauss-group.com





Global Reporting Initiative (GRI) Content Index

GRI Content Index

Standard	Index	Description	Response
Organizational profile			
GRI 2: General Disclosures 2021	2-1	Organizational details	Chapter 1 – About Strauss Group
	2-2	Entities included in the organization’s sustainability reporting	Chapter 1 – Strauss Group Organizational Structure
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	GRI Data Tables
	2-5	External assurance	Limited Assurance Report
	2-6	Activities, value chain and other business relationships	Chapter 1 – About Strauss Group
	2-7	Activities and workers	Chapter 5 – Workplace Experience
	2-8	Workers who are not employees	N/A
	2-9	Governance structure and composition	Chapter 6 – Our Corporate Governance Structure
	2-10	Nomination and selection of the highest governance body	Chapter 6 – Our Corporate Governance Structure
	2-11	Chair of the highest governance body	Chapter 6 – Our Corporate Governance Structure
	2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 1 – Sustainability at Strauss Group
	2-13	Delegation of responsibility for managing impacts	Chapter 1 – Sustainability at Strauss Group
	2-14	Role of the highest governance body in sustainability reporting	Chapter 1 – Sustainability at Strauss Group
	2-15	Conflicts of interest	Chapter 6 – Ethics
	2-16	Communication of critical concerns	Chapter 6 – Ethics
	2-17	Collective knowledge of the highest governance body	Chapter 6 – Our Corporate Governance Structure
	2-18	Evaluation of the performance of the highest governance body	Chapter 6 – Our Corporate Governance Structure



Standard	Index	Description	Response
GRI 2: General Disclosures 2021	2-19	Remuneration policies	Chapter 6 – Our Corporate Governance Structure
	2-20	Process to determine remuneration	Chapter 6 – Our Corporate Governance Structure
	2-22	Statement on sustainable development strategy	Chapter 1 – Sustainability at Strauss Group
	2-23	Policy commitments	Chapter 6 – Our Corporate Governance Structure
	2-24	Embedding policy commitments	Chapter 6 – Our Corporate Governance Structure
	2-25	Processes to remediate negative impacts	N/A
	2-26	Mechanisms for seeking advice and raising concerns	Chapter 6 – Our Corporate Governance Structure
	2-27	Compliance with laws and regulations	Chapter 6 – Our Corporate Governance Structure
	2-28	Membership of associations	Chapter 1 – Sustainability at Strauss Group
	2-29	Approach to stakeholder engagement	Chapter 1 – Sustainability at Strauss Group
	2-30	Collective bargaining agreements	GRI Data Tables – Social Disclosure
Material Topics			
GRI 3: Management approach 2021	3-1	Process to determine material topics	Chapter 1 – Material Topics
	3-2	List of material topics	Chapter 1 – Material Topics
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Chapter 1 – Economic Impact
	201-2	Financial implications and other risks and opportunities due to climate change	Chapter 3 – Governance and Management of Climate Risks
	203-1	Infrastructure investments and services supported	Chapter 5 – Technology Adoption
	205-2	Communication and training about anti-corruption policies and procedures	Chapter 6 – Preventing Bribery and Corruption
	205-3	Confirmed incidents of corruption and actions taken	GRI Data Tables – Governance Disclosure
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 6 – Legal Proceedings due to Non-Competitive Behavior, Monopolistic Conduct and Antitrust
Sustainable Packaging			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 3 – Packaging and Circular Economy
GRI 301: Materials 2016	301-1	Materials used by weight or volume	GRI Data Tables – Environmental Disclosure
	301-2	Recycled input materials used	GRI Data Tables – Environmental Disclosure
GRI 302: Energy 2016			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 3 – Reducing Our Carbon Footprint



Standard	Index	Description	Response
GRI 302: Energy 2016	302–1	Energy consumption within the organization	GRI Data Tables – Environmental Disclosure
	302–3	Energy intensity	Chapter 3 – Reducing Our Carbon Footprint
	302–4	Reduction of energy consumption	GRI Data Tables – Environmental Disclosure
Water and Effluents			
GRI 3: Management approach 2021	3–3	Management of material topics	Chapter 3 – Water Management
GRI 303: Water and Effluents 2018	303–2	Management of water discharge–related impacts	Chapter 3 – Water Management
	303–4	Water discharge	GRI Data Tables – Environmental Disclosure
	303–5	Water consumption	GRI Data Tables – Environmental Disclosure
Animal welfare			
GRI 3: Management approach 2021	3–3	Management of material topics	Chapter 4 – Responsible Dairy Sourcing
Preventing food waste			
GRI 3: Management approach 2021	3–3	Management of material topics	Chapter 3 – Reducing Food Waste
GRI 305: Emissions 2016			
GRI 3: Management approach 2021	3–3	Management of material topics	Chapter 3 – Reducing Our Carbon Footprint
GRI 305: Emissions 2016	305–1	Direct (Scope 1) GHG emissions	GRI Data Tables – Environmental Disclosure
	305–2	Energy indirect (Scope 2) GHG emissions	GRI Data Tables – Environmental Disclosure
	305–3	Other indirect (Scope 3) GHG emissions	Chapter 3 – Emissions Reduction in the Supply Chain
	305–4	GHG emissions intensity	GRI Data Tables – Environmental Disclosure
	305–5	Reduction of GHG emissions	GRI Data Tables – Environmental Disclosure
	305–6	Emissions of ozone–depleting substances (ODS)	GRI Data Tables – Environmental Disclosure
	305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	GRI Data Tables – Environmental Disclosure
GRI 306: Waste 2020			
GRI 3: Management approach 2021	3–3	Management of material topics	Chapter 5 – Waste Management
GRI 306: Waste 2020	306–1	Waste generation and significant waste–related impacts	GRI Data Tables – Environmental Disclosure
	306–2	Management of significant waste–related impacts	Chapter 5 – Waste Management
	306–4	Waste diverted from disposal	GRI Data Tables – Environmental Disclosure
	306–5	Waste directed to disposal	GRI Data Tables – Environmental Disclosure
GRI 401: Employment 2016			
GRI 401: Employment 2016	401–2	Benefits provided to full–time employees that are not provided to temporary or part–time employees	Chapter 5 – Workplace Experience



Standard	Index	Description	Response
GRI 403: Occupational Health and Safety			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 5 – Our People’s Safety
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Chapter 5 – Our People’s Safety
	403-6	Promotion of worker health	Chapter 5 – Our People’s Safety
	403-9(a)	Work-related injuries	GRI Data Tables – Social Disclosure
	403-10(a)	Work-related ill health	GRI Data Tables – Social Disclosure
GRI 404: Training and Education 2016			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 5 – Upskilling and Reskilling
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	GRI Data Tables – Social Disclosure
	404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 5 – Upskilling and Reskilling
Diversity and Equal Opportunity			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 5 – Diversity, Equity and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Chapter 5 – Diversity, Equity and Inclusion
Community Involvement			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 5 – Our Social Impact
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Chapter 5 – Our Social Impact
Product Nutrition and Health & Promoting Healthy Lifestyles and Access to Nutrition			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 2 – 2025 Nutritional Strategy
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety	Chapter 2 – Excellence in Food Safety and Quality
		Impacts of product and service categories	Chapter 2 – 2025 Nutritional Strategy
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Data Tables – Governance Disclosure
GRI 417: Marketing and Labeling 2016			
GRI 3: Management approach 2021	3-3	Management of material topics	Chapter 2 – Nutrition and Health
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Chapter 2 – Marketing Responsibility
	417-2	Incidents of non-compliance concerning product and service information and labeling	GRI Data Tables – Governance Disclosure
	417-3	Incidents of non-compliance concerning marketing communications	GRI Data Tables – Governance Disclosure
			GRI Data Tables – Governance Disclosure



Environmental Disclosure

In 2023, a company-wide system was implemented to calculate all environmental data across the company’s sites. Comparison data from previous years was updated in accordance with the new system. As a result, some historical figures may differ from those reported in earlier reports. The 2024 data does not include Sabra and Obela.

Base data

	Unit	2023	2024	2025
Total food/beverage production output – all company sites	Ton	686,769	658,230	681,050

Energy consumption

	Unit	SASB	GRI	2023	2024	2025	Annual Change 2024 – 2025
Total energy consumption	GJ	FB–NB–130a.1 FB–MP–130a.1 FB–PF–130a.1	302–1	2,268,178	1,981,846	2,201,875	11%
Total fuel consumption	kWh			435,040,911	385,067,135	424,939,194	10%
Natural gas	kWh			236,957,554	216,242,309	239,051,589	11%
Fuel oil	kWh			32,411,104	31,093,939	33,144,265	7%
LPG	kWh			56,123,006	23,144,052	23,951,694	3%
Gasoline	kWh			44,651,571	44,066,283	39,666,444	–10%
Diesel	kWh			64,897,676	59,066,402	79,860,919	35%
Biogas	kWh			NA	11,454,149	9,264,283	–19%
Total purchased electricity	kWh			191,089,949	176,899,781	186,692,745	6%
Total renewable energy generated or purchased directly and through RECs	kWh			9,050,404	18,900,165	17,156,899	–9%
Purchased renewable electricity through REC/PPA	kWh		302–1	5,131,983	6,450,028	6,479,889	0%
Total on-site renewable energy generated and sold	kWh		302–1	3,918,421	995,940	315,214	–68%
Energy intensity	GJ/ton product		302–3	3.30	3.01	3.23	7%



GHG emissions

	Unit	SASB	GRI	2023	2024	2025	Annual Change 2024->2025
Scope 1 GHG emissions	tCO2e	FB-MP-110a.1	305-1	94,746	79,376	86,545	9%
Scope 2 GHG emissions	tCO2e	FB-MP-130a.1.	305-2				
Location based	tCO2e			72,509	60,860	64,030	5%
Market based	tCO2e			68,646	61,995	68,493	10%
Total direct GHG emissions (Scope 1+2)	tCO2e						
Location-based	tCO2e			167,256	140,236	150,575	7%
Market-based	tCO2e			163,393	141,371	155,038	10%
GHG emissions intensity, Scope 1+2	tCO2e/ton product		305-4	0.244	0.213	0.221	4%
Scope 3 GHG emissions	tCO2e		305-3		2,012,012		

Air pollutant emissions*

	Unit	SASB	GRI	2023	2024	2025
NOX	Ton		305-7	47	24	35
SOX	Ton			73	51	38
PM	Ton			2.7	2.2	1.5
CO	Ton			47	48	10
Total air pollutant emissions	Ton			170	125	84

*Air pollutant emissions figures include data from Strauss Israel activity only



Emissions of ozone-depleting substances (ODS)* and CO2 refrigerants

	Unit	SASB	GRI	2023	2024	2025
Carbon dioxide	kg		305-6	2,542	5,559	NA
R-404a	kg			6.8	1	0
R-407c	kg			5	31.7	5.9
R-410A	kg			544	205	31
R-22/HCFC-22	kg			1,239	552	400
R32/HFC-32	kg			3.3	0.3	1.4
R-134A/HFC-134a*	kg			1,534	135	70

Water and Effluents

Water withdrawal	Unit	SASB	GRI	2023	2024	2025	Annual Change 2024->2025
Total water withdrawal	m3	RR-ST-140a.1	303-3	2,065,600	1,760,217	1,899,049	8%
Municipal water supplies or other water utilities	m3			2,065,600	1,760,217	1,899,049	8%
Groundwater	m3			NA	NA	NA	
Rainwater collected directly and stored by the organization	m3			NA	NA	NA	
Surface water	m3			NA	NA	NA	
Wastewater discharge	Unit	SASB	GRI	2023	2024	2025	
Total wastewater	m3		303-4	1,313,811	1,194,274	1,266,309	
Municipal water supplies or other water utilities – total water	m3			1,313,811	1,194,274	NA	
Surface water	m3			NA	NA	NA	
Municipal wastewater treatment	m3			633,797	100,561	138,399	38%
On-site treatment before municipal wastewater treatment	m3			1,035,661	NA	NA	
Total water consumption	m3	FB-MP-140a.1	303-5	751,789	565,943	1,899,049	236%
Water intensity (m3 water withdrawal per ton of product)	m3/ton product			3.01	2.67	2.79	4%

*Only 2023 data includes information from Sabra and Obela facilities.



Waste

	Unit	GRI	2023	2024	2025	Annual Change 2024->2025
Total non-hazardous waste	metric ton	306-4	46,435	38,873	37,586	-3%
Non-Hazardous waste landfilled	metric ton		7,232	3,883	1,990	
Non-Hazardous waste incinerated (including energy recovery)	metric ton		5,189	4,253	16,910	
Non-hazardous waste incinerated (without energy recovery)	metric ton		0	20	0	
Non-hazardous waste recycled	metric ton		10,550	9,465	10,627	
Non-Hazardous waste reused	metric ton		23,455	21,252	8,060	
Other recovery operations	metric ton		10	0	0	
Total hazardous waste	metric ton		400	26	20	-23%
Hazardous waste landfilled	metric ton		7	8	0	
Hazardous waste incinerated (without energy recovery)	metric ton		0	8	0	
Hazardous waste recycled	metric ton		394	10	20	

*The presented data excludes whey from Ahihud Dairy, most of which is used as feed on dairy farms.

Environmental compliance

	unit	SASB	GRI	2023	2024	2025
Total monetary value of significant fines	NIS	FB-MP-140a.3	Feb-27	0	1,670,000	0
Total number of monetary sanctions	#		Feb-27	0	1	0
Total number of non-monetary sanctions	#		Feb-27	0	22	0



Total amounts of raw materials

	Unit	GRI	2024	2025
Green Coffee	metric ton	301–1	334,974	307,731
Cocoa	metric ton		9,470	10,432
Chickpeas	metric ton		2,845	2,917
Milk	metric ton		293,009	299,923
Potatoes	metric ton		27,158	33,917
Water purifier	metric ton		1,555	0
Purifier & UV	metric ton		790	0
CO2 cylinder without Gas	metric ton		197	0
Total amounts of raw materials	metric ton		669,998	654,920

Packaging materials

	Unit	SASB	GRI	2024	2025
Cardboard, pulp and paper	metric ton		301–2	25,043	25,124
Aluminum	metric ton			34	34
Glass	metric ton			19,770	19,622
Triplex	metric ton			757	757
	Unit	SASB	GRI	2024	2025
Laminate	metric ton		301–2	7751	7,751
Metal	metric ton			4,321	4,258
Wooden pallets	metric ton			782	1,112
PS	metric ton			2,606	2,720
PP – plastic	metric ton			4,177	4,479



LDPE – plastic	metric ton			1,170	3,257
HDPE – plastic	metric ton			1,147	1,073
PET – plastic	metric ton			3,503	3,802
Other	metric ton			3,811	1,575
Recycled packaging materials (plastic, paper, glass, metal, etc.) or materials that include recycled materials	metric ton			541	2,272
Total weight of ALL packaging materials	metric ton	FB–PF–410a.1		75,413	77,835

*The packaging materials data in this table does not include Strauss Water



Social Disclosure

Note that certain data points may not equal the total employee count due to methodological differences in our Brazil operations. We are working to align reporting methodologies across all operations. This discrepancy is primarily due to a different classification of temporary workers and agency staff in Brazil. The 2024 data does not include Sabra and Obela.

Employees

	Unit	SASB	GRI	2023	2024	2025
Total number of employees	#		2–6	17,116	16,094	16,074
>women	#			6,594	6,211	5,811
>men	#			10,522	9,883	10,263
Breakdown of Employees by Contract and by Role						
Employees hired on a permanent contract						
TOTAL	#		2–6	15,990	15,060	10,428
>women	#			10,029	5,638	3,851
>men	#			5,961	9,422	6,577
Employees hired on a fixed-term/temporary contract						
TOTAL	#		2–6	705	685	632
>women	#			413	389	254
>men	#			292	296	378
Employees in full-time positions						
TOTAL	#		2–6	16,538	15,514	10,544
>women	#			6,234	5,840	3,916
>men	#			10,304	9,674	6,628
Employees in part-time positions						
TOTAL	#		2–6	540	580	617
>women	#			360	371	391
>men	#			180	209	226



	Unit	SASB	GRI	2023	2024	2025
Employees covered by a collective bargaining agreement						
TOTAL	#		2–30	10,985	11,461	10,646
>women	#			3,232	3,740	3,425
>men	#			7,662	7,721	7,221
Employees, by level and gender						
Senior managers >Men	#		405–1	38	121	224
Middle managers >Men	#			453	317	798
Non–management >Men	#			9,051	8,579	5,688
Senior managers >Women	#			18	94	218
Middle managers >Women	#			370	236	563
Non–management >Women	#			5,568	5,289	3,368
Gender representation % of total management						
Senior managers >Men	%		405–1	2%	1%	12%
Middle managers >Men	%			18%	2%	44%
Senior managers >Women	%			1%	1%	12%
Middle managers >Women	%			15%	1%	31%
Gender representation % of level						
Senior managers >Men	%		405–1	68%	56%	51%
Middle managers >Men	%			55%	57%	59%
Non–management >Men	%			NA	62%	63%
Senior managers >Women	%			32%	44%	49%
Middle managers >Women	%			45%	43%	41%
Non–management >Women	%			NA	38%	37%
Managers, by gender						
Total managers	#		405–1	2,457	2,226	2,105
>women	#			1,026	922	939
>men	#			1,431	1,304	1,166



	Unit	SASB	GRI	2023	2024	2025
Managers, by gender						
>women	%		405-1	42%	41%	45%
>men	%			58%	59%	55%
*Age diversity - Number of employees, by age groups						
<30	#		405-1	4,155	3,968	2,738
30-50	#			10,249	9,834	7,134
>50	#			2,667	2,299	1,289
Age diversity - Number of employees, by age groups						
<30	%		405-1	24%		25%
30-50	%			60%		64%
>50	%			16%		12%
Number of minority employees, by level						
Managers	#		405-1	74	325	66
Non-managers	#			1672	2,152	1,228
Employees with disabilities, by level						
Managers	#		405-1	38	45	22
Non-managers	#			440	513	511

*Employee age breakdown does not include agency/temporary workers; Data on minority employees by gender and level for 2023 refers to Strauss and Sabra only



Promotions, by gender	Unit	2023	2024	2025
Senior managers >Men	#	4	6	39
Middle management >Men	#	64	68	92
Non-management >Men	#	1407	1,166	973
Senior managers >Women	#	3	7	29
Middle management >Women	#	56	28	65
Non-management >Women	#	605	530	503

Safety

	Unit	SASB	GRI	2022	2023	2024	2025
Safety incident data (employees – work-related injuries)							
Total # of work-related injuries (first aid – no lost days)	#	FB-MP-320a.1	403-9 403-10	98	31	156	127
Total # of work-related injuries (minor injuries leading to lost days)	#			224	138	68	283
Total # of high-consequence work-related injuries	#			36	34	1	41
Total # of work-related fatalities	#			1	0	0	1
Total # of work-related illnesses	#			82	22	14	7
Total # of days missed	#			2,026	4,416	2,128	5,431
Injury Rates							
Work-related recordable injuries		FB-MP-320a.1	403-9	2.56	1.31	1.40	2.61
Work-related high-consequence injuries				0	0.20	0.021	0.378
Work-related fatalities				0	0	0	0
Near-miss events							
Number of near-miss events – unplanned events that did not result in injury, illness, or damage, but had the potential to do so >Employees	#	FB-AG-320a.1	403-9	19,868	25511		537
Number of near-miss events – unplanned events that did not result in injury, illness, or damage, but had the potential to do so >Contracted workers	#		403-9	1	NA	NA	0



Training

	GRI	2023	2024	2025
Training in all forms (including online), across all topics: professional, role-specific, ethics, human rights, anti-corruption, etc.				
Number of training hours >Senior managers	404-1	29,755	634	183
Number of training hours >Middle managers			4,974	5,898
Number of training hours >Emerging managers/entry-level managers			19,069	23,478
Number of training hours >Non-managers		163,553	132,117	105,638
Total training hours		193,308	156,794	135,197
Number of employees >Senior managers		2,457	215	442
Number of employees >Middle managers			553	1361
Number of employees >Non-managers		14,619	13,868	9,056
Average training hours per employee >Senior managers		12.11	2.95	0.41
Average training hours per employee >Non-managers		11.19	9.53	11.66
Health and Safety training for employees				
Number of training hours >Senior managers	403-5	3,696	115	317
Number of training hours >Middle managers			185	497.16
Number of training hours >Emerging manager/entry managers			1,140	2,074
Number of training hours >Non-managers		56,469	8,421	15,833
Total training hours - Health and Safety		60,165	9,861	18,722
Number of employees >Senior managers		2,457	215	442
Number of employees >Middle managers			553	1361
Number of employees >Non-managers		14,619	13,868	9,056
Average training hours per employee >Senior managers		1.5	0.53	0.72
Average training hours per employee >Middle managers			0.33	0.37
Average training hours per employee >Non-managers		3.86	0.61	1.75



	GRI	2023	2024	2025
Ethical conduct and anti-corruption policies training for employees				
Number of training hours >Senior managers	403-5	1,567	10	21
Number of training hours >Middle managers			152	68
Number of training hours >Emerging manager/entry managers			1,111	321
Number of training hours >Non-managers		10,901	8,388	3211
Total training hours - Ethical conduct and anti-corruption policies		12,468	20,267	3,621
Number of employees >Senior managers		2,457	215	442
Number of employees >Middle managers			553	1361
Number of employees >Non-managers		14,619	13,868	9,056
Average training hours per employee >Senior managers		0.64	0.05	0.05
Average training hours per employee >Middle managers			0.27	0.05
Average training hours per employee >Non-managers		0.75	0.6	0.35
Quality control/product safety training for employees				
Number of training hours >Senior managers	403-5	1931.18		0
Number of training hours >Middle managers			45	13.64
Number of training hours >Emerging manager/entry managers			208	453
Number of training hours >Non-managers		19,436	4,431	7,448
Total training hours - Quality Control / Product Safety				7,914
Number of employees >Senior managers		2,457	215	442
Number of employees >Middle managers			553	1361
Number of employees >Non-managers		14,619	13,868	9,056
Average training hours per employee >Senior managers		0.79	0	0
Average training hours per employee >Middle managers			0.08	0.01
Average training hours per employee >Non-managers		1.33	0.32	0.82



Employee performance reviews

	unit	GRI	2023	2024	2025
Number of employees who received a performance review	#	404–3	2,531	6,468	3,368
Total number of employees eligible for performance review	#		17,071	16,094	16,074
Percentage of employees receiving performance review	%		15%	40%	21%

Supply chain

	Unit	SASB	GRI	2023	2024	2025
Number of Suppliers and local procurement						
Total number of suppliers	#		204–1	7,004	14,488	11,843
Number of local suppliers	#			3,369	10,662	9,549
Supplier Environmental Assessment						
New suppliers that were screened using environmental criteria	#	FB–PF–430a.2	308–1	1	1	2
Number of critical suppliers assessed for environmental impacts	#			13	15	8
Number of existing critical suppliers identified as having significant actual and potential negative environmental impacts	#			0	0	0
Number of critical suppliers with which relationships were terminated as a result of assessment	#			0	0	0
Supplier Social Assessment						
New suppliers that were screened using social criteria	#		414–1 414–2	2	1	2
Number of Tier 1 suppliers assessed/audited for social impacts by internal or third–party audits	#			37	15	8
Number of Tier 3 suppliers assessed/audited for social impacts by internal or third–party audits	#			0	0	0
Number of suppliers with which relationships were terminated as a result of assessment	#			0	0	0



Suppliers audited with regard to human rights						
Total suppliers audited with regard to human rights	#			0	30	0
Total number of human rights audits conducted	#			0	30	0
Number of suppliers trained on ethics and human rights	#			4	30	0
Number of suppliers trained on quality assurance	#			661	2	35

Interactions with water as a shared resource

	Unit	SASB	GRI	2023	2024	2025
Number of suppliers located in one of the following countries: Qatar, Lebanon, Iran, Jordan, Libya, Kuwait, Saudi Arabia, Eritrea, United Arab Emirates, San Marino, Bahrain, India, Pakistan, Turkmenistan, Oman, and Botswana	#		303–1	NA	4	1
Number of all local suppliers from Israel	#			NA	3,240	2594

Improved Nutrition

	unit	2024	2025
Gluten-free products	Percentage of SKUs affected	70%	71%
High in Saturated Fat	Percentage of SKUs affected	27%	28%
High in Sodium	Percentage of SKUs affected	2%	1%
High in Sugar	Percentage of SKUs affected	25%	26%
Lactose-free products	Percentage of SKUs affected	3%	4%
Low-lactose products	Percentage of SKUs affected	5%	4%
Sugar-free or no-added-sugar products	Percentage of SKUs affected	8%	11%



Food Safety

	SASB	Response
Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-PF-250a.1	(1) 0 (2) (a) 0, (b) 0
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-PF-250a.2	100%
(1) Total number of notices of food safety violation received, (2) percentage corrected	FB-PF-250a.3	(1) 0 (2) 0
(1) Number of recalls issued and (2) total amount of food product recalled	FB-PF-250a.4	(1) 0 (2) 0

*All seven of our production sites operate in accordance with Global Food Safety Initiative (GFSI) standards, specifically FSSC 22000 certification.

Product Labeling & Marketing

	SASB	Response
Percentage of advertising impressions (1) directed at children and (2) directed at children promoting products that meet dietary guidelines	FB-PF-270a.1	(1) 0% (2) 0%



Governance Disclosure

Board of Directors

	GRI	2023	2024	2025
Data Description				
Total # of directors	405-1	8	12	9
Number of non-executive directors on board		8	12	9
Number of external directors		3	3	3
Number of independent directors		3	3	3
Separate chair and CEO		Yes	Yes	Yes
Average tenure of Board members (years)		14.5	14.1	12.1
Women directors on Board (%)		75%	67%	67%
Total number of Board meetings held		17	20	17
Attendance rate – board meetings (%)		96%	94%	89%
Audit Committee – # of members		4	4	6
Audit Committee – # of meetings		7	7	8
Audit Committee – attendance rate (%)		96%	95%	92%
Remuneration Committee – # of members		3	3	3
Remuneration Committee – # of meetings		6	10	16
Remuneration Committee – attendance rate (%)		100%	100%	100%
Financial Statements Review Committee – # of members		3	3	3
Financial Statements Review Committee – # of meetings		5	5	4
Financial Statements Review Committee – attendance rate (%)		100%	100%	100%
Human Resources, Nominating, and Corporate Governance Committee – # of members		0	5	6



	GRI	2023	2024	2025
Human Resources, Nominating, and Corporate Governance Committee – # of meetings	405–1	0	4	2
Human Resources, Nominating, and Corporate Governance Committee – attendance rate (%)		–	90%	83%
	GRI	2023	2024	2025
Finance and Investment Committee – # of members	405–1	4	4	6
Finance and Investment Committee – # of meetings		5	12	8
Finance and Investment Committee – attendance rate (%)		95%	95%	96%
Risk Management Committee – # of members		5	5	6
Risk Management Committee – # of meetings		3	3	3
Risk Management Committee – attendance rate (%)		100%	100%	72%

Compliance

	SASB	GRI	2023	2024	2025
Report the total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, classified by their result: fine or warning		417-3	0	0	0
Incidents of corruption					
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption		205-3	1	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption			0	0	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases			0	0	0
Incidents of non-compliance concerning the health and safety impacts of products and services					
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:					



	SASB	GRI	2023	2024	2025
Incidents of non-compliance with regulations resulting in a fine or penalty		416-2	0	7	0
Incidents of non-compliance with regulations resulting in a warning			0	4	0
Incidents of non-compliance with voluntary codes			0	0	0
Incidents of non-compliance concerning product and service information and labeling					
Number of incidents of non-compliance with regulations resulting in a fine or penalty	FB-NB-270a.3	417-2	0	1	11
Number of incidents of non-compliance with regulations resulting in a warning			0	9	2
Number of incidents of non-compliance with voluntary codes			0	0	0
Incidents of non-compliance concerning marketing communications, including advertising, promotion, and sponsorship					
Number of incidents of non-compliance with regulations resulting in a fine or penalty		417-3	0	0	0
Number of incidents of non-compliance with regulations resulting in a warning			0	0	0
Number of incidents of non-compliance with voluntary codes			0	0	0
Non-compliance with laws and regulations in the social and economic area					
Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:					
Total monetary value of significant fines		417-3	0	0	0
Total number of non-monetary sanctions			0	0	0
Cases brought through dispute resolution mechanisms			0	0	0



SASB Content Index

TOPIC	ACCOUNTING METRIC	CODIFIED METRIC CODE	Location
GHG Emissions	Gross global Scope 1 emissions	FB-MP-110a.1	Chapter 3 – Climate and Environment – Reducing Our Carbon Footprint
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions reduction targets, and an analysis of performance against those targets	FB-MP-110a.2	Chapter 1 – Introduction; Chapter 3 – Climate and Environment – Reducing Our Carbon Footprint
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-PF-130a.1, FB-MP-130a.1	Chapter 3 – Climate and Environment – Reducing Our Carbon Footprint
	(1) Operational energy consumed, (2) percentage grid electricity, and (3) percentage renewable	FB-NB-130a.1	Chapter 3 – Climate and Environment – Energy Management
Management (Water)	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3, FB-MP-140a.2	Chapter 3 – Climate and Environment – Water Management
Food Safety	(1) Total number of notices of food safety violation received, (2) percentage corrected	FB-PF-250a.3	GRI Data Tables – Governance Disclosure
	(1) Number of recalls issued and (2) total amount of food product recalled	FB-PF-250a.4	GRI Data Tables – Social Disclosure
Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2, FB-NB-260a.2	Chapter 2 – Nutrition and Health – Our Nutrition Governance
Packaging Lifecycle Management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2, FB-NB-410a.2	Chapter 3 – Climate and Environment – Packaging & Circular Economy
Workforce Health & Safety	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	FB-MP-320a.2	Chapter 5 – People and Communities – Safety and Occupational Health Systems



TCFD Content Index

TCFD (Task Force on Climate-related Financial Disclosures) Reporting Matrix

Pillar	Section	Requested information	Location in report
Governance	G(a)	The board’s oversight of climate-related risks and opportunities	Chapter 6: Corporate Governance – Risk Management & ERM Governance
	G(b)	Management’s role in assessing and managing climate-related risks and opportunities	Chapter 3: Climate and Environment – How We Manage Climate and Environment; Governance and Management of Climate Risks; Chapter 6: Corporate Governance – Risk Management
Strategy	S(a)	The climate-related risks and opportunities identified over the short, medium, and long term	Chapter 3: Climate and Environment – How We Manage Climate and Environment; Governance and Management of Climate Risks
	S(b)	The impact of climate-related risks and opportunities	Chapter 3: Climate and Environment – How We Manage Climate and Environment; Governance and Management of Climate Risks
	S(c)	The resilience of the organization in coping with the climate crisis	Chapter 3: Climate and Environment – How We Manage Climate and Environment; Governance and Management of Climate Risks
Risk Management	R(a)	Processes for identifying and assessing climate-related risks	Chapter 6: Corporate Governance – Risk Management; Chapter 3: Climate and Environment
	R(b)	The organization’s processes for managing climate-related risks	Chapter 6: Corporate Governance – Risk Management
	R(c)	How climate-related risks are integrated into the organization’s overall risk management	Chapter 6: Corporate Governance – Risk Management
Metrics and Targets	M(a)	Metrics used by the organization to assess risks and opportunities	Chapter 3: Climate and Environment – Reducing Our Carbon Footprint; Energy Management; Waste Management; Packaging and Circular Economy
	M(b)	Emission scopes and the related risks	Chapter 3: Climate and Environment – Reducing Our Carbon Footprint; Scope 3 Tracking and Reporting
	M(c)	Targets and performance	Chapter 1: Introduction; Chapter 3: Climate and Environment – Reducing Our Carbon Footprint



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Independent Limited Assurance Report to the users/readers of Strauss Group Ltd. 2025 ESG Report

Conclusion

We have performed a limited assurance engagement on the examination of the information and data included in the specific topics presented in the 2025 ESG Report (hereafter: “the Report” or “the ESG Report”) of Strauss Group Ltd. (hereafter: “Strauss” or “the Group”).

The following is the list of specific reported data for which limited assurance was performed:

Topic	Units	2025 data
Total number of employees	#	16,074
Total number of employees by gender - women	#	5,811
Total number of employees by gender - men	#	10,263
Total number of employees by age - up to 30*	#	2,738
Total number of employees by age - between 30-50*	#	7,134
Total number of employees by age - above 50*	#	1,289
Employees completing ethics training (relevant roles)	%	95
Vegan products of Strauss Israel	%	41
Gluten-free products of Strauss Israel	%	71
Total amount of raw material – green coffee	metric ton	307,731
Total purchased electricity	kWh	186,692,745
Total fuel consumption	kWh	424,939,194
Scope 1 GHG emissions	tCO2e	86,545
Scope 2 GHG emissions – location based	tCO2e	64,030

**Employees age breakdown does not include agency/temporary workers.*



Further information and details, including the scope, content, assumptions, and estimates determined by the Group regarding these specific topics, can be found in the relevant chapters of the Group’s ESG Report.

Based on the procedures performed and the evidence obtained, as described in this report, nothing has come to our attention to indicate that the specific data, as detailed in the table above, in the Group’s 2025 ESG Report, are not presented, in all material respects, in accordance with the Group’s reporting criteria.

Basis for conclusion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB).

We are required to comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Group

The Group’s management is responsible for (a) designing, implementing, and maintaining internal control relevant to the preparation of the Report, such that it is free from material misstatement, whether due to fraud or error; (b) selecting or developing appropriate criteria for the preparation of the Report and adequately describing those criteria, including who developed them, where this is not clear from the engagement circumstances; (c) preparing, presenting, and accurately calculating the reported information in accordance with the relevant criteria.

Responsibilities of KPMG Somekh Chaikin

Our responsibilities include: (a) planning and performing the engagement to obtain limited assurance that the Report is free from material misstatement, whether due to fraud or error; (b) forming an independent conclusion based on the procedures performed and the evidence obtained; (c) reporting our conclusion to the users/readers of the Group’s ESG Report.

Summary of procedures performed as a basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We planned and performed our procedures to obtain evidence regarding the specific data that is sufficient and appropriate to provide a basis for our conclusion. The procedures selected depend on our understanding of the specific data and the engagement circumstances, including our assessment of areas where material misstatements are likely to arise. In performing our work, the procedures included primarily:



- Examination of the specific data included in the Report for the purpose of performing limited assurance
- Conducting interviews with relevant personnel within the Group responsible for providing the information included in the Report, to gain an understanding of the specific data
- Comparing the specific data presented in the Report to corresponding information in relevant underlying sources, to determine whether all material information from such sources has been included
- Where relevant, conducting interviews regarding the calculation, aggregation, and methods used to collect and report the specific data

As part of the limited assurance process, we reviewed the final version of the Report to ensure that it reflects our findings.

Limited assurance engagements differ in nature and timing and are less in extent than reasonable assurance engagements. Accordingly, the level of assurance obtained in a limited assurance engagement is substantially lower than that which would have been obtained had a reasonable assurance engagement been performed. This limited assurance report is made solely to Strauss Group Ltd. in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Strauss those matters we have been engaged to state in this report and for no other purpose. We do not accept or assume responsibility to anyone other than Strauss for our work, for this report, or for the conclusions we have reached.

6 August 2026
KPMG Somekh Chaikin
Tel Aviv, Israel