











Main Stories

Diverse Consumer Needs Enable as many people as possible to enjoy our products



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Over NIS 24m

Investments in the community during COVID-



USD 54m

Raised by FoodTech companies in the Kitchen Hub



Reduction in carbon emission since 2016



Of product sales are for diverse communities (Gluten, Vegan)



Women in management

People and Communities

Community Engagement ~



An Appetite For Better Food v The Men & Women of Strauss ~ Diversity, Equity and Inclusion $\,\,\,\,\,\,$

246

in 2019, we launched 246 new gluten-free products in Israel.

38%

Approximately 38% of employees received performance evaluation in 2019

5.3

About NIS 5,3 million was invested in the Strauss Israel Employees' Social Plan in 2019, and approximately NIS 37 million in total over the past four years.

136

In 2019, we launched 136 lactose-free products and 11 low-lactose products

14.6

In 2019, Strauss Group donated NIS 14.6 million In products, financial donations and volunteer hours.

28,800

In 2019, Strauss Group employees volunteered a total of 28,800 hours in the community, more than twice that of 2018.

100

In 2019, we reduced 100 tons of sugar from our products in Israel. Since 2011, we have reduced a total of 6,100 tons of sugar from our products.

13,300

We expanded our social venture to support coffee growers, "More than a Cup", to 10 active partnerships in 8 countries, including 13,300 coffee growers

22

Hours of training on average per employee in 2019

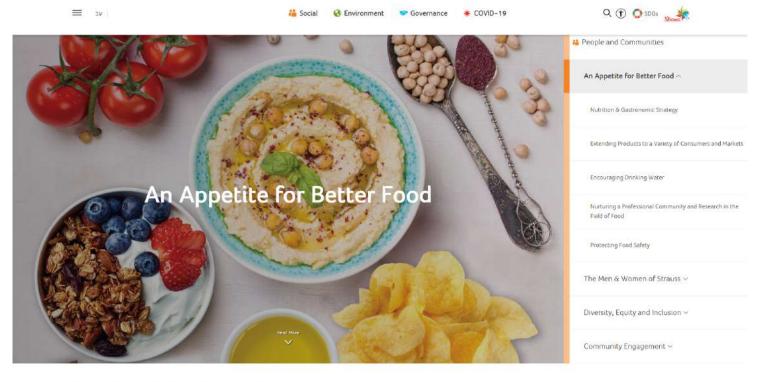
41%

Promotions of women during 2019 of total promotions

People and Communities

An Appetite for Better Food →





Better food. Better choices. Better impact

At Strauss we love food, and we offer high quality, tasty and nutritious food. We constantly strive to improve so we can live up to the diverse expectations of our stakeholders. This mission is a privilege, yet it carries with it a great responsibility. We take carious approaches to constantly improving our food and we are always expanding the choices available to our customers. The mission includes our commitment as a leading manufacturer to be a positive influence on the environment, society and the community. As a result, we constantly endeavor to improve our products, and make them healthier and more nutritious.

Our ambition is to lead this process with responsibility and transparency toward all stakeholders, with caring, during and an authentic passion for food. Accordingly, we aimed to improve the nutritious content of our products, including reducing sugar, sodium, and fat: eliminating preservatives; and more, while maintaining the taste and consistency so loved by our consumers. Furthermore, we expanded the range of products for target audiences with diverse dietary needs, such as products that are gluten-free, low lactose/lactose free, protein and vitamin enriched, vegan, etc.

Strauss constantly seeks out the best and highest quality raw materials. In recent years, we added products that provide plant-based alternatives, and we are in the process of ground-breaking developments with various startups in the FoodTech sphere. We constantly listen to and respond to our stakeholders, and we regard this as our mission and passion.

This process of constant improvement is led by the Strauss development and technology teams who work in close collaboration and build trust with all the Group's business units, and with all relevant professional communities. This process includes regular and ongoing dialog with professional communities and various stakeholders.

In 2020, the sales rate of "enabling" products that expanded the variety of nutritional choices available to our consumers was about 74% of Strauss Israel, Sabra and Obela's total sales.





In recent years, Strauss Group has been operating according to a nutritional strategy. Strauss Israel defined a nutritional and gastronomic strategy that outlines our way. The strategy is based on nine principles of good nutrition, which are the guidelines for strategic development processes and product development decision-making. We regard the implementation of this strategy as an important step in our journey and as a basis for gaining the trust of our consumers. The strategy deals with three main areas connected to the quality of food. (1) What food we prepare and what it represents (2) from what raw materials, and (3) how to we prepare it.



Nutritional Strategy Goals

In order to fulfill our nutritional strategy, in 2019, we formulated and published a set of goals in the sphere of nutrition and gastronomy. These challenging goals are aimed at being gradually achieved by 2024, and are the expression of our responsibility to better food. The goals are a complete change of perception, along with the company's willingness to invest resources in adapting our machinery and equipment, changing the recipes of familiar products, and developing new products.

We are proud to present our strategic nutritional goals for 2024:

	2024 Goals and Main Activities	Main Platforms for Implementation
Culinary and Gastronomy - essence	e, passion and the taste vision and experience	
A culture of passion for food	Promoting "a passion for food" as a significant and inseparable layer of the Strauss organizational culture	Culinary Center (Karmiel)
Innovation with Culinary Value	Developing tasty, modern and relevant products that meet the labest culinary brends in Israel and around the world	Strauss Visitors Center
Authentic Food	Food that is "closest to its source" with a cultural identity, value and story, connected to the farmer behind it.	- Platform for culinary and gastronomical promotion: Beanz, Roots and Taste of Nature Market
Sustainability Values in Raw Materia	als – the farmer, growing conditions and impact on the environment	
		Locally grown raw materials
Sustainable farming and consistent raw materials	The main agricultural raw materials will be consistent to the level of the field and sustainable purchasing sources.	Shift to sustainable dairies
Onsaten (aw materials	or the new and assuminable participancy sources:	Unique Strauss platforms for promoting local food and empowering a local value chain, for example: Roots and Taste of Nature Market.
Nutrition – Methods of preparing p	roducts and their suitability to a variety of consumers	
	Strauss is committed to the accessibility of products for a wide variety of target audiences with unique dietary needs:	
Accessible food: Now I Can – veganism; sugar-free/gluten free/lactose free	Currently offering a wide range of "additive-Free " products	
	Committed to launching at least 50 new products.	
Clean Eating	Strauss products will be free of artificial coloring and over 70% of products will not contain artificial flavors.	
Measured Out Servings	70% of Straus products for personal consumption will be offered as a serving of under 200 calories (snacks/candy/sweetened products for personal consumption)	
Nutrition that supports an active/sporting lifestyle	Increasing the offerings of accessible nutritional solutions for people participating in sports:	
	"The World of Protein" – promoting the next generation of high quality protein-nich products from Strauss Dairy and in new product categories.	
	Developing new products for energy-management and Improving performance during physical activity.	
Improving Nutritional Value	Reducing sugar, sodium and saturated fat in all product categories in the Group:	
	- Reducing sugar in confectionary. At least 50% of confectionary for personal consumption will contain less than 10 grams of sugar	
	Reducing sugar at the dainy. At least 70% of dairy products for personal consumption will contain less than 8 grams of added sugar.	
	Limiting the number of marked products: Strauss is committed to not increasing the percentage of products marked with red nutritional labels.	
	Developing products with high nutritional value: Vitamins, minerals problotics, fiber, etc.	



At the core of our approach to developing products and our efforts to promote a healthy way of life, is the desire to offer our consumers smarter choices. Our goals are to provide consumers with a varied basket of products fitting each of their lifestyles, according to their culture, needs and dietary approach. In the various product categories, Strauss enables personalized selection, including products with low calories, sugar, salt and saturated fat. At the same time, we offer products that contain an increased amount of protein, oil with enhanced nutritional value, dietary fiber, vitamins and minerals. These values are clearly labeled, while offering higher levels of transparency and enabling consumers to make personalized decisions.

Suger: Since 2011, we have gradually been reducing the quantity of sugar in our products. By using various technologies adapted to our products and to their production methods, we have managed to reduce the sugar in a variety of our dairy and other products, while maintaining their excellent taste. Examples include reducing the amount of sugar in the Actimed and Milky recipes by about 30%, and by over 60% in the chocolate milk products: manufacturing and marketing a line of jams with 33% less sugars and launching a new lightly sweetened slab of chocolate.

In 2020, we removed about 142 tons of sugar from our products - about 92 tons of sugar from our dairy products (Milky, Limbo and drinking Dani) and another 54 tons of sugar from our confectionary.

Beloved products with no added sugar:





Solt: We significantly reduced the solt in a variety of products, including sally snacks, Ski cheese, salads, cereal bars, potato chips, peanut snacks, corn chips, hummus, etc.

In 2020, we removed 7.4 tons of salt from our salty snacks. Between 2016 and 2020, we reduced the quantity of salt by about 28% in our leading snacks Tapuchips and Doritos. We are working to further reduce the amount of salt in our various snacks by about 10% by 2021.

These efforts were the result of many collaborations and investments in this area. Reducing salt in our products was made possible by using a special salt manufactured by an Israeli startup. As a result of our efforts in reducing salt, all Strauss Israel salads and most of the snacks met the conditions of the Israeli Health Ministry's labeling reforms defining recommended amounts of sodium, even before the guidelines were published.

Clean Label Products

Clean Label indicates the use of a small number of ingredients that we are familiar with from the home kitchen, and without ingredients that the consumer doesn't expect to see, such as additives, sweeteners or preservatives. As part of Strauss' nutritional strategy, we are constantly seeking potential improvements to our products, which will enable the use of the Clean Label, without compromising on quality, taste or shelf-life.

Following are some examples of these types of improvements to various Strauss products from the past few years:

Pro Whey Drinks	Cream Sauces	Banana Punch Drink	Pro Coffee Drink	Mocha Drink	Yogurt Bar	Button-shaped chocolates,
Eliminating food coloring	Replacing food additives with citrus fiber and unprocessed starch, and eliminating 4–8 E materials	Reducing food additives from four to just one	No processed starch	Reducing number of stabilizers from four to two and reducing the acidity regulator	Reducing the ingredient list, removing processed starch and replacing with milk protein	Improving the food colors of the lentils by changing to natural food coloring

Reducing two E materials to just one



A recently launched product is a pure honey with cocoa spread, containing only two ingredients - pure honey and cocoa. The spread contains no preservatives. The development process took about a year, and preserved the unique characteristics of pure honey. The result was a chocolate flavored honey spread, which is a high quality and tasty alternative for those who seek a sweet, balanced chocolate treat.

Another new product is tomato sauce with no added oil or sugar, where the sugar source is just the tomato itself. The range of sauces was developed at Yad Mordechai with Italian chefs, according to a recipe based on a traditional method of cooking. As with all the company's products, the sauces have no preservatives, added sugar or food coloring.











Measured Out Servings

In 2020, we continued to invest in additional personal serving products in the Confectionary Division, with the aim of expanding the range of options for the consumer to choose from and to enable the selection of a measured sweet treat in and outside the home. Expanding the personal servings line increases the consumer's convenience while addressing prevailing consumer trends, the snacking trend (consumption of small servings between meals instead of large meals) and the Ready to Eat trend (preference for products that are easy and convenient to eat). In addition, personal servings enable balanced consumption of confectionary and control of portion size.

This activity supports 3 of the UN Sustainable Development Goals









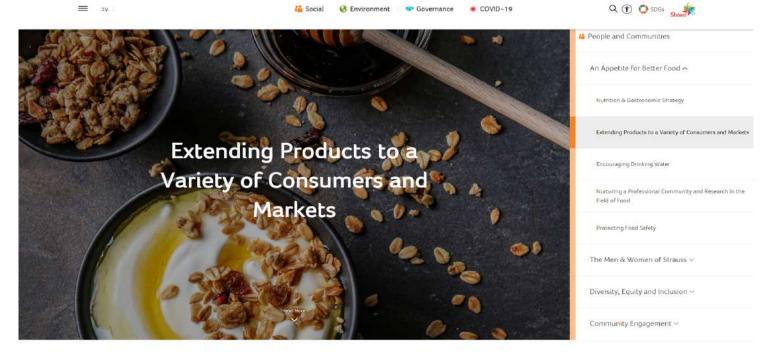












Our purpose at Strauss is to ensure that as many people as possible can enjoy as many of our products as possible. We do this by making our products available to a wide range of consumers and target markets, adapting them to sensitivities and different needs, and to changing and growing nutritional trends.

Alpro - Plant-Based Milk Substitute

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

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

Increasing the Gluten Free Product Offering

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



The Florentin Organic Hummus and Salad Brand

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



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

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





PRO Products - Supporting a Sporting Lifestyle

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





This activity supports 3 of the UN Sustainable Development Goals









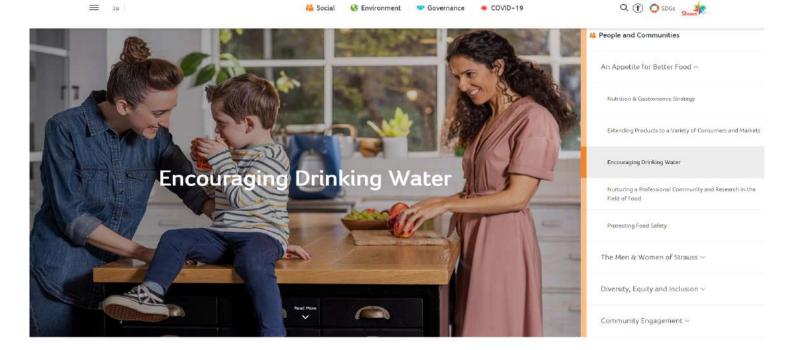












Water is essential to the functioning of the human body. Drinking plenty of water in general, and as a substitute for sweet beverages in particular, has been proven to have numerous health benefits. So, we set ourselves a goal to increase public awareness of drinking plenty of water, and choosing water over other beverages. Strauss Water develops advanced technologies that purify water in order to maintain the health of its customers. The company's water bars enable customers to enjoy cold, hot or carbonated water based on their personal preference, at the press of a button, thus encouraging people to drink water. For some two years, Strauss water has been running widescale marketing activity on the most popular platforms in Israel to expose a range of populations to this message - a preference for water and drinking plenty of water.

Strauss Water works to encourage people to drink water throughout the year, and more so in the summer months. Most of the population, adults and children alike, do not know how much water they should drink every day. Therefore, a video was produced starring children's TV star "Thirsty Sigal", encouraging kids to drink water. In the video, Sigal asks how much water we should drink every day and the answer refers her, and the audience, to Strauss Water's Water Calculator to calculate how many glasses of water they should drink per day based on their gender, age, physical activity, etc.

The campaign appeared on the leading TV channels in Israel. In addition, an extensive digital ad campaign was launched to ensure the most widespread exposure possible. Hundreds of thousands of people used the calculator and we are pleased that we managed to increase interest and awareness of this important issue.

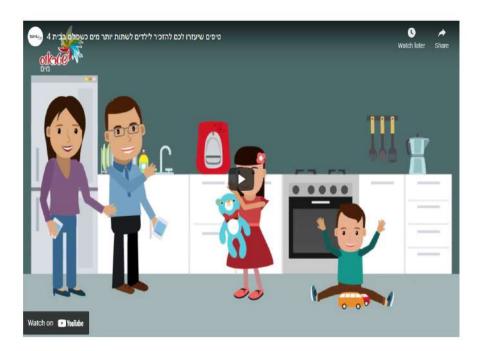


This initiative was extended into 2020 via a campaign where "Thirsty Sigal" met a local celebrity. The widespread campaign was aired in the summer and on New Year on TV in Israel



As a result of the Corona crisis, people spent a lot of time at home and the need to encourage them to drink water at home intensified. As a result, videos were produced for children in the spirit of the period where the message of personal hygiene was combined with encouraging kids to drink water, and starred children's TV star "Little Michal". They were broadcast on TV channels in Israel.

A video was also produced for parents explaining how to encourage their children to drink water at home:





The Strauss Water activities to encourage people to drink water was expanded to digital media. The company partnered with a family-oriented Facebook group that posted insights on drinking water during the Corona period. This activity generated about 3,000 interactions

In parallel, we produced a series of educational videos for various content worlds on social media in collaboration with medical specialists under the heading "Dr. Water". These videos answered a range of important questions, underscoring the numerous advantages of drinking plenty of water.



All this was in addition to the extensive content activity on social media, collaboration with influencers, and more.

For more on the advantages of drinking water, the importance of drinking water for a healthy lifestyle, the influence on the body and how to ensure that we drink enough, see the Strauss Water Blog.



This activity supports 1 of the UN Sustainable Development Goals

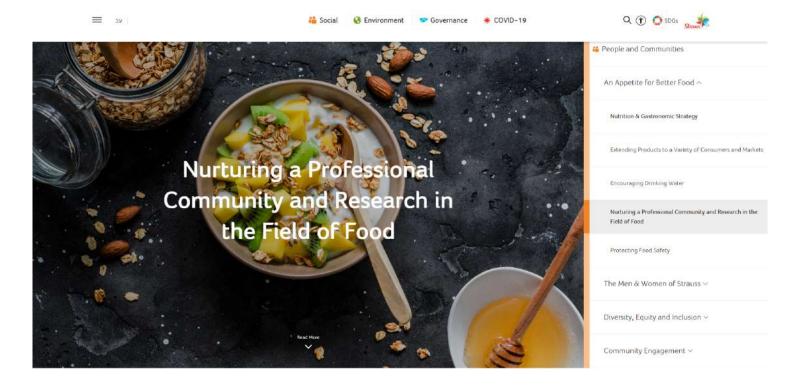














Roots is a gastronomic platform on social media that was established by Strauss for professionals who work with food in all its forms. The platform deals with local food and its aim is to empower the local food system, while recognizing Strauss' integral role in this system. Through the Roots platform,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

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

join a group

Encouraging Drinking Water

Nurturing a Professional Community and Research in the Field of Food

Protecting Food Safety $\,\, o$













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

Our ability to continue operating in the market as a trusted manufacturer of food, beverages and advanced water purifiers depends on careful, constant and uncompromising attention, and a full commitment to product safety. This is fundamentally important to our business success and longevity, to creating value and to protecting the health of the communities in which we operate.

Food safety in the countries in which we operate is subject to numerous laws and regulations, and we work very hard to comply with all of these requirements. Furthermore, through our policies and internal processes, we strive for even higher standards in the area of food safety, to the extent that we often exceed legal requirements. In places where there is no regulation or regulations are not enforced, an uncompromising Strauss Group food safety policy document is implemented.

In addition to food and beverage products, we are also a global manufacturer of water purification appliances for home and office. Even though the relevant safety requirements for these products somewhat differ from the requirements relevant to food and beverage products, our commitment to safety remains our top priority when it comes to complying with legal requirements and beyond. In order to fulfill all the obligations stated above, we implement strict management processes throughout the value chain and carry out a variety of internal controls.

In 2020, we published a policy paper that presents our Strauss Group commitment to product safety (for the Product Safety Policy Paper – click Line. Our commitment doesn't stop at the Strauss sites. We demand that all the partners and suppliers we work with prove that they maintain regulated food safety systems. At Strauss Israel, for example, all suppliers are required to prove that they are compliant with the ISO 22000 or equivalent standard, as a base-line condition for working with the company.

In 2020, we had no instances of non-compliance in areas of food safety and quality that culminated in fines or sanctions. Nevertheless, Strauss Israel carried out seven voluntary product recalls out of the concern of not complying to company standards, as part of an uncompromising commitment to food safety and quality. In these isolated cases, the company was careful to announce the recall on a variety of media channels, and recently even sent personal messages to consumers who purchased the products. (For more details, click https://line.py.edu/.

Examples of advances in food safety in 2020:

Food companies are among the industries whose consumption volumes were not impacted by the Corona crisis, and in some cases, even grew. Food is an existential human necessity, and it is clear that in times of crisis, people regard it as a safety net. Therefore, keeping up with unexpected increasing demands was a key goal for us in 2020. To this end, we were expected to make major adjustments to our production, marketing and distribution systems. These adjustments were also implemented to meet new quality assurance conditions, and, above all, protect the health of Strauss Group employees.

Strauss Israel implements the world's leading food safety standards: Strauss Israel is certified and strictly complies with the ISO 22000 Food Safety
Standard in all its factories in Israel. In 2020, we started a process of implementing broader standards, the FSSC 22000 standard, recognized by international organizations including the Global Food Safety Initiative. A number of sites have already completed this certification and work accordingly: Strauss Dainies, the Salty Snacks factory, the coffee factories in Safed and Lod, and one of the departments in the Confectionary factory. In 2021, we will complete the process at the rest of the Strauss Israel sites.

In 2020 the company prepared itself for testing by the American FDA in factories, some of which do not export products abroad. But these tests were not carried out because of the Corona crisis. In 2021 we will continue to make adjustments in order to comply with FDA standards, and to prepare for the tests when possible.

The New Ta'am Hateva (Taste of Nature) Factory in Bror Hayil, with the most advanced food safety standards. The new fresh salads factory of the Food division in Bror Hayil, Ta'am Hateva, was built with extremely high food safety standards. Compliance with these high standards is extremely important especially in light of the short shelf lives of the factory's products. The new factory includes the most advanced infrastructures and work methods in the world. For example, combining systems for the disposal of food waste collected in waste pipes with flowing water that carries the waste to refrigerated containers. These systems prevent contamination and bad odors. After the waste is transported, the water from the system is filtered and recycled for the process. This automatic and advanced system has several benefits: Reduces hard manual labor, protects the welfare of the employees, reduces risk, increases food safety and protects the environment.

New Food Safety System at Strauss Coffee: In 2018, we implemented a new framework for the management of food safety at Strauss Coffee. The framework is supported by a cloud-based management platform developed by the Intertek company. This specialized company provided us with important tools beyond the system itself, including relevant know-how and testing, and worked with our suppliers to address food safety risks. In 2020, we completed the implementation of the system and its framework at all Strauss Coffee's sites worldwide, along with admin routines for all local quality managers.

This year, we launched all the system's regular processes: Frequent mapping of suppliers: collecting information to rank risk levels, managing communication with suppliers via the system, managing information; and in-depth analysis of each quality event along with creating a targeted action plan to correct the problem. All the sites hold quarterly discussions about the results, tracking, and testing the improvement plans.

The supplier mapping process is carried out for all vendors, irrespective of size. We did find that the level of risk is not directly correlated with the size of the supplier. This process also proved beneficial for the suppliers, and we regularly saw a significant increase in the quality of production as a direct result of implementing this process at certain suppliers. In 2020, a total of 20 reviews were performed at various suppliers as part of this process.

We continue to promote food safety at Strauss Water: Strauss Water invests heavily in the quality and safety of the water it provides to its consumers.

Water quality is regularly checked, and suppliers are tested on certification processes to ensure that they comply with the company's requirements (in this field and others). In 2020, a special emphasis was placed on Strauss Water factories in China, the first country in the world to be impacted by the Corona crisis. With the return to work in China following the first outbreak at the start of 2020, a more rigorous than usual acceptance test was carried out in order to ensure that the products complied with all the requirements, even in the shadow of the pandemic. As a result of the cessation of international travel, the company recruited an external certified Chinese entity to carry out regular tests and controls at the suppliers in China. The company even expanded its permanent local quality team in China in order to continue to improve control processes and to ensure that it was supplying its consumers with healthy, high-quality water, even in the face of the Corona challenges.

Food Safety Leaders at Obela Australia: Since 2019, Obela Australia has been partnering with Dairysafe, the regulatory body that supervises the implementation of standards and systems for the management of food safety in the Australian dairy industry. Dairysafe recognized Obela's advanced practices in the field of food safety, and used them as a benchmark for other food manufacturers. Obela was happy to contribute its accumulated experience to bring about widespread improvements in the entire food industry in Australia, as part of the company business responsibility approach.

Obela works with various suppliers to ensure food safety and quality. One of the most recent examples is the partnership between Obela and its beetroot suppliers. After the company identified a specific risk to this raw material, and following dialog with the suppliers, beetroot is now supplied to Obela's production facilities in new packaging that enables sterility and increased food safety.

For more on additional activities in this field, see the chapter Supply Chain

This activity supports 2 of the UN Sustainable Development Goals









Protecting Food Safety

The Men & Women of Strauss →









Strauss employees are the most significant partners of the Strauss Way, its results and its choices. Onboarding, development and retention of employees with the capabilities, skills and motivation required in our company are critical for the continued success and growth of our business.

In the dynamic 21st century work environment, we must constantly strive to improve and be an employer of choice for our employees. We endeavor to provide our employees all over the world with a workplace replete with meaning and values in whose design they share. It is important to us to offer opportunities for development and growth, and challenges that will foster excellence. As a result, we invest significant resources in creating a range of options for our employees' learning and development. We act out of genuine respect and caring for our employees and create a respectful, empowering, diverse and inclusive work environment. We take numerous varied steps to support and improve our employees' welfare and wellbeing.

In 2020, 3,220 new employees joined us, out of which, 40% were women.

Strengthening and preserving the trust of Strauss women and men who are employed in the company is a basic condition for our success. Trust is built on the ongoing efforts to fulfill our employment vision. We constantly strive to behave towards all our stakeholders in accordance with our values. Our basic premise is that the trust of our employees is established and preserved when the company consistently demonstrates in its decisions and activities its genuine concern for their welfare, and its level of responsibility toward them and all stakeholders.

In order to increase the trust of our employees, Strauss continues to launch dozens of improvement programs in a range of areasi cultivates a safe and healthy work environment: invests in closing wage gaps and in promoting opportunities that enable every employee to fulfil their potential: and makes sure to conduct ongoing dialog with the employees through a wide range of channels. We are proud of the fact that the women and men of Strauss are committed to the company, are involved, and are highly motivated. Creating a culture of constant improvement compels the employees who are partners in this goal and promote it, and our employees are certainly partners in promoting the mission we have taken upon ourselves as a company - "to improve the lives of people."



Recognition of Strauss as a High-Quality and Leading Employer

We are pleased and proud of the fact that we were ranked in sixth place in the 2020 BDIcode rankings of the best companies to work out of all companies in Israel (based mainly on feedback from company employees). This ranking was the highest among the industrial companies in Israel. This is further proof of Strauss' recognition as an attractive and groundbreaking place of work.

In addition, we are proud to have won first place in the 2020 Excellence Competition of the Human Resources organization in the "Entrepreneurship in the Corona Era at Large Companies" category. First place was awarded to Strauss out of dozens of companies and organizations nominated, as a result of its extensive activity in supporting its employees, making flexible and optimal adjustments to the Corona period, and sense of employment stability and security that the company managed to provide its employees during this challenging time (more on this).



Strauss is recognized for its leadership outside of Israel as well. For four consecutive years, (2017–2020), Obela Australia has won the Australian Business Awards' Preferred Employer Award. The award was given to Obela in recognition of the positive culture it created for its employees, and of the company's efforts to promote a suitable strategy, the high performance of all its employees, leadership, safety and health, optimum conditions, and high levels of satisfaction.

Strengthening Employee Engagement

We believe in the importance of maintaining and strengthening the engagement of our employees with the organization. Thus, in 2020 Strauss Israel joined an employee engagement forum with three other leading companies in the Israeli market - Bank Happalim, Netafim and Elbit. The forum created the Re:Engage hackathon that brought together work teams from all four companies in order to brainstorm on how we can reinvent ourselves for the work world of the future. The teams sought solutions for several challenges:

- . How do you create and maintain a sense of team in a period of working from remote without any physical contact?
- How do you create real internal communication in a time of messaging overload?
- How do you support employee work-life balance and mental resilience?
- How do you reinforce a sense of meaning and create an impact among employees and managers?
 These challenges were also sent to about 200 employees from all four organizations for their input, and they provided additional ideas to be considered by the teams. The leading ideas were awarded prizes and recognition, and are currently being assessed for implementation in the different organizations.



Employee Survey Results

An extensive Strauss Group employee survey is conducted once a year to strengthen dialog with the employees, receive feedback, examine the improvement and growth of the company in relation to the employees, and create a cross-company cultural snapshot. The last survey of the entire Group took place in 2019, with a response rate of 88% of all Strauss employees. That survey indicated a high level of satisfaction among the employees, while very high grades (over 80%) were received in all main metrics.

In 2020, after the start of the Corona crisis, local surveys were conducted, tailored to the various companies and countries in which they operate. As follows are details of the main findings per company:

Strauss Israel

The company conducted two surveys during the year. The first was at the end of April, immediately after the start of the Corona crisis. The second, wide scale survey, took place towards the end of 2020. The time gap between surveys enabled the company to assess the feelings and needs of the employees from two perspectives – the early stage of dealing with the crisis, and after an extended period of time of working in the new routine. The results indicated a high level of employee trust in the company from a number of perspectives: proper, stable and well-communicated management of the crisis (92% of respondents); received all the equipment and resources required to stay healthy (92%); commitment and high motivation (86%); caring on the part of the managers (89%); sense of security, employment stability and meaning (94%); sense of pride in the company (93%); and recommendation of Strauss as a preferred place of work (90%).

We regard these positive results as evidence of the company's successful efforts to support the employees in this challenging time. The findings illustrate that the employees' level of trust in the organization and its managers increased, and this is a result of three main factors: a feeling of caring and concern for the employees, ongoing communication, and decision making that was perceived as fair and transparent.

Strauss Coffee

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

Topics whose importance was emphasized by the survey findings were the employees' sense of employment stability, concern for the health of the employees and their families, strengthening the connection with colleagues while working from remote; and a desire for personal development. As a result of these findings, the company is working to provide an increased response to these issues.

In 2021, Strauss Coffee will implement a new and leading system for the management and improvement of the employee experience. SAP-Qualtrics enables advanced data monitoring and analysis, combining operational aspects with a sense of belonging, trust and the employee experience. The system will be used, among other things, to conduct surveys at Strauss Coffee and its business units at any time, frequency and with the content that the business and organizational reality requires.

Strauss Water:

The company conducted an organization survey in September 2020 to assess the commitment of its employees in the shadow of the Corona crisis. The data indicated extremely positive results in all metrics surveyed: High sense of connectedness to the organization (about 94% of the respondents); high overall satisfaction with working at the company (89%); sense of pride in the company (95%); sense of meaning in the role (94%); concern for the employees by the company (91%); %); and recommendation of Strauss Water as a preferred place of work (93%).

Sabra:

The company conducted three surveys in 2020, using new, dedicated tools. The surveys examined the needs of the employees in the shadow of the Corona crisis, levels of employee commitment and dedication, and various metrics regarding the organization's capabilities, trust and effectiveness during the Corona period. The results showed a high level of satisfaction (83% on average), which increased consistently throughout the year. An additional statistic that improved from survey to survey was the rate of answers to open questions, a trend that indicates an increasing level of trust and openness and enables a deeper understanding of employee needs. We are confident that these positive results were due to a series of actions that we took in 2020 - increased transparency regarding the organization's plans and conduct during the crisis, increased supply of training and guidance on conduct, and broad investment in employee welfare.

This activity supports 1 of the UN Sustainable Development Goals





Protecting Food Safety

The Men & Women of Strauss

Employee Training and Development ->



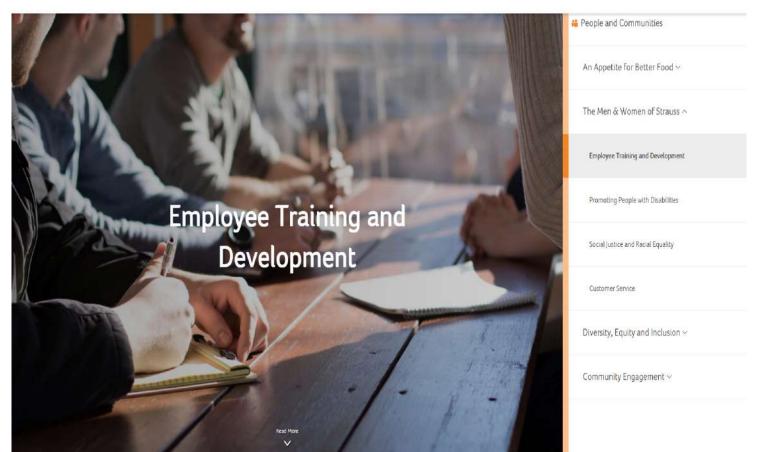












In our dynamic work environment, it is important for our employees to have the knowledge and skills necessary to carry out their responsibilities. We provide training and development opportunities for employees across a variety of disciplines, from Operations, Engineering and Maintenance to Development and Production, Sales, Procurement and Marketing Technologies. In addition, the following areas engage in cross-organizational training and development: quality and safety, regulation, organizational orientation, and entry into a new position, as well as entry into a first managerial position. The training is carried out using a variety of educational, technological and digital methods, in addition to in-person tutorials and frontal sessions, depending on the nature of the activity.

New measures in the field implemented in 2019 included integrating innovative learning solutions, applying the use of diverse learning platforms, and using innovative training methodologies.

In addition, we aim to contribute to the personal growth and professional development of employees and to improve their ability to find employment in the future, thereby contributing to social development as a whole in our areas of activity. In all of our training programs, we focus on employee upskilling.

We have developed a detailed and methodical upskilling program, which we started implementing in 2019.

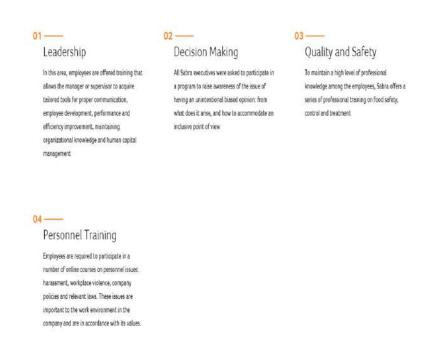
Examples of the corporate upskilling program:

Operation	Sales	Technology
From operation to technical operation: responsibility for operating and maintaining a proper and reliable equipment and work environment.	Analysis and data- based decision making	Detection and searching for experts or knowledge, with a focus on tracking trends and tendencies in the food sector.

Diverse Employee Training Methods for Personal and Professional Development

Sabra

Sabra has an extensive training program with eight different types of core training courses, such as leadership, decision making, quality and safety and personnel training.





Strauss Water

Strauss Water has created an Employment Guidance Plan that allows employees who are at a crossroads at any point in their careers to examine their continued employment opportunities, what their goal or challenge is, and to understand what is the most appropriate way to reach that goal with the help of a feedback conversation. In 2019, about 27 employees took part in this program.

Another program developed at Strauss Water is the internship program, which allows students or employees who are in the process of obtaining a training certificate to gain practical experience in the field they are studying. The program is held once a week for three hours, and in 2019, it helped ten interns expand their professional capabilities

Other measures in the field of training and development in 2019 in Strauss Water include:

- Passion for Water: As part of the Strauss Water strategy of transforming from a product company into a water specialist company, this year, a learning program was created across organizations in all divisions and in all positions about the worlds of water. The plan introduces employees to the aquatic environment, from a geopolitical survey of water sources in Israel, to a discussion of various pollutants that may find their way into the water. It also discusses how Strauss Water plays an active role in purifying drinking water. During these training programs, all employees and managers learned and gained personal experience in labs, escape rooms, water tasting, online learning, experiential water day, and more. As part of the process, each employee starting work in the company is invited to provide tap water samples from his or her private home. This sample is analyzed in the company's laboratories and a detailed analysis is provided in a work meeting dedicated to a thorough discussion and explanation. All these steps have been taken to enable every employee to generate and engage in an in-depth and meaningful discourse on water, whether with a client or in a private conversation with family and friends.
- Executive Development: Team Managers as Professional Leaders and Leaders of Change –In today's era, with the high rate of change and knowledge required from company representatives, managers must be able to support their representatives on the ground and, even more importantly, prepare their employees for change. With the help of executive development processes focused on messaging, change management skills, enhancement of presentation skills and training capabilities, we have transformed them from team managers who, rather than merely undertaking training with their employees, assume the role of mentors who lead change.
- Staff Development: A wide range of enrichment training sessions were held this year as part of "The Catalog" program offered to all staff, such as Excel, PPT, Effective Presentation, Negotiation Management, Networking and more.
- · Ways of Learning: Understanding that representative's training cannot be completed as part of the entry-level training course, we have created ways of learning for a variety of skills needed by representatives, mentors and senior executives. This initiative is intended to generate continued learning, improve skills, develop employees and produce upskilling with the aim of improving service and customer experience. In the first year, the employees receive between two to three additional training sessions beyond the initial training, in accordance with the skills and needs required for their job. From the second year onwards, they undergo training sessions according to their needs and desires.
- · Creating Individual Training Platforms in a Variety of Skills: One of the many benefits of this kind of training is that it allows for immediate recruiting flexibility, without the need for taking a special course. We have created a platform that combines online learning, practice, work with a mentor in an onthe-job training (OJT) setting, and work with a mentor and direct manager to acquire the tools and skills required regardless of the course. We recruited around 20 employees this year whose integration into the organization was made possible by this platform.
- . Innovation in Learning: In the age of the Y Generation, a complex generation looking for work excitement in general and learning in particular, we must adapt ourselves. That is why every year we innovate and integrate more learning technologies. In 2019, we created a video for new employees with VR glasses, "gamed" some of the content in the tutorials, integrated escape rooms, experiential, visual and tangible learning, online learning and more.
- Increased Course Effectiveness: We have shortened some of the courses and adjusted them according to the organization's changing focus.

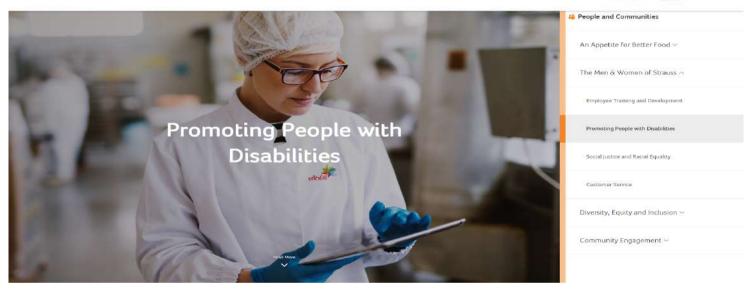


Employee Training and Development

Promoting People with Disabilities ->







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

We will continue to work towards increasing the proportion of people with disabilities in our workforce. The goal we have set is to be compliant with the rate required by law of 3%, while the activities above aim to assist us in achieving this goal.

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

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

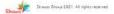


Employee Training and Development

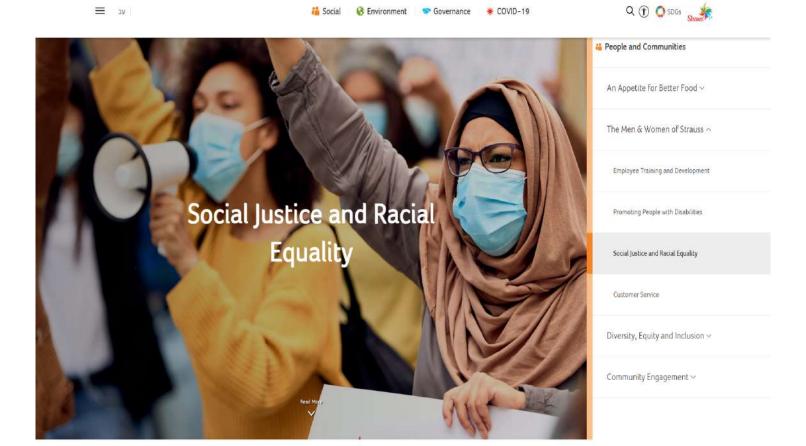
Promoting People with Disabilities

Social Justice and Racial Equality ->





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Promoting Inclusive Conversation and Fighting for Racial Justice in Sabra USA

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

There is still much more work to be done to create an environment of inclusion. Sabra has taken the issue of racism and put it on its agenda and has made great strides towards improving people's lives by creating a more inclusive and diverse working environment.

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

Sabra has also addressed the issues of racial equity and social justice with a series of internal educational initiatives for their executive and managerial team.

Sabra has implemented an ongoing organizational listening program that will help teach the executives and managers to support people wherever necessary.

Sabra has made a considerable effort toward creating a more inclusive and diverse working environment.

Prevention of Violence Against Women

Activities for the Prevention of Gender-based Violence

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

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



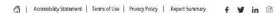
- Joining the UN's "Shadow Pandemic" campaign to eradicate violence against women, and adopting the color orange, which is the branded color for the International Day for the Elimination of Violence against
- . Sending a letter from the CEO and a video from the Group chairperson to all employees.
- A dedicated virtual event for employees
- An internal campaign with stickers that were distributed to be worn on the lapels of every employee at every site.
- Branding the company's trucks that cover over 12,000 km with the message: "Stop the Violence Against Women"
- Illuminating the Strauss offices and factories in Israel with orange lights as a sign of solidarity and increasing awareness of the International Day for the Elimination of Violence against Women
- Supporting the Ruach Nashit (Women's Spirit) organization, the Women Against Violence organization (for opening women's shelters, recruiting and gathering evidence from women in the Arab sector) and the Michal Sela Forum
- Promoting advertising on the subject on digital networks that attracted over 80,000 user responses.



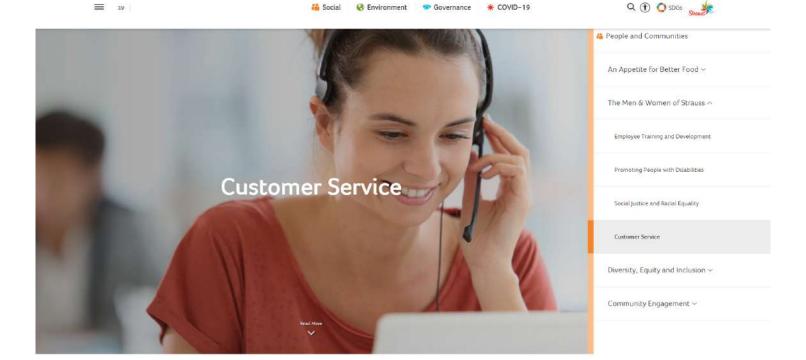
- · Providing an option to change profile picture frames on social media to increase awareness (taken up by over 7,500 users)
- Achla joined a campaign in which a full ad break was devoted to increasing awareness of violence against women and requesting contacting the WIZO Centers for the Treatment and Prevention of
- Funding of an ad on the Ynet app (which has the most users in Israel) that calls on anyone who has experienced or been exposed to violence against women to contact a help center, while also offering a direct connection via the ad.

 Promoting People with Disabilities Social Justice and Racial Equality Customer Service →









Continued Improvement of Customer Service

Available, professional and accessible customer service is an important pillar of building trust and retaining customers. The various Strauss Group companies work with a broad range of customers, from major wholesalers, to local and international retailers, and small stores. In addition, we also serve individual consumers directly, for example, at our coffee kiosks and stores in Israel and around the world, as well as Strauss Water, which supplies products and services directly to the customer. Furthermore, Strauss provides comprehensive service to its customers from our service centers, which handle a wide range of calls. Our aim is to always provide service on the highest level to every one of our end customers. In 2020, over 1.5 million calls were received at Strauss Israel and Strauss Water customer service call centers.

In early 2020, just after the start of the Corona crisis, the customer service centers were faced with many operational challenges. During this complex period, Strauss steadfastly remained committed to continuing to provide its customers with service. Even before the first lockdown, the Group's customer service representatives started to work from remote, while the phone system, hardware and all the required infrastructures for maintaining a high level of service were being adapted. Additional representatives were recruited at some of the centers in order to guarantee the levels and continuity of service.

We are proud of the commitment and dedication of our employees who managed to improve the level of service and customer satisfaction, in spite of the challenges of Corona and of operating service centers from remote. For example, at the Strauss Israel customer service center, 78% of the calls were answered within 60 seconds, while 65% were answered within 30 seconds. At the Strauss Water customer service center, 85% of the calls were answered within two minutes, and within 20 seconds via chat. Furthermore, the customer service representatives expressed satisfaction with the modifications that were made to the process for the sake of their work continuity and their health and safety. A survey that was carried out among the Strauss Water customer service representatives, revealed high levels of satisfaction with working at the service center (94%).

Examples of Advances in Customer Service at Strauss Water in 2020:

Strauss Water works directly with hundreds of thousands of households in Israel while providing a level of service typified by the full availability of technicians and service representatives. At the start of the Corona crisis, Strauss Water ensured that our service and technical support staff were available to visit the homes of our customers. Accordingly, we equipped them with extensive protective measures; masks, gloves, sanitzing gel, and more. In this way, we continued to provide full service to about 700,000 households throughout Israel without interruption, in a period that was marked by the need to protect our employees while coping with the pressure and overload from our customers.

Continuity of service was provided by our call centers that operated from home, while we immediately set up infrastructures that provided unchanged support.

Improving the Customer Experience: In 2020, Strauss Water continued to improve the level of service to its customers. The improvements included reduced waiting time for calls to service centers and for the arrival of technicians; development of new digital service channels such as What's App and email: expanding the range of available self service operations; and more. These improvements, among others, shifted the majority of the calls (60% in 2020) to digital channels, compared to 45% in 2019. In addition, we met the goal we set for 2020 to answer 80% of the service calls within two minutes, and 95% of digital enquiries within 20 seconds.

Strauss Water Service Indices	2016	2017	2018	2019	2020
Customer Satisfaction (survey data)	6.8	8.5	9	9.2	9.3
Average waiting time (minutes)	4.01	1.49	1.56	1.49	1.1
Technician service within 48 hours[1]	51%	79%	74%	77%	84%

^[1] Percentage of customer enquiries received by a technician within 48 hours of referral

Total Number of Calls to Strauss Water Service Centers by Type of Enquiry

Telephone	Answered by IVR	Chat/SMS	Mail	Total	
983,432	251,526	171,728	46,746	1,453,433	

Calls answered by IVR: Telephone enquiries where the customer receives the requested information via an automatic reply and/or further browsing on the website, and ends the call at their own initiative. The information in the recorded message includes the time that the technician or installer will arrive, payment options, information about delivery options, etc.

In 2020, Strauss Water launched a new initiative to increase the trust of its customers in the company. Beyond focusing on maintaining short waiting times and high levels of service provided by the service representatives, a number of additional steps were taken to improve the quality of service. These steps included a significant reduction of repeat calls to the service center by improving processes and developing advanced technological tools, as well as defining a cross-company process to deal with customers who have experienced repeat device malfunctions or problems with the supply of parts. These steps helped us close the loop on quick and effective handling of over 60,000 customers.

The results were rapid: There was a drop in repeat calls from 16% in 2019 to 11% in 2020 (eliminating about 40,000 calls throughout the year). The percentage of complaints dropped to under 1%, compared to 1.5% in the previous year. The measures taken to increase customers' trust also proved themselves on the business side, when Strauss Water succeeded in retaining a much larger number of customers on the service route. Retention percentages jumped from 70% to 80% and the customer base grew considerably.

Examples of Advances in Customer Service at Strauss Israel in 2020:

Support of the "We do Good Together" initiative to assist the economic victims of Corona: As part of Strauss Group's activities to support the populations that were financially impacted by the Corona crisis, the decision was made to distribute vouchers for the purchase of products to families in need of assistance, for a period of four months. In partnership with the Latet organization and other organizations it works with, over 12,000 families were identified that required assistance (beyond the original target of support for 10,000 families). The vouchers were sent to these families via the Strauss+ app.

However, one of the most common challenges of the "We do Good Together" financial support initiatives was the difficulty of the target populations had in using these benefits. This was most prevalent among the elderly and lower socio-economic groups.

The Strauss Israel customer service center joined the effort to assist with this challenge. As part of the initiative, the center provided support and assistance to families in several ways:

- General enquiries for general support of the families following the marketing campaign and partnership with aid organizations
- Digital literacy assistance and support of the families in using the Strauss+ app for the vouchers
- Use of vouchers support during the actual purchase when families asked for information about Strauss products, how to use the vouchers at the checkout,

These enquiries were typified by very long calls, which the call centers were not accustomed to. Consequently, the center recruited additional representatives to assist the multi-lingual staff of representatives. This vital addition to the workforce at the center helped with the handling of over 8,000 enquiries about the project from September through December 2020.

We hope that the ongoing personal support of this target population will assist them, in the short term, with coping with the economic difficulties of this crisis, as well as in the long term, for example, with increased digital literacy, understanding how to use apps, etc.

Continued support for complex enquiries that require "home visits": As part of the service provided by the Strauss Israel customer service center, some complex enquiries are allocated a "home visit" for to the customer, for a discussion to deepen the understanding and familiarity with the event and provide a detailed, direct face-to-face explanation. As part of our commitment to the constant improvement of our levels and quality of service, during the Corona crisis we continued with this practice of personal meetings, in an open atmosphere at the homes of our consumers. In 2020 we held about 600 of these home visits.

Expanding customer service representative training: As part of our commitment to developing and enriching our representatives and ensuring professional and high quality service while expanding our accumulated knowledge, we increased our training hours in 2020. In addition to the 20 minutes of training that take place at the start of each work day at the center, each representative received another approximately 12 hours of training during the year. This training was done by remote, due to the limitations of the Corona period, and dealt with general topics such as environment, product quality, the product labeling process, allergens, and more. We see this activity as a way to promote upskilling and as a response to our customers' changing preferences.

This decision to further invest in the professional training of our representatives proved vital, especially during the time of Corona. The constraints of the lockdowns and social distancing meant that our customers were spending a lot more time at home than usual. Household food consumption increased accordingly, and with it, a sharp increase in the number of customer calls to the service center with questions and suggestions. In addition, 2020 began as the year we implemented the Health Ministry directives to add labels to food products. The new labeling led to additional questions about the initiative itself as well as about specific Strauss products. Consumers who encountered the new labeling for the first time sought an in depth understanding of the changes that were made. As part of our commitment to transparency and to assist our consumers in making their food choices, the customer service center provided relevant answers to all questions on this topic.

Personal Updates about a Recall: In spite of our uncompromising commitment to the quality and safety of the food we manufacture, a small number of voluntary recalls still takes place. In these cases, the company removes a particular product from the shelves, mainly because of a malfunction that (on the rare occasion) was discovered only after distribution. Traditionally, an update about the recall is published in newspaper ads, on the Health Ministry website and in news article on news websites. Still, Strauss' comprehensive approach to its responsibility for its products has led to a voluntary adoption of an additional step to increase transparency. In 2020, the Strauss Israel customer service center began the widespread implementation of personal updates of customers who purchased products that were being recalled. The appeal took place based on information that was found on the Strauss+ app. Customers who purchased the product in question now receive a personal message about the recall via email or SMS. The responses to this voluntary initiative were excellent, and many customers expressed their appreciation for the high level of responsibility and transparency that Strauss demonstrated.

Customer-initiated returns to the shelves: As part of the process of handling customer calls, we receive many requests to bring beloved products back to the shelves or to increase the production of selected products. These requests are recorded over the years. When a decision is made to return a product to the shelves, we locate the customers who submitted these requests and update them. They are often surprised by the company's high level of commitment and regularly express their satisfaction with the level of attention paid to their requests. In 2020 we contacted 800 customers with news about how we have fulfilled their requests. For example, we were delighted to provide a solution to our vegan customers who requested high quality, plant-based candy products.

Constant improvement in customer service: Over the years, we have provided our customers with convenient and available communications channels through which they can convey their questions, concerns or complaints. These channels include telephone, email, direct chat, text messages to customer service representatives, and social media. As part of our commitment to constant improvement, we regularly measure the satisfaction of those who contact the service center via customer satisfaction surveys.

Highlights of the 2020 survey results:

- . 87% of customers were very satisfied with the service they received (continuing the improvement trend from previous years)
- 92% of customers noted that they would continue to consume the products they had complained about (same as 2019)
- 91% of customers noted that their attitude toward Strauss is positive or very positive (improvement trend)

Increased use of digital customer service site on the Strauss website: In 2019, we launched a dedicated customer service site the contains extensive and meaningful contact for customers, and enables them to conveniently and easily receive information. The site has over 500 frequently asked questions about our products and activities, accessible and immediate information about important topics such as product labeling, allergens, and others, locating products at points of sale, and forms for customer service center enquiries.

In 2020, over 145,000 dedicated users entered this site and viewed about 170,000 pages.

About 62,000 dedicated users opened the page for submitting an enquiry to the service center, with about 96,5000 entries.

For more on this and to see the site: https://www.strauss-group.co.il/service/

This activity supports 1 of the UN Sustainable Development Goals





← Social Justice and Racial Equality

Customer Service

Diversity, Equity and Inclusion ->







Social & Environment Social COVID-19

People, businesses and countries can only succeed in a healthy environment, and this is dependent on socio-economic resilience and trust. Diversity and inclusion is the willingness to change ourselves to enable people to integrate, and the ability to adapt the company's products and services to achieve better

Diversity and inclusion is a key issue we have chosen to promote, and for us, it is a significant component of sustainability management. Strauss was established based on the vision of our founders, Dr. Richard and Hilda Strauss, to build a nation by way of food. As a commercial company that operates in various communities in Israel and around the world, we understand that the broader the range of people with diverse outlooks and capabilities that we include, the more we will be able to deepen our identity as values-based - fair, humane, innovative and relevant - and improve our ability to be a more successful

The aspiration to be a more diverse and inclusive company is a way of life for Strauss. A central emphasis of the entire company is promoting women, alongside creating a culture of inclusion in all its aspects, at every site, in keeping with the local populations, and encouraging diverse hiring that represents the populations in which we operate. In 2020, we updated our organizational goals on this subject. This is how we plan to continue to support the processes and changes that are taking place in the companies, and we will challenge ourselves to develop and improve.

Focus and goals of Strauss Group in the area of diversity and inclusion:

Group Goals:

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Organizational Culture	Gender Equality	
Creating a supportive culture and developing inclusive leadership in the managements of the Group and companies.	Recruiting, promoting and developing women in management roles - at least 50% of management roles.	

Promoting Women and Gender equality

A central pillar of activity in Strauss' diversity and inclusion strategy, as well as in its ongoing activity, is gender equality. The consistent advances in the gender equality field and promotion of women at Strauss is manifested in the continuous improvement in the indices:

- Women in the extended executive management: 43% of the extended executive management, an increase of 41% since 2019.
- . Women on the Strauss Board of Directors: In 2020, a female majority of 58% was achieved on the board, 7 out of 12.

The figures above do not include the activities of the joint venture of Strauss in Brazil.

Strauss Water Goals on Diversity and Inclusion

Global Group Goal for Gender Equality	Strauss Israel	Strauss Water	Strauss Coffee	Sabra & Obela
Women in management roles 50%	45.5% Women in	n management roles		
women in management roles 50%	46.30%	43.20%	44.50%	45.80%
Female members Company executive leadership 50%	28.6% Female m	embers in executive l	eadership	
remale members company executive leadership 50%	30%	65%	O96	50%

The "Woman to Woman" program at Strauss Israel, Strauss Water and the Group HQ – The program offers group mentoring using a unique model of female manager mentors for women in pre-management roles. It includes 8 mentors and 35 participants.

"Personal for Me" program at Strauss Water - This is the third year in a row that we have run a development program for women who are not managers. The program provides career development tools, and focuses on gender capabilities and perceptions. In 2020 the program had 11 participants.

"Everything you can imagine is real" program at Strauss Water - A program for the personal development and empowerment of female employees in finance departments. In 2020, 30 women participated over the course of nine months, in weekly meetings of various sizes.

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

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

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

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

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



Promoting Diversity and Inclusion at Strauss Israel

In May 2020, Strauss Israel launched an intensive initiative to promote diversity and inclusion under the heading "Only when we meet can we really know", out of the approach that strengthening familiarity serves as a foundation for diversity and inclusion. As part of this initiative, several events were held:

- "Celebrating Diversity" a cross-organizational event to get to know the groups in Israeli society
- Inclusive work environment for members of the LGBTQ community
- · Company meet up to mark the Sigd festival (of the Beta Israel community)
- Company meet up on the topic of employing people with disabilities at the Salty Snacks factory.
- "Vos iz dos" ("What is this") Marketing department meeting to get to know the Ultra-Orthodox community
- . Within the framework of Strauss Summer activities in Arabic for, among other, children, and standup for adults.
- Emphasis on internal communication in various languages, including an employee survey in three

Obela Europe is one of the most diverse companies in Strauss Group. The 50 employees in the company in the Netherlands come from 14 different countries – Netherlands, Israel, Morocco, Tunisia, Nigeria, Ghana, Germany, Britain, Poland, Colombia, Aruba, Surinam, and USA.

The company is proud of this and celebrates its human and cultural diversity. In an effort to connect this diversity with the food it manufactures, the company even started a tradition of lunches for the employees based on its products adapted to the various cuisines of each country of origin, for example, Moroccan, German, Colombian, etc., hummus meals.

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

Support for the LGBTQ Community

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

This activity supports 1 of the UN Sustainable Development Goals





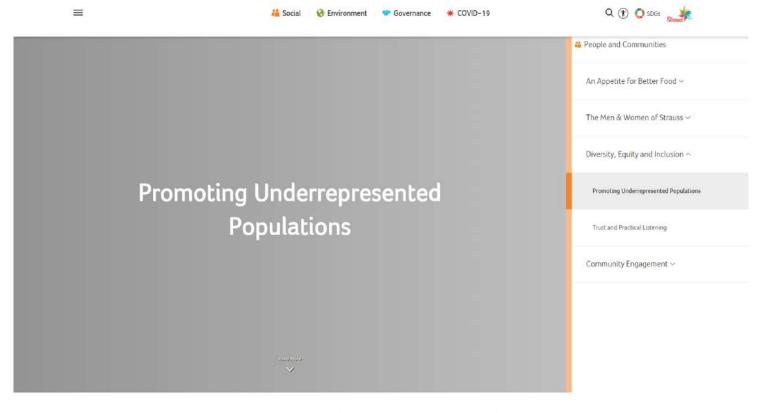


Diversity, Equity and Inclusion

Promoting Underrepresented Populations $\; o \;$







Promoting Opportunities for Members of the Arab Sector in Israel

Over the past four years, we have made an extra effort to include more Israeli Arab employees in our organization. Arabs comprise 21% of the population of Israel, and about 25% of all Strauss Israel and Group HQ employees, about of Strauss Water employees, and 15% of Strauss Coffee in Israel.

Following efforts to strengthen diversity and inclusion, 5% of all professional and management roles at Strauss Israel are now from the Arab sector (79), more than double the number (36) from 2019. In addition, in 2020, Strauss hired six employees from the Arab sector directly into middle management roles, compared to only one in 2019. These six new employees include two information systems development people, a field that used to be devoid of employee diversity.

In 2020, Strauss Israel and Strauss Water continued with their collaboration with the Co-Impact initiative, in a cross-sectoral partnership that was established in 2013 to achieve a breakthrough in employing members of the Arab sector in Israel.

Initiatives in this area that we continued to promote in 2020 included:

- A dedicated recruitment coordinator was appointed for the Arab sector.
- Strauss participated in employment fairs targeted at the Arab sector, for example, the employment fair at the Technion Institute of Technology.
- Launch of the Bootcamp Program for training economists from the Arab sector to take up financial positions at Strauss.
- Embarking on a unique project to develop an employer brand in the Arab sector.
- Implementing a new kit for diversity onboarding and management for managers. In addition, we continued our managers' participation in the Co-Impact
 mentoring program.
- Peer forum activities for employees from the Arab sector, in which 17 employees from the Arab sector committed to assist with leading the change and building appropriate tools.

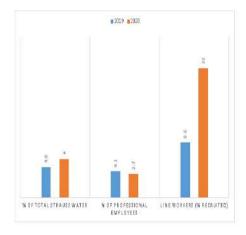
Leading in the Socioeconomic Forum

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

Strauss Water Promotes and Studies the Integration of Arab Society

In 2020, Strauss Water intensified its search for obstacles to integrating employees from the Arab sector and come up with solutions. The company's efforts in this area garnered external recognition when it was awarded the Israel Forum for Employment Diversity's Dov Lautman Business Diversity Award.

Four out of the six people recruited for HQ positions in 2020 (66%) were from the Arab sector.

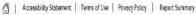


Diversity, Equity and Inclusion

Promoting Underrepresented Populations

Trust and Practical Listening ->











Our ongoing journey to become a company worthy of trust is based on the understanding that trust is at the heart of any successful business strategy. Often, trust is seen as a predictor of the underlying socioeconomic strength of countries, which is the basis for growth.

The 2019 Edelman Trust Barometer Research, conducted among 700 companies and over 34,000 employees, reveals significant data about the important sense of trust between the company, its executives and its employees. The approach in the study results relates to changes in the average employee's ethics concept, with three times the number of participants indicating that it is important for them to trust the company's ethical capabilities in comparison to the research results of previous years. It is important for employees to clearly be aware of the CEO's views on significant topical issues, such as climate change, employment diversity and fair wages. Organizations must adapt to the process of supporting these values as a basic condition of interacting with other organizations.

Subsequent to the Edelman research, many studies and discussions led us to develop the view that trust is based on three main dimensions: leadership, culture and corporate governance. We are committed to addressing these three dimensions, one at a time, to ensure that Strauss works and continues to act in a manner that encourages confidence in all levels of the organization.

The Strauss Group is working to maintain and strengthen the trust of all stakeholders in the company. In 2018, a rapid systematic process was initiated to understand what behaviors encourage trust, focusing on the food sector. Among other steps, we listened to our stakeholders in formal and informal settings.

We have developed a diverse corporate culture, channels, and tools to help us listen, as well as refine the meaning of a company that enjoys its stakeholders' trust so that we can work to find ways to meet stakeholders' expectations. Through the Strauss Trust Survey conducted in 2018, we received in-depth insights from a variety of stakeholder groups and continue to work to ensure that its conclusions are embedded in the core of our operations.

We understand that this is an ongoing journey that we must re-examine every step of the way. Consequently, we are committed to continuing to formulate processes that will help us work for constant improvement in providing greater value to our consumers, our employees and our communities. We believe that as a company that gains the trust of its stakeholders, we can expand and enjoy sustainable business growth.

Learning about our employees' views

Strauss Group companies regularly strive to receive feedback from employees, through both formal and informal channels, as part of ongoing communication and performance management processes, and through structured surveys. Organizational communication and a culture of openness are key components of building trust. For example, in 2019, Strauss Israel conducted a survey of employees to measure their perception of employers and food manufacturers and attitudes towards them, 88% of employees chose to participate in the survey, indicating a high level of involvement and motivation to make an impact. The results of the survey indicate a high level of trust among employees in the company, with regard to Strauss's social and business responsibility, the products that the company offers and the company as an employer. In addition, some of Strauss's employees in Israel took part in working groups for implementing trust in our different companies, helping us gain deeper insights into the causes of trust among our employees.



Strauss's Social Plan in Israel: Eight Years of Consistent Activity to Benefit Our Employees' Economic Welfare

Since 2012, Strauss Israel has been systematically updating and improving the compensation packages and social benefits it offers to employees, especially low-income workers, with the aim of improving their quality of life and helping them save for the future. We call this "The Social Plan." The plan is based on a number of principles, including: avoiding the employment of minimum-wage employees in the company and setting a "Strauss Minimum Wage" that is NIS 300 per month higher than the minimum wage in Israel, improvement and construction of incentives; and participation in dormitory expenses and long-term savings plans. All of these measures come in addition to the basic package of social benefits provided to employees

In 2019, we further evaluated progress, and followed up with changes to encourage employees to optimize their benefits, especially with respect to long-term savings, as well as enhancing and expanding their existing health insurance coverage. In addition, we reviewed base salaries against our goals and awarded raises where applicable, as well as a special bonus for 2019 as a grant for permanent employees.

In 2019, 74 of our employees' children received a higher education scholarship in return for volunteer work in the community.

In the 2019 employee survey, 80% of employees agreed with the statement that "Strauss treats employees fairly," which represents a 5% increase over the previous survey. In 2019, Strauss Israel invested approximately NIS 5.3 million in benefits under the Employee Social Plan, and over the last four years, its cumulative investment in benefits amounted to approximately NIS 37 million. (For more information, see Strauss's Human Rights Charter).

This activity supports 1 of the UN Sustainable Development Goals







Trust and Practical Listening















At Strauss we consider maintaining the resilience of our communities as extremely important. The communities made up of our employees, business partners and consumers, are the basis for all our organization's activities. These activities are based on the principles of being considerate to others and to the environment, caring for women and people, and paying attention to the needs of all our stakeholders. We believe that strong communities foster strong businesses. Our goal is to improve the lives of people, including all the local communities in which we do business.

We endeavor to maintain close connections with the local communities both in the way in which we operate as well as through our initiatives. All our activities include investment or involvement of one kind or another in local communities, through donations, teams of volunteers or social, strategic partnerships.



Investment in Communities

Building trust with communities occurs when the community feels that the company considers its needs when making decisions, when people feel that the company cares about them – caring that's expressed by adapting the company's products, but not only. It's also about concern for the social and economic development of the members of the community, and not just for the business. We strive to maintain close connections with the local communities in which we operate. Our community activities are, on the one hand, varied, and on the other hand, focused on promoting conscious nutrition and a healthy lifestyle, as well as promoting diversity and inclusion.

Global Growth

The Corona crisis influenced, among others, Strauss' global diversity and inclusion strategy. In keeping with the Building Back Better approach, insights from the period of crisis have been incorporated into our new strategy. At Strauss, we understand that this is the best time to create opportunities to promote global growth. As such, we increased our activities in this area among employees in the Arab sector in Israel and among communities in various developing regions of the world.

← Trust and Practical Listening Community Engagement Donations and Volunteering →





Strauss is active in communities, with an emphasis on promoting diversity and inclusion as well as promoting balanced nutrition and a healthy lifestyle.

Our community activities range from dozens of projects that we support over time in our areas of focus, and promoting awareness of volunteering assistance, food donations and food salvage, and stimulating change processes through partnerships that we either initiate or participate in. We collaborate with 40 non-profit organizations in our ongoing community programs.

	2016	2017	2018	2019	2020
	Investme	nt in the com	munity (in mill	ions of shekel	5)
onetary donations	3.4	4.9	4.5	4.8	10.9
lue of Product Donations	6.7	6.7	6	7.7	13.6
alue of employee volunteer ours and community outreach	1.7	1.7	τ.5	2.1	1
tal	11.8	13.3	12	14.6	25.5

In 2020, Strauss Group employees invested about 7,000 volunteering hours as part of our various community projects around the world. Unfortunately, the significant drop in volunteering was an unavoidable result of the social distancing restrictions and guidelines during the Corona crisis

Strauss CARE - Social Responsibility Week

Social Responsibility Week is held annually in June. In 2020, due to corona virus constraints, lockdowns and changing guidelines from country to country, our activities focused on virtual or open-air activities and small groups. The activities were for all Strauss Group employees around the world and conformed to local guidelines and restrictions. Strauss CARE Week enabled Strauss employees to reach out, recognize and contribute to the various communities in our areas of activity that needed increased support due to the crisis. This year, too, Social Responsibility Week focused on Strauss' core business and our main spheres conscious nutrition and a healthy lifestyle in diverse communities, while adapting the activities and content to the immediate needs that arose from the global

Strauss CARE week has four main objectives:

- A. Promote Strauss' values and business strategy, while focusing on core activities, and promoting conscious nutrition and a healthy lifestyle among diverse communities.
- B. Providing an opportunity for dialogue with diverse communities and familiarization with different needs, characteristics and expectations
- C. Promoting a social impact on the communities in which we operate
- D. Empowering employees and managers while strengthening the sense of purpose of the company's activities.

Examples of Strauss CARE 2020 activities in Israel and Around the World

- . Support for farmers Assistance with harvesting crops in open fields, in order to reduce the labor shortage gap caused by the coronavirus crisis.
- · Packing food baskets at food bank organizations and distributing them The fruit and vegetables picked from fields were used, for example, for preparing food packages for about 4,000 families in need, in partnership with Leket Israel. Additional food baskets for the needy were packed during joint activities with the Pitchon Lev organization, the Latet organization and other aid organizations around the world.
- Virtual activities with senior citizens living alone holding "happy calls" with senior citizens and Holocaust survivors. In addition, calls were made to gather information about the lives of senior citizens as part of the "Human Mosaic" project of the VeHadarta organization,
- Online tutorials on balanced diets, healthy lifestyles, volunteering and mutual responsibility with our community partners, using kits designed by the Shiur Acher organization. These lesson plans, which have been taught by Strauss employees for a number of years, were adapted to the limitations of remote learning by the Shiur Acher organization. The lessons were run by the employees within various frameworks for children, teens and adults.





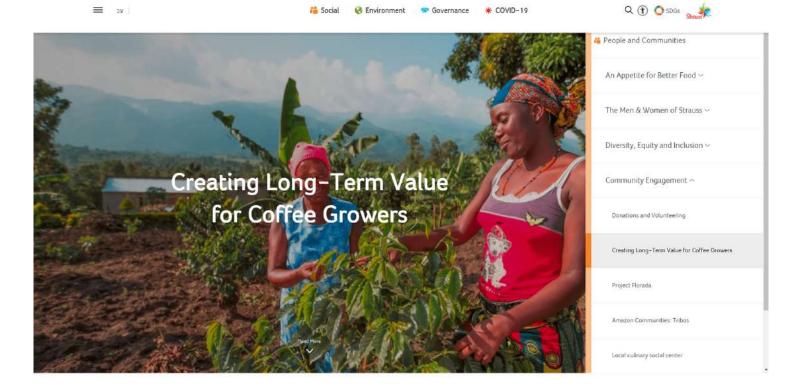
Donations and Volunteering

Creating Long-Term Value for Coffee









The More than a Cup Partnerships

As one of the largest green coffee purchasers in the world, Strauss places significant effort on strengthening the value chain, including support for coffee-growing communities in Africa, Asia and Latin America. By improving the capabilities of local coffee-growing communities, we help develop women's skills as well as contributing to local prosperity. In 2016, Strauss Coffee launched the More than a Cup (MTAC) initiative, as a long term strategic commitment to the coffee growers. The initiative is run with the cooperation of employees and managers at Strauss Cafe, partnerships with professional aid organizations and maintains close contact with the women of the coffee farms. The goal of the project is to support coffee agriculture by improving farming infrastructures, investing in professional equipment, and providing professional, managerial and financial training to the farmers. In this way, the project assists with promoting gender equality and reducing poverty in the communities participating in the project.

The local partnerships within the framework of the MTAC project are directly managed by coffee growing groups and local cooperatives. We communicate with each group individually, with the aim of providing tailored support to local needs. By the end of 2020, MTAC included 10 active partners in eight counties and over 14,400 coffee growers, and it helps them make dignified livings for themselves to support their families and communities.

In 2020, we entered into new partnerships in the Congo that include 500 households of coffee growers who are members of the local cooperative. In addition to the usual program components, this partnership includes additional support components for the local growers. Gravity water transportation systems were built in 2020 to improve access to sanitation infrastructures for hundreds of women working as quality sorters in local coffee processing plants.

Our initiatives in different countries are based on local partnerships, and work directly with coffee grower groups and local cooperatives. We communicate with each group individually, aiming to provide the necessary support for effective growth. As part of Strauss Coffee's approach to partnership and responsibility, our relationships with the various groups does not amount to funding alone. The relationship usually includes additional components such as agricultural training, teaching managerial and business skills, technical consulting, and supply of coffee processing equipment, with a constant focus on empowering women through the coffee value chain.

Partnerships in the More than a Cup Project in 2019

Country	Household/Farm	Women Managing Farms or Gender Activity	Details of the Projects
Honduras	250	250	Support for building and installing a coffee drying machine, training and technical support
Colombia	1,200	300	Supplying equipment, training and financial education
El Salvador	50	50	Support for the treatment of infected coffee trees and distribution of 10,000 disease - resistant coffee plants, agrotechnical support and gathering facilities
Uganda (Elgon Mountain and West Nile)	2,800	2,800	Supplying equipment, agricultural material and funding for a gender equality campaign
Uganda Rwenzory Mountains)	5,700	20	Providing agricultural training and funding a gender equality program
Ethiopia (Sidamo)	500	200	Training on optimal agricultural practices and installing clay ovens
Ethiopia Yirgachffe)	Temporarily on hold due to the Corona pandemic		implementing collective water infrastructures, training communities on hygiene and sanitation, running coffee tutorials, and sowing coffee seedings
Rwanda	1,823	283	Providing training and building a coffee bean washing station
Fanzania	460	460	Launching a gender studies program (GALS) of the Volcafe company, and aiding in the improvement of coffee quality and production
Vietnam	327	327	Assisting in organizing programs and providing financing for new equipment
Congo	1,060	1,060	Project launched in 2020. Ereating access to water (gravity— fed egyteme) for three agricultural groups, providing batter access to sanitation infrastructures for hundreds of women working as quality sotters in coffee processing plants
Total	14,170	5,750	

Strauss Coffee Adapts its Support of Coffee Farmers to the Corona Crisis

From 2016, Strauss Coffee has been supporting coffee farmers in countries throughout the world. With the start of the Corona crisis at the beginning of 2020, the need arose to assist our partners and their families with their basic needs. Strauss Coffee provided coffee farmers in the Congo with tens of thousands of sanitation kits that included hand sanitizer, masks and even solutions for providing clean and safe water for the home environment. In addition, Strauss Coffee provided support to a fund dealing with the Corona virus in East Africa.

At the same time as the Corona pandemic was raging in 2020, large regions of the world had to cope with hurricanes that left many citizens without a roof over their heads or basic necessities. Strauss Coffee stepped up to assist victims of these disasters in the communities in which it operates. Most of the work was concentrated in Honduras, which was badly affected by Hurricane Eta and Hurricane lota.

Hurricane Eta resulted in severe infrastructure damage in parts of Honduras. Many roads were impassable, and many homes were completely flooded. During this difficult time, the facilities of the cooperative supported by Strauss Coffee served as a refuge for the employees and their families. The company also provided the families with supplies – water, food, mattresses, clothing, blankets, alcohol/gel, masks, etc. Furthermore, in order to assist them in returning to normal, donations were collected to purchase basic household equipment such as ovens, refrigerators and beds. In addition, Strauss Coffee donated to the fund to assist the victims of the hurricanes in Honduras.

This activity supports 2 of the UN Sustainable Development Goals













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



Local culinary social center

The program includes the following components:

- Digital educational platform: The platform includes training movies that demonstrate recommended agricultural practices and business management
 practices in the fields of coffee growing. The platform currently contains about 25 training videos, which are offered free of charge to the program's
 participants.
- Enrichment and training: Lectures and activities for enrichment and knowledge sharing with other coffee growers
- Monetary grants: An annual competition that includes a monetary prize and recognition, in partnership with the Brazilian Specialty Coffee Association (BSCA)
- Marketing campaign: A campaign to encourage the purchase of the project's coffee beans through online retailers and stores, while emphasizing the unique
 qualities of the coffee and the social benefits of the project. All profits are returned to the coffee growers so they can continue to invest in developing their
 capabilities.

In 2020, the project reached peak registration for the annual competition of about 1,000 coffee growers (600 participants in 2019). In parallel in 2020, coffee sales significantly grew with an increase in monthly sales of coffee purchased from small farms run by women farmers totaling about 8 tons per month (up from 3 tons per month in 2019), 100% of the profits generated from Florada coffee sales as part of the abovementioned marketing campaign were transferred to the coffee growers. The profits were equally divided between 2020's top 50 growers, the winners of the 2020 competition, amounting to approximately 1,850 Brazilian reals (about \$350) per grower.

Project Florada won the 2019 ODS prize in Brazil, whose aim is to identify businesses with an influence and contribution to the country. Florada was chosen out of 800 projects active in Brazil, and was presented at the United Nations in recognition of its major and significant impact on local women. In 2020 the project continued to gain recognition in Brazil and around the world, and it won the Whow! Innovation prize in Brazil. This prize encourages and recognizes companies and institutions in Brazil that constantly generate innovation with a positive impact on the business environment.

Florada coffee is available for purchase, and provides consumers with a unique shopping experience and the ability to make appositive impact. By purchasing Florada coffee, consumers support a sustainable supply chain and are even able to trace the production process of the coffee they have bought.

Meet the coffee farmers at the small farms, who took part in the 2020 activities:





This activity supports 2 of the UN Sustainable Development Goals









Project Florada

Amazon Communities: Tribos ->











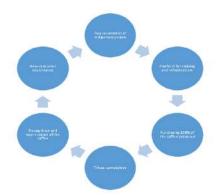
Launched in 2019 by 3 corações (a partnership between Strauss Coffee and Sao Miguel Holdings), Project Tribos focuses on the indigenous tribes in the Amazon reserve in Brazil.

In recent decades, these tribes have experienced significant difficulties making a living and supporting themselves due to factors including the urbanization trend, increasing damage to the Amazon's natural environment, and changes in tribal habitats. As a result, the indigenous population in the Amazon is turning to new employment solutions.

The goal of Project Tribus is to provide these tribes with the means to make a living by specializing in growing coffee beans, while preserving the environment in a region of important and sensitive ecological value.

Project Tribos is based on three pillars that we believe in – assisting the community, protecting the environment, and holistically producing a high quality product. The project enables the tribal populations in the Amazon to acquire new tools, equipment and knowledge for professionally growing high quality coffee.

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



The project offers significant benefits to all involved:

- 1. Economic Value from the production of high quality coffee purchased at twice the price. Prior to 2018 and to the project, local coffee farmers produced a lower quality of coffee, and sold their products at markets in the cities for a retail price. In contrast, in as early as the first year of the project in 2019, 20% of the local crops were already converted into high-quality, unique coffee, due to the adoption of tools, equipment and knowledge as part of the framework of the project. In keeping with the company's promise, the entire annual crop was purchased by participating farmers at a fair price, and higher than the market price, befitting the quality of the coffee. In 2020, the coffee grown as part of the project continued to increase in quality, and 80% of the local coffee crops were purchased by 3corações as unique coffee.
- 2. Environmental Value as a result of the promise to protect the local natural ecosystems. The project ensures that the advanced coffee crops be in harmony with preserving and protecting the forests. To achieve this goal, several steps are being taken. Crop seeds are only planted in areas that have already been converted for human activities: monoculture and increasing the number of varieties in the agronomic system are being avoided; the production of by-products is increasing; and the crops per area are increasing in order to prevent the conversion of more natural areas to agriculture.
- 3. Social Value from empowering the indigenous population and improving their quality of life. The project provides optimal income to the population by growing unique varieties of coffee with a purchase promise and a fair price above the market price. The project includes the significant component of upskilling by providing advanced technical knowledge through on-site and remote training. In addition, the project encourages learning about the indigenous culture by telling their stories to consumers around the world.

As with the previous year, in 2020, a competition between the coffee producers was held in partnership with social organizations, technology companies, government representatives, state-owned companies and local authorities. The products of the 10 winning farms in the annual competition are currently being marketed in premium stores. The competition was publicized on digital channels and the winning products are also being marketed via a digital campaign.



This activity supports 2 of the UN Sustainable Development Goals







← Project Florada Amazon Communities: Tribos Local culinary social center ->

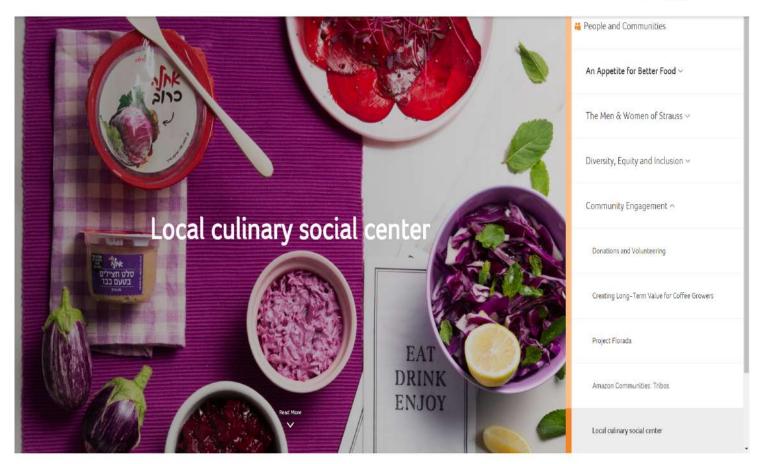












The Culinary Center in Karmiel was launched in April 2019 by the Food division of Strauss Israel. The center's initial goals were "to open our kitchen" to the general public so as to encourage transparency, reveal our story and the processes of preparation of Achla salads and hummus, and run an experiential interactive hummus workshop. In 2020, we hosted over 2,000 visitors at the Culinary Center.

Between 2019 and 2020, we worked on partnership planning and recruitment, and we adapted the center for the development of additional activities. The current goal is to transform the center into an innovative social center in line with Strauss' <u>nutritional and gastronomical strategy</u>. We are preparing to launch the Cook4Good program that teaches cooking skills and business management in the culinary sphere, which will provide the initial tools for entry into the professional field, and will include culinary skills, food security, balanced nutrition, self-branding in the digital world, pricing methods and proper business conduct.

The vision of the program is the be a one-of-a-kind culinary center for the residents of the Galilee that will serve as a regional socio-economic lever. It will provide an innovative training program and will expose its participants to the culinary world, while providing them with related business and professional skills.

Need	Goals	Target Audience	
Population: Receiving tools with which to participate in the culinary field for the sake of social mobility for cooks and entrepreneurs from the Galilee region	Expose the residents with skills and an interest in turning a culinary hobby into a professional business	Cooks and entrepreneurs in the culinary field from the diverse populations located in the Galilee region	
Galilee Region: Economic and social strengthening of the region and utilization of cultural, communal and traditional assets.	Provide professional tools and training to entrepreneurs with small businesses to enable them to raise their level.		
Strauss: Contributes to the community by connecting the communities through the culinary arts.			

As a result of the Corona crisis, the Culinary Center was temporarily closed to the public and the staff's activities were adjusted for this period. The center's management concentrated on leading the volunteer social activities of the Food division of Strauss Israel, focusing on alternative social activities to answer current needs, such as packing food baskets, phone calls to senior citizens living alone in the northern region, and more.







This activity supports 2 of the UN Sustainable Development Goals

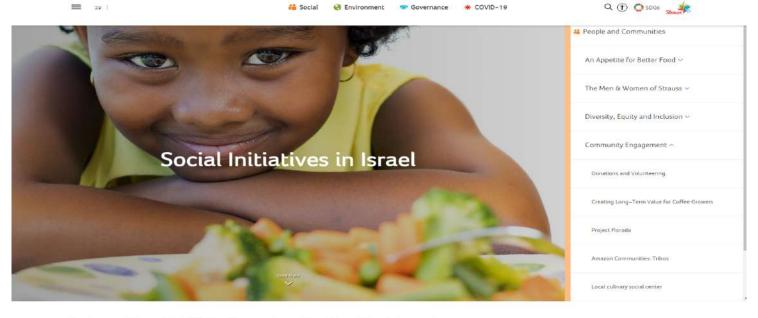






← Amazon Communities: Tribos Local culinary social center Social Initiatives in Israel →





Partnership with ORT to Promote a Healthy Lifestyle and Conscious Eating

In 2019, we formed a collaboration with the ORT network to create a program to promote conscious eating among students. ORT built a comprehensive program of lesson plans that includes normal body indices and healthy nutrition, and is supported by professionals from Strauss Group. The program encourages learning through the active involvement of the students. In addition, the program conducts workshops that teach participants how to build a campaign aimed at raising awareness of a healthy lifestyle.

The initiative includes a website (tailored to mobile) for integrated learning. In 2019, a pilot was conducted at four schools in the Arab and Jewish sectors.

During the 2020 school year, the project was expanded to a further four schools. In addition, activities for sharing the knowledge acquired by the students with younger students at the school were added to the project, by creating active student leadership in the area of conscious eating and a healthy lifestyle. This knowledge was transferred to individual classrooms and, on milestone days, to a number of classes at once, and often entire grades by the members of the leadership teams.

The program is currently active in eight ORT schools in Ashkelon, Karmiel, Pardes Hannah, Ramle, Abu Talul, Bustan al-Marj, Kfar Saba and Ateret Rachel, which include a diverse range of students from different population groups in Israeli society. For us at Strauss, the diversity of this population is part of the company's goal of improving healthy lifestyles in a wide range of communities.

There are a total of 130 students from all the schools in the local leadership group. About 1,100 students participated in classroom workshops, and about 6,000 students participated in milestone days.

For more information, please see the program's website, available in Hebrew and Arabic



Collaboration to Eradicate Hunger in Israel

Latet is a not for profit organization whose goal is to reduce poverty in Israel. One of the organization's activities is a comprehensive program to salvage food and redistribute it. In this way, the organization helps to distribute food packages to about 60,000 families per month. Strauss Israel partnered with Latet over a decade ago, and provides the organization with food products and assists them in sorting and distributing the food packages. In 2020, in the shadow of the Corona crisis, Strauss supported Latet in a range of projects throughout the year and with donations estimated at about 550 tons of products.

In 2020, we also extended our support to additional organizations that provide food security in Israel, including Leket Israel. The organization provides baskets of just fruits and vegetables at a weight of 10kg per family of five. During the Corona period, Strauss supported about 11,000 families through Leket Israel, and volunteers from Strauss Israel assisted.

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

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

Partnership with UNISTREAM to Promote Innovation in the Israeli Periphery

A significant number of Strauss Israel sites operate in communities on the social and/or geographic periphery of the country. Therefore, one part of the Groups' community investment strategy in Israel is contributing to the economic and personal development of the residents of those communities, (for example, by increasing local entrepreneurship in the field of food - more details here). Another is that Strauss has partnered for many years with the Unistream organization. Unistream promotes entrepreneurship and fulfilling the potential of youth in the geographic and social periphery of Israel, while expanding horizons and teaching them practical business skills for their futures

Strauss' different sites are involved in this organization's activities. The Yotvata Dairies support the Unistream center in Ellat, Strauss Dairies in Acre support their local center, and Strauss Water has a connection with the center in Or Yehudah.

Strauss' friendship and support of Unistream includes business mentoring youth through an entrepreneurship project: Strauss employees volunteer to give workshops and lectures and participate in management/investment committees; hosting students at the company's sites; and monetary contributions for the funding of, for example, grants for winning projects, scholarships for participating youth, renovating centers, and funding a campaign to recruit students.

Israeli Ambassadors

As one of the leading companies in Israel, Strauss regards itself as an ambassador of Israel, and works to strengthen business and other ties between Israel and countries around the world. As part of this approach, the Elite Turkish Coffee brand launched an ad campaign in partnership with the ISRAELis organization. ISRAELis works to improve the connections between Israel and countries around the world through educational activities and increasing awareness among thousands of young Israeli travelers. The campaign combined conversations with travelers abroad, with ads in different media such as TV, billboards and social media. We hope that after the campaign, Israeli travelers' awareness of being ambassadors will increase, and that this positive attitude will manifest itself in their conversations and interactions with travelers from other countries and with the locals. Part of these conversations and their positive results were already shown in the campaign.



This activity supports 4 of the UN Sustainable Development Goals















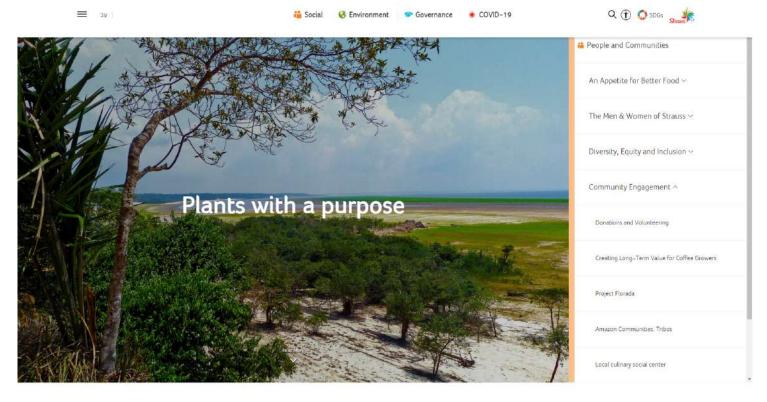












The Sabra Plants with a Purpose Project

As of 2017, Obela in Australia has been participating in an educational community project called Plants with a Purpose. This project organizes educational activities for school going-age children about correct and balanced nutrition, the importance of eating vegetables, and the advantages of community gardening: As part of this project, volunteers from Obela ran classes on these subjects and assisted with setting up a local vegetable gardens inside the school grounds. Between 2017 and 2019, volunteers from Obela participated in the program in six schools throughout the year. In 2020, in spite of the Corona restrictions that required social distancing and remote learning for most of the year, Obela managed to continue to run the program on a limited basis. The program is due to continue in the coming years, even more so after the Corona crisis.

This activity supports 2 of the UN Sustainable Development Goals







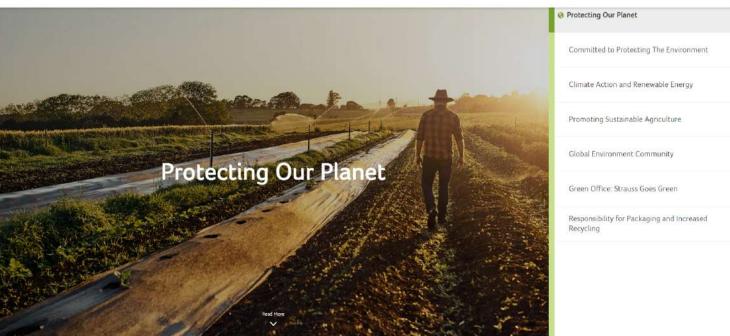
← Social Initiatives in Israel Plants with a purpose Protecting Our Planet ->











-17%

Greenhouse gas emissions per ton of product, since 2016

90%

Waste recycled or reused in 2020

-7%

Water consumption per ton of product, since 2016

-7%

Energy consumption per ton of product, since 2016

42

About 42 million shekels expenses and investments in the area of environmental protection in 2020

-13%

Reduction in landfill waste in 2020 (compared to 2019)

This activity supports 3 of the UN Sustainable Development Goals









Protecting Our Planet

Committed to Protecting The Environment. ->













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

We believe that we can continue to increase our activities and provide solutions to the growing needs of our customers for healthy and nutritious products, while monitoring and reducing our impact on the environment. As a result, we continually work towards minimizing our environmental footprint in all aspects, and achieving excellence in all areas of ESG (Environmental, social and corporate governance). These efforts are made possible by advanced environmental management methods in all our areas of operation, including the following:

- Global climate change is a fundamental issue that poses tangible risks to us at Strauss, to our stakeholders, and to humankind in general. Therefore, we place
 an emphasis on increasing efficiency at all the Group's sites in the areas of energy, emissions, wastewater and water management by investing in energysaving equipment, gradually implementing renewable energy, reducing indirect emissions throughout the supply chain, and more.
- As a binding basis for all environmental management activities, we make every effort to comply with all environmental laws and regulations in all areas of the Group's global activities.
- . We run our sites in accordance with an environmental management system (EMS), which demands that careful be paid attention to all work methods and control over our environmental impacts.
- . A significant number of Strauss sites are certified with the ISO14001 environmental management standard and undergo periodic inspections become recertified. Even at sites that are not certified with this standard, we endeavor to use environmental management methods in accordar demands. We constantly assess the level of effectiveness of our management methods, and continually work towards improving them.
- As a food company, the <u>environmental impact of parkaging our products and recycling</u> in general are fundamental to our operations, and are part of the circular economic approach that we work towards. Strauss has many teams and invests significant resources in reducing the packaging of its products, enabling their recycling, reducing resource consumption wherever possible and improving the treatment of waste at the company's sites.
- . We seek opportunities for water savings, reduction of wastewater, and improving their quality at the Group's various sites.
- . Strauss Dairies in northern and southern Israel partner with their milk suppliers and implement innovative methods of operating sustainable dairy farms. These methods result in significant improvements in the welfare of the animals, and further reductions in environmental impacts
- Employees whose jobs have an impact on our environmental performance, undergo specialized training that assists them in fulfilling their roles, while ssion and the need for resources.
- The responsibility to implement and perform all the appropriate environmental management methods above lies in the hands of the managers of the environmental units at all the sites and the factory managers. These managers are responsible for monitoring processes and performance in this area, while reporting to the operational managements, the divisions and Group management. Strauss' Global Sustainability Unit is also involved in these processes, and serves as a control, coordination and consulting entity for all environment managers in the Group.

This activity supports 1 of the UN Sustainable Development Goals















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

There is consensus among the global scientific community as to the anthropogenic source of the change - the group of greenhouse gases (CO2, N2O, CH4, HFCs, and others). Since the start of the Industrial Revolution, and the massive ensuing growth in the human population, these gases have been emitted into the atmosphere in unprecedented quantities, and cause physical changes that result in climate change. The largest anthropogenic source of these emissions is the burning of fossil fuels (coal, oil and its products, natural gas, etc.) to generate energy in industrial plants, automobiles, and more.

In the short term, the outbreak of the Corona pandemic in 2020 significantly reduced greenhouse gas emissions as a result on the drastic drop in air travel, a reduction in the use of cars, closure of non-essential factories and offices, decrease of international trade, etc. Yet the expectation is that when the crisis is over, global emissions will return, and will even reach their previous levels. Consequently, and in accordance with the principles of the Paris Agreement (2015), many countries and companies around the world are setting themselves ambitious goals to reduce greenhouse gas emissions. The overriding aim of these efforts is to decarbonize the air so as to enable continued population growth, and to increase the global standard of living without increasing the levels of carbon dioxide in the atmosphere, and even reducing them.

As a leading manufacturing company, Strauss is also committed to do our part to reduce greenhouse gas emissions and to fight against climate change. We are investing significant efforts and resources in energy efficiency initiatives. In 2020, in spite of the challenges of the Corona crisis, we began to gradually transition some of our sites to the use of renewable energy. More details below.

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

Shift to Renewable and Alternative Energy

In the past few years, thanks to various technological breakthroughs, renewable energy has become a realistic economic option. Renewable energy infrastructures – solar/photovoltaic, wind energy, hydroelectric, and more – are being set up at an increasing pace around the world. Strauss Group began to assess and implement various options for switching to renewable energy.

In 2020, the Group set an ambitious goal of a 100% shift to renewable energy at its facilities in Israel by 2040. This will result in a 100% reduction in greenhouse gas emissions at Strauss Israel related to energy consumption at permanent facilities (Scope 1) and external electricity consumption (Scope 2). To achieve this goal, the company formulated a multi-year plan to build solar energy infrastructures (PV) at most of its production sites and logistics centers throughout Israel. Initial implementation is planned at several sites in 2021.

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

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



Producing Biogas from Wastewater

Strauss makes a point of taking advantage of opportunities to save on fuel consumption and reduce greenhouse gas emissions, including utilizing energy sources generated by the wastewater treatment processes at the sites.

in Israel, there are longstanding projects to generate biogas from wastewater treatment at the Ahihud and Yotvata sites. The gas is used in the sites' operations. The projects undergo constant inspection and improvement, with the aim of increasing the output of biogas and improving the utilization of the biogas that's produced. For example, in 2019, and when natural gas was first being used at the Ahihud dairy in Israel, the dairy upgraded its steam boiler to consume three types of gas – biogas, natural gas and liquefied petroleum gas (IPG) – as opposed to only biogas/IPG before the upgrade. Depending on the concentration of pollutants in the chimney, the burner controller alters the combination of fuels to ensure optimal energy efficiency. This upgrade resulted in energy savings, and the reduction of various air emissions as demanded of the site in order to meet all regulatory requirements.

Obela in Australia partners with a local factory (SA Water) on shared energy efficiencies. Over the past years, Obela has provided the SA Water factory with sludge from treatment of the Obela factory's wastewater. This sludge is transferred for anaerobic digestion at the SA Water site, which produces biogas. This biogas is used to generate electricity, and replaces fossil fuels. The combined product saves waste that requires treatment, and reduces greenhouse gas

Comprehensive Energy-saving Solutions

All Strauss sites invest significant resources in identifying and fulfilling energy saving potential.

- In Israel, there is an internal efficiency team, including representatives from all the company's sites, and headed by the Energy Manager in this geography.
 Over the past few years, the team identified, recommended and received approval for various investments in reducing gas and fuel consumption, which led to a decrease in Strauss' carbon footprint.
- In 2020, Strauss Israel's reduction goal was 2.4% of its energy consumption intensity, in terms of kWh per ton manufactured. As a result of this comprehensive effort and in spite of the challenges brought about by the Corona crisis, the company met this goal and even exceeded it, while reducing consumption intensity by 4% compared to 2019. These efficiency efforts are joined by other endeavors such as upgrading equipment, streamlining interna energy systems, changing lighting methods, shipping, and more.
- As follows are a few examples of implementations at sites around the world:
- In 2020, the Sabra factory in the US was certified as a LEED gold building for its green construction and energy saving. As part of the certification, the factory implemented comprehensive energy saving steps, which reduced over 800 MWN (or about 44%) of the site's consumption in 2020. These steps focused on the shift to energy-saving LED lights in the weat majority of the lighting in the factory. Additional results of the certification process were a 45% reduction in Sabra's annual water consumption, and an avoidance of the use of paint and coating materials with the potential to reduce air quality at the site.
- Improving the air compressor system at the Ahihud Dairy, Israel: The air compressor system at the Ahihud Dairy is a main consumer of electricity, comprising 20% of the dairy's total electricity consumption. The dairy partnered with a startup called EcoPlant to implement innovative technology to control and improve the system and increase its efficiency. This led to a 13% drop in energy consumption at the Whithud site of about 400 MWh per year. The technology works by individually monitoring the compressors and making dynamic changes to increase efficiency.
- Improving the water cooling systems at the confectionary factory in Nof Hagalil, Israel: There are three water cooling systems at the factory
 providing different temperatures, according to the requirements of the process. After consulting with all the internal consumers of the cooled water, the
 streams were redirected to prevent "overcooling" of the water and energy wastage. The current savings on these processes are estimated at 1.2 MWh
- Increased shipping efficiency in taxael: In the effort to reduce greenhouse gas emissions connected to the shipping of products, changes were made to
 this system. The company implemented a solution of adding height to the shipping trucks, to enable loading a larger number of containers and products per
 delivery. This resulted in a substantial reduction in truck trips, which converts to a saving estimated at about 10,000 liters of diesel fuel, which is the
 equivalent of about 27 tons of greenhouse gases.

Lifecycle Assessment (LCA) of Existing and Potential Savings in Greenhouse Gases using Strauss Water Products

In 2020, as part of its commitment to reducing its environmental impact, Strauss Water carried out an environmental audit across its entire lifecycle (LCA) for the water bars it supplies to its customers. The assessment was carried out by the ECO-OS company, which is a specialist in this field, and focused on the comparative carbon path of the water bars. This carbon path includes greenhouse gas emissions resulting from the consumption of a liter of drinking water compared to alternative options. The results of this comprehensive project demonstrated that the company's water bars offer substantial savings (over 70%) on greenhouse gas emissions, compared to mineral water consumption from various types of bottles. The company is currently considering the prospect of an even more significant reduction in carbon emissions related to the various stages of life of the water bars, and options for balancing carbon.

Reduction in Greenhouse Gasses Combined with the Implementation of the Montreal Protocol

The Montreal Protocol, which went into effect in Israel and in other countries in which we operate over the past few years, focuses on a global phase-out of the use of gases such as HCFCs, which deplete the ozone layer, as well as being greenhouse gases with a high climate impact coefficient (Global Warming Potential - GWP). The most widely used of these gases is R22, a long-time commonly used cooling gas. In Israel, Strauss has implemented a multi-year plan to cease the use of R22 and to replace it with more environmentally-friendly solutions. Over the past few years, R22 was replaced at the Ahihud dairy, at the Confectionary factory, at the salads and coffee factories and at other sites. The company plans to complete the process at the rest of its sites as part of its environmental investments in the coming years. In addition to complying with the requirements of the protocol and regulations, this process will result in another dramatic

Knowledge Partnership and Leading Processes with External **Partners**

Out of the understanding that the reduction of greenhouse gases is a global effort, Strauss participates and even leads various forums on the subject. For example, Strauss is one of the founders of the Energy Efficiency Forum in Israel. This forum was established in 2020 and is run by the Afeka College. It deals with enrichment and promoting projects among leading companies in Israel. The Energy Manager in Israel serves as the chairperson of the forum. In 2021, with the anticipated end of the Corona crisis, the forum plans on expanding its activities to frontal meetings and site visits. Further information about Strauss' participation in environmental and other forums can be found here

This activity supports 2 of the UN Sustainable Development Goals















Sustainable Dairy Farming

As a leading food manufacturer, Strauss Group plays a vital part in the global aspiration of zero hunger and reducing the lack of food security. However, the ongoing dialog we have with consumers increasingly demonstrates the additional values and considerations we are expected to lead. One of them is the values-based consideration of producing animal-based food, which is expressed in increased animal welfare in our supply chain. At Strauss, we take responsibility for what takes place in our dairies. In 2017, we mapped the processes of our dairy supply chain and launched the Sustainable Dairy Farming program for improving the living conditions of the cows and reducing the environmental impact of cowshed activities among partnering dairy producers.

This program included criteria that were gradually implemented at over 60 external dairies that provide milk to Strauss dairies in northern Israel, and at over 20 external dairies that supply milk to the Yotvata Dairy in southern Israel. The program grew out of a 300 "responsibility approach of the dairies for what is taking place in the cowsheds and at the milk suppliers. The program can only be implemented thanks to the close partnerships that the dairies created, including the years with these suppliers. As part of this program, the dairies were required to implement sustainability criteria that set a new and leading standard on an international level. The criteria focus on defining the living conditions and care for the cows in order to provide them with the highest levels of welfare within the limitations of the life of an industrial animal, along with regular guidance and training.

Strauss Israel and the Yotvata dairies invested over 1 million shekels in improving the infrastructures and in training the dairy farmers, while placing an emphasis on expanding the implementation to Yotvata's milk suppliers. We are pleased that we succeeded in implementing over 90% of the criteria, among them even the most complex, at Yotvata's suppliers. To follow the goals and achievements of this initiative, see the <u>Sustainable Dairy Farming website</u>.



The Criteria for Sustainable Dairy Farming:

01 ---

Purchasing tools to manage the day-to-day routines eccording to the norms of "Mutual Daily Famings," professional consulting from Dr. Sivon Lacker, the Founder of the Mutual Daily Faming pilitative, which includes a training seeise and monthly visits to 22 dazies. Mutual Daily Faming provides daily farmers with applied methods for improving the welfare of their cross and calves based on the behavior and physiology of animals.

02 ----

Increasing the frequency of treating cow manure (cultivation operation) with the aim of creating a dry, highenic sorface, which results in a reduction of greenhouse gas emissions and improves the health of the cows. 03 ----

Cessing the practice of freeze branding cows and switching to electronic identification that monitors a range of data about the health of the cow as well as its milk production, enabling the personal treatment of each cow.



All the criteria are based on international research, on norms recommended by the United Nation's Food and Agricultural Organization as well as by associations of dairy producers around the world that are leading the changes taking place in industrial dairies. When implementing the criteria, we realized that this change not only enables us to live up to the moral responsibility to take comprehensive action for the benefit and welfare of the cows, and to reduce our environmental impact, but also offers dairy producers business benefits, and ensures that the cows are healthier. And thanks to some of these changes, milk yields are higher.

In 2020, we chose to share this initiative with our consumers, and we launched a dedicated website (in Hebrew) that transparently presents the criteria, what percentage have been applied, and our future goals for the program. In addition, we invited our consumers to come and visit Yotvata's open cowshed in order to experience, first hand, what was taking place (and in line with Corona guidelines).

In addition to these criteria, we work to implement sustainability values in our supply chain. At the majority of our dairy farms that supply milk to Strauss, solar re installed to create energy for use in the cowsheds, with the aim of expanding this initiative to all our dairies in the coming years. We began a pilot to generate electricity and energy independently from agricultural and bovine waste, to benefit the environment.

We regard the "Sustainable Dairy Farms" program as a process that requires constant updating, assessment and impro substantially upgraded since the start of the program, and we are committed to continuing with the improvements. As follows are a number of ways in which we plan to expand this program:

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

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

Environment: In 2021, we will begin a pilot to include vertical farms in the production of food required for the nutrition of the cows. This is an inno initiative and has not been done anywhere in the world to date. The goal is to enable the production of fresh, local, higher-quality food for the cows, while decreasing the use of environmental resources - land, water and transport.

Educational initiative to empower the younger generation of dairy farmers in Israel: The Yotvata Dairy launched a project to adopt the dairy of the Eshel Hanasi youth village, where youth who study in the dairy farming track, will benefit from an improved curriculum from the perspectives of sustainability and conscious dairy farming, training of the instructors and the students, and workshops in Israel and abroad. Yotvata launched this project with the aim of training a new generation of Israeli dairy farmers on innovative principles of sustainable dairy farms, and an understanding of the importance of bovine development and the dairy farm environment, and out of a desire to strengthen the future of the dairy farming profession in Israel. This project endeavors to be a model for implementation on a national level

antibiotic substitute. Introduction of a new substance aimed at drastically reducing the use of antibiotics given to cows to treat bovine ma

According to the results of these projects and pilots, we may add goals and expand activity in these areas.

For more information on sustainable dairy farming, click here

This activity supports 4 of the UN Sustainable Development Goals













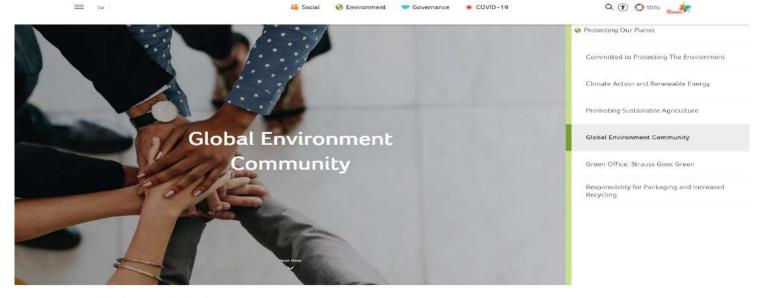












Establishing a Global Environment Community for Strauss Group

As part of the Group's constant efforts to improve our environmental management activities, we carried out an in depth study of the internal work processes responsible for the development and management of environmental projects in all relevant spheres (wastewater and water quality, energy and climate change, aste and the circular economy, and more). Along with the importance of maintaining an environmentally supportive organizational culture, we saw a need to unite the forces of all the companies in the Group to promote significant, structured and cross-company improvement. In 2019, we started planning a global environment community of all Strauss Group companies. The goal of this community is to pave the way for environmental excellence and Strauss Group's sustainability principles together, to ensure success over time and to adapt to the every-changing challenges and risks we face

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

The community is comprised of managers and key employees who are responsible for the field of the environment, or related fields, and who are part of the various circles of influence in all the Group's companies to promote this field. The inner circle of the community's influence was built on the basis of a professional and limited environment community. Alongside this circle is the wider environmental community which additional managers are members of and support aspects of the environment that focus on procurement, marketing, and more

The community operates around three central focuses, led by three work teams, in the fields of packaging, energy, and water and wastewater. Communic in the community is via a monthly newsletter and frequent meetings that foster lively discussions on the topics of sustainability in the Group, knowledge sharing and conclusions regarding environmental projects, mutual growth, and working together to achieve the goals of the Group and its companie

The community started operating within a virtual framework through professional meetings on the themes of the content worlds relevant to the Group. The to promote a circular economy, and promoting product lifecycle assessment (LCA). These LCAs include assessment of the environmental impact of the company's products, from selecting raw materials through to the end of the products' lives. In 2021, the work teams will continue to function via joint learning and sharing accumulated knowledge, in order to create an organizational map that will assist in achieving the Group's goals. Small professional teams will also meet for in-depth discussions on a wide range of topics. An annual cross-organizational meeting is also planned to summarize the activities and to discuss

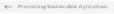
This activity supports 3 of the UN Sustainable Development Goals



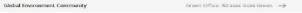








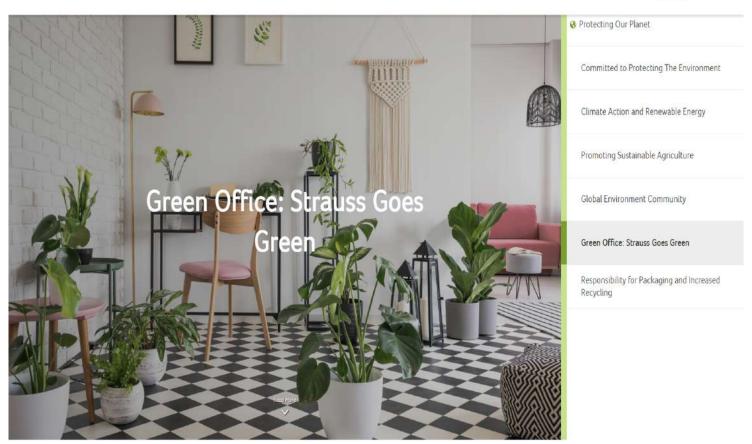












At Strauss, we want to set an example for our employees by introducing a sustainable work culture within our daily activities. In 2019, we made some changes to work practices for the favor of employee and environment welfare, such as switching to reusable mugs, a move that resulted in savings of approximately 245,000 disposable cups for hot drinks in the headquarters building alone, adopting recycled printer and copy paper, which reduced the use of one million pages. In addition, we adopted a Meatless Monday menu, which involves a reduction in meat consumption in the company on every Monday of the week, along with enriching the menu with vegetarian dishes.



From the corporate mitigation perspective, we expanded the layout of recycling facilities for packaging, plastics, glass, paper and batteries, as well as the maintenance of existing facilities. In order to reduce plastic use, we are piloting placing waste collection points in central bins, along with reducing the number of waste disposal personal points in small bins.

In terms of organizational culture, renewed efforts have been made to refresh the company's procedures regarding lights and air conditioning when leaving offices and conference rooms. In addition, our employees have been commissioned to digitize pay slips, potentially saving about 24,000 pages a year.

In addition, Strauss Coffee is working to establish a culture of sustainability among coffee company employees in Israel by deepening their knowledge in the field in order to create a foundation for making and implementing green solutions in the work environment. In 2019, the implementation of a learning program for staff and management began with The Natural Step (TNS) program, with three additional workshops scheduled for 2020. Among the topics discussed are sustainability challenges, waste management, and the opportunities created by these challenges.

And what about the customers?

Examples of Measures Taken in Strauss Coffee Israel:

Elite Coffee Network customers are currently switching to using a unique coffee cover that eliminates the need to use straws.

As part of the changes done at the Beanz Café brand, packaging has been reduced (saving seven grams of cardboard per unit), eco-accessories products have been introduced and the number of CuPZ magazine hard copies has been reduced.

In addition, Strauss Coffee's online customers have the option of receiving a green invoice via email rather than receiving printed invoices. The green invoices will also be used for purchases for the Beanz Café brand.

However, the activity does not end here and there are many plans that will be implemented in the coming years.

This activity supports 1 of the UN Sustainable Development Goals





← Global Environment Community

Green Office: Strauss Goes Green

Responsibility for Packaging and Increased Recycling











As a leading food and beverage manufacturer, Strauss Group is aware of the gravity of the issue of packaging as part of its environmental footprint. We recognize that we have a responsibility to reduce packaging waste connected to the company's activities, to increase our recycling capabilities, and to facilitate waste treatment. These issues are important to the company's stakeholders, and dealing with them is necessary for promoting responsible global consumption and a reduction of the impact of this consumption on all forms of life on land and in water.

To this end, we are setting up forums and other initiatives to identify and implement innovative packaging solutions. Strauss packaging experts often take part in local and global forums that focus on mutual learning the field of packing, and cross-industry and country improvements.

We are aware of the environmental importance and the advantages of dealing with packaging, along with its many challenges and complexities. A key aspect of the ability to improve in the area of packaging is the recycling infrastructure in the various countries in which Strauss operates. Another challenge is the desire to preserve the proper ratio between the packaging and levels of consumption. Marketing a product in large packages can reduce the package's waste relative to the weight of the product, on the other hand, this could result in increased food wastage. Consumer awareness of the importance of recycling is an additional challenge that could lead to a significant improvement in the success of packaging initiatives. At Strauss, we are determined to overcome these challenges and find the optimal solutions for reducing our environmental impact.

Strategic Packaging Project

In 2019, a work team was set up to Formulate a strategy for reducing the environmental impact of Strauss packaging throughout the value chain. This team examines ways to reduce the environmental footprint of Strauss' packaging by reducing the quantity and size of the packaging, switching to recyclable and/or pre-recycled environmentally friendly packaging materials, and improving packaging handling options after use. In 2020, the team finished formulating the strategy and action plan for the coming year, developed decision-making instruments and started to work with product development teams in companies throughout the Group.

Dedicated work teams were set up in the Group's companies to examine the local challenges, tools and accumulated knowledge, and they started to formulate local work plans. For example, the Strauss Israel work team mapped 28 types of packaging, assessed their usage, and defined priorities for dealing with each type of packaging, including partially implementing the LCA principles and adapting them to the treatment infrastructures in Israel. Accordingly, a prioritized map of all the challenges in handling packaging was created. Based on this analysis, a workplan was formulated for immediate, medium-term and long-term tasks in the field of packaging at Strauss Israel. Furthermore, efforts were made to make the program's implementation simpler and more accessible to the product development units at the different divisions. The work team developed a number of tools to improve the development units' decision making process. These tools include a mechanism for classifying materials, testing criteria for purchasing new machines for a factory (that will affect future recycling capabilities), and more. The tools were implemented at the start of the projects and training was carried out for all internal stakeholders involved in packaging development processes.

In addition, the team set long-term improvement goals for Strauss Israel for reducing and treating packaging, by 2025:

- 100% recyclable and/or degradable packaging
- 85% of packaging made of recycled material
- . In addition, targets were set for increased collection, sorting and recycling of all packaging materials in Israel.

Total packaging at Strauss Israel was 29,260 tons in 2020. As follows is a breakdown of packaging according to current recycling capabilities:

Current recycling capabilities (in the infrastructures in Israel)	Share of packaging reaching the consumers	Share of total packaging – includes used for transportation to retail chains, and reaching consumers	
Recyclable	60%	78%	
Refuse Derived Fuel (RDF)	35%	20%	
Cannot be recycled or reused	5%	z%	

Another key initiative at Strauss israel was the establishment of a steering committee to examine every environmental claim (Claims Committee). The committee dealt with issues including requests for approval of packaging where there are doubts about its environmental impact.

In 2021, the team will continue to expand its purview, monitor the integration of its activities in the work plans at Strauss Israel divisions, support and guide its implementations, alongside following up on compliance with the targets set for each division. The team will expand the data and information infrastructure used to manage this area. In addition it will complete all the mapping of the various packaging materials, while distinguishing between recyclable materials and non-recyclable materials had can be replaced, and those for which no appropriate replacement has been found.

Packaging Labeling and Promoting Recycling

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



This initiative was supported by a dedicated <u>website</u> that provides information to the general public on Strauss* package recycling options in Israel and on how to correctly separate waste in order to ensure effective recycling, and includes frequently asked questions.

The Salty Snacks Factory Received an Award for Separation and Recycling

In December 2020 the Salty Snacks factory in Sderot received the "2020 Recycling Award" as the leader in separating packaging waste for recycling, from the Tamir Recycling Corporation. This followed an extensive investment in implementing processes to streamline the recycling process at the factory, and to reduce, as much as possible, the amount of waste headed for a landfill. The factory allocated separate containers to the various types of waste: started using compressors to reduce the volume of the packaging, (thereby also reducing the need for transportation); connected with suppliers who provide recycling services or enable the reuse of various elements of the factory's products from transforming food-production residues to composting, and more.



The improvement could also be seen in the factory's products, which have been going through a process of packaging reduction over the past two years. The ward even recognized the factory's work culture that encourages increased recycling, and the effort to keep the site as environmentally friendly in other ways. For more information, click here

Additional Steps for Improving Packaging and Increasing Recycling at Strauss Israel

- Yad Mordechai also uses 50% recycled material in its plastic containers. Its glass jars contain 60% recycled material, and the company is considering reusable alternatives to these contain
- In Israel, Strauss participates in several different forums on the circular economy as a representative of the food industry. These forums include discussions
 and knowledge sharing in an attempt to promote the circular economy in the rest of the market, including through partnerships between different industrie

Reducing Packaging Materials and Increasing Recycling at Strauss

- . In 2020 Strauss Coffee completed a pilot in Israel to switch the Elite coffee capsule from combined plastic and aluminum to a 100% aluminum capsule. This will be fully implemented in 2021, and will include a mechanism for collecting capsules from consumers to ensure they are being recycled.
- At Strauss Coffee Romania, in 2019 efforts were already being made to reduce the coffee vacuum pack by 7%, without changing the contents of the coffee. The successful result was a reduction in the quantity of materials used and of the total waste that was generated after coffee consumption by custo
- Also in Romania, the company is tooking into reducing its use of the plastic sheets it wraps its coffee containers in. The thickness of the sheet has so far been
 reduced by 20%. The goal is to continue to reduce the thickness and ultimately to develop a system that completely eliminates the need for this plastic sheet.
- At various coffee factories around the world, efforts have been made to recycle the coffee shells that are left after the coffee is roasted, and other by-products of the production process.
- At the Elite Coffee chain in Israel, the reduction of the environmental impact of disposable coffee cups sold by the chain is being encouraged. In part with the cup suppliers, the packaging material used for transporting the cups has been reduced; there has been a shift to cups that are easier to recy the size of packaging the straws has been decreased. The chain even launched an option to purchase a resuable cup, in order longing conscious consumer. among the company's customers (frozen during the Corona period).

Reducing Packaging Materials and Increasing Recycling at Sabra and Obela

- . Over the past few years, Sabra has reduced the packaging materials used in the hummus and spreads that it manufactures and markets. In 2019-2020, the company succeeded in reducing over 240 tons of material in a move to lighter materials for its 300-500ml salads. Sabra even redesigned its personal salad containers (Snackers), reducing the mass of the previous packaging by 15%, which translates into a total reduction of about 100 tons of material. In addition to the savings on plastic, these reductions in the weight of the containers make it easier to transport the products and reduce the associated greenhouse gas emissions. The company is working to ensure that its products are fully recyclable.
- In addition, Sabra is increasing the recycling in its manufacturing processes themselves, and in their offices. In 2020, the company completed a comprehensive survey of all the types of waste it generates, and found solutions for reducing some of its waste runoffs, and directing additional runoffs to recycling and composting. About 20% of the company's building materials used in projects on the site in 2020 came from recycled sources.
- Obela in Australia and New Zealand In 2019 the company installed equipment that enabled a 30% reduction in the plastic packaging that had been previously used in manufacturing. The company works with its main suppliers to reduce packaging in the supply chain as well. For example, as a result of one of these partnerships, the humus beans supplied to Obela were sent in significantly larger bags, reducing the packaging per kilogram of raw material.
- . Obela Europe is currently making changes to its 175g hummus container. The new container will be made from 160% recyclable material, and will weigh about 6% less than the previous container, while reducing the plastic consumed by the customer, and reducing the greenhouse gases from transport. The new container is planned for launch in mid-2021.

Promoting Recycling at Strauss Water

In the past year, at Strauss Water we upgraded our processes for recycling the filters and LED lights used in the water bars in order to best promote our recycling goals in the company. As of March 2020, these components are collected from the homes of our customers by messengers, who provide replacement parts at the same time. Furthermore, from March 2021, customers who use this service will receive a bonus, in order to encourage the recycling of components and to fulfil the company's service promise to the recycle filters and LED lights in the appliances. The soda cylinder found in some of the water bars that dispense carbonated water, have also been collected by messengers on a regular basis for the past few years. In addition, customers have the option of using the app that shows the pickup point closest to their homes where the waste is recycled by the (which specializes in the collection and recycling of electronic

This activity supports 4 of the UN Sustainable Development Goals













Responsibility for Packaging and Increased Recycling

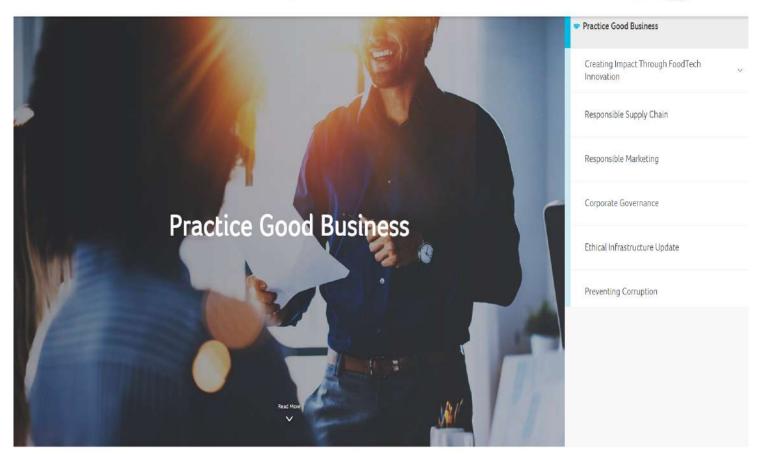












policy documents regarding Strauss's material subjects were launched on the Group's website

1,500

At the 7th annual FoodTechIL conference, more than 1,500 people from 45 countries with 55 startups participated in over 600 meetings with

Joining 4 leading initiatives and partnerships to promote social impact, such as valuable500, Consumer Goods Forum, and others

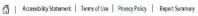
Responsibility for Packaging and Increased Recycling

Practice Good Business

Creating Impact Through FoodTech













It is through innovation that we are able to deliver diverse food and beverage solutions that provide real value to the coreumer and the industry, while adhering to the principles of protecting the environment and conserving natural resources. In addition, innovation is the basis for maintaining the Strauss dynamic and vibrant food company that continues to expand and reach new audiences around the world. Innovation is also one of the significant engines for

There are various aspects of innovation that are evident at different stages of the product development cycle. We maintain a systematic approach that allows us to examine all e-possible needs and gaps and to develop solutions to promote continuous improvement of our existing products portfolio together with new product development, always taking into account the environmental impact of the entire value chain and our commitment to produce better products.

Our innovation framework consists of three key innovation channels:

Developing new products to expand and diversify product supply. Product innovation is a result of concepts presented by our R&D experts, employees, consumers or suppliers, taking into account the changing technology and trends in the world of food. These ideas are presented in a dedicated innovation promotion path, leading to the launch of over 200 products a year

2. Target Audience Innovation:

This channel focuses on addressing consumer needs, such as improving nutritional composition and adapting products to unique target populations by using

3. Open Innovation in a New Model:

Strauss has established and led the FoodTech sector in Israel since 2011. Under an initiative called Alpha Strauss, we have created an extensive relationship with scientists, entrepreneurs, and start-ups in the FoodTech community with three main directions

- Operative cooperation between entrepreneurs and group companies: joint development of technologies to solve operational problems and/or advance product ideas, such as new sesame varieties, energy saving solutions, salt and sugar reduction, etc.;
- Business collaboration between Strauss's innovation arm and entrepreneurs: an entrepreneur develops a technological idea which is then marketed by the Group's innovation arm, with the entrepreneur getting paid royalties.
- The usop's uniovation aim, with the entrepreneur girtuing bain triviations.

 Establishing start-ups within The Kitchen Incubator: training, investing in and accompanying startups from the FoodTech field under the auspices of the FoodTech incubator founded by the Strauss Group in collaboration with the Chief Scientist of Israel five years ago. The Kitchen's incubator team, together with experts in various areas of Strauss, accompany the companies in the process of product development, scaling-up (shifting to commercial scale), conducting pilot experiments, adopting the new technologies in the Group's plants, connecting investors and knowledge experts based on the company's international collaborations, and providing the company's expert Learn to accompany the startups' professional and business activities. The companies are generating innovation that brings value along various stages in the value chain.















Innovation has always been one of our ways to influence and improve the lives of people. Innovation is manifested in processes, technologies, and the search for better raw materials to expand our range of products as an answer to evolving needs. In the past few years, the Group has invested in FoodTech, out of a commitment to develop sustainable food, which fulfils the needs of diverse consumers and has grown or been produced while taking the environment into consideration.

Our innovation can be seen in the Group's activities, in the products we produce and market, in the services we provide and the way in which we reach our customers. Over the past year, we've expanded our range of D2C options, and our ability to reach our consumers in real time, where it is convenient for them and in a way that is convenient for them to purchase and consume our products.

We increased the activities of the Strauss+ app, we expanded the volume of Elite Coffee's online activities - Elite Coffee's site added new categories this year, the GIFT IT site for online gift packages enabled people to send a warm message to other in spite of the distance. We increased the range of our products and activities out of a desire to listen to and respond to our customers in real time. This year, we increased our technological capabilities and our understanding of the consumer through use of data on our platforms at Strauss Water, Strauss Israel, the Coffee Company, and Sabra and Obela. We strengthened our presence and significantly increased the number of subscribers to our BEANZ project, a startup within Straüss that provides people with fresh, high-quality coffee, hand ground at the home of the coffee farmer and delivered directly to their homes.

Our investment in promoting innovation comes from the wish to produce better food and to create a healthier food system for the coming generations as well. This is what we are trying to create in the FoodTech sphere. FoodTech is based on on the desire of consumers who are seeking food that's healthier, tastier, ore natural and better for the planet. Innovation and FoodTech will provide the solutions. The Strauss innovation branch, which includes Alpha Strauss and The Kitchen incubator in Ashdod, is based on the deep understanding that is at the heart of the food revolution. Startups and technological development companies that we have guided to success, to launch products, deals and successful capital investments around the world, are trailblazers in every aspect of the

Our innovation framework is comprised of three channels: Food innovation, innovation in adapting to target markets, and a new model of open innovation in the Alpha Strauss - FoodTech Community

This activity supports 1 of the UN Sustainable Development Goals





← Creating Impact Through FoodTech Innovation

Doing Good by Doing Food

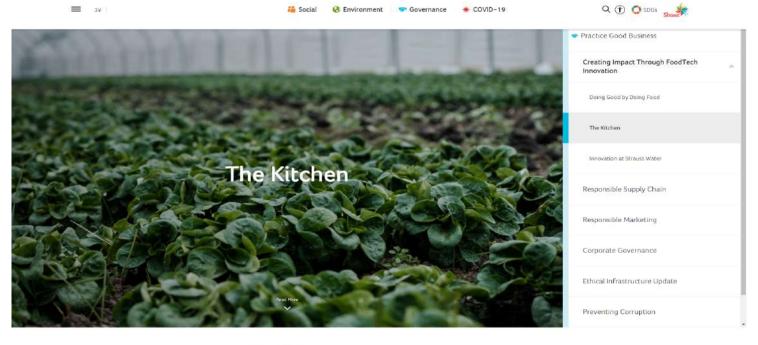
The Kitchen ->











The Kitchen

Our incubator, The Kitchen, was founded in 2015 in collaboration with the Chief Scientist of Israel, and since then has been a hospitable and productive home for a wide range of FoodTech projects, from healthy food substitutes to innovative ingredients that maintain the quality of food we consume. One of the benefits Strauss's incubator companies enjoy is the international connections Strauss helps them generate with the Group's international partnerships, along with a wide range of opportunities for partners and investors from all over the world. The incubator graduates end their period in The Kitchen with substantial achievements in recruiting investors, each in its own field, and each one of them, itself, is a local and groundbreaking success story.



Food Safety

The issue of food safety that comes to the consumer is hugely important. There are two companies providing innovative solutions for improving and streamlining food safety in the kitchen, each in its own fields:

Bactusense

Bactusense is a company that has developed technology for the rapid detection of bacteria in food. The company improves the testing process and reduces the waiting times for its results. saving the need for shipping, cooling and storing the product or raw material until the results are received. In 2019, the technology was successfully tested as part of a pilot program at Strauss Dairy. The experiment has demonstrated that similar, and even identical, results can be achieved as with the traditional methods used in dairy (use of Petri dishes), but in a much shorter period of time: 5 hours instead of 72.





Inspecto

Inspecto has developed a mobile device for the immediate detection of toxins in food or raw materials. The testing is simple, and can be done independently by the manufacturer, without a third party. The device can, for example, detect the acrylamide toxin in processed food products, and perform the test by analyzing the selected specimen and in compliance with all regulatory requirements. The company will begin product marketing in 2020.

Less Sugar - Great Taste

Vanilla Vida

Valified VIOA Although Vanilla is the world's most popular scent and taste, vanilla production hasn't changed much since the 1960's. The traditional growing and curing of Vanilla leads to limited supply which in turn leads to vanilla shortage, extremely high princes and retraction to synthetic replacements. Vanilla Vida's unique technology enables to grow vanilla more effectively anywhere in the world, dramatically increase yield and control the entire growing and curing processes from seed to customer.





Torr Foodtech

Clean label bars and foods using energy to replace binding agents New manufacturing methods and innovative formulations are putting focus on nutritional content. Torr is a novel player in this space, providing an accessible and smart production process for clean label bars using energy to replace binding agents and enabling consumer to enjoy 100% natural and delicious bar, clean from binders, sugars and preservatives

Anina

Ready to cook meals wrapped in pouches made from damaged vegetables. At Anina we aim to increase the usage of ugly produce in the food industry. We create a unique fusion of innovative technology, expertise in design and knowledge in culinary arts to create disruptive food solutions based on ugly produce. We use the highest quality ingredients regardless of how they look but rather for how they taste. Nature is our motivation for innovation!





Better Juice

Better Juice completed the incubator accompanying period in 2019 with impressive achievements. As part of the incubator program, success has been achieved with exceptional technology that, using natural processes, removes sugar from fruit products (they are currently concentrating on orange juice) and enables the sugar to be converted into low calorie dietary fiber. With the collaborations created during the company's inaugural period, Better Juice has begun the process of increasing its volume of operations in partnership with Citrosuco, the world's largest orange juice maker, and is set to launch a pilot in Citrosuco's plants in Brazil in 2020.

Amai Proteins

Amai Proteins began its incubator initiation period in 2016 after producing a sweet protein that has the highest sweetness in the world: 15,000 times more than sugar. The protein is stable at any temperature and does not have any of the health disadvantages of white sugar. The technology developed by the company, by means of biotechnologies, mimics proteins found in tropical fruits and produces a sweet protein without compromising the quality of the taste. Unlike sugar, this sweetener breaks down in the body as amino acids, so it is healthier and does not affect glycemic levels. Due to the high levels of sweetness it produces, the protein replaces high levels of sugar, thus lowering the calories in the product. The company markets the product to beverage and dairy producers, and collaborates with leading companies in the market. During August 2019, the company expanded its development lab and is currently raising \$10 million.





Imagine Dairy

Healthy, sustainable and nutritious cultivated dairy proteins. No Cows. Imagindairy integrate AI technology with system biology to develop a commercial and viable high-quality real milk proteins at affordable prices and free the dairy world from being dependent on animals. Imagindairy brings a future of new possibilities and innovation to every dairy lover in the world!

Privera







Yeep

Combining the benefits of plant-based and animal-based prote-Yeap is developing a unique process for extracting proteins from The demand for non-animal proteins in the meet alternative ma-growing dramatically. The market is far from being saturated, an quest for the perfect alternative is on-going. We believe that sin-cially problems extracted from yeard can offer the best solution; sat-nutribuse, everyoremental and costs effective.

The Future of Food: Animal Food Substitutes

Zero Egg

In late 2019, we bade farewell to Zero Egg in the incubator, after they launced a product that has achieved great success. Zero Egg's product is a liquid that is a quality substitute for all egg use and is suitable for baked goods, omelets, patties, sauces or any other use of classic eggs. The product is suitable for vegans and people with egg allergies. During 2019, Zero Egg signed a collaboration under which the product is sold in an Israeli coffee chain. By 2020, Zero Egg's product will begin to be manufactured in U.S. factories after the company piloted its product in a large U.S. fast food network, through which it raised investments. In the future, it plans to market to the European audience.





AlephFarms

Aleph Farms is a promising young company in the field of Aleph Farms is a promising young company in the field of innovative food source development. The company produces the world's first cultured steak by growing a single beef cell in a laboratory without harming the animals, and allowing that cell to develop into a product with the same texture as meet from a slaughtered animal. Aleph Farms ended its initiation period in our incubator in June 2019, after raising \$11.7 million to bring the product to market in three years. We at Strauss also invested in this project.

Rilbite

Rilbite produces a vegetarian, tasty and nutritious substitute that can be used in many recipes instead of the familiar ground beef. The product boasts a Clean Label and is made of only eight natural components, low in sodium and without preservatives, sugar or added oil. The product allows to provide healthy and delicious plant - based food, without harm to animals or negative impact on the environment. Furthermore, the plant - based substitute complies with the Israeli standards of the Director General of the Ministry of Health and correspond to the recommended diet for children in educational institutions. In 2019, a production plant was built in Israel and commercial marketing of the product began



This activity supports 3 of the UN Sustainable Development Goals





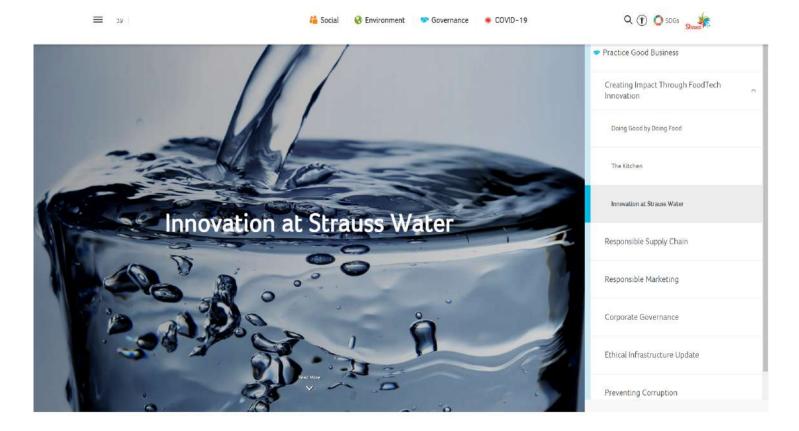




- Doing Good by Doing Food







In the past year, Strauss Water has established an advisory committee with leading academics and business professionals to advise on water quality and accompany the company's product development process. Among the members of the committee are Prof. Uri Shani, an Israeli Water Researcher who served as the first Director of the Israel Water Authority and who works with many startups in the field of water and environment, Dr. Michael Zvi'eli, an international expert on flavors and smells, and Mrs. Madonna Hovel, former CEO of Maccabi Care.

This activity supports 2 of the UN Sustainable Development Goals





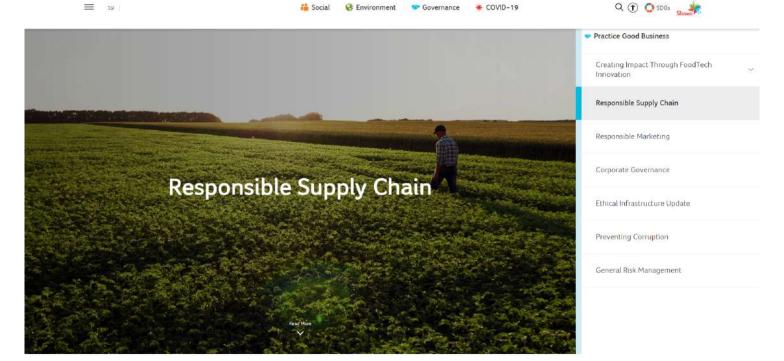


Responsible Supply Chain -> ← The Kitchen Innovation at Strauss Water









Responsible, innovative and flexible supply chain

Our extended supply chain includes tens of thousands of suppliers who partner with Strauss Group to supply products and services in the markets in which we operate. This supply chain is an integral part of our ability to offer tasty and nutritious food and beverage products that provide the optimal solutions for our customers every day. Our suppliers are partners in fulfilling our mission, so we expect them to follow the same standards of moral, responsible and sustainable business operations according to which we conduct ourselves at Strauss Group. We ensure that we behave with integrity towards our suppliers. We make sure we act honestly towards our suppliers and we choose to work with suppliers with values that are common to ours.

The Corona crisis, which started in early 2020, was a challenge for the food industry because of the need to meet the heavy demands in the shortest time while being dependent upon a wide global supply chain. Our supply chains around the world coped with many challenges, from operational difficulties in light of lockdowns and illness, to logistical problems regarding transporting the raw materials that the company needed to import, and availability of technicians to service the factories. The successful management of the supply chain in this challenging time proved Strauss Group's ability to respond quickly, to best meet the growth in demand, and even to gain a competitive advantage, all while providing a sense of security and stability to our customers in a period of uncertainty.

All the Group's companies worked to guarantee business continuity and respond to the needs of consumers who enjoy Strauss products all over the world. The Group's sites throughout the world were compelled to adapt their operations to the changing directives in each country, and based on the severity of the pandemic throughout the crisis. It was clear that we needed to create uniformity in our operations and in dealing with the crisis, while this was also an opportunity to learn and implement uniform processes and standards quickly and efficiently.

We formulated a clear and immediate plan for a gradual response:

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

In addition, we decided to implement a mutual learning processes and expand initiatives that were successfully implemented at various sites.

The Corona crisis that started in China, compelled Strauss Water to immediately respond to concerns about shortages in parts that originated in the East.

Consequently, the company formulated an operational model and defined a front office in China that includes processes for handling shipping challenges, defining the operational models, reporting mechanisms and more.

The company formulated an immediate and comprehensive plan for providing a solution to the volatility in the supply of raw materials from China. The company's inventory plan for this period includes a distinction between device components and inventory management. For example, the policy included a two-week increase in device security inventory, maintaining an inventory of perishable parts, risk management, and more frequent approvals. In addition, tighter procurement processes were defined to prevent shortages and ensuring complete coverage for all the company's sites in China, England and Israel. The Strauss Water supply chain implemented procedures for close monitoring of suppliers for increased transparency, reporting, real time feedback about critical shortages, installing a dashboard to show all factory data, and presentation of changes for optimal decision making.

As soon as the COVID-19 crisis began, Strauss Israel set up a Corona "situation room" in the Supply Chain division that included the most relevant senior managers. The team analyzed the ongoing events and began managing the risks in the supply chain using a clear and orderly methodology: identifying risks, assessing them, managing them quickly and controlling them. This later proved to be the right decision.

The situation room team identified the following main challenges:

- . Difficulty transporting raw materials and packaging materials to Israel (as a result of disruptions in maritime and air transport).
- Concern over shuttering the factory, halting production lines and/or shift shutdowns in Israel and abroad.
- · Potential disruption of supply sources for the organization's factories/suppliers
- . Coping with supply chain overloads in Israel (transportation, logistical center, distribution)

In order to manage these challenges, the management of the Strauss Israel Supply Chain took the following steps:

- Support of local suppliers: We connected with all our local suppliers and gave them access to vital information to ensure the continuity of their business
 activities. In addition, the suppliers were updated about the support fund that Strauss Group established to assist them in coping with the challenges of the
 new and complex reality (we support our suppliers with all our heart and in every situation).
- Suppliers Abroad: We connected with all our suppliers abroad, and increased our orders and deliveries where relevant. We maintained kashrut supervision in
 our factories using mobile kashrut supervision units from Israel and sent supervisors from country to country based on the limitations of their lockdowns. We
 maintained direct contact with our suppliers abroad, and frequently monitored their production yields.
- Close supervision of delivery supplies: The delivery center increased the frequency of supervision of maritime, air and land deliveries, and even closely
 monitored the state of the ports in the various countries (active/inactive). The center provided a daily overview of the number of containers, their location,
 and estimated arrival in Israel. These increased tracking methods facilitated optimal production timing based on the dynamic availability of raw materials.
- Supply assurance: The Strauss Israel Supply Chain management, along with the Business Unit, created alternative production plans for unavailable products.
- Increased production capacity: Strauss Israel provided a suitable response to the increase in demand for products by adapting a variety of products and
 focusing on, among others, the production of essential products. These adjustments reduced assemply times of the machinery on the production lines, and
 contributed to a significant increase in output.
- Increase in direct supply from factories to customers: The supply of volumetric products (e.g., Tapuchips, Doritos, coffee, etc.) directly from the
 factories. The increase in direct supply provided an immediate answer to the rise in demand, and reduced the pressure on the logistics centers.
- Arranging work teams in capsules: Staffing permanent work teams for work in shifts (in the factories, logistics centers, and HQ). First and foremost, this
 aimed to safeguard the health of the employees, reduce the risks of infection and infecting others, and of course, to prevent the shut-down (partial or full) of
 the operational and supply systems.
- Expanding supply windows: Expansion of work hours for suppliers and customers to 24 hours a day. This allowed for unloading and loading goods in the
 evenings and at night. It provided maximum flexibility for transportation to the logistics centers and distribution of goods to customers, and reduced
 congestion in the supply processes.
- Advanced monitoring of supply status and service levels: Regular monitoring of inventory, supply and sales. The monitoring takes place using advanced control systems, which display daily performance based on a variety of performance metrics (KPIs). The KPIs measured include sales categories such as quantity of daily aggregate sales, daily aggregate delivery rates, levels and freshness of inventory, daily aggregate returns rates, and more. These advanced monitoring methods enable us to make the best possible decisions and to improve our service to our customers, even in this challenging time.

A Partnership in the Shadow of the Corona Crisis

Supporting Suppliers and Strengthening the Supply Chain in the Shadow of the Corona Crisis

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

As soon as the Corona crisis began, we realized that there were suppliers who needed information and explanations about the best way to conduct their business during the crisis period in light of the changing guidelines of the Health Ministry and other authorities. Therefore, we provided our small and medium-sized suppliers with a website with information and benefits. This is in addition to responding to them by telephone and answering every enquiry as needed. In addition, several initiatives were taken in Israel, including:

- From the Field to You connecting farmers and consumers through the "Taste of Nature" marketplace to support medium and small suppliers during this challenging time.
- A move to acquire small chocolate and food manufacturers to support the Confectionary Division's initiative. During the first lockdown in Israel, dozens of packages of chocolate were purchased from small chocolate businesses. The packages were distributed to medical teams and youth institutions, in addition to Filte candies.
- Support of small dairies Strauss Dairies launched a <u>project</u> to support small dairies and family dairies whose stability was significantly impacted by a drop in consumption outside the home (dairies focused on the institutional market), a drop in the purchase of premium products, and the lack of infrastructures for direct sales to consumers. The initiative included a call to the general public to buy products from these small dairies, while Strauss subsidized 75 shekels of the total purchase. In order to ensure the effectiveness of this project, the participating dairies created "purchase kits" at a cost of close to 75 shekels, so that the consumers only had to add a small amount themselves.
- Projects providing employment to our suppliers in the fields of media and production, for example, the Milky Summer Events.

Responsible Purchasing and Human Rights

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

We believe in the value of all individuals and their inalienable rights as represented in the United Nations' Universal Declaration of Human Rights and acknowledge the importance of the international frameworks for the safety and security of all girls and boys, men and women and work tirelessly to promote and ensure full respect of human rights and the fulfillment of related duties. Strauss Human Right Policy is based on the United Nations Guiding and Principles on Business and Human Rights. By upholding human rights, we help Strauss Group become the first choice for employees, consumers and other business partners.

We expect our suppliers to operate according to same standards of ethical activity, responsibility and sustainability as Strauss Group. Partnership and integrity, as well as working with suppliers with similar values to ours, enable us to gain the trust of our consumers and of our other stakeholders. In addition, we are committed to respecting human rights throughout our supply chain and in the communities in which we operate. We comply with the human rights laws in the countries in which we operate and run our business operations out of a respect for human rights and in line with the principles of the Global Compact initiative of the United Nations, which Strauss joined in 2008. Our approach is supported by the Group's Responsible Procurement Charter (published in January 2020 - see here) as well as by the Strauss Ethics Charter for Suppliers, which, in recent years, has increasingly been included in the terms of the agreements with our suppliers in the Group's areas of activity (for more, see "Supplier Commitment to the Ethics Charter").

As part of the Group's new sustainability strategy, Strauss' procurement organization set a goal to increase transparency and responsibility along the supply chain. Among the leading projects of the past year:

Supplier Commitment to the Ethics Charter

All Strauss Group's new suppliers are requested to sign the Ethics Charter for Suppliers. At Strauss Israel, 88% of the suppliers have already signed, and this is due to the implementation of the charter over a number of years. The charter has also been used by Strauss Water, where it is included as a condition in every new or updated agreement, and has also been widely used by the Group's Sabra and Obela companies (for more, see the Strauss Group's Ethics Charter for Suppliers).

Strauss Israel has a preference for procurement from businesses owned by women. In 2020, procurement from suppliers owned by women at Strauss Israel was 123 million shekels, while those businesses made up 8% of all suppliers in this area of activity. Furthermore, we are heavily investing in the development and expansion of our projects that focus on fostering female business initiatives in communities around the world (for more, see Project Florada, Project Tribos, MTAC Initiative).

Managing Climate Risk in Procurement

In 2020, as part of its general risk management process, Strauss Israel started to examine managing climate risk on a geographic level, with an emphasis on the physical threats that climate change creates for parts of the supply chain. Supply chain appointees at Strauss Israel studied relevant methodologies in the field and began formulating practical risk reduction measures, by mapping and locating additional supply sources and distributing procurement among suppliers from different geographies. For example, a decision was made to add cocoa raw material purchasing from Europe to the existing purchasing based on crops in the Ivory Coast, and this is partly to reduce the impact of potential climate risks.

In 2021, the supply chain in Israel is expected to expand its activities and internal implementation in this area.

As part of the process of examining climate risks, we will assess the proportion of food ingredients sourced from areas at high or very high risk of a water crisis. Accordingly, we are monitoring procurement from Ghana and the Ivory Coast (cocoa), which have been identified as potentially risky.

At Strauss Coffee, a similar test was carried out about water risk, and the level of procurement in countries at high risk or very high risk of a water crisis was calculated at around 2.7%, and therefore, the risk at this stage was classified as negligible.

Diverse Procurement

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

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

As part of this process, various suppliers were identified as meeting the following criteria:

Social Criteria

- Small and medium sized businesses
- · Owned by women/minorities
- Located in the periphery/locally
- Employees from underemployed populations women, disabled, Arabs, Ultra-Orthodox, Ethiopians, new immigrants, youth with no family support

 • Positive past experience / trained by Wesource
- Approved as a diverse business by Wesource

Business Criteria

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

(For more about Strauss Israel's commitment to diverse procurement, see the <u>CEO discussing this issue on N12 news in Hebrew</u> after participating in the 'Populations Panel' at the Israel Economic and Social Conference on December 28, 2020.)

In addition, the Strauss Israel supply chain began a process of seeking ways to strengthen and empower its diverse suppliers. This included supporting the upgrade of a local warehouse in Yarka, in Northern Israel to one with leading safety SAP-based food and safety standards that meets the company's requirements as a central warehouse. As part of this successful partnership, the Strauss Procurement department contributed its know-how, experience and accumulated capabilities to assist with local economic development and to provide social and business resilience to the suppliers. These steps are slated to be expanded to additional suppliers in 2021.

The following picture illustrates the success of our warehouse project in Yarka.

In the coming months, the Supply Chain will complete the formulation of its vision for diverse procurement, implementation of improvements to the management and control of procurement data from diverse businesses, and setting Strauss Israel's goals for diverse procurement

Sustainable Local Procurement

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

The local procurement vision and Strauss' commitment to strengthening Israeli agriculture is expressed in the Tapuchips ad campaign aired in 2020 – see the following examples (1, 2, 3).

[A wide range of locally grown raw materials

Hummus Achla (local hummus)

Tapuchips (local potatoes)

Taste of Nature Products (All vegetables are locally grown)]

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

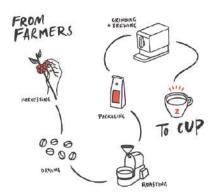
"My sense of purpose as a farmer has been strengthened by working with Florentin. Ultimately, every one of these hummus beans becomes a healthy, high-quality food product for consumers. I am so happy to see how my work supports this." Salvatore Lorenz, Italy.



As part of our activities in Australia and New Zealand, the Obela spreads company aspires to local procurement practices. Based on a company assessment, about 20% of the raw materials and packaging that the company uses are produced in South Australia (where the company's center of production is located), and over 65% of all raw materials and packaging are manufactured in Australia. This high rate of local production saves the need for long-distance mantime transportation and consequently, significantly prevents the emission of greenhouse gasses. This is in addition to strengthening and supporting the local Australian farmers.

High-quality Coffee Beans Directly from the Fields to Beanz Café

Beanz Café is Strauss Coffee's innovative and first-of-its-kind venture in the world that was launched in 2019 in Israel to enable consumers to enjoy highquality fresh coffee at home. This project provides fresh coffee beans from small, selected farms around the world directly to the home (Farm to Cup). The beans are ground in a dedicated, innovative machine just before preparation, at the home of the consumer. This project is based on long term, fair and responsible relationships, and a close connection with the coffee farmers in countries such as Colombia, Indonesia, Brazil, India, Costa Rica, and others. We adapted the most suitable type of roasting to each of the unique types of coffee, in small servings, while ensuring its ultimate freshness. The project was developed as part of the global trend of consumption of higher quality coffee, a developing coffee culture and increased interest in quality, the source of the coffee beans, coffee varieties, different methods of preparation, and the people and brands behind them.



Supplier Conference

In July 2020, we held our annual Strauss Israel Supplier Conference, with a focus on small women-owned businesses. The conference was held digitally due to social distancing requirements, with the participation of about 50 local entrepreneurs. The opening remarks of Strauss Israel VP Operations and Supply Chain touched on the importance of open dialog, listening to opinions, ideas and ways to improve our work together, and providing added value to the entire organization. In light of the crisis and the related needs of the suppliers, tools for coping with the directives for operating during the Corona period were presented along with a range of ways in which Strauss Israel assists its suppliers. In addition, lectures were given by non-production procurement managers on how to improve negotiations with procurement organizations in the company so as to provide additional support for ongoing supplier engagement.

The Home of the Suppliers

Within a framework innovation and progress, in 2020, the Strauss Israel Supply Chain developed a website to strengthen the direct relationships between Strauss and its suppliers. The purpose of this website is to implement business value-based leadership for the company's suppliers, which will help strengthen the relationship and open and ongoing dialogue, along with providing them with knowledge and tools. This is out of an understanding that the suppliers are the company's central partners and stakeholders, and are a vital part of Strauss' business activities.

The website offers the suppliers access to information, know-how and tools: an open digital channel, feedback and potential for efficiency and improvement of work processes with the aim of improving our service and accessibility. In addition, the website offers transparency of Strauss Israel's Supply Chain systems as per the expectations of the suppliers, openness in all that is required from a business relationship with us, and more. Furthermore, the website offers access to information about promoting corporate responsibility among our suppliers.

Promoting Sustainability Practices among our Suppliers

Our responsibility to act ethically flows throughout our supply chain. Consequently, we were pleased to support the Maala non-profit organization in Israel, which encourages companies that embrace corporate responsibility to promote sustainability in small and medium-sized businesses in Israel. Over the past two years, we've mapped all our relevant suppliers, and encouraged the key suppliers to become part of Maala's practice of reporting and increased sustainability practices, and corporate responsibility. In 2019, 86 small and medium-sized companies took part in Maala's reporting and ranking process, of which 37 (43%) were Strauss suppliers. In 2020, these activities were suspended because of the Corona crisis, but we intend to continue to encourage corporate responsibility among our suppliers.

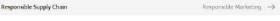
This activity supports 2 of the UN Sustainable Development Goals

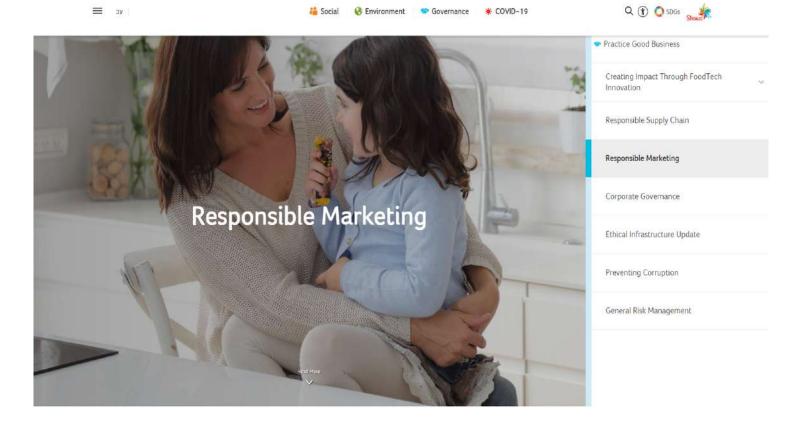












As a global food company, Strauss Group is committed to respecting our consumers and endeavors to gain their trust throughout all our activities and products. We update our consumers about new or improved products via the various electronic, digital, print and voice marketing and advertising channels.

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

Promoting a Responsible Marketing Approach

The way in which we market our products influences the way in which people consume food. As part of our responsibility to encourage conscious nutrition, we voluntarily created our marketing charter in Israel, which includes a commitment to the following:

- Encourage use of positive messaging and promote a positive social impact via our brands.
- Avoid advertising and marketing aimed at children under the age of 16 in all media channels.
- Avoid distributing marketing material at schools or in their vicinity.
- Cancel the use of gifts targeted at children in promotional packages.
- Encourage inclusion by avoiding gender stereotypes in our products.
- Foster a consciousness of inclusion via our marketing communications.

In addition, our marketing charter requires transparent product labeling: ethical, truthful and responsible communications in everything regarding our products and guarding the privacy of our consumers. Since we began implementing this new approach, we stopped included gifts of TV characters in our product promotions, stopped using gender-specific packaging (such as white princesses and white superheroes on our Actimel products), and we moved key nutritional labeling to the front of children's products such as the Gemadim products. Just as importantly, we included these new directives in our marketing and advertising processes, so that right from the planning stage, our responsibility to our consumers is front and center.

(For more information, see Strauss Group's Responsible Marketing Charter)

In addition, Strauss Israel and Strauss Water are signed on the Marketing Charter of the Manufacturer's Association of Israel's Food Industries Association, and on the charter of the Israeli Marketing Association, which deal with the principles of responsible marketing.

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

Based on the Responsible Marketing Charter, Strauss avoids targeting advertising at children under the age of 16. In every marketing initiative, where media planning and buying is carried out based on the characteristics of the target audience, we avoid specific exposure to children under the age of 10. For example, Strauss Israel targets all its advertising at adults, and not at children. In TV advertising, placement of ads is scheduled to avoid the viewing hours with a high proportion of children. When advertising digitally, the algorithms are adjusted to remove children as potential campaign targets, based on their browsing cookies. It must be noted that Strauss Water deviates from the charter in order to encourage children to drink water, and in the past year, ran an educational campaign to digital media (on the Instagram and Tik-Tok platforms) highlighting the positive health benefits associated with the <u>campaign</u> to encourage drinking water.

Consciousness-building Marketing - Promoting Diversity

As one of the largest advertisers in Israel, Strauss understands the responsibility we have to encourage values-based thinking and consciousness. Consequently, we include messages that correspond with our vision and values in our ad campaigns. We are careful to include spokesmodels who represent the full rainbow of the communities and populations that comprise the fabric of society in the countries in which we operate, in order to instill the message of diversity and inclusion. For example, in the Danone PRO brand campaign in Israel, people from different communities are included. The brand also provides support to Paralympians in Israel as part of its sponsorship of Olympic athletes. In 2020, Sabra included transgender spokesmodels in its national campaign as part of the company's and the Group's diversity and inclusion approach.

In 2020, Achla Salads decided to change its long-time advertising direction. For many years, the entire salads category conveyed a message of "authenticity" that often included ethnic/gender stereotypes. These ads were characterized by men of eastern decent or Arabs presenting the hummus products, and there was virtually no female representation. The women who appeared in these ads also represented stereotypes that typify outdated perceptions of family. The brand chose a spokesmodel (actress Liraz Charhi) who helps to convey the message of diversity and breaking the social conventions that inhibit inclusion. The current campaign represents Strauss' approach to the values of diversity, inclusion and empowering businesses owned by women in the food sector and in general



An ad that received high public acclaim was the Symphony brand campaign that showed a same-sex couple in a common everyday relationship situation of choosing what out of a wide range of products to buy in a supermarket, while one member of the couple isn't present. The campaign hints at the connection between launching a new range of flavors of the well-known cheese brand and the diversity in the different communities in which Strauss operates.



This activity supports 2 of the UN Sustainable Development Goals







← Responsible Supply Chain Responsible Marketing Corporate Governance →











As of the end of 2020, the Strauss Group Board of Directors had 12 members, of which seven are women. None of the members of the board have ever served ager in Strauss Group. Besides the Chairperson of the Board, eight directors were defined by the company as having expertise in accounting and finance as per the company's regulations.

In 2020, one director resigned, and one director was appointed to the Board of Directors of Strauss Group. There are three exter one additional independent director, so the number of independent directors who serve in the company stands at four. The need to recruit members of the Board is an opportunity to add new skills and to create a diverse, optimal composition. The task of selecting and appointing a director is an ongoing process, which focuses not only on recruiting the specific director, but also on assessing the composition of the entire board. The aim of this process is to ensure that at any given time, the Board of Directors is comprised of members with diverse capabilities and talents, who are able to efficiently cope with the business and strategic opportunities, and the challenges facing Strauss Group. The recruitment process takes place with full transparency towards the stakeholders, and includes internal and external communication of the process, and of the profiles we are looking for. In order to expand the search parameters to bring about greater diversity in the composition of the board, we contact a wide range of stakeholders including leaders in various sectors, as well as using the services of specialized recruitment agencies. The newest members of the board, who was appointed in 2020, brought with her extensive experience in the fields of strategy, technology, marketing and global management.

In addition to our processes regarding the composition of the board, we work intensively in the field of director training, from on-boarding new directors to enrichment and updating processes for incumbent directors to ensure that they become very familiar with the company, the business environment in which it operates, and the demands and expectations we have of them

With the goal of assessing and improving the effectiveness of the board's work, we carry out self-assessment processes. In 2020, we performed a self-assessment process guided by an expert consultant from the US. The process examined the effectiveness of the work of the board, the committees, and the leadership of the chairperson of the board. As a product of the process, an action plan to improve the effectiveness of the board was formulated.

For more information about our new board members, please see our website: https://www.strauss-group.co.il/aboutum/board of directors/

For more information about the Board of Directors, please see our website: https://www.strau

The members of the Board of Directors are constantly updated about the Group's activities, and are familiar with our work and business status, so that they can effectively contribute to the creation of value for the Group and its stakeholders in the long term. In 2020, as a result of the constraints of the Corona crisis, the board's activities were mainly carried out on digital platforms. In a period of uncertainty and rapid changes, continuous on-time reporting and updating are extremely important. We improved the organization's administrative reporting systems, including increasing the scope and frequency of updates to the board, in order to give the board a broad picture of the developments both within and outside the company. The board stepped up to support and assist the management. We set up an ad-hoc committee of the Board of Directors to closely assist the management in every aspect of the crisis – risk management. assessments and updating the company's work plans, protecting the health of the employees, HR, and cashflow management. In addition, we increased the frequency of board meetings in order to enable the board to be involved and to keep a close eye on developments. At the same time, the way the Board of Directors operates is different. The committees' work plans were updated in order to focus on issues related to the crisis, and for some of the committees, the frequency of meetings was increased, so, for example, the Control Committee made changes to its annual work plan with a supplementary audit of the crisis

This activity supports 3 of the UN Sustainable Development Goals









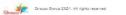














Strauss sees great importance in ensuring the implementation and assimilation of the ethics infrastructure, which demonstrates the company's commitment to ethical conduct, values and transparency, while also being the key building block of trust for our employees, consumers, investors, and community partners. In 2020, we finalized the process of updating of our ethics infrastructure and implementing our updated Code of Ethics, a series of position papers on substantive issues for our stakeholders, as well as updating our work supporting procedures and our ethics hotline. This update was based on a re-examination of the substantive issues that needed to be included in the Group's ethics framework, and was in accordance with the main changes to business, society and the

Strauss' new policy papers represent the Group's standpoints and principles on a number of core issues, including human rights, diversity and inclusion, product safety, environmental sustainability, responsible marketing, sustainable raw materials, employee health and safety, investment in communities, and animal welfare; as well as serving as an updated policy on preventing bribery and corruption and protecting privacy.

Implementing the <u>Code of Filhics</u> and the policy papers was carried out using implementation tools and an extensive training series, along with widespread communications. In Israel, a new tutorial was developed along with upgrading the Ethics Trustee infrastructure at the different sites, in order to deepen the knowledge in the units and ensure responsiveness.

At the Coffee Company, training was run by HR, and tests were given on the content. In addition, a new system was implemented to train employees on ethics principles, compliance and guidelines on data protection and privacy, including tests on the material. At every site in the Group, the physical ethics stands were updated with the Codes of Ethics in the languages relevant to each site.

This activity supports 1 of the UN Sustainable Development Goals





← Corporate Governance

Ethical Infrastructure Update







Prevention of Corruption

As a global company that operates in over 20 countries and employs about 16,000 people, Strauss Group has a very wide reach. Therefore, we are obligated to ensure that our business activities throughout the world are carried out in line with highest moral standards, and that we prevent potential risks associated with corruption.

Strauss Group complies with all laws and regulations for the prevention of bribery and corruption applicable in all our regions of operation, including the US Foreign Corrupt Practices Act (FCPA, 1977) for the prevention of corruption abroad, the British Bribery Act (2010) for the prevention of bribery, and other laws and regulations. Violation or alleged violation of the laws for the prevention of corruption could result in damage to the reputation of Strauss Group and to its employees, and could culminate in punishments stipulated by law, including monetary fines or imprisonment. Violation of corruption prevention laws will lead to significant disciplinary action being taken against employees, that could include dismissal (for more see the Group's

Charter for the Prevention of Bribery and Comption). In 2020, no significant instances of corruption or bribery were reported in the Group.

Ethics, Compliance and Prevention of Corruption

We make every effort to comply with the laws and regulations relevant to our activities, as well as with our organization's internal standards, in every country in which we operate. Strauss Group managers are responsible for adhering to the enforcement plan and reporting to the managers and directors, or to the Board of Directors accordingly. Strauss Group's internal controller performs regular reviews to assess the scope of the implementation of the company's enforcement programs.

We work according to our Code of Ethics, available in 11 languages, which guides our employees on the behaviors that are expected of them as a member of Strauss Group. All new employees undergo training on the Code of Ethics, and all employees receive bi-annual refresher courses. Each business unit has an Ethics Officer who is the point of contact for employee questions and reports on suspected ethical violations. The Ethics Officers run local ethics courses and make sure that employees work according to the procedures.

We run our business with integrity, without resorting to bribery. Therefore, we will not receive from or give to any person, directly or indirectly, anything of value with the intention of receiving or granting an advantage through misconduct or any other unfair advantage.

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

The hotline for reporting potential violations of the Code of Ethics and/or laws that the Group is subject to, was established in 2009, and has been run by an internal controller since January 2011. We encourage Strauss Group employees around the world to submit reports via the hotline, without fear or retribution. As part of an upgrade of our ethics infrastructure, the hotline platform was updated, including making the website easy and convenient to use and available to all employees in a number of languages, supported internally. In 2020, no calls to the hotline were received.

We transparently report on the influence of our activities in this Sustainability Report, which also serves as an annual report on our progress in the United Nations' Global Compact. We believe in transparency towards our stakeholders, and in providing all the information they require to make informed decisions regarding Strauss Group. From time to time, we publish additional reports or local reports.

Protecting Personal Information

With the entry into force of various data protection laws, including the General Data Protection Regulation (GDPR) in Europe and privacy regulations in Israel, which set strict rules and limits for the collection and use of personal information, we analyze our activities to identify the changes that will be required to ensure full compliance. In 2018, we defined contractual and administrative frameworks to ensure compliance with information privacy requirements. In 2019, the implementation process, including writing procedures and policies on the subject, was completed, while comprehensive training for hundreds of employees in positions affected by the information protection law requirements was implemented. In addition, we strictly apply the Strauss Group Information Privacy Charter, which sets out the basic goals, expectations and privacy that reflect Strauss's approach to information protection and privacy. (For more information, see the Strauss Information and Privacy Charter)

Protection of Private Information

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

This activity supports 2 of the UN Sustainable Development Goals

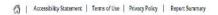






← Ethical Infrastructure Update Preventing Corruption General Risk Management →



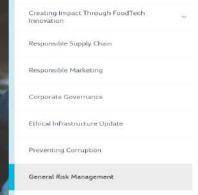




Practice Good Business







Strauss Group Formulated official and unified policies and procedures in the area of Enterprise Risk Management (ERM), based on the COSO risk manage methodology. The policy is based on a relevant benchmark and recognized models as well as on tailor-made adjustments to the organizational and cultural

The Group's risk management vision is to encourage taking calculated risks while appropriately managing those risks, and is characterized by the following principles:

- . Risk management as a "living" process embedded in ongoing business conduct
- Taking advantage of business opportunities with proper risk decision making support
- Maintaining a proper and strong risk culture, typified by the "tone at the top".
- . A corporate structure that supports executing the work framework.
- Continued development of the leading risk management framework in Israel, while adopting relevant aspects of global industrial practice.

Strauss Group carries out annual and multi-year risk mapping processes, while the risks are divided into the primary groups of: financial, strategic, operations and compliance, as well as secondary risk groups including risk associated with the Group's activities in the spheres of quality and food safety, consumer trends, production, regulation and more.

Risk management procedures at Strauss Group include measurement detection and risk assessment (carried out in annual and multi-year processes), monitoring control and reduction (carried out on an ongoing basis) and reporting to the management and Board of Directors of the Group at pre-arranged times. In addition, the Group launched a training program on the topic of risk management and set up a monthly risk forum on the HQ and subsidiary levels as part of an overall process to strengthen the risk culture in the Group

As part of the overall risk management process, the Group defined the probability of every risk and its severity on a scale of 1-5. Risk severity was determined by multiplying the level of impact by the degree of probability, taking into consideration how the risk materializes (velocity). The degree of severity was divided into three management ranges: low (1-2); medium (3); and high (4-5), depending on the company's risk matrix. A reduction plan is formulated relative to any risk identified as part of the overall risk management process and requires management

Reports about emerging risks and the actions to mitigate them are provided bi-annually to the Group's management and to the Group's Finance Committee, and annually to the Board of Directors.

This activity supports 2 of the UN Sustainable Development Goals







General Risk Management







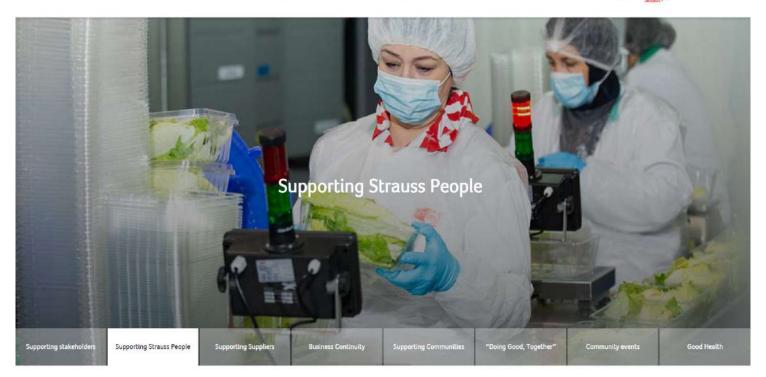


Unexpected global events such as the Corona crisis, which have grave impacts on economic, social and environmental systems, compel us all to unite, to support and to aid in coping with the situation. The challenges we faced in the Corona pandemic were especially complex and demanded a new approach to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

At the outbreak of the pandemic, we understood the necessity of adapting our behavior, and we immediately took steps to formulate an action plan. We focused our efforts on maintaining business continuity while meticulously safeguarding the health of Strauss men and women. In parallel, we took steps regarding our external stakeholders, because the pandemic did not ignore a single segment of the population.

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





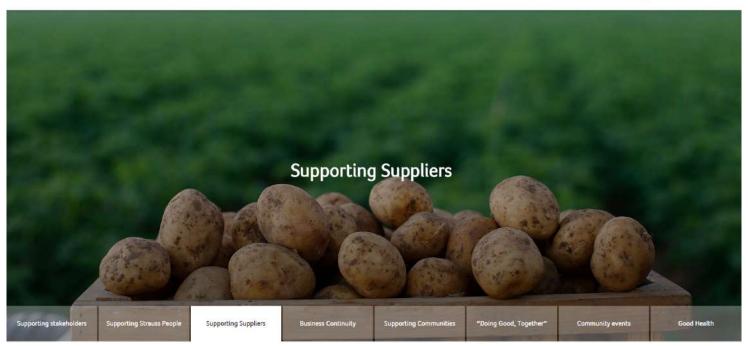
When entire towns in which the families of our employees live in Israel, such as Deir al-Asad, Bi'ina, as well as other settlements, went into lockdown for first the first time, we sent food baskets to our employees' doors, mainly during the period of the festivals of Pesach (Passover) and Ramadan. During that time, our employees' needs were real.

At that time, we also noticed the distress among employees whose spouses had been dismissed from their jobs, or put on unpaid leave. So, we set up a Corona Fund, to which employees could turn to request various types of assistance - changes in shifts, payment for babysitters, and even monetary grants. 250 of the 290 (86%) of the requests submitted by our employees were approved. The grants from the fund were in the range of 1,000-5,000 shekels, and in total, grants were given to the value of 500,000 shekels. The employees who began working from remote, received an 800 shekel assistance grant from the fund to purchase office equipment for their homes.

Moreover, in order to assist the employees in coping with this stressful period, we increased the awareness of mental health and we provided professional counseling and subsidized psychological treatment to those who requested it, along with a program for a healthy lifestyle. We also supported our employees by adapting all our welfare activities for this period through remote events for our employees and their children, such as workshops on parenting and on appropriate economic behavior, events, shows and more. Throughout the year, we organized dozens of virtual events, work milestones, team-building evenings and lectures.

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

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



In addition, several initiatives were taken in Israel, including:

- From the Field to You connecting farmers and consumers through the "Taste of Nature" marketplace.
- A move to acquire small chocolate and food manufacturers to support the Confectionary Division's initiative
- Support of small dairies Strauss Dairies invested in a project to support small dairies and family dairies whose stability was significantly impacted by a drop in consumption outside the home.
- Projects providing employment to our suppliers in the fields of media. and production, for example, the Milky Summer Events.

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As soon as the Corona crisis began, alongside the health of our employees, we focused on the effort to maintain our production and food capabilities for our customers around the world, all while demands were increasing as more and more people remained at home.

An Emergency Steering Committee was established in the Group to manage the crisis, headed by the Group's VP Technology. In each of our subsidiaries, a steering committee was set up that regularly reported to the Group as part of the risk management process. The committee and the teams quickly formulated relevant work procedures, regularly communicated updated directives and controls to the employees: implemented work standards in keeping with the limitations of the pandemic with signage and dedicated systems installed at all sites, and established mechanisms for the immediate and effective handling of cases of exposure of employees to patients diagnosed with Corona, and more.

In parallel, the Information Systems division was recruited to assist with the required infrastructures for this massive and unexpected transformation, in order to facilitate full business continuity.

The Corona crisis and the increasing demand for food at home, emphasized, more than ever, the need for innovation in the food sphere, and optimally adapting it to various communities and populations and changing life situations. One of the most relevant examples in the Corona period is the limited editions that were launched in 2020 by the Actimel (Danone) brand, that included Vitamin C and D, to strengthen the body's natural defenses.





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

Assistance for Senior Citizens in Need

In Inrael, Strauss beamed up with the Latest organization and the Israel Association of Community Centers in an effort to assist this population. Ahead of Peacht (Passover) and Romadon, 4,000 food baskets were distributed to seniorcitizens in need in the Jewish and Arab communities. Softweether festival of Stauvos (Tabernados), Strauss, along with the Food Industries Association, initiated and was one of the leaders of a juice project of about 50 companies distributing 10,000 additional food baskets to the elderly.



On Rosh Hashanah (Jewish New Year), we joined the social impact project called "Sweet for the Soul" (Matok Le'neshama). Within the framework of this project, people received home baking latis to prepare 450 cakes and baked goods, which they distributed to the elderly. In addition to material assistance, Strauss employees volunteered to assist the elderly going through emotional difficulties. About 70 Strauss employees volunteered to hold "happy calls" with senior citizens living alone. Furthermore, 850 Strauss-made cakes were donated to Holocaust survivors as part of the "Memories in the Living Room" (Zichronot Be'salon) initiative.

Supporting Medical Teams



In March 2020, during the first wave of Corona in Israel, Strauss launched a far-reaching campaign to donate packages to medical teams in hospitals around Israel, and to the teams and volunteers at the Magen David Adom (MDA) ambulance service. The packages reached more than 70 medical institutions and MDA centers throughout breel, and about 5,000 members of medical teams, volunteers and other support staff enjoyed the company's products.

In November 2020, Strauss made further donations to 30 Corona wards throughout Israel. In addition, Strauss Water installed 37 Water Bars for use by medical teams in Corona wards in five hospitals in Israel.



In China, Strauss Water, along with its local partner Haier, worked to purify water in various communities during the crisis. This included donating water systems to hospitals in China, and sewage systems to local villages

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

Additional Assistance in Closing the Food Security Gap Support measures for additional populations:

- Strauss continued to provide ongoing support to the Latet organization. This support included providing thousands of products about for expire to asset appropriate providing thousands.
- about to kepire to a satist population in need.

 Food basket donations to additional populations in the geographical and societal periphery of braek, in response to requests for assistance and changing needs. Among others, food baskets were distributed to various retirements homes, to the needy in the Badouin community of Rahat (in collaboration with the Ajeac organization), and to the Israel Cellac Association.
- organization), and to the Israel Cellac Association.

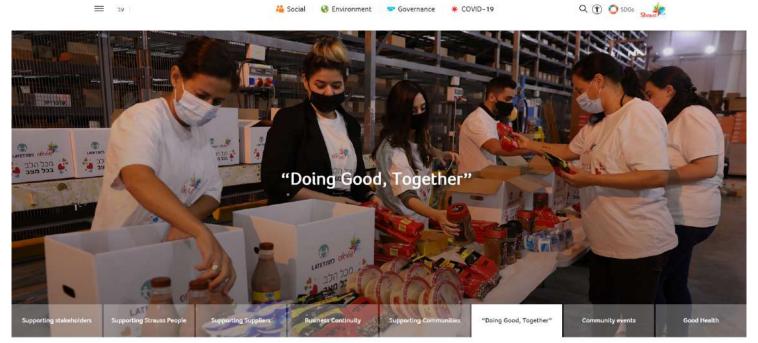
 15,100 Food baskets were donated during the Festivals in collaboration with the Late, Pitchon Lev, and Ezer Mizion organizations, as well as fruit and vegetable packages from the Leket israel organization. 5,800 familice enjoyed a variety of Strauss Dairy products over the course of five months.











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

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

One of our main efforts to deal with this societal problem is the "Doing Good, Together" initiative, in partnership with the Latet organization. 12,000 families, most of which never needed assistance before Corona, received food security assistance. These families were given digital smart vouchers for purchasing Strauss products at Israel's leading food chains for four months from September till December 2020.



Strauss was in direct touch with every family, and via the vouchers, enabled every one of them to choose the food that was most appropriate for them, including healthy, fresh and even indulgent options.





Examples of Strauss CARE 2020 activities:

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

Examples of Strauss CARE 2020 activities:

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



Milky Summer Activities and Positive Impact on Stakeholders

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

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

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Strauss developed and donated disinfection devices to hospitals. Strauss Water developed a groundbreaking device for sterilization and disinfection of equipment for medical teams in hospitals. The device is based on the disinfection capability of the UV bulb in the company's water bars. The company adapted its disinfection capacity by modifying the number of bulbs and the wavelength. These adjustments proved highly efficient especially in sterilizing pathogens, with an emphasis on the Corona virus. The device proved itself-effective in sterilizing $medical\ equipment\ such\ as\ spectacles,\ stethoscopes,\ mobile$ phones and protective masks.

Use of the device significantly reduced the risk of transmitting the virus to those that the medical team came into contact with after working hours, including their families.

Health and Innovation Around the World in Time of Crisis

The 3corações company (the joint venture of Strauss Coffee and other partners) also adapted its business to 2020's hygiene challenges. As soon as the crisis began, the company converted its Nova factory, which generally manufactures coffee filters, to produce disposable masks. This transformation was born out of a recognition of the hardships the disadvantaged population in communities near the site in Rio De Janeiro were trying to cope with, including a shortage of basic hygiene supplies required to prevent infection. 3corações immediately set up a partnership with a local manufacturer (Ahlstrom-Munksjö) specializing in fiber-based solutions and products. The company supplied the Nova factory with raw materials for the manufacture of protective masks. At the initial stage, the factory produced 500,000 masks that were distributed to residents in need in the Vidigal and Rocinha quarters of metropolitan Rio de Janeiro.





"Someone asked me not long ago what type of company
I would have expected this company to be. I expected Strauss to be a profitable company.
That the company would be a humane company.
That its priorities would be:
Quality and excellence, taking the consumer into consideration and fulfilling their needs, not losing perspective over time instead always remaining with your feet on the ground and never forgetting about the world in which we live. To be a company that is aware of its environment, and a company that really loves what it does.

Don't let anyone eat a product that you wouldn't love to eat yourself and don't treat people any differently to the way you would wish to be treated yourself. Be together. Together for a long time."

Michael Strauss

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

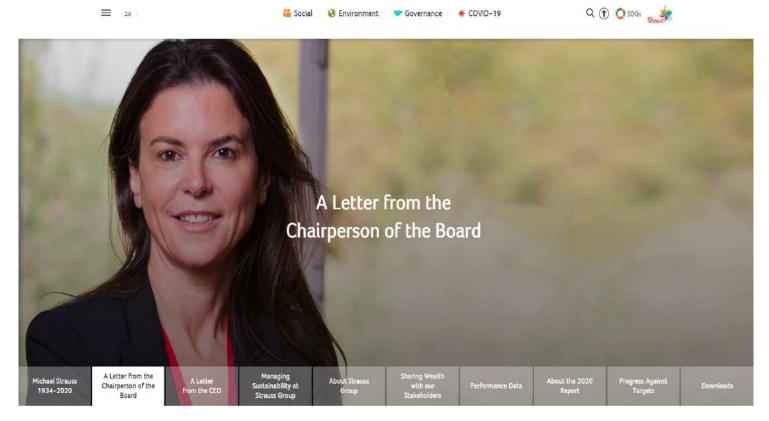
Throughout the years, Michael saw fit to not only promote Strauss, but also its business and human environment, out of a belief that a fruitful business environment creates true value. Out of this belief, he always acted on behalf of the welfare of the farmers, suppliers, employees and the community at large. We, at Strauss, parted from a man who shaped the company in his image and over many years, was a leader who paved the way for us, on a path on which he labored his whole life to ensure that the company his parents founded would continue to grow and succeed, have a positive impact, and care for people. We are committed to continuing his journey into the future.

May his memory be a blessing



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This past year has certainly been unprecedented and unusual in almost every aspect. Concepts that used to only be in the domain of the medical and biological professions became common discourse. We all became experts, talking about the effectiveness of the vaccine in reducing the viral load, calculations about mortality rates, correlations between lockdowns and the drop in hospitalization admissions. The COVID-19 pandemic took over our lives and the public discourse, and it seemed that sometimes, important subjects we would deal with as part of our normal routine, were pushed aside until the chaos passed.

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

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

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

The discourse about sustainability must lead us on a journey of creating a healthier and safer future. This mission can only succeed from a place of true cooperation between all sectors, countries and those who operate in the public sphere. The Coronavirus vaccine is an example of a result of this kind of cooperation, which is no less than a living miracle – a vaccine that was produced and marketed within less than a year, while the pandemic continued to spread around the world. The vaccine is a direct result of an unprecedented partnership created for one purpose – saving humanity.

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

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

Yours,

Ofra Strauss

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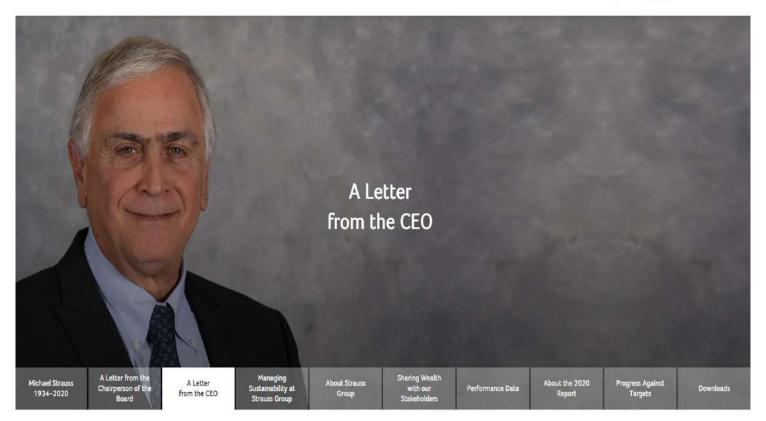












2020 was a tumultuous year for all of us. Challenges we have been facing for a long time, such as the climate crisis, inequality, discrimination, loss of trust, and social injustice, have only intensified. The COVID-19 pandemic plunged the world into ongoing trauma. Uncertainty, event chasing event,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

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

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

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

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

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

We understood how important it is to produce a long-term channel that will allow us to strengthen our impact in creating a better future. We have refreshed our ethics infrastructure, built a long-term sustainability strategy and set ourselves ambitious goals in the field of mindful nutrition, sustainable value chain, water, environment and packaging, diversity, equity and inclusion, impact and many other issues.

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

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

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

I hope you enjoy reading,

Giora Bardea,

CEO& President, Strauss Group











Managing Sustainability at Strauss Group Highlights & Looking Towards the Future

VP Communications, Sustainability & Corporate Branding

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

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

As part of our commitment to promoting sustainability, we defined a series of key and significant ESG (Environment, Social, Corporate Governance) goals for our Group activities. We chose five major areas in which we set ambitious goals for 2030.

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

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

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

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

Sustainable Supply Chain: We understand that in order to manufacture food in the best way possible, we have to look at the entire food supply chain. Mapping the challenges of our supply chain led us to take action in a number of areas of focus:

Reducing food waste: At every company in the Group, we will perform assessments and make adjustments to processes, starting with the dialog with suppliers and farmers, to manufacturing processes in the Group's factories, logistics chain and distribution, and points of sale, in order to enable us to reduce our food waste to 0%.

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

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

Water: Is a significant part of our activities and the future of us all. We believe that everyone deserve access to safe, good drinking water. Therefore, we will make every effort to significantly improve the water management and aim for a 20% reduction in water per ton of product. We will work to promote the accessibility of safe, clean and tasty drinking water, and we will continue to invest in developing technologies to offer more people access to good water, including in developing countries and emerging markets. In every area of activity, we will encourage and assist with educating the public on drinking water as part of a healthy lifestyle.

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

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

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

We will continue to assist and create partnerships with Civil Society Organizations that promote diversity and inclusion and socio-economic resilience in the main countries we operate in.

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

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

Sincerely,

Osnat Golan

VP Communications, Sustainability and Corporate Branding







Strauss Group is an international food and beverage company, which aims to improve the lives of people with fresh, tasty, nutritious and innovative products. The Group's home base is in Israel. Its companies manufacture at 29 sites around the world, and market and sell products in 22 countries. In 2020, the Group's consolidated sales turnover was approximately 8.6 billion shekels. There are over 16,000 people employed by Strauss Group, and indirectly, the Group provides employment to independent distributors, suppliers and thousands of business partners around the world. Strauss Group is traded on the Tel Aviv Stock Exchange and is one of the companies on the TA-35 index, which tracks the largest public companies in Israel. The group is rated IIAA+ stable by Maalot, a subsidiary of Standard & Poor's.

At Strauss, we ascribe great importance to our strategic partnerships, out of the belief that they create opportunities to expand our supply for the benefit of consumers around the world. We have partnerships with leading and highly-regarded multinational companies – including Danone, PepaiCo, Virgin and Haier, as well as leading local entities such as Sao Miguel in Brazil, and Yotvata and Yad Mordechai in Israel



Strauss Group manages a portfolio of four companies:



The largest food and beverage company in Israel in terms of sales, operating in the areas of milk and dairy products, fresh dips and spreads, salty snacks and confectionary, coffee, olive oil, honey and





Strauss Water

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



OUR VISION

Make wonders out of the most basic things OUR VALUES Caring and Daring | Fervor and Responsibility | Teamwork

OUR MISSION Improve people's lives





Strauss Coffee

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



Sabra Obola

Sabra and Obela

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



Most of the financial value we generate as a group is distributed back to our stakeholders. Most, about 63% is used to pay for products and services we receive to support our operations, and 23% is paid to our employees as a reward for their activities. About 0.2% of our revenue represents direct investment in our communities, in the form of employee donations and volunteer hours

	Millions of NIS			
	2017	2018	2019	2020
Direct economic value generated by the company (income, interest on assets, investments)	5,488	5,635	5,700	5,879
Distributed Economic Value				
Operating expenses (payments to suppliers)	3,604	3,578	3,541	3,625
Employee salaries and benefits	1,212	1,277	1,273	1,277
Payments to capital providers	449	418	364	443
Payments to shareholders	228	204	254	229
Payments to governments	100	85	84	227
Investments in communities	13	12	15	25
Total economic value distributed	5,605	5,574	5,536	5,802
Economic value remaining in the company	-119	61	170	77



1	_					
People	Unit of Measure	2017	2018	2019	2020	Change in 2020
Total employees at year end	#	14,131	14,657	16,281	16,542	160%
Employees on permanent contracts	96	99%	99%	99%	99%	0%
Women in management (joint ventures in Brazil are not included)	96	43%	43%	45.50%	45.50%	0.00%
Women in global workforce	%	42%	41%	41%	41%	0%
New employees	%	30%	32%	25%	21%	-2%
Employee turnover	%	23%	23%	25%	21%	~2%
Employees who received performance review	%	19%	38%	38%	49%	29%
Unionized employees	%	60%	62%	63%	61%	-3%
Employees above age 50	96	15%	14%	1496	15%	10%

Safety

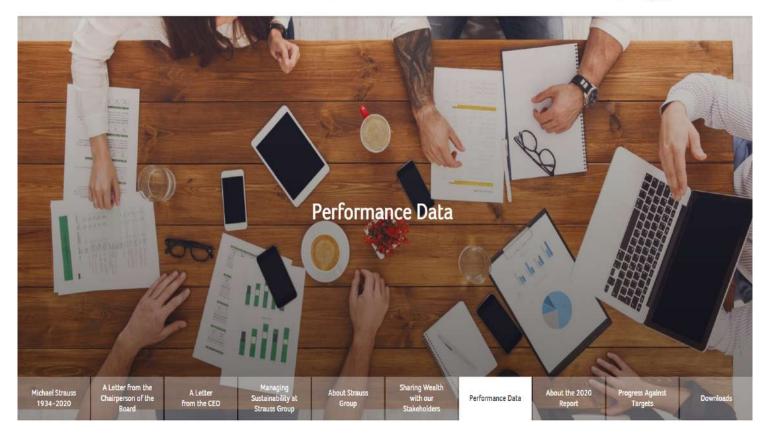
Environment

People



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	People	Safety		Environment		
Safety	Unit of Measure	2017	2018	2019	2020	Change in 2020
Injory rate	% to 100 employee	2,13	2.97	2.88	2.2	23%-
Lost of working Days	% to 100 employee	61.23	66.46	46.5	38.08	17.4% -
Deaths	#	0	0	0	0	





















		People	Safety	Environment			
Environment	Unit of Measure	2016	2017	2018	2019	2020	Change in 2020
Direct energy onsumption	Gj	1,269,042	1,308,407	1,337,000	1,439,943	1,469,580	2.10%
ndirect energy consumption	Gj	603,608	594,496	629,036	630,652	668,265	6.00%
Total energy consumption	GJ	1,872,650	1,902,903	1,966,036	2,070,594	2,137,845	3.20%
nergy intensity	GJ / Tan	3.26	3.16	3.02	3.1	3.05	-1.70%
icope 1 GHG emissions	CO ₂ e tons	84,526	85,697	84,222	86,402	89,862	2.80%
icope 2 GHG emissions	CO ₂ e tons	66,136	66,012	68,143	65,480	65,105	4.70%
rotal GHG emissions	CO ₂ e tons	150,662	151,709	152,365	151,882	153,967	3.80%
SHG emissions intensity	CO ₂ e tons / ton	0.263	0.252	0.234	0.228	0.219	-1 40%
Water consumption	M ³	1,868,063	1,945,363	2,002,620	1,957,605	2,129,296	3.20%
Nater intensity	M ³ / ton	3.26	3.23	3.0B	2.94	3.04	7.90%
Waste to recycle and reuse	Tons	64,653	78,202	82,704	78,985	85,245	-11.90%
vaste to landfill	Tons	11,243	11,640	10,439	11,075	9,759	5.50%
fotal waste	Tons	75,896	89,842	93,143	90.060	95,004	2.30%
Naste recycled/ reused	96	85%	87%	89%	88%	90%	2.30%
Waste intensity	Tons / Ton	0.13	0.15	0.14	0.14	0.16	14 90%



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

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

In this report, we kept to the same essential framework from 2014. Based on strategic work that was carried out in 2019 and on internal venification, we found that this framework is still relevant today. The parameters of this report are unchanged - the reports deals with all the companies in Strauss Group that are under our operational control, including joint ventures that are reported as full entities. No substantial retroactive amendments were made to data that was presented in previous reports. Minor adjustments that were made are indicated alongside the data as they are shown.

The 2020 Sustainability Report is not part of Strauss Group's financial, immediate or periodic statements.

In the event of a discrepancy between what is stated in this report and the fore mentioned reports, the wording of the financial statements is binding.

We thank you for your interest in this report and we would be pleased to receive your feedback.

Shay Bialik

Director for Global Sustainability and Ethics, Strauss Group Shay Bialik@strauss-group.com

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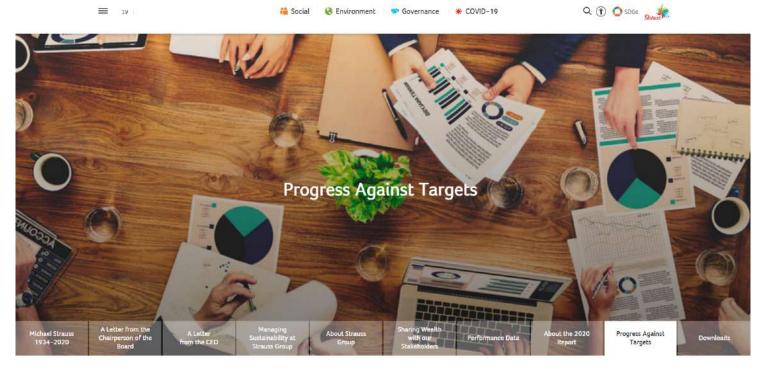




Sabra Obela

Soals for 2019	Execution for 2019	Goals for 2020
Promote healthy lifestyle awareness	Reducing six tons of sodium in the savory snacks	Promote healthy lifestyle awareness
Improve nutritional profiles of products (salt, sugar, fat)	Reducing 100 tons of sugar	Improve nutritional profiles of products (salt, sugar, fat)
Improve product affordability	Improving employee benefits	Improve product affordability
Improving the financial well-being Femployees	New Products Launch: 246 gluten-free products, 136 lactose free products, 11 low-lactose products and one lactose-free milk product.	Improving the financial well-being of employees
	For the eighth consecutive year, Strauss Israel is launching the Social Plan to improve employee conditions and improve employee benefit packages	
Reduce environmental performance per ton of product (versus to 2018):		Reduce environmental performance per ton of product (versus to 2019)
Energy: -2.8% *	> Energy: -1.5%	> Energy: -2.2%
CO ₂ e ~2.8% *	> CO ₂ e: -3.7%	> CO ₂ e -2.5%
- Water: -2%	> Water: -1%	> Water: -2%
Waste to landfill: -2%		> Waste to landfill: -2%

Strauss Israel Strauss Coffee Strauss Water



Soals for 2019	Execution for 2019	Goals for 2020
	> Establishing two new partnerships in 2019: Tanzania and Ethiopia	
Maintain / expand "More than a Cup"	> The project already includes 10 partnerships in eight countries and reaches 13,300 coffee growers and their families.	
Reduce environmental performance per con of product (versus to 2018):		Expected reduction of 2019 targets vs. 2020 targets.
Energy: -8.3%	> Energy: -3%	> Energy: -4.9%
CO ₂ e -8.2% -	> CO ₂ e: -3.1%	> CO ₂ e: +4.3%
> Water; -9.7%	> Water: -11.5%	> Water, -4.2%
> Waste to landfill: -1.2%	> Waste to landfill: -49 9%	> Waste to landfill: -6%

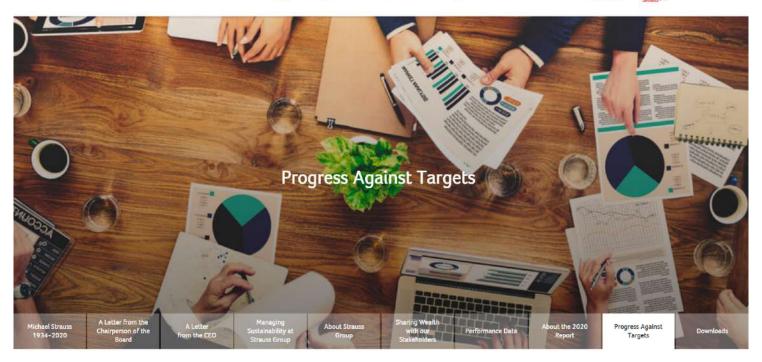
Strauss Israel Strauss Coffee Strauss Water

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Sabra Obela

[&]quot;Due to improvement of internal information, the company's goals on this issue have been updated.

Sabra Obela

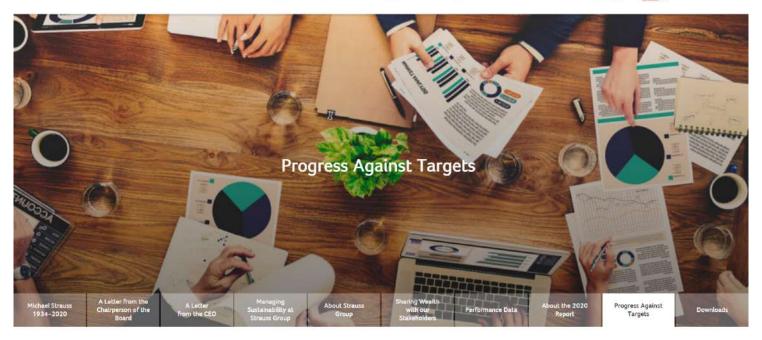


Goals for 2019	Execution for 2019	Goals for 2020
Promote healthy lifestyle awareness	Launching a Drinking Water Promotion Campaign in Summer of 2019	Continuing promoting healthy lifestyle awareness
Maintain or improve customer service	Improvement in three quality metrics; customer satisfaction, average waiting time at service center, technician service within 48 hours	Continuing improving customer service and satisfaction
Replace filters with Maze technology for all customers in israel at no extra charge	Completion of all customers (domestic water) to Maze technology	Launching a mechanism / platform that enables and encourages customers to recycle the water purifier / UV builb by returning it to the Tami 4 courier
Introduce consumables collection platform for recycling.	Making a filter / bulb return platform available for recycling posts.	Implementing environmental sustainability initiative within the organization
		Answering 80% of service requests within 2 minutes

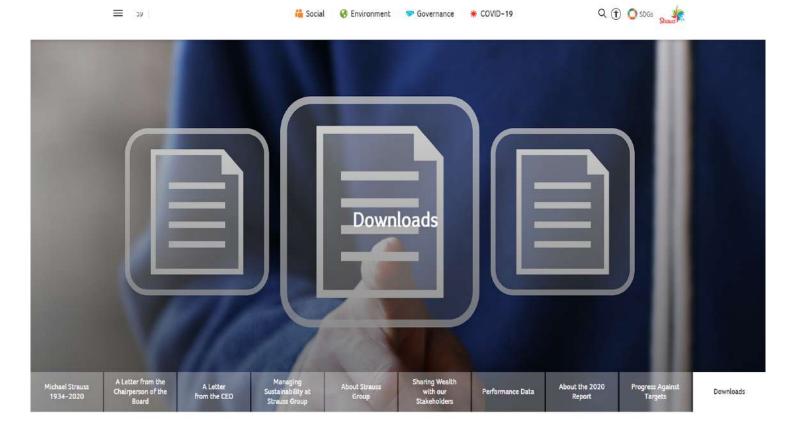
Strauss Coffee Strauss Water

Strauss Israel

^{*}Due to improvement of internal information, the company's goals on this issue have been updated.



	Strauss Israel	Strauss Coffee	Strauss Water	Sabra Obela	
Goals for 2019	Exec	oution for 2019	Goals For 2020		
Promote healthy lifestyle awareness	+ Co	ntinue activity with lunch	programs in U.S. schools		
	+ Co	ntinuing sponsoring rele arch on hummus consun		Continuing promoting healthy lifesty awareness	
improving nutritional profile products		um reduction in all of the lucts	e company's hummus	Managing nutritional profile of product	
Advance local sourcing of ke materials	y raw Focu Tahi	is on establishing a sesar ni the U.S.	ne growth strategy for	Contact sesame farmers in the U.S.	
Establish baseline metrics for waste to landfill and utilities	ener	termining baseline meas gy consumption	ures for landfill waste and	Developing targets for landfill waste a energy consumption	
	• La	unching a broader sustain	nability strategy	Completing the company's broad sustainability strategy	
Establish environmental "Gre at Virginia plant	een Team" Achi	eved			



GRI index



Summary









Strauss Group supports full transparency in presenting its activities for advocating sustainability among all member of the Group. This transparency is reflected in the rankings carried out by international and local ratings and analysis companies that analyze the Group's ESG performance in accordance with the Group's reports and this sustainability report. The dialog that takes place with these analysis companies enables learning and intensifying the activities along with effectively identifying gaps, and familiarity with the leading expectations and trends in our sphere on both the global and local levels In 2020, Strauss Group conducted an ongoing dialog and was ranked by several ratings and analysis bodies.

We used the various groups' rankings and analyses to formulate an improvement plan and to close gaps, and this has already been partially implemented within the framework of the updated practices presented in this report,

Protect our Planet

People and Communities 5 (Social)

Practice Good Business G (Governance)

Sustainable Leadership

The Group's Board of Directors, headed by Chairperson Ofra Strauss, examines the key moves to manage the issue of sustainability, guides and approves our strategy and action plans. Our management teams report their progress to the B.O.D once a year. Management's members are responsible for promoting sustainability in their areas of operation, and each subsidiary company in the group has a built-in system to promote the sustainability strategy.

In addition, each company operates according to the three pillars we formulated in the process of developing the global sustainability strategy, a process which began in 2019, was temporarily delayed due to the constraints of the coronavirus crisis and is currently in the final stages of approval

The 2030 Sustainability Strategy

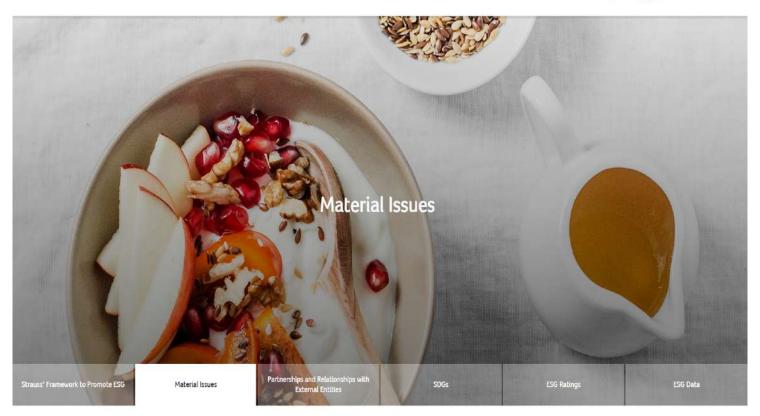
At the end of 2019, we embarked on the process of developing a new sustainability strategy for the Strauss Group, which takes into consideration global and local agenda, global megatrends, leading initiatives and, opportunities to improve our impact on significant issues, among other issues. For the Strauss Group sustainability is a key pillar in our activities and is an integral part of the strategy. Accordingly, we have drafted a long-term strategy.

The strategy sets ambitious goals so that we can create a positive impact. As part of the new strategy, areas were defined in which we will continue to expand our achievements, alongside areas in which a significant leap is required. KPIs were set to examine our performance and progress per the objectives. This process was built with the group's management and is in the final steps of approval.

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The issues we identified in 2014, which represent our most important and most significant impacts for our stakeholders are still of utmost importance, making a balanced diet and healthy lifestyle the heart of our priorities. These issues have been defined following consultations with our stakeholders, which are reviewed annually as part of the management survey, and Strauss's Annual Trust Research, and are central to our ongoing activities across a variety of channels. These preferred topics are used to define the strategic goals of the Strauss Group companies, and they serve to guide us in achieving the annual goals that are relevant to our business activities based on the specific areas of focus of stakeholders.

Substantial issues are regularly assessed, and during 2020, an update to Strauss's sustainability strategy will be made, which will also examine the substantial issues and will be updated accordingly



Advancing healthy lifestyles

Improving quality of life for our colleagues and consumers



Product transparency & responsible marketing

Helping consumers make informed choices



Reducing resource consumption & waste

Preserving the planet



Ethical supply chain

Managing social and environmental risk



Diversity in everything we do

Supporting innovation, creativity and inclusive opportunity



Engaging our employees

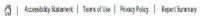
Aligning our organization to meet sustainability goals

Key interests among stakeholders included in this report

Consumers and nutrition professionals	Healthy food options, affordable pricing
Employees	Equal opportunity, living wage, personal development
Suppliers	Opportunity to engage, partnership, fair commercial dealings
Regulators	Compliance, sharing of knowledge
Investors	Robust corporate governance, risk management, ethical conduct
Social Organizations	Supporting communities, protecting the environment













Strauss Group believes in partnership relationships based on trust, honesty, mutual benefit and learning. These principles are implemented both in joint business ventures and in company initiatives that function in collaboration with non-profit organizations as well as our membership in external frameworks and initiatives that promote various sustainability and ESG issues.

Business Partnerships

- Since the 1970s, Strauss Dairies has had a long term mutual relationship with the global Danone corporation. This partnership was strengthened in 1996 when Danone acquired 20% of the Strauss Dairies.
- The partnership between Strauss and PepsiCo has continued for over 30 years in our Salty Snacks division in Israel, along with the joint establishment of the Sabra/Obela company in the area of salads and spreads in North America, Australia, New Zealand and current in Europe too.
- In Brazil, Strauss runs a 50%-50% joint venture with the São Miguel company. The joint venture, Café Très Corações (or 3C), is currently the leading coffee
 company in Brazil.
- Strauss Water operates in China via the partnership with Haier, and in Britain through a partnership with Virgin.

These partnerships and relationships support our constant improvement processes, provide access to advanced technologies and research, foster joint product development and promote <u>nutrition and unovation ball</u>.

Relationships and Partnerships for Promoting Sustainability and Corporate Responsibility

Strauss is a member of various international and local frameworks that aim to promote social and/or environmental goals using the joint strengths of the various sectors of the economy (government, business, non-profit organizations).

- The United Nations' Global Compact Initiative: Strauss Group has been a signatory since 2008. For more information about Strauss' implementation of
 the compact's 10 principles, cliden.
- Consumer Goods Forum: The Consumer Good Forum is a global organization that supports partnerships between manufacturers and retailers to ensure
 consumer confidence and to generate positive change.
- Valuable 500: An initiative in partnership with the World Economic Forum (WEF) that brings together the CEOs of the leading companies of the world as a
 catalyst for promoting the influence of global corporations on reducing inequality among people with disabilities, through their business activities. It was
 launched at Davos and is comprised of about 250 CEOs from 26 countries.

- The Israeli Socio-Economic Forum: Leading a work team to promote employment in Arab society, headed by Strauss Israel's CEO. The goal of this team
 is to generate national and cross-sectoral solutions for reducing socio-economic gaps between the Arab community and the Israeli economy in order to
 increase the Arab sector's share in the Israeli economy's productivity. In 2020, the team developed a platform to encourage diverse procurement as well as
 initiatives to promote employment solutions for the Arab sector.
 - In addition, Strauss Israel joined the Israel Business Round Table, a new project of the Socio-Economic Forum to establish business-economic leadership to lead and formulate national solutions to the main challenges faced by the State of Israel.
- The Maala Organization: Strauss was a partner in the establishment of Maala, which works to promote corporate responsibility activities in Israel. Strauss has been a member of Maala since its establishment and participates annually in the corporate responsibility rankings of Maala's public companies. In the past eight years (including 2020), Strauss received Maala's highest ranking Platinum+. Strauss Chairperson Ofra Strauss served in the past as the chairperson of Maala, as part of Strauss' commitment to promoting the area of corporate responsibility in Israel, and VP Communications and Sustainability Osnat Golan is a member of the organization's Board of Directors.
- Israel-American Chamber of Commerce: Strauss has joined various initiatives connected to study and partnerships for the motion of global challenges.
 In 2020, this initiative dealt with promoting work groups on the issue of the circular economy as part of its membership in the Chamber of Commerce's CSR (corporate responsibility) forum.
- The European Institute of Innovation and Technology (EIT): EIT is an entity of the European Union set up in 2008 to increase innovative capabilities. It
 is an inseparable part of the Horizon2020 program, within the EU's research and innovation framework.
 Strauss promotes joint innovation projects with the organization. In 2020, Strauss took part in a project for the promotion of research and implementation
 of solutions to increase trust between the food sector and consumers.
- Energy Efficiency Forum in Israel: The forum, which was established in 2020, deals with mut<u>feelt like</u>, enrichment and encouragement of activity in the
 field among Israel's leading commercial companies, and is led by the Afeka College. The director of the energy field at Strauss Israel serves as the forum's
 chairperson.
- Circular Economy Forum of the "Environmental Arena": Strauss is active in this Israeli forum, an initiative of the Tel Aviv University's Porter School of
 Environmental Studies. The purpose of the forum is to create cross-sectoral dialog to promote the issues of sustainability and the circular economy in Israel.
- Consumer Goods Forum: A global organization partnering with manufacturers and retailers to ensure consumer confidence and to generate positive change
 - Co.Impact Initiative: Established in 2013 with the aim of creating a breakthrough in employment in the Arab sector.
 - Other organizations that Strauss is a member of are DSF (a framework to encourage sustainability in the dairy field), the Food Industries Association, the Israeli Marketing Association, and the Global Coffee Platform (GCP).

Joining non-profit organizations to fulfil different needs of communities around the world

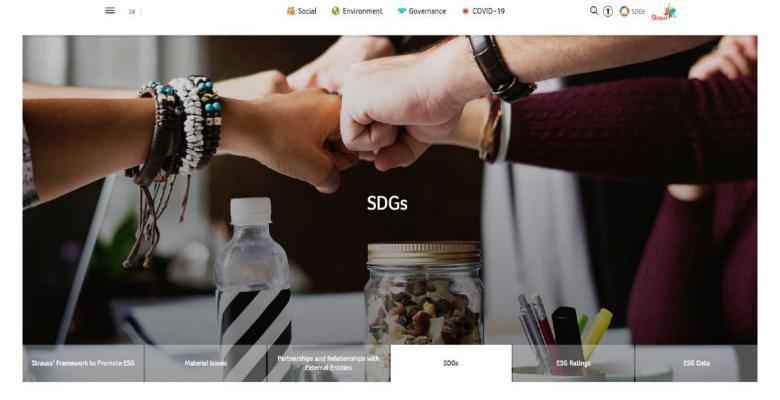
As part of our responsibility as a leading company, Strauss is very active in investing and volunteering in the various communities that the Group's companies operate in around the world. These support initiatives are carried out in cooperation with dozens of non-profit organizations from different countries that assist us with identifying the needs and target, audiences to support; organization and logistics for optimizing our investment; and measuring the levels of effectiveness and success of the various initiatives.

Among these partners are the following organizations: Latet, Leket Israel, the Israel Association of Community Centers, Ezer Mizion, Ajeec, Unistream, ORT, Access Israel, Women's Spirit (Ruach Nashit), WIZO, Women Against Violence, Jasmine, Founders Give, Feedmore, Chesterfield Food Bank, Seeds for Progress, Sustainable Harvest, Bedford Industries, The Social Foundation Raimundo Fagner, and more.

More details about these initiatives and partnerships in our various areas of activity can be found in this report in the chapter on "Deepening the Connections with Communities" in general and on the page "Supporting Communities During the Corona Crisis" in particular







Connecting Sustainable Development Goals to Strauss Activities and Reporting

The United Nations Sustainable Development Goals in 2015 include 17 goals and 169 sub-goals, aiming to close global development gaps by 2030. These goals represent a global work plan for achieving a better and sustainable future for all. These goals address the global challenges facing us, including those related to poverty and hunger, inequality, climate change and environmental degradation, peace and justice. The 17 goals are intertwined, and the aim is to address them all by 2030 so that nobody is left behind.

The Strauss Group believes that connecting to global sustainability goals is a business opportunity, and a significant one, enabling it to identify where significant gaps exist in its areas of business, so that it can focus and develop its activities in directions that generate maximum value. Connecting to the goals helps the Group communicate in a global language and deepen meaningful activities in global ways.

This year, we performed an in-depth mapping of the Group's activities in relation to the 17 global targets and 169 sub-targets derived from them, in order to identify the most relevant targets for the Group. In the first stage, we performed a review of all the group's activities and matched them with the sub-goals, in order to produce an accurate and comprehensive mapping. In the second phase, a matrix (SDG Heat Map) was built based on two parameters: the ability of the Group to influence each of the objectives and the relevance of each of the goals to the business activity, as well as the business opportunities inherent in them. These parameters were rated based on current and potential work. The resulting matrix helped identify the Group's position with respect to each of the goals and identify the goals that are most closely aligned to the Group's core work. We believe that this mapping will help create the most realistic image for identifying the opportunities that exist for us, in order to establish shared value projects for maximum value creation. In addition, the process will be used by the company in planning and developing its future sustainability strategy.

For further reading regarding each goal, click on the selected goal































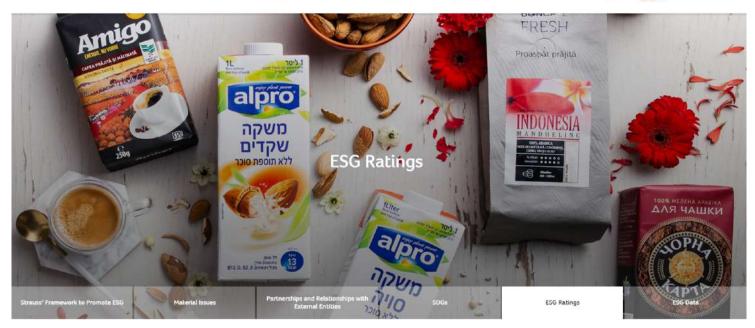
Clean water and sanitation (6)

Developing and manufacturing diverse and accessible water bars for the use of different population, and encourage the quality and delicious water drinking.

Developing innovative solutions to encourage water drinking.

Donating water bars for the community to raise access to water.

Progress in water and water waste management towards the goals.



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

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

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

Ratings and Analysis Body		Score Range	Strauss 2020 Score/Rank	
MSCI ESG Score	мѕсі 🕼	CCC-AAA	AA	
SUSTAINLYTICS	SUSTAMALYTICS	0-40	30.6	
Bloomberg ESG Disclosure Score	Bloomberg	0-100	54.4	
FTSE4GOOD ESG Score	FTSE4Goed	1-5	2.9	
Maala Index		Gold-Platinum+	Platinum+	

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