



THE APPETITE FOR BETTER FOOD

Summary of 2019 Sustainability Report



Mazal Baruch,
Strauss Coffee, Lod



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Letter of Chairperson of the Board, Strauss Group

Today, we are publishing our annual sustainability report, reviewing our social, economic, and environmental impact and efforts for 2019. Over the past 12 years, we traditionally published these reports in March. However, this year, seeing a world rattled by a pandemic creating far-reaching changes in the way humans interact and companies are run, we decided to postpone the release. Like millions around the globe, I am currently in self-isolation, writing to you from my improvised home office. While the future implications of COVID-19 are still to be seen, we are now fully aware of Strauss' critical role in the process of creating a better future. As a food company, the trust and loyalty we are granted from the public depend, among other things, on the decisions we are making in these very moments.

Today, the link between the food industry and the public health sector is clearer than ever. Our behavior, our chain of production, our products and the way we supply them to the public are directly related to the public's health. The rush to the supermarkets at the beginning of the coronavirus crisis, and the public's unprecedented stockpiling of basic consumer goods, highlight the connection between food and our physical health, and especially our mental well-being. Food is the most basic human need – in conventional times but even more so in times of crisis. Our ability to continue

delivering our products and brands allows us to gain the public's trust and provides people with a sense of security and stability.

Alongside increased consumer expectations following the pandemic, we are also met with new standards from investors. Corporate conduct during a crisis – the way we engage with colleagues and customers, as well as the way we influence society and meet its needs – has long-term consequences, for better or worse. Together with the improvement goals we have taken upon ourselves, we understand that the business sector now plays an important role in restoring the economy and strengthening communities that were significantly impacted by the outbreak.

The current crisis has imposed another task upon us – we must ensure that we do whatever we can to assist unemployed communities that were left behind, create new jobs and allow them to continue make a living. At this time, more than ever, big companies must make decisions that contribute to the rebuilding of the economies of which they are a part. We have no simple answers to the question of balancing the needs of employees, customers, shareholders and all further stakeholders. The future depends on many variables, and we need to be alert and attentive so that we are ready and able to make the right decisions at the right time. For a long time, investors have been looking at companies through an environmental, social and governance (ESG) lens; but now, more than ever, we have the responsibility to look around us, see the other and act in a way that helps strengthen our entire ecosystem. At the last FoodTech IL conference, I talked about the importance of moving “from Ego to Eco” – our need to understand how interdependent we are, and how we must all work as one community for the common good. The coronavirus pandemic has emphasized that the “butterfly effect” is real – how an incident that begins in one point in the world quickly evolves to reach every corner of the world and touch us all. In recent years, the main emphasis of the ESG lens has been on the environment. Today we can sense that the coronavirus crisis is spotlighting the importance of the social aspect of the equation – the social decisions we make today will shape our tomorrow.

We at Strauss Group understand the company's significant and profound role in bringing value and security to the communities in which we operate, and we are committed to succeeding in the task ahead. Even in turbulent times, we must continue to expand our investment in the scientific aspect of food, in order to provide better food solutions for both the public and the environment.

I am hopeful that we will triumph over this crisis, and that any of its deleterious economic and social impacts will be short-lived. All of us in Strauss Group are committed to taking an active role in aiding with the crisis's recovery processes and creating the reality that will follow. Last September, millions of people took to the streets calling for policy changes in the fight against climate crisis – we will not forget their protest even in times of crisis. We will continue to act with transparency and meet the goals we set for ourselves. Sustainability is an indicator of quality and we will continue to examine ourselves, learn and improve – as we have always done and always will do.

As I often say, gaining the public's trust depends on meeting its expectations, but more importantly, it is imperative that we live up to our own.

Our customers are the reason we exist, and we must be united in our mission to support and protect the public's health. We will do this while making sure to strengthen our capabilities and preparedness to face future challenges placed before us.

I would like to convey our deepest gratitude and appreciation to the company's team members, who are placed at the frontline of the battle, aware of their essential role in ensuring the public's health. Thank you for your remarkable efforts and uncompromising dedication you all demonstrated in these difficult times. Strauss Group and I wish for health and prosperity to our people, our customers and the general public. We will know better days than these, and we will be ready for them.

Sincerely,

A handwritten signature in dark ink that reads "O. Strauss". The signature is fluid and cursive, written in a professional but personal style.

Ofra Strauss



A Letter from the CEO

We at Strauss have always been committed to creating an impact.

We operate from the deep conviction that it is our responsibility to improve people's lives and offer them better choices. Over the years, this conviction has been reflected in the quality of the food we produce. This success is certainly the basis for the trust of all our stakeholders in us. But that is not enough. The public's needs and expectations continue to increase, and people and communities expect us to have an impact beyond the food we produce. They expect us to advance solutions to the complex challenges that the world is facing, to address socio-economic issues, to contribute to problem-solving, and to advance an agenda that will provide value to various stakeholders.

We are making an impact in several key areas:

In the products sector, we are developing platforms that allow our food to be adapted to diverse needs while continuously improving its nutritional composition. As a company that employs thousands of employees around the world, we emphasize maintaining a diverse and inclusive work environment that encourages people to grow and develop.

In the environmental field, we work to reduce harmful environmental impacts, and invest in developing FoodTech resources for generating new solutions that

will enable us to produce food in a more sustainable way. In the financial aspect, we strive to maintain high standards of governance and creating economical prosperity for all our stakeholders

In today's world, businesses in general, and leading companies, in particular, do not have the privilege of looking only at financial metrics as a compass. Having a comprehensive perspective and understanding that our activities have a social, economic, environmental and business impact is critical to gaining the trust and social license needed to operate. The global market is changing, dynamically and frequently. As the public's expectations rise, so do the challenges for the business sector – and on top of those, our world is experiencing a turmoil amidst the corona virus pandemic that affects the health of people and the strength of countries, economies and business as an event that changes everyone's reality.

This sustainability report was supposed to be published in conjunction with our financial annual report, however the corona virus has led us to postpone publication. We are now publishing it together with our financial Q1 report. Sustainability is a significant and integral part of our business strategy. It constitutes a major part of our business's core and determines how we operate. Sustainability is also our way of examining our environment, understanding what is expected of us, and changing accordingly. It is about producing better food, creating better employment opportunities, and being part of a movement to create a better future.

The world is coping today with a severe crisis. It is a test time for us as a business, and as human beings. This is our moment to realize that we have a collective responsibility that extends far beyond our business. The crisis is global, but its impact is local and comprehensive – from the individual to the entire world. Now is the time to look at all our circles of influence – our employees, consumers, suppliers, customers, investors, communities and other stakeholders – and reach out and collaborate. Now is our time to be human, to

look at people, reach out and lead social awareness. Since the outbreak of this pandemic Strauss group dedicates resources to communities in the forefront of this crisis. The report is dealing with 2019 but we have found it appropriate to share our [elaborate social plan](#) that we are promoting since the pandemic started.

The sustainability report is our way of telling the story from the perspective of suppliers, consumers, customers, employees, shareholders and other stakeholders. The steps we are taking today to build a cross-organizational sustainability strategy and creating tools for implementing the values we set will expand our capacity to become leaders in areas where we still need to improve. We are committed to making significant advances in the field of sustainability, and we are confident that the coming years will lead us to continued improvement as a key foundation for developing and managing a company worthy of your trust.

Enjoy your reading,

A handwritten signature in blue ink, appearing to read 'Giora Bardea', written over a light blue circular stamp.

Giora Bardea
CEO & President, Strauss Group



Halil Swad, Fresh Food, Karmiel

The Group's Sustainability Framework and Connection to SDGs

The Strauss Group consists of four core businesses: Strauss Israel, Strauss Coffee, Sabra and Obela, and Strauss Water. The Group also operates a growth and innovation arm, which manages, among other things, Strauss's FoodTech incubator in partnership with the Israel Innovation Authority. As a global company operating in areas with direct impact on wider communities around the world, we have chosen to adopt the United Nations Sustainable Development Goals (SDGs) as part of the Group's Sustainability Framework. These goals, which have been adopted by all UN member states, as well as widely within the business sector, help to focus global efforts on the 17 targets and 169 sub-targets derived from them.

Connecting to the UN SDGs helps us to speak in a global language and deepen our meaningful work on a global level. This year, we conducted an in-depth mapping of the Group's activities that relate to the SDG global goals and sub-goals in order to identify the most relevant targets for the Group. We believe this mapping will help identify the opportunities that exist for us to establish projects of mutual value, for us and for society.

We at Strauss believe that connecting to global sustainability goals is a business opportunity for us. This connection allows us to identify where significant gaps exist in our operations so that we can focus and produce maximum impact.

We highlight here the six main goals we selected as the most relevant to the Group's activities. These choices were made by applying a comprehensive and integrative analysis of their compatibility with current and future activities that help achieve our goals socially, environmentally, and economically. We recommend reading about all our activities in full in the complete report online website.

SUSTAINABLE DEVELOPMENT GOALS

Goal

Sample of Activities



- A new food safety plan for growers, covering all aspects of growing fruits and vegetables;
- Food Safety Innovation: Solutions developed within “The Kitchen,” Strauss’s FoodTech incubator, for simple and fast detection of food bacteria;
- Accessing food for different populations, including the Plants with a Purpose project in Brazil, and food donations through the Latet organization.



- Promoting local and responsible procurement;
- Finding and developing sustainable solutions for expanding product offerings without animal protein;
- Finding solutions for reusing certain materials and for treating waste;
- Promoting a responsible marketing approach;
- Encouraging the implementation of sustainable work norms by our suppliers.



- Improving the nutritional profile of products and adding food products that take into account changing health and dietary considerations, such as gluten-free products and others;
- Implementing the nine principles of the Balanced Nutrition Strategy.
- Establishing a new project in 2019 with the ORT network to promote conscious eating education among youth.



- Innovation: Brand Innovation: Developing and launching new products;
- Innovation in Improvements: Using innovative technologies to improve products’ nutritional composition and packaging, taking environmental considerations into account;
- Open Innovation in a New Model: Establishing and leading the FoodTech community in Israel since 2011;
- The Kitchen: Continuing the FoodTech incubator in partnership with the Israeli Innovation Authority;
- Sharing knowledge at the global level through an annual FoodTech conference, partnerships with EIT and other forums in the field.



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



- Promoting women to managerial positions and appointing women to the Board of Directors through setting global level group goals and supportive activities;
- Supporting women-owned businesses and actively working to increase the number of contracts we enter into with them;
- Supporting agriculture for productivity and quality improvement, especially in the coffee sector, including with the Rwenzori area farmers and the Florada project in Brazil;
- Supporting the “More than a Cup” project, which currently operates in eight countries in Africa, Central and South America, and Asia and where we work to improve the capacity of local coffee growers and to help develop their skills in order to increase their contribution to local prosperity.

KEY SUSTAINABILITY DATA



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 investors

136

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

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

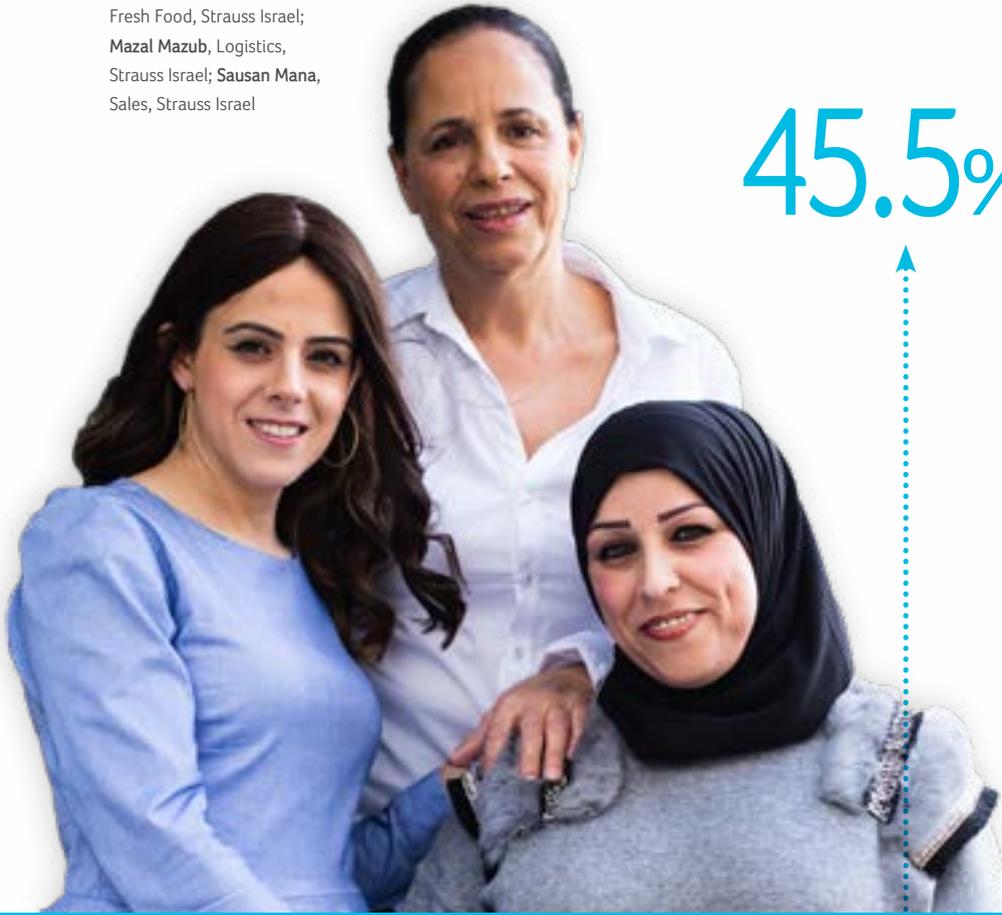
246

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

6

In 2019, we reduced **six tons** of salt from our savory snacks. Over the past four years, we have reduced a total of **20 tons** of salt from these products

From left: Avigail Musali, Fresh Food, Strauss Israel; Mazal Mazub, Logistics, Strauss Israel; Sausan Mana, Sales, Strauss Israel



45.5%

Among the managerial rank, **45.5%** were female executives in 2019 (Joint ventures in Brazil are not included.)

22

In 2019, there were 22 hours of training on average per employee

23%

In 2019, 23% of the employees in Strauss Israel come from the Arab society

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

99%

of employees are on permanent employment contracts

4,065

In 2019, we hired about 4,065 new employees, 42% of whom were women

50%

of the Board of Directors are women

5.5

During 2019, we delivered NIS **5.5** billion in economic value to our stakeholders around the world

13,300

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



28,800

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

NIS 14.6 million

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

Florada

We continued supporting coffee growers and their families to improve productivity and quality. The **Florada** project in Brazil continued into its second year

Tribos

We took part in the **Tribos** Project to empower indigenous coffee growers from tribes in the Amazon

3,630

As part of Sabra's community activities in the U.S. during 2019, approximately **3,630** kg of different products were sold in local farmers markets to Sabra employees and suppliers



Sustainable Farming

We launched the Sustainable Farming program in order to promote the welfare of cows in the supply chain of dairy products in Yotvata

5%

reduction in energy consumption per ton of product since 2016

10%

reduction in water consumption per ton of product since 2016

NIS
39 million

About NIS 39 million was invested in reducing our negative impact on the environment in 2019

88%

In 2019, 88% of waste was recycled

13%

reduction of greenhouse gas emissions per ton of product since 2016

About Nutrition, People and Communities

At Strauss, people are the key to everything we do. They are responsible for our success, and they are the reason we want to continue to evolve every day. Therefore, we strive to improve our employment and knowledge infrastructures, both among our employees and for the communities in which we operate.

We are defined by our consumer community: our family, our friends, our neighbors. This is why we believe in continuous improvement and are constantly striving to create better food in all areas of our activities. We accomplish this through development and innovation processes, better choices for our consumers, support for our supply chain, use of the best raw materials, maintaining community and environmental wellbeing and more. We are motivated by the conviction that food is a holistic experience that combines proper and healthy and nutrition with the pleasure it can give us. We see food as a culture and a tradition that moves from generation to generation; as something that connects people and cultures. That is why we believe it is important to develop an appetite for better, tastier and more enjoyable food.

An Appetite for Better Food: Nutrition and Gastronomy Strategy

Over the past few years, we have outlined a nutrition strategy for the Group, based on the understanding that the food people eat affects their health and wellbeing. This strategy draws on the scientific knowledge available in the world, guidelines and priorities from the various health organizations and consumer perceptions about how they seek to improve their quality of life, among other things, through the food they eat. The guiding principles in the strategy define the nutritional composition of the products. These principles include adjusting the portion size for lifestyle and consumer needs, ensuring the quality of the raw materials we use, committing to meeting the diverse needs of consumers, and engaging in fair and proportionate pricing. Drawing on these principles, Strauss Israel outlined its nutrition and gastronomy strategy in Israel. This strategy is based on nine principles designed for good nutrition. We see the implementation of this strategy as an important step in our journey and the basis for winning consumer confidence. The strategy discusses three main areas related to the nature of food; what food we prepare and what it represents; the ingredients we use; and how we prepare it.

The Nine Principles of our Balanced Nutrition Strategy

- 1. Constant Improvement:** Improving the nutritional profile of existing products and offering balanced alternatives when developing new products;
- 2. Balanced Nutrition:** Encouraging balanced nutrition by increasing the range of products offered in different packaging sizes, and also including individual packing in measured doses;
- 3. Clean Label:** Removing components that are not a natural, inherent part of the product; emphasizing our ongoing efforts to switch to only natural materials in all our products;
- 4. Strengthening the Good:** Expanding the supply of products containing significant dietary benefit;
- 5. Accessible Nutrition:** Developing products for consumers with unique nutritional needs due to health or personal preferences; launching products to serve such consumers, or adapting existing production lines;
- 6. Balanced Nutrition for All:** Fair pricing;
- 7. Sustainability:** Accepting responsibility for our impact throughout the value chain; emphasizing the source of raw materials and sharing how they are grown and processed;
- 8. Transparency:** Transparent and clear presentation of information to consumers through digital accessibility, product labels, packaging and clear messages;
- 9. A Passion for Food:** The realization that we are a food company whose function is to feed millions of people a day, awareness of the role of food in the various dimensions of our lives is a function that is far beyond functional.

The improvements we have made in the last decade, an absolute majority of our products already met the new standards by the deadline set by the new regulations

The Privilege, the Commitment and the Responsibility to Make Better Food

We have been working for many years to improve the food we prepare in order to offer better choices to our consumer. Israel's recent Product Marking Law, Public Health Protection (Food) (Nutritional Marking) Regulations, 2017, not only corresponds with our ongoing endeavors, but also encourages us to expand and accelerate our ongoing improvement processes. We fully understand that making food better is our mission and responsibility.

This new regulation enacted by the Ministry of Health came into effect January 1, 2020. Its goal is to help all of us to eat better and to make wiser and more suitable choices about the food we eat. The law applies to all packaged products sold in Israel and requires manufacturers and importers to mark a red circle on the front of all packaged food and beverage products containing over 100 grams of sodium, saturated fat or sugar content.

We consider this reform positive and beneficial. We are pleased that as a result of the improvements we have made in the last decade, an absolute majority of our products already met the new standards by the deadline set by the new regulations.



Fadi Gamgum, Logistics, Strauss Israel

The main challenge we face in our commitment to improving food quality is changing the nutritional composition of the product, for example, by reducing sugar, sodium, fat and more, while with maintaining the familiar and preferred taste and texture sought by our consumer audience.

We have worked and are still working to eliminate preservatives and to reduce sugar, sodium and fat and replace them with healthier ingredients. The labels on our products are accessible and allow the consumer to understand the ingredients and know the food they are consuming. The changes and improvements we are constantly introducing and working on are made possible by the impressive and professional work of the company's development and technology personnel, who are continuously working to find healthier recipes, while maintaining excellent taste and fair pricing. We continue to improve existing recipes and to develop new technological solutions, including in our FoodTech incubator, in order to create the highest quality foundation for future development of better and healthier food.

Yael Weisman, Confectionary
Department, Strauss Israel



Most of the Strauss products were not marked with the red sticker*

91%

of the Salty snacks category are not marked

100%

of the "Ta'am Hateva" brand products are not marked

91%

of the Dairy category are not marked

100%

of the "Achla" brand products are not marked

7%

of the Bakery and Sweets category are not marked

85%

of Yotvata products are not marked

*With the exception of sweets

Meeting Consumer Expectations and Expanding Solutions for a Variety of Audiences

Our goal is for everyone to enjoy our products. As food manufacturers, we have a responsibility to ensure that our food is safe not only for general consumption but also for those with unique food needs, including populations that are intolerant to various foods such as gluten, lactose and a variety of allergens. Not only the individual suffering from food sensitivities must make dietary adjustments, but that individual's entire household, as well as other social circles, such as the educational environment, must provide options for these sensitivities. As a result, there are tens of thousands of consumers

looking for available and accessible solutions for their daily diets. Over the past few years, we have intensified our dialogue with consumers, as well as with nonprofits and organizations that represent populations with unique dietary needs. From this discourse, we have come to understand that we must expand the product offerings that provide solutions to a variety of consumers. We are therefore investing more resources in this area than ever before, and consider this an important focus of our business. We believe it is important to take an inclusive approach. Even if the market for certain products is

relatively small, we strive to give everyone a selection of products that are right for them. In 2019, we launched many products with unique characteristics: 246 gluten-free products, 136 lactose-free products, 11 low-lactose products, and one lactose-free dairy product. Examples of some of these products are the SOOM tahini-based pudding, ONLY beverages, and a milk-free probiotic yoghurt, in addition to new yogurt flavors, baked potato chips and protein-enriched crisps. Each product is suitable for a specific consumer audience.

246 gluten-free products, 136 lactose-free products, 11 low-lactose products, and one lactose-free dairy product





The People of Strauss

Our employees are the ones responsible for our success, the beating heart of the company's activity and the center of its existence. We ascribe great importance to the well-being of our employees and their families, and strive to provide a safe, caring, inclusive and empowering workplace for our employees around the world. Recruitment, development and retention of employees with the necessary capabilities, skills and motivation are critical to our continued success and business growth. We offer competitive conditions and meaningful work with opportunities for growth and personal development, while maintaining the rights of our employees in all activities. We strive to provide our employees with a stable, long-term workplace and a variety of training and development opportunities, as well as create a broadly diverse and inclusive work environment. We care about people and about food. Our commitment to improving conditions for the people of Strauss ultimately results in uncompromising quality for our customers.

4,065

In 2019, approximately
4,065 new employees
joined us, of which 42%
were women

Lauren Levi, Strategy, Strauss
Group Headquarter



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 all divisions of the organization and across a variety of disciplines, from Operations, Engineering and Maintenance to Development and Production, Sales, Purchasing 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.

In all of our training programs, we focus on employee upskilling. We have developed a detailed and orderly upskilling program, which we started implementing in 2019. Examples of the corporate upskilling program:

Operation

From operation to technical operation: responsibility for operating and maintaining a proper and reliable equipment and work environment.

Sales

Analysis and data-based decision making.

Technology

Detection and searching for experts or knowledge, with a focus on tracking trends and tendencies in the food sector.

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

We at Strauss believe in people. Our employees are the key to the success of the company, and we strive to improve our employees' well-being. 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.

Listening to our Employees

A comprehensive employee survey is held once every two years in order to listen, receive feedback, examine the company's improvement and growth in employee relations, as well as produce a comprehensive cross-organizational cultural picture of the company. In 2019, **88%** of all Strauss employees participated in the survey. The survey found that **87%** of employees agree that our workspace is safe for them. In addition, a high proportion of Strauss people believe that we take responsibility for local communities (**89%**), consumers (**88%**) and the environment (**86%**), and take them into consideration in every field in which we operate.

Every activity carried out by our employees and managers should reflect the values that the company advocates. The annual survey shows that employees believe that Strauss is acting ethically, with **85%** of employees seeing this as our regular operating procedure, and **82%** of employees saying that their managers act in a way that represents a personal example of company values. We are proud to be a company in which **92%** of its employees recommend our products, and **84%** recommend joining our ranks. We are pleased and proud to share that we were ranked fifth in the "Best Companies to Work In" rating in the Best Workplaces Index in Israel, according to the information company BDIcode. We were cited as an attractive and groundbreaking workplace in Israel, and were the only employer in the sector to appear on the long and distinguished list of employers.

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

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

Promoting Gender Balance

As part of the diversity and inclusion strategy, the Strauss Group determined that the issue of gender balance is a main goal, with the understanding that this is an international, cross-cultural and cross-territorial goal.

Over the past 13 years, we have been working to promote gender balance, with our commitment to promoting equal opportunities for women also reflected in outside activities. To that end, over the past two years, we have expanded our investment in diversity both within the company and in assisting the subsidiaries. In 2011, women accounted for 36% of managerial positions, and that rate rose to 45.5% in 2019 (41% including joint ventures in Brazil). Therefore, we continue our efforts to achieve our target of having of our management positions filled by women by 2024. Also, in 2019 the proportion of women on the Group’s Board of Directors was 50%.

In 2019, we continued to support gender equality programs in Israel and also invested heavily in non-enterprise efforts around the world, such as continuing to promote the “More than a Cup” (MTAC) venture, strengthening women coffee-farmers in various territories around the world and the Florada project, aimed at empowering coffee growers in Brazil.

(For more on these ventures, see the section “Creating Value for the Communities around Us” on the complete report online website.)

A Culture of Inclusion

The mission of the Strauss Group is to improve the lives of people around the world through collaboration with all our partners. To accomplish this, we must act responsibly in every area in which we are involved. We are committed to acting responsibly, fairly and transparently, from both a business and a sustainability perspective, towards all stakeholders who come into contact with us in our business operations.

Moving beyond the Group’s general activities to increase inclusion, and broadening its inclusiveness agenda beyond the global gender goal, different Group units have chosen to focus on and promote various diverse populations. For example, in addition to marking International Women’s Day, Sabra sites around the world recognize the diverse workforce by celebrating other days with significance for different populations throughout the year. These include, among others, Black History Month, Cinco de Mayo, Pride Month, Breast Cancer Awareness Month, and Hispanic Heritage Month.

Management positions by women (including joint ventures in Brazil 41%)



Examples of gender equality activities on sites around the world in 2019:

- **Romania:** Community activities that encourage education and empowerment of women in the coffee factory’s surrounding community.
- **Poland:** Mentoring initiative in the coffee factory production department, which encourages and allows women to work in jobs where the percentage of women is low. At the end of 2019, eight of the program’s participants were employed in positions which had not been open to them in the past.
- **Israel:** The “Woman-to-Woman” program offers a unique mentoring model with women managing pre-executive women. The program includes five sessions with five women that deal with career, development, gender, and more.

Promoting Opportunities for Employees from the Arab Society

In order to promote the social equality in Israel and to help bring together different populations, over the past three years we have been working to create a broader inclusion of employees from the Arab society in our organization.

The Arab society constitutes 21% of the population of the State of Israel and its integration into the workforce is critical to the Israeli economy, to improving the economy, and to strengthening the trust between all citizens. Strauss has a 23% representation of the Arab society in its workforce, greater than their proportion of the population. Our key efforts are focused on recruiting and promoting employees for managerial and professional positions. In 2019, we increased the number of employees from the Arab society in professional and managerial positions in Strauss Israel to 64, from 48 in 2018.

Additionally in 2019, Strauss Israel and Strauss Water continued to collaborate with the Co-Impact venture, a cross-sector partnership established in 2013

Strauss Israel's focus in the field for 2018-2020:

Ultra-Orthodox (Haredi) Society

Haredi recruitment for all the roles in the organization

*Women

Recruitment, promotion and development of women for managerial positions

*Global target

The Arab Society

Recruiting and promoting employees from the Arab society for managerial and other positions requiring a college degree

23%

Strauss has a 23% representation of the Arab society in its workforce

Employees with Disabilities

Recruitment and retention of employees with disabilities

Creating a supportive culture, adapting processes and tools for diverse populations



Sausan Mana,
Sales Strauss Israel

with the goal of achieving a breakthrough in Arab society employment in Israel and improving the local economy and social solidarity. At Strauss, we set ourselves the goal of creating new organizational perceptions about diversity, multiculturalism and inclusion, and to lead a steady process of cultural change. In 2019, we drafted a procedure and recruitment process tailored for employees from the Arab society, with a focus on jobs with high potential for advancement, hired a recruiter from the Arab society to identify potential candidates for recruitment, launched a Bootcamp program for training employees from the Arab society for financial positions, and participated in employment fairs in the Arab society throughout the year.

Creating Value for the Communities around Us

We see great importance in promoting and maintaining the resilience of communities impacted by and impacting our activities, in Israel and around the world. Our mission is to improve the lives of people, including the communities where we do business.

We strive to maintain a strong connection with local communities, both in the way we operate and through the initiatives we promote. We create community engagement with the belief that strong communities encourage strong business. Our support for communities is diverse, and expressed by helping with training and providing business and professional tools, paying attention to product quality, providing immediate assistance to specific needs, and promoting long-term ventures that will have a significant impact and improve the quality of life in our communities, all across the supply chain. Our activities include donations, volunteering, and strategic social collaborations.

NIS **14.6**
million

In 2019, we invested about
NIS 14.6 million in financial
donations, product donations
and volunteer work

28,800

This year, our
employees volunteered
approximately 28,800
hours in the community



Sara Siluk, Accounting,
Strauss Israel



Project Florada won the Brazil ODS Award in 2019 and was presented at the United Nations

Photo: a Brazilian coffee grower participating in the Florada project

Leading Projects in the Community

Project Florada

Project Florada was launched in 2018 by the Brazilian coffee company “3corações” (a partnership between Strauss Coffee and Sao Miguel Holdings) to benefit both local women who grow coffee and their supportive communities. The aim of the program is to enrich the knowledge of coffee growers in Brazil and to enable them to expand their employment opportunities by utilizing the best practices in the field. The project includes educational elements: training videos for best practices and business management in the fields of coffee growing; training and development for enrichment and collaboration with other coffee growers; a financial grant given in cooperation with the Brazilian Special Coffees Association (BSCA); and an inspirational marketing campaign to encourage the purchase of coffee beans from the project. All profits are returned to the coffee growers so they can continue to invest

in developing their capabilities.

Due to the substantial success of the project since its launch in 2018, and the interest of new participants, the project continued into its second year. In 2019, too, tools for expanding knowledge were offered free of charge. Also, the competition for the best coffee growers in Brazil, in collaboration with BSCA, took place again, with approximately 600 growers participating. 3corações was able to offer bigger prizes and grants compared to the previous year, with over 100 of the participants winning awards of varying amounts, while the best business won a training package for two in Costa Rica.

The coffee of Project Florada is available for purchase, giving consumers a unique shopping experience and the power to make a positive impact and promote a sustainable supply chain in which consumers can trace the coffee production process they purchase.



Amazon Communities: Tribos

In 2019, 3corações launched another project: The Tribos Project, which focuses on the indigenous tribes of the Amazon Reserve in Brazil. Due to the difficulties of living in the Amazon, whether as a result of urbanization or because of environmental degradation and changes in their living areas, local tribes find it difficult to earn a living and to support themselves. As a result, the Amazon native population is turning to new employment solutions. The aim of the project is to provide these tribes with livelihoods by specializing in growing coffee beans.

The Tribos project rests on the three principles to which we are committed: helping the community, protecting the environment, and producing a quality product holistically. The project enables the tribal populations of the Amazon to acquire new tools, equipment and knowledge in order to grow high-quality coffee professionally. The program currently

focuses on the tribes of the State of Rondônia in Brazil and dominates over 200 acres in the Amazon forests. To express confidence in the quality and the positive impact, 3corações announced earlier this year that all the coffee it will buy in 2019 will come from crops sourced from the project.

In September 2019, there was a competition between the coffee makers, in which more than 400 indigenous farmers and their families participated. The competition was held in collaboration with social organizations, technology companies, government representatives, government companies and local authorities. The competition presented 64 high-quality coffee samples and awarded significant cash prizes for the winners, with the first three places winning prizes and the purchase of sacks of their produce. In addition to the traditional first places, the fourth and fifth places so impressed the judges in the competition that they were also awarded cash prizes due to the high quality of their produce.





David Nini, Growth and Innovation,
Strauss Group Headquarter

Creating Long-Term Value for Coffee Growers: “More than a Cup”

As one of the world’s largest green coffee buyers, Strauss is investing in strengthening its entire value chain, including supporting coffee growers’ communities in Africa, Asia and Latin America. By enhancing the capabilities of coffee growers’ communities, especially local women coffee growers, we help develop women’s skills and contribute to local prosperity, project by project. Strauss Coffee launched the More than a Cup (MTAC) initiative in 2016 as a strategic commitment. The initiative represents a collaboration between employees and managers of Strauss Coffee and professional aid organizations for the purpose of maintaining close contact with the women of the coffee farms. The aim of the project is to support coffee growers by improving farm infrastructure, investing in dedicated equipment and providing professional, managerial and financial training to farmers.

The local partnerships are created directly with local coffee growers and cooperatives. We communicate with each group individually in order to provide tailored support for the local need. By the end of 2019, MTAC already had 10 active partnerships in eight countries, reaching approximately 13,300 coffee growers and their families, helping them to earn a decent living in order to support their families and communities. In 2019, we established two new partnerships. The first is a partnership in Tanzania comprising 400 households and members of the coffee growers cooperative. The second is a partnership in Ethiopia comprising 1,500 households in two communities of coffee growers in the south. These two programs work to empower women: in Ethiopia by facilitating their daily tasks and in Tanzania, by addressing and assisting with gender issues. In Uganda, we have been able to offer agricultural training, equipment, materials, and funding for a gender equality program for 8,500 women.

(To read more about the project and its impact on the community, see the Section “Creating Value for Coffee Growers” on the complete report online website.)



Yael Getehon, Fresh Food, Karmiel



Innovations for the Plants with a Purpose Project

2019 is the third year of the Plants with a Purpose Initiative, Sabra's community project in a long-standing collaboration with Renew Richmond, a nonprofit organization that promotes healthy nutrition and food growing through urban agriculture. The project seeks to help U.S. residents manage a healthier, more conscientious approach towards food by offering a set of learning tools about how to grow fresh and high-quality food independently. The project's goal is to establish vegetable gardens in major urban centers, campuses and kindergartens, in order to strengthen the connections in local communities and offer products that are the result of communal activity.

Since May 2019, we have held 22 events for this project, involving 66 volunteers for a total of 460 hours. Events included lectures

on quality of life, community volunteering events and proper gardening training. In addition, this year we partnered with the Lewis Ginter Botanical Garden in the United States and donated money to schools in Richmond, Virginia and New South Wales, Australia.

As part of Sabra's community activities in the US during 2019 approximately 3,630 kg of various products were sold in local farmer's markets, where market visitors and Sabra workers and suppliers came to buy fresh food, and after the sale we donated the remaining products. In total, approximately 78.4 kg of local fresh produce were donated to the Chesterfield Food Bank. In Australia \$23,000 AUD were invested in the project, 780 seeds planted 780 and 940 students participated in the project.

3,630

kg of various products were sold in local farmers markets in the US during 2019

22

events were held since May 2019, involving 66 volunteers for a total of 460 hours

Committed to Protecting the Environment

As a responsible food and beverage manufacturer with a global footprint, we respect our natural environment and strive to minimize our effects on climate change and global resource consumption. We believe that we can continue to expand our business and meet our consumers' needs for healthy and nutritious products while controlling and supervising our environmental impacts. Our consumers, our employees and other stakeholders, expect us, as a responsible corporate organization, to care for our planet so that future generations can continue to thrive. For over a decade, we have taken public responsibility for our environmental activities, and we will continue to do so. We operate in accordance with an environmental management system and hold an ISO1400 environmental quality standard. On non-certified sites, we strive to work according

to the same environmental management standards. We believe that our relationships with local farmers, who use the highest quality cultivation practices and food safety practices that we have developed, allow us to use the best and highest quality vegetables and fruits available. The sustainability concept of agriculture produces quality raw materials for us, which are the basis for better, higher quality and tastier products for our customers. The positive impact of buying from local suppliers helps the local economy, diversifies the supply chain, and reduces the impact on the environment, for example, by reducing the transport distance of raw materials. It is imperative for us to raise our employees' awareness of the importance of protecting the environment. Employees whose jobs have an impact on our environmental performance undergo dedicated

trainings, which help them fulfill their duties while conserving resources and minimizing waste. The relevant managers at all Strauss Group sites are responsible for ensuring the implementation of environmental policies and practices, and monitoring the progress and performance within the field.

Further information regarding selected projects on the environment, our activities in the supply chain and the innovation we develop can be read on the complete report online website.

3%

Increase in energy consumption per ton of product in 2019

3%

Reduction in greenhouse gas emissions per ton of product in 2019

5%

Reduction in water consumption per ton of product in 2019

Rotem Darmon, Shoval
Shoshani, Communication
and Sustainability Unit,
Strauss Group Headquarter



88%

of waste recycled or
reused in 2019

NIS **39**
million

Invested in reducing our negative impact
on the environment in 2019

Avigail Musali,
Fresh Food, Strauss Israel

Selected Measures to Protect the Environment

Innovations for Sustainable Farming: The “Sustainable Farming” project

It is important for our consumers to know that we act responsibly and morally while producing their favorite products that are a part of their daily diet.

We at Strauss take responsibility for what happens in our cowsheds. In 2017, we mapped out the processes in our dairy supply chain and built the Sustainable Farming program aimed at improving the living conditions for cows and reducing the environmental impact of cowshed activity among partner dairy farmers. This plan included parameters that were gradually implemented in more than 50 farms supplying milk to Strauss Dairy in the north, and over 20 farms supplying milk to the Yotvata Dairy in the south. The program stems from the Dairy's 360 Responsibility for what happens in its milk suppliers' cowsheds and according to which the farms are required to meet a number of new and international standards. The primary requirement is establishing improved living conditions for the cows and treating them in such a way as to achieve their maximum well-being in an industrial setting.

In 2019, we invested over NIS 1 million in improving infrastructure and training for dairy farmers, with an emphasis on expanding the scope of Yotvata's milk suppliers. We are pleased to have succeeded in implementing over 90% of criteria, including the most complex ones, in all Yotvata's dairy farmers' cowsheds. This year, we have decided to engage with consumers extensively about our Sustainable Farming Program. We have set up a dedicated website that transparently presents the parameters of our program and their rate of application, while also setting goals for future follow-up. In addition, we have invited consumers to come and visit Yotvata's open cowshed to experience what is happening on the ground.

We are pleased to have succeeded in implementing over 90% of criteria, including the most complex ones, in all Yotvata's dairy farmers' cowsheds

Among the parameters of Sustainable Farming are:

Acquiring daily routine management tools according to the norms of "Conscious Dairy Farming," professionally accompanied by Dr. Sivan Lacker, founder of the Conscious Dairy Farming (Raftanut Muda'at) company

Raising calf in small groups resulting in reducing calf isolation time

Use of residuals from local grown crops as feed for the cows

Replacing the Freeze Burn technique with smart collars

Upgrading cows' medical treatment

Upgraded cooling methods for the cows

Hoof trimming for every cow as needed

Gradual drying of milk outputs when cow not being milked

Increase the frequency of cowshed hygiene procedures

Wastewater treatment, greenhouse gases and shift towards solar energy activity

Reducing antibiotic use by treating only when needed and not as a routine procedure



All parameters are based on international research, UN-recommended norms and ongoing changes in industrial cowsheds led by international milk producer unions. When applying the new standards, we realized that the change not only enables us to meet our moral responsibility for comprehensive action for the benefit of cow welfare and the reduction of environmental impact, but also provides business benefits to dairy farmers, as cows are healthier and may even yield more milk as a result of the new standards.

We see the Sustainable Farming program as a process that needs continuous improvement. We have shown exceptional process improvement from the beginning of operation, and we are committed to enhancing and activating some of our future plans:

- **Cow Welfare:** In 2021 we are planning to start a pilot in one cowshed involving the separation of calves from the cow, and allowing the cow and calf to live together until the weaning phase;
- **Environment:** By the end of 2020, we will pilot electricity generation and energy production independently from our treatment of agricultural waste and cowshed waste in order to maintain environmental protection;
- **Transparency:** By the end of 2020, we are expected to start a pilot for transparent public activities in dairies by placing online cameras in the cowsheds which will provide real-time photography and broadcasting.

(For more information, see the "Sustainable Farming" Section on the complete report online website or the Sustainable Farming website).

Packaging

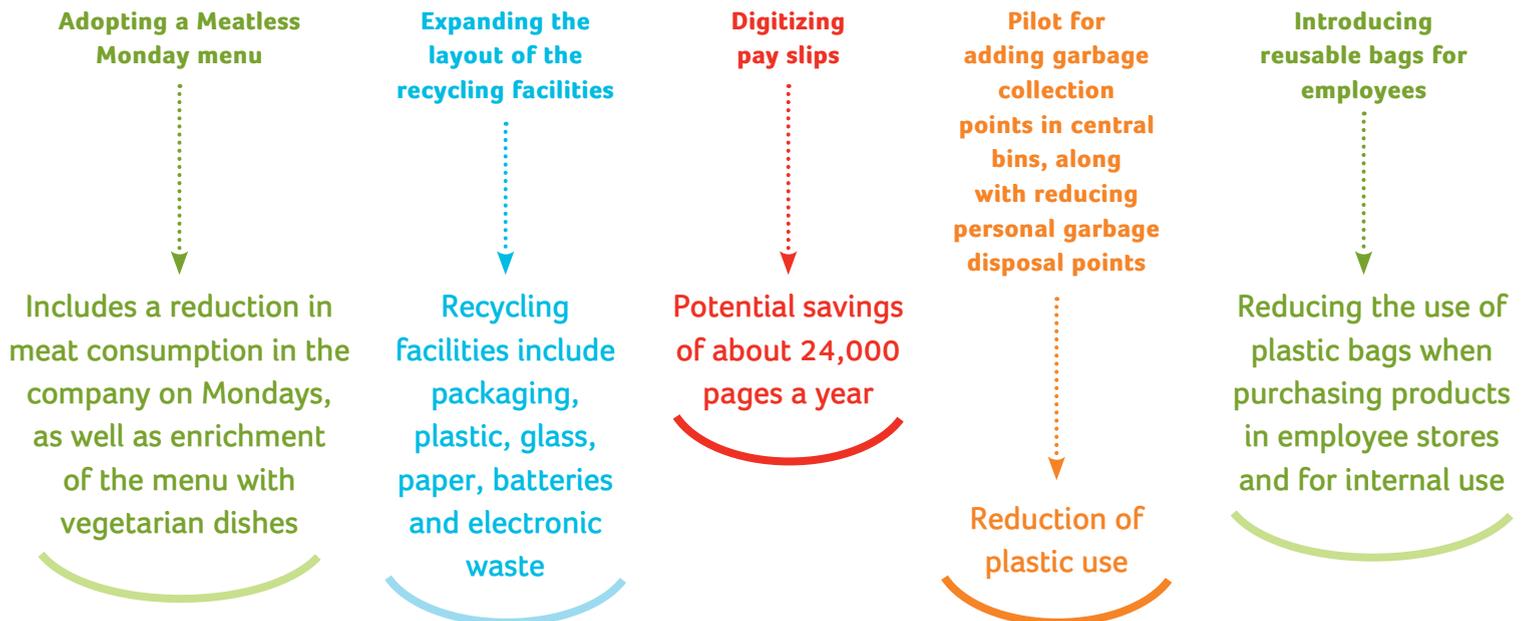
Strauss acknowledges its responsibility for handling and reducing the packaging waste it produces. Recognizing the importance of the issue, we are working and keeping current with international forums, local conferences and within Strauss on methods that can help us streamline and further reduce our impact. We are aware of all the benefits and challenges that packaging handling presents. An important aspect of packaging treatment is the recycling infrastructure issue in the countries in which we operate. In Israel, for example, the company reports regularly in accordance with the Ministry of Environmental Protection's requirements for packaging waste and supports the local recycling

organization, TAMIR, which manages this waste. We make sure to keep updated regarding existing and future technologies, in order to be able to further improve the way in which we manage our waste, given improved treatment facilities. Another challenge we face is the meeting the goal of maintaining the ratio of packing size to the optimal amount of consumption. Enlarging the packages may help reduce packaging waste, but may result in greater waste of food. Therefore, we understand that a comprehensive response is needed, which will take into account various considerations, such as: the size of the package versus recommended consumption; packaging material which, on the one hand, keeps the

food tasty and fresh and helps prevent food waste, and on the other hand is made from recyclable and environmentally friendly materials; and more. Rising consumer awareness enables us to collaborate with the public and work together with consumers to develop a packaging cycle at the consumer level. In 2019 a dedicated action team on packaging and its treatment was been established. This team is working to explore innovative and breakthrough ways to reduce packaging waste and improve packaging management at manufacturing plants as well as the packaging of our products.

Green Office: Strauss Goes Green

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 working methods for the benefit of employees and the environment:





Adopting the use of recycled printer and copy paper



Resulted in a reduction in the use of about one million printer and copy papers



Adopting the use of reusable mugs



Resulted in saving approximately 245,000 disposable cups for hot drinks



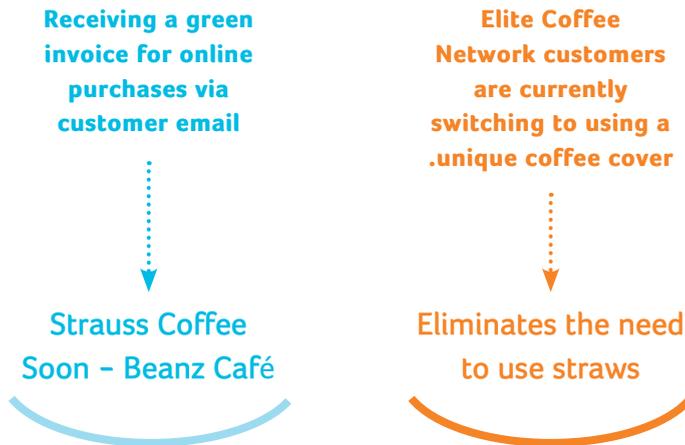
Itamar Haskal,
Strauss Water



Tomer Itzhak, Confectionary
Department, Strauss Israel

And what about the customers?

Examples of measures taken in Strauss Coffee Israel:



Packaging has been reduced at the Beanz Café brand, saving seven grams of cardboard per unit. Beanz has also introduced eco-accessory products and reduced the amount of CuPZ magazine hard copies.

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.

Establishing a Global Environment Community

As part of the company's efforts to significantly improve its environmental impacts and activities, we have examined the internal processes that can be improved in order to achieve significant results in organizational culture, alongside the unification of all companies that can result in a great leap forward. It was found that establishing a global environment community among company employees would assist in sharing knowledge and advancing the goals that the companies seek to undertake.

In 2019, we began the planning of the Strauss environmental community, with the aim of unifying the sustainability representatives responsible for environmental aspects of all Strauss companies in order to achieve uniform intersecting activity. Planning of the program began in July 2019, and its ongoing activities are expected to begin in 2020. Among other things, the program will include virtual activities of work teams regarding packaging, energy, water and wastewater. Teams will work through collaborative learning, sharing accumulated knowledge, in order to formulate an organizational map that will help achieve the Group's goals. In addition to the activities of the professional and limited environment community, other management members involved with environmental issues receive a monthly newsletter and hold meetings to generate a vigorous discussion about advancing the company in the areas of sustainability, knowledge sharing, mutual growth and joint work to achieve the company's goals.

Practice Good Business

As a global company that employs over 16,000 employees and sells products in more than 22 countries, we are committed to ensuring that our business operations in the world are conducted according to the highest ethical standards. We make sure to comply with all applicable laws and regulations that apply to our operations in all countries where we operate. We also adhere to our organization's internal standards.

50%
of the Board of Directors
are women

At the end of 2019, the Strauss Group's Board of Directors had 12 members, of whom six are women (50%). The members of the Board of Directors are constantly updated on the Group's activities and are well-versed in our operations and business situation, so that they can effectively contribute to value creation for the Group and for its long-term stakeholders. In addition to the Board of Directors, in recent years we have held varied discussions with our key stakeholders, aiming to understand their expectations, and their perspective on the areas that affect their trust in us. We asked about topics such as nutrition, healthy lifestyle, cost of living and diverse employment. As part of this discourse, we asked about our conduct and whether we are addressing their expectations and needs. Striving to provide

a satisfactory response to all our stakeholders, we have worked to improve our activities in all areas of the company, including corporate governance. In 2019 no hotline inquiries were received. We work according to our Code of Ethics, which is available in 11 languages and guides all employees regarding the behavior expected of them as part of the Strauss Group. All employees undergo a yearly training on the implementation of ethics principles within the Group.

Procedures Refreshment

During 2019, we formulated a series of policy documents expanding on the company's commitment to material issues as part of our ongoing commitment to transparency and trust with our stakeholders. The company's new policy documents present our position statements 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, community investment, animal welfare and updated policies about prevention of bribery and corruption, and protection of privacy.

As a result of these new policy documents, we have updated and formulated a set of supporting procedures on a number of issues, such as the Policy for Whistleblower Protection in the Organization, which complements our update of the hotline reporting mechanism. In addition, procedures for

employee behavior on social media were defined, and donation and volunteer policies as Strauss Israel were updated.

For more information on the new policy documents, see "Strauss Conventions" on the company's website.

Creating Impact through FoodTech Innovation

It is through innovation that we are able to deliver diverse food and beverage solutions that provide real value to the consumer 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 Group as a 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 business growth. 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:

1.

Brand Innovation:

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.

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 emerging technologies, new raw materials, and new production methods.

2.

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.



Reuven Tourjman, Fresh Food, Karmiel



The Kitchen

Our incubator, The Kitchen, was founded in 2015 in collaboration with the Chief Scientist of Israel, and since then has been a warm and productive home for various projects across all FoodTech ranges, from healthy food substitutes to innovative ingredients that maintain the quality of food we consume. In 2019, we saw further progress and maturation in the FoodTech incubator activity, which has greatly assisted companies in innovation development in the field, with a focus on companies that reduce the use of animal products and that improve environmental impact.

Aviram McKunan,
Strauss Coffee, Lod

One of the benefits for Strauss's incubator companies is the international connections that it helps them generate with the Group's international partnerships, alongside a wide range of opportunities for partners and investors from all over the world. In doing so, the incubator opens doors for recruitment and investment companies that would not have been possible without the extensive relationships that Strauss offers. For example, the incubator's graduates end their period in the program with achievements in recruiting investors, each in its own field, and each one of them is a local and groundbreaking success story. In 2019, The Kitchen incubator continued to create value for its portfolio companies through investor support in continuing investment and helping companies reach the market. For example, Zero Egg, which developed a vegan egg liquid substitute, started a pilot in a large U.S. fast food network, through which it raised an investment. Another example is Yofix, which produces non-dairy milk substitutes, and received an investment from the German milk giant Müller. Amai Protein also began raising \$10 million to expand its operations, and Aleph Farms raised \$11.7 million to bring the product into the market over a three-year period, with Strauss also in this project as part of its vision of supporting start-ups for better food.

Here are extended examples of three startups that have grown in the incubator, and their activity in 2019:

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.

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 Citrusuco, the world's largest orange juice maker, and is set to launch a pilot in Citrusuco's plants in Brazil in 2020. Aleph Farms

Aleph Farms

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 meat 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.

(For further reading on The Kitchen, please visit the complete report online website.)

Doing Well by Doing Food

In 2019, the seventh annual FoodTech IL conference for the global innovation community was entitled "Doing Well by Doing Food." The conference involved more than 1,500 people from 45 countries: entrepreneurs, businesspeople, academics, public figures, researchers and many more. This is one of the largest and most significant FoodTech events in the world, with 55 startups participating. During the conference, more than 600 meetings were held between investors and startups, leading to significant exposure of groundbreaking Israeli technologies to the international community.



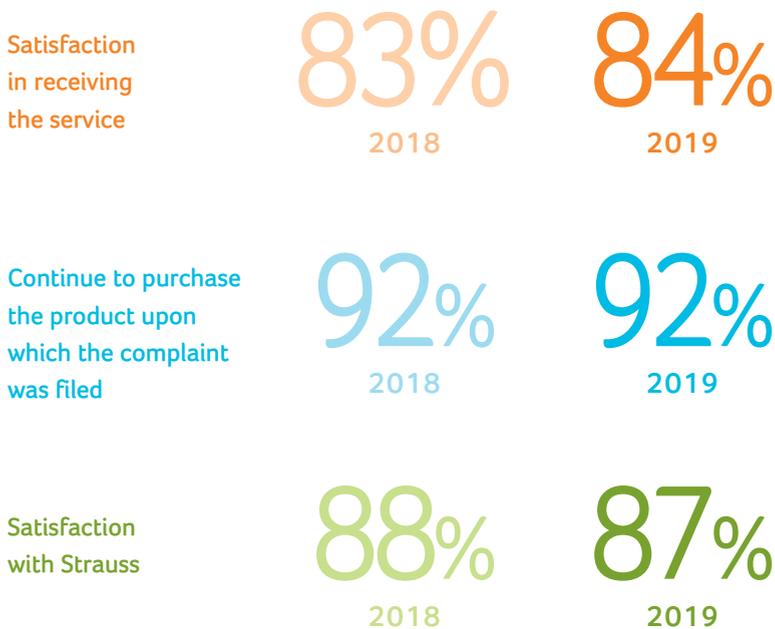
Ongoing Improvement in Customer Service

Reliable and accessible customer service is an important part of building and maintaining customer trust. The various companies in the Group work with a very wide range of customers, from large wholesalers, through local and international retailers, to small stores. We also serve consumers directly in some areas: for example, at our booths or coffee shops in Israel or around the world and in Strauss Water, which provides products and services directly to consumers. In addition, we provide comprehensive service to consumers at our service centers, where we handle their inquiries and

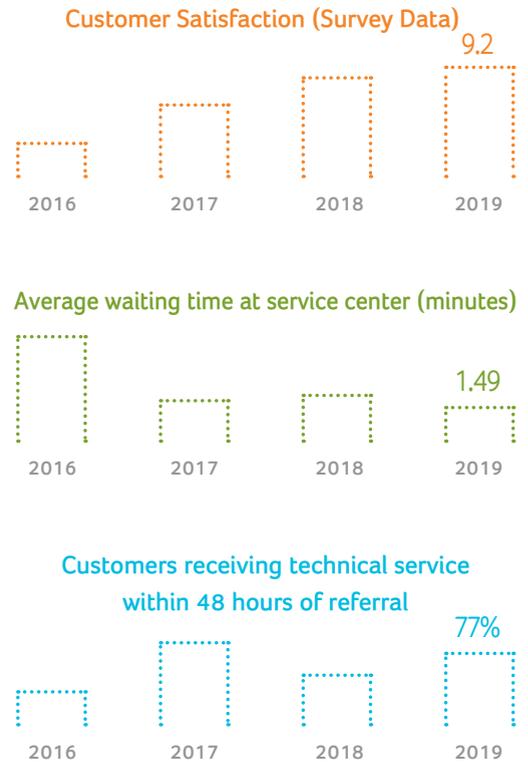
respond to their complaints and concerns. We always strive to provide the highest quality service to all our customers and consumers. In 2019, 1,505,407 inquiries were received by our customer service. During 2019, we established a consumer service area within the Strauss Israel website. On the website you will find over 500 frequently asked questions, special landing pages for product information search, product search options at points of sale and accessible contact forms. Over the years, we have tried to enable our customers to reach us with every question, concern or complaint, with

the utmost ease in a variety of ways: phone, email, direct chat or text message to representative and social media. Also, in 2019, we completed a process of closing the customer care circle. As part of the new process, we update the consumer personally and regularly on how the inquiry is being handled, and provide notification when the inquiry is closed. We continue to measure the satisfaction of consumers who contact the service centers through a Satisfaction Survey. The following are notable results for 2019:

Service Indices, Strauss Israel



Service Indices, Strauss Water



(See the Customer Service website for more details: <https://www.strauss-group.co.il/service/>)



Ahmad Sarhan, Fresh Food, Karmiel

Maintaining Food Safety Standards

Our ability to ensure better and healthier food for consumers rests on our responsibility for the highest quality and safety. All the food we produce, distribute and market is subject to the regulations in all the countries in which we operate. During the year, seven food safety assessments were conducted in Strauss Israel by an international company which we invited voluntarily to ensure that the company was meeting pre-determined standards. These tests involved examining operational processes, cleaning, maintenance and pest control, and helped us to make continuous improvements regarding these issues in factories.

Working with growers to improve the safety of fresh food: In Israel, we purchase most vegetables for our fresh salads and packaged fresh produce from local farmers. We maintain strict food safety standards and quality standards by conducting tests at all stages of growing, supplying and processing the salads and vegetables and implement three-step quality assurance: at the receiving, processing and distribution stages. We are working closely with our growers to implement safety standards, and in 2019, we applied enhanced work practices while working with farmers, with the help of a dedicated applet for managing our interaction with the farmer. The

information managed in the applet is generated to the foreman and the agronomist, resulting in a concentrated, clear and informative desktop where all growers and vegetables can be viewed, thus ensuring the safety and quality of the product.

(To read about more examples of advances in food safety, please refer to the section "Maintaining Food Safety Standards" on the complete report online website.)

A photograph of Avaham Golavri, a middle-aged man with glasses and a dark polo shirt, smiling and holding a white cup of coffee with a latte art design. The background is plain white.

Avaham Golavri,
Logistics, Strauss Israel

About this Summary

This booklet is a summary of the Strauss Group's full Sustainability Report for 2019. The full report contains reporting in accordance with the Global Reporting Initiative (GRI) standards and the annual communication of the United Nations Global Compact Initiative, of which we are a member.

For more information about the report, you can refer to the complete report on the online website. For information on the relevant GRI reporting metrics, please consult our centralized reporting on the website.

The boundaries of reporting remain unchanged and include all of the Strauss Group companies under its operational control, including joint ventures reporting full entities. No material restatement was performed. Minor adjustments made are noted next to the data as they are shown.

This summary, as well as the 2019 Sustainability Report, are not part of the Strauss Group Financial Statements, Immediate Reports, or Periodicals. In the event of a discrepancy between what is stated in this report and the aforementioned reports, the wording in the financial statements is the binding one.

Thank you for your interest in this report and we would love to hear from you.

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