

Colleagues, Consumers, Citizenship.



COLLEAGUES, CONSUMERS, CITIZENSHIP.

STRAUSS GROUP
SUSTAINABILITY
REPORT

2014

10 STRAUSS GROUP AT A GLANCE

06 FROM OUR LEADERSHIP

04 FROM OUR LEADERSHIP

09 SUSTAINABILITY STRATEGY 2020

07 SUSTAINABILITY STRATEGY 2020

09 PERFORMANCE AGAINST OUR STRATEGY IN 2014

10 COLLEAGUES: OUR FIRST DEGREE OF IMPACT

- Progress against our strategic commitments 12
- Overall colleagues performance summary 14
- Employee engagement 15
- Employee development 18
- Employee safety and wellbeing 20

22 CONSUMERS: OUR SECOND DEGREE OF IMPACT

- Progress against our strategic commitments 24
- Understanding consumer preferences 26
- Meeting diverse food needs 31
- Innovating for healthy lifestyles 34
- Engaging consumers in healthy lifestyle activities 38

44 CITIZENSHIP: OUR THIRD DEGREE OF IMPACT

- Progress against our strategic commitments 46
- Sustainable supply base 47
- Environmental impacts 52
- Environmental innovation 56
- Strauss in the community 59

62 2014 SUSTAINABILITY PERFORMANCE DATA TABLES

64 UN GLOBAL COMPACT

66 GRI G4 CONTENT INDEX

ABOUT THIS REPORT

This is Strauss Group's eighth annual Sustainability Report and it describes our approach to sustainability and the key actions we have taken during 2014 to advance responsible and sustainable practices in our global business against our strategic commitments and 2020 targets.

Data in this report relates to the 2014 calendar year unless otherwise stated. Our last report was published in 2014, covering data from 2013. The selection of content for this report was driven by

our materiality assessment which was revised in 2013, and our 2020 Sustainability Strategy. Both our materiality assessment and Sustainability Strategy were developed using feedback and insights from stakeholders, especially employees, consumers and a wide range of food and health professionals.

This is our second report that is written in accordance with the Global Reporting Initiative (GRI) G4 sustainability reporting guidelines (core option). GRI is a not-for-profit, multi-stakeholder organization which

acts to increase the level of business transparency through sustainability reporting. The G4 guidelines are considered to be the most advanced sustainability reporting framework available today, used by many of the thousands of companies that publish annual sustainability reports. This report also complies with our commitment to submit an annual Communication on Progress to the UN Global Compact.

This report adopts the principles for defining report content set out in the G4 guidelines. These are:

Materiality (the issues most important for our long-term business growth and which are of most importance to stakeholders), **Stakeholder Inclusiveness** (responding to stakeholder expectations and interests), **Sustainability Context** (presenting our performance in the wider context of sustainability issues) and **Completeness** (inclusion of all the information that reflects significant economic impacts in order to enable stakeholders to assess our performance).

We do not seek external assurance for our report. Instead, we rely on the integrity of our robust internal scrutiny and auditing of our data monitoring and collection processes. Additionally, external consultants and reporting experts assist in our report preparation and challenge our data where relevant prior to finalizing our published disclosures. **Additional information about Strauss Group and companies within the Group can be found on our global corporate website, www.strauss-group.com.**

Thank you for your interest in this report. We welcome your feedback and suggestions for future reporting. Please contact our Global Sustainability Director:

Daniela Prusky-Sion
daniela.sion@strauss-group.com

MESSAGE FROM OUR LEADERSHIP



For us at Strauss Group, the choice to run our business on the basis of values of sustainability, ethics and transparency is a way of life, part of the way we do business and the cornerstone for building trust with all our stakeholders. Our 8th Sustainability Report, which we are proud to present, illustrates the progress we have made in managing the environmental, social and economic impacts of the Group and its business operations.

The role that business plays in the lives of people is evolving continuously. As businesses return to basic values, the perceptions of the business world held by the various stakeholder groups – those groups which influence and are influenced by our activities – are changing too. And as perceptions change, so do expectations. The expectations of our consumers, investors, partners, customers and suppliers for transparency, for better service and products and for an economic contribution are rising from one year to the next, and they are constantly demanding that we become better, and do things better. At Strauss, we perceive our main role as improving the quality of people's lives, as quality of life and wellbeing are made up

of many elements. It starts with our influence on people's dietary lifestyles but expands to include our influence on the value chain as a whole. Influence through employment, through the messages we communicate in our advertising, through our pricing policy, through making our products accessible to population groups with special needs, and more.

In addition to managing all of our impacts, we at Strauss have chosen to focus our efforts on the advancement of two key aspects: The first is gender balance, diversity and inclusion. We are promoting this perception within the Group in our recruitment, employment and promotion policies, while simultaneously investing efforts in furthering dialogue and the issue outside of the Group through building partnerships with social organizations and other business firms taking action to promote equal opportunity, diversity and economic empowerment, particularly of women. The second is improving people's lives by investing in innovation, entrepreneurship in food-related areas in a way that will help the entire food industry in Israel, and even in the world, to benefit from new solutions and better products, first-rate, available technologies, and

food tech entrepreneurship that will benefit food manufacturers as they seek to provide a response to future demands for good food. As a result, together with the Chief Scientist in Israel this year we launched a food tech incubator, which will serve as a home for food tech entrepreneurs or entrepreneurs engaging in technologies that support the food industry.

In addition, as an international Group we are continuously working to align our management practices with the expectations of our stakeholders. We are investing in the development of our Company in sustainable channels as we continue to cultivate our roots, which are deeply implanted in the values of our founders. This sustainability report reflects our commitment to improving people's lives, as our vision statement declares. I view it as yet another milestone on the journey we have undertaken.

Ofra Strauss,
Chairperson

I am proud and honored to present Strauss Group's eighth annual Sustainability Report, which covers all of our operations worldwide. This report is part of our perpetual commitment to maintaining transparency as far as our global businesses' impact on society, the economy and the environment is concerned, and I am proud that each year, we have succeeded in making yet another great stride in the quality and applicability of our reporting practices.

Businesswise, in 2014, the year covered by this report, Strauss Group maintained a stable international position with sales of more than \$2 billion and a global team of more than 14,000 people.

We continue to observe three broad consumption trends that guide much of our product development and marketing efforts: convenience products that offer quick, high-quality and time-saving nutrition solutions to be consumed anywhere; health and wellness products, with an emphasis on improving the taste of healthy foods, providing a response to the growing demand for low-sugar products,

as well as products that integrate special dietary needs such as gluten-free; and fun and indulgence products that provide moments of enjoyment that, even as part of a healthy, nutritious lifestyle, consumers do not want to give up.

Our Sustainability Strategy for 2020 sets bold targets for Strauss Group while committing us to do more as we conduct our business in a responsible and sustainable manner.

We are driving resource efficiencies, investing in our people, supporting food industry innovation and engaging with consumers in ways that were never possible in the past. We understand that we are still at a relatively early stage in our journey and that much needs to be done to integrate new ways of working throughout our entire group. Strauss Group includes diverse businesses with different operational models, and gaining alignment within our strategic direction from the aspect of sustainability means that in some areas we are moving more slowly than we would like, while in others, we have made good progress. This Sustainability Report is the reflection of

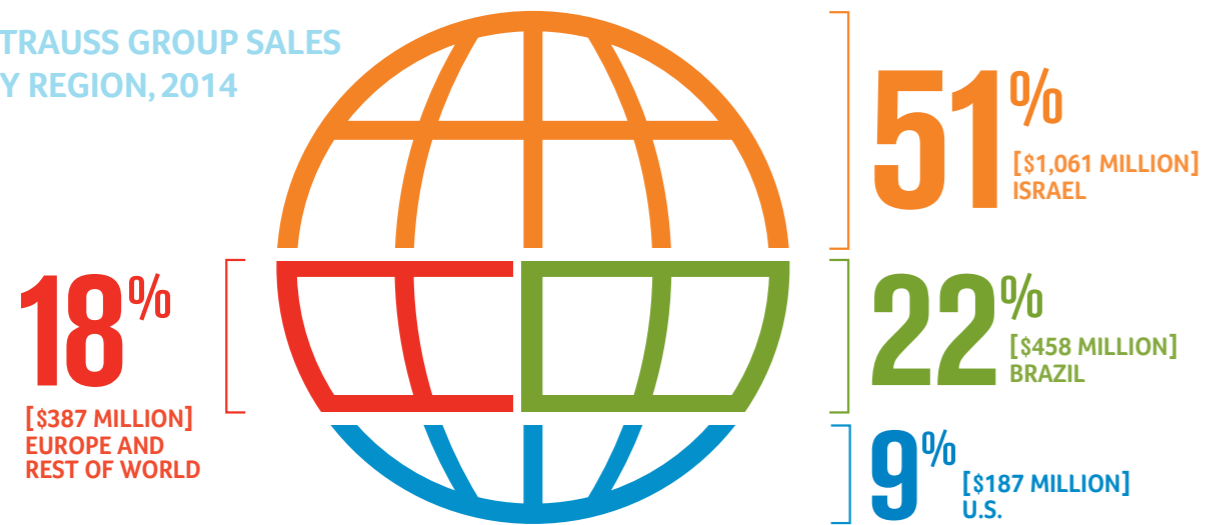


the commitment of our Board of Directors, Group Management and our executive teams around the world to driving sustainable practices throughout the Group.

Gadi Lesin,
Chief Executive Officer, Strauss Group

STRAUSS GROUP AT A GLANCE

STRAUSS GROUP SALES
BY REGION, 2014



Strauss Group is a food and beverage company, dedicated to enriching and improving people's lives through our fresh, delicious, nutritious, and innovative products. Our portfolio of five companies provides a response to two leading trends in food and beverage consumption: Health & Wellness, and Fun & Indulgence. We are headquartered in Israel, active in 24 countries, and, in 2014, Strauss Group generated \$2,093 million in consolidated sales.

We employ 12,792 direct employees, and indirectly provide employment and economic opportunity for many contracted employees, franchisees, independent distributors and thousands of business partners and suppliers around the world. Strauss Group is traded on the Tel Aviv 25 Index, which

includes Israel's largest public companies, and earns an AA+ credit rating from Ma'alot, a Standard and Poor's affiliate. Our brands include market leaders in several countries and categories and improve the lives of millions of consumers each day.

At Strauss Group, we have always placed great value in partnerships, believing them to be a sustainable platform for expanding our offering for the benefit of our consumers around the world. We partner with respected, leading-edge multinational corporations such as Danone, PepsiCo, Haier, Virgin and TPG, and with local leading players such as Sao Miguel, Yotvata and Yad Mordechai, to deliver quality, innovative products which offer healthy choices and contribute to sustainable lifestyles.

51%
[\$1,061 MILLION]
ISRAEL

22%
[\$458 MILLION]
BRAZIL

9%
[\$187 MILLION]
U.S.

STRAUSS VISION
CREATING WONDERS
OUT OF BASICS

STRAUSS VALUES
CARING AND DARING

PASSION AND
RESPONSIBILITY

TEAM

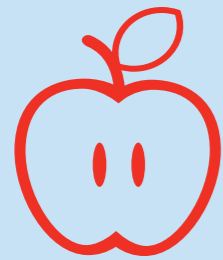
SUSTAINABILITY STRATEGY 2020



In 2013, we introduced our Sustainability Strategy 2020 that was founded upon a set of core material impacts identified through extensive stakeholder engagement. In this report, we share our progress and performance in this first year of our strategy implementation.

Our Sustainability Strategy 2020 has two main building blocks: degrees of impact and levels of performance. Degrees of impact reflect the progression of our impacts on different stakeholder groups and the degree to which we are in a direct position to create positive value. This starts with the most direct relationship we have with our own employees – colleagues – through whom we are able to reach all our other stakeholder groups – consumers and society in general. In three priority areas, consumer wellbeing, employee wellness and supplier diversity, we aspire to achieve leading performance in line with the best that can be expected of an international company in our sector. Each area of our strategy is backed by specific objectives and targets. Our first year performance is described in the three main sections of this report: colleagues, consumers and citizenship. In some cases, we are still developing our longer range plans to deliver against our objectives and data is not yet available regarding our performance. Some targets have been modified since we first published our strategy in 2013 to reflect improved planning as we start to measure our performance.

THE SIX MATERIAL IMPACTS THAT FORM THE FOUNDATION FOR OUR SUSTAINABILITY STRATEGY 2020 ARE:



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.

PERFORMANCE AGAINST OUR STRATEGY IN 2014

KEY



ON TRACK



IMPROVING



WORK IN PROGRESS

STRATEGIC COMMITMENT	BASELINE YEAR (2013)		2014 RESULT	PROGRESS
Achieve a rate of 50% of global management positions held by women by end 2020.	39%		40%	
Engage more employees in wellness and wellbeing activities throughout the organization.	Data is not available for 2014. Each Strauss Group subsidiary currently develops local plans for employee wellness and data is not collated globally. We expect to report performance against a new plan in 2016.			
Maintain employee engagement above 80%.	Our next engagement survey will be in 2015.			
Reduce work injury rate to no more than 3 injuries per 100 employees by 2020.	4.46		3.35	
Reduce lost days due to injury rate to no more than 40 lost days per 100 employees by 2020.	91.48		65.32	
Improve consumer wellbeing through increased sales of products with a healthy lifestyle advantage by 15% by 2020.	These targets require a step change in our performance and the establishment of global plans, measurement systems and data collection infrastructure. This process started in 2014 and is likely to continue through 2015. We expect to have data available in calendar year 2016 and will report progress in our 2016 Sustainability Report.			
Offer more product variants to meet specific dietary needs in our top 10 selling brands by 2020.				
Engage consumers in healthy lifestyle activities through each Strauss Group company, reaching 10 million consumers by 2020.				
Meet all regulatory requirements in all markets.	We incurred no significant fines or regulatory sanctions in 2013 / 2014.			
Continuously improve our accessibility and service level for customers and consumers.	85% of consumers confirmed our service is excellent or very good in response to their queries in 2013.		83% of consumers confirmed our service is excellent or very good in response to their queries in 2014.	
Engage in a global strategic flagship social partnership, with a multi-year commitment to improve healthy lifestyle practices.	These targets require a step change in our performance and the establishment of global plans, measurement systems and data collection infrastructure. This process started in 2014 and is likely to continue through 2015. We expect to have data available in calendar year 2016 and will report progress in our 2016 Sustainability Report.			
Increase spend with women-owned suppliers and increase the number of women-owned suppliers by 15% by 2020 (2014 baseline).				
Increase sustainable sourcing of top 5 global food ingredients by 15% by end 2020.				
Operationalize at least three significant innovative product technologies that improve sustainable and healthy lifestyle choices by 2020.				
Reduce consumption by 15% per ton of product by end 2020.	Energy	3.78	3.49	
	Water	3.54	3.12	
	Packaging materials	0.106 (2014)		
Reduce greenhouse gas emissions per ton of product by 15% by 2020.	0.39		0.30	
Reduce landfill waste per ton of product by 15% by end 2020 (baseline 2015).	0.025		0.032	

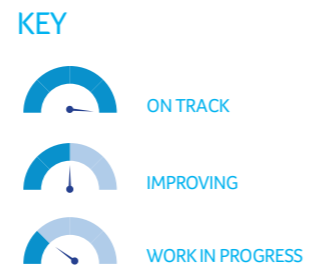
COLLEAGUES:






OUR FIRST DEGREE OF IMPACT

We seek to make a positive difference in the lives of our employees, so that they will be empowered to contribute to our success. We do this by creating an inclusive workplace, investing in personal and professional development, health and wellbeing and ensuring a vibrant open dialogue within the company. We believe that our investment in providing an empowering, values-based workplace will translate into improved second and third degree impacts – the way employees support consumers and customers and our overall citizenship objectives.



PROGRESS AGAINST OUR STRATEGIC COMMITMENTS



STRATEGIC COMMITMENT	BASELINE YEAR(2013)	2014 RESULT	PROGRESS	G4 INDICATOR
Achieve a rate of 50% of global management positions held by women by end 2020*.	39%	40%		G4-LA12
Engage more employees in wellness and wellbeing activities throughout the organization.	Data is not available for 2014. Each Strauss Group company develops local plans for employee wellness and data is not yet collated globally. We expect to report performance against a new plan in 2016.			
Maintain employee engagement above 80%.	Our next engagement survey will be in 2015.			G4-LA1 G4-LA10 G4-LA11
Reduce work injury rate to no more than 3 injuries per 100 employees by 2020.	4.46	3.35		G4-LA6
Reduce lost days due to injury rate to no more than 40 lost days per 100 employees by 2020.	91.48	65.32		G4-LA6

* Data excludes operations in Brazil for 2014 due to change in management grading system.



OVERALL COLLEAGUES PERFORMANCE SUMMARY

HUMAN RESOURCES	G4	UNIT	2012	2013	2014
Total employees at year end	G4-10	Number	12,182	12,556	12,792
Employees on permanent contracts		%	98%	95%	96%
Temporary contract employees		%	2%	5%	4%
Employees covered by collective bargaining agreements	G4-11	%	47%	46%	49%
Women in total workforce	G4-LA12	%	43%	41%	40%
Women employees in management positions		%	38%	39%	40%
Employees below age 30		%	32%	44%	30%
Employees aged 30 - 50		%	55%	46%	57%
Employees above age 50		%	13%	10%	13%
Employee new hires	G4-LA1	Number	3,670	4,345	3,737
Employee leavers		Number	4,113	4,147	3,539
Employee turnover		%	34%	33%	28%
Employee performance reviews	G4-LA11	%	18%	26%	27%
Salary ratio of women to men (managers)	G4-LA14	%	100%	96%	97%
Salary ratio of women to men (non-managers)	G4-LA13	%	87%	86%	93%

SAFETY	G4	UNIT	2012	2013	2014
Number of injuries	G4-LA6	Injuries	581	529	406
Number of lost days due to injury		Days	12,787	10,855	7,915
Number of absenteeism days		Days	N/A	N/A	76,876
Injury rate per 100 employees		Rate	4.96	4.46	3.35
Lost day rate per 100 employees		Rate	109.24	91.48	65.32
Absenteeism rate per 100 employees		Rate	N/A	N/A	4.31

EMPLOYEE ENGAGEMENT

Employee engagement is important to our business as our employees are the first point of contact with our customers and influence the impact we have on consumers through our products and diverse activities in our markets. We aim for a culture where employees align with our organizational values, including sustainable and responsible business practices, and go beyond expectation to deliver the best outcomes for our stakeholders. Employee engagement embraces an open and caring culture, employee recognition and acknowledgement and our aim to achieve a diverse and inclusive organization. Each of our Strauss Group companies implements plans to support employee engagement and our Sustainability Strategy includes employee engagement and gender diversity targets.

50%

Our global target for women in management positions in Strauss Group.

40%

In 2014, 40% of management positions were held by women.

ENGAGEMENT THROUGH ADVANCING WOMEN

In 2012, we launched a group-wide program with a goal of reaching gender balance in our management levels with a target of 50 percent women in management. During 2014, our working groups focused on identifying potential women managers and developing specific development plans for them. In 2014, for example, this included a new leadership program with 40% participation of women managers. In 2015, these women managers are participating in a mentoring program with additional training support. In addition, we continued to define and analyze trends in our management data to identify new opportunities, improve career and succession planning to maximize opportunities for women and revise our recruitment guidelines to ensure women always have equal opportunity. In addition, we incorporated our actions to advance women in reviews to the Boards of all the companies in Strauss Group. They have all confirmed this is an essential element of our sustainable organizational development.

Noga Segev Nadir, Talent Management Director, Strauss Group

ENGAGEMENT WITH DIVERSITY IN STRAUSS ISRAEL



Creating a truly diverse organization is a long-term and ongoing effort. There are communities that have traditionally not gained full representation in Israeli companies for a range of reasons. Our focus has been to target advancement of three groups that we believe deserve improved representation, including opportunities for promotion to management, in our company: women, members of the orthodox Jewish community and employees from the Arab community in Israel. We have realized that diversity does not happen by chance – we need to be proactive. In 2014, for the first time, we set ambitious targets for hiring and promoting women, orthodox Jews and Israeli Arabs. We made some headway, though we fell short of the targets we set ourselves which was disappointing. We continue our efforts to adapt the organization to ensure we give full and equal opportunity to all our employees while making the necessary adjustments to accommodate individuals from different backgrounds.



Fami Hay Yosef, Director, HR Shared Services, Strauss Israel

40 Employees who are practising orthodox Jews

12 Managers from the Arab community in Israel



DIVERSITY AWARD



הפורום הישראלי לגיוון בתעסוקה
 المنتدى الاسرائيلي للتنوع في سوق العمل
 THE ISRAELI FORUM FOR DIVERSITY HIRING
 מיסודה של חברת גוינים ישראל

In 2014, Strauss Group was honored to receive the inaugural Dov Lautman Diversity Award for our commitment to promoting workplace diversity. The award was made by Maala (Business for Social Responsibility) and the Israeli Forum for Diversity Hiring, noting the way Strauss advances women in management and creates opportunities for underrepresented populations such as the orthodox Jews and the Arab communities in Israel.

ENGAGEMENT THROUGH LEADERSHIP AT STRAUSS WATER



Following our 2013 organizational survey, in 2014, we addressed concerns that were expressed by employees relating to leadership, communications and involvement. While our overall engagement is strong and reflects the confidence employees have in Strauss Water's business potential, we recognized the opportunity to do more. Improving the connection between our leadership capabilities and the day-to-day engagement levels of our employees was the key to our plan of action. We focused on building the skills of senior level managers in targeted programs to reinforce leadership capabilities. An example of this was a cross-organizational CEO-led program that involved managers so that they acquire new skills while delivering tangible benefits to the business.

Ayelet Shrem, Global Organizational Development Director, Strauss Water

86%

Employee engagement at Strauss Water (2013 survey)



EMPLOYEE DEVELOPMENT

As our business is constantly developing and growing, so our employees must constantly adapt, learn and develop in our dynamic business environment. We support the development and growth of our employees so that they can contribute at their best and continue to find new challenges in their work. At the same time, we maintain an agile organization that can meet new challenges and demands from our markets.



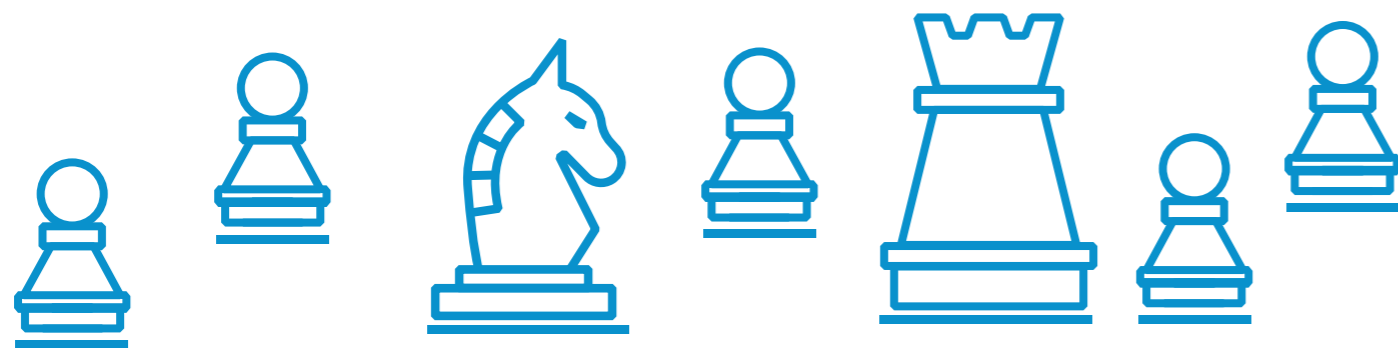
25

DEVELOPING LEADERS

Future Strauss Group leaders participated in a nine-month program to help them realize their leadership potential.

"We continue to invest in embedding the new leadership and core competency model (MOVE: "Me, Others, Vision, Execution") that we introduced in 2013 throughout Strauss Group. Organizational change takes time to evolve, and each year, we reinforce our commitment and advance our program in different ways. In 2014, we completed a new leadership program for the development of 25 future Strauss leaders over a period of nine months. The program included diverse tools and techniques such as workshops, 360 degrees evaluation and mentoring. The program also devoted significant time to our Strauss values and the way our values are embedded in the way we work. Alongside the development of values and professional skills, leadership competencies are critical to our sustainable success as a business."

Noga Segov Nadir, Talent Management Director, Strauss Group



DEVELOPING EMPLOYEES AT STRAUSS ISRAEL

2

"In 2014, we introduced two new programs for employees that empower them to grow and develop within the organization and enhance their professional capabilities. The first is a platform to help employees manage their own careers by identifying the skills they need to move into their next role and helping them acquire these skills. As we aim to promote from within wherever possible, employees are encouraged to be proactive about meeting their own career objectives. In turn, this helps us identify potential talent and loop them in to career development plans more effectively. The second program was designed to provide a boost to the development of professional skills and knowledge in core areas such as sales, marketing, technology, and manufacturing. This included certification programs for line employees in manufacturing, for example, offering them the opportunity to deepen their expertise and gain acknowledgement from their managers and colleagues."

Rotem Kahani, Director of Organizational Development and Learning, Strauss Israel

In Strauss Israel, we advanced 2 main programs to support the professional growth and development of our employees.



17 

The number of lost time injuries in Strauss Israel Sales Division in 2014 versus 38 in 2011.

EMPLOYEE SAFETY AND WELLBEING

Providing a safe work environment for our employees and supporting employee wellbeing is important for the continuity of our business and for the thousands of individuals that work at Strauss Group and their families. In terms of safety, we employ trained safety officers at all factories and maintain an intensive pace of safety communications and workshops in all parts of the business. We conduct regular safety and ergonomic audits, identify hazards and take corrective action. At some locations, we employ a physician who provides medical consultations and advice for employees. In addition to safety, we are also attentive to the overall wellbeing of employees and maintain several programs to help employees stay healthier and fitter, manage stress and the challenges of work-life balance. Through inevitable transitions that result from business restructuring, we make every effort to assist employees and their families.

0.84 

The lost time injury rate in Strauss Israel Sales Division in 2014 versus 2.9 in 2011. (Injuries per 100,000 hours worked)

SAFETY IN THE SALES UNIT

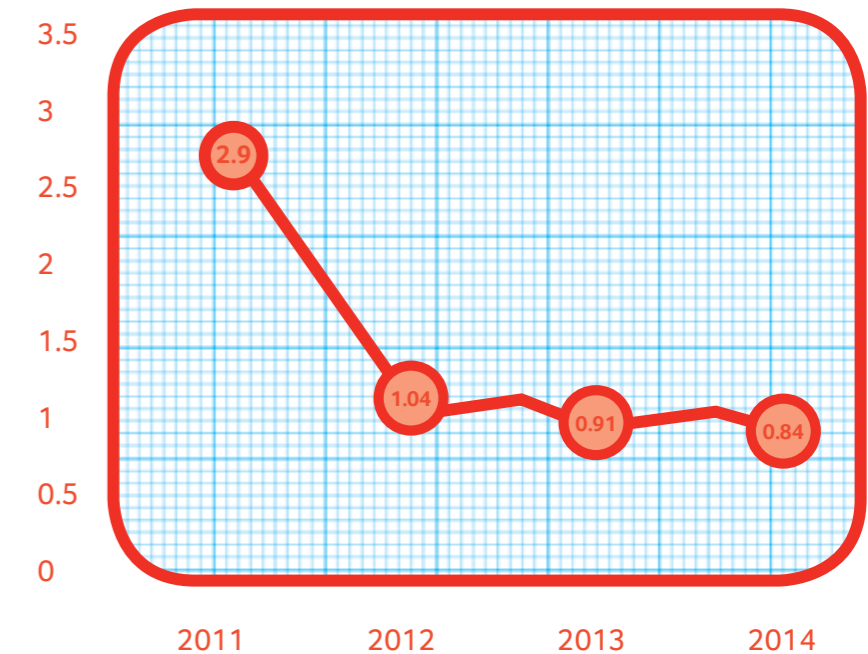
!! Sales people and merchandisers are out in the field every day, working in different environments at customer premises and exposed to sometimes unexpected safety risks. Employees need reminding of the principles of safe physical work such as lifting boxes and how to work safely when exposed to the cold temperatures of refrigerators. In 2012, we undertook a plan to embed safety at all levels of our sales operations and include safety within our sales objectives, elevating safety to the same level as sales performance for all our sales personnel. We established a comprehensive program of training, safety and ergonomic risk assessments, field visits, nominating safety officers for different sales units and very senior management personal involvement. We also supplied sales staff with protective clothing such as shoes, gloves etc. An example of another simple change was to provide 150 ladders for use by merchandisers to prevent falls that occurred when using chairs or crates to reach high shelves. Within 3 years, we have improved against all our objectives. We started with 38 injuries in 2011 and this reduced to just 17 very minor injuries in 2014. While there is still more to do, we feel we have changed the working culture and that safety is far more a way of life. !!

Sharon Baruch, Operations Manager, Strauss Israel Sales Division

73% 

73% of Strauss Israel field sales staff underwent intensive training in safety procedures in 2014.

STRAUSS ISRAEL SALES SAFETY PERFORMANCE 2011-2014 LOST TIME INJURY RATE



CARING FOR EMPLOYEES THROUGH TRANSITION

!! In 2014, we supported employees through a restructuring program that involved converting the Strauss Water WaterBar assembly plant into a logistics site. Our objective during this program was to provide comprehensive support to employees so as to avoid redundancies. We provided employees with around 7 months' advance notice of the change, and met individually with every employee to understand their personal and professional needs. We provided assistance packages that included vocational retraining, outplacement services, financial support and offers of alternative work at other Strauss sites in Israel. The outcome was that 86% of employees successfully transitioned into new roles in Strauss Group. The remaining 14% chose to leave the company with generous severance packages. This process reflected a key Strauss Group value of caring for employees in challenging business circumstances.

Galit Eldar, HR Director, Core Units & Strauss Water China, Strauss Water

86% 

During our factory restructuring at Strauss Water, 86% of employees were successfully transitioned into new roles.



CONSUMERS:

OUR SECOND DEGREE OF IMPACT

We seek to make a positive difference in the lives of our consumers and help create a healthier, more sustainable society. We do this through delivering new and more nutritious food products, providing diverse food choices and engaging consumers in greater nutritional awareness. Our activities in this area include regulatory compliance in our supply chain, meeting product quality and availability standards, consultation with food and health professionals in our product development processes and engaging in marketing and consumer outreach to enable consumers to make informed and healthy choices.



PROGRESS AGAINST OUR STRATEGIC COMMITMENTS

KEY



ON TRACK



IMPROVING



WORK IN PROGRESS

STRATEGIC COMMITMENT	BASLINE YEAR	2014 RESULT	PROGRESS	G4 INDICATOR
Improve consumer wellbeing through increased sales of products with a healthy lifestyle advantage by 15% by 2020.	These targets require a step change in our performance and the establishment of global plans, measurement systems and data collection infrastructure. This process started in 2014 and is likely to continue through 2015. We expect to have data available in calendar year 2016 and will report progress in our 2016 Sustainability Report.			G4-EC8
Offer more product variants to meet specific dietary needs in our top 10 selling brands by 2020.				FP6 FP7
Engage consumers in healthy lifestyle activities through each Strauss Group company, reaching 10 million consumers by 2020.				FP4
Meet all regulatory requirements in all markets.	We incurred no significant fines or regulatory sanctions in 2013 / 2014.			G4-PR3 G4-PR5
Continuously improve our accessibility and service level for customers and consumers.	85% of consumers confirmed our service is excellent or very good in response to their queries in 2013.	83% of consumers confirmed our service is excellent or very good in response to their queries in 2014.		G4-PR7



UNDERSTANDING CONSUMER PREFERENCES

We integrate our diverse consumer needs and preferences in our product development processes, conducting extensive research through many different channels and communicating with consumers where they are – whether this is in the home or the store, via TV, radio, our corporate website and blogs or multiple social media platforms. We also consult widely with food and health professionals – nutritionists, dieticians, health regulators and more – in order to benefit from the most current guidance in line with market trends, consumer demands and broader healthy lifestyle objectives in our different countries of operation.

FOOD & CONSUMER TRENDS

“In 2014, we identified four main global consumer food trends that have a strong influence on the way consumers choose our products. In Israel, we became aware of more specific themes. Our 250 separate consumer research programs in 2014, reaching more than 80,000 consumers, provided a range of insights, and we also scanned published research and other sources. For consumers, maximum value at minimum price was a leading consumer message that influenced our approach. At the same time, consumers are willing to pay higher prices for products they consider healthier.”

Lia Yaacov, Market Research, Strauss Israel



HEALTHY LIFESTYLES ARE PART OF THE FOOD VALUE EQUATION

Consumers are adapting to the “no” trend (no sugar, no sodium, no food coloring) while seeking more natural products and fewer processed foods. Functional foods with benefits to health are a plus.



CONSUMERS WILL NOT COMPROMISE ON TASTE & INDULGENCE

Consumers seek indulgence and quality ingredients, new and different taste combinations, new textures and innovative presentation of food products.



FOOD PRODUCTS SHOULD OFFER CONVENIENCE & SAVE TIME

Consumers want food that meets their new busy lifestyles. This includes snacking, on-the-go food, high quality ready-made meals and more – but no compromises on quality, health and taste.



THE ENVIRONMENTAL CONSCIENCE OF CONSUMERS IS GROWING

Consumers are willing to pay a certain premium for ethical and green products. According to published research in 2014, 22% of consumers in Israel report they purchase “green” products compared with 10% in 2012.



NEW HEALTHIER PRODUCT CHOICES



Over the past ten years, we have been working across all our categories to improve the nutritional values of our products in the market and develop new products that help consumers maintain a balanced and healthy lifestyle that is full of great tastes and positive food experiences. In recent years, we started a program of revising the formulations of all our products to reduce “less healthy” ingredients. Alongside this, we channeled our product development efforts into creating innovative products such as healthy vegetable snacks and bite-size rice cakes to meet emerging healthy snacking habits. More recently, we have adopted a holistic approach so that we can help consumers integrate their eating habits with healthier lifestyle practices in four key ways that are more closely aligned with the trends we see in the market: balance, control, energy and enriched foods.

Anali Messiba, Chief Dietitian, Strauss Israel



EXPANDING OUR PRODUCT OFFERING TO INCLUDE MORE HEALTHY PRODUCTS

In 2014, we introduced several new products that help consumers create interest and variety for healthy food lifestyles.



ALIGNING FOOD PRODUCT PROFILES FOR HEALTHY LIFESTYLES

In 2014, we introduced our four-fold approach to healthier food lifestyles: balance, control, energy and enriched foods.

1,500 TONS
REDUCTION IN ADDED
SUGAR



ACTIVIA CHOCOLATE BEVERAGES

REDUCED SUGAR, FAT AND SALT IN OUR LEGACY AND NEW PRODUCTS

In 2014, we continued to make headway in lowering sugar, fat and salt content in a wide range of products including soft cheeses, potato chips, milk beverages and hummus. In the past 3 years, we have reduced around 1,500 tons of added sugar in a wide range of dairy products, such as Activia with fruit, Danone with fruit, Actimel, chilled desserts, childrens cheese desserts and products under the Daniela brand. This reduction in added sugar of between 15% and 35% is almost double the reduction of our main competitor, during the same period of time.



BALANCE

In 2014, we introduced several new products that enable consumers to gain greater nutritional balance in their food habits. For example, we launched a 99 calorie yogurt with no artificial or natural sweeteners, and a ready-to-eat corn on the cob with no preservatives or added sugar. We also launched a new baby kale salad ingredient that is high in fiber and rich in vitamins. Additionally, we started distributing PepsiCo's Quaker oatmeal in Israel, offering local consumers greater choice and health benefits. Also in 2014, we launched a new category of ready-to-eat legume and quinoa salads making these healthy ingredients more accessible for consumers. At the same time, we introduced Israeli consumers to our new whole-wheat pita crunch for healthy snacking.

CONTROL

In 2014, we introduced many new products that provide calorie-control and portion-control to aid consumers to take charge of how much they consume. For example, we expanded our assortment of the ravioli single-portion ready-meals and expanded our bite-size rice cakes to include flavors for kids as a healthy alternative for snacking. We also introduced new bottled Tahini Sauces with lower calories and less fat than alternative dips and spreads as well as a new line of light confitures under our Yad Mordechai brand with no added sugar and no artificial sweeteners. Additionally, we launched lower fat Yotvata cooking and sour creams for greater control in how consumers cook, bake and eat.

ENERGY

In 2014, we achieved a further reduction in sugar levels in our Yotvata Chocolate Drink, expanded our lower calorie chocolate bar range and added new products to our Energy brand snack bars for nutritional and calorie controlled snacks.

ENRICHED FOODS

In 2014, we continued to promote our Yotvata milk that is enriched to contain 30% of the recommended daily calcium consumption in each glass.



One of the main challenges we continually face is making our products healthier in ways that do not affect taste or costs. Consumers want great taste, healthy nutritional profiles and affordable value-based pricing. Achieving consumer demands without compromising on any of these elements requires years of development and trialing of new product formulations. This is the new normal for our customers. They do not want to buy products because they are healthier. They want to buy products they love and which taste fantastic, while knowing that we have taken care of the health and nutritional aspects. We score no additional points with our consumers for this approach. It's just what we need to as our contribution to healthier living as we continue to grow our business.

Zion Balas, CEO, Strauss Israel



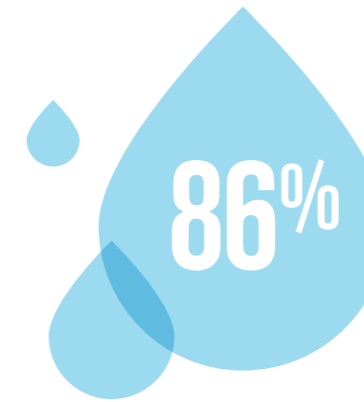
DRINKING MORE WATER



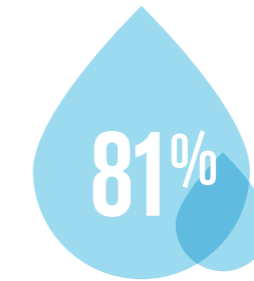
In 2014, we conducted consumer research with 500 users of our Strauss WaterBar in Israel about their water-drinking habits. In recent years, we have seen a dramatic move from sweetened beverages to water in Western countries, while, in Eastern countries we have observed a move to bottled or filtered water due to the poor quality of tap water. Both trends are motivated by health. Our WaterBars meet consumers' need for healthy and safe water to drink while providing an environmentally responsible solution that avoids the resources and waste associated with plastic bottles. Not only this, our research shows that when you have a WaterBar, you drink more. And that's a great habit to adopt for healthy lifestyles.



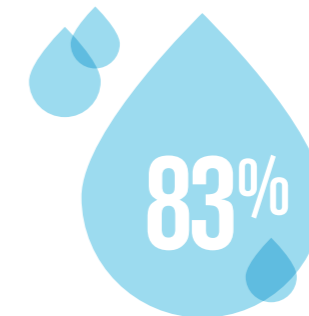
Shira Bankhalter, Marketing Manager, Strauss Water Israel



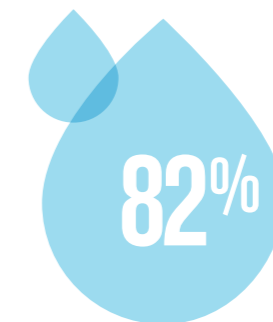
Strauss WaterBar customers confirm their families drink more water since they have a WaterBar.



Strauss WaterBar customers confirm their families drink less sweetened and carbonated beverages since they have a WaterBar.



Strauss Strauss WaterBar customers confirm their children drink more water since they have a WaterBar.



Strauss WaterBar customers confirm that parents drink more water since they have a WaterBar.

HUMMUS FOR HEALTH

|| In 2014, the first manuscript to show an association between increased nutrient intake and improved diet quality in chickpea and hummus consumers was published. We provided funding for this research so that we could have a solid base of science and understanding of the role and benefit that hummus and chickpeas can provide in healthy diet patterns. The results were of course highly encouraging for Sabra, the largest hummus brand in the United States. Studies in the U.S. show that 9 out of 10 Americans don't eat enough vegetables each day, including nutrient-rich beans associated with reduced risk of chronic diseases and conditions such as cardiovascular disease, diabetes, inflammatory diseases and more. Almost all of our products under our Sabra and Obela brands in the U.S. and Mexico are plant-based, providing non-dairy alternatives for consumers as substitutes for cheese, butter or other high-fat spreads, and almost all our products are gluten-free. Our hummus products have no added sugar. As part of a healthier lifestyle, hummus can play a significant role. We continue to develop our understanding of our consumers' habits and stay ahead of the most up-to-date research that helps prove to consumers that a healthy lifestyle can also taste great!

Lorie Staley, Regulatory, Nutrition and Technical Services Manager, Sabra Dipping Company



MORE HUMMUS, BETTER HEALTH

Consumers of chickpeas/hummus had healthier diets and better nutrient intake, and were less likely to be obese and have poor glucose control, compared to those who did not include chickpeas/hummus in their diet.

MORE HUMMUS, MORE VITAMINS

Consumers of chickpeas/hummus had higher intake of valuable nutrients including vitamins A, E and C; folate; iron and magnesium, a lower intake of total fat, saturated fat and cholesterol, and overall healthier diet quality scores, as calculated by the Healthy Eating Index (HEI).



* Insights from a research paper published in the Journal of Nutrition & Food Science in January 2014, "Chickpeas and Hummus are associated with Better Nutrient Intake, Diet Quality, and Levels of Some Cardiovascular Risk Factors: National Health and Nutrition Examination Survey 2003-2010" by O'Neil, Nicklas and Fulgoni.

MEETING DIVERSE FOOD NEEDS

As a global business, one of the challenges we face is meeting the various and diverse needs of our consumers and their individual preferences. Our ambition is to be as inclusive and accessible as possible in our different markets, expanding our presence and the choices we offer to different consumers across our product categories. We need to account for local tastes and consumption habits as well as different dietary frameworks that people observe for religious or health reasons. We see a link between lifestyle choices and food consumption and we aim to improve our portfolio of products to support healthier lifestyles. For the past ten years we have been improving the health aspects of our portfolio of products in line with new trends and health consciousness and, in some cases, regulation. Our Sustainability Strategy and goals for 2020 provide a framework for us to help meet diverse food needs and engage more consumers in overall healthier lifestyle practices. This is important for Strauss Group to support our business growth while contributing to a healthier society around the world.

EXPANDING CHOICE IN BRAZIL

|| In 2014, Três Corações, our Joint Venture company in Brazil held by Strauss Group (50%) and by our partner the São Miguel Group (50%) made further headway in offering greater choice to 3C consumers in Brazil by expanding the 3C brand portfolio and product range. Consumers rewarded 3C by continuing to make Três Corações the number one coffee company in the Brazilian market, significantly ahead of all other coffee companies in terms of market share. 3C provides the Brazilian consumer with roast and ground coffee, instant coffee, espresso machines and capsules, cappuccino products, chocolate and beverage powders and corn products. 3C's latest addition, the TRES brand, launched in November 2013, offers a new experience for the Brazilian coffee lover. TRES offers machines for single portion drinks with a high quality taste that is accessible in supermarkets, electronics stores and online. 3C offered the TRES brand online for the first time and received positive response from consumers. In Brazil, a country with one of the highest per capita consumption levels of coffee in the world, 3C remains committed to providing accessible, high quality coffee choices to meet the preferences of all types of consumer.

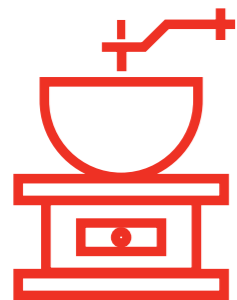
Hilal Kremer, CFO, Tres Coracoes, Joint Venture in Brazil held by Strauss Group (50%) and by the Sao Miguel Group (50%)



In 2012, Três Corações, our Joint Venture company with the São Miguel Group became the Number One coffee company in Brazil.

22.5%

The volume market share of Três Corações, our Joint Venture company with the São Miguel Group, reached an all-time high of 22.5% in Brazil in 2014.



NEW LAUNCH

We launched new products such as an affordable Roast&Ground coffee brand to provide consumers in Russia and the Ukraine with greater value for money.



NEW PACK SIZES

We introduced new coffee pack sizes to ensure the widest possible choice for consumers affected by economic crisis.



AFFORDABLE PRODUCTS

We continued to develop and invest in Chernaya Karta as a core brand offering CIS consumers a range of affordable coffee products.

SUPPORTING COFFEE CONSUMERS IN CIS

“ Strauss Coffee and our range of brands across the CIS markets are category leaders. In Russia and Ukraine, we are among the top three producers of roast and instant coffee. Millions of consumers in these markets are loyal to our recognized brands and rely on Strauss Coffee for their daily coffee enjoyment. In 2014, our consumers in these markets were badly affected by prolonged economic crisis in Eastern Europe and experienced a severe drop in purchasing power. Our response at Strauss Coffee was a complete review of our product offerings to increase both affordability and value for our loyal consumers in these challenging economic times. We launched new products, revised pack sizes and expanded marketing communications to help consumer awareness of our lower-priced brand alternatives. In supporting our consumers through economic crisis in these ways, we hope to retain the trust of our consumers and our prominent position in CIS markets, enabling existing and new consumers to consume our coffee as part of their preferred lifestyle.

Daniel Ironi, General Manager, Strauss Coffee CIS



DAIRY PRODUCTS – ALSO STRICTLY KOSHER

“ We are always trying to ensure our dairy product range caters to diverse consumer needs while offering best value. In Israel, members of the Jewish orthodox community have not been able to enjoy a full range of our products for many years, due to their need for a specific strictly kosher certification called "Mehadrin". Aligning our production to these standards required adaptation of many product formulations, certification of our manufacturing facilities and inspection of ingredient suppliers and all processes involved in the manufacture of these products. Religious supervisors paid more than 50 visits to inspect our factories around the world. We started in 2009 with just 13 products available for our orthodox consumers and in 2014, we completed our factory certification process, enabling us to convert most of our production to "Mehadrin". Our orthodox consumers can now enjoy 64 different products, including our popular Danone brands such as Activia, Actimel and Danacol, that meet their dietary needs.

Ariella Weiss, Strauss Dairy Marketing Director, Strauss Israel



It took 2 years of research & development in collaboration with Danone Group to adapt dairy products to meet strictly Kosher requirements while maintaining texture, taste and nutritional profile.



Forty authorized kosher supervisors around the world assisted our facilities and suppliers in meeting required "Mehadrin" standards.



We now have 64 products available for orthodox Jews who require "Mehadrin" standard kosher products in Israel and around the world – almost five times the number of products available in 2009.

INNOVATING FOR HEALTHY LIFESTYLES

Innovation is the life-blood of our food and beverage business. Consumers are constantly seeking our new tastes and new food experiences and with changing lifestyles and habits, food and beverage products continually need to adapt. With our home base in Israel, our culture is naturally one of innovation and we have set our sights on being pioneers in advanced food technologies and new food solutions to address the challenges of healthier lifestyles and changing preferences.

700

New food technology projects evaluated since 2012.

65

New food technology projects evaluated in 2014.

3

New food technology projects operational in 2014.

FOOD-TECH INNOVATION WITH ALPHA STRAUSS

“ Strauss Group launched Alpha Strauss in 2012 with a vision to accelerate the development of the Israeli Food Tech Community with an initial investment from Strauss Group. Alpha Strauss nurtures and supports innovators in Israel through knowledge sharing, financial support for feasibility assessments, access to equipment, research and business development guidance. Collaborations established between entrepreneurs in the food sector, research institutes, universities and international partners have proven that Israel offers a productive platform for breakthrough innovation in the food sector. In 2014, we reviewed 65 new technologies bringing our total up to 700 technologies since the start of Alpha Strauss, engaging more than 40 different entrepreneurs in the Israeli market. 18 different technology solutions are currently in an active development stage, while 3 have moved to practical implementation. Our challenge will be to take Alpha Strauss global and create the same inspiration and collaboration in other markets where Strauss Group is present.

Dagan Eshel, Head of Alpha Strauss, Strauss Group



PIONEERING INNOVATIVE FOOD TECHNOLOGY

“ The Food Tech incubator is a natural progression for Strauss Group – our Alpha Strauss initiative already established a platform for food tech innovation and entrepreneurship. In January 2015, we set up our physical infrastructure with an office and a small team and within the first three months, we had already interviewed 80 potential start-ups. There is no shortage of great ideas coming out of this market. Our skill in the incubator will be to select the most promising ideas that will bring added value in many different ways, possibly even transforming the food and beverages sector. Combining our investment in collaboration with funds from the State enables far more to be done than we could ever have done alone. We look forward to seeing these new technologies come to market and achieve great success – and make a positive difference to our consumers' lives.

Elad Komissar, VP Corporate Business Development, Strauss Group



NEW FOOD TECH INCUBATOR

In 2014, Strauss Israel was selected by the Israeli Ministry of the Economy and the Chief Scientist to establish a business incubator for start-ups in the field of food technologies. The aim of the incubator is to provide an encouraging environment for promising early stage technologies and to support them through the development process until commercialization.

\$25 MILLION*

Strauss Group and the State of Israel have committed to investing up to \$25 million over 8 years in approved start-ups. Strauss Group will fund around 40% of this investment that is anticipated to fund 30 Food Tech start-up initiatives.

In the Photo :Israel's Chief Gov't Scientist, Ofra Strauss, Dr. Yechiel Lasri(Mayor of Ashdod), and Shahar Florence (Group CFO) cut ribbon.
*NIS 100 million, approximately \$25 million

WELCOME BABY KALE

Working with more than 30 local growers gives us a special advantage. Not only does our close collaboration enable us to be ahead of the game on all aspects of cultivation and quality, to ensure the best and most sustainable farming practices, it also supports us bringing innovation to the market. Baby kale, which we launched in 2014, is the latest great example alongside our range of fresh vegetables such as baby spinach and more. We worked closely with growers until we had found the right strain of kale that would appeal to the Israeli consumer and become a viable fresh and healthy product on our customers' shelves.

Pini Gotliv, Agronomist, Strauss Israel

HEALTH BENEFITS OF KALE



THE 3 STRAINS OF KALE & THEIR BABY

There are 3 strains of kale grown in Israel (the common curly kale, the red Russian kale and the black Tuscan kale). We selected an innovative approach to a unique vegetable: Baby kale.



BLACK TUSCAN



RED RUSSIAN



CURLY KALE



BABY KALE

NEW COFFEE CHOICE IN CIS

We introduced our chicory coffee to the market to provide an additional healthy lifestyle choice for our consumers in our CIS markets. We gained market leadership within three years, and have now added more products to the range, as this is something that clearly appeals to our consumers. Chicory-based beverages offer alternatives to people who want to limit caffeine intake or simply experience different flavors.

Daniel Ironi, General Manager, Strauss Coffee CIS



HEALTHY CHICORY

Chicory is a popular coffee substitute derived from the roasted root of the chicory plant. It is commonly used as an additive to roasted coffee and historically as a replacement for coffee. In addition to being naturally caffeine-free, the chicory root is a source of vitamins and minerals and is high in fiber.



CHICORY COFFEE

Our Elite Health beverages were launched in CIS in 2012, comprising chicory and coffee mixes. In 2014, we added more products including hot chocolate, a creamer, and instant green coffee.

WATER BAR INNOVATION

At Strauss Water, we are continually looking for the next generation of innovation to bring an even better drinking experience to our customers. In Israel, we launched the BubbleBar, a unique kind of WaterBar that provides the consumer with the option to carbonate water, one glass at a time. The bubble bar offers fresh, tasty, sparkling water at a touch of a button which enables people to drink more water and thereby live a healthier life. We have seen consumer preferences move away from sweetened carbonated bottled drinks while searching for a healthier and more environmentally friendly alternative.

Adi Mannor, Business Development Manager, Strauss Water



BUBBLE BAR

In 2014, we introduced our BubbleBar, bringing consumers a new choice of carbonated water in their homes.



SMART BOTTLE

In 2014, we developed with Haier, Strauss Water's partner in China, a Smart Bottle that tracks water intake and reminds consumers to drink more water. Our Smart Bottle was launched in 2015.



ENGAGING CONSUMERS IN HEALTHY LIFESTYLE ACTIVITIES

We feel that it is not enough to simply manufacture and market food products. We achieve our mission of improving the lives of our colleagues, consumers and society when consumers enjoy our products and integrate them as part of their healthier lifestyles. Helping people live active and healthy lives is a core driver of our passion. Therefore, we provide platforms for consumers to become more aware of healthy eating and lifestyle habits and make it easier for them to make change.

GET MOVING WITH TURKISH COFFEE

" The Zuzu app, a virtual personal trainer in the palm of your hand, which we launched in 2014, provides a way for people to have fun while advancing a healthier lifestyle. We have long since known of the correlation between roast and ground coffee (we call it Turkish coffee in Israel!) and stronger performance in sporting activities. We wanted to increase the awareness of this correlation among our consumers and at the same time, give them something that would help them get moving. Many Israelis say they engage in some form of physical exercise, but this is often costly (gym fees), restricted (gym opening times), solo (individual workouts) and lacks optimum efficiency (no personal trainer). At the same time, free outdoor gym zones are springing up all over Israel, just waiting for people to make use of them. Putting all this together, we created an app, ZUZU ("get moving" in Hebrew) to help people get connected to fellow exercisers and professional fitness trainers, join group workouts, and develop an individual training program to guide their workout sessions.

Einat Matsliak, Roast and Ground Coffee Category Manager, Strauss Coffee

" Bringing Turkish Coffee, increasing physical exercise and social interactions together in the form of our ZUZU app has been a challenge. We have connected more than 80,000 active users to new friends across more than 7,500 free fitness zones. At the same time, we have increased the awareness of the benefits of a cup of your favorite coffee prior to taking exercise. Our Turkish Coffee is the first brand in Israel to create an innovative digital application that helps consumers in a practical way, without requiring any brand purchase. Engaging consumers in healthy lifestyle activities is a core element of our mission to improve people's lives and create a more sustainable society.

Fomer Harpaz, CEO, Strauss Coffee

140,000

More than 140,000 people downloaded the app within the first three days of launch

80,000

Of those who downloaded the app, more than 80,000 have created a personal training program.

7,500

Users continue to add new fitness zones for fabulous, free workouts. The app has now more than 7,500 fitness zones.

40%

Consumer awareness of the connection between coffee drinking and improved sports performance increased to 40% in our survey among the general population, from 11% in July 2012.

66%

66% of Israelis declare that they engage in physical exercise at least three times a month.



HUMMUS HOUSE

" Hummus in the U.S. is just starting its journey and we try to be creative in bringing the hummus experience to many current and potential consumers. Although Sabra Hummus is the leading brand in the U.S. market with more than 62% share and a strong body of more than half a million hummus fans, we know we are just scratching the surface and that many people have yet to discover the fabulous, healthy hummus taste. We are convinced of the contribution of hummus to healthier lifestyles and we have a passion for spreading the word around and getting to know potential hummus lovers. As part of our hands-on close-to-consumer approach, in late 2014, we opened up a Hummus House for one month in Washington D.C. We set ourselves several objectives: create an extraordinary, unique experience to showcase our brand's values; drive awareness of Sabra product innovation as well as establish a kind of early test market for future innovation; illustrate new, novel ways to eat hummus and build deeper bonds and brand love for Sabra in communities we operate in.

Tracy Luchow, Global Director
Insights & Innovation, Sabra
Dipping Co.

28 

Our Hummus House in Washington D.C. was open for 28 days in late 2014.

14 

In addition to our regular menu at Hummus House, we hosted 14 special events for customers.

2.93  MILLION

Media reach of interviews & promotions for Hummus House.

5,893 

Total menu items ordered by visitors to Hummus House.

5 

The Hummus House concept was created around the 5 senses: touch, sight, sound, smell and taste.

5K 

Estimated total visitors to Hummus House.

" At Hummus House, we created recipes that were tests for our future innovation pipeline and received real-time feedback from the thousands of visitors during the month of opening. The most popular item on the menu was Stuffed Chicken Pita, and visitors also loved the Warm Hummus station. On the upstairs floor of the restaurant, we held lectures with dietitians, yoga classes and other events to further engage consumers in healthy lifestyle awareness activities as part of the entire hummus experience. We look forward to being a part of making hummus a fully integrated element in the American diet at different mealtimes as well as for in-between snacks.

Tracy Luchow, Global Director Insights & Innovation, Sabra Dipping Co.

HELPING MUSLIM CONSUMERS THOUGH RAMADAN

" The Ramadan month is the most holy month for Muslims. During this month, people fast from sunrise to sundown, pray at specific times, decorate their houses with oil lamps and crescents and send each other holiday greetings. We wanted to use the Strauss brand to help our consumers that observe Ramadan throughout this important month. Most of our consumers from the Arab community in Israel are technology savvy: 85% own smartphones and 98% of under 24 year olds surf the internet on a daily basis. Our Elite-branded Ramadan app integrates tradition and technological innovation with different features including alerts at the start and end of fasting periods, a compass pointing to Mecca and greeting options to send to family and friends. Our consumers greatly appreciate this app and they sent hundreds of thousands of greetings to their family, friends and contacts in 2014. Strauss Group's ability to anticipate the needs and diverse lifestyles of different consumers is an important part of building positive relationships with the brand.

Fadoul Mazzawi, Principal, Mazzawi Advertising

3RD   50K

The third year that Elite has created an app for Ramadan to support consumers of the Muslim faith observe the requirements of this holy month of fasting.

More than 50,000 consumers have downloaded the Ramadan app since it was first launched, and that includes 20,000 in 2014.

BLOGGING WATER

" During the past few years, we have been increasing our engagement with our customers and helping them understand the benefits of clean, tasty water as part of a healthy lifestyle. We currently maintain 5 blogs covering different aspects of water, health and lifestyles

Liat Uliel, Global Marketing Manager, Strauss Water



THE HEALTH BLOG



THE BUBBLE BLOG



CONSUMERS BLOGS



HEALTHY LIFESTYLES FOR CHILDREN

" While we do not advertise directly to children, we wanted to make sure that parents in Israel understand the benefits of our soft cheese Gamadim range for children – protein, calcium, iron, zinc and vitamins in little pots with great flavors! In order to engage parents in an active way, as well as encourage some fun family activities, we launched a campaign for families to create a flowerpot garden, using and recycling Gamadim containers as small flowerpots. We offered campaign subscribers a free flowerpot garden kit with seeds, stickers and activity instructions. 3,000 parents signed up, and many uploaded photos of Gamadim flower pots and gardens to our campaign website on Facebook. The 50 lucky winners of our grand prize enjoyed a family visit to Israel's national safari park as a gift from Gamadim.

Ariella Weiss, Dairy Marketing
Director, Strauss Israel

3K 3,000 consumers signed up and received the free Gamadim garden kits for kids.

50 50 families won the prize of a visit to Israel's national Safari park in our Gamadim competition for kids.



ENGAGING HEALTH PROFESSIONALS AROUND HUMMUS

Indirectly, we engage with our consumers through the body of health and nutrition professionals that share our interest in helping their clients and patients eat a healthier diet. Research shows that most Americans do not eat enough fresh vegetables and beans. In order to assist health professionals address such dietary gaps in the U.S., we have established a professional knowledge and learning platform to bring the facts about hummus to those who can help change consumer habits for the better. With advice and guidance from our professional Sabra Wellness & Nutrition Advisory Board, in 2014, we launched a new Health and Wellness website that contains a wealth of resources for health professionals that includes everything from the benefits of hummus, recommendations for achieving Dietary Guidelines with hummus combinations, to a toolkit for presenting hummus to patients and details of hummus research and other relevant news. We also started publishing our monthly nutrition e-news to registered dietitians and health professionals who sign up to receive it – that’s already a group of several hundred.

Mina Penna, Corporate Nutritionist, Sabra Dipping Company

5

An esteemed team of 5 nutrition science and communications professionals who participate on the Sabra Wellness & Nutrition Advisory Board assist us in our product development and communications.

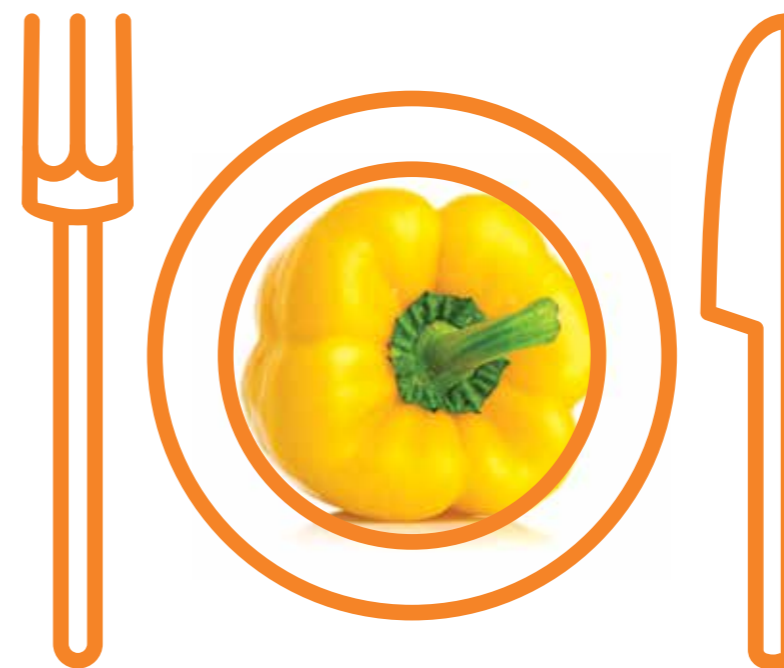
1

We launched our new Nutrition and Wellness website for health professionals and individuals with an interest in nutrition. The website includes the Sabra Hummus Wellness & Nutrition Registered Dietitian Toolkit, additional materials for professionals and even hummus recipes.

ENGAGING WITH DIETITIANS

We continue to engage with many dietitians and health professionals in Israel to stay up to date with the latest trends and insights about consumer habits and needs. We also share with this professional community our extensive knowledge and research we conduct to support our product development. We find this interaction empowering both for Strauss and for the professional community. We lecture at conferences, prepare information packs based on science and research and challenge ourselves to keep healthy diets and lifestyles at the heart of all we do. The Strauss Institute, and its knowledge-sharing website, has become an important source of reference for healthy lifestyles in Israel. In 2014, as in previous years, we connected with hundreds of dietitians across many relevant topics. One of our shared key challenges is preserving taste while creating healthier product formulations. We also need to find better ways of communicating these benefits to consumers with a message that healthy can also taste good.

Anali Messika, Chief Dietitian, Strauss Israel



3 STRAUSS INSTITUTE RESEARCH GRANTS IN 2014

Through our Strauss Institute, we continued to invest in research, developing tools for healthy lifestyles, and sharing knowledge. To date, we have awarded 10 grants to support innovative research in nutrition.



HUNDREDS OF DIETITIANS AT HEALTHY LIFESTYLES WORKSHOP

In 2014, we held a dedicated workshop in Israel for professionals covering “behind the scenes” of developing healthy products”. We shared the dilemmas and complexity of making products healthier while preserving taste.



THOUSANDS OF HEALTHY LIFESTYLE KITS DISTRIBUTED

To date, including in 2014, we have maintained a regular dialogue with the professional dietitian community in Israel. We have presented dietitians with tens of thousands of “healthy lifestyle kits” to assist them in promoting healthy lifestyle habits among their patients.

CITIZENSHIP:

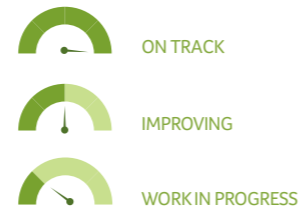
OUR THIRD DEGREE OF IMPACT

As a responsible corporate citizen, we seek to create value for society and the environment in order to improve people's lives and advance healthy lifestyles. We do this through community investment, environmental stewardship and maintaining an efficient and ethical supply chain. Our goals for citizenship include improving supply chain practices, efficient resource management in our own operations, and investment in the communities we serve.



PROGRESS AGAINST OUR STRATEGIC COMMITMENTS

KEY



STRATEGIC COMMITMENT	BASELINE YEAR (2013)		2014 RESULT	PROGRESS	G4 INDICATOR
Engage in a global strategic flagship social partnership, with a multi-year commitment to improve healthy lifestyle practices.					G4-SO1
Increase spend with women-owned suppliers and increase the number of women-owned suppliers by 15% by 2020 (2014 baseline).			These targets require a step change in our performance and the establishment of global plans, measurement systems and data collection infrastructure. This process started in 2014 and is likely to continue through 2015. We expect to have data available in calendar year 2016 and will report progress in our 2016 Sustainability Report.		G4-EC9
Increase sustainable sourcing of top 5 global food ingredients by 15% by end 2020.					FP1, FP2
Operationalize at least three significant innovative product technologies that improve sustainable and healthy lifestyle choices by 2020.					FP4
Reduce consumption by 15% per ton of product by end 2020.	Energy	3.87		3.49	
	Water	3.54	3.12		
	Packaging materials	0.106			
Reduce greenhouse gas emissions per ton of product by 15% by 2020.	0.39		0.30		G4-EN15 G4-EN16 G4-EN18 G4-EN20 G4-EN21
Reduce landfill waste per ton of product by 15% by end 2020 (2015 baseline).	0.025		0.032		G4-EN22 G4-EN23

SUSTAINABLE SUPPLY BASE

Strategically, we understand the risks and opportunities in our supply base, both in terms of the products we source and the partners we source from. We aim to increase the sustainable sourcing of key products to minimize risk and to support industry imperatives to address global sustainability challenges. At the same time, we aim to deepen our engagement with suppliers to ensure they understand and meet sustainable supply standards regarding human rights, labor rights and environmental stewardship.

Our global supply chain is comprised of almost 14,000 suppliers that supply ingredients, goods and services to a value of around \$2 billion each year to our production factories. Most of our production is in our own 26 facilities around the world, supported by a network of warehousing, logistics and distribution operations that deliver our products to our customers. In our Sustainability Strategy 2020, we established specific targets for improving the sustainability of key ingredients supply

and supporting supplier diversity. In Israel, we have been communicating our Social Charter to suppliers for several years, and all new suppliers confirm their commitment to this. We include ethical considerations in our Supplier Evaluation Program in Israel, and continue to assess selected suppliers each year.

SUSTAINABLE COFFEE

5,400

Our 2014 target for tons of coffee sustainability sourced within the frame of the 4C Association.

5,483

Actual tons of coffee sustainability sourced in 2014 within the frame of the 4C Association.

Being a member of the 4C Association since 2007, we continue to maintain our commitment to support sustainable supply chains in the global coffee industry by purchasing sustainable green coffee. Strauss Coffee is the fifth largest coffee company in the world in terms of green coffee and one of the fastest growing coffee companies globally for the past six years. Worldwide we purchase around 3.9 million green coffee bags annually and we have increased our share of sustainably sourced coffee by 20% on an annual basis for the past 5 years. As a business operating primarily in emerging markets (Eastern Europe and Brazil), our challenge is to maintain our commitment to increasing volumes of sustainable coffee at higher prices than our regular purchasing, despite the realities of a certain lack of support and demand for sustainable coffee in our markets. At the same time, it is important to educate consumers about the importance of sustainability while continuing to do the right thing. Our goal for 2015 is to purchase 6,500 tons of sustainably sourced coffee, which will represent around 10% of our Israeli and European requirements.

Peter Baumann, Senior Green Coffee Buyer, Strauss Coffee



15

15 food technologists and supply chain managers from Strauss Israel attended a two day innovation workshop delivered by senior business development and cocoa supply professionals from our sustainable cocoa supplier, Barry Callebaut.

200

Tons of sesame we plan to purchase directly from growers in Ethiopia in order to make our tahini supply more stable, economic and sustainable, following a successful pilot in 2014.

SUSTAINABLE COCOA



Strategic purchasing of ingredients is more than a simple buy-sell equation. We aim to build long-term partnership relationships with our key suppliers. Following years of sourcing sustainable cocoa from Barry Callebaut, and the completion of a long-term exclusive supply agreement in 2013, we sought further ways to share knowledge and technologies so that we can deliver better products for our consumers. We were delighted to host two senior managers at Barry Callebaut in an interactive two-day workshop for our key teams, covering trends, regional differences in cocoa quality, innovation, technology and consumer preferences.

Rachel Oz, Strategic Purchasing Manager, Strauss Group

SUSTAINABLE SESAME



Over the years, we have been sourcing more of our fresh produce directly from growers, rather than purchasing from traders. We find that maintaining direct relationships with growers guarantees high quality and availability of the best produce for our consumers, while helping us maintain sustainable agricultural practice. In 2014, we took a step further in this strategy. Our tahini salads are made using a tahini paste comprised of sesame seeds. Rather than sourcing the tahini paste, we decided to go to the source – the sesame growers – to establish direct relationships with them to improve our overall product. We wanted to achieve a higher purity of sesame that is most suitable for tahini and contains higher protein levels which is a benefit for our consumers. The ideal source for this specific type of sesame is Ethiopia. Sesame farming in Ethiopia is still undeveloped and family farms can be very small. We visited several times to talk to growers and develop a successful collaboration with farmers directly, supported by farmers associations that protect their interests. We will provide agronomic support to help farmers understand the quality we require. Following a successful pilot in 2014, we plan to expand our sesame purchasing from Ethiopia.

Pini Gotliv, Agronomist, Strauss Group



11

We have been working in partnership with our supplier in Shenzhen, China for 11 years for assembly and sourcing of our WaterBars.

SUSTAINABLE WATERBARS

“ We know that Strauss Water expects high standards of us and we aim to be a model supplier and partner. We are audited annually for our compliance with quality and environmental standards, ISO9001 and ISO14001, and have one of the best safety records in the Shenzhen area. For the past 3 years, we have received an award from the local government for our outstanding safety performance. In fact, we apply the highest standards to care for our employees – around 40% of our employees live in our company dormitories and we provide a range of living facilities including travel to their home city each year. All our employees receive good benefits in comparison to local industry, including annual medical check-ups and pension plans, maternity leave and bonuses for long service. We do our best to work in an environmentally responsible manner – for example, when we set up the Strauss WaterBar production line, we designed a continuous water recycling process for water that is used for testing WaterBars at the end of the line. This is the only process in our factory that uses water, and we have ensured our operation has minimal water impact. ”

Ellen Shia, Customer Services Manager, ENG (Shenzhen) Electronics Co., Ltd.

3

The number of consecutive years that ENG Electronics has been recognized by local government for strong employee safety performance.

“ Working with partners in our industry can be a risky business. Assembly suppliers have a direct link to our customers through the quality of our products. That’s why we were happy to continue our relationship with ENG Electronics in China, after our acquisition of the Tana Industries Company. We found ENG Electronics to be a highly professional and responsive company, attentive to all local laws and operating in accordance with the highest standards that we expect from ourselves. We enjoy complete transparency, full cooperation and rely upon compliance with all the relevant social and environmental standards that apply in our business, both from a regulatory and also from an ethical standpoint. The fact that our collaboration has lasted over 10 years with no major issue is a testimony to the quality of ENG’s leadership and dedicated staff. ”

Yefet Mashilker, Strategic Infrastructures Manager, Strauss Water

ADVANCING SMALL SUPPLIERS

“ One of our strategic purchasing objectives is to introduce diversity into our supply base, in particular by creating opportunities for small or women-owned businesses. For a large group such as Strauss, this is not always easy as our high quality standards and considerable volumes often present challenges for small businesses to compete. In the packaging area however, we made a conscious effort in 2014 to map all possible opportunities for potential new suppliers. We were successful in working with two small suppliers to significantly increase volumes. We believe that working with a diverse supply base is good for the local economy, good for our business and provides a platform for growth for the suppliers themselves. ”

Hilda Yadid, Packaging Purchasing Manager, Strauss Israel

Graphica Bezalel is a family business with around 100 employees, supplying carton packaging. We worked with Graphica Bezalel to collaborate on new packaging and obtaining safety standards such as HACCP. In 2014, Graphica Bezalel increased business with Strauss Israel by 64% and we expect this to reach triple their 2013 purchasing value in 2015.

“ In addition to the financial benefits of doing more business, our collaboration with Strauss Group brings us professional and technological value. Working with Strauss teams helps us improve our knowledge and gain important experience so that we can grow and develop and continually improve our products. ”

Eyal Harpak, Vice President, Graphica Bezalel

64%

Increase in purchase value from small business supplier, Graphica Bezalel, in 2014.

85%

Expected increase in purchase volume with small business supplier, Shin Lerner, in 2015, following new contracts in 2014.



Shin Lerner is a small, family-owned label supplier located in the northern periphery of Israel. We worked with Shin Lerner to ensure appropriate processes were in place to deliver significantly greater volumes, expanding supply from one division of Strauss Israel to three more divisions with a much more complex set of specifications. Shin Lerner will almost double its sales value with Strauss Group in 2015.

ENVIRONMENTAL IMPACTS

Improving our environmental impacts is important for Strauss Group for two reasons. Reducing our resource consumption makes us more cost-efficient and it also helps us play our role in advancing the sustainability of the planet. In our 2020 Sustainability Strategy, we have adopted several environmental goals that require us to make systematic changes in our operations around the world, take advantage of technological developments and embed a culture of sustainability at all levels in our business. In 2014, we were able to deliver improvements, but we have more work to do to align the organization effectively with our Strategy drive further efficiencies.

ENVIRONMENTAL PERFORMANCE

In 2014, we are pleased to report improvements in our environmental impacts with an 8% reduction in energy consumption, 25% reduction in greenhouse gas emissions and 12% reduction in water consumption, all calculated on a per ton of product basis. On the other hand, our overall waste increased by 39%. Waste per ton of product also increased albeit at a lower rate of 23%. These higher figures represent improved monitoring and data capture systems in 2014 rather than an underlying increase in waste. However, waste generation, despite our high level of diversion at 83%, remains a challenge and we expect to address this as we progress our Sustainability Strategy 2020 objectives.



ENVIRONMENTAL PERFORMANCE	G4	UNIT	2012	2013	2014	CHANGE FROM 2013
Direct energy consumption	G4-EN3	GJ	1,184,820	1,369,834	1,407,913	3%
Indirect energy consumption		GJ	473,932	504,855	532,924	6%
Total energy consumption		GJ	1,658,752	1,874,689	1,940,837	4%
Scope 1 GHG emissions	G4-EN15	Tons CO2e	85,277	113,624	99,477	-12%
Scope 2 GHG emissions	G4-EN16	Tons CO2e	88,432	82,168	67,730	-18%
Total GHG emissions	G4-EN15/16	Tons CO2e	173,709	195,792	167,208	-15%
Total water withdrawal	G4-EN8	M3	1,506,410	1,721,527	1,706,183	-1%
Waste to reuse	G4-EN23	Tons	47,728	54,198	75,028	38%
Waste to recycling		Tons	9,629	7,638	10,256	34%
Waste to landfill		Tons	15,371	12,218	17,717	45%
Total waste		Tons	72,728	74,054	103,001	39%
Percentage of waste recycled or reused		%	79%	84%	83%	-1%
Energy intensity	G4-EN5	GJ / ton of product	3.52	3.78	3.48	-8%
GHG emissions intensity	G4-EN18	Tons CO2e / ton of product	0.35	0.39	0.30	-25%
Water intensity	-	M3 / ton of product	3.28	3.54	3.11	-12%
Waste intensity	-	Tons / ton of product	0.16	0.15	0.19	23%

NATURAL GAS FOR ISRAELI FACILITIES

2014 We started preparations to convert our Israel production sites from LPG to natural gas.

2016 We expect to convert 100% of our LPG to natural gas in the coming years.

“ The process of conversion from use of LPG to natural gas at our sites is a complex one. We must prepare our facilities and pipelines and create the appropriate onsite infrastructures. In addition, there are many regulatory requirements to comply with including audits by at least five different authorities, such as the Natural Gas Authority, local urban planning committees, the fire and rescue authorities and the Standards Institute of Israel. We must train all our employees in new procedures for handling and use of natural gas as our main energy source in our factories. The national natural gas pipeline will be available in 2016 throughout the country. In early 2015, we are receiving natural gas via pipeline in our southern factories, and compressed natural gas (CNG) in our northern plants – by the end of 2016 we expect the pipeline to reach all our facilities and we will be ready to receive it. In addition, in 2014, we started to source natural gas-based electricity from a private power company, so that in the future, our carbon footprint will be almost entirely based on natural gas, which is far more environmentally friendly than our current sources.

Dave Rosenberg, Energy Supervisor, Strauss Israel

WATER EFFICIENCY FOR POTATO CHIPS

One of our main production lines in Israel is our potato chips production line in our salty snacks factory. The manufacturing process involves removing the moisture from the potatoes. This generates around three cubic meters of water vapor each hour, which is usually emitted to the air through a chimney. We thought this was a waste of such vapor which could potentially be used to help keep our factory cool. We worked for two years with specialist technology partners to develop a solution. Starting in mid-2015, almost all this water vapor will be routed to our factory AC system where it will help cool our site and reduce our energy, water and GHG emissions impacts.

Oded Shimshoni, Engineer, Strauss Israel

3 Three cubic meters per hour of water vapor are emitted via our potato chips production process for moisture removal from potatoes.

2 It has taken two years to design, test and install an innovative solution for re-using water vapor to cool our potato chips factory.



59%

The main greenhouse gas emissions of our WaterBars occur in the use phase: 59%

40%

We expect to decrease the carbon footprint of WaterBars by 40% by 2016.

CARBON EFFICIENCY FOR WATERBARS

We are constantly looking for ways to reduce our carbon footprint throughout the life cycle of our WaterBars. We know that WaterBars are far more favorable from an environmental standpoint than purchasing bottled water. But that's not enough for us. We have obtained Energy Star certification for our WaterBars, proving energy efficiency in the use phase. In 2014, we undertook a full Life Cycle Analysis including manufacturing, transport, use and end of life phases. We now have plans to improve the environmental performance of WaterBars in the coming years.










Yoella Ganem Krief, EHS Manager, Strauss Water

BUILDING EFFICIENCY FOR SABRA

LEED SILVER CERTIFICATION FOR SABRA FACTORY EXPANSION

In 2014, we completed the expansion of our Sabra hummus factory in South Chesterfield, Virginia. LEED (Leadership in Energy and Environmental Design) is the accepted standard for the design and construction of high performance green buildings in the U.S. Factories certified to LEED standards are considered to lead the industry in energy and resource efficiency, employee working environment, and sustainable production. Both our existing Sabra factory and our new factory extension in 2014 achieved LEED Silver certification.

ENERGY AND RESOURCE SAVING FEATURES OF OUR SABRA FACTORY EXPANSION

-  White membrane roof to minimize heat
-  Two 10,000 gallon cisterns capture rainwater from the roof drainage system for irrigation
-  Process motors are equipped with Variable Frequency Drives (VFD) that reduce motor speeds to match production needs
-  Centralized lighting control system with daylight sensors that dim lights when adequate light is attained through daylighting
-  High efficiency HVAC units
-  20% of the building materials extracted and manufactured within 500 miles of the factory
-  20% of the materials installed in the factory are comprised of recycled content
-  81% of construction waste diverted from landfill
-  Low and no chemicals adhesives, sealants, paints, coatings, and flooring materials

With parent companies PepsiCo and Strauss Group, doing business in a sustainable manner is both expected and appreciated. So it was with the construction of our original Sabra facility and our more recent plant expansion. We are convinced that green buildings are better for employees, better for our business and better for the environment. It's a source of great pride for all of us to work in one of the most sustainable food production facilities in the U.S.

Willie Johnson, Director of Engineering, Sabra Dipping Company

ENVIRONMENTAL INNOVATION

Achieving our Sustainability Strategy 2020 environmental objectives cannot be done through incremental savings alone. In our core processes, we must encourage innovation in order to make step changes in our energy and resource efficiency. Such changes take some years to adopt, evaluate and scale, but each year, we are able to implement new approaches that support a sustainable supply chain and environmental stewardship. **In 2014, we have selected a few examples to share.**



WASTEWATER EFFICIENCY INNOVATION

HOT
Typical waste water treatment in food factories treats water at the end of the process, when it is still hot. This requires chemical treatment and is energy intensive.

“ We are constantly challenged to find the most efficient ways to meet our environmental responsibilities and regulatory requirements. Our new wastewater treatment process relies on filtering cold water as part of our production process, rather than treating wastewater at the end of it. At the end of the process, the water runs off warm and chemicals are needed to separate the organic solids, which in our salty snacks factors refers primarily to starch. During production, when the water is chilled, a standard filtration process can be applied. This is a stroke of genius! It enables us to treat far larger quantities of process water per hour while using zero chemicals as well as reducing our energy consumption. In our salty snacks factory, which processes thousands of tons of corn per year, starch is a major contributor to a high organic load in wastewater. We can now achieve far better wastewater quality. ”

Oded Shimshoni, Engineer, Strauss Israel

COLD
Our new innovative wastewater treatment system filters water during the production process, when it is cold. This requires zero chemicals and far less energy.

“ This is a fantastic example of how our Alpha Strauss Food Tech Innovation Incubator can yield tangible results for sustainable benefits. Our collaboration with an Alpha Strauss community member start-up innovator in wastewater technologies, AMTR Scientific, delivered a successful pilot in 2013. Now, we have proven the efficacy of this technology at scale that we will believe will benefit the industry as a whole, not just Strauss Group. Wastewater treatment has been one of the most important challenges of our industry for many years. With the right approach to technology and collaboration, and enabling innovators to use our facilities as their testing ground, breakthrough results can be achieved. ”

Dagan Eshel, Head of Alpha Strauss, Strauss Group

ENERGY EFFICIENCY INNOVATION

15%

With our new energy efficiency technology, we expect to make savings of up to 15% in energy consumption at key production facilities in Israel in 2015.

“ One of the most important factors in improving energy efficiencies is knowing where your energy inefficiencies are. In a complex production facility, this is not as simple as it might sound. Through our collaboration with Panoramic Power, we adopted a new system that measures the energy consumption in real time at the level of an individual power circuit or single motor rather than capturing the entire production hall as a whole. This means we can not only measure our efficiency, but we can immediately detect even a minor miscalibration of components in energy systems and identify potential malfunctions before they occur. ”

This gives the production management the ability to proactively fine tune energy consumption at a level never possible before. Alerts are provided to the general control panels and also to mobile phones so that the production controllers know immediately if there is a need to inspect and correct issues affecting power consumption. Following our successful six-month pilot in our salads factory in Karmiel in Israel during 2014, we have expanded the energy efficiency installation to our most energy intensive factories for dairy, salads and chocolate, which account for 80% of our energy consumption in Israel. We expect to achieve a 5-15% reduction in energy consumption each year per site when fully operational and we will measure this specifically starting from 2015.

Dave Rosenberg, Energy Supervisor, Strauss Israel

“ We are new to food processing and manufacturing. Panoramic Power's goal is to offer solutions that increase energy savings and improve operational efficiencies. We work across many industries. Being part of the Alpha Strauss community enables us to learn about the food processing industry, gain access to practical support and establish ourselves as a player in this market. The Strauss Group name opens doors for a start-up specialized company such as ours, and enables us to expand and support sustainable innovation in the food industry on a much wider scale. ”

David Almagon, Executive Chairman and Co-Founder, Panoramic Power





COFFEE ROASTING INNOVATION

30% 70%

Reduction in greenhouse gas emissions in our coffee roasting process.

Reduction in energy in our coffee production process.

In August 2014, Strauss Adriatic implemented a new system to improve the efficiency of our roasting process. The coffee bean roasting process produces emissions of exhaust gases that must be treated to remove contaminants. Our previous system used a burning process for exhaust gases that reached a temperature of 600 degrees Celsius. Now, we apply new technology to efficiently and safely treat roaster gases using 7% less energy in the total roasting process and generating 3% fewer greenhouse gas emissions throughout the whole production process. This is because the new technology, which includes a catalyzing process, requires a lower temperature of 400 degrees Celsius to achieve the same result.

Nemanja Masic, Maintenance Manager, Strauss Adriatic

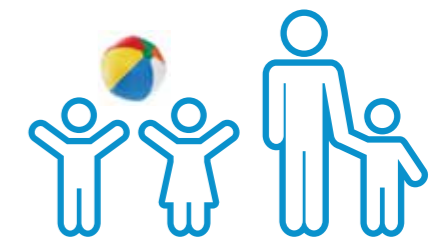
SOCIAL INVESTMENT AND COMMUNITY ENGAGEMENT

Supporting our local communities in the countries where we have a presence is both a strategic objective and an ethical imperative. We cultivate good relationships with our local communities, contribute to healthier lifestyles and other aspects of community life. This engages our employees in activities that inspire them in addition to their daily work.

Strauss Group's social investment agenda focuses on diversity and inclusion initiatives, women's economic empowerment and promoting wellness and healthy and active lifestyles. We aim to partner with expert social organizations that have a nationwide outreach in the countries where we operate. Our support for social organizations includes financial donations, in kind support,

volunteering and mentoring, hosting fairs to sell products and gifts made by people with disabilities and more. In 2014, more than 2,000 employees participated in our annual Social Responsibility Day focusing on community contribution held across Strauss Group companies around the world.

More and more, we expect to channel our community support in line with our Sustainability Strategy 2020 objective to develop a global flagship social partnership, with a multi-year commitment to improve healthy lifestyle practices. We are currently planning our engagement with potential partners to drive this forward. In the meantime, all of our local operating units maintain a local connection with a local contribution.



GROUP COMMUNITY INVESTMENTS

\$2.8 MILLION

Total value of Strauss Group community investments in 2014 (financial donations, value of product donations and value of employee volunteering hours).

INVESTMENT TYPE (US\$ MILLIONS)	2012	2013	2014
Financial donations	0.73	1.1	0.8
Product donations (cost value)	1.56	1.45	1.7
Value of employee volunteering time and community relations	0.22	0.86	0.65
Total	2.51	3.41	3.2

Note: Average employee volunteering time is calculated at \$17.44 per hour. In 2014, volunteers donated 18,500 hours for community volunteering. Overall, approximately 5,000 employees volunteered in the community in 2014, representing 35% of the total Strauss Group employee base.

MAKING A DIFFERENCE IN COMMUNITIES AROUND US

RUSSIA



Strauss CIS donated funds to construct a community playground and volunteered 160 hours to other community causes during 2014.

BRAZIL



Strauss Coffee operations in Brazil donated funds to support several organizations that promote cultural, educational and healthy lifestyle activities.

U.S.



In Sabra in the U.S., 110 employees volunteered 320 hours in activities to alleviate hunger and promote food security.

ADRIATIC

Many Strauss Adriatic employees volunteered during the devastating floods in Serbia in 2014 to help local communities with basic needs.

POLAND



Strauss Poland donated funds to support children with disabilities and senior citizens. Also, Strauss Poland funded renovations and new equipment for child care facilities.

ROMANIA



In Strauss Romania, 85 employees volunteered more than 700 hours in the community and Strauss Romania donated funds to organizations supporting children's education, healthcare and environmental initiatives. This included the second year of our educational partnership with World Vision and School of Values to improve life skills for schoolchildren. We hosted 40 students in 6 educational workshops at our offices in Bucharest.

In Strauss Romania, we try to integrate employee volunteering with protecting the environment through planting trees in a local forest near Bucharest. Our goal is to plant as many trees as we have employees in our entire Strauss Coffee company. In 2014, 40 Strauss Romania employees planted 1,600 trees in partnership with the "Children's Forest" campaign whose aims are reforestation of degraded land in Southern Romania and planting and nurturing a seedling for every newborn in Romania.

ISRAEL



Strauss in Israel supports over 40 community partners in diversity and inclusion initiatives, women's economic empowerment social projects, promotion of healthy lifestyles, support of young people and hunger relief for low-income communities. In Israel, we meet our community partners every year for a day of training, networking and learning together with employees who are community leaders within their different departments. More than 40% of Strauss Israel employees volunteered their time in the community in 2014.

In 2014, we launched an innovative social investment program named Synergy, where 8 experienced senior managers joined the Boards of nonprofit organizations. This benefits the organizations as they gain new insight and support for their programs while our managers gain the experience of directing an organization at a strategic level in a different environment.



2014 SUSTAINABILITY PERFORMANCE DATA TABLES

HUMAN RESOURCES	G4	UNIT	2012	2013	2014
Total employees at year end	G4-10	Number	12,182	12,556	12,792
Employees on permanent contracts		%	98%	95%	96%
Temporary contract employees		%	2%	5%	4%
Employees covered by collective bargaining agreements	G4-11	%	47%	46%	49%
Women in total workforce	G4-LA12	%	43%	41%	40%
Women employees in management positions		%	38%	39%	40%
Employees below age 30		%	32%	44%	30%
Employees aged 30 - 50		%	55%	46%	57%
Employees above age 50		%	13%	10%	13%
Employee new hires	G4-LA1	Number	3,670	4,345	3,737
Employee leavers		Number	4,113	4,147	3,539
Employee turnover		%	34%	33%	28%
Employee performance reviews	G4-LA11	%	18%	26%	27%
Salary ratio of women to men (managers)	G4-LA14	%	100%	96%	97%
Salary ratio of women to men (non-managers)	G4-LA13	%	87%	86%	93%

SAFETY	G4	UNIT	2012	2013	2014
Number of injuries	G4-LA6	Injuries	581	529	406
Number of lost days due to injury		Days	12,787	10,855	7,915
Number of absenteeism days		Days	N/A	N/A	76,876
Injury rate per 100 employees		Rate	4.96	4.46	3.35
Lost day rate per 100 employees		Rate	109.24	91.48	65.32
Absenteeism rate per 100 employees		Rate	N/A	N/A	4.31

ENVIRONMENTAL PERFORMANCE	G4	UNIT	2012	2013	2014
Direct energy consumption	G4-EN3	GJ	1,184,820	1,369,834	1,407,913
Indirect energy consumption		GJ	473,932	504,855	532,924
Total energy consumption		GJ	1,658,752	1,874,689	1,940,837
Scope 1 GHG emissions	G4-EN15	Tons CO2e	85,277	113,624	99,477
Scope 2 GHG emissions	G4-EN16	Tons CO2e	88,432	82,168	67,730
Total GHG emissions	G4-EN15/16	Tons CO2e	173,709	195,792	167,208
Total water withdrawal	G4-EN8	M3	1,506,410	1,721,527	1,706,183
Waste to reuse	G4-EN23	Tons	47,728	54,198	75,028
Waste to recycling		Tons	9,629	7,638	10,256
Waste to landfill		Tons	15,371	12,218	17,717
Total waste		Tons	72,728	74,054	103,001
Percentage of waste recycled or reused		%	79%	84%	83%
Energy intensity	G4-EN5	GJ / ton of product	3.52	3.78	3.48
GHG emissions intensity	G4-EN18	Tons CO2e / ton of product	0.35	0.39	0.30
Water intensity	-	M3 / ton of product	3.28	3.54	3.11
Waste intensity	-	Tons / ton of product	0.16	0.15	0.19



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

UN GLOBAL COMPACT

The UN Global Compact (UNGC) is a strategic policy initiative of the United Nations which encourages companies around the world to adhere to ten principles of responsible business relating to human rights, labor standards, environmental protection and anti-corruption. Strauss Group has participated in the UNGC since 2008.

Statement of continued support for the UN Global Compact

On behalf of Strauss Group, I confirm our continuing participation in the UN Global Compact. We commit to upholding and promoting the ten principles of the Global Compact and supporting the broad objectives of social, humanitarian and environmental goals. We confirm our intention to maintain our adherence to these principles and continue to promote them within our companies and with our business partners. We will report annually on our progress within our annual Sustainability Reports which are available on our website.

Gadi Lesin
President and CEO
Strauss Group

UN GLOBAL COMPACT

Global Compact Principles	GRI G4 Aspects / Disclosures	Our Position
1 Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights	Respecting human rights at Strauss is a core value. We conduct our business responsibly according to the highest ethical standards, including respect for all human beings and acknowledgement of their rights. We make our suppliers aware of our human rights standards and encourage them to adopt similar standards.
2 Businesses should make sure that they are not complicit in human rights abuses.	Human Rights Local Communities	We respect the rights of employees to freedom of association and collective bargaining. We maintain a collaborative relationship with employees and address issues relating to their rights in a positive manner.
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11 Freedom of Association Labor Relations	We do not engage in any practice which could be construed as forced labor. Strauss Group employees are employed lawfully and of their own free will.
4 Businesses should support the elimination of all forms of forced and compulsory labor.	Forced and Compulsory Labor	We respect and support the rights of children and we are committed to safeguarding their interests. We do not employ children in any part of our business.
5 Businesses should support the effective abolition of child labor.	Child Labor	We maintain a policy of equal opportunity and inclusive practices for new and current employees in all matters relating to their employment with Strauss Group
6 Businesses should support the elimination of discrimination in respect of employment and occupation.	G4-10 Labor Practices and Decent Work	We adopt environmentally-oriented practices in all our operations and have established targets to reduce our impacts on the environment. We aim to drive such practices through our supply chain and work to identify food technologies which support efficient food supply and a reduction in food waste.
7 Businesses should support a precautionary approach to environmental challenges.	Environmental	
8 Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental	
9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environmental	
10 Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption Public Policy	We are committed to behaving with integrity and act against all forms of corruption.

GRI G4 CONTENT INDEX

G4	General Standard Disclosure	Page/Link	External Assurance
G4-1	Leadership statement.	From our leadership: Page 4-5	None
G4-3	Organization name.	Strauss Group At a Glance: Page 6	None
G4-4	Brands, products, and services.	Strauss Group At a Glance: Page 6	None
G4-5	Headquarters location.	Strauss Group At a Glance: Page 6	None
G4-6	Countries of operation.	Strauss Group At a Glance: Page 6	None
G4-7	Ownership and legal form.	Strauss Group At a Glance: Page 6	None
G4-8	Markets served.	Strauss Group At a Glance: Page 6	None
G4-9	Scale of the organization.	See below: Page 6	None
G4-10	Employee information.	See below: Page 14	None
G4-11	Collective bargaining.	See below: Page 14	None
G4-12	The organization's supply chain.	Page 47	None
G4-13	Significant changes.	Strauss Group: At a Glance: Page 6	None
G4-14	Precautionary principle.	Page 70	None
G4-15	External charters.	Page 70	None
G4-16	Memberships of associations.	Page 70	None
G4-17	Entities included.	Page 71	None
G4-18	Process for defining report content.	About this report: Page 2-3	None
G4-19	Material Aspects identified.	Page 73	None
G4-20	Aspect Boundary within the organization.	Page 73	None
G4-21	Aspect Boundary outside the organization.	Page 73	None
G4-22	Restatements of information.	See relevant Performance Indicators Pages 63-64	None
G4-23	Changes in Scope and Aspect Boundaries.	No significant changes.	None
G4-24	Stakeholder groups engaged.	Page 74	None
G4-25	Basis for selection of stakeholders.	Page 74	None
G4-26	Approach to stakeholder engagement	Page 74	None
G4-27	Key topics from stakeholder engagement.	Page 74	None
G4-28	Reporting period.	About this report: Page 2-3	None
G4-29	Recent previous report.	About this report: Page 2-3	None
G4-30	Reporting cycle.	About this report: Page 2-3	None
G4-31	Contact point.	About this report: Page 2-3	None
G4-32	"In accordance" option and Content Index	About this report: Page 2-3	None
G4-33	Policy with regard to external assurance.	About this report: Page 2-3	None
G4-34	Governance structure of the organization.	Page 74	None
G4-56	Values, principles and codes of ethics.	Page 74	None

Specific Standard Disclosures

Material Aspects	G4 Category / Aspect	Indicator	Page	Omissions	External Assurance
Healthy lifestyles	Social: Society: Local Communities				
	Operations with local community engagement.	G4-SO1	Page 60	None	None
	Economic: Indirect economic impacts				
	Significant indirect economic impacts	G4-EC8	Page 26	None	None
	Food Sector: Customer Health and Safety				
	Volume of consumer products lowered in saturated fat, trans fats, sodium and sugars.	FP6	-	Data by sales and category is unavailable.	None
	Consumer products that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives	FP7	-	We plan to report in 2016.	None
Reduce resources and waste in our value chain	Environmental: Materials				
	Materials used by weight or volume	G4-EN1	Page 74	None	None
	Environmental: Energy				
	Energy consumption within the organization	G4-EN3	Page 75	None	None
	Energy intensity				
		G4-EN5	Page 75	None	None
	Environmental: Water				
	Total water withdrawal by source	G4-EN8	Page 76	None	None
	Environmental: Emissions				
	Direct greenhouse gas (GHG) emissions (Scope 1)	G4-EN15	Page 76	None	None
Energy indirect greenhouse gas (GHG) emissions (Scope 2)	G4-EN16	Page 76	None	None	
Greenhouse gas emissions intensity	G4-EN18	Page 77	None	None	
Ozone depleting substances	G4-EN20	Page 77	None	None	
Emissions of air pollutants (NOx, SOx and PM)	G4-EN21	Page 77	None	None	
Environmental: Effluents and Waste					
Total wastewater pollutant levels	G4-EN22	Page 77	None	None	
Total weight of waste by type	G4-EN23	Page 78	None	None	
Environmental: Overall					
Total environmental protection expenditures	G4-EN31	Page 78	None	None	
Clear product labeling and responsible marketing	Social: Product Responsibility: Product and Service Labeling				
	Product and service information and labeling	G4-PR3	Page 78	None	None
	Surveys measuring customer satisfaction	G4-PR5	Page 78	None	None
	Social: Marketing communications				
Non-compliance with regulations concerning marketing communications.	G4-PR7	No instances	None	None	

Material Aspects	G4 Category / Aspect	Indicator	Page	Omissions	External Assurance
Ethical sourcing and supply chain	Food Sector: Procurement Practices				
	Purchased volume compliant with the company's sourcing policy.	FP1	Page 78	None	None
	Volume verified in accordance with responsible production standards	FP2	Page 78	None	None
Diversity in everything we do	Social: Diversity and Equal Opportunity				
	Composition of governance bodies and employees according to indicators of diversity.	G4-LA12	Page 79	None	None
	Social: Labor Practices and Decent Work: Equal Remuneration for Women and Men				
	Ratio of basic salary and remuneration of women to men.	G4-LA13	Page 81	None	None
	Social: Society: Local communities				
	Operations with local community engagement.	G4-SO1	Page 60	None	None
	Economic: Procurement practices				
	Proportion of spending on local suppliers at significant locations of operation.	G4-EC9	Page 74	None	None
Engaging our Employees	Social: Labor Practices and Decent Work: Employment				
	Total number and rates of new employee hires and employee turnover	G4-LA1	Page 79	None	None
	Social: Labor Practices and Decent Work: Occupational Health and Safety				
	Injury and rates of injury, occupational diseases, lost days, absenteeism and fatalities	G4-LA6	Page 80	Data is not split by gender.	None
	Social: Labor Practices and Decent Work: Training and Education				
	Programs for skills management and lifelong learning	G4-LA10	Page 18	None	None
	Employees receiving regular performance and career development reviews	G4-LA11	Page 80	None	None

G4-9

- Total number of employees: See our response to G4-10 below
- Total number of operations: See our Annual Report 2014
- Net sales: See our Annual Report 2014
- Net revenues: See our Annual Report 2014
- Total capitalization: See our Annual Report 2014
- Quantity of products or services provided: We supplied almost 550,000 tons of food and beverage products in 2014.

G4-10

Total number of employees by gender	2012	2013	2014
Male	6,939	7,394	7,640
Female	5,243	5,162	5,152
Total employees	12,182	12,556	12,792

Total number of employees by contract	2012	2013	2014
Permanent contract	11,979	11,928	12,322
Temporary contract	203	628	470
Total employees	12,182	12,556	12,792

Total number of employees by type	2012	2013	2014
Full time	11,540	11,014	12,123
Part time	823	1,542	669
Total employees	12,363	12,556	12,792

Total number of employees by region and gender	2012			2013			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Europe	889	601	1,490	994	668	1,662	977	657	1,634
Israel	2,795	2,863	5,658	2,806	2,588	5,394	2,896	2,597	5,493
U.S.	552	423	975	597	470	1,067	392	289	681
Rest of the world	2,703	1,356	4,059	2,997	1,436	4,433	3,375	1,609	4,984
Total employees	6,939	5,243	12,182	7,394	5,162	12,556	7,640	5,152	12,792
Percentage male - female	57%	43%		59%	41%		60%	40%	

Note:

- Data for 2014 includes all global operations except Max Brenner. Max Brenner is included in 2012 and 2013.
- Sabra split between permanent and temporary contract employees is estimated for 2014 based on prior years.
- Differences between data in this report and employee data reported in Strauss Group's audited Annual Report is due to year-end differences and inclusion of supervised workers and Max Brenner operations.

G4-11

Percentage of employees covered by collective bargaining agreements	2012	2013	2014
	47%	46%	49%

G4-14

We analyze and assess business, social and environmental risks, and undertake appropriate safeguarding measures as part of our precautionary approach. The Audit Committee of the Board of Directors of Strauss Group supervises and assesses risks identified and directs appropriate action within the companies in the Group. For more information on Risk Management, please see our 2014 Annual Report.

G4-15

We participate in the UN Global Compact. We are also members of Maala, Business for Social Responsibility in Israel and participate in an annual Social Responsibility Ranking. For the past three years, we have achieved the highest possible ranking, Platinum Plus.

G4-16

Strauss Group leadership is active in several forums, and we participate in many different groups and associations in Israel and around the world. Our most senior leadership is active as follows:

Ofra Strauss, Strauss Group Chairperson

- President of Jasmine: Jasmine, the Association of Businesswomen in Israel, was established to realize the economic potential of Jewish and Arab businesswomen.
- Chair of the Israel-America Chamber of Commerce: The IACC is a voluntary organization dedicated to the promotion of trade and investment between Israel and the U.S.

Gadi Lesin, Strauss Group CEO

- Member of the Prime Minister of Israel's Round Table Forum: This is a collaborative Round Table which aims to address social issues through collaboration between public, private and non-profit sectors.
- Chairman of the Manufacturers' Council of the Manufacturers' Association of Israel: The Manufacturers' Association represents all industry sectors in the local and international markets.
- Director of Shabal ("Healthy Teeth for All"), Israel: Shabal is a non-profit association that provides access to affordable or no-cost oral healthcare for underprivileged individuals.

G4-17

Entities that are included in our financial (annual) report but excluded from this report are

- Strauss Water operations in China (partnership with Haier) and in the UK (partnership with Virgin)
- Max Brenner U.S. operations and all franchise operations: Israel, Australia, Philippines, Singapore
- Operations of Obela Australia are partially included - see notes to relevant data points.

Environmental data is collected from the following sites:

Country	Location	Main activity	Included in our data collection *		
			2012	2013	2014
Australia	Cavan, South Australia	Dips	N	N	Y
Brazil	Santa Luzia, Minas Gerais state	Roast and ground coffee and cappuccino	Y	Y	Y
Brazil	Eusébio, Ceará state	Roast and ground coffee	Y	Y	Y
Brazil	Natal, Rio Grande do Norte state	Coffee, chocolate and cappuccino	Y	Y	Y
Brazil	Nova Iguaçu, Rio de Janeiro state	Filter paper for filter coffee	Y	Y	Y
Brazil	Mossoro Rio Grande do Norte state	Corn products and drink powders	N	N	Y
Brazil	Varginha, Minas Gerais state	Green coffee processing	N	N	N
China	Shanghai	Strauss Water offices.	N	N	N
China	Changzen	Strauss Water offices and outsourced production	N	N	N
Germany	Upahl	Instant coffee	N	Y	Y
Israel	Achihud	Dairy products	Y	Y	Y
Israel	Nazareth	Chocolate, candy and gum	Y	Y	Y
Israel	Beit Shemesh	Max Brenner chocolates	Y	Y	Y
Israel	Shderot	Salty snacks	Y	Y	Y
Israel	Yotvata	Milk beverages and enriched milk	Y	Y	Y
Israel	Netivot	Dairy products	Y	Y	Y
Israel	Carmiel	Salads	Y	Y	Y
Israel	Sde Nitzan	Preparation and packing fresh refrigerated vegetables	Y	Y	Y
Israel	Yad Mordechai	Honey products, olive oil and jams	Y	Y	Y
Israel	Haifa Bay	Refrigerated distribution in Israel	Y	Y	Y
Israel	Acre	Logistics center	Y	Y	Y
Israel	Petach Tikva	Refrigerated distribution in Israel	Y	Y	Y
Israel	Beit Shemesh	Refrigerated distribution in Israel	Y	Y	Y

Country	Location	Main activity	Included in our data collection *		
			2012	2013	2014
Israel	Beersheba	Refrigerated distribution in Israel	Y	Y	Y
Israel	Zerifin	Refrigerated distribution in Israel	Y	Y	Y
Israel	Safed**	Instant coffee	Y	Y	Y
Israel	Lod	Roast and ground coffee and choco powder	Y	Y	Y
Israel	Petach Tikvah	Corporate Head Offices	Y	Y	Y
Israel	Kibbutz Nativ HaLamed He	Strauss Water plant	Y	Y	Y
Israel	Or Yehuda	Strauss Water headquarters	Y	Y	Y
Israel	Petach Tikvah	Strauss Water Lab	N	Y	Y
Israel	Lod	Strauss Water storage unit	Y	Y	N
Mexico	Mexico City	Chilled salads and dips	N	N	Y
Poland	Swadzim, near Poznan	Roast and ground coffee	Y	Y	Y
Romania	Bucharest	Roast, ground and instant coffee	Y	Y	Y
Russia	Strunino, Vladimir District	Roast and ground coffee, packaging instant coffee and more	N	Y	Y
Serbia	Simanovci, near Belgrade	Roast and ground coffee	Y	Y	Y
Netherlands	Amsterdam	Strauss Coffee Global HQ	N	Y	Y
UK	Guildford, Surrey	Strauss Water Offices and sales organisation	N	N	N
U.S.	Virginia	Chilled salads and dips	Y	Y	Y
U.S.	Virginia***	Sabra headquarters	Y	Y	Y
U.S.	Oceanside, California****	Salsa dips	Y	Y	Y
U.S.	Farmingdale, NY****	Dairy dips	Y	Y	Y
U.S.	Various cities in U.S.	Max Brenner Headquarters and Chocolate Bars *****	Y	Y	N

Notes:

* In addition, selected data has been collected from 55 points of retail coffee sales in Israel.

** Strauss Coffee site in Safed closed in February 2014. Data included until close of operations.

*** Data from Sabra headquarters excludes environmental data.

**** HR data only. These sites constitute less than 10% of Sabra production.

***** 2013 data from Max Brenner U.S. excludes environmental data.

G4-19, G4-20, G4-21

Material Aspects (G4-19)	G4 Category / Aspect	Indicator	Boundary
Healthy lifestyles	Social: Society: Local Communities	G4-SO1	External: impacts consumers in all the markets where we operate.
	Social: Product Responsibility: Customer Health and Safety	FP6	
	Economic: Indirect economic impacts	G4-EC8	
	Economic: Indirect economic impacts	FP7	
Reduce resource consumption and waste in our value chain	Environmental: Materials	G4-EN1	External: impacts environmental sustainability in all our markets.
	Environmental: Energy	G4-EN3	
	Environmental: Energy	G4-EN5	
	Environmental: Water	G4-EN8	
	Environmental: Emissions	G4-EN15	
	Environmental: Emissions	G4-EN16	
	Environmental: Emissions	G4-EN18	
	Environmental: Emissions	G4-EN20	
	Environmental: Emissions	G4-EN21	
	Environmental: Effluents and Waste	G4-EN22	
	Environmental: Effluents and Waste	G4-EN23	
Clear product labeling and responsible marketing	Social: Product responsibility: Product and Service Labeling	G4-PR3	External: impacts consumers in the markets where we operate.
	Social: Product responsibility: Product and Service Labeling	G4-PR5	
	Social: Marketing communications	G4-PR7	
Ethical sourcing and supply chain	Economic: Procurement Practices	FP1	External: impacts suppliers and economies in the markets where we operate.
	Economic: Procurement Practices	FP2	
Diversity in everything we do	Social: Diversity and Equal Opportunity	G4-LA12	Internal: impacts our employees and their personal growth and opportunities
	Social: Labor Practices and Decent Work: Equal Remuneration for Women and Men	G4-LA13	
	Social: Society: Local communities	G4-SO1	
	Economic: Procurement practices	G4-EC9	
Engaging our Employees	Social: Labor Practices and Decent Work: Employment	G4-LA1	Internal: impacts our employees, their safety and wellbeing, and personal growth and opportunities
	Social: Labor Practices and Decent Work: Occupational Health and Safety	G4-LA6	
	Social: Labor Practices and Decent Work: Training and Education	G4-LA10	
	Social: Labor Practices and Decent Work: Training and Education	G4-LA11	

G4-24, G4-25, G4-26, G4-27

The stakeholder groups we engage include

Colleagues: We engage with our employees through employee surveys, multiple meetings and open exchanges, and our dynamic intranet website.

Consumers: We engage with our consumers through a wide range of channels including market research, social media channels, targeted surveying and active call centers. Through our interactions with dieticians, nutritionists and healthcare professionals we also understand our consumers' needs and preferences more closely.

Citizenship: We maintain a wide network of relationships with suppliers, industry associations and community partners with whom we engage with regularly on matters relating to social and environmental responsibility.

The key topics raised through our engagement with these groups are reflected in our selection of material issues. More detail is provided on our 2013 Sustainability Report.

G4-34

The Strauss Group Board of Directors is comprised of 12 members, of which 5 are women. Four are independent (including two public directors required by law). None of the Directors are members of the executive management team or hold any management or other position in the Group. Eight members of the Board have been identified as having financial and accounting skills as defined by regulation. For all further details regarding governance, please see our Annual Report.

G4-56

Our organizational values are listed on page 6.

Our Code of Ethics is available on our website:

www.strauss-group.com/corporate-responsibility/download-center

G4-EC1

Economic value distributed	\$ millions	
	2013	2014
Direct economic value generated (revenues, interest on assets and investments)	1,633.76	1,398.66
Economic value distributed		
Operating costs	1,075.91	937.06
Employee wages and benefits	338.98	283.40
Payments to providers of capital	93.53	97.37
Payments to shareholders	68.25	26.39
Payments to governments	34.61	33.57
Community investments	3.41	3.10
Total economic value distributed	1,614.68	1,380.90
Economic value retained	19.08	17.77

G4-EC9

Percentage of procurement budget spent on local suppliers	2013	2014
Brazil	98%	99%
Europe	16%	31%
Israel	57%	83%
U.S.	75%	85%
Total	73%	85%

G4-EN1

Ingredient	2014 volume in tons
Cocoa	4,356
Coffee	63,349
Chickpeas	2,950
Sugar	18,500
Tahini	2,477

G4-EN3

Energy Consumption	All figures in gigajoules			
	2012	2013	2014	Change from 2013 (%)
Fuel consumption (Scope 1)				
Natural gas	421,510	591,817	741,980	25%
Fuel oil	161,684	134,053	89,577	-33%
Diesel fuel	95,707	91,728	146,197	59%
Ethanol	1,255	535	50	-91%
LPG	281,495	298,192	246,756	-17%
Gasoline	139,298	141,010	110,137	-22%
Coffee biomass	29,734	75,323	16,533	-78%
Biogas from wastewater treatment	54,137	37,177	56,683	52%
Total fuel consumption (Scope 1)	1,184,820	1,369,834	1,407,913	3%
Electricity purchased from grid (Scope 2)	473,932	504,855	532,924	6%
Total energy consumption (Scope 1 & Scope 2)	1,658,752	1,874,689	1,940,837	4%

Notes:

- Fuel consumption includes renewable and non-renewable sources.
- We do not purchase or sell heating, cooling or steam and we do not sell electricity.
- Energy consumption data for all years includes Strauss Group operations globally except Max Brenner. In 2014 only, data from new Obela operations in Australia and Mexico is included.
- Biogas from wastewater treatment, used for heating water, is now included in our energy consumption data in 2014 and has been retroactively updated for years 2012 and 2013.

G4-EN5

Energy intensity	All figures in gigajoules per ton of product			
	2012	2013	2014	Change from 2013 (%)
Scope 1	2.52	2.76	2.52	-9%
Scope 2	1.00	1.01	0.95	-6%
Total energy intensity	3.52	3.78	3.48	-8%

Note: Energy intensity is calculated per ton of product. It includes Strauss Israel, Strauss Coffee, Sabra and Obela representing over 98% of Strauss's energy consumption. The ratio includes all energy sources at the relevant sites

G4-EN8

Water withdrawal	All figures in cubic meters (m3)			Change from 2013 (%)
	2012	2013	2014	
Water withdrawn from municipal water supplies	N/A	1,635,699	1,674,364	2%
Water withdrawn from ground water	N/A	85,828	31,819	-63%
Total water withdrawal	1,506,410	1,721,527	1,706,183	-1%
Water intensity per ton of product	3.28	3.54	3.11	-12%

Notes:

- In 2014 only, data from new Obela operations in Australia and Mexico is included.
- Water intensity is calculated per ton of product. It includes Strauss Israel, Strauss Coffee, Sabra and Obela representing over 98% of Strauss Group's total water withdrawal.

G4-EN15 and G4-EN16

Greenhouse gas emissions	All figures in tons CO2e			Change from 2013 (%)
	2012	2013	2014	
Direct greenhouse gas emissions (Scope 1)				
Natural gas	23,299	32,712	41,012	25%
Fuel oil	12,620	10,463	6,992	-33%
Diesel fuel	7,234	6,914	10,898	58%
Ethanol	89	38	4	-91%
LPG	18,279	19,352	16,024	-17%
Gasoline	9,816	9,912	7,761	-22%
Emissions from ozone depleting substances	11,826	34,001	16,621	-51%
Other	102	231	166	-28%
Total direct greenhouse gas emissions (Scope 1)	85,277	113,624	99,477	-12%

Indirect greenhouse gas emissions (Scope 2)				
	2012	2013	2014	Change from 2013 (%)
Electricity purchased from grid	88,432	82,168	67,730	-18%
Total greenhouse gas emissions (Scope 1 & 2)	173,709	195,792	167,208	-15%

Notes:

- GHG emissions data for all years includes all Strauss Group operations globally except the U.S. operations of Max Brenner. In 2014 only, data from new Obela operations in Australia and Mexico is included.
- Biogas and coffee mass are renewables and recorded as zero emissions.
- Greenhouse gases included in the calculation of CO2e are CO2, CH4 and N2O.
- The IPCC Emissions Factor Database is used for calculation of fuel emission factors. Electricity emissions for Israel, Germany and Romania are calculated using national electricity grids published emissions factors. All other electricity emissions are calculated using the GHG Protocol most recent published emissions factors.
- The reduction in emissions in 2014 is in part due to use of electricity from a private source powered by natural gas, and lower emission factors in Israel due to increase in natural gas used by the national electricity grid.

G4-EN18

Greenhouse gas emissions intensity	All figures in tons CO2e per ton of product			Change from 2013 (%)
	2012	2013	2014	
Scope 1	0.177	0.229	0.178	-23%
Scope 2	0.175	0.164	0.119	-27%
Total greenhouse gas emissions intensity	0.352	0.393	0.297	-25%

Note: Emissions intensity is calculated per ton of product. It includes Strauss Israel, Strauss Coffee, Sabra and Obela, the four production companies delivering output in tons. These companies represent over 97% of Strauss Group's total emissions. Data previously reported for 2012 and 2013 has been revised to include emissions resulting from ozone depleting substances and from flaring of excess biogas used in wastewater treatment.

G4-EN20

Emissions of ozone depleting substances (ODS)	All figures in kg of CFC-11 equivalent			Change from 2013 (%)
	2012	2013	2014	
Emissions of ozone depleting substances (R-22)	313	467	187	-60%

Notes:

- Data is included for Strauss Israel, Strauss Coffee, Coffee to Go (Israel), Strauss Water and Sabra.
- Data for 2012 and 2013 has been restated and is now reported as kg of chlorofluorocarbon (CFC) 11 equivalents. In previous years all ozone depleting substances and alternatives were reported.

G4-EN21

Emissions of air pollutants (NOx, SOx and PM)	All figures in tons			Change from 2013 (%)
	2012	2013	2014	
NOx (nitrogen oxides)	139	110	44	-60%
SOx (sulphur oxides)	166	151	104	-31%
PM (particulate matter)	22	26	14	-45%
CO (Carbon Monoxide)	N/A	32	42	32%
Total emissions of air pollutants	327	318	204	-36%

Notes:

- Data is included for Strauss Israel, Strauss Coffee, Coffee to Go (Israel), Strauss Water and Sabra.

G4-EN22

Wastewater pollutants	All figures in tons			Change from 2013 (%)
	2012	2013	2014	
TSS (Total Suspended Solids)	921	662	457	-31%
COD (Chemical Oxygen Demand)	2,414	2,284	2,114	-7%
BOD (Biological Oxygen Demand)	1,128	1,063	791	-26%
Total wastewater pollutants	4,463	4,009	3,362	-16%

Notes:

- Data is included for Strauss Israel, Strauss Coffee, Coffee to Go (Israel), Strauss Water and Sabra.

G4-EN23

Hazardous and non-hazardous waste	All figures in tons			Change from 2013 (%)	Percentage of total waste 2014
	2012	2013	2014		
Reuse	47,728	54,198	75,028	38%	73%
Recycling	9,629	7,638	10,256	34%	10%
Landfill	15,371	12,218	17,717	45%	17%
Total hazardous and non-hazardous waste	72,728	74,054	103,001	39%	100%

Notes:

- Data is included for Strauss Israel, Strauss Coffee, Strauss Water and Sabra. Data from other sites was not available. Waste to landfill data for 2013 has been restated due to error.

G4-EN31

Environmental investments in \$ millions	2014
Investments in environmental projects	2.47
Investments in prevention and environmental management	3.56
Total environmental investments	6.03

FP1

In Israel 1,435 of a total 3,272 suppliers have signed Strauss Israel's Social Charter (44%). We believe this represents more than 50% of our purchasing volume.

FP2

- Coffee: In 2014, 8.4% of our total coffee procurement was sustainable coffee certified by 4C.
- Cocoa: In Strauss Israel, 100% of cocoa requirements are purchased from suppliers certified to a recognized standard.
- Data is not available at present for other key ingredients.

G4-PR3

We believe consumers can make more informed choices when they are able to understand our product labels. We comply with all product labelling laws in all countries where we operate. Further, we aim to make our labeling as clear as possible and ensure that prominent aspects relating to the product content is easily visible to consumers. Internally, we are alert to all new product labeling regulation and ensure that all relevant staff is informed and changes implemented accordingly.

G4-PR5

Customer satisfaction results from analysis of call center queries and complaints in 2014 in Israel:

93% of consumers confirmed our service is excellent, very good or good in response to their queries.

94% of consumers confirmed our service is excellent, very good or good in response to a complaint about our products

95% of consumers confirmed Strauss Group representatives are attentive to their needs when they call with a query or a complaint.

G4-LA1

New hires by age	2012		2013		2014		Rate of new hires in 2014 (males)	Rate of new hires in 2014 (females)	Total new hire rate (%)
	Male	Female	Male	Female	Male	Female			
Below age 30	1,272	975	1,585	1,115	1,388	911	10.9%	7.1%	18.0%
Age 30 - 50	837	513	972	554	836	494	6.5%	3.9%	10.4%
Over age 50	50	23	77	42	58	50	0.5%	0.4%	0.8%
Total new hires by gender	2,159	1,511	2,634	1,711	2,282	1,455	17.8%	11.4%	29.2%
Total new hires	3,670		4,345		3,737				

New hires by region	2012		2013		2014		Rate of new hires in 2014 (males)	Rate of new hires in 2014 (females)	Total new hire rate (%)
	Male	Female	Male	Female	Male	Female			
Europe	219	112	244	153	266	129	2.1%	1.0%	3.1%
Israel	757	687	955	813	936	804	7.3%	6.3%	13.6%
U.S.	228	193	319	277	48	98	0.4%	0.8%	1.1%
Rest of the world	955	519	1,116	468	1,032	424	8.1%	3.3%	11.4%
Total new hires by region	2,159	1,511	2,634	1,711	2,282	1,455	17.8%	11.4%	29.2%

Leavers by age	2012		2013		2014		Rate of turnover in 2014 (males)	Rate of turnover in 2014 (females)	Total turnover rate (%)
	Male	Female	Male	Female	Male	Female			
Below age 30	1,343	974	972	1,137	1,107	799	8.7%	6.2%	14.9%
Age 30 - 50	907	728	722	987	922	502	7.2%	3.9%	11.1%
Over age 50	70	91	124	205	127	82	1.0%	0.6%	1.6%
Total leavers by age	2,320	1,793	1,818	2,329	2,156	1,383	16.9%	10.8%	27.7%
Total leavers	4,113		4,147		3,539				

Leavers by region	2012		2013		2014		Rate of turnover in 2014 (males)	Rate of turnover in 2014 (females)	Total turnover rate (%)
	Male	Female	Male	Female	Male	Female			
Europe	253	195	222	135	267	156	2.1%	1.2%	3.3%
Israel	799	917	921	1,138	850	788	6.6%	6.2%	12.8%
U.S.	209	177	291	235	127	72	1.0%	0.6%	1.6%
Rest of the world	1,059	504	384	821	912	367	7.1%	2.9%	10.0%
Total leavers by region	2,320	1,793	1,818	2,329	2,156	1,383	16.9%	10.8%	27.7%

G4-LA6

Injuries	Number of injuries			Injury Rate			Rate change in 2014 (%)
	2012	2013	2014	2012	2013	2014	
Europe	24	17	22	2.37	1.75	2.29	31%
Israel	358	254	250	6.33	4.71	4.55	-3%
U.S.	17	27	6	1.74	2.53	0.88	-65%
Rest of the world	182	231	128	4.48	5.21	2.57	-51%
Strauss Group	581	529	406	4.96	4.46	3.35	-25%

Lost days	Number of lost days			Lost day rate			Rate change in 2014 (%)
	2012	2013	2014	2012	2013	2014	
Europe	342	633	463	33.76	65.12	48.28	-26%
Israel	3,744	3,117	3,199	66.16	57.79	58.24	1%
U.S.	181	510	53	18.56	47.80	7.78	-84%
Rest of the world	8,520	6,595	4,200	209.90	148.77	84.27	-43%
Strauss Group	12,787	10,855	7,915	109.24	91.48	65.32	-29%

Absenteeism	Number of absenteeism days (2014)	Absenteeism rate (2014)
Europe	9,123	3.81%
Israel	67,082	4.88%
U.S.	671	0.39%
Strauss Group	76,876	4.31%

Notes:

- Injuries are those which incur lost workdays. Minor injuries are not noted. Injuries are calculated per 100 employees.
- Data split by gender is not available for most locations and data is not available for supervised workers. Data for Europe includes all locations except Russia and Ukraine.
- No specific occupational diseases are identified within Strauss Group operations.
- Data for 2014 for rest of the world includes Obela in Australia and Mexico.

G4-LA11

Employees receiving performance reviews	2012		2013		2014	
	Male	Female	Male	Female	Male	Female
Senior management	21	11	19	7	42	12
Middle management	287	174	727	505	713	466
Non-management	854	699	908	854	1,025	989
Total by gender	1,162	884	1,654	1,366	1,780	1,467
Total by group	2,046		3,020		3,247	
Percentage of total employees	18%		26%		27%	

G4-LA12

Employees by gender	2012		2013		2014	
	Male	Female	Male	Female	Male	Female
Senior management	67%	33%	73%	27%	77%	23%
Middle management	62%	38%	61%	39%	62%	38%
Non-management	56%	44%	58%	42%	59%	41%
Total employees	57%	43%	59%	41%	60%	40%

Employees by age group	2012			2013			2014		
	Below age 30	Age 30-50	Over age 50	Below age 30	Age 30-50	Over age 50	Below age 30	Age 30-50	Over age 50
Senior management	2%	71%	27%	2%	58%	40%	0%	73%	27%
Middle management	9%	79%	12%	11%	77%	12%	8%	80%	12%
Non-management	36%	51%	13%	50%	40%	10%	34%	53%	13%
Total employees	32%	55%	13%	44%	46%	10%	30%	57%	13%

Employees from minority groups	2012			2013			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior management	5%	9%	6%	9%	15%	10%	7%	0%	5%
Middle management	3%	1%	2%	4%	3%	4%	5%	4%	5%
Non-management	14%	12%	13%	12%	10%	11%	11%	10%	10%
Total employees	12%	10%	11%	10%	9%	10%	10%	9%	10%

Employees with disabilities	2012			2013			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior management	2.3%	0.0%	1.5%	2.9%	0.0%	2.1%	4.3%	0.0%	3.3%
Middle management	0.5%	0.3%	0.4%	1.7%	0.7%	1.3%	0.5%	0.3%	0.4%
Non-management	1.4%	1.0%	1.2%	1.8%	1.4%	1.6%	1.0%	0.6%	0.8%
Total employees	1.2%	0.9%	1.1%	1.8%	1.3%	1.6%	0.9%	0.6%	0.8%

Note:

The data for disabled employees in Israel in 2014 assumes 100% disability only. In 2012 and 2013, all levels of disability are included. The actual number of employees with disability did not reduce in 2014 in Israel. In other locations, some reductions in the numbers of disabled employees are reported. This is under review.

- 2013 data for middle management by age group has been restated due to error.

G4-LA13

Ratio of basic salary men to women (% reflects the level of women salaries in proportion to men salaries)	2012			2013			2014		
	Senior managers	Middle Managers	Non-managers	Senior managers	Middle Managers	Non-managers	Senior managers	Middle Managers	Non-managers
Europe	No women	83%	88%	No women	74%	83%	No women	78%	84%
Israel	88%	90%	78%	77%	83%	75%	79%	88%	75%
U.S.	95%	108%	Not reported	64%	88%	Not reported	107%	88%	Not reported
Rest of world	Not reported	Not reported	82%	92%	89%	100%	128%	92%	104%

Notes:

- It is important to note that categorizing many thousands of employees in different roles and a positions in to three groups - non-managers, middle managers and senior managers – generates broad groups of very heterogeneous populations that include many diverse roles that are different in levels of responsibility, seniority and complexity within each group. Strauss Group's remuneration approach is based on, among other things, a comparison of market salary levels for similar roles without reference to gender. The average salary calculated by group does not correctly reflect current salary levels for similar roles at each organizational level. Therefore, this analysis of comparative salary levels for men and women on the basis of average salaries per group is not representative of our organizational reality and highlights gaps in salary levels due to significant differences in the nature and level of diverse roles and the levels of salaries determined by market norms, and not because of different women/men salary levels on a role by role basis.
- Salary data is not available for comparison in all locations. Where data was not comparable at management or non-management level, this has been excluded.
- Rest of World includes Brazil, Australia and Mexico in 2014 as we expanded the scope of our reporting to include these new Sabra/Obela operations. In 2012 and 2013, this refers to Brazil only.
- Data excludes Max Brenner operations for all years due to some inconsistencies which are under review. 2012 figures are restated accordingly.
- Data excludes non-management figures for Sabra operations in the U.S. due to some inconsistencies which are under review.
- Data for non-managers in Israel is restated for 2013 due to a calculation error in the prior report.
- At senior management level, due to small overall management numbers, small changes can make a big difference in the salary ratios. In the U.S at senior management level, for example, a change in the composition of the five-strong management team caused a shift from women at 64% of men salaries in 2013 to 107% in 2014.

FEEDBACK ON THIS REPORT

Please contact us at:
Daniela Prusky-Sion,
Global Director, Sustainability and Internal
Communications, Strauss Group
daniela.sion@strauss-group.com

THANK YOU!

Thank you for taking an interest in our Sustainability Report. We sincerely ask you to consider providing your feedback which will help us improve to meet your needs more effectively. Please also visit our website, www.strauss-group.com, where you will find additional information and our Corporate Responsibility blog, which is updated regularly.

We acknowledge the hard work, passion and commitment of all Strauss employees who contribute to our business and sustainability performance, and to over 100 employees who have specifically contributed content for this Sustainability Report.

Credits:

Beyond Business Ltd (content and copy)
Sher Consultants (environmental data)
Studio Merhav (graphic design)
Linda Gitter (Translation and editing)