



Sustainability Report 2024

Table of contents



Message from the CEO	3
Company overview	5
Prodalim sustainability achievements	12
Stakeholder Engagement	13
Materiality Assessment	14
ESGI strategy	16
<i>Environment</i>	18
<i>Social</i>	21
<i>Governance</i>	24
<i>Innovation</i>	26
About this report	28

Message from **the CEO**

Dear Stakeholders,

At Prodalim, sustainability is part of our DNA. As we continue to evolve, our commitment to sustainability remains at the heart of everything we do, embedded in our business strategy, innovation roadmap, and daily operations across all regions and teams.

We operate in a world that demands more than just performance, it demands purpose. Our journey toward a more sustainable future is driven by a deep sense of responsibility to our people, partners, and planet. True leadership means creating long-term value while minimizing our environmental footprint and maximizing our positive impact.

This report marks a special milestone: the first time we are publishing a Sustainability Report. We are doing so because we believe in the importance of transparency, accountability, and sharing of our impact. We want our stakeholders to see what we have achieved, and how we think, act, and lead with sustainability at the core.

Prodalim's sustainability strategy is built on four pillars: **Environment, Social, Governance, and Innovation**. It focuses on climate action through energy efficiency and renewable energy, sustainable sourcing, innovation in health-focused product lines with transparent labelling, and strong governance and ethical business practices. These commitments are reflected in our operational achievements, such as the transition to 100% renewable energy at nearly 40% of our sites, circular economy initiatives that upcycle natural raw materials side streams, and the implementation of our Code of Conduct & Ethics among all suppliers

By 2030, Prodalim aims to use 100% renewable energy at all production sites, secure consistent, transparent and sustainable supply chains, ensuring a comprehensive natural, clean label and healthy product offering, develop circular economy-based products, and maintain fair labor and gender equality across global operations. These goals reinforce Prodalim's leadership in sustainable food and beverage practices, aligned with global ESG standards.



Message from **the CEO**

As detailed in this report, over the past year, we have made significant strides in aligning our sustainability strategy with our core values: Passion, Respect, Ambition, Integrity, and Accountability. These values guide our actions as we deliver sustainable products and solutions that generate meaningful impact for our stakeholders.

Some key achievements during 2024 include: Launching of natural colors to replace synthetic dyes and expanding our upcycled ingredients fruit-based product lines; Expanding clean label product offerings to support healthier and more sustainable food beverage solutions for over 300 customers in 60+ countries; Targeting GHG emissions reduction consistent with SBTi benchmarks; Auditing 100% of direct suppliers for compliance with business ethics, health, safety, and human rights standards; Engaging communities, supporting local sourcing, and investing in innovation such as our proprietary technology for dealcoholizing of wines and spirit offering healthier lifestyle solution.

At the same time, we are shaping our group structure into three purpose driven and laser focused business divisions that will support our future accelerated growth journey: Juice Solutions Division that will continue to offer a comprehensive and consistent fruit & vegetable based ingredients for any kind of juice preparation; Special Ingredient Solutions Division that will focus on clean label solutions for food beverage applications, from taste ingredients such as oils and flavors, into holistic beverage compounds portfolio as well as functional ingredients such as colors and mouthfeel; and No/Low Alcohol Solutions Division: Solos – our third division through which we are globally commercializing our cutting edge dealcoholization solution.

I invite all Prodalim stakeholders - customers, investors, suppliers, and communities - to share feedback on our first sustainability report and to actively collaborate on advancing future sustainability initiatives.

Enjoy the reading!



Tsahi Barak, CEO, Prodalim



Company **Overview**

38 Years of expertise
Since 1987

12 Global
Sites

\$350M Annual
Revenue

400+ Employees

600+ Customers

60+ Countries
Worldwide



Company Overview

Milestones in our Journey



Company Overview

Our Global Footprint

● PRODUCTION

- Rotterdam, Netherlands
- Neuhausen, Germany
- Valencia, Spain
- Duartina, Brazil
- New Jersey, USA
- Los Angeles, (CA) USA
- Sonoma, (CA) USA
- Wintergarden, (FL) USA

● RESEARCH & DEVELOPMENT

- Rotterdam, Netherlands
- Munich, Germany
- Valencia, Spain
- Florida, USA
- Murska Sobota, Slovenia

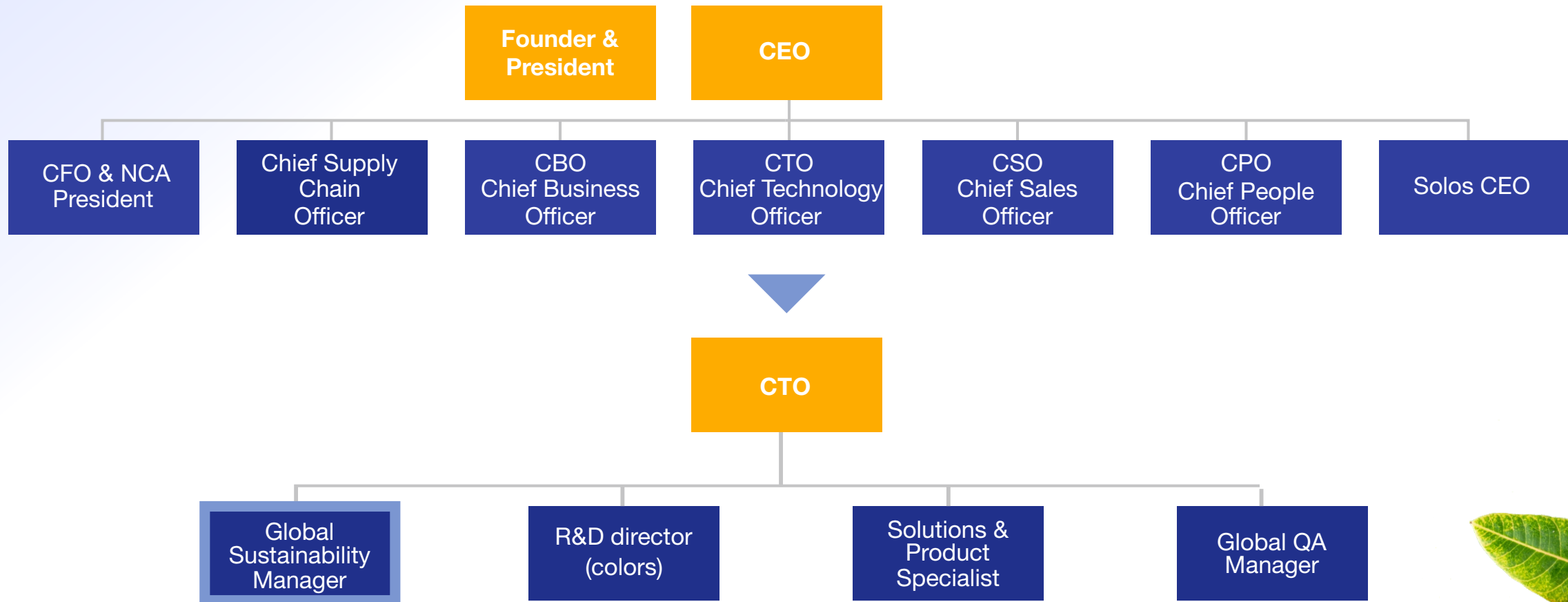
● SALES

- Livorno, Italy
- Neuhausen, Germany
- Rotterdam, Netherlands
- Valencia, Spain
- Shanghai, China
- California, USA
- Florida, USA



Company Overview

Global Org Chart



Company Overview

Mission and Vision



OUR MISSION

To innovate and improve the natural ingredients world, by unlocking hidden values and developing sustainable, vertically integrated solutions.



OUR VISION

To be the partner of choice for creation of natural solutions, supporting a healthier world.

Our Values



PASSION

We love what we do, and we are proud of how we do it.



INTEGRITY

We are responsible for our commitments and actions.



RESPECT

We show mutual respect to all individuals and their realities.



ACCOUNTABILITY

We strive to go above and beyond In all our actions.



AMBITION

We treat one another in an open and honest way.

Company **Overview**

Our Story: Nature is our Core Partner



CIRCULAR ECONOMY

We upcycle side streams and apply regenerative processes to reduce waste and water and create value from every resource.



TREE TO TABLE OFFERING

Our vertically integrated supply chain delivers full transparency and control from orchard to product, providing natural, healthy, and clean-label solutions free from artificial additives.

RELATIONSHIPS WITH OUR GROWERS

We build lasting partnerships with growers and farmers worldwide, ensuring quality, consistency, and sustainability from the source while supporting local communities.



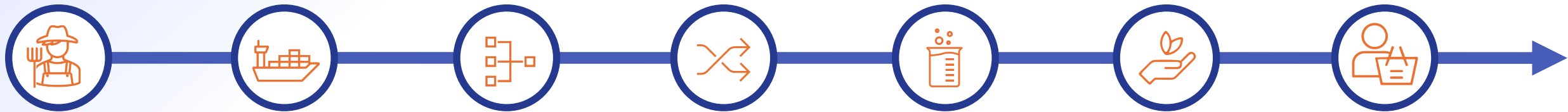
ESG CONSCIOUS PROCESSING

Our low-impact production minimizes water and energy use, reduces emissions, and ensures responsible waste management while maintaining quality and supply assurance.



Company Overview

Our Vertically Integrated Supply Chain



SOURCING

We partner directly with growers to secure high-quality ingredients at the source — ensuring consistency, full traceability, and transparency.

SHIPPING & WAREHOUSING

A global logistics network with strategically located warehouses enables flexible inventory management, secure storage, and just-in-time delivery.

PROCESSING

Our in-house facilities extract juices, recover aromas, and refine ingredients while preserving their natural integrity.

BLENDING & COMPOUNDING

We skillfully combine juices, blends, aromas, colors, and fibers to create consistent, customized solutions.

PRODUCT DEVELOPMENT & FORMULATION

Our R&D teams collaborate with customers to co-develop tailored formulations that meet functional, sensory, regulatory needs — aligned with both local and global trends.

SUSTAINABILITY PRACTICES

Engagement in Rainforest Alliance, EcoVadis, Sedex, Smeta, and STBi initiatives; focus on responsible sourcing, sustainable packaging, and minimizing operational impacts.

END CUSTOMERS

Leading bottlers, brands, and large food/beverage companies in more than 60 countries.

Prodalim Sustainability Achievements



ACHIEVED OVER
50% REDUCTION

in Scope 1 and 2 GHG emissions
in the past 5 years



10
VOLUNTEERING
ACTIVITIES

Worldwide per year



ZERO
WASTE INITIATIVE
by upscaling fruit
side streams



100%
IMPLEMENTATION
of our Code of Conduct &
Ethics among suppliers



100%
RENEWABLE ENERGY
in approximately 40%
of our sites



1,733
TRAINING HOURS
130% increase in total
training hours between 2023
and 2024



9%
INCREASE IN GENDER EQUITY
Between 2022 and 2024, the
number of female full-time
employees increased by
almost 9%



15%
OF OUR ACQUISITIONS
and Foodtech partnerships
driven by sustainability topics
over the 2020 baseline

Stakeholder **Engagement**

Prodalim systematically identifies stakeholders whose interests, expertise, and influence are essential to the company's success. Key stakeholder categories include:

- Employees
- Direct suppliers
- Farming partners
- Business-to-business customers
- Investors and financial institutions
- Regulatory authorities and policymakers
- Local communities and NGOs
- Sustainability certification (e.g., Rainforest Alliance, EcoVadis, SBTi)
- End consumers

The identification process focuses on understanding who depends on or is affected by the company, who has influence or responsibility, the potential conflicting interests, and ensuring a broad range of perspectives are considered. This approach aligns with global best practices and sector standards.

DIALOGUE METHODS WITH STAKEHOLDERS

Prodalim employs a combination of outreach and feedback mechanisms to maintain effective stakeholder engagement:

- ◆ **Regular supplier audits and assessments:** Annual reviews of general and specifically sustainability practices, labor and human rights, ethical standards, and compliance with the company's Code of Conduct.
- ◆ **Employee training and transparent communication:** Sustainability targets, responsibilities, and achievements are shared through annual activities, workshops, and internal reporting.
- ◆ **Customer feedback and partnership forums:** Dialogue channels (surveys, sustainability meetings, collaboration) to evaluate product quality, innovation, and responsible sourcing.
- ◆ **Community engagement:** Ongoing support for local initiatives based on needs identification to foster trust and cooperation.
- ◆ **Sustainability certification and audit engagement:** Active partnerships with global certification initiatives and external audits help ensure best practice and stakeholder confidence.
- ◆ **Response to policy, regulatory, and investor queries:** Proactive stakeholder consultation in adapting to evolving sustainability regulations, such as CSRD, and responding to investor ESG inquiries.

Prodalim integrates stakeholder feedback directly into its materiality assessment, sustainability strategy, and target-setting processes, ensuring that stakeholder voices shape decision-making and reporting.

Materiality **Assessment**

METHODOLOGY FOR IDENTIFYING MATERIAL TOPICS

Prodalim follows a structured materiality assessment process designed to capture both internal and external perspectives on sustainability priorities:

- 1 Stakeholder Consultation:** Inputs are gathered through direct dialogues and surveys with key stakeholders such as customers, suppliers, employees and investors. This ensures that the company reflects the views of those with significant impact or influence on its activities.
- 2 Internal Data Analysis:** Sustainability-related data, risk assessments, and regulatory requirements relevant for the food and beverage industry.
- 3 Benchmarking and Sector Research:** Prodalim reviews relevant industry benchmarks, peer disclosures, GRI Food Processing Sector Standards, SASB food and beverage sector priority topics, and CSRD thematic priorities to validate and complement its internal understanding.
- 4 Materiality Matrix Development:** Topics are weighted and mapped against two dimensions: importance to stakeholders and impact on business success and sustainability. Topics falling in the highest priority quadrants are selected as material for reporting.
- 5 Validation and Governance:** The resulting material topics are reviewed and approved by Prodalim's senior management to ensure strategic fit and operational relevance. Prodalim's sustainability strategy was formally reviewed and approved by the Board of Directors.

RESULTS

Prodalim uses the materiality assessment as a continuous improvement tool, updating it annually or in response to significant changes in stakeholder expectations, regulations, and business strategy.

The prioritized topics directly inform Prodalim's sustainability goal-setting, risk management, and reporting disclosures, fostering transparent accountability to stakeholders.

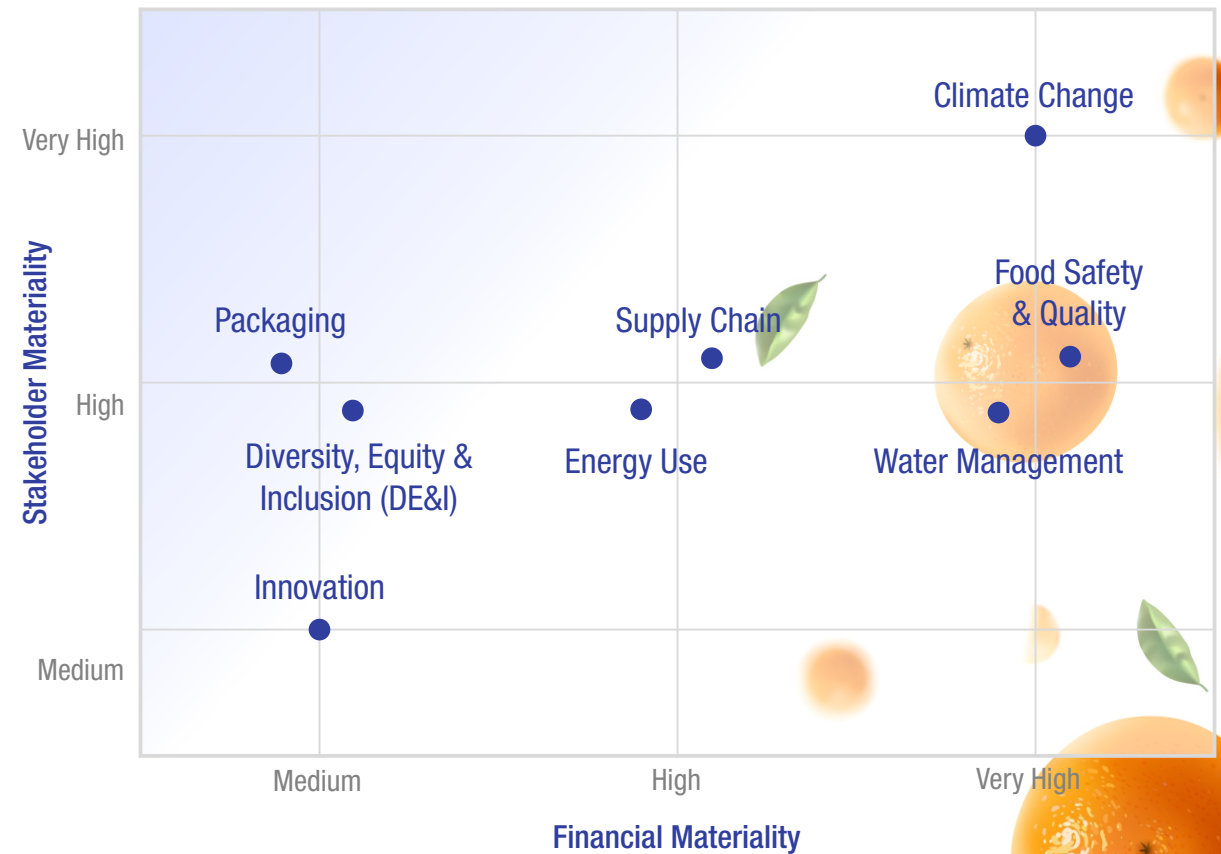
This materiality-driven approach ensures the company's sustainability report remains focused, relevant, and aligned with GRI and SASB frameworks, delivering maximum value to business and society alike.



Materiality Assessment

Material Topic	Stakeholder Materiality	Financial Materiality	Key Standards
Climate Change (GHG Emissions)	Very High	High	CSRD, GHG Protocol, ISO 14001
Energy Use	High	High	CSRD, ISO 14001
Water Management	Very High	High	CSRD, EU Water Framework Directive
Packaging	High	Medium	CSRD, EU Packaging Directives
Supply Chain	High	High	CSRD
Diversity, Equity & Inclusion (DE&I)	High	Medium	CSRD
Food Safety & Quality	Very High	High	ISO 22000
Innovation	High	High	CSRD

Prodalim Materiality Matrix



ESGI Strategy

Prodalim updated its sustainability strategy three years ago, based on comprehensive benchmarking across the food and beverage industry and aligned with relevant Sustainable Development Goals (SDGs). This approach enables Prodalim and its customers to achieve ambitious goals for product health, innovation, transparency and environmental impact, fully aligned with international ESG standards and best practices.



Goals	2025 Targets	2030 Targets
GHG emission Reduce our absolute GHG emission across the value chain	10% reduction over the 2020 baseline	Total of 20% reduction over the 2020 baseline
Renewable energy Achieve energy efficiency by changing to renewable energy* in all our sites	100% renewable energy in at least half of our sites	100% renewable energy at all our sites
Water Reduce water usage per tone product	10% reduction in water usage	20% reduction in water usage
Packaging Material to be reusable, recyclable, compostable, or biodegradable	50% of packaging material to be reusable, recyclable	100% of packaging material to be reusable, recyclable, compostable, or biodegradable
Waste Reduce waste-to-landfill intensity across our production facilities	10% reduction	25% reduction

* Sun, wind, biomass, hydropower

Goals	2025 Targets	2030 Targets
DE&I (Diversity, Equity & Inclusion) Achieve and sustain gender equity in management positions	Achieve and sustain 35% of women in management positions	Achieve and sustain 50% of women in management positions
Community relations Implement a global social involvement program to support the local communities	Involvement programs within the local communities in all our sites	
EHS (Environment, Health and Safety) Zero accident culture. Reduction in Total Recordable Incident Rate (TRIR)	10% reduction	35% reduction

Relevant SDG's



Relevant SDG's



ESGI Strategy



Goals	2025 Targets	2030 Targets
Stakeholders dialogue Promoting transparent dialogue with our stakeholders	Initiate an ongoing mutual learning meetings with chosen stakeholders	
Code of Conduct & Ethics	Updating the code of conduct and extending it to 100% of suppliers signing on it	
Sustainable supply chain Promoting a sustainable supply chain focusing on the reduction of GHG emissions (Scope 3), fair employment conditions, DE&I	20% of our active suppliers collect their GHG emissions and obtain a sustainability strategy	40% of our active suppliers collect their GHG emissions and obtain a sustainability strategy
Regulatory compliance Complying with mandatory standards, guidelines, and laws to ensure sustainability practices	Conducting yearly sustainability training programs for all employees to ensure awareness of evolving sustainability regulatory requirements	Achieve 100% compliance with sustainability regulatory frameworks and ensure compliance with global reporting standards (such as GRI, SASB, etc)
Risk management Identifying and analyzing risks across the value chain to ensure a high sustainability performance	Updating our ESG risk management framework and integration of ESG risks into the overall risk management process	Establish and maintain robust ESG risk management practices, including scenario-based analyses for a time horizon of at least 3 years

Relevant SDG's



Goals	2025 Targets	2030 Targets
Sustainability driven collaborations Focus on innovation and technology which promote sustainability	15% of our acquisitions and FoodTech partnerships to be driven by sustainability topics	35% of our acquisitions and FoodTech partnerships to be driven by sustainability topics
Circular economy initiatives Integrating circular economy principles in business strategy		50% of our products will obtain circular economy principles by maximizing resource efficiency and minimizing waste

Relevant SDG's



Environment

Prodalim’s environmental stewardship is guided by a commitment to measurable impact. The primary aim of this section is to transparently report our progress towards a low-carbon, resource-efficient future while aligning with the highest international standards in sustainability. Our strategy centers on reducing greenhouse gas emissions, transitioning to 100% renewable energy across all operations, minimizing water use and waste, and advancing circular economy

TOTAL GHG EMISSIONS - BY SCOPE

Prodalim calculates its greenhouse gas (GHG) emissions using internationally recognized methods aligned with the GHG Protocol. The calculation encompasses direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2), and other indirect emissions along the value chain (Scope 3- including categories 1, 4, 6, and 7). Activity data such as fuel consumption, energy use, and production volumes are combined with standardized emission factors to quantify total emissions in metric tons of CO₂ equivalent (tCO₂e). This stepwise approach ensures comprehensive and accurate reporting of emissions across all operational aspects, supporting transparency and alignment with climate targets and sustainability commitments.

Over the past two years, Prodalim implemented new software systems to collect, manage, and calculate ESG data. In 2024, we transitioned to an updated sustainability platform, completing data migration and revising historical data. ESG figures are regularly reviewed and enhanced to ensure accuracy and reliability, reflecting our commitment to transparent and robust reporting.



RENEWABLE ENERGY

Prodalim’s GHG emissions calculation covers all global sites, each implementing projects that aimed at reducing emissions. Energy consumption includes refrigeration systems, pumps, motors, forklift charging, and plant lighting. Key energy uses are cooling, production processes, and lighting, powered primarily by electricity, natural gas for boilers, and diesel for yard trucks. Cooling equipment, including cold rooms and tank farms, is the most energy-intensive. Notable initiatives include 100% wind-based renewable electricity at the Netherlands site, solar panels in Spain, and LED lighting upgrades across US facilities. These efforts collectively lower Prodalim’s carbon footprint, aligned with best practices in the food and beverage industry.

Total GHG Emissions - by Scope (in CO₂e)^{1,2}

Field Name	2020	2021	2022	2023	2024
Scope 1	1,036	1,334	2,667	2,449	2,174
Scope 2 - location based	73,913	66,721	6,249	6,830	6,271
Scope 3	20,254	25,753	20,527	26,560	28,863

¹ Data has recently been migrated to 7E a new ESG IT system and may contain minor inconsistencies. Figures are subject to review and will be updated if needed.

² During 2022 and 2023, Prodalim expanded its business activities and increased the number of operational sites included in the company’s greenhouse gas (GHG) emissions inventory. As part of our commitment to comprehensive climate disclosure, the scope of reported emissions was broadened to include additional Scope 3 categories - namely, Category 1, 4, 6 and 7.

Environment



WATER AND WASTEWATER MANAGEMENT

Prodalim's water management encompasses all its sites, with municipal water as the primary source in most of them. In each site the water use is continuously monitored and managed through internal controls in compliance with local effluent discharge regulations. Wastewater undergoes PH treatment onsite before transfer to municipal treatment facilities. Production processes prioritize efficient water use, repurposing excess water for cleaning to minimize waste and environmental impact. Significant water demand arises from juice concentration, and in part of the sites they reused condensate water for cleaning and washing the equipment. Prodalim's sustainable water practices reflect industry best practices and demonstrate responsible stewardship of water resources across global operations.

Water Consumptions (in m³)

Field Name	2020	2021	2022	2023	2024
Water consumption	385,191	246,127	276,620	237,726	187,296



PACKAGING

Prodalim employs diverse packaging solutions designed to balance product protection, sustainability, and regulatory compliance. Our packaging materials prioritize recyclability and reduced environmental impact, supporting circular economy principles and waste reduction goals. We actively collaborate with suppliers to source sustainable packaging innovations that meet the evolving demands of the food and beverage sector. One of Prodalim's packaging suppliers is



Goodpack provides durable and sustainable packaging solutions for global shipping and storage needs. Its containers are reusable, repairable, and recyclable, designed to reduce waste and environmental impact throughout their lifecycle.

To quantify the environmental benefits, Goodpack commissioned a cradle-to-grave Life Cycle Assessment (LCA) in accordance with ISO 14040:2006 and ISO 14044:2006 standards. This independent, third-party verified study assessed the carbon footprint of transporting juice concentrates using Goodpack's reusable containers compared to traditional single-use packaging.

The results demonstrated greenhouse gas emission reductions of up to 89% by switching to Goodpack's reusable system — underscoring the role of circular packaging in enabling more sustainable supply chains.

Prodalim looks to share the GHG emissions of the relevant trade lanes in our subsequent report.

Environment

WASTE MANAGEMENT

Prodalim's waste management across almost all of its sites is handled by third-party waste disposal companies, ensuring responsible and compliant waste removal. Bulk waste is collected by municipal contractors, while hazardous and inedible waste is managed by dedicated disposal services. All waste generated is either landfilled or recycled, with city regulations mandating dedicated recycling containers. Additionally, large metal salvage, including piping and old equipment, is processed through a third party to support circular economy principles.

Total Waste by Disposal Method (in metric tons)

Field Name	2020	2021	2022	2023	2024
Preparation for reuse	76	123	2,623	319	152
Other recovery operations	123	27	10,612	20,145	40,347
Sent to landfill	415	358	452	332	161

* Following the increase in manufacturing activities at a part of Prodalim's site, the reported waste volume has risen accordingly.



Social

Prodalim is committed to fostering a diverse, equitable, and inclusive workplace, promoting equal opportunities and representation across all levels. Every new employee undergoes a comprehensive onboarding program to integrate fully into the company's culture and standards. Additionally, Prodalim invests in continuous training for all employees across various topics. The company actively engages with local communities through volunteering and responsible partnerships, reinforcing its social license to operate. Health, Safety, and Environmental management is integral to Prodalim's operations, ensuring compliance with legal requirements and safeguarding employee well-being. Each site operates under its own EH&S standards aligned with local regulations. We are currently developing unified standards as part of our continuous improvement efforts.

EMPLOYEE TRAINING

In the last three years, Prodalim significantly increased the total number of employee training hours, reflecting a company-wide commitment to workforce development and continuous learning. Training sessions covered a range of topics for example food safety, quality management, sustainability, leadership, and product development, equipping employees with relevant skills for a rapidly evolving sector. This expansion supports not only individual growth, but also company-wide innovation and best practice adoption, helps ensure a skilled and motivated workforce, fully aligned with global sustainability standards.

Total training hours per all Prodalim employees

Year	2022	2023	2024
Total training hours	483	751	1733

130% increase in total training hours between 2023 and 2024



DIVERSITY, EQUITY, AND INCLUSION (DE&I)

Prodalim's Diversity, Equity, and Inclusion (DE&I) policy emphasizes creating a workplace where all individuals are treated with full equality and respect, providing equal opportunities regardless of gender or background. The company aims to achieve and sustain gender equity in management positions and fosters an inclusive culture that embraces diversity of perspectives and experiences. Prodalim also extends this commitment to its partners and suppliers, expecting respect for environmental and community needs as part of its sustainable supply chain practices.

COMMUNITY RELATIONS

Prodalim's volunteering culture is deeply embedded across all global sites, reflecting a commitment to social responsibility, employee engagement, and community impact. Throughout the year, Prodalim organizes diverse volunteering activities - such as supporting local nonprofits (e.g., adolescents with special needs), health and wellness initiatives (for example healthy lunches, and meditation sessions in different sites), and other community engagement events. These activities are coordinated by local site managers and the People Team, with strong encouragement from leadership, who emphasize the value of giving, teamwork, and inclusivity in their communications.

These programs foster positive social outcomes, enhance employee well-being, and strengthen community relations. Prodalim's transparent disclosure of employee engagement and volunteering activities - core elements of its ESG commitments and organizational culture - demonstrates its responsible leadership in the food and beverage sector.

Social

Worldwide Volunteering Activities



Social

GLOBAL TALENT

Our organization is committed to cultivating and leveraging **globally diverse workforce**, drawing talents from across disciplines to drive innovation and excellence.

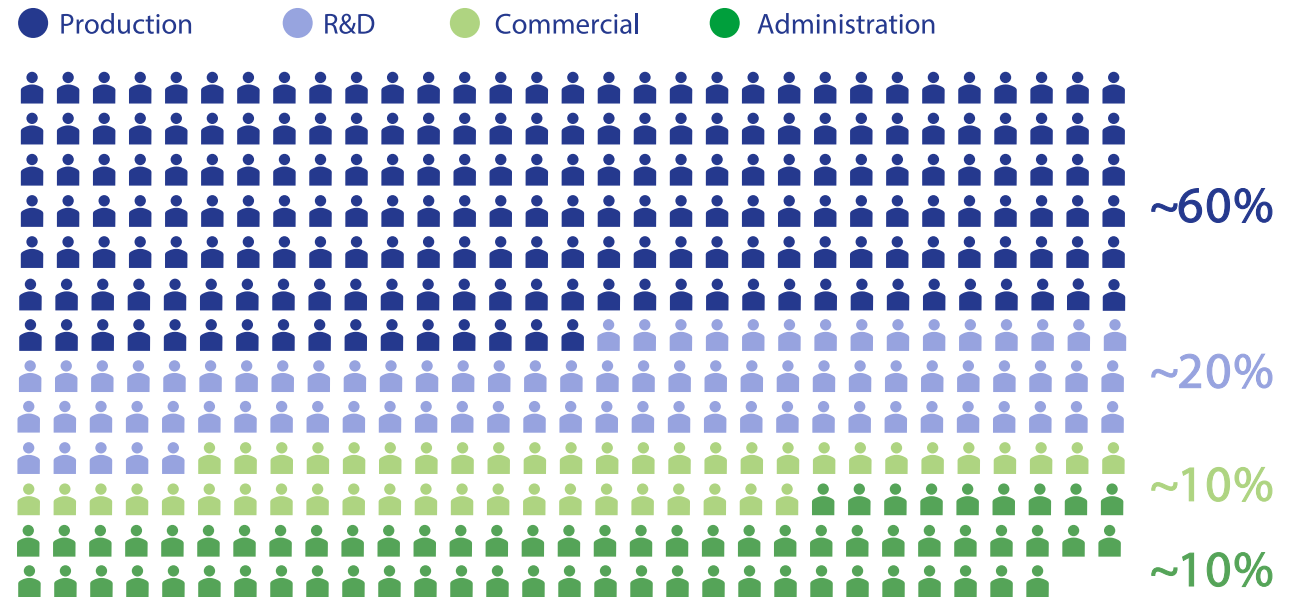
MULTICULTURAL COLLABORATION

With a multinational and **multicultural team**, we bring together diverse perspectives, experiences, and ideas that fuel creativity and global success.

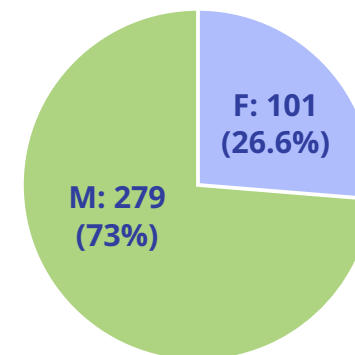
DIVERSITY & INCLUSION

We are committed to **equality and inclusion**, ensuring every opportunity is open to all and that diverse voices help us build stronger, more innovative team and greater innovation.

PRODALIM BY DEPARTMENTS



GENDER DISTRIBUTION OF EMPLOYEES



Governance

Prodalim's governance sustainability targets are built on strong ethical standards, transparency, and accountability at all organizational levels. The company integrates sustainability governance into its corporate strategy, focusing on compliance with legal frameworks, responsible trade practices, and continuous improvement in environmental, social, and operational performance. **Key targets include 100% supplier adherence to the Code of Conduct, regular ESG risk assessments, and full compliance with evolving sustainability regulations.** This governance approach is supported by ongoing stakeholder engagement, annual policy reviews, and a culture of accountability, ensuring long-term value creation and reflecting the principles of GRI, SASB, and CSRD standards.



STAKEHOLDERS DIALOGUE

Prodalim maintains an ongoing stakeholder dialogue as a core element of its sustainability strategy, fostering transparency, mutual learning, and trust. The company engages stakeholders regularly through structured meetings and open communication channels, including a CEO open-door policy. This continuous dialogue supports collaborative decision-making and alignment on ESG priorities, ensuring responsiveness to stakeholder needs and concerns.

CODE OF CONDUCT & ETHICS

Prodalim's Code of Conduct for employees sets clear standards for ethical behavior, legal compliance, respect for human rights, health and safety, diversity and inclusion, and environmental stewardship. It guides employees to act with integrity, fairness, and professionalism while fostering a safe, inclusive, and responsible work environment. The Code of Conducts also includes a whistleblower mechanism that enables employees to confidentially report misconduct or violations without fear of retaliation, ensuring transparency and accountability throughout the organization.



Governance

SUSTAINABLE SUPPLY CHAIN

For suppliers, Prodalim requires mandatory adherence to its Supplier Code of Conduct, which covers labor rights, health and safety, quality assurance, ethical business practices, and environmental sustainability. Suppliers must comply with applicable laws and support continuous improvement across social and environmental performance areas. This commitment ensures responsible sourcing requirements, reinforcing Prodalim's dedication to a sustainable supply chain.

Prodalim is committed to continuously improving the sustainability performance of its supply chain by focusing on collecting and measuring ESG data, alongside enhanced GHG emission reduction initiatives. All of Prodalim's suppliers must sign the company's Supplier Code of Conduct affirming their commitment to ethical and responsible business practices. Each new supplier undergoes a structured screening process, and all suppliers are subject to annual evaluations covering general performance in addition to sustainability ones.

Suppliers are encouraged to adopt environmental and social certifications, participate in yearly online audits, and collaborate in on-site audits as well. These audits, updated annually, evaluate suppliers on aspects such as relevant sustainability certifications, sustainability strategies and targets, conducting training on sustainability issues, and more.

We encourage suppliers to initiate and engage in mutual sustainability projects. This proactive approach reflects Prodalim's dedication to fostering a sustainable, ethical, and low-impact supply chain.

RISK MANAGEMENT

Prodalim implements a robust risk management framework tailored to the complexities of the food and beverage industry, focusing on proactive identification, assessment, and mitigation of operational, regulatory, and environmental risks. The company continuously monitors critical risks such as food safety, supply chain disruptions, and compliance with evolving regulations to ensure product quality and consumer protection. In addition, Prodalim addresses emerging risks related to climate change and cybersecurity by integrating adaptive strategies and controls. Prodalim's approach ensures resilient and sustainable business practices.

REGULATORY COMPLIANCE

Prodalim ensures strict regulatory compliance across all its operations in the food and beverage industry, adhering to applicable laws related to food safety, environmental protection, and product labeling. The company stays abreast of evolving regulations such as the FDA Food Code and relevant EU directives, integrating these requirements into its quality assurance and risk management systems.

Prodalim also prioritizes data security management to protect sensitive operational and customer information, ensuring compliance with data protection regulations. This comprehensive approach reinforces Prodalim's commitment to responsible, transparent, and compliant business practices.



Innovation

Innovation is at the heart of Prodalim's strategy, driving sustainable growth and differentiation in the food and beverage industry. Prodalim continually invests in research and development to create natural, clean-label solutions - such as upcycled ingredients, advanced natural colors, and functional compounds - that meet evolving consumer preferences and regulatory demands. The company's innovation process leverages proprietary technologies, gentle extraction methods, and a vertically integrated value chain to unlock the full potential of fruits and botanicals, ensuring product quality, safety, and traceability.

SUSTAINABILITY DRIVEN COLLABORATION

Sustainability Driven Collaboration is a core pillar of Prodalim's strategy and is directly embedded in the CEO's KPIs, ensuring leadership accountability drives real impact. The CEO's 2030 objectives include advancing sustainability partnerships, fostering cross-functional teamwork, and delivering measurable progress on environmental and social goals. These efforts are reflected in the launch of new product lines like VivaPro Coloring Foodstuffs and NaturaPro Natural Colors, which offer vibrant, stable, and health-conscious alternatives for beverages, dairy, bakery, and plant-based foods. By fostering a culture of creativity and collaboration, Prodalim not only responds to market trends but also anticipates future challenges, positioning itself as a leader in sustainable innovation for the global food and beverage sector.



NaturaPro Natural Colors deliver vibrant, stable, and health-conscious alternatives designed for diverse applications, including beverages, dairy, bakery, and plant-based foods.

Developed to align with the growing demand for clean-label, plant-based, and sustainable solutions, NaturaPro supports manufacturers in creating products that are both appealing and responsible.

VivaPro Coloring Foodstuffs is a line of natural color solutions derived from fruits, vegetables, algae, and spices, crafted through gentle processing methods that preserve the integrity of the raw materials.

Designed for versatility, VivaPro is suitable for a wide range of applications, including beverages, plant-based meats, bakery, and confectionery.

By meeting the growing demand for clean-label, plant-based, and upcycled ingredients, VivaPro supports both innovation and sustainability in the food industry.

Artificial Colors vs. NaturaPro and VivaPro

	ARTIFICIAL COLORS	VivaPro COLORING FOODSTUFFS	NaturaPro NATURAL COLORS
SOURCE 	Mainly Petroleum	Edible Materials	Natural Sources petroleum
PROCESSING 	Chemically Processed	Simple Processing	Selectively Extracted
LABELLING 	Food Additives	Food Ingredient - CLEAN LABEL	Food Additives



Innovation

CIRCULAR ECONOMY INITIATIVE

Prodalim is committed to advancing the circular economy by integrating its principles into product innovation and supply chain management. A key example is the development of **Citrus Fibers**, a new sustainable ingredient derived from fruit side streams that would otherwise be discarded. These fibers serve as natural functional ingredients, enhancing texture and nutritional value in food products while significantly reducing waste. The production of citrus fibers exemplifies Prodalim's commitment to maximizing resource efficiency and valorizing by-products, supporting a zero-waste ambition across its operations.

Through such innovations, Prodalim contributes to a regenerative food system, balancing environmental stewardship with economic growth.

In terms of measurable impact, Prodalim's circular economy initiatives have resulted in a zero-waste approach by upscaling fruit side streams, with a target for 50% of all products to meet circular economy criteria by 2030

The company's 2025 target is for 15% of all acquisitions and FoodTech partnerships to be driven by sustainability topics, increasing to 35% by 2030. Citrus fibers, as a flagship product, directly support these goals by transforming what would be waste into



high-value, functional ingredients for the food and beverage sector. This not only reduces landfill intensity but also supports Prodalim's broader ambition to minimize resource use and environmental impact across its value chain.

By embedding circular economy principles into product development - demonstrated by the launch of citrus fibers - Prodalim unlocks hidden value from natural resources and delivers sustainable solutions for customers and consumers worldwide.

Prodalim's innovative platform, Flavologic, leverages advanced processing technologies to transform agricultural side streams - such as fruit peels and pulp - into high-value ingredients for the food and beverage industry. This approach not only creates new revenue streams but also supports the development of clean-label, functional products. Complementing this, No/Low Alcohol Solutions Solos reflects Prodalim's commitment to responsible consumption by offering dealcoholized beverage solutions, providing consumers with sustainable, healthier choices.

Together, these initiatives highlight how circular economy thinking and product responsibility drive environmental stewardship, social well-being, and economic growth, reinforcing Prodalim's leadership in sustainable innovation for the global food and beverage sector.

Flavologic
Flavor Solutions by Prodalim



About **This Report**



Welcome to Prodalim's sustainability report

This report provides a transparent overview of our sustainability performance for the 2024 fiscal year and outlines our strategic goals through 2030. It encompasses all Prodalim's global operations and reflects our commitment to delivering natural solutions for a healthier world through responsible practices across our entire value chain.

The report is structured around our four pillars: **Environment, Social, Governance, and Innovation.**

Its content was shaped by an impact materiality assessment to ensure alignment with the topics most important to us and our stakeholders. We have also prepared this report in reference to leading sustainability frameworks, including GRI and SASB, which guide our evolving sustainability strategy. While there is no standardized index, these indicators guided us in writing this report and helped ensure our disclosures align with recognized best practices in sustainability reporting.

This report covers the period from January 1, 2024, to December 31, 2024

Although this report has not undergone external assurance, the data was compiled using 7E, a management IT system that collects, manages, and measures our ESG data. 7E calculate the emissions in accordance with the Greenhouse Gas (GHG) Protocol. As we continue onboarding and refining this platform, ESG figures are regularly reviewed and may be updated to maintain accuracy and transparency. We remain committed to data integrity and plan to pursue third-party verification for future reports.

Our ESG journey is reinforced by our participation in the Science Based Targets initiative (SBTi) and ongoing assessments with EcoVadis, Sedex, SMETA, Rainforest Alliance (RFA), and all our sites are GFSI-certified - demonstrating our dedication to transparency and robust ESG management.



We would like to thank all Prodalim management and employees worldwide for their valuable contributions to data collection and report development. We also extend our appreciation to Orit Braverman, ESG consultant, ArioZ Ltd., Eytan Voss, Green Rise, and Nurit Pagi, graphic designer, for their support in creating Prodalim's first sustainability report.

We invite all our stakeholders - customers, investors, employees, suppliers, and communities - to join us in shaping a more sustainable future. Your collaboration, feedback, and shared commitment are essential to driving meaningful change across our value chain.

For any questions, suggestions, or opportunities to collaborate, please contact:

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