



ESG2024

Environmental, Social and Governance Report
for 2024

Mehadrin Ltd



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Letter from the Chairman of the Board and CEO

As a result of the effects of the Iron Swords War, 2024 was an extremely complex and challenging year; but having said that, this year too, Mehadrin's remarkable resilience and uncompromising commitment to sustainability, society and the environment stood out. We are proud to present Mehadrin's third ESG report, which faithfully portrays the Company's significant activity throughout the year, despite the overwhelming challenges and uncertainty we faced.

As a leading agricultural company in Israel, we continue to consider ourselves as stewards of the land, committed to preserving and nurturing it while providing quality and healthy produce to our customers in Israel and around the world. This year, too, we ensured that our actions were carried out in harmony with nature, constantly striving to mitigate any negative environmental impact and promote innovative agricultural solutions.

In 2024, the Company signed a collaboration agreement for an agrivoltaic venture with renewable energy company TeraLight. Consequently, the Eretz-Or partnership was established, and it was decided that TeraLight and Mehadrin would focus on dual-use ventures, whose main thrust is to cultivate the land for crops and generate green energy at the same time - a field known as agrivoltaics. Our commitment to leading the discourse on sustainability and social responsibility in the agriculture industry is stronger than ever.

We adhere to the highest standards of ethics and transparency, based on a sincere belief that today's decisions will lead to a better and more balanced future for generations to come.

It is the people working at Mehadrin who are at the genuine heart of its activity and are the true source of the Company's strength. We wish to thank our employees and all our partners for their trust and for our shared journey and will continue to lead Mehadrin to a future of sustainability, growth and responsibility – for the benefit of society as a whole, the environment and future generations.

Respectfully,

Peer Nadir

Chairman, Mehadrin Ltd.

Tzealon Tzemah

CEO, Mehadrin Ltd.





About Mehadrin

A publicly-traded company founded in 1950, Mehadrin is Israel's leading agricultural company, engaged in the cultivation, marketing, and export of avocados, citrus fruits, dates, and other fruit crops. At the time of its founding, the Company cultivated approx. 900 dunams; by 2024, Mehadrin had approx. 29,000 dunams under cultivation. Some of the plantations are owned by the Company, or are under long-term leases, and are worked by professional growers as part of Mehadrin's regular growing system.

Mehadrin has approx. 500 employees (including employees at its branches outside Israel and seasonal harvesting and packing workers) and has a broad national and global reach. The Company's headquarters are located in Be'erot Yitzhak, while its agricultural operations range from the north to the south of Israel. The Company holds packing and refrigeration houses in the Upper Galilee region, Netanya, and Ashkelon, as well as refrigeration centers in Tzrifin and Atlit.

Mehadrin exports 78% of its products and its annual sales turnover is approx. USD 290,000 (NIS 965,331 thousand). The Company operates in many markets worldwide, including all European countries, Russia, Ukraine, England, Asia, and North and South America, and holds active branches in England, France, and the Netherlands. It also operates in the southern hemisphere, in collaboration with local partners, in order to maintain a year-round continuous supply.

Agriculture lies at the heart of Mehadrin's activities. Close ties to the land and nature have shaped the Company's values, fostering humility, perseverance, and respect for both the environment and people. We aspire for well-honed, innovative agricultural practices carried out in harmony with nature, producing natural, nutritious, and healthy products. The Company's employees, some of whom have been with Mehadrin for decades, are a key element of its value chain, from growing and packaging to export and distribution to our customers worldwide.

Beyond agriculture, which remains the Company's core area of activity, Mehadrin also operates in several additional operating segments, including refrigeration, water-related activities, and income-generating assets.





2024 in numbers

REVENUES:

NIS **965** million -

Of which **95%** is from agricultural produce (NIS 919 million)

78% for export and **22%** for the domestic market and the industry

AVOCADO

approx. **12%** of all exports.



Approx **15%** of all avocado is sold domestically

159 thousand tons of produce from various sources per year

82,000 tons exported, **36,000 tons** for the domestic market, and **40,000 tons** for industry (from the Company's orchards and global purchasing)

DISTRIBUTION OF THE COMPANY'S REVENUES -



- 24% citrus fruit
- 42% avocado
- 24% dates
- 6% other species
- 3% refrigeration
- 1% water
- and 0.5% income-producing property

- Dates** - 18% of exports, 12.5% of domestic market
- Mango** - 40% of exports, 25% of domestic market
- Lichi** - 17% of exports, 15% of domestic market

+100 CUSTOMERS

Employees:
approx.
500



GEOGRAPHIES:

operations in **43** countries - all European countries, Russia, Ukraine, England, Asia, and North America



CITRUS

In the 2023/2024 season, the Group's market share of citrus exports was

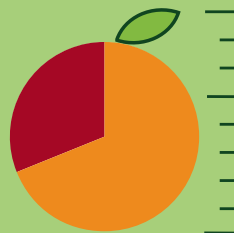
approx. **34.7%**



with **25%** sold domestically

Approx. **29** thousand dunams of fruit plantations in Israel

(approx. 69% orchards and 31% plantations)



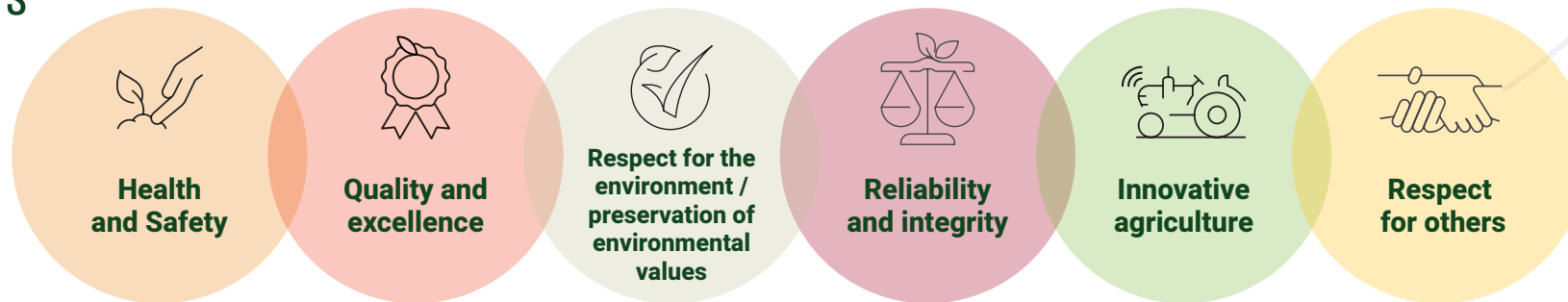
Company vision and values

Throughout its more than seventy years of operation, Mehadrin has pursued its business objectives while adhering to ethical principles and its corporate values. The Company recognizes its social and environmental impacts and promotes responsible conduct. The Company maintains relationships of trust with its customers and continuously adapts to change and ongoing innovation. Mehadrin believes in profitable business management that integrates moral, social, and environmental considerations as key contributors to its long-term success. Mehadrin's roots are grounded in its plantations

and in the people who have cared for them over the generations. Agriculture is not just a business, but a part of our identity; it teaches us integrity, modesty, and professionalism, and how to base our actions on mutual responsibility.

For us, success is measured not only in business results but in the way they are achieved. We value the combination of profitability with a commitment to ethics and society, recognizing that this is the way to strengthen our relationships with customers, partners, and stakeholders and support long-term stability.

The Company's values:



Health and safety We are committed to a safe and healthy work environment at all of our sites. We provide training, protective equipment, and continuous oversight, to protect our employees' safety and well-being.

Quality and excellence We aspire to uncompromising quality in products and services, meeting international standards and using only certified materials. We implement processes for continual improvement, to deliver value and generate trust over the long term.

Respect for the environment / preservation of environmental values We conduct our activities in accordance with the principles of sustainable agriculture, based on the awareness that nature is a vital resource. Our efforts focus on mitigating environmental impacts, using resources efficiently, and applying green solutions.

Reliability and integrity We build relationships with customers, farmers, suppliers, and partners based on transparency, fairness, and responsibility. We consider integrity a fundamental value for maintaining our reputation and relationships over the long term.

Innovative agriculture We combine agricultural knowledge with advanced technologies to promote precision and efficiency in production, contributing to the health of the environment and community. Innovation enables us to maintain a competitive advantage and mitigate environmental impacts.

Respect for others We are committed to a diverse and equitable work environment founded on mutual respect and transparency. We prevent discrimination of all kinds and believe that a respectful culture is the cornerstone of innovation and shared success.



Mehadrin during the Iron Swords War






The outbreak of the Iron Swords War on October 7, 2023, had substantial effects on the agriculture industry in Israel in general, and in the Otef Aza ("Gaza Envelope") region and northern Israel in particular.


Mehadrin took action to support its employees, and continues to do so, particularly those called up for reserve military service, or injured during the fighting, and their families. As part of these efforts, vouchers for hot meals or packages of games for children were sent to families of employees in reserve service, according to each family's needs. In addition, the Company remained in continuous telephone contact with employees, evacuees, and reservists, ensuring ongoing support in accordance with needs identified on the ground. Beyond that, the Company allowed work from home, in line with the guidelines of the Homefront Command, and continued to apply flexible practices until clarity was regained regarding the return to routine work.

Mehadrin's commitment to supporting its employees and agricultural partners during the crisis underscores the values of social responsibility that form a central pillar of the Company's activities.

As an Israeli producer and marketer, Mehadrin has observed a decline in demand for its products from marketers in European countries, due, among other factors, to consumers' reluctance to purchase products identified with Israel. At this stage, the Company cannot estimate the full effect of this trend on its sales.

The war has affected the entire fruit growing and marketing chain:

-  **Harvesting:** A shortage of harvest workers and rising employment costs; damage to inventories on trees due to delays.
-  **Packing houses:** A shortage of staff, decrease in productivity, and increase in transport costs.
-  **Refrigeration:** Lower storage quantities due to a decrease in agricultural produce, and regulatory requirements to expand emergency teams.
-  **Logistics and transport:** Delays in marine shipping, doubled marine shipping time to the East, higher shipping costs, and impaired fruit quality and sales.
-  **Collection:** Difficulties in collecting payments, including loss of contact with customers in Gaza and provisions for doubtful debts.

 **Direct damage:** Harm to orchards and plantations as a result of military activity and prevention of access to continuous work across thousands of dunam. Despite the unprecedented challenges, the Company took resolute, professional action to maintain functional continuity, while adjusting rapidly to changing conditions. The Company's teams worked to restore damages and ensure that harvesting and packing activities continued, to minimize harm to its revenues and maintain product quality. To help address the severe labor shortage in harvesting, the Company's employees volunteered to pick fruit.

The Company also invested significant effort in maintaining a continuous supply, and continued to deliver fresh, quality produce to its customers around the world, even during difficult times.

The Company continues to assess the implications, while carefully managing its resources and immediately addressing challenges. At the same time, the Company is working to ensure long-term business and operational resilience, out of full responsibility for the supply chain and its stakeholders.



Materiality analysis

Materiality analysis is a key process in the implementation of environmental, social, and corporate governance (ESG) practices in our activity; its purpose is to identify the key issues that are material to the Company and its stakeholders. In 2022, we performed a comprehensive process encompassing a methodological materiality assessment, examination of topics reported by peer companies in the agriculture industry, interviews with Mehadrin management and key functions, and examination of regulatory requirements and reporting requirements within the GRI Standards and the sector standard GRI 13. In 2023 and 2024, we applied validation processes to

the material topics to ensure that they reliably reflect our operating environment and stakeholders' expectations. These processes included a peer review of comparable industry companies, targeted discussions with management, and examination of new and influential trends in the Israeli and global agriculture sector. The findings of this process confirmed that the 11 material topics established in 2022 continued to represent the most accurate reflection of the Company's areas of influenced and responsibility; these topics form the strategic foundation of this report and of Mehadrin's continued ESG activities in 2024.



Mehadrin's material topics:

ENVIRONMENT

1. Water consumption management
2. Energy and carbon footprint
3. Waste reduction
4. Reducing food waste and circular economy

SOCIAL

5. Employee development and welfare
6. Responsible supply chain
7. Food safety and product quality
8. Innovation and development
9. Community relations and supporting local communities

GOVERNANCE

10. Ethics and corporate governance

ECONOMY

11. Business activity

The chapters below provide a detailed discussion of each of the selected material topics and present an overview of the Company's activities, its commitment to advancing corporate responsibility, and its achievements in these areas during the reporting year.



Stakeholders

Ethical conduct toward stakeholders



Customers We prioritize the needs of our customers. We ensure that our customers receive accurate and reliable information while offering solutions tailored to their requirements. We listen closely to customer needs and provide prompt and efficient responses. We support our customers in achieving their objectives to the greatest extent possible.



Employees We respect our employees as partners to our journey and as responsible for implementing and upholding this policy. Our employees are entitled to fair compensation for their work, open and ongoing dialogue, opportunities for personal development and skills enhancement, as well as equal opportunity regardless of gender, ethnicity, or physical, cultural, or other differences. At Mehadrin, we foster a positive and supportive work environment that enables all employees to work with a sense of satisfaction and enjoyment.



Shareholders We respect the needs of our shareholders. We respond, to the best of our ability, to shareholders' expectations for sustained profitable business performance while maintaining a high level of ethical conduct in line with our values. We report accurately to the Company's Board of Directors and shareholders in accordance with applicable laws and reporting procedures and provide all required information in a timely manner.



Growers We build mutually cooperative relationships with growers based on fairness. Produce growers are essential partners to our success, and we cultivate these relationships to enhance mutual business benefits for both the growers and Mehadrin. We ensure that collaboration with growers is conducted on the basis of transparency, accurate reporting, and fairness.



General suppliers We seek to maintain long-term relationships with our key suppliers. We take suppliers' needs into consideration and are attentive to requests and suggestions for new initiatives.



Authorities We comply with the requirements of government and local authorities in Israel and in all jurisdictions in which we operate. We adhere to local tax regulations and provide the authorities with any information they demand in connection with our activities.



Social organizations We are attentive to the needs of the community and are open to dialogue with entities that promote social objectives for the development and strengthening of the community. We donate money and products and volunteer for social causes while cooperating with social organizations such that our contribution is focused on vital objectives and so that we can measure our positive impact on the community.



Environmental organizations We respect representatives of environmental organizations and recognize the importance of their work. We welcome suggestions aimed at improving our activities to protect the environment and the planet.





Competitors We maintain fair relationships with all competitors. We market our products while ensuring fair and ethical competition.



Promoting the UN's Sustainable Development Goals

Mehadrin has adopted six goals that serve as both a commitment and a call to action for its future activities and for measuring the Company's impact. The Company recognizes its central role in promoting healthy nutrition and environmental sustainability.

The following goals are relevant to Mehadrin and reflect challenges at the level of the Company's business activities, to which its operations may contribute.

SDG	Target	Mehadrin's activity
 Zero hunger	<p>(2.1) By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.</p> <p>(2.4) By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, help maintain ecosystems, strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and progressively improve land and soil quality.</p>	<p>Mehadrin integrates advanced agricultural practices to produce high-quality fruit and optimizes its supply chain to ensure a stable and responsible food supply, while upholding principles of environmental and social sustainability. At the same time, Mehadrin invests in agricultural education for students from developing countries, with the aim of equipping them with knowledge and professional tools applicable in their home countries, thereby contributing to improving nutrition systems and advancement of sustainable agriculture worldwide.</p>
 Good health and well-being	<p>(3.9) By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>	<p>This goal lies at the heart of the activities and products of Mehadrin, which grows and markets nutritious fruit that supports the maintenance of a healthy lifestyle. We work continuously to reduce the use of chemicals in our products and to safeguard the health and safety of our employees, customers, business partners, and the environment in order to prevent contamination of soil and water resources resulting from our operations.</p>



Clean water and sanitation

- (6.3) By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials.
- (6.4) By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Mehadrin, as an agricultural company, understands the importance and need for managing the water resource and using this resource wisely and efficiently. We use approximately 60% purified wastewater and reduce the use of fresh water. Mehadrin cooperates with Mekorot, the national water company of the State of Israel in the supply of water services and water at controlled prices to consumers. We operate in accordance with the strictest standards in order to maintain the quality of water reservoirs and wastewater treatment. The company is participating in a tender to drill five new water wells to supply water to the national grid.¹



Reduced inequalities

- (10.2) By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Our workforce of employees and managers reflects diversity across ethnicity, gender, religion, socioeconomic background, age, and geographic location. The Company ensures fair compensation and benefits aimed at contributing to the reduction of inequality.



Responsible consumption and production

- (12.3) By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
- (12.5) By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Mehadrin works to minimize food waste and optimize the use of resources throughout its operations. Our agricultural produce is carefully monitored to evaluate fruit quality and ripeness. Fruit is sorted by quality and, where it does not meet fresh fruit standards, directed to the juice and animal feed industries. We act to reduce agricultural and packaging waste through structured and regulated processes of waste separation, recycling, and the reduction of polluting materials. We also work in cooperation with our business partners to ensure adherence to standards that promote environmental protection and reduce negative environmental impacts.



²The tender was delayed by the state due to the Iron Swords War, and at the date of publication of the report it has not yet been executed.



Environment





Environment

The environment is fundamental to sustaining life on Earth. At Mehadrin, environmental protection is a core value. We aim to reduce our environmental impact through the adoption of green agricultural practices and advanced technologies that enhance process efficiency and control. The environment is our source of food, water, oxygen, and climate stability; protecting it is both a moral and a strategic imperative. Mehadrin operates under a comprehensive environmental policy, overseen by the VP of Agriculture.

We believe that commitment to the environment is more than just meeting the required standards; it means a broader responsibility towards future generations, our stakeholders, and the ecosystems within which we operate. Maintaining equilibrium in this area is the foundation for Mehadrin's business over the long term.

As part of its commitment to sustainable agriculture, Mehadrin invests significant effort in environmental stewardship through the implementation of a range of programs, such as: Agricultural waste management program aimed at increasing recycling rates; regular monitoring of irrigation water and groundwater quality; measures to reduce energy and fuel consumption by agricultural machinery; and promotion of ethical practices related to nature conservation and landscape

preservation. All Mehadrin crops comply with standards for sustainable agricultural practices and food safety, including Global Good Agricultural Practice (Global GAP)² and the Tesco Nature Choice (TNC)³ standard, as well as environmental standards with which all of Mehadrin's crops comply with, such as Linking Environment and Farming (LEAF)⁴ and the Sustainable Program for Irrigation and Groundwater Use (SPRING) standard.⁵

In 2023, the Company commenced certification under the LEAF standard, aimed at promoting environmental protection and recognizing sustainable agricultural production. Mehadrin completed the adoption of the standard upon receiving certification in 2024; since then, the Company has complied with all applicable

regional and national environmental laws and regulations, managing its operations in a manner that supports environmental protection while fostering the connection between human activity and natural habitats.

As of the publication date of this report, Mehadrin is leading a strategic process to define cross-functional ESG objectives for the coming years. This process includes an in-depth review of ESG targets adopted by peer companies, as well as collaboration with specialist managers to formulate a comprehensive action plan for achieving these objectives. Adherence to the LEAF standard supports the Company's ability to continue to monitor its goals and target continual improvement in this area.

² Global Good Agriculture Practice - an initiative that aims to promote global adoption of safe, social and environmental agricultural methods. The initiative awards certificates for farmers who meet the standards that ensure the use of responsible farming methods. For further details, see: [Global GAP](#).

³ Tesco Nature Choice - a standard developed by UK grocery chain Tesco to ensure that produce suppliers (producers and traders) apply principles of good agricultural practice during production, thus ensuring product safety, environmental protection and worker health. For further details, see: [Tesco Nature Choice](#).

⁴ Linking Environment and Farming - an international standard for certification of sustainable agriculture, focused on Integrated Farm Management (IFM) and protection of the environment. For further details, see: [LEAF](#).

⁵ Sustainable Program for Irrigation and Groundwater Use - a standard aimed at ensuring responsible, legal, efficient management of water at the farm level. For further details, see: [SPRING](#).



Energy and carbon footprint

Climate change is one of the most significant challenges of our generation and must be addressed by minimizing GHG emissions caused by energy consumption and agricultural activities.

Mehadrin works to reduce greenhouse gas emissions resulting from its operations by monitoring energy consumption in packing houses and refrigeration facilities, promoting renewable energy, and installing solar systems. The Company calculates the carbon footprint of its products using the Life Cycle Analysis (LCA) method and according to the 2050 PAS standard. Mehadrin was one of the first companies in Israel to perform this calculation in full, earning confirmation of its carbon footprint measurement by Carbon Trust as early as 2012.

In recent years, Mehadrin has used drones to achieve

greater precision in spraying, as an alternative to tractors and airplanes, in specific treatments suitable for implementation via drone (low-volume spraying), reducing pollutant emissions. In 2023, the use of spraying drones was expanded to address the manpower shortage resulting from the Iron Swords War, while further reducing emissions associated with the spraying process. Focused monitoring was also performed to determine the appropriate threshold for treatment, with fine-tuning on the level of each dunam, across all areas processed by the Company, to ensure that spraying instructions are given solely on the basis of reliable findings, avoiding preventive or prophylactic spraying. Furthermore, Mehadrin reduces electricity consumption in its buildings through the use of energy-efficient LED lighting and by relying on approx. 30% natural lighting.

In accordance with the Company's objectives to assess collaborations in the field of renewable energy, during 2023, meetings, discussions, and site visits were held with various solar energy companies. These efforts culminated in September 2024 with the signing of a cooperation agreement in the agrivoltaic field with the renewable energy company TeraLight. TeraLight and Mehadrin established the Eretz-Or partnership, under which the two will focus on initiatives promoting dual use - using land designated for the cultivation of agricultural crops to simultaneously



produce green energy. As an initial phase, projects with a capacity exceeding 500 MW are planned.

The partnership is expected to continue for a period of five years, with an option for extension subject to mutual agreement. Option agreements for a total of approx. 10,000 dunam have been signed to date, within the partnership, with various communities and entities. Some of the land where the plans are being promoted are leased by Mehadrin. Prior to this effort, as early as 2011, Mehadrin had begun to install solar-energy systems at its sites, including in Ashkelon, Netanya, and Tsrifin, at a cumulative volume of hundreds of kilowatts.

These collaborations, as well as practical measures in the field such as the use of drones, precision agriculture, and efficient lighting, enable Mehadrin not only to measure emissions but also to lead innovative ongoing mitigation processes.

The collaboration with TeraLight is a key element of the Company's long-term sustainability strategy. The process is based on the principles of prudent resource utilization,





reducing carbon footprint, and ensuring economic stability while protecting the environment. This collaboration also strengthens Mehadrin's vision of integrating advanced agriculture with clean energy and solidifies its standing as a leader in agricultural sustainability and innovation.

1. Dual use of land

The integration of agrivoltaic systems allows efficient use of agricultural land both for growing crops and for generating clean solar energy, maximizing land value while maintaining existing agricultural activities.

2. Reduction of emissions and use of renewable energy

The installation of solar-energy systems in the Company's fields and infrastructures contributes to reduced dependence on energy from polluting sources and reinforces Mehadrin's commitment to cutting back GHG emissions.

3. Financial stability and economic growth

Projects on a significant scale are expected to create an additional stable revenue source, supporting economic activity and allowing further investments in sustainability.

4. Compliance with environmental standards and corporate responsibility

This effort is aligned with the international quality standards followed by Mehadrin and expands its areas of social responsibility.

5. Long-term strategic thinking

The partnership with TeraLight is built for the long term and ensures ongoing development of innovative solutions to promote sustainable agriculture.

The quantitative data presented in the following tables reflect the findings of the measurement for 2024, in accordance with the prevalent methodologies and international standards followed by Mehadrin.

DATA ON ENERGY CONSUMPTION AND GHG EMISSIONS

As of 2024, the company has **254** vehicles in use in its operations, of which 121 private vehicles, one private vehicle owned by the Company, 48 forklifts, and other types of work vehicles (such as harvesters, a street sweeper, a pressure washer, a dump truck, road trailers, pallet trucks, and tractors).



Electricity consumption (KWh), by years:

Source	2020	2021	2022	2023	2024
Electricity from the grid	37,106,346	36,294,769	34,770,056	34,473,910	33,701,698
Electricity from renewable sources	2,327,595	2,328,360	3,197,944	3,099,192	3,199,475
Total electricity consumption	39,433,941	38,623,129	37,968,000	37,573,102	36,901,173

Fuel consumption for transportation (liters), by years:

Fuel type	2020	2021	2022	2023	2024
Gasoline	201,699	256,685	261,319	316,109	353,208
Diesel fuel	151,999	128,939	138,463	62,014	56,091
Urea	105	430	633	180	140
Total fuel consumption	353,803	386,054	400,415	378,603	409,439

Greenhouse gas emissions (ton CO₂e)⁶, by years:

Scope ⁷	2020	2021	2022	2023	2024
Scope 1 emissions	807	880	913	888	957
Scope 2 emissions	18,495	18,114	17,807	16,421	14,729
Scope 3 emissions	-	-	86	115	76
Total emissions	19,301	18,994	18,806	17,424	15,762

Refrigerant gas use (kg), by years:

Refrigerant gas type	2020	2021	2022	2023	2024
R507	3,200	3,200	3,200	3,200	3,200
R22	2,800	2,800	2,800	2,800	2,800
Ammonia	34,900	34,900	28,900	28,900	28,900
Total refrigerant gases	40,900	40,900	34,900	34,900	34,900

*Refrigerant gas amount remained largely unchanged from year to year since they represent the capacity of the refrigeration systems rather than the actual consumption. The decrease in ammonia in 2022 was due to the reduction of area of the cooling warehouse.

⁶ Mehadrin calculated greenhouse gas emissions based on the accepted international standard GHG Protocol Corporate Accounting and Reporting Standard.

⁷ Scope 1 includes emissions from fuel consumption, Scope 2 includes emissions from electricity consumption, Scope 3 includes emissions from business trips (flights and hotel accommodation by employees).



Waste reduction

Mehadrin responsibly manages waste generated from its operations, including plant waste, packaging waste, and office waste, applying the principles of reduction, reuse, and recycling. In its packing houses, general waste is separated from packaging materials designated for recycling or reuse, while household waste is disposed of at authorized disposal sites. The Company reduces the volume of packaging materials in accordance with actual operational needs. In addition, the Company works in full cooperation with government ministries and other parties to promote solutions for minimizing harm caused by agricultural waste. The Company's operational principle is based on the concept of Reduce, Reuse, and Recycle.

In its packing houses, general waste is separated from packaging materials designated for recycling or reuse, while household waste is disposed of at authorized disposal sites. Cardboard is the main type of waste at the Company and is managed based on targeted treatment with licensed contractors holding landfilling contracts. Collection stations are available on the Company's

premises for plastic agricultural waste such as irrigation products, netting, and packaging, which is transferred to recycling plants following sorting, cleaning, and compression. Fruit is transported from plantations to packing houses in reusable containers, thus substantially reducing the use of packaging materials. Reusable cups have been distributed at the Company's offices, and paper shredding and recycling devices have been installed as part of the policy of minimizing the use of disposable products and raising employees' awareness of their everyday environmental practices. In addition, containers are available in the orchards for the collection of empty packages, which are removed to an authorized facility once a month by a licensed contractor. In view of its commitment to waste reduction and maximum utilization of raw materials, Mehadrin processes foliage and residual plant matter on site; trimmed branches are crushed for use as a raw material for land covering, which reduces soil erosion and pesticide use. The Company also uses unmarketable fruit as raw materials in the juice industry or as livestock feed.



Waste from packing houses (ton):

Reported figure	2022	2023	2024
Total weight of waste removed	1,116	1,652	1,356

Packaging waste from renewable/recyclable materials (ton):

Product/Packaging Type	2020	2021	2022	2023	2024
Polypropylene (biodegradable recyclable plastic)	78	159	222	232	170
Recyclable cardboard	4,429	4,270	3,489	2,850	2,747

* The increase in the use of polypropylene packaging alongside the decrease in the use of cardboard packaging in 2020-2023 is attributable to the expansion of contracts with customers who have adequate plastic recycling capabilities.

* The decrease in the use of packaging in 2024 mainly resulted from a decrease in quantities of fruit in Mehadrin's systems, which led to an overall reduction of packaging volumes. The use of biodegradable plastic decreased due to a decrease in the quantity of avocados of the Hass variety, which were packaged using this material; the use of cardboard decreased due to a lower volume of packaging of Or and red grapefruit (Sunrise) citrus varieties.



Water consumption management

The agriculture sector accounts for more than 70% of freshwater withdrawn worldwide. Mehadrin manages its water resources responsibly, using a variety of sources, including private wells and external sources such as wastewater and purified water treatment facilities (SHAFDAN). reduction, and maintenance of pipeline integrity. Water flows directly into the orchard irrigation networks, either from private wells adjacent to the farmed areas or from external sources connected to the Company's central infrastructures. Each well is equipped with a water metering system that is used, among other purposes, for monthly reporting to the Water and Wastewater Authority. Mehadrin conducts regular water quality testing and complies with the requirements of applicable standards, including the Inbar Committee standards for wastewater quality, the tertiary standard for wastewater treatment, and ISO/IEC 17025 - Testing and calibration laboratories. Climate change is intensifying the need for efficient water management. Advanced monitoring systems such as Phytch and SupPlant have been installed in the Company's orchards, to adapt irrigation to climate conditions. These systems analyze data on soil moisture, water absorption, and climate conditions and help precisely adjust the quantity of irrigation for each plot of land. Dedicated managers, including an agronomist specializing in irrigation, are responsible for managing irrigation and supply systems, including leak prevention,

In 2024, 70% of the water consumed by Mehadrin came from purified SHAFDAN and treated wastewater sources, with the aim of reducing the use of groundwater. Mehadrin strives to continue optimizing water use as part of its sustainable agriculture goals.





water loss and maintaining pipeline integrity. As part of this process, Mehadrin also invests in the replacement of older, worn pipelines, to reduce the probability of leaks and water loss.

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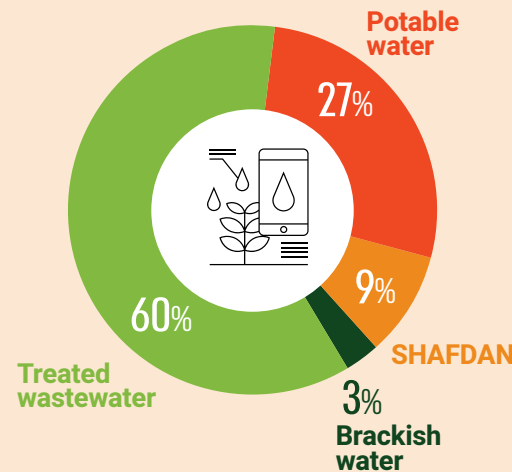
Mehadrin provides irrigation water to its customers through its supply networks, while collaborating with the Ministry of Agriculture and Rural Development in draining and maintaining waterways in orchards. Within this framework, a multi-year project is underway in collaboration with the Sharon District Drainage Authority, which focuses on systemic treatment to protect lands in the vicinity of the tributaries of the Poleg stream and to improve the drainage infrastructure. The project addresses soil erosion challenges, which were not adequately addressed in the past due to inappropriate tillage practices and lack of regulation of waterways. As of the date of this report, regional regulatory objectives are established on an annual basis in coordination with the Drainage Authority and other relevant stakeholders. This collaboration, which is largely funded by the Ministry of Agriculture, ensures access to orchards even during severe winter conditions and supports the continuity of the Company's operations.

In 2024, approx. 60% of the quantity of water used to irrigate the orchards was sourced from reclaimed water.



Data
WATER

Total water consumption (million m³), by source:



Total water consumption (million m³), by source:

Reported figure	2020	2021	2022	2023	2024
Freshwater	8,844	9,538	8,137	8,015	7,725
Brackish water	835	894	971	1,015	694
Treated wastewater	16,735	19,403	17,642	17,517	16,906
Shafdan water	3,926	4,660	4,384	*2,970	2,534
Total water consumption	30,340	34,495	31,134	29,517	28,129

* The decrease in the Company's water consumption is mainly due to a reduction of approx. 2,000 dunams in the cultivated area.

Total water consumption (million m³), by type:

Reported figure	2020	2021	2022	2023	2024	
Groundwater	Freshwater	1,470	882	946	989	467
	Other water types	3,195	3,365	2,888	2,845	2,836
Third party water ⁸	Drinking water	5,014	6,185	5,274	5,196	5,386
	Other water types	20,661	24,063	22,026	20,487	19,440
Total water consumption	30,340	34,495	31,134	29,517	28,129	

* Fluctuation in the Company's water consumption from year to year is in accordance with the physiological needs of the plantations and orchards..

Total water consumption from areas defined as areas with water shortages⁸ (million m³), by years:

Reported figure	2020	2021	2022	2023	2024	
Third party water	Freshwater	947	945	1,064	1,257	1,489
	Other water types	5,938	6,899	6,461	5,165	4,754
Total water consumption	6,885	7,844	7,525	6,422	6,243	

⁷ Third-party water - municipal water suppliers and municipal wastewater treatment sites, public or private services and other organizations involved in the supply, transport, treatment, disposal or use of water and treated wastewater.

⁸ Gan Pelach plantations located in the Negev.



Biodiversity

Mehadrin works to reduce its impact on biodiversity and maintain ecological balance. The Company handles weeds manually as an alternative to using chemicals, performs targeted spraying through a dedicated department, and complies with the requirements of the Plant Protection Law and its regulations. The Company is also in compliance with other relevant regulations, such as plant and plant product export regulations, public health protection regulations (with regard to pesticide residues), and occupational safety regulations applicable to working with pesticides. Mehadrin is one of the only agriculture companies in Israel to establish a department dedicated to plant protection, an illustration of its ongoing investment in this area and of the importance of this issue as an element of responsible environmental management. In plantations adjacent to nature reserves (Holot Nitzanim, Barir and Marar Hills), Mehadrin protects fauna and flora, avoids the use of toxic substances (Class 1-2) and operates in accordance with the guidelines of the European Union and Ministry of Agriculture. An ecological monitoring team oversees the orchards, builds beehives to preserve flora, and uses signage to raise awareness of preserving biodiversity.

Mehadrin maintains a direct channel of online support for the issue of soil conservation via-a-vis external parties. The Company also initiated a program to collect water in tanks adjacent to the orchards to improve the animals' environment and conserve water resources.

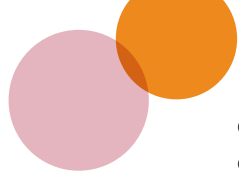
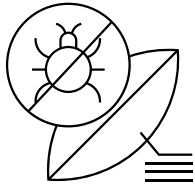
Mehadrin applies measures to reduce the consumption of chemicals, such as the use of beneficial fungi, based on an understanding of soil dynamics, to encourage their spread and naturally strengthen soil resilience. In addition, cover crops and mulching help retain moisture, prevent erosion, and improve the ecological structure of the soil. The Company also added to the list ingredients used in biostimulant fertilizers while reducing the carbon footprint of fertilizer companies.

All of the Company's suppliers are required to sign a statement to protect the environment and landscape. As of 2024, 100% of the Company's agricultural input suppliers have signed this statement.

As part of adopting the LEAF standard, Mehadrin is implementing a comprehensive plan to preserve biodiversity in the orchards. A dedicated plan was developed for each orchard, focusing on preserving its unique biodiversity. The standard includes control and supervision by a certified third party, who assists in the implementation, monitoring and improvement of the programs.

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Pesticides

As a leading participant in Israeli agriculture, Mehadrin reduces the use of chemical pesticides in order to improve fruit quality, protect the health of its customers and employees, and minimize adverse environmental impacts. Towards that end, the Company is working to transition to the use of biological pesticides, and to avoid pest control entirely whenever possible. The Company operates in accordance with the regulations of the Ministry of Environmental Protection and Ministry of Agriculture and Food Security and also aligns its use of materials with the regulatory standards of export destination countries.

Mehadrin conducts an annual review and approval of its pesticide list, applying stringent criteria that exceed local regulatory requirements with respect to concentrations, application methods, and pre-harvest waiting periods. This process includes MRL laboratory testing to ensure

efficacy and efficiency, as well as an annual conference of professional functions within the Company in which low- and medium-risk substances are prioritized. The Company discontinued the use of the organophosphate pesticide chlorpyrifos in 2022, in accordance with the strict European standard; in 2024, it conducted a renewed review and approval of the list of substances it uses.

The Company's IT systems accurately track agricultural inputs in relation to the use of pesticides, in order to optimize and reduce the use of these substances. For pest monitoring, the Company uses the Fieldin system, which is based on monitoring pest thresholds and scheduling treatment, thus preventing excessive use. For example, in recent years the Company has significantly reduced spraying against the red aphid pest. Furthermore, the Company is collaborating with a Luxembourg-based company to develop and implement green solutions for controlling this pest using pheromones. Concurrently, a collaboration is in progress to test the use of physical barriers and adhesives to prevent ants from climbing into trees, as it is the ants that carry the aphids to the leaves and fruits. Mehadrin also uses green solutions to prevent additional pests such as the false apple moth.

Mehadrin also applies integrated pest management (IPM) principles, including the use of environment-

friendly pest control methods, such as non-toxic traps and male confusion (through the use of a substance that mimics the sex pheromone secreted by females, which reduces the number of fertile matings), encouraging natural enemies and dispersing enemies from external sources, and timing and adjusting agrotechnical treatments to worsen the living conditions of pests and thus reduce their population. In addition, Mehadrin sets up nesting boxes for barn owls, to reduce the number of harmful rodents, and uses agrotechnical measures such as dismantling of nests and preventive pruning. These combined approaches make it possible to further reduce the use of chemical pesticides, encourage an increase in the number of beneficial insects, and strengthen natural defense mechanisms in the plantations.

The Company invests in research and in management methods to mitigate the environmental impacts of pesticides. Mehadrin also tracks nitrogen levels in water drawn from wells or from external suppliers and reduces nitrogen fertilizer use accordingly to prevent disruption of the ecological balance in soil systems. The purchasing department ensures that the pesticides and spray materials supplied comply with the guidelines of the Ministry of Health, the Ministry of Agriculture, and Mehadrin's internal guidelines.

Soil

Mehadrin's plantations are exposed to the risk of soil erosion, which could damage crops and lead pesticides into water sources. Rigorous planning by a soil and water engineer is applied before planting each plot, and fertilizer reservoirs are installed in every orchard to prevent substances from seeping into the soil and into water sources. This planning incorporates soil conservation measures and is carried out in accordance with the guidelines of the Ministry of Agriculture and/or the Soil Conservation Division, in full coordination with them. In addition, comprehensive drainage and waterway

planning is implemented across the area to prevent soil erosion and to ensure adequate access routes to orchards in general and to individual plots in particular. Approx. 150 additional dunam planned according to soil conservation principles were planted in 2024.

Climate change increases the risk of soil erosion, damage to soil structure, and rising water needs. Mehadrin's preparations include a combination of soil conservation measures and advanced hydrological planning, along with routine oversight and adapted risk management.



Risks and opportunities arising from climate change

The world's agriculture industry, as well as Mehadrin's plantations and its customers' plantations, are exposed to extreme climate changes/ conditions, such as hail, extreme cold, storm, rain, drought and flooding. The frequent shifts in weather events and the rise in extreme climate events are causing changes in fruit quantity and quality, orchard flooding, water shortages resulting from increased consumption and lower availability, increased risks of soil erosion and degradation, fluctuations in sowing and planting schedules, rising scope and intensity of hazards, new pest invasions, and declines in crop rates and fruit quality, which impair packaging and marketing rates; all of these factors may lead, among other things, to financial losses, reputational damage, and loss of customers.

In order to manage and monitor climate-related risks, Mehadrin has analyzed the climate risks relevant to the Company's operations and is taking mitigation and prevention actions accordingly.

The following table presents the climate risks identified as relevant to the Company's operations and the actions taken in response to them:

Climate change	Example mitigation or prevention actions
Hail, extreme cold, storms	<ul style="list-style-type: none"> • The insurance for the Company's plantations includes hail, extreme cold and storm risks. • Plan to install solar panels over some of the orchards and plantations in order to reduce hail damage during the winter months • Covering some of the plantations and orchards with protective nets
Drought	<ul style="list-style-type: none"> • Switching from using freshwater to using treated wastewater. • Adapting crop varieties to climatic conditions; for example, in 2023, a new prickly pear variety was introduced, characterized by low water consumption. • Prudent, controlled use of the various water sources through computerized systems. • Planning to install solar panels over some of the orchards and plantations to reduce the need for irrigation (up to 20% in the summer months).
Soil erosion and degradation	<ul style="list-style-type: none"> • Sowing erosion-resistant cover crops to reduce soil erosion and improve the substrate for tractors. • Designing drainage and waterways to prevent soil erosion and ensure easy access to the orchards and plots
Increase in the scope and intensity of pests as a result of extreme climate events and temperature changes	<ul style="list-style-type: none"> • The Company's plantation insurance includes naturally occurring damage • Planning of specific strategies to handle every type of pest, and precise timing of spraying, to supply customers with clean fruit compliant with pesticide residue standards. • Working with pest control companies to find optimal combinations addressing the increase in pest quantities and categories, with an emphasis on biological solutions for use in sustainable agriculture.
Fluctuations in sowing and harvesting dates as a result of extreme climate events and temperature changes	<ul style="list-style-type: none"> • Adjusting sowing and harvesting dates to climatic changes, for example by shortening the agricultural season, delaying citrus harvesting, shortening delivery days for avocados, and allowing for delayed harvesting in areas exposed to climate phenomena
Extreme temperatures / heat waves	<ul style="list-style-type: none"> • Adapting growing varieties to climate conditions, for example, replacing the Star Ruby grapefruit variety with the Rio Red variety, which is more resistant to heat and radiation, and introducing a new prickly pear variety that is resistant to high temperatures • Prior to planting sensitive crops, the probability of frost events is examined, based on temperature sensors and statistical analysis weighing in topographical data and past measurements. • Planning to install solar panels over some of the orchards and plantations to create a layer of protection against excessive sun exposure
Water scarcity	<ul style="list-style-type: none"> • Tree trunk measurement for irrigation, transition to computerized irrigation, and irrigation specifically adjusted to the season, soil needs, planted variety, etc.

As part of broad risk management, Mehadrin insures all of its plantations every year under policies covering natural hazards (hail, frost, and storms) and natural disasters (climate damage not covered by natural hazard insurance, pests, fruit diseases, and tree damage). This system ensures operational continuity and protection of the Company's assets even in extreme climate conditions.



Reducing food waste and circular economy

As part of its core activities, Mehadrin contributes to addressing one of the most significant global challenges of our time - food security. Mehadrin's fruit crops, which form part of the human food supply, are grown in orchards and plantations spanning approx. 29,000 dunams and yielding approx. 100,000 tons of fruit annually.

In 2023, Mehadrin initiated a collaboration with a privately-held company from Morocco, focusing on avocado cultivation by the private company's partners



and procurement of more avocados from Moroccan growers. The avocado is marketed to Europe through the Global Farming joint venture and Mehadrin's marketing array. The collaboration, encompassing approx. 5,000 dunams, also contributes to stronger global nutrition security. The collaboration with Morocco is being developed further, and the possibility of expanding the planted area by an additional 5,000 dunams is being considered, as well as the acquisition of part of a local packing house. In addition, in 2024 negotiations began for the acquisition of a company in Peru that holds a farm with approx. 2,000 dunam of avocado; the acquisition was completed in 2025.

The shelf life of some types of produce, such as Medjool dates, can be extended through freezing, which allows year-round marketing and reduces food loss.

Food loss is managed in several stages: investment in

fertilizing and spraying to produce quality fruit; picking all of the fruit; redirecting unmarketable fruit to the juice industry or for livestock feed; and, at the end of the season, fruit picking by volunteers from the organization Leket Israel, for donation to disadvantaged population groups. In 2024 (the 2024/2025 season), the Company donated a total of 272,668 kg of fruit to the following non-profit organizations: Leket Israel, Chasdei Naomi, The Natural Step Israel Ltd., Yad BeYad (Rabbi Gloiberman), Yad Ezra V'Shulamit, Mitchabrim LaNeshama, Pitchon Lev, and Ma'ayan Moshe Association. These collaborations reduce food waste and strengthen nutrition security, in Israel and globally.

In 2024 (the 2024/2025 season), the Company donated a total of 272,668 kg of fruit





Innovation and development

Mehadrin sees continual learning and improvement as the foundation for its agriculture business. The Company invests resources in the development of creative solutions and implementation of advanced technologies, with the aim of improving efficiency, enhancing productivity, and establishing a high professional standard in every stage of the agricultural work process, from soil treatment to packing and marketing.

Sustainable resource management

The agriculture industry relies on limited natural resources. To protect the environment, Mehadrin works to utilize resources prudently, using advanced technologies for efficient, optimal resource management.

Water management

Mehadrin manages irrigation at its orchards and plantations through advanced irrigation control systems (by Motorola and Talgil) connected to meteorology systems and a computer-based climate system. The systems provide data on evaporation, moisture, temperature, and flow rate and pressures, allowing optimal management of water quantities and precise routing of the irrigation. The systems also supply statistical data on irrigation and monitor malfunctions in real time to allow rapid detection and immediate treatment.

Mehadrin uses sensors by Phytech to monitor the condition of soil and trees, in order to modulate irrigation according to the plants' response. These systems contribute to the prevention of water waste, reduced fertilizer use, lower costs, and reduced environmental footprint. Mehadrin is continuing to expand the number of stations for the systems across its orchards, adding new stations in plots that previously were not covered. The Company also operates a satellite-based remote sensing system (by Phytech) to help detect acute problems in irrigation and identify tree stress, and to assist in the analysis of soil and water variations within plots in order to find the optimal irrigation solutions.

Dual use of the soil

Mehadrin aspires to efficient use of its agricultural land and works to install solar panels above its

orchards and plantations, generating green (agrivoltaic) electricity and integrating agriculture with renewable energy production. The panels have many advantages: shading, which reduces water consumption; green electricity production; protection against climate damage, such as hail and solar radiation; increasing the profitability of the land; and providing a beneficial solution to land scarcity due to global population growth. Mehadrin has also been chosen to lead three national agrivoltaic pilot projects in the Negev region and in central Israel, under the Ministry of Energy, Ministry of Agriculture, and Ministry of Finance. The Company began talks on an agrivoltaic collaboration with TeraLight in 2023, and a collaboration agreement was signed in 2024. For further details regarding the collaboration with TeraLight, see the Environment chapter of this report.



Improving productivity, safety and the quality of agricultural produce

Mehadrin has approx. 29,000 dunam of agricultural land, where it uses advanced technologies to improve crop productivity and to maintain safety and high quality. These technologies include:

Prudent spraying

- Systems for managing and monitoring spraying of orchards and plantations (by Fieldin) test variables such as the travel speed of the spraying vehicle, the area covered, and the number of rotations of the blower sprayer, for efficient and precise application and to reduce environmental impacts and over-spraying.
- Some pest control measures are carried out by drones. The use of drones reduces workers' exposure to contact with pesticides and allows rapid and focused application.
- Harvesting - The Company is considering a collaboration with a startup company in the area of harvesting, with feasibility testing for avocado picking, which would allow faster and more efficient harvesting.

Pollination and smart hives

Three of every four crops depend on pollination by bees, yet bee colonies worldwide are at risk, threatened by pests, diseases, and climate change. To address this challenge, Mehadrin is collaborating with Bloomx, which is developing a mechanical tool to suction pollen from trees and disperse it during flowering.

Fruit utilization and food loss prevention

Mehadrin is collaborating with Airobotics on the

reduction of food loss. This project covered an area of 1,000 dunam in 2024 and is expected to expand to 2,000 dunam in 2025. The technology allows monitoring and analysis of fruit characteristics, including color evaluation, to prevent the loss of fruit harvested prematurely.

Mehadrin is also participating in a European study, in cooperation with the Agricultural Research Organization, examining fruit cracking through real-time digital sensing, with the aim of reducing food loss by an estimated approx. 30% and supplying healthy food to the global population.

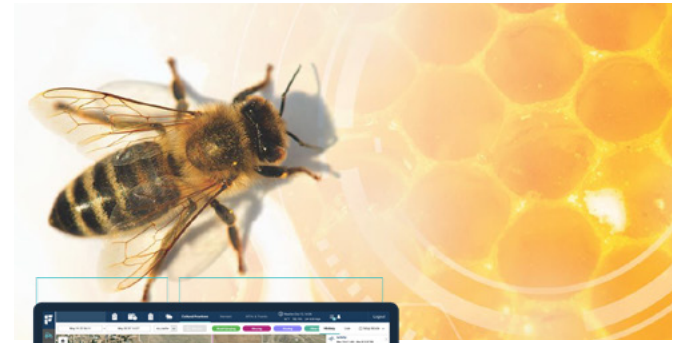
The Company is considering a collaboration with a startup company in the area of avocado quality and ripening, to make it possible to determine fruit ripeness without damaging the fruit and without manual labor, allowing more precise and efficient harvesting.

Innovation in packing houses

A new generation of optical sorting and screening equipment is used at the packing houses, allowing better product uniformity, reduction of rejected fruit, and improved packing quality. The use of automation in packing and refrigeration systems is being emphasized, to reduce dependence on manual labor and improve operational efficiency.

Resilience and coping with climate change

Climate change is a threat to agriculture; in response, Mehadrin is working on solutions for the development of varieties and methods that can withstand these changes. In 2022, Mehadrin launched a joint venture with Orly Cactus Farm based on a patent for growing prickly pear cactus (sabra) - locally grown cactus fruit containing anti-oxidants, with reduced spraying and low water



'Beewise'



'Fieldin'

consumption, as a solution for areas with water scarcity. The joint venture covers a 10-year period.

Investments in agriculture ventures and startups

Innovation and investments in technologies and startup companies are a key element of Mehadrin's ESG strategy, empowering the startups and promoting industry goals for a sustainable future. The Company promotes knowledge development and investment in agricultural ventures such as drone use and algorithmic fruit analysis, and has invested in the Nevateam fund, which invests in agriculture and food startups and innovators.

The following are examples of the fund's investments:

1. **Aruga** - robotics for hothouses - pollination, pruning, trellising.
2. **Idit** - flower pollination to increase ripening in almonds and pistachios (and avocados in the future) using innovative efficient technology.
3. **Clarifruit** - a quality testing system for fresh produce during transport from producer to wholesaler, delivering precise evaluations of the condition of the products at various points in the process.



Social





Employees

Mehadrin's employees form the backbone of the Company and are central to its success. Owing to their professionalism and commitment to excellence, they ensure high product quality and foster satisfaction among customers and business partners. The Company invests in the professional development of its employees, in safeguarding their health and well-being, and in cultivating a supportive and empowering work environment. The Company's policies and programs, both in Israel and internationally, are structured to help employees thrive while promoting values of care and cooperation.

As of December 31, 2024, Mehadrin employed approx. 500 employees on a regular basis. Approx. 200 of them are seasonal employees (mainly employees employed during the harvest season for picking and packaging produce) and 79 are employees at the Company's branches abroad. The number of seasonal employees varies according to the scope of activity in each season.

Mehadrin operates a program for the integration of workers studying agriculture in Israel (Agrostudies) who originate from developing countries. The program includes mentoring,

guidance, and professional training aimed at excellence in agriculture, in accordance with Mehadrin's standards. The program included 181 students in 2024.

Mehadrin ensures compliance with labor laws and applies the most stringent standards relating to workers' benefits, safety, health, and environmental requirements. We are audited and professionally certified in accordance with the regulatory requirements of Global GAP Risk Assessment on Social Practice (GRASP), and the packing houses and farms are certified under the Sedex Members Ethical Trade Audit (SMETA)¹⁰ social standard, which outlines fair trading conditions.

Maintaining the rights of contract workers and empowering them

Mehadrin requires contractor companies to hold valid insurance and licensing, provide an accountant's report confirming compliance with employment conditions, and commit to a social policy that safeguards employee rights. The Company conducts monthly reviews of contract employees' pay slips, including verification of compliance with minimum wage requirements,

¹⁰ Sedex Members Ethical Trade Audit - an international ethical social audit standard operated by Sedex that evaluates working conditions, safety, ethics and environmental practices in supplier organizations and websites. For more information, see: [Sedex](#)

Breakdown of employees for 2022-2024:

	2022	2023	2024
Tenured employees (Israel and foreign branches)	366	349	299
Employees at foreign branches (England, France, the Netherlands and Switzerland)	83	82	79
Seasonal workers (mainly picking and packing workers)	358	251	Approx. 200
Thai foreign workers (by quota)	116	116	None - due to the War
Contract workers (picking and packing)	804	977	807
Students of agriculture (Agrostudies)	80	183	181

*In 2024, the data collection process was improved and therefore employee data was updated for 2022-2023.

*The breakdown of the data in the Employees Chapter refers to the Company employees in Israel alone, without branches abroad.

In 2024,

Mehadrin employed **approx. 500 employees**

on a regular basis. Approx. 200 of them are seasonal employees (mainly employees employed during the harvest season for picking and packaging produce) and 79 are employees at the Company's branches abroad.



807 contract workers/manpower services

Breakdown according to the appointment percentage of the tenured employees - **99%** full-time and **1%** part-time

181 agricultural students participated in the Agrostudies program in 2024

Approx. **95%** of Mehadrin's employees are employed under collective bargaining agreements

No. of employees who went on parental leave **3**



A collective bargaining agreement in the agricultural sector and a special collective bargaining agreement signed in November 2010 between Mehadrin's management, the Agricultural Workers Union, and the Company's workers' committee. Other employees are employed under personal contracts.



pension contributions, and overtime payments. In addition, the Company applies control measures to ensure the lawful employment of veteran employees, while safeguarding their rights in accordance with applicable legal provisions.

In 2024, the following measures were implemented to enhance employee well-being and strengthen their engagement with the Company:

- During 2024, as in 2023, the Company allowed teleworking (work from home) during the war, in accordance with the guidance of the IDF Home Front Command. Furthermore, from time to time the Company sent assorted treat packs to those employees who called up for reserve service.
- Supporting employees throughout personal and organizational life events: Provision of gifts for life events (birth, bar/bat mitzvah, wedding), a grant for enlisting to the army, a mourning kit, holiday gifts, and an 85% subsidy for a retirement preparation course.
- Team building and cultural activities: departmental team-bonding days, an annual event for all employees and happy hour meetings with refreshments and drinks as part of the organizational routine, in order to improve the overall employee experience.
- Get-togethers held during the holidays: on International Women's Day, plants were given to female employees together with flowers and a card. A festive meal was held on the festival of Shavuot. On Purim, a colorful event was held that included hanging decorations in the office, holding a festive meal and team-building activities.
- Work-life balance: flexible work schedules, reduced work hours in the summer, a vacation policy tailored towards personal events, as well as a day camp for the employees'

children, which included a bamboo plant-making workshop, a children's meal and a movie screening.

- Improving the work environment: renovating buildings and upgrading working conditions in the orchards, packing houses and offices.
- The organizational "Peer Appreciation" program: a program for strengthening organizational connectivity, in which employees and managers are encouraged to express "genuine unselfish support and praise" for each other with review talks, personal letters and personal gifts for significant contribution to the department or organization, assistance to others, interpersonal relations, or any other positive parameter.
- Internal advancement: creating opportunities to facilitate mobility and advancement, expanding both work experience and job diversity.

Open-door policy: numerous talks have been held, and the Head of Human Resources has been readily available to employees.

These initiatives received particularly positive feedback from the employees, with a significant improvement in the feeling of connectivity and the general atmosphere compared to previous years, as well as a feeling that the Company's management as a whole, and the Human Resources Department in particular, is approachable and accommodating to all employees.

Strengthening intra-organizational relationships and making management accessible

During 2024, the Company focused on deepening the relationship between management and employees,

among other things through a highly noticeable open door policy, which included greater availability on the part of the Head of Human Resources, and conducting one-on-ones with employees.

As the Company consists of a number of different sites and business units (including packing houses, orchards and offices), it invested efforts to strengthen the sense of group belonging and organizational cohesion. The Head of Human Resources played an active part in the communication groups of all Company sites, enabling availability, involvement and providing an immediate response to the needs of employees in the field.

In the packing houses, managers were granted greater autonomy to organize unique team-building days according to their discretion and the needs of the staff – including barbecue meals, distributing popsicles on hot summer days, and initiated breaks for welfare events.





Promoting diversity, equality and inclusion

Mehadrin and its employees reflect broad occupational diversity, based on the belief that diversity fosters innovation, creativity, and equal opportunity. The Company promotes diversity and prohibits discrimination or harassment on the basis of race, gender, sexual orientation, religion, age, or any other characteristic. Hiring and promotion processes

are designed to mitigate unconscious bias and focus on candidates' skills and qualifications. Company employees are required to sign the Code of Ethics, which defines the Company's principles regarding non-discrimination, open-door policy, and reporting mechanisms. These mechanisms enable the submission of complaints related to discrimination and non-compliance. The Company has appointed an ethics officer and an ethics committee, which are responsible, inter alia, for preventing discrimination and serving as a channel for submitting complaints. In addition, a physical complaint mailbox is available to employees at each of the Company's sites. In 2024, no complaints regarding ethical violations were received through the complaint mailboxes.

Encouraging diversity among the underemployed and people with disabilities

Approx. 30% of the Company's employees come from underemployed population segments - Arab, the ultra-Orthodox and people of Ethiopian descent.¹¹ The Company is working to enhance its monitoring capabilities with respect to employees from other minorities, with the aim of expanding available data on the subject as part of its efforts to promote workforce diversity. Employees from minority populations are provided with linguistic and cultural access to documents, information, and training. In addition, since 2022, the Company has integrated employees with various disabilities into the packing houses and continues to develop frameworks for their successful integration.

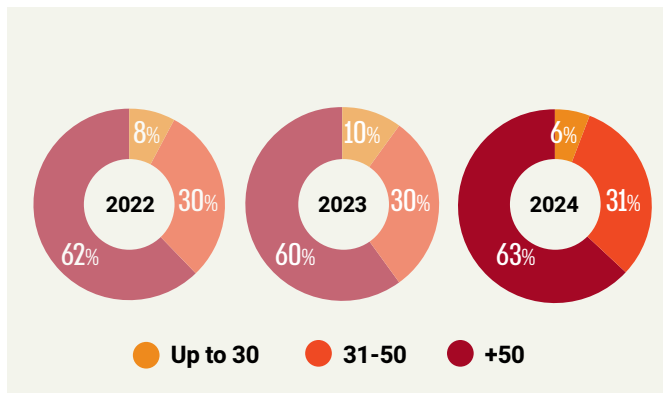
Encouraging age diversity

We employ people across all age groups, recognizing that age diversity creates value and contributes to a competitive advantage. The combination of veteran and experienced employees alongside young employees reflects an important balance between stability and innovation.

Encouraging gender diversity

Mehadrin promotes balanced gender representation across its workforce of employees and managers. In 2024, women comprised approx. 50% of the Company's total workforce.

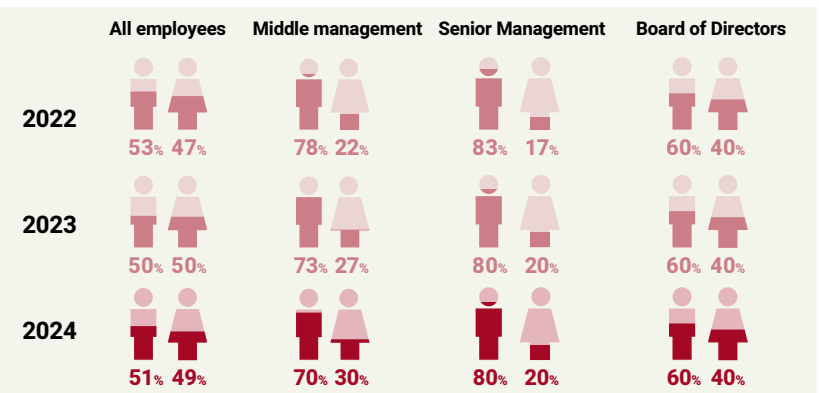
Segmentation of company employees by age



Segmentation of company employees by seniority

	2022	2023	2024
Up to 5 years (Inc.)	32%	37%	29%
5-10 years (Inc.)	17%	14%	16%
11-20 years (Inc.)	31%	29%	30%
21+	20%	20%	26%

The proportion of women in Mehadrin by rank



¹¹The rate of employees from the diverse underrepresented groups within society was calculated based on their area of residence.



Employee development and welfare



Employee hiring and retention

The company's recruitment and selection processes are designed to identify candidates who align with the Company's values, including a commitment to beneficial agriculture, integrity, and excellence. We take pride in our workforce, which includes some of the industry's leading professionals, agronomists, and other specialists.

In 2024, 45 employees were hired by the Company for various roles, of whom approx. 30% were women. During the year, 168 employees exited the Company, including those retired following the closure of the Netanya packing house.

Training and education

Our annual training and education program integrates tutorials with in-person training. In 2024, the program included both mandatory topics and training sessions for the development and advancement of professional skills. Among the topics delivered - safety for packing house workers, food safety, agriculture, prevention of sexual

harassment, the code of ethics, quality and information security, first aid and high-altitude work. Training topics are developed based on needs identified through dialogue with employees and internal communications. In addition, feedback is collected at the conclusion of each training session to support continuous improvement of the learning process.

Performance review and career development

In line with the conclusions of the employee engagement survey conducted at Mehadrin in 2021, a mechanism was developed in 2022 to facilitate dialogue on performance review and career development in the Company. In 2022, a dialogue and performance review process was completed for all members of the Company's management forum (approx. 50 managers). During 2023, the process was implemented through a dedicated automated system and carried out for the majority of the Company's tenured employees (approx. 64%). The dialogue process, which

includes performance review and career development, is intended to be implemented as a regular annual process for all tenured employees. In 2024, the Company launched an organization-wide streamlining process in tandem with a process of organizational restructuring; therefore, the performance review process was suspended. The process will be re-examined in 2026 upon completion of the said changes.

Employee health and safety

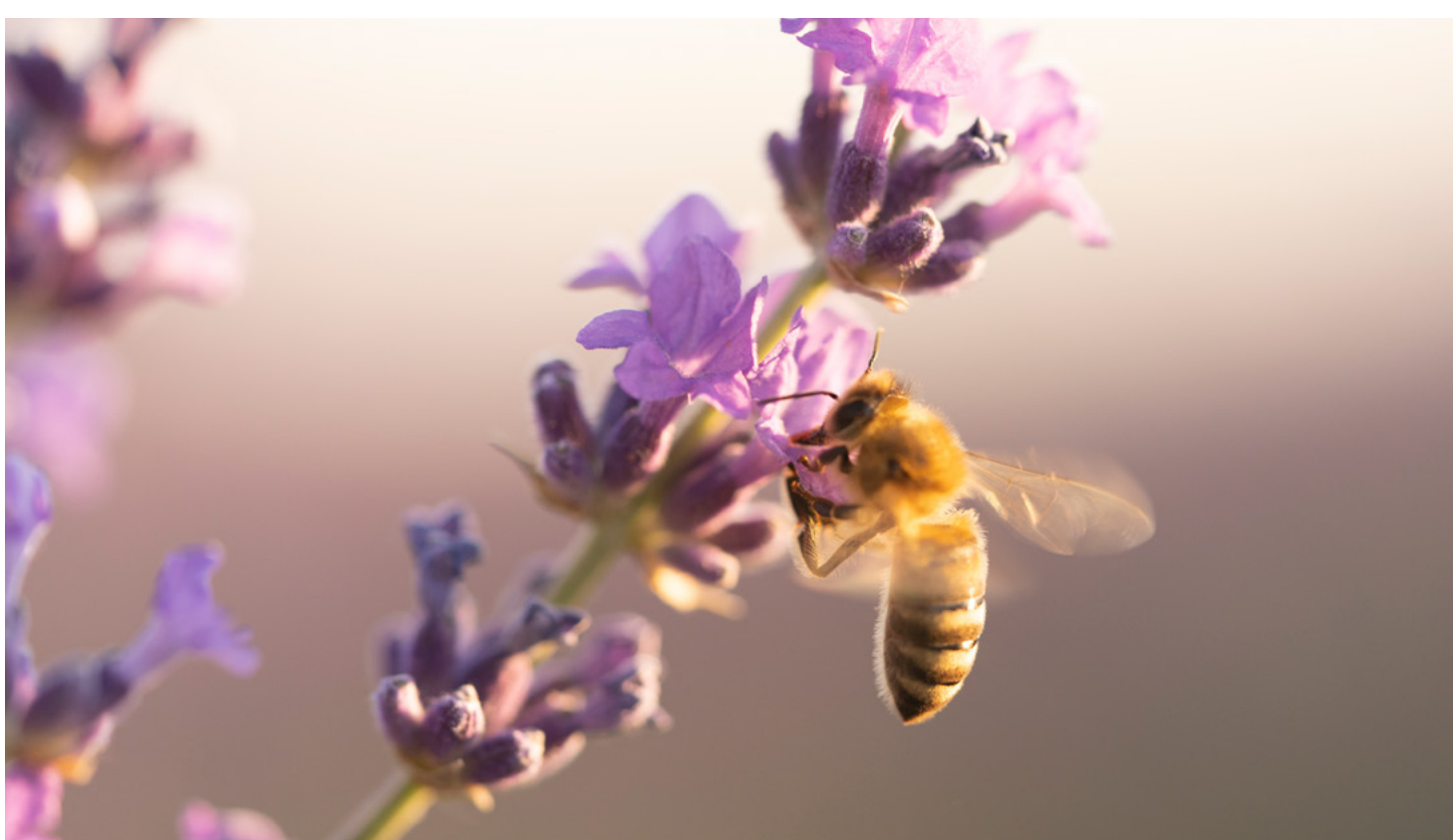
The health and safety of our employees are at the forefront of our operations, and we implement strict and uncompromising policies in this area. Mehadrin complies with all laws and regulations related to the employment of workers, including those concerning workplace safety and hygiene. We create a safe, accident-protected, well-ventilated, and healthy work environment for our employees, free from toxins and hazards.

Mehadrin operates a safety system led by the Company's



safety supervisor and safety trustees, who undergo dedicated training. The Company has defined a proactive safety plan designed to prevent accidents, risks, and malfunctions through early detection of hazards. The safety system conducts risk surveys and regular audits to identify, mitigate, and prevent risks in its activity. Accordingly, actions are taken such as conducting field training, inspecting the use of personal protective equipment, and marking roads and protective measures. Safety incidents are documented, investigated, and reviewed, and where necessary, lessons are drawn and implemented in accordance with the findings, with the aim of implementing preventative action and continually improving the safety system. All Mehadrin employees undergo training and are required to complete safety refreshers according to their roles, upon onboarding and on an ongoing basis, in the following areas: Safety, forklifts, high-altitude work, first aid, cleanliness and hygiene, fire safety, use of pesticides, and safe driving. The training and safety procedures are conducted in the employee's language.

In 2024, approx. 100% of the employees in the agricultural and packing house segments had completed safety training tailored to their specific roles and areas of responsibility. Every plant has a safety committee composed of Company managers and employees. A safety committee is responsible for implementing occupational safety and health procedures, investigating incidents, and reviewing the findings of inspections. In 2024, each safety committee at each packing house convened eight times. These committees are not only a forum for discussion but are also responsible for the actual implementation of the procedures and facilitating the lesson learning process.



As part of the Company's safety and health procedures, records and documentation of work-related injuries and occupational illnesses are maintained. During 2024, 39 work-related injuries occurred, of which 25 involved Company employees and 14 - contract workers. An event was reported regarding a contract worker from the security company who suffered a heart attack and died during a shift and another Company employee at a packing house who suffered burns. Most of the work-related injury cases investigated involved accidents either on the way to or from work. Of the 25 accidents, three are classified as work-related conditions (hearing loss). Mehadrin ensures that employee health examinations are conducted in accordance with roles, including hearing

and vision tests. The Company also conducts noise monitoring tests in compliance with applicable regulatory requirements. These actions are performed beyond compliance, as part of the Company's commitment to the health of its employees.

In 2024, approx. 100% of the employees in the agricultural and packing house segments had completed safety training tailored to their specific roles and areas of responsibility.



Responsible supply chain

Mehadrin is committed to a responsible supply chain that enables maintaining business continuity, reducing social and environmental risks, and creating value for all stakeholders.

- Growers as business partners** - Mehadrin works in collaboration with growers in orchards and plantations, providing knowledge, training, tools, and financial support with the aim of maximizing the potential of agricultural production.
- Packing houses** – The packing houses are wholly owned by Mehadrin and are equipped with the most advanced technologies in order to deliver high productivity.
- Global sales and service system** – Fruit handling systems located in close proximity to sales channels reduce transportation needs and extend product shelf life upon delivery to customers.
- Direct access to customers and markets**, including with our own brand names.

Mehadrin manages its supply chain in accordance with the Company's principles and values. This involves selecting suppliers, subcontractors and business partners that meet rigorous standards of quality, food safety, and environmental sustainability. The Company's suppliers are obliged to immediately report any environmental event in order to enable a rapid response to the issue and the mitigation of any adverse effects. In orchard cultivation, the main raw materials are water, fertilizers and pesticides. These are procured from a variety of suppliers thus mitigating any single-supplier concentration risk. The Company operates on the basis of master agreements with subcontractors for crop care services (fertilization, pest control and spraying) with a uniform price list for each type of work and supervises the quality of the work carried out in the field.

With respect to packaging and marketing, the fruits are purchased from various growers on a seasonal basis, with preset quantities, delivery dates, prices and payment dates. The packaging materials - containers, cardboard boxes, pallets, wax and disinfectants - are provided by several suppliers, and RTIs (returnable transport items such as reusable containers and packaging) are used to reduce waste.

As regards overland transportation, the Company has agreements with a variety of carriers from the fields to the packing houses, and from them to the local markets and ports. For maritime transport, the Company works with a number of shipping companies, thus mitigating any single-supplier concentration risk, and insures the produce with comprehensive maritime insurance. Most of the transport takes place in refrigerated containers designed to reduce the risk of damage to the quality of the fruit.

Global logistics system

Our logistics providers work in partnership with the Company to streamline the supply chain, while leveraging

economies of scale to reduce costs and ensure the availability of transportation equipment. The Company's global supply chain includes approx. 1,500 suppliers across the agricultural and other sectors, with an annual procurement amount of approx. NIS 442 million.¹² Mehadrin places significant importance on promoting the Israeli economy and supporting local economic development. Approx. 77% of procurement expenditures are sourced locally, and approx. 80% of the Company's produce is locally grown. We view our suppliers as business partners and require them to comply with ethical, environmental, and social standards, including signing a binding policy appendix.

One hundred percent of our agricultural produce is sourced from suppliers certified under the Global Food Safety Initiative (GFS). All contractors are subject to inspections to verify permits and employment conditions and undergo periodic wage audits to ensure legal compliance and oversight of working conditions. Moreover, all of our fruit suppliers comply with the terms of Global GAP and GRASP standards, and some also comply with the terms of the SPRING, LEAF and SMETA standards.

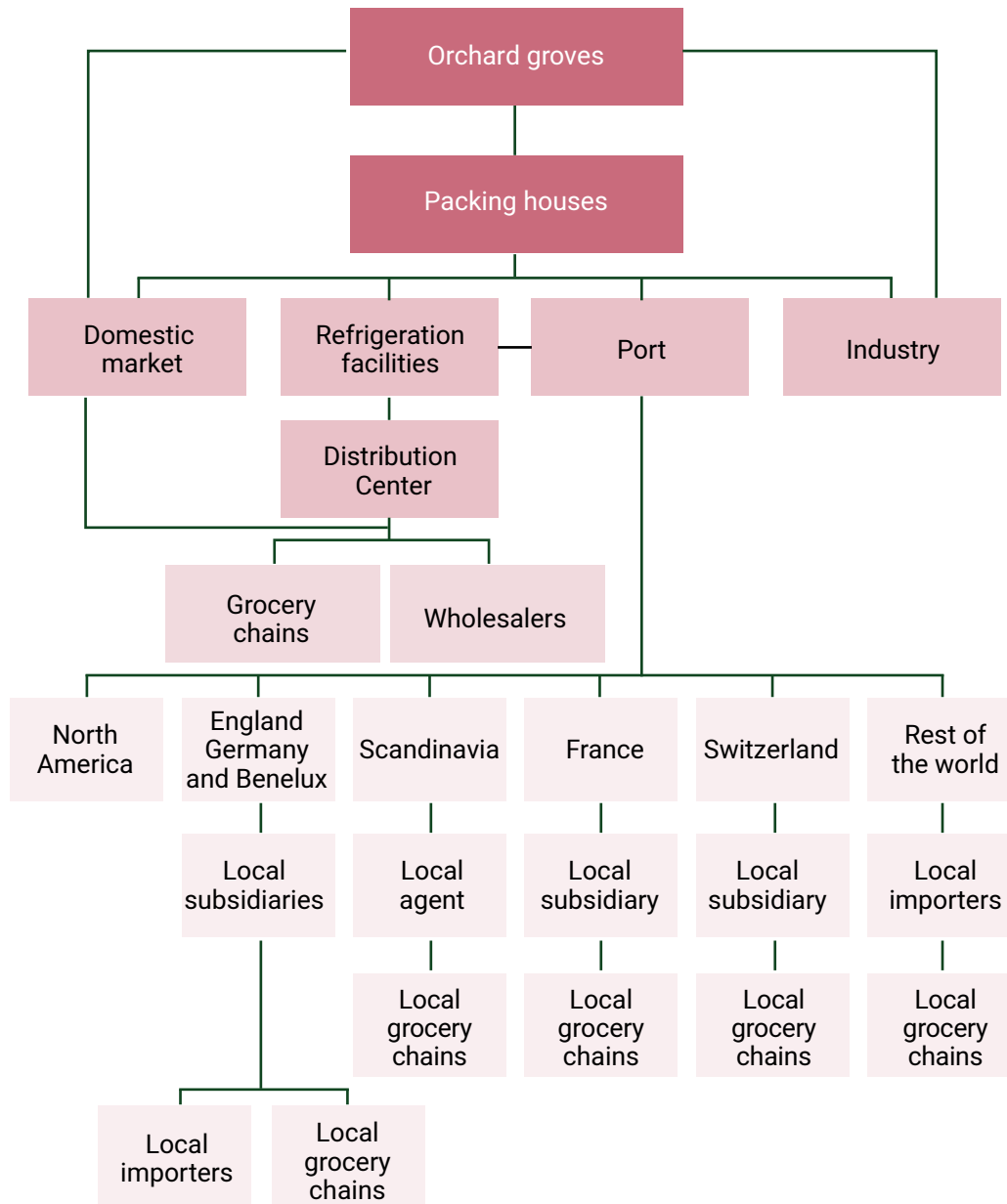
The table below shows the percentage of new suppliers which were inspected under social and environmental criteria in 2021-2024:

	2021	2022	2023	2024
Percentage of new suppliers inspected using social criteria	100%	100%	100%	100%
Percentage of new suppliers inspected using environmental criteria	50%	50%	75%	75%

¹² The total annual procurement amount includes inputs and services and excludes fruit.

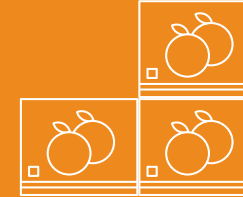


THE GROUP'S DISTRIBUTION NETWORK



PACKING HOUSES OWNED BY THE COMPANY

High yields, advanced technologies



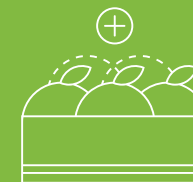
GROWERS

The Company cultivates 29,000 dunams of citrus orchards and avocado orchards in pursuit of precise, outstanding, renewable and healthy agriculture.



DIRECT ACCESS TO CUSTOMERS AND MARKETS

including our brands



PARTNERSHIPS WITH GROWERS

The growers are valuable and important business partners to us, while Mehadrin brings to these partnerships benefits and services that are important to the growers.



GLOBAL LOGISTICS SYSTEM

shipment of thousands of containers of citrus fruits, avocados and dates per year, across the broadest possible global spread in the field of agriculture in Israel. Collaboration coupled with a close and long-term business relationship with the delivery, shipping and overland transport companies.



GLOBAL SALES AND SERVICE SYSTEM:

Fruit treatment systems in close proximity to the sales channels.





Food safety and product quality



Food quality and safety form the foundation of the Company's success. Mehadrin invests substantial resources in the continuous improvement of food quality and safety. The Company is committed to protecting consumer health and operates in accordance with stringent norms and standards, often beyond compliance in Israel. The Company applies pesticides responsibly and supplies produce that is free of contaminants.

The Company's agricultural activities are conducted in accordance with its certification for international standards, such as Global GAP for growing processes and BRC (Global Standard for Food Safety)¹³ for food safety. In addition, the Company operates in accordance with the guidelines of the Ministry of Environmental Protection and

voluntarily adopts additional stringent standards, including the British TNC standard and the American Costco and FSMA standards. In addition, Mehadrin meets the AH (Albert Heijn) requirement, which requires compliance with only 50% of the European MRL threshold, and the Lidl retail network requirements, which requires compliance with 33% of the European MRL threshold, thus highlighting the Company's strict commitment to consumer safety.

Mehadrin has been certified for the domestic market¹⁴ PPIS organic standard/certification, which is recognized in Europe and the USA, for the export of dates. Moreover, Mehadrin also undergoes annual external inspections to renew the agreements and performs control and quality inspections for the produce of the growers with whom it works in accordance with the Global GAP standard. All of Mehadrin's growers are Global GAP certified, which also includes an internal audit of the Company in accordance with this standard, to ensure uniformity and full control across the entire supply chain.

The Company's quality assurance team, comprising experts in agronomy, biology, engineering, and food safety, carries out rigorous quality controls and risk assessments in line with the HACCP methodology. Quality control procedures include visual testing, sampling, and laboratory testing to ensure that all products meet the strict specifications

of appearance, size, maturity, cleanliness, and pesticide residues. Only products that meet the highest quality standards are packaged using advanced technologies designed to preserve quality and freshness. In addition, the Company manages a full end-to-end traceability process - from the orchard to the customer - enabling identification of the source of the produce, documentation of the cultivation and treatment processes, and supervision of the use of pesticides and fertilizers.

In 2024, Mehadrin's Upper Galilee and Ashkelon facilities received BRC certification with an AA+ grade, testifying to the excellence of the packaging house and the QA department in upholding the highest food safety standards.

During 2022-2024, no recall was required for the Company's products, reflecting our insistence on consistent adherence to strict standards of food quality and safety.

Safety aspects in the use of pesticides

Mehadrin maintains and monitors pest control in plantations through spraying logs, laboratory sampling, and pesticide residue testing. The information is managed through automated systems in accordance with regulatory requirements and the Company's environmental policy. The list of approved pesticides is



¹³ Food Safety Global Standard - For further details see: [BRCGS](#)

¹⁴ PPIS - Plant Protection and Inspection Services, Ministry of Agriculture and Food Security (Israel) . For more information, see: [PPIS](#)



defined in accordance with strict criteria, updated by the Plant Protection Department, and approved by the Chief Agriculture Officer. The quality assurance team conducts compliance testing for maximum residue levels (MRLs) in cooperation with laboratories accredited under ISO 17025. In recent years, in accordance with the stringent European standards, Mehadrin has discontinued the use of materials containing chlorpyrifos in orchards and packing houses, and the use of OPP and pyrimethanil has been discontinued, apart from a number of external packing houses.

With the aim of reducing the use of chemical pesticides, the Company promotes the use of biological pesticides and natural materials. Within this framework, the Company works to install nesting boxes for birds of prey, deploy mass trapping systems, use the mating disruption technique, apply bee-friendly pesticides, and carry out professional monitoring to prevent pest outbreaks.

In 2024, no Company activity (whether actual or potential) was assessed as having significant adverse impacts on local communities due to pesticide use. In 2024, there were no reports of non-compliance in pesticide application, product recalls from international markets, safety incidents related to pesticide application or spraying, or sanctions imposed on the Company following such incidents, and no product recalls were carried out for food safety reasons.

Quality assurance

Mehadrin products undergo a comprehensive series of quality checks throughout all stages of the supply chain, from cultivation and harvesting through packaging and marketing. A professional team comprising agronomists,

The fruits are delivered under controlled conditions, including temperature and humidity control, enabling us to maintain their freshness and prolong their shelf life.

ripening specialists, and quality assurance experts supervises these processes in the field and packing houses and ensures adherence to the highest quality and safety standards.

The fruits are delivered under controlled conditions, including temperature and humidity control, enabling us to maintain their freshness and prolong their shelf life. Furthermore, systematic QA tests are conducted, including examination of the degree of maturity, size and shape, external defects and weather damage, along with tests of pests and pesticide residues in accordance with the stringent requirements of the target markets. The sorting and packaging process is carried out using advanced technological means combined with human controls, in order to ensure the highest level of produce uniformity.

Furthermore, the Company's products bear regulated labeling that details packaging dates, processing components, and nutritional values, in order to ensure full transparency towards customers. In addition, Mehadrin promotes the development and use of new packaging and conservation technologies, to enable continuous improvement of the quality of produce and reduction of food loss across the supply chain.

In 2024, the Company continued to invest in upgrading the control and packaging processes, as part of a policy of constant improvement and increasing consumer confidence.





Community relations and supporting local communities

Mehadrin is committed to creating a positive social impact in the communities in which it operates. Mehadrin views investment in and support for the local community as a central pillar of its business vision, recognizing that business leadership is inherently connected to ethical and social responsibility.

Furthermore, Mehadrin invests efforts to create jobs in local communities, both through direct employment and through collaboration with subcontractors and suppliers from the surrounding area, thereby contributing to local economic development.

In addition, Mehadrin operates on several levels to generate investment in the community:

- **Boosting employee engagement** through volunteering
- **Food donation** - cooperation with Leket Israel
- **Agricultural education**
- **Participation in agricultural community exhibitions** around the world
- **Training and recruiting employees with special needs** in factories

Employee volunteering

Mehadrin encourages employee participation in community outreach efforts as an integral part of the Company's corporate culture. Each year, Mehadrin undertakes volunteer activities

aligned with its core areas of operation and leverages the knowledge and professional expertise of its employees -particularly in agriculture- to create value through community volunteering and investment. During 2024, a number of Company employees participated in voluntary activities at the Shehafim School in the Upper Galilee, which included fruit packaging activities.

In 2024, Company employees' volunteer time amounted to 50 hours.

Food donations

Mehadrin maintains long-term cooperation with Leket Israel, an organization dedicated to food salvaging in Israel. As part of this collaboration, volunteers collect fruit from the Company's plantations and orchards, and the harvested produce is donated to populations in need. This partnership contributes to the reduction of food loss and provides meaningful support for food security in Israel.

In 2024, a total of 272,688 tons of fruit, with an estimated value

of NIS 407,316, was donated to non-profit organizations and public benefit entities supporting people in need and food organizations engaged in food rescue, including Chasdei Naomi, The Natural Step Israel Ltd., Yad Be'Yad (Rabbi Glauberman), Yad Ezra and Shlomit, Mitchabrim Le'Shma, Pithon Lev, and Ma'ayan Moshe Association.

Global farming community

Mehadrin exhibits its high-quality agricultural produce at a variety of exhibitions to the global fruit and vegetable community and regards strengthening the relationship with industry professionals and discovering new opportunities as a Company objective.

In 2024, as every year, the Company participated in the Fruit Logistica trade fair, which is one of the most important and prestigious exhibitions in the world for fresh fruits and vegetables. Over three days in Berlin, thousands of participants from approx. 90 countries showcase their produce. The Company's participation included all its product and marketing





managers. The Company set up a highly impressive, state-of-the-art exhibition booth visited by hundreds of customers and business partners.

In 2024, Mehadrin participated for three days at the Fruit Attraction trade show held in Madrid, during which we held meetings with partners and customers and presented our innovative citrus varieties.

Agricultural education

Mehadrin participates in the Agrostudies program, an international agricultural education center in Israel for interns from developing countries, operating under the supervision of the Ministry of Foreign Affairs and the Ministry of Agriculture. Since 2010, the Company has hosted agricultural students, providing practical and professional training and sharing knowledge of advanced agricultural methods for application in their countries of origin. In addition, Mehadrin provides interns with a comprehensive support package that includes housing, salary, social benefits, financial allowances, convalescence days, and an annual grant.

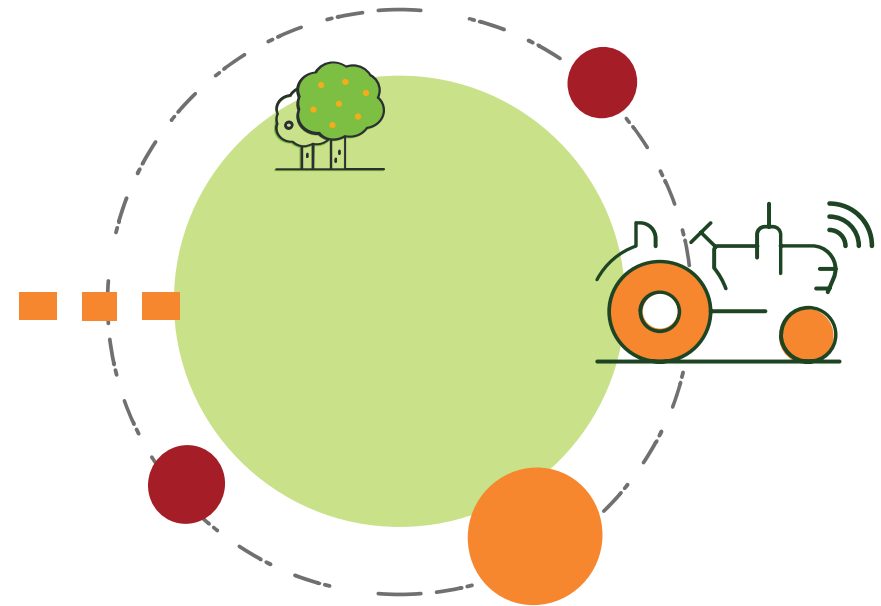
In 2024, Mehadrin hosted 181 students from Zambia, Malawi, Thailand, and Kenya as part of the program. In total, Mehadrin has hosted approx. 1,800 students under the program.

FIGURES FOR 2024:

Approx. **5** volunteer employees,
approx. **50** volunteer hours

270 tons of food salvaged and donated

181 students of agriculture from various
developing countries





Governance

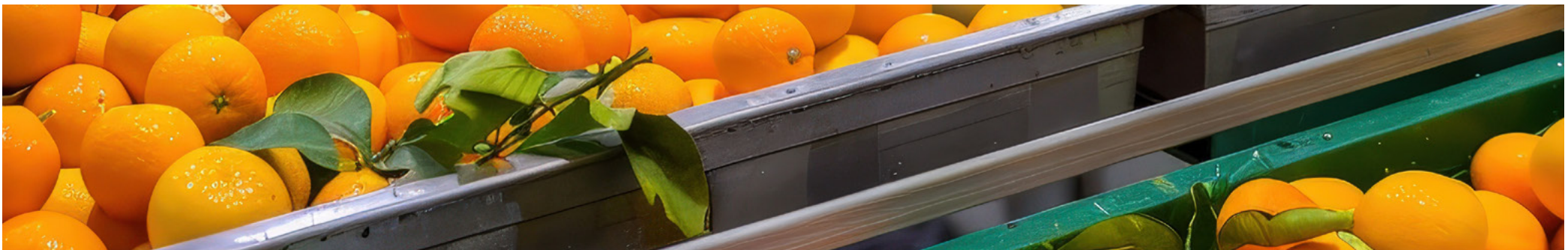




Ethics and corporate governance

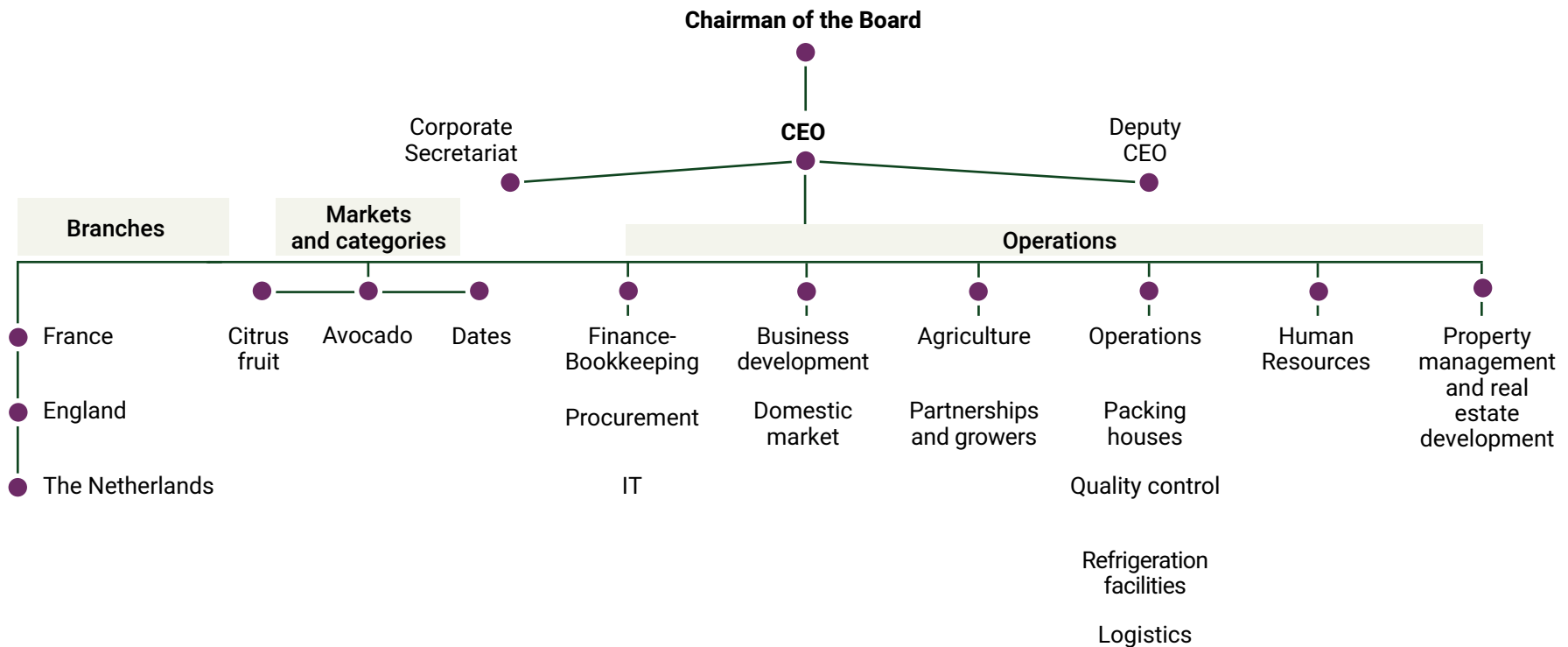
Mehadrin is a public company traded on the Tel Aviv Stock Exchange. Mehadrin operates as a global company with activities in both local and international markets. The Company has a wide range of stakeholders, including employees, customers, growers and suppliers, investors and regulators.

As part of its activities in the agriculture and food industries, Mehadrin is subject to applicable regulatory regimes. The Company operates responsibly and ensures compliance with all applicable regulatory, legislative, and standards requirements in its countries of operation.



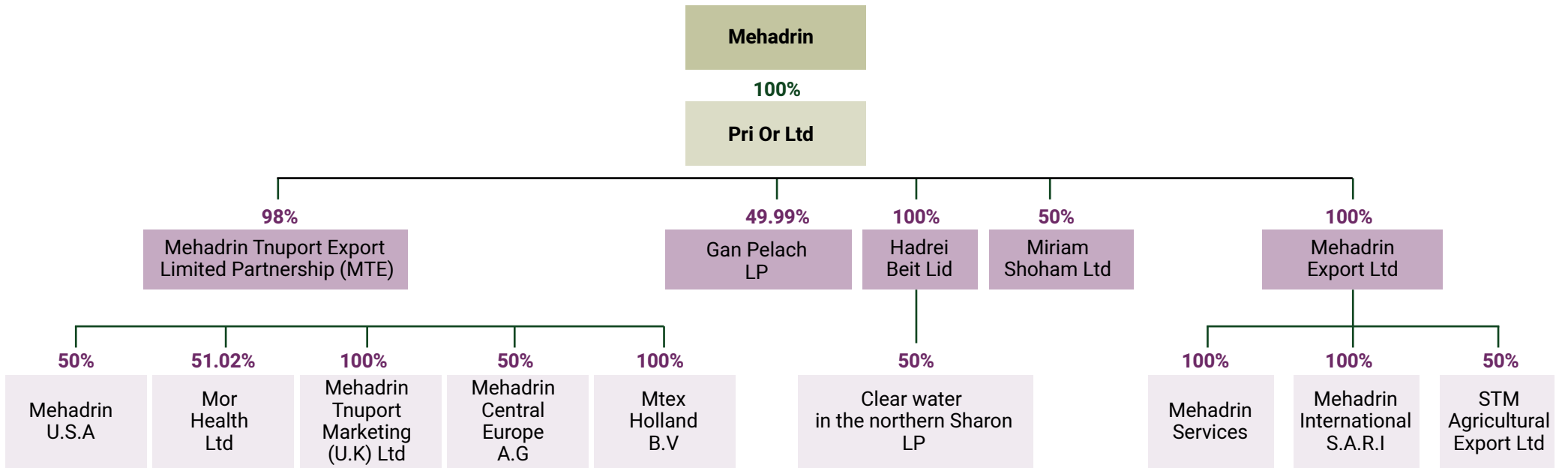


Mehadrin's organizational structure





Holdings structure





Code of ethics

Its commitment to ethical business management has guided the Company since its founding. Mehadrin places the highest importance on proper and ethical conduct, both in and outside the Company, uncompromisingly, under any circumstances.

In 2023–2024, the ethical principles guiding the Company's business activities were revised and revalidated with the Company's employees and partners. The Code of Ethics was last updated in September 2024 and approved by the Company's Ethics Committee. The Code reflects the moral and ethical principles that guide the Company's business conduct. It defines the expected standards for employees and managers, ensuring that conduct and decision-making across the various areas of activity are guided, inter alia, by the Company's values and ethical judgment.

Mehadrin operates in accordance with the values and ethical principles set out in the Company's Code of Ethics, and employees are expected to apply these principles in their daily work. The Code of Ethics is distributed to all employees annually and is accessible via a shared folder for Company employees and in the packing houses, in multiple languages (Hebrew, Arabic, English, Russian, Amharic, and Thai). The Code is communicated



upon employee onboarding and on an ongoing basis. In addition, a binding Code of Ethics manual has been prepared and distributed to employees in early 2025.

Mehadrin's Code of Ethics sets out the Company's principles toward its stakeholders - customers, suppliers, shareholders, and the general public and serves as a foundation for fair, reliable, and transparent business relationships.

Mehadrin is committed to providing a safe and respectful working environment for its employees, including in accordance with the provisions of Israeli legislation on the prevention of sexual harassment. All Company employees are required to comply with the sexual harassment rules adopted by the Company, which are communicated to employees in five languages (Hebrew, English, Amharic, Russian, and Arabic). Annual training is

conducted using a dedicated tutorial. The Company has an appointed sexual harassment supervisor, as well as designated representatives in each packing house, who receive specialized training. A reporting mechanism has been communicated to all employees, and confidential reporting mailboxes have been installed at each of the Company's sites. In 2024, no sexual-based discrimination complaints or on other grounds have been lodged with the Company.

Ethics Committee

Mehadrin has an Ethics Committee composed of nine managers representing all Company departments, chaired by the Corporate Secretary, who is responsible for ethics. The Committee is responsible, inter alia, for implementing



the Code of Ethics, training employees, updating the Code, handling inquiries regarding potential violations, and ensuring that each inquiry is addressed. In 2024, no ethics-related complaints were lodged with the Company.

Reporting mechanisms

Mehadrin promotes transparency and encourages the reporting of violations or complaints. The Company maintains an “open door” policy communicated to all employees, and provides anonymous, confidential reporting mailboxes. Reports may be submitted through various accessible channels (in writing, orally, or by email), with the option to maintain anonymity. The Company encourages its employees to consult their direct supervisors, senior management, or legal counsel in cases of uncertainty. All reports are reviewed promptly and addressed within a reasonable timeframe by the Ethics Committee, which is responsible for the matter.

Between 2021 and 2024, the Company recorded no significant cases of non-compliance with laws and regulations which resulted in monetary fines or non-monetary sanctions.

Reliable reporting and corporate governance

Mehadrin operates in accordance with reporting requirements and corporate governance principles governing management’s engagement with the Board of Directors, its committees, shareholders, and other stakeholders, while maintaining effective control, monitoring, transparency, and reporting mechanisms. The Company has both internal and external control and oversight mechanisms in place to ensure compliance with applicable laws and regulations across all areas of its

operations.

Mehadrin is committed to fully comply with the legal provisions applicable to a public company, as well as with the guidelines and procedures it has adopted regarding the restricted use of inside information. Every transaction, commitment, or engagement entered into by the Company is subject to the receipt of the appropriate approvals in accordance with the Company’s procedures. Company employees are required to maintain discretion and confidentiality and to exercise the power and responsibilities granted to them in an adequate and reasonable manner. The Company is committed to its shareholders and the public to transparency, proper disclosure, and full compliance with applicable reporting requirements.

Mehadrin maintains an internal securities-related enforcement program, which was last updated in March 2022 and is reapproved annually by the Company’s board of directors.

Absence of conflicts of interest and prohibition on bribery and corruption

In accordance with the Company’s policy, all employees are required to avoid any relationships, affiliations, or activities which may conflict, or be perceived to conflict, with the interests of the Company; employees are also required to refrain from granting preferential treatment to any individual or entity in a manner that serves vested interests or the interests of relatives, friends, or associates. In addition, employees must not use Company assets, inside information, or their position within the Company to obtain personal benefits that are unrelated to their professional duties or the sole and explicit interests of the Company.

Mehadrin maintains a strict policy prohibiting the provision of bribes or improper benefits. This policy is communicated to employees and suppliers and requires the reporting of any suspected violations to the relevant supervisor.

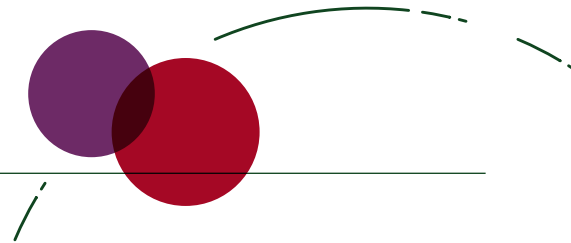
Mehadrin requires its suppliers to comply with its anti-bribery and anti-corruption policy. The Company conducts annual reviews to assess suppliers’ compliance with the policy and determines the continuation of contractual engagements based on the results of these reviews.

Composition and activity of the Board of Directors

Mehadrin’s Board of Directors is responsible for determining the Company’s strategy and policy. The Board oversees the Company’s activities to ensure the achievement of its objectives and maximize profitability, while strictly complying with applicable legal requirements.

The Board is responsible, inter alia, for approving periodic financial statements and quarterly reports, actions and transactions requiring Board approval, dividend distributions, issuance of shares and other securities,

Between 2021 and 2024, the Company recorded no significant cases of non-compliance with laws and regulations which resulted in monetary fines or non-monetary sanctions.





convening of general and special meetings, and approval of transactions that fall outside the CEO's purview. The Board of Directors addresses issues relating to corporate governance, internal audit reports, risk surveys, officer compensation, administrative enforcement, and other matters concerning sustainability and corporate responsibility, including environmental and related topics. The Company's Board of Directors is composed of nine members, 40% of whom are female.

Following are the current board members:

Director's name	Title
Peer Nadir	Chairman of the Board Has accounting and financial expertise
Michel Ben Weiss	External director Has accounting and financial expertise
Osnat Hillel Fine	Independent director
Erez Ehud	Director Has accounting and financial expertise
Idan Wells	Director
Tamir Poliker	Director Has accounting and financial expertise
Yair Neuman	Director Has accounting and financial expertise
Leora Prat Levin	Director
Sapir Baron Danoch	Director Has accounting and financial expertise
Hanna Hollander	Director Has accounting and financial expertise

* The list is up-to-date as of the publication date of the Financial Report for 2024.

** During the reporting period, in August 2024, Ms. Ariela Knoll Lazarovich ceased to serve as an external director of the Company.

The Company's Board of Directors' committees include the Financial Statements Review (Balance Sheet) Committee and the Audit and Compensation Committee. These committees are composed exclusively of external and independent directors.

The table below presents information on meetings of the Board of Directors' committees during 2022–2024.

Committee	2022		2023		2024	
	No. of meetings	Attendance rate	No. of meetings	Attendance rate	No. of meetings	Attendance rate
Audit and Compensation Committee	9	88%	9	100%	7	100%
Financial Statements Review (Balance Sheet) Committee	4	100%	6	83%	4	100%

In accordance with the Company's articles of association, directors are required to disclose any situation involving a conflict of interest, including by annually signing of a director's statement. In addition, pursuant to the Company's articles of association, any appointed director may be re-elected at the annual general meeting.





Economy





Economy





Mehadrin Ltd. was incorporated in Israel on March 27, 1950, and in 1963, the Company was listed on the Tel Aviv Stock Exchange, becoming a publicly-traded company. In 2023, Delek Group Ltd. acquired all of the holdings of Discount Investments Ltd. (the former controlling shareholder) and subsequently increased its holdings through a tender offer. As of the publication date of this report, Delek Group is the controlling shareholder of Mehadrin, holding approx. 55% of the Company's shares.


Business activity

Mehadrin's business activities are primarily in the fields of agriculture and marketing and include the cultivation, maintenance, processing, packaging, and marketing of citrus and avocado orchards and plantations, marketing and export of fruit in Israel and abroad, export and marketing of vegetables, as well as treatment and processing of other types of fruit. Mehadrin's activities are carried out through subsidiaries, foreign branches, and business partners under its management. Mehadrin operates in the agricultural sector, cultivating and maintaining orchards and fruit plantations, through companies Pri Or and Gan Pelach; in the field of fruit packaging and marketing in Israel and abroad - through Mehadrin Thunport Export (M.T.I); in the field of fruit treatment and processing (mango, pomegranate, Or) - through the Miriam Shoham company; and in the field

of vegetable export - through STM. In addition, Mehadrin markets agricultural produce through its foreign companies [for a detailed holding structure, see p. 40]. Mehadrin also operates in the following three areas of activity:

 **Refrigeration** – Mehadrin manages and operates approx. 24,000 square meters of refrigeration space (owned and leased), providing cold-storage services for fruits, vegetables, dairy products, and frozen food products through refrigeration facilities located across Israel.

 **Water** – Mehadrin supplies irrigation water from its wells and external water sources to orchards and other customers. In this field, the Company operates through Hadarei Beit Lid Ltd. and Clear Water in Northern Sharon LP

 **Real Estate** – The company operates and manages

land and buildings, leasing them to third parties, including dry storage facilities.

Mehadrin has clear competitive advantages including broad geographical reach, vertical control of its value chain, brand recognition in domestic and international markets, and strategic relationships with leading grocery chains.

The Company's business activities are inherently affected by various external factors, including fluctuations in land productivity and changes in global markets. To mitigate exposure to these and other factors, Mehadrin continuously implements risk management and hedging measures. The Company uses derivative financial instruments to hedge currency and interest-rate risks, and uses cash-flow hedges to reduce profit volatility.

In addition, the Company faces market risks such as currency exchange rates; natural and circumstantial



variability of fruit, which in the 2024 season were reflected in a lower quantity and quality of fruit, due to the effects of the Iron Swords War; and rising prices of inputs, including minimum wage and costs of harvesting, shipping, and storage. These risks are addressed using tools such as sales modulation, fruit storage, financial hedges, natural hazard insurance, and improvement of operational infrastructures. The Company has appointed a deputy CEO for real estate, to develop and expand this area.

Mehadrin maintains a business continuity mechanism under which its IT systems are backed up at an external company's site in a secure environment. Annual user-level checks are performed, while the IT team tests data synchronization on a daily basis. In 2023, Mehadrin examined the migration of its entire server environment to hosted servers located in resilient and secure facilities, supported by a robust backup solution. The Company's management has decided to postpone the beginning of this process to 2026.

The information systems in operation at Mehadrin are planned for replacement by an ERP (Priority) system. Mehadrin has begun defining its requirements and identifying a vendor specializing in agricultural solutions for a system that will include modules for finance, exports, procurement, the local market, refrigeration

warehouses, quality assurance, etc. The transformation process and examination of existing platforms began in 2025 and will be carried out over the course of the coming years.

As part of its growth and development strategy for the coming years, Mehadrin is working on expanding into new markets, increasing its global activity, transitioning to advanced technologies, and aligning its organizational structure with the Company's strategy.

Mehadrin has ambitious plans for the expansion of its agricultural activities worldwide. As part of the global agricultural strategy that we are formulating and deepening, we are working to reinforce our local teams, in order to prepare the commercial channels for the anticipated expansion. For example, a commercial manager was appointed in the Netherlands in 2024, and an additional role was created to develop the food services and hospitality business.

In 2024, Mehadrin expanded its operations into new areas with significant economic potential, as part of its strategy of diversifying its revenue sources and reducing its dependence on conditions in the agricultural markets. Notable among these new activities are the Company's entry into the field of renewable energy, through photovoltaic projects; development of a real-estate project on land under its

Financial performance of Mehadrin in 2024¹⁵

(in NIS thousand):

	2022	2023	2024
Sales turnover	1,020,659	1,133,365	965,331
(Loss) Gross	(84,693)	(11,645)	(22,477)
Increase in the value of real estate for investment	1,100	600	-
Labor wage and attachments	147,825	139,266	144,366
Other net income (expenses)	36,693	(117,041)	(18,744)
Dividend distribution	0	0	0
Administrative and general expenses	(29,498)	(30,688)	(37,733)
Operational (loss)	(76,398)	(158,774)	(78,954)
Finance expenses, net	(12,228)	(12,534)	(15,592)
Share (in losses) of held companies	(5,186)	(3,115)	2,766
Income (expenses) income taxes	7,471	19,925	19,450
Total economic value distributed by the Company	950,822	1,295,726	949,772
(Loss) per year	(86,341)	(154,498)	(154,498)

¹⁵The data presented in the Company's audited financial statements constitute the authoritative data.

Total financial value of the financial support the organization received from the government during the reporting period and grants (NIS thousands):

	2022	2023	2024	
Pri Or	Transport and crushing	274,700	327,900	-
	Soil conservation	553,569	-	194,107
	Machinery	-	-	51,000
	Total	828,269	327,900	245,107
Mehadrin	Transport and crushing	102,000	125,850	-
	Marketing and promotion	387,000	-	-
	Soil conservation	60,222	50,875	-
	Machinery	-	-	51,000
Total	549,222	176,725	51,000	
Total for the two companies	1,377,491	504,625	296,107	



ownership; expansion of its refrigeration plant business; and upgrades of information systems. The Company also completed its first bond issuance, at a volume of approx. NIS 338 million, designed to strengthen its financial structure and support growth initiatives. These processes contribute to the Company's financial stability and improve its ability to cope with fluctuations in the agriculture industry.

In addition, the Company is endeavoring to realize the full potential of the land under its management as real estate and entered into its first real-estate project development agreement in 2024. The Company's first bond issuance was completed successfully in 2024, in Tel Aviv, at a volume of USD 92 million, with oversubscriptions of 1.5x the target, an expression of investors' confidence. The funding is aimed at strengthening the Company's financial structure and driving growth initiatives, while forming a deeper connection with the capital market and realizing the potential of the assets.

system (Priority). Mehadrin began formulating the needs and locating a supplier that specializes in the field of agriculture, for a system that will include modules for finance, export, procurement, local market, cooling warehouses, quality assurance and more. As part of formulating a strategy for growth and development in the coming years, Mehadrin is working to grow in new markets, increase global activity, transition to advanced technologies, and adapt the company's organizational structure to the strategy. In addition, the company works to maximize the real estate potential of its lands and the lands under its care.

Information and cyber security



Mehadrin places the highest importance on maintaining a high level of service while ensuring the quality and availability of products for its customers. To support transaction tracking and information management, we rely on IT systems and continuously strive to implement advanced and innovative standards across applications, hardware, and cybersecurity. A part of the Company's activity, we are exposed to information pertaining to employees, customers, and suppliers; all employees are required to maintain complete confidentiality and refrain from providing information to third parties.

Cybersecurity is a core component of the Company's internal control framework and includes risk assessments, penetration testing, and monitoring of breaches by external parties. Cybersecurity matters are reported to the Board of Directors, which reviews risks, controls, and updates, and formulates an appropriate work plan. In addition, Company employees undergo ongoing information security training.



About the Report

This is the third annual ESG report for Mehadrin - which went public in 1963; the report presents its environmental, social, and corporate governance (ESG) activities and performance.

The report covers the activities of the Mehadrin Ltd. group in Israel. Throughout the report, references to "Mehadrin," "we," "us," or "the Company" pertain to the legal entity called Mehadrin Ltd.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) reporting framework for the period spanning January 1, 2024 to December 31, 2024, including the sector-specific standard GRI 13: Agriculture, Aquaculture, and Fishing.

This report was prepared with the assistance of consulting firm KPMG Somekh Chaikin. For questions regarding this report or the Company's environmental, social, and corporate governance activities, please contact Ms. Amalia Ofir, Company Secretary and Head of ESG, at Amalia@mehadrin.co.il.



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Universal Standards (with reference)

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Statement of use	Mehadrin Ltd. has reported with reference to the GRI Standards for the period 1 January 2024-31 December 2024.
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Applicable GRI sector standards	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

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