



Fortissimo Capital ESG Report

2025



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Letter from Yuval Cohen



At Fortissimo, teamwork is central to the way we operate. By working together across our organization and with our portfolio companies, we aim to foster meaningful progress and develop thoughtful solutions to complex challenges, including those related to environmental, social, and governance (ESG) matters. We strive to generate lasting value for our investors, employees, communities, and the environment. This commitment is deeply integrated into our culture, guiding our business decisions and operational practices. We believe that responsible and sustainable business practices are essential not only for the well-being of our environment and society, but also for achieving durable long-term financial performance.

During 2025, we continued to strengthen our ESG initiatives both at the fund level and across our portfolio. We continued our ESG forum initiative, which provides a platform for quarterly engagement and knowledge sharing with our portfolio companies. Through the ESG forum we promote best practices and support companies as they advance their ESG strategies. Many of our portfolio companies have taken meaningful steps forward, including obtaining ESG-related certifications and publishing their own ESG reports that highlight the programs and improvements they have implemented. We are proud of the progress achieved and remain committed to supporting further advancement in ESG across our portfolio.

We invite you to review our 2025 ESG Report to learn more about the initiatives we have undertaken and the impact they are creating. The report also describes how we continue to integrate ESG considerations into our investment approach and operational framework, both at the fund level and within our portfolio companies. We are proud that Fortissimo is the private equity fund at the forefront of ESG in Israel.

We appreciate your interest and support, and we look forward to sharing our continued progress in the years ahead.


Yuval Cohen
Managing Partner
Fortissimo Capital Fund



Responsible & sustainable business practices are essential not only for the well-being of our environment, but also for achieving durable long-term financial performance.”

Yuval Cohen,
Managing Partner, Fortissimo Capital

Fortissimo at a Glance

2004 Founded

>60 Investments completed

6 Funds to date

\$2.7B Money raised

25% Average Net IRR

5.6X Exit MOIC

About Fortissimo

Fortissimo Capital is a leading private equity fund in Israel investing primarily in maturing technology and industrial companies. Since our formation in 2004, we have raised \$2.7 billion across six funds and have invested in over 60 platform companies and more than 45 add-on acquisitions.

Current investors include renowned international financial institutions, pension funds, insurance companies, family offices, and leading investment managers and advisors. Our unique, proactive approach to private equity investments empowers us to think out of the box to achieve the seemingly impossible, and build long-term, sustainable growth.

Our Strategy and Focus

We provide capital in special situations, buyouts, and growth opportunities to facilitate expansion. We seek to improve fundamentals, to drive immediate, substantial transformation and foster accelerated growth.

Our investments target companies that have a proven product and market, a clear trajectory towards profitability, a sustainable business model and a discernible inflection point.

Our Team

Our partners bring a wealth of multidisciplinary experience, from those who have worked together for over two decades to our most recent members.

Our diverse team operates seamlessly, leveraging the strengths of each member to make hands-on and well-informed investment decisions.







Our Portfolio

We maintain an industry-agnostic approach, fostering a diverse active portfolio that spans across a wide range of sectors.

The portfolio includes companies primarily within the following industries:

- Software/Cloud
- Digital Print
- Communications/Electronics
- Food-Tech/Ag-Tech
- Industrial
- Digital Services
- Healthcare

Recent Exits

	IPO (TASE: SUGT)
	Sold to Accord Plasma B.V. (part of Intas Group)
	Sold to EW Group
	Partial Exit Sold to Blackstone
	Sold to Bel Fuse
	Sold to TeamSystem

Our Approach to ESG

We believe that integrating ESG throughout the investment lifecycle strengthens our assessment of opportunities and serves as a key foundation for sustainable value creation.

At Fortissimo, we believe that responsible investment begins within our own organization and extends across every company in which we invest. Embedding strong environmental, social, and governance (ESG) principles into both our firm-level practices and our investment activities is fundamental to delivering sustainable, long-term value for our investors.

Over the course of 2025, we continued to advance and formalize our ESG framework, building on the progress achieved in prior years. We strengthened internal oversight, refined our policies, and reinforced accountability at both the fund and portfolio company levels. At the same time, we placed greater emphasis on education, practical guidance, and ongoing support to ensure that our portfolio companies are equipped with the tools necessary for effective ESG implementation.

We also strengthened our engagement with leading corporations and ESG thought leaders in Israel, maintaining alignment with evolving regulatory expectations and market best practices locally and globally. Across our portfolio, we prioritized reinforcing governance frameworks, enhancing environmental oversight, promoting efficient resource use and lower emissions, and cultivating inclusive workplaces that encourage employee growth and well-being. This year's initiatives highlight our focus on continuous improvement within an increasingly dynamic and developing ESG arena.

Integrating ESG into our investment process

We consider ESG factors from the outset of our investment analysis. Our ESG and Responsible Investment framework guides how these factors are evaluated and incorporated into decision-making in a manner that is commercially relevant and proportionate to our investment strategy.

This process begins during due diligence, where we systematically assess material ESG matters that may require further review or action. In parallel, we evaluate relevant commercial, legal, and compliance considerations as part of our broader investment analysis. Key findings are incorporated into our overall assessment of the company's profile and long-term positioning.

Following investment, we work closely with management teams to define ESG priorities, implement appropriate policies and controls, and monitor progress over time. Through active ownership and ongoing engagement, we seek to enhance operational resilience, improve performance, and drive measurable, long-term impact across our portfolio.

The following table summarizes how ESG factors are integrated throughout the investment lifecycle, from pre-investment through active ownership.



Phase	Key Activities	
Pre-Investment	- Pre-Screening	- Review any potential ESG issues based on industry and identify areas for further investigation
	- Commercial, Legal, and Compliance Diligence	- Evaluate industry or company specific ESG risks - Review ESG as part of company operational due diligence - Discuss areas of focus with consultants and experts
	- Investment Committee Evaluation	- Highlight risks and value-creation opportunities - Track relevant findings
Post-Investment	- Portfolio Management	- Monitor ESG considerations regularly - Implement ESG policies and procedures
	- Documentation and Monitoring	- Quarterly reports and real-time updates - Track progress and establish future goals
	- Forum Activities	- Quarterly ESG forum meetings to discuss latest ESG trends and developments

ff Portfolio ESG Numbers

In 2025, we recorded meaningful progress in advancing ESG priorities across both the fund and our portfolio companies.

We consolidated key metrics and performance indicators to provide a comprehensive view of the collective progress achieved during the year. Together, these results reflect the impact of our efforts and affirm our commitment to fostering sustainable growth and responsible stewardship across our portfolio.

Environmental

78%

Measure environmental impact

Social

3M+ NIS

Donated to non-profit organizations

67%

Monitor employee demographics by gender and seniority

Governance

92%

Adoption of ESG policies

74%

Set annual environmental targets

85%

Recycle majority of materials

4,500+

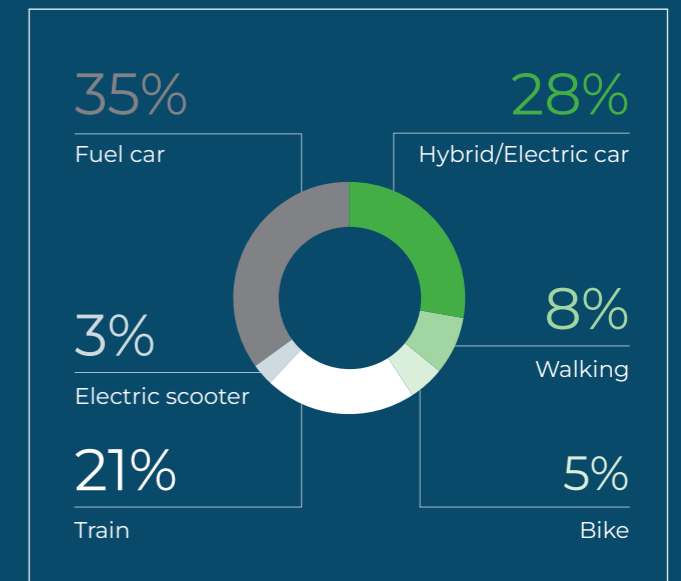
Total hours of volunteering across the portfolio

86%

Websites include accessibility compliance

72%

Monitor ESG risks within their supply chain



Mode of transportation

76%

Support employee well-being through flexible work arrangements

71%

Conduct regular safety training

100%

FF Board Representation



Fortissimo's UN Sustainable Development Goals (SDGs)



The United Nations Sustainable Development Goals (SDGs) continue to shape the way we approach long-term value creation and responsible investment. Rather than viewing the SDGs as a standalone framework, we use them as a reference point to better understand where our investment activities intersect with broader global ESG priorities.

During 2025, we enhanced our approach to SDG alignment by strengthening the connection between portfolio company initiatives and specific development objectives. Through ongoing dialogue with management teams, we sought to identify areas where business strategy and sustainable development priorities naturally align, supporting measurable contributions in selected focus areas.

As global ESG and sustainability expectations evolve, we remain focused on contributing in a manner that is practical, transparent, and aligned with our commitment to responsible investment and oversight.



In 2025, we supported initiatives aimed at assisting vulnerable communities and addressing immediate social needs. In partnership with the Alon and Ella Organization, our team volunteered to assemble and distribute food packages to individuals experiencing homelessness in Tel Aviv. The organization plays an important role in strengthening community support networks and fostering mutual responsibility across Israeli society. Through this collaboration, we contributed to efforts that promote dignity, compassion, and practical assistance for those facing hardships.



We maintain investments in Ag-Tech companies that contribute meaningfully to the advancement of sustainable food systems. During 2025, these companies continued to develop and enhance their technologies, improving productivity, optimizing yields, increasing operational efficiency, and strengthening climate adaptation capabilities. Through ongoing innovation, they advanced their missions and supported the development of more efficient, resilient, and future-ready agricultural systems.



We continue to promote access to professional knowledge and practical learning opportunities. Throughout the year, partners at Fortissimo delivered guest lectures at academic institutions, sharing insights into private equity and investment strategy. In addition, we hosted students through internship programs that provide hands-on exposure to the industry, mentorship, and the development of core professional skills. Through these initiatives, we aim to contribute to inclusive, high-quality educational experiences that help prepare the next generation of business and investment professionals.



In 2025, Fortissimo has taken concrete steps to address climate change by reducing carbon emissions and enhancing resource efficiency.

A key milestone includes receiving the International Renewable Energy Certificate (I-REC) for the purchase of 200 MWh of electricity generated from renewable sources in Israel. This tracking instrument certifies ownership rights to the environmental and social attributes of renewable electricity generation, reinforcing our commitment to sustainable energy use.

By creating a ripple effect of similar initiatives across portfolio companies, Fortissimo actively contributes to combating climate change and promoting a low-carbon economy.



Collaboration remains central to advancing our ESG objectives and supporting the principles of SDG 17: Partnerships for the Goals. In 2025, we continued to strengthen our partnerships with organizations such as Maala, Israel's leading non-profit ESG rating agency, dedicated to advancing corporate social responsibility and sustainability. Maala's ESG Index on the Tel Aviv Stock Exchange, together with the DEI Index, are widely regarded as leading benchmarks for responsible business practices in Israel.

At Maala's Annual Conference, the largest corporate responsibility event of its kind in the country, **Yuval Cohen** delivered a keynote address highlighting the importance of integrating ESG initiatives across both our fund and portfolio

companies, and how these initiatives contribute to driving top-line value, increasing revenue, and reducing costs and risk.

Marc Lesnick also participated in the conference, speaking on a panel that explored how Israeli companies can align their corporate responsibility strategies with global trends and effectively engage with international stakeholders. Through these engagements, we continue to strengthen cross-sector collaboration and advance responsible and sustainable business practices across our network.

During the year, Marc also participated as a guest on Maala's podcast, hosted by Momo Mahadav, CEO of Maala, where he discussed topics including ESG in the Israeli private equity industry and the role ESG considerations play in our investment strategy. To listen to the podcast episode, [click here](#).



Fortissimo ESG Forum Activities

To ensure consistent ESG implementation across our investments, we operate the Fortissimo ESG Forum, a platform that brings together representatives from more than 40 portfolio companies to share knowledge, build capabilities, and advance common ESG priorities.

The Forum connects senior leaders from a range of functions, including HR, finance, legal, operations, and marketing, creating a cross-disciplinary environment that supports practical implementation and strategic alignment. Through structured engagement and ongoing dialogue, the Forum helps portfolio companies stay informed of evolving ESG standards while promoting measurable progress across key focus areas.

ESG Forum Operating Framework

As outlined in our previous ESG report, the Fortissimo ESG Forum operates through several core practices designed to support the ongoing implementation of ESG initiatives across our portfolio.

Designated ESG Representatives

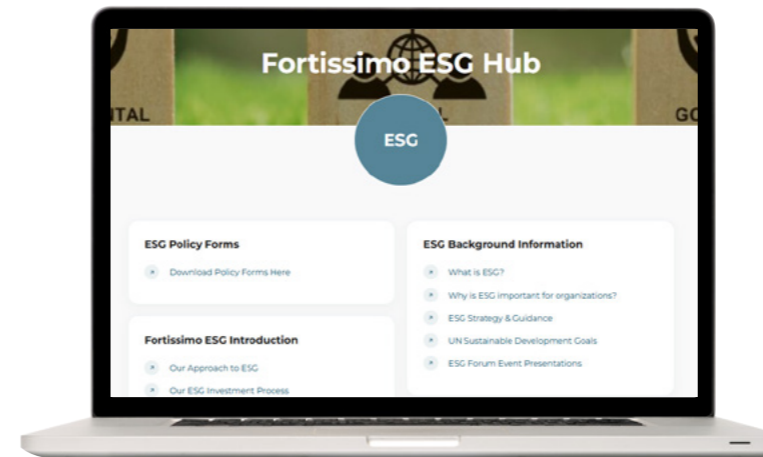
Each portfolio company appoints an ESG representative who serves as the primary liaison with Fortissimo and helps integrate ESG considerations into company strategy and operations. These representatives, drawn from functions such as finance, HR, marketing, and other senior roles, facilitate communication, share best practices, and support ESG implementation within their organizations.

Setting ESG Goals

On an annual basis, we establish ESG development goals across areas such as sustainability, inclusivity, governance, and resource efficiency. Portfolio companies also complete an annual ESG questionnaire that enables us to monitor progress, identify areas requiring additional support, and encourage continuous improvement across the portfolio.

Centralized ESG Hub

Following the launch of our ESG Hub last year, the platform continues to serve as a central digital resource for portfolio companies. The Hub provides access to ESG-related policies, best practices, research materials, and practical tools, supporting ongoing learning and helping companies strengthen their ESG capabilities.



Reporting to Stakeholders

ESG developments are regularly reported to company leadership, enabling CEOs to present updates at board meetings. This supports oversight, alignment with company objectives, and transparency.

2025 ESG Forum Activities

We host quarterly ESG Forum sessions to discuss emerging ESG trends and practical implementation strategies. The following highlights key topics and expert speakers featured during the past year.

Applied ESG Management

In 2025, we welcomed Rosa Coblens, VP of Sustainability & Communications, together with Roni Ezuz, Sustainability Specialist, from our portfolio company Stratasys. They led a session on Applied ESG Management, sharing practical guidance on translating corporate ESG commitments into actionable priorities. The discussion also addressed

how organizations can respond to evolving reporting and regulatory requirements, as well as integrate sustainability considerations into products, services, and innovation.

ESG Regulation and Legal Perspectives

We hosted Liron Karass, Partner at Gornitzky & Co., one of Israel's leading law firms. She provided valuable legal insights into ESG-related regulations, recent developments in the regulatory landscape, compliance requirements, and the potential implications for corporate governance and risk management.

Community Impact and Social Responsibility

Liron Sagi Cohen, CEO of The Friends of the IDF Disabled Veterans Organization, joined the Forum to present the organization's rehabilitation initiatives supporting more than 60,000 disabled IDF veterans in Israel. She also highlighted opportunities for companies to engage and contribute to meaningful social impact initiatives.

Driving ESG Progress and Alignment

As part of each Forum session, portfolio companies are invited to share recent ESG initiatives and achievements. These presentations highlight successful practices and create opportunities for companies to exchange practical insights and experiences. Each session also includes updates from Fortissimo on ESG priorities, developments, and progress across the portfolio, reinforcing our shared ESG goals and supporting continued alignment and implementation.





Looking ahead to 2026

As we look forward to 2026, we continue to recognize the critical role ESG principles play in building resilient and sustainable businesses. Our commitment to integrating ESG considerations throughout our investment process remains strong. The following goals outline our strategic approach to advancing ESG initiatives across both the fund and our portfolio companies.

(E)

Environmental

Fund Level:

- Strengthen initiatives aimed at lowering the fund's operational carbon footprint, including efforts related to office energy consumption, business travel, and company vehicle policies.
- Increase the use of renewable energy sources to offset electricity consumption where possible.
- Implement and maintain a robust sustainable procurement framework.

Portfolio Companies:

- Encourage the adoption of environmental management practices and policies appropriate to the scale and nature of each company's activities.
- Track and disclose greenhouse gas emissions across Scope 1 and Scope 2, while evaluating Scope 3 emissions where applicable.
- Promote efficient resource management across operations, including initiatives focused on waste reduction and water conservation.
- Support the integration of circular economy principles within business operations.

(S)

Social

Fund Level:

- Broaden volunteer programs and social engagement initiatives to encourage participation from all team members.
- Continue supporting philanthropic initiatives through Tmura grants across the portfolio, helping generate positive social impact.
- Strengthen partnerships with local non-profit organizations to advance meaningful community initiatives throughout the portfolio.

Portfolio Companies:

- Uphold fair labor standards and maintain safe and healthy working environments across all operations.
- Foster diversity and inclusion throughout the workforce, including leadership positions.
- Mitigate human rights risks through the adoption and enforcement of a Supplier Code of Conduct.
- Support employee growth by investing in training, education, and professional development programs.
- Strengthen data protection and privacy practices to safeguard customer information.

(G)

Governance

Fund Level:

- Enhance monitoring of ESG-related risks and opportunities to ensure they remain aligned with the fund's long-term strategic priorities.
- Promote the consistent implementation and application of governance frameworks across portfolio companies.

Portfolio Companies:

- Encourage the development of strong and diverse boards that support sound governance and effective decision-making.
- Maintain high standards of regulatory compliance while continuously improving governance processes and controls.



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CAPITAL

Select Portfolio ESG Initiatives

During 2025, our portfolio companies continued to make significant strides in advancing ESG initiatives across a wide range of focus areas. These efforts reflect a growing commitment to sustainable operations, responsible governance, and long-term value creation. In the following section, we highlight three portfolio companies that made particularly strong progress in developing and implementing impactful ESG initiatives.



Mgroup

Mgroup is one of the leading BPO (Business Process Outsourcing) solution providers in Israel, offering an integrated portfolio of services designed to support complex public and governmental operations. These services include digital solutions, municipal billing and tax management, call center operations, ERP systems, enforcement and parking solutions, property surveys, transportation management, and more.

Visit Mgroup's website - [click here](#)



At Mgroup, we believe that responsibility is not a separate initiative, it is an integral part of how we operate every day. Our commitment to ethical conduct, our people, and the communities we serve drives us to continuously improve and create meaningful impact. We are proud of the progress we have made, and we remain dedicated to strengthening our environmental, social, and governance practices as we continue to grow."



Natan Kalimi | CEO

UN Sustainable Development Goals (SDGs)



Goal 5 Gender Equality

Gender equality is a core pillar of Mgroup's workforce strategy, reflected in the fact that over 76% of employees are women. The company maintains a clear commitment to equal pay and equal opportunities, ensuring that employment conditions are determined solely by role and performance. Mgroup actively promotes an inclusive and respectful work environment, supported by mandatory training programs on harassment prevention and organizational policies that reinforce dignity, safety, and empowerment for all employees.



Goal 10 Reduced Inequalities

Mgroup contributes to reducing inequalities through inclusive hiring practices and workforce diversity. The company employs individuals from underrepresented populations, including ultra-Orthodox communities, Arab employees, and older workers. While respecting privacy regulations, Mgroup acknowledges the importance of diversity and continues to promote equal opportunities across all segments of society. Additionally, internal policies and ethical standards ensure non-discrimination and equal treatment across all levels of the organization.



Goal 11 Sustainable Cities and Communities

The company plays a key role in strengthening urban and public sector infrastructure across Israel. Through advanced digital solutions, municipal management systems, and large-scale government projects, the company supports local authorities in delivering efficient, transparent, and high-quality services to citizens. Its activities enable cities to operate more effectively, improve service accessibility, and enhance the overall quality of life for residents. By supporting smarter and more efficient public administration, Mgroup contributes to building more resilient and sustainable communities.



Goal 8 Decent Work and Economic Growth

Mgroup operates as a large-scale service organization employing approximately 3,300 people across Israel, making it a significant contributor to inclusive economic growth. The company is committed to fair employment practices, including equal opportunity policies, transparent employment terms, and continuous investment in employee development programs. Through structured training, career development pathways, and ongoing performance evaluation processes, Mgroup fosters a professional environment that enables employees to grow, advance, and contribute meaningfully to the organization's success.



Goal 16 Peace, Justice and Strong Institutions

Mgroup's ethical code forms the foundation of a transparent, accountable, and responsible organization. The company enforces strict policies against corruption, bribery, and conflicts of interest, while maintaining clear reporting and oversight mechanisms. Ethical training, internal communication, and governance structures ensure that employees at all levels act with integrity. By fostering a culture of trust, compliance, and accountability, Mgroup strengthens its role as a responsible corporate institution.

(E) Environmental Progress (2025)

Fleet Transition: Mgroup implemented a structured, gradual shift to hybrid and electric vehicles across its nationwide fleet, reducing reliance on conventional fuels and directly lowering greenhouse gas emissions.

Operational Efficiency: Improved route planning and fleet utilization through more effective scheduling and logistics coordination, reducing idle time and unnecessary travel while optimizing the overall use of transportation resources.

Sustainability Progress: Took initial steps toward developing more advanced environmental measurement systems, while embedding sustainability considerations into core operations and preparing for more robust monitoring and reporting in the coming years.

Employee Innovation: Hosted an internal innovation hackathon where employees developed solutions to improve accessibility to municipal services, including an AI-based voice chatbot designed to support underserved populations.

Community Engagement: Organized a company-wide second-hand fair that combined employee engagement with social impact, with donated items distributed to residents displaced due to the war.

~70%

Mgroup's fleet transitioned to plug-in hybrid models

(S) Social Progress (2025)

Employee Development & Well-being: In 2025, Mgroup continued to strengthen its social impact through a wide range of initiatives focused on employees, community engagement, and broader societal contribution. The company invested in professional training, leadership development, and structured career growth processes, alongside mandatory training on ethical conduct and harassment prevention, fostering a safe and inclusive workplace.

Employee Welfare & Workplace Conditions: Enhanced employee support initiatives and workplace resources while continuing to improve overall working conditions and operational environments across the organization.

Diversity & Inclusion: Promoted the integration of underrepresented populations through adapted recruitment, onboarding processes, and partnerships with specialized organizations.

Volunteerism & Social Involvement: Encouraged employee participation in community initiatives, including volunteering with non-profit organizations, engaging with vulnerable populations, and taking part in organized volunteer days, educational programs, and social activities.

76%

Mgroup's total workforce are women

(G) Governance Progress (2025)

Ethical Standards & Code of Conduct: During the year, the company continued to implement a formal Code of Ethics covering integrity, anti-corruption, conflicts of interest, and fair business practices, supported by widespread employee and management training.

Oversight & Monitoring: Maintained a dedicated function responsible for monitoring and enforcing ethical practices, including structured reporting on ethical issues, complaints, and violations to ensure continuous oversight and improvement.

Internal Communication & Compliance: Strengthened communication of ethical standards through onboarding, employee communications, and clear policies on gifts, benefits, and business conduct.

Regulatory Compliance: Upheld full compliance with labor laws and regulatory requirements, with no material legal or regulatory violations reported, reinforcing a strong commitment to responsible governance.



ESG Goals for 2026

Environmental Goals

- Continue transitioning the fleet to hybrid and electric vehicles while improving efficiency to reduce fuel use, emissions, and unnecessary travel.
- Establish initial frameworks to measure environmental performance, including energy use and emissions tracking.
- Raise employee awareness of responsible resource use and sustainability practices.

Social Goals

- Expand employee engagement and development by increasing participation in volunteering, strengthening training and leadership programs, and enhancing well-being initiatives focused on financial, physical, and mental health.
- Continue promoting diversity and inclusion in recruitment and employment, while deepening support for employees affected by national challenges, including reservists and those in conflict-affected areas.
- Broaden social and economic impact by expanding operations in peripheral regions, creating new employment opportunities, and encouraging employee-driven innovation initiatives.

Governance Goals

- Strengthen the implementation and awareness of the Code of Ethics across the organization, supported by expanded ethics and compliance training.
- Enhance internal reporting, monitoring, and risk management mechanisms to improve oversight and accountability.
- Integrate ESG considerations into decision-making processes and advance more structured ESG reporting practices.

Afimilk

Founded in 1977, Afimilk is a global leader in advanced dairy farm and herd management technologies. From introducing the world's first electronic milk meter in 1979 to setting new standards in precision agriculture, Afimilk empowers dairy farmers with cutting-edge solutions for productivity and sustainability. With operations in 50+ countries and managing 10 million cows across 15,000 farms, Afimilk delivers customized solutions through a global network of 250+ dealers.

Visit Afimilk website - [click here](#)



UN Sustainable Development Goals (SDGs)



Goal 3 Good Health and Well-Being

Afimilk promotes the health and well-being of its employees by maintaining a safe, supportive work environment. The company applies rigorous safety standards, ongoing monitoring, and emergency preparedness, alongside health programs such as private insurance and wellness initiatives. By supporting both physical and mental well-being through fitness and community activities, Afimilk strengthens workforce resilience, productivity, and overall well-being.



Goal 8 Decent Work and Economic Growth

Decent work and sustainable economic growth are supported through maintaining a fair and inclusive workplace, with equal pay, safe conditions, and opportunities for professional development. Innovation and technological leadership in agriculture drive industry growth while enhancing employee well-being and contributing to the economic development of the communities Afimilk serves.



Goal 5 Gender Equality

Gender equality is advanced through fostering an inclusive workplace where all employees have equal opportunities to grow and lead. Diversity is supported through flexible work arrangements, leadership development, and the advancement of women into management roles. Increasing female representation across leadership reflects Afimilk's commitment to building a balanced and equitable organization.



Goal 12 Responsible Consumption and Production

Responsible consumption and production are supported through advanced technologies that enable more efficient and sustainable dairy farming. Afimilk's solutions help optimize feed use, reduce waste, and improve resource efficiency, allowing farmers to produce the same volume of milk with fewer inputs and a smaller environmental footprint. By leveraging data-driven insights, the company supports better decision-making at the farm level, contributing to more sustainable production patterns while enhancing productivity and long-term profitability.



At Afimilk, we recognize that our success is intertwined with the well-being of our planet, the communities we serve, and the integrity of our governance practices. We strive to be a force for good in society, holding ourselves to the highest standards of ethical behavior and transparency. Our products and solutions significantly improve dairy cow welfare and reduce methane emissions, creating a direct and unequivocal link between Afimilk's mission and environmental sustainability."



Yuval Rachmilevitz | CEO

(E)

Environmental Progress (2025)

Recycling practices: Ongoing recycling of cardboard and electronic equipment to reduce waste and support circular resource use.

Regulatory compliance: Adherence to Israeli packaging regulations to ensure proper waste management and environmental responsibility.

Energy monitoring: Continuous tracking of energy use and electricity consumption to improve operational efficiency.

Low-emission fleet: Transition toward more sustainable mobility, with about 68% of company vehicles classified as hybrid.

Sustainable commuting: Encouragement of environmentally friendly commuting options, including walking and cycling to work.



(S)

Social Progress (2025)

Employee well-being and safety: Strong focus on employee welfare through training and development programs, health and safety standards, private health insurance, wellness initiatives such as yoga and sports activities, and access to professional mental health support services.

Community engagement and local support: Afimilk encourages its employees to participate in volunteering activities, including supporting farmers and communities during times of crisis, alongside ongoing contributions to local development through employment, shared facilities, and solar energy infrastructure for Kibbutz Afikim.

Charitable contributions: Financial support and donations to a range of initiatives, including farm rehabilitation in the Gaza Envelope, healthcare development, and assistance to vulnerable groups.

Inclusive workplace: Commitment to fostering an inclusive environment through the employment of individuals across genders, religions, and backgrounds, including people with disabilities and minority groups, supporting equal opportunity and representation.



(G)

Governance Progress (2025)

Board oversight: Governance supported by a strong and independent board of directors providing strategic direction and oversight of company operations.

Ethical conduct: Implementation of a comprehensive code of ethics applicable to all employees and management, promoting integrity and responsible behavior.

Risk management: Established policies and processes to identify, assess, and mitigate operational and strategic risks.

ESG policies framework: Adoption of key policies including anti-corruption, whistleblower protection, non-discrimination, and supplier code of conduct.

Transparency and accountability: Commitment to best practices in governance, ensuring compliance, accountability, and integration of ESG principles into business operations.

ESG Goals for 2026

Environmental Goals

- Aim to minimize the environmental impact of dairy farming through innovative technologies and practices.

Social Goals

- Enhance employee well-being initiatives, including mental health, training, and work-life balance programs.
- Strengthen diversity and inclusion by increasing representation in management roles.

Governance Goals

- Strengthen ESG reporting and transparency through alignment with recognized frameworks (e.g., MAALA).
- Expand internal ESG governance by increasing management accountability and monitoring of ESG KPIs.



Stratasys

Stratasys Ltd. (NASDAQ: SSYS) is a global leader in industrial 3D printing, providing integrated additive manufacturing solutions spanning advanced systems, materials, and software. With a broad installed base and deep application expertise, Stratasys supports customers across aerospace, defense, industrial, healthcare, and dental markets, enabling scalable 3D printing for production, sustainment, and innovation.

Stratasys' Mindful Manufacturing™ approach integrates sustainability directly into how the company designs products, operates its business, and supports customers-focusing on efficient material use, localized and resilient production, and responsible innovation. This approach supports long-term business resilience, regulatory alignment, and durable value creation for shareholders.



At Stratasys, sustainability is a core driver in our business strategy. Through our Mindful Manufacturing™ approach, we optimize how products are designed, produced, and delivered, reducing environmental impact while enabling scalable, high-performance manufacturing. This reflects our leadership in advanced manufacturing for a future where people and the planet thrive."



Dr. Yoav Zeif | CEO

Visit Stratasys's website - [click here](#)
 Read Stratasys's 2024 ESG Report - [click here](#)



UN Sustainable Development Goals (SDGs)



Goal 4 Quality Education

Stratasys supports STEM education through hands-on learning and skills development. This includes programs such as FIRST Robotics, SPARKX 3D Printing Camp and training delivered through Stratasys Academy.



Goal 9 Industry, Innovation and Infrastructure

Stratasys enables advanced, resilient manufacturing through additive manufacturing technologies that support innovation, digital production, and more efficient industrial processes. Stratasys implemented operational improvements across its product R&D roadmap.



Goal 13 Climate action

Stratasys measures and manages GHG emissions across Scopes 1, 2, and 3, including year-over-year Scope 3 disclosure with external limited assurance, supporting climate-conscious operations and transparency.



Goal 8 Decent Work and Economic Growth

Through employee development programs, implemented a global health and safety management systems, and strong engagement programs, Stratasys supports a safe, inclusive, and growth-oriented workplace.



Goal 12 Responsible Consumption and Production

The company advances circularity through material reuse programs, product take-back initiatives, and solutions such as SAF™ ReLife, enabling full reuse of waste powder.



Goal 17 Partnerships for the Goals

Stratasys collaborates with customers, including a Customer Advisory Board with a sustainability track, suppliers, industry groups, and ESG advisors to advance shared sustainability outcomes across its value chain. Stratasys is also a founding member of the Additive Manufacturer Green Trade Association (AMGTA), organization bringing together companies across the AM and manufacturing ecosystem to promote and elevate the conversation around creating sustainable value, when embedding 3DPrinting for production.



(E) Environmental Progress (2025)

(S) Social Progress (2025)

(G) Governance Progress (2025)



Recognized leadership: In 2025, Stratasys earned the EcoVadis Gold Medal, placing the company among the top performers globally out of ~150,000 companies assessed.

Strengthening employee engagement: In 2025, the Impact2Input engagement survey achieved a 91% response rate, continuing its upward trend since 2022.

Health, safety, and employee well-being: Stratasys maintains ISO 45001 certification across operational sites and the deployment of a new ServiceNow-based incident reporting platform.

Community engagement and social impact: Stratasys leverages its technology, talent, and employee engagement to support community programs aligned with its values and mission to 3D Print a Better Tomorrow™.

FIRST Tech Challenge (Minnesota): Sponsorship of student robotics teams, 3D-printed parts, scholarships, and a dedicated 3D Printing Award.

Tikvah Heroes: Partnership with Kibbutz Zikim and Nir Oz delivering 3D-printing workshops; 100+ children engaged through hands-on activities, facility visits, and employee mentoring.



Enhanced ESG reporting and transparency: Stratasys advanced its ESG disclosure framework in 2025, aligning reporting with GRI and SASB standards.

Reinforced ethics and compliance framework: The Code of Business Conduct and Ethics continues to set clear expectations for employees, directors, suppliers, and business partners.

Updated Global Anti-Corruption Policy: The company published an updated Global Anti-Corruption Policy covering bribery, conflicts of interest, gifts, and third-party interactions.

Cybersecurity and data protection governance: Stratasys holds ISO 27001 certification for nine years, reinforcing data protection and trust.

Ongoing compliance monitoring and assurance: Maintained strong ethics, compliance, and transparency globally, while strengthening governance through ESG rating agencies and third-party assurance providers (e.g., ISS ESG, S&P Global, LSEG).

ESG Goals for 2026

Environmental Goals

- Reduce Scope 1 and 2 GHG emissions by 40% and lower water consumption by 15% by 2030.
- Achieve at least 55% waste reuse, recycling, or energy recovery by 2030.

Social Goals

- Reduce the Total Recordable Incident Rate to below 0.4 by 2030.
- Target 35% female representation in management hires.
- Strive for 25% female representation in tech hires.
- Work toward 40% diverse representation among interns/students.

Governance Goals

- Achieve ~95% completion of Code of Business Conduct and Ethics training and conduct regular cross-unit risk assessments.
- Ensure all employees complete mandatory cybersecurity awareness training.
- Convene annual Corporate Compliance Committee to review regulatory risks, compliance performance, and ethics.



26,429

Hours of employee training

200+

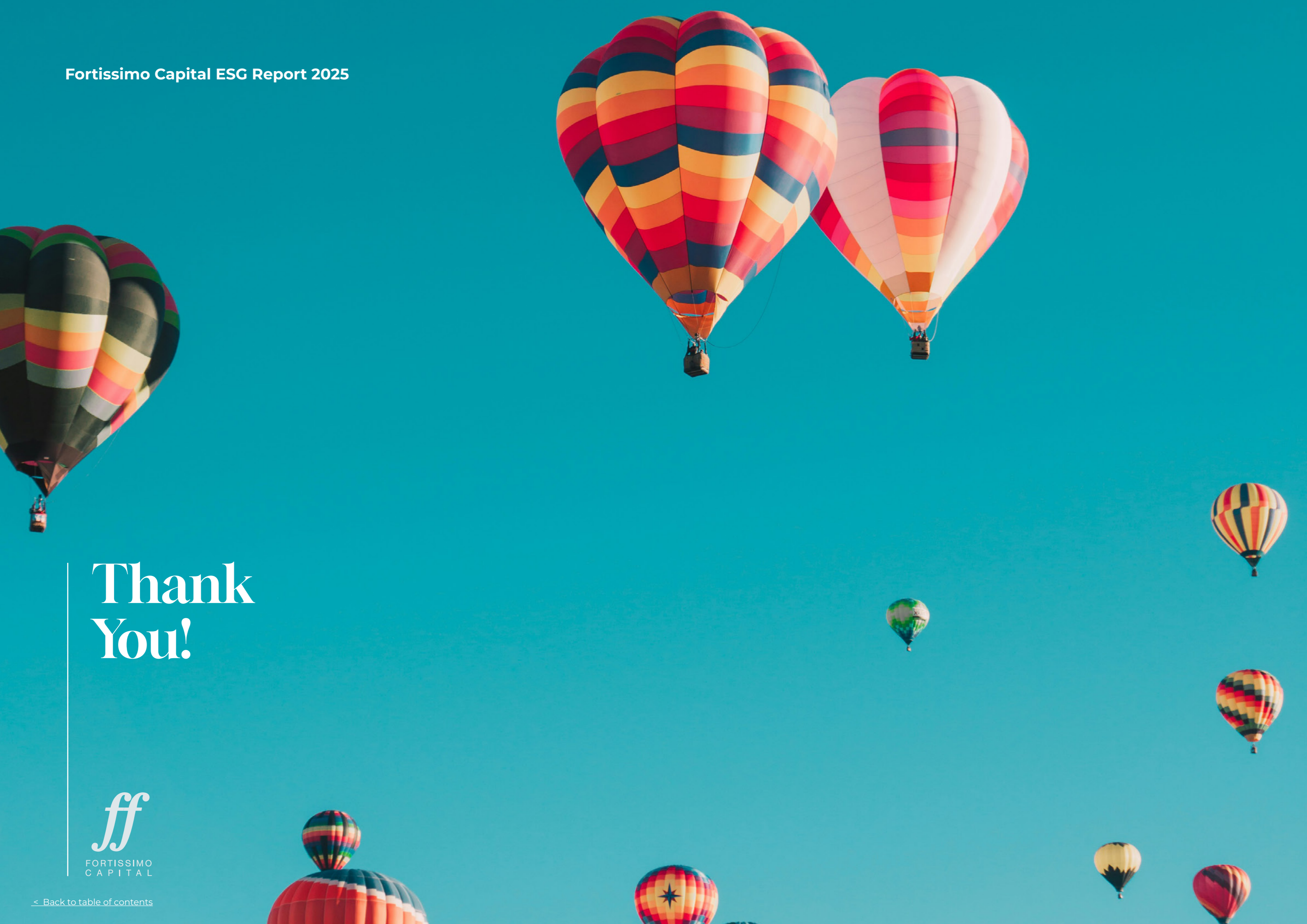
Managers participated in leadership training

41%

Female manager highers exceeding 40% KPI (2025)

75

Record-high employee engagement score, continuing an upward trend



Thank You!

