

ARAD Ltd. Safety, Health and Environmental (SHE) Policy

Arad Ltd. specializes in development, production and marketing of water meters in a broad variety of types and diameters, designed for both local and international markets.

Arad's products contribute greatly to reduced water consumption and to improved control of the national water supply network.

Safety, health and environmental protection are central values and an integral part of Arad's business management.

Arad aspires to reduce safety, health and environmental risks which might be caused by its activities by SHE management system as required by SI 14001 and SI 18001

Arad's management and employees are committed to protect and constantly improve the environment and safety while maintaining high performance level and resources allocation as required.

The SHE policy will be implemented in all parts of the organization. It aims to:

- Improve awareness among employees for SHE issues by training activities
- Ensure internal communication between different units in the organization
- Initiation of inspection for SHE effects on the organization activities
- Comply with applicable SHE laws, regulations and other requirements
- Ensure that all employees are familiar with SHE procedures and understand them (each in his relevant work area)
- The Company's management has defined the level of acceptable risk factor 3 and will reduce the risks accordingly.

In order to reduce SHE risks, the following actions will be performed:

- Setting measurable goals for SHE and examination of these goals at any time.
- Operating SHE management system with proper resources and personnel.
- Planning and performing activities for SHE continuance improvement

Arad's management will inform its suppliers and customers of this policy

This policy is available of public review.

VP for Operations, Quality and SHE

Ziv Hilleli

General Manager

Nitzan Cohen

