

Modern Slavery AND Human Trafficking Statement

Introduction

Arad Ltd. does not tolerate modern slavery or human trafficking and is committed to address and diminish the risk thereto in its organization and supply chain. This statement presents the efforts and steps taken to eliminate the risk of modern slavery and human trafficking, as well as meet the requirements of the UK Modern Slavery Act 2015.

Business Structure

Arad is the parent company of the Arad Group, employs workers worldwide and operates in countries around the world including Asia, the Middle East, North and Central America and Europe. Arad is a world leader in the field of water metering. Arad designs, develops, manufactures, sells and supports its cutting edge water meters to residential, bulk, irrigation and water management companies around the world.

Arad supply chains are carried out by the various subsidiaries of the group based on geographical location. In this respect, the activity in the United States is performed by Master Meter, Inc., the activity in China is handled by Arad Metering Technologies Wuhan Co. Ltd., the activity in Latin America is handled by Medidores Delaunet S.A.P.I. de C.V., the activity in Spain handled by Contadores de Agua de Zaragoza, S.A.

Policies

Arad Code of Conduct reflects our standard of business ethics, designated amongst other to ensure our uncompromising manner against modern slavery and human trafficking that is applicable to all of our worldwide operations, to assure high responsibility of every employee to meet our ethic commitment and to eliminate any risk of modern slavery and human trafficking anywhere in our business or supply chain, and to establishes accountability for compliance with the law and Arad's policy. Arad's Trading Standards Policy combines these requirements into a consistent worldwide standard, which requires its vendors and suppliers to comply with these principles, to confirm that no part of their operations contradicts this policy.

With regard to our own labor practices, the Code of Conduct further sets forth our standards for diversity in the workplace, equal opportunities and adequate representation to all types of employees.

Due Diligence Processes

Arad conducted due diligence and reviews on suppliers globally. This due diligence included evaluation via online search to ensure that neither one of the suppliers in the supply chain was convicted of offenses relating to modern slavery (and on site audits which include a review of working conditions).

To date we found no evidence of modern slavery or human trafficking in our current supply chain.

We have implemented the following in order to monitor and mitigate the risks to modern slavery and human trafficking:

1. Compliance assessments on new suppliers in order to ensure there will be no potential risks of modern slavery and human trafficking occurring in our supply chain, and continuous monitoring and auditing the existing suppliers;
2. Identification process to observe and eradicate modern slavery within our business;
3. Immediate report channel to management of a detected violation in order to allow rapid corrective steps.

Training

We conduct training for our internal staff as well as ask our business partners to provide such trainings to their employees and suppliers; to ensure high level of understanding of the signs of modern slavery and human trafficking and to know what procedures and actions are to be taken if they suspect such violation in our company or our supply chain.

Performance Indicators

We will measure the effectiveness of such policy in Arad and our supply chain via reducing reports of actual indications to slavery human trafficking in our business or supply chain.

This statement was made pursuant to the relevant legal requirements of the Modern Slavery Act 2015, constitutes Arad's modern slavery and human trafficking statement.