



Community Irrigation,
Ramthal, India

UN Global Compact Communication on Progress

/ 2020



Message from our President and CEO

On behalf of Netafim's employees from all over the world, it is my honor to report our ongoing commitment and progress toward the ten principles of the United Nations Global Compact. Along with our customers, the farmers who work every day to provide a safe and reliable food supply, Netafim strives to conduct business in a responsible way that benefits our environment and society.

I am proud of our past and excited about our future. Since 2008, Netafim has not only committed to the U.N. Global Compact, but we have also embodied the principles in our everyday operations and in our planning for the future of our company. In 2020, Netafim developed our new strategic plan, which now includes driving sustainable agriculture as a core pillar of who we are. Sustainability is and always will be in our DNA and I look forward to continuing our commitment to the Global Compact not only this year, but for years to come.

As the pandemic continues to affect our everyday lives, reliable access to food and nutrition continues to be a global priority. Offering sustainable agriculture and water management solutions, Netafim partners with large and small-holder farmers from around the world to not only ensure our communities have access to food but producing our food in an environmentally responsible way. Growing more with less is not only a good way to grow crops it is also Netafim's purpose.

In 2020, Netafim also continued our path to offer true circular solutions to our customers. We are addressing plastic waste in agriculture head-on by not only collecting drip lines at their end of life, but also recycling the product back into our manufacturing processes. This is a true circular solution to keep these plastics out of landfills.



Finally, Netafim cannot advance these principles without the commitment and leadership of our employees globally, our customers, and the farmers themselves. True sustainable solutions are developed and implemented collaboratively, and we are proud of the strong partnerships we've created in all our areas. Together, with our parent company, Orbia, we are proud to be advancing life around the world and look forward to our continued commitment to the U.N. Global Compact.

To read more about how Netafim and Orbia are partnering to advance life around the world, please take a moment to read [Orbia's 2020 Sustainability Report](#).

Gaby Miodownik
President and CEO

/ About Netafim

Netafim is the global leader in precision irrigation for a sustainable future, delivering innovative, tailor-made irrigation and fertigation solutions to millions of farmers, allowing smallholders to large-scale agricultural producers, in more than 110 countries, to Grow More with Less™. Founded in 1965, Netafim pioneered the drip revolution, creating a paradigm shift toward precision irrigation. Today, specializing in end-to-end solutions from the water source to the plant's root zone, Netafim delivers turnkey irrigation and greenhouse projects, supported by engineering,

project management, and financing services. Netafim is also leading the way in digital farming, integrating real-time monitoring, analysis, and automated control into one state-of-the-art system. In 2017, Orbia, a global leader in specialty products and innovative solutions, acquired 80% of Netafim. Kibbutz Hatzerim holds the remaining 20%. Since 2008, Netafim has been, and continues to be, a signatory to the UN Global Compact at Participant level.

Our Footprint

 **> 5000**
employees and contractors

 **18**
factories
in **14** countries

 **33**
commercial
subsidiaries

 **>110**
countries served with
our products

To date Netafim has irrigated, over ten million hectares of land and collaborated with more than two million farmers

The United Nations Sustainable Development Goals

Netafim aligns with and supports the eight of the 17 Sustainable Development Goals. Through our everyday practices and our sustainable solutions, we advance the following:



No poverty: We build the resiliency of farmers, specifically those in socio-economic stressed nations, through reducing their vulnerability to drought and other climate-related events.



Sustainable cities and communities: We build resiliency through increased green and public spaces, while minimizing the overall environmental impact of cities, through efficient irrigation and water management.



Zero hunger: We ensure a safe and reliable food supply, while increasing productivity of agricultural land, through knowledge transfer, technology adaptation and support for farms of all size and scale.



Responsible consumption and production: We provide a full circular solution for our plastic products, beginning with collecting and recycling driplines at their end of life; significantly reducing plastic waste sent to landfills, while increasing the amount of recycled plastic materials used in our manufacturing processes and lowering our carbon footprint in doing so.



Gender equality: We, along with our parent company Orbia, are committed to increasing the number of women in management roles globally.



Clean water & sanitation: We increase the water-use efficiency of global agricultural production, resulting in increased water conservation and water quality through the precision application of water and nutrients.



Climate action: We strengthen the adaptive capacity of farmers to mitigate the effects of climate-related and natural disasters, globally, through innovative solutions that reduce GHG emissions and reduce risks associated with drought.



Partnerships for the goals: We bring together public and private entities to provide natural resources and agricultural production management solutions, helping farmers of all sizes around the world.

Advancing the Ten Principles

For an in-depth perspective on how Netafim, along with our parent company, Orbia, is advancing the ten principles in a sustainable way, please refer to the [2020 Orbia Sustainability Report](#).

PROTECTING HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should ensure that they are not complicit in human rights abuses.

- We are committed to upholding laws, regulations, and practices designed to protect human rights in all the regions in which we operate.
- We strictly oppose all forms of discrimination, and welcome all employees regardless of color, race, gender, nationality, religion, sexual orientation, or other personal diversity dimensions.
- We uphold practices that prevent all forms of child labor and forced labor and we implement training programs for our staff to prevent sexual discrimination and sexual harassment.
- We strive to do business in a fair and ethical manner, observing our Code of Business Conduct in all global operations. Our Code of Business Conduct is based on our business values and legal compliance, and applies to all Netafim employees, officers and directors.

UPHOLDING LABOR RIGHTS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.

Principle 5: Businesses should support the effective abolition of child labor.

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.

- We encourage the inclusion of women and men from diverse backgrounds. We aim to provide a stable, safe, and sustainable workplace in which the rights and dignity of every one of our employees are respected.
- We encourage employee engagement, commitment, and performance by rewarding employees fairly and in line with their experience, capabilities and contribution. We offer personal and professional growth opportunities through training and development programs.
- We support the right of employees to freedom of association and collective bargaining.
- We oppose all forms of child and forced labor.
- We are committed to maintaining a safe and healthy work environment that is compliant with occupational health and safety regulations across all our operations.

More than

40,000 training hours globally,



average of 8 hours per employee per year

ENVIRONMENTAL STEWARDSHIP

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

- We innovate and produce solutions that mitigate the effects of land and water scarcity, increase the fertility of land, and improve the livelihood of hundreds of thousands.
- Through water-use efficiency, our drip-irrigation technology
 - o optimizes arable land use,
 - o reduces energy consumption,
 - o decreases GHG emissions of various crops, while enhancing soil health,
 - o decreases soil and water contamination,
 - o increases water conservation, and
 - o lowers agrochemical consumption
- We invest in circular economy technologies to offer responsible dripline's end-of-life solutions. With our circularity program, we collect and recycle driplines at their end of life in ten countries around the globe.
- We are committed to increasing the amount of recycled material used in our products to 45 percent by 2030.

ELIMINATING CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

- Netafim follows our parent company, Orbia's, [Code of Ethics](#), which helps employees and all those with whom we do business know what we stand for and what to expect from Netafim in all our activities and transactions. New employees are briefed in the Code of Ethics as part of their induction plan and employees receive ongoing training.
- Our [Anti-Bribery and Corruption Compliance Policy](#) supports ethical and responsible relationships with our business partners.
- We invite reporting of suspected violations of improper conduct through our [Whistleblower Policy](#) and encourage employees and others to do so without fear of retaliation.

FEEDBACK

Netafim welcomes feedback and suggestions regarding this Communication on Progress.

Please write to us at sustainability@netafim.com