

KORNIT 2021

IMPACT REPORT

Environmental, Social, and
Corporate Governance



Kornit
Digital
bonding
matters

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A WORD FROM **OUR CEO** »»

It is my pleasure to present Kornit Digital's Annual Impact Report for 2021. This report outlines our strategy, actions taken, and achievements made in our Environmental, Social, and corporate Governance (ESG) framework.

We remain steadfast in our vision to boldly transform the world of fashion and textiles for a better, more sustainable planet. Last year, with the release of our first-ever Impact Report, we detailed a set of bold objectives to help achieve that vision. As you'll see in this year's report, we made meaningful progress in many areas, including notable reductions in energy and waste and improvements in community engagement, employee engagement, and Diversity, Equity, and Inclusion (DEI). We also learned a lot in the process and believe we can set our sights even higher to create the long-term, industry-wide change we believe is possible.

Propelled by this relentless ambition to make a positive impact in all areas of our business and throughout the industry, we made a shift in our impact strategy to focus on more expansive, longer-term goals and objectives. Many brainstorming sessions, executive meetings, research efforts, and in-depth discussions took place to refine our goals. Ultimately, a decision was made to hold ourselves accountable to not only our operational impact, but also the impact of our solutions industry-wide.

This report details these quantifiable objectives set against specific timelines over the next few years. Together, these goals and targets constitute our ESG North Star, serving as our guide along the path to measurable transformation and industry leadership. This year's Impact Report and our new impact strategy reflect Kornit's dual role as a change agent in the industry. On the one hand, Kornit is a leader that enables and empowers the fashion industry to be more sustainable. On the other hand, Kornit is also an accountable participant in the industry, and as such, we are responsible for minimizing our social and environmental impacts in our own business operations.

We have broken out our strategy to represent this dual role throughout the report.

The section Enable the Change explains the ways in which our technologies enable on-demand, sustainable fashion, while reducing over-production and the associated hazardous environmental impacts. It also details how our solutions enable more resource-efficient production using considerably fewer natural resources compared to traditional printing methods.

The section Be the Change outlines our new goals and chronicles the progress and achievements made in our business operations, including our green chemistry strategy, measurable reductions in energy emissions, employee health and wellness, community engagement and giving, and Diversity, Equity, and Inclusion (DEI).

In either role, we put our people first. Our employees are the life force that fuels our growth and determination to be a responsible leader that is setting the standard for sustainable business. The incredible passion and creativity of our people drive our innovative spirit. Innovation is at the heart of everything we do—from our systems and inks to our software and service, to our social and environmental action.

We remain committed to being a leader in fostering a global community—bringing together our employees, customers, and partners—that is both ethical and accountable for creating a more sustainable future. This report is a testament to this commitment. We also acknowledge that we're early in this journey. While progress has been made, we know there's more work to be done, and it will require all of us, working together, to create the change we want to see in our industry and beyond.

Thank you for your interest and partnership,

RONEN SAMUEL

Chief Executive Officer



Innovation is at the heart of everything we do—from our systems and inks to our software and service, to our social and environmental action.

Ronen Samuel, Chief Executive Officer

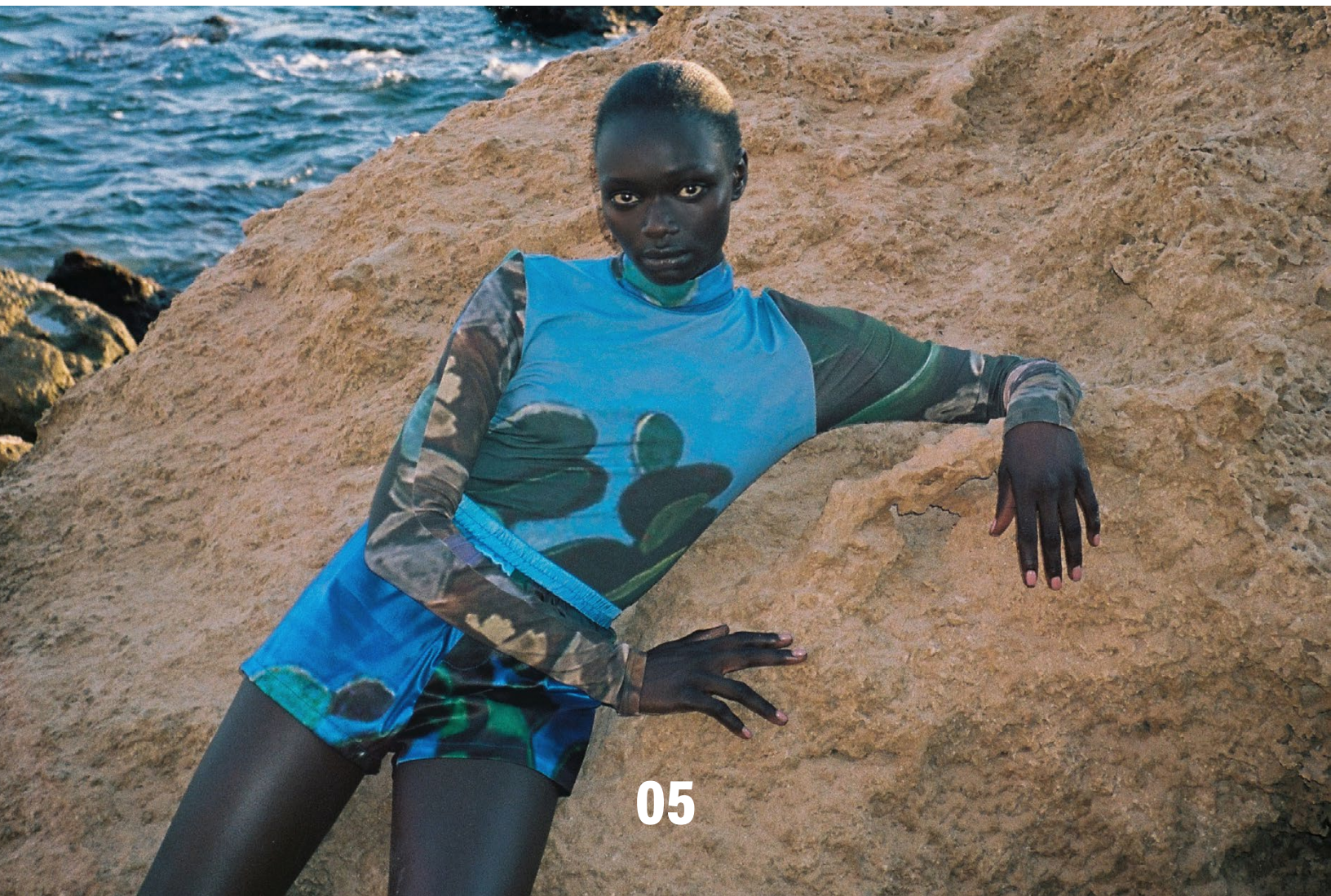
»»» ABOUT THIS REPORT

Our strategy, targets, goals, performance, and operations pertaining to Environmental, Social, and corporate Governance (ESG) are covered in this report. From our product choices to supply chain interaction, to our people and actions in the community, this report presents the relevant data and information regarding our impact-driving activities. This is the second annual ESG report we have published, and we intend to continue publishing annual reports in the years to come.

- The reporting period is the financial year starting January 1, 2021 and ending December 31, 2021.
- This report generally follows Global Reporting Initiative (GRI) reporting standards: core option (without external assurance) and the Sustainability Accounting Standards Board (SASB) reporting standards for the Professional and Commercial Services sector.
- All data and information presented in this report apply to Kornit's global activity, unless stated otherwise.
- Kornit's management team approved this report.

We appreciate your interest in our efforts to drive the fashion industry towards a more sustainable future.

For any inquiries about this report and our ESG activities, please contact Kornit Digital's Head of Sustainability Communications, Michal Arbel, at Michal.Arbel@kornit.com



»»» ABOUT KORNIT DIGITAL

Kornit is a global leader in on-demand sustainable fashion production. Since our founding in 2002, we have been defining the future of fashion tech, connecting demand, wherever it may be, to supply, when and wherever it may be needed. Our integrated hardware and software solutions enable fully digitized workflows, providing an end-to-end solution that links all steps of the digital value chain, so they work fluidly together. We are a global team with an unparalleled network of qualified global partners serving 1,400 customers worldwide. Headquartered in Israel's city of Rosh HaAyin, we have offices in the U.S., Europe, and Asia Pacific, serving customers in over 100 countries and states worldwide.

We think big and we think bold, fueled by a determination to innovate in service of a better, more sustainable world. Our technologies empower brands in an array of industries—from apparel, accessories, home goods and more—to print on-demand, just-in-time, producing only what they sell. By reducing preparation time and maximizing production uptime, Kornit's solutions can create new revenue opportunities, increase profitability from orders large and small, with a smaller carbon footprint than traditional production, while also mitigating vulnerability to sudden shifts in market dynamics.

We believe we are the only company to provide customers with a complete digital printing solution: the printing systems, inks and consumables, software, pallets and accessories, and technical and application support and services. Trusted by fulfillers to meet demand, and by influencers and brands creating that demand, we are founded on a record of innovation firsts that set Kornit apart.

Every person on the Kornit global team contributes to our success. Working together, our people bring unrelenting passion, creativity, dedication, commitment, and care, to help us fulfill our vision of a sustainable future for all.



VISION TO REALITY

We aim to be the biggest brand in fashion tech. With a unique industry vantage point, we can unlock previously unimaginable opportunities. We are determined to expand the realm of possibility and democratize the marketplace for anyone with an idea and the passion for delivering it. Our goal is for our innovation to be recognized as the indisputable engine of on-demand sustainable fashion production, propelling the megatrends of self-expression and e-commerce.

We love to paint outside the lines and break the rules, because that's how we'll change the industry. We never stop innovating, re-envisioning the entire value chain, from design to production, so supply matches demand, and every purchase is orders of magnitude faster. Simpler. More efficient. Less wasteful.

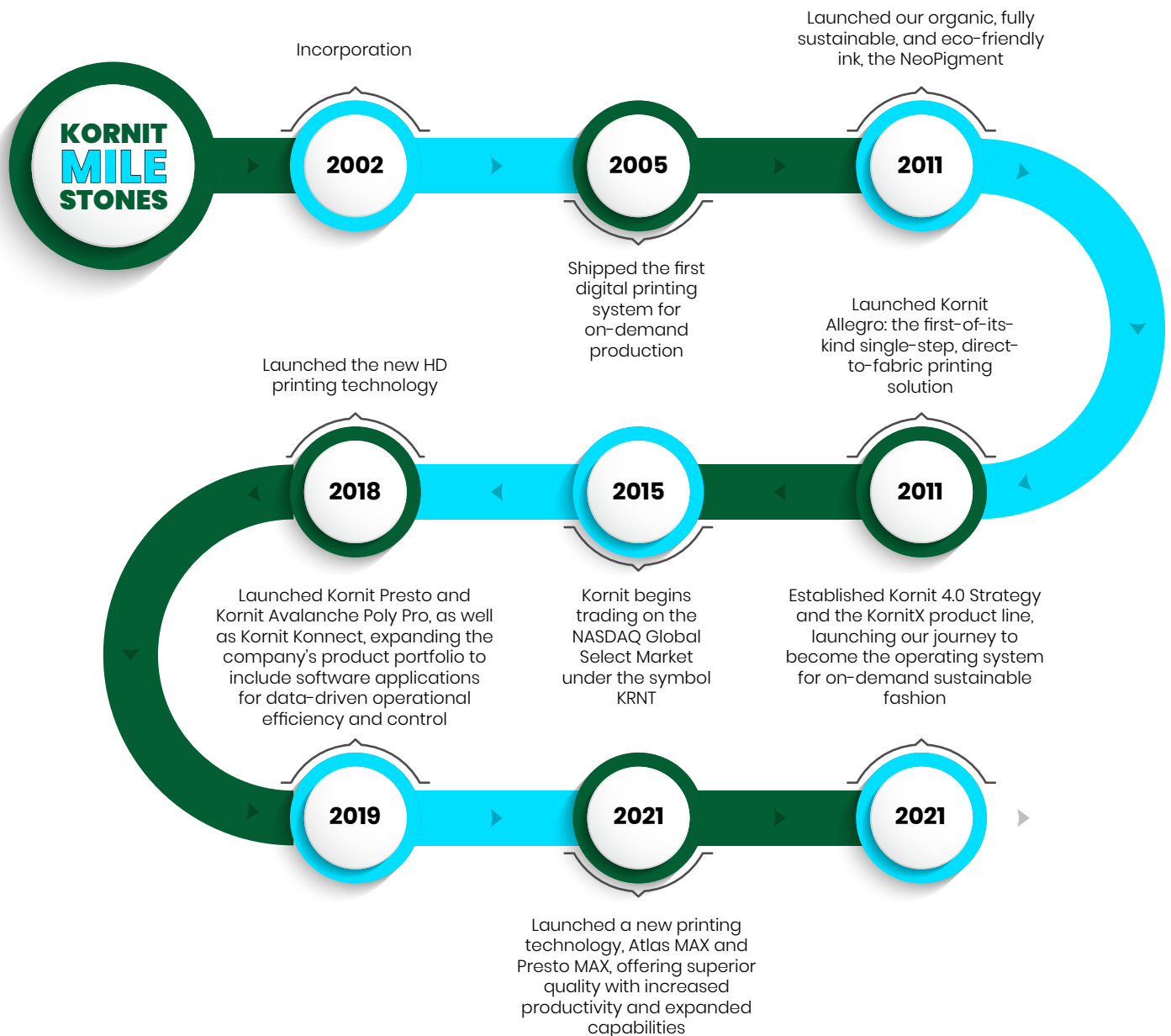


KORNIT ECOFACTORY

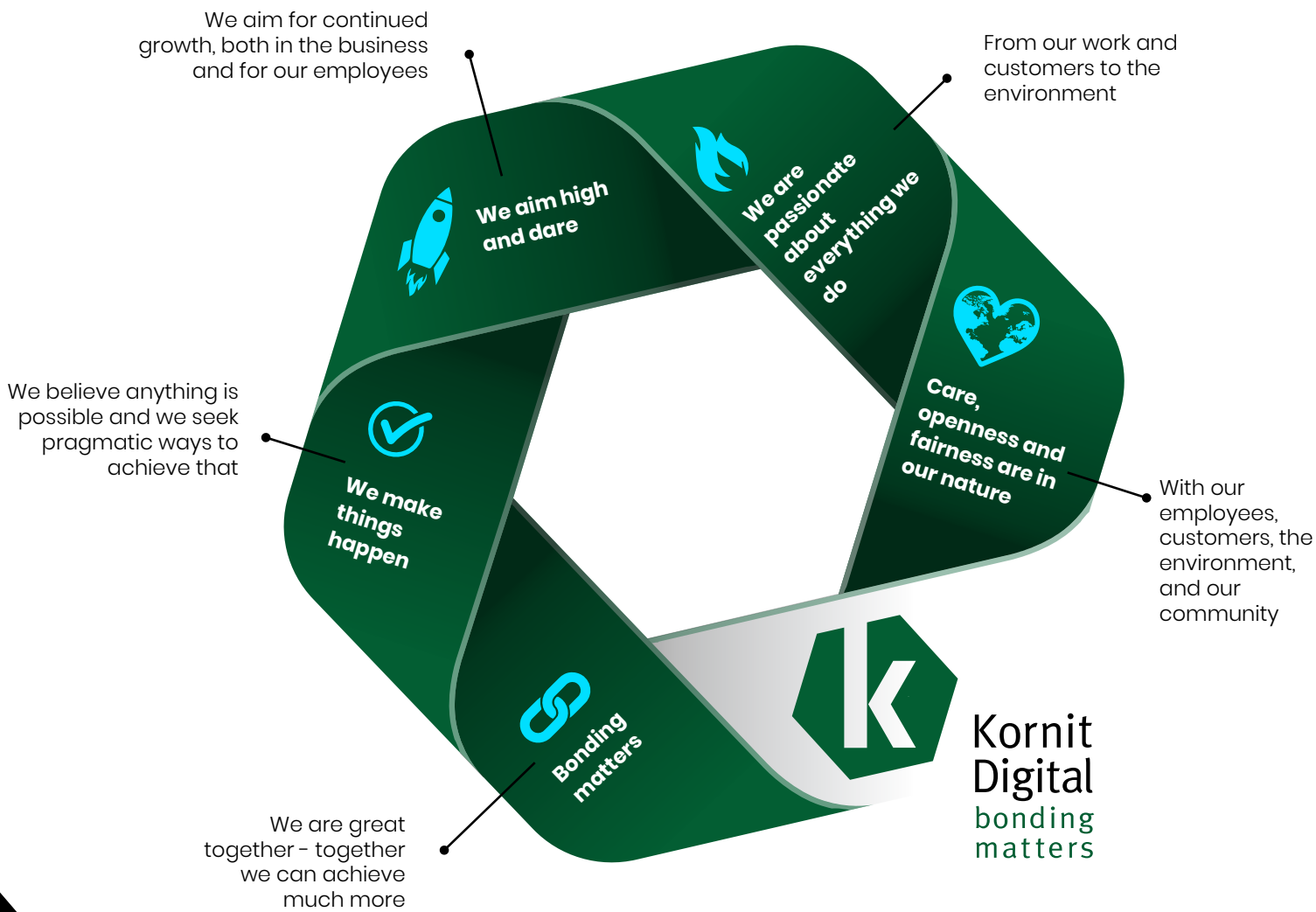
Kornit EcoFactory is a holistic fashion production solution that takes you from start to finish, all in one place. From pixel to parcel, creators can use Kornit EcoFactory to automate complete workflows and comply with environmental standards that align with their consumers' values. Kornit EcoFactory brings all aspects of fashion production in-house, from the moment an order is placed to the moment a finished product is shipped. It gives creators end-to-end control of their production, anywhere, at any scale with minimal setup and training, and minimizes the associated demands for manpower, carbon footprint, water consumption, and energy. In the center of the EcoFactory stands Kornit Presto MAX, the gold standard for truly sustainable on-demand production, allowing you to create high-quality products for the worlds of fashion and home textile, all in a single step.

>>> KORNIT JOURNEY IN TIME

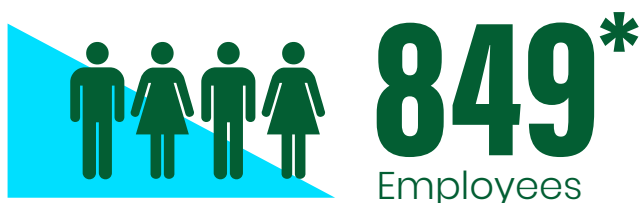
Since our founding in 2002, we've been on a mission to change the fashion industry for the better. Better for the manufacturing process, better for our customers and partners, and ultimately better for the planet. As our journey continues, we will remain focused on our goal of delivering the very best solutions in the most sustainable way.



COMPANY VALUES



>>> KORNIT BY THE NUMBERS



REVENUE 2016–2021

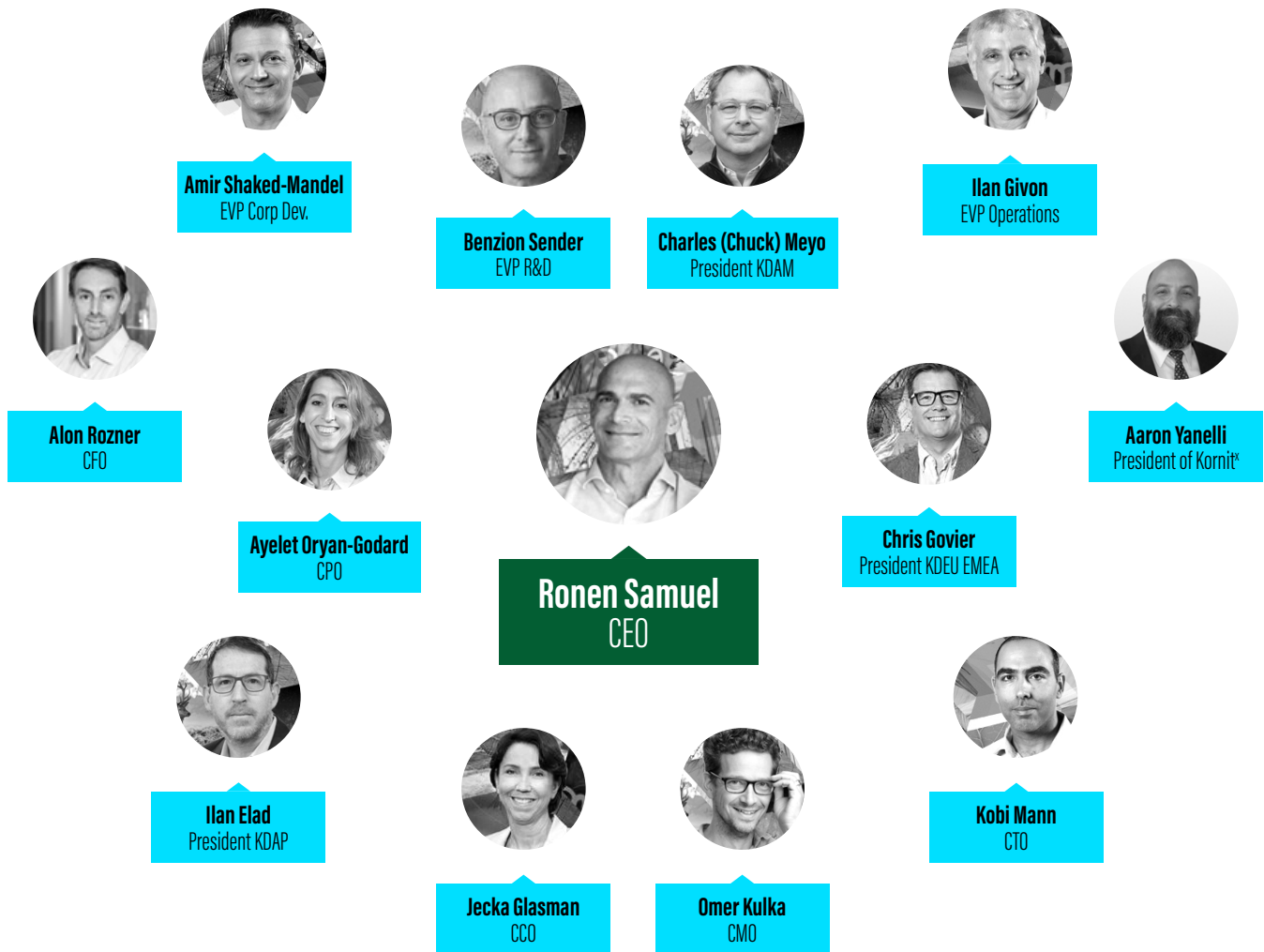
For our fiscal year running January 1–December 31 (U.S. dollars in thousands, net warrants impact)

		2021	2020	2019	2018	2017	2016
Revenue and Gross Profit	Revenue	322,006	193,331	179,866	142,373	114,088	108,694
	Gross Profit	151,911	87,801	82,076	69,869	54,111	49,410
Revenue by Source	Product	282,637	164,918	156,594	125,729	101,953	100,818
	Services	39,369	28,413	23,272	16,644	12,135	7,876

* HC contractors not included.

COMPANY STRUCTURE*

Israel is home to our global headquarters and main manufacturing site. We have five additional offices worldwide: including in the U.S., Germany, Hong Kong, England, and Japan. From customer care and technical support, to sales, marketing, and logistics, our global reach enables an end-to-end operation that empowers sustainable on-demand manufacturing worldwide.



“ We realize that sustainability is our future, and it’s our responsibility to make it happen. The time to act is now.

Phillip Rennell, Sales and Marketing Director, Kornit Digital

* Company structure for December 31st, 2021.

»»» APPROACH TO ESG

Sustainability, and our quest to reduce the impact of fashion production, is the driver of all Kornit innovation. We are driven by a passion to push forward with unmatched momentum in the industry to achieve the goals we set for the business and create a more sustainable fashion industry.

We are inspired by a simple question that propels our innovation: "What if we lived in a world where we create only what we truly desire and waste nothing?" Imagine a world where there's a perfect balance between that which is sought, and that which is produced, where creation and consumption are always aligned. This vision is our inspiration.

As a dynamic, innovative voice in the industry, we aim to be catalysts of transformation in the fashion industry. To this end, we act and perform in accordance with a formulated approach to ESG that aligns our values and business targets, reflects our commitment to innovation, and demonstrates our leadership.



“ We have to come together to tackle today’s environmental challenges and change the operating model for the industry.

Scott Walton, Head of Retail Transformation, Kornit Digital

A graphic consisting of four curved arrows forming a circle. The top-left and bottom-right arrows are dark green, while the top-right and bottom-left arrows are light blue. The text 'STAKEHOLDER ENGAGEMENT' is overlaid on the right side of the graphic.

STAKEHOLDER ENGAGEMENT

We are committed to transparency, honesty, authenticity, and open communication with all our stakeholders. Thus, creating a collaborative and trusting relationship in all stakeholder engagements.



Customers

Open communication and a high level of support are among our goals for customer relationships. We stay attuned to the needs and wants of our customers through periodic check-ins and surveys and aim to provide uncompromising professionalism with the highest quality of customer service.



Suppliers

We consider our suppliers our business partners, and we strive to be indispensable to them by providing solutions that accelerate their business growth and creative leadership. We build trust in our supplier relationships by engaging them in our long-term business plans. We constantly monitor the status of our relationships to make sure we're meeting our KPIs and hold quarterly and yearly supplier business reviews. Even through COVID-19 restrictions, we were able to minimize disruptions to supplier relationships by staying in close communication and quickly adapting to new processes that didn't compromise the quality of service.



Our People

Transparency, honesty, and care, are the core values of our employee relationships. We constantly promote an open intra-organizational dialogue between all managerial and professional levels. We conduct annual engagement surveys, hold roundtable discussions, and run focus groups on various topics that engage all levels and functions. This feedback provides us with valuable insights and enables us to constantly improve our overall work-life experience.

Our communication channels allow us to share updates and news, and we hold regular town hall meetings with our CEO and leadership team to discuss company status, business results, and key decisions.

Investors

We value our shareholders and are committed to frequent and transparent communication. As a demonstration of our commitment to the investor community, in mid-2021 we hired a global head of investor relations, a newly created executive position for Kornit. In addition to hosting quarterly earnings conference calls, we regularly conduct meetings and calls with investors to discuss our overall business and the latest corporate developments. Additionally, we frequently attend and present at investment conferences and industry events. Kornit's quarterly earnings and investment conference presentations are accessible via webcast in the [investor relations section of our website](#).

Local Communities

We are deeply rooted in the communities where our headquarters and operational sites are located and aim to create a caring relationship between our employees and their communities. We volunteer, make donations, provide sponsorships, and forge various partnerships with local nonprofits and NGOs. With the help of dedicated services and a donation committee managed by our Chief People Officer, Corporate Social Responsibility (CSR) Global Director, local Social Responsibility Manager, in addition to internal representatives, we strive to make a meaningful and lasting impact. For example, in Israel, we volunteer and work with school associations to enable a better learning experience for students, sponsor local sports teams, and donate to local organizations that align with our company's values and meet our giving criteria. In Hong Kong, our team members organize and prepare hot meals once a quarter for an elderly community.

Government and Regional Regulatory Authorities

As a global, publicly traded company, we are subject to various local and global regulations, and we prioritize our compliance with these regulations. Each of our subsidiaries and affiliates conducting operations in a specific region manages our connection with the regional regulatory authorities to ensure that we comply with local and regional regulations, such as the filing of periodic reports, election of directors and committees, issuance of press releases, and reporting of financial and environmental information when required.

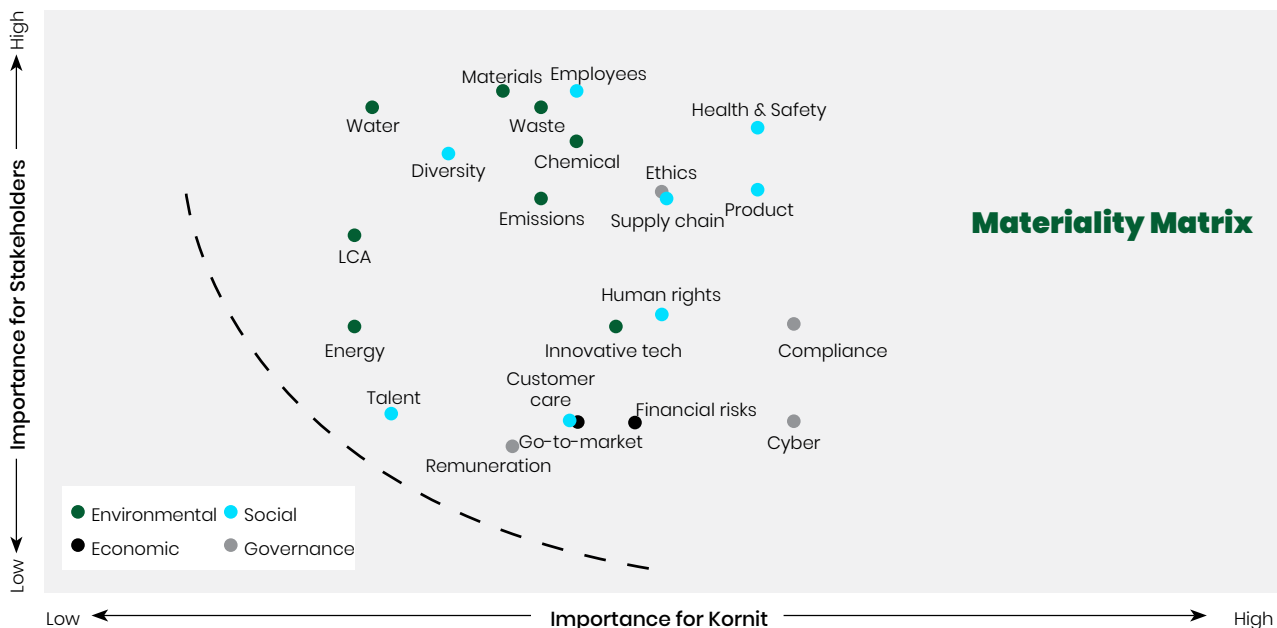


ESG Prioritization

Ahead of our inaugural 2020 Impact Report, we conducted an in-depth materiality assessment and analysis to prioritize various ESG topics informed by stakeholders' interests and level of importance to the company. We remain focused on these 22 ESG priorities:

KORNIT DIGITAL'S 22 ESG PRIORITIES

MATERIAL TOPIC	ESG Area of Focus
GHG and carbon emissions	● Environmental
Energy consumption	● Environmental
Hazardous and non-hazardous waste	● Environmental
Chemical use and management	● Environmental
Water consumption and discharge	● Environmental
Sustainable materials consumption and composition	● Environmental
Sustainable and innovative technology	● Environmental
Circular economy and lifecycle management	● Environmental
Product quality and reliability	● Environmental
Employment and labor conditions, employee wellbeing	● Social
Talent management and employee development	● Social
Diversity and equal opportunity	● Social
Occupational and consumer health and safety	● Social
Customer care	● Social
Human rights, forced labor	● Social
ESG in the supply chain	● Social
ESG governance, governance ethics and integrity	● Governance
Compliance	● Governance
Cyber and data security	● Governance
Remuneration and performance	● Governance
Financial risks related to environmental issues	● Economic
Go-to-market	● Economic



COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We are committed to supporting the UN SDGs that are relevant to our business activity and the fashion industry. The following goals reflect our impact on promoting sustainable production practices through our operations and product offerings:

Goal	Description	Target	Our Contribution
 <p>03 GOOD HEALTH AND WELL-BEING</p>	<p>Good Health and Wellbeing: Ensure healthy lives and promote wellbeing for all at all ages</p>	3.9	<p>Digitizing the production process is inherently safer and more sustainable than traditional printing methods, and our ink contains less occupational monitored chemicals than standard textile inks.</p>
 <p>06 CLEAN WATER AND SANITATION</p>	<p>Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all</p>	6.4	<p>Our products enable our customers to increase their production processes' water-efficiency, leading to the conservation of tens of millions of liters of water annually.¹</p>
 <p>07 AFFORDABLE AND CLEAN ENERGY</p>	<p>Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	7.2	<p>We are gradually increasing the share of renewable energy use at our sites by installing solar panels on our factory rooftop and assessing other renewable energy sources.</p>
 <p>09 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	9.4	<p>In alignment with our mission to write the operating system for on-demand sustainable fashion and lead in innovation, our products enable our customers to implement sustainable solutions to key issues in their infrastructure and processes. For example, our unique wet-on-wet process produces less waste and uses water-based inks to produce myriad printing techniques on a broad range of fabric substrates, direct to garment or textile.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Responsible Consumption: Ensure sustainable consumption and production patterns</p>	<p>12.2 12.4 12.5</p>	<p>In addition to enabling eco-friendly production processes with technology and consumables that use less water, reduce waste, and minimize carbon footprint, Kornit technology solutions enable sustainable production on demand, which eliminates overproduction of apparel and other textile goods.</p>

¹ Based on an LCA (Life Cycle Assessment) performed for the Atlas Max and the Presto S, as published in our 2020 Impact Report. Calculations are based partly on various assumptions relying on commonly used figures for the fashion industry.

ESG GOVERNANCE IN KORNIT DIGITAL

ESG issues are an integral part of our business and products. Various company governance bodies, even at the highest executive level, are tasked with overseeing our ESG program. We've designated an ESG Steering Committee, staffed by a group of company executives from the most relevant company departments: chief marketing officer, chief technology officer, chief operating officer, chief financial officer, and chief people officer. Supervising environmental and sustainability governance, the ESG Steering Committee is responsible for formulating policy, devising strategy, and ensuring execution.

Complementing the work of the ESG Steering Committee, our ESG Project Manager manages our ESG activity. In doing so, that project manager is supported by managers from different departments who have direct responsibility over different ESG areas.

BOARD OVERSIGHT OF ESG

Our Board of Directors works with management to set the strategic objectives of our company and to monitor progress on those objectives. Strategic topics are generally discussed at each Board meeting, with the Board and management participating in a separate strategy session once a year.

With respect to oversight of ESG-related risks and opportunities, each Board committee is assigned responsibility for oversight of matters most applicable to their responsibilities. We believe that allocating responsibility to a committee with relevant knowledge and experience improves the effectiveness of the Board's oversight. For example, the Audit Committee oversees risks related to regulatory, financial, and compliance matters, while the Compensation Committee oversees the implementation of our compensation policy and practices designed to ensure equitable pay across the organization.

MEASURABLE GOALS & KPIS

Our 2020 Impact Report included a list of short-term KPIs we set out to achieve. While we made meaningful progress on many of them, as you will see later in this report, we made a decision mid-year to change our reporting framework to focus on measurable longer-term goals using our new framework: Enable the Change and Be the Change. We believe this new and ambitious sustainability strategy allows us to better deliver on our vision of boldly transforming the world of fashion and textiles for a better, more sustainable planet.

We are proud of the progress we've made this past year against our short-term KPIs and we will continue to track our progress internally against all our goal. For the purpose of reporting, however, going forward we plan to share our measurable results against our longer-term commitments and targets, which follow.

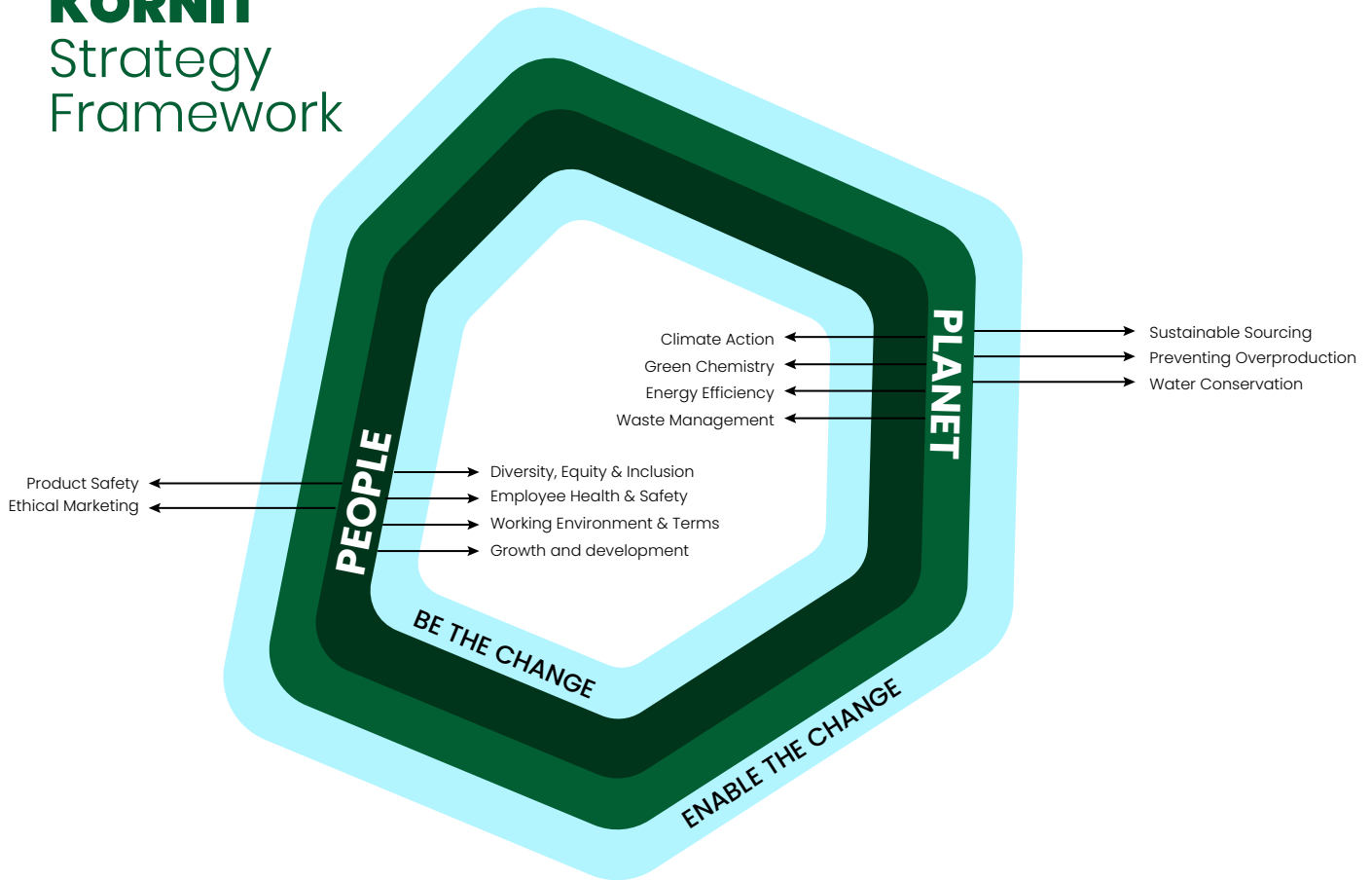
LOOKING AHEAD

We are 20 years into being the engine for on-demand sustainable fashion production, and now in our second year of ESG reporting. As we continue to gather useful insights on measurement and reporting best practices, given the ever-changing landscape and complexities around it, we will look at ways to refine our framework and operating model to improve our metrics and management and drive accountability and transparency. We believe this will enable us to better meet our overarching goals and growing stakeholder expectations, while also allowing us to manage risks and deliver the most value to our customers and partners.

OUR IMPACT STRATEGY

We strive to be not only an active participant in the market, but also an agent of change. As such, in our quest for continued sustainability leadership, we are committed to both Enable the Change and Be the Change that we believe will help to reduce the social and environmental impacts of the fashion industry. This new sustainability strategy is holistic and incorporates numerous factors to best meet our goals, including stakeholders' input and needs, our unique business model and strategic goals, and the industry and overall ecosystem.

KORNIT Strategy Framework



Two fundamental pillars of activity comprise our impact strategy:

1. Planet

Providing sustainable solutions and improving resource efficiency in the fashion industry

2. People

Contributing to society and actively working toward the betterment of people's lives

For each of these strategic pillars, our approach is dual, maximizing our impact:

1. Enable the Change

Facilitating transformation to a more sustainable planet

2. Be the Change

Implementing sustainable practices within our own operations

ENABLE THE CHANGE

FOCUS AREAS

PLANET

- **Preventing overproduction**
Promoting on-demand production that prevents excess production in the fashion industry.
▶ **KPI: By 2030, innovate and build a richer suite of products and tools that facilitate further expansion of on-demand production.**
- **Water conservation**
Helping our customers in the fashion industry to reduce their water consumption and achieve their water conservation goals, thereby conserving tens of millions of liters of water annually, as compared to analog printing!
▶ **KPI: By 2025, establish an evaluation index to enable our clients to track and monitor their water conservation impact derived from our tech.**
- **Sustainable sourcing**
Encouraging our suppliers to conduct their business with environmental sustainability and social consciousness.
▶ **KPI: By 2027, perform ESG audits of 20% of our material suppliers².**

PEOPLE

- **Product safety**
Increasing the safety of our products through design improvements and providing a safer alternative to traditional production techniques.
▶ **KPI: By 2030, 70% of all our customers will undergo safety training, via a designated digital portal³.**
- **Ethical marketing**
Fostering a diverse workforce and championing equal representation within our company and the fashion industry at large.
▶ **KPI: By 2030, develop and implement a “Kornit Index⁴” for inclusiveness in all partnerships with fashion designers.**



¹ Based on an LCA (Life Cycle Assessment) performed for the Atlas Max and the Presto S, as published in our 2020 Impact Report. Calculations are based partly on various assumptions relying on commonly used figures for the fashion industry.

² Suppliers whose operations bear significant ESG-related risks and with procurement volume higher than \$1,000,000.

³ Industrial and direct customers only.

⁴ The index will rate potential partners according to DEI level and will be the basis for selecting with whom to collaborate.

BE THE CHANGE

FOCUS AREAS

PLANET

- **Climate action and energy efficiency**
Minimizing our carbon footprint and increasing operational eco-efficiency.
▶ **KPI: By 2030, reduce our GHG emission intensity (for Scope 1+2) by 75%.**
- **Green chemistry**
Expanding our chemical engineering methods to minimize hazardous substances.
▶ **KPI: By 2030, reduce 50% of VOC (Volatile Organic Compounds) emissions through our customer production processes.**
- **Energy efficiency**
Implementing more sustainable and efficient production processes and products in our ink development and manufacturing business.
▶ **KPI: By 2030, achieve energy-efficient certification for all our facilities.**
- **Waste management**
Reducing production of waste and increasing recycling and reuse rates in our manufacturing.
▶ **KPI: By 2030, divert 90% of non-hazardous waste related to our manufacturing processes from reaching landfills.**

PEOPLE

- **Diversity, Equity and Inclusion (DEI)**
Creating a gender-equitable, welcoming and comfortable work environment in which our employees can express themselves freely and feel supported to achieve their best.
▶ **KPI: By 2025, achieve full gender pay parity and by 2030, achieve a workforce of 40% women with women composing 40% of managerial roles.**
- **Growth and development**
Nurturing employees' professional growth with learning, training, and skills development.
▶ **KPI: By 2030, provide every employee with at least 30 hours annually of professional training (excluding compliance and safety training).**
- **Employee health and safety**
Ensuring the health and safety of our people across all facilities, specifically those in technical positions.
▶ **KPI: By 2025, implement a requirement for all employees in technical positions to complete at minimum six hours annually of safety training and obtain ISO 45001 for our facilities.**
- **Work environment and terms of employment**
Providing our employees with rewarding and engaging work conditions.
▶ **KPI: By 2030, achieve an eNPS (Employer Net Promoter Score) of 80%.**



⁵ Baseline for all KPIs is 2021.

»»» ENABLE THE CHANGE

Sustainability, and our mission to reduce the environmental impact of fashion production, are a key driver of Kornit's innovation. Our products and services are transforming the fashion industry and impacting our entire business ecosystem. With unique and innovative technology, Kornit is a sustainability industry leader that is powering eco-efficient manufacturing processes and enabling sustainable consumption and production patterns.

This is at the heart of what we mean by Enable the Change: the ways in which our technologies enable on-demand, sustainable fashion, while reducing over-production and the associated hazardous environmental impacts. Enable the Change is also about protecting the health, safety, and wellbeing of everyone who uses our products, improving the lives of our people in the workplace, and positively contributing to the industry and society as a whole.



HAVING A BALL WITH FASHION CURATOR YAARA KEYDAR

Israeli fashion historian and curator Yaara Keydar joined forces with Kornit for her 2021 'The Ball' exhibition at Holon Design Museum. Yaara took sepia photographs of Israeli historical figures and integrated them into her designs using a block-printing technique called Toile de Jouy. Thanks to our innovative technologies, we were able to digitally reduce the labor process, attaining traditional haute couture standards in a quick, sustainable way.

“ Kornit has given us all the tools needed to create sustainable fashion products - essential for us as an eco-conscious clothing brand.

Joshua Scacheri, CEO, Love Hero

PROTECTING THE PLANET

Driven by creativity and expression, fashion is one of the largest and most influential industries. It is also responsible for extreme environmental damage. Excessive rates of greenhouse gas emissions, and unrestrained use of natural resources—such as land and water—are adversely impacting the environment, rendering this industry a notorious contributor to the climate crisis.

Kornit offers digital solutions for on-demand sustainable fashion manufacturing that greatly reduce the environmental impacts associated with traditional production methods. We are writing the operating system for on-demand fashion production, enabling our customers to create only what is needed and minimize waste.



ENDANGERED HABITAT CONSERVATION

With the aid of Ecologi, a platform for climate action, Kornit has contributed to peatland conservation in Indonesia. Peatlands are unique habitats that store massive amounts of carbon, with stocks below ground amounting to up to 20 times the amount stored in trees and vegetation. Indonesia contains some 36% of the world’s tropical peatlands, which are increasingly being destroyed to make room for plantation crops including oil palm and acacia. The Rimba Raya REDD+ project, supported by Kornit, protects 64,500 hectares of lowland peat swamp forest from conversion to oil palm plantations, ensuring the continued survival of this natural habitat for over 120 threatened and endangered species, and keeping the carbon stored in the trees and peatland locked away.

ELIMINATING OVERPRODUCTION

Apparel overproduction is one of the most pressing issues the fashion industry faces. An estimated 30% of manufactured garments are considered overproduction every year⁶. This surplus requires tremendous amounts of resources, such as water, energy, chemicals, packaging material, and ultimately shipping. The unfortunate result is potentially massive amounts of greenhouse gas emissions, wastewater, and mounds of waste.

Kornit technologies enable on-demand, sustainable fashion, fundamentally eliminating overproduction and reducing the need for inventories. Our technology’s sustainable production processes use less water, reduce waste, and minimize carbon emissions, while providing the ability to eliminate the overproduction of apparel and other textile goods.

According to an internal assessment we conducted in 2020, by 2026*, Kornit’s technology could reduce the overproduction of approximately 1.1B items by enabling on-demand production of decorated apparel and home décor items instead of production by traditional printing methods.

*See next page.

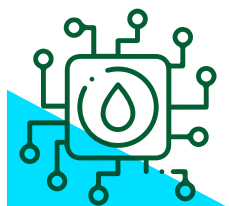
6 Pulse of the Fashion Industry 2017, GFI, BCG.

ENABLE THE CHANGE: POTENTIAL IMPACT*



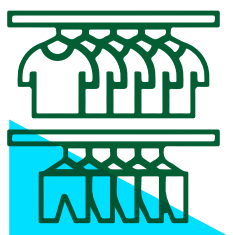
1.1B

Apparel items that could be removed from production over time



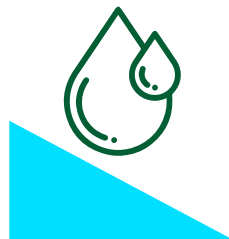
4.3T LITERS

Amount of water that could be saved by our customers over time



30%

Overproduction prevented by our customers annually



55.7M LITERS

Amount of water that could be saved annually by using Kornit's Presto MAX*



The beauty of having print-on-demand means there are no minimums so that we can make one garment or 20,000, and that's going to stop waste and landfill.

Caroline Ash, Fashion Director, Fashion-Enter

* We continue to proactively track these metrics / KPI's closely and remain steadfast in our conviction in the scope and breadth of the impact our technologies enable. However, our projections may change over time due to market volatility and other various conditions outside of our control. We will continue to develop and build disruptive technologies to help prevent and reduce the industry's 30% overproduction and minimize its harmful impact on our planet.

* Compared to printing the same amount in traditional printing methods. The calculation assumes that one Presto MAX machine prints an average of 800,000 square meters of fabrics annually.

WATER STEWARDSHIP

The largest and perhaps the most important natural resource, water, is life for all living species. Water sustains us. Water is also one of the most essential resources for the fashion industry. It plays a vital role in the production of raw materials, and it's critical for the dyeing and finishing stages of fabric manufacturing.

The fashion industry uses approximately 93 billion cubic meters of water per year⁷. It's also responsible for significant water pollution. Textile dyeing is considered the second largest polluter of water globally⁸.

Kornit technologies offer a water-efficient and low-pollution solution that enables high-level textile printing to help the industry meet its water conservation and stewardship goals. Our digital printing solutions consume significantly less water than analog screen-printing processes that involve multiple stages, including repeated washing between each step. This results in wastewater that cannot be reused and is considered hazardous waste, which can lead to contamination of water sources.

In contrast to screen printing, our digital printing process:

- Conserves water**
 by not requiring manual washing of components between steps.
- Is free of pre-treatments, steaming, and washing**, so our customers consume less water, waste less water, and are therefore more sustainable.
- Uses Kornit's proprietary ink** that meets the strictest standards of quality and safety: Bluesign, ECO PASSPORT by OEK-TEX, and GOTS certified⁹.



can potentially be saved annually using the Kornit Presto MAX*

* Compared to printing the same amount in traditional printing methods. The calculation assumes that one Presto MAX machine prints an average of 800,000 square meters of fabrics annually.

7 "UN Launches Drive to Highlight Environmental Cost of Staying Fashionable", United Nations, March 19, 2019, <https://news.un.org/en/story/2019/03/1035161>.

8 "Putting the brakes on fast fashion", UNEP, November 12, 2018, <https://www.unep.org/news-and-stories/story/putting-brakes-fast-fashion>.

9 This certification includes ZDHC (zero discharge hazardous chemicals), RSL compliance, GOTS 6.0 Additives approval, and positive list verified by Ecocert. Kornit achieved Bluesign System Partner status in 2022.

10 Calculations based on our LCA performed to the Presto S and published in our 2020 report. Assumptions: water amount for shower - 25 gallons, water amount for cup of water - 0.06340129 gallons.



SUSTAINABLE SOURCING

Our ESG standards apply to all areas of our operations, including our work with suppliers. We collaborate with over 650 suppliers from a multitude of locations and industries, and in each case, we work with our collaborators to promote high standards of ESG management and performance. We fully acknowledge our responsibility in this matter and the potential impact that we can have on our supply chain.

SUPPLIER CODE OF CONDUCT

In addition to our own Code of Ethics, and in line with the KPI we set for ourselves in last year's Impact Report, we created a Supplier Code of Conduct. We also met last year's KPI of having all new suppliers sign a written commitment regarding the Code. We are currently in the process of improving our vision for supply chain responsibility by updating our Supplier Code of Conduct. In our next report we will disclose the details of this update. We intend for this updated Code to be based on internationally accepted principles, including The Ten Principles of the UN Global Compact and the Declaration on Fundamental Principles and Rights at Work. We also plan to use this Code to source our materials from ethical and sustainable sources.

The Code will prescribe requirements for each of the three ESG pillars:



Following its formulation, we will gradually implement the Supplier Code of Conduct. We will assess and prioritize existing suppliers according to the risk of off-standard operations and will take the necessary steps to encourage stronger sustainability-oriented practices across the entire supply chain. New suppliers will be screened from the outset per the Supplier Code of Conduct in all areas.

RESPONSIBLE CHEMICALS PROCUREMENT

We have adopted a Conflict Minerals Policy that sets requirements, aligned with legal and ethical standards, for our mineral suppliers. These include prerequisite certified proof of the following:

- Compliance with the Responsible Minerals Assurance Process (RMAP) of the Responsible Mineral Assurance Process (RMI).
- Compliance with the ISO 14000 standards for environmental management.
- Compliance with the REACH and RoHS¹¹ regulations and guidelines for chemical and hazardous substances management.

¹¹ European Parliament and Council Regulation (EC) No 1907/2006 (Corrigendum, 29 May 2007) and Directive 2006/121/EC (Corrigendum, 29 May 2007), and Directive 2011/65/EU of the European Parliament and the Council of 8 June 2011 on the restriction of certain hazardous substances in electrical and electronic equipment Text with EEA relevance.

SUPPORTING LOCAL BUSINESSES AND COMMUNITIES

In addition to the work across our global offices outlined above, as an Israel-based company we deeply believe in the importance of creating economic value for local Israeli communities.



Engaging with manufacturers from Israel's geographic periphery

We conduct business with manufacturers from the Israel's outskirts: Ma'alot and Acre in Northern Israel and Kiryat Gat in Southern Israel. These factories provide quality employment opportunities to local communities and contribute to their socio-economic success.

Local procurement in partnership with WeSource

We procure materials locally, thereby strengthening local economies, reducing our carbon footprint, and increasing the resilience of our supply chain. In 2021 we partnered with WeSource, a platform that matches companies with diversity-focused suppliers in Israel, such as companies owned by women or minorities, social businesses, businesses that employ mostly diverse employees, and businesses from peripheral areas. WeSource enables us to identify suppliers aligned with our needs, values, and goals.

63%

of procurement in Israel was made from local sources in 2021

\$28M

invested in procurement from suppliers in the Israeli periphery in 2021



We are all stewards of the planet, and anything we can do to help protect it is what we should do.

Sherry Barry, Owner, The Fashioneer

PEOPLE

Fashion is people-centric at its core: it celebrates unique ideas and creativity, self-expression, and imagination, setting the stage for the entire spectrum of humanity. Yet the fashion industry tends to overlook segments of the population, and therefore limits the diversity of ideas, body shapes, and notions of beauty, which can lead to the exclusion of entire groups of people.

We strive to be leaders in the evolution of the fashion industry to become a more diverse, inclusive, and safer industry. Providing creators with the tools and platforms they need for self-expression, we can help create a culture that celebrates differences.



ARTIST COLLAB WITH NOGA EREZ

Known for her creative musicality, Israeli singer-songwriter Noga Erez is no less famous for her indie fashion looks. In a special collaboration with the star, she rocked Kornit-powered garb on her European tour, allowing Noga the freedom to unleash her creativity with her own designs while raising awareness for sustainable fashion.

PROMOTING INCLUSIVENESS IN FASHION

In an industry focused on looks, showcasing the beauty of humanity as a whole and celebrating diverse people and shapes is essential to making all different types of people feel included and accepted.

We seek diversity of ideas and approaches and believe that nurturing open expression and visibility for all types of people promotes progress in the fashion industry.

With Kornit's on-demand technology, our clients can customize and personalize products faster and more efficiently than ever, to let anyone, anywhere, anytime, express their identity and ideas through textiles. Our on-demand printing solution encourages more creators to create fashion tailored to their unique styles and communities, fostering a more diverse industry.

Supporting inclusivity is an important part of our business, and our marketing and advertising activities are not excluded: messaging and imagery that celebrate diversity is central to our marketing, from fashion shows to ads to our social media.

DIVERSITY AT KORINIT FASHION WEEK EVENTS

Our series of international Kornit Fashion Week events celebrated diversity by incorporating the creations of fashion designers from Israel, France, India, the United States, the United Kingdom, Morocco, Kenya, and elsewhere. These fashion looks brought together brilliant, sustainable designs that incorporated a stunning array of materials and graphic effects that were produced from concept to runway in three weeks. Among many highlights, Dr. Mona al Mansouri became the first Emirati designer to debut a fashion collection in Tel Aviv, and Ukrainian designer Lilia Litkovskaya brought her socially conscious fashion statement to our runway in London.



Fashion Week is a beacon for global movements - demonstrating diversity and individual expression and a vision of a more sustainable world.

Ronen Samuel, CEO, Kornit Digital

2021 KORINIT FASHION WEEKS

Take the stardust and glitz of fashion, mix cutting-edge technological disruption, combine sustainable eco-efficient practices, and infuse with human-centric partnerships that put designers, production houses, and brands front and center. The result: an alternative fashion week that rewrites the rules. Central to Kornit Fashion Week Events is our celebration of diversity: from the models taking to the runway, boasting a variety of body shapes, skin tones, and looks, to the array of fashion statements boasted on stage.

KORINIT FASHION WEEK TEL AVIV

At the end of March, Kornit Fashion Week Tel Aviv 2021 presented the works of 40 of Israel's preeminent fashion designers showcasing the diversity of their fashion creations. The focus of the event was on creating more eco-friendly, responsible production practices for a cleaner, more sustainable fashion industry, while celebrating the diversity and creativity made possible with our technologies.





KORNIT FASHION WEEK LOS ANGELES

Kornit headed to Los Angeles in November 2021 for a four-day event celebrating sustainability, creativity, and technological innovation. The event included exclusive fashion shows, highlighting digitally-created designer collections, produced sustainably and on-demand in mere weeks instead of months with our technology.



KORNIT AT NEW YORK FASHION WEEK

We partnered with fashion house threeASFOUR to create their Spring/Summer 2022 collection, showcased at the world's most prominent fashion event, New York Fashion Week, in September 2021. The collection, made locally in New York City, showcased a pro-planet alternative to fast fashion using on-demand production and a shortened cycle time from concept, to runway, through to the consumer.



TOKYO 2020 SUMMER OLYMPIC GAMES

We collaborated with Palta, a label that uses data to work with brands to be disability-inclusive, on the gear to be worn by the Israeli Paralympic Team at the Tokyo 2020 Paralympic Games (held in 2021 due to pandemic disruptions). This collaboration enabled us to combine our technology with Palta's innovative designs to deliver durable, high-quality sportswear while aligning around our mutual goal of inclusivity.

PRODUCT SAFETY

Our products' safety is a top priority that requires our constant focus and attention to ensure all our products are safe for line workers and end-users alike.

Increasing the safety of production line workers

Our innovative digital printing process is safer than traditional screen-printing processes that require production line workers to remove and replace machine parts during the manufacturing process, a complex and risky activity. Kornit products allow for safer working environments for production line workers operating the printing systems because our streamlined process doesn't require parts removal. The result is minimized risk and a potentially significant reduction in the rate of safety incidents in customers' factories.

Protecting workers against health risks

Our products can reduce adverse health impacts related to chemicals used in the manufacturing process. Our ink formulations comply with the most stringent restricted substances lists that exist in the textile market¹². When using our printing systems and inks, system operators are less exposed to classified chemicals (according to GHS CLP ECHA) than they would be using common alternative processes.

Complying with health and safety standards

Our products can also contribute to the safety of our customers' products for end-users. The inks we provide for use in our printing systems are ECO PASSPORT by OEKO-TEX® certified, an independent certification for chemicals, colorants, and accessories used in the manufacturing of textiles. To meet certification criteria, each individual substance is tested to ensure it meets the statutory requirements and is not harmful to human health.



“ Making an impact is in Kornit's DNA.
Mor Mindel, Global EHS (Environmental, Health And Safety) Director, Kornit Digital

¹² In 2022 Kornit was recognized as a Bluesign System Partner. The Bluesign standard is the most rigorous in the textile industry in terms of chemical safety (restricted substance) and the obligation to minimal environmental impact of the manufacturing process.

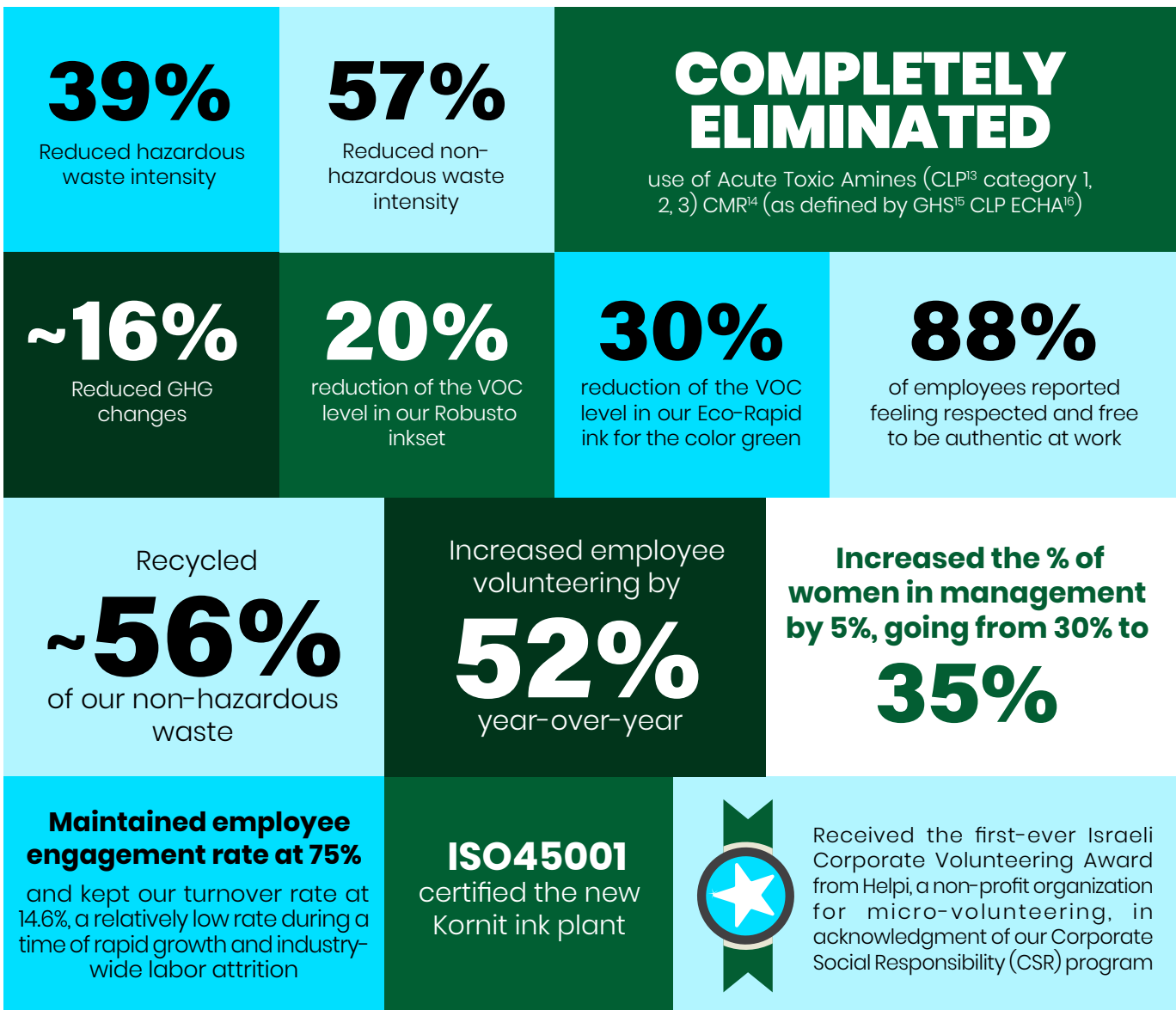
BE THE CHANGE

Our role as a sustainable change agent means we pay equal attention to both the impacts of our products and technologies on the entire industry ecosystem, and the impacts of our own business operations on the environment and society.

Be the Change is our approach to measuring and reporting on the impacts of our business operations, including energy, water, and waste, employee health and wellness, community engagement and giving, and Diversity, Equity, and Inclusion (DEI). These are the areas that we've already been tracking and measuring and with this report, we're able to share our progress against some of our initial goals.

BE THE CHANGE

KEY ACHIEVEMENTS IN 2021



Compared to 2020

13 Classification, Labelling and Packaging.
14 Carcinogenic, Mutagenic and Reprotoxic.
15 Globally Harmonized System of Classification and Labelling of Chemicals.
16 The European Chemicals Agency.

PROTECTING THE PLANET

Our investment in improving the sustainability of our own operations is as important as enabling a more sustainable production process. Our sustainability initiatives include climate action and increasing energy efficiency, reducing greenhouse gas emissions, and implementing green chemistry principles.

CLIMATE ACTION & ENERGY EFFICIENCY

We are already witnessing the devastating effects of climate change, from wildfires and droughts to floods and storms. These events are expected to grow more frequent and more severe as global temperatures rise¹⁷. To reduce the effects of climate change, we believe we must do all we can to minimize GHG emissions across our business operations.

At Kornit, we strive to reduce our own carbon footprint and set an example in the industry. Our focus areas include reducing energy consumption, increasing our share of renewable energy, reducing the amounts of VOC in our ink products, and generally improving our operational efficiency. We are also in the process of calculating our full Scope 3 emissions (indirect emissions throughout our value chain), which include, among other components, emissions resulting from the manufacturing of our printing systems by third-party OEMs.

In addition to our measures to reduce our carbon footprint by eliminating emissions at the source, we also take measures to offset emissions via reforestation projects. In this way, we are counterbalancing a portion of the emissions resulting from our operations while contributing to a vital project that increases the quality of life in urban and suburban areas



We're on track to dramatically cut emissions in our products and printing processes.

Mazi Levi, VP of Chemistry, Kornit Digital

In 2021, we planted 2,623 trees through the following projects:



Collaboration with the Climate Forest

We partnered with the Climate Forest, an Israeli initiative which carries out sustainable tree planting in urban environments. The trees planted by the Climate Forest with our funds yielded an offset of 200 MTCO₂-e.



Collaboration with Ecologi

We worked with Ecologi to plant trees in multiple projects in Mozambique, Madagascar, and Nicaragua.

We also partnered with Ecologi to offset 48 MTCO₂-e in two different projects - protecting lowland peat forest in Indonesia and a small-scale onshore wind power project¹⁸.

¹⁷ IPCC, 2022: Climate Change 2022: Impacts, Adaptation, and Vulnerability.
¹⁸ <https://ecologi.com/kornit>.

GHG Emissions BY THE NUMBERS

	2020	2021
Scope 1	168 MTCO ₂ -e	630.9 MTCO ₂ -e*
Including our heating processes, propane gas consumption, transportation/company vehicles (ops fleet car) and generator fuel (used as a back-up and calculated per liters purchased in 2021). Covering all our operations.		
Scope 2	1,923 MTCO ₂ -e	2,091 MTCO ₂ -e
Including emissions caused by electricity usage (manufacturing and office space) purchased from local sources.		
Offset	329 MTCO ₂ -e	248 MTCO ₂ -e
Total Scope 1 and 2 (minus offset)	1,762 MTCO ₂ -e	2,473.9 MTCO ₂ -e
Emissions Intensity (per million USD revenues)	9.11 MTCO ₂ -e	7.68 MTCO ₂ -e

~16%

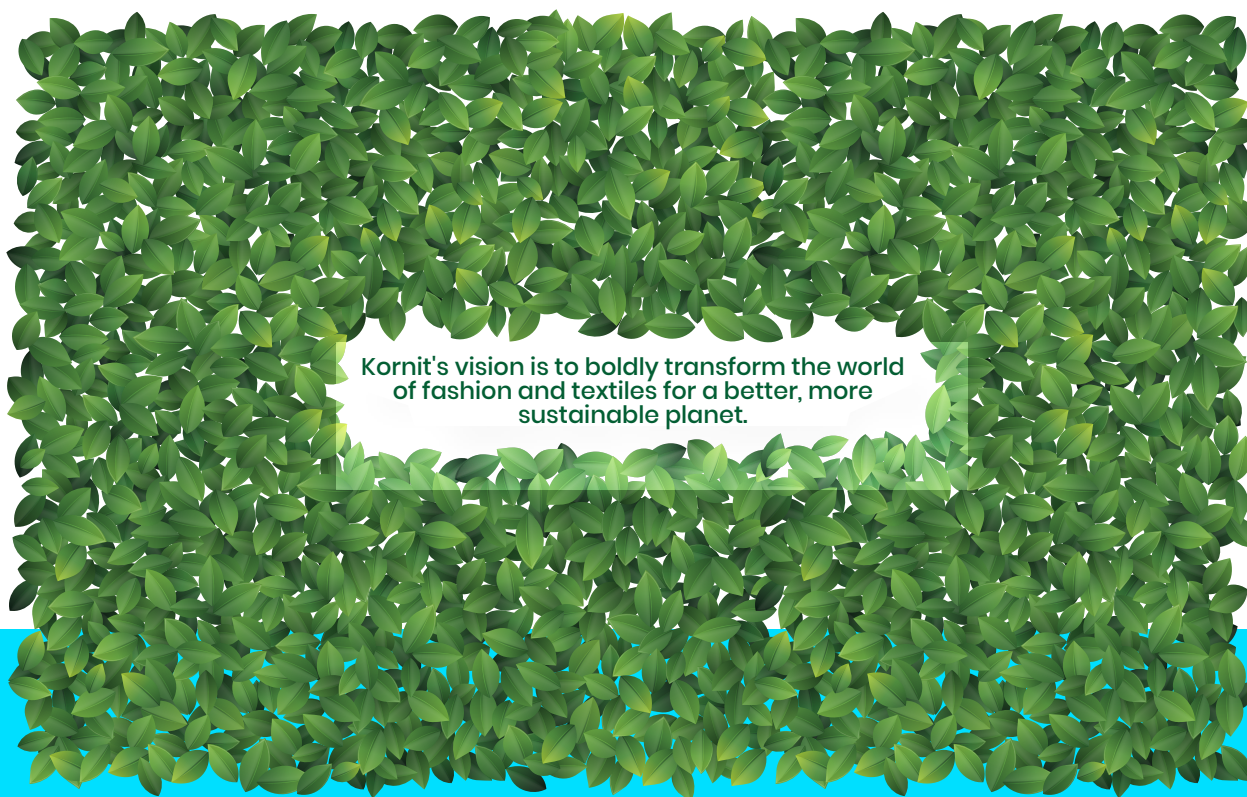
REDUCED
GHG
EMISSIONS
INTENSITY

* The sharp rise in GHG emissions in 2021 is due to increased energy consumption due to business goals and due to a new generator at the Kiryat Gat factory, as well as new tracking of service vehicles for customers. Though in last year's report we had set our emissions reduction goal in absolute terms, our significant business growth in 2021 has prevented attaining this objective and has led to a change in strategy towards longer term goals and a focus on reducing emission intensity.

SCOPE 2

GHG Emissions BY GEOGRAPHICAL REGION

	2020	2021
USA (New Jersey)	109 MTCO ₂ -e	129.4 MTCO ₂ -e
Asia (Hong Kong)	142 MTCO ₂ -e	229.9 MTCO ₂ -e
EU (Germany)	46 MTCO ₂ -e	29.8 MTCO ₂ -e
Israel (Rosh HaAyin and Kiryat Gat)	1926 MTCO ₂ -e	1701.8 MTCO ₂ -e



Kornit's vision is to boldly transform the world of fashion and textiles for a better, more sustainable planet.



KORNIT FOREST

Our gift to each guest at the 2021 NY Fashion Week was a tree planted on their behalf to offset carbon emissions. Each guest received a postcard printed on recycled paper and an e-mail informing them of the individual trees that we gifted to them.

MANAGING CLIMATE RISKS

As climate change continues to threaten humanity and impact businesses across the globe, minimizing climate-risk exposure has become more crucial than ever to enable future success. Recognizing that climate change can increase the frequency and severity of natural disasters, we are evaluating the potential risks and implications for our operations. In the coming years, we will be looking into our climate adaptation preparedness as part of our overall risk assessment process.

We also recognize the importance of better understanding the exact threats and challenges we face with climate change. Therefore, we are planning to conduct a comprehensive and methodological climate risk assessment in 2023 that will explore our exposure to various climate risks and devise programs to mitigate them.

The reality of a warming planet has consequences for production. Higher temperatures can potentially lead to increased costs for energy and electricity used in cooling processes, mainly chillers. Therefore, our energy usage may increase, which we must accurately factor into our projections.

ENERGY CONSUMPTION IN MANUFACTURING

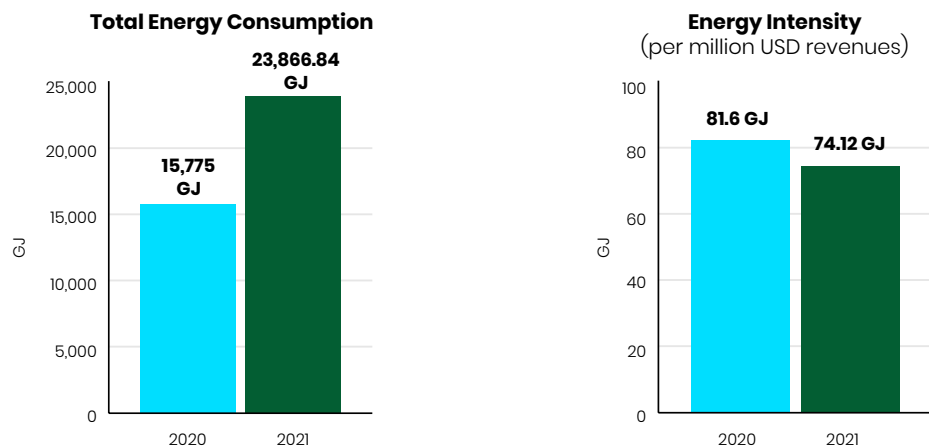
We aim to decrease the energy intensity of our operations and shift to renewable energy sources where possible. To that end, we are taking the following steps:

- We are installing solar panels on the rooftop of Israel's factory in Kiryat Gat.
- We are setting up EV charging stations in our HQ Kornit Digital Israel parking lots and in the ink plant in Kiryat Gat and expect them to be completed during 2022.
- Our manufacturing processes in all our facilities utilize energy sourced exclusively from local electricity corporations.
- Some Research & Development (R&D) processes require mild heating for drying purposes, for which we use propane gas (Liquefied Petroleum Gas) and natural gas. We also consume a small amount of diesel in our Israeli operation as fuel for backup generators.

In last year's report, we stated that one of our goals was the reduction of electricity consumption generated by fossil fuels by using solar energy. Although a specific KPI for this topic was not set in our new strategic framework, this topic will be covered by this year's climate action and energy efficiency plan.

We are consistently improving our energy consumption measurement. Some of the year-over-year increases in energy consumption shown in the table below are due to changes in what and how we are measuring. As we have improved our measurement process, we have been able to capture more data, which means in some cases our metrics will increase even if our environmental impact has decreased over that same time period. We are taking a long-term approach to ESG measurement and will continue to refine our processes and metrics each year in our reporting cycle.

ENERGY CONSUMPTION BY THE NUMBERS



2021 saw a spike in overall energy consumption due to major construction efforts on a new factory. However, in terms of energy intensity, on which we continue to be focused, there has been steady improvement.

ENERGY SOURCES BREAKDOWN

Energy source	Energy consumption in 2020	Energy consumption in 2021
Purchased electricity from grid	3,577,970 kWh	3,953,667 kWh
Propane gas	9,020 kg	9,036 kg
Diesel	3,750 liters	12,264 liters
Transportation petrol and diesel	20,340 liters	222,697 liters
Natural gas	15,749 therms	16,781 therms

GREEN CHEMISTRY

Green chemistry is the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances. Green chemistry applies across the life cycle of a chemical product, including its design, manufacture, use, and ultimate disposal.

We apply the principles of green chemistry to every step of the development and use of our ink, starting with the raw materials selection, to the ink design and production, to how our customers use it in manufacturing, and ultimately to the product used by the end consumer.

In 2021, we established a new innovative ink manufacturing factory. Every aspect of the factory was designed to advance our technical capabilities while factoring in environmental sustainability—from operational safety and energy efficiency to chemical usage and maintenance. The factory is ISO 14001 certified, an international standard for environmental management system (EMS).

Though respecting and operating by all principles of green chemistry, our efforts are focused on waste prevention, the designing of less hazardous chemical syntheses, the designing of safer chemicals and products, and the minimization of potential for accidents.

HAZARDOUS WASTE MANAGEMENT

Hazardous waste	2020	2021
Chemical waste from development processes and operations, treated according to local requirements	330 tons	115 tons
Ink waste treated according to local requirements		218 tons
Total	330 tons	333 tons
Intensity (per \$1M in revenue)	1.7 tons	1.04 tons

39%

REDUCED HAZARDOUS WASTE INTENSITY

All of our hazardous waste is treated according to local regulations.



Being sustainable means we don't have to create more waste or use more resources. We have to keep the only house we have - our planet.

Catarina Lopes, Founder and CEO, NUWA

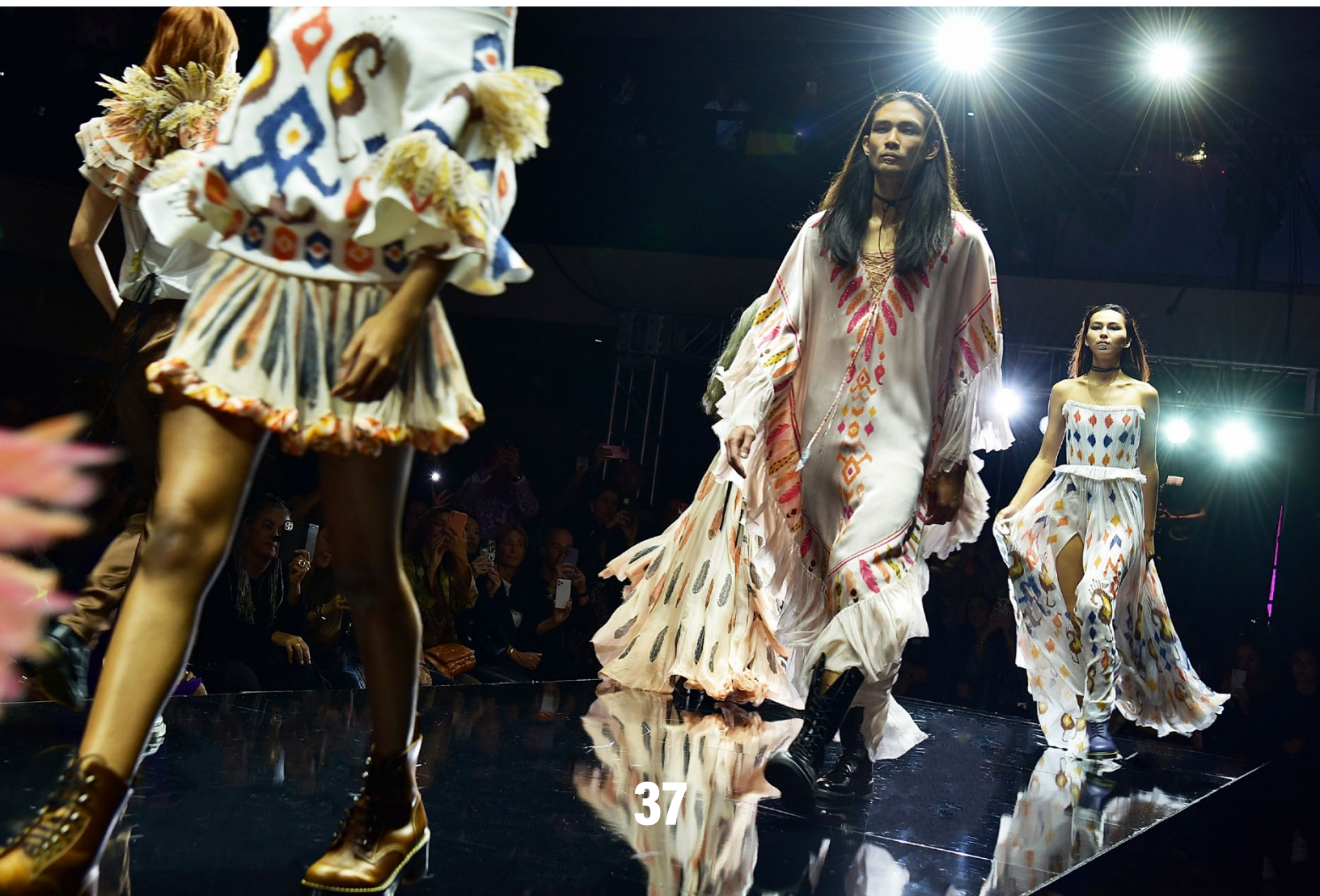
HAZARDOUS MATERIALS' REDUCTION

We are in the process of eliminating all use of restricted chemicals from our ink formulation to make our products safer when used in production by line workers, for the end-user, and less harmful to the environment.

Complete elimination of the use of Acute Toxic Amines (CLP category 1, 2, 3). This elimination was one of the KPIs we set in last year's report.

Complete elimination of CMR (carcinogenic, mutagenic, and reprotoxic) substances in Kornit inks, also a KPI set in our 2020 Impact Report. In 2021 we began to no longer accept CMR-classified substances, mixtures, or products in our products' raw materials.

Began the process of eliminating the addition of the chemical compound Methylisothiazolinone (MIT), given the risk of skin irritation, in our ink formula and expect to complete the removal by the end of 2022, in accordance with the KPI we reported last year. We have already pulled MIT from two of our machine maintenance products, the Kornit Priming and the Kornit Flushing solution, replacing them with the safer available alternative. We are also currently in the process of replacing MIT with safer compounds in purchased materials from suppliers.



SAFER PRODUCTS

Kornit is committed to providing products that are safe for their intended use and that comply with the applicable government regulations of the countries where we market these products. All Kornit branded electrical products undergo evaluations and testing to ensure that they meet worldwide safety standards by global, well known, and recognized labs. The specific standard changes between geographies, in accordance with local leading practices. This is consistent with Kornit Digital Safe & Legal Product requirements, which outline relevant internal and international machinery safety standard requirements.

2021 ACHIEVEMENTS:

- **Improved ink for our Direct-to-Fabric product line**
We transitioned our customers to the new Robusto Direct-to-Fabric ink, leading to a reduction of over 20% in ink VOCs, and full elimination of hazardous air pollutants (“HAP”).
- **Improved Eco-Rapid ink of green color for our Direct-to-Garment**
We improved our green Eco-Rapid ink formula, resulting in a reduction of 30% of VOCs and elimination of HAP.

SAFER PROCESSES

We are committed to creating a safe chemical process, from material selection to production process design.

- In our ink production plant, employees in Israel are trained regularly and are provided with all the required safety equipment (for more information, see the Product Safety chapter in the Enable the Change section, p. 27).
- To improve the safety of our process and minimize the risk of accidents, we’ve made significant improvements in the design of our new ink manufacturing factory, including:
 - All product formulations are manufactured in a sealed container to minimize VOC and other chemical emissions and to reduce employee exposure to chemicals.
 - An implemented process control system to reduce malfunctions and employees’ exposure to chemicals.



STATE OF THE ART MANUFACTURING SITE

Throughout 2021 we underwent the design and construction of our first fully scalable, state-of-the-art ink manufacturing site in Kiryat Gat, Israel which opened in January 2022. A \$25M investment went into the 11,000 sq meter facility, and the safety and security standards reflect our ESG objectives.

WASTE MANAGEMENT

Waste management and prevention are among the most critical areas of sustainability in our business. We take great care and responsibility to manage and reduce the waste created in our own facilities.

WASTE MANAGEMENT BY THE NUMBERS

2020		2021		
Non-hazardous*	63 tons**	Type of waste	Waste recycled	Waste to landfill
		Plastic	18.3 tons	18.3 tons
		Metal	6.5 tons	0.7 tons
		Cardboard		0.2 tons
		Wood		0.3 tons
		Electronics		0.35 tons
Total		24.8 tons	19.9 tons	
Total	63 tons	44.7 tons		
Intensity (per million USD revenues)	33 tons	14 tons		

* Non-hazardous waste data was collected from our Israeli facilities only.

** We implemented a waste management system in 2021 that allows us to report the detail by type of waste as shown; our systems in prior years do not allow the same detail for each waste stream in prior years.

2021 ACHIEVEMENTS

29% reduction in the amount of non-hazardous waste created in 2021 in our facilities, compared to 2020.

57% reduction in the intensity of our waste production in 2021, compared to 2020.

24.8 tons of plastic and metal waste was recycled using our new recycling protocol.

~56% of our non-hazardous waste was recycled.

One of our greatest challenges in waste management is managing waste created by used ink plastic bottles. We are currently exploring different alternatives for mitigating this challenge by collaborating with technological partners and assessing other innovative solutions.

WATER

We create water-efficient products with the intent of solving one of the most pressing problems in the fashion industry: water conservation. We also participate in the solution by making responsible use of water resources.

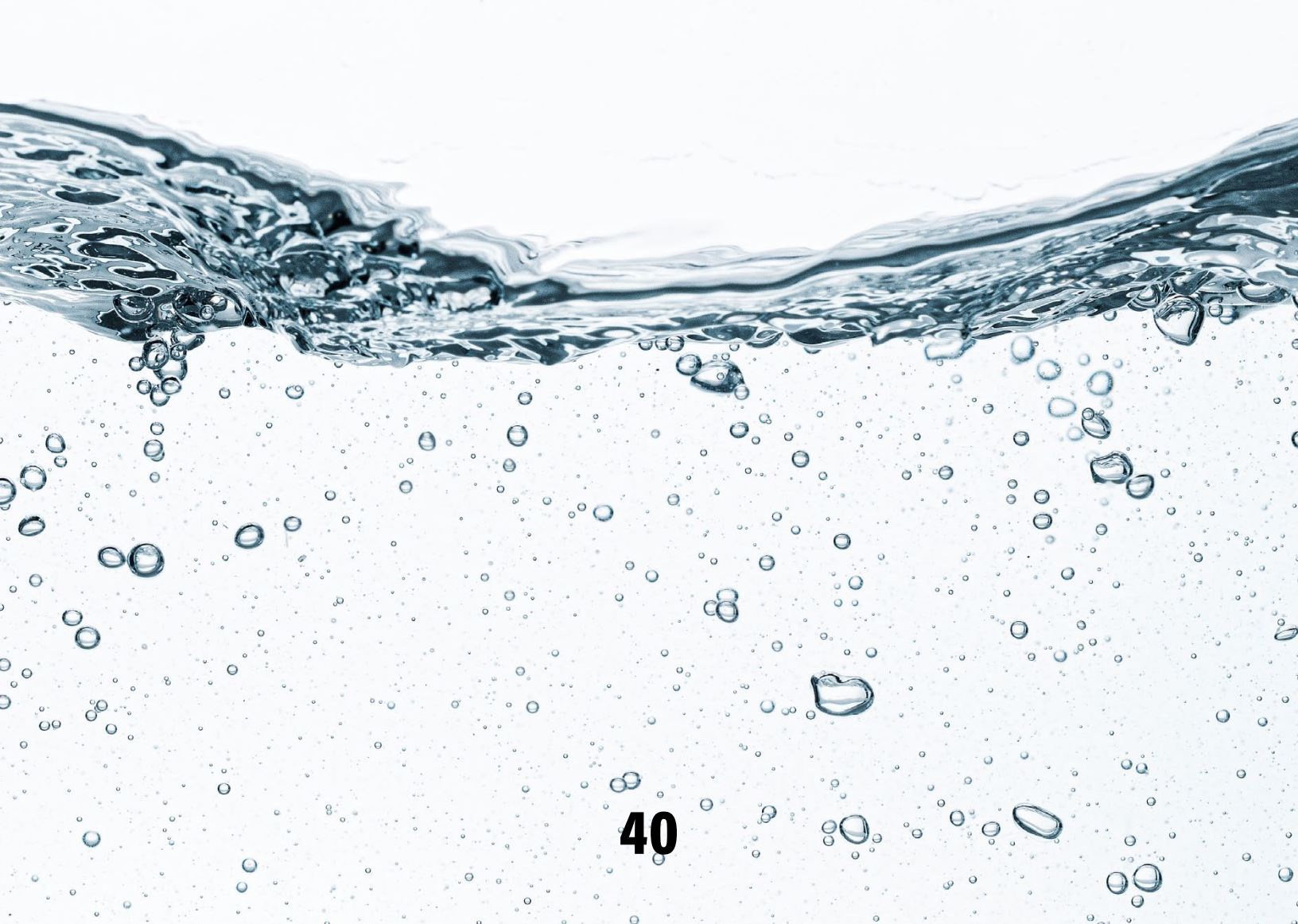
In 2021, we experienced an unusual increase in water consumption due to the building of our new ink manufacturing plant. The annual water consumption in all our facilities amounted to 2,783 cubic meters, in comparison to just 714 cubic meters in 2020.

Our operations do not lead to any discharge of industrial wastewater. The only wastewater associated with our operations is sanitary wastewater, treated by the municipal wastewater system.

For more information about our approach to water conservation, visit the Water Stewardship chapter in the Enable the Change section on page 24.

“ The decision to go with Kornit stems from the fact it's a 100% digital technology with a 100% sustainable production process that minimizes water use and produces amazing print quality.

Vincenzo Cirimele, CEO, Teetaly



OUR PEOPLE

We know that to fulfill our mission of leading the fashion industry into a more sustainable future, we need the right team on board, working together. We are fortunate to have that team. Our people are the driving force behind our success. Their passion, creativity, innovation, professionalism, and dedication push us forward and keep us accountable to delivering our very best for the industry and for each other.

We acknowledge and appreciate every one of our employees' efforts and we work hard to create the optimal culture and environment for them to flourish and succeed. Enabling our people to be their best self at work is a top priority, while also encouraging their professional growth and development and addressing their concerns and needs. We are committed to providing our people with tools to develop their capabilities and boost their professional excellence. We also foster collaboration and open communication with every interaction.

OUR PEOPLE BY THE NUMBERS

as of December 31, 2021



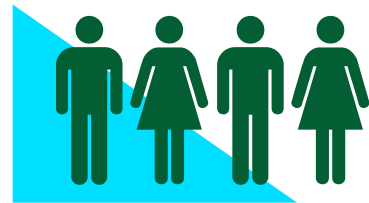
Approximately
2.3M

hours of work by employees in all global locations



96.7%

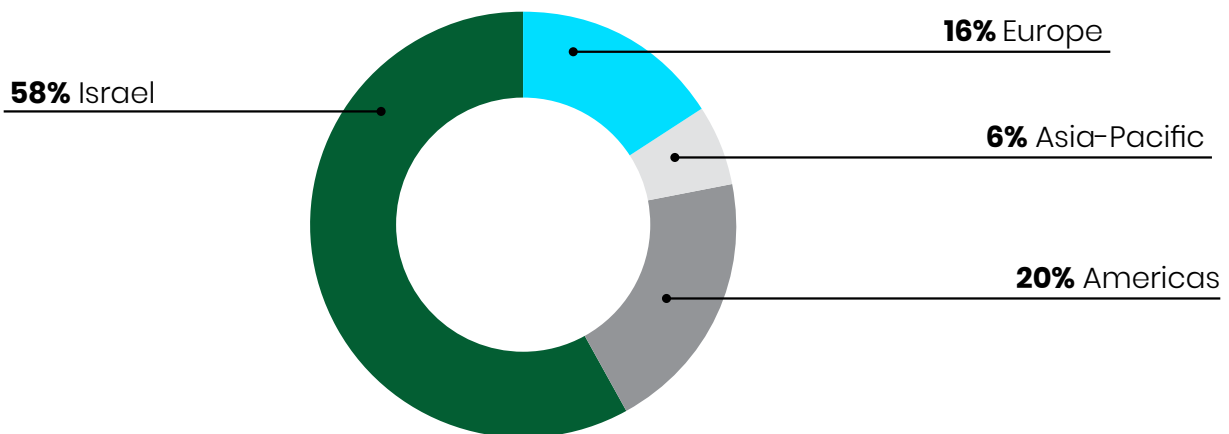
of employees are permanent and employed full-time



849*

employees on staff

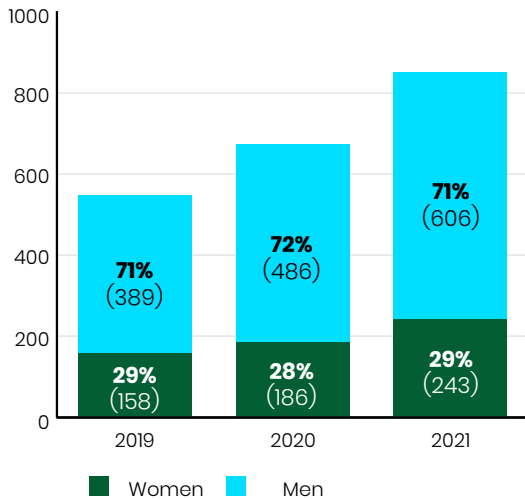
EMPLOYEES BY GEOGRAPHY



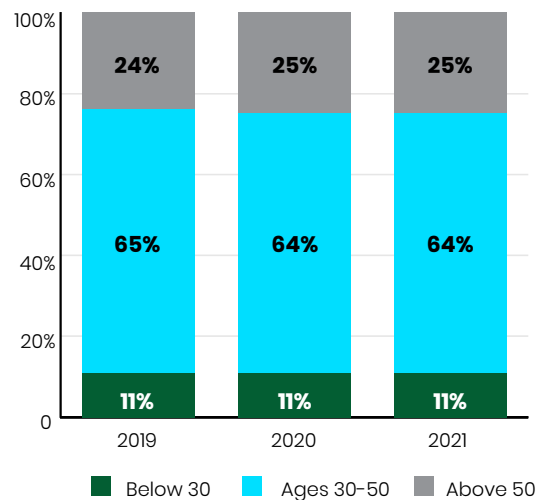
* HC contractors not included.

OUR PEOPLE BY THE NUMBERS

Employees by Gender



Employees by Age



Sticking with a legacy of professionalism, Kornit is fully invested in the growth and development of employees, offering many learning opportunities that lead to greater innovation and better results.

Roni Berezin, Global OD & Learning Director, Kornit Digital

»»» OUR PEOPLE BY THE NUMBERS

New Employees

	2020			2021		
	Men	Women	Total	Men	Women	Total
Europe	51	15	66	17	6	23
Asia Pacific	7	3	10	0	1	1
Americas	34	10	44	45	13	58
Israel	49	18	67	99	48	147
Total	141	46	187	161	68	229
Percentage	75%	25%	100%	70%	30%	100%

Turnover

	2020			2021		
	Men	Women	Total	Men	Women	Total
Europe	9	7	16	14	4	18
Asia Pacific	3	1	4	5	5	10
Americas	5	5	10	25	3	28
Israel	24	8	32	46	18	64
Total	41	21	62	90	30	120
Percentage	66%	34%	100%	75%	25%	100%

Our 2021 turnover rate was 14.6%, compared to 10.2% in 2020. Even with the increase year-over-year, we are proud of our success in retaining our talented people, reflected in this relatively low turnover rate. 2021 was an especially turbulent year in the labor market (and specifically in the Israeli tech industry) and a year of rapid growth for Kornit, yet our efforts to care for our people were extremely fruitful.

OUR CULTURE & COMMUNICATION

Our corporate culture is rooted in values of collaboration, passion, innovation, openness, and care. We nurture trust and self-expression and make time for meaningful and bonding get-togethers: from company kick-off events and holiday celebrations to corporate milestones such as Kornit Fashion Week events, the Voxel 8 acquisition, and others. Caring for every employee as an individual, we also celebrate birthdays and special personal days like weddings and the birth of children.

We continue to offer psychological services to all our employees, an initiative we started in 2020 to support their wellbeing through the pandemic and other life changes. We know that when people feel respected and know that their opinions and voices will be heard and valued, we all work better together to achieve our goals and reach new heights. We foster cross-level and interregional communication channels where everyone can share success stories, get regular updates about the company, and collaborate.



We hold quarterly town hall meetings, both at the global and the regional levels, in which our CEO, management team, or regional leadership teams provide valuable updates and information regarding the company’s strategy, business results, and major activities and updates. A Q&A session concludes each town hall, inviting employees to raise concerns, ask questions, share ideas, and make suggestions. These gatherings are one of our organization-wide feedback mechanisms, allowing issues to be discussed from every angle, both from the “field” and from a macro level. Furthermore, continuous and authentic communication enables us to express feelings and thoughts in real-time, which is essential in a dynamic and fast-paced environment like Kornit.

EMPLOYEE CARE

We recognize our employees’ hard work and commitment. We know how important it is that they feel seen and appreciated, and have the best conditions and workplace benefits, including the following:

- **Healthcare programs and pension plans**
that exceed the level required by local regulations.
- **Extra¹⁹ paid vacation days**
to replenish strength and spend quality time with family and friends.
- **Annual global wellness and health week**
full of activities and content to boost physical and mental wellbeing
- **RSU grant**
 - All employees receive restricted stock units when they start at Kornit.
 - At least 65% of the workforce receives additional RSU grants every year.

EMPLOYEE ENGAGEMENT

Employee engagement is key to employee satisfaction and performance. To better understand our people’s needs and create appropriate action plans, we use surveys and focus groups.

Our annual engagement survey is facilitated by an anonymous and confidential global platform. We assess the results and identify key improvement areas at cross-company and unit levels. The results are communicated to all our teams.

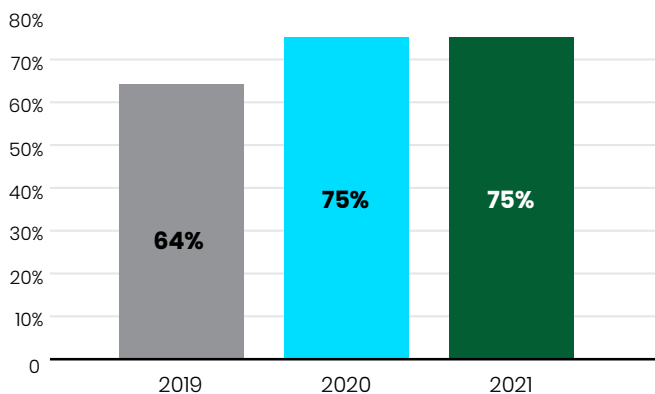
In 2021, we successfully maintained an average year-over-year engagement score of 75%.

In addition, 93% of employees reported that they feel they made an impact through their work.

75% Average engagement score

93% Rate of employees who report feeling that they are making an impact through their work*

Employee Engagement Trend



*According to our 2021 annual employee survey.

¹⁹ More than is required by law.

EMPLOYEE TRAINING AND DEVELOPMENT

LEARNING AND SKILL DEVELOPMENT

Our people are our most valuable asset and as such, we make significant investments in their personal and professional development. The extensive training programs we have developed and implemented has been designed to enhance their skills while investing in their growth and future employability.

As a baseline, our entire staff is provided with 10 hours of training on company policies and protocols in safety, ethics, cybersecurity, and sexual harassment. In addition, employees can benefit from role-specific courses and training.



KORNIT ACADEMY

In 2021, we launched the Kornit Academy training platform: a hub of online training modules to hone various soft skills that are essential for success, and were identified as Must Have skills in the future labor market.

Courses span a variety of topics, including agile thinking, collaborative methods, effective decision-making processes, storytelling, and project management.

Kornit Academy is available to all our employees in all positions and roles.

We also offer all managers dedicated leadership programs that provide tools to effectively collaborate and manage teams and processes.

KORNIT ELEVATE

As part of our ongoing efforts to promote personal and professional growth, we conduct comprehensive annual performance evaluations. The evaluation process, called "Kornit Elevate," considers each employee's unique qualities and contributions and identifies opportunities for future improvement.

Every employee undergoes a multi-level, dialogue-based evaluation process, including feedback from both managers and peers so they can get a deeper understanding of their performance.

In addition, employees participate in quarterly "check-ins" with their direct managers to exchange feedback and follow up on personal development aspirations and progression.

DIVERSITY, EQUITY AND INCLUSION (DEI)

As an industry leader in innovation and creativity, we recognize our role in making space for diversity, self-expression, and personalization in the fashion industry and in the workplace. Through our on-demand printing, we empower creators to express their creative ideas with no boundaries or limits, allowing for an equal playing field and diverse expression. Similarly, with our employees, we strive to create a comfortable, safe, inclusive, and welcoming work environment.

DIVERSITY IN THE WORKPLACE

Our DEI strategy aims to increase the diversity of our workforce and foster a more inclusive corporate culture, focusing on diverse hiring practices and providing training and workshops to talent acquisition teams, managers, and employees. As part of this effort, we plan on partnering with nonprofit recruitment agencies to expand our pool of candidates and provide pathways for people from underrepresented groups to join us.

88% of employees feel respected and free to be authentic at work

According to our 2021 annual employee survey

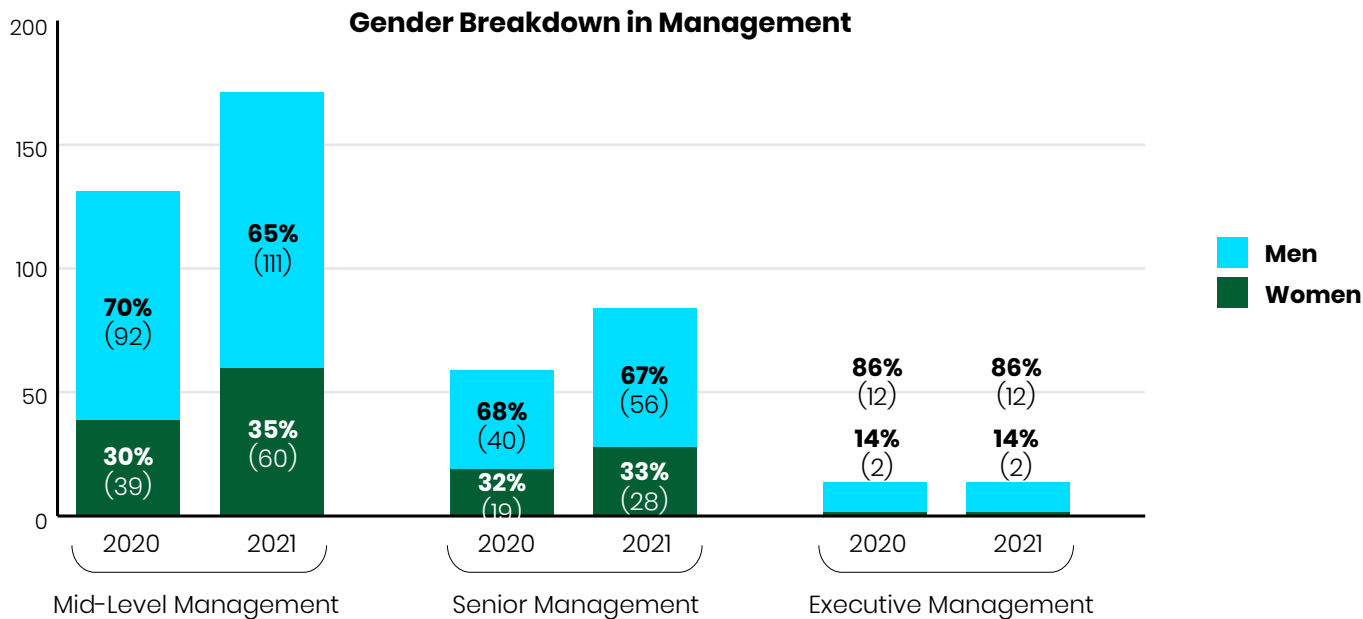
We hire employees strictly based on their professional competence and never discriminate against employees on the grounds of religion, race, gender, or other factors. We also recognize that the diversity of each community where we operate is different and we aim to have the diversity of our offices reflective of the diversity of each community.

WOMEN IN THE WORKPLACE

We prioritize gender equality and woman empowerment and closely monitor relevant metrics, such as the overall representation of women in all roles at Kornit and women in management positions. By taking actions to improve gender equality in the workplace, we are helping to ensure that women at Kornit have fair and meaningful professional opportunities and careers.

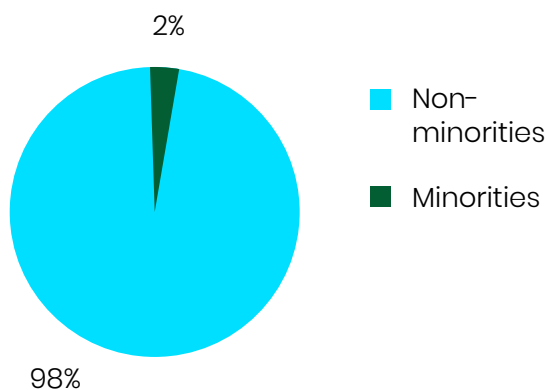
33% of management positions are held by women, which is 5% higher than their general share of the workforce (28%).

In 2021, we increased the percentage of women in management by 5%, going from 30% to 35%, and increased the percentage of women in senior management by 1%, from 32% to 33%.

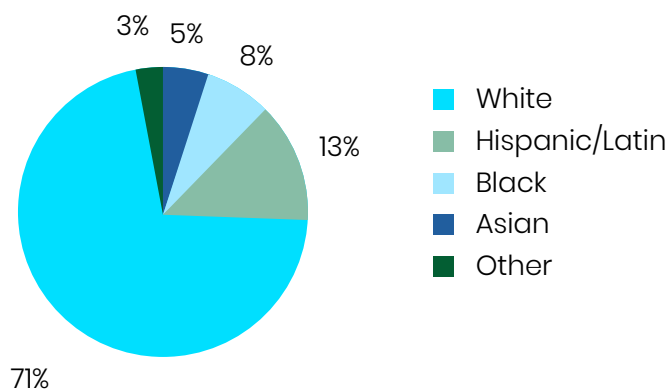


UNDER-REPRESENTED GROUPS

Under-represented Groups - Israel



Under-represented Groups- US



EMPLOYEE HEALTH AND SAFETY

Our employees' health, safety, and wellbeing are very important to us, and we do our utmost to protect them against risk or harm. From stringent protocols to training programs, we make significant investments in safety management practices to ensure that our people are safe throughout their workday.

HEALTH & SAFETY COMMITTEE

Our dedicated Health & Safety Committee oversees and manages all safety-related issues in the company. Headed by the Safety Officer, the Committee's members include the Head of Security, Department Managers, Safety Trustees, Emergency Team members, and a toxins expert. The Committee convenes at least eight times a year, and additional meetings are held as necessary. In its meetings, the Committee discusses safety training programs, devises and updates safety protocols, oversees the implementation of safety measures, and discusses critical safety issues. The Committee is also responsible for investigating safety violations and taking the appropriate remediation measures.

ISO45001 CERTIFICATION

As of 2021, Kornit's ink plant in Kiryat Gat is ISO45001 certified, meeting the highest standard for health and safety. This certification is reinforcement to our workforce that we take their health and safety and the safety of our workplace environment very seriously.



RISK ASSESSMENTS

As a company with substantial industrial processes, our day-to-day operations come with some health and safety risks. Therefore, we routinely conduct comprehensive risk assessments for all processes, equipment, and operations. These assessments identify risks in our operations, such as machinery malfunctions, working with electricity, hazardous materials, and slips and falls. All risk assessments are reviewed by the Health & Safety Committee periodically and whenever significant changes occur. This allows us to effectively and efficiently provide solutions and safeguards for safety risks so we can minimize them as much as possible.

SAFETY POLICIES

Our safety policies and protocols, which apply to 100% of employees and contractors, cover all the required behavior and preventative measures for safety and health protection.

	Safety incidents that led to injury	Employees injured	Severe injuries	Employee fatalities	Total TRIR (per 200K hours worked)
Israel	8	8	0	0	0.695
USA	0	0	0	0	
Asia-Pacific	0	0	0	0	
Europe	0	0	0	0	
Total	8	8	0	0	

A single incident occurred in 2021 resulting in the fatality of one of our contractors. The incident took place at our ink plant facility in Israel. Our global team was deeply saddened by this sudden loss.

The circumstances of the incident were investigated by the Israeli Police and the file was closed. No fault or suspicion of any kind were attributed to the company or any of its employees.

Our safety policies include:

- General safety protocols
- Basic safety training for new employees
- Use of personal protective gear and equipment
- Working at heights
- Chemical management
- Electricity safety practices
- Laboratory safety practices
- Contractors' safety guidelines and protocols

EMPLOYEES TRAINING

To effectively implement these policies, we provide employees and contract workers with health and safety training relevant to their role.

Number of employees	Training	Training hours
636	General safety training	2.5 (x636)
152	Onboarding safety training	1 (x152)
	Total	1,742

All employees and contract workers must undergo an annual 2.5-hour general safety course, and new employees participate in an hour-long onboarding safety training session. These training programs include fire safety, laboratory safety procedures, and general safety practices. In 2021, 636 employees participated in general safety training, and 152 new employees took part in onboarding safety training, totaling 1,742 hours.

In addition to basic training sessions, we provide extensive specialized safety training for the workers in relevant roles, such as electrical safety, forklift operations, and first aid.

SAFETY INCIDENTS

When reporting safety incidents, employees follow a safety process. All injuries and safety-related incidents are thoroughly investigated, and remediation steps are taken as necessary.

In 2021, eight employee safety incidents occurred across our facilities, all of which were minor injuries. In addition to our internal processes, Israel's Ministry of Industry and Trade regularly audits and inspects the safety aspects of our work.

CORPORATE SOCIAL RESPONSIBILITY

Giving back to the community is ingrained in our culture and integral to our community engagement activities. We contribute time, energy, and resources to various community organizations and social causes that align with our core values. Our philanthropic activities focus on global challenges in alignment with the UN Sustainable Development Goals, such as inequality, environmental degradation, and education for all.



“ There's a connection to the community that comes from the very heart of the company. It is important to us that our partners are from the communities where we live and operate. We aim to empower our communities and strengthen them.

Keren Tzukerman, Employee Relations & Social Responsibility Manager, Kornit Digital



We decide on our activities by carefully considering our values, goals, and guidelines. All Corporate Social Responsibility (CSR) initiatives are led by a global team of passionate people who engage employees in enriching programs that make an impact.



EMPOWERING GIRLS WITH "BOATOT"

Kornit partnered with "Boatot" ("Kicking" in Hebrew), a nonprofit organization that aims to empower girls and develop their self-confidence through soccer. Talia is one young girl who has benefited from the program and her story is an inspiring example of the impact this program is having. With no soccer team in her hometown (Rosh HaAyin), Talia (10 years old) had almost given up on her love for the game. When Kornit sponsored a "Boatot" team in her area, Talia immediately joined it and after a year on the team, she is a great collaborator with a strong team spirit. Talia has said that her teammates make her a better player, and that they are stronger together.

EMPLOYEE VOLUNTEERING

A cross-company employee volunteering program, launched in 2020, facilitates our company-wide volunteering projects during work hours. In each of our locations worldwide, we have designated a community leader responsible for fostering connections and creating volunteer opportunities within the local community.

COMMUNITY VOLUNTEERING HIGHLIGHTS

Location	2021 Project
Kornit Israel	<ul style="list-style-type: none"> We volunteered to clean up Dor HaBonim Beach Nature Reserve after an oil spill caused thick tar stains on the coastline. We partnered with Boatot ("Kicking" in Hebrew), a social program that empowers female leadership development in the sports community, and sponsored two all-female soccer teams. We initiated a long-term partnership with Youth of Light association to develop a unique employment and innovation skills program for at-risk teenagers.
Kornit Asia Pacific	Our employees in Hong Kong volunteered at Food Angel, a local nonprofit organization, and visited the elderly in the community.
Kornit Europe	KornitX employees in Manchester volunteered at the Alzheimer's Society.

COMPANY-ORGANIZED VOLUNTEERING

We organize a variety of ad-hoc volunteer initiatives with select causes, NGOs, and nonprofits with whom we have formed long-term partnerships.



INDIVIDUAL VOLUNTEERING

We encourage our employees to take on causes close to their hearts. We believe that empowering people to choose where to volunteer will inspire them to participate more actively in community support efforts. To this end, in 2020, we partnered with Helpi, an Israeli volunteering platform that matches volunteers with social causes according to their preferences. In 2021, 132 of our employees in Israel volunteered a total of 1,014 hours through the program.

SOCIAL & COMMUNITY PARTNERS

Our main partners:



Nonprofit organization for corporate volunteering.



Leket Israel – The National Food Bank

A nonprofit that rescues healthy, surplus food and delivers it to those in need through nonprofit partner organizations.



Youth of Light

A social business dedicated to helping at-risk-youth.



Meir Panim

Israel's largest assistance network for the needy.



SAHI

A youth organization that uses food distribution as a tool for giving.



Women's Spirit (Ruach Nashit)

A nonprofit that promotes the economic independence of women survivors of violence in Israel.



Boatot

A nonprofit organization that promotes gender equality and women empowerment through sports.



SoulTalk

Raises the awareness of combat trauma in Israel.



Alzheimer's Society

An organization that supports everyone affected by dementia in the UK.



Food Angel

A food rescue and food assistance program based in Hong Kong.

DONATIONS

In addition to our volunteer programs, we contribute to various local and global nonprofit organizations that promote social causes aligned with our company values. We engage with organizations that provide educational and skill-building opportunities to at-risk youth, promote female empowerment, and utilize sports to build confidence and resilience. These issues are close to our hearts, and we have the unique opportunity to contribute to them through our work.

By supporting these nonprofit associations through philanthropic initiatives, we help them accomplish their missions and make a positive impact in local communities.

As with any aspect of our business, we believe in setting goals and standards to ensure that our social investments are effective and impactful. To this end, we established the Kornit Donations Committee, a cross-functional group of dedicated employees charged with setting annual budgets, reviewing and authorizing donation requests, and selecting partners and causes for donations.

The Committee is led by our Chief People Officer and its members include our CSR Director and employee representatives. The Committee convenes every quarter to consider all donation requests channeled through the CSR Director and local representatives. All requests are assessed according to pre-set criteria that are aligned with our values.

»»» CORPORATE GOVERNANCE

Kornit Digital, a publicly traded company (NASDAQ: KRNT), has a robust corporate governance structure.

BOARD OF DIRECTORS

The Board of Directors, elected by Kornit shareholders, is led by Chairman Yuval Cohen, who joined the Board in 2011. The Board consists of nine members whose varied professional backgrounds set a solid foundation for its performance.

OUR BOARD MEMBERS

Start Year	Position	Name
2018	Chief Executive Officer and Director	Mr. Ronen Samuel
2011	Chairman of the Board of Directors Independent	Mr. Yuval Cohen
2002	Independent Director	Mr. Ofer Ben-Zur
2015	Independent Director	Ms. Lauri Hanover ²⁰
2015	Independent Director	Mr. Alon Lumbroso
2019	Independent Director	Mr. Stephen Nigro
2018	Independent Director	Mr. Yehoshua (Shuki) Nir
2015	Independent Director	Mr. Dov Ofer
2015	Director	Mr. Gabi Seligsohn

For more information regarding Board members' experience and professional background, please visit the Board of Directors page in the Investor Relations section of [our website](#).

Our Directors are elected in accordance with the Company's Appointment of New Directors Policy, which specifies prerequisite skills, qualifications, and experience. Board nominees are thoroughly screened and interviewed and are required to sign a declaration of ethical and professional compatibility in accordance with the requirements of the Israeli Companies Law. We are neither a party to, nor aware of, any voting agreements among our shareholders concerning the election of Directors or otherwise. There are also no familial relationships among our executive officers or senior management members. The election of Board members is subject to the relevant shareholders' approval, based on a majority vote (not counting abstentions or broker non-votes).

²⁰ In August 2022 Lauri Hanover was named the incoming CFO and is therefore no longer on the Board of Directors.

COMPENSATION REVIEW

- **The Board and the CEO's compensation structure**, which our shareholders approved in accordance with Israeli law, was devised in consultation with an external advisor.
- **Employee compensation** is determined by management and overseen by the Compensation Committee in collaboration with the Board of Directors.

COMMITTEES

Some of our Directors serve on either or both of the Board's two active committees:

1. Audit Committee
2. Compensation Committee

As a foreign private issuer, Kornit has opted out of the requirement to have a Nominating Committee, in accordance with the allowance under the NASDAQ Listing Rules, and all Board nominations are approved by the Board as a whole.

The Board of Directors designates the committees' members, each comprising at least three members.

COMMITTEE MEMBERS

Name	Audit	Compensation
Lauri Hanover ²¹	Chair	+
Dov Ofer	+	+
Yehoshua (Shuki) Nir	+	Chair

Three additional Board committees convene ad-hoc:

1. Mergers and Acquisition Committee
2. Long-Term Product Roadmap Committee
3. Long-Term Strategy Committee

ESG STEERING COMMITTEE

The ESG Steering Committee is responsible for formulating policy, devising strategy, and ensuring governed execution. Members of the Committee include representatives of the middle, senior, and executive management levels from all departments: operations, R&D, marketing, finance, and HR. The ESG Steering Committee meets monthly.

COMPLIANCE

Legal compliance is the foundation for Kornit's ethical standards and practices. The Chief Financial Officer, who serves as our Compliance Officer, oversees all compliance issues, alongside the General Counsel and designated employees.

Our compliance policies complement and support Kornit's core values. Our Code of Ethics, which is public and accessible on our website, specifies the Company's policies regarding the prohibition of non-competitive behavior, anti-corruption, anti-bribery, and fraud prevention. In addition, our compliance policies inform and guide employees on the importance of corporate integrity as a core principle rooted in the Company's culture and practices.

Please view our Code of Ethics [here](#).

ANTI-CORRUPTION AND ANTI-BRIBERY

Integrity and ethical conduct are the foundations of our operations. We hold ourselves to a high ethical standard, knowing that how we conduct our business has a ripple effect throughout the entire ecosystem in which we operate. Highlights are as follows:

- We have a comprehensive set of policies and protocols that seek to ensure that employees and partners follow ethical guidelines.
- An Anti-Bribery and Anti-Corruption (ABAC) policy is available for review by all employees.
- As we engage with customers worldwide, we regularly interact with diverse cultures and customs. Our ABAC policy, therefore, addresses prohibited actions in all locations and applies to all employee levels.
- Our employees participate in annual compliance training on all our policies, including the ABAC, Code of Ethics, and Insider Trading Policy.
- Our goal is to equip all staff with the information they need to follow the ethical guidelines and principles outlined in our policies in every business decision they face.
- Violations of our policies may result in penalties, disciplinary actions, and employment termination, as permitted under applicable law.
- All employees can report concerns via our whistle-blower hotline. Any complaints are investigated thoroughly and resolved per the criteria set by our policies.
- **2021 Achievements:**
 - ◊ 99% of our employees completed our mandatory compliance training.
 - ◊ We had zero incidents of non-compliance via the whistle-blower hotline, and no financial or legal repercussions were brought against the Company.

²¹ Lauri Hanover was a committee member up to being named CFO in August 2022.

CYBER SECURITY AND DATA PRIVACY

The cybersecurity landscape mandates constant defense against attacks, breaches, interruptions, and destruction to the Company's IT and data system. Our IT team, led by R&D specialists and our Chief Information Security Officer (CISO), regularly takes proactive measures to protect our customers' data against malware and cyber-attacks.

In 2021, we designated a special committee to assess Kornit's cybersecurity and data protection risks and develop and implement a data security policy. We also created an annual program to ensure our data safety. This program includes self-evaluations, auditing, tests, and third-party evaluations.

Other highlights of our approach to cybersecurity and data privacy:

- Our comprehensive employee privacy policy prescribes advanced steps and protocols to safeguard personal and proprietary business information.
- We offer data protection training programs, cybersecurity message boards, and regular unannounced inspections support and complement our employee privacy policy.
- We have an advanced data protection IT system that we regularly update. In addition, we back up our data regularly.
- Our information and data security precautions correspond with GDPR (General Data Protection Regulation) requirements.
- We review our protections and periodically take measures to ensure they are compatible with regulatory changes and demands.

We are unaware of any loss of, or disruption to, material information resulting from any malware or cyber-attack in 2021.

Despite these protective systems and remedial measures, techniques used to obtain unauthorized access are constantly changing, are becoming increasingly more sophisticated, and often are not recognized until after an exploitation of information has occurred. We may be unable to anticipate these techniques or implement sufficient preventative measures, and we therefore cannot assure you that our preventative measures will be successful in preventing compromise and/or disruption of our information technology systems and related data. We furthermore cannot be certain that our remedial measures will fully mitigate the adverse financial consequences of any cyber attack or incident.



GRI Standard	Disclosure	LOCATION	
Organizational Profile			
GRI 102: General Disclosures 2016 (CORE)	102-1	Name of the organization	Kornit Digital LTD.
	102-2	Activities, brands, products, and services	6-7
	102-3	Location of headquarters	12 Ha'Amal Street Park Afek Rosh HaAyin, Israel
	102-4	Location of operations	11
	102-5	Ownership and legal form	52
	102-6	Markets served	11
	102-7	Scale of the organization	10
	102-8	Information on employees and other workers	41
	102-9	Supply chain	25
	102-10	Significant changes to the organization and its supply chain	NA
	102-11	Precautionary Principle or approach	36, 47
	102-12	External initiatives	32
	102-13	Membership of associations	NA
Strategy			
	102-14	Statement from senior decision-maker	3-4
	102-15	Key impacts, risks, and opportunities	34, 36, 31, 23
Ethics and integrity			
	102-16	Values, principles, standards, and norms of behavior	9
Governance			
	102-18	Governance structure	52
Stakeholder engagement			
	102-40	List of stakeholder group	13
	102-41	Collective bargaining agreements	None of Kornit's employees are covered by collective bargaining agreements
	102-42	Identifying and selecting stakeholders	13-14
	102-43	Approach to stakeholder engagement	13-14
	102-44	Key topics and concerns raised	15
Reporting practice			
	102-45	Entities included in the consolidated financial statements	5

GRI Standard	Disclosure	LOCATION	
	102-46	Defining report content and topic boundaries	5
	102-47	List of material topics	15
	102-48	Restatements of information	5
	102-49	Changes in reporting	5
	102-50	Reporting period	5
	102-51	Date of most recent report	5
	102-52	Reporting cycle	5
	102-53	Contact point for questions regarding the report	5
	102-54	Claims of reporting in accordance with the GRI Standards	5
	102-55	GRI content index	55-60
	102-56	External assurance	NA
Economic performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	26
	103-2	The management approach and its components	26
	103-3	Evaluation of the management approach	26
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	26
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	53
	103-2	The management approach and its components	53
	103-3	Evaluation of the management approach	53
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	53
	205-2	Communication and training about anti-corruption policies and procedures	53
	205-3	Confirmed incidents of corruption and actions taken	53
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	53
	103-2	The management approach and its components	53
	103-3	Evaluation of the management approach	53
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	53
Materials			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	36
	103-2	The management approach and its components	36
	103-3	Evaluation of the management approach	36
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Not disclosed
	301-2	Recycled input materials used	Not disclosed
	301-3	Reclaimed products and their packaging materials	Not disclosed
Energy			

GRI Standard	Disclosure		LOCATION
GRI 102: Management Approach 2016	103-1	Explanation of the material topic and its boundary	35
	103-2	The management approach and its components	35
	103-3	Evaluation of the management approach	35
GRI 302: Energy 2016	302-1	Energy consumption within the organization	35
	302-2	Energy consumption out-side of the organization	35
	302-3	Energy intensity	35
	302-4	Reduction of energy consumption	35
	302-5	Reductions in energy requirements of products and services	35
Water and Effluents			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	24, 40
	103-2	The management approach and its components	24
	103-3	Evaluation of the management approach	24
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	40
	303-2	Management of water discharge-related impacts	40
	303-3	Water withdrawal	40
	303-4	Water discharge	40
	303-5	Water consumption	40
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	33
	103-2	The management approach and its components	33
	103-3	Evaluation of the management approach	33
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	33
	305-2	Energy indirect (Scope 2) GHG emissions	33
	305-3	Other indirect (Scope 3) GHG emissions	33
	305-4	GHG emissions intensity	33
	305-5	Reduction of GHG emissions	33
	305-6	Emissions of ozone-depleting substances (ODS)	33
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Irrelevant to the company activity
Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	39
	103-2	The management approach and its components	39
	103-3	Evaluation of the management approach	39
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	39
	306-2	Management of significant waste-related impacts	39
	306-3	Waste generated	39
	306-4	Waste diverted from disposal	39
	306-5	Waste directed to disposal	39
Supplier Environmental Assessment			

GRI Standard	Disclosure		LOCATION
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	25
	103-2	The management approach and its components	25
	103-3	Evaluation of the management approach	25
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	25
	308-2	Negative environmental impacts in the supply chain and actions taken	25
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	41
	103-2	The management approach and its components	41
	103-3	Evaluation of the management approach	41
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	43
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	44
	401-3	Parental leave	Not disclosed
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47
	103-2	The management approach and its components	47
	103-3	Evaluation of the management approach	47
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	47
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FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Kornit Digital's sustainability goals and its plans, intentions, expectations, assumptions, goals and beliefs regarding its business. These statements include all matters that are not historical fact and may be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "should", "will", "shall", "may", "is likely to", "plans", "targets," "goals," "outlook", "target", "KPI" or similar expressions, including variations and the negatives thereof or comparable terminology. These forward-looking statements include, among other things, statements about expectations in connection with the Company's environmental, social and governance ("ESG") initiatives, including the targets and goals set forth in this report. Kornit Digital (the "Company") cautions that its forward looking statements are subject to risks and uncertainties that could cause actual results to differ from those expressed in, or implied or projected by, the forward-looking information and statements in this report. Important factors that could cause actual results to differ from those anticipated in these forward-looking statements include, among other things: the extent of the Company's ability to meet its ESG goals and targets and the specified KPIs set forth in this report, including with respect to the reduction of apparel overproduction, reduction in water usage, management of GHG emissions and electricity consumption; the extent of the Company's ability to meet the Company's waste and water management targets; the extent of the Company's ability to maintain a healthy and safe environment for the Company's employees; natural disasters, national security circumstances and public health pandemics or epidemics (such as COVID-19); competition in the industries in which Kornit Digital operates; the degree of the Company's success in developing, introducing and selling new or improved products, technologies and product enhancements; the extent of the Company's ability to continue to increase sales of its systems, ink and consumables; the extent of the Company's ability to leverage its global infrastructure build-out; the development of the market for digital textile printing; the availability of alternative ink; competition; sales concentration; changes to its relationships with suppliers; the extent of the Company's success in marketing; and those additional factors referred to under "Risk Factors" in Item 3.D of the Company's Annual Report on Form 20-F for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission, or the SEC, March 30, 2022, as supplemented from time to time. In light of these and other risks, uncertainties and assumptions, the forward-looking events described in this report may not occur. The forward-looking statements speak only as of the date of this report. The Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on its behalf are expressly

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