



Chapter 6

SOCIAL RESPONSIBILITY

Social Responsibility

Bezeq's Social Involvement Strategy

The "Bezeq Spirit" – Contribution with Remuneration

Bezeq's long years of principled activity supports and underscores its standing as a company with a national, responsible and influential outlook, alongside its being a business company operating in a competitive market. Social involvement at Bezeq reinforces the sense of belonging to the organization, empowers the employees, fosters team bonding, strengthens team pride, and contributes to the quality of human capital at Bezeq.

Social Performance as a Principled Decision

We at Bezeq invest numerous resources associated with social involvement and contribution to the community. We believe that as a business company we do not operate in a void and must contribute towards the public good. The goal of generating profits goes hand in hand with principled and responsible conduct, manifested by the assimilation of social and environmental considerations in the Company's day-to-day operations.

Social Outlook

Technological Equality for All, Through Reduction of the Digital Divide



UN Sustainable Development Goals

The Digital Divide in Israel

Approximately 180 thousand families with children in Israel have no computer at home (as of the beginning of 2020).

The gap between those who have and do not have consistent access to computers and the Internet continues to grow. The gap increases as Israel becomes more dependent on technology, but narrowing of the digital divide diminishes the socioeconomic inequality. These days, Bezeq focuses on giving financial contributions alongside in-kind contributions (by subsidizing services to NPOs) as well as employee volunteer work, with the aim of reducing socioeconomic and educational gaps among the at-risk populations in Israel's social and geographical periphery. Bezeq's support focuses on improving scholastic achievements and excellence in education, integrating

computers and the Internet into education, and training and instruction in employability technology. We accomplish this through the provision of communications and Internet infrastructures, improvement of both basic and advanced computer and Internet skills, improvement of web browsing allowing for the use of empowering content, and construction of advanced technological study and training centers coupled with the incorporation of computers, communications and Internet for occupational advancement.

Goals and Targets

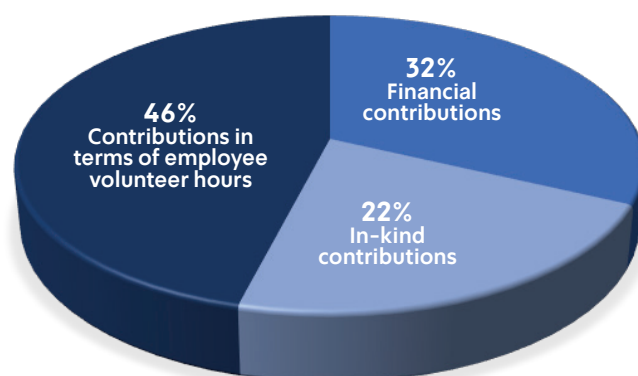
Our primary goal is to create maximum societal value for every contribution made by the Company, coupled with **social innovation**, through **fair and transparent dialogue** with the stakeholders, Company employees, our customers (with emphasis on societies and organizations) and third-sector beneficiaries. Our objective is to serve as a technology bridge for any person, and to give the nonprofit organizations that turn to us an excellent service experience, which is based on a transparent policy, fair and businesslike service, devoid of any marketing stipulations and business commitments, and, of course, an attentive avenue to the needs of the community in a variety of spheres.

The importance for the Company of contributing to society is reflected also in internal surveys conducted by Bezeq in 2019. The employees were asked to choose from among 36 values, the six values that best describe Bezeq. The value of community involvement ranked second, just behind innovation.

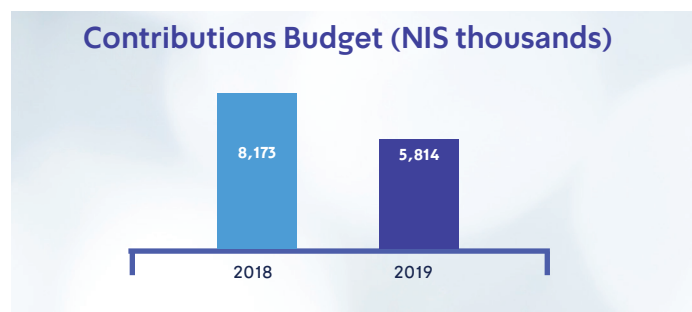
Transparency by Numbers

The Bezeq Group publicizes annually in the Company's financial statements the amount and purpose of its contribution, thereby enabling measurement of its activity in this sphere by public organizations.

In 2019, Bezeq invested NIS 5,814,023 in financial and in-kind donations as part of its social program.



The difference in budget between 2018 and 2019 stemmed from changes in the contribution policy at Bezeq and the shift from financial donations to NPOs, to the contribution of Bezeq services. The shift necessitated formulating and approving criteria, technical and system-wide changes, communicating with the NPOs, etc., all of which took a considerable amount of time during the year. Therefore, in 2019, the budget for subsidized services (in-kind) was not fully executed. In 2020, the new policy is being fully implemented and it appears that the budget will be fully utilized.



Bezeq as a Strategic Partner of NPOs

Focused Investment

To augment Bezeq's social impact, we chose to focus our investment on nonprofit organizations that are clearly tied to the values that Bezeq espouses – support and advance technologies alongside narrowing digital gaps in education and throughout the society.

Criteria for Selecting NPOs to Receive Subsidized Communications Services

Target Population

Nonprofit organizations/authorities that deal with the areas of education and culture; bridging of the digital divide; social, environmental, business or technological entrepreneurship; and advancement of employability. Weaker populations in the social and geographical periphery: children, youth and young adults at risk, lone soldiers, needy students, new immigrants, women, elderly people, patients and needy families from all sectors in Israeli society and people with disabilities and special needs.

Channels for Conducting a Dialogue with Our Social Partners:

Bezeq's website serves as a channel for communication and dialogue with the Company, through which one can find information on contribution to the community, Bezeq's social investment policy and its plans in this area.

Likewise, meetings are held with the NPOs we collaborate with, in order to coordinate the number of volunteers from the Company and to optimize the projects.

20 Years of Collaborative Work

Partnership between Bezeq and Tapuach (Appleseeds Academy)



UN Sustainable Development Goals

The nonprofit organization Tapuach was founded in 2000 with the aim of facilitating technological equality for all and narrowing the digital divide, by providing access to information and technology. The NPO specializes in creating, managing and running technology programs nationwide, which incorporate the advancement of digital equality in Israel through the development and implementation of programs in the areas of technology, employment and education. Since its founding, the NPO has collaborated closely with Bezeq to attain its goals.

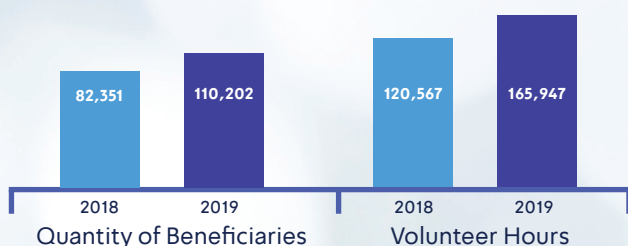
Dafna Lifshitz, CEO of Tapuach:

"The connection between Bezeq and Tapuach is not just another collaboration between a business company and a nonprofit, but a reality-changing partnership that can be measured."

With the help of Bezeq's contributions, approximately 100 thousand beneficiaries in localities across the country, benefit from the services that the NPO provides. Bezeq supports Tapuach on several tiers, which include the deployment of infrastructures and communications services in facilities (e.g., schools and youth movement structures), advancement of employability via training courses, and construction of computerized learning centers. The overall contribution to Tapuach for 2019 (both financial and in-kind) stands at **NIS 1,745,352.**

The following graph shows the number of employee volunteer hours and the quantity of beneficiaries (in conjunction with Tapuach) who benefited from Bezeq's contributions in 2019, compared to 2018.

Bezeq's Contribution to Tapuach in Terms of Volunteer Hours and Quantity of Beneficiaries



Dialogue with the NPO Tapuach

A meeting is held with the nonprofit organization on a quarterly basis as well as ahead of the budget for the coming year, at which time targets and indicators are set.

Key Projects That Are a Collaboration between Bezeq and the NPO Tapuach

Bezeq in Support of Youth and Young Adults

Innovative Technological Learning Centers

This is the flagship project of Bezeq and the nonprofit organization Tapuach, which commenced in 2010 as a joint project from its very inauguration.

As part of the project, 21 technological learning centers have been set up across the country, which are intended for all segments of the society, including the elderly, unemployed, youth and children. These centers deliver content encouraging active learning and provide the possibility for customized delivery of advanced content, enabling team learning as well as experiential self-study. The community knowledge centers are located in: Kfar Saba, Ashkelon, Yarqa, Karmiel, Dimona, Umm al-Fahm, Eilat, Jisr az-Zarqa, Holon, Bnei Brak, Givat Olga, Tira, Beer Sheva, Acre, Upper Nazareth, Beit She'an, Ramla (at Vilna and Tchernichovsky), Kiryat Shmona, Bat Yam, and Tel Aviv.

The children of today are not the children of yesteryear; therefore, the space they spend time in must be adapted to their needs and capabilities, which continue to grow and develop with each passing year. The innovative learning spaces that have been constructed in recent years are hybrid spaces that change according to content and optimally utilize the physical setting. The centers are connected to Bezeq's Internet infrastructures, to facilitate delivery of the content and courses in the most professional and innovative way.



Technological Center in Kfar Saba — additional centers are being built and are expected to open during 2020

Net@ Program

A national technological youth movement that incorporates high-tech training courses and instills technological excellence and leadership qualities. The four-year program is attended by 1,500 active trainees in approximately 20 localities and cities. Every year-end, the trainees who have completed their study track receive a vocational training certificate. This is the only long-term youth program in Israel that brings together Jewish, Moslem and Christian youth.

Daniel Na'im

2009 – Trainee in the Neta Youth Organization

2019 – Product manager at Microsoft, who dreams of having his own company.

"Neta increased my love for technology and led me to become acquainted with new and talented people. I received the tools to learn new technologies and how to set goals for myself in life."

Niv Yungelston

Graduate of Net@ Karmiel. Already managed to successfully complete the Net@ Program, was drafted into an elite technology unit in the army, and placed for several intriguing jobs and projects in civilian life.

"I arrived at this company after being exposed to the project at school. The experience at Net@ Karmiel helped me feel comfortable exploring and going into new technologies that I never worked on before. The knowledge I acquired at Net@ served as a springboard for me into a technology unit in the army, where I accumulated all my initial experience in the technology world."

Technology Ambassadors in the Community

Dozens of volunteers aged 18–21 from Jewish and Arab society wishing to volunteer for national and civic service, have been certified for technology instruction, and constitute a central avenue for teaching technology at schools and in the community.

Activities in the Education Systems

The integration of technology in the processes of teaching, learning, evaluation, guidance and professional counseling, which is intended to combine technology with pedagogy.

Bezeq on Behalf of Advancement of Employability

As a large employer in the Israeli economy and as a large company, we consider it important to help the young generation. Successful integration in the world of employment helps people break the vicious circle of poverty, exhaust their full potential, and optimally integrate into Israeli society.

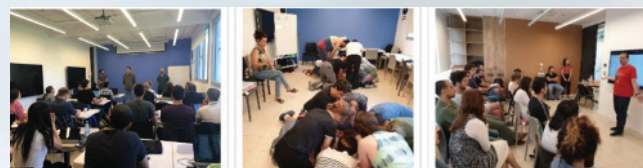
We at Bezeq help thousands of people to receive technological trainings with emphasis on employability, with a view to narrowing existing gaps. To date, the program has trained, with the aid of Bezeq's direct donations, 2,793 people, and operates in approximately 50 localities throughout Israel.

Three of the key programs operated by the nonprofit organization in conjunction with Bezeq:

Seeds Accelerator- High-quality entrepreneurial training

Skills- Professional market-oriented school

Bootcamp- Course for training experienced technical workers in the high-tech subjects in Israel



Social Involvement of Bezeq Employees

We encourage our employees to volunteer

In 2018–2019, thousands of Bezeq employees did volunteer work, both as part of the working hours at the Company and also privately. In 2019, we initiated a process for managing the volunteering in an institutionalized manner through documentation of the quantity of employee volunteer hours in the Company's systems, for purposes of record keeping and raising awareness among the employees.

Bezeq has a specially earmarked budget for these activities. Every year, different Company divisions choose a volunteering program and a project they wish to participate in and receive an earmarked budget for it.

We set up a community contribution portal and send frequent emails on the topics of community involvement and fostering of divisional volunteering. Each division at the Company selects at least one NPO on which to focus its volunteering activities during the work year.

We value and recognize our employees for their volunteering activities

In 2019, we held an Outstanding Volunteer Award ceremony at the Company. Three winners were chosen for their extraordinary contributions to the community, with each receiving a certificate of recognition and the possibility to donate NIS 10,000 on behalf of Bezeq to any NPO of his/her choice.

Bezeq as a partner in creating significant impact – Employee volunteering projects

Bezeq in Support of Youth at Risk and Advancement of Employability



Trainees Project A two-year program promoted by the Human Resources Department, which has been facilitating the employment of youth from disadvantaged families already for several consecutive years. Ninety youths from tenth to twelfth grade from 17 different schools and organizations work once a week at Bezeq (at call centers helping out technicians, in logistics, etc.). The work gives these youths a framework, motivation, a horizon, and above all a sense of their own value. In the course of the last eight years, Bezeq has hired a total of **1,250** youths.

Approximately 20 company managers meet with children up to tenth grade from the Amal school in Tel Aviv, as part of a collaboration with the nonprofit organization Elem. During these meetings, the company managers engage in discussions with the children and eat lunch with them.

The Business Division organizes birthday parties for children who live at boarding schools (e.g., Kanot) in collaboration with the nonprofit organization

Children with a Chance (Yeladim B'Sikui), whose aim is to help boarding school children and graduates break free from their difficult life circumstances.



Bezeq in Support of Children

• **"A Computer for Every Child"** – A collaboration between Bezeq and the nonprofit organization "A Computer for Every Child," that annually donates **5,000** computer kits for needy families, providing a computer, 45-hour guidance, software and tutorials, Internet connection and a technical support call center. The main objective is to enable children from distressed populations to acquire basic technological skills and be able to readily connect to databases. In 2019, Bezeq donated NIS 684,000 to this project.

• **Bezeq donates computers to children, nonprofit organizations and schools also independently.** In 2019, Bezeq contributed communications services to NPOs and needy people totaling NIS 150,000.

• Employees of the Call Centers Department at the Private Customer Division delivered the course "Getting to Know the Computer" to parents and children at elementary schools, with computers distributed at the end of the course.

• Employees of the Finance Department work in conjunction with the nonprofit Educating for Excellence (Hinuch LePsagot), which strives to narrow social gaps, by creating equal opportunities for children and youth with a potential for excellence, in Israel's social and geographical periphery.

• The Human Resources Department set up a summer volunteer project for employees' children. The children work at 13 nonprofit organizations and associations, with Bezeq paying the wages for them. The project provides the children with an organized framework during the summer vacation, where they work on behalf of and contribute to the community.



Bezeq on Behalf of the Elderly

•Bezeq has partnered with the organization “Generation to Generation” (Dor LeDor), which has set itself the goal to bridge the divide created in Israeli society between the young and old generations. Bezeq’s technicians come to help senior citizens who have trouble operating technological devices, with the aid of the NPO’s interface with Bezeq’s work tablet. The call appears as a task on the technicians’ work schedule. In 2019, there were 300 calls.

• Community courses (“Veteran Click”) A digital literacy program for senior citizens implemented with the help of volunteers from the Technologies & Network Division who serve as assistant instructors in the various courses given throughout the country. The project’s objectives are to increase the use of technological devices to improve the quality of living of the participants, to provide answers and solutions to the elderly, and to help them connect to the digital world. Participants testified that the activities with Bezeq workers contributed greatly to their sense of security.



Bezeq in Support of Health

The employees of the Human Resources Division built a patio for the Rehabilitation Department at the Sheba Hospital, donated benches for those staying at the department, and held several evenings of morale-boosting activities for the patients such as a sing-along and an evening devoted to cosmetics and skincare.



Bezeq on Behalf of Boosting Nutrition Security

The Engineering and Technology Division collaborates with the nonprofit organization “Leket Israel,” which is the national food bank and the largest food salvaging network in Israel. The workers prepared packages for the needy and distributed them throughout Israel. In addition, hundreds of the Company’s employees took part in a project organized by the NPO “Or Lamishpahot,” in which 1,300 gift packages were prepared and distributed to bereaved families throughout Israel.



Bezeq in Support of Education and Academia

•The Operations & Logistics Division provides mentorships to students at the Herzliya Interdisciplinary Center (IDC).

•Bezeq scholarships for higher education: Since Bezeq launched its program in 2014, a total of 375 study scholarships have been granted to students at various institutions in Israel. In 2019, scholarships were granted, among others, to students from Bar Ilan University and needy students studying at the Herzliya Interdisciplinary Center, under the Keren Or Program.



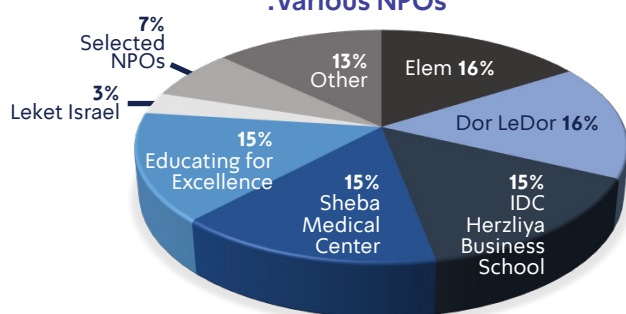
Gili Dinstein, CEO, Friends of IDC:

“I wish to thank you for your donation of ten scholarships of NIS 7,000 each, for needy students... Aside from the economic assistance that is very important to us, it is important for you to know that we greatly appreciate the special connection and the mutual commitment created between our students and Bezeq. Our students have been most fortunate!”

We at Bezeq are proud to note that in recent years the value “community involvement and contribution” has ranked very high on the scale of values that are viewed as most important by our devoted and principled employees.

In 2019, we gave NIS 454,652 in incidental donations to various nonprofit organizations, in addition to the volunteer work of employees at these NPOs.

Segmentation of Volunteer Employees at Various NPOs



Looking Ahead at 2021 Major Channels of Activity



UN Sustainable Development Goals

As the largest, oldest and leading telecommunications company in Israel, which provides advanced telecom services to millions of customers, Bezeq bears the responsibility of continuing to help the weaker populations to connect to the advanced telecom services and benefit from the new opportunities that have opened up.

We will continue to assiduously pursue the goal of narrowing the technological gap and increasing digital equality in Israel.

The Company will continue to focus on giving direct financial donations to nonprofit organizations and subsidizing infrastructure and Internet setup services, and will deepen the long-standing connection of the employees with additional NPOs as part of the employees' volunteer work. Next year will also see the implementation of a wide-scale social program, with a dedicated budget to be set to achieve these goals.

Bezeq will continue its strong collaboration with the nonprofit Appleseeds Academy (“Tapuach”)

We will continue to contribute towards the construction of community knowledge centers throughout the country and their conversion into smart learning spaces, as well as towards the ongoing maintenance of existing centers.

Likewise, we will continue to conduct regular community activities with Tapuach, along all avenues, such as the promotion of advanced employment, the Net@ Program, and the operation of the FIXIT community computer repair labs.

“Appleseeds’ Smart Classroom” Application

In 2020, Tapuach (Appleseeds) will launch an application for measuring and assessing the activities conducted by the nonprofit thanks to Bezeq.

The application will enable monitoring activities in real time and receiving immediate, reliable information from the field. The information will allow Bezeq and Appleseeds to respond in real time to needs arising from the activities, and to continually improve youth activities and promote employment throughout the country.

All these and more will be made possible by a donation of NIS 1,000,000 to the NPO, as in past years, with the addition of NIS 800,000 to subsidize communications and infrastructure services for the NPO and its centers.

Employee Volunteering

Bezeq undertakes to continue encouraging its employees to volunteer and contribute to the community, including in the framework of working hours at the Company.

Major Projects:

Working and Studying Youth – “Trainees Project”

Volunteer work by employees’ children during summer vacation.

Volunteering projects on behalf of the community initiated and carried out by the various Bezeq divisions.

Funding and subsidizing of communications services for NPOs and needy people, as part of the “A Computer for Every Child” project.

To promote our vision to close the technological gap and advance social issues, Bezeq’s community contribution budget in 2020 stands at **NIS 7,470,000**.

Targets for 2020

