



 Bezeq  yes.  Pelephone 5G  INTERNATIONAL
TECH

Connecting Israel to a Better Future

2023 Corporate Responsibility (ESG) Report

Contents

Introduction	1
A letter from the chairman of Bezeq Group	4
Joint responsibility for creating value	5
About Bezeq Group	6
History of Bezeq Group	7
ESG at Bezeq Group	8
ESG achievements.....	9
The vision: Connecting Israel to a Better Future	10
Dialogue with stakeholders	12
Material reporting issues	13
Contributing to the achievement of the UN Sustainable Development Goals.....	14
Participating in ESG frameworks	16
Bezeq Group Connects Israel to a Better Future .	17
Israel's next generation of the internet	19
The fiber optic project in numbers.....	20
Technology for digital equality	20
Bezeq's state of the internet report	21
Pelephone's 5G	22
Bezeq International TECH: Connecting Israel to the world	23
Original content of yes: Diversifying and reflecting real life situations	24
Bezeq Group and the Swords of Iron War	27
Appreciation for action in the Swords of Iron war	33
Bezeq Group's Social Impact	34
Key community projects of Bezeq Group.....	35
Key community projects of yes.....	39
Key community projects of Pelephone	40
Key community projects of Bezeq International TECH .	42
Striving for Responsible and Fair Employment	43
Enhancing the employee experience	44
Supporting gender equality, diversity, and inclusion	46
Safety and Health are Top Priorities	46
Addressing the Climate Crisis and Environmental Quality	54
Committed to net zero GHG emissions by 2050.....	56
Environmental efficiency of fiber optics	56
Scope 3 calculation – leading the market	58
Leading the private and green electricity revolution ..	59
Corporate Governance and Ethics at Bezeq Group..	60
Ethical management.....	61
Ethics training at Bezeq.....	62
Contact channels to promote ethics	63
Preventing discrimination, sexual harassment, and abuse.....	63
Work of the board of directors	64
Gender diversity in the board of directors	65
Adoption of internal compliance plans.....	66
Securing Information and Protecting Privacy	67
Cyber protection services for customers of the Group companies	69
Excelling in Service	71
Service metrics	72
Activity to improve service at Bezeq Group	73
Providing protected and safe content for various population groups.....	74
Fairness and ethics in customer service.....	74
Public inquiries	74
Accessibility of physical and digital service.....	75
Service projects in 2024.....	76
Committed to Responsibility in Procurements and Fairness with Suppliers	77
Promoting social and local procurement	78
About the Report	79
GRI Index	80

From the Chairman of Bezeq Group

Dear readers,

Amid the Iron Swords war, we present Bezeq Group's Corporate Responsibility (ESG) report for 2023. During this period, our vision of contributing to a better future for the State of Israel takes on even greater significance. This report, Bezeq Group's fifth ESG report and the third that includes Bezeq's subsidiaries, Pelephone, yes, and Bezeq International TECH, presents the widespread efforts we invest in corporate responsibility and the importance we attribute to the recent trend of increasing transparency and sharing information with you, our stakeholders.

Since the October 7th attack and throughout the Swords of Iron War, Bezeq Group has maintained business continuity and routine communication services for all Israeli residents. In doing so, Bezeq provides a critical response to the security forces on all borders of Israel, thanks to the Group's employees who work both day and night, under highly challenging conditions, to always maintain the integrity and operation of a reliable infrastructure for Israel's security forces and citizens.

In this ongoing war, Bezeq Group stands by its employees and families- those who have been injured, evacuated from their homes, or called up for reserve duty. In special appreciation of the 800 Bezeq employees, men and women, who were called up for reserve duty in the Swords of Iron War, the Group awarded a special grant in the total amount of NIS 4 million. We also provided telecommunication equipment, products, and services to hundreds of evacuee families and public shelters in the north of Israel. We supported our employees' volunteer efforts and contributed to IDF soldiers, displaced

communities, and other affected populations—while continuing our ongoing investment in the Group's routine social responsibility channels that strengthen the social fabric, advance the socio-geographical periphery, and create conditions for digital equality.

As Israel's largest telecommunication group, we see ourselves as an integral part of the revival efforts in Israel, and we will continue to work tirelessly to make this possible.

To achieve our ESG goals, we will continue to advance our commitment to gender equality, diversity, and inclusion and reduce our environmental impact, as demonstrated by joining the "Zero Hour" initiative of the Ministry of Environmental Protection and calculating our Scope 3 emissions.

Dialogue with our stakeholders is fundamental to the Group's management culture. I invite you to read about the Group's activities and respond to the report so that we can continue to learn and improve.

To conclude, I want to thank all of the Group's employees, who, since October 7th, have been working around the clock, both on the front lines and on the home front. Despite facing personal challenges, they remain dedicated to connecting people and places across the globe.

We all yearn for the safe return of all our hostages and soldiers and hope for better times.

Tomer Raved
Bezeq Group Chairman



Joint responsibility for creating value

Dear readers,

As leaders in telecommunications and ESG, we at Bezeq Group understand the magnitude of our responsibility to lead sustainable growth processes, with a focus on the social and environmental impact of our activities.

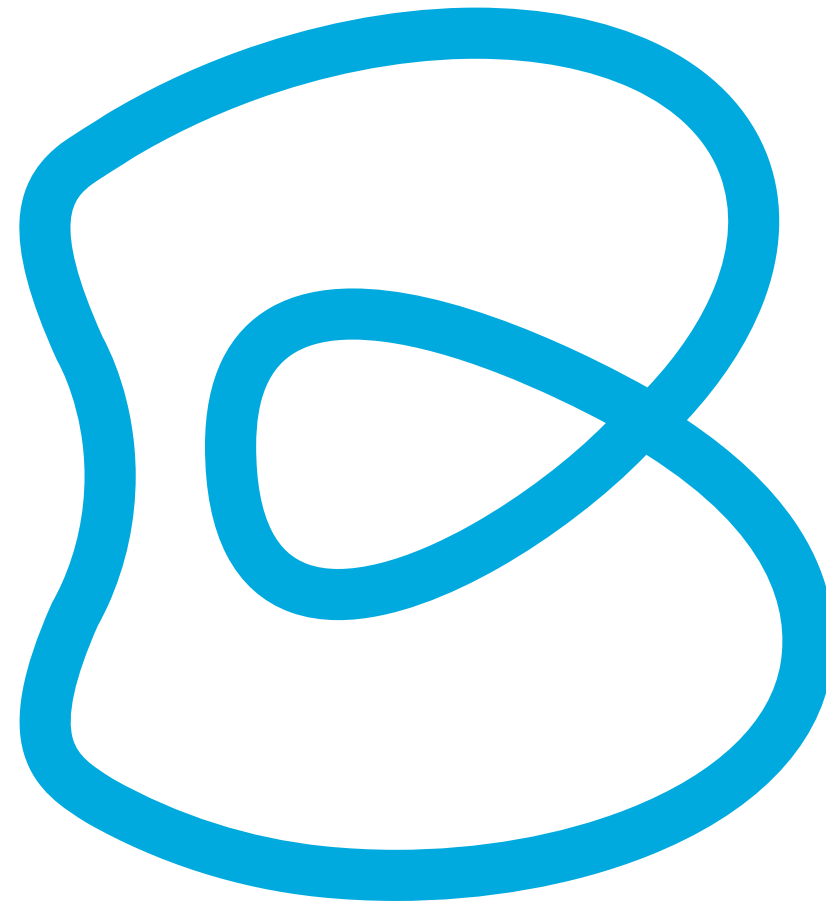
In an age where technology plays a central role in shaping daily life, all of the Group companies are committed to using this power for the common good. As part of our vision to connect Israel to a better future, we strive not only to provide excellent services to our customers but also to make a significant contribution to environmental sustainability, narrow social divides, and be a loyal partner to the communities in which we operate.

In the policy that guides our business conduct, Bezeq Group, which includes the subsidiaries yes, Pelephone, and Bezeq International TECH, has committed to achieving zero carbon emissions by 2050, reaching gender equality in management by 2030, and ensuring at least 20% of our employees from diverse populations by 2030.

The Group's employees constantly strive to identify opportunities to have a positive impact, integrate ESG principles into the corporate culture and the day-to-day activities of the Group, and uphold high standards of ethics and corporate governance. In this process, we cooperate with our stakeholders, listening to their needs and concerns and acting with determination for continuous improvement in all the areas where the Group companies operate.

This report reflects our commitment to a transparent and responsible process. It is an opportunity to present the measures we have taken thus far, the successes and challenges we have faced, and the strategic direction in which we intend to move forward.

By working together, we will continue to lead the field and create lasting value for our stakeholders.



Best regards,



Tali Tuval
VP of Corporate
Communications at Bezeq Group



Mirit Cohen
VP of Corporate Communications
at yes and Pelephone

About Bezeq Group

In 2024, Bezeq Group marks 40 years since its founding, during which it has established itself as the leader in Israel's telecommunications market. The Group includes Bezeq and its four primary subsidiaries: Pelephone, yes, Bezeq International TECH, and Bezeq Online. Bezeq Group provides both private and business customers with a range of services, including fixed-line and cellular telecommunication services (internet and telephony), multichannel television, integration solutions for organizations and companies, and outsourcing services and call centers. This report reviews the activities of Bezeq, Pelephone, yes, and Bezeq International TECH, which are the leading companies in the group.

The Group companies are leaders in their respective fields: Bezeq, Israel's leading telecommunications company, provides telecommunication services to over a million customers and hundreds of thousands who use its telecommunications network. Pelephone provides advanced cellular services to over 2.6 million subscribers, including 1.1 million 5G users; yes provides multichannel television services to 574 thousand customers and fiber service to 44 thousand subscribers; Bezeq International TECH provides telecommunication and IT solutions for companies and organizations.

Financial performance of Bezeq Group

(NIS millions)	2021	2022	2023
Total revenues	8,821	8,986	9,103
Adjusted EBITDA*	3,709	3,736	3,817
Adjusted net profit*	1,154	1,196	1,328
Investments	1,691	1,713	1,708

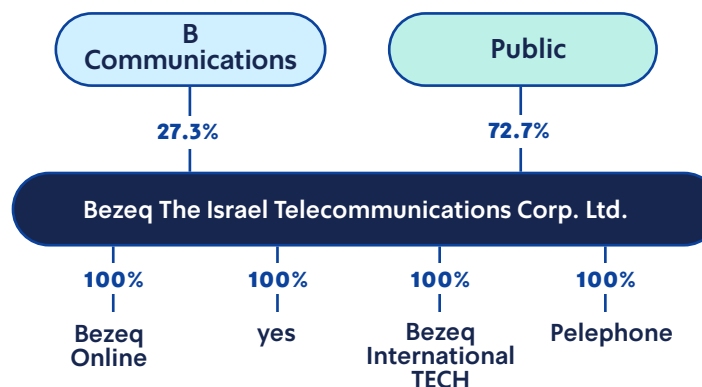
* After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation

Bezeq is a public company listed on the Tel Aviv Stock Exchange. It is required to file periodic and immediate reports on its operations and financial information under the provisions of the Israel Securities Law and its related regulations. In 2022, Bezeq International TECH was rebranded to focus on the business sector, and it acquired a public cloud subsidiary of AWS. Additionally, in April 2022, Bezeq began to market and provide an end-to-end internet service that includes infrastructure and internet access (ISP) for private customers, and starting in 2022, yes became an authorized ISP and provides internet services over fiber (infrastructure through a wholesale market).

In January 2024, as part of Israel's electricity reform to allow competitive

agreements between consumers and private electricity suppliers, Bezeq's board of directors approved the company's entry into the electricity market. Bezeq and PowerGen Ltd. established a joint venture called BezeqGen, which started supplying the new Bezeq energy service to the public in June 2024.

Holding structure of Bezeq Group**

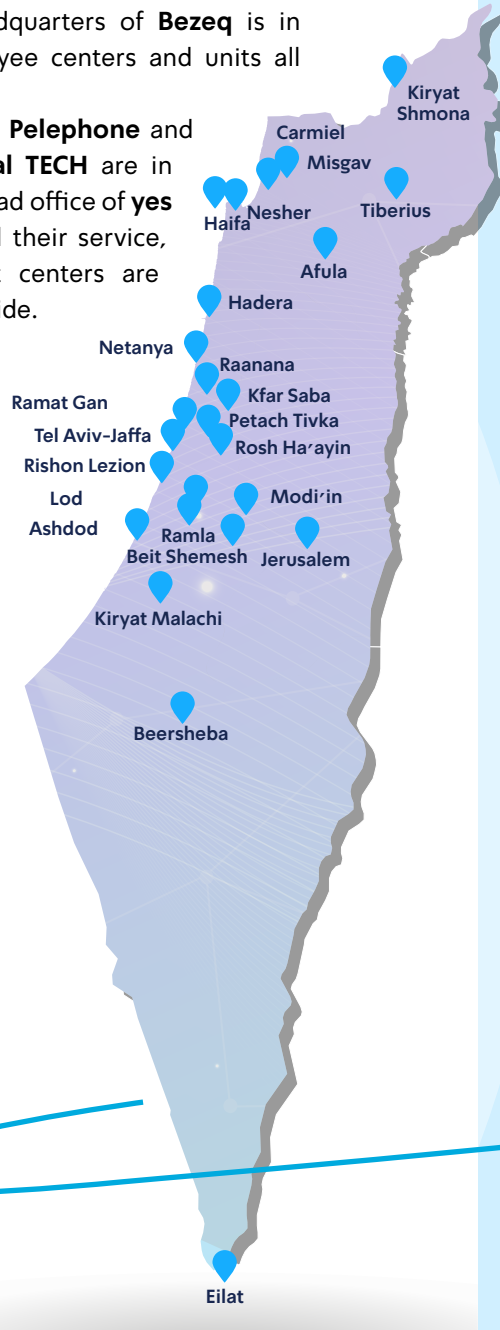


** As of May 2024

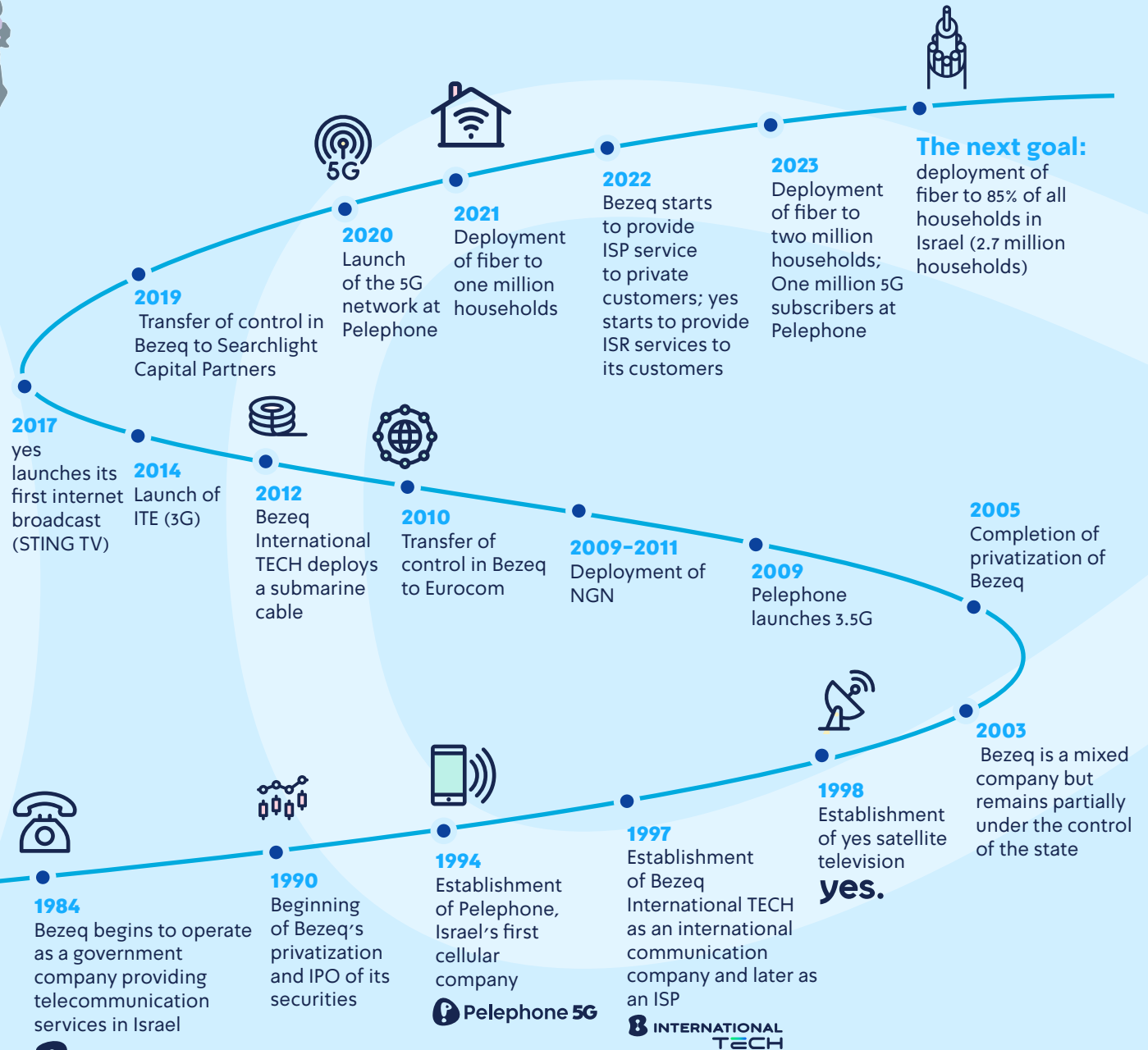
Providing service all over Israel

The corporate headquarters of **Bezeq** is in Holon, with employee centers and units all over the country.

The head offices of **Pelephone** and **Bezeq International TECH** are in Petach Tikva, the head office of **yes** is in Kfar Saba, and their service, sales, and support centers are distributed nationwide.



History of Bezeq Group





ESG

at Bezeq Group

ESG achievements

Environment

20% reduction in water consumption of the Group

91.3% upcycling of products at the Bezeq International TECH facility

For the first time: the measurement of **Scope 3**

72% of Bezeq Group's cars are **electric and hybrid**

Social

Over **47%** of Bezeq's employees volunteered this year

10,772 volunteer hours for the community

Proportion of women at management levels:

- 46%** at yes
- 54%** at Pelephone
- 38%** at Bezeq International TECH
- 37%** at Bezeq

On the extended management of yes and Pelephone, **the number of women executives doubled**

16% of employees from **diverse populations** at Bezeq

91.4% of employees are unionized **under collective agreements**

612 onsite inspections for contractors in the Group and **111 spot checks and sample checks** of pay slips and payments for service providers

Bezeq connected internet infrastructure in **1,000 shelters**

Donation of thousands of Pelephone mobile devices and telecommunication equipment and infrastructure of yes for evacuees

Corporate governance

33% of women on the board of directors

800 hours of ethics training at Bezeq

98% of all employees of yes, Pelephone, and Bezeq International TECH **completed the Code of Ethics tutorial**

Bezeq joined **WEPs, the gender equality initiative** of the UN

Preparation and publication of the Supplier **Code of Ethics**

Participation in safety training: **100%** of the relevant employees at Bezeq

Completed an online safety course:

- 91%** of yes employees
- 95%** of Pelephone employees
- 92%** of Bezeq International TECH employees

The vision: Connecting Israel to a Better Future

The interaction between the Group companies and their stakeholders lies at the heart of the Bezeq Group's ESG principles, which are founded on responsibility, transparency, and dialogue.

Bezeq Group's sustainability vision of connecting Israel to a better future is based on three areas of corporate responsibility: environment, society, and governance, and the Group strives to integrate them into its business strategy fully.

Bezeq Group and the Swords of Iron War

The surprise attack on Israel on October 7th followed by the outbreak of the Swords of Iron War that broke out in its wake required us, at Bezeq Group, to take emergency action: Bezeq and Pelephone employees were among the first to be called to repair the damage of the attack and reconnect severed communication lines as well as restore damaged infrastructure, often under fire; employees and their partners were also called up for reserve duty under a Tzav 8 emergency order; and of course, all Group companies were required to continue providing services to the security forces and citizens on the home front – in homes, safe rooms, and shelters, including in the temporary accommodations to where they were evacuated.

* See Bezeq Group and the Swords of Iron War chapter for further information.

Environmental responsibility

Bezeq Group strives to minimize its effect on the climate and the environment. In 2023, the Group prepared a plan for net-zero carbon emissions by 2050, according to the science-based targets of SBTi for Scope 1 and Scope 2, and calculated the emissions attributed to it in Scope 3.

In the past year, Bezeq joined the Ministry of

Environmental Protection's Zero Hour initiative, becoming the first telecommunications company to do so and committing to net-zero carbon emissions in Israel.

* For further information, see the chapter Addressing the Climate Crisis.

Social responsibility

Bezeq Group attributes great importance to its human capital. We take care of the well-being and development of our employees in various ways. We believe that expanding human diversity and gender equality improves our work environment. Therefore, we have set goals to achieve a complete gender balance in management positions and to increase the proportion of employees from underrepresented populations in the Israeli labor market.

* See the chapter Striving for Equal and Fair Employment for further information.

The Group companies also invest heavily in contributing to and being involved in the community, including initiating volunteering and social projects. They focus on narrowing the digital divide and reinforcing the social fabric through long-term support of social organizations and subsidizing telecommunication services and infrastructure.

* See the chapter Connecting Israel to a Better Future for further information.

Corporate governance

High-quality and efficient corporate governance is the sole basis for building long-term success. The Group companies invest heavily in their conduct under proper corporate governance through compliance plans, feedback, and audit systems, all while adopting advanced management norms and a commitment to excellence. Bezeq's board of directors, most of which also serve as directors in the Group's subsidiaries, set a goal to achieve gender equality in its composition – having at least 40% women by 2030.

* For further information, see the Corporate Governance and Ethics chapter at Bezeq Group.

Responsible procurement

At Bezeq Group, we ensure that the ESG norms we set for ourselves are also applied when working with our suppliers. Therefore, we maintain fair agreements with our suppliers, fulfill all our obligations towards them, and use payment policies that benefit small-scale suppliers, suppliers of labor-intensive services, and more.

* For further information, see the chapter Committed to Responsibility in Procurements and Fairness with Suppliers.

ESG goals of Bezeq Group



By 2050, we will reach the target of net zero emissions



By 2030, we will increase the proportion of women in management positions to 50% and the proportion of women on the board of directors to 40%



By 2030, we will increase the number of employees from diverse populations to 20%

* Underrepresented populations in the labor market: people from Arab and ultra-Orthodox communities, Israelis of Ethiopian origin, and people with disabilities.

Advanced, high-quality, and accessible communication for all

As part of the Group's ESG strategy, we aim to reduce the socio-economic divides between the center and the outlying areas and contribute to Israeli society's economic and human development. The companies provided advanced, diverse, reliable, stable, and safe communication and content services during this reporting period.

Bezeq, the owner of Israel's leading fiber network, provided widespread access to high-speed internet to 2.3 million households following the deployment of fiber optic technology, with a plan to expand deployment to 2.7 million households.

Additionally, in 2024, the company launched Bezeq Energy, which allows smarter and more cost-effective electricity consumption.

Pelephone, the first to launch 5G in Israel, continues to lead the field in Israel with over 1.2 million 5G customers and ongoing infrastructure deployment nationwide. At the beginning of 2024, Pelephone was the first to launch the eSIM service and operate an independent 5G network in Israel.

yes has transformed into a leading telecommunications company for fiber and television services, maintaining its position as the top provider of Israeli productions and is at the forefront of diverse representation in original content. **yes** continues to gradually phase out satellite broadcasting in favor of IPTV; over 75% of its customers consume IPTV services.

Bezeq International TECH was rebranded to focus on the business sector and continues expanding its cloud services, telecommunications, and cyber protection range.

It provides hybrid ICT solutions for the business sector and a wide range of end-to-end telecommunications, IT platforms, and infrastructure solutions.

Participation in international conferences

To maintain high standards and offer the most innovative services in Israel, Bezeq Group representatives attend leading international conferences. They are exposed to advanced technologies and new global communications, ICT, and telecom market trends and assess their integration in Israel.

ESG management in Bezeq Group

ESG is managed independently across the various companies.

At Bezeq, ESG is managed by the ESG director, who leads the ESG officers' forum, drives ESG initiatives across the company's divisions, and reports to the VP of Corporate Communications.

ESG activity is reported regularly and proactively to senior management, the CEO, and the company's board of directors.

To achieve the Company's ESG goals, dedicated forums have been established to develop multi-year work plans and monitor performance:

- ✓ Gender equality, diversity, and inclusion forum, headed by the VP of Human Resources
- ✓ Energy efficiency and carbon footprint forum, headed by the VP of Logistics and Operations
- ✓ The company appointed a diversity, inclusion, and gender equality officer

At yes and Pelephone, ESG is managed by the ESG director, who heads a forum with the participation of managers from various sectors relevant

to the activity and reports to the VP of Communications of the companies. To advance the goals of the board of directors, two forums were established to develop multi-year work plans:

- ✓ Environmental forum, headed by the VP of Logistics
- ✓ Gender equality, diversity, and inclusion in management positions, headed by the VP of Human Resources

At Bezeq International TECH, ESG is managed by the HR director, who heads a forum with managers from various sectors relevant to the activity as part of the board of directors' objectives.



Dialogue with stakeholders

As a telecommunications group that provides diverse services to Israeli citizens, as well as to businesses, corporations, and government organizations, we influence and are influenced by different stakeholders. These include the company's customers, such as internet users, mobile and landline telephony and television service users, business customers, holders of the company's shares and securities, employees, suppliers, government ministries, and local authorities, as well as community and environmental organizations. Each Group has different expectations from us according to their unique needs, and we understand them through fruitful and ongoing dialogue.

Stakeholders	Dialogue management
Private and business customers	<ul style="list-style-type: none"> ● The Group companies perform routine activities with their customers through various channels, such as customer call centers, digital contact channels, physical service centers, periodic satisfaction surveys, and focus groups. ● The companies analyze the feedback results. In addition, relevant factors in each company are analyzed proactively to improve service, focus investment on new products and services, and more.
Suppliers	<ul style="list-style-type: none"> ● Dialogue with our suppliers is held by the Group companies' purchasing units, reinforcing the relationship with suppliers and expanding the pool and competition.
Regulators and government entities	<ul style="list-style-type: none"> ● The Group maintains a routine and ongoing dialogue with regulators in general and with the Ministry of Communications, participating in discussions, conventions, and round tables to establish Bezeq's professional relationship with government officials and policymakers.
Employees	<ul style="list-style-type: none"> ● The Group's employees are its primary stakeholders and dialogue with them is crucial to success. Dialogue is held through diverse channels: employee councils, committees, professional forums, training, ongoing dialogue, feedback conversations, organizational surveys, and mechanisms for inquiries and suggestions.
Civil society organizations	<ul style="list-style-type: none"> ● The Group maintains widespread relationships with various civil society organizations and associations to implement its social policy. This includes developing employment diversity programs and making the companies' services and products accessible, collaborating on social projects, making financial contributions, providing free telecommunication services, and encouraging employee volunteerism in the community.
Holders of shares and other securities	<ul style="list-style-type: none"> ● The Group communicates with its investors by publishing periodic and immediate reports, as required by security laws and other means, including publishing presentations for the capital market. ● The Group also periodically monitors analyst ratings—including in the ESG sector—and aims to adopt measures to improve various aspects of its current conduct and reporting.

Material reporting issues

In accordance with GRI Universal Standards 2021, the key issues for Bezeq Group were reaffirmed with both internal and external stakeholders in 2023.

The process was based, among other things, on surveys, personal interviews, and analysis of outside information sources, such as ESG reports of companies in the telecommunications sector and international reporting standards. Following the revised reporting standard, we organized the essential issues in a non-hierarchical list:

Environment

- ✓ Managing environmental impacts
- ✓ Net Zero carbon emissions and energy efficiency
- ✓ Electromagnetic radiation and public health

Social

- ✓ Equal access to infrastructure and services
- ✓ Safe work environment
- ✓ Development of human capital, employee welfare, and safety
- ✓ Diversity, inclusion, and non-discrimination
- ✓ Contribution to the Israeli economy and society
- ✓ Narrowing the digital divide
- ✓ Cyber and IT security

Corporate governance



- ✓ Ethics and proper management
- ✓ Fair competition
- ✓ Effectiveness of corporate governance
- ✓ Responsible procurement

Contributing to the Achievement of the UN Sustainable Development Goals



Under the 2015 Paris Agreement, signed by 200 countries, including Israel, the UN set 17 Sustainable Development Goals (SDGs).

The goals aim to introduce a global holistic approach to addressing humanity's key challenges by setting measurable social, economic, and environmental goals.

SDG	Relevant secondary goals	Bezeq's contribution	Chapter
 <p>Ensuring inclusive education and promoting lifelong educational opportunities for all.</p>	<p>4.4 Significant increase in the number of young people and adults with relevant skills, including technological and professional skills for employment</p> <p>4.a Increasing the proportion of schools with internet access</p>	<ul style="list-style-type: none"> ● Bezeq Group runs training programs to develop skills relevant to the Group's fields of employment. ● Bezeq Group offers a reliable and fast technological connection, which is the infrastructure for high-quality, advanced education. ● As part of their ongoing activities, the Group companies connected thousands of schools to internet and cyber protection services. They are partners in many projects that advance digital skills in their communities. 	<p>Bezeq Group Connects Israel to a Better Future</p>
 <p>Achieving gender equality and empowering all women</p>	<p>5.5.2 Increasing the proportion of women in management positions.</p>	<ul style="list-style-type: none"> ● Bezeq Group companies strive to increase the proportion of women in management positions, setting a goal of at least 50% women in management positions by 2030. ● Bezeq Group's board of directors set a goal of increasing the proportion of women to at least 40% by 2030. 	<p>Striving for Responsible and Fair Employment</p>



Promoting inclusive, sustainable, accessible economic growth and fair and productive employment.

- 8.2 Diversity, innovation, and upgrading of economic efficiency and increasing work productivity
- 8.3 Promoting policies that support productive activities, creating fair workplaces, entrepreneurship, creativity, and innovation
- 8.5 Fair employment, equal pay
- 8.8 Protecting employee rights and promoting a safe work environment

- Bezeq Group believes in diverse and inclusive employment and aims to increase human capital from diverse populations to 20% by 2030.
- Bezeq Group ensures fair employment conditions and invests heavily in developing an advanced and responsible employment environment.
- The Group companies apply a strict safety policy to keep their employees safe.
- The Group companies hold an annual survey to check salary gaps between men and women.
- The core business of Bezeq Group companies addresses advancing economic growth and innovation in infrastructure and digital.

Bezeq Group Connects Israel to a Better Future
Striving for Responsible and Fair Employment



Building infrastructure for resilience, advancing inclusive and sustainable industrialization, and anchoring innovation

- 9.1 Developing high-quality, reliable, and resilient infrastructure
- 9.4 Upgrading and improving infrastructure
- 9.5 Improving scientific research and upgrading technological capabilities in the industrial sector

- Bezeq's fiber optics project is leading the upgrade of digital connection infrastructure and the connectivity of internet users in Israel. The Company aims to achieve fiber deployment, allowing 86% of the population access.
- The internet services of the companies support management and marketing in the business sector, including small- and medium-sized businesses, and provide IT solutions and cyber security to protect businesses and public institutions, improving resilience and recoverability from attacks and hacking.
- Pelephone leads the deployment of 5G infrastructure for mobile users.
- The submarine internet cable deployed by Bezeq International TECH over a decade ago provides Israeli citizens with telecommunications and a fast connection to the World Wide Web. It is an essential gateway for the world to Israel and vice versa.

Bezeq Group Connects Israel to a Better Future



Ensuring sustainable consumption and production patterns

- 12.5 Reducing waste and encouraging recycling.

- Bezeq Group separates waste at the logistics centers of the companies. At the Bezeq International TECH facility, Bezeq encourages upcycling end equipment and returning it to use..

Addressing the Climate Crisis



Implementing urgent measures to address climate change and its consequences

- 13.2 Implementing climate change indexes in policy, strategies, and national planning

- Bezeq Group has set a goal to achieve a zero-carbon footprint by 2050 (Net Zero), alongside interim annual goals until 2030 to ensure compliance with the final goal.

Addressing the Climate Crisis

Participating in ESG frameworks



Zero Hour initiative of the Ministry of Environmental Protection

Bezeq is Israel's first major telecommunications company to join the Zero Hour initiative. The initiative lays out Israeli professional infrastructure for setting goals for net zero GHG emissions, including guidelines for reporting and monitoring progress toward the goals and allowing participants to take a step forward and take action to achieve net zero GHG emissions by 2050.



Maala platinum plus rating

Maala is an umbrella organization that brings together approximately 110 leading companies in the Israeli economy. It serves as a platform to advance ESG issues in the business sector while developing and assimilating standards of responsible management in Israel. In 2021, Bezeq Group companies joined the Maala network. In 2023, Bezeq achieved a Platinum (AA) rating; in 2024, it achieved a Platinum Plus (AA) rating—the highest ESG rating.



Valuable 500 initiative: Working for the benefit of people with disabilities

The Valuable 500 initiative connects 500 global businesses, including Bezeq Group, with a meaningful influence on the inclusion of people with disabilities. With the support of its strategic partners, Valuable 500 is developing a transformation plan to drive the systematic change required to make businesses more accessible and inclusive.

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Bezeq joined the Women's Empowerment Principles (WEPs) initiative, established by the UN Global Compact and UN Women. The initiative includes principles offering guidance to businesses on promoting gender equality and women's empowerment in the workplace, marketplace, and community. It is based on international labor and human rights standards and recognizes that businesses are responsible for these issues. These principles serve as a tool for the organization's support of the agenda of UN SDGs.

UN initiative for gender equality (WEPs)

In the first quarter of 2023, Bezeq joined the Women's Empowerment Principles (WEPs)



Report to CDP Worldwide

In 2023, Bezeq submitted its Carbon Disclosure Project (CDP) report to CDP Worldwide. This international non-profit organization guides businesses, cities, countries, and investors in managing their environmental impacts. The initiative aims to build a sustainable economy by making ecological management and risk assessment accepted norms in corporate business strategy.



Businesses join forces for the community in an emergency.

At the beginning of the war, Bezeq Group joined the Businesses Team Up for the Community in an Emergency project founded with the outbreak of COVID-19 for action in an emergency. The project, headed by a coalition of social organizations and ESG consultants,



was established to connect social needs and companies interested in providing them with a solution and working to pool resources and build collaborations. The forum reached more than 300 companies from different sectors, raising, with its help, donations of money, products, and services.

Participation in other professional frameworks

- ✓ Bezeq, yes, and Pelephone are members of the Israel Marketing Association.
- ✓ Pelephone is a member of the Cellular Companies Forum.
- ✓ The Group companies are also represented in professional forums in the European telecom industry, including the industry-wide innovation forum in which most of the largest companies on the continent are represented.
- ✓ Bezeq, yes, and Pelephone are members of Zionut 2000, an association that fosters a social responsibility culture by advancing collaboration between the public, business, and voluntary sectors.
- ✓ Bezeq International TECH is a member of the C3 forum for People and Computers, which incorporates Israel's IT leaders, and is a partner in leading research institutes in the field: STKI and the IDC Institute, which provide insights and in-depth market analyses for trends in the local and global IT market.

Bezeq Group Connects Israel to a Better Future

Striving for diversity and equality, narrowing divides, and connecting outlying areas

The Group's corporate responsibility strategy is at the core of our business activity, referring to providing the most advanced and safest telecommunication and integration services and responsible, diverse, and equal television content. These all contribute to strengthening small and medium-sized businesses, narrowing the socio-economic divides between the socio-geographic center and periphery, and creating a more appropriate and balanced representation of the groups and communities that make up the Israeli mosaic.



Israel's most significant investment in telecommunication infrastructure

From the beginning of the fiber project, launched in 2021, until the end of 2023, Bezeq deployed fiber optic infrastructure to more than 2.3 million households. This positions it as a company with the quickest fiber deployment rate in Israel and one of the fastest deployment rates in the world while maintaining high quality and performance. In this way, Bezeq positions Israel at the forefront of global technology. In the project's first year, the Company focused on high-density urban areas. In 2023, Bezeq continued to expand the infrastructure deployment to all parts of the country, aiming to reach 2.7 million households in the medium term, following the Group's vision of connecting Israel to a better future.

2024 is expected to be a record year for investment in this infrastructure, with an investment of NIS 1.8 billion

(CapEx), reaching 2.5 million households.

Advantages of fiber optics

Fiber optic infrastructure has several advantages over other network technologies:

- ✓ Bandwidth – faster browsing on fiber optic infrastructure
- ✓ Low electromagnetic radiation – compared with earlier telecommunication technologies (ADSL)
- ✓ Minimizing systems and saving energy

Vital to life in the modern age

We are accelerating all digital processes. Video content consumption and the many other uses of the internet are growing alongside the increasing number of devices connected to the network in each home. These trends reinforce the need for advanced infrastructure and

reliable high-speed bandwidth in every home. Three years ago, at the peak of the COVID-19 pandemic, the understanding that a high-quality internet connection is not a luxury for leisure purposes but an essential tool for everyday life was underscored. The same understanding intensified last year with the Swords of Iron War, which highlighted the importance of ISP services for educational institutions, which were required to suspend physical studies and hold classes on digital platforms for dispersed students nationwide.

Stable and reliable broadband and internet connections contribute to narrowing the divides in education, pursuing equal employment opportunities, and developing a digital economy. They allow all schools in Israel to maintain a learning routine compatible with pedagogical needs in the digital age and contribute to national resilience by continuing activities in an emergency.

Broadband – new jobs, thriving businesses, and online learning

Installing high-speed internet infrastructure in every home has many social and economic advantages:

✓ **Increase in the gross domestic product (GDP) and labor productivity**

According to studies by the International Telecommunication Union (ITU), an increase in the penetration rate of fixed broadband infrastructure and the weighted digitization index have led to a significant increase in GDP and labor productivity in developed countries.

✓ **Reducing unemployment by creating direct and indirect jobs**

These studies show that increasing the penetration of broadband infrastructure contributes to an increase in the number of employed people in the country and creates jobs on two levels:

- **Direct jobs:** The actual expansion of the network requires the hiring of professionals in the civil infrastructure industry, such as practical engineers, telecommunication engineers, and technicians in the manufacturing and installation of telecommunication products.



Israel's next-generation internet

As Israel's most prominent and leading telecommunications group, Bezeq works to make advanced technologies accessible, develop innovative products, and reinforce the network core and cyber protection solutions it offers to its customers to ensure its position at the forefront of global technology.

At the beginning of the second quarter of 2024, Bezeq launched the innovative **Be Multi Fiber** router, which supports Wi-Fi 7, the fastest wireless network in the world. In doing so, Bezeq became the first company in Israel and one of the first globally to provide a wireless connection that is three times faster than the standard speeds currently available on the market. In addition to Wi-Fi, the router allows wireless connection with a browsing speed of 5 gigabytes.

Some of the advantages of the new technology:

- Wi-Fi 7 supports stable connections of up to 300 devices simultaneously and provides an excellent browsing, gaming, and streaming experience.
- The router includes built-in cyber protection against DDoS, phishing, and bot attacks.

- **Indirect jobs:** according to studies, for every direct job created due to the establishment of telecommunication infrastructure, another 1.4 – 3.6 indirect jobs are created.

✓ **Advancing local businesses**

Broadband infrastructure allows businesses in the local and export markets to expand their customer base and trade services and products quickly and efficiently. Furthermore, extending the infrastructure is particularly beneficial for small and medium-sized businesses, helping them expand their customer base, save management time, and allow business owners to focus on their core business.

✓ **Infrastructure for remote work and learning**

Broadband technology proved to be especially essential with the outbreak of the COVID-19 pandemic, when businesses and educational institutions adopted online work and learning and, in many cases, left this trend as a permanent feature after lockdowns ended and travel restrictions were lifted. Learning and working online has many advantages, which are made possible due to the use of strong and fast internet as it reduces the amount of travel, alleviates peak hour traffic congestion, and increases employee productivity. Having alternative work centers is also a solution for people with disabilities if they have difficulties getting to their workplace, and it shortens the physical distance for those who live far from the leading economic centers.

The fiber optic project in numbers



Bezeq's fiber optic infrastructure is currently available to **2.3 million households**, and in the coming years, we will reach **2.7 million households**.

Bezeq's entry into the fiber optics market in 2021 **tripled the growth rate** of Israel's fiber market.

According to studies, another **3.6 indirect jobs** may be created for every direct job created.

Bezeq's fiber deployment is a project of national importance:



- ✓ Driving the State of Israel to the forefront of global telecommunication technology
- ✓ Driving the economy and the Israeli market toward a new era
- ✓ Leading to narrowing the divides between the center and the outlying areas
- ✓ Strengthening the resilience of Israel

Technology for digital equality

Established in 1984, Bezeq developed into Israel's national telecommunications company and is the leading telecommunications company in Israel. With the deployment of fixed-line telephony infrastructure in the 1980s and 1990s and the launch of high-speed internet services (ADSL) in the 2000s, Bezeq led Israel into the digital age. Since the beginning of the decade, the Company has invested heavily in expanding fiber optic infrastructure to provide advanced communication services for all its customers – from the south to the north.

Bezeq also invests heavily in deploying infrastructure in the center and outlying areas, narrowing the digital divide, reinforcing the connection between all parts of the country, and generating a positive economic impact by increasing access to information, education, and digital services. Developing advanced technologies and expanding infrastructure are integral to Bezeq's efforts to advance digital equality and build a solid telecommunications infrastructure supporting Israel's economic and social growth.





Bezeq's State of the Internet report

Bezeq is the only company in Israel that reviews the internet usage habits of Israelis through in-depth surveys that include statistics based on the Company's operations and systems. The report, published every year since 2014, reviews the conduct of Israelis in the digital age, presents primary data about internet users, and focuses on various categories that make up digital life in Israel. The report also allows business companies to understand Israeli consumer habits deeply. This year, marking the tenth anniversary of the Internet Report, we published a special edition that reviews the changes in Israeli Internet usage over the past decade. The report includes insights from 4,500 interviewees across the country, across the social spectrum of Israeli society, and from all age groups.

Below are some of the interesting facts that emerged from the report:

Effect of digital dependence:

48% reported using mobile phones and apps impair their attention span and concentration.

58% said that they do not remember important dates and phone numbers.

43% said that using Waze and Google Maps impaired their navigation abilities.



60% of teenagers admitted to being addicted to social networks.

90% claimed that the internet is more important to them than air conditioning or Netflix.

63% of the adult interviewees use AI tools (there is a gap of 20% in favor of men compared to women).

The report's findings are available for review on the Company's website, and its representatives share the main points with entities that may find the data valuable. At the annual seminar of the Council of Youth Organizations, for example, data from the report was presented to the directors of organizations who address the challenges of teenagers browsing the web in Israel.



Pelephone's 5G

5G, the fifth generation of cellular networks, can provide faster connection speeds (up to 10 times faster than the average traffic speed of the 4G network), lower latency, and a greater capacity for network traffic.

This is one of the fastest and most influential technologies in existence, and it significantly impacts our way of life and how we work, learn, communicate, and play. 5G technology and other connectivity solutions help businesses to become more advanced, pushing forward the next generation of smart and IoT (Internet of Things) connected devices and providing advanced usage options in terms of quality, speed, and network continuity in many areas, including gaming, content viewing, remote work, digital medicine, autonomous vehicles, urban infrastructures for traffic management, and commercial services.

Pelephone was the first to launch this technology in Israel, and it continues to lead the field with 1.2 million subscribers to 5G services and the launch of an independent network.





Bezeq International TECH: Connecting Israel to the world

A fast and secure internet connection with high traffic volume is paramount in global and digital businesses. 35% of internet traffic in Israel passes through JONAH, Bezeq International TECH's submarine cable. Following the Abraham Accords, the cable opens the Company's services to Gulf countries and other previously impossible destinations. The transfer of information to the cloud contributes to the business development of all small, medium, and large companies, bringing the organization that uses it to the forefront of technology. Cloud services eliminate the need for the customer's investment in hardware, infrastructure, and maintenance. Moreover, transferring services to the cloud saves real estate, electricity, and maintenance costs and reduces GHG emissions.

Through cloud technology, Bezeq International TECH provides Israeli companies with a stable and high-quality internet connection, maximum IT security, the ability to transfer a large amount of information, and improved business continuity and survivability.

On the background of the increase in the number and intensity of cyber-attacks on organizations utilizing multiple attack surfaces in all layers of the corporate network, Bezeq International TECH has significantly expanded its managed cyber protection portfolio in collaboration with leading global manufacturers to provide its customers with optimal protection. The new services include the Trend Micro integrated endpoint and email protection solution, DNS

protection, Cisco's servers and remote connection, and the innovative FlowSec DDoS Defender that provides advanced protection against denial-of-service attacks, which aim to disrupt internet services by the overloading of seemingly legitimate traffic, leading to system crashes and damage to servers.

All these services are connected to the Company's SOC – which monitors and controls cyber events 24/7 with an immediate response team for any development of a cyber-attack on the Company's customers.

On the other hand, Bezeq International TECH is a host for global companies' entry into Israel. The company provides more secure internet traffic in a broader volume than services based on traditional infrastructures, allowing international companies to connect to their Israeli affiliates. At the same time, we manage the connection to global ISPs for Israeli companies and their connections to their branches abroad. In this way, Bezeq International TECH establishes a fundamental and advanced technological connection between Israel and the rest of the world.

As a leading company in the market, Bezeq International TECH is preparing for the increase in Israel's global telecommunication traffic to maintain the continuity of its services and understands how to anticipate special events that may generate a high volume of internet traffic.



Did you know? The environmental benefit of storing digital information in the cloud

According to the latest update on the carbon benefits of cloud computing, the transition to cloud computing can reduce carbon emissions by up to 98% compared with traditional physical storage services. There is a close connection between environmental quality and cloud-based systems: Large cloud service providers, such as Microsoft, Google, Amazon, and Oracle, invest heavily in reducing their carbon footprint.

- ✓ Resource utilization in cloud computing is infinitely more efficient than in traditional configurations of physical installations.
- ✓ The cloud resources are shared. In other words, resources not used at a given moment for one application can be used simultaneously by another.
- ✓ The tools for managing cloud resources are sophisticated: Unused resources can be easily scaled up or down, and entire infrastructures can be deployed without human contact.



yes.

The original content of yes: Diversifying and reflecting real-life situations

yes content is viewed by diverse and varied audiences, and it impacts the viewers' attitudes toward current and political issues. Therefore, we need to give the stage to all population sectors to have their voices heard. This is especially true regarding population sectors that are underrepresented or inadequately represented in the Israeli media both on the screen, during production, and behind the scenes.

Changing stereotypes

In the planning stage of new original productions, yes already ensures that the way characters are presented does not perpetuate stereotypes but challenges them. This ultimately leads to the presentation of more diverse characters that most appropriately and accurately reflect the reality of life. When we receive proposals for new scripts for original productions, we review them first, without meeting the creators in person, so that we can form a professional opinion based solely on the script, thereby allowing equality in examining the quality of the content without bias.

We encourage the creation of original content written, directed, and produced by professionals from diverse populations. These professionals should present their experiences and world from unique perspectives and raise awareness of essential issues in Israeli society.



yes television series, Aleph

Appropriate female representation

At yes, we strive to ensure that the productions under our responsibility have a broad representation of women, appropriate to their numbers in the real world. Below are some of the figures on female representation in yes original productions in 2023

Drama series

On the screen:

- ✓ **Women play leading roles** in 100% of yes television series.
- ✓ In 4 out of 5 television series, the **main characters are female**.

Behind the scenes:

- ✓ 80% of yes drama series were **produced** by women and 80% of yes drama series were **created** by women.

Documentaries:

- ✓ 47% of the documentaries aired on yes Docu this year were directed by women.
- ✓ women produced 30% of the documentaries aired this year and directed 80% of them.

Children:

In 50% of the children's series aired this year, the main characters are female.

- ✓ women directed 100% of the children's series.
- ✓ women produced 75% of the children's series.

Scripted dramas

In 2023, yes aired several drama productions that addressed critical social issues, such as sexual violence and mental health.

Viva la Diva (Dana Kama)

The series charts the journey of Dana International, the international diva who made history as the first transgender to win the Eurovision Song Contest. It sensitively addresses the emotional effects of the tremendous pressures on one hand and her phenomenal success on the other.

Aleph

The series, inspired by actual events, is an unfiltered description of how victims of sexual assault and rape cope emotionally, publicly, and personally in the background of an ugly media campaign against the victim.

Periphery Empire

The series's second season addresses questions arising from proud female Mizrahi identity in outlying areas and the dilemmas of independent women in the business world.

The Beauty Queen of Jerusalem

The series, which unfolds the story of the women of the Armoza family in Jerusalem before the establishment of the State of Israel, also addresses painful issues such as domestic violence and sexual abuse.

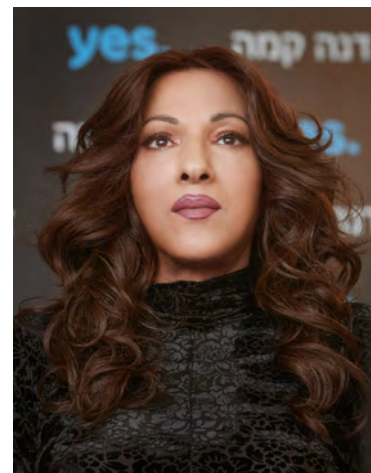
Documentary productions

✓ 59% of the documentaries produced this year have a distinct social nature.

In 2023, the documentaries of yes stood at the forefront of representing diverse communities in the Israeli identity spectrum, emphasizing female productions.

Inbal Perlmutter – If You Let Me Go

The film, which was produced entirely by women and won the Docaviv Best Film Award and the Ophir Award, tells the story of the talented rocker who was killed in a car crash at the age of 26 and raises questions about emotional issues, addiction, and the need for help and treatment.



yes television series, Wedding Night, Viva la Diva (Dana Kama), The Prostitution Monologues

The Prostitution Monologues

The film presents, compassionately and non-judgmentally, the life of seven women who speak about their life in prostitution and spotlights the issue of women trafficking.

Wedding Night

In the film, produced entirely by women, ultra-Orthodox couples sit in front of ultra-Orthodox director Rachel Elitzur and bravely talk about their most secret feelings – including sexual trauma – from the matchmaking stage to the morning after marriage.

Incoming Call

The docu-series provides a unique glimpse into the dramas at the ERAN Emotional First Aid hotline and delicately addresses emotional vulnerability.

Anonymous: Back to Bar-Noar

In a very personal film, director and producer Uri Mordechai tells the story of his injury in the hate attack against the LGBTQ community at Bar-Noar and bravely relives the emotional wounds and trauma.

Alex's Group

Four women and four men, who make up the mosaic of

Israeli society, meet for a therapeutic photography group directed by Israel prize-winning photographer Alex Levac, focusing on PTSD over one year.

The Orchestra

The story of the Israeli Broadcasting Authority, the radio station, which, in the early decades of the State of Israel, became a focus of intelligence and political warfare against Israel's enemies thanks to the Jews who immigrated from Arab countries.

The world of children

What's the Problem

Three good friends in their teens open the Problem-Solving Office in a series featuring real problems children and teenagers face.

Social and environmental responsibility on the screen

We continue to mark international days with social significance alongside our ongoing aspiration to raise awareness of social issues. On the International Day of Persons with Disabilities, for example, we broadcast the television series Fauda and other selected Israeli films with audio accessibility for people with visual impairments

and dedicated content that addresses the subject and accessible content for people with hearing disabilities through sign language. In addition, Discovery Plus aired Inspiring People, starring people who refused to allow their disability to define them – and who reached larger-than-life achievements.

Over the year, we also marked international days such as World Environment Day, Pride Month, and International Day of Women and Girls in Science.

Television in wartime

Immediately after the surprise attack on Israel on October 7th, yes launched a particular wartime broadcast program. First, we changed the short-term programs, including removing or reducing triggering content or content unsuitable for the situation.

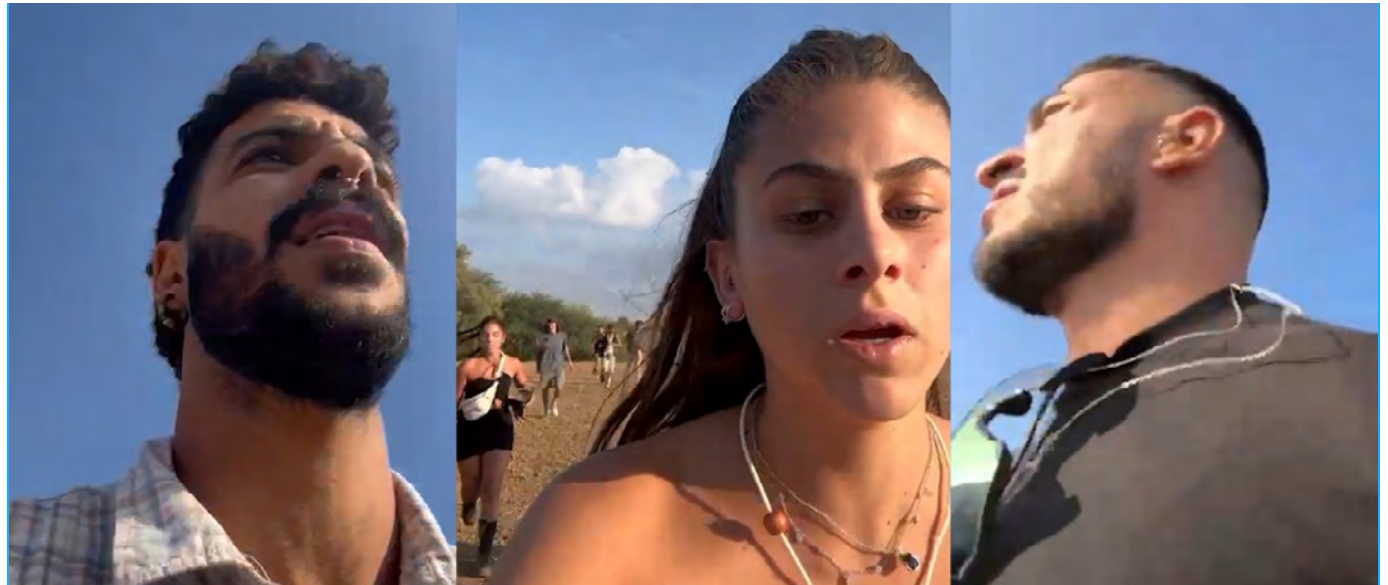
Following the multitude of news reports at all hours of the day, creating a safe content space for children and toddlers was required. In an immediate response, we brought content suitable for children to the platform's top, focusing on escapism.

We also moved to a 24/7 broadcast of the children's channel, yes, Movies Kids. We acquired popular content for children (such as the Harry Potter and Minions movies) and opened viewing categories for the whole family.

To ease the tension for older people during the war, we launched, together with Imagine Media, yes Together, a cultural channel that broadcasts performances, songs of the beautiful Land of Israel, and original productions with orientation for older viewers.

#NOVA

The unique documentary, consisting of over 200 camera recordings from the bone-chilling moments of the survivors of the NOVA music festival on October 7th, is the first documentary on the subject. One week after its premiere, #NOVA became the most-watched movie in Israel in 2023



yes, the movie #NOVA

and later became the most-watched documentary in the history of yes.

Understanding the importance of exposing the film, yes took an unusual step and announced that all broadcasters in Israel may screen #NOVA without any payment or consideration. The film, crowned in the newspapers as “the most important public relations weapon to come out of Israel” (Mako), was screened by the Ministry of Foreign Affairs to ambassadors in Israel and was later screened to foreign diplomats and journalists. Later, in 2024, the Ministry of Foreign Affairs screened the film at the United Nations.

Dedicated content during wartime

Sending Love from the Front Lines

Unique content produced in collaboration with the IDF spokesperson, in which soldiers from different units send greetings to their loved ones just before they go into operational activity, and their cell phones are taken away.

Parents in the Reserves

This is a children's series that illustrates what their parents do in the reserves for children at eye level,

making the situation accessible without causing anxiety.

Waiting for You at Home – the story of the hostages and missing persons

In a particular category, created in collaboration with the Hostages and Missing Families Forum and displayed on the home page, we present the stories of the hostages and the missing, hoping they will return home soon.

30 Days of War

On the 30th day after October 7th, all the home channels changed one of the letters in their logos to a yellow ribbon, which symbolizes concern for the hostages—and this is how the logos will remain until they return home.

100 Days of War

On the 100th day after October 7th, we shut down the broadcasts on all home channels at 20:00 for 100 seconds, with a clock counting the seconds in the background. Throughout that day, captions were screened that read: Our hearts have been in Gaza for 100 days – Bring Them Home Now.



Bezeq Group and the Swords of Iron War

Supporting employees during the war

With the outbreak of the war, our first concern was the safety of our employees, those who experienced personal loss, those who had to evacuate their homes near Gaza or the northern border, and those who were drafted under a Tzav 8 emergency order, or left alone at home after their partners were called up. During the war, we implemented maximum work flexibility, we accompanied the families in collaboration with the employees' committees, we supported the employees who were evacuated from their homes and those who were called up for reserve duty, and we gave all employees tools and training to cope with the situation:

- ✓ We built a support and assistance package for employees, which included social welfare and emotional support from the Group's welfare team and professionals.
- ✓ Division managers and the senior management forum maintain ongoing contact with the employees in the field, including onsite visits by the CEOs of the companies to the service and operation centers around the country to support employees.
- ✓ We ensured ongoing and up-to-date inter-organizational communication through an inter-organizational portal and app and by sending SMS and/or WhatsApp messages according to the need to share relevant information with the employees.
- ✓ We held an online meeting with the CEO and management members for all employees.
- ✓ We built a management toolbox with guidelines and recommendations for management during the war and lectures addressing the building and preservation of employee resilience.
- ✓ We held lectures that included diverse content designed to help employees cope.
- ✓ We expanded hybrid work from the beginning of



the war for several months, with great flexibility in working from home and in shift hours, and we also gave employees laptops so they could continue to work from home.

Preserving employee safety

The safety and security of our employees are our top priorities at regular times, and even more so in an emergency since the Group companies are defined as essential enterprises in an emergency.

To restore communication in areas affected by the October 7th attack and the war that broke out in its wake, the companies worked in coordination with the IDF, the Home Front Command, and other entities to bring technicians to closed military zones. The technicians entered the closed military zones and deployed new cables, repaired access point cabinets, broadcast sites, and other damaged infrastructure, wherever required, to restore service and communications in the area, often

under fire and protected by tanks and helicopters. Onsite employees and technicians received the highest quality personal protection equipment on the market, including tactical helmets and vests, and strict safety guidelines for its use were distributed.



עובדות ועובדים יקרים,
 ימים לא פשוטים עוברים על כולנו, עם המון כאב ודאגה.
 במיוחד בתקופה כזו, חשוב לדאוג לעצמנו ולשמור על חוסן פנימי ולאומי.

ביום ראשון ה-29.10 בשעה 10:00 נקיים מפגש דיגיטלי שיעסוק במתן כלים להתמודדות רגשית עם המצב ופיתוח החוסן.
 המפגש יועבר על ידי **ענבל יונגר**, מומחית בפיתוח חוסן אישי וארגוני, ניהול לחץ והתמודדות עם שחיקה.
 מוזמנים ות להצטרף 😊 - שריינו ביומן.
 ובכל מקרה, המפגש יוקלט ויהיה זמין גם לאחר מכן.

לכניסה למפגש - לחצו כאן <

Throughout the war, work in the companies' sites continued to comply with the Home Front Command guidelines. Security protocols, training videos, and reminders about the locations of protected spaces were regularly sent to employees. Security has been increased in the service centers of the Group companies, and some sites in high-risk areas have been shut down for security reasons.

Support for reservists and their families

- ✓ At the beginning of the war, the HR divisions carried out organizational mapping to see which employees were called up under the Tzav 8 emergency reserve order or employees with a close family member who was called up.
- ✓ The companies maintained ongoing contact with the employees who were called up and the onsite employees: technicians, representatives, and their managers.
- ✓ We provided shopping vouchers as well as games and food packages to employees who were called up for reserve duty and families of reservists.
- ✓ We held a special lecture for managers designed to give them tools for optimal integration of employees returning from reserve duty.
- ✓ We provide psychological support through telephone counseling and face-to-face meetings partially subsidized by the Company.
- ✓ Special grant for reservists: Bezeq Group companies granted a special appreciation bonus totaling NIS 4 million to over 800 employees called for reserve duty during the war.

Volunteering for the community

Alongside its routine activities, the Group joined the national effort out of a sense of mission and commitment

to strengthen Israeli society. All group companies operated in diverse aid channels, including donations of products and services, deferring payments until the war's end, joining the Businesses Team Up for the Community in an Emergency project, and volunteering by employees. All the Group companies decided to defer payment from evacuees in the north and south, amounting to NIS 2 million per month for the Bezeq group.

Volunteering at Bezeq Group

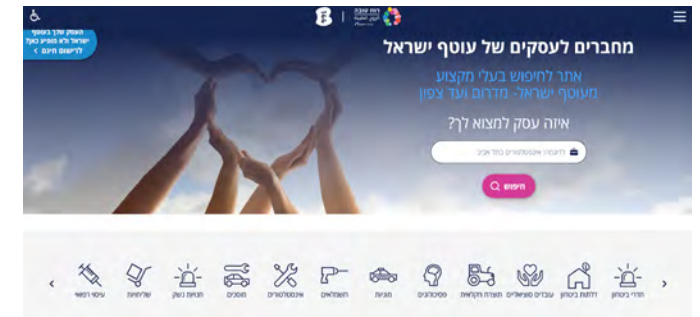
The Company connected 1,000 public shelters in the north of Israel to Wi-Fi free of charge and donated essential communication services to hundreds of hotels and temporary residences of evacuees, military operations rooms, and civil projects for the residents of the south and IDF soldiers. Bezeq also established the Otef Israel project and the Roach Tova-Good Spirit nonprofit. B144, Israel's largest site for connecting professionals and businesses, was upgraded to connect consumers nationwide with war zone businesses, service providers, and those affected by the war.

In addition, the Appleseeds Association's Mithabrim-Connecting hotline was upgraded to Bezeq's platform, which provided digital assistance adapted to wartime requirements. The hotline's applications focus on support for using the Internet, browsing and searching for information, using computers and cellphones, and navigating government websites.

Bezeq employees participated in numerous social projects, such as responding to lonely senior citizens and Holocaust survivors who were affected by the war, supporting bereaved families in cooperation with the Light for Families Association, and converting Bezeq offices around the country into collection centers for equipment for soldiers and evacuees, which was voluntarily transported by the Company's technicians all over the country.



In appreciation of women employees of yes in IDF reserve duty



Connecting businesses to Gaza border communities

Competition to narrow the digital divide in the war

The concern for evacuee families and the many children whose educational routine had changed was also reflected in another project during the war to narrow the digital divide.

Bezeq initiated an international start-up competition to find AI-based solutions in education in collaboration with MindCET, The Center for Educational Technology.

In the competition, 155 startup companies worldwide offered solutions adapted to emergencies and can narrow the digital divide arising from the security threat and the AI revolution. The winning solution will be implemented in Israel in the Branco-Weiss education network and fully funded by Bezeq.

Volunteering at yes and Pelephone

Immediately after the start of the war, yes and Pelephone joined Israel Rises and opened a joint center for donations and support for citizens, the security forces, and the Company's employees who had been called up to reserve duty.

Pelephone granted additional browsing of 50 GB for all its customers. The Company's donations included hundreds of tablets for students from the Gaza border communities, special kindergartens set up for evacuees, children with special needs in the Special in Uniform project, and citizens applying for aid through the National Support Center. The Company also donated thousands of mobile chargers, hundreds of mobile phones, and thousands of SIM cards for IDF soldiers, members of the security forces, and residents of Gaza border communities. The Company also maintains regular contact with the IDF and the Association for Israel's Soldiers. It operates free service vehicles that visit assembly areas and bases throughout the country to repair and charge the soldiers' mobile devices. It also collects mobile chargers from the public that have been donated to soldiers at the company's service and sales points.

yes also donated set-top boxes to evacuees of Gaza border communities, soldiers in their bases, and routers to the rescue forces. The Company's employees and stars of yes television series visited hotels nationwide to bring joy to children evacuated from their homes. In addition, a football game of the Israeli national team was screened for soldiers in the assembly area. yes, and Pelephone put together a kit for wounded soldiers in rehabilitation wards with a tablet, Bluetooth headphones, a charger, and a free yes+ subscription for one year.

In addition, the two companies jointly operated a mobile gaming unit with Xbox consoles and VR stations, which visited hotels all over the country where war zone evacuees are staying. yes and Pelephone employees also volunteered in various activities, including visiting the



wounded in hospitals, supporting hostages' families, and helping with agricultural work.

In another measure, yes and Pelephone adopted the Givati Brigade Association, reflecting the companies' core values, including social responsibility, community contribution, and support for maintaining state security. Our adoption of the Givati Brigade Association allows direct assistance and support for social activities for the brigade's soldiers and will participate in setting goals and parameters, including monitoring progress and the positive impact on the soldiers and the community. On Women's Day, the companies held an empowerment meeting at the IDF women's observation battalion in

the north of Israel, with the participation of yes stars who distributed essential products to women soldiers. yes, and Pelephone employees also distributed home products to the residents of Kibbutz Nahal Oz, who were adopted by Kibbutz Mishmar Ha'emek, where they will live for the next two years.

Volunteering at Bezeq International TECH

Bezeq International TECH teamed up with the Petach Tikva Municipality, adopting 100 evacuee families staying at a local hotel and supporting 300 evacuee families from the Gaza border at the Reut hostel in Petach Tikva.

As a company that values community involvement, Bezeq

International TECH's employees volunteered to bring joy to the elderly at Naot Hasharon nursing home in Petach Tikva. The activity included singing and age-appropriate sports activities, and 300 nursing home residents participated.

The company also participated in producing the Breath of Air event for medical teams at Barzilai Medical Center in Ashkelon. In addition, it donated boxes of food to Natalie's Kitchen, and its employees pitched in to cook hot meals for hospitalized soldiers and their families.

The company's employees helped in harvests around the country and donated vacation days worth NIS 240 thousand to the kibbutz movement, which benefits the rehabilitation of the kibbutz communities in the north and south. They also donated vacation days to the ZAKA Identification, extraction, and Rescue Association and the Safeheart Association, which provides mental health services to victims of the NOVA music festival massacre.

Bezeq International TECH for the benefit of evacuated students

Bezeq International TECH is leading Israel's tech-ed system to an era of secure internet connectedness and connectivity that allows routine learning that is compatible with the pedagogical needs of the digital age, both routinely and in emergencies.

After the October 7th attack, the Ministry of Education harnessed the company to set up internet and Wi-Fi in temporary schools for students who were evacuated from their homes on the Gaza border and in northern communities.

Within a short time, the company connected telecommunication and IT infrastructure for 45 schools nationwide, from the Golan Heights in the north to Eilat in the south, out of a sense of mission and the professional and personal commitment of all those involved in the project.

The company also installed telecommunication and internet infrastructure for Haifa Municipality's special



Support during the war

operations center and implemented diverse integration projects for security forces and schools around the country, some of which are under fire.

Support for families of the hostages

The Group companies participated in the efforts of the Hostages Families Forum to bring their family members back from Hamas captivity.

Bezeq's CEO visited Hostages Square in Tel Aviv, as did employees of the operations center of yes and Pelephone, who came to support, strengthen, and donate cellphones, SIM cards, and packages for browsing and local and international calls to help advance the struggle.

The Group companies also participated in an exhibit to mark 100 days in captivity: Bezeq employees planted hundreds of yellow flowers in 100 planters arranged in the shape of the number 100 at the entrance to the Company's head office, and as darkness fell, the Bezeq and Pelephone buildings were lit up in yellow as a sign of support and solidarity.

All the Group companies' websites display a clock that counts the days, hours, minutes, and seconds since the kidnapping. The regular yes logo was replaced with the yellow ribbon symbol, identified with the hostages, next to the caption: Bring Them Home Now. Also, on the 100th anniversary of October 7th, broadcasts on yes home channels were suspended for 100 seconds.

Maintaining ongoing communication

All divisions of the Group companies teamed up in full force for the national effort and provided service to all customers 24/7, even when under fire.

The security forces – including the Home Front Command, Northern Command, Military Intelligence, Navy, Israel Police, and military facilities – were given solutions for repairing or reinforcing infrastructure or installing new solutions. The same applies to business customers, such as national airlines, banks, health insurance companies,

emergency operations centers of local authorities, emergency and rescue organizations, and entities and communication providers using the infrastructure of the Group companies.

The Ministry of Communications and the National Emergency Authority asked Bezeq to operate old AM transmitters for the IDF's emergency broadcasts in shelters nationwide. The Company's employees also posted calls on social media for customers to contact them personally for any inquiry, question, or troubleshooting.

Reports of the Group companies in the first months of the war demonstrate:

-  **There was a sharp increase of 35%** in the use of the home internet network in the first week of the war.
-  **A surge increase in the use of social networks, streaming services, and new devices at home.**
-  **The Internet was shut down in the evacuated communities** of Sderot, Metula, and Kiryat Shmona, and the average browsing volume for each town dropped by 80%.
-  **78% of parents watch less news in the living room** out of concern about exposing their children to war content.
-  **During intense fighting, news ratings reached 60%;** half of all Israelis watched the news at least every hour or two.
-  **Daily television viewing at home in Israel climbed to an average of 10.1 hours in 2023** – and at the beginning of the war, it even reached 12 hours.
-  **With the war's outbreak, Telegram's use surged by 60%** and doubled in daily volume.
-  **The use of X (formerly Twitter) surged by 50%** in volume and 20% in the number of users.



Support for the struggle to bring the hostages home

IT security and maintaining a secure network

The surprise attack of October 7th did not pass over the cyber sector. Since Black Saturday, there has been an increase of hundreds of percent in the number of attacks on the home network and devices connected to it compared with regular times. Attack attempts are diverse. The companies' security systems raised the alert to the highest level and prepared to provide a continuous and high-quality response to the increasing incidents. Many suspicious websites, emails, and IP addresses were blocked, and the companies tightened potential internal and external access to information in the organizations while communicating relevant issues to the companies' employees to raise their awareness of cyber threats. ●

Appreciation for action in the Swords of Iron War

Bezeq, yes, and Pelephone are proud of the Superbrands award for our collective, significant contribution to the community in the Swords of Iron War. This award was granted in recognition of tireless efforts to provide services and support to the public in challenging times.

Receipt of the award demonstrates our commitment to ESG values and high-quality service. It serves as recognition of the joint activity of the Group companies for the benefit of the Israeli community and society. We will continue to strive for excellence and deepen our involvement in the community, determined to make a positive impact and connect Israel to a better future.

Bezeq International TECH won the People and Computers Excellence Award for wartime community contribution. In addition, the mayor of Petach Tikva awarded the company a unique token of appreciation for our extensive activity in helping evacuees from northern and southern communities who were staying in the city.

The company also received a certificate of appreciation from the reserves unit in the Namah Battalion (fallen soldiers crossing point) for our support and assistance.



Volunteering in the Swords of Iron War



Bezeq Group's Social Impact

Narrowing the digital divide and reinforcing the social fabric

Everyone is entitled to equal access to digital communication, means, and knowledge. To fulfill this vision, all Group companies take steps to narrow the digital divide and reinforce the social fabric of disadvantaged populations, maintaining strategic and long-term relationships with social entities and initiatives.

For information on the community activities of the Group companies since the beginning of the war, please refer to the "Swords of Iron War" chapter

Bezeq Group's key community projects

Bezeq's social involvement reflects its strengths in its core activities—infrastructure and advanced communication services, along with fostering the voluntary initiatives of employees from all over the country and harnessing them to create meaningful impact.

In 2023, Bezeq donated:



Telecom services worth NIS 4.8 million to more than 630 associations and hundreds of thousands of shekels in direct financial donations.*



Hundreds of computers, screens, tablets, and notebooks were donated to nonprofits, underprivileged populations, schools, and evacuees from the south and the north.

* Increase of 160% compared with the year before.

Donation of advanced telecommunications services

As part of our commitment to make advanced telecommunications accessible to all citizens in Israel, we continue the 2020 project for nonprofits and social organizations to receive telecommunication services as a donation. The organizations receive high-speed internet, phone lines, and other services that allow them to expand and optimize their activities by directing the resources they save towards the substance of their work.



47%
of Bezeq employees volunteered in 2023

Volunteers

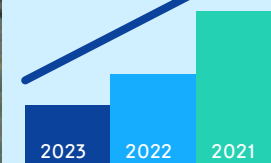


Hours



Increase in donations of advanced telecom services

Increase in services to nonprofits



Volunteering in 2023

In 2023, many initiatives were taken in order to advance community volunteering, such as formulating a volunteer program, setting up a divisional forum for volunteer leaders, and improving impact measurement. As a result, 47% of Bezeq employees volunteered, over 9,000 volunteer hours were contributed to associations and organizations around Israel, and 100 children of Bezeq employees volunteered in the Meaningful Summer project.

Partnership with Appleseeds Academy

Appleseeds Academy was established in 2000 to create technological equality in Israel through basic and advanced programs in technology, employment, and life skills, which help people change their reality. Appleseed believes technology is the gateway to social mobility, narrowing social divides and increasing equality. The Academy's target population includes socio-geographic periphery residents who do not have an equal starting point for integration into society and the economy. Since its establishment, the Academy has reached more than 1.1 million beneficiaries.

Bezeq has been supporting Appleseeds since it was established, and in 2009, the partnership became much closer.

20 community-based technology centers

As part of the partnership, more than 20 centers equipped with computer classrooms and Bezeq infrastructure have been established in socially and geographically peripheral areas. Appleseeds uses these centers to hold courses, training classes, and other activities. Every year, a new community knowledge center is added to the list, along with the ongoing maintenance and renovation of



Neta@ trainees at the IT Center of Bezeq and Appleseeds Academy

the existing centers.

This year, Bezeq and Appleseeds opened a new community technology center in Ashdod and relaunched the renovated technology center in Ramla, which was established as part of the partnership in 2009.

Scholarships in memory of Kobi Paz

Our friend, the late Kobi Paz, who served as a VP at Bezeq, passed away in February 2020. To commemorate his memory and extensive community work, Bezeq

decided to award five annual scholarships in his name to the Appleseeds' boot camp program participants, which aims to open the door to the high-tech industry for people from all sectors of Israel's society. Starting in 2022, the family decided to donate another scholarship in their name.

The scholarship committee, with the participation of the family representative, Bezeq representatives, and an Appleseeds representative, selected the scholarship recipients based on criteria such as the potential to



B-Safe hackathon



The late Kobi Paz scholarship ceremony]



Relaunch of the IT Center in Ramla

create a significant change, belief in long-term success, and contribution to the community. To date, almost all 22 scholarship recipients have successfully integrated into the job market, and one of the graduates works as a developer at Bezeq.

B-Safe hackathon

During Safe Internet Week, Bezeq hosted dozens of youth for a joint hackathon with the Neta@ technological youth organization (of the Appleseeds Academy) and the Ramla Municipal Youth Council. At the hackathon, Jewish and Arab students from schools in Ramla attended marketing and TikTok workshops in their language to make them young spokespersons and ambassadors for safe internet in their schools. Among other things, the students created TikTok campaigns against cyberbullying. Bezeq employees held lectures for the students and helped groups create the campaigns. A panel of judges chose the winning campaign.

Support for occupational training

In 2023, thousands of men and women from the social and geographic periphery participated in occupational technology training. Bezeq's recruitment department volunteered to deliver HR simulations to Appleseeds'

Full-Stack Bootcamp participants. The simulations help participants prepare for job interviews after the course and are particularly important in these uncertain times when it is difficult to find a job as a junior. The highlights and tips were collected* into a booklet sent to the participants.

Adopting the Herzog School in Holon

Recognizing the importance of connecting Bezeq's head office and the community in the city where it is located, Bezeq has adopted the Haim Herzog School of Sciences and Arts in Holon to provide holistic support for all its needs. The school has built an intelligent telecom system to upgrade the learning experience. In addition, employees volunteered to hold enrichment classes for students in collaboration with the "Shiur Acher" project, reinforce the computer sciences track in partnership with the Appleseeds nonprofit, and attend the excellence panel in Israeli Excellence Week.

Bezeq established a new ICT track.

This year, the partnership with the Herzog School reached its peak following the establishment of a joint ICT track, which will boost the technological level at the school and help students who experience difficulties pave the way to a sought-after profession at the forefront of technology. This is a dedicated matriculation track for students with problems.

Bezeq's managers advise on building a curriculum best adapted to industry needs, and the students visited Bezeq for a day of enrichment, learning, and a tour.

Partnering with the Elem Association

Bezeq's unique partnership with the Elem Association entered its fourth year in 2023. As part of the partnership, Bezeq employees volunteer to mentor at-risk boys and girls from the Herzog School in Holon in weekly meetings throughout the school year. The mentoring program is tailored for each boy and girl to provide an emotional and concrete response adapted to their needs. During the program, the volunteer mentors participate in professional training by the Elem Youth in Distress Association to provide the children in their care with the best and most experienced treatment.



Bezeq mentor and trainee from the Elem nonprofit



New IT lab at Herzog School



B-Safe hackathon

Reinforcing the social fabric

Purchasing staples for families in distress

The Halav (Milk, Bread, and Eggs) Association was founded by Bezeq Group employees and retirees in 2006 to identify struggling families with children aged 1 to 14 and assist them in purchasing staple products by loading Shufersal customer club cards.

The association's budgetary sources come from donations made by Bezeq employees' welfare association, vacation days, standing orders for direct debits by employees, and donations from the Company's retirees. The association's activities are conducted in Bezeq's offices, and all participants are Company volunteers. In 2020, the association expanded its activities to families with babies in the Baby Halav project.

In 2023, the Halav nonprofit supported **798 families and 853 children from 18 towns and local authorities nationwide**. At the same time, as part of the Baby Halav project, the nonprofit assisted 50 families in 11 cities and local authorities.

Embracing bereaved parents

The Light for Families Association supports bereaved parents through unique projects whose whole essence is to continue living alongside bereavement. For years, Bezeq has distributed care packages to bereaved families in preparation for Rosh Hashana. Hundreds of Bezeq volunteers participate in the project, which includes packing, transporting, and distributing 1,500 packages nationwide.

Good Deeds Day was expanded to a month of good deeds

In March 2023, over 300 employees volunteered nationwide in 18 different activities. During the week of the Purim festival, we distributed food

parcels and brought joy to children, and the week after Purim, we participated in various volunteering activities.

Creating equal opportunities for youth

A proper connection to innovation is to invest in the future generation now. In 2023, Bezeq hosted young trainees from the Unistream nonprofit, which promotes entrepreneurship among youth from all over the country and sectors, at the Go/No Go committee. The youngsters devised innovative projects and presented them to a panel of judges. Together with Bezeq's experts, they discussed the marketing potential, suitability for the target audience, and business feasibility.

Bezeq volunteers assembled a panel of judges that also gave the youngsters important tips regarding marketing potential, suitability for the target audience, and business feasibility for the major competition at the end of the year. We met a second group of older trainees whose projects are in advanced stages. These trainees attended an investment panel at Meta and presented before senior executives from the market's leading companies, including the VP of Corporate Communications at Bezeq.

Project to commemorate the Jews of Stochak Lukowski

As part of Bezeq's tradition of delegations to Poland, we initiated a commemorative project in collaboration with the Zapomniane association in memory of the Jews of Stoczek Lukowski, a town between Warsaw and Lublin. The members of the association locate and commemorate forgotten graves of Holocaust victims and raise awareness of the Holocaust among the local communities. As part of the project, high school students from Israel learned about the Jews who perished, arranged and cleaned the old cemetery and, with the help of a local artist, made a monument out of a stone found at the site to commemorate the Jewish community. The memorial was



Volunteering in the Smile Train of the Larger than Life Association

unveiled by the Israeli delegation, senior Bezeq officers, the Israeli ambassador to Poland, and the local mayor at a ceremony.

Other volunteering initiatives:

- ✓ **Participation in the Looking for the Good project of the Ruach Tova (Good Spirit) Association** and collecting donated children's dress-up costumes.
- ✓ **Participation in the School Bag for Every Student project** and collection of school bags that were donated.
- ✓ **Adoption of Sunrise Israel** by Bezeq's running team and participation in a sponsored run for the eighth year. This year, for the first time, the team also volunteered at summer camps.
- ✓ **Participation in the Smile Train of the Larger than Life Association** and volunteering with the children
- ✓ **Volunteering in Israeli Excellence Week** on an excellence panel with 100 teenagers.
- ✓ **Year-round support for activities of the Help from the Heart nonprofit** through packing and distributing food baskets, participating in circles of joy, and assisting in transportation for Holocaust survivors.
- ✓ **More than 500 employees volunteered year-round in packing food packages at the Jesse Cohen, Pitchon Lev, Chesdei Naomi, Lasova, and Notnim BeAhavah – Giving with Love nonprofits.**

Key community projects of yes

yes is committed to advancing ESG values through diverse initiatives designed to empower the community and narrow social divides. As part of these efforts, yes invests in unique projects that focus on making educational and cultural content accessible and tightening the relationship with the local community.

Docu Young flagship program

The Docu Young project is the flagship program of yes in community involvement and contribution to society. In collaboration with the Ministry of Education and Docaviv, the program accompanies boys and girls from six boarding schools across the country in creating short documentaries.

In the project, each boarding school produced and



Tour of the broadcast rooms of yes as part of the Docu Young project

created a documentary with the help of a professional director or producer who worked with the boys and girls throughout the year.

The project participants visited yes, listened to lectures, and toured the company's broadcast and content rooms. In return, yes employees visited one of the boarding schools and gave enrichment and excellence workshops for the boys and girls. The produced films were screened at the annual Docaviv festival at the Tel Aviv Cinematheque.

Other volunteering initiatives:

We conducted a wide variety of volunteer activities during the year:

- ✓ Digital literacy workshops for senior citizens: activities to make technology accessible and narrow digital divides among senior citizens
- ✓ Collection of school supplies, collecting costumes,


and packing food products for low-income families: initiatives designed to help disadvantaged populations and provide economic and social support

- ✓ Organizing a cake contest and a sales fair before Passover: based on the products of various associations to raise funds and support associations
- ✓ Donation of computers to teenagers and iPads to the Eliya Association: advancing children with blindness or impaired vision through access to advanced technology
- ✓ Collection of equipment for victims of the earthquake in Turkey: aid for victims by collecting and transferring essential equipment
- ✓ Placing the Telephone call center in favor of fundraising campaigns for the SOS nonprofit for children and teenagers at risk: the service center and the employees participated in two fundraising campaigns for the association in 2023

More about Docu Young

 **85 boys and girls** and **20 volunteer employees** participate in the project

 yes awarded **sponsorship worth tens of thousands of shekels** to the project

 The company accompanies the youth in **lectures, workshops, and field trips**

Key community projects of Pelephone

Pelephone is committed to promoting ESG values through diverse initiatives focusing on narrowing social divides, making telecommunications and technology accessible to disadvantaged populations, and promoting diversity in the community and outlying areas. In this context, the company invests in large-scale projects designed to improve quality of life and empower community members.

Narrowing divides and making telecommunications accessible for diverse populations in the community and the outlying areas

This is the third year that Pelephone has been involved with the Israel Association of Community Centers, during which another computer room equipped with the best hardware and infrastructure was built. The computer rooms constructed to date are used by all community members at the community centers, from kindergarten children to senior citizens, for leisure, learning, and expanding social skills. This initiative contributes to narrowing the digital divide and making technology accessible to all population sectors while creating equal opportunities for all.



Other volunteering initiatives

- ✓ **Excellence Week:** As part of Excellence Week, Pelephone employees visited **Mishan** assisted living home in Ramat Gan and held a digital orientation workshop for the elderly. The workshop included training and assistance in technological solutions, learning how to use a cellphone, and personal support to promote a strategy of accessibility for the older population. This activity contributes to the empowerment of adults in the use of technology. It improves their quality of life by allowing them to acquire new skills and a sense of security when using technology.
- ✓ **Support for the SOS nonprofit for children and teenagers at risk:** For several years, Pelephone has been supporting the SOS nonprofit for children

and teenagers at risk, and last year, the company donated dozens of tablets to the association. Every year, Pelephone's service center and employees participate in a fundraising day for the association, collecting donations and raising significant financial support. The initiative gives at-risk children and youth access to advanced technology, helps them in their studies, and improves their chances of success.

- ✓ **Setting up a music room for the "Notnim"-giving nonprofit:** Pelephone assisted in setting up a music room for the Notnim-Giving nonprofit, which supports children with special needs and their families in all areas of life. This initiative allows children to express themselves through music, improves their quality of life, and contributes to developing social and creative skills.



Corporate Responsibility Week

In November 2023, Pelephone and yes marked the annual corporate responsibility week, focusing on mutual support in the shadow of the war. Some **400 employees** of the companies volunteered in **17 projects** and contributed over **1,000 volunteer hours** in social activities, enrichment lectures, and contact with the community.

Activities included:

- ✓ **Support for children from Kibbutz Alumim on the Gaza border:** upgrading the school building, including painting, renovation, and establishing a safe space for

children who evacuated to Netanya

- ✓ **Digital orientation meeting for senior citizens** who were evacuated from their homes
- ✓ **Support for Israeli agriculture**, including picking fruit and vegetables, sorting and packaging food from all over the country, and distributing it in collaboration with the Leket Israel nonprofit and private farmers
- ✓ **Sign language workshop:** in which instructors who are deaf shared their challenges and difficulties
- ✓ **Lecture of the director Shai Gal** on leadership and mutual support in the shadow of the war

Key community projects of Bezeq International TECH

Community involvement is a crucial value at Bezeq International TECH. Every year, the Company chooses a major social flagship project to support the company's community work.

In 2023, the company adopted the **Mamad Shalom** School in Petach Tikva, a special education school for 70 students with disabilities, between the ages of 6 and 21. Throughout the year, the Company's employees were involved in different activities at the school, such as painting, renovating, and making the school buildings accessible to the students, as well as activities for holidays and special events, such as planting trees on Tu Bishvat – Holiday of Trees, a Purim costume contest, and an end-of-year event with game booths.

At the same time, the company's employees volunteer throughout the year, such as:

- ✓ Collecting Purim costumes for children from low-income families in the community
- ✓ Collecting school bags and supplies for low-income families in the community
- ✓ Sales fairs on Purim, Hanukkah, and Rosh Hashana, with handicrafts and baked goods prepared by the 150 residents with special needs living in Shikma Children's Home in Raanana
- ✓ Packing and transporting food for low-income families in Petach Tikva in collaboration with the Tel Chaim nonprofit in the city
- ✓ Some 80 company employees, including the CEO, volunteered at Natalie's Kitchen, baking and cooking hot meals for low-income families in the Petach Tikva community.



46% of Bezeq International TECH employees participated in **volunteering activities in 2023.**



Bezeq International TECH volunteers



Striving for Responsible and Fair Employment

Responsible and fair employment is one of the guiding principles of the activities of the Bezeq Group companies. We support all employees' personal, humane, and fair treatment, from hiring to retirement. The Group companies invest significant effort and resources to establish working relationships in the Group based on mutual trust, transparency, and open dialogue, and strive to create an advanced, pleasant, respectful, and diverse work environment free of harassment and abuse, which allows professional and personal development for all employees, regardless of religion, race, ethnicity, age, or sexual orientation.

Enhancing the employee's experience

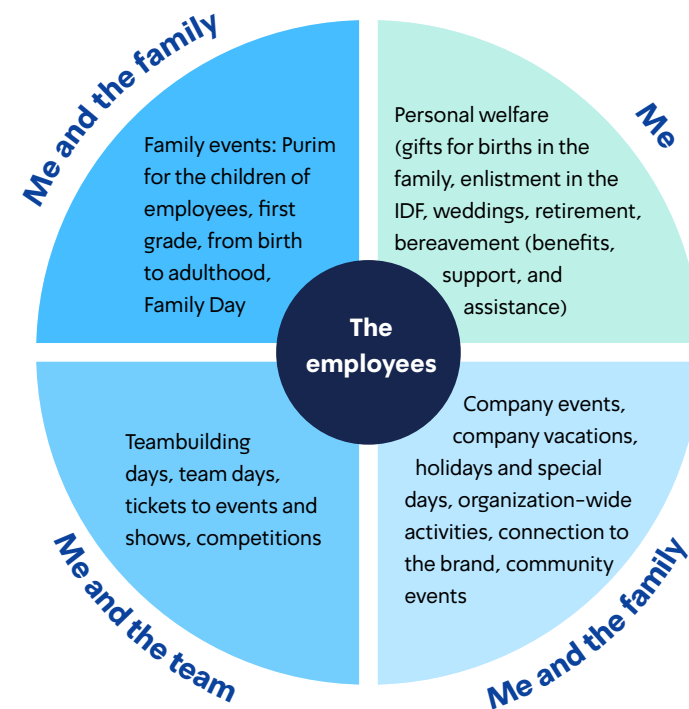
The HR divisions in Bezeq Group companies manage the well-being of Bezeq's employees under an orderly and detailed work plan that includes goals and parameters for increasing employee satisfaction.

In 2023, Bezeq Group continued to expand its investment in the well-being of its employees through training options, vacations, and other diverse activities.

Over the year, the Group companies mark the life cycle of the employees and their families – including happy and exciting days such as birthdays, births, starting first grade, and enlistment to the IDF, as well as complex and

challenging days such as the illness of a close relative and mourning. Following the surprise attack on Israel on October 7th and the Swords of Iron War, the Group companies joined forces to provide various forms of assistance for employees and their families – including the injured, evacuees, reservists, and families of reservists. They followed the guidelines of the Home Front Command.

* For further information about human resource activities during the war, see Bezeq Group and the Swords of Iron War chapter.



Maintaining a work-life balance

Bezeq Group companies attribute great importance to the employees' ability to balance their work and their private and family lives, depending on their position and the company's requirements. During the war, the companies followed a flexible and inclusive policy based on the changing needs of the employees.

Contributing to personal development through training and feedback

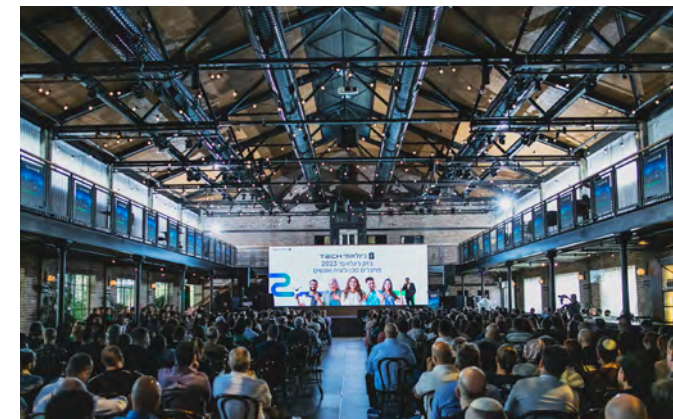
We consider the personal and professional development of our employees a central value. This development allows us to respond to the employees' needs and maintain the high professionalism required. The Group companies ensure periodic manager and employee performance evaluations, which affect their bonus component and salary updates. In addition, the companies run a broad annual training program that addresses ethics and human rights, among other things. The training programs are revised frequently based on needs arising from the performance evaluation and due to company business and professional developments.

Managers development at Bezeq

In addition to Bezeq's ongoing training and development program, in 2023, the Company focused on the Connected program – connecting managers to the new business strategy. The program includes various activities, such as live meetings with the CEO, Bezeqthon, a quarterly kit for managers to present at team meetings, and an end-of-year meeting. In the past year, Bezeq has continued to focus on the development of professional and management internships.

Management development program at Bezeq International TECH

2023 was a year of change at Bezeq International TECH, focusing on business activity and new growth engines. A process was launched in collaboration with the employees to redefine the company's mission and values. In addition, professional training courses were held to reinforce employees' skills following the changing labor market. Power Skills, a manager development program, was established to impart innovative management skills.



First day of the year at Bezeq International TECH

Employee development

One of the main incentives in today's work market is learning and development. Employees choose a workplace based on the organization's ability to contribute to their careers.

Bezeq's survey also clearly indicated the need for employees to learn and develop.

In January 2024, we established the **Bezeq Campus** – an advanced learning environment where employees can learn and develop, with courses in professional development, personal enrichment, and digital skills (focusing on AI). The goal is to make Bezeq Campus accessible to thousands of employees so that they can participate in the training courses. Each employee can choose a course in the various tracks in a convenient format: face-to-face, online, or hybrid (some tracks combine independent and face-to-face learning). Business support courses have been developed to reinforce the employees' abilities, focusing on the skills required in the ever-changing work environment.

Another track on the campus includes subsidized enrichment courses after working hours, designed to develop the employee's personal and professional abilities.

In the first month, 1,250 employees registered and participated in the various courses, and over 1,500 employees have studied in our digital courses.



General training hours at Bezeq Group

	Bezeq		yes		Pelephone		Bezeq International TECH	
	2022	2023	2022	2023	2022	2023	2022	2023
No. of employees who completed training	5,610	5,454	1,115	870	127	323	785	885
Average general hours	49.4 for employees, 19.5 for managers	47.4 for employees, 25.2 for managers	5.5	10.4	7	7	20.1	8

Organizational surveys

The Group companies carry out organizational surveys to receive feedback and monitor the organizational climate, identifying strengths and areas for further development and work.

80% of the Company’s employees responded to the survey conducted at Bezeq, and the average score was 8.41 – higher than in the previous study.

The responses with the highest score included the statement of Bezeq employees that they are proud to work at Bezeq (9.04) and believe that Bezeq will continue to be the leading and most successful telecommunications company in Israel (9.28).

Statements with high scores include: “I have the tools to do my job successfully,” “I have someone I can share my feelings and needs with,” and “There is a good connection between the Company’s management and what is happening on the ground.”

At Pelephone, yes, 2,758 employees, accounting for 87% of the employees of the companies, participated in a short survey held in 2023. The survey findings were analyzed according to various parameters, which were used as a basis for a work plan to preserve the strengths and respond to the challenges that arose. The HR division is responsible for the development of the corporate connectivity plan, its implementation and measurement, and it reports periodically to the Company’s CEO.



Participants in the Chosen project of Bezeq and HIT

Supporting gender equality, diversity, and inclusion

At Bezeq Group, we are committed to fostering a work culture that advocates diversity, supports inclusion, and advances gender equality. As part of our deep commitment to ESG principles, we strive to establish diversity and inclusion as pillars of our corporate culture and management approach.

We believe that diversity, inclusion, and gender equality are the foundation of a thriving company in the long term. We are committed to creating an inclusive environment where every person, regardless of gender, ethnicity, race,

age, sexual orientation, or ability, feels free to contribute their unique perspectives and talents.

Bezeq Advancing women in management positions at Bezeq

In 2023, we continued our activities for assimilating and promoting gender equality through various means, including personal branding workshops for women employees and managers, employee round tables on gender equality, adaptation of job descriptions, including in Arabic language publications, analysis of promotion data at Bezeq by geographic region and fields of occupation, mapping of occupations and skills of the future to adapt recruitment to professions of the future at Bezeq.

Advancing gender equality with a social impact

Bezeq and the Holon Institute of Technology launched The Chosen—Female Leadership program. The program includes 20 female students in their final year of bachelor’s degrees in the Industrial Engineering and Technology

The statement	Increase compared with last year	Score given by employees
“We believe that Bezeq will continue to be Israel’s leading and most successful communications company”	+0.24	9.28
“I am proud to work at Bezeq”	+0.33	9.04
“I feel that my work has value and meaning.”	+0.22	8.79

Management faculty who showed leadership potential. In the program, Bezeq awarded each participant a scholarship and a set of tools and skills to maximize their abilities and prepare them optimally for the industry. Bezeq's unique added value is the personal example of Bezeq managers who will inspire female students, provide them with lessons and practical tools, and encourage them to reach their full potential.

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Bezeq joins the gender equality initiative of the UN (WEPs)

In the first quarter of 2023, Bezeq joined the Women's Empowerment Principles (WEPs) initiative established by the UN Global Compact and UN Women. This initiative offers guidance for businesses companies in advocacy of advocating gender equality and empowerment of empowering women at work, in the market, and in the community. These principles are based on standards for international labor and human rights and on the recognition that businesses have a heavy responsibility in these areas. They serve as a tool in the organization's support of UN SDGs.

By joining the WEPs community, Bezeq undertook to attribute the highest priority to gender equality and to collaborate with wide networks to encourage business practices that empower women, such as equal pay for equal work, gender equality in the supply chain, and zero tolerance for sexual harassment in the workplace.

Mind the Gap convention for gender equality.

In 2023, Bezeq held a gender equality convention in the organizational management backbone due to its professional partnership with Anashim.il community from Appleseeds Academy. The convention addressed methods for advancing and developing female capital in organizations, changing and enhancing the gender-related opportunities available to men and women. It emphasized the importance of creating

a female management backbone. The convention hosted business executives, including Bezeq's CEO, external director Tzipi Livni, and other senior officers in the social sector.

yes.

Pelephone 5G

Advancing women in management positions at yes and Pelephone

At Pelephone and yes, we are committed to gender equality and women's empowerment in our workplaces while ensuring strong, robust, and solid and diverse female representation in the companies' management. We believe that the representation of women in management is not only a matter of social justice but also an essential element for business success. Diverse female management brings different perspectives, creativity, and innovation that enrich the decision-making processes and advance our companies toward a successful and prosperous future. In 2023, two new women VPs were appointed to the management of yes and Pelephone, doubling the number of women executives in the companies. In the extended management of Pelephone (department managers and above), 54% are women, and in the extended management of yes (department managers and above), 46% are women. We are proud of the high proportion of women in our senior management positions and continue to strive to increase female representation at all company management levels forward at company management levels. Our commitment to gender equality does not end



Hosting the Chosen project of Bezeq and HIT with the current appointments but is an essential part of our management strategy going forward.

INTERNATIONAL TECH

Advancing women in management positions at Bezeq International TECH

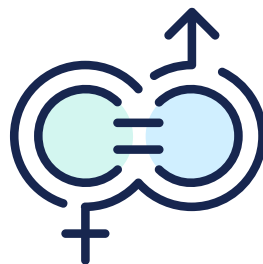
Bezeq International TECH strives for gender equality. Thus, for example, 47% of the new management positions in 2023 were filled by women through internal promotion. In addition, eight of the company's 12 outstanding employees in 2023 are women.

Equal Pay Report 2023

Israel's wage gap reports for 2023, which include the Bezeq Group companies, were published in June 2024 and are available on the companies' websites.

Diversity, inclusion, and gender equality forum

To achieve its gender equality and occupational diversity goals, Bezeq set up a dedicated forum composed of senior



Proportion of women at management levels

Bezeq		yes		Pelephone		Bezeq International TECH	
2022	2023	2022	2023	2022	2023	2022	2023
34%	37%	45%	46%	45%	54%	45%	38%

For further information, see the project website.

managers from all divisions, accompanied by professional advice, who are accountable for preparing work plans in these areas. After establishing the organizational infrastructure required for its work in 2022, with the approval of the Equal Employment Opportunities Commission to establish an organizational plan to advance diversity as required by law, 2023, the forum began to prepare the work plan and set goals for its activities in the coming years. Round tables with employees and managers were also held to identify barriers and formulate implementation plans. In addition, in 2023, the diversion and inclusion officer took up her position at Bezeq to lead and assimilate diversion and inclusion in the Company's organizational culture and procedures. Under her leadership, internal communication was adjusted for all populations, solutions were given for the needs of diverse populations (such as special days, gifts for holidays, and ceremonies), a convention addressing diversity was held for managers, and managers were trained to manage multicultural teams in an emergency. In this context, the HR director at yes and Pelephone was appointed as the chief diversity officer in partnership with the Zionut 2000 association.

93% of Bezeq's employees and **91%** of the subsidiaries' employees are **unionized under a collective employment agreement.**

Respecting freedom of association

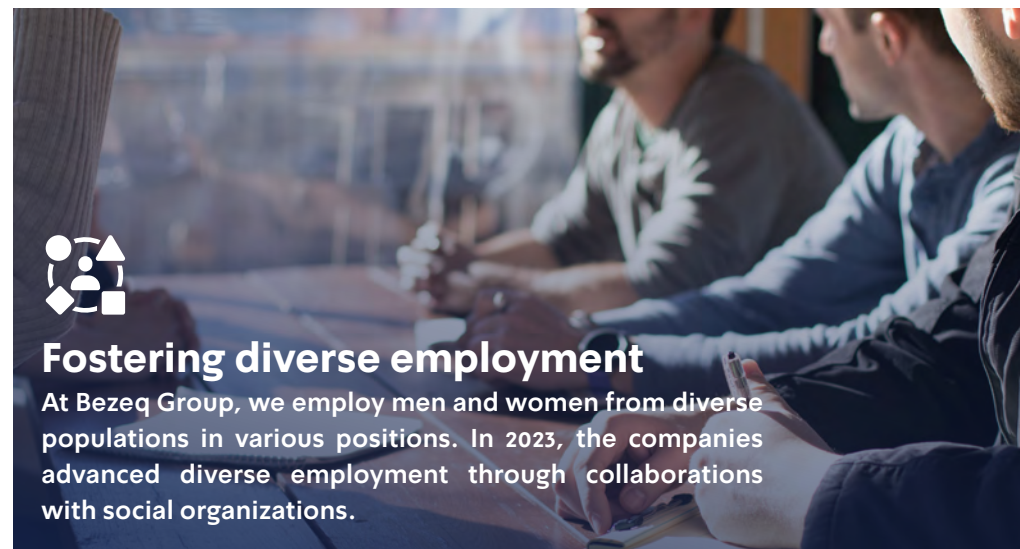
Bezeq Group respects the right to organized labor under state laws and effective agreements. We encourage organized labor based on mutual respect and compliance with collective agreements while protecting the rights of employees. Over 90% of the Group companies' employees are unionized and represented by employees' committees. We undertake not to act to prevent or restrict the right to organized labor and the right to representation by an employee union. Each Group company has an employee union recognized by the Company's management, with which ongoing dialogue is held, and periodic agreements are signed.

Employees from all over Israel

Bezeq Group companies provide services all over the country and, accordingly, employ workers from the north to the south.

Continuing to work after the age of retirement

Employees of all ages work at Bezeq Group companies. The age diversity among the employees gives us many advantages, including the benefit of a combination of professional experience and the preservation of organizational knowledge, innovation, and adapting products and services to the modern environment. If an employee wishes to continue working after retirement and the Company requires the services provided by that employee, the employee can continue to work after the retirement age. ●



Fostering diverse employment

At Bezeq Group, we employ men and women from diverse populations in various positions. In 2023, the companies advanced diverse employment through collaborations with social organizations.



Recruiting in Arab society

Ryan Association and Alfamar Association



Recruiting in the ultra-Orthodox community

Maftach job training center for the ultra-Orthodox community



Recruiting women for technical positions



yes.



Recruitment* and employment of candidates after military service

The economic and social forum



The Equal Employment Opportunities Commission approved establishing an organizational plan to advance diversity as required by law, and a program was prepared to lay out a foundation for the plan.



Proportion of employees from diverse populations *

Bezeq	yes	Pelephone	Bezeq International TECH
16%	12%	14%	8.4%

* Under-represented populations in the labor market: Arab society, ultra-Orthodox society, Israelis of Ethiopian origin, and people with disabilities.

Safety and Health are Top Priorities

Occupational health and safety at Bezeq Group are top management priorities and are considered in every decision. To create the safest work conditions, by the laws and health and safety regulations, employees are trained at the highest level, using modern and advanced protective equipment. The Group companies also frequently audit, upgrade, and improve their safety systems by, and even beyond, the law and regulations.

There were nine regular work months in 2023, with an emergency format in the last quarter following the Swords of Iron War. With the outbreak of the war, hundreds of Bezeq Group employees were drafted into the reserves, and the northern and southern regions of Israel became work zones under fire.

*, see the chapter Bezeq Group and the Swords of Iron War.

Safety management at Bezeq Group

All Bezeq Group companies have an occupational safety management system that operates according to the Labor Inspection Organization Regulations (the “Safety Management Plan”), 2013. The systems implement the requirements established in these Regulations and maintain a systematic and proactive safety management plan in the Company to prevent work accidents and occupational diseases, reduce risks, and comply with occupational safety and health legislative requirements. Bezeq Group enforces and manages safety at the Group companies through occupational health and safety policy, the safety guidelines of the International Labor Organization (ILO), the International Labor Organization (ILO), and Israeli law. Since the group companies attribute top priority to this area, we decided to establish a dedicated compliance program for occupational safety that will allow us to take preventative actions to comply with the provisions of the law.

Safety management activities

To achieve the goal of zero safety incidents, the Group companies take the following actions:

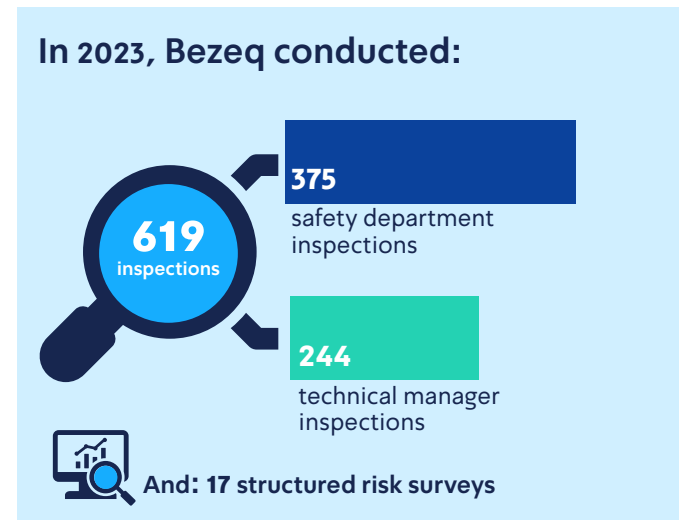
- ✓ Periodic risk surveys, including an annual risk survey for buildings
- ✓ Emergency drills
- ✓ Validation of the safety plan
- ✓ Onsite inspections and distribution of conclusions following irregularities
- ✓ Investigating safety incidents and sending the conclusions to employees and managers

The corporate culture of caution and reporting

with the proactive safety management plan, we encourage employees to raise concerns about their safety at work and hazardous situations to their personal managers and safety officers, to be careful, to report hazards, and to refrain from performing any work they believe involves unreasonable risk.

Minimizing occupational health risks

Bezeq Group companies take steps to minimize occupational health hazards and comply with all the relevant mandatory provisions of the law, including periodic risk surveys. Due to this policy, in 2023, no



complaints were received on health issues arising from the working environment and conditions in the Group.

Healthcare insurance for employees

Employees in Bezeq Group companies are insured under government health insurance by the law. In addition, Bezeq employees who are members of the welfare association (97% of the employees) are automatically insured with collective health insurance after six months of employment, and all Bezeq International TECH employees have private health insurance subsidized by the Company from day one.

Preventive action: investigations of accidents, safety videos, and annual testing

The expansion of Bezeq's work volume, including the flagship fiber deployment project, resulted in increased hiring of employees and technicians and wide-scale engagement of additional contractors for the fiber project. This led to an increase in the number of safety incidents. To reduce the number of incidents, the Company conducted a comprehensive investigation of the nature of the accidents. Following the findings, we increased safety training for employees working at heights. We produced educational safety videos addressing real cases and the operational lessons to be learned from them, which are presented at the annual safety training courses. After each training course, participants are required to achieve a high score on the knowledge test. In 2023, 122 technicians participated in a Work at Heights training course training to reinforce their professionalism in these conditions and reduce occupational accidents, alongside certification for work at heights and theoretical safety training that are held from time to time.

Safety training

2023 was characterized by routine and emergency work, we continued to hold annual training courses under the

Labor Inspection Organization Regulations (Providing Information and Training for Employees), 1999. Since the Swords of Iron War outbreak, we switched to online training.

67 training courses were held on a range of topics for 3,665 Bezeq employees (100% of all relevant employees). In addition, each direct manager holds a quarterly safety meeting with their employees (1,650 employees) according to a script written by the Company's safety department. The subsidiaries hold safety training on activity topics in logistics centers, the technicians' work, work at heights, and dedicated training for professionals. The companies also conduct annual maintenance surveys in the facilities and fix the failures arising from the survey findings. Dedicated training courses are held for the Group's employees according to the nature of the department's activity.

Innovative safety tutorials

In the subsidiaries, an annual innovative safety tutorial course provides all employees with practical information on safety issues, such as risk factors and hazards, falling from height, ergonomics, fire safety, and other emergencies. At Bezeq, alongside the required training for each Bezeq employee at least once a year, in 2023, new safety tutorials were prepared for emergency preparedness and safety in the office environment.

Field inspection app

In 2022, Bezeq launched a dedicated app for onsite inspections, providing inspectors with options for taking photos and receiving a satellite location, simplifying and streamlining the onsite inspection management process, shortening the range of communication between the relevant parties, and contributing to the gathering of safety knowledge in the organization in a reliable, uniform, and



92% of Bezeq International TECH employees
95% of Pelephone employees
91% of yes employees
completed the online safety tutorial in 2023



Safety training in 2023:

-  **1,935 employees** completed frontal training.
-  **4,342 employees** completed online training.
-  **1,817 technicians** completed professional training in their field*.

* Through the internal organizational system.

accessible format. In 2023, there were 375 field inspections for technicians, teams, and contractor workers. This year, regional managers and work supervisors in the operation divisions also began to conduct field inspections.

Near-miss reporting

Near misses in the workplace include unplanned and unwanted incidents that did not result in injury, illness, property damage, or death but had the potential to do so. From 2023, near misses can be reported in the B-in app, allowing more comprehensive and high-quality learning to improve the Group's constant, ongoing, and supervised safety aspects.

Studying and investigating these incidents is a significant component in reducing the accident rate and improving occupational safety.

Safety management is also digitized at Pelephone. Starting in 2024, all of the Company's operations will be computerized.

Safety committees of Bezeq Group companies

Safety committees operate by law in all Bezeq Group companies:

- ✓ Bezeq convenes its national safety parity committee, which includes senior management and employee representatives. Three other safety committees are responsible for specific areas of activity in the Company. Each of the four committees convenes eight times a year. Furthermore, annual conferences are held for division safety managers, and a forum for managers is convened with representatives of the contractors who work with the company. Bezeq has 170 safety officers, who fill this position out of a sense of mission alongside their official duties.
- ✓ yes, the safety committee convenes eight times a year, chaired by the VP of Human Resources and with the participation of department representatives.

- ✓ Pelephone has a central safety committee, with representation from all divisions, and another two safety committees that address targeted activities: a safety committee at the logistics center and a safety committee of the engineering division that addresses the work of technicians at sites and in the field. This year, the engineering division's safety and operations managers forum convened to present problems in the field, find a solution, and monitor implementation. In addition, the Company has 40 safety trustees, who serve as the operational arm of its safety officer and perform routine tasks together with their regular jobs.
- ✓ At Bezeq International TECH, the safety committee convenes eight times a year. It is headed by a safety officer and includes management members and employees.

Maintaining contractor technician safety

Bezeq Group companies ensure that all contractors meet the required conditions for work, including valid professional certification and approvals that are validated annually. In addition, all contractors must sign an annual safety declaration, as required by the Labor Inspection Organization Regulations (Providing Information and Training for Employees), 1999. Onsite inspections are also carried out for the contractors' teams, inspection reports are produced, and other measures are implemented.

As part of the increased safety activity of yes, in 2023, there were additional onsite spot checks and at least four monthly inspections of the contractor's technicians.

Safety week at yes and Pelephone

To strengthen awareness of safety at work and home among employees, we held our annual safety week* at yes and Pelephone, which included training on a range of areas to provide tools for employees, such as:



-  First aid
-  Fire Department
-  Ergonomics
-  Driving simulator

* Following the Swords of Iron War, the Safety Week, planned for December 2023, was postponed to the first quarter of 2024 at Pelephone and to the second quarter at yes.

Safety and accessibility

To ensure the safety of employees with disabilities, Bezeq Group makes special adjustments, such as installing a special alarm system in Pelephone's logistics center for employees with impaired hearing and adapting a protected station for an employee with epilepsy.

Casualty rescue course

At Bezeq International TECH, fire control, first aid, and evacuation training courses are held throughout the year, in addition to the annual evacuation drill. In addition, a course for rescue from a destruction site was held, with the participation of 25 employees from the evacuation team. The course, postponed from the fourth quarter of 2023 to January 2024 due to the Swords of Iron War, includes professional tools for managing and rescuing the

wounded from a destruction site.

Frequency and severity of work accidents

The frequency and severity of work accidents are standard global indicators for assessing the level of occupational safety risk and management.

The frequency rate of work accidents is calculated according to the number of accidents in the Company for every 100,000 working hours. In 2023, the accident frequency rate was 1.62.

The severity rate of work accidents indicates the average number of lost working days per employee due to work accidents. In 2023, an average of 0.79 working days per employee were lost due to work accidents. This is a decrease compared with last year, in which an average of 0.86 working days were lost per employee.

	2021	2022	2023
No. of accidents per 100 thousand hours	1.96	1.52	1.62
Loss of working days due to an accident, average per employee	0.84	0.86	0.79
Road safety incidents	74	51	47
Safety incidents from a di-rect work factor	32	21	23

Safety in emergencies

Emergency preparedness at Bezeq Group's is divided into two main topics:

1. National emergency: Bezeq Group companies are considered essential enterprises in Israel's national emergency system. Accordingly, an emergency procedure and response for war, fire, earthquakes,

and pandemics exist. At the same time, during a quiet period, the companies' standby teams hold drills at least once a year to maintain their competence. Facilities that the Ministry of Labor defines as essential comply with all the protection requirements of the Home Front Command.

2. Emergency training: During the year, employees, managers, and technicians are exposed to educational videos and interactive tutorials conveying critical information about conduct and protection in an emergency. All employees must train on these topics at least once a year. We also manage a dedicated control center, qualify an available standby team, equip our properties and employees with emergency equipment, and hold defensive and evacuation drills several times a year. In 2023, we carried out three protection and evacuation drills.



Rescue course at Bezeq International TECH

Emergency and crisis management

Bezeq Group has national emergency and crisis procedures, which include a conduct document for the entire Company and detailed procedures for each division. In addition, an emergency and evacuation drill is held annually for the whole Company.


* The chapter "Bezeq Group and the Swords of Iron War" provides further information about the companies' actions to maintain employees' safety and security during the Swords of Iron War.




Addressing the Climate Crisis and Environmental Quality

As Israel's largest and most prominent telecommunications group, we understand that our activities affect the climate and the environment. Therefore, we place great emphasize to managing our impact. From reducing carbon emissions to advancing energy efficiency and responsible resource management, we are committed to integrating environmental considerations into every aspect of our business operations through dialogue with stakeholders and voluntary adoption of ecological norms and standards for a future of sustainable prosperity.


Committed to addressing environmental and climate issues




Energy efficiency in operations and offices



Increasing the volume of recycling and reducing waste and landfill



Net zero GHG emissions and transition to clean energy sources



Electromagnetic monitor-ing and management

Deepening energy efficiency

Two years ago, Bezeq established a dedicated forum for energy efficiency led by the VP of Operations and Logistics, which includes representatives and managers from various divisions. The activity continued with high frequency in 2023 as well. In 2023, we also established a dedicated forum at yes and Pelephone for energy efficiency and to assess alternatives for green energy sources. The forums will monitor the companies' progress and compliance with their interim goals defined under the target for Net Zero by 2050.

Last year, we advanced measures for energy efficiency in each of the Group companies:



- ✓ We monitored energy consumption on each floor at Bezeq House and achieved savings based on the insights we gained from the monitoring.
- ✓ We installed an energy system with higher environmental performance.
- ✓ We upgraded chillers (cooling and air conditioning) to more energy-efficient systems in preparation for different environmental scenarios.
- ✓ At the Haifa center, we implemented an air conditioning control system according to regions and hours.

- ✓ We put up signs and stickers to encourage employees to save electricity.
- ✓ We installed dozens of EV charging stations nationwide for electric vehicles in office buildings. These stations are also available for employees' private cars to encourage them to use electric vehicles.



- ✓ We built corridors in some server rooms to cool a limited area around the server, saving the energy required to cool the entire server room

Pelephone 5G

- ✓ We replaced the energy source at two isolated transmission sites running on diesel generators with a solar energy facility and connection to the national grid.
- ✓ We automated the lighting and air conditioning systems at the corporate headquarters.
- ✓ Together with other cellular companies, we established joint engineering sites to reduce our energy consumption and ecological footprint.
- ✓ We chose a wind turbine as the renewable energy solution for a cellular site near Eilat, Israel's first innovative step in cellular communication.

INTERNATIONAL TECH

- ✓ We conducted a comprehensive energy survey.
- ✓ We installed energy-efficient air conditioning

systems in the new server farm.

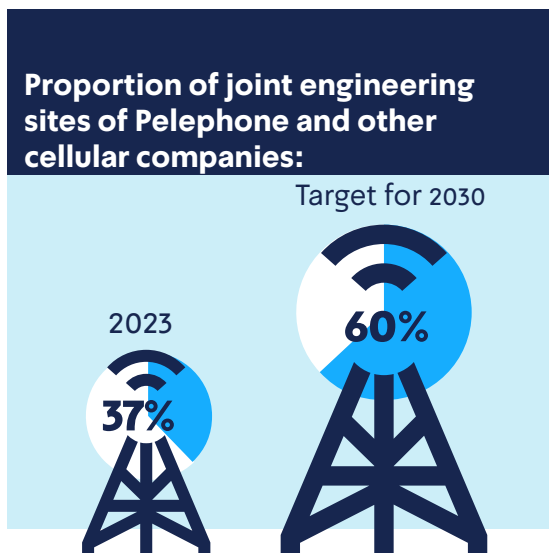
- ✓ We replaced dozens of old central air conditioner units with new and economical VRF systems in the Company's renovated headquarters building.
- ✓ As part of the construction project in the Company's headquarters building, we installed timers to turn off the office air conditioning and electricity units to save energy consumption after working hours.
- ✓ We replaced old lighting with energy-efficient LED lighting in 90% of the Company's buildings.

Electrification of the Group's fleet

We continue to reduce fuel consumption in the fleets of the Group companies, preferring the purchase of electric and hybrid cars. We intend to continue increasing the use of energy-efficient transportation means and gradually discontinuing the use of gasoline and diesel cars. In 2023, we advanced the electrification of our fleet, including installing EV charging stations and purchasing 124 electric vehicles as of mid-2024.

Committed to net zero GHG emissions by 2050

Greenhouse gas emissions (GHG) cause the greenhouse effect, trapping heat in the atmosphere and contributing to global warming. Four main categories of greenhouse gases are measured in tons of carbon dioxide equivalent (tCO_{2e}) to compare and understand their cumulative effect on global warming. Reducing GHG emissions is essential in combating climate change; therefore, nearly every nation, including Israel, signed the 2015 Paris Agreement, in which



Environmental efficiency of fiber optics

Fiber optics technology has clear environmental advantages over other telecommunication technologies in all stages of production, use, and end of product life. As a result, fiber technology is the preferable choice over other technologies, including copper cables, due to the following advantages:

1. Manufacturing stage

Fiber optic cables are made of glass (silicon dioxide), which is more available and accessible to mine than copper. Therefore, at this stage, emissions are significantly lower compared with copper.

2. Stage of use

- ✓ **Energy efficiency:** Fiber optics use less energy to transmit more information, reducing energy consumption for cooling, one of the most critical environmental issues in the telecommunications industry.
- ✓ **Savings in infrastructure:** Fiber optics can transmit data over greater distances, reducing the need for physical infrastructure and the total amount of materials (virgin, processed, and waste) used.
- ✓ **Lightweight:** Fiber optic cable is significantly lighter than copper, reducing the need for supporting infrastructure.
- ✓ **Lower maintenance:** Fiber optics require less maintenance and repair, which reduces GHG emissions in operational processes.
- ✓ **High durability:** Fiber optic cable can be used for up to 100 years before it requires replacement, with an average of at least 25 years before technological improvements are required.

3. Product end of life

Easy to recycle: Fiber optics are easier to collect and recycle than copper, and less energy is required to reuse or recycle the cable.

Adopting fiber optics technology is a significant step in the Group's environmental commitment, as it is the most environmentally efficient solution, reduces GHG emissions, and contributes to preserving natural resources.



they committed to tackling climate change by reducing GHG emissions and increasing adaptation to climate change.

Accordingly, to raise awareness of the business sector's role in achieving national goals, Bezeq's board of directors adopted long-term ESG goals in 2022, including a goal of net zero carbon emissions by 2050. At the beginning of 2023, the subsidiaries assumed the Group's carbon-zero goals.

In January 2024, Bezeq joined the Ministry of Environmental Protection's Zero Hour initiative for net-zero emissions. The companies participating in the initiative commit to net-zero GHG emissions by 2050 while setting interim goals based on the guidelines of the mechanism, which was developed based on recognized standard global principles and professional infrastructure.

GHG emissions



Following the implementation of the national fiber project, Scope 1 emissions increased by 4.3% due to increased activity and technician travel.

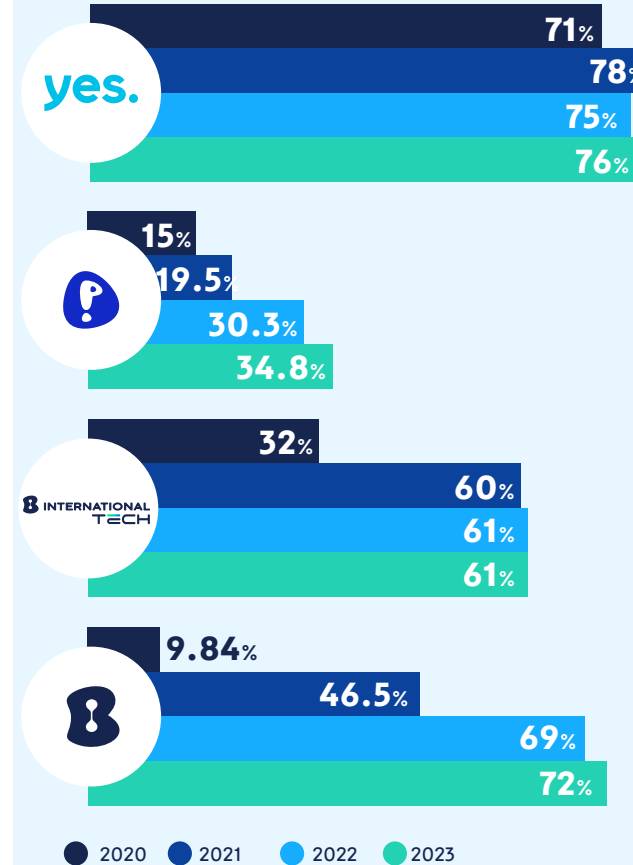
Scope 2 emissions decreased 1.3% due to implementing measures to improve energy efficiency, raise employee awareness, and favor energy suppliers with enhanced environmental performance.

Scope 3 calculation – leading the market

2023, as part of Bezeq Group's ongoing commitment to sustainability and environmental responsibility, Bezeq began evaluating the full extent of its Scope 3 carbon footprint for 2022 and 2023 by the GHG protocol.

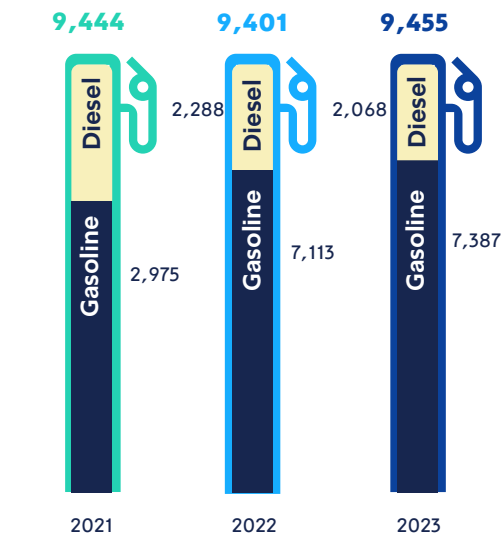


Proportion of electric and hybrid vehicles in Bezeq Group by year*



Electricity consumption at Bezeq Group (kWh) Fuel consumption in Bezeq Group companies (in thousands of liters)

	2020	2021	2022	2023	Change compared with last year
Bezeq	147,995,000	146,182,316	146,357,398	148,090,772	+1.4%
yes	9,053,880	9,114,997	8,357,625	7,815,933	-6.5%
Pelephone	65,379,951	60,719,862	51,618,195	60,649,424	17.5%
Bezeq International TECH	53,134,581	52,456,926	52,320,927	57,063,617	9.1%
Total energy consumption	275,563,412	268,474,101	258,654,145	273,963,313	5.9%



*רכבים פרטיים של עובדים וטכנאים בלבד (ללא רכבים מסחריים)

This is a significant and essential step for managing the Company's carbon footprint, and it positions it as one of the first companies in Israel to address this matter. We chose to focus on seven critical categories for operations:

1. **Category 1:** Purchased Goods and Services
2. **Category 2:** Capital Goods 2
3. **Category 4:** Upstream Transportation and Distribution
4. **Category 5:** Waste Generated in Operations
5. **Category 6:** Business Travel
6. **Category 7:** Employee Commuting
7. **Category 11:** Use of Sold Products

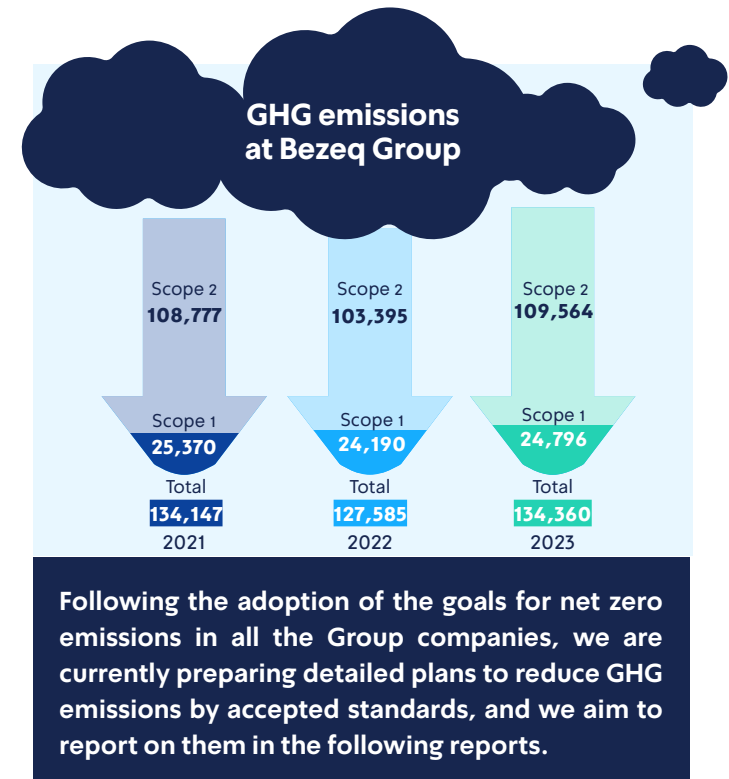
The categories were chosen based on a benchmark for Scope 3 categories calculated by the world's leading telecommunication companies and consultation with company professionals.

To calculate categories related to the organization's supply chain (Categories 1, 4, 4, and 11), we relied on data sent by suppliers: carbon footprint analysis and LCA. If no data was available, the emissions were calculated based on the technical specifications of the products and corresponding emission coefficients.

Data was received from the organization to calculate Categories 5-6, and Category 7 was calculated based on a survey of employee initiatives distributed to the Company's employees. It should be noted that the computed emissions refer to 20% of all the chosen suppliers who responded to the Company's request for information, and we aim to increase the cooperation and awareness of all suppliers in the coming years.

CO₂ Scope 3 at Bezeq

Category	2022	2023	Change
1 Purchased Goods and Services	711	832	17%
2 Capital Goods	4,372	4,271	-2.3%
4 Upstream Transportation and Distribution	1,697	836	-50.7%
5 Waste	168	145	-13.9%
6 Employee Commuting	922	923	0.1%
7 Business Travel	19	25	31.7%
11 Use of Sold Products	22,071	12,557	-43.1%
Total	29,961	19,590	-34.6%



yes.

Thanks to energy efficiency measures, Scope 1 GHG emissions decreased by 5.8% in 2023 and Scope 2 by 6.5% in 2023. On average, we reduced GHG emissions by 6.3% compared with last year.

Pelephone 5G

In 2023, there was a 9.8% decrease in Scope 1 GHG emissions and a 17.5% increase in Scope 2 GHG emissions compared with last year. In total, GHG emissions increased by 14.7% compared to the previous year. The decrease in Scope 1 is

INTERNATIONAL TECH

mainly due to the fleet's increased hybrid/electric cars and reduced diesel consumption of two cellular sites that run on generators.

The increase in Scope 2 is due to the number of 5G cellular sites alongside 3G and 4G networks.

In 2023, Scope 1 GHG emissions decreased by 11.6%, and Scope 2 GHG emissions increased by 14.1% compared with last year. Overall, GHG emissions increased by 13.9% compared to the previous year. This is due to the expanded scope of the Company's operations in its server farms.

Reducing waste and encouraging recycling

Bezeq

The Bezeq International Tech facility, which repairs and upcycles electronic devices, including routers and modems, has increased the scope of its activity for the

third consecutive year and has achieved a 32% increase since 2021. The facility upcycles 93% of the products it receives, such that together with the rise in its activity, tens of tons of electronic waste are saved annually. In 2023, we placed bottle recycling bins on all floors of the Company's headquarters in Holon. We signed agreements with a supplier that employs at-risk populations for waste removal and separation services at Bezeq House, which started operating in 2024.

yes.

We reduced the volume of streamer packaging by 50% to save packaging costs and reduce waste production.

Pelephone 5G

We placed bins in the logistics center to separate wastepaper, plastic, wood, and batteries. To reduce the use of paper, we also transitioned to digital shipping notes

INTERNATIONAL TECH

and reused wooden pallets when transporting goods.

- ✓ At the beginning of 2024, the kitchenettes of **yes and Pelephone** started using reusable plates and utensils instead of disposable ones, and later this year we will begin to separate waste at different site

Our activity centers on recycling paper and cardboard and disposing of electronic waste as required by the Packaging Law. To encourage a healthy and clean work environment and raise awareness among our employees to reduce and separate waste, we initiated a 'Green Week', which included installing bins and facilities for separating waste by type and recycling furniture and office equipment.

Water efficiency and reduction of use

Between 2021 and 2023, the Group Companies reduced their total water consumption by 30%. The reduction was due to changes in the properties, mainly due to applying innovative water management technologies, repairing and upgrading infrastructure, and increasing employee awareness of smart water consumption. This reduction demonstrates the Group's commitment to the environment and operational efficiency and highlights its technological and management capabilities in finding sustainable solutions for using essential resources.

Monitoring and control of electromagnetic radiation

The Group companies operate according to law and business license regulations. In 2023, we met the Ministry of Environmental Protection's mandatory radiation standard. In addition, when technicians work on rooftops, antennas are suspended to reduce their exposure to radiation. The Group conducts routine radiation controls and monitoring, and the results are reported to the Company's board of directors and the Ministry of Environmental Protection. ●



Bezeq Energy Leading the private and green electricity revolution

In May 2024, Bezeq and Powergen of the Generation Fund signed an agreement to establish Bezeq Energy. The partnership, launched in mid-2024, offers consumers electricity from different sources, with 35% based on green and renewable energy. The combined capabilities of the companies are the key to the new company's value proposition: electricity with a reduced carbon footprint at the most attractive price on the market from the first day of joining, without any small print or long-term commitments.

Corporate Governance and Ethics at Bezeq Group

Ethical management

Ethical management is a central value in Bezeq Group's activities and is considered a vital part of the Group's success and continued long-term growth.

We invest great effort in cultivating and constantly improving our ethics culture to ensure that every employee is familiar with ethical norms and what is expected of them in their routine work.

Each Group company has a code of ethics that is refreshed and adjusted periodically. Employees participate in annual ethics training and drills that address potential ethical dilemmas. We are confident that our employees know how to make the best decisions for the Group, its stakeholders, and themselves.

At **Bezeq**, the ethics committee meets, and the participating managers are updated on the assimilation of the Code of Ethics and discuss and analyze the findings of the ethics survey. Ethics management is coordinated by the VP of Human Resources, who is responsible for ethics in the Company. International auditing standards report Ethics and its management to the board of directors.

At **yes and Pelephone**, the VP of Human Resources

manages ethics and the Code of Ethics in collaboration with other VPs and team managers. The VP of Human Resources is responsible, among other things, for training, measurement, supervision, enforcement, reporting, updating the Code of Ethics, and striving for continuous improvement in ethics performance.

At **Bezeq International TECH**, the security officer coordinates ethics and the enforcement of the Code of Ethics. In 2023, the Code of Ethics will be applied through an online tutorial, reliability checks for employees and managers, and procedures for sensitive positions.

[To review the full Code of Ethics of Bezeq](#)

[To review the full Code of Ethics of Pelephone \[in Hebrew\]](#)

[To review the full Code of Ethics of yes \[in Hebrew\]](#)

[To review the full Code of Ethics of Bezeq International TECH \[in Hebrew\]](#)

Ethics and corporate governance

The Bezeq Group has binding policy documents that serve as guidelines for the operations of its companies and employees. The documents include guidelines on human rights, responsible employment, prevention of bribery and corruption, and conflict of interest. Each of the Group's companies has internal procedures for addressing suspicions of improper conduct or violation of rules and the provisions of the law. The Group's public policy documents are available for review on its website. Click [here \(Policies | Bezeq Group\)](#) to review the documents.



LEADERS convention of the private customer's division at Bezeq

Maintaining discipline at Bezeq

Employee conduct has consequences on the Company's performance and image. Therefore, the Company is strict about how they behave and, when necessary, takes disciplinary measures against employees who deviate from standard procedures and rules of conduct. The Company's disciplinary regulations are anchored in a collective agreement describing the structure and powers of the disciplinary system. Discipline is managed by Bezeq's disciplinary officer, who is authorized to define policy, implement the regulations, submit applications to the disciplinary tribunal and the disciplinary committee, revise and distribute the disciplinary procedures, and decide whether to submit cases for further consideration.

Disciplinary committees at Bezeq

Each division and headquarters unit has a disciplinary committee chaired by an executive manager, with management and employee representatives. The committees address all cases of inappropriate behavior, traffic violations, safety violations, and any case referred by the disciplinary officer.

National Disciplinary Court at Bezeq

Under the collective agreement applicable to the Company, the Company has a disciplinary court, the highest authority, chaired by a retired judge, with management and employee representatives. The court discusses, among other things, cases in which an employee has been convicted of a criminal or flagrant



offense, inappropriate behavior and causing a severe disruption at work, offenses under the Competition Law submitted by the internal compliance officer, cases of sexual harassment, and any other case submitted by the CEO or the disciplinary officer. It also serves as an appeals court for the Company's disciplinary committees.

Ethics training

Following the Code of Ethics revision, training courses at Bezeq in the reporting year focused on its assimilation and communication with all employees and managers. For this purpose, a special team management workshop was formulated, and digital learning on the subject was added for headquarters employees on their first day at work and incorporated into the introductory courses for technicians and service representatives. All employees must be familiar with the Code of Ethics and pass a test. In the annual training program at Bezeq, training courses are held for new managers and employees. The training program includes the following subjects:

- What is an ethical dilemma
- Current case studies
- Introduction to business ethics
- Approaches of stakeholders
- Different approaches to evaluating what is good
- The freedom to choose within a framework

All Bezeq Group managers and employees, including part-time employees and outside employees, participate in ongoing training on preventing bribery and corruption, sexual harassment, and other issues. The training program is managed by the director of digital learning, who oversees the assimilation of the ethical culture and serves as a member of the ethics committee.

Measuring the effectiveness of the adoption of the Code of Ethics

Bezeq uses the following tools to measure the effectiveness of implementation of the Code of Ethics:

- Indicators from the ethical climate survey results were conducted in July 2023 and implemented in all

departments that year.

- Tests at the end of each digital tutorial.
- Results of customer satisfaction surveys indicate the assimilation of ethics with customers and stakeholders.
- Following the results of the last survey, in 2023, each division focused on points to continue improving their scores.

Protecting whistleblowers

An important pillar in ethics management at Bezeq Group is the principle of non-retaliation. This principle aims to prevent the harassment of whistleblowers and help employees and other stakeholders feel confident reporting ethical risks. This principle is included in all ethics policy documents and underscores that there will be no harm to the employee making the complaint or to their employment conditions.

Under Bezeq's policy, the VP of Human Resources and the Company's auditor will determine the appropriate action to protect the employee according to the circumstances. This will prevent any harm to an employee who reports unethical conduct or concerns regarding prohibited actions in good faith and is not personally involved in such an incident.

Protecting human rights

At Bezeq, we believe in upholding human rights, protecting the individual's freedom, dignity, freedom of movement, property, security, bodily integrity, and equality, and preventing discrimination. Protecting human rights is a crucial value for the Group, and it takes steps to promote them. The internal audit system addresses any complaints in this area. The Group complies with all the provisions of the law and beyond, as established in the Human Rights Policy Document.

Prohibition of forced labor and employment of minors

The Group complies with all requirements of Israeli labor laws and prohibits abuse, forced labor, and the

Ethics training at Bezeq in 2023

Type of Activity	Work method	Participants	Total hours
Orientation days for new employees	Frontal	91	91
Tutorial – basic courses	Digital	773	386
Manager development plan	Frontal	43	86
Tutorial – refreshing knowledge for the whole Company	Digital	4745	237
Total			800

Eight hundred hours of ethics training were held at Bezeq in 2023.

98% of all the employees of yes, Pelephone, and Bezeq International TECH completed the code of ethics tutorial in that year



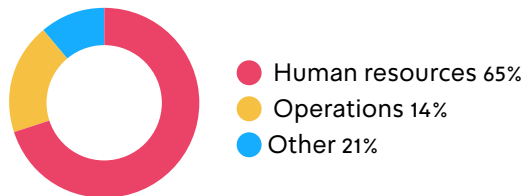
employment of minors. Employees' children are employed during the summer vacation in compliance with the law and an internal procedure. The Company also uses a limited number of trainees in collaboration with their schools to contribute to the community.

Diverse contact channels to promote ethics

There are different contact channels, both anonymous and open, for Bezeq Group's employees, managers, and business partners to consult or report on ethics and proper management. Contact can be made directly to the Company's auditor and ethics officers using a hotline, direct phone, email, fax, personal meeting, or an anonymous application on the internal portal.

These channels are published on the Company's portal, posted in rooms in the Company's buildings, and sent by email to all employees. The applications and complaints mechanism is essential for effective management of the Group, allows for the identification of gaps, and provides internal feedback to improve conduct and performance.

In 2023, 65% of the complaints submitted to Bezeq's internal auditor addressed human resource issues, 14% addressed operational issues, and the remainder addressed different issues. The handling of complaints included the required checks with the relevant entities.



Preventing discrimination, sexual harassment, and abuse

The Group is committed to maintaining a safe, healthy work environment free of racism, harassment, and abuse. Therefore, it has a policy of zero tolerance for any form of discrimination, harassment, abuse, and violence. The policy is described in the responsible employment document.

Preventing sexual harassment

As the law requires, all Bezeq Group companies have sexual harassment prevention officers, and each employee undergoes annual training on the subject. The Group companies require their managers to act actively and lead in preventing sexual harassment and abuse. All the necessary information about measures to prevent sexual harassment and abuse is accessible to the Company's employees.

A complaint about sexual harassment can be made orally, by phone, or in writing. A complaint submitted to another party in the Company is sent to the sexual harassment prevention officer. After addressing the complaint, the sexual harassment prevention officer presents the findings to the VP of Human Resources, who makes a decision and, if necessary, convenes a committee to discuss the matter.

Preventing abuse

Bezeq strives to create a respectful organizational environment and protection from harassment for all its employees. It focuses on advancing an appropriate

working relationship between superiors and subordinates. The company's internal auditor and ethics officer are the contact channels for reporting conduct that is inconsistent with its norms, values, and policy.

Prohibition of discrimination

Bezeq Group is committed to preventing discrimination of any kind – based on race, sexual orientation, gender, language, religion, political opinion, and nationality.

Policy for preventing bribery, corruption, and conflicts of interest

Bezeq considers the prevention of bribery, corruption, and conflicts of interest to be particularly significant issues for its business, financial, and operational conduct. It has a set of internal procedures to prevent bribery (including facilitation payments) and the prohibition on receiving gifts and favors. To review the Company's policy on these issues, click here (Policies | Bezeq Group).

Political contributions

All the Group companies refrain from making donations to political parties or candidates running for political positions and from donating to organizations that may be perceived as such.

Internal audit of Bezeq Group

The internal audit of Bezeq Group is an independent body entrusted with reviewing the activities of the Group companies. Its essential purpose is to assess the integrity of operations, information quality, finances management, IT systems by-laws, and internal procedures. Bezeq and its principal subsidiaries have an internal auditor who heads the audit team and submits reports to the chairman of the board and the audit committee.

Work of the board of directors

Bezeq's board of directors outlines the Company's policy. It determines its action plans, approves the Company's financial statements and financial situation, and supervises the subsidiaries' actions. The board of directors operates within the powers granted to it under the Companies Law and by proper corporate governance regulations. Bezeq's board of directors (other than the employee director) also serves as board members of the subsidiaries yes, Pelephone, and Bezeq International TECH.

Role of the board of directors in ESG management

Every year, the Company's board of directors holds discussions on ESG. In 2022, the board of directors approved the expansion of ESG management as a direct continuation of the Company's existing operations in this area. In this context, the board of directors approved the Company's sustainability vision: **Bezeq connects Israel to a sustainable future**. In addition, the board of directors set ESG goals, including long-term goals for environmental responsibility to reduce GHG emissions to net zero by 2050 (Net Zero 2050); social responsibility goals to increase the representation of women in the Company's management to 50% by 2030, and on the Company's board of directors to at least 40%, and to increase the rate of diverse populations to 20% by 2030. Additionally, on the same date and close to that date, the board of directors approved the Company's ESG policy documents on various issues. In February 2023, the board of directors in the subsidiaries yes, Pelephone, and Bezeq International TECH also adopted the ESG goals. In addition, at the end of the reporting year, the board of directors discussed the war's effects on the Company's activities and its preparation for cyber incidents. Throughout this year, the Company continued

collaborating with civil society organizations to narrow the digital divide, encouraged its employees to volunteer for a wide range of social goals, and continued to invest resources in improving corporate governance in the Group, including adopting management norms and managing compliance and enforcement plans. The Company publishes ESG reports in accordance with the Global Reporting Initiative (GRI) reporting standard. From 2022, it will report to CDP Worldwide, which manages professional reporting, documentation, and rating for managing the environmental impact of various entities.

Communicating ESG information to the board of directors

Bezeq's VP of Corporate Communications is responsible for ESG in the Company, together with the ESG director. The VP reports periodically to the board of directors on developing ESG issues. In addition, the board of directors receives periodic reviews on topics related to ESG management. In the subsidiaries yes and Pelephone, the VP of Corporate Communications reports ESG issues to the CEO, who reports to the board of directors. At Bezeq International

TECH, ESG is managed by the VP of Human Resources, who reports to the company's CEO and to the board of directors.

Meetings of Bezeq's board of directors

In 2023, Bezeq's board of directors held 19 meetings, with the participation of all members except directors who could not participate in all or part of a meeting. In addition, 34 meetings were held in the four active committees of the board of directors, and there was high attendance of board members at all its meetings and committee meetings:

Type of committee	No. of meetings
Board of directors	19
Audit Committee	17
Committee for reviewing the financial statements	8
Compensation Committee	8
Security committee	1

Meetings of the board of directors of the subsidiaries

Each Bezeq Group company has its board of directors. Below is information about meetings of the board of directors in 2023:

Subsidiary	No. of meetings in the reporting year
yes.	5
P elephone 5G	5
B INTERNATIONAL TECH	8

Procedure for electing members to the board of directors

In 2023, nine directors were on the Company's board of directors, including three external directors and one independent director (who is not an external director). An independent director's service is voluntary, indicating more stable and solid corporate governance. The directors, including the external directors, are subject to the provisions of the law, including the Companies Law, provisions regarding appointments, their qualifications, requirements regarding the absence of a relationship, the majority required for their election, and the validity of their term of office. As part of the appointment process, the board members hold a preliminary discussion on the mix of the board members' skills, take into consideration diversity and gender, and review the various occupations of the director to verify that there are no conflicts of interest and that the candidates are compatible with the board of directors and its committees. After mapping,

the board's recommendation for appointing a director and an external director is presented for approval at the general meeting of the Company's shareholders. In 2023, the board reaffirmed its work practices and the work practices of the committees. This professional process strengthens ESG in Bezeq Group. Once a year, the Board of Directors revises the procedure for the work of the Board of Directors and its committees, which is based, among other things, on the provisions of the law and includes issues related to the work of the Board of Directors and its committees, including regulation of the duties of the board of directors and its powers, board committees, work methods of the board and committees, including the reports brought before it and issues and transactions that require its approval.

Most of the board members have accounting-finance expertise as defined in the provisions of the Companies Regulations (Terms and Tests for Director Possessing Accounting and Financial Expertise and a Director Possessing Professional Qualifications), 2005.

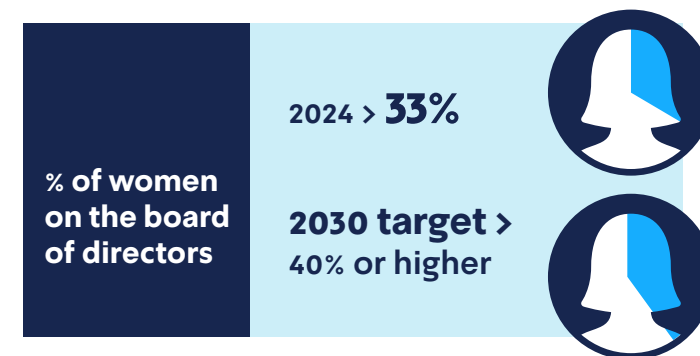
The Company complies with the provisions of section 239D of the Companies Law, which defines the right of representation on the board of directors for both genders.

Gender diversity on the board of directors

At the beginning of 2022, the board of directors set a goal to increase the proportion of women serving on Bezeq's board of directors to 40%. As of the end of 2023, seven men and two women served on the Company's board of directors. In April 2024, another woman director was elected to the Company (instead of a director who retired), increasing the proportion of women on the board of directors to 33%.

Guidance and training of the board of directors

The Group companies take many actions to train and maintain the competence of the board members



throughout their term of office, including training courses on corporate governance and risk management and seminars held by the chairperson of the board, Group secretary, internal compliance officer, internal auditor, and outside legal counsel for the board of directors.

In addition, each new director receives individual training. The Company's internal auditor reviews the effectiveness of the work of the board of directors and its committees as a tool to strengthen corporate governance enforcement and compliance. The results are submitted to the relevant committees for review and discussion and then to the board of directors.

Communication of critical issues to the board of directors

The powers of the Company's board of directors are established in the Companies Law and the Company's articles of association. In addition, the work of the board of directors is also regulated by the Company's internal procedures, primarily the work procedure of the board of directors and its committees. In this context, procedures related to the transfer of information to board members were established, including material matters regarding the Company, procedures for sending messages and materials to the board members, the right of directors to receive information and secure their access to information, and regular reports to board members on matters related to the Company. In addition, procedures were defined for processes requiring the board of directors' approval and for sending the relevant information to the board members.

Compensation policy

The compensation policy sets out rules for the compensation of officers, which are adapted first and foremost to the Company's strategic financial goals, the risk profile, compliance with management goals and risk control, compliance and regulation, work plans, and the Company's long-term profitability. In addition, it considers appropriate accounting and balances between the desire to create proper incentives to achieve the long- and short-term goals and increase the officer's sense of identification with the Company and its activities, with organization-wide considerations and in compliance with the risk management policy.

As required by law, in 2023, Bezeq revised its compensation policy for the Group's senior officers: the chairman of the board of directors, CEOs of Bezeq and the significant subsidiaries, VPs at Bezeq, the Group secretary, internal compliance officer, and Bezeq's internal auditor.

Objectives of the compensation policy:

- ✓ To promote the goals of the Company and the Group
- ✓ To create an appropriate compensation system for officers

- ✓ To allow the Company to hire and retain senior managers

Parameters for assessing compensation conditions include:

- ✓ The officer's qualifications and expertise
- ✓ The officer's contribution to the Company's performance
- ✓ Market conditions
- ✓ The Group needs to retain the officer

The compensation committee, Bezeq's board of directors, and the general meeting of shareholders are the entities involved in determining the compensation policy.

Stakeholders and voting rights

Under the Company's articles of association and by the Companies Law, each Bezeq share confers on its holder the right to participate and vote in the general meetings of the Company's shareholders. The information for participating in general meetings and votes is described in full in the notice of each general, annual, and special meeting.

Adoption of internal compliance plans

Bezeq Group attributes utmost importance to maintaining high standards of proper corporate governance. It invests heavily in preventing violations of regulations while encouraging and assimilating a culture of compelling compliance with the law in all activities of the Group companies. The Group voluntarily adopted internal enforcement programs in various areas, such as securities and competition laws (antitrust). The enforcement plans aim to implement the regulatory and legal provisions relevant to the Group companies while establishing detailed control mechanisms to prevent failures and violation of provisions that may cause financial damage and harm to reputation.

Risk management system

Risk identification, assessment, and management of Bezeq Group are revised and discussed routinely in the Company's activities and the discussions of the board of directors and Company management as part of an ongoing procedure designed to maintain the quality and integrity of the Company's activity. The risk map changes according to market conditions and situations on the ground and depends on internal factors, such as the nature of the services offered by the Company, and external influences, such as the market situation.

Assimilation of the risk management policy:

- ✓ Periodic reports and meetings with representatives of the divisions
- ✓ Ongoing dialogue with risk officers in the subsidiaries
- ✓ Dedicated biannual management forum on risk management
- ✓ Report to the audit committee and the committee for reviewing the financial statements
- ✓ Presentation of a risk management review to the board of directors

Vital regulatory updates in 2023

Bezeq's regulation activity is mainly carried out with the Ministry of Communications. As Israel's leading telecommunications company, Bezeq must comply with fair and accessible competition principles. The Company's employees and management teams undergo regular training on regulatory issues, including legislative updates and changes relevant to the operations of Bezeq and its subsidiaries.

Following the progress of the electricity reform, which allowed competition between private electricity suppliers and direct contact with consumers, the Company decided to enter the sector and advance the electricity project in which Bezeq is a partner. ●



Training courses for the board of directors in 2023:

- Review of ESG activities
- Training on innovations in the internal audit
- Training in legal matters, such as a refresher course on the duty to report – qualitative and quantitative, liability for negligence in good faith, and the different levels in the consideration for distribution of a dividend
- Detailed overview of the electricity sector

Securing Information and Protecting Privacy

Information security and cyber protection in the Group companies are of utmost importance since the companies are part of Israel's critical infrastructure and are responsible for transferring information between private customers, organizations, and government institutions, which also contain sensitive information.

The more we, the citizens, use digital services in all walks of life, the higher the importance of information security and cyber protection. Any damage to or hacking into the security and protection systems may damage the regular function of customers, who rely on telecommunication services for their daily activities and may even lead to loss of information and violation of privacy. Cyber protection ensures the stability and reliability of the services, prevents hacking and phishing attempts, and allows companies to maintain their trustworthiness and professional reputation. Therefore, investing in advanced cyber protection systems is essential for business continuity and compliance with strict regulatory requirements imposed by their definition of critical national infrastructure.

According to Bezeq data, already in the first half of 2023, there was a significant increase in the number of cyberattacks reported by the Company's customers compared with the first half of 2022. In this period, there was a surge of 84% in the average number of malicious users blocked every day, and there was also a 15% increase in the number of DDoS attacks on devices connected to the home network, such as computers, smart TVs, printers, game consoles, and cameras. It also arises that in the first half of 2023, there was a sharp increase of over 200% in phishing attacks on customers.

Following the October 7th attack on Israel, the number of attacks on home networks and devices connected to them jumped by hundreds of percent. In the first three months of the Swords of Iron War, Bezeq's servers received 50 million emails—24 times more than in the corresponding

period in the previous year. The great majority (over 95%) were various attempts at spam and fraud.

To maintain operational and service continuity, the companies' security systems raised alertness to the highest level. They prepared themselves to provide a continuous, high-quality response to the growing number of incidents. Among other things, suspicious websites, email messages, and IP addresses were blocked, internal and external access options to organizational information were tightened, and relevant issues were communicated to the companies' employees to raise their awareness of security issues. In each company, employees may contact the chief information security officer or security officers through a range of channels. When working with third parties, we adhere to a high standard and examine the level of information security in accordance with the law and additional regulations.

Advanced capabilities and technologies

Bezeq Group companies have advanced capabilities for addressing cyber threats, with dedicated teams of leading professionals. The Group's comprehensive information security programs include compliance with strict norms and standards, the use of advanced technologies, which are updated regularly to prevent malicious or accidental data use by an external or internal party, and backup and recovery plans.

Upgraded cyber management at Bezeq

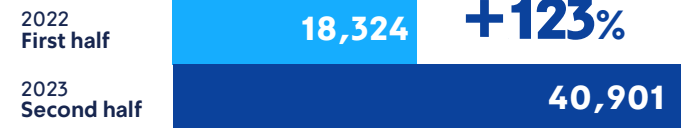
Information security at Bezeq Group includes monitoring, collection, and follow-up using advanced systems, surveys

Blocked domains

Daily



שבועי



Cyber-attacks on devices connected to the home network in 2023*

- 84%+** Blocked domains per day
- 15%+** DDoS attacks
- 214%+** Phishing attacks

* Based on Be-fiber router data.

in the supply chain and risk surveys, an investigations center, penetration testing, report generation, end-to-end management, ongoing drills, and a large-scale action plan preparing us for cyber incidents.

Key points of the action plan for cyber protection:

- ✓ Revising and synchronizing procedures between the different entities in the Company
- ✓ Joint cyber drills with the technical teams
- ✓ Recoverability after a cyber incident
- ✓ Management drills
- ✓ Forming a dedicated cyber event team and contracting with a professional company
- ✓ Periodic renewal of cyber insurance



In 2023, no significant information security and cyber incidents required regulatory reporting.

Annual cyber drill

As Israel's leading telecommunications group, and by best practice principles, the Group's companies are exceptionally prepared for potential cyber threats. Parallel to general emergency procedures, we conduct a specific cyber procedure for the companies and the divisions and conduct an annual drill with the investment of great effort and resources.

In 2023, the management of all the companies held extensive cyber drills to assess the performance of the internal response teams, which include information security professionals, for a wide range of stress scenarios in a changing reality. The drills included the participation of all managers in each company, followed by drawing conclusions, improving preparedness, and advancing measures and responses for a range of potential scenarios.

Employee training

The Group companies invest many resources in raising employee awareness and competence through training and periodic communications designed to increase awareness of phishing, information security, and other cyber incidents.

At Bezeq International TECH, for example, humorous videos were produced with the participation of the company's employees. The videos, distributed once a month to all employees, generated significant interest and dialogue within the company, and information security awareness was raised immeasurably.

Bezeq Group's cyber forum

The Group's cyber forum was held in December 2023, with teams from all the Group companies participating. The topics raised in the meeting addressed aspects of the war and the supply chain, and a review and analysis of events, conclusions, and immediate preventive measures.

Cyber protection services for customers of the Group companies

Cyber protection of Be routers

Cyber Plus is a cyber service operating as an additional layer for the existing B-Cyber service and includes protection against phishing, network impersonation, and DoS/DDoS attacks.

The service protects devices connected to the home network, addresses vulnerabilities in real-time, blocks password cracking, and prevents device takeover and the risk of privacy breaches at home.

Cyber Plus uses advanced technologies to actively protect against brute-force attacks. The service also detects multiple password-cracking attempts on devices connected to the home network and takes action to prevent them.

Pelephone Cyber

Pelephone provides free cyber protection to all its customers through the Pelephone Cyber BASIC service. This service enables protection against cyber-attacks while mobile browsing, management of security levels while mobile browsing, and alerts and tips for safe browsing. Pelephone Cyber TOTAL allows customers to buy Norton Security for Wi-Fi browsing protection and alerts on suspicious apps on the device.

Winning protection at Bezeq International TECH

In the transition of Bezeq International TECH to an independent ICT company, the company defined cyber protection as one of its growth engines. The main challenge facing organizations today is coordinated management of all cyber solutions and quickly responding to attacks. Defender Cyber is a leading cyber product. This is a particularly smart SIEM & SOC solution that provides a 24/7 response for our customers and will serve as an information security package for all assets in the organization. The service can be managed through an innovative user portal connecting the CISO to the system from anywhere and at any time to gain complete visibility of what is happening in the organization.

Maintaining privacy and increasing transparency

The privacy protection policies of the Group companies are published on their websites and include references to the principles and guidelines implemented by each company for maintaining the privacy of the information it possesses, and that relates to all stakeholders—customers, employees, business partners, suppliers, and others. All the companies comply with the State of Israel's data protection and privacy laws.

Compliance with laws and regulations

- ✓ All the Group companies comply with the Provision of Privacy Law and the Payment Card Industry (PCI) standard.
- ✓ Bezeq and Bezeq International TECH comply with the ISO 27001 standard for information security management. Over the year, Bezeq International TECH achieved ISO 27032 certification. This standard is an extension of

the ISO 27001 standard and provides guidelines for protecting information while improving existing cyber protection controls in the organization.

- ✓ This year, Bezeq International TECH achieved Type2 SOC II certification. This is a deep examination and analysis of the organization's control and supervision measures to reduce information security and accessibility-related risks, data processing reliability, confidentiality, and privacy.

Looking at future threats – quantum protection pilot on Bezeq's fiber network

Bezeq announced a quantum cyber protection pilot, aiming to be the first telecommunications company in Israel to deploy and provide a critical distribution network to increase communication encryption for essential systems, including financial systems, critical infrastructures, hospitals, and security systems.

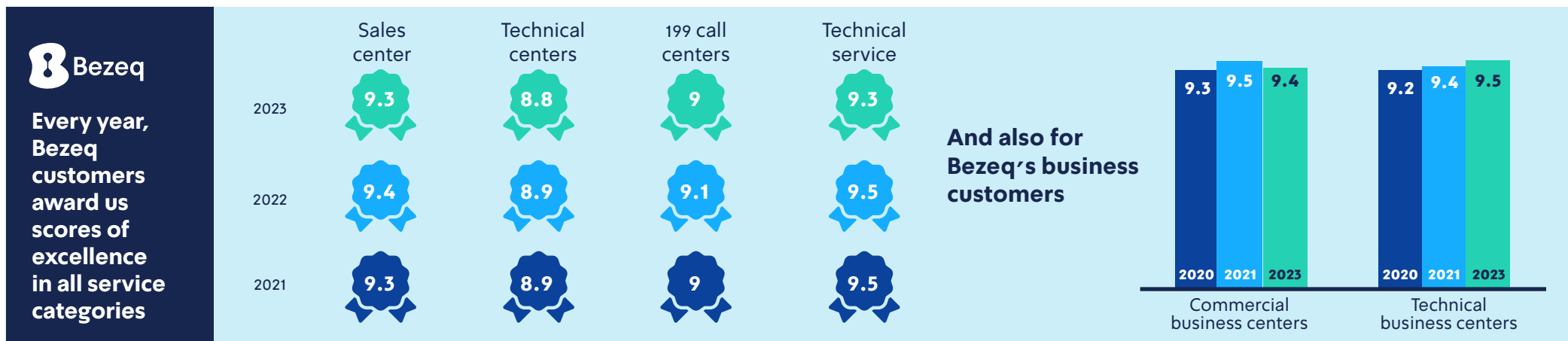
According to a 2023 IBM study, the average direct cost of a cyber breach in the United States is USD 4.5 million, and the damage incurred by the American economy from cyber breaches in 2021 amounted to USD 6 trillion. The study also demonstrates that the cost of insurance against cyber-attacks in the United States increased by 50% from 2022 to 2023 due to increased hacking attacks and associated costs. Encryption experts estimate that given the progress in the development of quantum computing technologies, it will soon be possible to hack existing encryption systems, making data communication unsafe. Quantum key distribution (QKD) is the only proven technology that provides the ultimate level of security for data communication, including protection against any attack or tapping attempts. ●



Excelling in Service

At Bezeq Group, we extend our full attention and resources to lead in the quality of our products and services and provide our customers with an innovative purchasing experience of the highest standard. The service divisions of Bezeq Group companies maintain high customer satisfaction in the long term through many actions to maintain and constantly improve the customer experience, such as ongoing control, competitions between all divisions, implementation of technological tools, and processes to improve service.

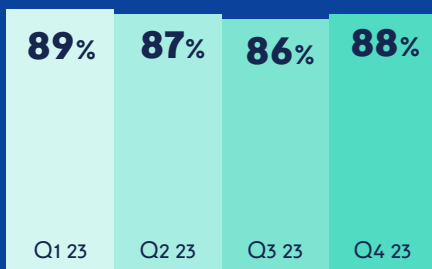
Service metrics



yes.

Understanding that responsibility for the customer experience lies not only on service representatives but also on all yes employees, we assess our service quality with the customer loyalty index (NPS), which measures the likelihood of the customer recommending us to others.

In 2023, the rate of customer recommendations was **88%**

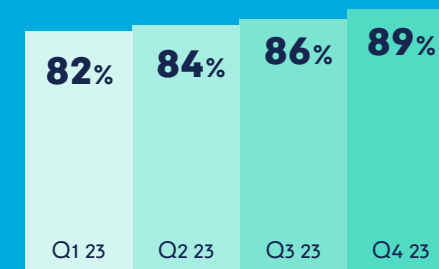


Telephone 5G

According to the Ministry of Communications' Public Inquiries Report for 2023, Telephone is one of the two companies that received the highest weighted scores for customer loyalty.

In 2023, the rate of customer recommendations was **89%**

Consumer division





Telephone's support center

Service and sales quality and guarantee

As the leading telecommunications and television group of companies serving millions of customers, service and sales quality is our top priority. This value is applied throughout the company's entire management chain, from the most senior management levels to the service and sales representatives who provide service to the customer. The service agreement is published on the websites of yes and Pelephone and will be launched on the website of Bezeq International TECH later in 2024.

Activity to improve service at Bezeq Group



Advancing digitization in Bezeq

In 2023, Bezeq continued to invest in customer service digitization and launched the Bezeq smartphone app, which allows a range of operations for account management and technical service. The Company also

launched a digital subscription and a WhatsApp service channel. The personal service area on Bezeq's website has been refreshed and upgraded, and it now also includes an entire digital interface for coordinating home moving.

Communication package for small-scale businesses

In 2023, we also focused on meeting small businesses' communication and connectivity requirements, which are often managed as small offices or home offices (SOHO). We started offering these customers a service package with optic fiber communication, a fast and secure router, and an SLA adapted to the dynamic business environment.



Excellent service, starting with increased customer independence

As part of the perception of the importance of service at yes and Pelephone, we harnessed all service managers and service interfaces to an accelerated in-depth analysis of inquiries that reach the centers.

In this context, we simplified work processes to give the customer a complete response at the first contact, increase their independence in digital channels, and communicate simple information to them. By significantly improving the service, we made the customer's experience simple and accessible and avoided contact with a service representative.



Improving service and customer experience

As part of the effort to enhance customer experience and adapt it to the digital age, Bezeq International TECH invested substantial resources, such as adding WhatsApp service options for business customers alongside the existing channel for private customers and setting up a dedicated marketplace site for Microsoft subscribers

where a range of purchase and upgrade operations can be performed.

Following the change in the company's activities and the focus on service for the business sector, the company launched a two-year operational excellence project in the core areas of the service and support department to create a uniform and high standard of work processes, upgrade the company's systems that support them, improve service, and enhance customer experience. The company also established a service quality forum that meets monthly to analyze test cases, draw conclusions, and act for improvement, including feedback for service representatives.

Training for service representatives

The Group companies emphasize training for technicians and service and sales representatives to maintain high service and sales standards. Starting with the onboarding stage and throughout the year, employees participate in various courses on telecommunications, understand the customer experience, and gain a deep perception of the company's service and work processes.

Digital and automated customer service

In 2023, we continued to upgrade digital and automated customer services.

Bezeq Group companies operate customer service channels via various digital platforms and channels, such as WhatsApp, Twitter, Facebook, and Instagram, alongside customer service centers and self-service channels.

To improve the service experience and save customers time, we operate an integrated telephone answering service through which the customer can receive an immediate response in parallel channels, such as sending documents to WhatsApp or email and receiving a response after clarification via another digital channel.

Providing protected and safe content for various population groups

Bezeq Group companies must provide their customers with accessible content filtering services for internet, mobile, and television services that align with legislative and regulatory requirements.

Safe browsing for children

yes, Pelephone and Bezeq International TECH provide diverse services for filtering offensive content and adapting content for children.

Content filtering service for the ultra-Orthodox sector

In recent years, the number of ultra-Orthodox people using the Internet has increased. According to data from Bezeq's State of the Internet report for 2022, 37% of respondents from the ultra-Orthodox sector reported that they browsed the Internet more than in the previous year. Internet users from the ultra-Orthodox sector and other communities can use an interface to filter content that may be inappropriate for their worldview.

Protection against threats and offensive content: umbrella protection for students

In September 2023, Bezeq International TECH launched the Cisco Education Umbrella—the first system in Israel—in the 4,500 schools under the Ministry of Education. The system protects 2.5 million students from online threats and exposure to offensive content and prevents information security threats. This is a five-year process for integrating a uniform national solution into the education system. It will allow the filtering of content tailored to different populations' needs by controlling access to inappropriate content.

Fairness and ethics in customer service

Committed to responsible marketing

Bezeq Group companies operate according to the provisions of the law and, accordingly, have formulated a set of internal procedures based on the Consumer Protection Law and the related requirements and regulations. The companies enforce the sections relating to anti-deception, sales transactions, cancellations, and more. Further information is available in Bezeq's 2022 responsible marketing policy document.

Committed to maintaining privacy and freedom of expression

We at the Bezeq Group are committed to complying with the legal requirements relating to the right to privacy and investing in maintaining our stakeholders' confidentiality and information security. We are also committed to protecting our stakeholders' freedom of expression online and in the media. The privacy protection practices of Bezeq Group companies are based on privacy protection laws and each company's Code of Ethics.

Public Inquiries

Prevention and reduction of complaints as a strategy

In addition to technical support and sales and service centers, Bezeq Group companies have departments responsible for addressing public inquiries. These departments can be contacted through the different companies' websites, by email, postal mail, and fax. The strategy of the Bezeq Group's public inquiries departments is to provide a response and offer an adequate solution to complaints. They also aim to prevent and reduce

customer complaints by analyzing them and drawing conclusions that improve the Company's operations. Pelephone, for example, takes proactive action whereby the public inquiries department analyzes the information on customers whose bills are exceptionally high. These customers will likely complain to the service and/or public inquiries departments. Therefore, the public inquiries staff initiate contact with them in advance, inform them of the services they receive, and assist in finding the most suitable solutions at the most attractive prices. Such activity provides a rapid response, increasing customer satisfaction and trust while saving them money.

An officer has been appointed on behalf of the public inquiries department for each area of operation, who assists the different department representatives when customers contact them before the public inquiries department contacts them. The departments operate methodically to provide the best solution. Every complaint is forwarded to the relevant parties, there is a follow-up, and conclusions are drawn for improvement. Once a week and once a month, the information is gathered, summarized, and presented to the management of each company. Each company has established a public inquiries forum led by the service department director. The forum meets monthly to discuss horizontal issues raised by public inquiries and to improve the company's processes.

Direct line of contact for customers to the CEO

yes, and Pelephone operates a direct line of contact for customers between the CEO and executive management. In the past, such direct contact even led to changes in procedures and products. A CEO complaints forum also takes place to learn and draw insights from customer complaints to the other public inquiry channels in the companies. The public inquiries department also directly contacts customers who report on the service experience in the Group's social media channels.

Accessibility of physical and digital service

Bezeq Group continues to provide a high accessibility standard to allow all customers, including people with disabilities, to benefit from advanced telecommunication services with maximum convenience and ease, in person and via digital telephony.

The companies' websites provide extensive information on the accessibility of physical, digital, and telephone services, such as:

- Accessibility on the website and in the app
- Special aids for customers with hearing, speech, and physical disabilities
- A list of accessible Bezeqstore and Pelephone branches and information on accessibility arrangements
- The option to contact the companies' accessibility officers

Annual accessibility training program

The Bezeq Group companies run a comprehensive annual training program to promote awareness and the importance of accessibility, which includes various activities:

- Online accessibility course for all employees
- Focused training sessions and procedure refresher courses for direct service providers: call center operators, technicians, and store staff
- Training for marketing and development staff in content accessibility and design on websites
- Accessibility checks for stores by a licensed professional and checking the training program on the subject
- Tests and updates for internet accessibility units

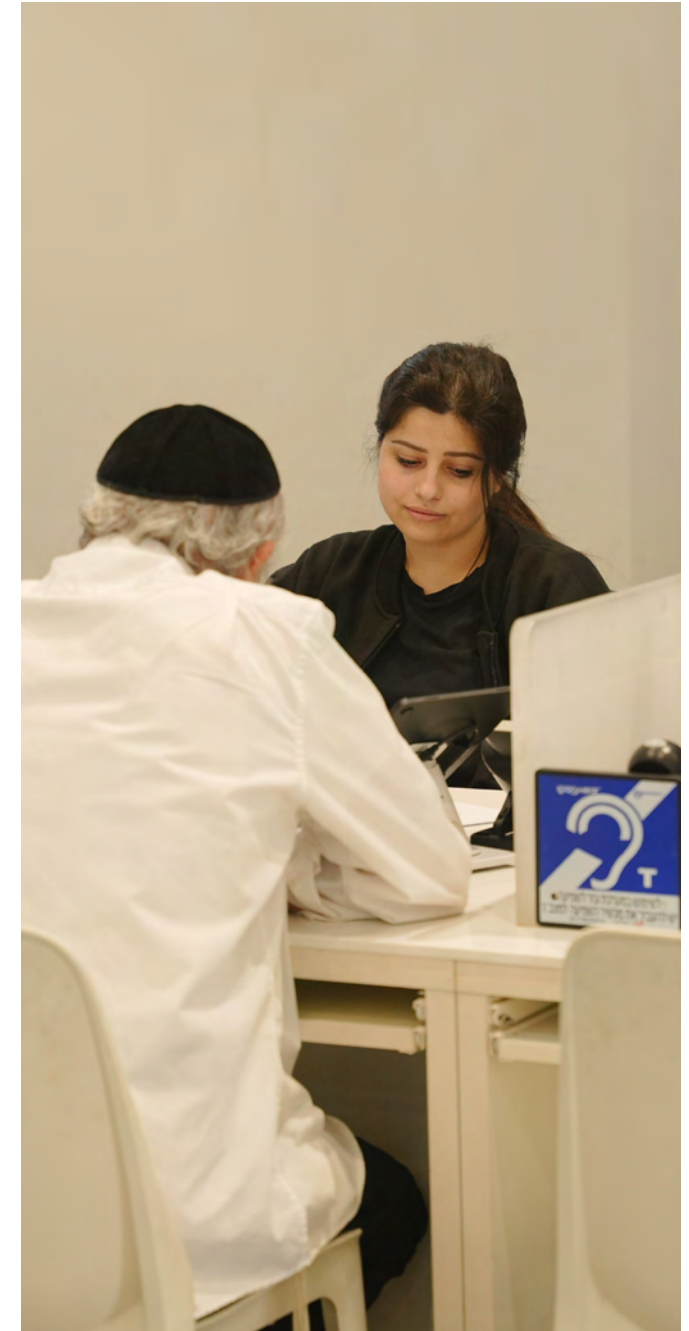
Additional activities were carried out at yes and Pelephone, such as:

- On the International Day of Persons with Disabilities, a letter and an organizational video were published for all company employees to raise awareness of the issue.
- Provide service accessibility training for managers and a training kit for all service teams.
- Hands-on workshops for learning sign language as part of corporate responsibility week in the different companies.
- Both companies met with a content creator and presenter at Kan 11, coping with Tourette syndrome.
- As part of Access Israel's Feeling Accessibility events, Pelephone's basketball team competed with the national Paralympic team.
- A lawyer on behalf of the companies participated in an accessibility conference.

Through these activities, we continue to advance accessibility and equal opportunities for all of our customers, and we are committed to constantly improving the advanced services we provide.

Every year, Bezeq International TECH performs a comprehensive scan of all website pages to check compliance with accessibility laws. In addition, the following expansions will be implemented:

- Publication an accessibility statement with a revision date on the home page.
- Publication of physical accessibility arrangements at customer centers.
- Accessibility to the inquiries box to shorten response time Raising awareness for populations with accessibility requirements.



Pelephone's service center

Making end equipment accessible to customers

As a Group that provides end equipment to customers, we ensure that the product is compatible with the customer. We also provide customers with disabilities or special needs with information about products with advanced accessibility options that may be more suitable for them. Moreover, service and sales representatives know these characteristics and can present them to relevant customers.

The content library on accessibility and people with disabilities at yes

yes attributes excellent importance in promoting equal opportunity for people with disabilities. As such, we created a content library addressing accessibility and people with disabilities. The library also has general series and movies with audio descriptions for audiences with visual impairments. On International Day of Persons with Disabilities, we place the library on the main screen of all customers to raise public awareness of the issue and people coping with disabilities.

Selecting accessible properties

Physical accessibility is essential in selecting real estate properties and preparing architectural plans for opening new service centers. In such cases, we follow the accessible property selection procedure we drafted with Access Israel and the accessibility officer. The accessibility officer's role is to assist in the characterization, planning, supervision, and control of adjusting service accessibility to customers with disabilities according to the law's requirements for equal, independent, and safe use of these services by people with disabilities.

RightHear Accessibility at Pelephone: unique service for people with vision and hearing impairments

In 2023, we expanded accessibility in Pelephone branches

by introducing RightHear, an app for customers with vision impairments and other orientation challenges. RightHear facilitates independent indoor and outdoor orientation using a unique technology based on audio guidance. When customers visit the branch, the app provides audio information about their current location and the space's structure. It also provides information such as the branch's opening hours and additional floors in the store. By clicking a button on the app, an employee can be asked for assistance. Accessibility of service machines for people with low vision In 2023, Pelephone made the service machines at the entrance to branches accessible to people with low vision. The machines have a button with the accessibility symbol, which can be operated and identified by touch for accessible service.

Accessibility of websites and financial statements

All documents in the customers' areas on the Group companies' websites comply with digital accessibility regulations, and the Group's periodic and immediate reports are accessible on the TASE and Israel Securities Authority websites.

Innovative accessibility solutions

As every year, in 2023, the Group's accessibility officers and representatives participated in meetings, forums, and conferences, including the Israel Accessibility Conference and the meeting of the global Valuable 500 initiative designed to advance accessibility for and employment of people with disabilities to continue to deepening peer learning with other companies and finding the most innovative accessibility solutions.

Accessibility of services and products for populations with special needs

To continue providing our customers with the most



Projects in 2024

- Update on the need for an accessible customer card for early identification by the service representatives and efficient and adapted service
- Securing a special appointment for customers with disabilities to address malfunctions
- Collaboration with Sign Now for sign language interpretation at the call center



professional, reliable, fair, and best service, we emphasize the sales and service channels for special needs populations, such as the elderly, new immigrants, and people with disabilities, who sometimes require specific assistance, such as accessibility or translation. We instruct our managers and staff to be aware of these populations, be more courteous to them, understand their needs, and explain to them what is most suitable for them.

Bezeq, Pelephone, and Bezeq International TECH operate a center that mediates between the population with hearing and speech impairments and the service providers by law. All Bezeqstore and Pelephone stores are also accessible and sell cellular phones with improved accessibility for each type of vision, hearing, cognitive, and motor impairment. Furthermore, all websites and digital assets are Level AA accessible, and the companies' websites have an accessibility gallery containing information on the accessibility arrangements. ●



Committed to Responsibility in Procurements and Fairness with Suppliers

Responsible procurement is critical to Bezeq Group’s commitment to sustainable management. We value our conduct in supply chains by our values and goals. This approach reduces the environmental, social, and regulatory risks that may affect our operations.

Responsible procurement policy

Bezeq Group companies have a procurement policy that guides the procurement department staff in all contracts they manage through training and implementation of work methods when starting the job and during work. The procurement policy includes references to parameters such as:

- ✓ Business license and regulatory permits as threshold conditions for agreements
- ✓ Supplier compliance with proper employment conditions, including compliance with laws for protecting employee rights
- ✓ Safety management
- ✓ Absence of conflicts of interest in agreements with the Company

Supplier Code of Ethics

Bezeq Group is committed to ethical and fair conduct in accordance with the law and beyond. It protects the privacy of suppliers and prevents disclosure of information about them to outside parties. It also prohibits the acceptance of gifts and addresses other issues established in the code of ethics of the Group companies.

At the end of 2023, a dedicated code of ethics for suppliers

was published, based on Bezeq Group’s Code of Ethics, to ensure that the suppliers apply the ethical obligations of Bezeq Group. The new supplier code of ethics refers to ESG aspects in the supply chain, including:

- ✓ Human rights and fair employment
- ✓ Respecting freedom of association
- ✓ Occupational health and safety
- ✓ Prevention of bribery and corruption
- ✓ Protection of free competition

As of the publication of this report, the Group companies are implementing the Supplier Code of Ethics with its suppliers. To read the full Supplier Code of Ethics, [click here](#)

Promoting human rights in the supply chain

At Bezeq Group, we are committed to protecting human rights, and this is addressed in our procurement process as well:

- ✓ We require suppliers to comply with all legal requirements in every area, including labor laws and adherence to fair and decent employment conditions for their employees.
- ✓ We ensure that our suppliers are familiar with the obligations expected of them regarding different human rights aspects, including the commitment to privacy protection, non-discrimination, avoidance of child labor and forced labor, and commitment to address any violation or suspected violation of these rights.
- ✓ We conduct spot checks for employment under the law and other legal requirements, identify and address violations of employee rights in the supply chain, perform internal salary checks of the salary data of the

supplier’s employees, and, if necessary – we perform a legal review of our suppliers’ compliance with labor laws. To read more about Bezeq’s commitment to human rights, see [the Group’s human rights policy](#)

Spot checks of supplier payments to their staff

The Bezeq Group is subject, among other things, to the provisions of the law to increase the enforcement of labor laws and supervise enforcement through the fair planning of tender rates for services and periodic inspections and monitoring of compliance with the criteria of service providers, such as cleaning, security, and catering. In 2023, we carried out 111 sample tests and spot checks of the pay slips and payments for our service providers’ employees. A few deficiencies were found in the tests, and we contacted the suppliers immediately to correct them and closely monitored their corrective actions. The test results and the corrective actions are reported to Bezeq’s CEO once a year.

Safe use of products

The products we market are manufactured by leading international companies and comply with accepted and required standards, as required by valid and relevant regulations.

Promoting social and local procurement

Promoting the Israeli economy and society is at the core of our business activity, which we apply in every aspect of our daily conduct. We prioritize contacts with local suppliers whenever possible. Since the Group’s technological equipment is manufactured overseas, we strive to purchase it through the manufacturers’ representatives in Israel. Part of the procurement budget is also devoted to contacts with small and midsize businesses.

When it comes to giving gifts to the Group’s employees on holidays and other events, Bezeq and its subsidiaries prefer social suppliers, charities, and organizations that represent and serve diverse populations and people with disabilities. ●



60% of products from small- and medium-sized businesses



750 thousand NIS purchased from social businesses



5% from businesses in outlying areas

About the Report

This report, which reviews the year 2023, is Bezeq's fifth ESG report and the third report that includes its main subsidiaries: yes, Pelephone, and Bezeq International TECH.

The report was written in compliance with the 2021 GRI Universal Standards. It presents the companies' ESG activities and makes the information accessible to the public, stakeholders, and, primarily, employees, managers, and customers.

The information presented in the report was collected from interviews with the Company's officers (employees and managers), analysis of the financial reports, and internal documents.

The material issues reported in the Bezeq ESG chapter were refreshed and revalidated at the beginning of 2023, following changes in Bezeq's operations and based on the revised GRI standard. For further information, please review the material reporting issues in the report.

The report was written with the assistance of Good Vision – ESG consultants of the Fahn Kanne-Grant Thornton Group and a member of the global GRI community.

If you have any questions about the report and its contents, please get in touch with us:

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GRI Standard	Index	Page No./direct response	References and external links
General indexes			
GRI 2: General disclosures 2021	2-1 Details of the organization	5-6	
	2-2 Entities included in the consolidated financial statements	78	
	2-3 Reporting period, frequency, and contact	78	
	2-4 Restatement of information	Redrafting of environmental performance – in accordance with the revised quantitative information compared with the previous report.	Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
	2-5 External assurance	The report is approved by senior management	
	2-6 Activities, value chain, and other business relationships	5	
	2-7 Employees		Included in the appendices to this report (Excel)
	2-8 Workers who are not employees		Included in the appendices to this report (Excel)
	2-9 Governance structure and composition		Included in the appendices to this report (Excel)
	2-10 Nominating and selecting the board of directors	64	
	2-11 Chair of the board of directors		Included in the appendices to this report (Excel)
	2-12 Role of the highest governance body in overseeing the management of impacts	63	
	2-13 Delegation of responsibility for managing impacts	63	
	2-14 The role of the board of directors in sustainability reporting	63	
	2-15 Conflicts of interest	60	
	2-16 Communicating critical concerns	64	
	2-17 Collective knowledge of the board of directors	63	
	2-18 Evaluating the board of directors	65	
	2-19 Compensation policy	65	
	2-20 Process for determining compensation	65	
	2-21 Annual total compensation ratio		Chapter D of the Periodic Financial Report for 2023: Additional Information about the Company and Corporate Governance Questionnaire

GRI Standard	Index	Page No./direct response	References and external links
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	3	
	2-23 Policy commitments	60	
	2-24 Embedding policy commitments	61	
	2-25 Processes to remediate negative impacts	61-62	
	2-26 Mechanisms for seeking advice and raising concerns	62	
	2-27 Compliance with laws and regulations		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
	2-28 Membership associations	15	
	2-29 Approach to stakeholder engagement	11	
	2-30 Collective bargaining agreements		Included in the appendices to this report (Excel)
Material topics			
GRI 3:	3-1 Process for determining material topics	12	
	3-2 List of material topics	12	
General performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	5	
	201-2 Financial implications and other risks and opportunities due to climate change	Bezeq Group prepared a limited review of its environmental risks, but has not yet prepared a comprehensive environmental risk review	Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business

GRI Standard	Index	Page No./direct response	References and external links
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Further information is provided in response to the 2024 Maala rating: Bezeq advances measures to support employees before and after retirement, such as financing courses in preparation for retirement, advice on rights due, leisure activities for retirees and encouraging ties between retirees, post-retirement eligibility for the organization's welfare benefits, and development courses and training. The Company also provides options for continued employment after the retirement age (for further information see page 46 of this report). In addition, Bezeq offers support in pension planning by increasing awareness of the importance of pension savings for all employees, offering pension advice as part of the benefits provided by the Company, providing guidance and tools for pension planning, training content experts on the subject in the organization, and providing tax planning advice for early retirement.	
	201-4 Financial assistance received from the government		Notes to the consolidated financial statements as of December 2023
Market presence			
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	46	Equal salary report for male and female employees – Bezeq report for 2023 Public report for 2023 – Pelephone Public report for 2023 – yes Public report for 2023 – Bezeq International TECH
	202-2 Proportion of senior management hired from the local community	All Bezeq employees, in particular the senior management members, are employed within the State of Israel	
Indirect economic effects			
GRI 3: Material Topics 2021	3-3 Management of material topics	17-25	
GRI 203: Indirect economic effects 2016	203-1 Infrastructure investments and services supported	17-25	
	203-2 Significant indirect economic impacts	17-25	

GRI Standard	Index	Page No./direct response	References and external links
Procurement practices			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	77	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	60	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		Anti-bribery, corruption, and conflict of interest policy
	205-2 Communication and training about anti-corruption policies and procedures	60	Anti-bribery, corruption, and conflict of interest policy
	205-3 Confirmed incidents of corruption and actions taken		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	65	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Tax			
GRI 207: Tax 2019	207-1 Approach to tax		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
	207-2 Tax governance, control, and risk management		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
	207-3 Stakeholder engagement and management of concerns related to tax		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
	207-4 Country-by-country reporting		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Materials			
	301-3 Reclaimed products and their packaging materials	58	

GRI Standard	Index	Page No./direct response	References and external links
Net Zero Carbon Emissions and Energy Efficiency			
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	56	
	302-2 Energy consumption outside of the organization		Included in the appendices to this report (Excel)
	302-3 Energy intensity	56	
	302-4 Reduction of energy consumption	54-55	
Water and Effluents			302-5 Reductions in energy requirements of products and ser-vices
GRI 303: Water and Effluents 2018	303-5 Water consumptions		Included in the appendices to this report (Excel)
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		Included in the appendices to this report (Excel)
	305-2 Energy indirect (Scope 2) GHG emissions	57	Included in the appendices to this report (Excel)
	305-3 Other indirect (Scope 3) GHG emissions	57	Included in the appendices to this report (Excel)
	305-4 GHG emissions intensity		Included in the appendices to this report (Excel)
	305-5 Reduction of GHG emissions	56-57	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Unreported	
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		Environmental policy
	306-2 Management of significant waste-related impacts	58	
	306-3 Waste generated		Included in the appendices to this report (Excel)
	306-4 Waste diverted from disposal		Included in the appendices to this report (Excel)
	306-5 Waste directed to disposal		Included in the appendices to this report (Excel)

GRI Standard	Index	Page No./direct response	References and external links
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	43	Responsible Employment Policy
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Included in the appendices to this report (Excel)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	27, 43	
	401-3 Parental leave		Included in the appendices to this report (Excel)
Labor/Management Relations			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		Health and Safety Policy
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	49, 62	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	49	
	403-2 Hazard identification, risk assessment, and incident investigation	50-51	
	403-3 Occupational health services	50-51	
	403-4 Employee participation, consultation, and communication on occupational health and safety	51-52	
	403-5 Worker training on occupational health and safety	50	
	403-6 Promotion of worker health	50	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27, 49-50	
	403-8 Workers covered by an occupational health and safety management system	50	Included in the appendices to this report (Excel)
	403-9 Work-related injuries	52	Included in the appendices to this report (Excel)
	403-10 Work-related ill health	49	

GRI Standard	Index	Page No./direct response	References and external links
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	43	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	44	
	404-2 Programs for upgrading employee skills and transition assistance programs	44	
	404-3 Percentage of employees receiving regular performance and career development reviews	45	Included in the appendices to this report (Excel)
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	45	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	46-47, 64	
	405-2 Ratio of basic salary and remuneration of women to men	46	Included in the appendices to this report (Excel)
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	62	Responsible Employment Policy
Freedom of Association and Collective Bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Responsible Employment Policy Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Child Labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	61	Human Rights Policy
Forced or Compulsory Labor			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	61	Human Rights Policy

GRI Standard	Index	Page No./direct response	References and external links
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	17	Contribution to the Community Policy
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	17-25; 28-31; 34-41	
	413-2 Operations with significant actual and potential negative impacts on local communities		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	77	
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions		Notes to the consolidated financial statements as of December 31, 2021
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	58	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	77	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Marketing and Labeling ותיוג			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	73	Responsible Marketing Policy
	417-2 Incidents of non-compliance concerning product and service information and labeling		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
	417-3 Incidents of non-compliance concerning marketing communications		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	67-69	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Chapter A of the Periodic Financial Report for 2023: Description of the Corporation's Business