



CORPORATE RESPONSIBILITY REPORT

Bezeq - Corporate Responsibility Report
for 2019 and Update for 2020

TABLE OF CONTENTS

Message from the Chairman and the CEO.....	3
Message from the Vice President of Corporate Communications.....	4
About the Company and Corporate Governance.....	5-11
Organizational Ethics and Operational Excellence.....	12-23
Employees and Work Environment.....	24-36
Service and Customers.....	37-43
Environmental Responsibility.....	44-52
Social Responsibility.....	53-60
Update for 2020.....	61-62
About the Report.....	63
Table of GRI Standards.....	64-67
Table of SASB Standards.....	67-68

We are pleased and proud to present to you Bezeq's corporate responsibility report for 2019 with updates for 2020. Bezeq in many aspects serves as a reflection of the Israeli essence, and it is with good reason that it is regarded as a national company, although it is a private corporation operating in a competitive market and guided by business objectives. As an integral part of Israel's public sphere, Bezeq is deeply involved in the day-to-day life of the community and in current environmental issues.

Bezeq's involvement in and commitment to the community are reflected in the volunteer work of its employees as well as in the Company's longstanding support for community projects. This is in addition to vast technological projects and deployment of some of the world's most advanced telecommunications infrastructure in Israel, helping to strengthen the country's periphery by bridging the distance between its central and outlying regions, and aiding employment and growth.

This involvement in the community in no way depends on any legal, regulatory or other obligation. It stems first and foremost from the community ethos of Bezeq and its employees, who are truly committed to the public they serve and to the environment to which they belong.

Bezeq proactively promotes all the components of corporate responsibility, vis-à-vis all the Company's stakeholders. We are equally professional and thorough when it comes to fulfilling corporate responsibility as we are conducting business operations. We at Bezeq prefer

to let our actions speak for themselves – including in the area of corporate responsibility. At the same time, it is clear to us that the act of publishing the corporate responsibility report has practical significance. It installs in front of us a mirror that reflects our activity in all areas of corporate responsibility and motivates us to always do better, based on clear indicators and metrics. This report is the benchmark for continuous improvements that will be reflected in future reports.

Each of Bezeq's stakeholders can find in this report significant points of strength in our corporate responsibility activities, as well as areas that require improvement. We take it upon ourselves to strive at all times for continuous improvement and excellence.



Bezeq Chairman,
Gil Sharon



Bezeq CEO,
Dudu Mizrahi



We are pleased to present Bezeq's corporate responsibility report for 2019 with updates for 2020, with a primary focus on the impact of the COVID-19 pandemic on the Company. This year as well, the report provides a detailed description of the Company's activities in all areas of corporate responsibility, emphasizing aspects that are unique to us. The report was written in compliance with the GRI and SASB international standards, to best serve the stakeholders' interests.

The report is an additional step in Bezeq's strive toward further transparency. For Bezeq's employees, this year's report – like any publication dealing with Bezeq's activities in this area – serves as a constant goal and as a basis for further improvement and progress.

Bezeq is a household name in Israel, and the majority of the country's residents benefit from the Company's many and diverse services. The purpose of this report is to highlight for all the Company's stakeholders aspects of Bezeq that reflect the organization's deep and long-term connection with the environment and the society in which it operates.

Bezeq is perceived as Israel's national telecommunications company, and all of us working at Bezeq consider this a great privilege. It is clear to us that this privilege comes with a great obligation towards the environment in which we operate. This report describes the ways in which we meet our obligation.

The field of corporate responsibility, as a structured management methodology, is relatively young. For many generations, modern management of large corporations was conducted without a systematic doctrine of corporate responsibility, which only in recent years has become an integral part of the business organization's key strategic decisions.

Although most senior managers are aware of the importance of corporate responsibility in the decision-making process, the work of the corporate responsibility officer (CRO) is highly complex. In competitive and high-pressure market conditions, in a business environment that emphasizes outward appearances, it is difficult to cultivate sufficient awareness of the importance of corporate responsibility values; worse, a tendency may develop to make self-interested use of these values.

Therefore, the CRO is responsible for ensuring fair and proper use of corporate responsibility tools, including honesty and transparency in their use, and for marking out for the organization the proper balance between upholding the values of corporate responsibility and incorporating them in the organization's business and financial objectives.

I see the report as a means rather than a goal in its own right, and as part of the continual process of analyzing gaps, learning and improvement through our work plans.

My deepest gratitude goes to all those who labored on this report, investing the great and special efforts required for its preparation. Activity at Bezeq in the realm of corporate responsibility calls for cooperation and dialogue across corporate divisions and business sectors, and its reliable and complete presentation is by no means a simple task. We chose the team of Good Vision-Grant Thornton Israel to oversee the professional writing of this report, and with their assistance we were able to transform the great quantities of raw information into a coherent report of real value.

Many thanks to the members of the steering committee, consisting of representatives from all Bezeq divisions who each made their own unique contribution to this report: Irit Nagar, Sigal Cohen, Moran Kita – Human Resources; Kobi Cohen, Rachel Salsi, Avi Levy – Operations and Logistics; Shlomit Tzur, Liat Rosner – Marketing; Yoel Nagari – Legal Office; Haim Miller, Lena Entin, Tomer Kfir, Yossi Menashe – Engineering and Network; Shmulik Saidon – Economics; Lior Deree – Private Customers Division; Lior Segal – Internal Auditor; Avi Ohana – Business Customers Division; Naftali Sternlicht, Reut Uliel – Finance; Evyatar Amshalom, Shelly Bainhoren – Corporate Secretary.



Guy Hadass,
Bezeq Vice President of Corporate Communications





Chapter 1

ABOUT THE COMPANY AND CORPORATE GOVERNANCE

About The Company And Corporate Governance

Bezeq is an Israeli company, and we at Bezeq are keenly aware of the need for everyone (be it our customers, our business partners, our competitors, the community at large, and even ourselves) to feel at home, and our commitment to make our customers “feel at home” is more than just a slogan!

The Bezeq Group

The Bezeq Group is a major provider of telecommunications services in Israel. The Group has five subsidiaries – Pelephone, Bezeq International, yes, Bezeq Online and Walla (in 2020 an agreement was signed for the sale of Bezeq’s holdings in Walla). This report focuses on Bezeq’s fixed-line operations and does not include the subsidiaries.

Bezeq’s Development over the Years

Bezeq was established in 1980, and in 1984 began operating as a government company, taking over activities that

until then had been run directly by the Ministry of Communications. Subsequently, in 1990, it became a public company, whose shares have traded since then on the Tel Aviv Stock Exchange.

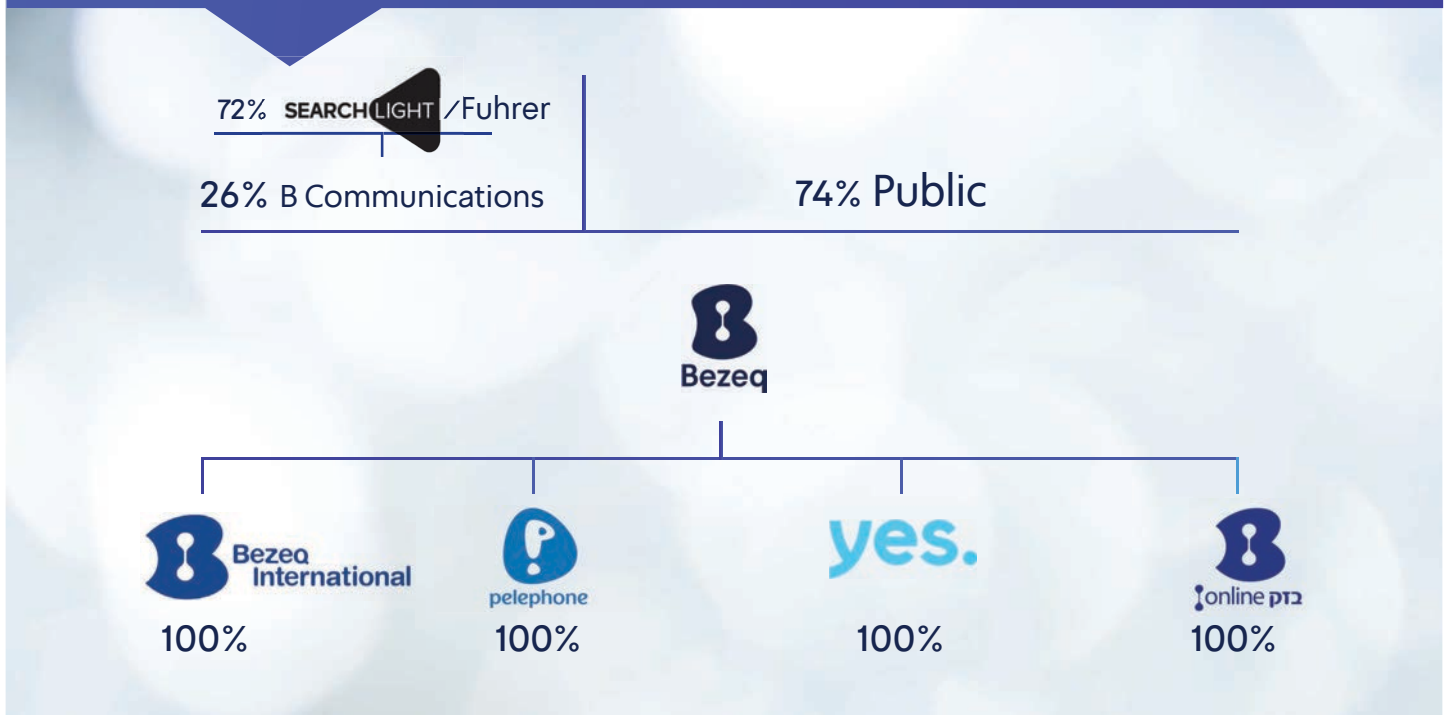
Nature of Ownership and Legal Form of Organization

Company structure and structure of holdings in the Company

As of December 31, 2019, B Communications held 26.34% of the Company’s shares, with the remaining shares held by the public. B Communications (B-Com) is an Israeli public company whose shares are traded on the Tel Aviv Stock Exchange (until September 2020 its shares were dual-listed on the NASDAQ).

B-Com’s shares are owned by Searchlight Capital Partners (60%) and the Fuhrer Family Office (12%).

Ownership Structure Bezeq Fixed-Line Operations



Bezeq's Unique Services

We offer our business and residential customers a wide range of telecom services, facilitated by an array of solutions based on our high-quality infrastructure. Among other things, we provide telephony services, Internet access infrastructure services, data transmission and communication services, cloud and digital services, and a wholesale service for use of the Company's physical infrastructures.

In addition, Bezeq affords its customers a variety of relevant technological solutions, namely: fiber optic deployment, retail services, data center services, integration services for businesses, and e-commerce.

More information on this subject can be found in the chapters "Service and Customers" and "Environmental Responsibility."

Company Structure

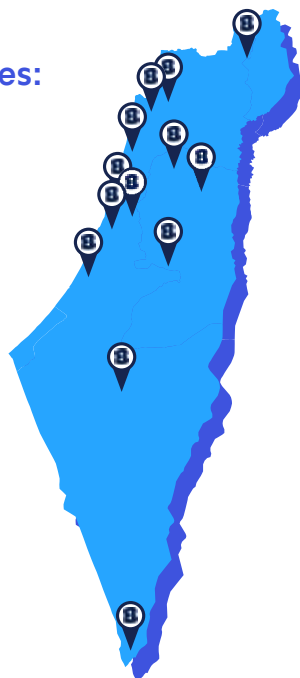
Bezeq comprises five management departments and eight divisions, employing approximately 5,300 people. The Company is headquartered in Holon, with additional centers located throughout Israel. Service centers, points of sale and technical support centers provide service to company customers nationwide. As of December 31, 2019, the Company had 23 sales and service centers, as well as 13 stores and stalls across Israel, serving 1.675 million telephony customers and 1.57 million Internet customers – 580 thousand of them in the wholesale market.

Information on the Company's structure and partial data on the number of employees, as of December 31, 2019:



Location of Bezeq centers and stores:

1. Kiryat Shmona
2. Karmiel
3. Haifa
4. Afula
5. Umm al-Fahm
6. Netanya
7. Tel Aviv
8. Jerusalem
9. Petach Tikva
10. Rishon Lezion
11. Ashdod
12. Beersheba
13. Eilat



נתונים כספיים:

	2019	2018
Revenues (NIS million)	4,073	4,196
Operating profit (NIS million)	2,142	1,224
Depreciation and amortization (NIS million)	861	850
EBITDA (NIS million)	3,003	2,074
Net profit (NIS million)	1,192	567
Cash flow from operating activities (NIS million)	1,847	2,206
Payment for investments in fixed assets and intangible assets and other investments (NIS million)	881	976
Proceeds from the sale of fixed assets and intangible assets (NIS million)	407	227
Payments for leases	114	99
Free cash flow (NIS millions)	1,259	1,358

Stakeholder Engagement

We believe in fair business practices based on transparency and regular communication with the Company's stakeholders. We consider a dialogue with the stakeholders to be an important tool for identifying potential issues and adapting services to the needs on the ground. In this context, we map the different stakeholders and monitor their various needs.

Stakeholder	Meetings with different suppliers	Chapter
Customers	The corporate website and customer service serve as communication channels	Customer Service
Suppliers	Hold meetings with the different suppliers	Organizational Ethics and Operational Excellence
Government authorities	On matters relating to our business activity, Bezeq engages with regulatory bodies, government authorities and their representatives	
Community and social organizations	Maintain ongoing relationship with nonprofit organizations operating within the community, and reporting their social contribution on the website	Social Responsibility
Subsidiaries	Manage the subsidiaries via the respective boards of directors	
Employees	Management and the Human Resources Division hold ongoing dialogue with the employees, while engaging and maintaining a working relationship with the trade union representatives, via a variety of communication channels	Employees and Work Environment
Investors	Maintain ongoing dialogue with investors, followed by in-depth work on relevant topics. Additionally, there is an orderly procedure for the transfer of information with maximum transparency	About the Company and Corporate Governance

Corporate Governance At Bezeq

Corporate Governance Approach

Proper, high-quality corporate governance is the basis for appropriate conduct at all company levels. We at Bezeq invest substantial resources in continually increasing the level of corporate governance.

Bezeq operates vis-à-vis B-Com, which is the holder of the control permit of the Company, in accordance with the law. B-Com is controlled by the US-based private equity firm Searchlight Capital Partners and by TNR Investments Ltd., a private company incorporated in Israel and wholly controlled by David and Michal Fuhrer. In this context, an orderly procedure was established for the transfer of information to B-Com, and an ongoing dialogue is maintained with B-Com, in accordance with the law as well as Bezeq's compliance program, inter alia regarding general meetings of the Company's shareholders, updating of the lists of the Company's affiliates, etc. Some of the directors on the Company's board also hold positions at B-Com, and the relationship with them is maintained in accordance with the law and the board of directors' work procedure, in the same way as with the other members of the board.

Board of Directors

In the reported year, 8 directors served on the Company's board of directors:

Name	Title	Date of Birth
Shlomo Rodav*	Chairman of the Board	October 27, 1949
Amnon Dick	Chairman of the Compensation Committee (external director)	November 20, 1952
Zeev Vurembrand	Chairman of the Financial Statements Review Committee (external director)	June 19, 1951
Idit Lusky	Chairman of the Audit Committee	August 16, 1950
David Granot	Independent director	January 30, 1947
Darren Glatt	Director	November 18, 1975
Ran Fuhrer	Director	September 2, 1984
Joseph Abergel	Director on behalf of the employees	July 15, 1958

Additionally, two substitute directors were appointed to the board:

Philip Bacal (substitute director replacing Darren Glatt at board meetings he is unable to attend) – 13.09.1985 (Date of Birth)

Tal Fuhrer (substitute director replacing Ran Fuhrer at board meetings he is unable to attend) – 15.12.1977 (Date of Birth)

During the reported year, Doron Turgeman, Ami Barlev and Rami Nomkin ended their tenure as directors of the Company. Up to the report publication date, the chairman of the board, Shlomo Rodav, also stepped down from his position.

Currently, Gil Sharon* holds the position of chairman of the board. Up to the report publication date, Tomer Raved also was appointed as director.

Directors' Experience and Background

- 6 directors have financial and accounting expertise
- 2 directors have a significant background in industry
- 4 directors have international experience/experience in work with emerging markets
- 3 directors have experience in corporate governance, risk management and regulation
- 5 directors have experience in business leadership and management

Gender Diversification on the Board

One woman serves on the board of directors, equal to 11.1% of the total number of directors. We take into account the importance of gender diversity on the board of directors and in the Company in general.

Type of committee	Number of meetings in the reported year	Directors' absences in the reported year
Audit Committee	16	2
Financial Statements Review Committee	10	3
Compensation Committee	13	1
Security Committee	1	0

Effectiveness of the Board of Directors

The Company examines the effectiveness of the board of directors' work as a tool for strengthening corporate governance. There are orderly audit processes at Bezeq for checking the level of effectiveness of the board of directors' work. The audits are carried out by the internal auditor and by the board of directors itself, with the auditor's assistance.

The Company devotes a great deal of attention to the subject of corporate governance. Numerous conclusions have been incorporated into its corporate governance policy and detailed procedures have been put in place to regulate the matter.

Bezeq endeavors to strike the correct balance between working according to the different procedures and preventing excessive bureaucracy.

Training of Directors

Bezeq provides training to new directors in the Company's business and in the laws applicable to the Company and its directors, and it continues to provide on-the-job training suited to each director's role in the Company as well as in matters relevant to the period and to the needs of the board.

Compensation Policy

The Company's compensation policy for its officers is fully published in its public reports, and the complete compensation plan can be read on the MAGNA system (the Electronic Proper Disclosure System of the Israel Securities Authority). The officers' bonus, which is subject to discretion, may be based, inter alia, on qualitative criteria such as the officer's contribution to corporate governance, a proper control and ethical environment, etc., in keeping with the Company's officer compensation policy.

In 2019, the performance of some of the Group's vice presidents also was measured based on perception surveys/customer service excellence and satisfaction surveys.

Proper Management and Prevention of Corruption

Zero Tolerance for Unlawful Conduct

The current board of directors is relatively new, with all the directors currently holding office having been appointed within the last three and a half years. Some of the changes were made further to the investigations launched by the Israel Securities Authority and the Israel Police in June 2017.

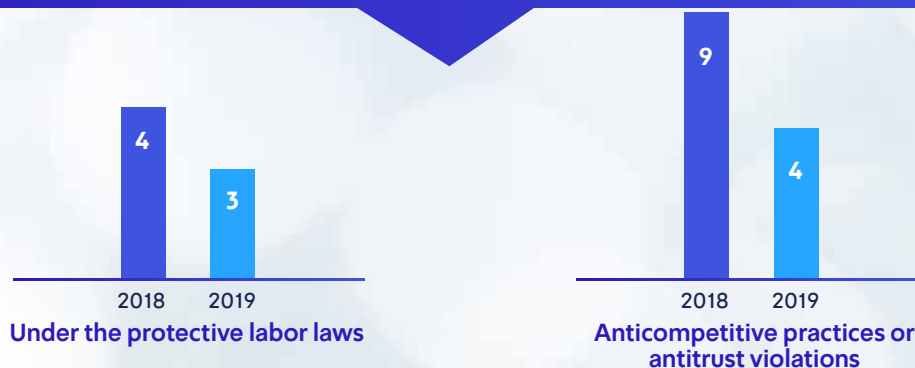
Integrity and fairness are our watchword, and we will not tolerate any violation of these principles.

Compliance and Legal Mechanisms

The Company's operations are overseen by numerous regulators, with whom it cooperates and conducts itself transparently, among them the Ministry of Communications, Securities Authority, Anti-Trust Authority, Privacy Protection Authority, Accessibility Commissioner, Ministry of Industry, Trade and Employment and the Ministry of Environmental Protection.

The diagram below compares the number of pending and decided legal cases on various issues in 2018 compared with 2019:

Legal proceedings against the Company



Legal Proceedings

Under the Protective Labor Laws

Mainly including claims of individual employees regarding unlawful dismissal, incidental rights and discrimination.

Anticompetitive Practices and/or Antitrust Violations

Mainly including allegations of abuse of the Company's position, harm to competition, and the imposition of sanctions on the Company.

Violation of Social/Economic Laws and/or Regulatory Directives

Further to investigations by the Israel Securities Authority in the years 2017-2018, several legal proceedings were instituted against the Company and Company officers at the time, regarding interested-party transactions made between the Company or its subsidiaries and the Company's then controlling shareholder or affiliates thereof. These proceedings are pending and have been stayed due to ISA investigations and proceedings related to those investigations. In addition, another proceeding is pending regarding alleged reporting failures by the Company.

Investigations and Claims

Bezeq-yes transaction: In 2015, a transaction took place for the sale of Eurocom's shares in yes to Bezeq. Subsequently, in the years 2017-2018 an investigation was instituted by the Israel Securities Authority regarding the conduct of the Company and the controlling shareholders in the transaction and the involvement of the interested parties in the approval of the transaction.

On January 1, 2020, an indictment was filed in the Jerusalem District Court against the Company's former controlling shareholder, Mr. Shaul Elovitch, on various charges in the so-called Case 4000 affair.

Additionally, to the best of the Company's knowledge, further to the above investigations, indictments were filed against some of the officers involved.

The Company does not have full information about the investigations, their content, and the materials and evidence in the possession of the legal authorities. **At the same time, the Company has drawn numerous lessons and implemented the necessary measures to prevent the recurrence of similar cases.** Moreover, once the constraints on carrying out reviews and controls related to issues that arose in the investigations are lifted, such reviews and controls will be completed as required.

Investigations and Claims

Details of the actions taken by the Company to correct the material weakness (determined as a result of the above investigations) appear in Chapter E of the Company's financial report for 2018. Below are some of the actions that were taken by the Company to correct said material weaknesses:

- Changes in the composition of the board of directors.
- Changes in the composition of the management of the Company and the subsidiaries.
- Retaining professional accounting services to support the process of preparing the group's financial statements for 2017
- Adding compensatory procedures in relation to the activities of certain officers on issues that affect financial reporting and disclosure, in order to deepen the internal control on those issues.
- A special review of the adequacy of the control processes in the Company by external consultants, led by the Company's internal auditor and under the supervision of a special, independent committee from among the Company's board members.
- A special review of the issues of corporate governance led by the Company's internal auditor and supported by outside consultants. A follow-up review by the Company's internal auditor showed that the issues had been properly dealt with.





Chapter 2
**ORGANIZATIONAL ETHICS
AND EXCELLENCE IN
PERFORMANCE**

Organizational Ethics

Bezeq's Code of Ethics

Bezeq's Approach to Ethics

Bezeq adheres to a business culture that is based on clear ethical rules. The Company ascribes supreme importance to fair and ethical conduct towards all its stakeholders, including its customers, employees, suppliers, competitors and shareholders. For us, this is the cardinal condition for value-based excellence and business leadership.

Maintaining business ethics is a managerial challenge and test of the highest order. Bezeq's management commits to lead the Company according to the standards set out in the Code of Ethics – Our Way of Doing Business, to serve as a model of personal integrity, fairness and probity, and to be a touchstone for any act or conduct on the personal, professional and organizational level.

Our Principles of Action



Excellence



Equality and fairness



Respect for others



Openness



Caring



Integrity

These are the principles that create the telecommunications experience we afford and that underlie Bezeq's Code of Ethics.

"Our Way of Doing Business"

Bezeq's Code of Ethics sets out principles and rules of proper conduct by which senior officers, managers and employees of the Company should guide their actions. The Code of Ethics, which was last revised in October 2018, was formulated in a comprehensive process that included collaboration by and workshops for the Company's managers and employees.

In terms of the nature and areas of activity of the Company, the code sets a "bar" – a practical ideal of what is right and proper, for which one should strive, and which is thus differentiated from rules and procedures that set a "threshold" – a mandatory minimum.

We at Bezeq believe that together we will continue to lead the Israeli telecommunications market in innovation and technological development. We will maintain a business culture that serves as a role model for other companies in Israel and will provide advanced services and novel technologies that enhance the telecommunications experience.

Ehud Mezuman, Vice President of Human Resources:

"For us, there is no other way to do business."

The principles of action on which Bezeq's Code of Ethics is predicated, and the rules of conduct deriving from them, are the bar we set for ourselves in conducting our business, every day. Our Code of Ethics does not purport to answer every business situation we may encounter, but it does reflect a world view and foundation of values on the basis of which decisions should be weighed at any given moment in our business life. It is these decision-making junctures that present the greatest business challenge, namely – providing quality service, while at the same time keeping the environment clean and healthy."

From Bezeq’s Code of Ethics:

“We treat ourselves and our fellow workers with respect, fairness and honesty. The differences that define us as individuals represent a human and business advantage for the group as a whole. Our vision is to attract the best people, to value and develop them, so that they contribute to our shared success.”

Implementation of the Code of Ethics – Training and Instruction

The Code of Ethics is imparted in a special video that was produced for this purpose, as well as by frontal instruction (frontal sessions were held mainly in 2019, until the video was produced in 2020). A presentation was made to the Audit Committee in October 2019, showing the process of implementation in the organization.

In the fourth quarter of 2018, a refresher course was held on the subject of ethics, that was taken by **93%** of the Company’s employees. In the last quarter of 2019, a video was distributed and a quiz was taken by **94%** of company employees.

Type of training / number of (employees (estimated	2018	2019
Refresher course on organizational knowledge management (digital instruction)	5000	5000
Refresher course for managers (digital instruction)	800	800
Managers’ workshops in managerial courses	25	75 ▲
Brief instruction sessions	180	180
Basic courses (digital instruction)	775	899 ▲
Orientation days	50	50

Internal Auditing of Processes in the Company

In general, environmental and social issues are examined (in internal auditing processes), to ensure that the Company is complying with the regulatory requirements. The Company also has a Compliance Policy for the Prevention of Bribery and Corruption, and the internal auditor regularly promotes awareness of this issue. Some 9,000 hours of auditing were performed in 2019 by the Company’s Internal Auditing Unit (most of them internally).

Risk Management

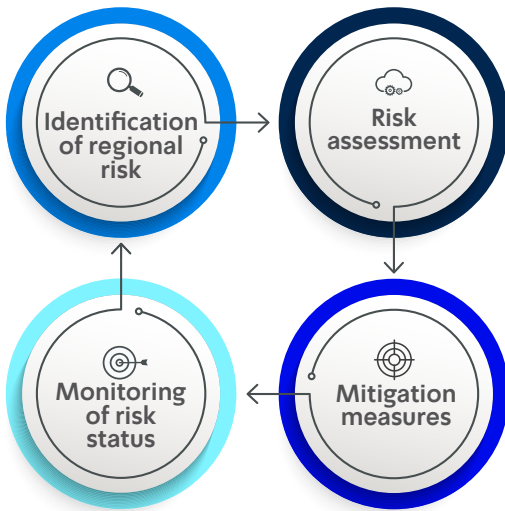
Risk management is a consistent, methodical, cyclical and continuous process, intended to improve the Company’s ability to contend with risks. A risk is a potential event that, if it were to occur, may hinder the realization of the Company’s business objectives.

Risk Management Procedure at the Company

The processes under Bezeq’s risk management procedure are designed to instill the employees and managers with an awareness of the Company’s comprehensive risk management culture. The procedure encourages correct decision making and contributes to the transparent handling of problems and incidents, including providing management and the board of directors with an up-to-date picture of the risks and the controls applied by the Company.

The procedure defines risk management processes for the Company as derived from the risk management policy that was approved by management, the Audit Committee and the board of directors. By means of this procedure the Company educates its employees safe and reliable risk management methods and makes these methods a part of its routine activity.

Risk management procedure:



Main Risk Management Plans at Bezeq

“Risk Appetite”

Risk appetite frameworks provide transparency and reflect constraints, serving as a point of reference for the management of risks and helping to prevent both excessive and overly conservative risk-taking. Risk appetite defines the extent of the effect (loss) Bezeq is prepared to sustain in assuming risks.

Key Risk Indicator – KRI

The KRI index is used for the dynamic examination of the risk status and intensity against the risk appetite that was defined in the risk map and in the mitigation plans, and the adjustment of the organization’s activities to changes that have occurred.

ISO 27001

Bezeq implements a cyber security assessment process in accordance with ISO 27001. The assessment identifies risk factors that threaten the Company’s information security, mapping out the inherent risk and the residual risk according to the activities and controls carried out by the Company. The purpose of the assessment is to protect the Company’s information and improve the reliability, availability and integrity of its information infrastructures and databases. It is intended for all the Company’s stakeholders, employees and customers. Management is responsible for boosting employee awareness of existing information security risks and for acting to reduce the risk levels and set the residual risk at the lowest possible level.

Bezeq’s Plan for Operational Continuity in an Emergency

The plan comprises:
 Business Continuity Program (BCP)/Continuity of Operations (COOP)
 Disaster Recovery Plan (DRP)

Business Continuity Program (BCP)

Business Continuity/Continuity of Operations is the component of the Emergency Management Doctrine dealing with the actions an organization must take to ensure that critical business functions are available to all the organization’s stakeholders (customers, suppliers, regulators and other entities). The Business Continuity Program is meant to enable an organization to remain viable before, during and after an emergency. Bezeq achieves this by preparing in advance for various scenarios.

Apart from information technology, the program also addresses other aspects such as retention of key personnel, safety and security of installations, communications and goodwill protection. Bezeq also has a plan for crisis management and business impact analysis and it carries out process controls, on the basis of which coping strategies are formulated.

Disaster Recovery Plan (DRP)

Disaster Recovery involves a set of policies, processes and procedures to enable recovery from a disaster, such as earthquake, flood, missiles, building collapse, erroneous deletion, etc., that has shut down the technological infrastructure that is vital for an organization’s activity. The Disaster Recovery Plan includes planning for the restoration of applications, data, hardware, communications and other elements of information technology, information, as well as cyber security procedures and a continuity plan for backup and survivability of the network and the infrastructure.

Plan stages:

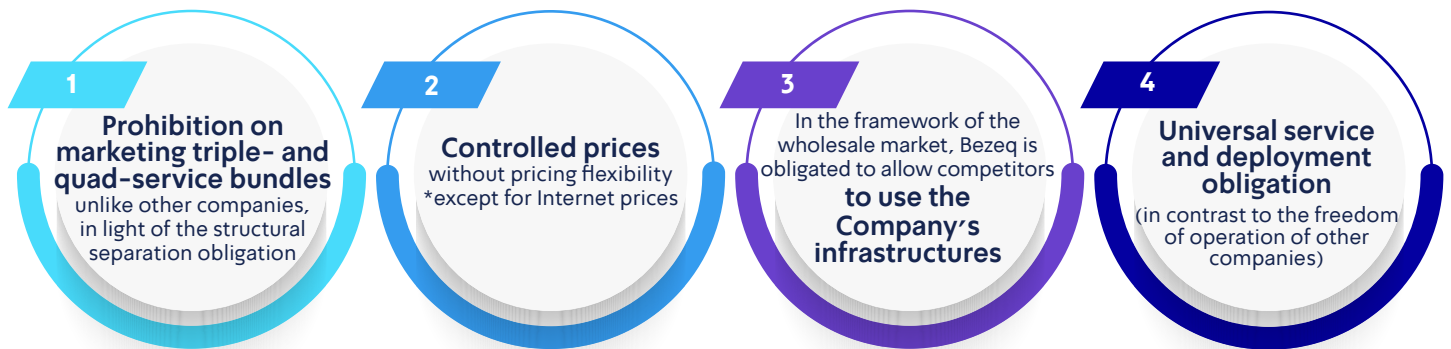
- 1) **Mapping of risks** - an internal process that examines risks and analyzes their implications in normal conditions and in an emergency
- 2) **Definition of targets** - setting service and recovery targets based on a risk analysis
- 3) **Procedure** - manual of dedicated procedures for emergency scenarios
- 4) **Instruction and exercises** - instruction for the employees according to set procedures and implementation of an annual exercise plan for key processes
- 5) **Mitigation plans** - an ongoing process for the mitigation of risks and critical risk factors
- 6) **Control and update** - carrying out quarterly BCP status reviews and establishment of a steering committee to discuss cyber-related issues with management

Marketing and Responsible Advertising

We welcome competition, as an ongoing challenge that brings out our best qualities - professionalism, creativity and innovativeness - in the best interests of our customers.

Bezeq as a matter of policy complies strictly with the antitrust laws and the communication laws, regularly enforcing them in all its divisions and departments and vis-à-vis all its managers and employees.

From Bezeq's Code of Ethics:
 "Fairness and decency are our guiding principles in relation to products and services of our competitors. We strive for market leadership through the quality of our products and the service we provide, while observing the rules of fair competition... free competition gives real value to Israeli society, and we therefore strictly uphold/comply with state mechanisms that are intended to regulate and promote competition... Our activity as a business corporation rests on two foundations: the duty of trust and the duty of proper disclosure."



Bezeq's management has acted and will act at all times, conscientiously and with determination, to uphold and enforce these laws, fostering compliance, inter alia, through lectures, instruction programs and guidance booklets on the subject. **We do whatever is necessary to instill and refresh knowledge of the rules** – however, there is always room for improvement. Several fines were imposed on Bezeq in the reported year in connection with social/economic issues.

In **2018**, a financial sanction of NIS 250,000 was imposed by the Consumer Protection Authority in connection with an advertisement for cyber services.

In **2019**, the Anti-Trust Authority imposed a financial sanction of NIS 30 million for abuse of position (the process was initiated in 2018 in respect of events that occurred up to 2017 and is currently being appealed in the Anti-Trust Tribunal), as well as a financial sanction of NIS 4.2 million for failure to provide information (the amount was determined in 2020 in a settlement). Also in this year, the Ministry of Communications imposed a financial sanction of NIS 11.3 million for failure to supply wholesale telephony services, as well as a financial sanction of NIS 2 million in respect of the "reverse bundle" service.

Excellence In Performance

Bezeq's aspiration for excellence is self-evident both from its information and cyber security policy and from the safe environment it maintains for employees coupled with responsible supply chain management.

Information and cyber security

Bezeq complies with the civil market's strictest standards for information security. The Company considers the protection of its customers' information to be of paramount importance and takes responsibility for safeguarding customer information and enforcing the rules that protect privacy.

In today's world of ever-developing technology, challenges on the Internet have become more significant and substantial. Malware, viruses, phishing attacks and information theft are among the challenges of the new era. Safeguarding the privacy of our customers and securing their information is a core principle at Bezeq, and we invest extensive resources in ensuring the supply of safe and secure communication services.

Bezeq's wide-ranging actions to prevent information security incidents

Among other things, we develop methodologies, implement risk management processes, abide by stringent procedures and invest in the human and technological spheres. We strive for innovation and work constantly to introduce the latest advanced technologies.

Our customers rightly rely on us to provide the best, safest and most secure telecommunications experience.

Company policy on information security

In 2011, Bezeq adopted a stringent information security methodology predicated on a protection-oriented outlook that perceives total product and service security as vital for the entire spectrum of the Company's business. Bezeq has a variety of multilevel security solutions specifically designed to limit access to information and monitor its removal.

The Company is overseen by the State Authority for Information Security (SAIS) and is obligated to comply with stringent information security standards based on leading standards in the global telecommunications industry, such as the PCI security standard and ISO 27001 (in 2019 the Company began a process of certification for the standard, which was completed in 2020; until then the Company operated in accordance with the European ISO 270032 standard).

Bezeq appointed a vice president in charge of implementation and compliance with the provisions of the Privacy Protection Law, and it operates in accordance with the directives of the state security bodies. Bezeq has also put in place its own internal procedures (beyond the requirements of the law) and it complies with all the regulatory requirements in the field.

Haim Miller, Vice President of Information Security:

"The Company applies a protection policy that includes some of the world's most advanced security systems that combine effective security with the Company's operating needs, including multilevel security mechanisms that protect its infrastructure and systems and our customers' information."

Board of directors' involvement in ensuring information security

Once a year the board of directors holds a meeting for the presentation of information security updates. Additionally, a steering committee headed by the CEO convenes annually.

Actions Taken in 2019

1. Preparations to deal with external cyber threats.
2. Preparations to deal with internal cyber attacks.
3. Remote access to the organization.
4. Information security education and awareness within the organization.
5. Bezeq certification for the "Rimon 4" information security level (mandated by the SAIS regulator).

Security Issues

The Company is exposed to “cyber risk,” that is, the risk of activity intended to adversely affect computer use or the use of material stored on computers (“cyber attack”).

Information and Cyber Security Department

Department's areas of responsibility: information security engineering, assimilation of new technologies, security threat assessments and risk surveys, work plan development, interaction with regulatory authorities, cooperation with the Israel National Cyber Directorate, performance of penetration tests, as well as other activities. Information security activities also are carried out in the Company's different divisions.

The Company monitors the implementation of its information security policy, including examining the level of cyber security effectiveness and the Company's preparedness for cyber security incidents and conducting tests, inspections and exercises.

Employee Training and Involvement

Instruction/Training Programs for Employees

- The Company conducts seven courses that are classified according to jobs (e.g. professional training in different technological areas, secure code development training, a three-day advanced cyber course, etc.). In addition, all employees are required to undergo a tutorial on the subject of information security, with a stress on the protection of privacy and sensitive information, in addition to an information security tutorial that is provided to all newly hired employees of the Company.
- Every year, all the Company's employees are required to participate in ten internal exercises in preparation for various scenarios involving information and cyber security issues such as phishing, introduction of threats to the network through external computers, malware dissemination, and so forth (including through outside companies that specialize in this field).
- In the course of 2019, some 20 emails on information and cyber security were sent to all the Company's employees, dealing with such subjects as secure browsing, increased awareness ahead of cyber attacks, guidelines, policies, etc.

Collaborations

External research organizations- Bezeq collaborates with research companies worldwide on the subject of endpoint security. Senior officers of the Company also attend conferences, in Israel and around the world, to learn about new areas of research and the latest global trends.

Bezeq is collaborating with several Israel startups, among them: SAM - developer of a home network protection system with an emphasis on Internet and IoT products, that is able to secure any device taking its operating system and weaknesses into account.

Customer Privacy

The Company uses data whitening solutions against malicious software through its Security Operations Center (SOC). Its “Bring Your Own Device” (BYOD) technology provides a secure computer environment for people operating in the field. In addition, the Company creates smart IoT-integrated solutions for the performance of monitoring tests.

Cloud Services

Bezeq provides a highly secure cloud platform that complies with the most stringent information security standards, investing substantial resources in the continual upgrading of its information security capabilities and incorporation of new security features.

The Company makes every effort to identify and eliminate in advance privacy breach risks, to strengthen its data protection systems and to improve the control over its distributors, sub-suppliers and subsidiaries, including the provision of instruction.

In 2019, Bezeq revised and upgraded its privacy protection policy and guidelines, to provide better data privacy protection for its customers and employees and all owners of data in general.

The Bezeq website provides customers with updates on information security and privacy protection measures, as required by the Protection of Privacy Law and its regulations.

Below is a description of the array of information and cyber security services provided by Bezeq to Internet users:

Bcyber – real-time reporting of cyber attacks

Bezeq's Bcyber application alerts users directly and in real time to hacking attempts and attacks on the home network or connected devices. Another feature is the "cyber global dashboard" that shows in real time the data on attacks from around the world directed against Israel.

Bezeq estimates that **some 250,000 cyber attacks** against private customers occur daily in Israel, with the number of attacks trending upward.

More than 30,000 cyber attacks against Bezeq customers are **blocked every day**.

Real-time data from Bezeq's Bcyber system show that TV adapters and Android devices are among the most targeted devices.



Service features and capabilities:

Block access to applications	Filter and block sites according to child age
Display current location and arrival and departure alerts	Receive alerts on the use of offensive language
Analyze browsing duration and characteristics	Define Internet and app browsing schedules

Keren Leizerovitch, Vice President of Marketing and Innovation:

"We decided this year to incorporate for the first time younger users because of their dominance on the Web. It appears that these digital native users relate to the virtual space as part of the physical space in which we all live. The data of the report support this and show that the young generation has a stronger presence on the networks, demonstrates responsibility in dealing with network dangers, and treats the content to which it is exposed on the Web with a degree of skepticism."



Safety

Safeguarding the health, safety and environment of the employees, suppliers and general public is our top priority, which is why we do above and beyond what is required by law.

Bezeq works in many different ways to reduce and prevent safety hazards; we carry out inspections, conduct training and instruction sessions, and address emergency events immediately.

To prevent accidents at work, in general, and during work at heights, in particular, safety guidelines have been written and distributed at Bezeq, and a training program, providing tutorials on the subject, has been implemented.

A safety committee, managed by the company's National Safety Director (equivalent to a VP), is convened once a month to discuss/deliberate and analyze cases, and to draw lessons for implementation and prevention. The committee works to improve safety and hygiene

conditions in all the divisions. It may take disciplinary measures against any employee who fails to comply with generally accepted safety rules. In the event of a work accident, the committee reports it to the company's safety officer, and workers designated for the job go out to the field to investigate the case and draw operative conclusions.

Safety Training

All technicians undergo on-the-job certification by the safety supervisor. They also attend safety training sessions and a refresher on procedures that are carried out by the regional manager every morning. Likewise, at least once a quarter training sessions and workshops are held on safety-related topics.

In the years 2018–2019, field workers received instruction on work at heights and on safety, in sessions lasting the whole or a part of the day, conducted by the Safety Department (in addition to talks on safety given by managers):

Year	Number of trainees (1)	Number of training cycles	Estimated training hours (2)	Trainees' work days invested in the training (3)
2018	4,198	373	29,600	3,523
2019	3,914	355	27,360	3,257

(1) Trainee employees – at least 1.5 training sessions per year (safety training/provision of information), and at least once in two years a certification refresher day for work at heights. (2) Estimated number of training hours (according to full/part of a day) – 1,000 trainees half a day (general safety for technicians), radiation, welding, warehouses. (3) An average of 8.4 work hours per day.

Safety training and certification at Bezeq includes:

Certification for ladders and flat roofs; certification for work at heights and in confined spaces; certification for work at heights with climbing equipment; certification for restricted electrician's license; first-aid training; certification for operating traffic safety arrangements; certification as safety custodians; general safety training for technicians, etc.

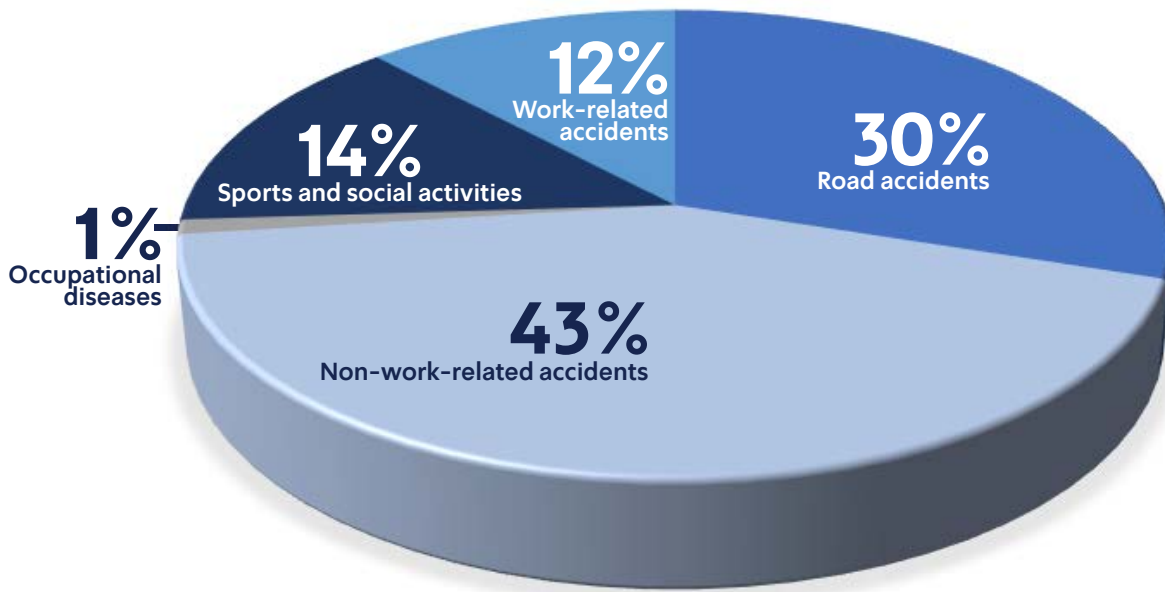
Safety Incidents

Zero disaster incidents in the years 2018-2019

In 2019, 172 accidents of various types (e.g. road accidents, occupational diseases, work-related accidents) were reported by the different divisions. In that year, the number of absence days stood at 5,185 days, and the average number of absence days per accident was 30.1.

In 2018, 180 accidents were reported, the number of absence days stood at 1,705 days, and the average number of absence days per accident was 9.

Types of safety incidents at Bezeq in 2019



Supply Chain

Suppliers

Bezeq worked with approximately 2,700 suppliers in 2019, of which the preponderant majority are local suppliers although a significant proportion of them represent or import from overseas manufacturers. A few tens of the suppliers are key suppliers.

The main fields of business of the suppliers with which Bezeq works include: vehicle leasing, fuel, cables and accessories, telecommunications cabinets, call centers, services, advertising, productions and events, smart business, printing and distribution, surveys and studies, transport services, computer equipment, IT software, storage and servers, information security, building maintenance, energy equipment, security, utilities (Israel Electric Corporation, Paz Oil Refinery Ashdod), catering, etc.

Supplier Preference

Bezeq prefers, whenever possible, to collaborate with socially responsible partners in all fields, be it office equipment, cleaning services, gifts for employees or any other field.

Bezeq often chooses to work with local suppliers. Thus, for example, one of its cable suppliers is a local firm with which Bezeq continues to work in spite of the availability of cheaper alternatives abroad. Additionally, for many years Bezeq has been employing rehabilitation organizations, contributing in this way to the community. Bezeq also regularly purchases holiday gifts for customers from small socially oriented enterprises, such as the Kishor and Tulip wineries in the north of Israel and the Midbar winery in the south.

In 2019 Bezeq collaborated with the Shavim, Northern Goals, Hameshakem and Israeli Public Health non-profit organizations, for a total of NIS 450,000. These organizations carry out works of rendering end equipment and various accessories usable (such as the cleaning of end equipment and sorting of screws, with appropriate packaging).

Our Suppliers' Commitment to the Code of Ethics

Suppliers who contract with Bezeq are required to sign a commitment to comply with its Code of Ethics, including the rules restricting conflicts of interest and prohibiting bribery. In the case of suppliers with a contract value of more than NIS 500,000, the Company also requires them to sign a declaration of no conflict of interest and verifies their compliance with the requirements of the Code of Ethics.

Regarding cleaning, catering and guarding personnel, the Company regularly follows up their terms of employment and checks their wages through external accountants. More information on this subject can be found in the chapter "Employees and Work Environment."

Supplier Engagement

Although Bezeq is not subject to the Mandatory Tenders Law, it nevertheless solicits offers for goods or services from several companies, after conducting a market survey. The Company examines the potential supplier's commercial, technological, business and financial ability to comply with Bezeq's requirements. Companies in the market are invited to approach Bezeq and offer it their products or services on the Procurement Department's website.

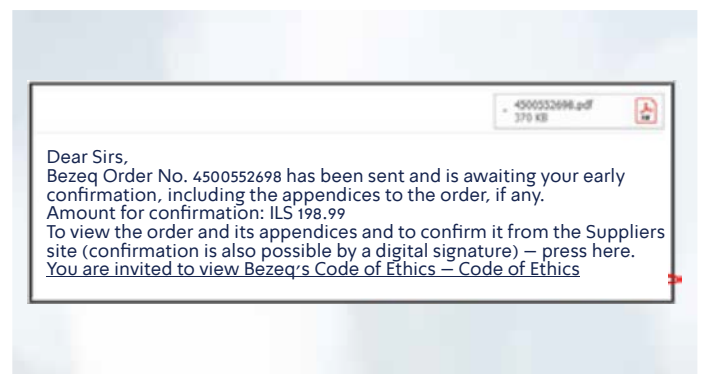
Bezeq conducts meetings with its suppliers and orders reports from various rating agencies. Some 80% of purchases are made by the Procurement Department, and the rest by the Company's other units. Each supplier has a contact person at the Company to whom it can turn on any matter.

Responsible and Green Procurement

In recent years, employment, safety, environmental and human rights considerations have become integral to the procurement process, presenting risks that cannot be ignored. Companies with a complex supply chain and significant procurement processes must maintain a comprehensive policy, dialogue and controls in relation to suppliers, and policy compliance reports must be made to the relevant entities.

Procurement in 2019 amounted to NIS 0.9 billion.

Additionally, in 2019 a significant project of automation of the procurement process was carried out (see details in the chapter "Environmental Responsibility").



Challenges for 2020-2021

In the field of information security

We foresee an increase in attacks over the Internet, the leveraging of advanced technology for phishing attacks, the expansion of regulation and enforcement in Israel and around the world on the subjects of privacy and cyber security, cyber-attacks using machine learning and developing artificial intelligence, attacks on and accessing of the organization's resources through the supply chain, etc.

The work plan approved for 2020 was developed taking these challenges into account.

We are continuing to act on all fronts to protect our customers' information and privacy at all times. Among the steps we have taken:

- Completion of Bezeq's certification for ISO 27001
- Management of cyber risks in the IT and engineering systems
- Setup and training of incident response (IR) team
- Consolidation of solutions for the protection of end components
- Secure internal and external browsing for the organization's employees
- Alert in databases regarding leaked identification

In the field of supply chain and suppliers

Increase in and formal prioritization of green and responsible procurement by the Company, with an emphasis on reducing negative impacts on the environment and giving preference to local suppliers.

Formulation of processes and methodologies for measuring the Company's direct negative environmental footprint or the potential footprint through the supply chain.





Chapter 3

EMPLOYEES AND WORK ENVIRONMENT

Employees And Work Environment

We consider our employees to be the key to our success

We therefore continuously nurture all our employees, regardless of race, gender or religious affiliation, investing substantial resources in providing them with a pleasant and modern work environment, enabling them to improve their professional skills and performance and encouraging their personal growth and development.

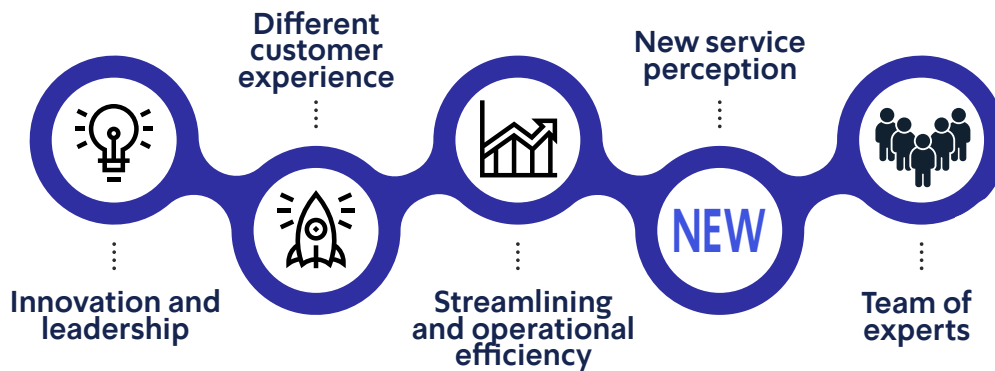
The Human Resources Division is responsible for fostering Bezeq's most valuable resource – its human capital, instilling the desire for achievement and excellence and developing a culture that reflects values of innovation, professionalism, personal responsibility, integrity, mutual respect, openness and sharing, allowing Bezeq to achieve its business objectives.

The Company believes in transparency and open dialogue. As part of this perception, a human resources information center was set up, called the Masha Center, that provides a high-quality, professional and personal response to employee inquiries in all areas related to human resources. The center offers immediate and simple solutions and brings together all the relevant information at one location, making it readily accessible.



The Masha Center includes a personal, user-friendly and easily accessible organizational portal with upgraded features, that at the click of a button introduces employees and managers to the rich and diverse world of human resources. The Masha portal, which operates on a SAP platform, provides the Company's employees with an advanced and innovative communication and work tool, enabling direct access to wide-ranging personal and organizational information and providing extensive knowledge on employment-related issues (employment conditions, wage agreements, workers' rights, monthly benefits, social welfare, etc.).





Main Objectives and Targets



Accessibility

Continuously accessible response



HRBP

Expanding the business partnership and increasing the added value of the Masha Center



Professionalism

Professional response, information at one location and uniform language



Innovation and leadership

Keeping at the forefront of the new world



Streamlining

Operational efficiency



Connection to employees and to developments on the ground

Transparency and deepening of the dialogue



Improving the service experience

Measuring the employee experience in 2019

Ehud Mezuman, Vice President of Human Resources:

“Our people are the Company’s greatest asset. We strive to attract and retain the best people, by creating diversified teams, fascinating and innovative work environment and unique growth opportunities.”

DIVERSITY AND DEMOGRAPHY



UN Sustainable Development Goals

We believe that diversity and cross-fertilization breed the most innovative ideas.

Bezeq – There’s No Place Like Home

Our employees are proud to be a part of the Bezeq family. The average tenure at Bezeq is **20 years**. The turnover rate of employees and managers is very low, **standing at a mere 9.7%** (excluding call centers). **These figures attest to our employees’ sense of belonging and satisfaction with the Company.**

Call center personnel account for 34% of the Company’s workforce.

Tenure at the call centers averages **seven years**, much higher than the market average. The retention rate is 41%, a percentage attributable to the type of person employed at the call centers, who is most often below the age of 30 (mainly students and demobilized soldiers).

We invest great effort in the retention of the call center personnel, offering as part of the Company’s employee advancement options the possibility of reassignment or retraining. In 2019 there were **189** cases of reassignment/retraining of Bezeq employees between the different divisions, including also managerial advancement.

Our Employees Come First

Employee rights

At Bezeq we act in a variety of ways to protect employee rights in the workplace, and we have put in place various control mechanisms for this purpose.

In the hiring process, every job vacancy is open to all candidates, regardless of gender, origin or religious affiliation. The hiring criteria are the same for everyone, and all candidates undergo the same screening process.

The hiring policy, including the setting of employment terms and conditions, is based on objective tools and conditions dictated by the law and the collective labor agreement, as well as comparative market wage surveys. **Termination conditions** as well as the **conditions of early retirement plans and all other retirement frameworks** are identical for all employees, in accordance with the collective labor agreement, with no discrimination between genders or sectors. As part of the collective agreement, contractors in professional fields (excluding cleaning/security workers) are given the status of company employee after half a year.

In 2019, 212 permanent employees tendered their resignation in accordance with the Company’s early retirement plan.

Employee incentives and bonuses

Our appreciation for our outstanding employees is also reflected in the grant of incentives and bonuses, which are managed by the Salary Benefits Department. Employees whose work is not evaluated on a quantitative basis receive a monetary bonus, while employees whose performance is measurable receive incentives based on various models. We strive to keep our employees within the Bezeq family, and we therefore also distribute retention bonuses.

The Company has a performance excellence model, whereby each year outstanding employees are selected from among all the Company’s employees and awarded monetary remuneration as well as a boutique trip and an adventure trip.

Labor relations in the Company – engagement with the workers’ committees

The employees are represented by five local committees according to geographical areas, headed by a chairman who is chosen from among the heads of the local committees. The Company enjoys good labor relations, based on open and transparent communication, including a continuous and constructive dialogue with management. Among other things, the Vice President of Human Resources Division and the Head of the Human Resources Department conduct regular meetings with the committees. The Company acts in accordance with the applicable collective agreements and maintains employee rights.

Irit Nagar, Human Relations Department Manager:

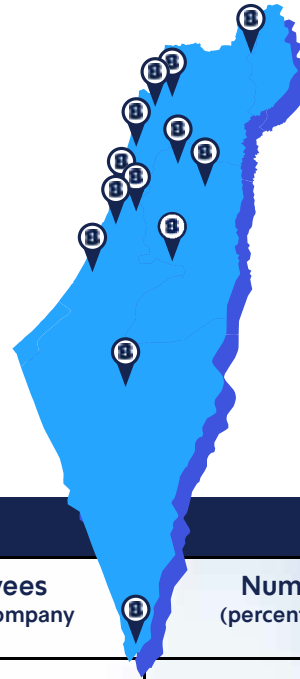
“Work relations with the employee organizations are sound and fair and serve as a catalyst for change, innovation and organizational development within the Company.”

Bezeq serves as a reflection of Israeli society

Bezeq's service centers are situated throughout the country, representing the demographic diversity of the Company's employees, who hail from all sectors of the population.

Bezeq on the map

We are rooted in the community, with its rich fabric and diversity of cultural landscapes, and we strive to represent it in our operations.



Geographic segmentation	2019	2018
	Number of employees (percentage from total Company employees)	Number of employees (percentage from total Company employees)
Haifa and the North	1,435 (27.05%)	1,419 (25.76%)
Sharon Region	246 (4.64%)	256 (4.65%)
Tel Aviv and Ramat Gan	1,327 (25.01%)	1,431 (25.98%)
Dan Region	309 (5.82%)	316 (5.74%)
Center (including Lod)	730 (13.76%)	773 (14.03%)
Jerusalem and environs	721 (13.59%)	771 (14%)
South (including Eilat)	537 (10.12%)	542 (9.84%)
Total number of employees in Israel	5,305 (100%)	5,508 (100%)

Bezeq is among the largest employers in Kiryat Shmona, Israel's northernmost city.

Employment figures – in general and by gender

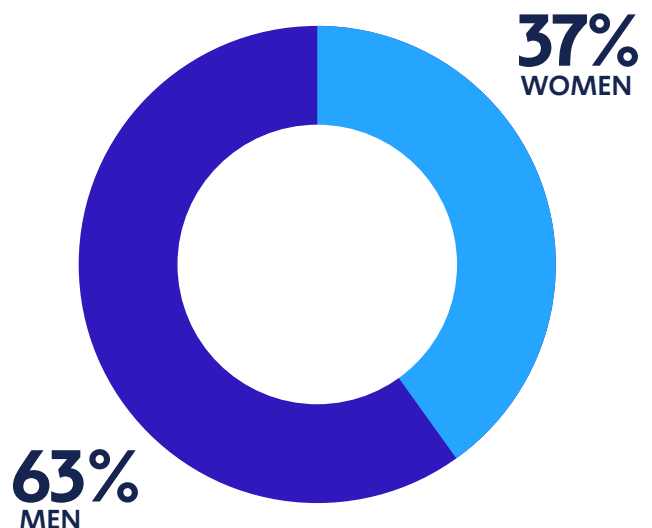
As of the end of 2019, Bezeq had 5,305 employees. 93% of the Company's employees are covered by collective agreements, with the remainder (7%) employed under personal agreements.

99% of the employees are unionized.

At the end of 2018, the Company had 5,508 employees. During the course of 2019, while the total size of workforce contracted, the ratio of male to female employees remained unchanged.

More women managers

We believe in the need for promoting gender equality and fairness in employment. Accordingly, Bezeq promotes the employment of women – leading to a growth in the number of female managers in 2019.



Diversity in Employment

Bezeq strongly believes in fairness in employment and actively promotes the employment of members of Israel's minorities and disadvantaged groups that have difficulty in finding employment.

As part of attempts to reduce the social gaps and enrich the diversity of the Company's workforce, Bezeq collaborates with various nonprofit organizations alongside projects it operates on its own.³ Below is a partial list of projects in which Bezeq is involved:

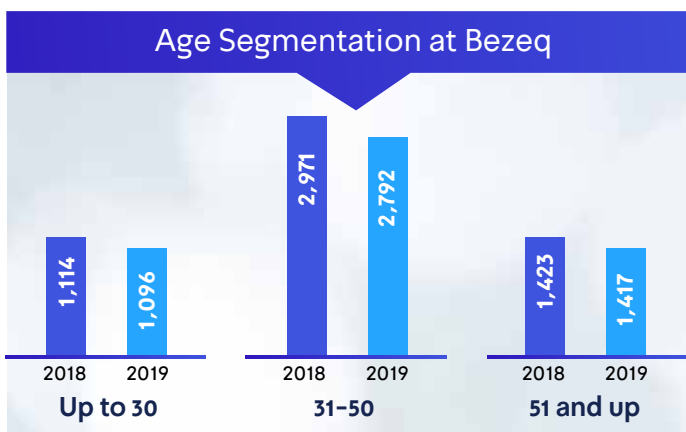
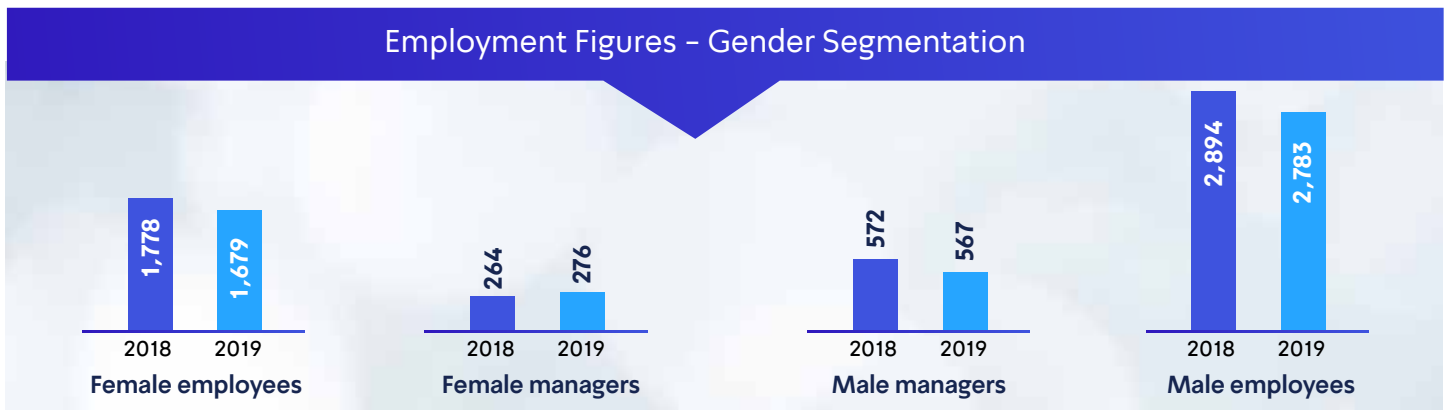
- **TAPUACH Appleseeds Academy** for occupational training of the unemployed and advancement of disadvantaged population groups and their integration in the workforce.
- **HANICHIM Trainees Project for the Employment of At-Risk Youth** – some 100 youngsters (grades 10–12) are employed by the Company once a week and receive a salary, in a framework that offers them a horizon. Since the start of the project, Bezeq has employed 1,250 youngsters, of which 84% have gone on to serve in the IDF.
- **TAASUKASHAVA Equal Employment** – the Employment Ministry's coordinating body for integrating persons

with disabilities in the job market. Bezeq works with this agency countrywide, in all sectors.

- **MIGDALOR**– adaptation of the work environment at Bezeq and ongoing collaboration for the integration of blind and visually impaired employment candidates.
- **Modiin Illit service center**– integration of women from the ultra-Orthodox community in the job market.
- **Advancement of women from the Bedouin sector** – creation of a tailored screening process (for example, the Hura service center which has been merged with the Beer Sheva service center)
- **RIYAN Association**– provision of occupational guidance for members of the Druze and Circassian communities, in a project run by the Alfanar community interest company.
- Collaboration with the **Authority for the Promotion of Employment** in the South.

The percentage of employees from the Arab sector (based on data of non-Jewish employees) stood at 5.7% in 2018 and 6.4% in 2019 of the total number of Company employees. The percentage of persons with disabilities employed at Bezeq stood at 4.6% in 2019.

³ Additional details may be found in the social responsibility section of this report



Age Diversity – Intergenerational Cross-Fertilization

Bezeq serves as an amazing meeting ground for people from different generations. The mix of perspectives resulting from the difference in life experiences strongly contributes to the innovation and professionalism that characterize the Company as a whole.

Wage Ratio

The ratio of the basic salary of women to men is nearly identical in all employee categories at the Company's significant locations of operation, as shown below

Division	Occupation	Ratio of basic salary
Private Customers Division	Service representatives employed on an hourly basis	1.00
Technologies and Network Division	Grade C professional manager	0.97
Technologies and Network Division	Software developer	0.99
Technologies and Network Division	Branching design	0.95
Technologies and Network Division	Systems analyst	1.03
Private Customers Division	Service representatives team head	0.97
Business Customers Division	Account manager	0.99

Bezeq - Full-Time Professionalism

Full and part-time job percentages:

	Men		Women	
	2019	2018	2019	2018
Percentage of full-time employees	94.54%	94.43%	79.44%	78.94%
Percentage of part-time employees	5.46%	5.57%	20.56%	21.06%

Wage Advancement Policy

Bezeq has a computerized system for managing employees' wage advancement.

Once a year, a wage increase process takes place using a computerized SAP interface. The managers are provided with comprehensive information on the employees (performance, wage history, position on the wage scale, education, etc.) for the purpose of determining the increase.

The system enables the management of a complex and wide-ranging organizational process, within a set

timetable, while adhering to policy lines and providing an overall organizational picture. The process includes a top-down flow of budgets and directives, and a bottom-up flow of recommendations and decisions and is linked to the organization's relevant internal systems (evaluation and feedback, SAP, Malam Payroll).

Inherent to the system is the HR strategic concept of focusing on good, quality employees:



Wage Advancement for Long-Time Untenured Employees

The Company has several skill-based wage advancement tracks for service representatives and technicians in the Private and Business Divisions. Wage advancement in these tracks is dependent on suitable training.

Advanced Pension Control Simulator

Bezeq has designed and built a simulator enabling organizational and individual control over each employee's pension arrangement. Its purpose is to ensure that all Bezeq employees are properly insured in accordance with their employment agreement, including with respect to severance pay, provident fund and disability insurance, and that all amounts are attributed to the correct funds, according to the correct deposit percentages, with continuity of deposits, and so forth. The control simulator increases data transparency and availability for the employees.

Default Funds and Existing Funds at Bezeq

New work processes were developed for working with existing funds at Bezeq and with funds that were chosen by the Capital Market Authority. This included the characterization of systems and updating of the pension consultants' acceptance kit, contracting and support procedures.

Quality of Life

Balance between work, leisure and family

To promote a healthy lifestyle and strengthen the connection and identification with the Company, emphasis must be placed on the proper balance between work, leisure and family life. We strive to provide a comfortable work environment for our employees, which allows for reconciliation of employees' private life with work obligations.

Sigal Cohen, Human Resources Development Division:

"There's something nice about Bezeq as a workplace. It's a place that allows for lifelong learning... There is always opportunity for someone to learn and develop. It's also an organization that's good for parents because there is a good balance between home and work. Many of the employees come to work at 7 in the morning and leave at 3:30 in the afternoon."

Employees' Health and Wellbeing

Bezeq encourages its employees to maintain their health and wellbeing and holds activities that raise awareness and promote the issue. The Company has employee sports teams and encourages sports activities after work hours.

To safeguard employee wellbeing and promote safe driving, Bezeq conducted a workshop for drivers at Beit Levinstein Hospital, attended by drivers who were involved in road accidents. The purpose of the workshop is to change attitudes and influence the behavior of the participants on the roads.

Likewise, the Company subsidizes courses on smoking cessation, diets and healthy living. It is important for us that the employees feel "at home" in the workplace, get to know their coworkers better, and work out of interest and high motivation; therefore, we hold many team-building and bonding events as well as wellness activities in the various divisions.

Included among the bonding activities are toasting ceremonies held before Rosh Hashana and Pesach in several areas across Israel (Tel Aviv, Beer Sheva, Haifa, Jerusalem, Rishon Lezion). Likewise, once a year, we embark on a four-day bonding trip to visit sites abroad, and also hold smaller scale bonding events at the various Company units.

Major Actions Implemented by Bezeq's Welfare Non-Profit Organization/Association in 2019

The Company maintains a welfare website for its employees, where they can purchase products or receive various benefits conveniently. **The site has**

undergone a revamp, which includes innovative redesign, provision of access for people with a disability, and addition of search engines to create a user-friendly and accessible site.

Launch of Bezeq Club Card – A credit card that will entitle the holder to a discount upon payment, as well as offer improved terms and conditions.

B-Shopping Card – Intended for employees' families.

Construction of a central system for keeping track of all kinds of aid granted through the Mutual Aid Fund.

Welfare Activities on Behalf of Bezeq's Pensioners

Through the Bezeq Pensioners Association, the Company continues to maintain ongoing contact with its pensioners and puts at their disposal clubs across the country where they can take part in various activities. Pensioner clubs operate in three major cities (Jerusalem, Tel Aviv, and Haifa) and in the peripheral areas. The clubs serve as a meeting place for pensioners and their spouses, while serving the spouses of deceased pensioners as well.

Every large club has a club coordinator, employed by Bezeq, who organizes the activities for the elderly, including those held at peripheral area clubs. A pensioners' committee (on behalf of the Pensioners Organization) operates alongside every club as an active partner in the club's activities.

Aside from the clubs' activities, we put at the disposal of the pensioners and their spouses many additional services: financial benefits (such as a loans fund with preferred terms and conditions co-operated with Bank Yahav), subsidized group activities/workshops/courses and lectures, subsidized package tours (in Israel and abroad) that are offered to pensioners during the year, a gift for the holidays, as well as three major events a year (including performance by top-artists, rich refreshments, transport services).

Prevention of Sexual Harassment

We are working to prevent sexual harassment, allowing reports of incidents to be made anonymously and without fear, to the officer in charge of sexual harassment prevention at the Company. There is a mandatory tutorial that must be viewed by all new employees. The officer in charge of sexual harassment prevention holds discussions on the issue during orientation days for new employees and delivers instruction sessions on a regular basis, based on need or a prescheduled plan. Additionally, at least twice a year, digital mail on the subject is sent to all the Company's employees. The details for contacting the officer in charge are accessible to all the Company's employees.

People Are the Story

Fostering Professionalism among Employees

Employee Enrichment

We regard our work as a mission, and are committed to the highest professionalism. The employees' professionalism contributes to the quality of service and the personal development of the employees. We accomplish this with the help of organizational instruction and training, online learning platform, as well as courses and seminars devoted to career development

Employee Enrichment Objectives

Bezeq conducts hundreds of instruction activities in any given year, with the help of advanced digital learning projects.

From the personal perspective – Personal development processes, clarification of development needs and future directions of development, widening of possibilities, familiarization with a range of areas and improvement of personal skills.

From the professional perspective – Professional development, use of group-related professional knowledge, transfer of knowledge between participants, imparting professional skills that will help in the transfer of knowledge and in future jobs.

From the organizational perspective – Gaining a deeper knowledge of the Company, strategy, goals, structure and Company officers.

Bezeq invests numerous resources in developing human resources through innovative digital training courses.

Bezeq planned to deliver 25,037 hours of instruction for employees. Some of the training sessions were oversubscribed resulting in an overall implementation rate of 112%.

Percentage of Employee Trainings Implemented



Development and training programs for every occupation and function are drawn up and implemented as part of an overall plan, every year. Instructional needs for employees and managers are identified and assessed. All employees benefit from an innovative instructional system that is customized to their needs.

Training Employees and Managers in the Business Operations of the Company

Types of Trainings at Bezeq

The training provided includes professional instruction sessions, training courses for skills and qualifications, trainings for job entry. Subject areas covered by the trainings: professional team trainings, training and coaching skills, emotional intelligence, intellectual flexibility, critical thinking, advanced cyber issues, smart business (in IOT worlds), transmission of communication messages and presentation, upgrading of expertise, selling qualifications, creating value for the customer, inter-interface partnership skills, courses in digital skills for relevant populations, etc.

Short training sessions for employees – Learning and enrichment sessions on the subjects of success and employee development, covering creative thinking, innovation, partnering and project management.

A choice of short and focused workshops – Imparting of skills for effective and efficient work.

Organizational Development, Career Management and Manager Development at Bezeq

The training programs include the development of managerial abilities (effective management of resources, creativity, leadership, listening skills, openness and continuous improvement), identification and development of managerial potential, reinforcement of managerial abilities and key work interfaces at the Company, retention and development of professional leaders, organizational and managerial culture that promotes business success and bolstering of the partnership with the Company's management.

The emphasis is on the development of skills for the future world of work while undergoing a process of digital transformation.



Employee Satisfaction

As part of the managerial view at Bezeq, we see the utmost importance in receiving feedback from all our employees. For this reason, the Company carries out annual surveys to evaluate employee satisfaction along with the level of commitment, involvement and motivation at the Company.

As a company that works continuously to develop its employees, Bezeq acts to draw lessons and set goals in light of past survey results, as well as to measure the achievement of set goals.

From a personal perspective...

Sergey Dumesek, an expert manning a strategic technical call center at Bezeq's Business Customers Division, talks about his experience as an employee at the Company:

Q: What do you like about your job?

A: My job has three different aspects: professional, information security staff and coach. This allows me to feel that every day is different working with new scenarios, new equipment, and new employees who need to be trained. I also love the fact that the job challenges me to think, to work with computers and to directly interact with customers and employees.

"Keeping a Finger on the Pulse" Survey

The "Keeping a Finger on the Pulse" survey focuses on personal development of the employees.

The survey was distributed to 3,070 employees and managers (not including representatives at the Company's call centers and technicians from the Private Customers Division).

During the last quarter, after receiving the survey results, workshops were held with divisional managements and unit managers (some 60 meetings). The recommendations formulated at the end of the survey were forwarded to divisional managers so that they should be incorporated into the annual work plan.

The general average score of the survey for 2019 was 7.92 (out of 10), representing the average answer of all those responding to all the survey questions. Compared to the survey for 2018, there is no significant change (8.03), taking into account that some of the questions changed and that only call center representatives were surveyed. The average score indicates that, overall, Bezeq employees are satisfied with various aspects of their work.

There are topics and questions that receive top scores, such as: "I am proud to work at Bezeq," "I feel that what I do has value and meaning."

There are differences in the response between units/teams/departments, and for that reason we deem it highly important to understand and delve into the answers of every unit (by comparing with other similar units, examining trends over the years in the same unit, understanding what specific things satisfy the employees, and what it is important to improve).

The scores show the employees' strong commitment and connectedness to the Company and their belief in Bezeq's ability to continue leading the communications market (0-10)

9.1
I am proud to work at Bezeq

8.86
I enjoy coming to work at Bezeq

8.79
I see myself working at Bezeq in the coming years

8.77
I believe that Bezeq will continue to be the leading and most successful telecommunications company in Israel

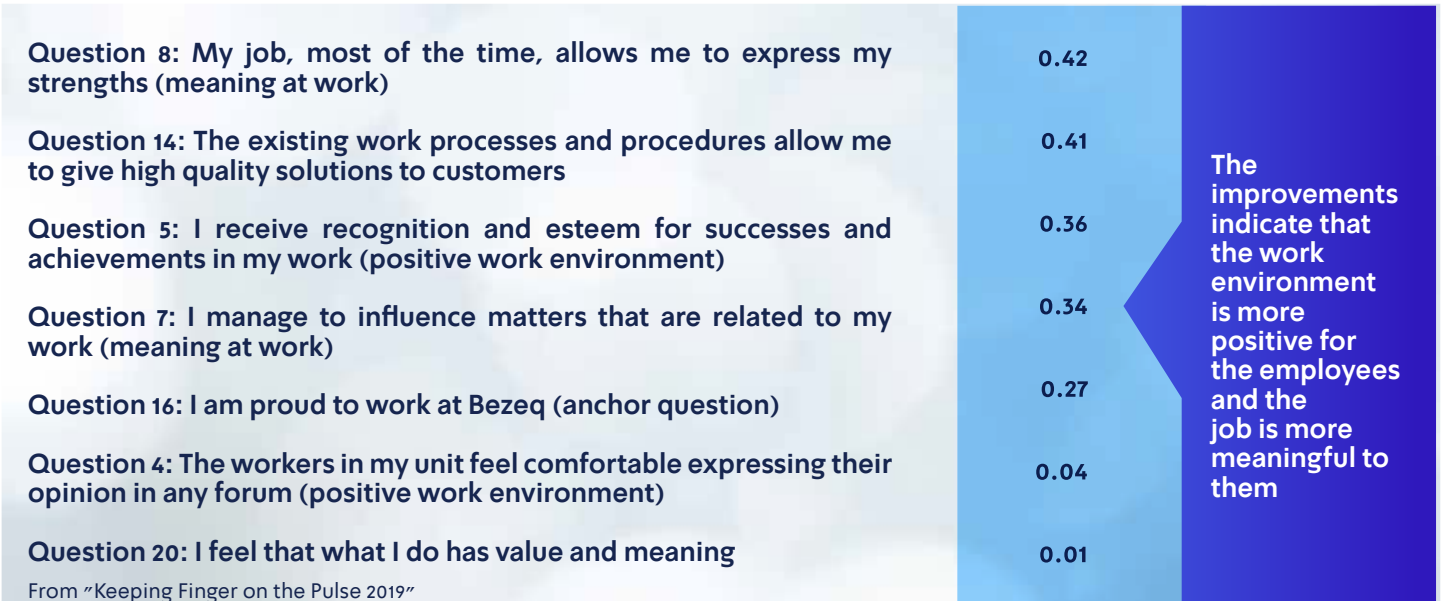
8.76
I feel that what I do has value and meaning

8.45
I get management's backing for decisions and actions I take within my job function

We analyze the results of every survey conducted at the Company and make adjustments and modifications accordingly (the analysis is made according to specific units at the Company).

The following questions show an improvement in the score received between 2018 and 2019:

Improvement between 2018 and 2019 (0-0.5)



Employee Attitude Survey

The Company's employees were asked to rank 6 values/ characteristics out of 36, which best reflect Bezeq's modus operandi.

Most of the values were "effective values" that Bezeq strives to foster at the Company, while a small part were "ineffective values" that the Company strives to diminish. The value "innovation" was ranked first by the employees. The following table provides a summary of responses from the employees who took part in the survey:

We are proud that these are the values that employees regard as representing the Company's activity and are pleased to find that the many actions implemented by management and as part of the employee and manager development programs, are creating positive change.



Employees Write About Us

Below are several examples from the free text the employees wrote in the "Keeping a Finger on the Pulse" survey, in answer to the question "What I like about Bezeq":

"The ability to express myself at work and to influence processes within my job function, a skilled and professional team of workers that give their all to get the work done."

"I'm proud to work at Bezeq and have been working at the Company for many years. Bezeq is a quality company with professional people, and the truth is that personally I feel that this is my home, I wish our company continued growth despite the tough competition because it's a net gain for the public that customers receive quality services."

"I love my personal department, there is an attentive ear, there is a family feeling among the staff who not hesitate to help each other."

"I love the work at Bezeq, I feel that I have self-confidence and am able to express myself at my job/ in what I'm doing, of course with the cooperation of the staff/ the superiors."

Employee Evaluation

Besides measuring employee satisfaction and employee perception of Bezeq, the Company is diligently implementing an ongoing employee development process.

The process was constructed with the aim of creating continuous improvement in performance, by setting tasks and goals, measuring and improving evaluation of performance according to the goals, while at the same time creating open and structured dialogue and coordinating expectations.

The process of evaluation and feedback is conducted once a year for headquarters employees, and twice a year for service call centers and private divisions.

All the employees take part in the evaluation process, which is carried out in a computerized manner. (Employees have the option of filling out a self-evaluation form and sending it to the manager.)

Employee Dialogue

Organizational Portal –“Internal Call” & “The Blog”

An open and direct dialogue is conducted with employees via contact channels which Bezeq upgrades and develops each year. The major contact channels are the organizational portal (internal call) and “The Blog.”

An internal call is a platform for communication between employees, which also comprises the “open channel” system that allows employees to turn anonymously to management to receive a fast response.

“The Blog” allows employees to write posts on topics related to work and to receive feedback, and is used primarily for discussion about career topics and community involvement, and as a channel for management to communicate with employees about various topics (financial statements, changes in the Company, ethics, expressing gratitude).

In 2019, forty-three “internal call” activities were carried out, while 16 activities were carried out on the “The Blog” platform.

For example, “A Day in My Life” is an activity that is posted on Bezeq’s career portal, where visitors join an office holder who shares the nature of his/her job and the daily agenda. The portal introduces Company employees to their coworkers and other office holders at the Company, and enhances the employees’ sense of belonging.

Pleased to meet you:
Rivka Baba
 Aged 46, lives in Bat Yam.
 16 years at Bezeq.
 Married, mother of four
 + a dog + 2 cats + fish.
 An economist at
 the Economics and
 Regulation Division.

What does an economist do?
 Gathers data to prepare a revenue report, analyzes revenues. Builds budgets and business plans for services, viability certifications for products and services. In fact, our objective is to present the full picture so that it should be possible to make good decisions.

About the COVID-19 period:
 After the initial shock, I reminded myself that I have food, a roof over my head, and that I've been through a thing or two in my life. I organized things around the house and put everybody into a routine of sorts. I'm a Russian mother so the kids had to do some physical activity once an hour. At first, I was told that it may not be a good idea that I'm home, but in the end, they told me that I cook tasty food. So, it's okay.
 My success is thanks to:
 I always want to reach the top (but I've mellowed a bit over the years)
 Determination – If I want something, I'll always work hard to get it. I always have to understand things in-depth, so I investigate and check.
 And what's very important to me is to build relationship with people and to get to know people, and that they shouldn't remain just a "name in the email."

What's not known about me?
 That there's a difference of 20 years between my oldest son and youngest daughter (greater than the difference between me and my oldest son).
 That after working with me, the accounts team composed a dictionary titled: "Rivka – Hebrew."
 That I came to Israel for a visit in 2000 and immediately felt at home, as I've never felt anywhere else...
 I wound up all my business in Ukraine, and have been here ever since 2002.
 Sportswoman – Manager of a women's throwball team at Bezeq (there are 12 women on the team).
 My hobbies:
 Seeing the surprise at meetings when they find out I'm Rivka Baba.

Plans for the future:
 To succeed on the job and... the sky's the limit!
 You can laugh, but some CEOs of the Company came from where I'm sitting now.

2004 ————— 2020

Service representative ———— Expert ———— Accounts ———— Economist
 Strategic Business Call Center ———— Economics & Regulation Division



Goals for 2020 – 2021 – Culture of Innovation

Goals and Missions

Assimilation of digital thinking and use of digital tools among employees, coupled with improved user experience, development of advanced digital learning means, streamlining of the core missions of human resources, and adjustment of human resources processes to new operational worldviews, service-focused and advanced. Creation of new and more accessible HR services, while maintaining close personal contact with employees, and placing emphasis on the quality of computerization of the recruitment and onboarding process. Automation of the pregnancy and childbirth process, promotion of integration of a digital approach in the stages of candidate communication, deepening of employee professionalism and innovation coupled with employee cultivation and the provision of practical tools.

Implementation of Organizational Measurement and Surveying While Maintaining Readily Available and Useful Intra-Organizational Communication

Bezeq will continue the process of adjusting organizational measurement and surveying to business market trends. Processes will undergo simplification amid ongoing dialogue that is focused on aspects of personal and professional development. Conclusions and insights for implementation will form the basis for programs to improve work with managers/ specific units, and goals will be set based on the survey's results and be assimilated in the work program.

Technological Innovation at Bezeq

HR Analytics –Providing a foundation of data and insights for trend analysis and decision-making through the measurement and analysis of HR processes, analysis of employee behaviors and preferences by geographical areas/ skills/ employee characteristics, and more, using **innovative data tools and AI (artificial intelligence) technology.**

I Have a Great Idea! “Brainwave”

Bezeq continually strives to remain relevant and with the help of crowd wisdom, which bolsters an employee's sense of belonging, Bezeq promotes innovation and entrepreneurship at the Company.

In 2020, Bezeq launched the campaign “Idea Wanted” for the Company's employees.

The ability and the wish of employees to be partners and even leaders of innovative ideas are immense. With the help of a simple digital platform, one can suggest ideas and initiate innovative processes at the Company. The ideas are reviewed in-depth by a dedicated team and successful ideas earn the employees a reward.

Bezeq Will Continue Internal Streamlining Processes

We will continue striving to augment the intra-organizational service experience for employees and managers through the expansion of digital services, the collective agreement and negotiations with the employees' representation. We will continue to care for our human capital with efficiency and accessibility, while preserving a fabric of proper, respectful and welcoming work relations.





Chapter 4

SERVICE AND CUSTOMERS

Service and Customers

Giving the Best Service to All

Bezeq's idea of service is to offer high-quality service to all, without discrimination on any basis. The Company provides service in a variety of languages: Hebrew, Arabic and Russian.

Our Responsibility at Bezeq

To identify categories and trends on the global market, to invest resources, to create appropriate conditions and assimilate them, and to lead the entire market to progress and innovation.

Communications Market Trends

Many companies in the global telecom sector attach great importance to corporate sustainability and responsibility, with emphasis on responsibility towards the customer, digitization, innovation, trust and flexibility. Accordingly, many companies engage in the field of information and cyber security and the protection of customer privacy.

These issues occupy a central place in the daily activity of the companies. IOT is projected to be a future growth engine in the market, and telecom companies are starting to take part in the revolution that this process will lead to. All information is migrating to the cloud, telecom services are becoming a basic consumption product, technologies are evolving and consumers expect more.

Global telecom companies can contribute towards the **implementation of the 17 U.N. sustainable development goals**. They are considered a positive factor that reduces negative environmental impacts, they help to advance the economy, to generate growth and momentum in industry, and promote innovation. There are cases where telecom companies also help, inter alia, to increase education, reduce consumption, grow the turnover and mitigate inequality.

Bezeq aligns itself with global trends and strives to conduct itself with transparency vis-à-vis its customers and stakeholders.

Bezeq's Private Customers Division has formulated values that will guide its way to achieving the complex tasks of providing the best service. These values include leadership, excellence, solicitude, and service orientation, which constitute the milestones for attaining the goals of the Division and of the Company as a whole, in the realm of providing customer service.

Udi Atar – VP Private Customers Division:

"As the largest and leading telecom company in Israel, Bezeq strives to provide excellent and stable service over time, by looking at the big picture, offering a customized solution for each customer, and continuously striving for service and product innovation."

Business and Private Customers

The Company is not dependent on any one customer, and no customer accounts for 10% or more of the Company's revenues. The Company's revenues correspond to two major types of customers: 50% private customers and 50% business customers.



Service Accessibility

The Company has an Accessibility Officer, and is committed to facilitating accessibility for all. The accessibility service is intended for customers with disabilities wishing to receive service from various entities such as medical services, ordering a taxi, purchasing products, etc. The service is provided by Bezeq representatives via phone call, email and SMS message, as required by the customer. Today, Bezeq receives around 200 inquiries a month.

Quality Control

Customer complaints are received at Bezeq's call centers or its Public Inquiries Center through the website. Every complaint is reviewed and handled accordingly.

Innovation in Providing Service to Customers

We believe that maintaining an open, accessible and readily available channel of communication is the best way to continue providing professional, fast and high-standard service to our customers. We believe in full transparency towards the customer, as well as availability and simplicity in the presentation of data.

Bezeq's communication channels with its customers include:

Phone Service Center

Bezeq Website

Business Customers Portal that provides direct access to the entire communications network of the business from another location

SELF Interface for time savings and user experience upgrade

Smart routing of calls – Optimizing the routing of calls between customer and representative

B-bot Virtual technical service representative for receiving online service until malfunction is resolved

BE Application designed, among other things, for managing the Internet and plugged-in devices at home.



Commitment to Customer Satisfaction

Bezeq is committed to set a high bar for the provision of fast and professional service to its customers and to be attentive to their needs. The Company carries out ongoing monitoring of the satisfaction of customers who receive service from the Company. Additionally, the Company makes anonymous calls for control and service optimization purposes.

We conduct an in-depth analysis of our service

performance through continual monitoring accomplished by two types of survey carried out among all the customers receiving service:

- **Survey 24** – Forwarded to the customer immediately after a conversation with the call center

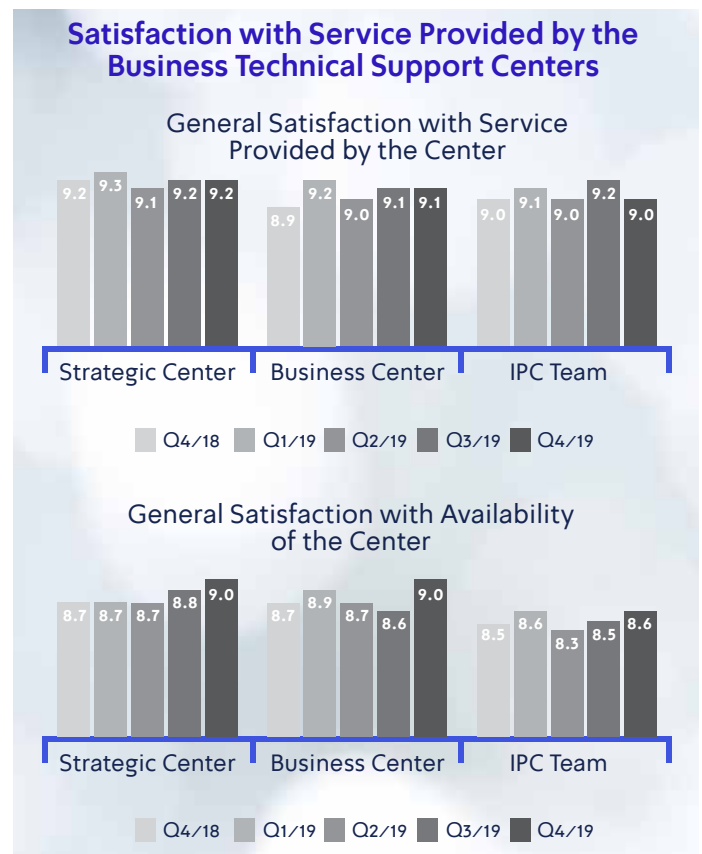
- **Cluster survey** – Examines the entire process of customer handling

Every month and every quarter, the Company checks the service provided by the technicians and the service representatives.

We reward our employees for their good work as determined by the surveys, and invest greatly in customer service.

Surveys

Following are the performance results for 2019 in the area of customer satisfaction, for both private and business customers. Summary of satisfaction with business customer service:

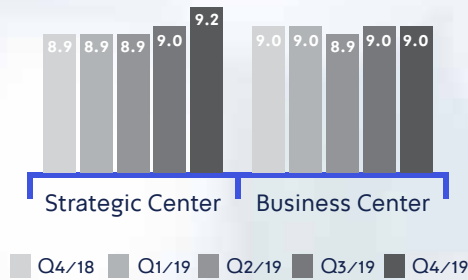


Summary of satisfaction with business customer service

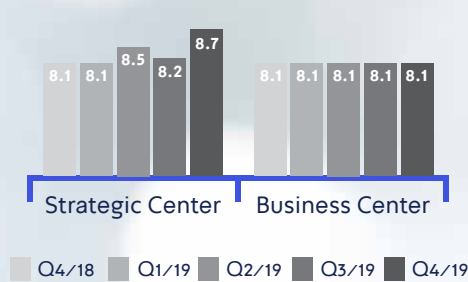
- Level of satisfaction with the service provided by the business technical support centers is very high.
- Satisfaction is high for inquiry handling time. Satisfaction with the technical support center representatives is high and steady.

Satisfaction with Service Provided by the Commercial Call Centers

General Satisfaction with Service Provided by the Center



General Satisfaction with Availability of the Center



Summary of satisfaction with commercial customer service

- Satisfaction with the service provided by the commercial call centers is high over time.
- Satisfaction with the representative at both call centers is high.

Summary of satisfaction with the data line installation process among strategic customers:

Customer experience with data line installation or upgrade over time is very positive:

- In 93% of cases in 2019, the process of supplying lines was fine without any delays.
- Satisfaction with the technician's service in 2019 stood at 9.3 out of 10.
- The rate of malfunctions after completion of installation or upgrade was 13% for 2019, lower than 18% in 2018.

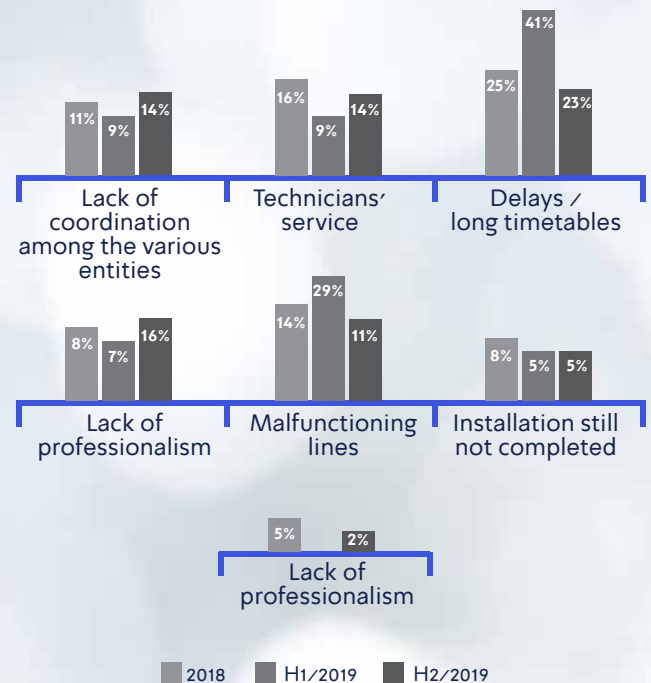
Process of Purchase / Upgrade

- Customer satisfaction with the process of upgrading and installing data lines is high over time, with satisfaction with the process rising among upgrading customers.
- The process is carried out almost without any delays, and satisfaction with the speed of the process continues to grow.

Technicians

- Satisfaction with the technicians is high. The technicians arrived on time in 96% of cases in 2019, compared to 93% of cases in 2018.
- Satisfaction with the technician's scheduled visit time was relatively low, standing at 78% in 2019, but up from 74% in 2018.
- Overall satisfaction with technicians' service was 9.3 out of 10 in 2019, remaining steady compared to 2018.

Reasons for Dissatisfaction Among :Those Who Gave a Score of 1-7

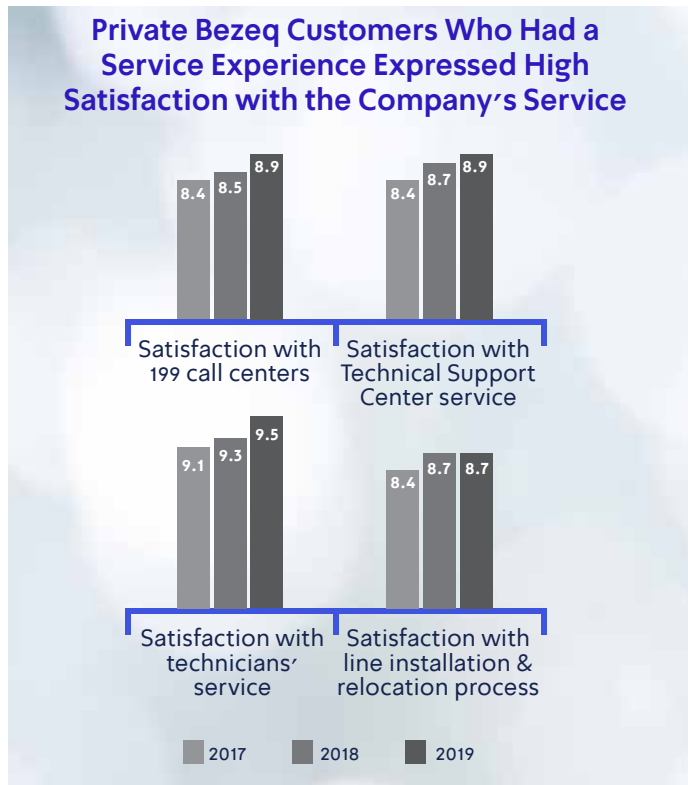


Completion of Installation Process

- In 85% of cases in 2019, the installation process was completed successfully, compared to 80% of cases in 2018.

Summary of satisfaction with private customer service

- Satisfaction with the speed of the repair of a telephone/Internet line stood at 7.4 out of 10 in 2019, unchanged from 2018.
- Satisfaction with the service provided by the technical support center in the repair procedure for a telephone/Internet line stood at 8.1 out of 10 in 2019, similar to 2018, while satisfaction with the technician's service in this process was steadily high, standing at 9.3 out of 10.
- In 2019, approximately 53% of inquiries were repeat inquiries, and 25% of malfunctions were recurring problems, similar to 2018.



The Company's leadership in customer service is manifested by call centers that respond quickly to inquiries, technicians that are deployed nationwide and professional employees who maintain a high-performance level. The Company has clear service provision procedures in place designed to ensure the best service for its customers.

Public Complaints

The Public Telecom Complaints Report for 2019, issued by the Director for Supervision and Enforcement at the Ministry of Communications in May 2020, presents a comparison of several parameters among telecom companies in Israel. Among other things, the report states that Bezeq is ranked first.

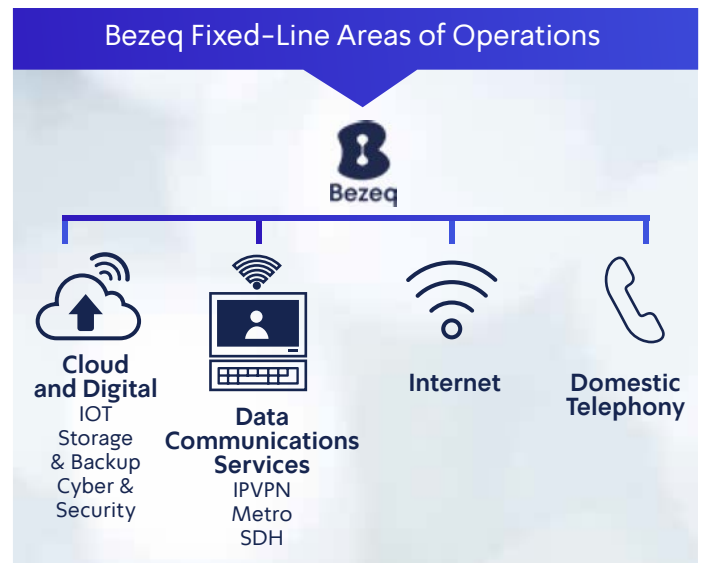
The Company's market share in Israel is 69%, and the rate of justified complaints has declined considerably from 2018.

Summary of Complaints

In 2018, Bezeq received 1,158 complaints from the Ministry of Communications, of which 960 were handled and closed. In 2019, Bezeq received 1,288 complaints from the Ministry of Communications, of which 1,025 were handled and closed.

Services for Customers:

The Company provides a wide range of telecom services for its business and private customers:



Telephony

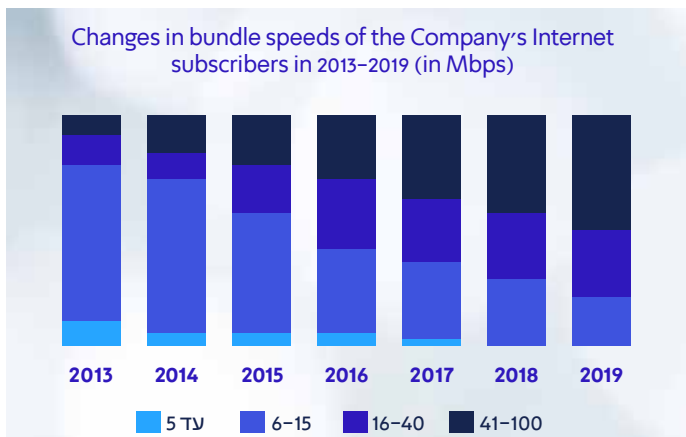
The Company's telephony services include mainly the basic telephony services on the domestic telephone line, and associated services such as voice mail and caller ID. The Company also provides its customers with a national numbering services for businesses (1-800, 1-700), for full or partial payment for the calls by the business. The Company operates a unified telephone directory and unified website, in addition to the Company's 144 service.

Internet Access Infrastructure Services

The Company provides broadband Internet access infrastructure services.

The average speed per subscriber of the Company's Internet at the end of 2019 was 67.8 Mbps compared with an average of 59.1 Mbps at the end of 2018.

The Company is obligated to provide broadband Internet access services in a wholesale format to BSA service providers.



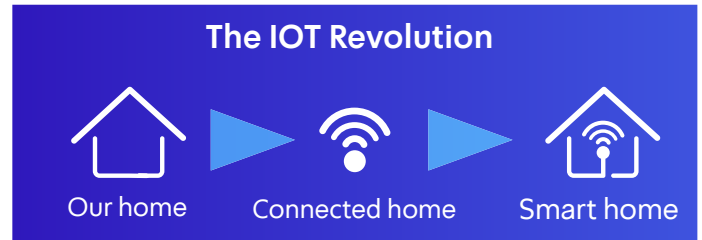
Transmission and Data-Communication Services

Data communication services are network services for point-to-point data transmission, data transmission between computers and between various communications networks, services to connect communications networks to the Internet, and remote access services.

The Company offers transmission services, including at high speeds, to communications operators and their business customers over a variety of interfaces.

Cloud and Digital Services

This category includes, among others, virtual server services; Bcyber service; smart home, smart business and smart city services; private virtual PBX (IP Centrex) services; and B144 service, which is the Company's advertising platform for digital advertising and marketing to small businesses, Bcam, Wi-Fi, SMS, and remote backup.



Operators

The Company provides services to other communications operators, including: cellular operators, international call operators, HOT, NEP operators, ISPs, domestic carriers, and Palestinian communications providers. Among the services provided by the Company are infrastructure services, connection to the Company's network, billing services, leasing of space, and services in leased premises.

Broadcasting Services

The Company operates and maintains radio transmitters for, among others, Israel Broadcasting Corporation, Israel Army Radio (Galei Zahal), and several regional radio stations. It also operates the DTT transmitters for the Second Authority. The Company is responsible only for operating and maintaining the transmitters for broadcasting radio and television content, and not for the content of the broadcasts.

Contract Works

The Company carries out work for the setup and operation of networks or subnetworks for various customers (e.g., the Ministry of Defense, HOT Telecom, radio and television broadcasting companies, government bodies, etc.). The Company has different types of suppliers: cable equipment, outlets, routers, office equipment, and the like. The services of external contractors are supplied mostly to business customers.

Bezeq Store – Sale of Terminal Equipment

To make it more convenient and accessible for our customers, the Company operates a chain of Bezeq Stores throughout the country. In 2019, the Company started selling smartphones in addition to the other terminal equipment that it sells (e.g., smart products, earphones, speakers, televisions, etc.). A "return policy" is posted on the Company's website.

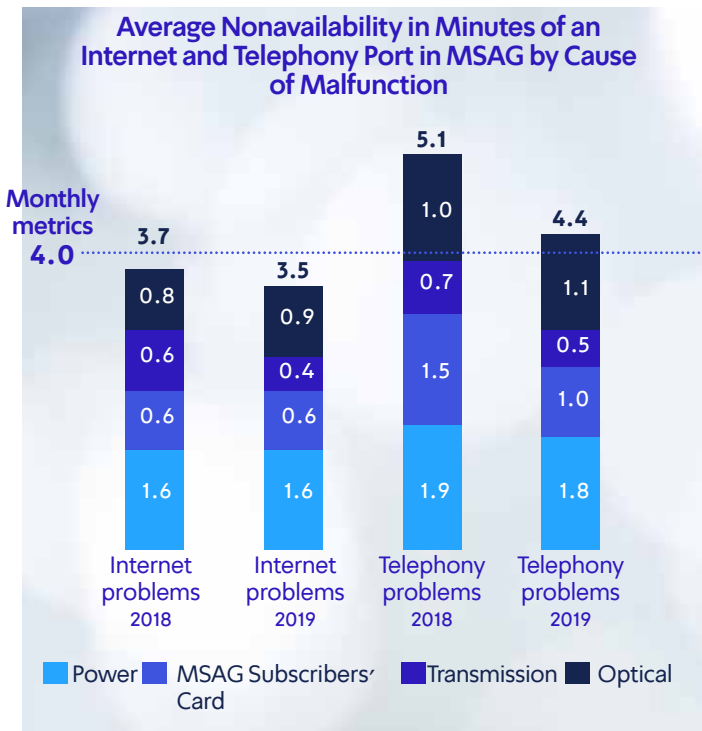


Internet Disconnections and Interruptions

The monthly metrics is for average nonavailability for Internet and telephony to be 4 minutes or less.

Average time for optical malfunction repair stands at 5 hours.

The energy survivability of an MSAG unit, a multi-service switch, is defined as the rate of the unit's failures up to two hours after an electricity outage as a percentage of total electricity outages. The annual average stands at just 1.8%, with most failures occurring in December-January.



Service Improvement Targets

Bezeq will work to expand the service and sales to accessible and readily available digital channels, while maintaining a human approach at the call centers. The Company will strive to preserve excellent customer satisfaction, which distinguishes it from its competitors, and maintain the Bezeq brand as a leading service company.

Average Nonavailability in Minutes of MSAG Telephony Port Segmentation by Region

Cause of Malfunction	National	Tel Aviv	north	center	south
Optical	0.7	0.4	1.5	0.3	0.3
MSAG unit	0.5	0.4	0.9	0.1	0.5
MSAG subscribers' card	0.8	0.8	1.0	0.8	0.7
Power	1.6	1.6	2.0	1.6	2.3
Total	3.7	3.2	5.4	3.0	3.8
Monthly average in 2019	4.4	3.7	5.3	3.9	4.6

Monthly metrics = 4 minutes

Average Nonavailability in Minutes of MSAG Internet Port Segmentation by Region

Cause of Malfunction	National	Tel Aviv	north	center	south
Optical	0.6	0.4	1.5	0.3	0.2
MSAG unit	0.4	0.4	0.8	0.1	0.4
MSAG subscribers' card	0.8	0.5	1.1	0.5	0.9
Power	1.3	1.1	2.3	1.2	1.7
Total	3.1	2.3	5.6	2.1	3.1
Monthly average in 2019	3.5	2.5	4.8	2.6	3.8

Monthly metrics = 4 minutes



Chapter 5
**ENVIRONMENTAL
RESPONSIBILITY**

Environmental Responsibility

In line with trends in the communications market, most global companies have set targets for reducing energy consumption, and some even to the point of “zero” energy consumption, by shifting to the use of renewable energies. Another important goal of these companies is providing infrastructure and assistance to customers to cut down carbon dioxide emissions

Environmental Policy

Bezeq is working to reduce the environmental repercussions/ramifications/impacts and to uphold/maintain the principles of sustainable development out of a sense of responsibility, transparency and fairness, which constitute the basis for its operations, guided by the following principles: Bezeq follows a strict policy of preventing environmental damage, marked by a commitment to manage its environmental impacts in such manner as to ensure continuing improvement and to regularly measure its impacts on the environment, to strive to understand the ecological implications of its business operations and to take decisions accordingly, and to collaborate with other companies and public entities to promote environmental issues.

Bezeq strives to help even its customers to reduce the Company’s negative impacts on the environment and streamline its energy consumption, always with an eye to ongoing innovation

Bezeq’s positive impact on the environment, through its customers, is both significant and appreciable. The shift to a digital world enables performing many more operations in a computerized manner and scaling back the negative environmental impacts.

Among the countless examples of this is conducting video calls instead of face-to-face meetings, which require for the most part a physical trip (in vehicles or on planes) and generate heavy emissions; reducing paperwork by using digital forms, and so on.



Cities generate 6 billion tons of waste annually



Cities consume 75% of the world’s energy



Cities lose 50% water due to leaking infrastructure



Cities emit 80% of the CO2 in the world



1.2 billion cars travel on the roads



70% of the human population lives in cities

Bezeq's Vision

Smart & Digital Everywhere

To transform Israel into the most advanced country in the world in terms of communications infrastructure and digital services, enabling people, families, businesses and cities to access/benefit from new technological progress, which also facilitates environmental protection as well as smart and innovative resource management.

The Challenge

To enable a good standard of living for a growing population, it is necessary to develop smart cities. Therefore, the Company has launched a new sphere of services – the “smart” home, “smart” business and “smart” city.

The Smart City

Smart cities are likely to play a decisive role in creating solutions for a sustainable world and are considered engines of innovation and entrepreneurship. A smart city strives for efficient and smart use of resources, while maintaining a balance among environmental, social and economic costs. Information and communication technologies are used to improve the functioning, management and oversight of a range of systems and services, placing emphasis on the efficient consumption of energy, water, land and other natural resources.

Using the technological services provided by Bezeq, such as sensors and communication networks, to gather and monitor the information obtained from them, allows for streamlining various municipal processes, such as the reduction of energy consumption, waste disposal, air pollution monitoring, water command and control, transportation management, etc. The system provides an up-to-date picture of the situation for decision-makers, manages and processes a great deal of information from

which insights can be drawn and used to carry out a streamlining process on a regular basis.

When Technology, People and Places Converge for a Smart Purpose

Bezeq's “smart city” systems expand the basket of services for the residents, create transparency in the city's core issues, enhance the quality of life and help to protect the environment by, among other things, reducing air pollution and cutting down traffic jams. All this is achieved with the help of hundreds of thousands of sensors, event prediction and linkage to the municipalities' management systems.

Smart Lighting

The prevention of light pollution through real-time adjustment of lighting to traffic and weather, as needed. Bezeq's smart lighting saves energy and controls electricity consumption.

Advanced Waste Management

In collaboration with GreenQ, Bezeq equipped garbage containers and bins with sensors that measure their fill-levels. The information is analyzed, which allows for planning the route of the garbage truck and emptying the waste bins according to the level of garbage in them. The system cuts down unnecessary mileage and prevents cases of overspilling bins that create sanitary hazards and environmental damage.

For 90% of the residents in Israel it is important to have sensors installed that measure air pollution. According to a national customers survey conducted on the matter by the research institute TNS.



Smart Sensors for Monitoring Quality of Environment

RadGreen is an army approved and certified Israeli development, which is incorporated in Bezeq systems. The systems include sensors for temperature, humidity, noise, radiation, CO2 pollution and particulate pollution. All the information collected from the sensors is forwarded to control units reporting online to a remote management system, which, in turn, enables changes that prevent and reduce negative environmental impacts.

Monitoring of Water and Sewage Systems

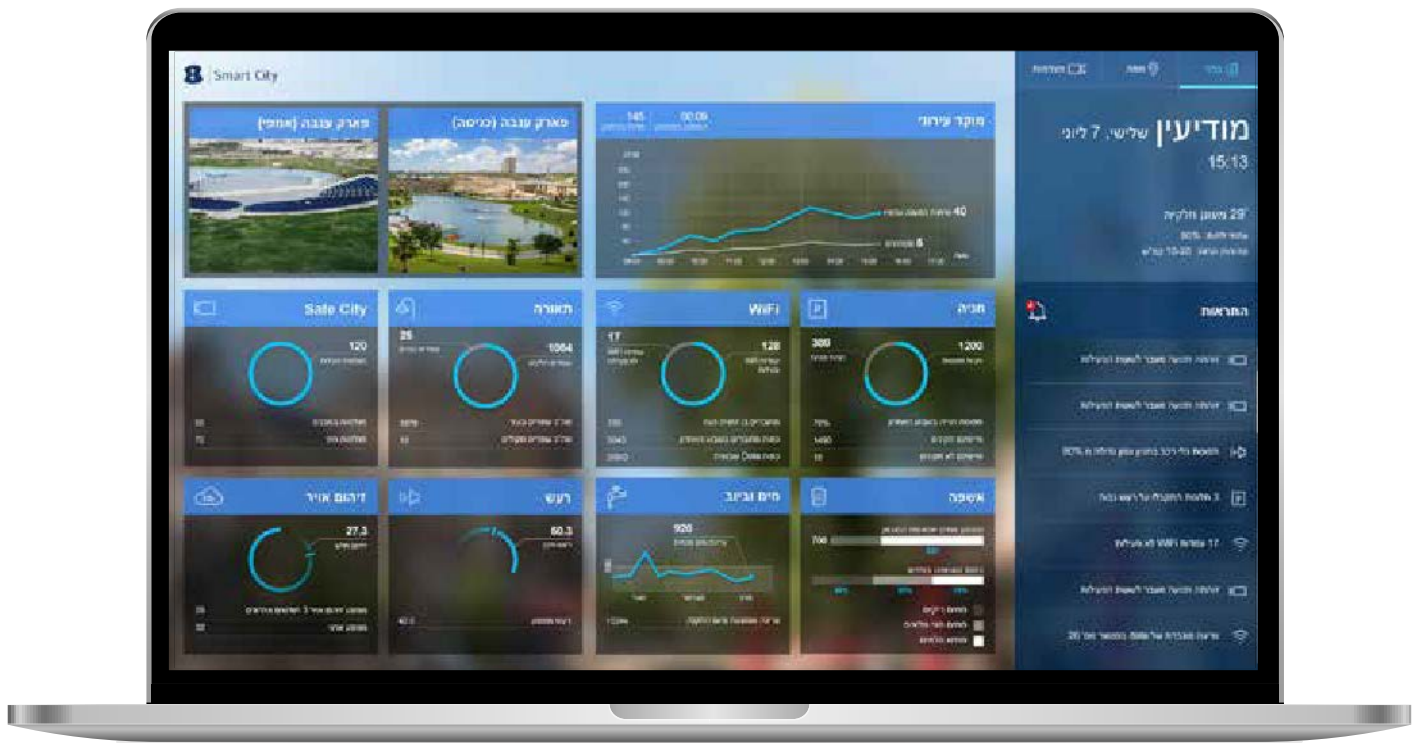
In conjunction with Miltel, Bezeq's systems generate savings in water through the identification of anomalous events such as the bursting and leaking of pipes, detection of flooding in facilities and measurement of water levels, via the use of smart sensors placed in pipelines, which monitor water pressure and measure water levels.

Securing Public Parks and Preventing Environmental Hazards

Bezeq's SafeCity systems are capable of detecting vandalism and loitering in prohibited areas such as nature reserves. The systems can also identify environmental hazards and send an alert in this regard to the relevant entities. In the future, it will be possible to foresee such events based on BigData.

Example

The system is already installed in the information service and can provide data on air pollution, noise, radiation, garbage, water and sewage, energy consumption, etc.



Bezeq's Smart Business System

The system monitors the sensors installed on a business's components and sends alerts in real time, based on scenarios and regularity predefined by the business owner.

The business is managed on a single central platform, from anywhere and anytime, allowing for considerable savings in resources.

System's Advantages



Alerts in real time










Monitoring and control



Savings in resources

The system comprises the following components:

-  **Temperature sensor** – Detects a change in temperature in refrigerators, rooms, storerooms, deep freezers, etc.
-  **Volume sensor** – Detects movement in a given volume of space.
-  **Smoke and heat sensor** – Meant to alert the moment it detects smoke and/or a rise in temperature.
-  **Flood sensor** – A water detector that is able to identify leakage of liquids or height level, as well as the accumulation of water in cellars, warehouses, storage silos, plants, etc.
-  **Earthquake sensor** – Sends an alert upon detecting movement of equipment.
-  **Noise sensor** – A sensor that detects unusual sounds.
-  **Bcam** – An advanced camera with a cloud recording system, which enables remote recording, viewing and management of the business's cameras.

How the sensor system helps save energy

For example, if the temperature sensor registers low temperature, indicating that an air conditioner is turned on, while no movement has been detected in the room for over 15 minutes, the system will send an alert to the business owner recommending that the air conditioner be turned off, so as to save energy and not waste unnecessary resources.



Smart Home

Bezeq protects the home and the quality of the environment

Bezeq's smart home also helps customers save on resources and reduce energy consumption, through smart management of the home air conditioning, lighting, shutters, etc.



Bezeq as an environmentally-responsible organization

Aside from our ability to help our customers cut down energy consumption and facilitate smart and more efficient management of resources, we carry out streamlining processes and evaluations of environmental impacts also as a business company.

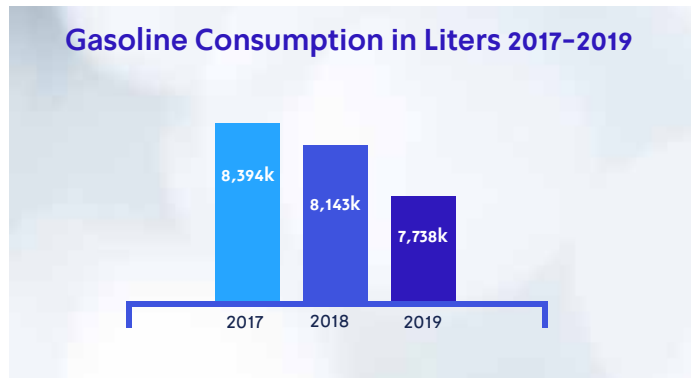
Risk management – As part of the process for mapping the risks in the Company (risk roadmap), the processes for handling each risk topic are presented, including, among other things, aspects related to the environment. We identified several material environmental impacts deriving from our activities:

- **Air pollutant emissions:** from electricity consumption (both by the offices and by the products we supply) and as a result of travel in motor vehicles.
- **Greenhouse gas emissions:** direct and indirect emissions stemming primarily from electricity consumption, use of refrigerants in air conditioning systems and travel in the Company's fleet of cars.
- **Electromagnetic radiation** of electronic components, such as broadcasting antennas, communication and electricity cables, communication tools (computers, phones, etc.), and more.
- **Formation of wastes:** mainly solid, electronic, paper and plastic waste.

Resource Management at Bezeq

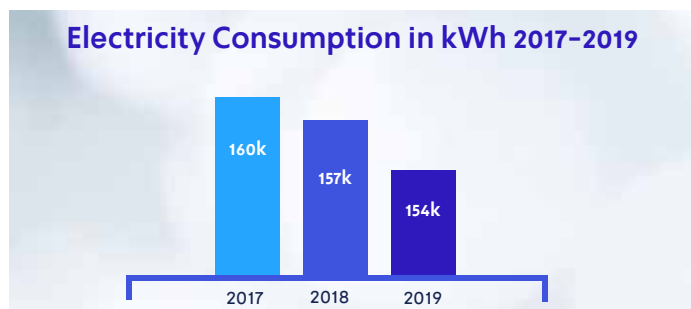
Fuel Consumption

The introduction of electric/hybrid vehicles into the Company's car fleet resulted in a significant reduction over recent years in the Company's fuel consumption. The Company also has diesel-powered emergency generators in some of its facilities (minimal consumption).

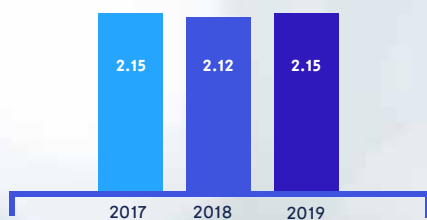


Electricity Consumption

Bezeq has been carrying out processes for streamlining energy consumption, such as replacing energy compressors and improving the energy efficiency of the Company's server rooms. Likewise, the Company conducts energy efficiency tests at its offices. Electricity consumption decreased significantly in 2019, also due to streamlining in the Company's office spaces.



Relative Electricity Consumption (kWh per sqm) 2017-2019



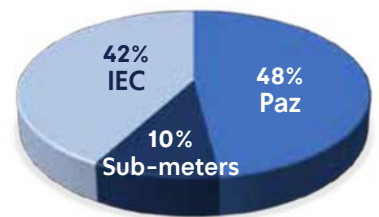
Improving Energy Efficiency of Server Rooms

The Company has two server rooms: one in Jerusalem, the other in Tel Aviv. Most of the Company's electricity consumption stems from the server rooms, administrative facilities and the former headquarters in the Azrieli Tower. The Company has been working continuously to improve energy efficiency and has an employee who serves in the capacity of energy overseer. In 2019, an energy survey was conducted at the Yafo and Narkis sites by an authorized professional from the Gadir company. That same year, an efficiency test was performed on 100+ ton chillers (a sophisticated electric machine that exploits the force of water for cooling purposes). Two of the chillers were replaced in the last five years for purposes of streamlining energy use, and servicing was carried out in accordance with regulations. The test was duly certified by the overseer at the Ministry of Energy, as of 2019.

Further actions for improving energy efficiency were carried out, such as closing off cold air passages between server cabinets, replacing lighting with LED lighting, replacing and reducing UPS systems without any change in the output capacity (4 UPS systems were replaced at the end of 2019). Such actions led to savings in terms of improvement in equipment efficiency as well as in terms of air conditioning and ventilation of rooms.

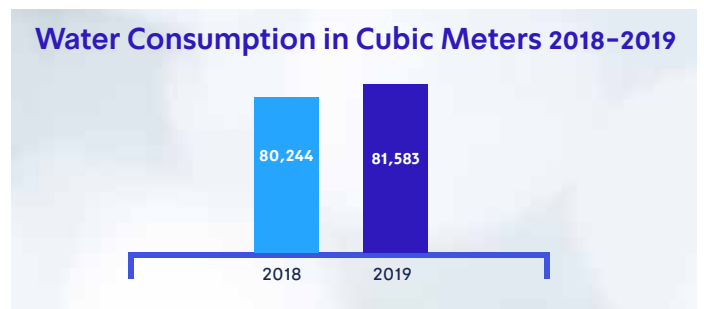
Besides the consumption of electricity from the Israel Electric Corporation (IEC), the Company purchases electricity from a power station in Ashkelon (owned by Paz). Some 50% of the consumption is from the private producer.

Electricity Consumption in kWh



Water Consumption

Continuous monitoring is performed on the water consumption in Bezeq facilities. The increase shown in the graph is the result of onetime events that occurred in 2019.



Radiation / Broadcasting

The Company operates in accordance with all the laws and regulations on radiation, and fully complies with all requirements in the field. A VP in the Company is in charge of radiation matters. Clear goals have been set by the Company beyond what is required by law. An internal radiation procedure is in place at Bezeq, covering all requirements for compliance contained in the law and regulations on this issue.

Once every half year, a radiation forum convenes to deliberate on all the issues concerning radiation, while the Board of Directors meets annually to review and discuss radiation matters.

Bezeq has three types of radiation-emitting facilities that are defined by law: facilities exempt from inspections, approximately 2,000 facilities requiring type certification and around 38 facilities that need a construction and operation permit.

Bezeq conducts annual radiation inspections on 100% of the facilities requiring a construction and operation permit and on 10% of type-certified facilities, in accordance with the law and regulations (every year inspections are conducted on other facilities on the list, by rotation). In all the inspections carried out, the Company was found to be compliant with the law and regulations.

For the most part, the radiation levels detected were far lower than allowed by law and by the regulations of the Ministry of Environmental Protection.

Below is an example of the conclusions presented in the report on the electromagnetic radiation measurements taken at Bezeq, in radio radiation, radon and environmental quality tests conducted by the Gal Safe company:

E. Conclusions

1) At all measurement points accessible to the general public, at the site measured, the electromagnetic radiation levels were found to be compliant with the standards of exposure for the general public, established by the Ministry of Environmental Protection.

2) Bezeq's antennas comply with the requirements of TAMA (National Outline Plan) 36 concerning human safety.



The Company is responsible for ensuring that there are no health hazards as a result of the erection and operation of Bezeq's infrastructures and does preliminary planning aimed at preventing any deviation from the permitted radiation levels.

As the Company is obligated to provide an adequate work environment for its employees, it carries out regular radiation tests and reports to the relevant entities in the event of deviations (usually deviations stemming from electrical products), which are handled immediately. When necessary, measures are taken

to remove radiation sources or to put in place internal shields. In certain cases, the Company even uses the services of an external company specializing in radiation testing to conduct wide-scale testing.

Citizens who are concerned about radiation matters can turn to Customer Service and the Company will send an authorized professional to examine the matter with appropriate instruments.

The tests and inspections are carried out fully and professionally, despite the fact that the absolute majority of cases involve facilities that do not require any inspection under the law and regulations on the matter.

The Company follows up the subject of radiation and issues meticulous reports regarding the tests carried out in office buildings and residential buildings. It sends annual professional reports to the Ministry of Environmental Protection, verifying compliance with the Radiation Law.

Background (Ambient) Noise

There are silencers in the generator rooms to reduce background noise.

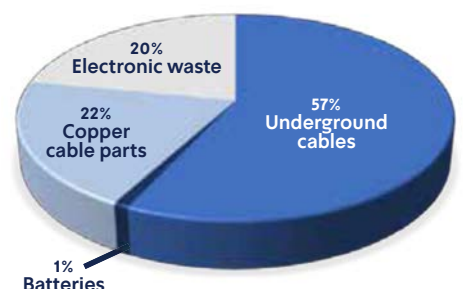
Waste Management at Bezeq

The Company has for many years rigorously complied with all the law's requirements regarding hazardous materials and waste disposal. Bezeq reports the quantities of waste that are redirected to recycling and also deals with the issue of electronic waste.



The quantity of waste designated for recycling increased significantly in 2019 compared to 2018. There are additional types of waste that are redirected to recycling such as: empty cable drums, wood waste, iron scrap and EOL equipment..

Types of Recycled Waste at Bezeq 2019



Hazardous Materials Waste

Handling of hazardous materials is done by the Company's safety department. A manager has been appointed to oversee safety matters at the Company, and as such is responsible for writing up procedures and work instructions for regulating storage, use of hazardous materials and disposal of hazardous waste, holding trainings and drills on the subject of hazardous materials, and so on. The subject of hazardous materials is relevant to several of the Company's activities, among them: operating generators, diesel tanks and batteries. At any site where hazardous materials are used, the safety department issues safety spreadsheets and posts them in the sensitive areas. The Company has in place a special procedure regarding hazardous materials. This procedure regulates all the aspects of handling and disposing of hazardous materials at the Company, in accordance with the laws and regulations, as well as the guidelines of the Ministry of Environmental Protection.

Collecting Batteries

The Company's buildings have containers for collecting household batteries, to allow workers a convenient way to handle such waste. The batteries are collected and sent for orderly burial by the local authority.

Collecting Bottles for Recycling

Facilities are stationed in the Company's buildings for collecting plastic bottles for recycling.

Project for Transitioning to Green Infrastructure Reducing the Use of Metals

Bezeq is making great efforts to shift to the use of green materials by utilizing fibers and cutting down the use of such materials as copper and lead. The Company no longer has lead infrastructure (all cables of this type have been removed and scrapped). In addition, copper infrastructure in the core network has been significantly flattened. Removed cables have been sold and recycled by the authorized bodies. Copper infrastructure remains only in the access network (the segment from the street cabinet to the customer's home), and there is no plan to cancel it for the time being.

Green Procurement

The Company buys mainly raw materials for infrastructure, such as cables, accompanying equipment and materials connected to equipment at the customers' premises (routers), and communication equipment that needs to be operated by the Company on a regular basis, but

issues tenders with environmental emphases and carries out green procurement where possible.

Working Green at Bezeq

Bezeq works to manage its direct environmental impacts with great care, involving the employees in the process to the extent necessary. The Company does not confine itself to efficient management of resources in its business operations, but also strives to influence the activities of each and every employee even outside working hours, by providing the information and tools to go greener in such activities as driving a car, recycling, efficient energy use, etc. The Operations & Logistics Division, which is responsible for running the logistical and operational infrastructure of the Company, is in charge of implementation of Bezeq's environmental policy.

PAPERLESS

Bezeq's paper consumption has decreased significantly, as a result of an ongoing move to make Bezeq paperless. This move has even led to an improvement in the work processes.

Billing – Delivery of E-Bills to Bezeq Customers

As of 2019, out of 1.2 million paying customers at Bezeq, approximately 760,000 receive a bill by email (instead of on paper). In other words, about 60% of all mail items are sent by email. The process of shifting payers to e-bills began around seven years ago. We are continuing to transfer customers to e-bills insofar as possible. The Company also offers such services as the direct emailing service **Bdirect**, SMS and dispatch of a paperless newsletter to businesses.

Suppliers portal – which manages the digital invoices relayed by the suppliers. Such a move generated a significant savings in the quantity of printouts and dispatch notes comprising the traffic flow of information vis-à-vis the Company's suppliers.

In the past two years, **many digitization processes** have been instituted at the Company, in order to cut out redundant paperwork:

Procurement approvals portal for managers, computerized contractor journals for planning and execution departments at the Procurement Division, logistical issue without a voucher (computerized signature), vehicle issue via tablets, and more. In the area of human resources, the computerized platform ESS/MSS (employee and manager self-service) was developed, which saves a great deal of paperwork, such as approval of digital attendance spreadsheets and digital hours reports, while in the financial world, a digital payments report and automated payments release mechanism was developed.

Green Construction

defined as a green building, completing the move in October 2020. The move was made out of concern for the environmental quality and with a view to improve the Company's environmental impacts.

Principal requirements included: planning for reduced energy consumption in the building, use of volume detectors in shared spaces, use of light detectors for efficient utilization of daylight and energy savings, automatic switch-off of lighting, utilization of fresh air – an advanced air conditioning system that uses fresh air, prohibition on use of CFC refrigerants that harm the ozone layer, installation of water saving devices such as electronic faucets, a leakage monitoring system, chillers with an efficiency level of A/B, and more.



The project was awarded the Leed Gold rating in 2020.

Additionally, in 2019, the Company vacated and sold certain facilities – such a move enables the reduced use of large facilities, leading to lower consumption and conservation of land.

List of Assets – Built-Up Area (sqm)

	Built-Up Area (sqm)	Land Area (sqm)
Ownership / Lease	101,280	852,333
Rental	64,893	30,575
Total	166,173	882,908

2020 Goals for Reducing Environmental Impacts

1. Continued decrease in electricity consumption at the Company – the kWh consumption projected for 2020 is an estimated 145 million kWh, down considerably from 2019.
2. Continued increase in the scope of materials transferred to recycling.
3. Increase in the number of hybrid vehicles in the Company's fleet replacing regular fuel vehicles. The positive trend will continue in 2020 with an increase of a further 300 hybrid cars to be added to the fleet.
4. Continued deployment of the fiber infrastructure.
5. Continued reduction in the use of redundant paperwork: Completion of the development of digital forms for several areas at the Company, among them, digital car forms concerning the assignment/ replacement of vehicles, and an upgraded logistics application for the technician to help with inventory management.



Chapter 6

SOCIAL RESPONSIBILITY

Social Responsibility

Bezeq's Social Involvement Strategy

The "Bezeq Spirit" - Contribution with Remuneration

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

Social Performance as a Principled Decision

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

Social Outlook

Technological Equality for All, Through Reduction of the Digital Divide



UN Sustainable Development Goals

The Digital Divide in Israel

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

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

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

Goals and Targets

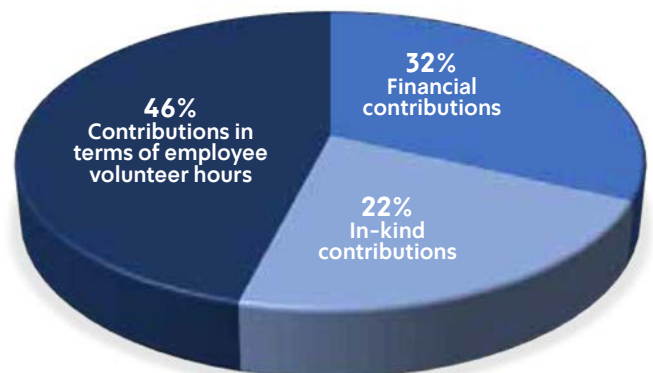
Our primary goal is to create maximum societal value for every contribution made by the Company, coupled with **social innovation**, through **fair and transparent dialogue** with the stakeholders, Company employees, our customers (with emphasis on societies and organizations) and third-sector beneficiaries.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

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

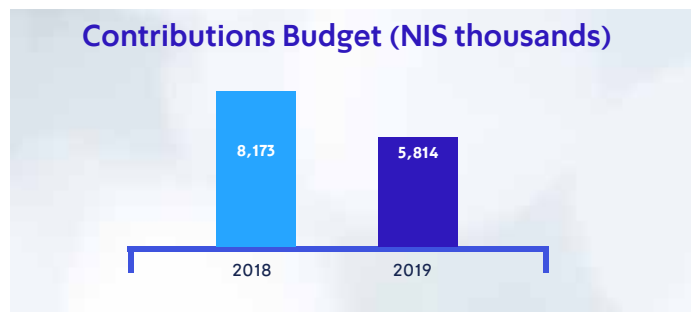
Transparency by Numbers

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

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



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



Bezeq as a Strategic Partner of NPOs

Focused Investment

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

Criteria for Selecting NPOs to Receive Subsidized Communications Services

Target Population

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

Channels for Conducting a Dialogue with Our Social Partners:

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

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

20 Years of Collaborative Work

Partnership between Bezeq and Tapuach (Applesseeds Academy)



UN Sustainable Development Goals

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

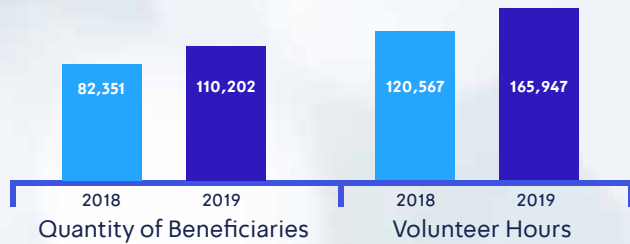
Dafna Lifshitz, CEO of Tapuach:

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

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

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

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



Dialogue with the NPO Tapuach

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

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

Bezeq in Support of Youth and Young Adults

Innovative Technological Learning Centers

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

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

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



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

Net@ Program

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

Daniel Na'rim

**2009 – Trainee in the Neta Youth Organization
2019 – Product manager at Microsoft, who dreams of having his own company.**

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

Niv Yungelston

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

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

Technology Ambassadors in the Community

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

Activities in the Education Systems

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

Bezeq on Behalf of Advancement of Employability

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

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

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

Seeds Accelerator- High-quality entrepreneurial training

Skills- Professional market-oriented school

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



Social Involvement of Bezeq Employees

We encourage our employees to volunteer

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

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

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

We value and recognize our employees for their volunteering activities

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

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

Bezeq in Support of Youth at Risk and Advancement of Employability



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

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

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

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



Bezeq in Support of Children

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

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

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

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

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



Bezeq on Behalf of the Elderly



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

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



Bezeq in Support of Health



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

Bezeq on Behalf of Boosting Nutrition Security



The Engineering and Technology Division collaborates with the nonprofit organization “Leket Israel,” which is the national food bank and the largest food salvaging network in Israel. The workers prepared packages for the needy and distributed them throughout Israel.

In addition, hundreds of the Company’s employees took part in a project organized by the NPO “Or Lamishpahot,” in which 1,300 gift packages were prepared and distributed to bereaved families throughout Israel.



Bezeq in Support of Education and Academia



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

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

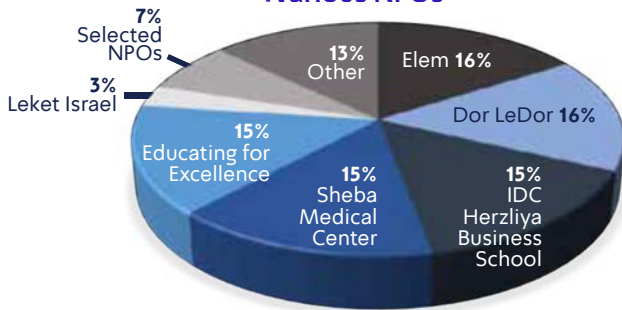
Gili Dinstein, CEO, Friends of IDC:

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

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

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

Segmentation of Volunteer Employees at Various NPOs



Looking Ahead at 2021 Major Channels of Activity



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

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

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

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

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

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

“Appleseeds’ Smart Classroom” Application

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

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

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

Employee Volunteering

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

Major Projects:

Working and Studying Youth – “Trainees Project”

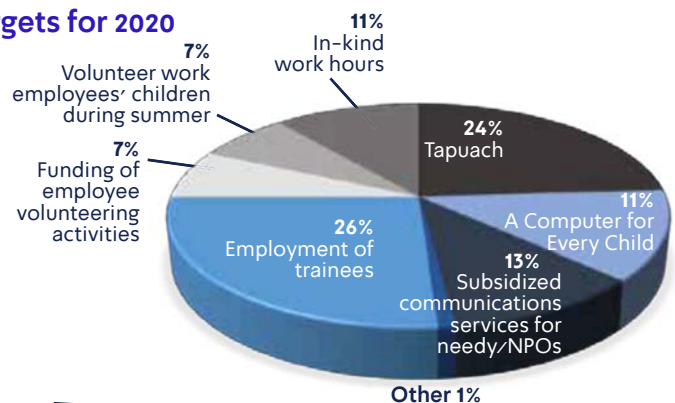
Volunteer work by employees’ children during summer vacation.

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

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

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

Targets for 2020



2020 Update

Full Business Continuity, Even in the COVID-19 Period

The beginning of 2020 saw the outbreak of the COVID-19 pandemic. Owing to the wide scope of the event and its impact on a host of areas, we decided to relate to it in this report, although it has occurred outside the reporting period (2019). A full report on the subject will be given in the next report, which reviews 2020.

In March 2020, all schools in the education system were shut down. Two days later, kindergartens, day-care centers and special education frameworks were also closed down. Overnight, millions of Israelis were directed to stay at home and use technological means to keep up a reasonable routine. However, over 3.1 million Israelis lacking a digital tools, and approximately 150,000 children without access to a computer or the Internet at home, found themselves struggling with a new and particularly challenging reality.

The COVID-19 period has underscored the importance of home Internet. In a world where we and our families spend most of our day at home, continuous and rapid Internet activity, as provided by Bezeq, is critical, and is needed to be able to continue with our life routine.

Eight months into the COVID-19 crisis, one can sum up that Bezeq has successfully weathered the challenges. The Company managed to meet the higher-than-usual demand for services and products, while maintaining a significantly higher service level than the competitors and achieved all its business targets.

To attain such results, we set up a war room readily available to provide immediate solutions to every question and problem. We created a COVID-dedicated war room along with an emergency administration headed by VP of Operations & Logistics, which integrates the events, receives guidelines from the different authorities, and integrates them into the organization.

Providing a Prompt Response to the Entities Safeguarding Our Health

In addition to our ongoing response, we prioritized for special customers according to where the response was critical to the needs of the moment. We provided an answer and immediately carried out solutions for the Ministry of Health and the hospitals, and provided a round-the-clock response to deliver solutions to the Home Front Command, and augmented the response capability of the National Insurance Institute, Welfare Ministry and Employment Service call centers. The response to all emergency bodies was swift and of good quality.

Our Employees and Suppliers

In order to maintain the high service level and to look after our most important resource – our employees – we set up an intra-organizational information distribution network on the subject of the coronavirus, and mapped employees in sensitive positions as well as employees in charge of activities critical to the Company's functioning. At the same time, we provided means of protection and assimilated the practice of social distancing among employees. Additionally, we significantly expanded the scope of work from home. Thanks to all these measures, the percentage of COVID-19 patients among the Company's employees was low (as of October 2020).

Further, we defined which **suppliers/contractors** are vital at this time, issued "vital enterprise" certificates for Bezeq, and held talks with key suppliers in order to understand the production and supply processes during the pandemic.

Managing a crisis affecting each and every one of us needs stability and a sense of security. Therefore, continuous contact was maintained with the employees (active, on unpaid leave, with COVID-19, and quarantined). Out of solidarity among our employees, a dedicated fund was set up for voluntary contribution of vacation days for those employees forced to go on leave and left with fewer vacation days or no vacation days at all.

Our Customers

The Company made special preparations for the coronavirus period, and significantly increased the manpower employed during the period, in order to be able to provide a response for all our customers. The growth in work-from-home led to the need to increase bandwidth capacity, and the number of calls received by the Customer Service Call Center **per day rose from 20,000 to 30,000.**



Helping the Community in Times of Crisis – Mitchabrim (“Getting Connected”) Project

As part of our efforts to help the community, we decided to act to bridge the shortage in digital infrastructures and devices, which is an initial barrier for students wishing to continue learning under the new situation. For this reason, we have acted and will continue to purchase used computers and make them serviceable, provide basic technological training online to families, and allocate technological assistance and counseling to thousands of families and students throughout Israel. We have also donated a year’s free Internet service to children from families on welfare, in order to facilitate distance learning for them and enable them to close the gaps vis-à-vis their peers. Similar services are also provided to adults lacking in knowledge and digital skills. Together with the Appleseeds Academy, we set up the Mitchabrim network that provides support on various technological subjects. In the framework of this project, dozens of volunteers give personal phone assistance according to the needs of the caller and in a range of technology areas.

For an elaboration on the activities for the community and the long-standing partnership with the Appleseeds Academy, read the chapter “**Social Responsibility.**”

Board of Directors’ Involvement

Owing to the broad impact of the crisis on the Company’s operations, the Board of Directors was also involved in the decision-making and in the various projects.

At an early stage of the crisis, the Board Chairman presented the Board with two possible scenarios on which basis work plans could be built. The Board chose to operate according to the underlying assumption of one of the scenarios. Subsequently, the Board frequently reviewed management’s activities during the COVID period and found them to be appropriate and suited to the situation.

Plans for 2020- 2021 : Bezeq Looks Ahead

Bezeq takes upon itself to be the leading telecom company in Israel. We are working to maintain our leadership position, hoping thereby to continue being the first choice of the Israeli customer in a range of our areas of activity – telephony, Internet and data communications, taking into account social and environmental parameters that will be integrated into the Company’s work processes.



About the Report

We are proud to present to you our corporate responsibility report. The report was prepared as part of our efforts to continue to act on behalf of sustainability issues and to boost the transparency and dialogue with our stakeholders.

This corporate responsibility report is the second one issued by Bezeq since the first one was published in 2011. In the last 9 years, the Company focused on renewing its services according to global trends, and established the areas of corporate responsibility within the Company. The Company decided to increase the transparency it advocates, and plans to continue preparing this type of report often.

The report presents Bezeq's activities in a range of areas, thus disclosing and making accessible to the general public information about the Company. To prepare this report, data was collected in the course of 2019 and from significant events in 2020, interviews were held with various officers at the Company, and its financial statements were examined as well as additional documents connected with its operations.

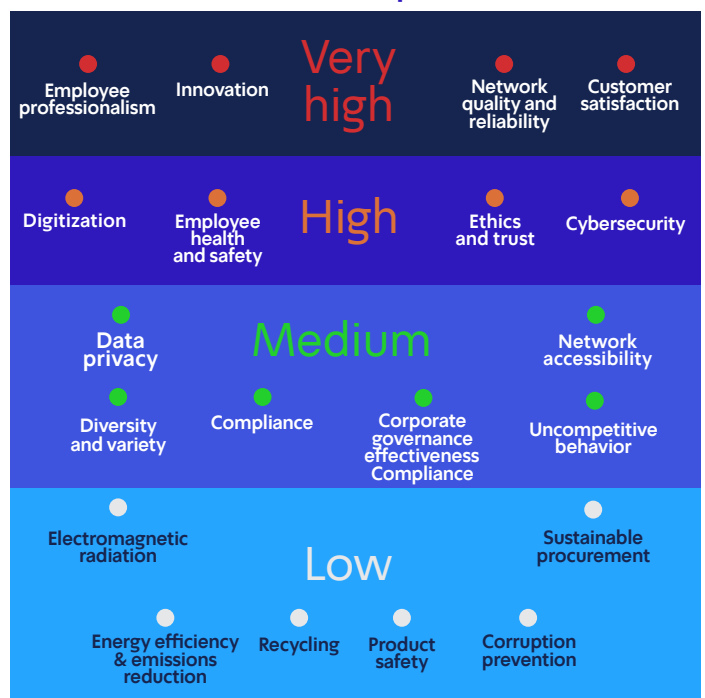
This document was drawn up by Bezeq to present and describe the issue of corporate responsibility at Bezeq Fixed-Line (without its subsidiaries).

Bezeq included in its report topics it deemed relevant to the issue of corporate responsibility. The report includes only partial information taken from the Company's periodic reports that are issued by law, and, in any case, the descriptions in this corporate responsibility report are not a substitute for the data and information published in the periodic reports. It is hereby clarified that in any case of a contradiction between what is stated in this report and the Company's periodic reports, that stated in the periodic reports shall prevail.

Material Topics

In preparing this report, the body of information gathered was distilled and formulated into the material topics influencing Bezeq's activities. The process of formulating the material topics included interviews with Company managers, a comparison with existing reports from other telecom companies around the world (a global benchmark study was prepared), and a survey conducted among the Company's managers.

Material Topics



The report was written in accordance with the guidelines of the GRI SRS (Global Reporting Initiative) and in accordance with the guidelines of the SASB (Sustainability Accounting Standards Board)

This report focuses on Bezeq Fixed-Line and does not include the subsidiaries. It was written with the help of Good Vision from the Fahn Kanne Group, which specializes in providing advice on corporate responsibility.



For any question or matter concerning the report and its content, you may contact:

Guy Hadass, VP Corporate Responsibility, Bezeq | guy.hadass@bezeq.co.il

Mr. Ivri Verbin, CEO, Good Vision – Corporate Responsibility Consultants | Ivri.Verbin@goodvision.co.il

GRI Standard General Standards

Chapter	Topic	Core/Comp	Standard	Indicator	Referral in the report
102	Organizational profile	Core	102-1	Name of the organization	Pg. 6
		Core	102-2	A description of the organization's activities and primary brands, products and services	Pg. 7
		Core	102-3	Location of the organization's headquarters	Pg. 7
		Core	102-4	Organization's locations of operation – the countries where the organization operates and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Pg. 6
		Core	102-5	Nature of ownership and legal form	Pg. 6
		Core	102-6	Markets served (geographical region where the products/services are offered; sectors; types of customers)	Pg. 7
		Core	102-7	Scale of and information about the organization	Pg. 7
		Core	102-8	Information about the organization's employees – total number of employees by employment type, gender, contract type and geographical area	Pg. 30 Pg. 31 Pg. 32
		Core	102-9	A description of the organizations' supply chain	Pg. 22
		Core	102-10	Significant changes to the organization or supply chain	Pg. 11
		Core	102-11	Whether and how the organization applies the Precautionary Principle or approach	Pg. 14
		Core	102-12	A list of externally developed initiatives, charters or principles in the field of corporate responsibility, which the organization has adopted	SDG's GRI
		Core	102-13	A list of memberships in industry or other associations and/or in national or international advocacy organizations	No
		Strategy	Core	102-14	A statement from the most senior decision-maker of the organization (such as CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability
	Ethics and integrity	Core	102-16	A description of the organization's values, principles, standards, and norms of behavior	Pg. 13

	Governance	Core	102-18	Governance structure of the organization, including committees of the board of directors; committees responsible for decision-making on corporate responsibility issues	Pg. 9
		Comp.	102-22	Composition of the board of directors and its committees	Pg. 9
		Comp	102-35	Remuneration policies for the board of directors and the senior executives	Pg. 10
	Stakeholder engagement	Core	102-40	A list of stakeholder groups engaged by the organization	Pg. 8
		Core	102-41	Percentage of total employees covered by collective bargaining agreements	Pg. 30
		Core	102-42	The basis for identifying and selecting stakeholders with whom to engage	Meetings and interviews with managers and stakeholders
		Core	102-43	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Pg. 8
		Core	102-44	Key topics and concerns that have been raised through stakeholder engagement, including how the organization has responded and the stakeholder groups that raised each of the key topics and concerns	Pg. 9
	Reporting practice	Core	102-45	A list of all entities included in the organization's consolidated financial statements, and whether any entity included in the organization's consolidated financial statements is not covered by the report	See FY 2019 financial statements at ir.bezeq.co.il
		Core	102-46	An explanation of the process for defining the report content and the topic boundaries	Pg. 63
		Core	102-47	A list of the material topics identified in the process for defining report content	Pg. 63
		Core	102-48	The effect of any restatements of information given in the previous reports, and the reasons for such restatements	Pg. 63
		Core	102-49	Significant changes from previous reporting periods in the list of material topics and topic boundaries	Pg. 63
		Core	102-50	Reported period	Pg. 63
		Core	102-51	Date of the most recent previous report	Pg. 63
		Core	102-52	Reporting cycle (annual, biannual)	Pg. 63

		Core	102-53	The contact point for questions regarding the report or its contents	Pg. 63
		Core	102-54	The claim made by the organization in accordance with the GRI Standards	Pg. 63
		Core	102-55	GRI Content Index	
		Core	102-56	A description of the organization's policy and current practice with regard to seeking external assurance for the report, details of the external assurance, and the relationship between the organization and the assurance provider	Not implemented

GRI Standard Specific Standards

Chapter	Material topic	Standard	Standard No.	Indicator	Referral to chapter
Economic standards (200)	201	Economic performance	201-1	Direct economic value generated by the organization	About the Company
			201-3	The organization's liabilities for employee retirement or remuneration plans and for pension	Employees and the Work Environment
	203	Indirect economic impacts	203-1	Development and impact of infrastructure investments and services provided mainly for the public benefit, and whether these investments and services are commercial, in-kind (for products), or pro bono (for services) engagements	Environmental Responsibility
			203-2	Significant indirect economic impacts of the organization	Environmental Responsibility
	205	Anti-corruption	205-1	Units of the organization assessed for risks related to corruption, and significant risks related to corruption identified through the assessment	About the Company and Corporate Governance
Environmental standards (300)	302	Energy	302-1	Total energy consumption within the organization	Environmental Responsibility
			302-4	Amount of reduction in energy consumption of the organization	Environmental Responsibility
			302-5	Reduction in energy requirements of the products and services supplied by the organization	Environmental Responsibility
	303	Water	303-1	Total water consumption by source	Environmental Responsibility
	306	Waste	306-2	Total generated waste by type, and method of disposal	
Social standards (400)	401	Employment	401-1	Rate of recruitment of new employees and rate of turnover in employees of the organization	Employees and Work Environment

			401-2	Benefits received by full-time employees of the organization which are not provided to part-time or temporary employees	Employees and Work Environment
403	Occupational health and safety		403-2	Rate of injuries, occupational diseases, absence days, disaster incidents by geographical areas of operation, gender and employment type	Organizational Ethics and Operational Excellence
404	Training and education		404-1	Annual average hours of training per employee	Employees and Work Environment
			404-2	Programs implemented and assistance provided to upgrade employee skills	Employees and Work Environment
			404-3	Percentage of total employees who received a regular performance and career development review	Employees and Work Environment
405	Diversity and Equal Opportunity		405-1	Diversity in the organization's governance bodies and among the employees (gender, age and other aspects)	Employees and Work Environment
			405-2	Ratio of the basic salary of women to men for each employee category, by significant locations of operation	Employees and Work Environment
413	Local communities		413-1	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	Social Responsibility
419	Socioeconomic compliance		419-1	Significant fines and non-monetary sanctions for noncompliance with laws and/or regulations in the social and economic area	Organizational Ethics and Operational Excellence

SASB

SASB code	Topic	Metrics	Chapter
TC0301-01	Environmental footprint of operations	<ul style="list-style-type: none"> - Total energy consumed - Percentage grid electricity - Percentage renewable energy 	Environmental Responsibility
TC0301-02	Data privacy	Discussion of policies and practices relating to collection, usage and retention of customer information and personally identifiable information	Operational Excellence
TC0301-03		Percentage of users whose customer information is collected for secondary purpose, percentage who have opted in	No information
TC0301-04		Amount of legal and regulatory fines and settlements associated with customer privacy	Corporate Governance
TC0301-05		Number of government or law enforcement requests for customer information, percentage resulting in disclosure	No information
TC03-1-06		Data security	Number of data security breaches and percentage involving customers' personally identifiable information
TC0301-07	Discussion of management approach to identifying and addressing data security risks		Operational Excellence
TC0301-08	Product end-of-life management	Materials recovered through recycling/ take back programs	Environmental Responsibility
		Percentage of recovered materials that are: <ul style="list-style-type: none"> - reused; - recycled; - landfilled 	Environmental Responsibility
TC0301-09	Managing systemic risks from technology disruptions	Average interruption frequency and average interruption duration	Service and Customers
TC0301-10		Description of systems to provide unimpeded service during service interruptions	Service and Customers
TC0301-11	Competitive behavior	Amount of legal and regulatory fines and settlements associated with anti-competitive practices	Organizational Ethics and Operational Excellence

