

# Connecting Israel to a Better Future

2022 Corporate Responsibility (ESG) Report



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**Within this report there are references to the Annual Financial Report, Appendix and Bezeq’s policies and standards are hyperlinked. These can be found at the following locations:**

- Annual Financial Report >>
- Appendix >>
- Policies and standards >>

# Bezeq Group Vision

The Bezeq Group is a public company operating in a competitive market. Nonetheless, it considers it a great privilege to be regarded as a national company and an integral part of the Israeli experience, with a strong sense of obligation to all Israeli citizens. As part of our vision of connecting Israel to a better future, every one of the Group companies invests heavily in reinforcing the social fabric, advancing the geographical and social periphery, and creating the conditions for digital equality.

At Bezeq, we believe that narrowing the gaps in Israeli society is achievable, among other things, by developing a high-quality infrastructure, making it accessible to the social and geographic periphery and connecting all citizens equally in real time to information, education, culture, and employment.

2022 was a year of momentum and growth in the core activities of each one of the Bezeq Group companies. To date, we have made fiber optics accessible to more than 1.75 million households in Israel and connected more than 850 thousand subscribers to 5G cellular services. At yes, we continued the migration to IPTV, and this year we became the leading player in the market, and at Bezeq International TECH, we advanced cloud services for businesses.

Corporate responsibility is a deep process that can only be realized when it is aligned with the core values and truths inherent in business operations. We are proud to present our ESG report, which is a testament to our dedication in harmonizing ESG values with our overarching business goals.

With the unique spirit of the dedicated people at Bezeq Group, in the coming year we will continue to work as a financially sound telecommunications group and a leader in technology, services, and management, while deepening our involvement in the community, supporting disadvantaged populations, promoting an advanced and beneficial work environment, and protecting the environment. In the report, we describe our ambitious goals to achieve a net zero carbon footprint, full gender equality in management positions, and doubling the proportion of employees from underemployed populations. Together with all these objectives, we are also setting a goal that cannot be measured: to connect Israel to a better future and make the place in which we live more diverse, inclusive, safe, fair, and equal through leadership and personal example.

Best regards,  
Gil Sharon  
Bezeq Group Chairman



# About Bezeq Group

Bezeq Group, Israel's largest and leading telecommunications group, includes Bezeq and four subsidiaries: Pelephone, yes, Bezeq International TECH, and Bezeq Online. Bezeq Group provides fixed-line, cellular telecommunication and television services to private and business customers. The Group leads Israel's fiber optic revolution through Bezeq, and provides advanced cellular services to more than 2.5 million Pelephone subscribers, multi-channel television services to over 580 thousand yes subscribers, IT telecommunication solutions and international telephony services through Bezeq International TECH, and outsourcing services and call centers through Bezeq Online.

\* In this report, we will review the activities of Bezeq, Pelephone, yes, and Bezeq International TECH

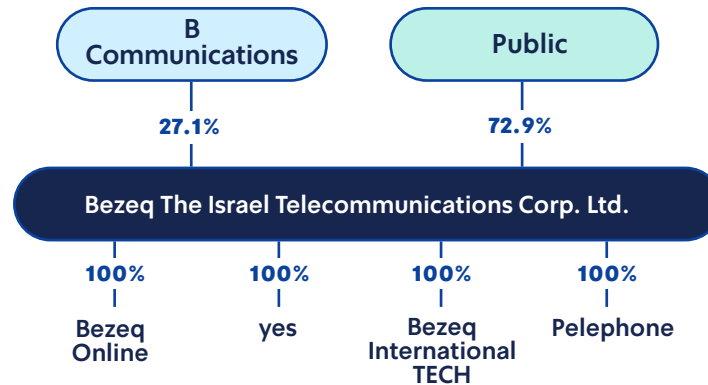
### Financial performance of Bezeq Group

| Financial performance (NIS millions) | 2021  | 2022  | % change |
|--------------------------------------|-------|-------|----------|
| Revenues                             | 8,821 | 8,986 | +1.9%    |
| Adjusted EBITDA*                     | 3,709 | 3,736 | +0.7%    |
| Adjusted Net Profit*                 | 1,154 | 1,196 | +3.6%    |
| Capital expenditures                 | 1,691 | 1,713 | +1.3%    |

\* Adjusted EBITDA and Adjusted Net Profit exclude other operating income/expenses, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation.

Bezeq is a public company listed on the Tel Aviv Stock Exchange and is required to report its financial information and provide accurate, up-to-date, relevant, and complete financial information, in full compliance with the provisions of the Companies Law 1999. In 2022, as part of restructuring in the Bezeq Group, Bezeq International TECH was rebranded to include a focus on the business sector, and its management was separated from that of Pelephone and yes. In addition, Bezeq and yes began to market and provide an end-to-end internet service that includes infrastructure and internet access (ISP) for private customers.

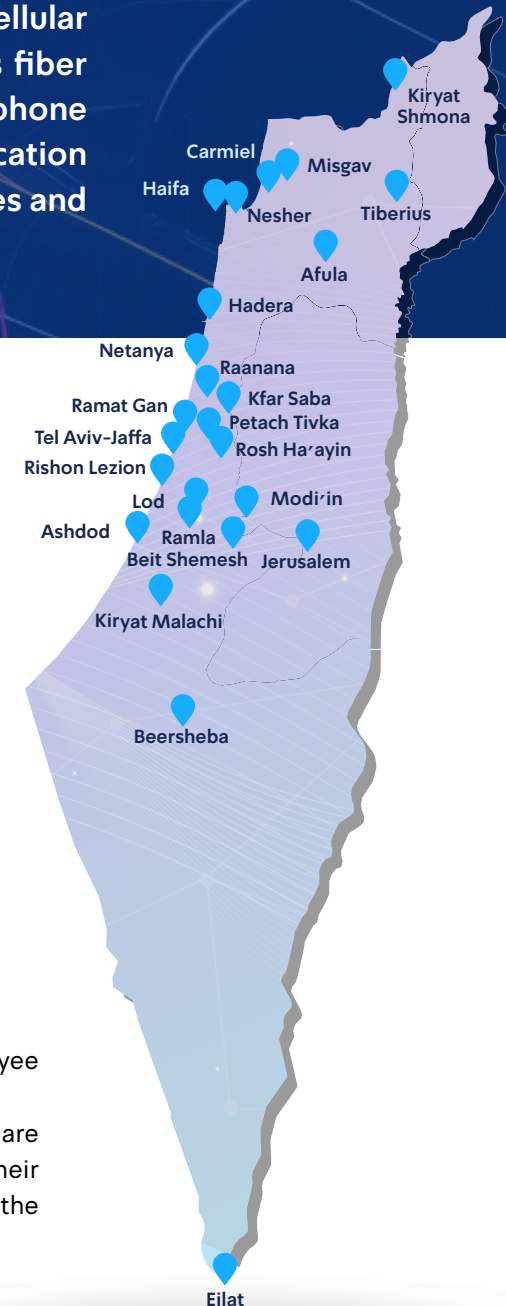
### Holding structure of Bezeq Group\*\*



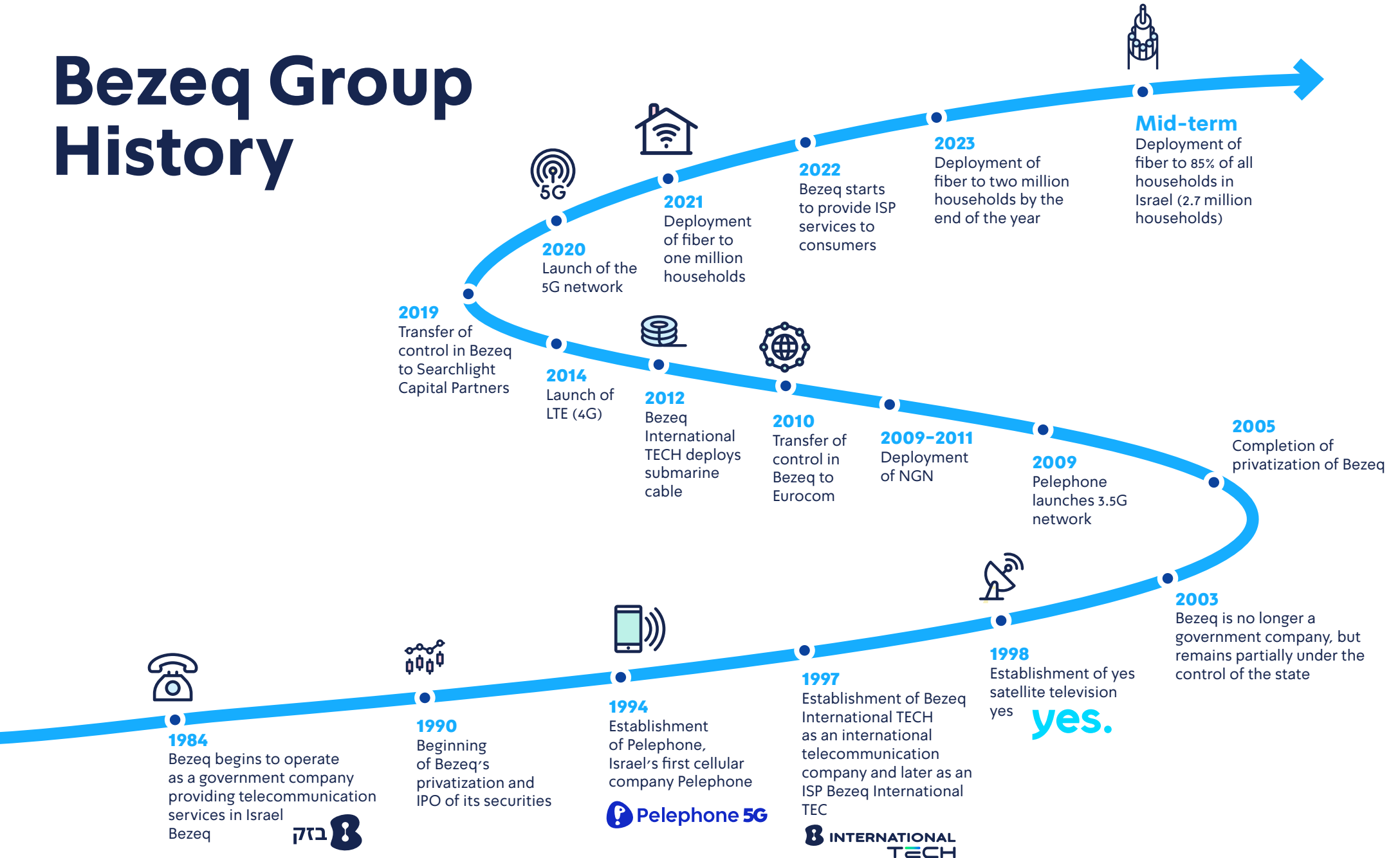
\*\*The information is correct as of the publication date of the report – July 2023

### Providing service all over Israel

Bezeq's corporate headquarters are in Holon, with employee centers and units all over the country. The head offices of **Pelephone** and **Bezeq International TECH** are in Petach Tikva. The head office of **yes** is in Kfar Saba, and their service, sales, and support centers are distributed all over the country



# Bezeq Group History



# Awards and prizes

In 2022, the Bezeq Group companies won awards for product design, marketing, and service.



reddot winner 2022

## Reddot award

Be Fiber and Mesh Fiber routers won a Reddot award, the world's most prestigious product design award. The award for Be Fiber and our network highlight the fact that they are home telecommunication devices with a futuristic appearance, combining high coverage with user-friendly features. They integrate innovative technology, a contemporary design, and holistic connectivity with an improved user interface.



## Google Leadership award

For the first time, Bezeq won the prestigious annual prize awarded by Google, given to only one outstanding advertiser with excellence in digital innovation, exceptional performance in advertising activity, and organic exposure of the ad.



## YouTube advertising index

In 2022, Bezeq led the monthly YouTube ads leaderboard four times with a campaign for fiber optics, featuring the stars of the Checkout series. The YouTube-Ynet ad index is based on a global index that chooses the ad with the highest exposure. Among the factors considered are the number of weighted views, the number of organic views, the use of different advertising technologies, the viewer's response, and the viewing completion rate.



## The Booster Award of the Israel Marketing Association

Bezeq won an award for the campaign: **"A million homes are able to connect to the largest fiber network in Israel"**\*. The Booster Award of the Israel Marketing Association is granted four times a year for marketing processes based on digital, technology, data, and content that affect professional metrics in the sector.

\* In addition, the same campaign won the Gold Award for the social and digital category in the independent Granot creative competition.



yes wins the Effie Award



## IT AWARDS

Bezeq International TECH won three awards from People and Computers magazine in the 2022 computer competition for excellence. The awards were given for three significant projects: replacement of the exchange at the Haifa municipality, migration of the Impreva computer rooms to the Afek server farm, and the wireless and IT security project for Similarweb.



## Effie Award

yes won the Gold Effie in the telecommunication market category for its successful performance in the launch of the yes+ service. The award recognizes effective and exceptional measures in marketing.



## BRAVO Award

yes won the BRAVO excellence in service award. The winners were chosen by Israeli customers who participated in an independent study conducted by the Kantar research institute, which assessed outstanding service providers in each field. ●



# ESG at Bezeq Group



# ESG achievements

## Environment

**4.9%** decrease in our carbon footprint

**9 million kWh** in energy savings – a decrease of **3.7%** from last year

**38%** of engineering sites are shared by Pelephone and other companies

**95.5 tons** of electronic waste at Bezeq's factory were recycled – an increase of 202% from last year

**50%** decrease in the use of packaging materials for yes streamers

**35%** increase in hybrid and electric vehicles at Bezeq within two years

Expansion of the target for **Net Zero carbon footprint** in all Group companies by 2050

Bezeq Group joined the **CDP carbon emissions disclosure system**

## Social

**1.5 million** households are currently connected to Bezeq's fiber optic infrastructure

**2,000** jobseekers from Arab society and ultra-orthodox communities and **500** jobseekers over the age of 45 received technological training

**2,600** volunteer hours from Bezeq employees, worth half a million shekels

**39%** of women in management positions in Bezeq Group companies

• To meet the goal of full gender equality in management levels by 2030 in all Group companies, Bezeq joined WEPEs, the gender equality initiative of the UN.

**15%** of Bezeq's employees and **10%** of yes employees come from **diverse populations**

**34%** decrease in onsite work accidents at Bezeq compared the previous year

**84%** more onsite safety inspections from last year

**19%** more reviews for Bezeq providers regarding payments to employees

More than **NIS 6,000,000** was donated to the community, half in infrastructure and telecommunication services

## Corporate governance

**5** new Bezeq policy documents in the following areas: responsible employment, environmental quality, social involvement, prevention of bribery, corruption and conflict of interest, and protection of human rights

**3,514** training hours on ethics at Bezeq – **4.6** times more than the previous year

**Digitization of internal audit management** at Bezeq

# The vision: connecting Israel to a better future

The interaction between organizations and their stakeholders is at the heart of the Bezeq Group's ESG principles, based on the concept of responsibility, transparency, and dialogue. Our sustainability vision of **connecting Israel to a better future** is based on the concept that the core of the Group's business activity corresponds fully with the principles of corporate social responsibility and sustainable development in three areas:

- ✓ Environmental
- ✓ Social
- ✓ Governance

The three areas are a natural outline of the targets and objectives for promoting and realizing the Group's vision on the way to full integration into its business strategy.

## ESG targets of the board of directors

### Environmental responsibility

The Bezeq Group strives to minimize its effect on the environment. In 2022, the Group deepened the learning



By 2050, we will reach the net zero emissions target



By 2030, we will achieve full gender equality across management tiers, and at least 40% women at the board of directors



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

process on carbon emissions from its activities and built a plan of annual targets to achieve net-zero carbon emissions by 2050, according to Science Based Targets. In 2023, these goals were also adopted by the subsidiaries.

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

### Social responsibility

The Bezeq Group attributes great importance to the preservation of its human capital. We take care of the well-being and professional development of our employees in a variety of ways that significantly reduce employee turnover. We believe that expanding human diversity and gender equality improves the work environment. Therefore, we have set goals to achieve complete gender balance in management positions and to increase the proportion of employees from populations that are under-represented in the labor market in Israel in general, and in Bezeq in particular.

\* For further information see the chapter Striving for Equal and Fair Employment.

We also invest heavily in contributing to and being involved in the community (including the initiation of volunteering by employees), focusing on narrowing the digital divide and reinforcing the social fabric through long-term support of social organizations and subsidizing telecommunication infrastructures, as well as promoting social issues on the content platforms of yes.

\*For further information see the chapter Connecting Israel to a Better Future

### Corporate governance

We believe that high-quality and efficient corporate governance is the sole basis for building long-term success. The Group companies invest heavily in their

conduct under proper corporate governance through feedback and audit systems, alongside the adoption of advanced management norms and a commitment to excellence. Bezeq's board of directors, most of which also serve as directors in the Group's subsidiaries, has set a goal to achieve gender equality in its composition (at least 40% women by 2030).

\* For further information see the chapter Committed to Responsible and High-Quality Corporate Governance.

### Promoting advanced, high-quality, and accessible communication for all

As part of the Group's ESG strategy, we aim to reduce the social and economic divides between the center and the outlying areas and to contribute to the economic and human development of Israeli society by providing advanced, diverse, reliable, stable, and safe communication and content services, as well as widespread access to high-speed internet thanks to the deployment of fiber optic technology to 2 million households by the end of 2023, and a plan to complete deployment to 2.7 million households in the medium term.

Pelephone was the first to launch 5G in Israel. At yes, we strive to continue to be the leading house for Israeli productions and at the forefront of diverse representation in original content, and at Bezeq International TECH, we offer advanced means for communication and cyber protection.

To continue implementing innovation at the highest level here in Israel, the Bezeq Group representatives attend leading international conferences, such as the global CES and Network X conferences, which expose participants to advanced technologies and new trends

in the global communications and telecom market and assess their integration in Israel.

### ESG management at Bezeq Group

ESG in the various companies in the Bezeq Group is managed as follows:

- ✓ The ESG officer on the board of directors of **Bezeq** is the VP of Corporate Communications and Government Relations. Together with Bezeq's ESG director, who reports to the VP, they lead the ESG officers' forum, which promotes initiatives in the Company's divisions. ESG activity is reported regularly and proactively to senior management, the CEO, and the Company's board of directors. To achieve the Company's ESG goals, dedicated forums were appointed to formulate multiyear work plans.

Two forums were active in 2022:

- Gender equality, diversity, and inclusion forum, headed by the VP of Human Resources
- Energy efficiency and carbon footprint forum, headed by the VP of Logistics and Operations

- ✓ In the subsidiaries **yes** and **Pelephone**, ESG is managed by the director of the spokesperson department, who heads a forum with the participation of managers from a range of sectors relevant to the activity, and reports to the VP of Communications of the companies.

- ✓ At **Bezeq International TECH**, ESG is managed by the HR director, who heads a forum with the participation of managers from a range of sectors relevant to the activity.



## Engaging with stakeholders

As a telecommunications group that provides diverse services to Israeli citizens, to businesses, corporations, and government organizations, we influence and are influenced by the stakeholders that grant us the social license to operate: the Company's customers, including internet users, mobile and landline telephone and television service users, holders of the Company's shares and securities, employees, suppliers, government ministries, and local authorities, as well as community and environmental organizations. Each group has different expectations from us according to their special needs, and we understand them through fruitful and ongoing dialogue.

| Stakeholders                       | Dialogue management   |
|------------------------------------|---|
| Private and business customers     | <ul style="list-style-type: none"> <li>The Group companies perform routine activities with their customers through various channels, such as <b>customer call centers, digital contact channels, physical service centers, periodic satisfaction surveys, and focus groups.</b></li> <li>The companies analyze the feedback results. In addition, relevant factors in each company are analyzed proactively to improve service, focus investment on new products and services, and more.</li> </ul>   |
| Suppliers                          | <ul style="list-style-type: none"> <li>Dialogue with our suppliers is held by the procurement department of the Group companies, which act to <b>reinforce the relationship with suppliers and expand the pool and competition.</b></li> </ul>  |
| Regulators and government entities | <ul style="list-style-type: none"> <li>The Group maintains a routine and ongoing dialogue with regulators in general and with the Ministry of Communications in particular, participates in discussions, conventions, and round tables, and holds talks with relevant municipal departments to provide infrastructure and maintenance services.</li> <li>In 2022, the role of Bezeq's VP of Communications was expanded to also lead the Company's government relations.</li> </ul>   |
| Employees                          | <ul style="list-style-type: none"> <li>The Group's employees are its main stakeholders, and engaging with them is highly important to its success. Dialogue is held in diverse channels: through <b>employee councils, committees, professional forums, trainings, feedback conversations, organizational climate surveys, and mechanisms for complaints and suggestions.</b></li> </ul>  |
| Civil society organizations        | <ul style="list-style-type: none"> <li>The Group maintains widespread relationships with various civil society organizations and associations for implementing its social policy, through working relations with civil society organizations specializing in the development of employment diversity programs and the accessibility of the services and products of the Companies, joint social projects, financial contributions, providing free telecommunication services, and volunteering of the companies' employees in the community.</li> </ul> |
| Shareholders and other securities  | <ul style="list-style-type: none"> <li>The Group communicates with its investors by publishing periodic and immediate reports as required by the security laws, and by other means, including publishing presentations for the capital markets.</li> <li>The Group also periodically monitors analyst ratings – including in the ESG sector – and aims to embrace their measures to improve various aspects of its current conduct and reporting.</li> </ul>  |

# Material reporting topics

In 2022, we have revised and expended our list of material topics for the Bezeq Group, together with internal and external stakeholders, in accordance with GRI Universal Standards 2021. The mapping process was based, among other things, on surveys, personal interviews, and analyses of outside information sources, such as the analysis of corporate responsibility reports of companies in the telecommunications sector and international reporting standards. In accordance with the revised reporting standard, we organized the essential issues in a non-hierarchical list:

## Environment

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

## Social

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



## Corporate governance

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

# Contributing to the UN Sustainable Development Goals

Under the 2015 Paris Agreement, which was signed by 200 countries including Israel, the UN set 17 Sustainable Development Goals (SDGs). The goals aim to introduce a global holistic approach to addressing key challenges facing humanity by setting measurable social, economic, and environmental goals.

| SDG   | Relevant secondary goals   | Bezeq's contribution   | Chapter   |
|---|--|--|---|
|  <p>Ensuring inclusive education for all and promoting lifelong educational opportunities for all</p> | <p><b>4.4</b> Significant increase in the number of young people and adults with relevant skills, including technological and professional skills for employment</p> <p><b>4.a</b> Increasing the proportion of schools with internet access</p> | <ul style="list-style-type: none"> <li>● Bezeq Group runs training programs for the development of skills relevant to the Group's fields of employment.</li> <li>● Bezeq Group companies offer a reliable and fast technological connection that serves as the infrastructure for high-quality and advanced education, particularly given the growing trend of distance learning that began during Covid-19. As part of the Manbas school management project, Bezeq deployed advanced optical infrastructure and connected 3,982 schools, 1,581 in 2022 and 248 in 2023.</li> <li>● Bezeq donates to the Appleseeds Academy, which strives to create digital equality in Israel. It is also a partner in the national project A Computer for Every Child, and is involved in numerous community projects to narrow the digital divide.</li> <li>● Pelephone contributed to the construction of computer rooms together with the Israel Association of Community Centers, and has also donated tablets and cellular devices to associations.</li> <li>● Bezeq International TECH collaborates with welfare and volunteering societies in Petach Tikva.</li> </ul> | <p>Bezeq Group Connects Israel to a Better Future</p> |
|  <p>Achieving gender equality and empowering all women and girls</p>                                  | <p><b>5.5.</b> Increasing the proportion of women in management positions</p>  | <ul style="list-style-type: none"> <li>● Bezeq Group strives to increase the proportion of women in management positions, setting a goal of at least 50% women in management positions by 2030.</li> <li>● The Company's board of directors set a goal of increasing the proportion of women to at least 40% by 2030.</li> </ul>   | <p>Striving for Responsible and Fair Employment</p>   |



Promoting inclusive, sustainable, and accessible economic growth, complete fair and productive employment for all

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

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

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



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

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

- Bezeq's fiber optics project is leading the upgrade of digital connection infrastructure and the connectivity of internet users in Israel. The Company aims to accelerate fiber deployment to allow access to 85% of the population in the coming years.
- Bezeq's internet services support management and marketing in the business sector, including small- and medium-sized businesses.
- Pelephone leads the deployment of 5G infrastructure for mobile users.
- The migration of yes to television broadcasts over the internet contributes to a significant reduction in the use of dedicated end equipment and is expected to increase the energy efficiency of operating broadcasting systems.
- Bezeq International TECH provides IT solutions and cyber security to protect private organizations and public institutions, and improves resilience and recoverability from attacks and hacking.

Bezeq Group Connects Israel to a Better Future



Ensuring sustainable consumption and production patterns

- 12.5 Waste reduction and encouraging recycling

- Bezeq Group separates waste at the logistics centers at the Bezeq Int. TECH plant it owns and encourages the upcycling of end equipment at the plant and returning it to use.

Addressing the Climate Crisis



Implementing urgent measures to address climate change and its consequences

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

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

Addressing the Climate Crisis

# Participating in ESG frameworks



## Maala platinum rating

Maala is a non-profit corporate membership organization serving as hub for ESG in Israel, and is considered as the Israeli standards-setting organization, annually publishing the Maala ESG Indices on the Tel Aviv Stock Exchange. In 2021, Bezeq and its subsidiaries Pelephone, yes, and Bezeq International TECH joined the Maala network. In 2022, Bezeq was ranked for the first time, achieving a Platinum (AA) rating.



## Valuable 500 initiative:

Working together to end disability exclusion, Valuable 500 is a global business partnership of 500 companies – including Bezeq Group –which has a meaningful influence on the inclusion of people with disabilities. With the support of its strategic partners, Valuable 500 is developing a transformation plan to drive the systematic change required to make businesses more accessible and inclusive for the 1.3 billion people living with disabilities worldwide.



## UN initiative for gender equality (WEPs)

Established by UN Women and the UN Global Compact Office

In the first quarter of 2023, Bezeq joined the Women's Empowerment Principles (WEPs) initiative of the UN, established by UN Women and the UN Global Compact Office. The initiative includes principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace,

marketplace, and community. It is based on international labor and human rights standards and the recognition that businesses have a stake in, and responsibility for these issues. These principles serve as a tool for Bezeq's support of the UN SDGs.

For further information about the initiative see [here](#).



In 2022, Bezeq submitted its first response to the Carbon Disclosure Project (CDP) report to CDP Worldwide, an international non-profit organization that provides guidance to business companies, cities, countries, and investors in managing their environmental impacts. The goal of the initiative is to build a sustainable economy by making environmental management and risk assessment accepted norms in corporate business strategy.

## Participation in other professional frameworks

- Bezeq and Pelephone are members of the cellular companies' forum and the Israel Marketing Association.
- Bezeq and its subsidiaries are also represented in professional forums in the European telecom industry, including the industry-wide innovation forum in which most of the largest companies on the continent are represented.
- Bezeq is a member of "Zionut 2000", an association that fosters a social responsibility culture by advancing collaboration between the public, business, and voluntary sectors. ●







# Bezeq Group Connects Israel to a Better Future

## Striving for diversity and equality, narrowing divides, and connecting the periphery

The Group's corporate responsibility strategy is at the core of our business activity, referring to the provision of the safest and most advanced telecommunication services and responsible, diverse, and equal television content. All these contribute to the connection and representation of the groups and communities that make up Israeli society and contribute to narrowing the social and economic divide between the social-geographic center and periphery.



### Israel's largest investment in telecommunication infrastructure

From the beginning of the project, which was launched in 2021, and until the end of 2022, Bezeq deployed optic fiber infrastructure used by more than 1.5 million households – positioning it as a company with one of the quickest deployment rates in the world. In the first year of the

project, the Company focused on high-density urban areas, and in 2022, we made significant progress in deployment in neighborhoods with single and double story homes and in outlying areas, in full correlation with our vision of connecting Israel to a better future. As such, among other things, last year Bezeq deployed internet and telephony infrastructure in three Bedouin communities,

including a kindergarten in the Bedouin village of Bir Hadaj, where the majority of households are not connected to electricity and live in temporary structures.

Bezeq is determined to continue the expansion of infrastructure to other areas of Israel, with the aim of reaching 2.7 million households in the medium term, complying with its commitment to universal deployment and its ESG strategy.

### Advantages of fiber optics

Fiber optic infrastructure has several advantages over other network technologies:

- ✓ Option for wider bandwidth
- ✓ No electromagnetic radiation compared with earlier telecommunication technologies (ADSL)
- ✓ Minimizing systems and saving energy (electricity) required for their operation

### Vital to life in the modern age

We are in the midst of the acceleration of digital processes. The consumption of video content and the many other uses of the internet are growing alongside the increasing number of devices connected to the network in each home. These trends reinforce the need for advanced infrastructure and reliable high-speed bandwidth in every home.

The Covid-19 pandemic anchored the understanding that high-quality internet connection is not a luxury for leisure purposes, but an essential tool for everyday life. Broadband contributes to a large extent in narrowing divides in education, striving for equal employment opportunities, and developing an economy with digital characteristics. ●

# Bezeq's fiber optics in numbers

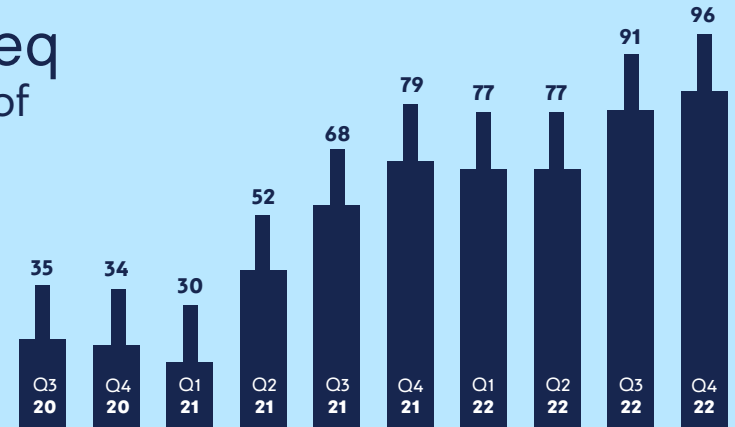
Bezeq's fiber optic infrastructure is currently available to **1.5 million** households, and in the coming years, we will reach **2.7 million** households



## The entry of Bezeq tripled the growth rate of Israel's fiber market

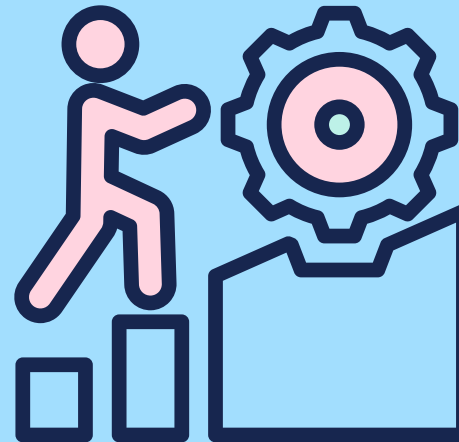
### Growth rate in the fiber market

Quarterly net change (thousands)



### Contributing to reducing unemployment:

up to an additional **3.6 indirect jobs** for each direct job created

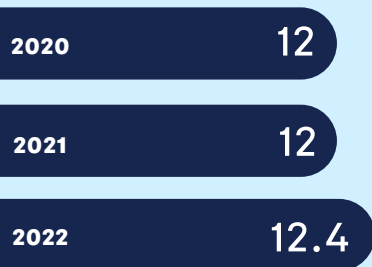


## Bezeq's push for fiber deployment has national relevance

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

### Higher screen time from a younger age

Average daily number of screen hours



Children under age of 9 open a profile on social media



# Broadband = new jobs, thriving businesses, and online learning

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

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

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

## ✓ Reducing unemployment by creating direct and indirect jobs

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

- Direct jobs - the actual expansion of the network requires the hiring of professionals in the civil infrastructure industry: practical engineers, telecommunication engineers, and technicians in the manufacturing and installation of telecommunication products.
- Indirect jobs - according to studies, for every direct job created due to the establishment of telecommunication infrastructure, another 1.4 - 3.6 indirect jobs are created.

## ✓ Advancement of local businesses

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

## ✓ Infrastructure for remote work and learning

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




## Beseq's Internet status report


Bezeq is the only company in Israel that reviews the internet usage habits of Israelis through in-depth surveys that include statistics based on the Company's operations and its systems. The report, which has been published every year since 2014, reviews the conduct of Israelis in the digital age, presents basic data about internet users, and focuses on various categories that make up digital life in Israel.


The report also allows business companies to gain a deeper understanding of Israeli consumers' habits, and as a result, it shows how to focus and optimize their marketing strategies.




The 2022 status report on Bezeq's internet includes 4,500 interviewees from around the country, across the social spectrum of Israeli society, and from all age groups surveyed, with special emphasis on internet consumption habits in the ultra-Orthodox sector. Below are some of the interesting facts that emerged from the report:


 At the end of 2022, **the number of internet users in Israel reached 6.7 million people, constituting 73.6%** of the total number of households in Israel.


 Our average **screen time** in the past year was **12.4 hours per day**, and for the first time, it exceeded the time that we do not spend in front of screens.


 The volume of information consumed by Israelis increased this year and reached **15 GB per day per user**, an increase of **1,000% compared with the average daily use in 2013** (1.5 GB per day).

 Among the **ultra-Orthodox users, an increase of 37%** was recorded in the **use of digital media**.

 **87%** of the participants expressed **fear of cyber-attacks** on Israeli networks by hostile elements, due to the war in Ukraine.

 **49%** of teenagers and **38%** of adults prefer searching the web for a **picture or video clip** rather than text for reading.

 **74%** of teenagers admit that they **do not control their screen time**.

 **83%** of the participants **feel compelled to read WhatsApp messages immediately as they are received**.



The findings of the report are available for review on the Company's website, and its representatives share the main points with entities that may find the data to be of value to them. At the annual seminar of the Council of Youth Organizations, for example, data from the report was presented to dozens of Israeli youth organization directors who deal with the challenges of teenagers browsing the web.

## The first to identify: Pelephone's 5G

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

This is one of the fastest and most powerful technologies in existence, and it has a huge impact on our way of life, the way we work, learn, communicate, and play. 5G technology and other connectivity solutions help businesses become more advanced, pushing the next generation of smart and IoT (Internet of Things) connected devices forward and provide advanced usage options in terms of quality, speed, and network continuity in the following areas:

-  Gaming
-  Content viewing
-  Remote learning and work
-  Digital medicine
-  Emergency and rescue organizations
-  Autonomous vehicles
-  Municipal traffic management infrastructure
-  Smart institutions
-  Commercial services

Pelephone was the first to launch the technology in Israel, and continues to lead the field with 850 thousand subscribers to 5G services.



# yes. Original content of yes: diverse, reflecting real life situations

We are constantly considering how to provide viewers with the highest quality, most interesting, and up-to-date content.

As our series and films are viewed by diverse and varied audiences and impact the viewers' attitudes toward current and political issues, it is important for us to give the stage to all sectors of the population to have their voices heard. This is especially true regarding population sectors that are underrepresented or inadequately represented in the Israeli media - on the screen, during production, and behind the scenes.

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

We encourage the creation of original content that is written, directed, and produced by professionals from diverse populations, presenting their experiences and their world from their unique perspectives

### Appropriate female representation

At yes, we try to ensure that the productions under our responsibility have a broad representation of women, appropriate to their numbers in the real world.



Who Has Heard of Hava and Nava

- ✓ In 88% of productions for children and teenagers, the main character is female.
- ✓ In 50% of original drama productions, the main characters are only female.
- ✓ In 75% of the productions, a woman plays one of the two leading roles

### An eyeopener for a 60-year-old woman

#### Who Has Heard of Hava and Nava

Created by: Noa Erenberg and Galit Hoogi

In October 2022, for the first time in Israel, a series aired in which the two main characters are women over the age of 60 - in the roles of Hana Laszlo (69) and Keren Mor (59). The series, which was created by two women, Noa Erenberg and Galit Hoogi (My Successful Sisters), deals, among other things, with the MeToo movement by recalling the social lives of the heroines in their youth (starring Talia Bartfeld and Liana Ayun) and during their military service in a military ensemble, where they were victims of sexual harassment.

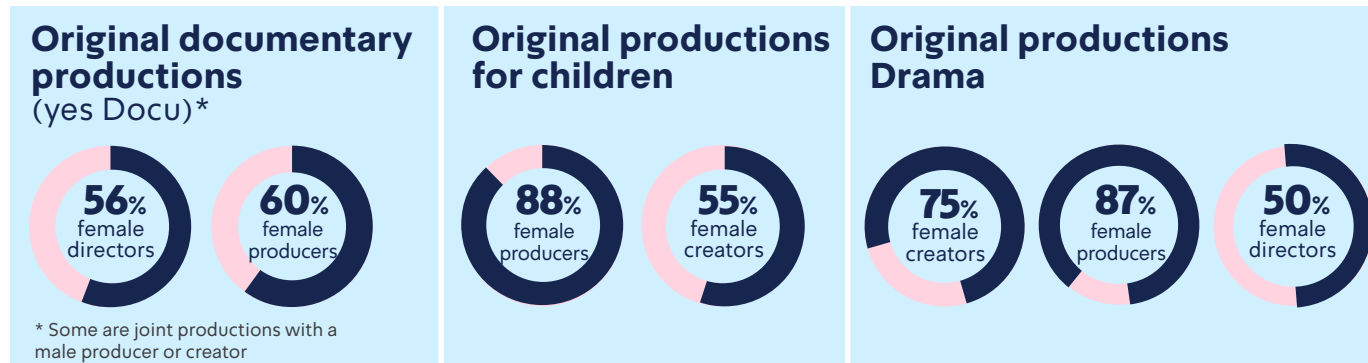
### Flourishing creativity - old as well as young

A documentary naturally arises from the personal point of view of the creators or the individuals it documents, telling their unique story. More than 50% of yes Docu productions were created by women of all ages - students as well as veteran creators.

In 2022, we released a film by the documentary filmmaker Lena Chaplin (89), and at the beginning of 2023, we broadcast

## Female productions in numbers

We believe that when the work is done by women and the team behind the scenes is female, it presents a realistic and diverse worldview with less bias. That is why it is of great importance to encourage productions that are produced by women.



the documentary film *My Lover, The Clock Thief* by the veteran creator Nili Tal (79), who won the Israel Documentary Forum's Lifetime Achievement Award this year and created dozens of films for yes, all dealing with social issues and the status of women. Many women hold key positions in yes productions, including editors, cinematographers, and producers. At the same time as films and series that involve a clear majority of women, this year we broadcast two debut films by female filmmakers: *Closed Circuit* by Tal Inbar and *The Artist's Daughter* by Margarita Linton, which won the Best Short Documentary category at the Ophir Awards and the Best Debut Film Award at the DocAviv Festival. In addition, in honor of International Women's Day, we aired *Body Edge*, a three-part series on body image, and which was produced by an entirely female team.

## Children's Programming

### The Secret Life of 5-Year-Olds

The series brought to the screen a broad variety of children: Maor and Eitan, identical twins from Beersheba who challenge each other and don't agree on anything; Talia, a charming girl with Down syndrome; Lavi, a chess and math genius who falls in love with Rinal, a traditional girl from Jerusalem; Ido, an albino boy from Azur who proves that he can overcome anything; Agam, an opinionated girl from Ofakim who knows exactly what she wants; Halel who lives in a magical and funny world of her own; Gaia, a red-haired, peppery girl with a developed sense of justice; Eliana lives in the Hatikva neighborhood but is a candidate for deportation to the Philippines; and Neil with the big heart who enlists to help her. **Director and chief editor:** Moriel Lior **Chief producer:** Dafna Prenner

### An example and inspiration for girls and boys

"You can't be what you can't see" is a quote taken from *Miss Representation*, Jennifer Siebel's documentary film, and refers to the importance of adequate and bias-free

representation of women and diverse populations in the media, especially for the young girls and boys who watch the film. The more appropriate and diverse the representation, the better the young men and women will be able to imagine, draw inspiration from and desire the lives of the adults they see on the screen for themselves, and thus they develop the motivation to realize their inherent potential. For us at yes, showing women and teenage girls from diverse populations as main characters is even more important when it comes to a film intended for young viewers at an age when their identity and worldview are being formed.

### Infinity

A series made with the collaboration and consultation of the Davidson Institute of Science Education and aims to increase the participation of young girls and boys in STEM subjects. **Created by:** Lior Yaron; **written by:** Lior Yaron, Noa Gusakov and Hadar Arazi Serrano; **director:** Rina Horn; **chief producer:** Yael Ritblatt Geva

### The Policeman's Daughter

The series centers on a girl who is placed in an ultra-Orthodox home as part of a witness protection program and gets to know the ultra-Orthodox society way of life, and presents ultra-Orthodox women in a positive light. **Created by:** Liad Shoham, Dana Shatz, Michal Cooper Keren; **written by:** Liad Shoham, Dana Shatz, Michal Cooper Keren; **director:** Roe Florentin; **chief producers:** Moshe Faran, Dorit Hessel.

### Nowhere

The series, which takes place in a boarding school



The Policeman's Daughter



The Secret Lives of 5-Year-Olds

for children at-risk, centers around a social activist (Ellalee) and portrays the character of a young Bedouin man in a positive light. The series also includes a storyline about the love story between a young woman of Ethiopian origin and a man of Russian origin. **Created by:** Uri Gross, Yoav Tzafir, Tamara Salem, Tmira Yardeni; **directed by:** Rani Saar, Oren Navot and Tamara Salem (directing editors); **chief producer:** Yankal'e Amzaleg.

### Sky

In the second season of the series, a Sudanese character is introduced to the screen for the first time, starring Monica Joseph, who plays the main role in this season of Sky. **Created and written by:** Giora Chamizer, Noa Pnini; **directed by:** Shelley Carmel, Omer Goldman, Noa Gusakov; **chief producers:** Noam Arazi and Osnat Saraga.

### Social and environmental responsibility on the screen

We at yes provide a central stage for broadcasting dedicated content to mark special days, such as Equality Day for People with Disabilities, including a category that deals with the topic itself and another category that is made accessible via an audio description for the benefit of people with limited vision. Pride Month, Earth Day, World Vegan Day, National Heritage Day, and Remembrance Day all have unique categories of dedicated content. ●





## Working to create digital equality in Israel

At the heart of our ESG strategy is the vision of universal connectivity - we believe everyone is entitled to equal access to digital media and knowledge. To progress towards this vision, we work to minimize the digital divide and strengthen the social fabric of disadvantaged populations, while maintaining a strategic and long-term relationship with social organizations and initiatives.

## Bezeq's key community projects

Bezeq's social involvement is reflected in its core activities - providing state-of-the-art infrastructure and telecommunication services, together with cultivating country-wide employee volunteering initiatives - and harnessing them to create a significant social impact.

## Narrowing the digital divide

### Donating advanced telecommunication services to non-profit organizations

The project, established in 2020, allows non-profit associations and social organizations to receive advanced telecommunication services as a donation. The organizations receive high-speed internet, phone lines and other services that allow them to expand and optimize their activities by directing the resources that they save towards the substance of their work. **In 2022, we contributed and subsidized services to 343 associations, at a value of more than NIS 3 million.**

### Narrowing divides in education: A Computer for Every Child

Bezeq is a partner in the **Computer for Every Child** project, which was established to serve as a lever for narrowing the social divide.

The objective of the project is to provide computers, software and training kits for children from disadvantaged backgrounds, and help them acquire digital, technological, creative, and critical thinking skills so that they can develop the skills necessary for life, and to help improve their self-image.

This is the only project of its kind that is run in the homes of the children, and as such, it also exposes the rest of the family to the use of computers and databases, and affects the well-being and advancement of the entire family.

## Close connection to the community: Adopting the Herzog School in Holon

We place great importance on strengthening the connection between Bezeq's administration and the community in the city where it is located. As such, Bezeq chose to adopt the Haim Herzog School of Sciences and Arts in Holon, with the aim of providing support to all the school's needs: infrastructure, personal mentoring, technological studies and enrichment programs.

### Setting up a smart telecommunication system at the Herzog School

In 2022, we've donated and installed a new telecommunication system, IoT infrastructure (the Internet of Things = connection between physical objects that communicate with each other through software and sensors, similar to a smart home), and comprehensive Wi-Fi coverage in the school.

### Bezeq employees educate promising boys and girls

Bezeq's partnership with the **Elem Association** entered its third year in 2017. As part of the partnership, Bezeq

employees volunteer to mentor 20 boys and girls from the Herzog School, in meetings held once a week throughout the school year.

The mentoring program is tailored for each boy and girl with the aim of providing an emotional and concrete response that is adapted to their needs. At the start of the program, the volunteer-mentors themselves undergo professional training by the Elem Youth in Distress Association to provide the children in their care the best and most professional treatment.

### Contributing lessons for teenagers

As part of the **Shiur Acher project**, in collaboration with the Nitzotzot Association, Bezeq employees go to the Herzog school to give lessons to teenagers on a variety of topics: personal development, life choices, the environment and climate, personal financial management, and others. In total, the employees contributed dozens of hours of learning in 2022.

## Collaboration with the Appleseeds Academy for digital equality in Israel

The Appleseeds Academy was established in 2000 to serve as a bridge between the growing startup nation and the populations in the geographical and social periphery. The Academy's activities focus on creating technological equality in Israel through the development and implementation of basic and advanced programs in areas such as technology, employment, and development of life skills, which help people to change the reality in which they live. Since its establishment, the Academy has reached more than 1.1 million beneficiaries.

Bezeq has been supporting Appleseeds since it was established, and the partnership has strengthened



Principal of the Herzog School at the launch event for the smart telecommunication system donated by Bezeq

“The program and the meetings I had with my mentor brought me back on track and made me believe that I can do things I never thought I could”

[a young person participating in the program]

“I feel that the program has changed my perception in general, not only with the girl I am mentoring, but also at home with my own children and in the daily dynamics with my immediate environment”

[Bezeq volunteer-mentor in the project]



Bezeq's team on a visit to the Herzog School with the School's headmaster

over the years. In 2022, the value of the Company's donation to Appleseeds amounted to NIS 2 million, in money and services.

### 20 technology community centers

In 2022, a new community knowledge center was established in Bat Yam by Bezeq and Appleseeds Academy. As part of the partnership, 20 centers equipped with computer classrooms and Bezeq infrastructure have been established to date, from Eilat to Kiryat Shmona, which are used by Appleseeds Academy to hold courses, training classes, and other activities. Every year, a new community knowledge center is added to the list, along with the ongoing maintenance and renovation of the existing centers.

### Scholarships to commemorate Kobi Paz

Our friend, the late Kobi Paz, who served as a VP at Bezeq, passed away in February 2020. To commemorate his memory and his extensive community work, Bezeq decided to award five annual scholarships in his name for NIS 10,000 each to the participants of Appleseeds' bootcamp program, which aims to open the door to the high-tech industry for people from all sectors of Israel's society.



Recipients of Bezeq's Kobi Paz Scholarship for 2022 at the Scholarship Ceremony at the Appleseeds Academy with the late Kobi Paz's wife, CEO of Bezeq, and CEO of Appleseeds Academy

### Tech Support: Training course for technical jobs

The Tech Support program, established in 2021 in collaboration with the Innovation Authority, provides a training course for technical support jobs in the telecommunication sector, including roles for telecommunication technicians and technical support positions for telecommunication products at the customer service center.

In this project, we wear two hats: on one hand, Bezeq is a content partner, helping to build a syllabus, giving enrichment lectures, and giving pedagogic support, and on the other hand, it is an organization for potential employment. Following our significant and long-standing partnership with Appleseeds Academy for training and placement of occupationally underrepresented populations in technological positions, this project gives us an opportunity to provide participants with relevant training while hiring quality candidates for the Company. For the two years, since the training program has been operating, 11 graduates have been hired to work at Bezeq.

### UP Program: Technological training for job seekers

In 2022, we left the Unlimited Potential (UP) program. The purpose of the program is to support job seekers through training in technologies such as SOC and UI/UX. The program has two advanced tracks intended for people aged 45 and over - Pro and Advance and the Progress track, which is mainly intended for the Arab and ultra-Orthodox sectors.

To date, 1,937 job seekers have been trained in the program's Progress track and another 496 have graduated from the Advanced track, in the 120 Progress courses and 24 Advanced courses that were held - part of which were online due to the Covid crisis.



Course at one of the technology knowledge centers run by Bezeq and Appleseeds Academy



Isabel, a Neta@ participant, at the launch event of the community technology center in Bat Yam

### Neta@ Be Hi-Tech Youth Organization: an opportunity for social and economic leadership

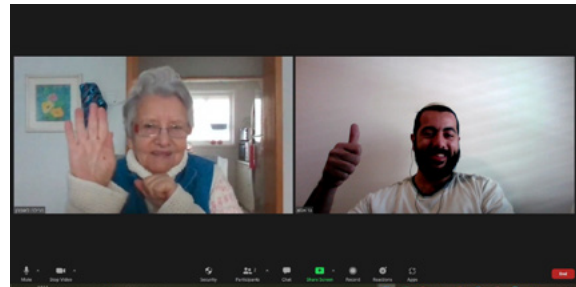
Neta@ is a technological youth organization associated with the Appleseeds Academy, recognized by the Ministry of Education. The organization was established in 2003 with the aim of generating technological equality in Israel and a horizon of opportunities for youth in the outlying areas of Israel through an empowerment track that combines technology studies with personal and community

development. The organization operates through 21 branches across the country and a virtual branch, with 2,000 children and teenagers from the social and geographic periphery participating every year.

**Connected to Life project: training for senior citizens**

Connected to Life is a unique and pioneering program to provide senior citizens with tools and knowledge for the effective use of their smartphones and other useful apps, including WhatsApp, Zoom, Moovit, Israel Post, banks, and health insurance funds, helping to narrow the technological divide by increasing their independence.

In addition, the program aims to reduce the



Appleseeds volunteer delivering digital training



Training session of connected to life program

loneliness of the participants by connecting them and bringing them closer to those around them – family members, friends, and members of the community in which they live, while creating new relationships with outer circles. This is based on the understanding gained from conversations with the participants and research over the years, that rich and more frequent family and social ties contributes to an increased sense of wellbeing. In 2022, 26 Connected to Life training sections were held for 240 participants, in-person and online for participants with difficulty leaving their homes.

**Connecting: a call center for technological assistance in six languages**

The Connecting System was set up during Covid to help citizens with technological issues in six different languages: Hebrew, Arabic, Russian, Amharic, French, and English. In the program, dozens of volunteers provide personal telephone support to all applicants in a range of technologies, including using tools such as Zoom and WhatsApp, booking an appointment at the health fund, filling out digital forms and making online purchases, as well as using distance learning software.

When entering the position, volunteers receive professional training that provides them with useful tools to provide a patient multi-step response adapted to all types of populations, with ongoing support by the professionals in the system.

In 2022, 5,014 inquiries were received at the Connecting helpline. To contact the Connecting helpline click [here](#)

This is how Bezeq works to narrow the digital divide

**2,000** jobseekers from the Arab and the ultra-Orthodox communities and **500** jobseekers over the age of 45 received **technology training**



**2,000** children and youth from periphery areas participated in a **technology studies track**

**240** senior citizens received **practical technological tools**



**5,014** inquiries to helplines in **six languages** were addressed

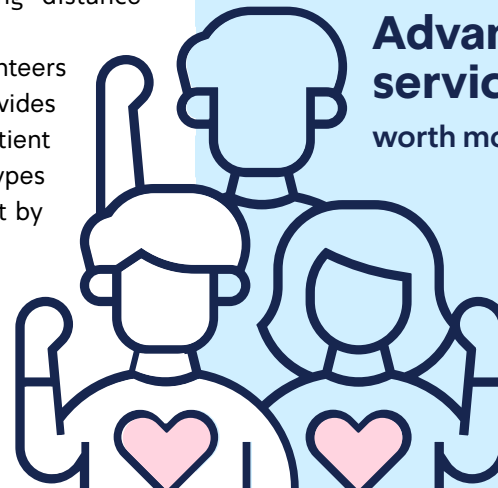
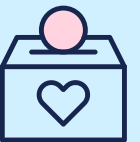
**20 community technology centers** were set up by Bezeq over the years

**88** people were trained for **technical jobs**

**11** graduates were **hired at Bezeq**

**Advanced telecommunication services** were donated to **343** associations, worth more than **NIS 3 million**

**5** people were awarded the Kobi Paz Bezeq scholarship for **tech bootcamp training**



# Reinforcing the social fabric

## 1,200 gift packages for bereaved families

In the partnership with the **Or Lamishpachot – Light for Families Association**, every year, during the holiday season, 400 volunteer Bezeq employees distribute care packages to bereaved families. The Bezeq volunteers carry out the entire operation themselves, from collection, through packaging and distribution. In 2022, Bezeq volunteers distributed 1,200 packages to families.

## Purchasing staples for families in distress

**The Halav (stands for Milk, Bread, and Eggs) Association** was founded by Bezeq Group employees and retirees in 2006 to identify struggling families with children aged 1 to 14 to assist them in purchasing staple products by loading Shufersal customer club cards. The association's budgetary sources come from donations made by Bezeq employees' welfare association, vacation days, standing orders for direct debits by employees, and donations from Company



Bezeq employees participate in the Sunrise run, renovate an apartment for lone soldiers, pack sandwiches for students, and collect costumes for donation

retirees. The association's activities are conducted from Bezeq's offices, and all participants are Company volunteers. In 2020, the association expanded its activities to families with babies under the Baby Halav project. In 2022, the Halav association supported 760 families and 834 children from 18 towns and communities around the country. At the same time, as part of the Baby Halav project, the association assisted 40 families in 11 cities and local authorities.

## Running in the name of battling cancer

**Sunrise Israel** was established to bring moments of joy to children battling cancer through leisure activities for the sick children and their siblings. For the past seven years, Bezeq employees have participated in a sponsored run, which is part of the Tel Aviv 10k Night Run, in support of the association's activities.

## The Purim Carnival Smile Train for children with cancer

Every spring, the Larger than Life Association, which works to improve the quality of life of children with cancer, invites these children and their families to join the Purim Carnival Smile Train. In 2022, Bezeq employees joined forces to help with the event ●

**400 Bezeq volunteers distributed 1,200 care packages to bereaved families during the holiday season**

**834 children from 18 towns and communities across the country were supported by the Halav Association**

**Babies from 40 families across the country were supported by the Baby Halav project**



# Volunteering at Bezeq

**633** Bezeq employees contributed more than **2,700** volunteer hours

**115** children of Bezeq employees contributed more than **9 thousand** volunteer hours to the Meaningful Summer project

# Bezeq's contribution to the community

More than **NIS 6 million** Half of the amount was donated through infrastructure and means of telecommunication

\* In 2022

Bezeq employees at the Purim Carnival Smile Train of the Larger Than Life Association



# Major projects of the subsidiaries that benefit the community

## Peak project: Corporate Responsibility Week

In December 2022, the subsidiaries initiated a corporate responsibility week in cooperation with the Ruach Tova (Good Spirit) Association, which included contributions to and volunteering for the community. During that week, which was held in a company-wide and division-wide format, 280 employees volunteered, contributing a total of 503 hours of volunteering in various projects. A highlight included a fair with sales booths of community associations, with all proceeds going to the continuation of their activities, as well as a hands-on event in collaboration with the House of Wheels association.

- Every division and department was involved in the activity:
- Employees from the finance, marketing, human resources, and legal departments helped pack products at &JOY, which employs people with disabilities.
  - Employees from the engineering division helped pack products at Beit Ekstein, an organization that supports people with disabilities, and the Company's employees

gave a lecture there on the Pelephone network

- Employees from the IT division renovated a home for youth at risk in Petach Tikva.
- Employees from the consumer service division held a sing-along at the Amcha retirement home.
- Employees from the business service division visited Sheba Tel Hashomer and Soroka medical centers and distributed donuts and toys.

## Support for Ukrainian refugees

Following the start of the war in Ukraine, Pelephone and Bezeq International TECH teamed up to support refugees who arrived in Israel and the company's customers and their families who are in the line of fire by donating SIM cards and free airtime. The companies also helped establish a hotline run by volunteers for the Jewish community in Ukraine.



שבוע אחריות תאגידית בפלאפון

## Setting up a service center to collect donations for Holocaust survivors

### Setting up a service center to collect donations for Holocaust survivors

As part of a collaboration between Pelephone and the Yad Ezer Lahaver NPO, which supports Holocaust survivors, we ran a central service center in the Company. In addition to a financial donation from Pelephone, the service center was staffed by dozens of employees who volunteered to collect donations from the public in a special campaign broadcasted on Channel 13. In addition, Bezeq International TECH distributed towels and blankets to Holocaust survivors in cooperation with the Living with Dignity association.

## Corporate responsibility week in the subsidiaries



**10** projects  
**280** volunteers  
**503** volunteer hours



## yes.

### Big Brothers & Big Sisters project for children who suffer from violence, ostracization, and anxiety

yes collaborates with Costume Angel, an organization that supports children who are victims of physical and verbal violence, social ostracization, bullying, anxiety, or loneliness. The group of volunteers is made up of bikers, who act as big brothers and sisters for the children. The members of the association receive advice from lawyers and psychologists, and they serve as a supportive and inclusive environment to strengthen the children's sense of self-sufficiency.

As part of the activity, we invited the children to premiers of films and television series, fan meetings, and face-to-face meetings with actors. The Company's employees also gave voluntary lectures about their work and activities in television.

### And there are other social projects worthy of mention

- ✓ **Setting up computer rooms in the community in collaboration with the Israel Association of Community Centers:** for use by residents of Katzrin, Netanya, Daburiyya, Herzliya and Lod, to impart digital skills and narrow the technological divide.
- ✓ **Click for Friends project with the Foundation for the Welfare of Holocaust Victims:** a project that aims to relieve the loneliness of Holocaust survivors by purchasing equipment and holding volunteer activities with the participation of Bezeq employees.
- ✓ **Donating airtime:** before the holidays, yes provides free airtime to selected associations to harness public support for their activities that benefit the

community, according to the association's field of activity.

- ✓ **Donation of television subscriptions:** yes granted hundreds of television subscriptions to organizations addressing a wide range of burning social issues, such as: sheltered housing for people with autism, safe houses for victims of domestic violence, and foster care for children.
- ✓ **Donation to underprivileged families:** Bezeq International TECH ensures ongoing involvement in the community, including the collection and donation of food for underprivileged families in collaboration with the Tal Haim association and distribution of school bags and supplies for low-income families in collaboration with Yarok Hevratl – Socially Green. The employees also joined Natalie's Kitchen, baked and distributed cakes to

underprivileged families, distributed towels and blankets to Holocaust survivors in collaboration with the Living with Dignity association, and collected food donations for underprivileged families before the Jewish New Year in collaboration with the Hesedi Yaacov NPO. ●



Pelephone fundraising day for Holocaust survivors



Volunteering of Bezeq International TECH employees



School bag collection project



# Striving for Responsible and Fair Employment



## Responsible and fair employment is one of the foundations of the Bezeq Group’s business success. We support the personal, humane, and fair treatment of all employees throughout their employment in the Group, from hiring to retirement.

The work relationships in the Group are based first and foremost on mutual trust, transparency, and open dialogue with the employees. We invest heavily in creating an advanced, pleasant, respectful, and diverse work environment, free of harassment and abuse, which allows professional and personal development for our employees, regardless of religion, race, ethnicity, or sexual orientation.

In 2022, Bezeq published its [Responsible employment policy document](#) which presents Bezeq’s employment principles, including the commitment to equal opportunities, development of human capital, dialogue with employees, and recognition of freedom of association.

### Improving the employee experience

The HR divisions in Bezeq Group companies take care of the wellbeing of Bezeq’s employees under an orderly and detailed work plan, which includes goals and parameters for increasing employee satisfaction.

In 2022, Bezeq Group continued to expand its investment in the well-being of its employees through the development

of training options, vacations, and other diverse activities.

### Maintaining a work-life balance

Bezeq Group companies attribute great importance to the employees’ ability to balance their work and their private and family lives, and allow them to work from home up to two days a week, depending on their position and the requirements of the companies

### Contributing to personal development through training and feedback

We consider the personal and professional development of our employees a central value. This development allows us to respond to the employees’ needs and maintain the high level of professionalism they require. The Group companies ensure periodic manager and employee performance evaluations, and run an extensive annual training plan that addresses ethics and human rights. The training programs are revised frequently based on needs arising in performance evaluations and due to business and professional developments in the companies.

At Bezeq, for example, two rounds of professional



talent development plans were held for call center and operational employees to prepare them for the changing work environment. In addition, 200 employees signed up at a job fair.

### Organizational surveys

In 2022, organizational surveys were carried out at Bezeq, Pelephone, and yes.

At Bezeq, 70% of the employees responded with an average score of 8.03 (out of 10). The responses with the highest score included the statement by Bezeq employees that they are proud to work at the Company and feel that their work has value and meaning. At Pelephone, 89% of the employees responded, and the average satisfaction was 4.03 (out of 5). 51% of the employees stated that they are very proud to work for the Company, and 71% of them would recommend working at the Company to their friends and relatives.

At yes, 86% of the employees responded and the average score was 3.95 (out of 5). 82% of the employees stated that they are very proud to work for the Company, and 65% of them would recommend working at the company to their friends and relatives.

### Manager development

In addition to Bezeq’s ongoing training and development program, in the last quarter, the Company focused on the “Connected” program – connecting managers to our new business strategy. The program includes a range of activities, including live meetings with the CEO, a

## General training hours at Bezeq Group in 2022

|  | Bezeq                                   | yes    | Pelephone | Bezeq International TECH |
|--|---|--------|-----------|--------------------------|
| No. of participants who completed training | 5,598                                   | *1,115 | 127       | 950                      |
| Average hours of training per participant  | 49.4 for employees<br>19.5 for managers | 5.5    | 7         | 20.1                     |

\*External employees included

“Bezeqthon”, a quarterly kit for managers to present at team meetings, and a year-end meeting. In the past year as well, Bezeq focused on the development of professional internships and the professional support for leading employees in the operational sector and call centers.

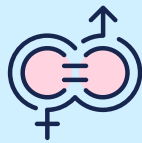
### Supporting gender equality, diversity, and inclusion

Gender equality, diversity, and inclusion are key to the fundamental values that guide Bezeq Group. Accordingly, we set the goal of enabling an inclusive, accepting, supportive, and equal work environment, allowing for each and every employee to express themselves and create added value that will lead the Bezeq Group to further achievements. To realize this vision, Bezeq’s board of directors approved three diversity and inclusion goals in 2022:

- ✓ Equality in the representation of women on the Company’s board of directors by 2030
- ✓ Representation of at least 40% of women on the Company’s board of directors by 2030
- ✓ Increase the rate of diverse populations among employees to 20% by 2030

Today, women fill

**34%** of management positions at Bezeq, and **45%** of management positions at Pelephone, yes, and Bezeq International TECH



Target by 2030:

**Full gender equality in management positions**

At the end of 2022, Bezeq and all the other telecommunication companies in Israel signed the convention for the prevention of racism and encouragement of equality and non-discrimination in the Israeli telecommunication market and also published a [Diversity and Inclusion Policy document](#).

### 2022 wage gap report

On June 1, 2023, Israel’s wage gap reports, which include Bezeq Group companies, were published. Findings of the reports are studied and taken into account in remuneration and promotion procedures.

### Establishing a diversity and inclusion forum

To achieve gender equality and occupational diversity goals, Bezeq set up a dedicated diversity and inclusion forum composed of senior managers in the HR and corporate communications division, who are responsible for the preparation of work plans in these areas, accompanied by outside professional advice. In 2022, the forum established the organizational infrastructure required for its work, with the approval of the Equal Employment Opportunities Commission, to establish an organizational plan to advance diversity as required by law and to begin to prepare the work plan and set goals for its activities in the coming years. In addition, Bezeq appointed a diversity and inclusion officer, who is responsible for leading and implementing the issues into the Company’s culture and organizational procedures.

### Valuable 500 Bezeq participates in the Valuable 500 initiative

The Valuable 500 initiative, a global business partnership of 500 companies with the greatest influence, including Bezeq, is developing a transformation plan for its strategic partners to drive the systemic change required to make the business world more inclusive for the 1.3 billion



### Advancing diverse employment

Bezeq Group employs people from diverse populations in different positions.

**15%** of Bezeq’s employees and **10%** of yes employees are people with disabilities or belong to diverse populations.



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

\* Underemployed populations, such as people from the ultra-Orthodox sector, Arabs, Israelis of Ethiopian descent, and employees with disabilities

people worldwide who live with disabilities. For further information see [the initiative website](#).

### Respecting freedom of association

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

In March 2022, the boards of directors of Bezeq, Bezeq International TECH, and yes resolved to cancel the restructuring plan and approve an alternative plan. Bezeq International TECH, with new management and a focus on the business sector, signed a new collective agreement with the employees' committee in December 2022, valid until the end of 2025.

For further information, see [Bezeq's financial report for 2022](#)

### WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

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

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

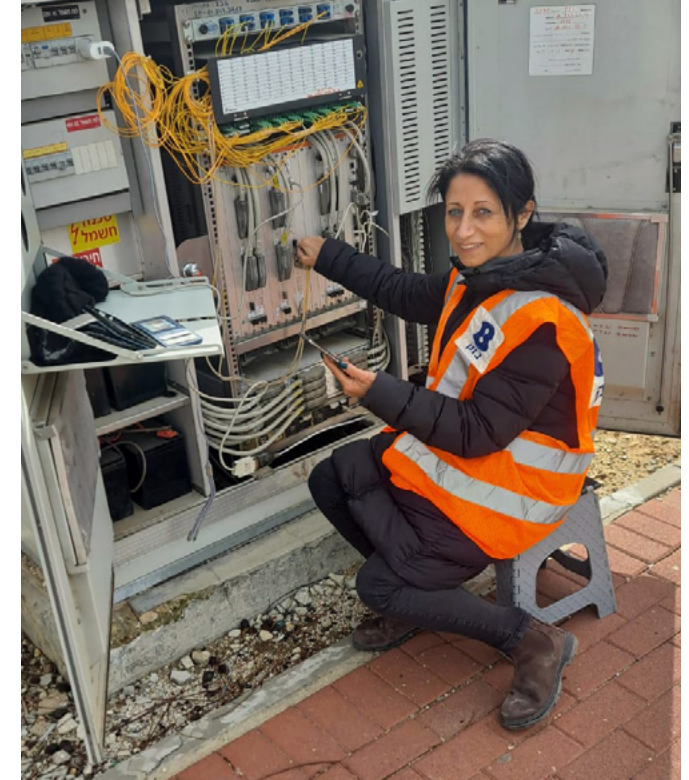
By joining the WEPs community, Bezeq proved itself as a company committed to attributing the highest priority to gender equality and to working in collaboration with wide networks to encourage business practices that empower women, such as: equal pay for equal work, gender-sensitive supply chain practices, and zero tolerance for sexual harassment in the workplace. For further information visit [the initiative's website](#).

### Employees from all over Israel

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

### Continuing to work after the age of retirement

Employees of all ages work at Bezeq Group companies. The age diversity among the employees gives us many advantages, including benefitting from a combination of professional experience and the preservation of organizational knowledge, with innovation and the adaptation of products and services to the modern



environment. If an employee wishes to continue working after retirement age and the Company requires the services provided by that employee, the employee is able to continue to work after the retirement age. ●



# Safety and health are top priorities



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

## Safety management at Bezeq Group

All Bezeq Group companies have occupational safety management systems that operate in accordance with Labor Inspection Organization Regulations. The systems implement the requirements set out in the Labor Inspection Organization Law – Safety Management Plan – and maintain a systematic and proactive safety management plan in the Company to prevent work accidents and occupational diseases, reduce risks, and comply with occupational safety and health legislative requirements. In 2022, Bezeq released a public document

addressing its [health and safety policy](#)

## Safety management activities

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

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

At Bezeq, we met the goals of the safety management work plans in 2022. **We performed 22 risk surveys in buildings and more than 430 inspections for employees and contractors.**

## Corporate culture of caution and reporting

Together with the proactive safety management plan,

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

## Minimizing occupational health risks

Bezeq Group companies take steps to minimize occupational health hazards and comply with all the relevant mandatory provisions of the law, including periodic risk surveys. **Due to this policy, in 2022, no complaints were received on health issues arising from the working environment and conditions in the Group.**

## Healthcare insurance for employees

Employees in Bezeq Group companies are insured under government health insurance in accordance with the law. In addition, Bezeq's employees who are members of the welfare association (97% of the employees) are automatically insured with supplementary health insurance after six months of employment, and all Bezeq International

TECH employees have private health insurance subsidized by the Company from day one of employment.

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





The expansion of the volume of Bezeq's work, including the flagship fiber deployment project, resulted in increased hiring of employees and technicians in 2020-2021, which consequently led to an increase in the number of safety incidents. To reduce the number of incidents, the Company conducted a comprehensive investigation of the nature of the accidents. According to the investigation's findings, employees with less than three years on the job are particularly exposed to safety incidents and accidents. Following the findings, we increased safety trainings for employees for working at heights and produced educational safety videos addressing real cases and the operational lessons to be learned from them, which are presented at the annual safety training courses. After each training course, participants are required to achieve a high score on the knowledge test.

### Safety training

2022 was characterized by the resumption of normal work after Covid lockdowns and restricted movement were lifted. To return to work safely, we provided trainings on a range of topics for 3,773 Bezeq employees, as well as for contractors.



**97%** of Pelephone employees, **96%** of yes employees and **100%** of Bezeq International TECH employees completed the safety tutorial in 2022

-  **2,153** employees participated in frontal training
-  **1,620** employees participated in online training.
-  **1,590** technicians participated in quarterly training\*.
-  **8** contractors participated in training.

\* Through the organizational internal-learning system

In addition, each direct manager holds a quarterly safety meeting with their employees according to a script written by the Company's safety department. The subsidiaries hold safety training on the topics of activity in the logistics centers, the technicians' work, work at heights, and dedicated training for professionals. In addition, the companies carry out annual maintenance surveys in the facilities and fix the failures arising from the survey findings. Dedicated training courses are also held for the Group's employees according to the nature of the activity in the departments.

### Innovative safety tutorial

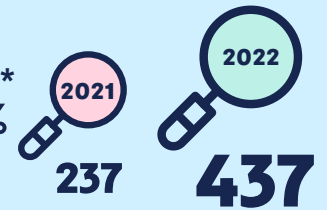
As part of the safety training in the subsidiaries, an innovative safety tutorial was introduced in 2022 to provide all employees with effective information on safety issues, such as: risk factors and hazards, falling from a height, ergonomics, fire safety, and other emergency situations. Annual safety training is held in all Group companies, and all Group employees are required to pass a safety test.

### Onsite inspection app

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



The number of onsite inspections\* increased by **84%**



\* For technicians, teams, and contract employees at Bezeq

safety knowledge in the organization, in a reliable, uniform and accessible manner. The contribution of the app to streamlining onsite inspections is reflected, among other things, in the 84% increase in the number of onsite inspections compared with the previous year. We are currently perfecting the app and creating a control panel for the safety data, so that each safety manager will be able to view the inspection summary by subject, statistics, and other breakdowns.

### Protected forklifts and lifting trolleys

We started to replace all forklifts with those that include improved protective measures for their operators. We also improved work methods on the production floor at Pelephone by introducing lifting trolleys so that employees

do not need to bend over and lift heavy weights.

At the logistics center of yes, we installed lighting on forklifts to improve visibility in the workspace.

### Safety committees of Bezeq Group companies

**Bezeq** At **Bezeq** Safety committees operate in accordance with the law in all Bezeq Group companies.

Bezeq convenes its national safety parity committee, which includes senior management and employee representatives, in accordance with the law. Three other safety committees are responsible for specific areas of activity in the Company. Each of the four committees convenes eight times a year.

Furthermore, annual conferences are held for division safety managers, and a manager’s forum is held with representatives of the contractors who work with the Company.

Bezeq has 170 safety officers, who fill this position out of a sense of mission alongside their official duties.

**yes.** At **yes**, the safety committee convenes eight times a year, chaired by the VP of Human Resources with the participation of department representatives.

**Pelephone 5G Pelephone** has a central safety committee with representation from all divisions, and another two safety committees that address targeted activities: a safety committee at the logistics center and a safety committee of the engineering division that addresses the work of technicians at sites and in the field. This year, the safety and operations managers forum in the engineering division reconvened to present problems that arise in the field, find solutions, and monitor implementation.

In addition, 40 safety trustees were appointed in the company, who serve as the operational arm of the company’s safety officer and perform routine tasks together with their main jobs.

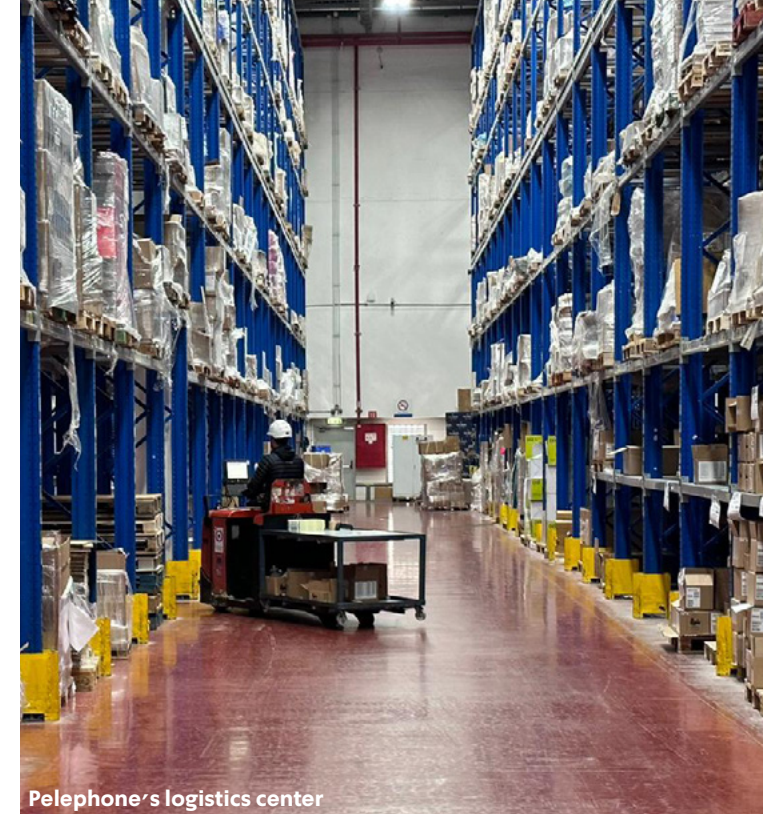
**INTERNATIONAL TECH** At **Bezeq International TECH**, the safety committee convenes eight times a year.

### Maintaining contractor technician safety

Bezeq Group companies ensure that all contractors meet the required threshold conditions for work, including valid professional certification, and approvals that are validated annually. In addition, all contractors are required to participate in annual safety training, as required by the Labor Inspection Organization Regulations. Onsite inspections are also carried out by teams of contractors, inspection reports are produced, and other measures are implemented. In 2022, yes introduced occupational safety for contractors to the company’s internal safety management system and held a safety conference for all managers of the contractor companies.

### The result: fewer work accidents

As a result of the set of activities initiated by Bezeq’s safety system, the number of work accidents decreased by 34% in 2022 compared with the previous year. In fact, 21 work accidents were recorded in 2022 –significantly lower than the target of no more than 28 accidents – and as such, the Company returned to the positive direction for safety that has characterized it over the years. Other safety parameters also improved during the year, such as the type of conclusions arising from the spot checks and the number of deficiencies found. All of these indicate success in the implementation of the safety culture at Bezeq and integrating it into the management of routine work.



Pelephone’s logistics center

## Safety indexes at Bezeq

|                                    | 2022  | 2021  | 2020  |
|------------------------------------|-------|-------|-------|
| No. of accidents                   | 186   | 229   | 191   |
| Absentee days                      | 4,913 | 5,049 | 5,043 |
| Average absentee days per accident | 26.4  | 22    | 26.4  |

There were a total of 186 accidents of various types in 2022, due to direct work, road, sports, and social events, and accidents to and from work, **a decrease of 19%** compared with last year.

## Frequency and severity of work accidents

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

**The frequency rate of work accidents** is calculated according to the number of accidents in the Company for every 100,000 working hours. In 2022, the accident frequency rate was 1.52\*, a 22% decrease compared with the previous year.





**The severity rate of work accidents** indicates the average number of lost working days per employee due to work accidents. In 2022, an average of 0.86 working days per employee were lost due to work accidents. This is a minor increase compared with last year, in which an average of 0.84\* working days were lost per employee.

\* Not including employees with Covid

## Safety Week at Pelephone and yes

To strengthen awareness of safety at work and home among employees, we held a safety week at Pelephone and yes, which included trainings on a range of areas to

provide tools for employees, such as:

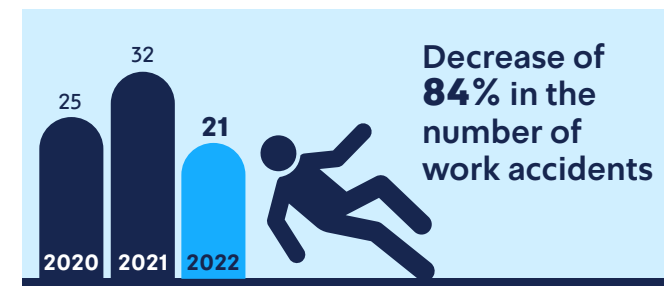
-  First aid
-  Fire extinguishers
-  Ergonomics
-  Driving simulator

## Safety and accessibility

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

## Safety in emergencies

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



\* Compared with last year

### 1. National emergency

Bezeq is defined as an essential enterprise in Israel's national emergency system. Accordingly, there is an emergency procedure and response for war, fire, earthquakes, and pandemics. At the same time, during a quiet period, the Company's standby teams hold drills at least once a year to maintain their competence. Bezeq facilities are defined by the Ministry of Labor as essential to comply with all the requirements of the Home Front Command for protection.

### 2. Emergency training

During the year, employees, managers, and technicians are exposed to educational videos and interactive tutorials conveying critical information about conduct and protection during an emergency. All employees are required to participate in trainings on these topics at least once a year. We also manage a dedicated control center, qualify an available standby team, equip our properties and employees with emergency equipment, and hold defensive and evacuation drills several times a year.

## We carried out 14 protection and evacuation drills in 2022

### Emergency and crisis management

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

## Safety incidents

|  | Bezeq   |   | Pelephone                                       |   | yes  |  | Bezeq Int. TECH                                   |  |
|--|---|---|---|---|--|--|---|--|
|  | 2021  | 2022  | 2021  | 2022  | 2021   | 2022   | 2021  | 2022   |
| Safety incidents including near misses       | 229   | 186   | 25  | 44  | 24   | 36   | 26  | 23   |
| Road accidents during a trip to or from work | 74  | 51  | 9   | 16  | 14   | 14   | 12  | 13   |
| Loss of working days due to accidents        | 5,049   | 4,913   | 196   | 558   | 247  | 248  | 456   | 246  |
| Utilized sick leave                          | 1,826<br>0.13% of all working days in the Company | 1,716<br>0.12% of all working days in the Company | 461<br>0.08% of all working days in the Company | 558<br>0.09% of all working days in the Company | 40<br>0.01% of all working days in the Company | 49<br>0.02% of all working days in the Company | 7,375<br>2.37% of all working days in the Company | 7,368<br>5.2% of all working days in the Company |









# Addressing the Climate Crisis



# Net zero carbon emissions by 2050

Bezeq Group is committed to addressing climate and environmental issues as an integral part of its commitment to the law, to transparent and sustainable responsible conduct in dialogue with its stakeholders, and to the voluntary adoption of standards. In 2022, Bezeq’s board of directors adopted long-term ESG goals, including a goal for Net Zero carbon emissions by 2050. In addition, during the year, Bezeq’s environmental policy document was approved and published, describing the guidelines for the Company’s environmental and climate activities, and at the beginning of 2023, the subsidiaries adopted the Group’s net zero carbon targets.

## Committed to addressing environmental issues

-  Advancing green construction
-  Monitoring and managing electromagnetic radiation
-  Increasing the volume of recycling, and reducing waste and landfill
-  Renewal and reuse of products
-  Energy efficiency
-  Reducing GHG emissions

## We established an energy efficiency forum

At the end of 2021, we established a dedicated forum for energy efficiency and the assessment of green energy alternatives. The forum oversees the Company’s progress and compliance with the interim goals that were defined in accordance with its goal for Net Zero carbon emissions by 2050, with a base year of 2021, in accordance with the methodology of the Science Based Targets Initiative (SBTi), a global initiative to reduce GHG emissions.



The forum's activity, which is managed by the operations and logistics division and includes representatives and managers from the technology and network, economics and regulation, and corporate telecommunication divisions, continued with high frequency in 2022.

### We set goals for responsible environmental conduct

We are committed to involving our employees in the processes for streamlining and reducing the company's ecological footprint and providing them with information and tools for responsible environmental conduct in their fields, by setting measurable goals according to the activities of the Company's divisions.

We also measure, monitor, and report our environmental performance, including energy consumption, fossil fuels, and carbon footprint.

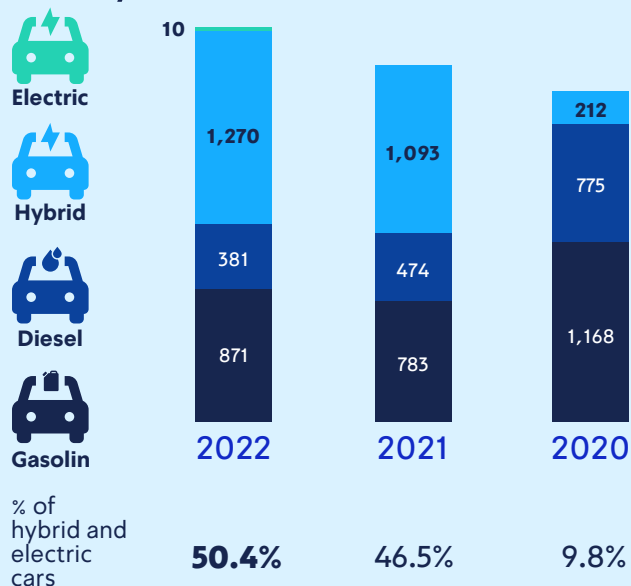
### We reduced our energy consumption

Last year, we advanced measures to reduce energy consumption in each of the Group companies.



- ✓ We replaced 80 old air conditioners with new and more efficient ones
- ✓ We replaced all lighting fixtures at each of the service and logistics centers with economical LED bulbs.
- ✓ We replaced 250 direct current systems.
- ✓ We reduced and removed telecommunication systems in old networks.
- ✓ We integrated energy saving technology in new aircon systems.
- ✓ We monitored energy use on each floor of the Company's site to promote employee awareness of energy saving.

## Trend in private car fleet: Bezeq is shifting to hybrid cars



More than half the cars in Bezeq's fleet are hybrid

## Pilot of electric cars

as part of the pilot that started in 2022 We purchased **10 electric cars** for the Company's employees\*.



We installed **27 EV charging stations**.



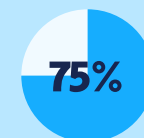
**14** EV charging stations at Bezeq's head office in Holon

**13** EV charging stations at Bezeq's sites in Haifa, Beersheba, and Jerusalem

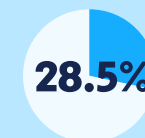
\* The cars were purchased at the end of 2022 and entered the fleet in 2023



## Proportion of hybrid vehicles in the subsidiaries:



yes



Pelephone



Bezeq Int. TECH

## Electrification of the fleet

Electrification of our fleet is progressing and we give preference to the purchase of electric and hybrid cars. We intend to continue to increase the use of energy-efficient means of transportation and gradually stop the use of gasoline and diesel cars to reduce our carbon footprint.



**Pelephone 5G**

- ✓ We converted two diesel generators that supplied energy to broadcast sites to a solar energy generator and another generator connected to the power grid.
- ✓ We installed energy-efficient LED lighting in the logistics center.
- ✓ We automated the lighting and air conditioning systems.
- ✓ Together with other cellular companies, we established joint engineering sites to reduce our energy consumption and ecological footprint.
- ✓ We replaced telecommunication rooms in cellular sites with energy efficient telecommunication cabinets.

**INTERNATIONAL TECH**

- ✓ We installed four energy-efficient chillers for the Hashaham Street building, which are used to store cold air in the winter and to cool water instead of using energy-intensive compressors.
- ✓ We implemented an updated action plan for the facilities in the roof systems of the Company site

to take full advantage of the facility's maximum efficiency before operating a high degree of cooling.

- ✓ We purchased uninterruptible power systems (UPS) with high energy efficiency.

**yes.**

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

**We increased employee transportation**

To reduce the negative environmental effects caused by the use of private cars, this year we offered shuttles for employees of all the Group companies.

**We reduced GHG emissions**

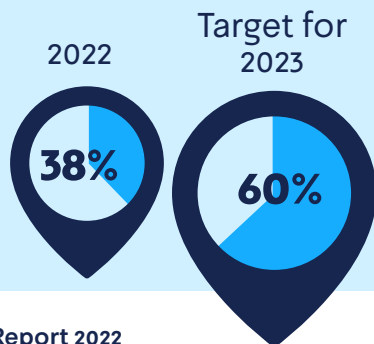
**Bezeq** In 2022, there was a 3.5% decrease in Scope 1 GHG emissions and a 1.7% decrease in Scope 2 GHG emissions compared with the previous year. In total, we reduced carbon emissions by 2.2% compared with the previous year, due to energy efficiency processes and a reduction in fuel consumption.

**yes.** In 2022, there was a 13.9% decrease in Scope 1 GHG emissions and an 8.3% decrease in Scope 2 GHG emissions compared with the previous year. In total, we reduced GHG emissions by 10% compared with last year.

**Pelephone 5G** In 2022, there was a 3.5% decrease in Scope 1 GHG emissions and a 14.9% decrease in Scope 2 GHG emissions compared with the previous year. In total, we reduced GHG emissions by 13.9% compared with last year.

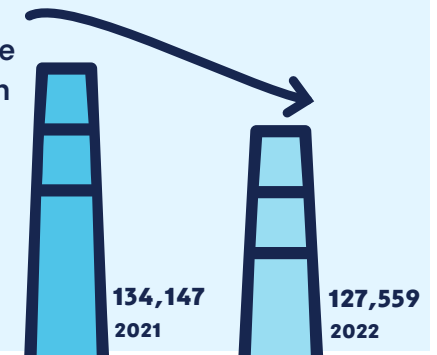
**INTERNATIONAL TECH** In 2022, there was an 8.9% decrease in

**Proportion of joint engineering sites**



**We reduced the carbon footprint** (in tons)

We reduced the Group's carbon footprint by **4.9%** (In Scopes 1+2) compared with 2021



To map direct or indirect GHG emission sources, we use a standard methodology to divide our emission sources into three scopes of reporting:

- **Scope 1** – direct emissions from operating activity in the Group
- **Scope 2** – indirect emissions from energy consumption
- **Scope 3** – other indirect emissions from the supply chain

Scope 1 GHG emissions and an increase of less than one percent in Scope 2 GHG emissions compared with the previous year. Overall, the Company's GHG emissions remained the same compared with last year.

**Bottom line:**

All Group companies reduced GHG emissions in Scope 1 and Scope 2 by **4.9%**.

**Following the adoption of the goals for net zero carbon emissions in all Group companies, we are**

**Energy consumption at Bezeq Group**

(millions of kWh)

|                 | 2020  | 2021  | 2022  | Change compared with last year |
|-----------------|-------|-------|-------|--------------------------------|
| Bezeq           | 147.9 | 146.1 | 146.3 | +0.1%                          |
| yes             | 9     | 9.1   | 8.3   | -8.3%                          |
| Pelephone       | 65.3  | 60.7  | 51.6  | -15%                           |
| Bezeq Int. TECH | 53.1  | 52.4  | 52.3  | -0.3%                          |

**Fuel consumption in the fleet of Bezeq Group companies**

(thousands of liters)

|      | yes      | Pelephone | Bezeq Int. TECH | Bezeq |         |
|------|----------|-----------|-----------------|-------|---------|
| 2021 | Gasoline | 720       | 1,100           | 733.9 | 3,934.3 |
|      | Diesel   | 88        | 102.5           | 0     | 2,785.2 |
| 2022 | Gasoline | 603       | 1,069.6         | 733.9 | 4,797.3 |
|      | Diesel   | 90        | 92.5            | 0     | 2,117   |

**currently preparing detailed plans to reduce GHG emissions in accordance with the Science-Based Target initiative (SBTi) and we aim to report on them in forthcoming reports.**

**we've improved our recycling rate**



✓ We placed recycling bins for bottles on all floors of the Company's offices in Holon.



✓ We placed bins in the logistics center to separate waste paper, plastic, wood, and batteries.

✓ We send digital shipping notes to reduce the use of paper.

✓ We reuse the wooden pallets when transporting goods to and from the suppliers.



✓ We reduced the packaging of streamers by 50%, to save packaging costs and reduce waste production.



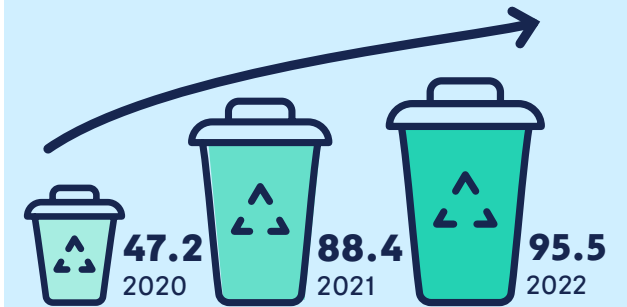
✓ To encourage a healthy and clean work environment and raise awareness among the Company's employees to reduce and separate waste, we initiated a Green Week, which included installing bins and facilities for separating waste by type and recycling old furniture and office equipment.

**Monitoring and control of electromagnetic radiation**

The Group companies operate according to regulations



**Recycling of electronic waste at the Bezeq TECH plant (tons)**



required by law and the business license, and in 2022, we met the mandatory radiation standard of the Ministry of Environmental Protection. The Group conducts routine radiation controls and monitoring, and the results are reported to the Company's board of directors and the Ministry of Environmental Protection. ●



# Maintaining privacy and increasing transparency

# Ethics at the center

**Ethical management is a significant pillar of our conduct, and we consider it one of the foundations for future success and continued growth.**

We strive for assimilation and constant improvement of the ethical culture in the Bezeq Group companies, so all employees are familiar with the ethical guidelines and what is expected from them in their routine work. Each of the Group companies has a code of ethics that is refreshed and revised periodically. The Group's employees participate in an annual ethics training and also participate in drills that address potential ethical dilemmas. We are confident that our employees know how to make the best decisions for the Group, its stakeholders, and for themselves.

The amendment to Bezeq's Code of Ethics in 2022 was a deep, structured, and highly important process for us. The process included mapping gaps against current standards, holding roundtable meetings with employees and senior management, presenting recommendations to the Company's management, approving the new values by the management and the board of directors, and at the end of the process, the production, design, and communication of the updated policy. The amended Code of Ethics included updating the leading values in action, updating sections in accordance with accepted standards based on the recommendations of professional consultants, a fresh new design.

Bezeq's ethics committee convenes twice a year to present managers the information and implementation status of the Code of Ethics for discussion, and to derive insights from the ethics survey. Ethics and proper management in the Group are coordinated with the Group's VP of Human Resources, who is responsible for ethics in the Company. In addition, ethics and its management in the Company's activities are reported

to the board of directors in accordance with accepted international auditing standards. Code of Ethics:

- [Bezeq \(English\)](#)
- [Pelephone \(Hebrew\)](#)
- [yes \(Hebrew\)](#)
- [Bezeq Intl TECH \(Hebrew\)](#)

## Maintaining discipline

Employee conduct has consequences on the Company's performance and image. Therefore, the Company is strict about how they behave, and when necessary, takes disciplinary measures against employees who deviate from standard procedures and rules of conduct. The Company's disciplinary regulations are anchored in a collective agreement describing the structure and powers of the disciplinary system.

Discipline is managed by Bezeq's disciplinary officer. The disciplinary officer is authorized to define policy and implement the regulations, to act as a complainant for submitting applications to the disciplinary tribunal and the disciplinary committees of the divisions, to revise the disciplinary procedures and bring them to the attention of the Company's employees, and to decide whether to send applications to the disciplinary tribunal and/or to the disciplinary committees in the divisions.

## Disciplinary committees

A disciplinary committee operates in all operating and headquarters divisions. The committee is composed of a chairperson (senior manager), a management representative, and an employee representative. The

disciplinary committees address all cases of inappropriate behavior, traffic violations, safety violations, and any case referred by the disciplinary officer.

## National Disciplinary Court

The National Disciplinary Court is composed of a chairperson (a retired judge), a management representative, and an employee representative. The court handles cases where a Company employee has been convicted of an offense under the Penal Code or any other flagrant offense. For example:

- Cases of inappropriate behavior by a Company employee that cause a severe disruption at work.
- Cases transferred to the court by the disciplinary officer after consultation with the Company's internal antitrust compliance officer for offenses under the Competition Law.
- Cases transferred by the Company's sexual harassment prevention committee.
- Any other case transferred to the court by the Company's CEO, the disciplinary committees of the divisions, or the disciplinary supervisor.

## Ethics in ESG policy

In 2022, five new policy documents were approved and published as part of the Group's ESG policy:

- Human rights policy
- Policy for prevention of bribery, corruption, and conflict of interest
- social involvement and community outreach policy
- Environmental policy
- Responsible employment policy

Furthermore, all Group companies have internal procedures for addressing a case of action contrary to the provisions of the law, the Group's procedures, and the Code of Ethics.

## Ethics training

In implementing the Code of Ethics revision, most training courses at Bezeq in the reporting year focused on its

assimilation and communication to all employees and managers in the Company. For this purpose, we prepared a dedicated chapter on ethics in the manager's development workshops, added a discussion on ethics in the orientation days for new employees, and added an ethics tutorial to the basic courses for the Company's technicians and service representatives. In Bezeq's annual ethics training program, training courses are held for new managers and employees. The training syllabus included subjects such as:

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

In 2022, digital training to refresh ethical knowledge was carried out in the format of "Eight things we must all know about our new Code of Ethics," and it included the presentation of the new set of values, the partners in the preparation of the Code of Ethics, where it is implemented, and the contact channels for ethical issues and more. In addition, all Bezeq Group managers and employees, including part-time employees

## Ethics training at Bezeq in 2022

| Type of activity                                      | Method  | Participants | Total hours  |
|---|---------|--------------|--------------|
| Orientation days for new employees                    | Frontal | 68           | <b>68</b>    |
| Tutorial – basic courses                              | Digital | 1,372        | <b>686</b>   |
| Manager development plan                              | Frontal | 86           | <b>215</b>   |
| Tutorial – refreshing knowledge for the whole Company | Digital | 5,090        | <b>2,545</b> |
| <b>Total</b>  |         |              | <b>3,514</b> |

and outside employees, participate in ongoing ethics trainings related to bribery prevention and corruption, sexual harassment, and other issues.

Ethics training is managed by the director of digital learning, who also manages the assimilation of the ethical culture at Bezeq and the characterization and design of the plan for assimilating ethics and serves as a member of the ethics committee.

### Measuring the effectiveness of the adoption of the Code of Ethics

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

- Indicators from the results of the ethical climate survey conducted at the end of 2021, which was described in detail in Bezeq's 2021 ESG report.
- Tests at the end of each digital tutorial.
- Results of customer satisfaction surveys, which indicate the assimilation of ethics with customers and stakeholders.

### Protecting whistleblowers

An important pillar in ethics management at Bezeq Group is the principle of non-retaliation, which aims to ensure the prevention of harassment of whistleblowers and to help employees and other stakeholders feel confident in reporting inappropriate behavior. inappropriate behavior that exposes the Company to ethical risks. This principle is included in all of Bezeq's ethics policy documents and underscores that there will be no harm to the employee making the complaint or to their employment conditions. Under Bezeq's policy, action to prevent harm to an employee may be any solution that will provide proper protection under the circumstances, in the opinion of the VP of Human Resources and the

**3,514 hours** of ethics training were held at Bezeq in 2022 – **4.6 times** more than last year

In the same year, yes, Pelephone, and Bezeq international TECH held **18 ethics training** courses attended by 1,191 employees and managers



Company's auditor. In the decision regarding the nature of protection, the appropriate mechanism will be determined according to the circumstances to ensure its proper implementation. Bezeq prohibits and will prevent any kind of harm to an employee who reports unethical conduct or concerns regarding prohibited actions in good faith (as set out in the Company's policy documents), and who is not personally involved in such incident.

### Protecting human rights

At Bezeq, we believe in the duty to uphold human rights, to protect the individual's freedom, dignity, freedom of movement, property, security, bodily integrity, equality, and prevention of discrimination of any kind. Full respect for human rights is an important and key value for the Group, which takes steps to promote and uphold them. The internal audit system coordinates and addresses any complaints that require attention. The Group complies with all the provisions of the law and beyond.

For further information, see the [Human Rights policy document](#)

### Preventing forced labor and employment of minors

Bezeq Group complies with all requirements of Israeli labor laws, and strongly condemns any form of child labor and forced labor. Children of employees are employed during the summer vacation in compliance with the law and an internal procedure on the subject. Also, the Company employs a limited number of trainees, under the law and in cooperation with their schools, as part of the Company's contribution to the community. ●

# Preventing discrimination, sexual harassment, and abuse

As a responsible employer, we maintain a safe, healthy work environment, free of racism, abuse, and sexual harassment. Bezeq follows a zero-tolerance policy for any form of discrimination, harassment, abuse, and display of violence of any kind.

The policies for preventing harassment, abuse, and discrimination and for preventing forced labor and the employment of minors are included in [the responsible employment policy document](#).

## Preventing sexual harassment

As required by law, all Bezeq Group companies have sexual harassment prevention officers, who are responsible for implementing the policy and procedure for preventing sexual harassment. Each Company employee is required to take an online course on the prevention of sexual harassment once a year. The Group companies require its managers to take an active and leading role in preventing sexual harassment and harassment. To eliminate these issues, all the necessary information about the measures to prevent sexual harassment and work harassment is accessible to Company's employees.

A complaint can be submitted to the sexual harassment prevention officer orally, by phone, or in writing. A complaint submitted to another party in the Company is sent to the sexual harassment prevention officer. After addressing the complaint, the sexual harassment prevention officer presents the findings to the VP of

Human Resources, who convenes a committee chaired by her to discuss the matter if necessary.

## Preventing abuse

The Bezeq Group acts to ensure a respectful organizational culture for all employees, especially in relations with managers, with the aim of reducing incidents of abuse at work.

## Prohibition of discrimination

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

# Internal audit of the Bezeq Group

The internal audit of the Bezeq Group includes an independent evaluation, which reviews the activity of each of the Group companies in accordance with the law and the internal procedures established by each company for itself. The objective of the audit is to help achieve, improve, and optimize the Company's goals.

Each Bezeq Group company has an internal auditor who heads the internal audit team and is entrusted with its management. The internal auditor is responsible for checking the integrity of the company's operations, its officers and employees, the reliability and integrity of financial and operational information, financial



management, automated information systems, and the IT security system in the company.

The auditor reports to the chairperson of the board of directors and the audit committee. In addition, the internal auditor is the contact for employee complaints and inquiries, in accordance with the procedures established by the audit committee.

In 2022, a digital tool for inspecting routine work was introduced into Bezeq's audit system, as part of further digitization and the migration to online work in the Company. An outside evaluation was also performed on the audit and its recommendations were implemented in the reporting year.

### A multitude of anonymous or open contact channels

There are several contact channels for employees, managers, and business partners, both anonymous and open, for consultation or reporting on ethics and proper management.

Contact can be made directly to the Company's auditor and ethics officers in several ways:

- A dedicated accessible hotline for employees
- Direct means: direct phone, email, fax, or handwritten letter
- Scheduling a personal meeting
- Contact through the internal portal, in which an anonymous application can be opened

These channels are published on the Company's portal and posted in rooms in the Company's buildings and are also sent periodically by email to all employees.

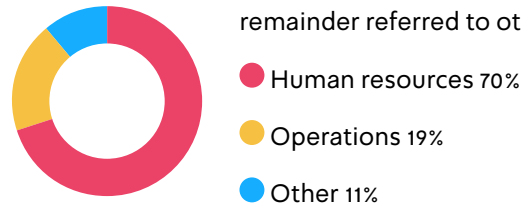
The system for applications and complaints of employees and stakeholders is critical to the management of Bezeq and its subsidiaries since this allows issues to be raised

that could not have been discovered otherwise. The system for applications and complaints is a mechanism for feedback and a means of receiving internal feedback to improve the Group's conduct and performance.

### Applications to the Company's internal auditor

Applications to the Company's internal auditor mainly address issues related to human resources and operations. The Company's internal auditor addresses these applications by making the necessary inquiries and assessments, based on the nature of the applications, with the relevant parties.

In 2022, 70% of the applications to the Company's auditor referred to human resource issues, 19% referred to operational issues, and the remainder referred to other issues.






### Key regulatory changes in 2022

Bezeq Group's main regulation activity is with the Ministry of Communications, and it includes conduct in general areas of legislation for telecommunications companies and in areas of legislation that directly concern the Group as a dominant player in the Israeli telecommunications market, such as the Group's commitment to comply with principles of fair competition.

Bezeq Group employees and managers participate in internal training and digital tutorials on regulation. The training subjects address routine conduct at work and include revisions and modifications in legislation and regulations relevant to the activities of Bezeq and its subsidiaries.



Key regulatory changes that were revised in 2022:

-  The ISP reform that allows Bezeq to become an end-to-end authorized ISP.
-  The deployment of fiber to single and double story houses and in the social-geographic periphery.
-  The landline telephony reform, which lowers prices for the customer by 40%.

In the second quarter of 2022, Bezeq paid a fine of NIS 6.75 million to the Consumer Protection and Fair Trade Authority for a claim from 2021 relating to the minimum download speed sold in the TOP100 package. In accordance with the settlement reached by the parties and approved by the court in April 2023 in the appeal filed by Bezeq, the fine was reduced to NIS 3.4 million, and the difference was refunded to the Company.

### Policy for preventing bribery, corruption, and conflicts of interest

Bezeq considers the prevention of bribery, corruption, and conflicts of interest as particularly significant issues for its business, financial, and operational conduct, and has a set of internal procedures to prevent bribery (including facilitation payments), and prohibitions on receiving gifts and favors. To review the Company's public policy, [click here](#).

# The work of the board of directors

Bezeq’s board of directors outlines the Company’s policy and determines its work plans, is responsible for approving the Company’s financial statements and financial situation, and supervises the actions of the subsidiaries. The board of directors operates within the powers granted to it under the Companies Law and in accordance with binding regulations. Members of Bezeq’s board of directors (other than the employee director) also serve as board members of the subsidiaries Pelephone, Bezeq International TECH, and yes (and some also serve as board members of the subsidiary Bezeq Online).

## The board of directors’ role in ESG management

In February 2022, the board of directors approved the expansion of ESG management as a direct continuation of the Group’s extensive activities in environment, social, and corporate governance. In this context, the board of directors approved the Company’s vision: Bezeq connects Israel to a better future.

In addition, the board of directors set long-term ESG goals, which are the basis for the goals and tasks to be carried out by the VPs in the Company. The board of directors also approved five ESG policy documents addressing responsible employment, environmental quality, social involvement, protection of human rights, and prevention of bribery, corruption, and conflicts of interest.

In February 2023, the board of directors approved the implementation of the Company’s ESG goals in the subsidiaries and approved another four policy documents addressing information security and privacy, employee complaints, safety and ethics, and responsible marketing. To read and review the policy documents, [click here](#)

## Communicating ESG information to the board of directors

Bezeq’s VP of Corporate Communications and Government Relations is responsible for the implementation of the Company’s ESG activities, together with the ESG director.

The VP reports periodically to the board of directors on the development of ESG issues. In addition, the board of directors receives periodic reviews on ESG management issues, including the annual plan for reaching Bezeq Group’s ESG goals.

In Bezeq’s subsidiaries, the professional managers report to the company’s CEO on ESG issues, and the CEO reports to the board of directors as part of routine management.

## Meetings of Bezeq’s board of directors

In 2022, Bezeq’s board of directors held 20 meetings, with the participation of all members of the board of directors, other than directors, who could not participate in some of the meetings or part of a meeting.

In addition, 38 meetings were held in the four active committees of the board of directors, as set out below:

| Type of committee                                 | No. of meetings | -nesba fo .oN seet |
|---|-----------------|--------------------|
| Meetings of the board of directors                | 20              | 1                  |
| Audit committee                                   | 19              | 0                  |
| Committee for re-viewing the financial statements | 10              | 0                  |
| Compensation committee                            | 8               | 0                  |
| Security committee                                | 1               | 0                  |

## Meetings of the board of directors of the subsidiaries

Each Bezeq Group company has its own board of directors. Below is information about meetings of the board of directors in 2022:

| Subsidiary               | No. of meetings in the reporting year |
|--------------------------|---------------------------------------|
| yes                      | 7                                     |
| Pelephone                | 8                                     |
| Bezeq International TECH | 11                                    |

## Procedure for electing members to the board of directors

As of the end of 2022, nine directors were on the board of directors, including three external directors and one independent director (who is not an external director).

The members of the board of directors are elected by the general meeting of the Company’s shareholders. The board of directors also has the option of appointing a temporary director for six months or until the next general meeting, whichever is earlier.

## Bezeq Board of Directors

| Name                   | Position  |
|------------------------|---|
| <b>Gil Sharon</b>      | Chair of the board of directors   |
| <b>Darren Glatt</b>    | Director  |
| <b>David Granot</b>    | Independent director  |
| <b>Zeev Vurembrand</b> | Chair of the financial statement review committee and chair of the compensation committee (external director) |
| <b>Patrice Taieb</b>   | Employee director   |
| <b>Tzipi Livni</b>     | External director   |
| <b>Edith Lusky</b>     | Chair of the audit committee (external director)  |
| <b>Ran Fuhrer</b>      | Director  |
| <b>Tomer Raved</b>     | Director  |

### Gender diversity in the board of directors

As of the end of 2022, seven men and two women served on the Company's board of directors. At the beginning of 2022, the board of directors set a goal to increase the proportion of women serving on the board of directors to at least 40% by 2030.

### Guidance and training of the board of directors

The majority of the board members – seven out of nine – have accounting and financial expertise, and the other two board members have professional qualifications. The Group companies take many actions to train and maintain the competence of the board members throughout their term of office, including providing training courses on corporate governance and risk management and seminars

held by the chairperson of the board, Group secretary, internal auditor, and outside legal counsel for the board of directors and more. In addition, there is an individual training for each new director.

The Company's internal auditor reviews the effectiveness of the boards' work as a tool to strengthen corporate governance enforcement and compliance. The results of the review are submitted to the audit committee and the board of directors for review and discussion.

### Adoption of internal compliance plans

Bezeq Group attributes utmost importance to maintaining high standards of proper corporate governance and invests heavily in preventing the violation of regulations while encouraging and assimilating a culture of effective compliance with the law in all activities of the Group companies. The Group voluntarily adopted internal enforcement programs in various areas, such as securities laws and competition laws (antitrust).

The objective of the enforcement plans is to implement the regulatory and legal provisions relevant to the Group companies, while establishing detailed control mechanisms to prevent failures and provision violations that may cause financial damage and harm to the Company's reputation.

The Group companies regularly assess the need to revise the enforcement plans and adapt them to the business activity and developing regulation, while ensuring that the employees receive periodic training according to their position.

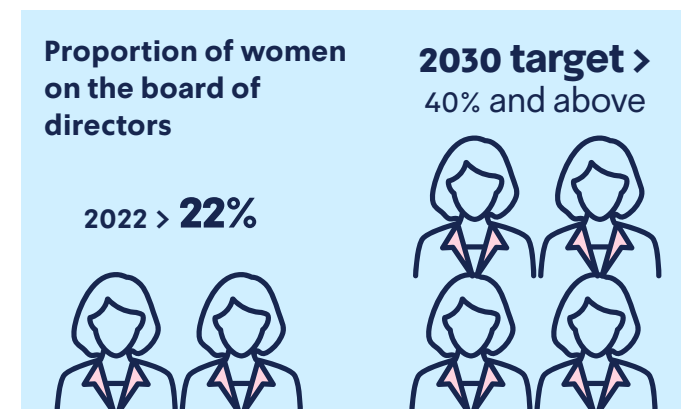
### Risk management system

Risk identification, assessment, and management of Bezeq Group are revised and discussed routinely in the Company's activities and the discussions of the board of directors and senior officers, as part of an ongoing procedure designed to maintain the quality and integrity



of management in the Company. The risk map changes according to market conditions and situations on the ground, and depends on internal factors, such as the nature of the services offered by the Company, and external influences, such as the market environment. The risk management policy is implemented through:

- ✓ Quarterly reports from each division
- ✓ Semi-annual forums with representatives from each division
- ✓ A dedicated management forum on risk management
- ✓ Reporting to the audit committee and the committee responsible for reviewing financial statements
- ✓ Presentation of the risk management report to the board of directors



### Communication of critical issues to the board of directors

The powers of the Company's board of directors are established in the Companies Law and the Company's articles of association. In addition, the work of the board of directors is also regulated by the Company's internal procedures.

In this context, procedures related to the transfer of information to board members were established, including material matters regarding the Company, procedures for sending messages and materials to the board members, the right of directors to receive information and secure their access to information, and regular reports to board members on matters related to the Company. In addition, procedures were defined for processes requiring the approval of the board of directors and for sending the relevant information to the board members.

### Compensation policy

As required by law, Bezeq defined a compensation policy for the Group's senior officers: the CEOs of Bezeq and the major subsidiaries, VPs at Bezeq, the Group secretary, the Company's internal auditor, and the chairperson of the board of directors. The compensation policy addresses the amount of compensation, its components, and how it is determined. The objectives of the policy are:

- ✓ To promote the goals of the Company and the Group
- ✓ To create an appropriate compensation system for officers
- ✓ To allow the Company to hire and retain senior managers

The parameters for assessing compensation conditions include:

- ✓ The education and expertise of the officer

- ✓ The officer's contribution to the Company's performance
- ✓ Market conditions
- ✓ The Group's need to retain the officer

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

### Stakeholders and the right to vote

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



# Securing Information and Protecting Privacy

**As our day-to-day conduct in all walks of life becomes increasingly digitalized, it becomes more important to protect and guard against cyber threats and information security. Digital threats may arise from a range of internal and external factors, including crime and terrorism.**

Hacking of organizations' databases could expose them to many risks related to the protection of intellectual property, theft and private information exposure of the organization's customers and employees, damage to business continuity activities, damage to critical infrastructures, financial fraud, and damage to the company's reputation. Our aim at Bezeq Group is to create and maintain functional continuity for us and our customers, while maintaining operational flexibility and preserving the customer experience.

### Advanced technologies against cyber threats

Bezeq Group companies have advanced capabilities to address cyber security threats, including a dedicated team of leading professionals and an information security strategy that includes policy, standards, architecture, and engineering processes.

Our comprehensive information security programs include compliance with strict norms and standards, use of the most advanced technologies for cyber risk, which are updated from time to time to prevent malicious or accidental use of data by an external or internal party, and backup and recovery plans.

### Upgraded management system

Our information security activity includes monitoring, collection, and follow-up using advanced systems, surveys in the supply chain and risk surveys, an investigations center, invasion tests, reports, end-to-end management,

ongoing drills, and a large-scale action plan to prepare us for cyber incidents. In addition, following Amendment 90 to the Telecommunications Law, in 2022, an improvement was made in the supply chain management system, and today everything is managed in one closed system with an interface that is more user-friendly and has a higher level of information security.

### The key points of the action plan for cyber protection

- ✓ Revising and synchronizing procedures between the information security parties and the corporate telecommunication department
- ✓ Periodic renewal of cyber insurance
- ✓ Joint cyber security drills with the technical teams
- ✓ Ability to set up from scratch after a cyber security incident
- ✓ Management drills
- ✓ Improving the procedures in synchronization with the legal department and professional advisors
- ✓ Forming a dedicated cyber event team and contracting with a professional company for additional support

### Proactivity and availability – the keys to top notch protection

As part of the transformation of Bezeq International TECH to an independent ICT company, we have established five central growth engines: international telecommunication, data center, integration projects, cloud services and

## The automatic protection of the Be router

Bezeq provides a cyber service with a user-friendly customer experience through Be routers, which are activated automatically without customer involvement. The protection actions of Be routers in 2022 include:

- ✓ Protection for **70 million** devices in our customers' home networks
- ✓ Blocking more than **2.5 million** DDOS attacks every day
- ✓ Preventing **3 million** phishing attacks every day



cyber protection. Our next step in the cyber world is the innovative Cyber Defenders service, which provides a comprehensive and advanced solution to the main problem facing organizations today – how to manage all the cyber solutions in the organization and respond promptly to cyber-attacks.

We chose a particularly smart SIEM & SOC solution for our customers with a 24/7 response, which will serve as an information security package for all assets in the organization. We understand the importance of information transparency, and as such, we provide a service in the innovative user portal that allows CISO to be connected to the system from anywhere and at any time, providing full visibility of everything that is happening to them in the organization. We are confident that this solution is good news in the cyber protection world and will provide a comprehensive solution for any organization, small or large.

### **Rimon 4 certification and separation of Pelephone networks**

Pelephone's telecommunication infrastructure is considered an essential national infrastructure. As an entity guided by the Prime Minister's Office, we have been certified for Rimon 4 - the highest information security certification required by the country's security agencies, which means the Company is protected against a cyber-attack by a hostile country. Furthermore, we have separated the engineering network from the administrative network to strengthen security and we incorporated new systems for protecting sensitive documents, preventing connection of foreign computers, and reporting hacking into the Company's systems.

### **Pelephone Cyber - the safest network in the country**

Pelephone provides free cyber protection to all its customers through the Pelephone Cyber BASIC service

that enables protection against cyber-attacks for mobile browsing, managing security levels for mobile browsing and alerts and tips for safe browsing. Using the Pelephone Cyber TOTAL service (for a fee), the customer receives the Norton Security app, enabling wi-fi browsing protection and alerts regarding suspicious apps on the device.

### **Upgrading yes internal systems**

At yes, in addition to the separation of networks, we implemented an innovative solution for managing and controlling user permissions and a system for scanning files before transferring them into the Company's systems. We have also improved the security support for email use.

### **Winning protection at Bezeq international TECH**

As part of the changes that Bezeq International TECH is undergoing to become an independent ICT company, we have defined five main growth engines: international telecommunications, data center, integration projects, cloud services and cyber protection.

Our great news in the cyber world is the Cyber Defender service, which provides a comprehensive and advanced solution to the main problem facing organizations today – how to manage all the cyber solutions in the organization and respond as quickly as possible to cyber-attacks.

To this end, we chose a particularly smart SIEM&SOC solution, in collaboration with CYREBRO, which has been adapted to all the existing information security solutions in the organization, and provides 24/7 response for our customers, generates recommendations for improving the organizational security system, and as such constitutes comprehensive information security protection for all assets in the organization.

Moreover, due to the extensive significance of

information transparency, as part of the service we provide an innovative user portal that allows CISO to connect to the system from anywhere and at any time, thereby obtaining a comprehensive perspective of everything that happens in the organization from a cyber protection perspective.

We are confident that this is a cutting-edge solution in the world of cyber protection and allows a comprehensive solution for every organization, small and large.

### **Maintaining privacy and increasing transparency**

The information security and privacy protection policy of the Group companies is published on the websites of these companies, and includes references to the principles and guidelines implemented by each company for maintaining the privacy of the information it possesses and that relates to all stakeholders - customers, employees, business partners, suppliers and others. All the companies comply with the data protection and privacy laws of the State of Israel.

Furthermore, in 2022 we published a document on Bezeq's website setting out the principles of information security and our protection of privacy policy to increase transparency with our customers and other stakeholders.

### **Annual cyber drill**

As the leading telecommunication group in Israel, and in the spirit of the technological era in which we live and work, we are particularly prepared for possible cyber threats. Therefore, parallel to the general emergency procedures, we conduct a specific cyber procedure for the companies and the divisions, and conduct an annual cyber drill for management with the assistance of an external cyber company. ●



# Excelling in Service



We extend our full attention and resources to lead in the quality of our products and services and provide our customers with an innovative purchasing experience of the highest standard. In 2022, we invested in the digitization of customer service, including the creation of digital interfaces for technicians and service providers in the various divisions at Bezeq and its subsidiaries.

### Leading in service indexes

The service divisions of all Bezeq Group companies maintain a high level of customer satisfaction through the many actions taken to maintain and constantly improve the customer experience, such as: consistent control, competitions among all division departments, and the implementation of technological tools and processes that improve service. As a result, we lead in service indices among the major telecommunication companies, based on the Ministry of Communications report published in 2022 and with respect to the previous year.

### Pelephone 5G

Among the cellular companies with more than 900,000 subscribers, Pelephone receives the least number of complaints (together with Cellcom): 1.54 complaints for every 10,000 subscribers.

Pelephone has the lowest rate of justified complaints (16%) among the large companies, and a rate of 0.41 among the justified complaints per market share.

Pelephone is the only company that achieved a final score of "very good".

### INTERNATIONAL TECH

Among the ISP companies, Bezeq International TECH has the lowest rate of complaints - 4.23 complaints per 10,000 subscribers.

Bezeq International TECH led the ranking of telecommunication companies\* in 2022, with an average response time of 2:44 minutes, a 30% improvement over the previous year.

\* In the internet and fixed-line telephone provider category.

### Excellence in the customer experience survey conducted by Marketest

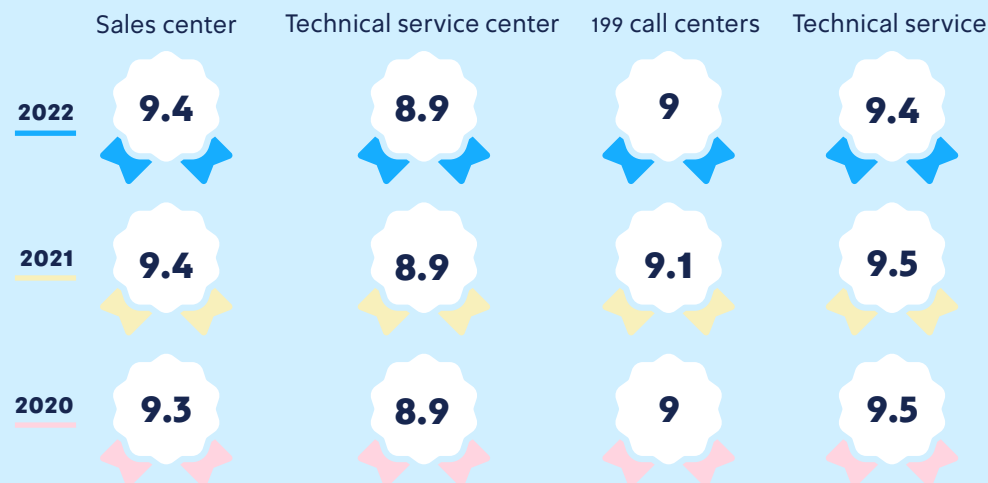
### Pelephone 5G

Pelephone achieved first place together with another company in the "willingness to continue being a customer" index (score of 7 out of 10), and second place in the "recommendation to friends" index, based on Marketest's customer experience survey in 2022.

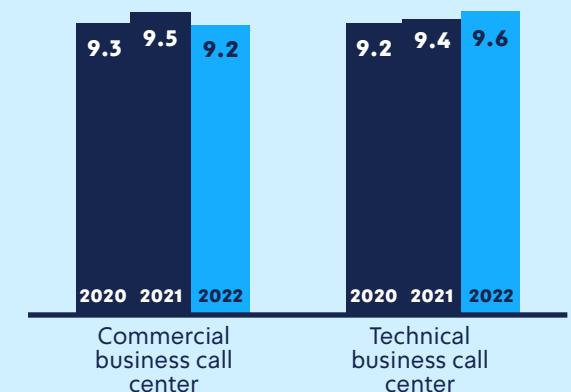
### yes.

yes achieved first place in all the ratings included in the survey: willingness to continue being a customer, recommendation to friends, and general satisfaction.

Every year, Bezeq customers award us scores of excellence in all service categories



### The same goes for Bezeq's business customers



The survey shows that yes has an advantage compared with the three competitors in terms of the level of satisfaction with the enthusiasm and willingness of the service representatives to help, as well as the parameters related to the product features.

Furthermore, the percentage of customers that expressed their intention to leave the company is low, and most customers in the industry who expressed their intention to leave their current providers would prefer to switch to yes.

### Sales quality and warranty

At Pelephone, we employ a team whose job is to verify the transaction with the customer and conduct sales quality control. The team member calls a sample of customers, clarifies the details of the transaction, and verifies that the customer understands. In addition, the Company's transaction cancellation procedure allows transaction cancellation at conditions broader than required by law.

### ISP services for Bezeq and yes customers

Following the changes in the Ministry of Communications policy, at Bezeq, we started to provide ISP (Internet Service Provider) services to end users in April 2022, and by the end of the year, half a million customers had already connected to the service. As a result of the sale of inclusive internet services, Bezeq customers can now enjoy quality internet at competitive prices, while receiving direct service for dealing with malfunctions and problems, thereby significantly streamlining the process compared with the situation where ISP services were separated from the infrastructure.

At the end of 2022, yes also launched ISP services, and now the company's customers can benefit from joint TV and internet service.

### Migration from satellite to streaming: yes continues to upgrade the viewing experience

This year, yes continued its strategy to transition from satellite broadcasts to streaming. As part of this transition, the company developed its yes+ service and increased the number of customers who view its content online. Furthermore, the company was selected as a partner for launching Disney's streaming services in Israel and received permission to offer its customers a triple package that combines television, ISP and internet infrastructure via Bezeq's existing fiber network, without the need to deploy dedicated infrastructure that would otherwise generate unnecessary waste.

### Digital and automated customer service

In 2022, we upgraded our digital and automated customer services by developing numerous self-service options on our website, including automatically answering 144 calls, activating a service bot for WhatsApp, and other support tools.

Over the year, Bezeq's business division launched dozens of diverse developments to improve and streamline automation and digitization for employees and technicians, including launching a marketers portal, upgrading the portal for business customer portfolio managers, integrating digital forms, and more.

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

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


### Online assistance system for yes customers

At yes, we launched a new service that allows online control of the customer's streamer in the event of technical malfunction. Using the system, the service representative can carry out actions with the customer and even characterize the use of the processor and memory, as well as close apps and connect to the internet. The service is also used to help the customer learn the various interfaces in the system, thereby enabling optimal accessibility for customers from specific population sectors, such as: people with disabilities, the elderly and new immigrants. In addition, we launched the TeamViewer system that allows online control of the customer's home PC and helps with training, testing and technical operation regarding internet issues (yesFiber). Together with these services, the yes customer service teams use video calls to understand the problem and to help solve it as quickly as possible. ●

**500,000 Bezeq customers connected to ISP services in 2022**

 Quality internet

 Competitive price

 Direct service for handling malfunctions



# Providing protected and safe content for various population groups

All Bezeq Group companies are obligated to provide their customers with content filtering service, free of charge, for internet, mobile and television services, in line with legislative and regulatory requirements.

## Safe browsing for children

The advanced wi-fi service that Bezeq launched in 2022 provides a solution for safe browsing for children and protection from offensive content using the Be router. In addition to basic filtering, the service allows parents to define permitted browsing time for each child separately, as well as a specific and separate profile for each end device.

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



\* From Bezeq's online status report for 2022

## Content filtering service for the ultra-Orthodox sector

In recent years there has been an increase in the number of ultra-Orthodox people who use the internet. According to data from Bezeq's state of the internet report, 37% of respondents from the ultra-Orthodox sector reported that in 2022, they browsed the internet more than in the previous year. Internet browsers from the ultra-Orthodox sector and other communities can use an interface for filtering content that may be inappropriate for their worldview.



# Making physical and digital services accessible

Bezeq Group companies take frequent measures to allow all customers, including people with disabilities, to access their physical and digital services easily and conveniently and to benefit from advanced telecommunication services. There is extensive information on the companies' websites about the accessible digital, physical, and telephone services provided, such as:

- Website and application accessibility
- Dedicated add-ons and accessories for people with hearing, speech and motor impairment
- A list of accessible Bezeqstore and Pelephone branches and information on accessibility arrangements
- The option to contact the companies' accessibility coordinators through the websites by email and telephone

## Annual accessibility training program

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

- An online accessibility course for all employees
- Focused training sessions for direct service providers: Call center operators, technicians and store staff
- Workshop for welfare and marketing managers at the subsidiaries on planning accessible events
- Hands-on accessibility event, together with the House of Wheels, as part of the corporate responsibility week

## Choosing accessible properties

The importance we place on physical accessibility is also expressed in the process of choosing a new real estate property and preparing architectural plans for opening a new service center or moving to a different location. In such cases, we follow the accessible property selection procedure that we drafted together with Access Israel and Accessibility Heritage.

## Pelephone is accessible: special service for people with hearing impairment

Resulting from an inquiry of a customer with a hearing impairment, who described the difficulties she experiences, we added a Narration on Hold option at Pelephone, which states while on hold that the person being called has impaired hearing and prefers to receive a written notice rather than a telephone call.

## Making the sites accessible

Pursuant to the Digital Accessibility Regulation that came into effect in January 2022, we made all customer documents in the personal zone of the Group companies' sites accessible. We also improved accessibility on the Pelephone, yes, and Sting TV sites.

## Innovative accessibility solutions

In 2022, as with every year, the accessibility coordinators and representatives of the companies participated in meetings, forums and conferences to continue to deepen peer learning with other companies and find the most innovative accessibility solutions. Bezeq was



represented at the Access Israel conference and the meeting of the international Valuable 500 initiative designed to promote accessibility and employment of people with disabilities worldwide.

## Accessible services and products for populations with special needs

To continue providing our customers with the most professional, reliable, fair, and advanced service, we emphasize the sales and service channels for special needs populations, such as the elderly, new immigrants, and people with disabilities, who occasionally require specific assistance, such as access or translation into another language. We instruct our managers and staff to be aware of these populations, be more courteous to them, understand their needs, and explain to them what is needed in the most suitable way for them. We also comply with, develop, and integrate work procedures to provide accessible service.

Bezeq, Pelephone and Bezeq International TECH operate a center that mediates between the population with hearservice providersservices providers in accordance with the regulations relating to equal rights for people with disabilities. All Bezeqstore and Pelephone stores are also accessible and sell cellular phones with improved accessibility for each type of vision, hearing, cognitive and motor impairment. Furthermore, all websites and digital assets are Level AA accessible, and the companies' websites have an accessibility gallery containing information on the accessibility arrangements. ●

# Fairness and ethics in customer service

## Commitment to fair pricing and responsible marketing

Bezeq Group companies operate according to the provisions of the law, and accordingly, have formulated a set of internal procedures based on the Consumer Protection Law and the related provisions and regulations. The companies enforce the sections relating to anti-deception, sales transactions and cancellation thereof, and the Consumer Protection Regulations. The companies' privacy protection procedures are based on privacy protection laws and the code of ethics of each company.

Further information on the subject is available in the [Responsible Marketing Policy](#) issued by Bezeq in 2022.

## Commitment to maintaining privacy and freedom of expression

At Bezeq Group, we are committed to complying with the legal requirements relating to the right to privacy and investing in maintaining the privacy of our stakeholders and information security. We are also committed to protecting the freedom of expression of our stakeholders online and in the media.

# Public complaints

In addition to technical support and sales and service centers, Bezeq Group companies have departments responsible for addressing public complaints. These departments can be contacted through the different websites of the companies, by email, postal mail and fax. The strategy of the Bezeq Group's public inquiries

departments is not only to provide a response and offer an adequate solution to complaints, but also to prevent and reduce customer complaints by analyzing them and drawing conclusions that improve the Company's operations. Pelephone, for example, takes proactive action whereby the public complaints department analyzes the information on customers whose bills are particularly high. These customers will likely complain to the service and/or public complaints departments. Therefore, the public complaints staff initiate contact with them in advance, inform them of the services they receive and assist them in finding the most suitable solutions at the most attractive prices. Such activity provides a rapid response, increasing customer satisfaction and trust while saving them money.

A person in charge has been appointed on behalf of the public complaints department for each area of operation, who assists the different department representatives when customers contact them before the public complaints department contacts them.

The departments operate methodically in order to provide the best solution. Every complaint is sent to the relevant parties for handling and monitoring, and a conclusion drawing process is performed for improvement purposes. Once a week and once a month, the information is gathered, summarized and presented to the management of each of the companies.

Each company has established a public complaints forum led by the service department director. The forum meets once a month to discuss horizontal issues raised from public complaints, to improve the processes in the Company.

## Direct line of contact for customers to the CEO

Pelephone and yes operate a direct line of contact for customers to the CEO and executive management. In

the past, such direct contact even led to changes in procedures and products. A CEO complaints forum also takes place with the aim of learning and drawing insights from customer complaints to the other public complaints channels in the companies.

The public complaints department also initiates direct contact with customers who report on the service experience in the Group's social media channels. ●








# Commitment to Responsibility in Procurements and Fairness with Suppliers

We believe it is our responsibility to ensure that the ESG norms we set for ourselves are also applied when working with our suppliers. At Bezeq Group, we maintain fair agreements with our suppliers, fulfill all our obligations towards them, and apply policies payment policy that benefits small-scale suppliers, suppliers of labor-intensive services, and more.

### Ethical procurement

Bezeq Group companies have a procurement policy that guides the procurement and purchasing department staff in all contracts managed by them, through training, education and implementation of work methods when starting the job and during their working period.

The procurement policy includes references to parameters such as:




-  Business license and regulatory permits as threshold conditions for agreements
-  The supplier's compliance with proper employment conditions, including compliance with laws for protecting employee rights
-  Safety management and the absence of conflict of interest in agreements with the Company

At the same time, in recognizing the importance of

corporate responsibility in the procurement processes and expanding the effect to our suppliers, all Group companies establish a responsible procurement policy and code of ethics for our suppliers, outlining the basic lines of our operations and those of our suppliers.

### Promoting human rights in the supply chain

We at Bezeq Group are committed to protecting human rights and also emphasize the subject in our procurement process:

-  We require suppliers to comply with all legal requirements in every area
-  We conduct spot checks for staff employment according to the law and other legal requirements
-  We ensure that our suppliers are familiar with our code of ethics and commitments to different human rights aspects

We are committed to ethical and fair conduct for our suppliers and business partners in accordance with and beyond the law, protecting their privacy and preventing disclosure of information about them to outside parties, prohibiting the acceptance of gifts, and other issues established in the code of ethics.

### Spot checks of supplier payments to their staff

The Bezeq Group is subject, among other things, to the provisions of the law to increase the enforcement of labor laws, and supervise their enforcement through the fair planning of tender rates for services, as well as through periodic inspections and monitoring of compliance with

criteria of service providers, such as cleaning, security, and catering. In 2022, we conducted 128 sample tests and spot checks of the pay slips and payments for our service providers' employees.

A small number of deficiencies were found, and we contacted the suppliers immediately to correct them and closely monitored their corrective actions. The test results and the corrective actions are reported to Bezeq's CEO once a year.

At the beginning of 2023, we discontinued the contract with one supplier due to an inspection conducted in 2022 in which we voiced general dissatisfaction with their performance.

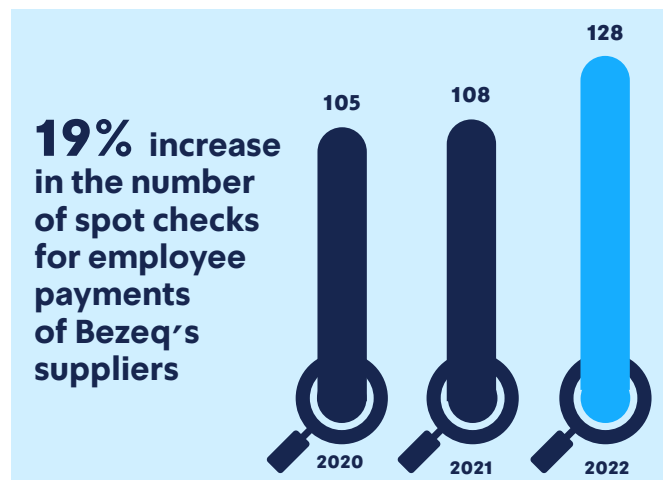
### Safe use of products

The products we market comply with the highest globally accepted professional standards in accordance with the provisions of the valid and relevant regulations.

### Promoting local procurement

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

In terms of giving gifts to the Group's employees on holidays and different events, Bezeq and its subsidiaries prefer social suppliers, charities, and organizations that represent and serve diverse populations and people with disabilities. ●



# About the Report

This report, which reviews the year 2022, is the fourth consecutive ESG report published by Bezeq, and the second report that includes three of Bezeq's four main subsidiaries: yes, Pelephone, and Bezeq International TECH.

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

The information presented in the report was collected from interviews with the Company's officers (employees and managers), analysis of the financial reports, and internal documents. The material issues reported in the Bezeq ESG chapter were refreshed and revalidated at the beginning of 2023, following changes in Bezeq's operations and on the basis of the revised GRI standard. For further information, please review the material reporting issues in the report.

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

**If you have any questions about the report and its contents, please contact us:**

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| <b>GRI 201:</b><br>Economic Performance 2016 | 201-1 Direct economic value generated and distributed                                | 5   |  |
|  | 201-2 Financial implications and other risks and opportunities due to climate change | Bezeq Group prepared a limited review of its environmental risks, but has not yet prepared a comprehensive environmental risk review. | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business</a>                                       |

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| <b>GRI 201:</b><br>Economic Performance<br>2016      | 201-3 Defined benefit plan obligations and other retirement plans                  | Further information is provided in response to the 2023 Maala rating: Bezeq advances measures to support employees before and after retirement, such as financing courses in preparation for retirement, advice on rights due, leisure activities for retirees, and encouraging ties between retirees, post-retirement eligibility, for the organization's welfare benefits, and development courses and training. The Company also provides options for continued employment after the retirement age (for further information, see page 35 of this report). In addition, Bezeq offers support in pension planning by increasing awareness of the importance of pension savings for all employees, offering pension advice as part of the benefits provided by the Company, providing guidance and tools for pension planning, training content experts on the subject in the organization, and providing tax planning advice for early retirement. |   |
|  | 201-4 Financial assistance received from the government                            |  | <a href="#">Notes to the consolidated financial statements as of December 2022</a>  |
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| <b>GRI 202:</b><br>Market presence 2016              | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | 34   | <a href="#">Equal salary report for male and female employees – Bezeq report for 2022</a><br><a href="#">Public report for 2022 – Pelephone (Hebrew)</a><br><a href="#">Public report for 2022 – yes (Hebrew)</a><br><a href="#">Public report for 2022 – Bezeq International TECH (Hebrew)</a> |
|  | 202-2 Proportion of senior management hired from the local community               | All Bezeq employees, in particular the senior management members, are employed in the State of Israel  |   |
| <b>Indirect Economic Effects</b>                     |  |  |   |
| <b>GRI 3:</b><br>Material Topics 2021                | 3-3 Management of material topics  | 18-31  |   |
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| GRI 205:<br>Anti-corruption 2016           | 205-1 Operations assessed for risks related to corruption                             | 48-49                    | <a href="#">Anti-bribery, corruption, and conflict of interest policy</a>  |
|  | 205-2 Communication and training about anti-corruption policies and procedures        |                          | <a href="#">Anti-bribery, corruption, and conflict of interest policy</a>  |
|  | 205-3 Confirmed incidents of corruption and actions taken                             |                          | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business</a>   |
| <b>Anti-Competitive Behavior</b>           |   |                          |  |
| GRI 3:<br>Material Topics 2021             | 3-3 Management of material topics   | 51; 49                   |  |
| GRI 206:<br>Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices |                          | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business</a>   |
| <b>Tax</b>                                 |   |                          |  |
| GRI 207:<br>Tax 2019                       | 207-1 Approach to tax   |                          | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business</a>   |
|  | 207-2 Tax governance, control, and risk management                                    |                          | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business</a>   |
|  | 207-3 Stakeholder engagement and management of concerns related to tax                |                          | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business</a>   |
|  | 207-4 Country-by-country reporting  |                          | <a href="#">Chapter A of the Periodic Financial Report for 2022: Description of the Corporation's Business;</a><br><a href="#">Directors' Report on the State of the Company's Affairs for the year ended December 31, 2022;</a><br><a href="#">Notes to the consolidated financial statements as of December 31, 2022</a> |

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| <b>Materials</b>                            |   |                          |   |
| <b>GRI 301:</b><br>Materials 2016           | 301-1 Materials used by weight or volume  | Unreported               |   |
|   | 301-2 Recycled input materials used   | Unreported               |   |
|   | 301-3 Reclaimed products and their packaging materials  | 44                       |   |
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| <b>GRI 302:</b><br>Energy 2016              | 302-1 Energy consumption within the organization  | 46-47                    |   |
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|   | 302-3 Energy intensity  |                          | <a href="#">Included in appendices to this report (ESG metrics)</a> |
|   | 302-4 Reduction of energy consumption   | 46-47                    |   |
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| <b>GRI 303:</b><br>Water and Effluents 2018 | 303-1 Interactions with water as a shared resource  | Unreported               |   |
|   | 303-2 Management of water discharge-related impacts   | Unreported               |   |
|   | 303-3 Water withdrawal  | Unreported               |   |
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|   | 303-5 Water consumptions  |                          | <a href="#">Included in appendices to this report (ESG metrics)</a> |
| <b>Biodiversity</b>                         |   |                          |   |
| <b>GRI 304:</b><br>Biodiversity 2016        | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Unreported               |   |
|   | 304-2 Significant impacts of activities, products, and services on biodiversity   | Unreported               |   |
|   | 304-3 Habitats protected or restored  | Unreported               |   |

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| <b>GRI 304:</b><br>Biodiversity 2016                      | 304-4 IUCN Red List and species on the National Conservation List with habitats in areas affected by the organization's activities | Unreported               |   |
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| <b>GRI 305:</b><br>Emissions 2016                         | 305-1 Direct (Scope 1) GHG emissions   | 47-48                    |   |
|   | 305-2 Energy indirect (Scope 2) GHG emissions  | 47-48                    |   |
|   | 305-3 Other indirect (Scope 3) GHG emissions   | Unreported               |   |
|   | 305-4 GHG emissions intensity  |                          | <a href="#">Included in appendices to this report (ESG metrics)</a> |
|   | 305-5 Reduction of GHG emissions   | 47-48                    |   |
|   | 305-6 Emissions of ozone depleting substances (ODS)  | Unreported               |   |
|   | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions  | Unreported               |   |
| <b>Waste</b>  |  |                          |   |
| <b>GRI 306:</b><br>Waste 2020                             | 306-1 Waste generation and significant waste-related impacts   |                          | <a href="#">Environmental policy</a>                                |
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|   | 306-3 Waste generated  |                          | <a href="#">Included in appendices to this report (ESG metrics)</a> |
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| <b>GRI 308:</b><br>Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria  | Unreported               |   |
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| <b>GRI 403:</b><br>Occupational health and safety         | 403-1 Occupational health and safety management system   | 35-36                    |   |

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| GRI 404:<br>Training and Education<br>2016                              | 404-1 Average hours of training per year per employee  | 33                       | <a href="#">Included in appendices to this report (ESG metrics)</a>   |
|   | 404-2 Programs for upgrading employee skills and transition assistance programs                                      |                          | <a href="#">Notes to the consolidated financial statements as of December 31, 2022</a>  |
|   | 404-3 Percentage of employees receiving regular performance and career development reviews                           | 33                       |   |
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| GRI 405:<br>Diversity and Equal<br>Opportunity<br>2016                  | 405-1 Diversity of governance bodies and employees   | 51                       | <a href="#">Included in appendices to this report (ESG metrics)</a>   |
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