Bezeq

BEZEQ GROUP

2025 SCOPE 3 EMISSIONS REPORT

Contents

Executive Summary

✔ In this report, we analyzed Bezeq Group's Scope 3 emissions for the year 2025, providing a comprehensive overview of the Group's indirect greenhouse gas emissions across its value chain. The report was prepared in line with the GHG Protocol's Corporate Value Chain (Scope 3) Standard.

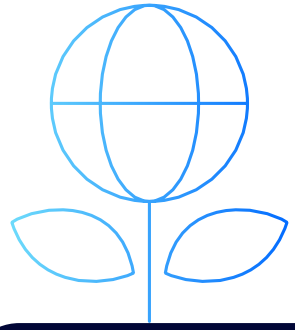
✔ The categories reported are: Category 1 – purchased goods and services, Category 2 – capital goods, Category 5 – waste in operations, Category 6 – business travel, Category 7 – employee commuting, and Category 11 – the use of sold products.

✔ Data was collected from the subsidiaries Bezeq, yes, and Pelephone, using a combination of primary supplier information and secondary data sources.

✔ Bezeq Group's total Scope 3 emissions for 2025 amounted to 94,100 metric tonnes of CO2e, representing a 17.4% decrease compared to the 2024 base year.

✔ Scope 3 emissions intensity also improved in 2025, decreasing to 10.81 MT CO2e per NIS million revenues, reflecting a 15.7% improvement compared to 2024.

✔ Despite continued growth in total subscribers in 2025, Bezeq Group reduced both its absolute Scope 3 emissions and its emissions intensity, demonstrating measurable year-over-year progress against its 2024 base year.



✔ As in 2024, most Scope 3 emissions in 2025 – approximately 70% – arose from Category 11 (Use of Sold Products), while Categories 1 and 2 together accounted for a further 29% of emissions.

✔ 2024 serves as Bezeq Group's established base year for Scope 3 reporting, and the 2025 report provides the Group's first year-over-year comparison against that baseline using a consistent methodological approach.

Purpose and Significance of this Report

Calculating Scope 3 emissions is a key component of Bezeq Group's commitment to environmental responsibility, transparency, and informed decision-making. Scope 3 emissions include indirect greenhouse gas emissions that occur across the value chain from sources not owned or directly controlled by the Group. By measuring and managing these emissions, Bezeq Group gains a more complete understanding of its total carbon footprint and can better identify the areas that are most material to its emissions profile.

This process supports more effective prioritization of reduction opportunities, strengthens engagement with suppliers and other value chain partners, and improves the Group's ability to track progress over time. It also aligns with global best practices in corporate climate reporting and supports Bezeq Group's broader ESG objectives.

As 2024 serves as Bezeq Group's established base year for Scope 3 reporting, this 2025 report provides the Group's first year-over-year comparison against that baseline. As such, it represents an important step in building a consistent, decision-useful framework for monitoring emissions trends and supporting future reduction efforts across the Group's operations and value chain.

Methodology

Scope 3 emissions were calculated and estimated based on quantitative and qualitative data collected from managers, employees, and internal records across Bezeq Group. The methodologies applied in this report are aligned with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The report covers the Scope 3 categories identified as material to Bezeq Group's business activities: Category 1 – Purchased Goods and Services, Category 2 – Capital Goods, Category 5 – Waste in Operations, Category 6 – Business Travel, Category 7 – Employee Commuting, and Category 11 – Use of Sold Products.

Bezeq Group purchases a wide range of goods and services. In this year's report, emissions were measured for over 65% of goods purchased in 2025, based on financial value. Emissions associated with purchased services were not included in the current reporting boundary.

To support year-over-year comparability, the methodologies applied in the 2025 report were kept consistent with the 2024 base year wherever possible. This enables the report to provide Bezeq Group's first comparative view of Scope 3 emissions performance against an established baseline. Where relevant, any methodological limitations or category-specific considerations affecting comparability are noted in the relevant sections of the report.

For comparability purposes, the 2024 comparative revenue figure used in this report for revenue-based emissions intensity metrics has been retrospectively updated to reflect updated Group revenue data and the reporting basis used in this report. Accordingly, the 2024 comparative emissions intensity metric per NIS million revenues has been recalculated and is presented on a restated basis. This revision affects revenue-based intensity metrics only and does not affect the Group's reported absolute Scope 3 emissions for 2024.

The Group intends to continue expanding and refining its Scope 3 calculations in future reporting cycles to improve coverage, accuracy, and decision-usefulness across the value chain. This includes broader engagement with suppliers and a gradual increase in the use of primary data, with the aim of strengthening emissions transparency and supporting more targeted reduction efforts over time.

Key Updates in 2025 Scope 3 Reporting

Key updates in the 2025 Scope 3 emissions report compared to the 2024 base year include:

The 2025 report provides Bezeq Group's first year-over-year comparison against its established 2024 Scope 3 base year, enabling a clearer assessment of emissions trends over time.

Methodologies were maintained consistently with the 2024 base year wherever possible in order to support comparability across reporting years and strengthen the reliability of trend analysis.

For comparability purposes, the 2024 comparative revenue data used for revenue-based intensity metrics was retrospectively updated, and the related 2024 intensity KPI was restated accordingly.

Performance is assessed using both absolute emissions and emissions intensity KPIs, providing a broader view of Bezeq Group's Scope 3 emissions profile in the context of business activity.

Reporting coverage across Bezeq Group was further expanded in 2025, including the addition of business travel data for yes employees.

Despite continued growth in total subscribers in 2025, Bezeq Group reduced its absolute Scope 3 emissions by 17.4% and improved emissions intensity per NIS million revenues by 15.7% compared to the 2024 base year, demonstrating measurable year-over-year progress.

Results

The reporting year covered in this report is January 1, 2025 to December 31, 2025.

In 2025, Bezeq Group recorded total Scope 3 emissions of 94,100 MT CO2e. Compared to the 2024 base year, this represents a 17.4% reduction in absolute Scope 3 emissions, marking the Group's first year-over-year view of progress against its established baseline.

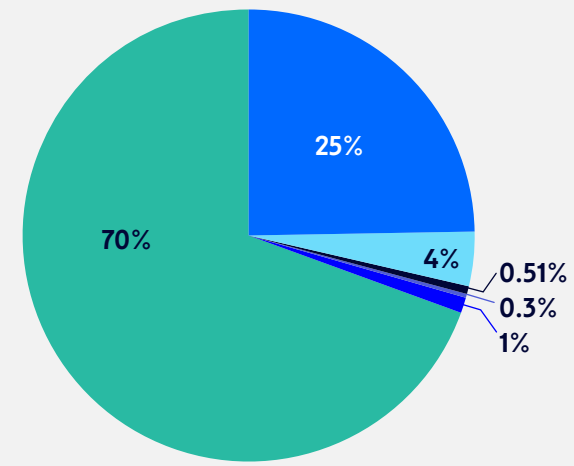
Scope 3 emissions intensity for 2025:
✔ **10.81 MT CO2e per NIS million revenues**
✔ **16.95 MT CO2e per thousand subscribers**

As noted above, 2024 serves as Bezeq Group's established base year for Scope 3 reporting. The 2025 report therefore provides the Group's first year-over-year comparison against that baseline. Emissions intensity is measured against revenues per NIS million, consistent with common practice among global telecommunications companies and comparable sectors. For comparability purposes, the 2024 comparative revenue figure used for the revenue-based intensity metric has been restated in this report. Accordingly, the 2024 comparative emissions intensity per NIS million revenues has been recalculated and is presented on a restated basis. This update affects revenue-based intensity metrics only and does not affect the Group's reported absolute Scope 3 emissions for 2024.

In the graphs below are the results for each scope 3 category, including a comparative view of 2024 and 2025 results:

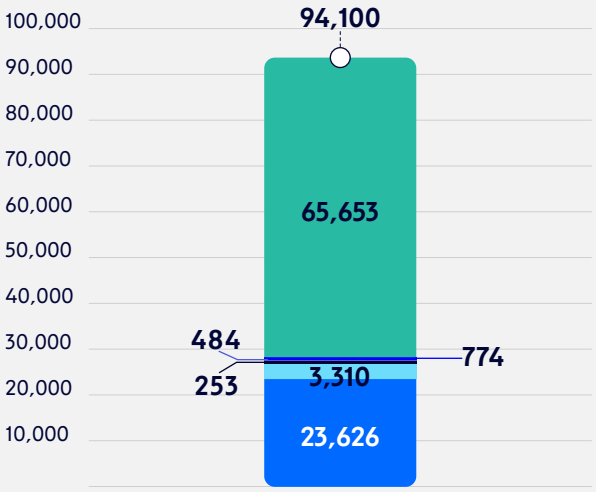
Emissions Per Category

(% of Total)



- Category 1: Purchased Goods and Services
- Category 2: Capital Goods
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 11: Use of Sold Products

Emissions per Category



- Category 11: Use of Sold Products
- Category 7: Employee Commuting
- Category 6: Business Travel
- Category 5: Waste Generated in Operations
- Category 2: Capital Goods
- Category 1: Purchased Goods and Services
- Total Emissions

1 As reported in Bezeq Group's 2025 FY Results – NIS 8.702 billion.

2 Bezeq, Pelephone, and yes subscribers reported in 2025 Investor presentation.

Scope 3 Emissions by Category: 2024 vs. 2025				
Category	**2024 (MT CO2e)**	**2024 (%)**	**2025 (MT CO2e)**	**2025 (%)**
Cat 1: Purchased Goods & Services	28,440	25.0%	23,626	25.1%
Cat 2: Capital Goods	4,458	3.9%	3,310	3.5%
Cat 5: Waste in Operations	462	0.4%	484	0.5%
Cat 6: Business Travel	184	0.2%	253	0.3%
Cat 7: Employee Commuting	789	0.7%	774	0.8%
Cat 11: Use of Sold Products	79,594	69.9%	65,653	69.8%
Total	**113,927**	**100%**	**94,100**	**100%**

Scope 3 Emissions Intensity: 2024 vs. 2025		
Metric	**2024**	**2025**
Total Scope 3 Emissions (MT CO2e)	113,927	94,100
Revenues (NIS billions)	[3]8.88	8.70
Emissions Intensity (MT CO2e per NIS million revenues)	12.83	10.81
Emissions Intensity (MT CO2e per thousand subscribers)	20.99	16.95

Overall, Bezeq Group's Scope 3 emissions decreased by 17.4% compared to the 2024 base year, from 113,927 MT CO2e to 94,100 MT CO2e, while emissions intensity per NIS million revenues also improved over the same period.

As can be seen from the above graphs, Category 11 (use of sold products) continues to dominate Bezeq Group's scope 3 emissions profile, accounting for approximately 70% of total emissions in 2025, consistent with its 70% share in 2024.

In absolute terms, Category 11 emissions decreased by 17.5% year-over-year, in 2025. This category takes into consideration the full lifetime of products and is heavily impacted by the specific electricity grid's energy mix where the products are used.

Categories 1 and 2 together account for approximately 29% of scope 3 emissions in 2025, consistent with their combined share in 2024. In absolute terms, Category 1 decreased by 16.9% and Category 2 decreased by 25.8%.

Both categories were calculated using the hybrid-data method, utilizing secondary data alongside specific suppliers' carbon footprints and EPDs. Engaging with suppliers to obtain primary data in future reports will improve the accuracy of scope 3 calculations and provide insights into where upstream value chain emissions can be reduced.

The remaining categories (5, 6, and 7) collectively account for approximately 1.6% of total emissions. Notably, Category 6 (business travel) increased by 37.5% year-over-year, partly reflecting the expanded reporting coverage to include yes employees in 2025.

These results are in line with similar companies in the telecommunications sector around the world.

3 2024 revenue and revenue-based intensity figures have been restated for comparability purposes.

Scope 3 Results
by Category

Below are the absolute and intensity results of scope 3 emissions per category.

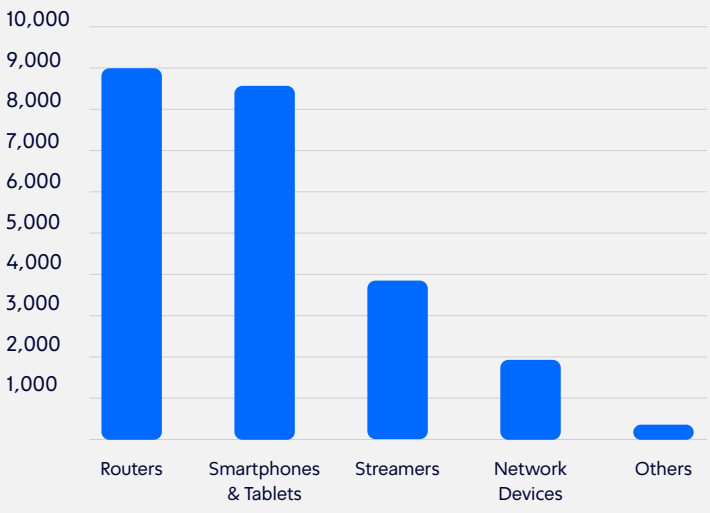
Category 1:
Purchased Goods & Services

Emission results – 23,626 MT CO2e
This category includes emissions from 13 product types purchased by Bezeq Group in 2025, covering over 20 suppliers. Goods represented in this category include internet provider accessories (routers, access points, etc..), mobile phones, TV streamers, and more.

Methodology – This category's emissions were estimated using the hybrid-data method, as defined by the GHG Protocol. Certified cradle-to-gate product carbon footprints (PCFs) or Environmental Product Declarations (EPDs) from major suppliers were used as primary data. Where product-specific data was unavailable, proxy values from similar models were applied and extrapolated across other suppliers' products.

This approach combines supplier-specific data with assumptions. Future improvements in scope 3 reporting will include increasing supplier-specific data.

Category 1 Emissions per Product Type



Category 1 - Emissions per Product Type: 2024 vs. 2025			
Product Type	**2024 (MT CO2e)**	**2025 (MT CO2e)**	**Change (%)**
Routers	11,091	8,968	-19.1%
Smartphones & Tablets	8,028	8,468	+5.5%
Streamers	7,344	3,850	-47.6%
Network Devices	1,846	1,929	+4.5%
Others	131	411	+213.7%
Total	**28,440**	**23,626**	**-16.9%**

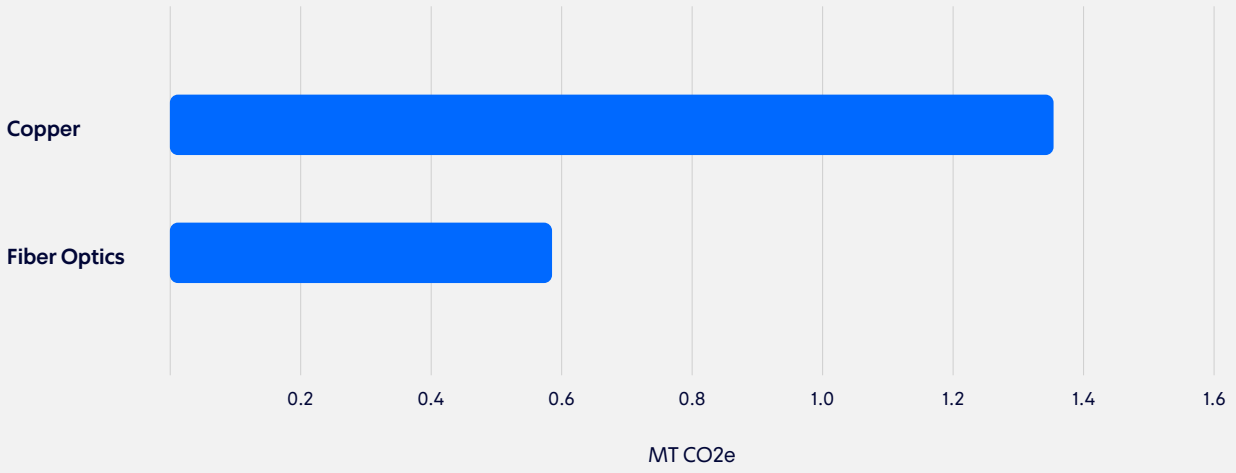
As shown in the table above, Category 1 emissions decreased by 16.9% in 2025, from 28,440 MT CO2e to 23,626 MT CO2e. The most significant reduction was in Streamers (-47.6%), followed by Routers (-19.1%), reflecting lower quantities of these products purchased during the year. Smartphones & Tablets and Network Devices remained broadly stable, recording modest increases of 5.5% and 4.5%, respectively. The Others category increased substantially, though it represents a small share of total Category 1 emissions. Overall, the reduction in Category 1 emissions is primarily driven by decreased procurement of routers and streamers across the Group.

Category 2:
Capital Goods

Emission results – 3,310 MT CO2e
This category includes 2 main types of cables (fiber-optic and copper) purchased by Bezeq from 10 suppliers to create infrastructure for the telecommunications sector. These cables are long-term assets used over multiple years to deliver internet services.

Methodology – This category's emissions were estimated using the average-data method in line with the GHG Protocol. As supplier-specific carbon data was not available for the cables purchased, secondary data from certified carbon footprints for similar products were used as proxies. These values were applied on a mass basis to the company's purchased cables across multiple suppliers.

MT CO2e Emissions per KM by Cable Type



Cable Type	2024 (KG CO2e/KM)	2025 (KG CO2e/KM)
Fiber-Optic Cables	0.6	0.6
Copper Cables	1.3	1.3

The emissions intensity per kilometer of cable remained unchanged between 2024 and 2025, at 0.6 KG CO2e/KM for fiber-optic cables and 1.3 KG CO2e/KM for copper cables. This is consistent with the fact that the same emission factors, derived from B-Cables EPDs, were applied in both years. The year-over-year change in absolute Category 2 emissions is therefore driven solely by changes in the quantities of cables purchased, rather than any change in the carbon intensity of the cables themselves.

Adopting fiber optics technology is a significant step in the Group's environmental commitment, as it is the most environmentally efficient solution in reducing GHG emissions.

Category 5:
Waste in Operations

Emission results – 484 MT CO2e
This category covers waste from Bezeq and Pelephone.

Methodology – Emissions were calculated using the average-data method, in line with the GHG Protocol. Waste amounts were collected by type from Bezeq and Pelephone and allocated to landfill or recycling streams. Standard emission factors from a major Israeli waste treatment provider , which include treatment and partial transport, were applied to estimate the associated emissions.

Company	2024 (MT CO2e)	2025 (MT CO2e)
Bezeq	347	393
Pelephone	115	91
Total	**462**	**484**

Overall, Category 5 emissions increased slightly in 2025 compared to 2024, reflecting higher emissions reported by Bezeq, partly offset by a decrease in Pelephone. Despite this year-over-year change, waste in operations remains a minor contributor to Bezeq Group's total Scope 3 emissions profile.

4 Emission factors taken from Hiriya Park – Carbon Calculator.

Category 6:
Business Travel

Emission results – 253 MT CO2e
This category covers business travel by employees of Bezeq, Pelephone, and yes in 2025, including flights and, where relevant, hotel stays.

Methodology – Emissions for most of the trips were calculated using a combination of the distance-based and average-data methods, while a small part of flights were estimated using the spend-based method. All methods were calculated in line with the GHG Protocol. Actual travel records, including flights, hotel stays, and amount spent were used. Emissions were calculated based on flight distances and travel class. Hotel emissions were estimated using average emissions factors per night by location. Emissions factors from established international databases were applied throughout .

Company	2024 (MT CO2e)	2025 (MT CO2e)
Bezeq	93.1	103.2
Pelephone	38.9	36.1
Yes	52.2	113.8
Total	**184**	**253**

Category 6 emissions increased in 2025 compared to 2024, with the most significant increase recorded for yes. This year-over-year change should be interpreted with caution, as it reflects not only a change in reported emissions, but also expanded reporting coverage in 2025, including the addition of business travel data for yes employees, as well as differences in methodology and scope between the two reporting years. Accordingly, the results are not fully comparable on a like-for-like basis.

5 Databases used were DEFRA, Hotel Footprinting Tool, and the EPA.

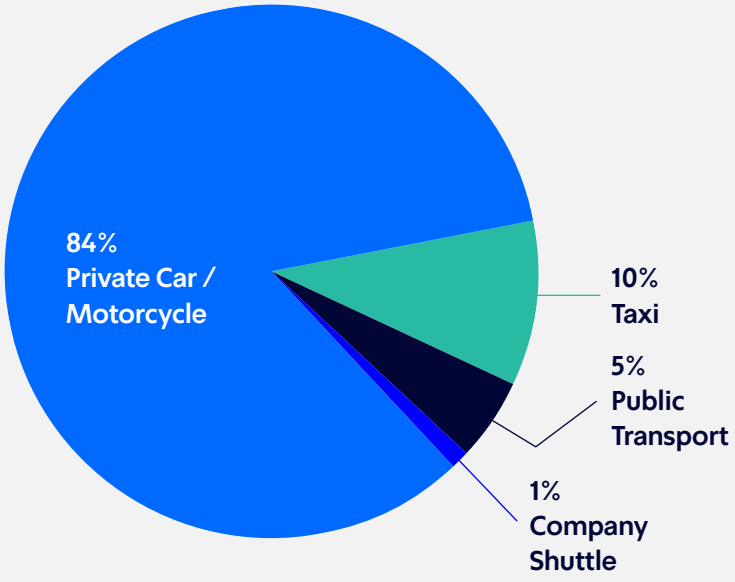
Category 7:
Employee Commuting

Emission results – 774 MT CO2e
This category covers employee commuting emissions for Bezeq and Pelephone employees in 2025.

Methodology – Emissions from employee commuting were estimated using survey data collected from Bezeq employees, covering mode of transport, commuting distance, and number of days worked in the office each week. For Pelephone warehouse employees, commuting by taxi was assessed using spend data, while commuting by shuttle was assessed using distance data. All results were multiplied by standard emissions factors from the DEFRA database for each transport mode. The calculations followed the average-data and spend-based methods, as defined by the GHG Protocol.

Category 7: Employee Commuting Emissions by Transport Mode - 2024 vs. 2025				
Transport Mode	**2024 (MT CO2e)**	**2024 (%)**	**2025 (MT CO2e)**	**2025 (%)**
Private Car / Motorcycle	649	82.4%	649	83.8%
Taxi	95	12.1%	80	10.3%
Public Transport	36	4.6%	36	4.6%
Company Shuttle	8	1.0%	8	1.0%
Total	**789**	**100%**	**774**	**100%**

Category 7
Share of Emissions per Transport Mode



Total Category 7 emissions declined modestly between 2024 and 2025, primarily due to lower taxi-related emissions. The overall commuting profile remained broadly stable, with private car and motorcycle use continuing to account for the large majority of emissions and representing the most significant opportunity for future reductions.

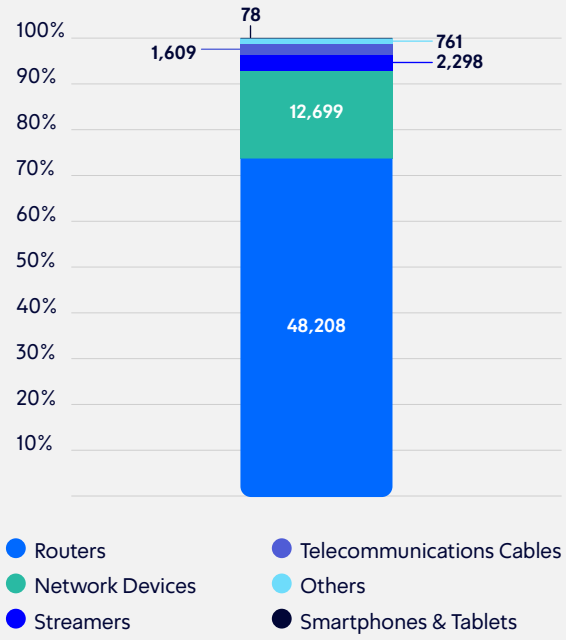
Category 11:
Use of Sold Products

Emission results – 65,653 MT CO2e
This category includes emissions for 16 of Bezeq Group's product types. Products represented in this category include internet provider accessories (routers, access points, etc..), mobile phones, TV streamers, and more.

Methodology – Emissions were estimated using the hybrid-data method, according to the GHG Protocol. Certified cradle-to-gate PCFs or EPDs from major suppliers were used as primary data. Where product-specific data was unavailable, proxy values from similar models were applied and extrap olated across other suppliers' products. It should be noted that the PCFs and EPDs applied are based on U.S. or global electricity grid assumptions, which differ from the Israeli grid mix. In future reporting, the Group plans to enhance accuracy by applying Israel-specific grid factors to better reflect use-phase emissions.

Lifetimes of three to four years were applied to smaller appliances, while a lifetime of 30 years was assumed for infrastructure products, in line with calculations completed across similar companies in the industry.

Category 11 Share of Emissions per Product Type



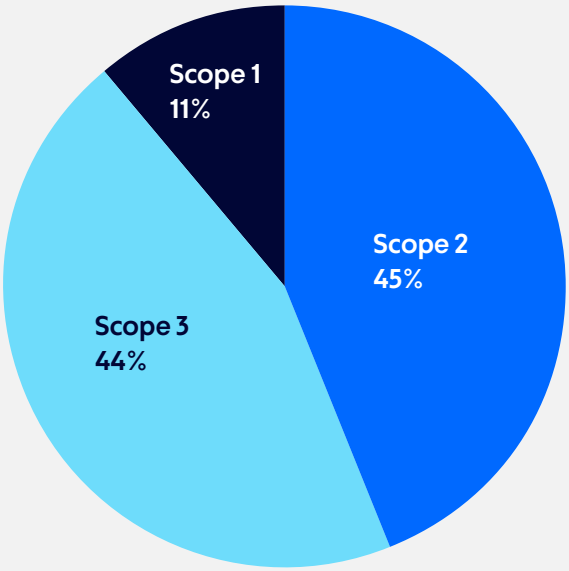
Category 11: Use of Sold Products Comparison 2024 vs. 2025				
Product Type	**2024 (MT CO2e)**	**2024 (%)**	**2025 (MT CO2e)**	**2025 (%)**
Routers	59,516	74.8%	48,208	73.4%
Network Devices	13,173	16.5%	12,699	19.3%
Streamers	4,383	5.5%	2,298	3.5%
Telecom Cables	2,216	2.8%	1,609	2.5%
Smartphones & Tablets	93	0.1%	78	0.1%
Others	213	0.3%	761	1.2%
Grand Total	**79,594**	**100%**	**65,653**	**100%**

Category 11 emissions decreased by 17.5% between 2024 and 2025. The reduction was primarily driven by lower volumes of residential routers deployed by Bezeq, while routers remained the dominant emissions source in this category in both years. Streamers recorded the sharpest decline of any product type, reflecting lower streamer deployments by yes. These reductions were partially offset by increases in other product groups, including higher deployments of certain devices by yes and Bezeq.

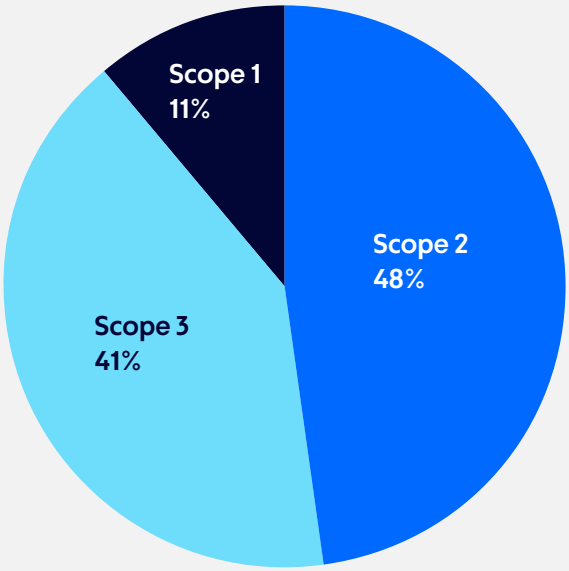
Scopes 1, 2, and 3

In 2025, Bezeq Group's Scope 1 and Scope 2 emissions were 25,207 and 110,086 metric tonnes of CO2e, respectively, reflecting a 4.8% decrease in Scope 1 emissions and stable Scope 2 emissions (+0.2%) compared to the prior year. These figures cover all companies within the Group. Scope 3 emissions for 2025 totaled 94,100 MT CO2e, representing a 17.4% decrease compared to the 2024 base year, primarily driven by lower Category 11 (Use of Sold Products) emissions following reduced hardware deployment across the Group. Scope 3 reporting for 2025 includes Bezeq and, in selected categories, expanded coverage of Pelephone and yes. In 2025, Scope 3 accounted for 41% of the Group's total emissions. This share is expected to increase in future years as Scope 3 reporting expands to include additional categories, products, and companies across the Group.

Bezeq Group's CO2e Emissions by Scopes - 2024



Bezeq Group's CO2e Emissions by Scopes - 2024



Scope 1, 2 & 3 Emissions - Comparison 2024 vs. 2025						
Scope	**2024 (MT CO2e)**	**2025 (MT CO2e)**	**Change (MT CO2e)**	**Change (%)**	**% of Total 2024**	**% of Total 2025**
Scope 1	26,483	25,207	-1,276	-4.8%	10.6%	11.0%
Scope 2	109,875	110,086	+211	+0.2%	43.9%	48.0%
Scope 3	113,927	94,100	-19,828	-17.4%	45.5%	41.0%
Total	**250,286**	**229,393**	**-20,893**	**-8.3%**	**100%**	**100%**

About Bezeq Group

Bezeq Group, Israel's leading telecommunications service provider, was established in 1984. The Group includes Bezeq Fixed-Line and its three primary subsidiaries: Pelephone, yes and Bezeq International TECH. Bezeq and its subsidiaries offer a full range of telecommunications services, including broadband Internet, other data communications, cloud and digital services, domestic and international phone services, cellular services, Internet and satellite-based TV and corporate networks. This report reviews the activities of Bezeq Fixed-Line, Pelephone and yes, in a majority of the categories.

This report was written and calculated with the assistance of Shibolet ESG, an ESG consulting company.

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