



Responsible Procurement Policy

Bezeq - The Israel Telecommunications Corp. Ltd.

This document reviews the main points of Bezeq's Responsible Procurement Policy
The document was approved by the Company's board of directors on April 9, 2024.

Introduction

As a company with complex supply chains and significant procurement processes, Bezeq believes that it is required to maintain a comprehensive policy in terms of procurement to effectively manage the dialogue and supplier control processes.

Bezeq purchases products and services from thousands of suppliers, striving to establish long-term relationships with suppliers based on mutual responsibility. We expect all suppliers to conduct their business in an economically, socially, and environmentally responsible manner in order to comply with all the relevant laws and agreements as they fulfil their obligations.

Objective

This document presents Bezeq's Responsible Procurement Policy and describes how it is implemented by the Company.

Our commitment

Our aim is to ensure that the supply chain operates in an ethical and environmentally friendly way. Bezeq attributes great importance to maintaining fair and effective partnerships with suppliers that share the Company's social and environmental values.

We expect our suppliers to meet the same high standards we set for ourselves. If we detect any deviation from these standards, we act to correct them and prevent them from recurring.

Supplier Code of Ethics

We invest great effort to ensure the Company enters into agreements with suppliers that are fair employers. In this context, we recommend that all suppliers review Bezeq's Code of Ethics to understand our values and expectations. In addition to Bezeq's Code of Ethics, a code of ethics was developed for Bezeq Group suppliers, and a pilot program is now running for dozens of suppliers to sign the code of ethics. Furthermore, Bezeq requires suppliers with a volume of activity exceeding a significant threshold to sign a statement declaring that there is no conflict of interest.

Supplier evaluation process

We regard our suppliers as partners in Bezeq's success, and we attribute great importance to the ethical conduct throughout our supply chain.

We strive to perform a thorough and comprehensive evaluation of our suppliers incorporating several parameters, such as aspects of ethics, quality, service, and transparency, and furthermore, we prioritize agreements with high-performing suppliers.

Supplier selection process

Bezeq encourages procurement from local, small- and medium-sized businesses, and from businesses that are socially and environmentally aware. To the extent possible, Bezeq chooses to work with socially responsible partners, from the purchase of office equipment and cleaning services, to purchasing holiday gifts.

Supplier diversification

We aim to work with a wide range of suppliers from different communities and regions as well as suppliers employing diverse populations. Accordingly, we often choose to work with small-scale local suppliers, even when there are imported alternatives. Bezeq is proud to contract with rehabilitation institutions and purchase products from small-scale social enterprises, which allow their employees to integrate into society and earn a living with dignity. Moreover, although Bezeq is not subject to the Mandatory Tenders Law, its procurement process also includes contacting several companies after a market survey in which the Company assesses the supplier's ability to meet its commercial, technological, and business-economic requirements, and proposes that companies in the market apply and offer their products or services through the website of the procurement division.

Inquiry to the Company relating to this policy

We ensure ongoing dialogue and meetings with our suppliers, and each supplier has a contact person in the Company for any issue. Inquiries regarding this policy may be made in writing or orally, openly or anonymously, to the Company's procurement department.