



Policy on Prevention of Bribery, Corruption, and Conflict of Interest

Bezeq - The Israel Telecommunications Corp. Ltd.

This document reviews the key points of Bezeq's policy on prevention of bribery, corruption, and conflict of interest.

The document was approved by Bezeq's management and the Board of Directors on February 24, 2022

Introduction

Bezeq operates with decency, integrity, and in full compliance with the applicable laws and binding regulations. The Company's internal Code of Ethics was prepared on said basis.

The ethical conduct of Bezeq, its employees and managers rely, first and foremost, on the Company's culture and values - including fairness, transparency, integrity, and reliability. These values contribute to the creation of safe and binding relationships based on trust and integrity with our employees, customers, business partners, investors, and other organizations.

Bezeq has a zero-tolerance policy about bribery, as well as on conflict of interests, and takes proactive measures to comply with all legal requirements as well as with this policy and the procedures derived thereof.

Applicability

This policy applies to all Bezeq managers and employees as well third parties operating on behalf of and/or for the Company.

Our undertakings

Compliance with the Bezeq Code of Ethics is the bar we set for our business conduct, each and every day.

In performing its business, Bezeq is committed to a strict ethical business conduct while making sure all follow the Company's Code of Ethics, including the high and strict standards related to not offering or accepting bribes, and corruption and conflict of interest prevention. The Company has a zero-tolerance policy towards violators of this policy, and takes significant disciplinary actions and, subject to the provisions of its collective labor agreement, can result in employment termination.

Our principles

Key principles within this policy include:

- Bezeq will not be directly or indirectly involved in offering a bribe or facilitation payment¹.
- Bezeq will not allow its employees, customers, and business partners to accept or make any payment or benefit, knowing that accepting such payment or benefit serves as a tool to offer a bribe or facilitation payment¹.
- Bezeq will not allow third parties acting on its behalf to be involved in offering or accepting bribes or facilitation payments¹ in any form whatsoever.
- The Company will make sure to record and maintain accurate records of payments and money transfers done on its behalf as a means to prevent incidents of bribery offers or acceptance.

Preventing conflict of interest

Employment of employees, suppliers, or relatives of employees and/or suppliers who have business or regulatory relations with the Company raises concerns about conflict of interests and may sometimes be considered bribery. Decisions on employing and promoting employees, or engaging with a third party, should be made based solely on relevant considerations and not on personal or other irrelevant motives.

Gifts and benefits

As a general rule, Company employees are prohibited from accepting gifts and benefits.

Business partners

Business partners are defined as: suppliers, customers, brokers, agents, and representatives. The Company expects its business partners to display similar codes of conduct to those defined in this policy. In every third-party engagement, we will make the best efforts to comply with bribery, corruption and benefits rules, as well as with Bezeq's internal procedures and every applicable law in this matter.

(1) Payments of small amounts to foreign officials in order to accelerate a bureaucratic process

Preventing money laundering

In compliance with the provisions of the Prohibition on Money Laundering Law 2000, every form of money laundering is prohibited. No person on behalf of Bezeq will attempt to conceal unlawful money transfers. We fully and transparently report and record all money transfers inside and outside the Company.

Donations

Bezeq allows Company funds donations that follow the Company policy approved by the Board of Directors. Donations are allowed after receiving the required internal authorizations and following the Company's procedures. When giving a donation, we make sure it is not considered an attempt to gain favorable treatment or benefit for Bezeq, or it is otherwise considered inappropriate. We also make sure that donations are not transferred to private individuals, governments, political bodies or public figures to avoid violating anti-corruption laws. We make sure donations are legitimate and not in favor of others or to be used for a different purpose other than its original purpose.

Compliance with policies and procedures on corruption and bribery

Risk management assessment - Bezeq conducts risk management on matters that are related to bribery and corruption incidents in which the Company is exposed.

Training and communication - we are committed to train all employees and suppliers on this policy, including providing relevant procedures and the tools to implement it.

The company has a number of internal procedures related to this policy, including the Code of Ethics, a procedure to prevent fraud and embezzlement, a procedure to act with integrity and a prohibition about accepting and giving bribes, and a procedure for sensitive positions, among others.

Reporting and response

Reporting and inquiry address

Inquiries submitted as part of this policy may be submitted in writing or verbally, with full disclosure or anonymously, to the Human Resources Division or to the Internal Auditor.

We are committed to investigate all filings, including those brought to our attention by the Company's security unit on information that includes suspected violation of this policy. Bezeq will take disciplinary and other actions as required.

No harm will come to an employee or an employee's terms of employment for reporting in good-faith an employee violation of this policy, if the filing employee is not found involved in the case.