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# 2024 Scope 3 Emissions Report

BEZEQ GROUP

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# Executive Summary

In this report, we analyzed Bezeq Group's scope 3 emissions for the year 2024, providing a comprehensive overview of Bezeq Group's indirect greenhouse gas emissions across its value chain. The report was conducted 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 2024 amounted to 113,876 metric tonnes of CO<sub>2</sub>e, with an emissions intensity of 14.73 (MT CO<sub>2</sub>e per NIS million core revenues).

Most of the emissions (approximately 70%) arose from category 11 (use of sold products), with categories 1 and 2 (purchased goods and capital goods) accounting for a further 29% of emissions.

This report marks 2024 as Bezeq Group's official base year for scope 3 tracking, positioning the Group to measure year-over-year progress.



# Purpose and Significance of this Report

Calculating scope 3 emissions is a critical component of Bezeq Group's commitment to comprehensive environmental responsibility and transparency.

Scope 3 emissions encompass the indirect greenhouse gas emissions that occur throughout our value chain from sources not owned or controlled by the company. By measuring and managing these emissions, Bezeq Group gains a more accurate and holistic understanding of its total carbon footprint, enabling us to identify key areas for improvement and to collaborate effectively with partners and suppliers to drive meaningful reductions.

This approach not only aligns with global best practices but also directly supports Bezeq Group's ESG goals.

Through proactive scope 3 accounting, we are better positioned to track progress and demonstrate leadership in sustainability to our customers and stakeholders, reinforcing our role in advancing a low-carbon, resilient economy.



# Methodology

Scope 3 emissions were calculated and estimated by collecting quantitative and qualitative data from managers and employees of Bezeq Group. The methodologies used in this report are according to the those outlined in the GHG Protocol's [Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#). This report covers the scope 3 categories deemed material according to Bezeq Group's business – categories 1, 2, 5, 6, 7, and 11.

Bezeq Group purchases a wide range of goods and services. In this year's report, we measured emissions from over 65% of goods purchased in 2024<sup>1</sup>. Emissions associated with services purchased by the Group have not been included.

In future reports, the Group plans to further expand and refine its scope 3 emissions calculations to ensure comprehensive coverage of the business and its value chain. Furthermore, we plan to work with more suppliers to increase the use of primary data in calculations.

## Key Updates in 2024 Scope 3 Reporting

Updates to the 2024 scope 3 emissions report compared to previous year's results:

- ✓ The calculations include a larger variety of core products.
- ✓ Methodologies have been adjusted to more accurately and comprehensively reflect the Group's emissions.
- ✓ Results will be assessed against both absolute and intensity KPIs.
- ✓ Reporting has been expanding to include additional companies in Bezeq Group for some categories (Pelephone and yes).

Due to these changes, Bezeq Group has designated 2024 as the base year for future scope 3 absolute and intensity emissions calculations and comparisons.

<sup>1</sup> Based on the financial value of goods purchased.



# Results

Reporting year covered in this report: January 1<sup>st</sup> 2024 – December 31<sup>st</sup> 2024.



Total scope 3 emissions for 2024:

**113,928** MT CO<sub>2</sub>e

Scope 3 emissions intensity for 2024:

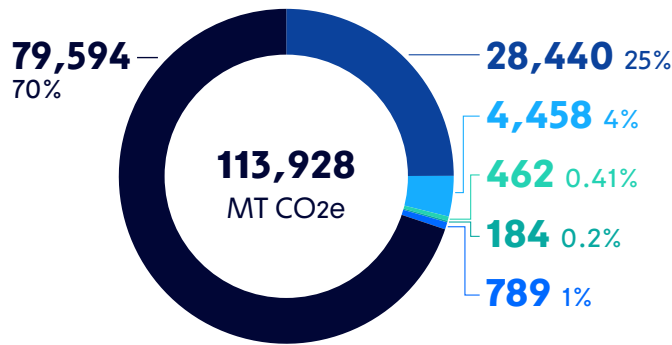
**14.74** MT CO<sub>2</sub>e per ₪ million revenues<sup>2</sup>

**20.99** MT CO<sub>2</sub>e per thousand subscribers<sup>3</sup>

As noted above, Bezeq Group has designated 2024 as the base year for tracking year-over-year trends in scope 3 emissions. Emissions intensity is measured against revenues (per ₪ million), consistent with common practice among global telecommunications companies and comparable sectors.

In the graph below are the results for each scope 3 category:

Emissions Per Category (MT CO<sub>2</sub>e)



- 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

As can be seen from the graph, the category with 70% of emissions is category 11 – use of sold products. 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<sup>4</sup>.

Categories 1 and 2 together account for 29% of scope 3 emissions. In 2024, category 1 does not include services purchased by Bezeq Group. These categories were calculated using the hybrid-data method which utilized both secondary data and data collected from specific suppliers’ carbon footprints and EPDs. The use of secondary data is less accurate and can lead to increased emissions being attributed to Bezeq Group. In future reports, engaging with suppliers to obtain primary data will improve the accuracy of scope 3 calculations and provide insights into where upstream value chain emissions can be reduced.

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

2 Bezeq Group’s core revenues – Total Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues. As reported in [Bezeq Group’s 2024 FY Results](#) – NIS 7.73 billion.

3 Subscribers to Bezeq, Pelephone, and yes reported in [2024 Investor presentation](#).

4 Category 11 was calculated using the GHG Protocol’s average-data method. The emission factors used reflect electricity consumption modeled using U.S. or global grid mixes.

# Scope 3 Results by Category

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

## Category 1: Purchased Goods & Services

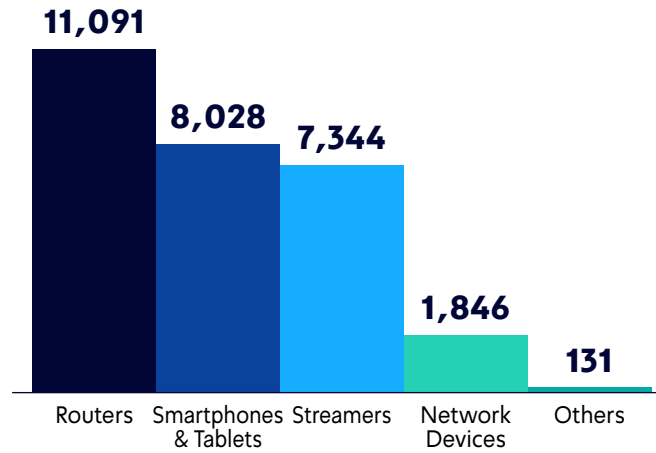
**Emission results** – 28,440 MT CO<sub>2</sub>e

This category includes emissions from 13 product types purchased by Bezeq Group in 2024, 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 (MT CO<sub>2</sub>e)



## Category 2: Capital Goods

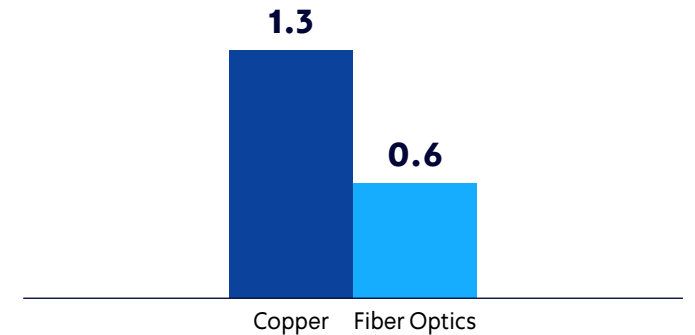
**Emission results** – 4,458 MT CO<sub>2</sub>e

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.

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 2 - Emissions per Cable Type (KG CO<sub>2</sub>e / KM)



 **Category 5: Waste in Operations**

**Emission results** – 462 MT CO<sub>2</sub>e

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 providers<sup>5</sup>, which include treatment and partial transport, were applied to estimate the associated emissions.

 **Category 6: Business Travel**

**Emission results** – 184 MT CO<sub>2</sub>e

This category covers flights and hotel stays for employees of Bezeq, Pelephone, and yes in 2024.

**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<sup>6</sup>.

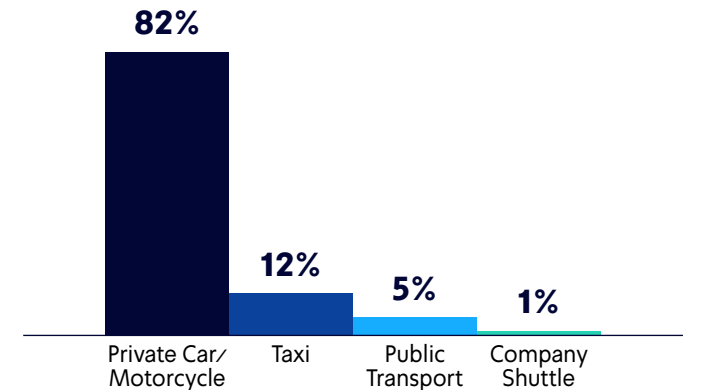
 **Category 7: Employee Commuting**

**Emission results** – 789 MT CO<sub>2</sub>e

This category covers approximately 1,000 Bezeq employees and 290 Pelephone employees in 2024.

**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 - Share of Emissions per Transport Mode**



<sup>5</sup> Emission factors taken from [Hiriya Park – Carbon Calculator](#).

<sup>6</sup> Databases used were DEFRA, [Hotel Footprinting Tool](#), and the EPA.

**Category 11:**  
**Use of Sold Products**

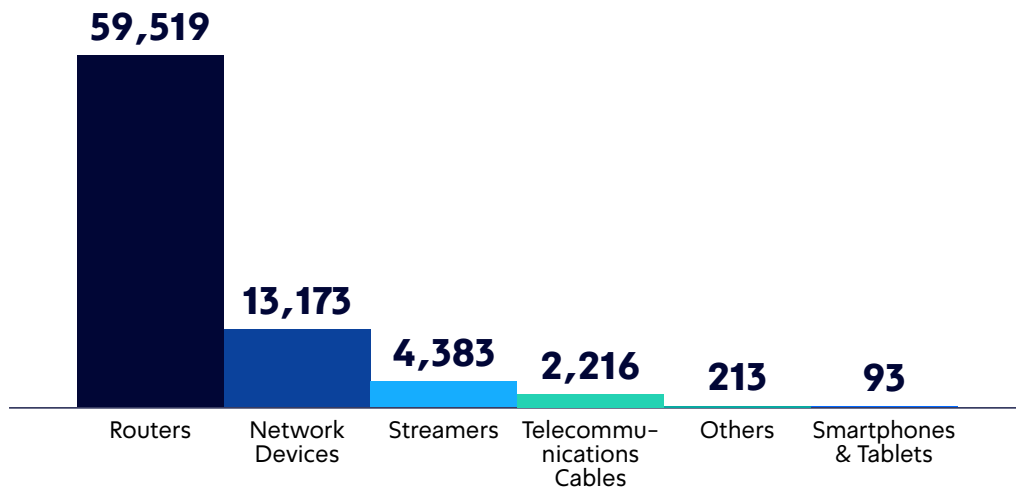
**Emission results** – 79,594 MT CO<sub>2</sub>e

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 extrapolated 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.

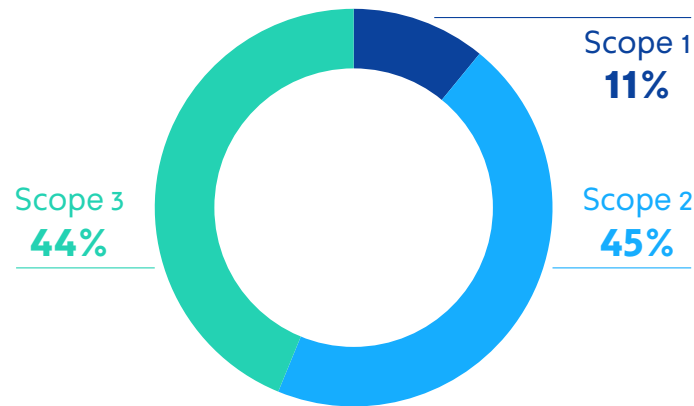
**Category 11 - Emissions per Product Type** (MT CO<sub>2</sub>e)



# Scopes 1, 2, and 3

In 2024, Bezeq Group’s scope 1 and scope 2 emissions were 26,483 and 109,875 metric tonnes of CO<sub>2</sub>e, respectively. These figures cover all companies within the Group. Scope 3 emissions for 2024 were reported for Bezeq, with partial coverage of Pelephone and yes in selected categories. In 2024, scope 3 accounted for 44% of 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 CO<sub>2</sub>e Emissions by Scopes**



# About Bezeq Group

Bezeq Group, Israel's leading telecommunications service provider, was established in 1984. The Group includes Bezeq and its four primary subsidiaries: Pelephone, yes, Bezeq International TECH, and Bezeq. 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, satellite and Internet-based multi-channel TV, and corporate networks. This report reviews the activities of Bezeq, including the activities of its subsidiaries, Pelephone and yes (not including Bezeq International TECH), in a majority of the categories.

This report was written and calculated with the assistance of Shibolet ESG, an ESG consulting company. For more information please visit our [website](#) or contact: [ya.cohen@shibolet-esg.com](mailto:ya.cohen@shibolet-esg.com).

