

# Our commitment



## Our Way of Doing Business



Bezeq's code of business ethics  
March 3, 2011

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## PART 1 – INTRODUCTION – OUR WAY OF DOING BUSINESS

### 1.1 What is a code of ethics?

Bezeq's Code of Ethics – Our Way of Doing Business – is a document that methodically sets out the principles and rules of proper behavior, providing guidance for the actions of senior officers, managers and employees in the company. In relating to the character and areas of the company's activities, the Code sets a "bar" – a practical ideal of the right and good we aspire to, and in this it differs from procedures or laws, which typically define an essential minimum standard of conduct.

In fact, Our Way of Doing Business is our ethical identity card – a specific and tangible declaration of things that we, managers and employees at Bezeq, believe in and aspire to.

As a formal document, a code of ethics cannot cover every possible situation. This means that in applying the principles of the Code of Ethics, we must exercise reasonable and appropriate judgment.

**All managers and employees at Bezeq have a duty, which is also a right, to study the Code of Ethics and to conduct themselves in accordance with its principles. The Code relates to all grades in the company – directors, senior officers, managers and employees.**

### 1.2 Complying with the law

The principles and rules set out in this Code are not the only source of the rules of conduct at Bezeq. They join and take their place on top of the essential minimum reflected in laws, regulations and company procedures.

**Acknowledgement of, respect for and obedience to the laws of the land and company procedures are the basis for the rules of ethics laid down in the Code.**

- 1.2.1 Bezeq managers and employees must respect the law and obey its provisions in full wherever they work.
- 1.2.2 In addition, Bezeq managers and employees must faithfully comply with procedures, regulations and norms of behavior to which the company and its employees are committed.
- 1.2.3 As a provider of services to the public, every manager and employee at Bezeq must exercise appropriate professional care while doing his work reliably and diligently.
- 1.2.4 Bezeq managers and employees should act within the authority granted them and exercise suitable means of control.

### **1.3 Management's responsibility**

Business ethics are a true managerial challenge and test. Management at Bezeq undertakes to lead the company according to the standards laid down in the Code of Ethics – Our Way of Doing Business, to serve as a model for personal integrity, fairness and honesty, and to be a guiding light for any act or conduct on the personal, professional and organizational level.

- 1.3.1 Managers should review and monitor any signs of unethical behavior in the company, and report them to the person in the company who is responsible for application of the Code of Ethics.
- 1.3.2 Managers should strive to create an atmosphere in which employees feel free to express their opinion and to report situations of conflict or ethical dilemmas which are not in accord with the Code of Ethics.

### **1.4 Principles of practice**

In a world of changing cultures, companies that rise and fall, services and products that appear and disappear, here at Bezeq we have determined five principles of practice. They are constant and immutable, since they reflect the very essence of Our Way of Doing Business:

#### **Integrity**

Be genuine and true to what we believe in. Act sincerely, fairly and with decency, and do the right thing without compromise.

#### **Respect others**

Treat everybody with respect: fellow employees, customers, our business partners and all those who work with us, because good manners come before business.

#### **Personal responsibility**

Each and every one of us bears personal responsibility for his actions, even when working as part of a group, whether large or small.

#### **Equality**

We believe in equality and non-discrimination based on gender, religion or ethnicity.

#### **Excellence**

Each of us is responsible for quality performance in every task and every managerial action we undertake. Professionalism, excellence and constant striving for improvement should be our guiding principle.

## PART 2 – PRINCIPLES OF ETHICAL BUSINESS BEHAVIOR

### 2.1 We are a team demonstrating mutual respect and commitment to self-realization.

#### The way

We relate to ourselves and our colleagues with respect, fairness and integrity. The differences between us as individuals is a human and business advantage in the group we comprise. We aspire to attract the best people, to develop and honor the contribution of each of us to our joint success.

#### With hand on heart

- > A safe and healthy work environment is the responsibility of each and every one of us.
- > A look, work or touch that is offensive, harassing or insulting, whether on ethnic, class or other grounds is not our way. If we witness such behavior, we will take steps to prevent it.
- > We will strive to prevent sexual harassment, and enable anonymous reporting without fear to the person in the company who is responsible for its prevention.
- > We will respect and be attentive to any employees with special needs.
- > We will take care to ensure that agreements between an employee and the company, the company and its employees and between the union and management and management and the union, are mutually upheld.
- > We will maintain open and courteous communication in which listening and dialog are the central pillar.
- > We will enable and promote the personal and professional development of others.
- > We will delegate authority to whoever is able to achieve the desired results, providing the help, resources, coaching and control required.
- > We will make only professional-pertinent use of personal information, ensuring the privacy of the individual.
- > When we use the professional fruits and achievements of our fellow workers, we will give credit where credit is due.
- > The fruits of any success should be shared by those who shared in its achievement.
- > We refrain from situations that regularly upset the balance between the work and personal life of the employee.
- > Ending an employee's employment should be appropriate and respectful, and where necessary, with assistance for the employee's continued personal and professional success.

## 2.2 Our customers and us

**Service – We are committed to customer satisfaction and will strive to make every meeting with our customers an "above and beyond" experience.**

The  way

We will strive to be the preferred choice of our customers, a choice based on quality, value and service to the highest standards for our customers. Our relations with our customers are long term, based on respect, integrity, professionalism and mutual trust. The good of the customer and immediate response to his needs lie at the core of our business activities and actions. We are business leaders because of the innovation, quality and service we provide for our customers, and we will not abuse any lack of understanding on the part of our customers.

### With hand on heart

- > We will respect every customer and relate to all his needs as a customer.
- > The services and products that we sell are designed for the customer's well-being, and we will do all we can to prevent physical, mental or moral harm to our customers.
- > Every customer enquiry will be given a rapid, courteous and professional response.
- > We will provide accurate and true information about our products / services or anything relating to offers made by our competitors.
- > Personal / business information conveyed to us by customers is a statement of trust in us. We will not betray that trust and will not allow that information to reach others without the customer's consent.

## 2.3 Company assets and us

**We strive to create maximum value over time for our shareholders.**

The  way

The investment of shareholders in the company is a sign of respect and belief in each of us, and we will work to enhance it over time while safeguarding the interests of the company.

Our actions as a business company are supported by two central pillars: the duty of fidelity and the duty of proper disclosure.

### With hand on heart

- > We are committed to increasing the value of the company's financial and material assets, its goodwill and intellectual property, and to safeguarding them against any damage, theft or loss.
- > The company's resources will be used only to promote the goals of the company.
- > The information (business, technological or other) in the company, including information conveyed to us by or about suppliers and customers, is an important and



vital asset. Such information is confidential, and we will not pass it on to any third party without approval.

- > We are committed to providing our shareholders with complete, accurate and relevant information so as to enable them to make educated business decisions.
- > We will not use inside information for personal preference or personal gain, whether direct or indirect.
- > We will avoid conflict of interest situations vis-à-vis the company, and if such a situation is unavoidable we will give advance warning and act in accordance with the company's instructions.
- > Our undertaking for the proper handling of company information survives even after our employment in the company has ended.

## **2.4 Our business partners and us**

**For us, fair cooperation with other business companies is an important component of what we do.**

**The  way**

*We strive to set up and enrich cooperative ventures with various business partners, such as dealers and distributors, suppliers and sub-contractors, as an important part in a constant process of improvement of readiness in a competitive market, and to create added value for our customers and shareholders.*

### **With hand on heart**

- > When discussing joint business ventures, we will relate to ethical aspects as well.
- > We will not use others to do what we believe we should not do ourselves.
- > Business engagements such as purchasing agreements, selection of a consultant, etc., will always be based on fair and relevant criteria (professionalism, price, quality, etc.).
- > Valuable gifts from our business partners will not be accepted.
- > When we bring gifts to our potential or actual business partners, it will be done openly, so as not be seen or perceived as "under the table".
- > Even in cases where we can legally withdraw from agreements, we will act practically and fairly.
- > We will refrain from business cooperation with entities who could besmirch the company's good name.



## 2.5 Our competitors and us

**We compete forcefully and energetically, but always fairly.**

**The  way**

We welcome competition because for us it is an ongoing challenge that enables us to be at our professional, creative and innovative best so as to provide our customers with the best.

### **With hand on heart**

- > Integrity and fairness are constantly in our sights when we relate to the products and services of our competitors.
- > We strive to lead the market through the quality of the products and services we provide, while upholding the rules of fair competition.
- > We will be fair in collecting information and will conduct ourselves in accordance with the provisions of the law and company procedures.

## 2.6 Community, environment and us

**We admire and are committed to the community and environment in which we operate.**

**The  way**

We come from within all strata of the community and from the environment and its rich landscapes, and it is there that we work. Our business provides communication services that we develop, improving the well-being of the community and the quality of all our lives. We encourage these activities also outside the realm of business and working hours.

### **With hand on heart**

- > The health and safety of the community and the environment in which we operate are always a top priority in our activities, and therefore we go above and beyond the requirements of the law.
- > We see corporate responsibility and being involved in and contributing to the community as core values, which we put into practice by means of donations, employees who volunteer their time, and true partnerships with social and other organizations.
- > When planning new projects, we take into account the community and environmental implications.
- > We see quality of the environment as a social value, and strive to safeguard and nurture it. In situations where damage to that quality is unavoidable, we will act to minimize it.
- > We avoid situations of conflict of interests that could arise between Bezeq and the organizations in which we volunteer.

- > Every employee has a right to a political opinion, but political activity is prohibited during work hours and the company cannot be used as a tool for promoting political messages.

### **PART 3 – REPORTING UNETHICAL CONDUCT**

- 3.1 Bezeq seeks to encourage a culture of dialog and consultation (with subordinates, colleagues or managers) when faced with events or decisions that have ethical aspects.
- 3.2 In cases where you feel uncomfortable consulting with direct managers or colleagues or such consultation takes place but is awkward, you can and should contact the person in the company responsible for application of the Code of Ethics.
- 3.3 If you find yourself in a situation where the Code of Ethics is violated (or the law is broken), or you learn of such a violation after it has occurred, it is your duty to report it. You can approach your direct managers or the person responsible for application of the Code of Ethics.
- 3.4 Your request to consult with or report to the person in the company responsible for application of the Code of Ethics, whether by telephone, in writing or in another way, may be made anonymously,
- 3.5 All requests will be dealt with discreetly, maintaining confidentiality and immunity to the broadest extent.
- 3.6 Bezeq prohibits and will do all in its power to prevent harm of any kind to an employee who reported in good faith on unethical conduct.

## **PART 4 – DO THE RIGHT THING**

A decision on a business action that has ethical implications is never easy, and could impact all six of the company's interest groups (employees, customers, shareholders, business partners, competitors, community). When such a decision is made, we must consider whether it is the right thing to do. The answer could be found in the following six questions:

**"6/6 vision"**

- > Is your action in keeping with Our Way of Doing Business?**
- > Is your decision loyal to Bezeq?**
- > Will you feel comfortable describing your action at a team or management meeting?**
- > Would you want your decision / action reported in the media?**
- > Would your action be perceived as proper by each of the six interest groups?**
- > Will you feel comfortable looking at yourself in the mirror?**

## PART 5 – APPLICATION, ASSIMILATION AND CONTROL POLICY

- 5.1 Bezeq's VP Human Resources is the person responsible for application of the Code of Ethics, and he fulfills that role with the help of a committee of fellow VPs and through company managers.
- 5.2 His responsibilities include instruction and publicity, control and enforcement, reporting, revision of the Code of Ethics (where circumstances require it), and constant striving to improve the ethical performance of the company.
- 5.3 Together with activities inside the organization, Bezeq will work to promote awareness among all interested parties in the company, of its business-ethical responsibility.

**Bezeq will take into account the extent of the ethics of an employee when discussing appointment to leading positions, and will show a clear preference for those who demonstrate integrity and loyalty and who create an ethical atmosphere around them which has a positive effect on the behavior of other employees.**



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