



GILAT HEADQUARTERS SUSTAINABILITY REPORT - 2021

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Introduction

As the worldwide leader in satellite networking technology, solutions and services, we recognize the increasing urgency and importance of protecting the environment and fighting climate change. We therefore take actions that may contribute to the sustainability of the world's resources and environment. Gilat's environmental impact is related to our products, services and facilities, and we make efforts to act responsibly, considering our community and the world we live in, so that our activities will be as sustainable as possible. We strive to increase our knowledge in order to act beyond compliance and become a leader in the environmental sustainability field.

Our daily operations and decision-making processes take into consideration environmental care and sustainability. Our commitment involves closely monitoring our compliance with local and international regulatory requirements in all of our locations around the world.

Gilat is committed to reducing its environmental impact throughout the lifecycle of our products, starting with our suppliers, continuing with our own products and operations and finally with our clients. As part of Gilat' overall [Corporate Responsibility - ESG Strategy](#), we have set an Environmental Sustainability Policy which includes the following commitments in our headquarters' offices in Israel, to ensure sustainability for current generations and the generations to come:

- We support the conservation of natural resources in our offices, such as materials, energy and water. As part of our sustainability strategy, we aim to reduce our consumption of water, electricity, paper and non-disposable utensils by using energy efficient systems and/or tools, and we seek other sustainable alternatives.
- We support a circular economy and adopt waste reduction strategies, reuse and recycling. We have reduced the use of paper and plastic and switched to recycled or managed forest paper and reusable options wherever possible.
- We are committed to green office practices during the process of procurement of office supplies and facility management.
- We participate in an industry zone administration, in collaboration with the local municipality, in order to raise awareness for environmental related issues in companies and/or industrial zones within the city's area.
- We are committed to reducing our carbon footprint by reducing our energy consumption, and we plan to seek renewable energy sources in order to reduce GHG emissions in the future.
- We are planning to move additional data centers to a cloud platform. By doing so, we will be able to reduce the use of hardware, and consequently reduce electronic waste.

We strive to continuously improve our environmental sustainability efforts and to reduce our footprint. Therefore, we set environmental sustainability goals and objectives, approved by management.

Transparency is a key contributing factor in environmental sustainability, therefore we decided to release this first sustainability report; future periodical releases will be shared with all our stakeholders. This report summarizes the key elements and achievements of our environmental activities at our headquarters in Petah Tikva - Israel in 2021.



Environmental Governance and Management at Gilat

We are committed to strengthening our corporate management system through the ongoing development of effective corporate governance that is both sound and transparent. We also work to continually upgrade and reinforce our compliance system in order to ensure that we conduct business in a manner which is legal and fair. Our environmental commitment involves closely monitoring our compliance with local and international regulatory requirements in all of our locations around the world, as well as applicable standards. Our Environmental Management System is certified by ISO14001:2015. We also comply with applicable product-related environmental and social regulations such as the EU regulation RoHS on the restriction of use of hazardous substances in electrical and electronic equipment; and Conflict Minerals requirements according to Section 1502 of the Dodd- Frank Act. We encourage our suppliers and sub-contractors to comply with these regulations as well.

Our environmental governance is led by our Chief Operational Officer (COO), responsible for our operational excellence, facility management, travel, procurement, and EHS (Environment, Health and Safety) issues. The COO overviews all environment and climate related issues as part of the function's ongoing activity, which is mainly managed by the facilities and administration director. Topics such as operations efficiency, compliance with ISO14001, reviewing and guiding strategy, major plans of action, annual budgets, setting and monitoring implementation and performance of objectives addressing environmental issues are part of the COO's responsibility.

Environmental topics are presented to management by the COO during quarterly business reviews (QBR). Additional meetings are set for specific topics when and if required.

With regard to public policy and external stakeholders' engagement, we are pleased to share the launch of a Sustainability Forum in 2021 as a cooperation between the local authorities (Petah Tikva Municipality) and local businesses. The main goal is to promote joint sustainability initiatives and the forum gathers at least once a month. Gilat's representatives take active parts in this committee.



2021 Environmental Performance

1. Greenhouse Gas (GHG) Emissions

Our GHG report from 2021 includes Scope 1, Scope 2 and Scope 3 emissions. Our activities are divided according to the following scope levels:

- Scope 1 (direct emissions) - emissions are those from activities owned or controlled by our organization:
 - Fuel consumption (for company cars)
 - Diesel consumption (for emergency generator)
 - Refrigeration operating emissions (AC systems for Office and Communication Rooms)
 - Fire suppression systems (electric panels and fire extinguishers)
 - Ozone Depleting Substances (ODS) for testing stoves

- Scope 2 (energy indirect) - emissions released into the atmosphere that are associated with our consumption of purchased electricity, heat, steam and cooling:
 - Electricity (generation factor)

- Scope 3 (other indirect) - emissions that are a consequence of actions that occur at sources we do not own or control and are not classified as Scope 2 emissions:
 - Business travel
 - Employee commuting
 - Paper consumption for printing
 - Single-use plastics consumption
 - Beverage can consumption
 - Paper recycling
 - Electronics and toners recycling

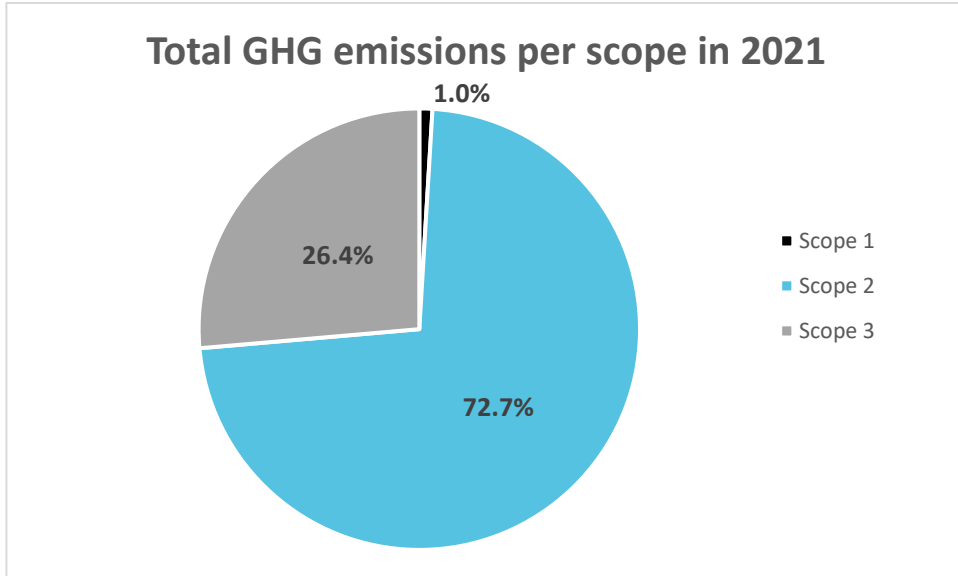
The calculation of GHG emissions was conducted according to the GHG Protocol. Scope 1 and 2 emissions were calculated based on the Israeli Ministry of Environmental Protection GHG Emissions Voluntary Reporting (2020 file version 13.0). UK Government conversion factors for greenhouse gas (GHG) reporting were used in all Scope 3 calculations.

In 2021, the total emissions from our headquarters in Israel and local operations accounted for a total of 1995.11 metric tons of CO₂e, divided as follows:

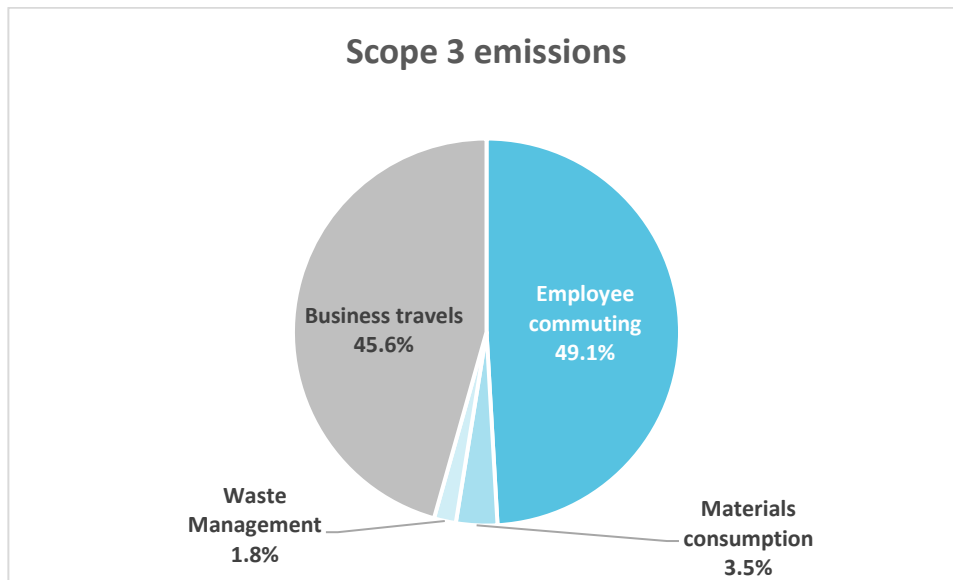
Greenhouse Gas Emissions	tCO ₂ e
Scope 1	19.03
Scope 2	1449.78
Scope 3	526.30
Total Emissions	1995.11



Electricity consumption represents our major source of GHG emissions with approximately 73% of overall emissions, followed by our Scope 3 emissions representing 26.4% and Scope 1 emissions with 1% of our total emissions.



Materials consumption, such as paper and cans, as well as waste management, represent only 5.3% of our Scope 3 emissions. However, we do have many activities in place to improve these activities from an environmental perspective as described in the following chapters. Employee commuting and business travel were the major source of Scope 3 emissions as shown in the graph below.



As part of employee benefits options, Gilat supports our employees with leasing agreements for their private vehicles, and encourage the choice of efficient and hybrid options as



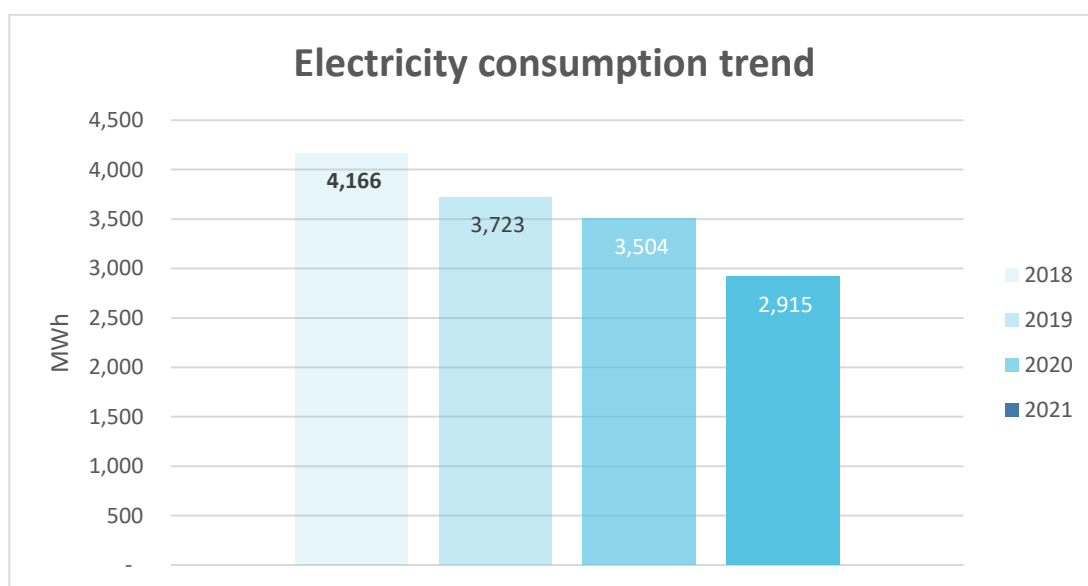
possible. We have even added double charging stations for electrical and plug-in vehicles. Nonetheless, our employees' residences are spread all over Israel, and unfortunately public transportation does not adequately meet their needs. Therefore, calculating the environmental impact of the employees commuting to and from our offices shows high emissions activity.

Business travel is an intrinsic part of our business. Even though 2021 still reflects a proportionally low rate of travel abroad due to the COVID-19 outbreak, lockdowns and restrictions, we still see the high impact of travel in our overall emissions report.

2. Energy Efficiency

As a technology company, Gilat relies on energy resources, primarily electricity consumption, for powering our operations and in the deployment of our solutions. Our company-wide commitment to support the conservation of natural resources, reducing energy consumption, seeking sustainable alternatives and creating energy efficient products is outlined in our Environmental Sustainability Policy.

We measure and closely monitor our electricity consumption on a regular basis. Each year, we set an organizational goal for reducing our electricity consumption and strive to reduce our electricity usage by promoting efficiency. In 2021 our goal was to reduce 2% of total electricity consumption from 2020. We have surpassed this goal, attaining an overall 16.8% reduction, mainly due to the replacement of two chillers with low COP (Coefficient of Performance) with more efficient units.





The graph above shows that 2021 was not an outstanding year regarding electricity reduction; however there is a clear reduction trend that reflects our continuous efforts to improve energy efficiency at our headquarters offices. The decrease of over 10% in 2019 was due to the installation of a building management system that controls and monitors the systems at our headquarters, in particular the chillers and air conditioning systems. In addition, in 2018 we replaced all lighting to LED and conducted a renovation taking into consideration energy efficiency. All activities contributed to electricity consumption reduction in 2019.

Electricity Consumption	2018	2019	2020	2021
Total kWh	4,166,000	3,722,720	3,503,910	2,914,720
Reduction per year		10.6%	5.9%	16.8%

In 2020, our total electricity consumption fell by approximately 6% as a result of our temporary work from home policy and gradual return to the offices implemented due to the global COVID-19 pandemic and its restrictions.

We continue to evaluate opportunities to reduce annual energy usage by improving efficiency and consolidating or eliminating redundant or underutilized office space. We aim to continue to reduce electricity use at our headquarters offices. For 2022, our goal is to attain a 2% reduction on overall electricity consumption despite an increase in employee on-site attendance.

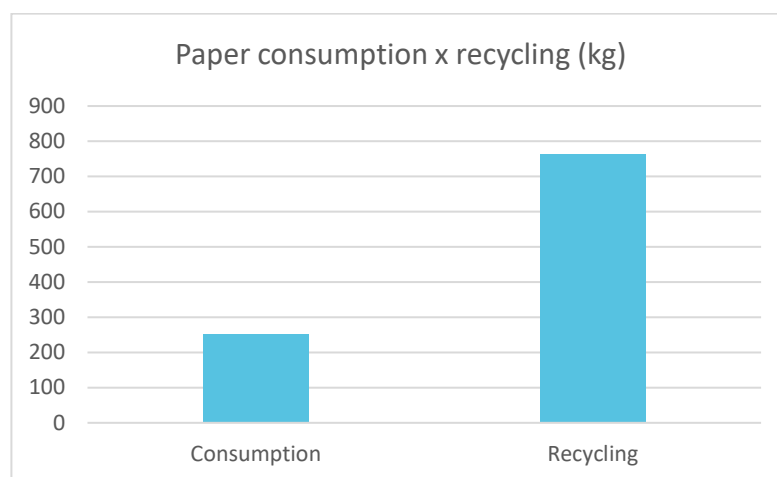
3. Material Consumption and Waste Disposal

As part of our environmental management efforts, we closely monitor and track the use of materials to ensure that they are correctly disposed of or recycled, where possible. At our headquarters we do not carry on manufacturing, and thus the majority of the data we track regarding materials usage pertains to office supplies such as paper, single-use plastics and beverage containers.

We achieved an 11.7% reduction in the amount of paper we purchased in calendar year 2021 compared to 2020, primarily as a result of our activities with printers and employee awareness. Since 2021 we have implemented systems to default printing on both sides of the paper sheets and installed printer management systems that reduce paper usage and waste by requiring an employee ID card to be physically scanned at the printer. This also allows for more secure printing. We have reduced the use of paper and plastic, and switched to recycled or managed forest paper and reusable options wherever possible. In the last quarter of 2021, we started to purchase recycled paper, accounting for approximately 50% of our consumption, and expanding in 2022 to 100%.



We support a circular economy and adopt waste reduction strategies, reuse and recycling. Our recycling vs. purchased paper rate surpasses 300%, as seen in the graph below, explained by the elimination of our archives, along with our continuous efforts to promote paper consumption awareness, measures to transfer hard copy information into digital media and recycling activities at our offices.



Proper disposal of electric and electronic waste is a priority for our environmental management system. Our goal is to have 100% of our electric and electronic waste disposed according to local regulations, preferably for reuse and recycling. Internally at Gilat's headquarters, we recycle all electronics and computers used in our offices including e-waste from offices that were decommissioned and old IT equipment. We encourage the increase of electric and electronic waste recycling since our employees have ready access to e-waste bins where they can recycle electronic products and batteries from our offices.

In addition to paper, electric and electronic waste, the rest of our waste disposal in 2021 was landfilled. Going forward, we intend to improve our ability to collect, recycle, track and report on data related to our recycling efforts.

4. Employee Engagement – Gilat Goes Green

According to our Environmental Sustainability Policy, we expect all employees to be engaged for the environment and make careful use of resources and join the recycling and other sustainability efforts we take in our headquarters offices. We address environmental challenges in our headquarters offices through various responsible means and ask our employees to take part in using them. We also inspire employee conscientiousness in support of the environment and promote ideas and suggestions for improvements.

In order to increase our employee's environmental awareness and engagement in our headquarters offices, we started planning during 2021 and launched in February 2022 our internal campaign: **Gilat Goes Green** – the implementation of a Greener Office.



In Hebrew: "we did not receive this world from our parents as a gift, we borrowed it for our children" (popular saying)

After having an environmental survey among our key internal stakeholders, we addressed the following issues at our headquarters in Israel:

- Waste separation for recycling:** we have placed different waste bins for the separation of waste categories such as packaging, batteries, beverage containers and paper. By doing so we reduced our general waste which is disposed at landfills and increased the rates of waste sent to recycling. This activity is in addition to our ongoing recycling of printer toners, electrical and electronic waste. The waste disposal is done by a third-party company that employs people with disabilities.



In Hebrew: Separating waste for recycling

- Increasing sustainable material sources:** the paper towels in all dispensers are now made from 100% recycled material, as well as printing paper for photocopying, except specific departments who use 50% recycled paper due to legal/accounting requirements. We have also replaced our cleaning products with biodegradable and more sustainable material options.



In Hebrew: Switching to reusable

- Single-use reduction:** we reduced almost completely the use of plastic and paper disposables cups. Each employee received a personalized reusable water bottle, coffee mug and utensil set. Reusable public glasses for guests were made available in large conference rooms and all kitchenettes. During morning refreshments, we use reusable plates and utensils, and biodegradable bowls for yogurt / cereal.



- **Environmental awareness communication:** As part of the Gilat Goes Green launch, we invited all Gilat's employees in Israel to a special webinar about climate change and sustainability, from both worldwide and local perspectives, and how each one of us can contribute to this mutual worldwide effort. We placed signs in all toilets and hand-washing areas encouraging employees to save water, as well as signs near exit doors of all conference rooms to turn-off lights and unplug electric devices, and signs at all elevator doors to encourage use of stairs. At the launch of the program, we had a fun energetic activity where employees could make their own fresh fruit shakes made by bicycle pedaling energy.

Employee feedback was very good and we intend to continue with environmental activities in 2022. From an external point of view, we believe it will increase the company's attractiveness to future employees as well.

Looking forward, during 2022 we will cooperate with "Leket Israel" (NGO) for donating leftover meals and we will provide to our employees reusable bags for take-away services, to reduce plastic waste.

About this Report

This report contains an overview of Gilat's environmental projects and activities through June 2022 and environmental performance during calendar year 2021, detailing activities from our headquarters in Petah Tikva - Israel. This is our first report and we intend to present our performance, providing clear and easily comparable data, on future annual reports. The report was written with the assistance of Green Target – an EHS and Sustainability Consulting Firm.

We wish to thank all the people involved in the collection of data, writing and production of this report.