

ORMAT TECHNOLOGIES INC.

SUSTAINABILITY REPORT 2020

Our Environmental, Social
and Governance Performance Highlights



ORMAT



*Steamboat geothermal complex, NV,
U.S., 84 MW*

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CHAPTER I.
A MESSAGE
FOR OUR
STAKEHOLDERS



McGinness Hills Complex, NV, U.S., 160 MW



FROM THE CEO:

To our Stakeholders,

As I reflect on 2020, perhaps the biggest lesson brought into sharp focus by the COVID-19 pandemic is the interconnection of all countries, governments, businesses, institutions, communities, and people. It highlighted the priority of addressing poverty, social, and racial inequality. It reinforced the importance of efforts to provide clear, credible information and thoughtful, coordinated action. Critically, it firmly elevated the importance of sustainable thinking and practices.

Ormat's people, in every part of our global operations, rose to and responded effectively to the difficult challenges posed by the pandemic. Our flexibility, adaptability, and application of strategic, creative thinking ensured that we made meaningful progress toward our long term operational and financial goals while at the same time continuing to protect both our people and our environment. Though 2020 was a year of unprecedented adversity, the lessons we learned during this challenging time have made us a stronger company and have strengthened even further our commitment to supporting a sustainable future.

ABOUT THIS REPORT

In this report, we provide a detailed overview of what sustainability looks like at Ormat, through a rigorous environmental, social and governance (ESG) performance prism. Our 2020 Sustainability Report is the third we are publishing in alignment with the GRI Sustainability Reporting Standards reporting standard CORE option and the first to include reporting standards from the Sustainability Accounting Standards Board (SASB). This commitment enables us to provide sector-specific coverage on our ESG impacts, across our entire value chain.

OUR CORE VALUES

Ormat's five core values - stability, constant renewal, full commitment, courage, and creativity -continue to drive our business practices and decisions. In accordance with these values, we are focused on addressing the climate and societal challenges before us with full commitment and courage.

PROTECTING OUR PEOPLE AND LOCAL CUMMINITIES

In March 2020, when the World Health Organization (WHO) officially deemed the outbreak of the COVID-19 a pandemic, Ormat developed an extensive program of working practices to meet and exceed government requirements in each of the global jurisdictions in which we operate. As part of our commitment to protect and preserve the health and safety of our employees, we temporarily enabled employees to work remotely, adopted separate shifts in our power plants and manufacturing facilities to promote social distancing, and created a robust COVID-19 safety program for managing risk on-site. We also took steps to protect our stakeholders. We held our first "virtual" Annual General Meeting and instituted online contact protocols

with clients, contractors, vendors, and other stakeholders, while ensuring that all offices and facilities offered stringent protective guidelines.

At a time when the fiscal fallout of the pandemic led to significant global layoffs, Ormat chose to retain all employees at their full salaries, avoiding lay-offs or furloughs caused by the COVID-19 crisis. Notwithstanding the financial impacts suffered to certain sectors of the Company due to pandemic impacts, I am very proud that our global workforce of approximately 1,400 employees retained their economic security during a time of extraordinary uncertainty and I am grateful for our employees' hard work, extraordinary efforts, and ingenuity during these unprecedented times. I am also extremely proud of Ormat's continuous commitment to and support of local communities. As one example, and to combat growing food insecurity caused by the pandemic, Ormat provided funds, food, and resources specifically for COVID-19 related response efforts to our local communities.

OUR RENEWABLE GROWTH PLANS

Ormat's mission is to be the world's leading renewable energy provider. Our company has a 56-year history of renewable energy innovation, and we currently own and operate 1,100 MW of Geothermal, Storage, Solar PV, and Recovered Energy Generation assets. These energy-generating and storage assets are helping create an alternate energy future, where greenhouse gas emissions are significantly reduced and the ability to store and access renewable power will enable electricity grids to become more responsive and stable.

We see a bright future and believe our singular focus in the renewable energy sector offers a unique value proposition to our investors, customers, and energy consumers. In the short term, our goal is to increase our geother-

mal, storage, solar PV, and Recovered Energy Generation total generating capacity to between 1.5 and 1.6 GW by 2023, with storage portfolio contributing between 0.27 and 0.37 GW.

CUNTINUED COMMITMENT TO A SUSTAINABLE FUTURE

As we work to expand our renewable portfolio, Ormat is committed to continuing our ESG efforts to enlarge and refine our sustainability reporting disclosure. In addition to this annual Sustainability Report, Ormat regularly participates in the global disclosure system CDP (formerly Carbon Disclosure Project) and reports the direct and indirect contributions of our business activities and community engagement towards the United Nations Sustainable Development Goals (SDGs). We invite you to review our performance and progress in the links provided.

We value and appreciate your interest in Ormat and our sustainability performance. We are proud that our efforts are lowering greenhouse gas emissions while bringing breakthrough technologies and solutions to the world's electricity grids.

Sincerely,

Doron Blachar
Chief Executive Officer

CHAPTER II. EXECUTIVE SUMMARY



*Neal Hot Springs geothermal power plant,
Oregon, U.S., 24 MW*



ORMAT AT A GLANCE

Approx.
1,400
Local Employees



55
Years of Experience



1,100
MW of Geothermal, energy storage, solar PV and recovered energy generation



\$705M
In Revenues

\$420M
Adjusted EBITDA

\$86M
Net Income



Global Presence
U.S, Guatemala, Honduras, Guadeloupe, Kenya, Indonesia



Renewable Growth
Targeting a portfolio of between 1,528 - 1,648 MW by the end of 2023 (including 273-373 MW of energy storage)



OUR VALUES

Constant Renewal

Stability

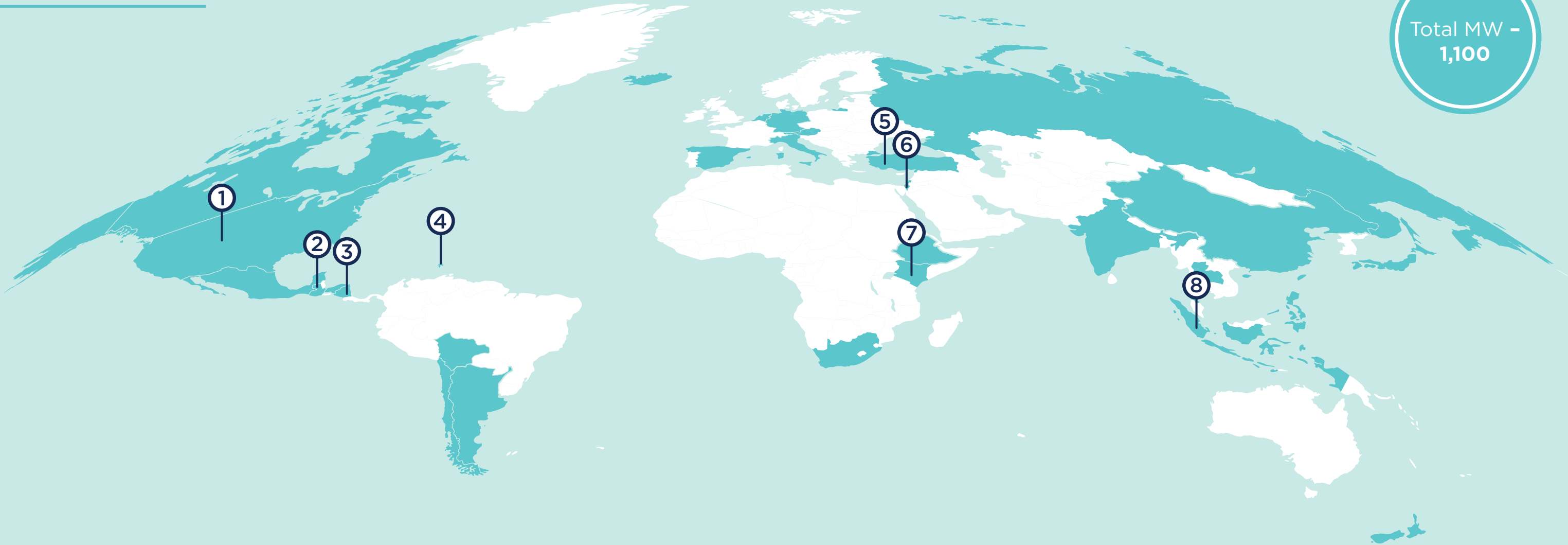
Full Commitment







Courage

Creativity

ORMAT PRESENCE

Total MW -
1,100



1 U.S.	2 GUATEMALA	3 HONDURAS	4 GUADELOUPE	5 TURKEY	6 ISRAEL	7 KENYA	8 INDONESIA*
							
670 ⚡ Geothermal 83 ⚡ Energy Storage 7 ⚡ Solar PV 53 ⚡ REG	40 ⚡ Geothermal	38 ⚡ Geothermal	15 ⚡ Geothermal			150 ⚡ Geothermal	42 ⚡ Geothermal

 Ormat power plants |  Capacity (MW) |  Ormat manufacturing facilities |  Countries in which Ormat supplied services and equipment over the years

*Ormat owns 12.75% interest in the 330 MW Sarulla Complex

WHAT'S NEW IN OUR REPORT THIS YEAR?



Expanded and enhanced reporting standards to align with SASB

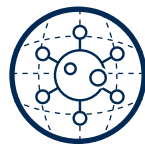
We Began disclosing on SASB Sector Standards for Electric Utilities and Power Generators. Aligning to the SASB standards allows us to further sharpen our understanding of our impact and expectations of us on the most significant issues in our operations. It will also allow investors and the capital market to examine our performance over time, better understand how sustainability is embedded into our business model and governance framework and have increased visibility on our consistency and comparability to other players in the industry.



Publication of new ESG policy documents on various issues

In order to strengthen our ESG commitments, we built and re-updated our approach and policy on four significant and valuable issues. The purpose of the move was to reflect in the most up-to-date and accurate way our approach and vision and courses of action on these issues:

- Taxation Policy
- Water Management Policy
- Suppliers and Procurement Policy
- Political engagement and communication



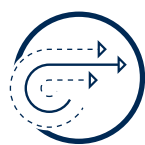
Extensive disclosure on coping during the COVID period

During the pandemic, we mobilized quickly and flexibly to provide a response and relevant assistance to our internal and external stakeholders. We have placed special emphasis on the continued employment, and health and safety of our workers and contractors and assistance to local communities in the areas in which we operate.



Broader engagement with our Investors during the past year

We continued and expanded engagement with our main investors in order to understand their specific expectations and requirements in relation to our sustainability report. The current report reflects the main topics that they brought up as areas of focus during the engagement and describes details regarding the engagement process.



Setting new and ambitious metrics and goals

Based on conversations and understanding of the expectations of our stakeholders and investors, we significantly expanded and specified the goals we set for ourselves. The revision of the metrics and targets will allow us to deepen our commitment and respond more accurately and fully to our long-term strategic goals.



Employee in Honduras monitoring the plant

AN ORGANIZATION SHAPED BY VALUES

At Ormat, sustainability is not just another target we aim to achieve; it is at the core of our business and our way of life. Ormat was founded and has flourished as a Company whose

purpose is to continually renew the Earth's energy future, a goal that Ormat strives to achieve in the spirit of environmental and social responsibility. Sustainability has been part of our corporate DNA since our inception and continues to be the inspiration for the growing number of renewable energy sectors that we participate in and for the diverse array of products

and services that we offer. This way of life is also demonstrated in our core values as detailed below. Together, these values sustain our organization and propel Ormat forward as we seek an even larger platform and position in the global renewable energy sector of tomorrow.

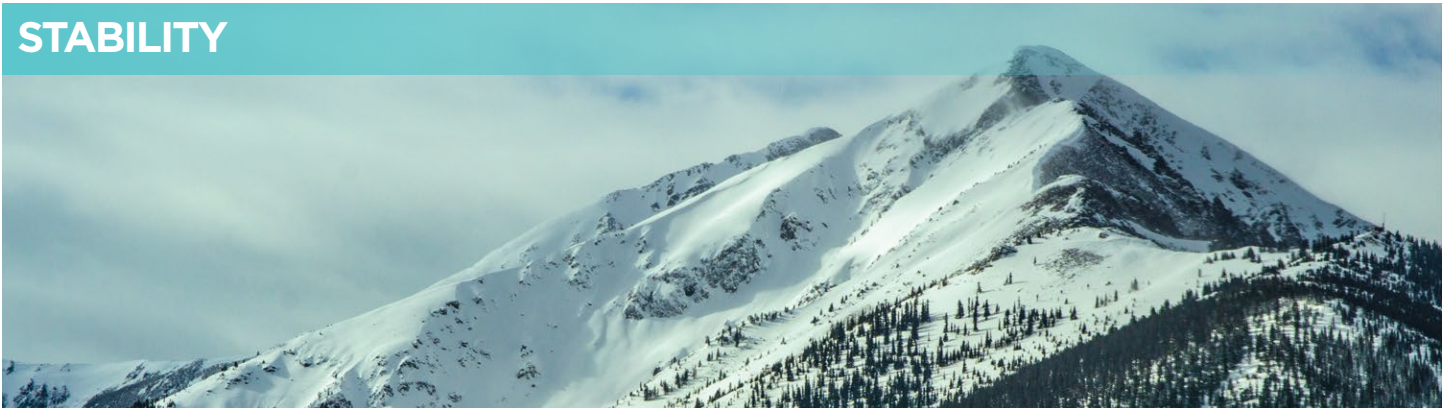
Our Five Core Values

CONSTANT RENEWAL



Constant renewal has kept Ormat at the forefront of renewable energy development since our first turbine design back in 1965. It's a promise that we fulfill by continually seeking out new challenges, advancing new technologies, entering new fields, and testing out new business models - a promise that is the basis for our sustainable value proposition.

STABILITY



Stability is a core value that has helped establish and sustain our Company over the years. We strive to implement long-term action plans and to advocate for thoughtful, well-planned renewable energy developments supported by firm financial foundations. In addition, we believe that a stable workforce, technology, product and operations are all hallmarks of an organization with well-integrated sustainable management systems.

FULL COMMITMENT



Full commitment to our stakeholders and a sustainable future is a value central to our brand's promise. That means that wherever we operate, we are committed to delivering safe, reliable, clean renewable energy products and services that aim to minimize environmental impacts and promote a clean energy future for generations to come.

COURAGE



Courage comes from leveraging our collective knowledge, experience, prudent risk management and unwavering focus to delivering the very best results for our customers.

CREATIVITY



Creativity is a core value that reflects our appreciation for the uniqueness of our stakeholders and our understanding that creativity is vital to delivering robust solutions that can address their expectations and needs.

Ormat is built on these core values, which are reflected in the way we conduct business each day, in all our locations. We believe that our employees, managers, and directors must consistently demonstrate honesty, openness, and fairness in their dealings with each other, with our customers and with our community.

ENVIRONMENT

Ormat is a global leader in delivery of energy solutions: geothermal energy, energy storage, recovered energy and management. We have developed and manufactured geothermal and recovered energy power plants with a cumulative collective capacity of more than 3,200 MW since our Company was established over 50 years ago, and we are proud to note that all of our power plants have operated without fossil fuel consumption during 2020. At Ormat, we are motivated to reduce our greenhouse gas emissions, advance energy efficiency and promote the use of renewable energy sources. These aims lie at the heart of our business and represent our key value proposition for our customers. In addition, our efforts to reduce emissions have been identified as the highest priority by the stakeholders who participated in our materiality assessment and the ongoing stakeholder engagement.

Mitigating climate change risks and identifying opportunities is essential to our environmental and financial performance and management. Our ability to successfully operate our geothermal and recovered energy power plants may be adversely affected by a variety of factors, including weather conditions associated with climate-change or reduced availability of cooling water supply or other natural resources needed to support our operations.

As an energy generator, we seek to improve our efficiency by using advanced technologies and equipment in order to optimize the energy generated by our power plants. We actively work to control impacts and opportunities, and this includes water use and management. As such, we have developed a Water Management Policy to support and uphold our water

sustainability vision. At Ormat, we actively work to improve our relationship with the natural environment in the process of our business activities and beyond. We work towards responsible waste and material management at all our global facilities and have put in place ambitious programs, based on the results of environmental impact assessments and feedback from stakeholders, to better control the impact of our activities on local biodiversity.

KEY HIGHLIGHTS

- Moving towards net zero targets.
- Increased disclosure and transparency of Scope 3 emissions to include freight.
- Reduced carbon footprint in Scope 1 and 2 by an absolute 29%.
- Aiming 5% annual average absolute reduction in Scope 1 and 2 emissions by the end of 2021, measured against the 2019 base levels.
- Working and aiming to reach optimal water recycling in all locations by 2025.



SOCIAL

As a global company, we are proud to employ and work closely with the communities that we serve, knowing we contribute to local economies and social well-being. With nearly one power plant on every continent, we have a commitment to generating a stable and secure economic future for all, based on sharing our knowledge and expertise regarding sustainable energy solutions. The promise of renewable energy that we deliver to our customers and stakeholders goes hand in hand with our commitment to local employment and skill development wherever we work.

As of YE 2020, we employed 1,402 people. This number includes both those in locations within the boundaries of this report (United States, Israel, Turkey, Honduras, Guatemala, Guadeloupe and Kenya) as well as a smaller number of employees located in territories outside the Boundaries (Indonesia, the Philippines, Chile and New Zealand)^{1,2}. Wherever we work, we strive for equal opportunity employment and to engage the skills, know-how and abilities of residents in our host communities. This means encouraging a workspace where our employees are motivated to contribute their best, strive for creativity, and, in the process, make strides in achieving their professional or personal goals. In 2020, nearly 99% of our employees worked with us in a full-time capacity. During COVID-19 Ormat's business continued to operate and was considered an essential business. For our employees at the various field operations, this meant continued work in a safe and responsible manner by working in fixed groups of people in the form of capsules to protect our employees. For our office employees, we provided the flexibility of working from home.

An Organization Shaped by Local Employment

Ormat is an organization that prides itself on full local employment at all levels of our organization and in all our facilities, power plants and operational locations.

We believe that local employment is essential to the success and vitality of our business because local employees, residents and community members possess a keen understanding of the local geography, environment, social fabric, community and stakeholders. This places them in a position to knowledgeably provide the superb degree of service that Ormat strives for. In addition, we believe that cultivating the skills of the local workforce is important in fostering knowledge regarding renewable energy solutions, with the goal of ensuring the long-term sustainability of our power plants and energy solutions. Furthermore, we believe that investment in the local workforce supports the local economy and enables community development in that Ormat's local employees become part of a larger global organization and learn skills that contribute to their professional career and personal goals.

Ormat's occupational health and safety program

- Everyone, Everyday - All Ormat employees are integral to safe operations, each charged with the responsibility to work safely and create and maintain a safe work environment.
- Management of Hazards - Ormat strives to systematically identify hazards, and then manage them by elimination, isolation or minimization.
- Safety as a Core Value - Safety is a core value at Ormat.

- Continual Vigilance - Our goal is to learn and improve our performance following every event in order to reduce the number of incidents. This requires that all employees maintain constant vigilance to ensure that unsafe acts or work conditions are identified, addressed, regulated and prevented, wherever possible.

KEY HIGHLIGHTS

- Planning training programs and targeting between 5 to 10 hours of training annually for each management member.
- Management will decide on long term, measurable diversity goals next year following the training process.
- Employees completed a total of 42,226 training hours.
- Continual full-capacity employment of 99% of our employees.
- Continued to operate and bring electricity to our customers throughout the pandemic.
- 99% of our permanent and temporary employees received regular career performance reviews.
- Have committed to bringing on more female directors for election in our next annual general meeting.
- The proportion of management hired from the local communities in our plants was 100%.
- Delivered thousands of food bags to local communities in Guatemala.



1 1,402 employees are included within the Boundaries of this report.
2 Exact figures on the number of our employees is provided in continuation of this report, and data is provided in reference to GRI disclosure 102-8: Information on employees and other workers

CORPORATE
GOVERNANCE

Sound corporate governance is a top priority for Ormat, in light of our nature as a publicly traded and global company with operations and activities across the globe. At Ormat, not only do we believe that transparent corporate governance practices contribute to the financial success of our business, they ensure that our Company remains resilient and strong in the face of challenges, while also creating space for new business opportunities and engagement. Furthermore, corporate governance has been identified as one of our key sustainability issues by our stakeholders, and therefore, we remain steadfast in our commitment to devoting resources to and improving our governance performance and our level of disclosure on related topics, such as anti-corruption, executive remuneration and regulatory compliance. To strengthen and support this commitment, Senior Management is responsible for implementation of the Company's environment and climate change policies and actions.

Ormat has developed an anti-corruption program utilizing the GAN Integrity system, which categorizes employees into one of categories based on risk, and determines the level of training along with what is required for their role.

Our Board of Directors conducts its business and affairs through meetings of the Board and through the four standing committees: Audit, Compensation, Investment, and Nominating and Corporate Governance. Due to our global nature and operations in various countries around the world, we are committed to complying with all applicable laws, rules and regulations and more so, to being a responsible corporate citizen wherever we do business. To demonstrate our commit-

ment and to solidify our approach within the company, in 2021 Ormat developed a Political Contributions and Activities Policy.

KEY HIGHLIGHTS

- We have begun recording the amount of employees that have received anti-corruption training.
- Received no material grievances in 2020.
- Working towards 100% of our employees to receive training on relevant corporate governance practices.
- Updated our Anti Corruption policy.



CHAPTER III.
FORMAT AS PART
OF A NET ZERO
FUTURE



Stryker Alpha storage facility, NJ, U.S., 20 MW

AN ORGANIZATION SHAPED BY VALUES

Ormat Technologies, Inc. is a leading vertically integrated company primarily engaged in the geothermal and recovered energy power businesses. We leveraged our core capabilities and global presence to expand our activity into different energy storage and solar photovoltaic (PV) services (including hybrid geothermal and solar PV as well as energy storage plus Solar PV). Our objective is to become a leading global provider of renewable energy and we have adopted a strategic plan to focus on several key initiatives to expand our business.

We currently conduct our business activities in three business segments:

- **Electricity Segment.** In the Electricity segment, which contributed 76.8% of our total revenues in 2020, we develop, build, own and operate geothermal, solar PV and recovered energy-based power plants in the United States and geothermal power plants around the world and sell the electricity they generate.
- **Product Segment.** In the Product segment, which contributed 21.0% of our total revenues in 2020, we design, manufacture and sell equipment for geothermal and recovered energy-based electricity generation and remote power units and provide services relating to the engineering, procurement and construction of geothermal and recovered energy-based power plants.
- **Energy Storage Segment.** In the Energy Storage segment, which contributed 2.2% of our total revenues in 2020, we mainly provide energy storage, related services, including

services relating to the engineering, procurement, construction, operation and maintenance of energy storage units.

At Ormat, sustainability is not just another target we aim to achieve; it is at the core of our business and our way of life. Ormat was founded and has flourished as a Company whose purpose is to continually grow renewable clean energy to the world, a goal that Ormat strives to achieve in the spirit of environmental and social responsibility. Sustainability has been part of our corporate DNA since our inception and continues to be the inspiration for the growing number of renewable energy sectors that we participate in and for the diverse array of products and services that we offer. This way of life is also demonstrated in our core values as detailed below. Together, these values sustain our organization and propel Ormat forward as we seek an even larger platform and position in the global renewable energy sector of tomorrow.

• **Our Five Core Values:**

- **Constant renewal**
- **Stability**
- **Full commitment**
- **Courage**
- **Creativity**

Ormat is built on these core values, which are reflected in the way we conduct business each day, in all our locations. In living these values, we believe that our employees, managers, and directors must consistently demonstrate honesty, openness, and fairness in their dealings with each other, with our customers and with our community.



Ormat employees in California, U.S

KNOWING OUR IMPACTS – STAKEHOLDER ENGAGEMENT APPROACH

As a global company that understands the inherent value of sustainability as a business strategy, we work to assess our impacts on the environment, society and local communities, as well as relevant impacts for our key stakeholder groups. This year, we have decided to focus on communicating with and addressing comments and feedback from our key groups of stakeholders, mainly our key investors. As part of this engagement strategy, and to better understand these risks and opportunities, we engage in on-going stakeholder dialogue and have developed an organization-wide Stakeholder Engagement Policy that can be accessed at the following [link](#).³

WHAT WE LEARNED FROM OUR STAKEHOLDER ENGAGEMENT

Every year we ensure that our stakeholders are heard by communicating with them following the publishing of reports. This allows us to better understand what topics they believe are important, and accordingly we expand on our activities and adjust and improve our reports. Subsequent to the publishing of the 2019 Sustainability Report, we used various forms of communication to listen to what some of our key stakeholders had to say, which included frequent communication and conversation with our investors. Using the observations and information from interviews, anonymous surveys and questionnaires we were able to analyze and internalize the feedback in order to implement changes and improvements for the 2020 Sustainability Report. This year, a main focus of

ours was on addressing the feedback we received from key stakeholders, which included key investors for Ormat. The work put into the business and the report came in the form of condensing and sharpening our story and messages to highlight how sustainability impacts and is managed by Ormat. Additionally, we have furthered our transparency by including and expanding upon disclosures that were found to be of most interest to our key stakeholders, investors and to the company. These areas of focus include tax management, political engagement, water management, the suppliers code of conduct, and newly developed policies that strengthen our commitment to these topics.

The topics identified by our stakeholders are addressed in the scope of this report, in our existing policies and engagement frameworks and in our on-going business activities. We consistently seek out opportunities for active engagement with our stakeholders and embrace every opportunity to hear their opinions and concerns regarding our organization and our business activities.

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

Ormat has developed a business strategy that places both environmental sustainability and social responsibility at the forefront of our activities. Our stakeholders play a central role in the realization of our sustainability strategy; our intent is to develop productive and fruitful relationships with these stakeholder groups while also expanding on the opportunities available for engagement with Ormat.










OUR STAKEHOLDERS’ KEY INTERESTS AND CONCERNS

In 2020, we reviewed our stakeholder engagement mechanisms by consulting with key stakeholders, including investors and executive managers.

The survey aimed to gain a better understanding of our sustainability reporting practices and the degree to which it matches and meets our stakeholders’ expectations for disclosure and transparency. Issues identified for focus in the course of the survey included: diversity, equal opportunity and employment, in addition to, disclosure of key environmental data, including our greenhouse gas emissions.

STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION

The main stakeholder groups that were identified as relevant for the organization are the following:

Stakeholder Group	Potential Methods of Communication
Employees 	Employee communication portal and newsletters, periodic career and professional performance reviews, participation in employee health and safety committees, organized employee evaluations and open dialogue between employees, managers and human resources representatives, events and conferences for employees ⁴ .
Customers 	Communication through our website, customer service framework, and on-going sales and business development relationships.
Investors & Shareholders 	Communication and updates delivered through the Investor Relations arm, investors conferences and non-deal road shows, general shareholder meetings, earnings calls and relevant updates, through the ‘Investor Relations’ page on Ormat’s website ⁵ , annual and quarterly reports, SEC filings and press releases.
Financing Entities 	Engagement through environmental and social impact assessments, compliance reviews and action plans, annual and quarterly reports and SEC filings, and on-going communication through our finance department.
Public Authorities, Policy Makers & Regulators 	Engagement through industry organizations, lobbying activities, participation in workshops, conferences and events, compliance reviews and action plans, and on-going communication.
Local Communities 	Communication through our global Stakeholder Engagement Policy and relevant local communication strategies, tours and meetings at Ormat’s local facilities.
Social & Environmental NGOs 	Active participation in relevant events and conferences, donations, contributions and volunteering activities and cooperation in social and environmental projects and industry and local initiatives.
Media 	Communication through Ormat’s website, press releases and informational notes, tours at Ormat’s various facilities, and on-going communication.
Academia 	Cooperation with Ormat in conducting research and development activities specifically with our Resource Department, providing support for scientific initiatives and expansion of educational opportunities, and tours at Ormat’s various facilities.

In addition to these methods of communication, all stakeholders can submit their grievances, questions or comments concerning the Company’s activities to info@ormat.com or call the reporting hotline: toll-free number 001-866-294-5535.

3 <https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Stakeholder%20Engagement%20Policy.pdf>

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4 This list is not exhaustive and is presented as an example of employment engagement activities which may vary across jurisdictions.

5 <https://investor.ormat.com/>

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OUR SUSTAINABILITY STRATEGY

Ormat is constantly revising and updating our key areas of focus based on internal materiality assessments and feedback from our stakeholders, sector trends and other sector-relevant data. Both the stakeholder survey (described above) and our internal assessment were conducted with the assistance of independent consultants. This approach enabled us to maintain objectivity in recording and analyzing the answers from our various groups of stakeholders. Ormat’s internal and external stakeholders were surveyed for their opinions and viewpoints regarding

two aspects: the groups of stakeholders that are relevant to Ormat’s business and the issues that are of critical interest or concern to the stakeholder group within the context of their specific relationship to the organization. With regards to the latter, stakeholders were asked to rank a range of issues according to the level of importance of the issue to their specific stakeholder group.

The materiality results presented below show the relative correlation between matters of interest to Ormat’s stakeholders and management in accordance with their significance to the Company’s impacts on the one hand and our business strategy on the other. These issues – addressed in the scope of this report – reflect the significant economic,

environmental and social impacts of the organization together with their degree of influence on the assessments and decisions of our groups of stakeholders.

RESULTS OF THE MATERIALITY SURVEY

The materiality survey that was conducted in 2019 has been restated for 2020, and continues to reflect Ormat’s main topics of discussion, interest and what we aim to address. The topics are presented below in two ways. First, the leading issues are presented in table form according to their level of significance to both 16 our stakeholders and the Company and are classified by topic according to Economics & Governance, Environment and Social. Second, the material issues are presented in a graph matrix that groups all material issues together.

Economics & Governance

- Ethical Business Conduct
- Legal & Regulatory Compliance
- Operational Efficiency
- Innovation (Products & Services)
- Corporate Governance
- Executive Compensation

Environment

- Brine & Steam Management
- Encouraging Green Energy
- Climate Change Mitigation
- Water Management
- Waste & By-Product Management
- Site Biodiversity, Restoration & Preservation
- Energy Efficiency
- Greenhouse Gas Emissions from Operations
- Climate Change Risk & Opportunity Management
- Air Quality

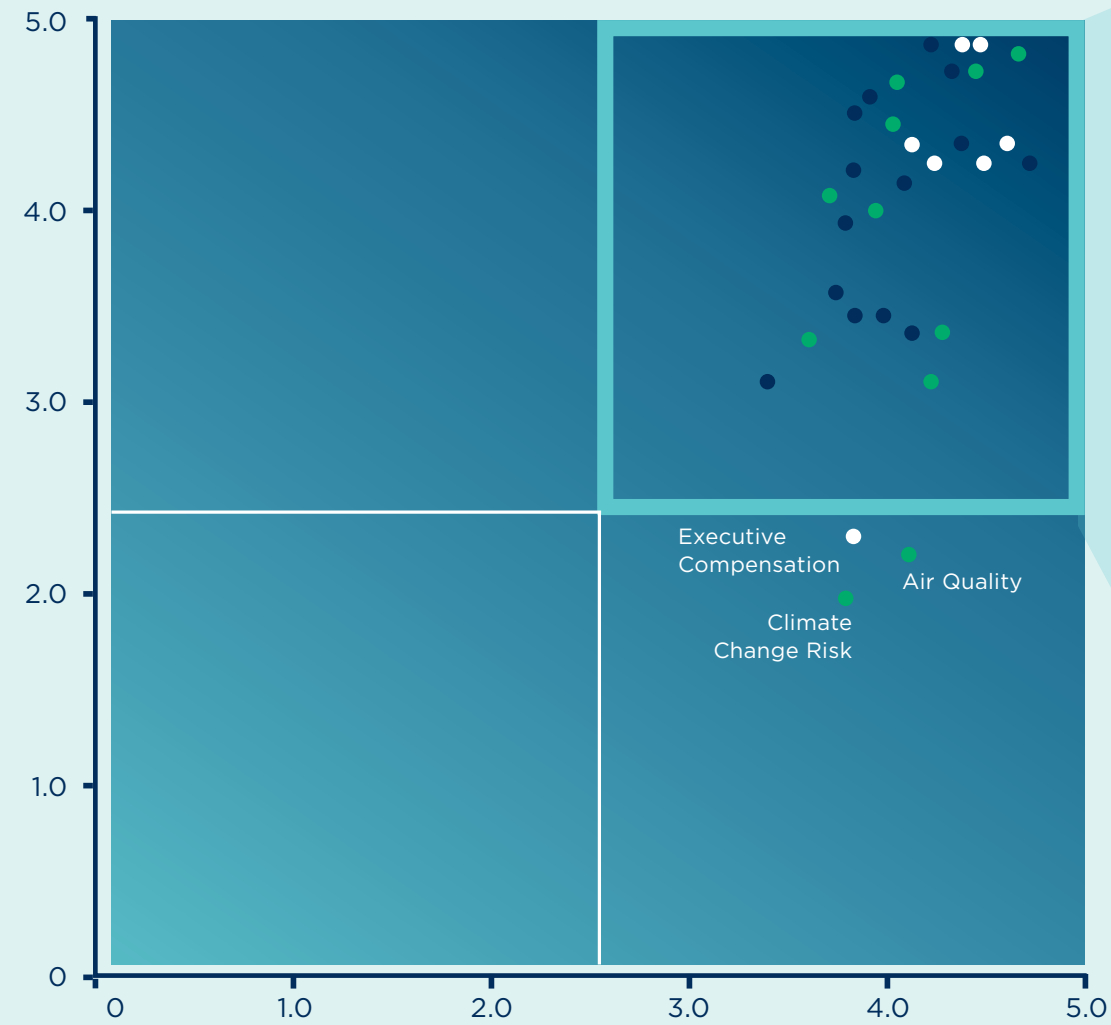
Social

- Safety and Emergency Planning
- Occupational Health and Safety
- Reliability of Ormat’s Service
- Ormat’s Labor Relations
- Customer Service
- Local Employment & Development
- Employee Training & Development
- Workplace Diversity
- Data Privacy & Security
- Local Community Engagement and Support
- Employees’ Well-Being
- Philanthropy and Volunteering

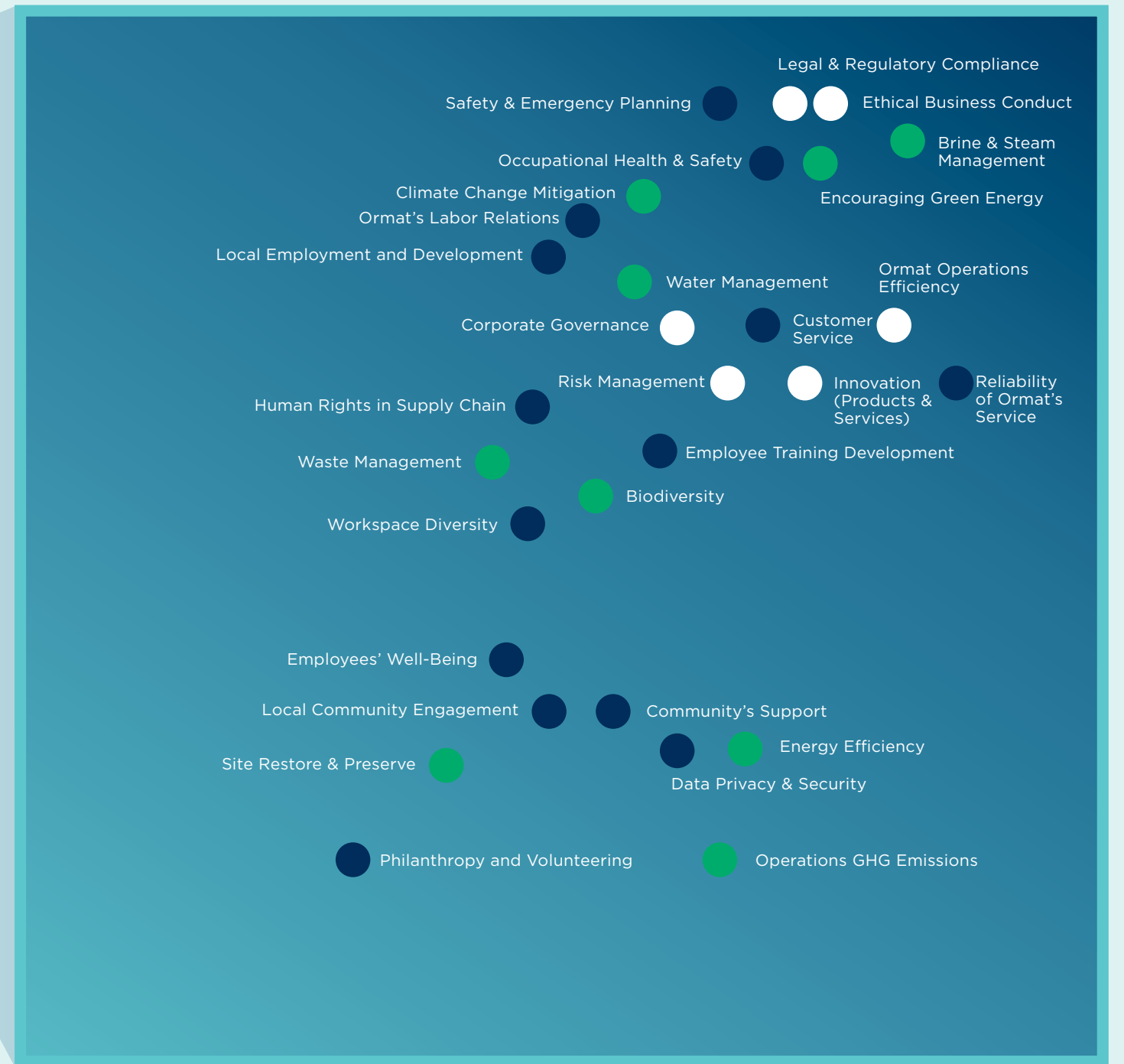


Turkey employees

Relative Importance to Ormat's Management



● Social ● Economics & Governance ● Environment



OUR STRATEGIC COMMITMENTS AND SUSTAINABILITY PLAN

Ormat is committed to principles of Environmental, Social and Governance-related (“ESG”) responsibility - commitments that are achieved through our governance, business activities, policies, frameworks for stakeholder engagement and strategic objectives.

We pursue sustainable innovation and leadership in renewable energy across several areas - namely geothermal energy, energy storage, hybrid geothermal and solar PV and recovered energy generation. Each of these directions allows our Company to advance existing practices and push forward to improve our performance in ways that minimize material and energy inputs, maximize energy output and our operational efficiency.

For example, one of our established development practices involves the incremental increase of energy production capacity for geothermal plants. We work to better understand the specific properties of a geothermal reservoir and add new energy generation capacities progressively in stages. As such, we strive to deliver more renewable energy while maintaining substantially the same developmental footprint. Similarly, when it comes to developing new renewable energy plants, we work to understand the needs and concerns of the local stakeholder community and to build lasting relationships and specific community engagement programs designed to meet those needs and concerns.

Ormat applies these and other sustainability principles to the way we evaluate opportunities and develop, manufacture, and operate renewable energy facilities around the world.

EXTERNAL INITIATIVES & MEMBERSHIPS OF ASSOCIATION

Ormat endorses external initiatives and

organizations that assist us in meeting our environmental, social and corporate governance commitments and values. Ormat’s endorsements are evaluated on an ongoing basis to ensure both parties have shared, sustainable commitments and values.

ENVIRONMENTAL

Ormat is proud of our record of environmental stewardship. In addition to meeting our regulatory requirements, Ormat reports annual Greenhouse Gas (“GHG”) emissions to CDP, a non-profit organization that runs a global environmental impact disclosure system. We also report global carbon dioxide and GHG emissions to the Israeli Ministry of Environmental Protection’s voluntary business reporting initiative, a practice that we have engaged in since 2011. All Ormat’s facilities have received favorable environmental review under applicable laws and regulations and Ormat participates, where available, with local environmental monitoring coalitions or organizations.

Ormat supports the Bureau of Land Management’s Federal Resource Advisory Committee’s in Nevada and Idaho. Our staff commit time, travel, and resource expertise to assist the Bureau of Land Management in sustainable resource management decision making.

Ormat was part of the Frontier Observatory for Research in Geothermal Energy (“FORGE”) initiative (in partnership with Sandia National Laboratory and others) initiated by the U.S. Department of Energy. The FORGE initiative has yielded new insights and techniques for characterizing enhanced geothermal system (“EGS”) sites as well as testing new techniques and tools for geothermal drilling.

At Great Basin National Park, Ormat supports the Great Basin National Park Foundation with an annual education grant of \$5000 and helps to expand the Foundation’s base of sustaining donors to \$150,000 annually. One of the Foundations primary efforts is working with colleges and high schools in Utah and Nevada to develop and support studies related to the Great Basin Observatory

and the Great Basin ecosystem.

Ormat also sponsors the Women in Geothermal (WING) Program, a global network that supports the role of women in the geothermal industry and works to promote gender equality in the industry. We shared information on the organization with relevant groups of stakeholders and supported the organization’s mission at the 2018 Geothermal Resources Council Annual Meeting.

We participated in the Global Women’s Network for the Energy Transition (GWNET) 2020 Mentoring Program for Women in the Energy Sector, a program that is designed to accelerate the careers of women in junior/middle management positions in energy, support their pathway to leadership positions and foster a global network of mentorship, knowledge-sharing and empowerment.

Our Subsidiary in Honduras, GeoPlatanares, sponsored the creation of the “Circular Economy: Practical Guide to Sustainability” a book printed by FUNDAHRSE (Honduran Foundation for the Corporate Social Responsibility) about all the cases on circular economy in Honduras that will be distributed all around Latin America by the Embassy of Netherlands. GeoPlatanares is also one of the cases of study as the production of our energy is a complete closed loop and goes perfectly with Circular Economy.

LOCAL COMMUNITIES AND INDIGENOUS PEOPLES

Ormat supports local communities and engages with applicable Indigenous Tribes early in the geothermal site evaluation process and not later than the beginning of exploration. Discussions and support are focused on understanding local values, interests, and concerns as they relate to the potential geothermal energy resource. As projects are evaluated and geothermal facilities developed, Ormat’s level of support has become oriented to sustainable educational and community support programs with legacy benefits. In 2020, Ormat made community investments of approximately \$1 million.

ORMAT’S MEMBERSHIPS OF ASSOCIATION

The table below outlines the main organizations of which Ormat is a member as of 2020, related to our various business and ESG activities.

Type of Organization	Relevant Memberships
1 Geothermal Organizations	<ul style="list-style-type: none">Geothermal Resources Council (GRC) – U.S.Colombia Geothermal Association (AGEOCOL)International Geothermal Association (IGA)Indonesia Geothermal Association
2 Energy Organizations	<ul style="list-style-type: none">California Energy MarketsCalifornia Energy Storage Alliance (CESA)Energy Storage Association – U.S.Society of Petroleum Engineers – U.S.Utah Clean EnergyGreen Energy Association of IsraelWorld Energy Council
3 Health and Safety Organizations	<ul style="list-style-type: none">The American Society of Mechanical Engineers (ASME)National Safety Council – U.S.National Fire Protection Association (NFPA) – U.S.Alliance for Industrial EfficiencyAmerican Society of Safety Professionals (ASSP)CA OPC Engineers BoardCalifornia Community Choice Association (CalCCA)
4 Chambers of Commerce	<ul style="list-style-type: none">CalChamber – California, U.S.Churchill Economic Development Authority – Nevada, U.S.Hawaii Island Chamber of CommerceElko Chamber of Commerce – Nevada, U.S.Israel Export InstituteManufacturers Association of IsraelIsrael Latin America AssociationIsrael Turkey Business Council

ORMAT AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The Member States of the United Nations adopted 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development (the 2030 Agenda).⁶ The 17 SDGs and the related 169 targets were designed to address the world’s most pressing social, economic issues, and environmental. The goals were

designed to tackle some of the biggest challenges facing the planet, society and economies, such as poverty, inequalities, injustice and climate change. It is widely believed that the UN’s Agenda can only be achieved through collaboration between all major stakeholders – including governments, local communities and business.

As a leading global renewable energy company, we believe that Ormat has

an important leadership role to play in helping to achieve these SDGs. We have identified and determined the SDGs that Ormat has the most impact on, and where we believe we can help the most. The ideals of the identified goals accompany us throughout our business offerings, activities, engagements and governance.

6 <https://sdgs.un.org/goals>

THE SDGS THAT ORMAT HAS PINPOINTED TO FOCUS ON ARE:

We are connected to SDG 7 “Energy” by helping countries and communities meet their renewable energy targets by introducing renewable technologies to the world and by helping countries cut their reliance of the import of energy sources. We are committed to providing decent work and economic growth through employing local personnel at our operations, developing their skills and knowledge, and promote equality and safety in our employment. Additionally, we are seeking to help countries, including developing ones, to decouple economic growth from environmental degradation caused from fossil fuels.

OUR HISTORY AND KEY EXPERIENCE

Since our establishment, Ormat has built approximately 200 geothermal and recovered energy power plants totaling more than 3,200 MW in a number of countries. As of December 31, 2020, Ormat owned and operated 932 MW of geothermal and recovered energy-based power plants predominantly using equipment that we design and manufacture. In addition, we owned a 73 MW/136 MWh growing portfolio of energy storage projects. The growth in our owned power plants was largely concentrated in the U.S., Latin America and Kenya. Over the years, apart from the

We enable and encourage SDG 9 “Infrastructure” through increasing resiliency in the countries our existing plants are located, as well as by encouraging the adoption of clean and environmentally sound technologies in developing countries where it would otherwise be unavailable. Ormat contributes to SDG 11 “Cities and Communities” through the various infrastructural development projects that are a part of our operations globally. When beginning operations in a location, we require a certain amount of infrastructure development in order to operate. This includes the building and paving of roads. In many instances, we will partner with the local government or municipality in order to help finance and support the paving of roads and the strengthening of infrastructures and improving road safety and accessibility. Lastly, our core offering helps to advance SDG 13 “Climate Action” as we provide customers renewable sources of energy and reduce their need to use non-renewable energy sources.



ORMAT: WHAT WE DO

Own & operate over
1,100MW
Geothermal, Storage, Solar PV & Recovered Energy Generation

With over five decades of experience, Ormat Technologies, Inc. (“Ormat” or the “Company”) is a leading geothermal company and the only vertically integrated company engaged in geothermal and recovered energy generation (“REG”). We design, develop, build, sell,

own, and operate our clean, environmentally friendly geothermal and recovered energy-based power plants, usually using equipment that we design and manufacture in-house and are primarily based on the Ormat Energy Converter – a power generation unit that converts low-,

medium- and high-temperature heat into electricity. The Company has robust plans to accelerate long-term growth in the energy storage market and to establish a leading position in the U.S. energy storage market.



Don A. Campbell, NV, USA



Exploration



Development



Drilling



Design



Manufacturing



Construction



Operation

ABOUT OUR BUSINESS

Ormat staunchly believes that as a provider of energy solutions, and namely renewable energy solutions, we have a central role in the global economy and in ensuring the sustainable development of communities. The energy market is one of the most significant factors within the global economy as it enables economic growth and development, creates jobs, develops critical infrastructure, generates long-term value and enables the very nature of our modern society.

As a leading vertically integrated company primarily engaged in the geothermal and recovered energy business, Ormat plays a significant role within the global renewable energy market generally, and the geothermal and energy storage markets particularly. Renewable energy is sustainable and clean, leading major countries to focus their efforts on the development of renewable energy sources, and geothermal energy, specifically. As such, Ormat has and continues to see significant economic benefits from its business activities, allowing the Company to become a publicly traded Company on leading stock exchanges, the Tel Aviv Stock Exchange (TASE) and the New York Stock Exchange (NYSE)⁷. In addition, Ormat is part of the following indices: CRSP, Dow Jones, FTSE, Morningstar, ICLN, MSCI, NASDAQ, Russell 2000, 2500 and 3000, S&P, TASE, Wilshire 5000, WisdomTree and WisdomTree U.S.

For a further breakdown of our business and revenues, refer to our financial reports on Forms 10K and 10Q that are filed with the Security Exchange Commission (“SEC”)

In addition to our geothermal power generation activities, we pursue relevant recovered energy-based

power generation opportunities in North America and other locations. We believe recovered energy-based power generation (known as “REG” in other Company publications) will ultimately benefit from the efforts to reduce GHG emissions. We have built over 30 power plants that generate electricity utilizing “waste heat” from gas turbine-driven compressor stations along interstate natural gas pipelines, from midstream and gas processing facilities, and from other applications. Several U.S. states, and to a certain extent the federal government, have recognized the environmental benefits of recovered energy-based power generation, with a number of states allowing utilities to include recovered energy-based power generation in calculating their compliance with renewable portfolio goals and incentives.

Energy storage is becoming a key component in the future electrical grid, as a result of the challenges in unstable deployment of the supply. This is one of the reasons Ormat is actively investing in the deployment and development of energy storage. We expect continuous and even stronger growth over the coming years, while we target the sector as one of our major segments for further investment and growth.

As a central player in the geothermal and renewable energy markets through our diverse global presence, we plan to continue to develop our business and seek out relevant opportunities to improve our economic performance for shareholders, while also making meaningful and effective contributions to the renewable energy market.

OUR BUSINESS STRATEGY

Our strategy is focused on further developing a geographically balanced portfolio of geothermal, energy storage, solar (PV) and recovered energy assets and continuing our leading position in the geothermal energy market with the objective of becoming a leading

global provider of renewable energy. The strategic plan was approved and is consistently reviewed in consultation with Ormat’s senior management team. The strategic plan is developed based on an understanding of our risks and opportunities – an assessment that is conducted with assistance from external consultants – and our professional expertise and knowledge about the renewable energy market. We expect the plan to evolve over time in response to market conditions and other factors. ESG and climate change considerations are factored into the business strategy through the recognition of risks and opportunities.

Through our sustainability reporting and environmental data collection framework, we are integrating the Taskforce for Climate-Related Financial Disclosure’s (TCFD) recommendations for businesses across our governance, strategy, risk management and metrics and targets disclosures. Consistent with the TCFD’s recommendations, we are evaluating the addition of applying climate-related scenario analysis to our business development and strategy decision-making processes.



Ormat manufacturing its power plants

⁷ Under the ticker “ORA”.

GEOTHERMAL POWER PLANTS

Ormat is a global leader in the world geothermal energy market. Geothermal energy power plants harness a natural and locally available energy source and enables providing baseload electricity 24/7. Most importantly, geothermal energy offers an environmentally friendly energy alternative. Furthermore, unlike electricity produced by burning fossil fuels, electricity produced from geothermal energy sources is produced without

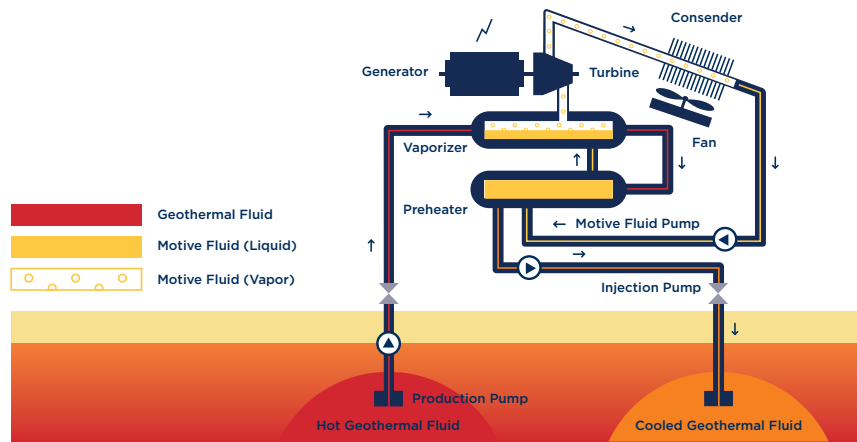
emissions of certain pollutants such as nitrogen oxide, and with far lower emissions of other pollutants such as carbon dioxide. As a result, electricity produced from geothermal energy sources contributes significantly less to global warming and local and regional incidences of acid rain than energy produced by burning fossil fuels. In addition, compared to power plants that utilize other renewable energy sources, such as wind or solar, geothermal power plants are generally available all

year-long and all day-long and can therefore provide base-load electricity services. Geothermal power plants can also be custom built to provide a range of electricity services such as baseload, voltage regulation, reserve and flexible capacity. Geothermal energy is an attractive alternative to other sources of energy and can support a diversification strategy, avoiding dependence on any one energy source or politically sensitive supply sources.

There are two main types of geothermal power plants:

Binary systems - where generally, geothermal fluid is extracted from the underground reservoir and flows from the wellhead through a gathering system to a vaporizer that heats a secondary working fluid (typically an organic fluid, such as pentane or butane) that is vaporized and is used to power the turbine. The organic fluid is then condensed in a condenser, which may be cooled directly by air

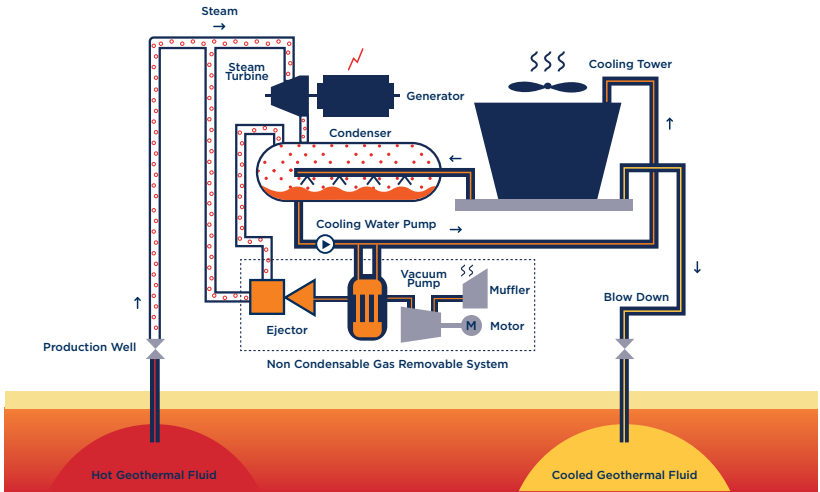
or by water from a cooling tower and sent back to the vaporizer through a pump. The cooled geothermal fluid is then reinjected back into the reservoir. Binary technology can be utilized on a wide range of resources from low enthalpy to high. Multiple high enthalpy binary facilities are in service around the world.



Flash systems - where generally, geothermal fluid is extracted from the underground reservoir and flows from the wellhead through a gathering system to flash tanks and/or separators. There, the steam is separated from the brine and sent to a demister, where any remaining water droplets are removed. This produces a stream of dry saturated steam, which powers a steam turbine coupled to a generator to produce electricity. In some cases, the brine at the outlet of the separator is flashed a second time (dual flash), providing additional steam at lower pressure used in the low-pressure section of the steam turbine to produce additional power. Steam exhausted from the steam turbine is condensed in a surface

or direct contact condenser cooled by cold water from a cooling tower. The non-condensable gases (such as carbon dioxide) are removed by means of a vacuum system in order to maintain the performance of the steam condenser. The resulting condensate is used to provide make-up water for the cooling tower. Usually hot brine remaining after separation of steam is injected (either directly or after passing through a binary plant to produce additional power from the residual heat remaining in the brine) back into the geothermal resource through a series of injection wells.

Binary geothermal power plants carry several environmental advantages



RECOVERED ENERGY POWER PLANTS

Our recovered energy power plants produce electricity from “waste heat”. Recovered energy power plants utilize residual heat that is generated as a by-product from a variety of industrial processes (cement manufacturing, gas compression turbines, etc.), which would otherwise be wasted, to generate electricity without burning additional fuel or generating emissions. We construct, own, and operate recovered energy-based power plants. We have built all of the recovered energy-based plants

that we operate. The residual heat is captured in the recovery process using a similar power plant to Ormat’s binary geothermal power plant, which is used to generate electricity without burning additional fuel.

ENERGY STORAGE

Ormat serves the changing world of electricity generation by enabling a comprehensive umbrella of grid solutions related to energy storage systems. We provide grid operators with the power to enhance grid performance, stability and responsiveness – while delivering capacity at the right time and the right price, both which allow for a fair and accessible solution.

over flash geothermal steam turbine plants. First, reinjection of the geothermal resources exploited promotes superior efficiency. By continuously recharging geothermal systems and reducing production-related pressure drawdowns, binary geothermal power plants help maintain the overall geothermal reservoir pressure. In addition, air-cooled binary plants do not consume water for cooling (for additional details on amount of water used in different geothermal plants see the water use table presented in the environmental chapter). Finally, air-cooled binary power plants have a low profile with minimal visual impact, as they do not emit a plume.

time and the right price, both which allow for a fair and accessible solution.

Ormat serves the changing world of electricity generation by enabling a comprehensive umbrella of grid solutions related to energy storage systems. We provide grid operators with the power to enhance grid performance, stability and responsiveness – while delivering capacity at the right time and the right price, both which allow for a fair and accessible solution. start and movement of energy from times of excess supply to times of high demand and more.⁸

8 For more information on energy storage and related terminology, refer to the following link: <https://www.ormat.com/en/renewables/storage/main/>

RISK MANAGEMENT STRATEGY AND CLIMATE CHANGE- RELATED RISKS

OUR RISK MANAGEMENT APPROACH

As a global Company and publicly traded entity, we place equal weight on the management of pertinent risks and the pursuit of relevant revenue generation opportunities. Our management team works in close cooperation with all our major operational locations to identify and manage relevant risks and to implement appropriate methodologies for mitigating such risks.

As such, our risk management process has several key levels of analysis: by our project teams and major operations; by Company management and through assignment of responsibilities; through our management of know-how and skills relevant to the various disciplines that help us achieve our targets as a vertically-integrated company; and through other relevant controls and measures for our business, such as audit and regulatory functions.

Our methodology for identifying relevant risks involves mapping the control environment of our corporate and business infrastructure including the main activities that we pursue. Our business units are categorized and mapped, and within these we map relevant business processes. In order to understand relevant risks for each of these processes, we develop risk ranking criteria that look at both the level of impact and the likelihood of occurrence. Based on this system, we conduct our risk assessment among the various business units and operations. The identified risks

are further ranked and validated by the process owners and relevant members of management, resulting in a risk profile and priorities, and eventually culminating in our plan for management of those risks.

RELEVANT RISKS

We consider potential risks from climate change according to the precautionary approach for risk management with regards to our products and services⁹. In identifying relevant risks from climate change that could potentially result in substantive changes to our operations, revenue, and expenditures, we seek to minimize these risks and address them either through our model of engagement, physical infrastructure and operations, or in the on-going management and operations of our plants and our Company.

Our equipment is designed to withstand extreme weather events and is largely independent and isolated from weather-related impacts. With this, daily and seasonal fluctuations in temperature generally have a more significant impact on the generating capacity of geothermal energy plants than they do on conventional power plants. Some of our power plants experience reduced generation in warm periods due to the lower heat differential between geothermal fluid and the ambient surroundings. While we generally account for the projected impact of seasonal fluctuations in temperature based on our historic experience, the impact of climate change on traditional weather patterns has become more pronounced. This has reduced the certainty of our modelling efforts. Additionally, Recovered Energy units may be affected when winter temperatures are higher than average as it reduces the gas flow and, like all structures, power plants are likely to be affected by extreme weather

occurrences such as hurricanes and tornadoes, which are unavoidable. Almost all of our power plants are located in areas that are not expected to be affected by rising sea levels, however, our operations could be impacted by drought, wildfires, landslides, floods, or other weather events (including weather conditions associated with climate change) or similar occurrences affecting our power plants or any of the power purchasers or other third parties providing services to our power plants.

In terms of risk management in the geothermal exploration process, Ormat's Resource Department is comprised of an experienced team of geologists, geophysicists and engineers who are dedicated to assessing, exploring, developing and managing geothermal reservoirs in the context of our projects or potential projects. The risk management process for the exploration phase begins with in-depth research on the geothermal reservoir, including its location in the potential plant area, in order to identify and assess potential physical, social or environmental risks early in the process. If a site is deemed to be relevant, the Resource Department begins the surface exploration process at the site whereby they initiate drilling in slim holes to determine the exact location of the geothermal reservoir and where to locate the plant.

⁹ The precautionary approach was introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'. It states: 'In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'

CHAPTER IV.
OUR BUSINESS,
FINANCIAL
PERFORMANCE AND
ECONOMIC IMPACTS



Ngawha 4 geothermal power plant, New Zealand, 35 MW, supplied by Ormat

MANAGEMENT OF ECONOMICS AND FINANCE AT ORMAT

The topics of economics and finance at Ormat are managed by the Company’s Chief Executive Officer, Chief Finance Officer and the Finance Department’s managers and employees. These individuals are responsible for reporting to the Board of Directors and shareholders, through our filings, reports and press releases and by our Investor Relations department, regarding Ormat’s economic performance and regarding any relevant financial issues. Furthermore, and together

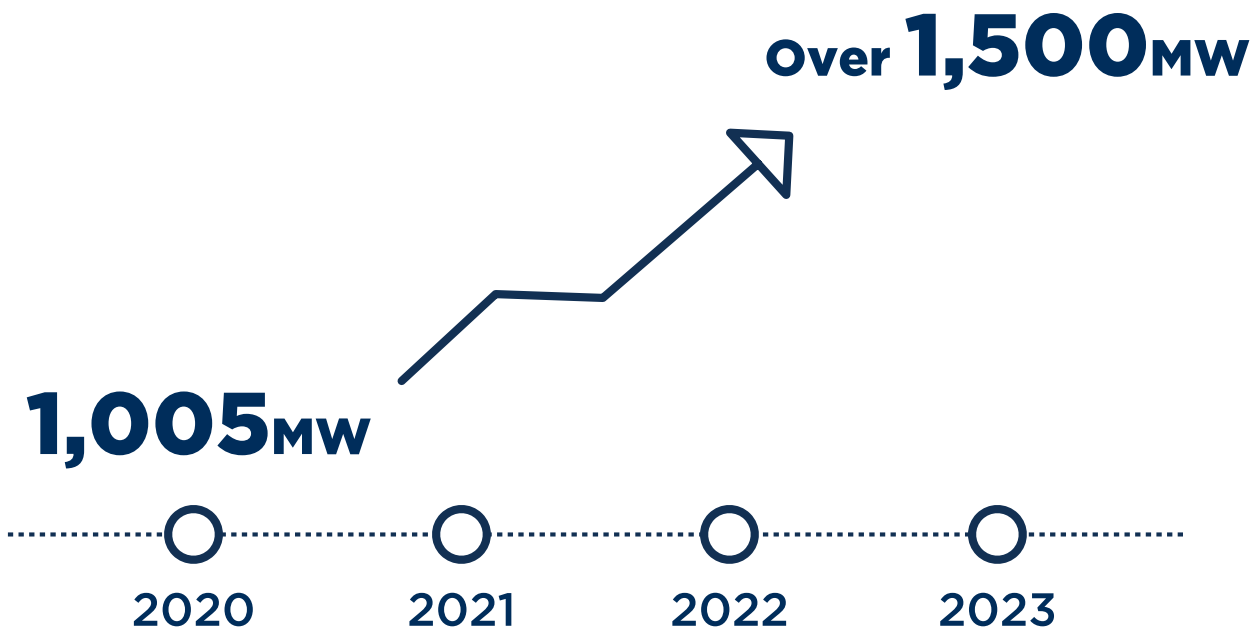
with management, these individuals are responsible for preparing Ormat’s annual, quarterly and periodic financial reports that are filed with the SEC. All of our SEC filings, including the Company’s 10K, 10Q and other relevant documents are available to the public both on the [SEC website](#)¹⁰ and on our [Investor Relations page](#)¹¹.

Ormat’s senior management reports to the Board of Directors annually on major risks to the Company’s business strategy. This involves a discussion of trends as well as identified risks and opportunities relating to climate change and other sustainability considerations affecting the business.

Our shareholders are consistently provided with current and exact information on our financial performance and condition. We regularly hold earnings calls that all our global shareholders can access online along with the Company’s earnings call presentation. In addition, our Investor Relations team issues email notifications, alerts and news regarding Ormat’s financial performance or any major Company events on a regular basis through a wide media distribution and a list of registered subscribers. In all our communication and interaction with shareholders, we aim to provide top-of-the-line service while adequately and appropriately addressing their requests.

Our growth plans to the end of 2023 compare to the end of 2020: Increase Geothermal and Solar PV capacity by between 35-37% and energy storage assets portfolio by between 274-411%

MW EXPECTATIONS



LOANS AND FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENTS AND DEVELOPMENT BANKS

Ormat interacts directly with governments, their agencies and development banks in the context of financing our power plants around the world. Our methods and types of communication and engagement with government entities vary based on the legal and regulatory framework in the relevant

country, as well as the economic structure of the electricity generation market in that country.

There are several governmental incentives, such as tax benefits or subsidies for renewable energy generation, that contribute to the attractiveness of our solutions. More information and assessment of relevant tax benefits is available in our 2020 Annual Report at the following [link](#)¹².

Aside from tax benefits, a number of Ormat’s projects are funded with financial loans from prominent government and multilateral backed development financial institutions, such as the Development Finance Corporation (“DFC”), the German Investment Corporation (DEG), , Japan Bank of International Cooperation (“JBIC”) and the Asian Development Bank. Details on the projects and the loans received are detailed in the following table.

Details on selected projects and loans:

Name of Entity	Type of Financing	Project
DFC	Project finance loan	Platanares, Honduras
DFC	project finance loan	Olkaria III, Kenya
DEG	Credit agreement	Olkaria III, Kenya
U.S. DOE	Project finance loan - ARRA Section 1603	Neal Hot Springs, Oregon, U.S.
U.S. DOE and John Hancock	Project finance loan - ARRA Section 1705	OFC-2 Geothermal Portfolio, Nevada, U.S.

Usually, Ormat does not directly receive grants and benefits from governments, but the subsidiary companies established in order to operate our power plants are eligible in certain cases to receive governmental incentives. More information on the relevant incentives received by our subsidiary companies can be found in the 2020 Annual Report at the following [link](#)¹³.

Overall, governments and governmental entities are not part of Ormat’s shareholding structure. As of 2020, there were two exceptional case:

- The national electric company of Guatemala, Instituto Nacional de Electrificación (INDE), owned 3% of our Zunil power plant.
- Two government entities, Caisse des Dépôts et Consignations (CDC), a French state-owned financial organization and Sageos holding, a fully owned subsidiary of Bureau de Recherches Géologiques et Minières, the French geological survey, together own 36.25% of our Bouillante project in Guadeloupe Island, France.

46 ¹⁰ <https://www.sec.gov/>
¹¹ <https://investor.ormat.com/Docs>

¹² <https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066>
¹³ <https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066>

ORMAT’S APPROACH TO TAX

As a global country and in accordance with our Core Values, it is of principal importance that we pay the right amount of tax by abiding by the rules and regulations of the jurisdictions in which we operate and paying what we owe in a timely fashion. In doing so, we operate in a transparent, ethical, and socially responsible manner with regard to our interactions with tax authorities, contributing to the communities in which we operate while being mindful of our responsibility to our shareholders. To support our commitment and responsibility as a company to the communities we operate in, we have created a Global Tax Policy to help define and guide our approach.

The Tax Policy defines Ormat’s tax strategy, based on excellence and a commitment to the application of good tax practices aligned within the framework of the corporate Core Values and Code of Business Conduct and Ethics. The Company’s tax strategy has been established to ensure compliance with applicable tax laws and regulations and seeks to establish an appropriate coordination of the tax practices followed by the companies of the Group, all within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions. The Company takes into account all legitimate interests, including public interests, that converge in its business.

Our tax planning must support genuine commercial activity, comply with the laws and regulations of the jurisdictions in which we operate, and be consistent with—and be seen to be consistent with—our business strategy and Core Values.

The Company does not engage in “prohibited tax shelter transactions” including listed transactions, transactions with contractual protection, or confidential transactions as defined by the Internal Revenue Service of the U.S. or similar provisions in other taxing jurisdictions.

As previously discussed, we operate in a transparent, ethical, and socially responsible manner with regard to working with tax authorities. We strive to maintain a proactive, professional, and constructive relationship with tax authorities and help focus their resources on the most important issues by providing clear and concise documentation and support and disclosing all relevant facts for the conclusions reached in our filings

Our Corporate Tax Policy is reviewed on a regular basis and changes are approved by the Company’s Audit Committee of the Board of Directors. Ormat’s Chief Financial Officer is responsible for the Tax Policy and delegates execution to the Vice President, Global Tax. Execution of the Tax Policy is supported by the Company’s global Tax and Finance teams.

The Company has Ethics and Compliance Programs designed to prevent and detect violations of our Code of Business Conduct and Ethics and has established mechanisms for internal and external parties to anonymously raise compliance and ethics concerns, including unethical or unlawful behavior in relation to tax.

DEVELOPING RENEWABLE ENERGY AND CRITICAL INFRASTRUCTURE

We believe that the presence of Ormat’s operations around the world, including in various developing

countries, has an inherently positive impact on environmental, economic and social aspects. This is due to the fact that the projects provide a valuable source of renewable energy to support a country’s infrastructure development, create jobs and strengthen its energy sector by helping to diversify its energy sources and move away from fossil-fuel to renewable energy and domestic sources.

Furthermore, and as outlined in the “Supporting and Shaping Sustainable Communities and Futures” Chapter of this report, in every location where Ormat operates, our presence has generated positive impacts through the creation of economic opportunities, development and employment benefits. For instance, geothermal energy provides numerous benefits to the U.S. economy, as was outlined in a report by the Geothermal Energy Association (GEA)¹⁴. According to such report, the economic benefits of a typical 30 MW geothermal plant can provide about US\$150-225 million in inbound capital investment, create about 50 long-term jobs in order to operate the plant, resulting in surpluses in property taxes and royalties to the land owners as well as other social and economic benefits for the local community.

Furthermore, and starting from the exploration phase for geothermal resources, Ormat attempts to assess the level of critical infrastructure – including roads and electricity transmission lines – needed in order to implement the project. This infrastructure remains a valuable resource for local communities regardless of the existence of the project, such as is the case with the development of local roads, water and electricity distribution systems.

In addition to these significant indirect economic impacts, we play an active role in communities local to all our operations, including through phil-

anthropic contributions and various community development activities as detailed in the “Supporting and Shaping Sustainable Communities and Futures” Chapter in this report.

Environmental Regulations Supporting Our Business

As a renewable energy company, Ormat adheres to and benefits from a number of regulations that promote renewable energy through different incentive models, and increasingly, by requiring the use of renewable energy in countries’ energy mixes.

Some of the relevant environmental laws, regulations and incentives in our countries of operation are outlined and detailed under Item 1 in our recent 10K report filed with the SEC.

ENVIRONMENTAL REGULATIONS SUPPORTING OUR BUSINESS

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Transporting Ormat plants worldwide

ORMAT'S SUPPLY CHAIN & PROCUREMENT PRACTICES

As a global Company with operations in a number of different countries, Ormat has a diverse and dispersed supply chain that we responsibly manage through our Procurement Department. The Procurement Department is responsible for selecting, managing and assessing our supply chain as well as determining the conditions for working with various suppliers.

Ormat engages with suppliers and subcontractors for two main purposes: for provision of materials, parts and services in manufacturing through our Procurement Department and for the construction, operation and maintenance of our power plants around the world. In addition, Ormat engages a small amount of service providers – such as lawyers, consultants and accountants – who advise Company management and the Board of Directors on certain issues.

As such, Ormat's supply chain consists of four different types of suppliers: electrical parts suppliers, suppliers of materials, suppliers of parts and service providers. As of 2020, Ormat worked with approximately 5,000 different suppliers. Ormat did not experience any significant changes to the organization that affected its supply chain in 2020.

Furthermore, our Company has operations in over ten different countries, and as a result, we work with suppliers from around the world. Where possible, Ormat encourages and seeks out opportunities to work with local suppliers. However, due to the technical specifications that are

inherent in the construction of our power plants, we are often required to import materials, parts and supplies that are not typically manufactured locally.

We categorize our work with suppliers according to the level of spend with the supplier over the fiscal year. As such, Ormat encourages work with smaller suppliers that are categorized by the Procurement Department according to the level of spend and volume of business.

In 2021, we finalized and published our [Supplier Code of Conduct](#), which ensures the implementation and commitment to the values as outlined in our "Code of Business Conduct and Ethics" which serves as guidelines for directors, officers and employees that deal with or come into direct contact with suppliers. Beyond reflecting Ormat's values and existing Terms and Conditions for suppliers, this Code follows those principles set forth in internationally recognized standards such as the United Nations Declaration of Human Rights and the International Labor Conventions (ILO), as well as based on other relevant laws and regulations outlined where relevant.

The policy outlines Ormat's requirements and expectations of suppliers in the areas of: ethics and corporate governance, labor and human rights, environment and climate change policies and practices, and integrated quality, environment and health & safety systems. The Code is also distributed to all existing, new and potential suppliers as well as being publicly available on Ormat's website.

Some of the conditions that we outline include avoiding conflicts of interest in dealing with suppliers, relevant anti-trust considerations and maintaining the confidentiality of our terms and conditions with suppliers and our expectation of directors, officers and employees to deal fairly with suppliers. Furthermore, in our

"Integrated Quality, Environment, Health & Safety System Policy", we outline our commitment to treating our suppliers, subcontractors and business partners with the utmost respect, while also assessing, in general, that those suppliers, subcontractors and business partners uphold relevant social, environmental and health and safety standards for their employees.

Ormat has adopted a Conflict Minerals Policy, in compliance with the SEC's Dodd-Frank Wall Street Reform and Consumer Protection Act (known as "the Conflict Minerals Rule"). Our Conflict Minerals Policy, available at the following on our website¹⁵, defines principles, commitments and expectations that extend to Ormat's partners, subcontractors and suppliers, with the intention of identifying, to the best of our ability and knowledge, sources of the relevant minerals under the Conflict Minerals Rule, i.e. tin, tantalum, tungsten and gold, in the components and materials supplied to us and which are necessary to the production or functionality of our products. Our policy supports the intention of the Conflict Minerals Rule, which is not to economically disadvantage areas of conflict in the Democratic Republic of Congo and surrounding countries, but rather to significantly reduce or eliminate funding of armed groups that have a record of human rights abuses in the region. As such, we have an expressed commitment to human rights and our understanding of the impact of our activities is realized in our continued efforts to perform effective due diligence on the sourcing practices within our supply chain. Our due diligence processes are materially based on the internationally-recognized Conflict Minerals due diligence framework introduced by the Organization for Economic Cooperation and Development (OECD). A full description of our Conflict Minerals due diligence activities can be found at our website at the following link¹⁹.

PROVIDING EXCELLENT AND RELIABLE CUSTOMER SERVICE

Ormat is the world's only vertically-integrated geothermal company, and we usually are responsible for exploration, development, drilling, design, manufacturing, construction, and operation of our geothermal power plants. Our customers benefit from our modular, flexible approach and our extensive experience in applying a variety of different products and solutions – all designed for simple transportation, installation, operation and ongoing maintenance. We manufacture most of the power generating unit equipment componentry used in our power plants. We acquire any equipment we do not build ourselves from selected, top-quality, trusted suppliers. Ormat is ISO 9001 and ISO14001 certified, with our manufacturing facilities also meeting the standards of the American Society of Mechanical Engineers (ASME) and the European Pressure Equipment Directive (PED). Many electric utilities around the world have also recognized Ormat as an approved supplier. Ormat's design and manufacturing standard meets the requirements of the applicable European Commission directives and therefore we are entitled to carry the CE marking that denotes conformity with health, safety and environmental protection standards for products sold within the European Economic Area.

Due to Ormat's nature as a vertically integrated Company, we have a number of points of contact with our various customers and we work to provide them at all times with excellent and reliable customer service.

At Ormat, we offer a variety of short- and long-term unique services and along with that, we provide service to any and all users of our services. Customer service at the Company is managed by our After sales and Product support Group, which is part of the Business Development and Sales Group. Our Product support department collects, addresses, and manages relevant requests from our various customers around the world. It is important to note that Ormat prides itself on its strong base of repeat customers, which is due to the strength of our energy

solutions and technology and the quality of our customer service relations that is characterized by regular and productive communications with customers. As a company who is both an operator, as well as equipment manufacturer, we have the unique advantage in the market which allows us to share our operational experience and provide a better experience to our customers.

Some of these methods of communication include:

- Continuous contact with direct customer service representatives - each customer has direct contact to the team which they can contact for any issue that might arise. Also, team members periodically initiate contact with each of their customers to maintain ongoing dialog.
- Newsletters – we publish newsletters in which we suggest recommendations for different types of improvements to products and services (for example, for increasing the efficiency and generating capacity of our plants).
- Workshops and Webinars – Ormat organizes and hosts several different client workshops or webinars in different countries periodically. The workshop aims to share Ormat Operation and Maintenance experience, address different operations issues, discuss improvements and upgrades, and present innovations in Ormat's technology. General customer service requests – we answer general requests submitted through other channels such as ones directed to our international Customer Service department through our website on the "[Contact Us](#)" page which offers an online form and other forms of contact:

Address: Ormat Technologies Inc., 6140 Plumas Street, Reno, NV 89519-6075, U.S.
Tel: +1-775-356-9029
Fax: +1-775-356-9039

Email: info@ormat.com

Ormat's policy is to address all our customer service requests in a timely and suitable manner in order to ensure the continued satisfaction of our global customer base.

DATA PRIVACY AND CYBERSECURITY FOR OUR STAKEHOLDERS

Ormat is committed to ensuring the data privacy of its directors, officers, employees, customers and other relevant stakeholders. We have an "Electronic Communication Policy" that sets security procedures for Ormat's internal stakeholders. The referred to policy includes our expectations of employees regarding use of Company equipment, authorized use of identification information, password policies, and how electronic messaging and documents should be properly handled. The policy is managed by our Information Technology department and all internal stakeholders are requested to acknowledge the policy in the context of their employment with Ormat.

In addition, we work to ensure that all our information technology systems are secured in terms of their cybersecurity aspects. Ormat has an advanced internal policy for managing cybersecurity risks that is overseen by the Company's Information Technology department. In our risk management processes, we consider threats and vulnerabilities in information, information technology and communications systems that we use on a regular basis to deliver our products and services, facilities or other assets that are a part of our cyber-infrastructure.

We are in constant internal communication with our employees about cybersecurity threats and awareness. In addition to trainings and the policy, we email relevant materials about possible threats in order to raise awareness, to give tools and advice on how to avoid and prevent a personal cyberattack.

Ormat did not experience any material breaches or cybersecurity events, nor did the organization receive any substantiated complaints regarding breaches of customer data or privacy, in 2020.

15 <https://investor.ormat.com/Doc/Index?did=52115999>

CHAPTER V.
GENERATING
ENVIRONMENTAL
VALUE AND
MEASURING OUR
IMPACTS



An Ormat Turbine at work

MITIGATING CLIMATE
CHANGE RISKS
AND WORKING
TO REALIZE NEW
OPPORTUNITIES

Ormat is a global leader in delivery of renewable energy solutions: geothermal energy, energy storage, recovered energy and management. We have developed and manufactured geothermal and recovered energy power plants with a cumulative collective capacity of more than 3,200 MW¹⁶ since our Company was established over 50 years ago and we are proud to note that all of our power plants primarily operate without fossil fuel consumption. However, some of our power plants may indirectly use fossil fuels as part of their grid electricity consumption. At Ormat, we are motivated to mitigate climate change risks, reduce our greenhouse gas emissions, advance energy efficiency and promote the use of renewable energy sources. These aims lie at the heart of our business and represent our key value proposition for our customers. They also have been identified as highest priority by the stakeholders who participated in our materiality assessment and the ongoing stakeholder engagement.

EMISSIONS FROM OUR POWER
PLANTS AND OPERATIONS

Our geothermal and recovered energy power plants do not have significant emissions. That said, we actively work towards the reduction of mainly CO2 emissions and other GHG emissions¹⁷ generated through our operations and business practices, which includes

commitments to mitigate any subsequent climate change effects. Our approach for the calculation of our carbon footprint is financial and operational control. To improve the internal measurement of our GHG emissions, we have expanded our methods for data collection from our relevant operational sites this year, with the goal of estimating our level of impact and generated emissions. We make concerted efforts to both track and minimize all of our emissions including our direct (Scope 1) and indirect (Scope 2 and Scope 3) GHG emissions from our power plants and operations, and to regularly report on our progress to the CDP and the Israeli Ministry of Environmental Protection.

We had selected 2019 as our base year for calculating Ormat’s carbon footprint, as well as the first year that Ormat calculated Scope 3 emissions generated from employee personal and business travel. In 2020 we not only continued to calculate our carbon footprint and scope 3 emissions, **but also increased the transparency by including the emissions related to freight by sea in our scope 3 emissions calculations. We have established a target for a 5% annual average absolute reduction in Scope 1 and 2 emissions measured against the 2019 base levels discussed above that we successfully achieved. Our progress towards this goal will be reviewed annually and will be reported in our Sustainability Reports.**

OUR CARBON FOOTPRINT AND
GHG EMISSIONS MITIGATED

The main emissions that were calculated for Scope 1 and Scope2 emissions include activities from Ormat’s

operating sites, from owned facilities, and from purchased electricity. These activities include manufacturing facilities and machinery, offices, power plants, corporate automobile fleet, drilling rigs and electricity consumption at our facilities, among other sources. This year, we expanded our Scope 3 emissions calculations to include freight by sea in addition to employee transportation and business travel that were first disclosed in 2019. We are evaluating additional opportunities for tracking and disclosing Scope 3 emissions.

More information on the breakdown of our carbon footprint calculations for 2020 is provided in the graphs and charts below¹⁸.

The Scope 1 emissions for 2020 totaled 95,741 tons. 89% of Scope 1 emissions and 72% of our total emissions arise from the generation of our geothermal energy. Of the 89% Scope 1 emissions, 68% is a result of the energy produced and sold to our clients, and 21% is from energy consumed internally as the auxiliary power of our geothermal power plants.

In Honduras

We developed and manufactured our geothermal power plant with a capacity of 38 MW and we are proud to note that our power plant operates without fossil fuel consumption as a general rule. At GeoPlatanares, we are motivated to mitigate climate change risks, reduce our greenhouse gas emmissions, advance energy efficiency, and promote the use of renewable energy sources. These aims lie at the heart of our business and represent our key value proposition for our customer. They also have been identified as one of the highest priorities by the stakeholders who participated in our materiality assessment and the ongoing stakeholder engagement.

All of our recovered energy plants, and the majority of our geothermal power plants operate with 100% reinjection of the geothermal resource and therefore do not generate emissions. A small number of our steam and binary plants, which uses artesian wells are unable to conduct 100% reinjection of the geothermal resource (due to the non-condensed gases coming to the surface from the geothermal reservoir), do generate GHG emissions to a certain extent. These emissions were calculated either through actually monitored emissions levels, or computed according to established US Department of Energy guidelines for steam power plants.¹⁹ Additional emissions under Scope 1 derived from the operation of drilling rigs used in the geothermal exploration and power plant construction phases, from our use of vehicles at our various facilities, which are employed for travel, maintenance, and logistics at our various sites, the use of diesel backup generators to provide power for ongoing operations in the event of planned or unplanned outages or maintenance shutdowns, and from air conditioning units used in our factories and offices²⁰.

The Scope 2 emissions²¹ for 2020 totaled 14,763 tons. At our manufacturing facility in Yavne, Israel, we generate solar electricity using rooftop Photovoltaic (PV) panels. The relevant emissions are calculated according to an emissions factor of zero. The electricity that we generate through the solar panels is used for self-consumption or is sold back to the local electrical utility. In 2020, self-consumption of solar energy at our manufacturing facility totaled to 1,547 MWh. The energy generated sold to the local electrical utility was 405 MWh. The production, consumption and selling of the solar energy in 2020, resulted in the avoidance of **1,064 tons of carbon dioxide emissions.**

The total Scope 3 emissions for 2020 totaled 8,378 tons. 2019 was the first year in which we began to calculate and disclose Scope 3 emissions. Scope 3 emissions, indirect emissions, are one of the more important categories of emissions to calculate as they can represent the largest source of emissions for companies. Ormat understands that as a renewable energy company there can still be many indirect emissions that are related to our operations throughout the supply chain. We understand our responsibility, and despite the complexity of collecting and calculating the data, we plan to continue explore the expanding and improving of our disclosures in order to enhance transparency.

With the addition of disclosures in Scope 3 data for 2020, we identified a rise in our total scope 3 emissions, yet this is due to an improvement in our transparency and one we intend to continue in the coming years. Even with the additional Scope 3 emissions that were added, our total emissions and carbon footprint went down between 2019 and 2020.

This is due to a couple things:

- Conversion of artesian wells to pumped wells and steam turbine decommissioning, which eliminated the non-condensed gases emitted to the atmosphere – reduces Scope 1

- Reduction of energy use due to COVID-19 – reduction of Scope 2
- Reduction of flights due to COVID-19 – reduction of emissions associated with flights within the calculation of Scope 3

Although some of these reductions were a result of the pandemic, we intend to continue reducing overall and creating more efficiencies by adopting practices and utilizing technology solution to reduce the non-condensed gases at our power plants.



KPI

In 2019, we set the goal of reducing our emissions in Scope 1 and 2 by 5% per revenue by 2020. We accomplished this goal and beyond as we reduced total emissions in Scope 1 and 2 by about 29% absolute carbon footprint. Looking to our planned, ongoing and future projects in 2020, we have estimated that we Will maintain an annual 5% reduction in the next years compare to 2019 base level.

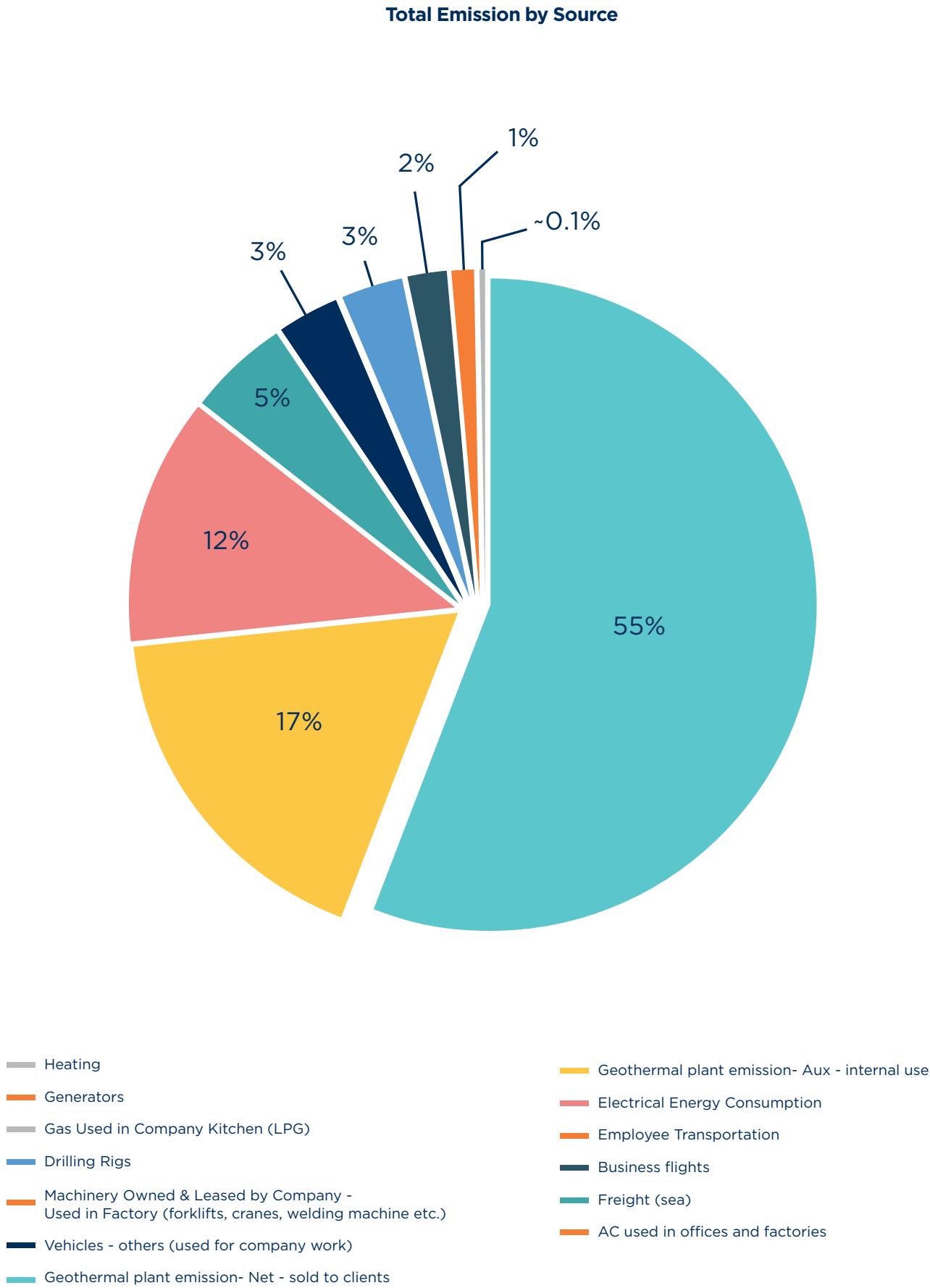
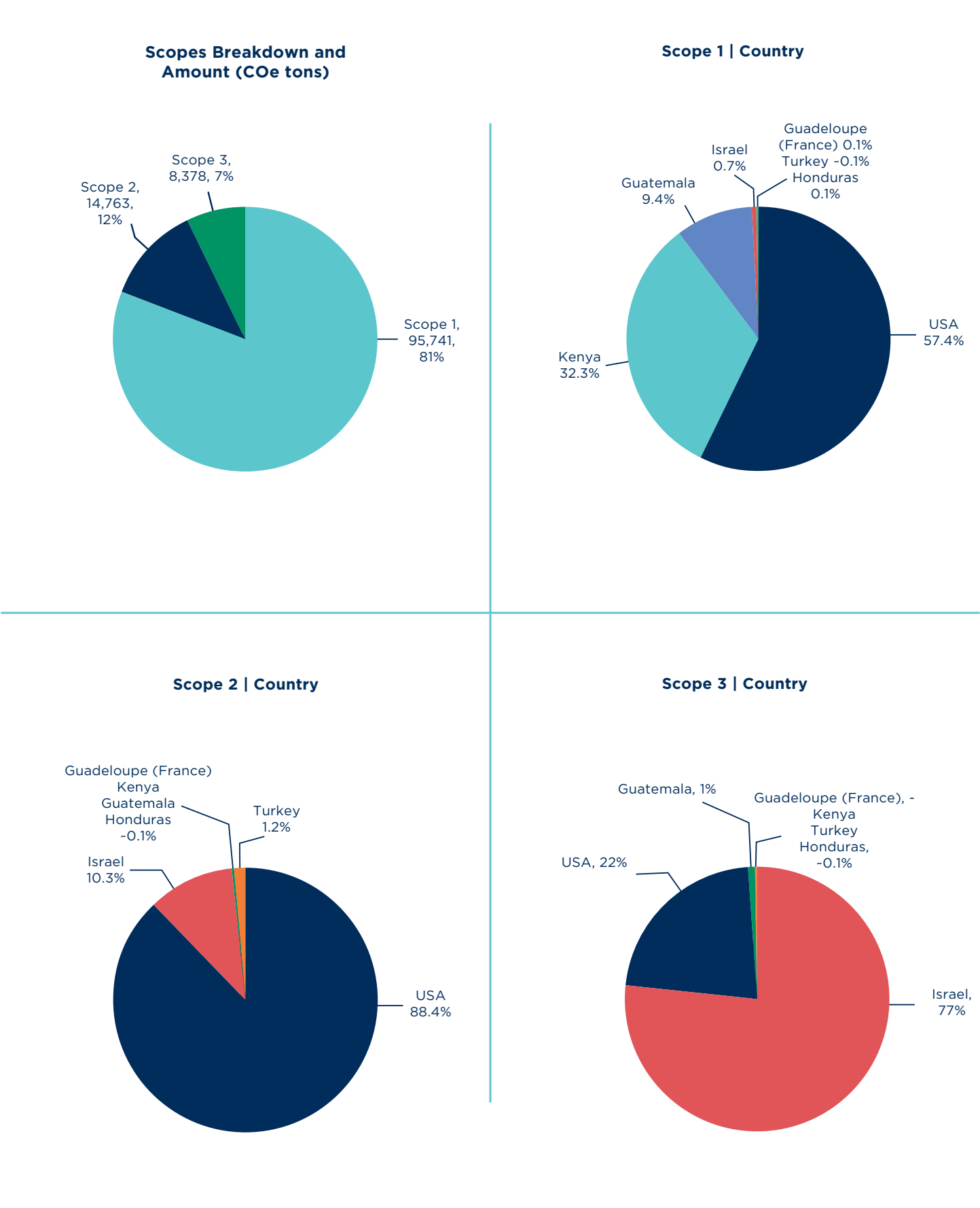
Absolute and Percentage Reduction CO2 tons

Scope	2019	2020	YoY Change
Scope 1	121,214	95,741	-21%
Scope 2	35,748	14,763	-59%
Scope 3	3,802	8,378	120%

IN 2020 ORMAT MITIGATED 46,458 TONS OF GHG EMISSIONS IN SCOPE 1 AND 2 COMPARED TO 2019, HELPING US IN OUR TRANSITION TO NET-ZERO EMISSIONS

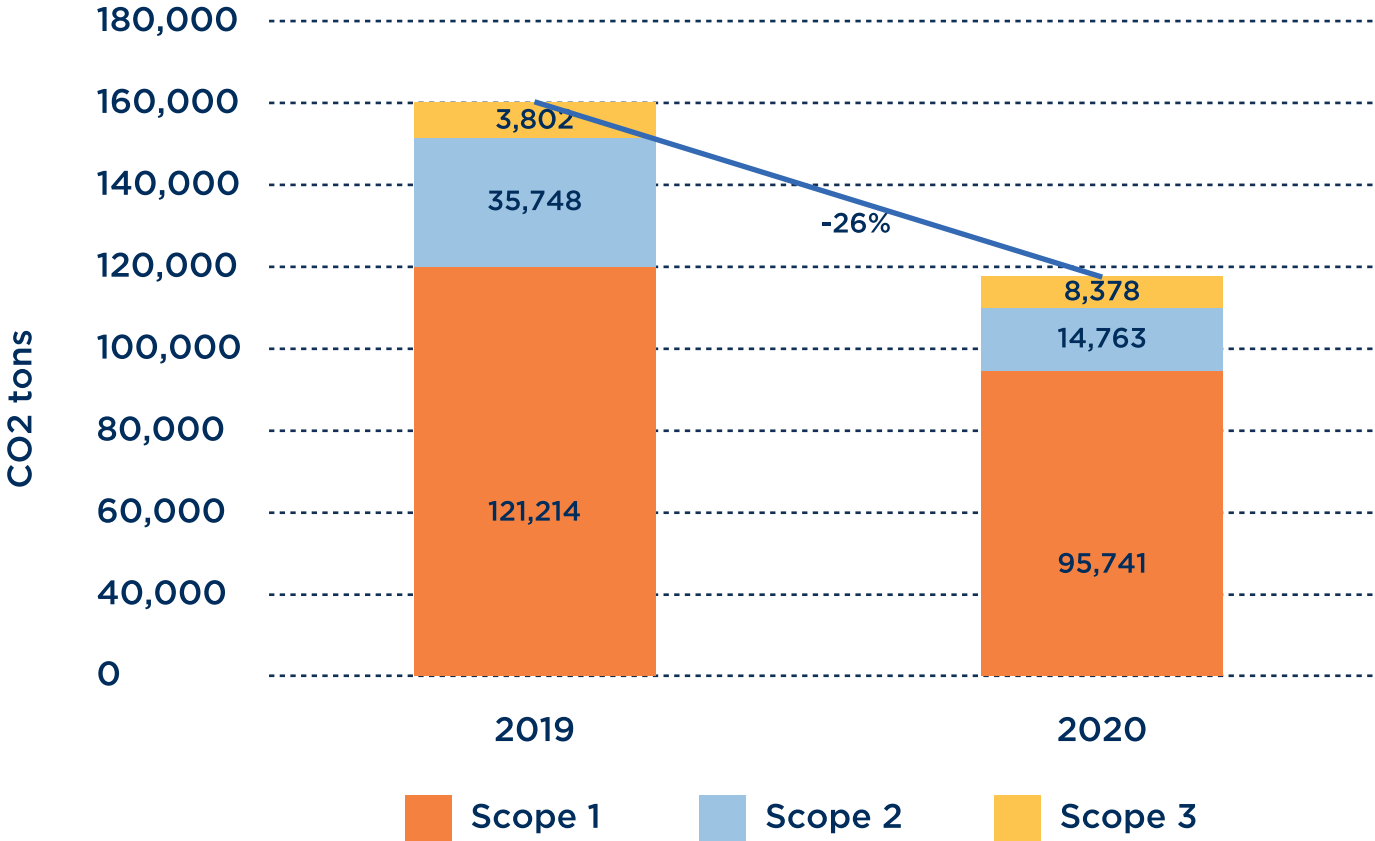
16 As of the publication of this report.
17 "Greenhouse gases" are defined by the U.S. EPA as "gases that trap heat in the atmosphere. These gases include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and fluorinated gases, or high global warming potential gases.
18 All calculations include storage facilities data.

19 As published by the Office of ENERGY EFFICIENCY & RENEWABLE ENERGY
20 This data was obtained from the majority of Ormat's relevant sites; our Yavne (Israel) manufacturing facility is the primary producer of Ormat's worldwide air conditioner related emissions.
21 Scope 2 emissions were calculated using the "market" based approach where possible by using the coefficient of utility used. When not possible, The "location" based calculation was done by using the coefficient based on the EPA's 'Emission Factors for Greenhouse Gas Inventories' (March 2021) document.



EMISSIONS
COMPARISON
2019-2020

Scopes 2020



Our GHG emissions intensity calculation, i.e. the relative intensity of our Scope 1 and Scope 2 emissions divided by our revenues, which uses 2019 as the base year for comparison in future calculations, acts as a point

of comparison for us to track the intensity of our emissions over time, assisting us in accurately accounting for the extent of our environmental impacts.

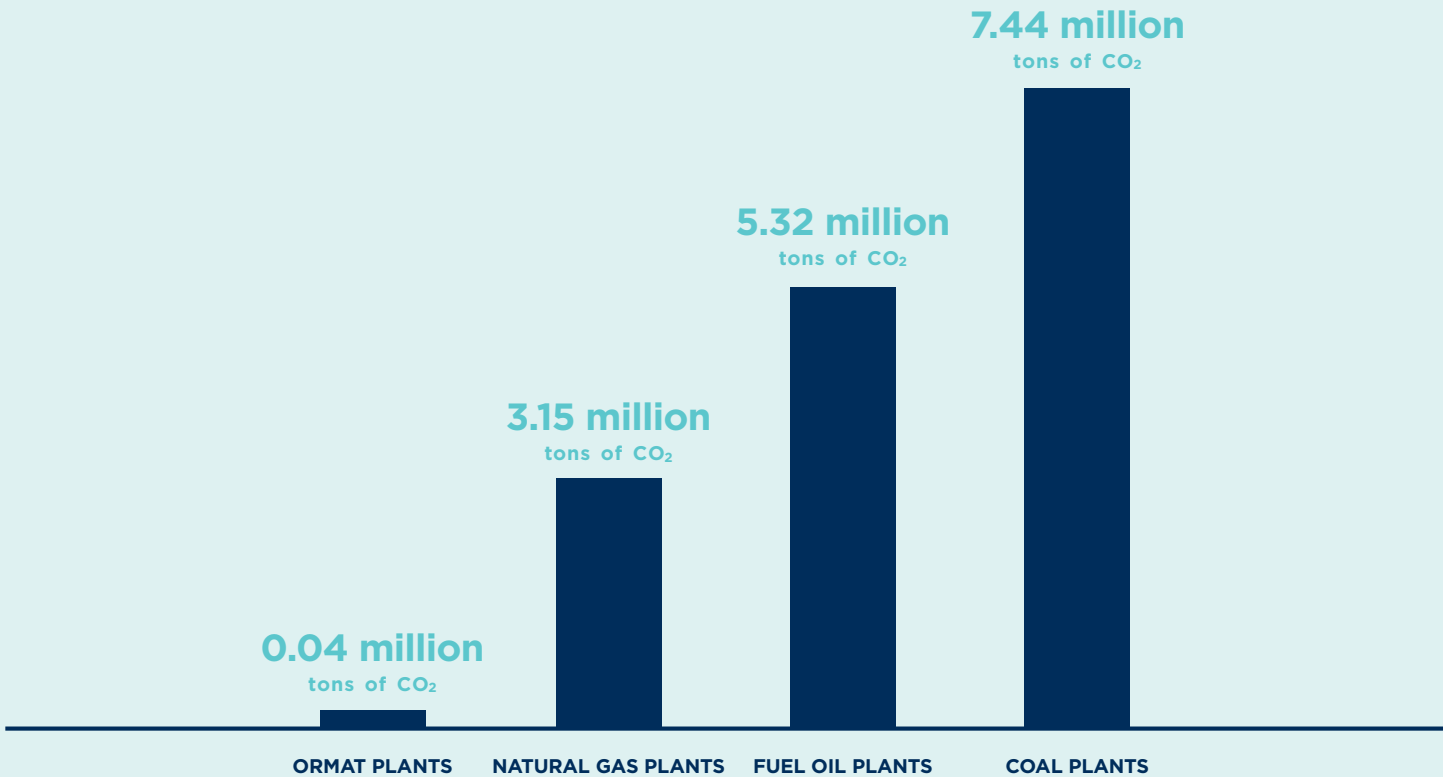
EMISSIONS FROM
OPERATIONS

In 2020, Ormat owned power plant facilities generated 6,043,993 MWh (net) of electricity. As mentioned above, in order to provide a fuller representation of our total emissions, we have included the emissions from our production

in our calculations, though this information is also included in our customers' emissions disclosures. The chart shows the renewable electricity offset recorded by Ormat in 2020 conceptually compared with other common methods of base load electricity generation, such as conventional fossil fuel-based methods²². These figures present only the emissions that were

avoided through the generation of renewable power at Ormat's owned power plants in 2020. Ormat's contribution to global GHG mitigation is strengthened through the avoidance of emissions in the geothermal and recovered energy power plants that Ormat has sold to power producers and utilities over the years, which have an installed capacity of more than 3,200 MW.

The below table compares the CO2 generated by Ormat plants with the amount generated by other technologies for an equivalent amount of power.²⁸



In addition, we have worked to reduce emissions through the following projects:
Steam Turbine Decommissioning and conversion of artesian wells to pumped wells:

- Ormesa facility - we decommissioned the last steam turbine in the first quarter of 2020. This allows for the binary cycle that will

reduce completely the emissions.

- Heber facility - has one steam turbine still in use
 - RTO generator installed to reduce emissions almost completely
 - There are carbon footprint readings - not estimated

- The steam turbine is planned to be replaced soon - to a binary unit, and within the 2022 time-frame will go down to almost nothing.

22 The emissions from Ormat's power plants and the relevant calculation are explained above. The other electricity sources are from "CO2 Emissions from Fuel Combustion Highlights 2019" International Energy Agency (IEA), 2019.

ENERGY USE, EFFICIENCY AND FUEL RESOURCE MANAGEMENT AT ORMAT

We strive to ensure optimization and ultimate efficiency in our use of energy resources throughout our value chain and in our internal operations. As an energy generator, we seek to improve our efficiency by using advanced technologies and equipment in order to optimize the energy generated by our power plants. As an energy consumer, we work to improve performance through designated action plans and by raising employee awareness regarding the use of energy in our operations; offices, buildings, facilities and transportation.

ENERGY CONSUMPTION IN THE ORGANIZATION

The fuel consumption figure in terms of energy (GJ) is obtained from direct measurement of the fuel used at each facility based on its net calorific value (NCV) and applying the accepted units of fuel conversion from the “UK Government GHG Conversion Factors for Company Reporting”²³.

The internal electricity consumption within the organization and the total amount of electricity generated and sold by the organization was calculated using inputs on energy purchased or generated, and using the following formula: electricity (GJ) = electricity (MWh) x 3.6 GJ/MW.

EFFORTS TO IMPROVE ENERGY EFFICIENCY

We make concerted efforts to monitor and reduce our energy consumption. Most of these efforts

are implemented at our manufacturing facilities through measures such as switching out outdated equipment and machinery for newer models with better energy efficiency and fuel consumption, among other initiatives. Each factory or workshop manager is responsible for assessing and mapping potential areas for energy efficiency improvements and then implementing the identified projects at their operational location. This is added to our Company-wide commitment to encouraging the responsible use of energy resources at all levels of the Company. Some of the Company-wide initiatives we have implemented in recent years include refurbishing our manufacturing facilities with LED lighting, installing more efficient air conditioning and cooling units and setting goals for improving the energy efficiency of our manufacturing facilities.

As a leading provider of clean geothermal energy, the Company prioritizes the reduction of energy consumption by our employees, plants, facilities, and associated entities. This is a continual, collaborative, and often iterative process in which all our stakeholders must take part. Ultimately, we believe that reductions in organizational energy consumption can have a significant positive downstream effect on the environmental and economic sustainability of our operations.

The following are examples of initiatives taken in 2020 to reduce the Company’s energy consumption.

- **Educating and training our employees on energy-effective practices**
- **The lighting systems have been replaced to LEDs and continue to show improvement**
- **Old air conditioners have been**

- replaced for ones that are more energy efficient
- **Smart lighting and cooling systems that automatically turns off when there is no movement and ensures that we are saving energy**
- **Installation of solar water heaters to heat water in the machining department**

MANAGEMENT OF GEOTHERMAL BY-PRODUCTS AND WATER RESOURCES

The management of water resources are of key importance to Ormat and our stakeholders. This includes first the geothermal water (or the geothermal resources, that is composed of water, salts and minerals) required for geothermal energy generation, and water resources that are used in other processes. We work to manage our impacts on the local hydrology and natural environment both through our commitments to various regulatory requirements and in our environmental action plans. Geothermal by-products and water impacts are managed by the power plant managers at our operational sites, while the nature of their activities and initiatives is inspired by our commitment to minimizing environmental and health-related impacts as detailed in our Integrated Quality, Environment, Health and Safety Policy.

Management of the Geothermal Resource and its By-Products

A key sustainability driver for geothermal power generation is the conservation and recycling of the geothermal resources that carry the heat from deep underground to the geothermal power plant on the earth’s surface.

We strive to develop geothermal power plants that involve reinjection and recirculation of the geothermal resource in what are known as “closed loop” systems. This method continuously recharges geothermal systems by maintaining consistent geothermal fluid flow and pressures. Reinjection of brine and condensate help reduce production-related pressure drawdown and promote enhanced thermal energy extraction from the heated rocks within

the reservoir. Importantly, reinjection also avoids by-products from emitted geothermal steam, mainly greenhouse gases, and the need for disposal of wastewater as well as visual impacts in the form of an emitted plumes from the cooling process.

Management of Water Resources in Our Operations.

Management approach



KPI

We have set a goal to reach optimal water recycling in all locations by 2025.

The goal of Ormat’s water sustainability vision is to proactively seek to use water resources in the most environmentally responsible and sustainable manner.

Preservation of and care for the environment are at the core of what we do at Ormat, and as such we are committed to all principles of environmental sustainability. We actively work to control impacts and opportunities, and this includes water use and management. As such, we have developed a Water Management Policy to support and uphold our water sustainability vision of proactively seek to use water resources in the most environmentally responsible and sustainable manner.

We engage with water resources from diverse sources to operate our power plants, manufacturing facilities and offices, and as such have established ambitious objectives to guide our water use and aim in order to reach our goal of maximum recycling by 2025 in all locations. The objectives of the Policy are to lead the

sector and actively managing our water resources, tracking and controlling data to ensure transparency, analyze and monitor water usage and performance, minimize the use of water and to engage stakeholders in all activities. The Policy will accompany the various purposes for use of water resources, such as the following aims:

- **Operation of our power plants:** In our air-cooled plants, water resources are used only for maintenance activities and for administrative and domestic purposes (cleaning, toilets, etc.). This provides a significant advantage in our plants that are located in areas of water scarcity, such as Nevada and Kenya. Our water-cooled plants are mostly in locations where that is the only option, mostly due to local weather and atmospheric conditions. There, water is used for the cooling and condensing of the motive fluid.
- **Manufacturing and office facility:** Water resources are used for various applications by the factory staff and to facilitate the manufacturing process. The main use for water in our manufacturing facility is for testing the viability of our power plant equipment in the factory setting, wherein we use recycled water.
- **Exploration and drilling:** Water is used in drilling activities mainly to generate the mud that is necessary for drilling a geothermal well, for environmental dust control and to maintain fluid for well control. Until 2020, the source of water used for drilling was different at each location and tanks were usually brought onto the drilling site. As of 2020, all drilling activities are done by and within the operating plants, and therefore the water used is internal and not registered in the amounts of water used. The water used meets relevant regulatory and environmental requirements that are enforced as conditions of our drilling permits²⁴.

23 <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019>

24 The quantity of water utilized in exploration and drilling activities varies year to year. In 2020, the notable decrease in water consumption is explained because there was much less drilling carried out overall this year and most of the drilling was in existing plants so the water used is counted in the plant’s water consumption. Additionally, we have corrected our Puna operation water use data for 2020.

Impacts of Our Operations on the Local Hydrology and Aquifers

We strive to conduct the necessary studies - including environmental impact assessments - to uncover and mitigate any potentially negative impacts on local hydrology and groundwater systems.

Ormat has entered geothermal resources leases with government entities, such as the Bureau of Land Management (BLM) in the U.S., entailing the right to conduct geothermal development and operations on government-owned or naturally protected lands. These leases legally require us to conduct operations in

a manner that minimizes impacts on water and the geothermal resources.

In 2020, our stakeholders did not submit any material grievances or concerns regarding the management of water resources in the vicinity of our power plants.

In addition, and as part of our environmental monitoring efforts, we track the sources of withdrawal for the water resources that we consume. We consume water resources at our operational sites mainly through the local water utility, but in other cases we consume groundwater and well water resources. In very rare circum-

stances, we consume water resources directly from local water sources. However, our interaction with such water sources is usually managed directly through our engagement with a local water utility.

As of 2020, we did not discover any material negative impacts on the local hydrology in the vicinity of our power plants and manufacturing facilities as a direct result from our operations.

The following table details the sources for various water resources used at our power plants and at our manufacturing sites in 2019 and 2020:

The following details the sources for various water resources used at our power plants and at our manufacturing sites in 2019 and 2020:

Country	Plant or Location Name	Total Volume Withdrawn (m3)		Source
		2019	2020	
United States	Brady ¹⁰²	81	76	City of Reno
	Don A. Campbell Complex	190	202	Gabbs, Nevada
	Heber Complex ¹⁰³	7,145,314	7,011,100	Colorado River through the Imperial Irrigation District
	Jersey Valley	77	77	Battle Mountain
	Mammoth Complex	194	53	Mammoth Community Water District
	McGinness Hills Complex	887	883	Callahan Pond
	Neal Hot Springs	211	229	Groundwater and on-site water well
	Brawly Complex ¹⁰⁴	1,507,191	2,026,487	Colorado River through the Imperial Irrigation District
	OREG	0.76	2	Different sources ¹⁰⁵
	Ormesa Complex ¹⁰⁶	3,406,507	4,307,319	Colorado River through the Imperial Irrigation District
	Puna	31,051	21,160	Hawaii County Water Supply
	Raft River ¹⁰⁷	1,270,372	1,361,018	Groundwater and on-site water well
	Reno offices	4,357	1,855	City of Reno
	Reno workshop	269	579	City of Reno
	San Emidio ¹⁰⁸	933,168	1,277,386	Groundwater and on-site water well
	Steamboat Complex	203	76	City of Reno
	Storage facilities	NA	NA	Not tracked
	Tungsten Mountain	58	58	Well water
Guatemala	Tuscarora ¹⁰⁹	360,452	270,736	Spanish Springs Ranch
	Amatitlan	245	190	Well water
Guadeloupe	Zunil	454	409	Water purchased from a third party
	Bouillante ¹¹⁰	7,900	9,500	Bay of Bouillante
Honduras	Platanares	2,378	2,179	Bufa River
Israel	Israel manufacturing facility and offices	14,187	14,021	Israel Water Authority
Kenya	Olkaria III Complex	19,479	27,055	Lake Naivasha through the Lake Laivasha Water Resource Authority
Turkey	Turkey manufacturing facility and offices	0.6	0.9	Izmir Water Company (IZSU)
Drilling operations worldwide	Different locations worldwide	8,082	see text	Various sources ¹¹¹



Managing the water resource in Honduras

WASTE,
MANAGEMENT OF
MATERIALS AND
BIODIVERSITY
CONSERVATION

We actively work to improve our relationship with the natural environment in the process of our business activities and beyond. We work towards responsible waste and material management at all our global facilities and have put in place ambitious programs, based on the results of environmental impact assessments and feedback from stakeholders, to better control the impact of our activities on local biodiversity.

We strive to continuously improve our environmental performance, focusing on waste management and biodiversity impacts. We actively monitor facility performance and encourage our employees and other stakeholders to report on incidents as they occur. In the context of the plan, we aim to take into consideration relevant legal and regulatory requirements governing the topics of waste management and biodiversity, and these standards are continually mapped and monitored at local and international levels.

We uphold ISO 14001 at our main manufacturing facility and the standard is used as a guideline for other activities worldwide. In addition, we engage in thorough dialogue with stakeholders, environmental NGOs and local communities to understand their concerns regarding the natural environment and biodiversity surrounding our facilities. We have established grievance mechanisms in most of the communities in our areas of operation, enabling the local population to directly submit any issues of concern regarding also waste management or biodiversity impacts directly to responsible individuals or to the Company at large. We attempt to address any relevant such concerns in a timely and thorough manner.

WASTE, MATERIAL MANAGEMENT
AND RECYCLING

We seek to responsibly manage our waste and material streams and to reuse and reclaim materials in order to minimize our impact on the natural environment and ensure the sustainability of our business over time. Our waste management efforts are constantly improving, as the topic is managed at a global scale in our Company through the Integrated Quality, Environment, Health & Safety System Policy that outlines our commitments to standards such as ISO 14001 and relevant environmental and health and safety standards for the management of hazardous waste. Our VP of Quality, Health, Environment and Safety oversees corporate-level policies for the management of waste, materials and recycling. At the local level, safe management of waste, including hazardous waste, materials and recycling efforts are managed on an ongoing basis by the plant managers, who establish the relevant procedures for waste and material management in order to comply with local regulations.

Waste management at our manufacturing facilities and geothermal power plants is managed through our material compliance with ISO 14001 and through the establishment of an Environmental Management System. Every aspect of the waste management process must be planned, implemented, measured, monitored and continuously improved through strategic objectives. This includes properly handling, storing, labelling, transporting and disposing of waste – namely hazardous waste products or materials – through our health and safety guidelines and Emergency Action plans, training of our personnel and employees on issues related to waste and the handling of materials and by keeping records of our waste management efforts.

We also have expectations of our subcontractors for the sound management of waste generated through

their activities, which are set out in our contractual agreements and are outlined in our list of Environmental Compliance Responsibilities.

AT OUR MANUFACTURING
FACILITIES, WORKSHOPS AND
OFFICES

Our manufacturing facilities, offices and workshops generate different types of hazardous and non-hazardous waste. Most of the hazardous waste arises from manufacturing practices, in which case we follow and adhere to local regulations. In our offices, we work to recycle, reuse and repurpose waste and materials in order to increase our level of efficiency and minimize our impact on the environment. We provide our employees with access to recycling receptacles across our operational locations, and actively encourage the preservation of resources by promoting recycling and the responsible use of materials. Where possible, we encourage the reuse of materials such as paper and cardboard, and our manufacturing facilities strive to recycle and reuse materials such as wood that can be used for packaging and shipping our products.

The following table details the major categories of hazardous and non-hazardous waste that were generated at our manufacturing facilities, offices and workshops in 2020, including details on how the waste products were disposed of or treated.

Category of Waste	Waste Classification (Hazardous or Non-Hazardous)	Weight (kilograms) 2019	Weight (kilograms) 2020	Disposal Method
General Waste Streams and Construction Waste	Non-Hazardous	1,329,240	88,234	Landfill
Metal - General, Aluminum, Scrap and Carbon Steel	Non-Hazardous	1,184,370	1,171,875	Recycling
Wood	Non-Hazardous	920,460	586,960	Recycling
Used Paint Containers and Paint Thinners	Hazardous	14,112	20,312	Authorized Disposal Methods
Used Oils	Hazardous	2,900	6,260	Authorized Disposal Methods
Radiographic films	Non-Hazardous	300	300	Recycling
Paper and Cardboard	Non-Hazardous	501,592	120	Recycling
Acid (Nitric Acid, Sulfuric Acid), Anti-Freeze, Antiseize, Organic Dissolving Material	Hazardous	9,156	Not reported in 2020	Authorized Disposal Methods
Batteries, Electronic Waste and Lightbulbs	Non-Hazardous	71,980	2,000	Recycling

AT OUR GLOBAL POWER PLANTS

At our various geothermal power plants, there are relevant local regulations and requirements governing the management, disposal and storage of waste. Part of our commitment in providing renewable energy solutions is to ensure that material and waste management at our projects adheres to our values, which means striving for zero tolerance for leakages and other potentially harmful environmental events.

In order to fulfill these objectives, we uphold

environmental action plans at nearly all our power plants, working to meet stringent local and international standards and regulations – a process that is managed through local know-how by our plant managers.

The operation of geothermal power plants requires the use of some sensitive and hazardous materials, including flammable materials such as industrial lubricants and organic motive fluids. These are treated according to local regulations governing storage and disposal of these materials in the relevant country of operation.

A by-product of the utilization of geothermal resource is scale, a non-hazardous material which we are responsible for treating and disposing. Scale is commonly found to include calcium carbonate, amorphous silica and silicates, and mixed metal oxides and sulfides. We actively monitor the level of scale in our systems and if we are not able to prevent the scale build-up we must remove and dispose of it. This disposal is in alignment with regulatory requirements and our expectations for sound environmental management.

The following table details the types of hazardous and non-hazardous waste that were generated at our power plants in 2019 and how the waste products and materials were disposed of or treated:

Type of Waste	Waste Classification (Hazardous or Non-Hazardous)	Weight (kilograms) 2019	Weight (kilograms) 2020 ¹¹⁴	Disposal Method
Used Oils, Petroleum Solids, Oily Rags, Pads, Used Filters and Other Oil Contaminated Products	Hazardous	255,034	170,209	Landfill, Recycling, Authorized Disposal Methods, Recovery & Reuse ⁸⁴
Motive Fluid ⁸⁵	Hazardous	632,250	206,729	Authorized Disposal Methods
Metal - General, Aluminum, Scrap and Carbon Steel	Non-Hazardous	157,819	378,430	Recycling
General Waste Streams and Construction Waste	Non-Hazardous	380,945	1,283,875	Landfill & Incineration
Wood	Non-Hazardous	5,063	4,345	Landfill, Recycling & Reuse
Paper and Cardboard	Non-Hazardous	8,233	4,651	Landfill, Recycling & Reuse
Acid (Nitric Acid, Sulfuric Acid), Anti-Freeze, Antiseize, Organic Dissolving Material	Hazardous	10,317	14,816	Authorized Disposal Methods
Batteries, Electronic Waste and Lightbulbs	Non-Hazardous	1,332	158,873	Recycling
Geothermal Drilling Mud (Liquid & Solid)	Non-Hazardous	650,703	13,794,197	Landfill
Sand	Non-Hazardous	925,183	84,617	Landfill
Nylon/Plastic Waste	Non-Hazardous	459	1,570	Landfill
Used Paint Containers and Paint Thinners	Hazardous	1,822	2,087	Authorized Disposal Methods & Recycling

At our subsidiary in Honduras, GeoPlatanares, we have our own treatment plant for wastewater. During 2020 an approximated 1,518m3 of water was returned to the natural environment after being properly treated.

BIODIVERSITY

Our renewable energy solutions are derived from nature itself, and as a result we place utmost significance on assessing the potential impacts on the local biodiversity and the natural and cultural environments surrounding our power plants. Maintaining the natural biodiversity around our plants is important to a number of our key stakeholder groups, such as local communities, environmental NGOs and financing bodies, among others. Accordingly, we strive to design our power generation facilities to blend into the surrounding landscape, taking into consideration the actual physical location of each facility, the configuration of units that are used to build it, landscaping, and the surrounding natural habitat, among other elements.

MAINTAINING THE NATURAL ENVIRONMENT IN THE CONSTRUCTION AND OPERATION OF OUR POWER PLANTS

Before we develop a new geothermal facility, we create a detailed environmental plan to minimize impacts to the surrounding natural lands and wildlife ecosystems. Our aim is to control and reduce the level of disruption to the surrounding natural environment in the development of the plant. Our care for the environment around our plants extends to the operation and maintenance phases of their lifecycle, keeping in mind our commitment to minimizing operational costs without compromising on meeting the highest safety and environmental standards. Furthermore, we seek to maintain the sustainable characteristics of geothermal resources through the intensive geologic and hydrologic studies that we conduct during the exploration and drilling phases. In some cases, Ormat is required to conduct additional studies regarding potential impacts on the natural environment as part of its land and mineral rights lease agreements.

During the construction of our geothermal power plants phase, we require the site manager and construction team to fulfil a list of specified environmental compliance responsibilities regarding biodiversity preservation at various stages of the construction process. These responsibilities vary from site to site, but in general include: attending a pre-construction meeting with Ormat to review the environmental management expectations; preparation of emergency response plans with contingencies for hazardous material spills and disposal; monitoring of dust conditions on site during construction; ensuring the proper storage of waste; recontouring of impacted areas to match the surrounding terrain; providing a buffer around eligible and unevaluated cultural sites that are close to project activities; salvaging and stockpiling soils for use later in the construction process; and ensuring that there is no use of construction paint on the natural surface.

In addition, ongoing research into new equipment helps minimize the environmental impacts from the operation of our facilities. For example, several facilities have been reconfigured to accommodate larger pumps that can more efficiently extract and process fluids from geothermal reservoirs. This, in turn, may reduce the number of wells that are required to properly exploit a geothermal reservoir, thereby reducing our overall land use while simultaneously enhancing overall facility operational capacity. The installation of more efficient, air-cooling equipment in angled positions is another compelling improvement that has significantly reduced energy consumption and the level of impact on the natural environment surrounding our facilities.

REFORESTATION MANAGEMENT IN HONDURAS
Platanares power plant reforested 6,000 trees of various native species in 2020, thus contributing to the restoration of the natural ecosystem of the western region of Honduras.

ENVIRONMENTAL IMPACT ASSESSMENTS AND ENVIRONMENTAL AUDITS

At each of the sites where Ormat decides to construct a new power plant, we conduct environmental and social impact assessments (ESIAs) or regular environmental audits of our activities as mandated by relevant and local regulatory requirements.

Impacts analyzed in the context of the environmental and social impact assessments are classified as those related to ecology and nature conservation, landscape and visual impacts, traffic and transport, noise, socio-economic impacts, health, safety and public nuisance, ground, water and air emissions, archaeology and cultural heritage, electric and magnetic fields and electromagnetic interference. Identified impacts are managed and mitigated by Ormat in accordance with best commercial practices. The measures adopted include informing the local population in a timely manner about construction activities and repairing any damage to local access roads, as well as restoring any disturbed lands.

Our local site management team is usually tasked with developing and implementing an environmental action or management plan that addresses the actual and potential impacts on an ongoing basis for regulators and/or the local community.

Though we conduct ESIAs for each of the power plants that we construct and own, those for which we have turn-key contracts we know that it is typical for it to be conducted. Below we present a detailed description of the impact assessments and action plans that we generated for our fully-owned plants in 2020.

CASE STUDY: NEW SAGE-GROUSE CONSERVATION PARTNERSHIP WILL ENHANCE WILDLIFE HABITAT AND STRENGTHEN NAVADA'S CLEAN ENERGY ECONOMY

In 2020, The Navada Department of Conservation and Natural Resources partnered with Ormat and Crawford Cattle LLC to help protect the iconic Greater Sage-grouse species, while complementing the state's climate and sustainability goals through leveraging Navada's abundant renewable energy resources.

Guatemala

In our Zunil and Amatitlan locations (Guatemala), as elsewhere, identified areas of concern are paired with detailed action plans to mitigate them. Our efforts in this field are informed by legal requirements, but also by the expressed needs of the surrounding community and Ormat's wider corporate standards for ensuring environmentally sustainable operations²⁵.

With regards to other environmental factors, we have not discovered negative impacts resulting from our operations on local flora and fauna, and no noise pollution complaints were received from the local community over the last year. At Ormat's power plant in Amatitlan, the staff hosts an annual reforestation program for local school children, which involves over a dozen local schools to promote awareness of the importance of local environmental conservation efforts.



Reforestation in Amatitlan, Guatemala



Reforestation in Amatitlan, Guatemala

25 Per resolution number 156-2002-AB/ADB.

CHAPTER VI.
OUR IMPACT AND
ENGAGEMENT WITH
OUR EMPLOYEES,
SOCIETY & LOCAL
COMMUNITIES



*Olkaria III geothermal complex, Kenya,
150 MW*

HIGHLIGHTS ABOUT
EMPLOYEES AND
COMMUNITY

Approx.
1,400
Employees

As a global renewable energy company, we are proud to employ and work closely with the communities that we serve, knowing we contribute to local economies and social well-being. With nearly one power plant on every continent, we have a commitment to generating a stable and secure economic future for all, based on sharing our knowledge and expertise regarding sustainable energy solutions. The promise of renewable energy that we deliver to our customers and stakeholders goes hand in hand with our commitment to local employment and skill development wherever we work.

As of YE 2020, we employed 1,402 people²⁶. This number includes both those in locations included within the Boundaries of this report (United States, Israel, Turkey, Honduras, Guatemala, Guadeloupe and Kenya), as well as a smaller number of employees located in territories outside the Boundaries (Indonesia, the Philippines, Chile and New Zealand)^{27,28}.

Wherever we work, we strive for equal opportunity employment²⁹ and to engage the skills, know-how and abilities of residents in our host communities. This means encouraging a workspace where our employees are motivated to contribute their best, strive for creativity, and, in the process, make strides in achieving their professional or personal goals. Therefore, we rely highly on employee

feedback, ideas and enthusiasm to create authentic, relevant methods of engagement, while working more proactively, safely and in tune with local communities.

In 2020, nearly 99% of our employees worked with us in a full-time capacity. During COVID-19 Ormat continued to work and was considered an essential business. For our employees at the various operations, this meant continued work in a safe and responsible manner by working in capsules. These capsules were set groups of employees that worked together, in order to reduce possible infection and ensure the health and safety of everyone. For our office employees, we provided the flexibility of working from home.

OUR PEOPLE:
EMPLOYMENT AND
SKILL DEVELOPMENT
AT ORMAT

OUR OUTLOOK ON EMPLOYMENT

From Kenya to California, we work to uphold our obligation to provide our employees with a workplace that is fair, open and free from discrimination or harassment, and that encourages engagement and the development of employee potential. We place the highest value on the diversity of our employees, and we strive to hire a diverse workforce that includes individuals from all sectors of society, while also providing equal opportunities in the hiring process and in providing access to career growth opportunities. This is clearly expressed in our commitment to anti-discrimination, minimizing gender pay gap, and enabling free association by labor organizations that are engaged with our Company. As a vertically inte-

grated company providing myriad solutions in the energy industry, our employees come equipped with and acquire in the course of employment an array of professional skills and capabilities, which we consider in the hiring and employment process, in addition to other factors, such as geographical location and ties to the local communities around our power plants. We view engagement with local communities around our facilities to be a central tenant of our business policy and important to our success. That's why we created and maintain a policy of 100% local employment and management of our power plants and manufacturing facilities, in addition to the majority of our administrative offices.

Although our employees are spread across the globe, our Human Resources³⁰ Department and the VP of Human Resources, implement initiatives to encourage connection between individuals of different cultures and professional experience within our Company. These initiatives, offered on several platforms and which are outlined below, are aimed at fostering a sense of togetherness among our employees. We work to cultivate a transparent and diverse work environment that offers equal and fair opportunities for employees of all races, cultures, ethnic backgrounds, genders and gender associations, and we encourage our employees to support our mission of generating positive social and environmental value in their professional opportunities and within their communities. Indeed, we involve our local employees in most of our stakeholder engagement mechanisms for local communities around our power plants.

Respect for diversity, transparent communication and enriching professional and personal opportunities are the principles central to our employment outlook, and we look to

hire individuals who exemplify and implement these values in their work.

OUR EMPLOYMENT FRAMEWORK

Our employment framework, policies and initiatives are managed by Ormat's Human Resources Department that is headed by the SVP of Human Resources. Our Human Resources department sets the tone for employee management and opportunity-creation processes in the Company, but the hiring, termination, and training areas are managed at each power plant, facility or office by a local manager who either reports directly to the Human Resources department, or to a member of senior management on a regular basis.

We believe that all of our employment contracts are drafted in accordance with regulatory requirements in the country of operation, providing the benefits that are afforded by the law as well as additional benefits and employment considerations based on employees' needs, such as flexible working hours, paid maternity or paternity leave, and sponsorship of learning opportunities, among others³¹. Ormat offers equitable and competitive pay and benefits, health insurance and retirement savings plans to all of our employees, details of which are reported in the "Employee Benefits" section.



Working in our manufacturing facility during COVID19

26 Exact figures on the number of our employees is provided in continuation of this report, and data is provided in reference to GRI disclosure 102-8: Information on employees and other workers.
27 1420 employees are included within the Boundaries of this report.
28 Exact figures on the number of our employees is provided in continuation of this report, and data is provided in reference to GRI disclosure 102-8: Information on employees and other workers.
29 In general reference and in adherence to the U.S. Department of Labor's Equal Employment Opportunity (EEO) law. <https://www.dol.gov/general/topic/discrimination>
30 Appointed to the position in mid-2020. More information is available in Ormat's 2020 Proxy statement: <http://d18m0p25nwr6d.cloudfront.net/CIK-0001296445/5a906a1b-66cc-4cd2-892d-db5e1032b447.pdf>

31 Information on special conditions of employment agreements for our Executive Officers and information on Executive Compensation are provided in the "Corporate Governance" section of this report.

Labor and Employment Policies at Ormat

In addition to the outstanding conditions that are outlined in our employment agreements, our Human Resources Department works to implement and ensure that all stakeholders uphold four key policies:

1. The Code of Business Conduct and Ethics outlines commitments to our employees regarding equal employment opportunity, diversity in employment and anti-harassment, and the ethical and behavioral expectations of employees in the workplace. The Code outlines, among others, our focus on equality and fairness in the hiring, promotion, and termination processes, as well as our policies to attract and retain diverse talent within our organization. It expresses our commitment to continue hiring appropriately qualified diverse candidates, including for leadership positions. In addition, we outline our commitments to employees and various other stakeholder groups in upholding a transparent and fair workplace, that also looks to promote social and environmental value creation for our stakeholders.

2. The Human Rights and Labor Policy, adopted in 2018 by Ormat’s management, expresses our commitment to aim to upholding international human rights and labor standards for all of our employees, suppliers, business partners and stakeholders. We recognize our employees’ rights to the freedom of association and collective bargaining, all relevant and essential employment rights in our countries of operation, their rights to a workplace based on equal opportunities based on individual merit, and which is free of harassment and discrimination in all forms. In addition, we express our commitments to eliminating human rights abuses throughout our value chain, such as child and forced labor practices.

3. The Integrated Quality, Environment, Health & Safety Policy that outlines our compliance with relevant standards and regulations, as well as our commitment to the health, safety and well-being of our employees and other key stakeholders. The Policy also recognizes our commitment to providing our employees with educational opportunities and training to enhance their skills. Furthermore, the Policy outlines our commitment

to providing our employees with the appropriate resources for implementation of our expectations, which include, among other resources, written guides and training on relevant health & safety, environment and quality-related issues.

4. Certain aspects of the Stakeholder Engagement Policy, namely on issues that pertain to employees, subcontractors and other stakeholders. These principles include our commitment to open communication and dialogue and sharing information to better instill our corporate values.

Implementation of Employment Framework and Employee Feedback on Employment Practices

Ormat’s management, Human Resources department and the local employment managers at each of our operational sites aim to ensure that these frameworks, policies and their relevant conditions are upheld in our dealings with employees, and that our employees understand and comply with our expectations.

Employees with questions or griev-

ances regarding employment contractors, any of the abovementioned policies or our general employment framework have a number of avenues available to them for reporting their feedback or concerns. Employees can report to their direct manager, the Human Resources department, the Secretary of the Corporation or to our whistleblower ethics hotline at the third-party managed website at www.ethicspoint.com or via telephone at 1-866-294-5535.

We also garner employee feedback through performance reviews and one-on-one meetings with our employees. Through these methods, we seek to create an open and encouraging environment for our employees to share their unique cultures with us, further promoting their open feedback on our levels of corporate engagement with their communities.

Most of our employees (98%) in 2020 were permanent employees, i.e. those employees with standard employment agreements managed by the Human Resources department, local facility-based HR teams, and the local laws of employment in our operational locations. Our Human Resources department is also responsible for engaging with our temporary employees, which are defined as those employees who are third parties, freelancers, and other service providers, who are employed according to a specific employment or engagement contract which may be considered as employees. In 2020, 2% of our employees were classified as temporary.

According to our employment framework and out of our commitment to creating meaningful employment opportunities, we rely as much as possible on our own employees

for all aspects of conducting our business. Our employees play a central role in the design, manufacturing and on-going operations and maintenance of our power plants and other facilities. Most part-time functions are based on addressing specific business needs, performance of skill-oriented work, professional functions or available organizational knowledge and capabilities. Furthermore, and when applicable, we provide our employees with options for part-time positions based on their personal or professional needs. In addition, temporary employees are often offered opportunities to become full-time Ormat employees, and we treat our temporary employees and subcontractors as full-fledged members of our organization for the purposes of stakeholder engagement.



Working in Ormat

SUBCONTRACTORS AND THIRD PARTIES

POWER PLANT DESIGN AND CONSTRUCTION

As a global renewable energy company, we work with a variety of contractors, subcontractors and other third parties to design, construct and operate our power plants and facilities. Typically, third parties and subcontractors are engaged in the design and development process depending on the complexity of the location and their knowledge of the physical environment and terrain. In addition, we work with subcontractors and third parties to carry out some of our manufacturing activities. For example, when constructing new power plants, we work with subcontractors on a temporary, yet mainly full-time basis for the completion of implementation-based projects at various operational locations. These subcontractors usually fulfill various roles such as site grading, road construction, civil, mechanical and electrical work, among others.

POWER PLANT MAINTENANCE AND ADMINISTRATIVE SUPPORT

In addition to our engagement with subcontractors, contractors and third parties in the construction and design of our power plants, subcontractors also play a key role in on-going plant operation and maintenance. We not only view engagement with local subcontractors in our areas of operation as an opportunity to support local economies; the maintenance of our power plants tends to involve the development of key infrastructure, such as roads and transportation routes around the plant site.

At our global power plants, subcontractors and third parties are engaged to perform various jobs and deliver services that contribute to the nature

of our operations and the reliability of our service to stakeholders. At the majority of our sites in Africa and Latin America, we employ security service contractors to guard the premises, offices and infrastructure of our power plants, including residential facilities for on-site staff, where relevant. We engage with subcontractors in our US facilities to physically operate our plants, and at the vast majority of sites, local contractors are hired for transportation services and routine maintenance work, such as road repair and pipe cleaning. At our offices in Israel, some of our Information Technology, information security and data protection systems are managed by subcontractors that report to us.

Our geothermal power plants in Guatemala, at Zunil and Amatitlan, employ local community members to carry out maintenance work, such as pipe cleaning and road repair. The agreement to work with local contractors and laborers was established as a result of stakeholder dialogue and focus groups that were conducted between Ormat and the local community in the 2000s, when the plants entered development. The goals of the agreement are to provide economic opportunities for employment at our plants and to instill pride for the infrastructure they develop and maintain in and around the plants. In order to provide extended employment opportunities for the local community, we offer temporary plant maintenance employees the opportunity to work periodically during the months of the year, thereby creating more overall opportunities for employment in the local community. In addition, construction contractors are often consulted when reaching decisions on where to build access roads and surrounding routes.

Information on our engagement with Suppliers and other Third Parties, not referenced in this section, is outlined in the “Supplier Relations” section of this report.

EMPLOYEE RETENTION

At Ormat, we view one of the indicators to the strength and stability of our Company as a whole, to be in the long-term commitment and dedication exhibited by our employees. Despite the global spread of our company that would seemingly create dissonance, our organizational values and commitment to employee growth, education and skillsets allow us to maintain workforce stability. This is exhibited in our high global employee retention rate, which in 2020 was 87%.

OUR HIRING & TERMINATION POLICIES

As an equal opportunity employer, we consider each applicant according to their level of fit, knowledge and skills that are appropriate for the position, while also focusing on hiring such appropriately qualified candidates from various gender, ethnic and cultural backgrounds. This includes for management and Company leadership positions. Our organizational values and the frameworks, policies and directives noted above guide our hiring and employment practices. We are committed to treating each applicant and employee fairly and equitably throughout their engagement with our Company, and we are committed to eliminating discrimination in hiring and termination decisions.

Our hiring processes are managed and designed by the Human Resources department, in full consultation, implementation and management by the various power plant and facility managers. The Human Resources department and plant managers assess new employees’ professional capabilities and experience and in terms of their fit with the relevant position. In addition, the team considers the employees’ fit in our organizational culture, such as with our workplace values, ethical and

behavioral expectations according to the Company’s Code of Business Conduct and Ethics, and personal and professional goals regarding the opportunity to work with us. Employment with Ormat is based solely on an unbiased analysis of our labor requirements and the individual applicant’s qualifications.

In cases of employment termination, end of employment, or retirement, Ormat has an organized framework in place for providing these employees with their rights and benefits. The Company aims to adhere to all relevant legal obligations according to the relevant country of operation where the employee is ending their employment or retiring.

DIVERSITY & EQUALITY IN EMPLOYMENT AT ORMAT

We believe that all qualified applicants for employment with Ormat receive consideration for employment without regard to race, sex, age, color, religion, marital status, sexual orientation, gender identity, veteran status, status with regard to public assistance, source of income, national origin, citizenship status, disability, or any protected status.

We are committed to diversity and equal employment opportunities for all genders, racial, cultural and ethnic minorities as a key part of our employment framework, which also applies to management and the Board of Directors. Our employees, including our executive managers and director members, come from diverse backgrounds, enriching our organization with their unique experience. As noted, we are an organization with a commitment to 100% local employment in the belief that local knowledge is a critical asset to the success of our business. As part of our commitment to diversity, and our diverse employees, in 2020 we set a specific organizational goal. We have set the goal of planning training

programs on diversity, and to reach 5 to 10 hours training annually for each management member. As a result of this training, throughout the coming year, management will decide on long term diversity goals for the following year from what they learned throughout the training process.

As noted above and regarding the Company policies that govern our human resources framework, we adhere to all relevant legal frameworks governing equality in employment, such as through the Affirmative Action directives issued by the U.S. Department of Labor through which we seek to hire individuals from underrepresented gender, and/or ethnic, national, cultural and religious minority groups. Our Human Resources department has partnered with a consulting firm that provides us with statistical analysis of the gender and ethnicity ratios every year, to present how we are doing in our efforts to meet Ormat’s diversity goals, as well as goals as advised by the US. federal government. In addition, we work with several organizations helping us to open positions in job boards that target ethnic minorities and veterans.

That said, it is important to stress that Ormat first and foremost considers a potential candidate’s professional skills and their overall qualifications for the position, and only then hires the most qualified candidate for the said position. This is in line with our commitment to complete professionalism paired with zero tolerance for discrimination, harassment and inequality of treatment in the workplace. Furthermore, we are committed to eliminating discrimination in our hiring and employment termination practices and ensuring that all employees are adequately accommodated and treated equally.



KPI

In 2020, we set the goal of planning training programs on diversity and targeting 5 to 10 hours training annually for each management member. In addition to this, throughout the coming year, management will decide on long term diversity goals next year following the training process.

As of 2020, 17% of our employees were female. There were 8 female members, which represented 32% of our broader management team who fill positions such as the Senior Vice President and Corporate Secretary; Senior VP, Human Resources; VP, Information Technology; VP, Engineering; VP, Corporate Finance and Investor Relations; and several female legal managers. We actively seek opportunities to hire and promote female employees and managers across our Company. This feat has not proven to be without its challenges, as the work demanded by the physical labor at the plants continues to be a male-dominated sector and area of work. We are seeking to ensure the complete integration of women in our workplaces t, including our various offices in the operations around the world. In addition, are working to encourage women, such as with our high school in Israel, to further enter the field in hopes to create a female-empowered future generation powered by geothermal energy.

In addition, we work to ensure that our employees come from diverse age groups. Most of our employees were between the ages of 31-50, but

we also have a significant number of employees who were age 51 and older as well as 30 and younger. As an equal opportunity employer, we do not discriminate against employees based on their age. As outlined in the section below, we afford all of our employees, full retirement benefits and flexible employment conditions according to the relevant conditions of employment in the country of operation, as detailed below.

Furthermore, and as noted, we are committed to local employment at all our operational, manufacturing and administrative facilities. As such, and due to the wide geographical spread of our locations, we employ individuals on nearly every continent and of many different races – in the continental United States, in the Middle East, Southeast Asia, Central America, Africa and the Caribbean. We are committed to allowing the specific racial, ethnic and religious groups among our employees the appropriate freedoms, including freedom of expression and worship, in the workplace and strive to create an open and welcoming environment to bridge cultural, communicative and national borders.

COLLECTIVE BARGAINING AGREEMENTS & EMPLOYEE UNIONS

While we are committed to supporting the right to freely associate and establish employee unions as a basic human and labor right that should be afforded to workers (as noted in our Human Rights and Labor Policy), most of our employees were not covered by collective bargaining agreements in 2020. As of December 2020, none of our employees were covered by collective bargaining agreements.

In Israel, while all employees are hired according to personal employment

contracts, those skilled workers in the metallurgy and electronics industry have been covered by specific union conditions since September 2005³². Furthermore, we believe that we currently provide such employees with benefits and working conditions that are at least as favorable as the conditions specified in the collective bargaining agreement³³. These workers and skilled laborers are predominately employed in our major manufacturing facility in Yavne.

In our over 50 years of operation, we are proud to report that we have never experienced a major labor dispute, strike or work stoppage. As noted above and evident from our high employee retention rate, we consider our relations with our employees to be one of our key success factors. Indeed, we believe that our current stability and future growth depend on our continued ability to hire, integrate and retain qualified personnel with fair, equal and transparent employment practices everywhere we operate.

EMPLOYEE BENEFITS, HEALTHCARE & WELFARE FRAMEWORKS

Our experience in working with a large group of diverse employees has taught us that the success of our business depends on employee satisfaction and stability. We therefore strive to provide employees at all levels with benefits and access to welfare frameworks that clearly express our level of appreciation and care for employee well-being. We aim to ensure this by providing basic and competitive employment benefits, growth opportunities and a warm and positive work atmosphere for our full-time, part-time and temporary employees at our significant locations of operation³⁴.

Most of our employees receive parental leave benefits, health care

insurance³⁵, sick leave benefits, coverage in the event of disability and/or infirmity, and vacation days³⁶. Additionally, at our significant locations of operation³⁷, our full-time employees are provided benefits that may include healthcare, dental care coverage, disability and invalidity coverage, retirement provision, optical care and others. In some localities, benefits are made available to part-time and temporary employees³⁸. In 2020 100% of our employees were eligible for parental leave, and we had a 100% return to work rate of both women and men who took parental leave.

All our global employees are entitled to retirement and pension benefits³⁹ at or beyond the legally required level of employer contribution in the relevant country of operation, including access to 401(k)⁴⁰ pension schemes in the U.S. We fully cover retirement and pension plan liabilities in relevant countries of operation with our general resources. All current employees in Israel who are entitled to benefits in the event of termination or retirement in accordance with the Israeli Government sponsored programs are provided with limited non pension benefits. These plans generally obligate the Company to pay one month's salary per year of service to employees in the event of involuntary termination. There is no limit on the number of years of service in the calculation of the benefit obligation. The Company has an obligation to partially fund the liabilities through regular deposits in pension funds and severance pay funds.

Our retirement commitments are for both voluntary and mandatory frameworks, according to the regional or country-based schemes in our countries of operation. In Israel, and according to the law, all employees receive pension plan coverage, with the employer contributing 7.5% or

more, depending on the personal employment contract with the employee⁴¹.

At several locations, we offer retiring employees the option to continue work after the retirement age or to enter into retirement in phases. Due to our high employee retention rate, many of our retiring employees have worked with Ormat for years, if not decades, and we appreciate the potential difficulties to be felt in such a transition. As such, we usually work to include retirees and alumni in some of our employee events and continue to consult and engage with them on a regular basis. We also offer some of our employees' access to stock options and stock-based awards. Stock options and stock-based awards are available only to full-time employees and some independent contractors who work with our company. Described in the "Corporate Governance" section of this report, our 2018 Incentive Compensation Plan⁴², adopted in May 2018 by the Company's shareholders, provides the granting of the following types of awards: incentive stock options, non-qualified stock options, restricted stock units ("RSUs"), stock appreciation rights ("SARs"), stock units, performance awards, phantom stock, incentive bonuses, and other possible related dividend equivalents to employees of the company, directors and independent contractors. According to the Plan, a total of 5,000,000 shares of the Company's common stock were reserved for issuance, all of which could be issued as options or as other forms of awards. The term of stock-based awards typically ranges from six to ten years from the grant date.

In addition, we afford our employees access to gender-neutral family support programs, including parental leave for both new fathers and mothers. Typically, parental leave

is granted within the regulatory framework in the country of operation, and in many cases, we encourage our employees to embrace our flexibility in returning to work with comfortable working hours so that they are able to accommodate for their growing families. We believe that when our employees are happy and closer with their families, their quality of work and appreciation for the opportunities that Ormat has to offer grow, and we can build stronger relationships with the newest members of our local communities.

At Ormat, we value our employees and we are proud to offer generous leave policies, healthcare benefits, and other lifestyle perks, when appropriate. In order to facilitate a healthy work-life balance for our employees, we encourage them to take vacation days and our approach is flexible, allowing employees to choose their vacation period and to divide the period into intervals throughout the year. At some locations, we provide special holidays to mark the observance of religious holidays and cultural events, and we offer employees holidays for major personal events and milestones such as personal days, wedding vacations, and compassionate leave upon the death of a relative. We also offer many of our employees' access to supplementary health benefits such as coverage for dental care payments, optical care payments, and, in some cases, support for mental health issues and personal care.

The health and well-being of our employees is important to us and we actively seek employee feedback in developing these benefits and offerings. Due to the dynamic nature of energy generation processes, some of our employees and contractors reside at our sites in housing facilities for certain periods of time. We do our

CONTINUING AS A PART OF THE ORMAT FAMILY IN SPITE OF LIMITATIONS

A senior carpenter that was with the company for 35 years retired at the end of 2020 after years of working, even during changes in his ability due to medical limitations.

During his final years at the company, due to a medical condition that resulted in physical limitations, Ormat worked to find a placement for him within the company. He was able to work part-time as a warehouseman in the heat exchangers department. At the end of 2020 the employee retired after having had the opportunity to continue working and contributing to Ormat.

best to ensure that the facilities are up to their standards and that they are afforded a reasonable level of comfort and accessibility. In some cases, when we are not able to physically construct housing facilities, we provide employees with funds to support their living expenses while working for Ormat. At other locations, we provide our employees with access to transportation options, such as buses, to facilitate a smoother work experience. We offer healthy and fulfilling dining options for our employees at our manufacturing facilities. Finally, our manufacturing and power plant employees are proudly fitted with workplace uniforms, and in various locations we support replacement for necessary work items, such as shoes and protective gear, and provide laundry services.

32 By order of the Israeli Ministry of Economy and Industry, the provisions of a collective bargaining agreement between the Histadrut (the General Federation of Labor in Israel) and the Coordination Bureau of Economic Organizations (which includes the Industrialists Association) may apply to some of our Israeli non-managerial, finance and administrative, and sales and marketing personnel. This collective bargaining agreement principally concerns cost of living pay increases, length of the workday, minimum wages and insurance for work related accidents, annual and other vacation, sick pay, and determination of severance pay, pension contributions, and other conditions of employment.

33 2020 Annual Report.

34 These include the operational locations included in the scope of the Information Boundaries of this report, i.e.: Guadeloupe, Guatemala, Honduras, Israel, Kenya, Turkey, and the United States. In total, the percentages presented in the benefits table refer to seven significant locations of operation for our activities in 2020

35 According to the relevant nationally mandatory or voluntary healthcare frameworks in the relevant significant location of operation.

36 According to the relevant national framework for vacation days or the personal employment contract of the employee.

41 In the United States, a 401(k) plan is the tax-qualified, defined-contribution pension account defined in subsection 401(k) of the Internal Revenue Code.

42 Through Ormat Systems, we provide limited non-pension benefits to all current employees in Israel who are entitled to benefits in the event of termination or retirement in accordance with the Israeli Government sponsored programs. These plans generally obligate the Company to pay one month's salary per year of service to employees in the event of involuntary termination. There is no limit on the number of years of service in the calculation of the benefit of obligation.

**EMPLOYEE PERFORMANCE REVIEWS
& SATISFACTION SURVEYS**

As part of our commitment to providing our employees with a better employment experience, we invest significant time and resources in our program for performance reviews.

As of 2020, 99% of our permanent and temporary employees received regular career performance reviews, i.e. on an annual or biannual basis.

Through career performance reviews, which occur between the employee and their direct manager, depending on the nature of the position and if the employee works on a permanent or temporary basis, employees are able to provide their feedback on their position, share their career goals and receive feedback from their direct managers on their performance. Through these career performance reviews, the employee and the manager can set goals and milestones for assessing future performance and the employee can request a salary review, if desired. We view employee performance reviews as an important avenue for engagement with our employees, and work to obtain key insights from the content of their reviews to improve our employment and workplace experience.

In 2020, we did not receive any substantive complaints or grievances from employees regarding violations of the Code of Business Conduct and Ethics nor on their overall employment experience at Ormat.

In addition, and as employees are a key stakeholder group for our organization, we have begun to regularly survey employees on their level of satisfaction in employment by Ormat, as well as the programs for personal, professional and educational development that we offer. In 2020, we surveyed nearly 17% of our employees at various global locations on their employment experience. Currently, our Human Resources Department and the various power plant and facility managers are working to develop an

organized mechanism for surveying a greater number of employees and relevant stakeholders (such as temporary employees and subcontractors) moving forward.

**EMPLOYEE ENGAGEMENT AND
PROMOTING WELL-BEING IN THE
WORKPLACE**

Our employees are spread across the globe, which would seemingly create a challenge in connecting them. However, our Human Resources Department, together with various business units in the company, work together on initiatives to create a sense of community and togetherness among our employees no matter their location. We actively facilitate community events, employee gatherings (including virtual gatherings), or company trips to facilitate open communication and healthy connections between employees, and other stakeholders across the globe. In addition, we actively engage our employees through online portals, social media networks and on-line platforms. We have an Ormat [Instagram](#) pages that document factory and power plant activities, and have WhatsApp groups for easy and accessible communication, providing employees with opportunities to connect and get more done on-the-go. In addition, we regularly distribute an employee newsletter with key updates and alerts and continue to use our intra-organizational communication platform “OrMeet” that allows employees in some of our locations to create professional and personal groups to share experiences, insights and provide professional support.

We offer employees several options to improve their work-life balance and ensure that they are fulfilling both their personal and professional goals. We encourage our staff to enjoy the nature around our power plants and facilitate joint staff lunches and events outdoors, as well as holiday and team milestone celebrations. Bonding activities are a big hit, and some sites provide employees with opportunities for volunteering

activities together with their local team and members of the community. Finally, we encourage our employees to remain active and support lectures on fitness, weight loss, yoga practice and running groups. In some locations, we sponsor summer camps and recreational activities for employees’ children and family members. We invite all of our part-time employees and many of our temporary employees and subcontractors to participate and enjoy the health and well-being activities that we offer.

**TRAINING & EDUCATIONAL
OPPORTUNITIES**

42,226
Total Hours of Training
Completed by Employees

We express our commitment to the professional and personal development of our employees out of the belief that it contributes to their career growth and trajectory in the Company, but also that it expands our company’s knowledge base. Therefore, we offer our employees with a wide array of training and educational programs regarding relevant professional and soft skills to help them improve their performance and expand their horizons. These opportunities help foster a creative mindset among our employees that is conducive to our company’s innovative and dynamic nature.

We believe that quality education and access to new economic, social and environmental opportunities enrich our employees’ experience while working for Ormat and, in turn, contribute to the development and growth of the communities where we work. As a result, and in many cases, we also support our employees and their families in the pursuit of educational opportunities through various subsidy and scholarship packages that are aimed at updating employee skills and developing a devoted and experienced workforce in the countries where we operate.



*Ormat instructor and the operations team
after a training session in US*

Technical, Professional & Safety Training

Below you will find a table with some examples of the hundreds of courses we offer every year:

Type of Training	Relevant Courses Offered to Employees
Health & Safety	Operator Qualification Program
	Mechanic Qualification Program
	Electrical Instrumentation & Controls Qualification Program
	Flammable and Combustible Liquids Safety
	First Aid
	Work at Height Courses and Certifications
	Safety Officer Competency
	Emergency and Fire Safety Preparedness Courses
	Safety in the Operation of Mechanical Equipment
	Accident Investigation Procedure
Corporate Governance & Human Resources	Mandatory training on Ormat's Code of Conduct and Business Ethics
	Anti-Bribery and Corruption
	Harassment Training
	Project Management
	Effective Communication Skills Training
	Leadership Training
	Team Building
Professional and Technica Training	American Society of Mechanical Engineers Course
	Welding Course
	Calibration Course
	ISO CAT 111, ISO 45001, ISO 14001
	Technical Sketching for production workers
	Exploration and Development of Geothermal Resources
	Information System Security Certification
	English Training
	MS Office Excel Essential Training
	Procurement and Supply Chain Best Practices

The diverse nature of our operations that span from the factory floor to the power plant site require our employees to remain in-the-know regarding relevant technical and professional skills, health & safety requirements and best business practices. At all of our manufacturing facilities, we provide our employees with access to training regarding equipment use and emergency procedures. At our power plants, where there are regulated emergency procedures in place depending on the location of the plant, we often provide guided instruction on the geographical specifications and local points of reference for each potential emergency. These are skills that employees apply in their work for Ormat, but which also can be applied throughout their career development path.

In addition, for business and administrative professionals, we provide access to courses on corporate governance and ethics topics – in addition to ethics training on our Code of Business Conduct and Ethics– as well as soft skills instruction to help improve their value offerings for Ormat and within their professional networks. We believe that these skills contribute to the atmosphere of creativity and innovation that we seek to encourage among all Company employees – no matter their educational background or geographical location.

Each area of training and coursework is managed according to the relevant business unit, i.e. Quality, Environment, Health & Safety for relevant Health & Safety training, or the Company's management for legal and corporate governance training. In addition to necessary technical, professional and safety skills, our nature as a renewable energy project developer and operator bestows upon us a commitment that we are proud to implement educational programs for our employees and other relevant stakeholders, such as contractors and business partners, who are involved in the construction, operation and maintenance of our global power plants, on the importance of managing environmental, health and safety risks on site and in the course of plant development. We factor management of health & safety risks into our site management policies and work with relevant stakeholders to inform them of potential risks and modes of operation. Other relevant training oppor-

tunities are professionally and administratively managed by the Human Resources department or the plant managers, or are initiated by managers and Vice Presidents of various business units. Finally, employees are welcome to suggest additional areas of expertise and coursework that are deemed necessary for the fulfillment of their position and we are open to considering integrating their suggestions into our training program and framework.

EXPANDING EDUCATIONAL HORIZONS FOR OUR EMPLOYEES & THEIR FAMILIES

The professional and educational development assistance we offer varies from in-house training courses to subsidies for higher education programs, covering a range of topics or skills depending on individual needs and aptitudes. We believe that by investing in employee skill development through provision of educational assistance we can meet our strategic business targets while adequately preparing our employees for a rapidly evolving professional environment.

We offer our employees access to educational grants and partial or full scholarship opportunities in the belief that the best way to innovate our company is through employee knowledge. For instance, at our power plants in Guatemala, we implement an Educational Assistance Program for local employees that is based on workforce planning and development. Employees are asked to submit a proposal with the courses or degree that they wish to pursue as well as the name of the relevant academic institution, and the plant managers make considerations based on the employees' overall performance and career trajectory at the plant. Other locations, like our power plant in Honduras, awards educational scholarships based on the amount of time the employee has worked for the Company, and all employees in Honduras (as well as at various other locations) are provided with English language courses to better facilitate their work and communication within the organization.

In addition, we encourage our employees to develop their career horizons within

our company through management development learning platforms. At our administrative offices in Israel, employees can “shadow” managers in their department, participate in soft skills courses, and exchange experiences with managers in other business units in order to help them grow as managers. Due to the diverse nature of our operations, and the tendency of our employees to develop specific areas of expertise, we highly encourage intraorganizational communication in our management development programs. However, it should be noted that managerial training is not a condition for employee promotion and is instead an offering to employees interested in exploring their opportunities for career growth within Ormat.

Employees who are transitioning to a different position, ending or terminating their employment with Ormat, or who are in the process of retirement are also offered access to reskilling and upskilling opportunities to ensure that they have the correct knowledge and tools to meet their next challenge.

ORMAT SCHOOL GRADUATE

A graduate of the Ormat technical high school in Israel began his career journey at Ormat after having finished the army. He began as a part-time worker in the warehouse in 2016, and quickly showed the skills and passion necessary to continue and become a more permanent part of the Ormat family. He was later on hired as a permanent employee in the maintenance department, and in 2020 developed his career further by moving to the production department. There he stepped into the role of warehouse manager, and replaced a co-worker who was retiring. Throughout his growth in Ormat, from high school student to warehouse manager, he went through a process of growth, transferring of professional knowledge from generation to generation and represents the employee development possible at Ormat.



Ormat employees in Honduras

An Organization Shaped by Local Employment

Ormat is an organization that prides itself on full local employment at all levels of our organization and in all our facilities, power plants and operational locations.

In 2020, the proportion of management hired from the local communities in our plants was 100%⁴³. We believe that local employment is essential to the success and vitality of our business because local employees, residents and community members possess a keen understanding of the local geography, environment, social fabric, community and stakeholders. This places them in a position to knowledgeably provide the superb degree of service that Ormat strives for. In addition, we believe that cultivating the skills of the local workforce is important in fostering knowledge regarding renewable energy solutions, with the goal of ensuring the long-term sustainability of our power plants and energy solutions. Furthermore, we believe that investment in the local workforce supports the local economy and enables community

development in that Ormat's local employees become part of a larger global organization and learn skills that contribute to their professional career and personal goals.

In countries like Kenya, Guatemala, Honduras and Guadeloupe where local employment options are limited, Ormat offers our employees access to different professional employment opportunities such as plant managers, local sustainability managers, power plant operators, maintenance workers, engineers, mechanics and more. Individuals retained for these positions are hired by the local Human Resources manager based on their relevant experience, knowledge and education. In some locations where employment options are limited in the vicinity of the power plant our plants have also agreements with local community councils and representatives to create additional job opportunities for the communities nearby. For example, In Guatemala, both the Amatitlan and Zunil have agreements which provide preference to the employment in certain professions, of local employees, to work in time-set "shifts". This method enables to increases the rate of local employ-

ment and Ormat's economic impact on local communities.

This is the case not only in the developing countries where Ormat operates, but also in the U.S., where Ormat has operations in some areas with traditionally high unemployment rates. Therefore, we not only hire qualified local staff where available, but also invest in creating opportunities for qualified local staff. For example, Ormat has power plants in the Imperial Valley, a region that has one of the highest unemployment rates in California, and our local employment policy there has made Ormat the region's second largest employer.

In addition, as outlined above, we provide all of our employees with access to educational opportunities. Furthermore, Ormat has written curricula for local community colleges and universities in Nevada focusing on technical subjects such as plant operation and relevant academic subjects such as geoscience, which has helped promote a talented local employment pool.

ENSURING A SAFE & HEALTHY WORK ENVIRONMENT - OCCUPATIONAL HEALTH AND SAFETY AT ORMAT

During the COVID-19 pandemic, the overarching priority at Ormat was the health and safety of our employees, subcontractors, the public and the environment. We worked to manage risks by allowing our employees to work from home, and for employees who couldn't work from home we moved to capsules. We continue to promote our safety values and our goal is report, analyze, learn and improve performance following every event in order to reduce the number of incidents. We also work to continuously improve our safety performance and to instill a strong workplace safety culture. The countries where Ormat operates have local laws regulating the topics of health and safety that the Company aims to follow, and where possible and practical, we strive to go beyond the requirements of the legal regulations to promote the utmost level of health and safety for our employees and other relevant stakeholders. These include safety requirements such as ventilation, fire protection, work at height regulations, personal protection and gear, railings, electric protection and employee training on pertinent issues, among other topics that are outlined in the following chapter.

OUR OCCUPATIONAL HEALTH AND SAFETY PROGRAM - STRIVING TO GO BEYOND COMPLIANCE

Safety is a key area of concern to us. We believe that the optimal, most efficient and profitable performance of our power plants can only be achieved by fostering a safe and healthy working environment. First and foremost, we

follow the relevant health and safety rules and work regulations at each of our operational locations, but we aim to also go beyond compliance at the corporate level to ensure that the appropriate policies and initiatives are implemented wherever we operate. The goal of these efforts is to create an overall culture of safety for Ormat's employees at all of our locations. In addition, we have an advanced online platform for recording, reporting and tracking safety and environmental incidents at our power plants and operational sites.

Ormat's occupational health and safety program is focused on four main components:

- 1. Everyone, Everyday** - All Ormat employees are integral to safe operations, each charged with the responsibility to work safely and create and maintain a safe work environment.
- 2. Management of Hazards** - Ormat strives to systematically identify hazards, and then manage them by elimination, isolation or minimization.
- 3. Safety as a Core Value** - Safety is a core value at Ormat. It requires a personal commitment at all levels in the organizations.
- 4. Continual Vigilance** - Our goal is to learn and improve our performance following every event in order to reduce the number of incidents. This requires that all employees maintain constant vigilance to ensure that unsafe acts or work conditions are identified, addressed, regulated and prevented, wherever possible.

The topic of Quality, Environment, Health and Safety (QEHS) was managed during the relevant period by Ormat's appointed VP of QEHS and Director of EHS. They are responsible for oversight and management of the health and safety budget and relevant policies, processes, training and work practices

across the organization. Plant managers at each of Ormat's operational sites and power plants are accountable for implementing relevant Company-level and local health and safety regulations and initiatives through the appointed Environmental Health and Safety (EHS) coordinator. On-site EHS coordinators are additionally responsible for upholding the local conditions, regulations or other agreements, for ongoing record-keeping and reporting and for the training and certification of employees. These EHS coordinators report to the plant and/or power plant manager and conduct work according to Company-wide EHS initiatives that are set by the Global VP QEHS.

Ormat has an Integrated Quality, Environment, Health and Safety Policy that sets out our general commitments towards health and safety principles at our sites and for all our stakeholders. The policy is enforced by the Company's Global VP QEHS and adherence with the policy, or the need for relevant revisions, is consistently monitored and assessed together with Company management. The policy is publicly available on Ormat's

[website](#)⁴⁴ and outlines our commitments to providing high quality products, conducting our business with care for the environment and for integrating our QEHS system into our business strategy and work processes. In addition, our Human Rights and Labor Policy, which is also available publicly on our [website](#)⁴⁵, outlines our commitments to ensuring that essential health and safety standards and practices are enforced in the workplace, to developing risk awareness and to encouraging responsible health and safety behavior among employees. The policy was updated in 2018 to add more comprehensive information on our health and safety policies, initiatives and expectations, such as our full commitment to meet and go beyond all legal and regulatory health and safety requirements in

⁴³ "Senior management" is defined as employees who manage operations and implementation of our projects and business targets at our power plants and in our offices. "Local" is defined as the immediate communities surrounding our operations. "Significant locations of operation" are those operational locations that are included in the Boundaries of this report, as defined in the "Information Boundaries of This Report" section.

⁴⁴ [https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20\(QEHS\)%20Policy.pdf](https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20(QEHS)%20Policy.pdf)

⁴⁵ <https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Human%20Rights%20Policy.pdf>

our countries of operation and information on the industry standards to which we adhere.

Ormat's employees have representation on Company's health and safety committees. Ormat has two types of safety committees: one for the management of health and safety aspects at our factories and manufacturing facilities and one for the management of health and safety aspects in other operations, i.e. at Ormat's power plants and offices. The committees organize and assess Ormat's health and safety program at the corporate level. An employee from each department is nominated to participate in the committees and employees from all Ormat's global locations are encouraged to volunteer their participation. In order to expand employee involvement, the employee representatives are rotated each year. Overall in 2020, 20% of Ormat's employees took part in the safety committees. Whether participating as an employee representative or not, all of Ormat's employees are encouraged to communicate their concerns or recommendations to the relevant committees. In 2020, we received over 7,400 health and safety observations and hundreds of safety suggestions from our employees through our health and safety management platform (detailed below).

Furthermore, Ormat facilities have safety training programs, under the responsibility of each plant manager and the local EHS manager, and which is directed by our Company's joint employee and management health and safety committees. The program seeks to ensure that safety expectations are clearly communicated and understood by all employees and subcontractors, and that comprehensive safety plans are maintained across all Company operations. We provide regular training in health and safety regulations and procedures at all our locations and have detailed guidelines in place in case of emergency to monitor health and safety standards on a continual basis.

In 2020, we continued our Safety Leadership Training, also known as the ProAct safety training program, as well as to expand employee participation in our SafeStart® health and safety training and implementation program, including integration of the SafeStart® philosophies and practices into our health and safety key performance indicators (KPIs). In addition, we increased employee participation in our behavior-based safety programs, which contributes greatly to maturing and advancing a culture of safety at our organization.

MEASURING OUR HEALTH AND SAFETY PERFORMANCE

Ormat reports its health and safety data to the Bureau of Labor Statistics (BLS), which is part of the U.S. Department of Labor, according to internationally accepted reporting standards such as the Occupational Safety and Health Administration's (OSHA)⁵⁴ forms for recording work-related injuries and illnesses. Ormat's manufacturing and office facilities in Israel operate in all material respects according to OHSAS 18001, but the facilities do not have certification from the local Standards Institute of Israel. At our operations in Honduras, we follow the regulations for preventive measures for work accidents and occupational diseases of the Republic of Honduras, Agreement STSS-007-02. We comply with fire prevention and safety measures in accordance with the law of the fire department in decree No. 294-93. We are certified by the Fire Prevention and Safety Technical Office of the Fire Department based in Santa Rosa de Copan.

Ormat works to ensure that its employees who unfortunately experience an injury or illness as a result of their work for the Company receive the utmost treatment and care for their ailment or affliction and that all of their expectations of the Company with regards to the matter are met.

Ormat conducts Quality, Environment,

Health and Safety audits of our plants and facilities every three years. In 2019, internal audits were completed for several sites in the U.S. including Mammoth, Steamboat, Tuscarora and Neal Hot Springs, and at our Yavne facility in Israel.

Ormat manages and monitors our QEHS performance at a global level for all sites. Reports are categorized according to the criteria and performance metrics of the Occupational Safety and Health Association (OSHA) of the U.S. Department of Labor.



KPI

Ormat has Company-wide KPIs for the implementation of our health and safety program for employees. Through adoption of the KPI, we seek to emphasize the importance of sound health and safety activities at all sites, as well as express our commitment to learning and improving our health

and safety performance. The KPIs measure, track and compare performance regarding our existing Safety Participation Program and will report on the following indicators:

Safety Suggestion

Number of safety suggestions generated and the number of overdue action items

Safety Observations

Number of safety observations performed by employees

Job Hazard Analysis (JHA)

Number of JHAs completed or revised per quarter

Pre-Job Safety Meetings (PJSJ)

Number of documented PJSJs per month

Safety Inspections

Number of safety inspections per month

Safety Work Orders (and/or Completion of Safety Tasks)

Number of safety work orders generated or safety tasks completed

Safety Committee Meetings

Number of safety committee meetings conducted per quarter



Based on these indicators, we operate a proactive safety plan for our employees, who are required to complete several different types of activities and to report on their “Safety KPI Scorecard”. Each of our sites is required to set goals regarding the KPIs and to report on their performance regarding the following parameters: safety training of employees, number and frequency of actionable safety suggestions made, number and frequency of safety observations made, job hazard analyses (JHAs) performed, pre-job safety meetings (PJSMs) held and at which frequency, number of safety inspections, number of safety work orders and number of safety committee meetings.

Employees are encouraged to take an active role in improving our health and safety performance through the global Safety Participation Program. The program is designed to encourage and recognize employees who are actively involved in all aspects of maintaining a safe and healthy work environment. Employees can earn “Ormat Bucks” by completing and participating in health and safety activities, such as safety work, taking proactive safety measures, demonstrating safety leadership, or by increasing safety engagement. By submitting safety reports, reporting unsafe conditions, participating in JHAs or acting as a safety committee member, Ormat employees can collect their “Ormat Bucks” at the end of the month and select a prize.

HEALTH & SAFETY IN OUR WORK WITH SUBCONTRACTORS

In addition to implementing stringent health and safety measures for our employees, we require our subcontractors comply with relevant health and safety regulations as they pertain to our operations, including our own rules, where relevant. In Ormat’s standard contract for work with subcontractors, the Company reserves the right to indemnify the services of the subcontractor if the subcontractor violates or infringes upon any relevant laws, rules,

regulations or standards pertaining to occupational health and safety of employees. Ormat expects its subcontractors to strictly adhere to local health and safety regulations, together with Ormat’s own expectations, whichever are more stringent. We also require all subcontractors to adhere to our checklist of “Environmental Compliance Responsibilities”, which is a list of tasks and necessary milestones that should be regularly reported on to Ormat by the subcontractor. Some of these requirements include: attending pre-construction conferences to review health and safety expectations, preparing an emergency response plan, maintaining a speed limit of 10 miles-per-hour in the construction area and other environmental controls, such as developing a Storm Water Pollution Plan (SWPP).

SAFE DEALING WITH HAZARDOUS MATERIALS AND EMERGENCY RESPONSE PLANS

When it comes to hazardous materials, U.S. plants are subject to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Emergency Planning and Community Right-to-Know Act (EPCRA), and Federal Risk Management Plan/Process Safety Management (RMP-PSM). In all cases, the regulated substance is the motive fluid in our power plants; pentane, isopentane, butane or, isobutane⁴⁶. We typically have small quantities of other regulated substances like solvents, but most do not reach the quantity relevant under the regulation for official treatment. In Israel, our manufacturing facility aims to adhere to the rules and regulations outlined in the Hazardous Materials Law (1993). Details on our treatment and dealing with hazardous materials is provided in the “Measuring and Controlling Environmental Impacts: Waste, Management of Materials and Biodiversity Conservation” chapter of this report.

Ormat upholds detailed and well-communicated emergency response plans at each of its sites for evacuation in

cases of emergency, natural disaster or other hazards, such as chemical or pollutant spills and leakages. In general, the Emergency Action Plans (EAPs) are developed and adopted by each of the offices, operational facilities and power plants on a local and case-to-case basis. EAPs in the U.S. are based on the RMP-PSM, which governs all U.S. state regulations, such as Chemical Accident Prevention Program (CAPP) in Nevada and the California Accidental Release Prevention (CalARP) Program. However, there is some general guidance from the global occupational health and safety team on the general guidelines for generating an EAP. In our office spaces, the EAP requirement is triggered by our fire detection systems (OSHA Standard 29 CFR 1910.164) and by the fixed fire extinguishing system (sprinklers; OSHA Standard 29 CFR 1910.160).



Ormat's school near Olkaria III, Kenya

SUPPORTING AND SHAPING SUSTAINABLE COMMUNITIES AND FUTURES

OUR GOALS AND GUIDEPOSTS

As a leading global provider of renewable energy solutions, Ormat recognizes the vital role that local people, communities and positive, long-term relationships play in advancing the adoption, uptake and long-term viability of renewable energy. Ormat sees an imperative to act, operate and engage with local people and communities in a manner that is consistent both with globally recognized social, environmental and economic development standards and with Ormat's corporate values – of stability, constant renewal, full commitment, courage and creativity. We view this as a fundamental pathway to success and are inspired by the standards of various leading sustainability frameworks, including those of the GRI Sustainability Reporting Standards, the United Nations Sustainability Development Goals (SDGs), and other principles such as the OECD Guidance on Sustainability Impact Assessments and the ISO 26000 guidelines for social responsibility. These are the guideposts for the behavioral expectations Ormat upholds for all employees as we work towards fulfilling our mission and engaging with local communities.

Another essential principle that we seek to implement in our activities and policies is that of equality. Ormat applies the same high standards to the way we interact, engage and develop our business wherever we operate, across the globe. We understand and perceive the unique cultural

needs of each location on every level, from country to local community. In all cases and locations, Ormat is committed to being open, transparent, consistent and focused on delivering sustainable renewable energy solutions that generate inherently positive impact, for the environment, society and the economy.

UNDERSTANDING AND UNIQUENESS

Ormat knows each community reflects a constellation of unique stakeholders and that no two communities are identical. Each has its specific needs, characteristics, constraints and challenges. We seek first to understand and assess the local conditions through our Stakeholder Engagement Policy. Our approach aims to be responsive and respectful to local customs, in alignment with all local regulations and laws and sensitive to the specific needs and requests for contributions and assistance voiced by each community. This approach highlights an essential truth – each community has deep insights into the ways it can be improved. Seeking this input typically leads to the most proactive and potentially uplifting outcomes. Ormat's commitment to community typically begins well before we start development in a new region. Every part of our connection with stakeholders – from pre-development and planning through to operations – is characterized by our “open door” policy.

SOCIAL ACTION PLANS

At Ormat, we take the impacts from the construction of our power plants seriously and work diligently to reduce them. We are usually guided by Environmental and Social Impact Assessments (ESIA), which are conducted according to local standards and requirements. We view this as an important way to reduce negative impacts and conducting such assessments is the first stage

in establishing our relationship with the local community. The social part of the impact assessment first collects data through dialogue with the local community, then maps the needs of the local community and finally provides a framework for both addressing stakeholder grievances and for generating positive impact through investment (philanthropic or otherwise) in programs and/or funds. Often these assessments are reviewed by relevant public authorities or by funding bodies, like institutional investors, development banks and other relevant parties, and are often conducted prior to permitting processes. The initial ESIA is the basis to our relationship with the community but we aim to maintain ongoing dialog and change according to their changing needs.

In 2020, of all the social and environmental impact assessments we conducted, Ormat did not discover any significant unmitigated negative impacts to local communities.

LISTENING MEANS LEARNING

Community Engagement and Handling Grievances

Ormat recognizes that for successful interactions to occur, there must be a basis for meaningful communication, mutual respect and trust. That's why we create processes and feedback mechanisms to encourage all community members to speak openly and honestly about any concerns that our development activities may raise. Ensuring both positive and negative input is reported, listened to, and, most importantly, acted upon, keeps communication channels clear, quickly identifies pressing issues and promotes a spirit of cooperation and proactivity.

Ormat's stakeholders are encouraged to file their grievances directly with local plant managers and/or with appointed representatives in their municipal or community council who

regularly liaise with Ormat.

Stakeholders may also contact Ormat through the ‘[Contact Us](#)’ page⁴⁷ on Ormat’s corporate website which lists the mail, telephone, fax or email through which they may connect and communicate with the Company. All concerns and grievances received aimed to be addressed by Ormat’s Marketing and Communications department and are systematically reviewed and directed to the relevant corporate department for review and any necessary action and/or follow-up.

In 2020, Ormat did not receive any major stakeholder grievances nor were any other issues raised regarding vulnerable community groups in our areas of operation. We are committed to achieving our goal of addressing and responding to 100% of stakeholder requests received through our various channels of stakeholder engagement, as outlined in the “Our Strategy for Stakeholder Engagement” section.

United States

In the United States, Ormat’s approach to sustainability focuses on engagement, education, and philanthropy opportunities that support our host communities.

Community Engagement and Education

Ormat regularly shares information with the general public and policy makers regarding the benefits of geothermal, energy storage, and recovered energy generation technologies. As a company, we employ several mechanisms to engage with local communities near our power plants in the United States, encouraging open dialogue and seeking to address relevant issues and concerns. As a company, we also aim to educate as many people as possible about renewable energy and all of its benefits to people, communities, and their environment.

With this aim in mind, we provide tours and workshops for students and educators at several of our facilities, emphasizing the types of skills and education needed to work in the renewable energy space.

While the COVID-19 pandemic put a temporary hold on tours of our facilities and in-person speaking and networking activities, Ormat still managed to engage with our stakeholders in creative ways. Virtual conferences throughout the year allowed Ormat to maintain a community presence and network via video chat and video presentation, to further the industry and our company among prospective customers and members of our communities. In particular, the 2020 Geothermal Rising Conference provided ample opportunity for Ormat’s Business Development, Resources, Sales and Procurement teams to present to and connect with attendees.

Beyond local and national platforms, Ormat has also found a voice on the global stage to discuss the benefits of geothermal energy. In March of 2020, Ormat’s Director of Project Development was a panelist on the Climate Environment session at the International Women’s Entrepreneurship Symposium held at the University of Nevada, Reno. There, she participated in discussions involving the current state of the climate and environment. This provided the perfect opportunity to highlight Ormat’s binary geothermal systems, delivering emissions free and sustainable energy for a clean environment.

Philanthropy

In the US, our philanthropic efforts are focused in five areas to encompass the diverse needs of our communities. In 2020, Ormat had the opportunity to provide over \$150,000 in funds to support our communities across these five areas, as outlined in the following

sections.

Community Health and Welfare

Ormat is involved in a wide variety of partnerships designed to promote health, well-being, dignity, and self-sufficiency in our host communities. Due to the global pandemic, 2020 saw an increase in our focus on community health and welfare in our philanthropic giving. Shortly after the pandemic saw businesses shut down and hospitals facing shortages in personal protective equipment, our Reno plants gathered 800 N95 masks to donate to Renown Hospital.

Additionally, over the course of the year, Ormat donated \$17,000 to food banks in Northern Nevada and the Imperial Valley in California, as well as \$20,000 to Imperial Valley, Mammoth and Northern Nevada foundations to aid families effected by COVID-19 with rental assistance, utility assistance, and household and health supplies.

While the pandemic was globally devastating, the western region of the United States also faced one of the harshest wildfire years on record. The Niland Fire, in the Imperial Valley, impacted several families in one of our host communities. In response, Ormat staff banded together to purchase replacement furniture and home goods for those families who had lost their homes in the fire. The power plant staff who donated their time for this effort live in the community and felt a personal connection to the families who were devastated by the fire.

Youth and Educational Empowerment

Ormat understands the importance of fostering developing minds through secondary education and planting the seeds to develop a robust workforce for the US renewable energy future. As a

demonstration of this commitment, in 2018 we pledged \$45,000 over the course of three years to the Mammoth Lakes Foundation to support student scholarships for every Mono County senior planning to attend Cerro Coso Community College. In 2020, we completed this three-year commitment, funding the full tuition for each graduating senior.

We donated an additional \$12,000 to the University of Hawaii Foundation’s Community College scholarship fund and \$5,000 to the Eureka County High School Scholarship fund, as well as \$5,000 to the Brawley Union High School in Imperial Valley for a financial literacy program and \$5,000 to the Yomba Shoshone Tribe for their summer youth education program.

Arts and Culture

Cultural engagement is an important element to fostering connections with our host communities. Ormat deeply values the diverse artistic and

cultural elements of each community we operate in, and corporate support for the arts has demonstrably shown improvement in community growth and welfare.

In 2020, we had the opportunity to donate heaters and fire pits to the town of Austin, NV, home to our McGinness Hills geothermal facilities, to use during their first annual Christmas tree lighting. We also donated funds to the ‘Imiloa Astronomy Center in Hilo, HI. The ‘Imiloa Astronomy Center features exhibits and shows focusing on Hawaiian culture and history, astronomy, and the overlap between the two.

Ormat also proudly supports the AVA Ballet Theater in Reno each year, and in 2020 sponsored the theater’s virtual Nutcracker performance, available to livestream all around the country. We were also privileged to sponsor a virtual holiday performance by the Note-Ables, a group of professional musicians who shatter the stereotype that people

with disabilities have limited talents and abilities. Funds raised by their virtual performance provide musical programming for individuals with disabilities year-round.

Recreation and Environment

Ormat is committed to being a good neighbor in our host communities, and this includes the preservation of the environments in which we build our power plants. In addition to ensuring that our facilities are developed thoughtfully and cautiously for the preservation of biological and cultural diversity, our commitment extends to the enhancement of these areas for the enjoyment of the community. In past years, Ormat has had the opportunity to donate funds toward inclusive community parks, community centers, and trail systems. In 2020, we became a corporate sponsor of the Great Basin National Park Foundation. The Foundation’s mission is to enhance, preserve, and interpret the starry night skies, wide-open scenery, cultural heritage, and diverse native ecosystems of



Great Basin National Park – the only national park in Nevada.

Sponsorship of the foundation helps pay for the Great Basin Observatory, the Park Astronomy Program, park trail access, park educational materials, and the park’s visitor center. The Great Basin National Park is open to visitors year-round and provides a myriad of educational and recreation opportunities for people of all ages.

Civic Enhancement

A community’s citizenry, leadership, and community affairs are vital to its economic health. This is why Ormat commits funding each year to economic development authorities through the western region of the US. In a similar vein, good infrastructure is vitally important to any community, and lack of infrastructure can be a barrier to economic growth and diversity. Because of this, Ormat is committed to enhancing the infrastructure in our host communities when we have the opportunity.

In February of 2020, we pledged \$10,000 to the non-profit, Eureka Restoration Enterprise (ERE), for the restoration of the Charles Lautenschlager building in downtown Eureka, Nevada. This building will be used for community events, such as a summer reading and art program and dance instruction, and to house new businesses. As part of a larger effort to reinvigorate downtown Eureka, Ormat was thrilled to support ERE in the first step.

Guatemala

Ormat’s community engagement efforts and action plans for the largely agrarian areas around Zunil and Amatitlan are designed to support positive value creation and improved quality of life.

To develop our community engagement plans in Amatitlan, Ormat communicates directly with five local communities: San Francisco de Sales, El Cedro, El Bejucal,

El Pepinal and San Jose Calderas. This is done through a committee, known as a “COCODES” that organizes and manages relevant stakeholder requests. Local officials from the municipality, regulators and local community members are all represented on the COCODES. Ormat then answers the requests through relevant activities, initiatives or messages to the community. The relationship and assistance to the community in Amatitlan is handled through the Orpacaya Trust (“Fideicomiso Orpacaya”) that enables Ormat to advance relationships with the local community by furnishing economic and educational opportunities. The Orpacaya Trust works to develop social projects on education, health, infrastructure and environmental mitigation. Financial support for the trust is allocated annually from Ormat’s power plant budget. As there is one small community near Zunil the relationship is less formal and there is direct contact between residents of the local community and the plant management.

In 2019, we donated a computer and a printer for the COCODE of San Francisco de Sales, so that they could write letters to the community and the Municipality updating them of their progress. Also, in that city we financed a road paving project which is set to be completed in 2020. In Calderas, we financed the replacement of the water pump that had served the community with a modern 20-horsepower pump system. In El Cedro, we completed the third phase

**CASE STUDY:
AMATITLAN COMMUNITY**

We continued our collaborations and support of the local community through food donations.

The food support program started on April 6th and finished on August 20th. In total were delivered 3,726 food bags to the communities that Ormat, Amatitlan’s power plant entity support.

of constructing a community recreation park, including a playground for children

Honduras

Resilience

Supporting and Shaping Sustainable Communities during harsh times.

“Resilience is the ability to withstand and reduce the magnitude and/or duration of disruptive events”, including during and after COVID – 19 pandemic or extreme weather events (such as during extreme rain events like Hurricanes Eta and Iota).

The COVID-19 pandemic is testing the societies of the world’s most unequal continent, and Honduras has not been left out where many depend on informal work for their livelihood. Social-distancing measures directly affect their livelihoods and make immediate social assistance imperative. Besides, the public health centers and hospitals are not equipped to respond to this emergency.

Besides, as if the pandemic hadn’t been enough, Honduras was hit by the two hurricanes Eta and Iota in a period of two weeks. Back-to-back hurricanes unleashed heavy winds, rain, and severe flooding and landslides across Central America. On November 3, Hurricane Eta made landfall as a powerful Category 4 storm. Just two weeks later Hurricane Iota, a Category 5 storm at its strongest, traveled the same path through the region. “Storms Eta and Iota adversely affected 4.6 million people in Honduras, representing nearly half of the country’s population of 9.3 million, according to the results of a multi-sector needs assessment conducted by the UN Disaster Assessment and Coordination (UNDAC) team between November 22 and December 3 in nine affected departments. The effects of Hurricanes worsen food insecurity in Honduras in the following months, with 3 million people currently projected as experiencing severe acute food insecurity”.



With all this, GeoPlatanares created a special social project to help every family on our communities of direct and indirect impact with a monthly provision of food.

This had an impact on 8220 people on the communities. Besides that, GeoPlatanares also gave a donation to the municipality of La Unión of a batch of food supplies for the rest of the communities of the area, having an impact on 8,000 people and offered instant help to provide, food, hygiene supplies, critical relief items, and protection for the most vulnerable people.

In situations of emergency like this, one of the main subjects is Biologic Safety. GeoPlatanares donated a complete special uniform to the community cleaning crews to keep them safe while performing their job of maintaining the community clean and safe. We also donated 800 unused N95 masks, 10 gallons of anti-bacterial gel, and special portable irrigation pumps from our power plant

operations to the community.

GeoPlatanares also made donations of special medical supplies to the hospitals around the western part of Honduras. At GeoPlatanares we see an imperative to act, operate and engage with local people and communities in a manner that is consistent both with globally recognized social, environmental and economic development standards and our corporate values – of stability, constant renewal, full commitment, courage and creativity.

We view this as a fundamental pathway to success and are inspired by the standards of various leading sustainability frameworks, including those of the GRI Sustainability Reporting Standards, the United Nations Sustainability Development Goals (SDGs), and other principles such as the OECD Guidance on Sustainability Impact Assessments and the ISO 26000 guidelines for social responsibility. We are starting to introduce the Global Compact Principles to our action plan as well but

will report it until next year.

Kenya

In compliance with Ormat’s stakeholder engagement strategy, and to address requests from project funders – the German Investment Corporation (DEG) and the Environmental Resources Management (ERM) East Africa Environmental and Social Due Diligence (ESDD), Ormat’s Olkaria III facility developed a number of mechanisms to engage with the local communities, to handle grievances, and to provide support to be felt by majority of the community members. These mechanisms include: a Stakeholder Engagement Plan (SEP), a Grievance Mechanism (GM), a Corporate Social Responsibility (CSR) Policy and a CSR Strategy. The local sustainability manager reports annually on the status of each of these policies and implementation plans, while setting goals and recommending projects for future engagement.

In 2020, the mechanisms facilitated the development of Community Development Committees (CDC) for engaging with Orpower4 on behalf of the communities and provide feedback, and further guiding in development of Community Investment Plans (CIP). As well, the identification and mapping of key stakeholders both direct and interested with the Project was achieved.

In 2020, we continued our activities to support local communities. We worked together with the Kenya Wildlife Service to help restore the Hell’s Gate National Park, financed the construction of water and electrical infrastructure, opened and graded community roads, and supported farming projects, alongside other activities to support vulnerable persons.

Guadeloupe

In Guadeloupe, our power plant is in

the center of the city of Bouillante. For this reason, we view community engagement as being especially important. To this end, we hold periodic meetings with residents and with association management to discuss and address the concerns of stakeholders. In 2019, as in previous years, we worked to support the social improvement of the neighborhood and the city at large, as well as for other

EDUCATIONAL EMPOWERMENT

Kenya

To realize our Community Investment Policy in Kenya, Ormat has a well-established record of funding education programs in Kenyan communities near our operations, emphasizing scholarship opportunities with priority to vulnerable and bright young girls. By doing so, we provide higher education pathways for students with open doors to careers as a viable alternative to early marriage for girls. In 2020, we granted secondary education sponsorship to 45 students alongside 9 students’ mid-level and university bursaries to both direct and other communities category. This was achieved amidst COVID-19 pandemic that resulted to indefinite and regular closure of learning institutions.

We also continued with ongoing community programs of supporting vulnerable persons, schools with infrastructure, COVID-19 basic items, farming, and with teachers to supplement government teachers.

Israel

While Ormat actively engages in many philanthropic endeavors in Israel, our focus is on supporting the “ORT Ormat” technical and vocational secondary school, which was established in 1970 at Ormat’s Yavne factory in cooperation with

Israel’s Ministry of Labor, Social Affairs and Social services and the ORT network⁵⁷. The ORT Ormat school teaches students, many from socio-economically disadvantaged backgrounds, essential industrial and technical subjects, such as electrical manufacturing, metalworking, and computer programming and operations. This long-term initiative provides added value for Ormat as well – most long-term manufacturing employees at Ormat’s Yavne facility are graduates of the program. In 2020, as in previous years, Ormat financed school activities, including meals for students and teachers and a class trip to Poland, and several of Ormat’s engineers served as tutors.

In 2020, Ormat provided funding to additional programs serving high-risk, special needs, and socio-economically disadvantaged youth. Among these are the Nirim Youth Village, which provides a ‘second chance’ to at-risk youth to become fulfilled, contributing members of society. We also provided computers to a youth club, “Kadima,” serving low-income children, and donated to an organization which provides employment opportunities to artists with special needs.

HEALTHCARE DELIVERS HOPE

Improving access to healthcare is one of the most profound ways a company can exert a positive influence on individuals and communities. Access to healthcare improves the most fundamental human conditions, prevents disease, supports families and is a major pillar of our community investment program. Similarly, initiatives that work to reduce poverty and provide nutritional food, especially for younger, growing children, are among the priority areas Ormat targets with our community investment programming.

Honduras

The Central American Medical Outreach is a foundation that provides medical brigades amongst other medical and social programs. In Honduras, we have made an alliance with them and bring medical brigades through the whole year to our communities.

- **AUDIOLOGY BRIGADES:** We started with 30 audiometry tests for children and the elder people of the community.
- **MAMOGRAPHY BRIGADES:** We also provided 100 mammography tests to women from 35 years of age.
- **OPHTHALMOLOGIC BRIGADES:** The Central American Medical Outreach in alliance with the Robles Ophthalmologic Centre, provided us the ophthalmologic brigades for our communities. Including transportation to the 100 beneficiaries from the communities to the Robles Ophthalmologic Centre that is about two hours away, the patients received a complete package of medical attention, tests, medicines, and eyeglasses when necessary. Some of them even got an operation appointment that was going to be covered by CAMO and the Robles Ophthalmologic Centre.

Kenya

In 2020, Ormat continued many of our initiatives begun in previous years, including providing a community HIV/AIDS peer educator to help reduce the prevalence of the disease in the region that we serve. This year, in partnership with Ministry of Health, Naivasha and Kenya Red Cross, Narok we supported the fight against COVID-19 with basic medical items. As well, we supported our direct four communities with regular supply of foodstuff and basic COVID-19 items.

Honduras – Mitigating the Impact of COVID-19 in our communities

As an electric power generation company, GPS was required to continue operations upon the outbreak of COVID-19 in early 2020, even though most Honduras companies were forced to shut down. Enterprises that were closed included the mining company which provides work for 90% of the residents in our communities.

Honduras, like many other Central American countries, was especially hard-hit by the economic consequences of these closures. Many depend on informal work for their livelihoods, which has been severely impacted by social distancing measures. Moreover, public health centers and hospitals were not equipped to cope with the medical emergency.

From the outset of this crisis, GPS worked to help alleviate the new

hardships that arose. We created a special social project to help each and every family of our communities through the monthly provision of food, directly aiding 2,500 people in our communities. We also donated food supplies to the municipality of La Unión, which was able to serve an additional 8,000 people, and provided medical supplies to hospitals throughout western Honduras.



⁵⁷ The ORT network is a global initiative which provides critical science and technology skills to over 300,000 people worldwide, with a special focus on communities facing socio-economic challenges. See <https://en.ort.org.il/>

LOCAL LIVELIHOOD

One of the prime directives that sets Ormat apart is our Company-wide promotion of local employment; everyone who works at a plant is from the country in which the plant is located. We believe every renewable energy facility we develop, own and/or operate should be staffed by people who live in or close to the local community. This reflects Ormat’s responsibility to return benefits and generate positive impact for the local communities in proximity to our operations. We believe that being a good neighbor is the right thing to do and that hiring locally is the right way to operate.

United States

For many communities, geothermal power plants provide ongoing employment and financial productivity, particularly in areas that are remote or have limited employment opportunities. Ormat’s Ormesa Geothermal Complex, built in California’s Imperial Valley in 1988, became the second largest employer in an area that is impacted by severe unemployment.

Part of Ormat’s commitment to job creation and quality education involves working in local U.S. communities to train students in high-demand fields and instill technical skills that translate into career-building opportunities. For example, Ormat developed curricula for a power operator course at a local community college, which provided a successful pool of employees for our local plant. Ormat also sponsored a program to educate local teachers on renewable and geothermal energy through the Desert Research Institute (DRI), a non-profit environmental research arm of the Nevada System of Higher Education. Ormat also wrote curricula for a geothermal energy course

for the U.S. public school STEM program⁵⁸ and sponsors a geothermal energy program for geoscientists at the University of Nevada.

Guatemala

Members of our local communities in Guatemala have expressed their desire that Ormat create more opportunities for local employment to help alleviate the prevalent conditions of economic hardship. Unfortunately, in many cases this is not possible as our plants only require a limited amount of employees once they are constructed and operational. In order to partially address these needs, we have embarked upon a program in our Amatitlan and Zunil locations, which creates temporary employment for local residents, thus generating significant economic value throughout our local communities. This has taken the form of approximately dozens of positions (about half in Amatitlan and half in Zunil) which provide an income well above the local average. Employees hold these positions for two months a year, following which another local resident is offered the opportunity.

Kenya

Ormat continues to provide training and capacity building opportunities for youth, as an engine for broader economic development and job creation in our communities. This includes vocational skill training (driving, hospitality courses, operating construction equipment, and business management and administration. In addition, providing employment to the local communities within the project facility, and learnership opportunities.



Ormat’s school near Zunil, Guatemala

58 STEM is a curriculum based on the idea of educating students in four specific disciplines — science, technology, engineering and mathematics — in an interdisciplinary and applied approach.

CHAPTER VII. OUR HOLISTIC APPROACH TO CORPORATE GOVERNANCE



MAKING SOUND CORPORATE GOVERNANCE A PRIORITY

Sound corporate governance is a top priority for Ormat, in light of our nature as a publicly traded and global company with operations and activities across the globe. At Ormat, not only do we believe that transparent corporate governance practices contribute to the financial success of our business, they ensure that our Company remains resilient and strong in the face of challenges, while also creating space for new business opportunities and engagement. Furthermore, corporate governance has been identified as one of our key sustainability issues by our stakeholders, and therefore, we remain steadfast in our commitment to devoting resources to and improving our governance performance and our level of disclosure on related topics, such as anti-corruption, executive remuneration and regulatory compliance.

Ormat utilizes an anti-corruption training system, GAN Integrity, which categorizes employees into one of categories based on risk, and as such determines the level of training along with what is required for their role. There are two modules for training, Basic ABAC and Advanced ABAC, which are both offered in multiple languages to better fit the needs of our employees. Basic ABAC is a review of Ormat's ant-corruption policy and the accompanying ABAC presentation. Within the advanced ABAC training, we include a review of the policy, the presentation, with an additional completion of a hypothetical dilemma and a test.

2020 marks the first year in which Ormat has begun to record the amount of employees that have received anti-cor-

ruption training, and intends to start disclosing such data in its 2021 report. By doing so, we are seeking to show year on year improvement, as well as developing and enhancing disclosures.

In terms of our corporate values, our corporate governance practice is defined by honesty, openness and fairness, and we expect all our employees, and especially our leaders to exhibit these qualities at all times. By integrating these values and more into our corporate governance practices, we work towards ensuring the stability of our company as well as expressing our full commitment towards transparency, fairness and good business practices with our stakeholders. Furthermore, and as outlined below, we have several corporate governance mechanisms for management and oversight that ensure that these values and our integrity are upheld on an on-going basis.

ORMAT'S CORPORATE GOVERNANCE STRUCTURE

Ormat's Board of Directors

The Board of Directors' main responsibility is to provide direction and oversight. The Board establishes Ormat's strategic direction and oversees the performance of its business and management of any relevant economic, environmental and social impacts.⁵⁹The Chairman of the Board of Directors does not hold any additional executive roles in the company.

We strive to promote diversity of representation at all levels of our company. At present, our Board has one Director members who is female (One female director decided not stand for reelection in the last meeting we held in May 2021), while three Director members are of racially diverse backgrounds. As an American company with significant business operations based in Israel, most of our Board of Directors' members are of

American or Israeli nationality. Additionally, the Board of Directors has members of Japanese and Dutch nationality. The company/Board is committed to bring at least one more female director for election in the next Annual General Meeting in 2022.

Ormat's Board of Directors' Committees

Our Board of Directors conducts its business and affairs through meetings of the Board and through the four standing committees: Audit, Compensation, Investment, and Nominating and Corporate Governance. As of the publication of this report, Ormat did not have a designated Corporate Social Responsibility or Sustainability Committee on the Board of Directors^{60,61}.

The Board is responsible for periodically, and at least annually, conducting a self-evaluation. The Board and the Nominating and Corporate Governance Committee are responsible for establishing the evaluation criteria and overseeing the implementation of the process for such evaluation. If needed, actions are periodically taken in response to evaluation of the Board of Director's performance with respect to governance of economic, environmental, and social topics.

The Board maintains the flexibility to determine whether the roles of Chairman of the Board and CEO should be combined or separated, based on what it believes is in the best interests of the Company at a given point in time. The Board believes that this flexibility is in the best interest of the Company and that a one-size-fits-all approach to corporate governance, with a mandated independent Chairman, would not result in better governance or oversight. Currently, the CEO position is separate from the Chairman of the Board position.

We believe that the separation of the Chairman and CEO positions is appropriate corporate governance for us currently. Our Board believes that, currently, this structure best encourages the free and open dialogue of competing views and provides for strong checks and balances. Additionally, the Chairman's attention to Board and committee matters allows the CEO to focus more specifically on overseeing the Company's day-to-day operations as well as strategic opportunities and planning⁶².

Ormat's Board of Directors members have relevant education and professional experience in the following areas and regarding the following topics: economics, business, banking, construction, infrastructure, renewable energy, telecommunications, international law, regulatory compliance, and governance matters⁶³.

As Ormat's delegating authority, the Board of Directors assigns responsibilities for economic, environmental and social topics to various senior executives according to the relevance of the topic to the nature of their role. For instance, our Executive Vice President of Business Development is responsible for assessing related risks and opportunities arising from Ormat's engagement

with economic, environmental and social topics while developing projects. In addition, some senior roles are mainly devoted to relevant risk management issues, such as our Global VP Quality, Health, Environment & Safety, who is responsible for shaping our global health, safety and emergency preparedness processes, and our Sustainability Manager, who reports directly to our General Counsel and Chief Compliance Officer on issues of environmental, social and governance performance. These senior executives and relevant managers report to the management and/or the Board of Directors and its committees on a periodic basis and as needed, based on their determination on the necessity of such updates regarding economic, environmental or social matters. Furthermore, relevant employees are involved and consulted in strategic thinking on the management of economic, environmental and social risks and opportunities that we identify as key focus areas.

We consult with relevant stakeholders regarding the proper management of key economic, environmental and social risks and opportunities, including: our financial auditors, corporate sustainability consultants, legal advisors, employees and others. Ormat is committed to upholding

our Stakeholder Engagement Policy expressing our commitment to maintaining systematic and proactive channels of dialogue in order to take key interests, concerns and needs into account.

In 2020, no material actions were taken in response to evaluations of the Board of Director's performance, nor those pertaining to governance of economic, environmental and social topics.

Ormat's Management

As of the date of this report, Ormat prides itself on assembling a highly qualified and experienced senior management team of nine members, four of whom joined our team during 2020. Each position on the management team is designed to serve a designated function that addresses Ormat's business needs and the needs of our key stakeholders.

Ormat's management team is led by the Chief Executive Officer. Together with the Board of Directors, the management team is responsible for setting Ormat's business strategy and direction, for setting the Company's performance goals and KPIs, and for the general management of the Company's employees, stakeholder matters and other business affairs.

The following table shows the members of our current senior management team, as of the writing of this report.

Senior Manager	Position	Date Current Assumed Position
Doron Blachar	Chief Executive Officer (CEO)	June 2020
Assi Ginsburg	Chief Financial Officer (CFO)	May 2020
Shimon Hazir	Executive Vice President – Electricity Segment	April 2021
Bob Sullivan	Executive Vice President – Business Development	July 2015
Shlomi Argas	Executive Vice President – Product Segment and Operations President	January 2018 January 2021
Jessica Woelfel	Interim General Counsel and Chief Compliance Officer	March 2021
Ofer Ben Yosef	Executive Vice President - Energy Storage and Business Development Management	April 2020
Liat Inbar Arad	Senior Vice President – Human Resources	July 2020

59 On July 26, 2017, ORIX purchased approximately 22% of our shares of common stock outstanding. Pursuant to the Governance Agreement between us and ORIX entered into in connection with this stock purchase transaction, ORIX has the right to designate three directors to our Board for as long as ORIX and its affiliates collectively hold at least 18% of the voting power of all of our outstanding voting securities, the right to representation on certain committees of our Board as well as preemptive rights pursuant to the Governance Agreement.
60 More information on the committees that make up Ormat's Board of Directors can be found in our Annual Report at the following link: <https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066>
61 On May 4, 2017, the Company entered into a governance agreement with ORIX in connection with an agreement between ORIX. More details are provided on the Governance Agreement below.
62 More information can be found in Ormat's 2020 Proxy Statement at the following link: <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001296445/5a906a1b-66cc-4cd2-892d-db5e1032b447.pdf>
63 A complete description of director member experience can be found in Ormat's 2020 Proxy Statement at the following link: <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001296445/5a906a1b-66cc-4cd2-892d-db5e1032b447.pdf>

Each member of the management team is screened for the relevant experience and knowledge that is needed to fully perform their role. Similarly, all executive managers undergo performance reviews and are provided with training or access to educational opportunities on topics that are most relevant to their professional role.

Ormat is committed to achieving a diverse management team that is representative of our workforce and of the communities that we serve. To that end, we are committed to ensuring that all employees at our worldwide locations including the senior management of those locations, are hired locally. Our commitment to diverse hiring and employment practices are discussed in greater detail in Section VI: Our Impact and Engagement with Our Employees.

Ormat’s senior management is responsible, among others, for the development, approval, and updating of Ormat’s purpose, policies, and goals related to economic, environmental, and social topics. For instance, management is responsible for approving Ormat’s corporate-level policies and periodically reviews environmental and social impact assessments and action plans for our power plants.

Management Transition

In December 2020, we announced several departures and appointments in our executive management team:

- Zvi Krieger announced that he will step down from his role as Executive Vice President—Electricity Segment on March 31, 2021 and will continue to perform certain duties until his June 30, 2022 retirement date.
- Shimon Hatzir was appointed to the role of Executive Vice President—Electricity Segment, effective April 1, 2021.
- Shlomi Argas, Executive Vice President—Operations and Products of Ormat, was appointed to serve

as a President of Ormat, effective January 1, 2021.

In March, 2021, the Company and Hezi Kattan, the General Counsel the Company, agreed that he will take a leave of absence from the Company to allow Mr. Kattan to focus on defending certain claims against him in Israel, which are unrelated to Ormat. Jessica Woelfel, who served as Vice President, U.S. Legal for Ormat’s business in the United States, since January 2019 agreed to serve as the Company’s Interim General Counsel.

Remuneration Policies

The responsibility of reviewing and recommending to the full Board of Directors the form and amounts of compensation and benefits for board of director’s members (which may include equity-based rewards⁶⁴, retainers, committee chair fees, stock options and similar items), lies with Ormat’s Compensation Committee. The Compensation Committee is comprised of at least three directors, each of whom meets the independence requirements under the listing standards of the New York Stock Exchange. At least two members of the Compensation Committee will also qualify as “non-employee directors” within under the Securities Exchange Act of 1934, as amended. Members of the Compensation Committee, including its Chair, are appointed by the Board based upon the recommendations of the Nominating and Corporate Governance Committee.

In making its recommendations, the Compensation Committee seeks to fairly compensate directors at levels that are competitive with other companies in the industries in which Ormat competes and to align directors’ interests with the long-term interests of our stockholders. In its deliberations, the Compensation Committee and the Board of Directors consider whether the levels of

director compensation could impair independence and critically evaluate any consulting, charitable contribution or other potentially indirect compensation arrangements.

In addition, the Compensation Committee is responsible for setting corporate goals and objectives relevant to the CEO’s and executive managers’ compensation, including the responsibility of assessing their performance considering the set goals and objectives. In determining their level of compensation, the Compensation Committee considers a number of factors such as the Company’s performance and relative shareholder return, the value of similar incentive awards to the CEO and executive officers at comparable companies and the awards bestowed by the Company to the CEO and executive offices in past years. In addition, the Compensation Committee is responsible for periodically reviewing and approving aspects of the CEO and executive officers’ compensation based on incentive awards and opportunities, including cash-based and equity-based awards and opportunities, any employment agreements and severance agreements, change-in-control agreements, severance protection plans and change-in-control provisions affecting the level of compensation and benefits, and any special supplementary compensation and benefits for the CEO and executive officers. Furthermore, the Compensation Committee reviews and discusses the Compensation Discussion and Analysis (CD&A) that is included in the Company’s annual proxy statement and 2019 Annual Report at the following [link](#)⁶⁵.

Finally, Ormat strives to provide a competitive compensation and benefits package to all our employees, including our executive managers. Benefits are tailored to the needs of our employees and their families at our global locations and may vary from country to country, but

may include:

- Health, Dental and Vision Insurance
- Retirement
- Short-Term and Long-Term Disability
- Life Insurance
- Wellness programs

More information on employee benefits is outlined in the “ Our People: Employment and Skill Development at Ormat” chapter of this report.

Stock-based Awards

On May 2018, Ormat’s shareholders adopted the 2018 Incentive Plan, which provides for grants of certain kinds of awards including incentive stock options, non-qualified stock options, restricted stock, stock appreciation rights, stock units, performance awards, phantom stock, incentive bonuses and other possible related dividend payments to employees of the Company, directors and independent contractors. Under the 2018 Incentive Plan, a total of 5,000,000 shares of Ormat’s common stock were authorized and reserved for issuance.

Our Corporate Governance Policies and Guidelines

Our Corporate Governance Guidelines, which are publicly available on our website at the following link⁶⁶, outline the expectations from senior management and the Board of Directors to monitor and measure the effectiveness of policy and decision-making in order to enhance stockholder value for the long-term. The Guidelines are periodically reviewed by the Nominating and Corporate Governance Committee of the Board of Directors and by the Board of Directors.

The Guidelines manage and outline Ormat’s procedures on the following topics: board composition including guidelines for the selection, responsibilities and remuneration determination for the board members; guidelines for board meetings; management of committee matters; board responsibilities; and expectations from directors. The policy outlines Ormat’s criteria for determining director independence and the Company’s commitment to, at minimum, a majority of independent directors on the Board. The policy describes the responsibilities of the various Board of Directors’ committees: Audit Committees, the Compensation Committee and the Nominating and Corporate Governance Committee. Each of these committees has their own separate charter that governs the topics and procedures of each of the committees as well as our Investment Committee, and which are publicly available on the “[Governance](#)” page of our website⁶⁷. Finally, the policy describes certain responsibilities of the Board of Directors, which include: evaluation of the CEO, succession planning, reviewing and approving significant transactions and analysis of shareholder proposals, among other responsibilities.

In addition, Ormat’s Board of Directors adopted a Code of Ethics applicable to Senior Executives, as required by the Sarbanes-Oxley Act of 2002 and out of the belief that proper, honest and ethical employee conduct is essential to the success of our Company. The Code can be accessed on our website at the following link⁶⁸. The Code applies to all of Ormat’s senior executives including the Chairman of the Board of Directors, the Chief Executive Officer, the Controller, the Company’s Secretary and the Chief Operating Officer. The Code outlines our expectations of senior executives including a commitment to honest and ethical conduct and handling of affairs, to advance

the Company’s business by legitimate means, to refrain from fraudulent or corrupt activities and to provide full disclosure regarding any of the Company’s reports or documents. Senior executives are requested to report any violations of the Code to the Secretary, the Chairman of the Audit Committee or the Board of Directors, and violations of the Code are subject to disciplinary action up to and including termination of service. Any revisions, changes or waivers to the Code must be approved by the Board of Directors or the Nominating Corporate Governance Committee. Senior executives are required to sign and formally acknowledge the Code as part of their employment contract. Senior executives are also expected to follow Ormat’s Code of Business Conduct and Ethics, which is applicable to all employees.

64 Including pursuant to the Company’s equity-based plans.

65 <https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066>
66 <https://www.ormat.com/Warehouse/userUploadFiles/Image/Corporate%20Governance%20Guidelines.pdf>
67 <https://www.ormat.com/en/company/welcome/governance/>
68 <https://www.ormat.com/Warehouse/userUploadFiles/Image/ABAC%20Revised%20Policy%20-%20final%20July%2021%202020%20-%20English.pdfESIA>

ENSURING A
CORRUPTION-
FREE WORK
ENVIRONMENT

As part of Ormat’s commitments to sound corporate governance and its values of Stability and Full Commitment, which are a central part of our mission, we work to ensure that all of our activities are free from corrupt practices and that our employees are well-informed of our expectations regarding ethical behavior.

Ormat’s Corporate Governance Guidelines, our Code of Business Conduct and Ethics, Code of Ethics for Senior Executives, and Anti-Corruption and Anti-Bribery Policy outline our relevant corporate governance practices regarding anti-corruption and the expectations our Company has for good governance and business practices. All of Ormat’s corporate governance policy documents can be found on our website on the “[Governance](#)” page⁶⁹. Relevant new Ormat employees and officers must sign a compliance certificate stating their intention to uphold these standards.

Ormat conducts business around the world. To that end, Ormat is obligated to comply with all applicable anti-corruption and anti-bribery laws, such as the U.S. Foreign Corrupt Practices Act. Beyond this, we have instituted a corporate Anti-Corruption and Anti Bribery Policy⁷⁰ which seeks to ensure that our Company will uphold not only the letter, but also the spirit, of all relevant legal and ethical standards in place for the conduct of transnational business activities.

The standard that we set is clear: Ormat persons (and associated third-parties conducting business on Ormat’s behalf) are forbidden to promise, provide, or authorize provision of anything of value to anyone at any time for the purpose of retaining business, obtaining business, or gaining business advantage. The supposed cultural prevalence of such corrupt practices in a location is never a

valid excuse or defense. Our policy clearly defines key terms so that they are easily understandable to employees, and provides guidelines for the reporting of relevant concerns and for coping with potential hazards.

The policy also describes Ormat’s procedures for providing training to employees on topics of anti-corruption, the ways that Ormat employees and leaders can be certified for anti-corruption compliance, and relevant methods for conducting due diligence on anti-corruption measures with third parties.

Ormat has an Anti-Corruption Committee composed of senior management representatives from various disciplines who oversee implementation of the Anti-Corruption Policy including the General Counsel and Chief Compliance Officer, Executive Vice President of Business Development and Sales and other members that are designated by Company management from time to time. Ormat’s Chief Compliance Officer reports directly to the CEO and Audit Committee of the Board of Directors for certain matters, including those that pertain to anti-corruption. Ormat’s Anti-Corruption Policy was initially adopted by the Board of Directors in 2016 and was last updated in 2020 and executive officers hold responsibility for daily implementation of the policy.

Directors, executive managers, employees, contractors or other stakeholders are requested to report any suspected violations of the Anti-Corruption Policy and failure to do so could result in termination of employment or of other contractual relationships. Retaliation is not taken against any actor who, in good faith, reports suspected policy violations. Ormat is committed to investigating and reporting all concerns according to the outlined grievance management mechanism. In addition, we offer a range of reporting tools for employees including escalating issues through management, whistleblowing mechanisms, and a dedicated telephone line and website for confidential reporting of concerns about

unethical behavior (see below).

POLITICAL CONTRIBUTIONS AND LOBBYING ACTIVITIES

Due to our global nature and operations in various countries around the world, we are committed to being a responsible corporate citizen wherever we do business and more so, to comply with all applicable laws, rules and regulations. To demonstrate our commitment and to solidify our approach within the company, in 2021 Ormat developed a Political Contributions and Activities Policy.

Political contributions are the provision of money, venues, equipment, personnel time, or any other form of financial aid to support a political goal. The purpose of this policy is to provide guidelines for the offering and/or giving of political contributions in association with or on behalf of the company. This policy is directly in line with, and acts complimentary to, our Anti-Bribery and Anti-Corruption Policy. In the Policy, we outline what are the prohibited and permitted political contributions and activities according to all jurisdictions as well as specific ones. It also serves to guide and oversee the approval and documentation requirements for political contributions and lobbying activities that are defined as permitted by the Policy.

It is important to note that at Ormat we encourage our employees to take an active interest in fostering the principles of good government in the communities in which they live and work in. As such, employees may engage in personal political contributions during their own private time and on a private and individual capacity.

Communication and Training on Anti-Corruption Commitments

Ormat communicates its Anti-Corruption Policy clearly to its employees as part of their employment contract and in dealings with the organization, and the policy is publicly communicated on Ormat’s website at the following link⁷¹.

Ormat’s relevant employees are required

to undergo periodic ethics and corporate governance training sessions that are targeted at identifying and dealing with potential bribery. The goal is to ensure that all Ormat’s employees fully understand what constitutes a corrupt practice or a bribe and to become aware of how they are expected to behave or handle ethical dilemmas according to the Company’s guidelines and policies.

INSIDER TRADING POLICY

Ormat’s Insider Trading Policy, publicly available on our website⁷², was established in order to promote compliance with laws that prohibit a company’s securities from being traded on the basis of material, non-public information.

Our Policy is applicable to all Ormat employees, officers, directors, family members and their controlled entities, as well as consultants, advisors, agents, contractors, temporary, loaned, contracted or seconded employees or other persons who enter into a contractual agreement with Ormat. It clearly defines what kinds of information can be considered material and non-public, as well as the activities that are prohibited to those that have been potentially exposed to such information. Employees, directors and officers are required to sign and acknowledge the policy as a condition of their employment with Ormat, alongside other types of confidentiality agreements in use by the Company.

Nearly all of our employees and managers, and all of our new hires, have received focused training on relevant corporate governance practices, such as our Code of Business Conduct and Ethics⁷³, Anti-bribery and Anti-corruption Policy⁷⁴ and more. Ormat intends for 100% of our employees to receive training on relevant corporate governance practices.

MAJOR ONGOING LITIGATION

The Company is involved in several ongoing legal proceedings both in and

out of court, which relate to corporate governance matters. The material legal proceedings are described in our 2020 Annual Report and other reports.

ETHICAL CONDUCT AT ORMAT

Ormat upholds a Code of Business Conduct and Ethics that was last amended in January 2013⁷⁵. The purpose of our Code of Business Conduct and Ethics is to promote and encourage honest and ethical conduct, to promote the protection and proper use of Ormat’s assets, to maintain the confidentiality of information that is acquired in the course of business, to promote compliance with applicable laws and regulations and to encourage timely reporting of any illegal or ethical behavior. All Ormat employees, directors and officers are subject to the Code, and are expected to adhere and comply with the Code and are required to sign a compliance certificate confirming they have understood all of Ormat’s expectations.

In the Code, Ormat outlines its expectations regarding honest and candid conduct, which are cornerstones of the way that Ormat conducts its business around the world. The Code outlines guidelines for handling of conflicts of interest in the context of loans or corporate opportunities, compliance with the law, as well as regulations and laws that govern Ormat’s internal business practices, such as details on the Foreign Corrupt Practices Act. The Code also outlines how Ormat expects its employees, directors and officers to handle the disclosure of sensitive Company information, engage in record-keeping and maintain an internal control structure, uphold restrictions on the receipt of gifts, gratuities and entertainment, as well as relevant aspects relating to ethical conduct that are considered during the employment and hiring processes.

Ormat’s full Code of Business Conduct and Ethics and the requirements and expectations of employees and senior management outlined therein can be found at the following link⁷⁶.

WHISTLEBLOWER POLICY

The contact person for ethical concerns varies for different employees according to their position within the Company. The contact person for directors and senior executives is the Chairman of the Audit Committee of the Board of Directors. For all other officers and employees, the Code of Ethics Contact person is Ormat’s Secretary, except in cases when it is deemed inappropriate to involve the Secretary, at which time employees may file their requests with the Chairman of the Audit Committee. Employees and officers are encouraged to consult with their direct manager regarding the appropriate course of action to address an ethical dilemma or in addressing an instance of potential misconduct. Employees, directors and officers who fail to report unethical conduct are in violation of the Code and consequences may be taken by Ormat as a result, depending on the severity of the incident.

Ormat upholds a policy of no retaliation on any director, officer, or employee by any other actor at the Company for reporting existing or potential violations of the Code. Any director, officer or employee who is involved in retaliation or who makes deliberately false reports may be subject to serious disciplinary action or sanctions. However, Ormat does seek to ensure that all reports are made in good faith.

We also maintain an anonymous whistleblower ethics hotline for reporting concerns or real breaches of the Code at a toll-free number (in the U.S.): 1-866-294-5535 and at the Company’s third-party whistleblower website at [www.ethicspoint.com](#).

Based on the information collected through these communications channels, we received only a few grievances during 2020. However, following internal investigation into the nature of these grievances, it was determined that they were nonmaterial and required no further action.

69 [https://www.ormat.com/en/company/welcome/governance/](#)
70 [https://www.ormat.com/Warehouse/userUploadFiles/Image/ABAC%20Revised%20Policy%20-%20final%20July%2021%202020%20-%20English.pdf](#)
71 [https://www.ormat.com/Warehouse/userUploadFiles/Image/Anti-Corruption%20Policy.pdf](#)

72 [https://www.ormat.com/Warehouse/userUploadFiles/Image/Anti-Corruption%20Policy.pdf](#)
73 [https://www.ormat.com/Warehouse/userUploadFiles/Image/CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS.pdf](#)
74 [https://www.ormat.com/Warehouse/userUploadFiles/Image/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf](#)
75 The guidelines for ethical conduct were originally set when Ormat was established in 1965 as Ormat Turbines Ltd. (later renamed Ormat Industries). They were formalized in 2004 when Ormat was officially listed for trading on the New York Stock Exchange.
76 [www.ormat.com/Warehouse/userUploadFiles/Image/CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS.pdf](#)

CHAPTER VIII.
ABOUT THIS
REPORT



Rabbit Hill storage facility, TX, U.S. 10 MW

ABOUT THIS REPORT

Ormat’s 2020 sustainability report highlights our environmental, social and governance (ESG)-related measures, initiatives and activities for the reporting period of January through December 2020. This is the Company’s third sustainability report written according to the GRI. This report has been prepared in accordance with the GRI Standards: Core option. All previous sustainability publications are available on the Company’s website⁷⁸.

Following the publication of our 2019 report, which represented a significant milestone for Ormat, we conducted an extensive dialogue with key stakeholders. This report represents the results of this process and includes additions and improvements to last year’s report that are based on the feedback that we received. It is our intention to continually refine our sustainability reporting in the years ahead. To assist readers in locating relevant information throughout the report, we provide a GRI content index on page 114 of this report.

There are no restatements of information that have to do with mergers or acquisitions, or changes in the nature of our business.

We have not changed our list of material topics and topic Boundaries from our 2019 report and we intend to continue to publish a sustainability report on an annual basis.

In compiling this report, Ormat has followed the GRI’s and SASB’s requirements and recommendations in defining the reporting Boundaries, as outlined in the section below. We have considered our material entities over which the Company has control, including those in which we have significant influence over the activities that are material for the Company

according to their economic, environmental and social aspects.

For the purposes of this report “Ormat” (or the definitions presented herein on page of this report) refer to: the U.S.-based Company Ormat Technologies Inc. and its controlled entities that are included in the Company’s consolidated financial statements. Details regarding the entities included in our consolidated financial statements can be found in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC and can be reached at the following [link](#)⁷⁹. All of the entities included in our consolidated financial statements or equivalent documents are covered by this report, unless otherwise noted.

Ormat obtains independent external assurance of its annual financial information, the annual accounts and management reports (individual and consolidated with those of its controlled entities). We did not receive external assurance for this report but we are considering securing external assurance for the data reported in our forthcoming sustainability reports.

INFORMATION BOUNDARIES OF THIS REPORT

Unless otherwise noted, this report includes environmental and social data from internal systems and information from January 1, 2020 through December 31, 2020 and is focused on our material operations in the United States, Israel, Turkey, Honduras, Guatemala, Guadeloupe (French Caribbean) and Kenya. Ormat has operations and minority holdings in Indonesia, which as of 2020 are not operationally material and hence the data/detailed analysis is not included in this report unless otherwise mentioned. All financial or economic information presented in this report is disclosed according to our 2020 Annual Report which should be referred to in case of any discrepancies.

This sustainability report focuses on the environmental and social topics that are material and relevant to Ormat’s operations and business, and which are of greatest interest to our stakeholders. The content presented in the report was prioritized through a process of research and consideration of a variety of sources including feedback from groups of our stakeholders, the GRI Standards, including its Reporting Principles for defining report content, which include: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness, and the Reporting Principles for defining report quality, which include: Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness. In addition, it is informed by the SASB sector-relevant standards, alongside other relevant third-party frameworks for sustainability reporting. We expect the content and data quality of our reporting to improve and evolve moving forward as we further develop our sustainability strategy and as we continue to receive relevant and valuable feedback from our stakeholders.

Changes to this year’s report include a condensing of information and data that is either consolidated in the appendix of the report or linked to the 2020 annual report. This is in order to highlight and focus on the main material topics that were identified by Ormat.

This report may contain links to or information from other Internet sites. Such links and information are not endorsements of any products or services in such sites, and no information in such site has been endorsed or approved by Ormat.

Except where noted, the information covered in this report highlights the Company’s performance and initiatives in fiscal year 2020. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

Moreover, this report may use certain terms, including those that GRI, SASB or others may refer to as “material,” to reflect the issues or priorities of Ormat, its subsidiaries and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting.

CONTACT POINT FOR QUESTIONS REGARDING THIS REPORT

We have strived to provide all the relevant data and information regarding our sustainability performance and activities in 2020 that fall within the scope of this report. Stakeholders who are interested in understanding or clarifying the information presented, or who have questions regarding the content of the report, can contact us through one of the following channels:

Mail requests

Ormat Technologies, Inc.
6140 Plumas Street
Reno, NV 89519-6075
U.S.

Requests for general information:
IR@ormat.com

Requests for sustainability-related information:
sustainability@ormat.com

Online form:
www.ormat.com/en/company/contact/main/

110 77 According to the Global Reporting Initiative, “Consolidated Set of GRI Sustainability Reporting Standards 2016.” The Standard is issued by the Global Sustainability Standards Board (GSSB). The Standard applied is effective for reports or other materials published on or after 1 July 2018.
78 <https://www.ormat.com/en/company/engagement/view/?ContentID=140>
79 <https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066>

CHAPTER IX.
GRI CONTENT
INDEX



*Sarulla geothermal complex, Indonesia,
330 MW*

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all of the disclosures included align with the appropriate sections in the body of the report.




GRI Content Index

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 101: Foundation 2016			
General Disclosures			
Organizational Profile			
GRI 102: General Disclosures 2016	102-1: Name of the organization	'Ormat: What We Do' (pg. 37)	
	102-2: Activities, brands, products and services	'Ormat Presence' (pg. 12-13), 'Ormat: What We Do' (pg. 37), 'About Our Business' (pgs. 38-41), 'Geothermal Power Plants' (pg. 40), 'Recovered Energy Power Plants' (pgs. 41), 'Energy Storage' (pgs. 41), 'Our History and Key Experience' (pg. 36), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 54) Ormat 2020 Annual Report Item 1. Business (pgs. 9-17)	
	102-3: Location of headquarters	'Our History and Key Experience' (pg. 36)	
	102-4: Location of operations	Ormat At A Glance' (pgs. 10-11), 'Ormat Presence' (pg. 12-13), 'Our History and Key Experience' (pg. 36), 'Information Boundaries of This Report' (pg. 110)	
	102-5: Ownership and legal form	Ormat 2020 Annual Report Item 1. Business (pgs. 12-13)	
	102-6: Markets served	'Ormat: What We Do' (pg.37), 'About Our Business' (pgs. 38-41), , Ormat 2020 Annual Report Item 1. Business (pg. 48)	
	102-7: Scale of the organization	'Ormat At A Glance' (pgs. 10-11), 'Ormat Presence' (pg. 12-13), 'About Our Business' (pgs. 38-39), Ormat 2020 Annual Report 'Letter to Shareholders', Item 8. Financial Statements and Supplementary Data (pg. 181)	




GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-8: Information on employees and other workers  	'Our People: Employment and Skill Development at Ormat' (pg. 72)	
	102-9: Supply chain	'Ormat's Supply Chain & Procurement Practices' (pg. 50), 'Subcontractors and Third Parties' (pg. 76)	
	102-10: Significant changes to the organization and its supply chain	'Ormat's Supply Chain & Procurement Practices' (pg. 50)	
	102-11: Precautionary principle or approach	'Our Risk Management Approach' (pg. 42), 'Relevant Risks' (pg. 42)	
	102-12: External initiatives	'External Initiatives & Memberships of Association' (pg. 34)	
	102-13: Membership of associations	'External Initiatives & Memberships of Association' (pg. 34)	
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker	'A Message for Our Stakeholders' (pg. 4-7)	
	102-15: Key impacts, risks, and opportunities	"Knowing Our Impacts – Stakeholder Engagement Strategy' (pgs. 28-29), 'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs.30-33), 'Our Strategic Commitments and Sustainability Plan' (pgs.34-35), 'Risk Management Strategy and Climate Change-Related Risks' (pg. 42), 'Management of Economics and Finance at Ormat' (pg. 46), Ormat 2020 Annual Report Item 1A. Risk Factors (pg. 57) “	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards and norms of behavior 	'An Organization Shaped by Values' (pgs. 26-27), 'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-17: Mechanisms for advice and concerns about ethics	'An Organization Shaped by Values' (pgs. 26-27), 'Ensuring a Corruption-Free Work Environment' (pg. 106), 'Making Sound Corporate Governance a Priority' (pg. 101), 'Our People: Employment and Skill Development at Ormat' (pg. 72)	
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-19: Delegating authority	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-20: Executive-level responsibility for economic, environmental, and social topics	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-22: Composition of the highest governance body and its committees  	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-23: Chair of the highest governance body 	'Making Sound Corporate Governance a Priority' (pg. 101)	

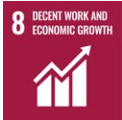

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-24: Nominating and Selecting the Highest Governance Body	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-25: Conflicts of Interest	Ensuring a Corruption-Free Work Environment (pg. 106)	
	102-26: Role of the highest governance body in setting purpose, values and strategy	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-27: Collective Knowledge of Highest Governance Body	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-28: Evaluating the Highest Governance Body's Performance	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-29: Identifying and managing economic, environmental, and social impacts 	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-30: Effectiveness of risk management processes	'Risk Management Strategy and Climate-Change Related Risks (pg. 42)	
	102-31: Review of economic, environmental, and social topics	'Making Sound Corporate Governance a Priority' (pg. 101)	
	102-33: Communicating critical concerns	'Ensuring a Corruption-free Work Environment' (pg. 106)	
	102-34: Nature and total number of critical concerns	'Ensuring a Corruption-free Work Environment' (pg. 106)	
	102-35: Remuneration policies	'Making Sound Corporate Governance a Priority' (pg. 101), 'Subcontractors and Third Parties' (pg. 76)	




GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-36: Process for Determining Remuneration	'Making Sound Corporate Governance a Priority' (pg. 101)	
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	'Knowing Our Impacts – Stakeholder Engagement Approach' (pgs. 28-29)	
	102-41: Collective bargaining agreements	'Subcontractors and Third Parties'(pg. 76)	
			
	102-42: Identifying and selecting stakeholders	'Knowing Our Impacts – Stakeholder Engagement Approach' (pg. 28)	
	102-43: Approach to stakeholder engagement	Knowing Our Impacts – Stakeholder Engagement Approach' (pgs. 28-29),'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs. 30-33), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
	102-44: Key topics and concerns raised	Knowing Our Impacts – Stakeholder Engagement Approach' (pgs. 28-29),'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs. 30-33), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
Reporting Practice			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	'About This Report' (pg. 108), Ormat 2020 Annual Report – 'Item 1 – Business' (pgs. 9-12)	
	102-46: Defining report content and topic Boundaries	'About This Report' (pg. 108),	
	102-47: List of material topics	'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs. 30-30)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-48: Restatements of information	About This Report' (pg. 110)	
	102-49: Changes in reporting	About This Report' (pg. 110)	
	102-50: Reporting period	About This Report' (pg. 110)	
	102-51: Date of most recent report	About This Report' (pg. 110)	
	102-52: Reporting cycle	About This Report' (pg. 110)	
	102-53: Contact person for questions regarding the report	About This Report' (pg. 110)	
	102-54: Claims of reporting in accordance with the GRI Standards	About This Report' (pg. 110)	
	102-55: GRI content index	'GRI Content Index' (pgs.112-188)	
	102-56: External assurance	About This Report' (pg. 110)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Material Topics			
GRI 200 Economic Standards Series			
201: Economic Performance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	About Our Business' (pg. 38),'Management of Economics and Finance at Ormat' (pgs. 46-47)	
	103-2: The management approach and its components	'About Our Business' (pg. 38),'Management of Economics and Finance at Ormat' (pgs. 46-47)	
	103-3: Evaluation of the management approach	'About Our Business' (pg. 38), 'Risk Management Strategy and Climate Change-Related Risks' (pg. 42)	
	201-1: Direct economic value generated and distributed		
	 	Management of Economics and Finance at Ormat' (pg.46)	
GRI 201: Economic Performance 2016	201-2: Financial Implications and other risks and opportunities due to climate change		201-2 iii,iv & v This information is omitted due to Information unavailable . Ormat is planning to develop this ability throughout 2022 and to report on it in the next report planned for 2022.
		'Risk Management Strategy ad Climate Change-Related Risks' (pg. 42).	
	201-3: Defined benefit plan obligations and other retirement plans	'Subcontractors and Third Parties(pgs. 76-78)	
	201-4: Financial assistance received from government	'Management of Economics and Finance at Ormat' (pg.46), 'Financial Assistance Received from Governments' (pg. 140)	201-4a – Total monetary value of financial assistance received by the organization from any government during the reporting period. This information is omitted due to confidentiality constraints.

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Innovation in Products & Services			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Our Strategic Commitments and Sustainability Plan' (pg. 34)	
	103-2: The management approach and its components	'Our Strategic Commitments and Sustainability Plan' (pg. 34)	
	103-3: Evaluation of the management approach	'Our Strategic Commitments and Sustainability Plan' (pg. 34)	
Non-GRI Material Topic	Ensuring innovation in products & services that Ormat offers its customers	'Our Strategic Commitments and Sustainability Plan' (pg. 34)	
Reliability of Ormat's Service			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Providing Excellent and Reliable Customer Service' (pg. 51)	
	103-2: The management approach and its components	'Providing Excellent and Reliable Customer Service' (pg. 51)	
Non-GRI Material Topic	Reliability of Ormat's Service	'About Our Business' (pgs. 38-41), 'Providing Excellent and Reliable Customer Service' (pg. 51)	
Customer Service			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Providing Excellent and Reliable Customer Service' (pg. 51)	
	103-2: The management approach and its components	'Providing Excellent and Reliable Customer Service' (pg. 51)	
	103-3: Evaluation of the management approach	'Providing Excellent and Reliable Customer Service' (pg. 51)	
Non-GRI Material Topic	Customer Service	'Knowing Our Impacts - Stakeholder Engagement Approach' (pgs. 28-29), 'Providing Excellent and Reliable Customer Service' (pg. 51)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Market Presence			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Social (pgs. 20-21), 'Subcontractors and Third Parties' (pg. 82)	
	103-2 The management approach and its components	'Social (pgs. 20-21), 'Subcontractors and Third Parties' (pg. 82)	
	103-3 Evaluation of the management approach	'Social (pgs. 20-21), 'Subcontractors and Third Parties' (pg. 82)	
GRI 202: Market Presence 2016	202-2: Proportion of senior management hired from the local community 	'Subcontractors and Third Parties' (pg. 82), 'Making Sound Corporate Governance a Priority' (pg. 102), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91), 'About This Report' (pg. 108)	
Market Presence			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Developing Renewable Energy and Critical Infrastructure' (pg. 48), 'Our People: Employment and Skill Development at Ormat' (pg. 72), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
	103-2: The management approach and its components	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
	103-3: Evaluation of the management approach	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
	203-1: Infrastructure investments and services supported 	'Ormat: What We Do' (pg. 37), 'About Our Business' (pg. 38), 'Developing Renewable Energy and Critical Infrastructure' (pgs. 48-49), 'Our Strategic Commitments and Sustainability Plan' (pgs. 34-35), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	The organization does not disclose specific information regarding the size, cost and duration of each of its significant infrastructure investment projects or services provided due to confidentiality constraints .

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts 	Developing Renewable Energy and Critical Infrastructure' (pg. 48), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91) 'Proportion of Spending on Local Suppliers' (pg. 142), 'Ormat's Supply Chain & Procurement Practices (pg.50)	
Anti-Corruption			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Making Sound Corporate Governance a Priority' (pg. 101), 'Ensuring a Corruption-Free Work Environment' (pg. 106)	
	103-2: The management approach and its components	'Making Sound Corporate Governance a Priority' (pg. 101), 'Ensuring a Corruption-Free Work Environment' (pg. 106)	
	103-3: Evaluation of the management approach	'Ensuring a Corruption-Free Work Environment' (pg. 106)	
	205-1: Operations assessed for risks related to corruption 	'Making Sound Corporate Governance a Priority' (pg. 101)	
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken 	'Making Sound Corporate Governance a Priority' (pg. 101), 'Ensuring a Corruption-Free Work Environment' (pg. 106)	
Anti-Corruption			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Ormat's Approach to Tax' (pg.48)	





GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 103: Management Approach 2016	103-2: The management approach and its components	'Ormat's Approach to Tax' (pg.48)	
	103-3: Evaluation of the management approach	'Ormat's Approach to Tax' (pg.48)	
GRI 207: Tax 2019	207-1: Approach to tax 	'Ormat's Approach to Tax' (pg.48), 'Developing Renewable Energy and Critical Infrastructure' (pgs.48-49)	
	207-2: Tax governance, control, and risk management 	'Ormat's Approach to Tax' (pg.48)	
	207-3: Stakeholder engagement and management of concerns related to tax 	'Ormat's Approach to Tax' (pg.48), 'Knowing Our Impacts – Stakeholder Engagement Approach' (pg.28)	
GRI 300 Environmental Standards Series			
Materials			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Waste, Management of Materials and Biodiversity Conservation' (pgs.64-65)	
	103-2: The management approach and its components	'Waste, Management of Materials and Biodiversity Conservation' (pgs. 64-65)	
	103-3: Evaluation of the management approach	'Waste, Management of Materials and Biodiversity Conservation' (pg. 64)	


GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 301: Materials 2016	301-1: Materials used by weight or volume 	'Waste, Management of Materials and Biodiversity Conservation' (pgs. 64-65)	
Brine & Steam Management			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'About Our Business' (pgs. 38-41), 'Management of Geothermal By-Products and Water Resources' (pgs. 61-63),	
	103-2: The management approach and its components	"About Our Business' (pgs. 38-41), 'Management of Geothermal By-Products and Water Resources' (pgs. 61-63),	
	103-3: Evaluation of the management approach	'About Our Business' (pgs. 38-41), 'Management of Geothermal By-Products and Water Resources' (pgs. 61-63),	
Non-GRI Material Topic	Brine & Steam Management	'Ormat: What We Do' (pg. 37), 'About Our Business' (pgs. 38-41), 'Management of the Geothermal By-Products and Water Resources' (pgs. 61-63), 'Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
Energy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 54), 'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 60)	
	103-2: The management approach and its components	'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 54), 'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 60)	




GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 60)	
GRI 302: Energy 2016	302-1: Energy consumption within the organization		302-1c iii-iv are omitted as the information is not applicable – the organization does consume energy for cooling, or steam. These energy expenditures are included in the total electricity y organization, reported for 302-1d ii-iv is omitted as it is not applicable as Ormat does not produce and therefore does not sell heating, cooling or steam energy resources as of 2020."
	<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> </div>	'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 60), 'Internal Energy Consumption' (table) (pg. 152)	
GRI 302: Energy 2016	302-3: Energy intensity		
	<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> </div>	'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 60)	
Encouraging Green Energy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'About Our Business' (pgs. 38-41), 'Our History and Key Experience' (pg. 36), 'An Organization Shaped by Values' (pgs. 16-17), 'Our Strategic Commitments and Sustainability Plan' (pgs. 34-35), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pgs. 54-55)	






GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 103: Management Approach 2016	103-2: The management approach and its components	'About Our Business' (pgs. 38-41), 'Our History and Key Experience' (pg. 36), 'An Organization Shaped by Values' (pgs. 16-17), 'Our Strategic Commitments and Sustainability Plan' (pgs. 34-35), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pgs. 54-55)	
	103-3: Evaluation of the management approach	'About Our Business' (pgs. 38-41), 'Our History and Key Experience' (pg. 36), 'An Organization Shaped by Values' (pgs. 16-17), 'Our Strategic Commitments and Sustainability Plan' (pgs. 34-35), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pgs. 54-55)	
Non-GRI Material Topic	Encouraging Green Energy	'About Our Business' (pgs. 38-41), 'Our History and Key Experience' (pg. 36), 'An Organization Shaped by Values' (pgs. 16-17), 'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs. 30-33), 'The SDGs That Ormat Has Pinpointed to Focus On Are' (pg. 36), 'Developing Renewable Energy and Critical Infrastructure' (pgs. 48-49), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pgs. 54-55), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
Water			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Management of Geothermal By-Products and Water Resources'(pgs. 61-63)	
	103-2: The management approach and its components	'Management of Geothermal By-Products and Water Resources'(pgs. 61-63)	
	103-3: Evaluation of the management approach	'Management of Geothermal By-Products and Water Resources'(pgs. 61-63)	









GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 303: Water and Effluents 2018	303-1: Interaction with water as a shared resource 	'Management of Geothermal By-Products and Water Resources'(pgs. 61-63)	
	303-2: Management of water discharge-related impacts	'Management of Geothermal By-Products and Water Resources' (pgs. 61-63)	
	303-3: Water withdrawal 	'Management of Geothermal By-Products and Water Resources'(pgs. 61-63), Water data table (pg. 153)	
Biodiversity			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Biodiversity' (pg. 68)	
	103-2: The management approach and its components	'Biodiversity' (pg. 68)	
	103-3: Evaluation of the management approach	'Biodiversity' (pg. 68), 'Environment' (pg.18)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 304: Biodiversity 2016	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 	'Waste, Management of Materials and Biodiversity Conservation' (pg. 64), 'Biodiversity' (pg. 68)	
	304-2: Significant impacts of activities, products, and services on biodiversity 	'Biodiversity' (pg. 68)	
GRI 304: Biodiversity 2016	304-3: Habitats protected or restored 	'Biodiversity' (pg. 68)	
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations 	'Biodiversity' (pg. 68)	



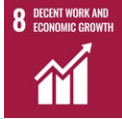
GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Emissions			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64), 'Emissions from Our Power Plants and Operations and Operations' (pg. 54)	
	103-2: The management approach and its components	'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64), 'Emissions from Our Power Plants and Operations' (pg. 54)	
	103-3: Evaluation of the management approach	'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64), 'Emissions from Our Power Plants and Operations' (pg. 54), 'Emissions from Operations' (pg. 59)	
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions 	'Mitigating Climate Change risks and Working to Realize New Opportunities' (pgs. 54-57), 'Emissions Comparison 2019-2020' (pgs.58-59)	The organization omitted 305-1c because it is not applicable, i.e. it was not included in our Scope 1 calculations as our activities do not involve the use of biomass and therefore there are no biogenic emissions.









GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 305: Emissions 2016	305-2: Energy indirect (Scope 2) GHG emissions 	'Mitigating Climate Change risks and Working to Realize New Opportunities' (pg. 64), 'Emissions Comparison 2019-2020' (pgs.58-59)	
	305-3: Other indirect (Scope 3) GHG emissions 	'Mitigating Climate Change risks and Working to Realize New Opportunities' (pgs. 54-57), 'Emissions Comparison 2019-2020' (pgs.58-59)	The organization omitted 305-3c because it is not applicable, i.e. it was not included in our Scope 3 calculations as our activities do not involve the use of biomass and therefore there are no biogenic emissions.
	305-4: GHG emissions intensity 	'Emissions Comparison 2019-2020' (pgs.58-59)	
	305-5: Reduction of GHG emissions	'Emissions Comparison 2019-2020' (pgs.58-59)	
Effluents and Waste			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Waste, Management of Materials and Biodiversity Conservation' (pg. 64)	
	103-2: The management approach and its components	'Waste, Management of Materials and Biodiversity Conservation' (pg. 64)	
	103-3: Evaluation of the management approach	'Waste, Management of Materials and Biodiversity Conservation' (pg. 64)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts    	'Waste, Management of Materials and Biodiversity Conservation' (pg. 64))	
	306-2: Management of Significant waste-related impacts	'Waste Management of Materials and Biodiversity Conservation (pg.64)	
	306-3: Waste generated	Hazardous and non-hazardous waste generated (GRI index tables) (pg. 65)	
Environmental Compliance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Waste, Material Management of Materials and Biodiversity Conservation' (pgs. 64-65), 'Biodiversity(pg. 68), "Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
	103-2: The management approach and its components	'Waste, Material Management of Materials and Biodiversity Conservation' (pgs. 64-65), 'Biodiversity(pg. 68), "Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
	103-3: Evaluation of the management approach	'Waste, Material Management of Materials and Biodiversity Conservation' (pgs. 64-65), 'Biodiversity(pg. 68), "Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
GRI 307: Environmental Compliance 2016	307-1: Non-compliance with environmental laws and regulations 	'Environmental Regulations Supporting Our Business' (pg. 49)	


GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Our People: Employment and Skill Development at Ormat' (pg. 72)	
	103-2: The management approach and its components	'Our People: Employment and Skill Development at Ormat' (pg. 72)	
	103-3: Evaluation of the management approach	'Our People: Employment and Skill Development at Ormat' (pg. 72)	
GRI 401: Employment 2016	401-1: New employee hires and employee turnover   	'Our People: Employment and Skill Development at Ormat'(pg. 72), employee data- GRI index tables (pg. 138)	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees   	'Subcontractors and Third Parties (pgs. 76-78)	As of the publication of this report, the organization is unable to disclose information regarding all of the relevant benefits outlined in 401-2 due to confidentiality constraints associated with employment contracts.
	401-3: Parental Leave  	"Subcontractors and Third Parties' (pgs. 76-78)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Ensuring a Safe & Healthy Work Environment – Occupational Health and Safety at Ormat' (pg. 98), 'Our Occupational Health and Safety Program – Striving to Go Beyond Compliance' (pg. 85), 'Measuring Our Health and Safety Performance' (pg. 86), 'Health and Safety in Our Work With Subcontractors' (pg. 88)	
GRI 103: Management Approach 2016	103-2: The management approach and its components	'Ensuring a Safe & Healthy Work Environment – Occupational Health and Safety at Ormat' (pg. 85), 'Our Occupational Health and Safety Program – Striving to Go Beyond Compliance' (pg. 85), 'Health and Safety in Our Work With Subcontractors' (pg. 88)	
	103-3: Evaluation of the management approach	'Ensuring a Safe & Healthy Work Environment – Occupational Health and Safety at Ormat' (pg. 85), 'Our Occupational Health and Safety Program – Striving to Go Beyond Compliance' (pg. 85), 'Health and Safety in Our Work With Subcontractors' (pg. 88)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system 	'Social' (pg. 20), 'Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
	403-2: Hazard identification, risk assessment, and incident investigation  	'Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
	403-4: Occupational health services	'Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
	03-4: Worker participation, consultation, and communication on occupational Health and Safety	'Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
	403-5: Worker training on occupational health and safety	'Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat'(pg. 85)	
GRI 403: Occupational Health and Safety 2018	403-6: Promotion of Worker Health	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat' (pg. 85), 'Subcontractors and Third Parties' (pgs. 76-79)	
	403-8: Workers covered by an occupational health and safety management system	Ensuring a Safe&Healthy Work Environment – Occupational Health and Safety at Ormat' (pg. 85), 'Subcontractors and Third Parties' (pgs. 76-79)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Training and Education			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Subcontractors and Third Parties' (pg. 76), 'Supporting and Shaping Sustainable Communities and Futures' (pg.91)	
	103-2: The management approach and its components	'Subcontractors and Third Parties' (pg. 76), 'Supporting and Shaping Sustainable Communities and Futures' (pg.91)	
	103-3: Evaluation of the management approach	'Subcontractors and Third Parties' (pg. 76), 'Supporting and Shaping Sustainable Communities and Futures' (pg.91)	
GRI 404: Training and Education 2016	'404-1: Average hours of training per year per employee' <div>     </div>	'Subcontractors and Third Parties' (pg. 76)	Omission of 404-1ii. Division by employee category Information unavailable, we are implementing data collection and anticipate to be able to provide it on our next report.
GRI 404: Training and Education 2016	'404-2: Programs for upgrading employee skills and transition assistance programs' <div>  </div>	'Subcontractors and Third Parties' (pg. 76)	
	'404-3: Percentage of employees receiving regular performance and career development reviews' <div>    </div>	Employee Performance Reviews & Satisfaction (pg.80)	The organization does not track the percentage of employees that receive regular performance and career development reviews by gender and employee category and therefore this information is unavailable. The organization has begun to implement steps to track this number and expects to implement it in the next report.

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Training and Education			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	Our People: Employment and Skill Development at Ormat' (pg. 72), 'Subcontractors and Third Parties' (pg. 76)	
	103-2: The management approach and its components	Our People: Employment and Skill Development at Ormat' (pg. 72), 'Subcontractors and Third Parties' (pg. 76)	
	103-3: Evaluation of the Management Approach	Our People: Employment and Skill Development at Ormat' (pg. 72)	
GRI 405: Diversity and Equal Opportunity 2016	'405-1: Diversity of governance bodies and employees' <div>   </div>	'Our People: Employment and Skill Development at Ormat' (pg. 72), 'Subcontractors and Third Parties' (pg. 76), 2020 year-end headcount by management category and gender (GRI index table) (pg. 203)	
Local Communities			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
	103-2: The management approach and its components	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	
GRI 413: Local Communities 2016	GRI 413: Local Communities 2016	'Supporting and Shaping Sustainable Communities and Futures' (pg. 91)	

GRI Standards	Disclosure / SDG	Page Number/Chapter Name/Link	Omission and Reason for Omission
Customer Privacy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Providing Excellent and Reliable Customer Services' (pg. 51)	
	103-2: The management approach and its components	'Providing Excellent and Reliable Customer Services' (pg. 51)	
	103-3: Evaluation of the management approach	'Providing Excellent and Reliable Customer Services' (pg. 51)	
GRI 418: Customer Privacy 2016	<div>'418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data'</div> <div></div>	'Providing Excellent and Reliable Customer Services' (pg. 51)	

GRI DATA TABLES

GRI 401-1

	Total number of employees (by employment contract and gender) YE 2020				Total number of employees (by employment type and gender) YE 2020			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	156	18	37	5	192	22	1	1
31-50	659	141	17	1	673	139	3	3
51 or older	311	78	4	1	312	74	3	5
Total	1,126	237	58	7	1,177	235	7	9

	Total number of employees hired in 2020 (by employment contract)				Total number of employees hired in 2020 (by employment type)			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	30	5	37	4	67	9	0	0
31-50	65	16	14	1	79	17	0	0
51 or older	10	4	4	0	14	4	0	0
Total	105	25	55	5	160	30	0	0

	Total number of employees to end employment in 2020				Total number of employees to end employment in 2020			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	15	4	31	2	45	6	1	0
31-50	61	8	12	2	73	10	0	0
51 or older	42	5	4	0	44	5	1	0
Total	118	17	47	4	162	21	2	0

GRI 404-3

% of employees who received a regular performance review in 2020		
	Female	Male
Permanent	99	99
Temporary	-	-

GRI 201-1

Direct Economic Value Generated and Distributed Base year for 3 year comparisons

Report the direct economic value generated and distributed on an accrual basis, including the basic components for the organization’s global operations	2018	2019	Change YoY	2020	Change YoY
A. Direct Economic Value Generated					
Revenues (Net sales + revenues from investments and sales of assets)	719,267	746,044	3.7%	705,342	-5.5%
B. Direct Economic Value Distributed					
Operating costs (payments made outside of the organization for materials, product components, facilities, and services)	269,323	271,493	0.8%	228,597	-15.8%
Employee wages and benefits	113,343	137,513	21.3%	132,104	-3.9%
Payments to providers of capital (dividends + interest on debt, etc.)	80,698	84,014	4.1%	83,301	-0.8%
Payments to governments (taxes, penalties, etc.)	18,028	1,649	-90.9%	64,795	3829.4%
Community Investments	726	929	28.0%	1,057	13.8%
Total Direct Economic Value Distributed	482,118	495,598	2.8%	509,854	-2.9%
C. Direct Economic Value Retained					
	237,149	250,446	5.6%	195,488	-21.9%

GRI 201-4 Financial assistance received from governments					
Israel					
The total monetary value of financial assistance received by the organization during the reported period, including the following:	2018 (US\$)	2019 (US\$)	Change YoY	2020 (US\$)	Change YoY
Type of Assistance					
Tax relief and tax credits	1,774	3,217	81.30%	2,300	-28.50%
Subsidies			0.00%		0.00%
Grants (Investment grants, R&D grants, etc.)			0.00%		0.00%
Awards			0.00%		0.00%
Royalty Holidays			0.00%		0.00%
Financial assistance from Export Credit Agencies			0.00%		0.00%
Other incentives or benefits			0.00%		0.00%
Total financial assistance received	\$1,774.00	\$3,217.00	81.30%		-28.50%

Global					
The total monetary value of financial assistance received by the organization during the reported period, including the following:	2018 (US\$)	2019 (US\$)	Change YoY	2020 (US\$)	Change YoY
Type of Assistance					
Tax relief and tax credits	6,894	7,079	2.7%	6,862	-3.1%
Subsidies			0.0%		0.0%
Grants (Investment grants, R&D grants, etc.)			0.0%		0.0%
Awards			0.0%		0.0%
Royalty Holidays			0.0%		0.0%
Financial assistance from Export Credit Agencies			0.0%		0.0%
Other incentives or benefits			0.0%		0.0%
Total financial assistance received	6,894	7,079	2.7%	6,862	-3.1%

Guatemala					
The total monetary value of financial assistance received by the organization during the reported period, including the following:	2018 (US\$)	2019 (US\$)	Change YoY	2020 (US\$)	Change YoY
Type of Assistance					
Tax relief and tax credits	2,032	2,485	22.3%	2,500	0.6%
Subsidies			0.00%		0.00%
Grants (Investment grants, R&D grants, etc.)			0.00%		0.00%
Awards			0.00%		0.00%
Royalty Holidays			0.00%		0.00%
Financial assistance from Export Credit Agencies			0.00%		0.00%
Other incentives or benefits			0.00%		0.00%
Total financial assistance received	\$2,032	\$2,485	22.3%	\$2,500	0.6%

Honduras					
The total monetary value of financial assistance received by the organization during the reported period, including the following:	2018 (US\$)	2019 (US\$)	Change YoY	2020 (US\$)	Change YoY
Type of Assistance					
Tax relief and tax credits	3,088	1,377	-55.4%	2,062	49.7%
Subsidies			0.0%		0.0%
Grants (Investment grants, R&D grants, etc.)			0.0%		0.0%
Awards			0.0%		0.0%
Royalty Holidays			0.0%		0.0%
Financial assistance from Export Credit Agencies			0.0%		0.0%
Other incentives or benefits			0.0%		0.0%
Total financial assistance received	\$3,088	\$1,377	-55.4%	\$2,062	49.7%

GRI 204-1
Proportion of spending on local suppliers
Percentage of the procurement budget for significant locations of
operations that is spent on suppliers local to that operation

USA

	2019	2020	Change YoY
Procurement budget	\$314,476,373	\$465,330,010	48%
Allocations for local suppliers	\$286,665,113	\$270,470,422	-6%
Percentage of local supplier allocations out of total	91%	58%	-36%

Israel

	2019	2020	Change YoY
Procurement budget	\$132,894,220	\$135,761,918	2%
Allocations for local suppliers	\$55,593,036	\$64,924,317	17%
Percentage of local supplier allocations out of total	42%	48%	14%

Kenya

	2019	2020	Change YoY
Procurement budget	\$7,397,965	\$15,503,619	110%
Allocations for local suppliers	\$4,951,338	\$11,370,256	130%
Percentage of local supplier allocations out of total	67%	73%	10%

Turkey

	2019	2020	Change YoY
Procurement budget	\$6,102,484	\$11,035,645	81%
Allocations for local suppliers	\$4,488,931	\$9,356,819	108%
Percentage of local supplier allocations out of total	74%	85%	15%

Guatemala

	2019	2020	Change YoY
Procurement budget	\$12,418,969	\$10,082,032	-19%
Allocations for local suppliers	\$8,909,514	\$5,235,834	-41%
Percentage of local supplier allocations out of total	72%	52%	-28%

Guadeloupe

	2019	2020	Change YoY
Procurement budget	\$4,539,412	\$8,280,381	82%
Allocations for local suppliers	\$4,052,560	\$5,097,723	26%
Percentage of local supplier allocations out of total	89%	62%	-31%

Honduras

	2019	2020	Change YoY
Procurement budget	\$5,961,696	\$5,165,787	-13%
Allocations for local suppliers	\$5,455,728	\$4,640,761	-15%
Percentage of local supplier allocations out of total	92%	90%	-2%

GRI 205-2

Communication and Training About Anti-Corruption Policies and Procedures

Guadeloupe

Communication	Upper Management	Mid-Management
Total number in location	4	5
Total number to whom anti-corruption policies and proceedures have been communicated toanti-corruption policies and proceedures have been communicated to	2	1
Percentage of total	50%	20%

Guatemala

Communication	Upper Management	Mid-Management
Total number in location	9	10
Total number to whom anti-corruption policies and proceedures have been communicated toanti-corruption policies and proceedures have been communicated to	9	5
Percentage of total	100%	50%

Honduras

Communication	Upper Management	Mid-Management
Total number in location	2	29
Total number to whom anti-corruption policies and proceedures have been communicated toanti-corruption policies and proceedures have been communicated to	2	14
Percentage of total	100%	48%

Kenya

Communication	Upper Management	Mid-Management
Total number in location	14	49
Total number to whom anti-corruption policies and proceedures have been communicated toanti-corruption policies and proceedures have been communicated to	14	43
Percentage of total	100%	88%

Israel

Communication	Upper Management	Mid-Management
Total number in location	35	48
Total number to whom anti-corruption policies and proceedures have been communicated toanti-corruption policies and proceedures have been communicated to	30	38
Percentage of total	86%	79%

Turkey

Communication	Upper Management	Mid-Management
Total number in location	1	12
Total number to whom anti-corruption policies and proceedures have been communicated toanti-corruption policies and proceedures have been communicated to	1	7
Percentage of total	100%	58%

United States

Communication	Upper Management	Mid-Management
Total number in location	35	89
Total number to whom anti-corruption policies and procedures have been communicated toanti-corruption policies and procedures have been communicated to	31	87
Percentage of total	89%	98%

GRI 102-8

Below is our 2020 year-end headcount by management category and gender:

Category	Executive management	% of total	VPs	% of total	Mid-management	% of total
Total Female	1	11%	8	32%	27	16%
Total Male	8	89%	17	68%	146	84%
Overall Total	9		25		173	

Ormat all 2020 Employees by Gender

Gender	Count	% of Total
Total Female	244	17%
Total Male	1184	83%
Total Overall	1428	

Ormat all 2020 New Hires by Gender

Gender	Count	% of Total
Total Female	30	16%
Total Male	160	84%
Total Overall	190	

Ormat all 2020 end employment by Gender

Gender	Count	% of Total
Total Female	21	11%
Total Male	165	89%
Total Overall	186	

GRI 401-3 & 403-9

Parental Leave in 2020		
	Female	Male
Employees that took parental leave in 2020	7	24
Employees that could have taken parental leave and didn't in 2020	0	46
Returned to work after parental leave in 2020	6	24
Returned to work after parental leave in 2019 and were still employed in 2020	6	16

Absentees in 2020

Total number of absentee days in 2020 for all employees. Absentee days are lost working days from illness (sickness or injury), child illness or personal obligations	3,776	16,258
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GRI 403-9 & 403-10

Parameter	Female	Male	All
Injury Rate	0	3.56	2.13
Occupational Disease Rate	0	0	0
Lost Day Rate	0	1.31	1.10
Absentee Rate	0.05	0.03	0.03
Work-Related Fatalities	0	0	0

Type of Injury	Number of Occurrences
Struck	7
Exertion	6
Slip	4
Falls	5
Pinch Point	3
Eye Injury	1
Chemical Contact	1
Environmental	1
Misstep	2
Repetitive Motion	1

Indicator	Business Unit	2020 Performance	2020 Total
Safety Suggestions	United States Operations	188	587
	Israel Operations	229	
	Other International Operations	111	
	Drilling Operations	59	
Safety Observations	United States Operations	1559	5334
	Israel Operations	1986	
	Other International Operations	1104	
	Drilling Operations	685	
JHAs	United States Operations	88	305
	Israel Operations	30	
	Other International Operations	160	
	Drilling Operations	27	
PJSMs	United States Operations	677	1725
	Israel Operations	435	
	Other International Operations	341	
	Drilling Operations	272	
Safety Inspections	United States Operations	1633	1920
	Israel Operations	-	
	Other International Operations	227	
	Drilling Operations	60	
Safety Work Orders (Tasks)	United States Operations	1202	1524
	Israel Operations	260	
	Other International Operations	33	
	Drilling Operations	29	
Safety Committee Meetings	United States Operations	132	239
	Israel Operations	44	
	Other International Operations	57	
	Drilling Operations	6	

GRI 302-1

The table below reflects our internal energy consumption, which includes the energy resources used in our global operations:

Energy consumption in the organization (GJ)	2018	2019	2020
Fuel Consumption in the Organization ⁸⁹			
Gasoline	119,784	78,127	36,688
Diesel	29,333	46,085	28,125
Red Diesel	35,419	74,135	7,078
Kerosene	477	-	-
FOD	484	479	462
LPG	461	892	834
Natural Gas		3,028	2,868
Electricity Purchased for Consumption in the Organization			
Electricity	88,835	315,991	164,408
TOTAL ENERGY CONSUMPTION IN THE ORGANIZATION (GJ)	274,793	518,736	240,463

The table below reflects the electricity and heating purchased, generated and consumed by the organization:

Total Electricity and Heating Consumption (GJ)			
	2018	2019	2020
Electricity Consumption (purchased and self-generated)	5,872,532	6,679,461	6,860,240
Heating Consumption ⁹⁴		3,090	2,923

The table below reflects the electricity generated in our power plants and sold by the organization:

Electricity Sold by the Organization (GJ) ⁹⁵			
	2018	2019	2020
Electricity Sold by the Organization	21,090,315	22,459,180	21,706,115

Water Obtained GRI 303-3

Type	m3 2019	m3 2020
air cooling plant	55,429	52,573
drilling	8,082	
manufacturing & office	18,813	16,456
water cooling plant	14,630,984	16,263,623

SASB Content Index

Utilities Topics	SASB Utilities disclosures	Comments
Greenhouse Gas Emissions and Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	
	Greenhouse gas (GHG) emissions associated with power deliveries	Not Relevant
	"Discussion of long-term and short-term	
	strategy or plan to manage Scope 1 emissions,	Not Relevant
Air Quality	"Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate	Not Relevant
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	
	"Number of incidents of non-compliance associated with water quantity and/or quality	None
	permits, standards, and regulations"	
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percent-age recycled	Not Relevant
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Not Relevant
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Not Relevant
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Not Relevant
	Number of residential customer electric disconnections for non-pay-ment, percentage reconnected within 30 days	Not Relevant
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Not Relevant
Workforce Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	
Nuclear Safety & Emergency Management	Nuclear Safety & Emergency Management	Not relevant
Grid Resiliency	Grid Resiliency	Not relevant

Reconciliation of EBITDA and Adjusted EBITDA

We calculate EBITDA as net income before interest, taxes, depreciation and amortization. We calculate Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, adjusted for (i) termination fees, (ii) impairment of long-lived assets, (iii) write-off of unsuccessful exploration activities, (iv) any mark-to market gains or losses from accounting for derivatives, (v) merger and acquisition transaction costs, (vi) stock-based compensation, (vii) gains or losses from extinguishment of liabilities, (viii) gains or losses on sale of subsidiaries and property, plant and equipment and (ix) other unusual or non-recurring items. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under accounting principles generally accepted in the U.S. (U.S. GAAP) and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or as an alternative to net earnings as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. Our Board of Directors and senior management use EBITDA and Adjusted EBITDA to evaluate our financial performance. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the twelve-month periods ended December 31, 2020.

(In thousands \$)	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019
Net Income	101,806	93,543
Adjusted for:		
Interest expense, net (including amortization of deferred financing costs)	76,236	78,869
Income tax provision	67,003	45,613
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla	11,549	13,089
Depreciation and amortization	151,371	143,242
EBITDA	407,965	374,356
Mark-to-market gains or losses on derivitaive instruments.....	(1,192)	(1,402)
Stock-based compensation	9,830	9,358
Loss from extinguishment of liability	-	468
Impairment of goodwill, net of reversal of a contingent liability.....	-	-
Merger and acquisition transaction costs	2,279	1,483
Settlement expenses	1,277	-
Adjusted EBITDA	420,159	384,263

Forward-Looking Statements

This report, and information provided during any discussion accompanying this report, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve estimates, expectations, projections, goals, objectives, assumptions and risks, and activities, events and developments that may or will occur in the future. When used in or during the course of this report, the words “may”, “will”, “could”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “projects”, “thinks”, “forecasts”, “guidance”, “continue”, “goal”, “outlook”, “potential,” “prospect” or “target”, or the negative of these terms or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. Such forward-looking statements include, but are not limited to: statements about Ormat Technologies, Inc.’s and its affiliates’ (“Ormat”) business strategy; statements about Ormat’s competitive strengths; statements about Ormat’s development and operation of electricity generation, storage and energy management assets, including distributed energy resources; statements about Ormat’s other plans, expectations, objectives and targets; statements about Ormat’s views on market and industry developments and economic conditions, and the growth of the markets in which Ormat conducts its business; and statements about the growth and diversification of Ormat’s customer base and Ormat’s future revenues, expenses, earnings, capital expenditures, regional market penetration, electricity generation, and other operational performance metrics, including statements about “target” or “targeted” amounts for 2022 and 2023 growth (MW) or 2022 and 2023 operational performance metrics such as growth (MW) and adjusted EBITDA, among others. All of these and other forward-looking statements made

in or during the course of this report are made only as of the date hereof and Ormat undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. Forward-looking statements about “target” or “targeted” amounts represent current goals of Ormat’s management and are neither estimates of Ormat’s actual results nor financial projections or forecasts that have been prepared in accordance with Securities and Exchange Commission (“SEC”) rules or guidelines adopted by the American Institute of Certified Public Accountants. These forward-looking statements are not intended to be a guarantee of future results, but instead constitute Ormat’s current expectations based on assumptions that Ormat currently believes are reasonable. You are cautioned not to place undue reliance on the expectations, projections and other forward-looking statements made in or during the course of this report as actual future results and developments may differ materially from such expectations, projections and forward-looking statements due to a number of risks, uncertainties and other factors, many of which are beyond Ormat’s control. These risks, uncertainties and other factors include, but are not limited to, the risks, uncertainties and other factors described in Ormat Technologies, Inc.’s Form 10-K filed with the SEC on February 26, 2021, and from time to time, in Ormat’s quarterly reports on Form 10-Q that are filed with the SEC. NON-GAAP Metrics Reconciliation to US GAAP Financial Information This report includes certain “non-GAAP financial measures” within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended, including EBITDA and Adjusted EBITDA. The presentation of these non-GAAP financial measures is not intended as a substitute for financial information prepared and presented in accordance with GAAP and such non-GAAP financial measures should not be considered as a measure of

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