ORMAT TECHNOLOGIES INC.

SUSTAINABILITY REPORT 2019

Our Economic, Environmental and Social Performance Highlights

Tungsten Mountain complex –
27 MW geothermal and 7AC solar -
Nevada, U.S.

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CHAPTER I.
A MESSAGE FOR OUR STAKEHOLDERS

Steamboat geothermal complex, NV, U.S., 65 MW

STEERING A SUSTAINABLE PATH FORWARD

To our Stakeholders,

I'm honored to be leading Ormat as its new Chief Executive Officer ("CEO") and to have the pleasure of reporting to you, our valued stakeholders, on Ormat's sustainable activities, achievements and challenges. This report highlights our efforts and initiatives in supporting sound environmental, social and governance activities and the progress in our global company.

Ormat's more than 1,400 employees worldwide[1] see a shared path forward as we continue our mission of leading the geothermal energy market and becoming provider of scalable renewable energy solutions around the world. Renewable energy resides at the core of our business model, and developing reliable, environmentally and socially responsible solutions has been a central tenant of our value proposition since Ormat was established in 1965.

At Ormat, we not only believe, but act on our belief, that renewable energy is the most reliable and resilient way to secure the world's energy future. Every person, community, country and geography can be positively impacted when renewable energy options are introduced into the energy mix. In addition to reducing environmental impacts and mitigating climate change, renewable energy is proven to exert a positive and often profound influence on economic and societal well-being.

As we publish Ormat's 2019 Sustainability Report, we remain committed to the pivotal role we play in building a safe and secure energy future for all. In the seven years I've served the Company, I have seen firsthand how Ormat's executive leadership and employees across the globe bring creativity, breakthrough thinking, stability, technological knowledge, talent and commitment to work with them every day. Inside this report, we provide a detailed overview of how this collective effort is improving and empowering our world in achieving a sustainable energy future.

EXPANDING OUR MARKET REACH

The growing global demand for renewable energy is a significant cornerstone of Ormat's continued expansion and success to date. It has enabled us to serve additional markets, notably in the Americas, Eurasia, and Southeast Asia, and is the basis upon which we plan our future growth. This increased demand is also a major driver of our continuous technological and operational innovations that are implemented in our own power plants and which we deliver to our worldwide customers.

In the past five years we've supplied almost 50 new power plants, totaling approximately 1,200 MW. These additions push our Ormat-manufactured renewable facilities to include more than 190 plants that have a combined generating capacity of 3,200 MW.

In 2019, Ormat earned record total revenues of $746 million, a 3.7% increase over 2018 total revenues. Our Electricity segment and our Energy Storage & Management segment are key drivers of these year-over-year gains.

Looking ahead, our business model emphasizes expanding our Electricity segment and becoming a significant player in the Storage market. Our focus will be on the addition of capacity to existing power plants, building new power plants, and making acquisitions while developing new renewable power plants and infrastructure and establishing a strong market position in the Storage market. We believe this expansive approach broadens the access to renewable energy for our customers and is a vital economic and social enabler. Increased access to clean, reliable renewable power enhances living standards, fuels local enterprise and offers a myriad of possibilities to developing economies.

In 2019 Ormat's portfolio of renewable energy assets, which include geothermal, recovered energy generation and solar, generated an aggregate 6,238,272 MWh (net) of electricity, while producing 7.1 million tons less[2] of greenhouse gases in comparison to non-renewable technologies, such as coal. In this way, Ormat can minimize the harmful environmental impacts associated with carbon combustion for ourselves, our customers, and their end users.

TRANSITIONING SENIOR LEADERSHIP

I am delighted to serve Ormat as CEO, an appointment that took effect on July 1, 2020. Prior to joining Ormat in 2013 as Chief Financial Officer, I held executive financial roles in several leading infrastructure, real estate and software development firms.

This recent management transition was the result of long-term planning and collaboration with Ormat's Senior Management Team and Board of Directors. We worked to ensure that the process was transparently communicated to our stakeholders.

I'd like to extend our deep gratitude to Mr. Isaac Angel, who exhibited extraordinary commitment to Ormat during his six years as the Company's CEO. His energetic vision steered our path wisely, leading to consistent growth and profitability. We are very pleased Mr. Angel will continue to support our efforts as the appointed Chairman of Ormat's Board of Directors.

Another important appointment that took place on May 10, 2020 is that of Mr. Assaf Ginzburg, who now serves as Ormat's Chief Financial Officer. We welcome him to this vital role and look forward to his strategic stewardship and financial guidance.

I'm extremely enthused about what Ormat will continue to contribute to the renewable energy sector. Our sustainability track record is strong, as is our commitment to pioneering research, collaborating to develop new technologies, and promoting industry expansion.

RESPONDING TO COVID-19

I must acknowledge the unprecedented challenges brought by the COVID-19 virus, which arrived late in 2019 and has impacted our society on both a personal and professional level. The health and safety of Ormat employees, our contractors, constituents and the communities in which we live, work and do business, are of utmost importance to us. You'll find more on how our team has risen to this challenge and persevered in the content of this report. Throughout this global pandemic, Ormat will continue following stringent protective measures necessary to safeguard the health, and safety of every stakeholder. This includes adhering to all government regulations and maintaining clear, comprehensive plans and protective measures for employees who work in our energy plants, manufacturing facilities, offices and elsewhere.

ADVANCING OUR ESG FRAMEWORKS & COMMITMENTS

Ormat is committed to continuous, transparent communication. This 2019 Sustainability Report is our second published in alignment with the GRI's reporting standards CORE option. This enables us to expand coverage on sector-relevant environmental, social and economic impacts across our value chain.

In addition to this comprehensive reporting effort, Ormat is actively engaged in adopting and reporting on other recognized sustainability disclosure initiatives. These include the Carbon Disclosure Project (CDP) and initial adoption of certain aspects of risk management frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD). We also continue to report on the direct and indirect contributions of our business activities and community engagement on achieving the United Nations' Sustainable Development Goals (SDGs), as we now enter the decade of action for the 2030 Agenda for Sustainable Development. We recognize the value these efforts offer for our stakeholders, and Ormat's business itself, as well as the importance of being open and honest about our successes, as well as our challenges. In our view, transparency supports learning and continuous improvement.

Further important advances that fit into Ormat's sustainability reporting framework includes our new Environmental and Climate Change Policy, which, as of the publication of this report, is available on Ormat's website at the following link.[3] Ormat has also taken actions to implement a new Human Rights and Labor Policy, Stakeholder Engagement Policy, as well as to adopt measures to improve the diversity of our management team.

Thank you for your continued interest in Ormat and our sustainability performance. Despite the climate change and human health challenges we face today, I'm confident that our employees and key stakeholders will continue to deliver breakthrough renewable energy solutions at a global scale. At Ormat, we envision a vibrant renewable energy future and we invite you to learn more about how we are making it happen by reading this report.

Sincerely,

Doron Blachar
Chief Executive Officer

1 Refers to the number of employees noted in Ormat's 2019 10K statement. For coverage of the GRI Disclosures, we present data for those locations included in the scope of the information boundaries of this report, as noted in the context of Disclosures 102-46 in the "Information Boundaries of this Report" section, located on page 42. Employees located in Indonesia, the Philippines, Chile and New Zealand are outside the scope of this report.

2 This figure is calculated in comparison to an equivalent amount of electricity generated using coal-burning technologies.

3 https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat_Environment%20and%20Climate%20Change%20Policy-August%20%2020.pdf

CHAPTER II.
HOW ORMAT POWERS A RENEWABLE ENERGY FUTURE

Ormat's turbine

ORMAT AT A GLANCE IN 2019

+US$3.3B
Total Assets
Electricity, Product & Other

US$746M
FY 2019 Revenues
Confirmed US$3.2B in total assets

US$384M
FY 2019 Adjusted EBITDA[3]

Headquartered in **RENO, Nevada U.S.**

+1,400
Employees worldwide [4]

914 MW
Generating Capacity in 25 Power Plants
owned & operated [6]

Over 2,900 MW
supplied [6]

Over 180
Power Plants Installed [5]

Present in 33 Countries

Largest
Geothermal power producer in the U.S.

17 Years
Weighted Average PPA

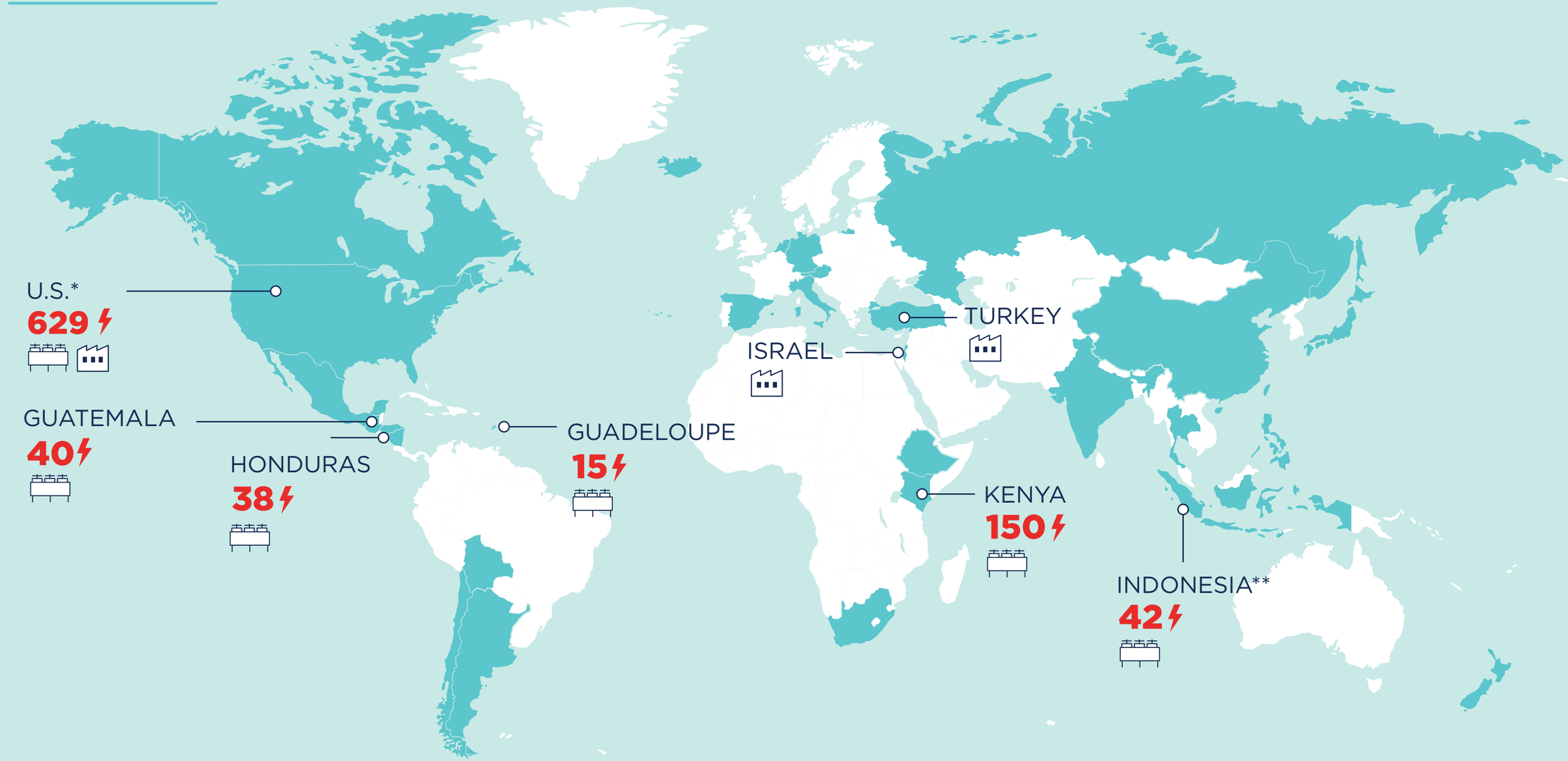
100%
Local Employment

55
Years of Experience

ORA traded on NYSE
since 2004

4 For Reconciliation to U.S. GAAP Financial Information see page 138.
5 Coverage for GRI Disclosures 102-8 is provided only for the employees that are included in the locations noted in the "Information Boundaries of This Report," and does not include employees based in Indonesia, the Philippines, Chile and New Zealand.
6 As of year end 2019. The current portfolio, as of the publication of this report, is 933 MW and as of the date of the report we supplied 3200 MW and 190 power plants

ORMAT PRESENCE



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

* As of the publication of the report we have 648 MW in the U.S.

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

ORMAT:
WHAT WE DO

Ormat Technologies, Inc. ("Ormat" or the "Company") is a leading renewable energy Company with over five decades of experience. Ormat is vertically integrated – engaged in the execution of all stages of development and energy generation – at our geothermal and recovered energy power plants. These stages include exploration, development, drilling, design, manufacturing, construction, and operation of our geothermal and recovered energy power plants. We are also expanding into the solar Photovoltaic ("PV") and energy storage and management services business and provide integration services for our energy storage sector clients. Our Ormat Energy Converter – a power generation unit that converts heat into electricity – is the basis for the solutions and services that we offer our diverse array of customers.

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. 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.

ABOUT OUR RENEWABLE ENERGY BUSINESS

Our business is divided into three main segments:

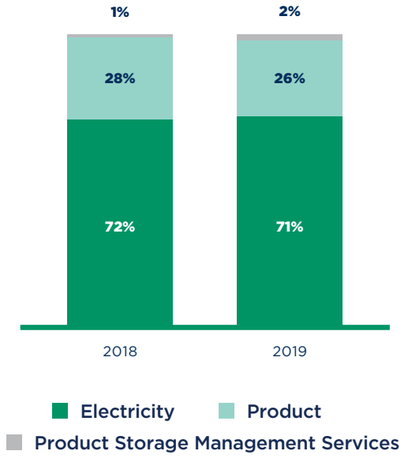
1. **Electricity Segment –** In the Electricity segment, which contributed 72% of our total revenues in 2019, we develop, build, own and operate geothermal, solar PV and recovered energy-based power plants in the United States and geothermal power plants in other countries around the world and then sell the electricity that they generate. In 2019, we derived 62% of our Electricity segment revenues from our operations in the U.S. and 38% from the rest of the world.

2. **Product Segment –** In the Product segment, which contributed 26% of our total revenues, we design, manufacture and sell equipment for geothermal and recovered energy-based electricity generation and provide services relating to the engineering, procurement and construction of geothermal and recovered energy-based power plants. In 2019, we derived 16% of our Product segment revenues from our operations in the United States and 84% from the rest of the world.

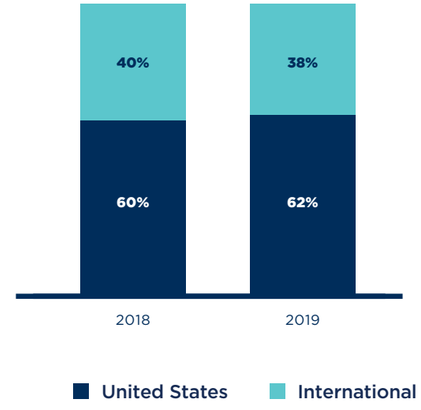
3. **Energy Storage and Management Services Segment -** In our new Energy Storage and Management Services segment, which contributed 2% of our total revenues in 2019, we provide energy storage, demand response and energy management related services as well as services relating to the engineering, procurement, construction, operation and maintenance of energy storage units, mainly through our Viridity business. In 2019, we derived 93% of our Energy Storage and Management Services segment business from our operations in the United States.

Net Revenues[7] by geographical location and business segments:

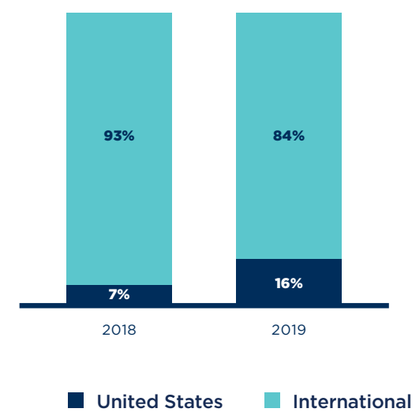
Segment Contribution to Revenue



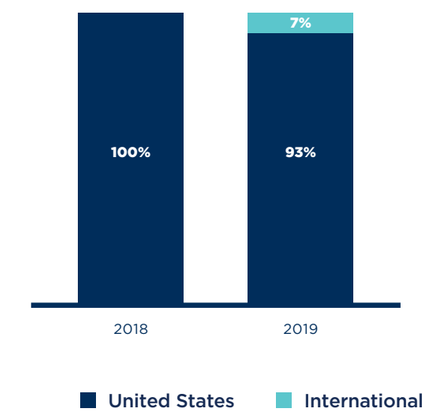
Geographic Breakdown of Electricity Segment Revenue



Geographic Breakdown of Products Segment Revenue



Geographic Breakdown of Energy Storage Management Services Segment Revenue



7 Presented in US$ thousands. Presented in Ormat's Form 10-K as "Geographic Breakdown of Results of Operations".

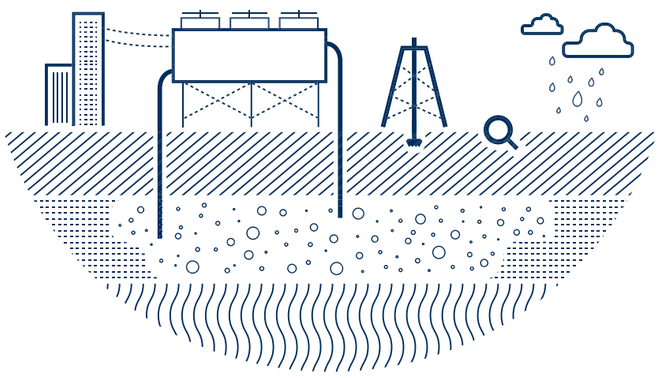
GEOTHERMAL POWER PLANTS

Ormat is a global leader in the world geothermal energy market. Geothermal energy is produced by heat energy derived from the earth's molten core and transported to the surface by movements of crustal plates, intrusion of molten magma and deep circulation of groundwater. Reservoirs of hot water under pressure result from these forces, and it is these underground reservoirs that we identify, develop and from which we harness energy. Drilling wells into geothermal reservoirs enables the steam and high-pressure hot water to be captured and directed to drive turbines in power plants. This converts earth-bound energy into electrical energy.

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 little emissions of other pollutants such as carbon dioxide. As a result, electricity produced from geothermal energy sources contributes significantly less to climate change 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 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 also an attractive alternative to other sources of energy, and supportive of a diversification strategy to avoid dependence on any one energy source or politically sensitive supply sources.

In July 2019, we launched our first geothermal and solar PV hybrid project, in which the electricity generated from a solar PV power plant is used to serve the equipment's energy use at the geothermal facility, thus increasing the renewable energy delivered by the project to the grid[8].

Geothermal Power

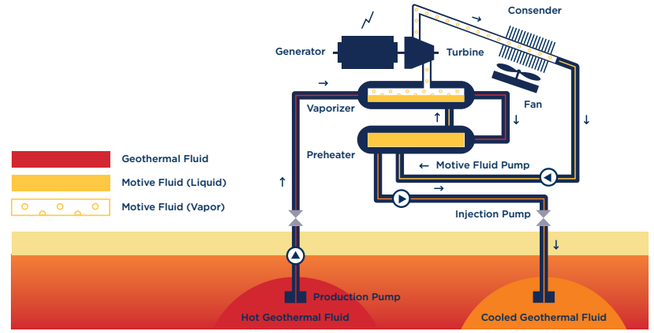


There are two main types of geothermal power plants:

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.

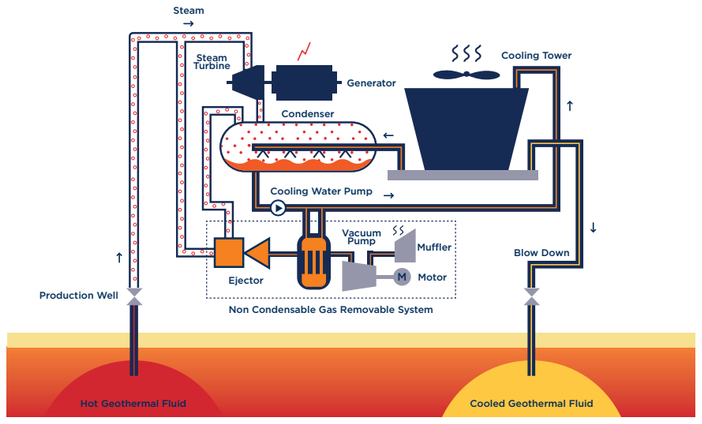
8 https://investor.ormat.com/news-events/news/news-details/2019/Ormat-Announces-First-Geothermal-and-Solar-Hybrid-Power-Plant/default.aspx

Binary Systems



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.

Steam Systems



Binary geothermal power plants carry several environmental advantages 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.

Exploration and Evaluation of Geothermal Resources

Our vertically integrated structure allows us to engage in every part of the geothermal energy process, from start to finish. Before we engage in a geothermal power project, we carry out exploratory and evaluation activities to ensure that the geothermal resource is significant and sustainable for the generation of renewable power over time.

Starting from the initial evaluation phase in the exploration of geothermal resources, we map the natural features of the potential geothermal site, such as springs or lakes in close proximity, as well as other relevant elements of the natural habitat. We also conduct surveys of the surrounding area including geological, geochemical and geophysical surveys, surface water analyses, soil surveys and geologic mapping. We begin design and construction of the plant once the exploration and drilling phases are completed, and it is determined that the geothermal resource is worth pursuing in terms of resource accessibility and cost.

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. The market for the recovery of waste heat is present in locations where available electricity resources are expensive or where the regulatory environment facilitates construction and marketing of power generated from these sources. However, typical recovered energy projects tend to be smaller than 10 MW.

Ormat's Geothermal, Recovered Energy, and Solar Power Plants in Operation as of December 2019

The table below summarizes the portfolio of power plants and complexes that Ormat owns and operates, whether developed by Ormat or acquired[9]:

Project	Location	Application	Operational Since[10]	Capacity (MW)[11]
Amatitlan	Guatemala	Geothermal	2007	20
Bouillante	Guadeloupe Island	Geothermal	1995, 2004	15
Brady	Nevada, U.S.	Geothermal	1992, 2004, 2007	26
Brawley Complex	California, U.S.	Geothermal	2011	13
Don A. Campbell Complex	Nevada, U.S.	Geothermal	2014, 2015	36
Heber Complex	California, U.S.	Geothermal	1985, 1993, 2005, 2006, 2008	81
Jersey Valley	Nevada, U.S.	Geothermal	2011	10
Mammoth Complex	California, U.S.	Geothermal	1984, 1990	29
McGinness Hills Complex	Nevada, U.S.	Geothermal	2012, 2015, 2018	143
Neal Hot Springs	Oregon, U.S.	Geothermal	2012[12]	22
Olkaria III Complex	Kenya	Geothermal	2000, 2009, 2013, 2014, 2016, 2018	150
OREG I – CS7, CS9, CS10, CS11	North Dakota and South Dakota, U.S.	Recovered Energy on Gas Turbine	2006	22
OREG II – CS3, CS5, CS8, CS12	North Dakota, Minnesota and Montana, U.S.	Recovered Energy on Gas Turbine	2009	22
OREG III – GRE - CS13	Minnesota, U.S.	Recovered Energy on Gas Turbine	2010	5.5
OREG IV – Peetz	Colorado, U.S.	Recovered Energy on Gas Turbines	2009	3.5
Ormesa Complex	California, U.S.	Geothermal	1987-1989, 2005-2007	39
Platanares[13]	Honduras	Geothermal	2017	38
Puna Complex[14]	Hawaii, U.S.	Geothermal	1993, 2011, 2012	38
Raft River	Idaho, U.S.	Geothermal	2008[15]	11
San Emidio	Nevada, U.S.	Geothermal	2012[16]	11
Sarulla	Indonesia	Geothermal	2017, 2018	330 (Ormat's share represents 42 MW)
Steamboat Complex	Nevada, U.S.	Geothermal	1992, 2005, 2007-2008	65
Tungsten Mountain	Nevada, U.S.	Geothermal	2017	27
Tuscarora	Nevada, U.S.	Geothermal	2012	18
Zunil	Guatemala	Geothermal	1999	20
Tungsten Mountain (Solar)	Nevada, U.S.	solar PV System	2019	7AC

9 We indirectly own and operate all of our power plants, although financial institutions hold equity interests in three of our subsidiaries: (i) Opal Geo subsidiaries, which own the McGinness Hills Phases 1 and 2 geothermal power plants, the Tuscarora and Jersey Valley power plants and the second phase of the Don A. Campbell power plant, all located in Nevada; (ii) ORNI 41, which owns the McGinness Hills Phase 3 located in Nevada; and (iii) ORNI 47, which owns the Tungsten Mountain geothermal power plant located in Nevada. The nature of the equity interests held by the financial institution is described in our 2019 Annual Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Opal Transaction", "McGinness Hills 3 Tax Monetization Transaction" and "Tungsten Mountain Tax Monetization Transaction.

Notwithstanding our 63.75% equity interest in the Bouillante power plant, 60% equity interest in the Neal Hot Spring power plant and 63.25% direct equity interest in the Puna plant, the first phase of Don A. Campbell, OREG 1, OREG 2 and OREG 3 power plants as well as the indirect interest in the second phase of the Don A. Campbell complex owned by our subsidiary, ORPD, we list 100% of the generating capacity of the Bouillante power plant, the Neal Hot Springs power plant and the power plants in the ORPD portfolio in the power plant table because we control their operations. We list our 12.75% share of the generating capacity of the Sarulla complex as we own a 12.75% minority interest. Revenues from the Sarulla complex are not consolidated and are presented under "Equity in earnings (losses) of investees, net" in our financial statements.

10 In power plants that were built in phases, the year of each new phase is indicated

11 In power plants owned by Ormat the capacity figure given is the net generating capacity to the grid, which is defined in Ormat's 10K reports. In solar power plants the MWdc is indicated

12 The Neal Hot Springs power plant was acquired by Ormat in April 24, 2018.

13 Ormat holds the assets under a Build, Operate and Transfer (BOT) structure for approximately 15 years

14 Puna was shut down following a volcanic eruption in May 2018. The power plant was back in operation in November 2020

15 The Raft River power plant was acquired by Ormat in April 24, 2018. Ormat provided EPC services and installed its proprietary technology in Raft River to its former owner U.S. Geothermal in 2007

16 The San Emidio power plant was acquired by Ormat in April 24, 2018

STORAGE & ENERGY MANAGEMENT

Energy storage systems use a variety of technologies, such as large-scale batteries to utilize surplus or available electricity. This enables the optimization of electricity grid operations, to run generators closer to full capacity for longer periods, and to operate the grid more efficiently and effectively. Common applications for energy storage systems involve management of local capacity, frequency regulation, ramping, reactive power, black start and movement of energy from times of excess supply to times of high demand and more.[17]

Our History and Key Experience

Ormat was established in 1965 [18] for the principal purpose of developing equipment for the production of energy from clean, renewable and inherently sustainable sources. We have a total of 54 years of experience in the renewable energy sector pertaining to both technological development and the provision of products and services.

Our first product, developed in 1966 and installed in the African country of Mali, was a solar pump, directly connected to a turbine that is rotated by vapor generated through solar panel heat. This pump was used to pump water from a well to provide members of the local community with access to water resources. Later, we engaged in the manufacturing, ownership and operation of solar ponds for energy generation in Israel and the United States (U.S.). Eventually, we ceased production of both products, but the technology and operational models are the basis for current day Ormat.

In 1983, Ormat began to set up its first geothermal power plants in the U.S. state of Nevada. We began by selling our power plants to geothermal developers, which later evolved into the development, ownership and operation of our own power plants. Today, we continue to grow our business by building power plants to ourselves and selling power plants to developers worldwide and through acquisition of additional geothermal power plants in the U.S. and internationally.

Since our establishment, Ormat has built close to 180 geothermal and recovered energy power plants totaling 2,900 MW in a number of countries. As of December 31, 2019, Ormat owned and operated 914 MW of geothermal and recovered energy-based power plants, and 53 MW/56 MWh of operating storage projects - predominantly using equipment that we design and manufacture. The growth in our owned power plants was largely concentrated in the U.S., New Zealand and Latin America. We contributed significantly to the growth of the Turkish geothermal power industry, the world's fastest growing geothermal market in the last decade.

Our headquarters is located in Reno, Nevada and our major manufacturing facility is located in Yavne, Israel with others in the US and Turkey. As of the date of this report, Ormat operates power plants located in the U.S., Honduras, Indonesia, Kenya, Guatemala and Guadeloupe (French Caribbean).

Our Proprietary Technology

Our proprietary technology can be used with a variety of thermal energy sources, such as geothermal, recovered energy, biomass, solar energy and fossil fuels. Specifically, our technology involves original designs of turbines, pumps, and heat exchangers, as well as formulation of organic motive fluids (all of which are non-ozone-depleting substances). By using advanced computational fluid dynamics techniques and other computer aided design software as well as our test facilities, we continuously seek to improve power plant components, reduce operations and maintenance costs, and increase the range of our equipment and applications. We are continuously examining ways to increase the output of our plants. In the geothermal as well as the recovered energy (waste heat) areas, we are examining two-level and three-level energy systems and other thermodynamic cycle alterations along with new motive fluids.

Our Customers

Ormat has two major customer categories: those who buy electricity and those who buy power plants and services.

Ormat provides electricity from renewable energy solutions to customers worldwide. Most of the Company's revenues arise from fully contracted energy and/or capacity payments under long-term power purchase agreements ("PPAs"). In the U.S., the purchasers of power from our power plants are typically investor-owned electric utility companies or electric cooperatives including publicly owned utilities. Outside of the U.S., our purchasers are either state-owned utilities or privately owned entities and we typically operate our facilities pursuant to rights granted to us by governmental agencies under agreements.

In the sale of power plants and services, our customer base and contract scope differ. The scope varies from the supply of equipment to full, turn-key solutions. We serve as an EPC contractor for geothermal and recovered energy power plants on a turnkey basis, using power units we design and manufacture. The customers, both existing and targeted, for our recovered energy solutions include companies engaged energy intensive industrial processes such as cement and glass production as well as gas processing and other companies engaged in other energy-intensive industrial processes.

The target customers for our energy storage business are grid operators, retail energy providers and large commercial and industrial customers.

The Company sells electricity, products and energy storage and other related services mainly to the geographical areas set forth below based on the location of the customer. The following tables present certain data by geographical areas:

Revenues from external customers attributable to[19]:	2019 (US$ thousands)	2018 (US$ thousands)	2017 (US$ thousands)
United States	377,956	328,606	301,132
Indonesia[20]	—	4,379	28,968
Kenya	121,661	119,094	110,243
Turkey	88,938	168,699	125,166
Chile	25,540	980	8,895
Guatemala	28,624	27,975	27,991
New Zealand	31,222	10,451	33,395
Honduras	34,446	34,355	10,151
Other foreign countries	37,657	24,728	46,871
Consolidated Total	**746,044**	**719,267**	**692,812**

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

18 Ormat Technologies Inc. was initially established as a subsidiary of Ormat Industries in 1994. On February 12, 2015, Ormat Technologies Inc. completed the acquisition of Ormat Industries in an all-stock merger, eliminating its majority ownership and control of Ormat Technologies.

19 revenues as reported in the geographic area in which they originated

20 Revenues in Indonesia include only products sale. Revenues from sell of electricity from Sarulla are accounted on an equity basis

OWNERSHIP STRUCTURE

Ormat Technologies, Inc. was formed as a Delaware corporation in 1994, by our former parent Company Ormat Industries, Ltd.[21] In February 2015, Ormat Technologies, Inc. completed the acquisition of Ormat Industries, Ltd. in an all-stock merger, eliminating its majority ownership and control of Ormat Technologies, Inc.

Ormat is a publicly traded company.

The Company's common stock is dually listed on the New York Stock Exchange (NYSE) under the ticker "ORA" since 2004 and the Tel Aviv Stock Exchange (TASE) since 2015.[22]

In 2017, ORIX (a Japan-based financial services group) acquired approximately 11 million shares, representing approximately 22% ownership stake (purchased from FIMI ENRG limited partnership, FIMI ENRG and L.P. Bronicki Investments Ltd.).

The Company Board of Directors is made up of ten members as of the date of this report. More information on our Board of Directors can be found in the Corporate Governance section of this report.

BENEFICIAL OWNERSHIP

No shareholder holds a controlling interest in the equity structure of the Company.

The below table presents our twelve largest shareholders as of December 31st, 2019[23].

Significant Shareholders	Percentage of Institutional Ownership
ORIX Corporation	21.53%
The Vanguard Group	7.80%
BlackRock, Inc.	6.96%
Clal Insurance Entreprises Holdings Ltd.	6.21%
Migdal Insurance & Financial Holdings Ltd	5.49%
Menora Mivtachim Insurance Ltd.	4.50%
Impax Asset Management Ltd.	3.50%
Harel Insurance Investments and Financial Services Ltd.	3.45%
Delek Group Ltd.	3.17%
Amitim	3.16%
Dimensional Fund Advisors, L.P.	2.69%
Psagot	2.66%

21 Ormat Industries, Ltd. was originally established in 1965 as Ormat Turbines Ltd. The entity was later renamed Ormat Industries.
22 Ormat Industries, Ltd. was listed on the Tel Aviv Stock Exchange in 1991, but in February 2015, it was delisted and Ormat Technologies' common stock began trading on the TASE under the ticker "ORA".
23 For more information on our ownership structure see: https://investor.ormat.com/stock-information/ownership/default.aspx

the geothermal resource on it's way to the Ormat 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, by 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.

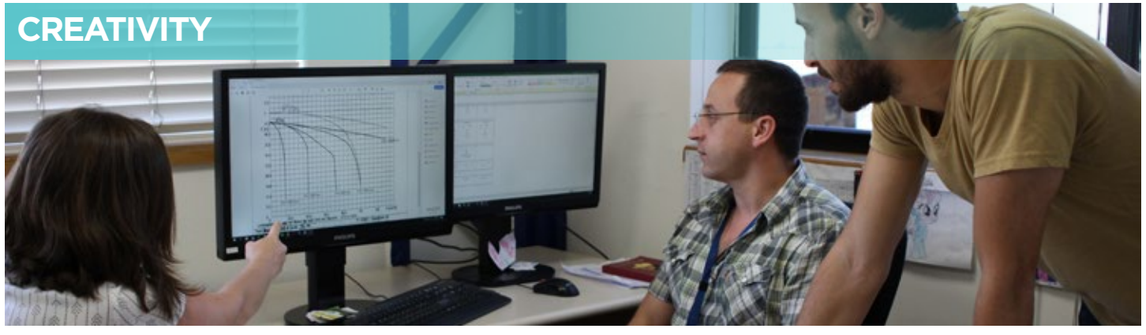
FULL COMMITMENT

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 fully committed to delivering safe, reliable, clean renewable energy products and services that 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 continually delivering the very best results for our customers.

CREATIVITY



Finally, 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.

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. As a result, we have developed processes for identifying, communicating with and addressing grievances from our key groups of stakeholders. 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.[24]

STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION

Ormat regularly engages with various groups of internal and external stakeholders in the context of our business operations. Ormat's management and relevant representatives from our various business units who engage directly with stakeholder groups – for example representatives from the Human Resources Department and from the Legal Department - initially identified the stakeholder groups listed below. However, in order to better assess the methods of engagement and the material interests of these stakeholders, and as part of the Company's materiality assessment that we conducted according to the best practice recommendations of the Global Reporting Initiative ("GRI"), Ormat surveyed stakeholder groups to verify management's and the various departmental representatives' assessments of relevant stakeholder groups for Ormat.

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

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 and it is 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 approach to stakeholder engagement is demonstrated in our Stakeholder Engagement Policy which sets out our promise of productive, transparent and equitable relationships with stakeholders.

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

OUR MAIN CHANNELS OF STAKEHOLDER ENGAGEMENT

Stakeholder Group	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[25].
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[26], 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 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.

25 This list is not exhaustive and is presented as an example of employment engagement activities which may vary across jurisdictions.
26 https://investor.ormat.com/

OUR STAKEHOLDERS' KEY INTERESTS AND CONCERNS

We believe that an adequate and clear understanding of our stakeholders' interests and concerns encourages closer and more productive relationships with our stakeholders. Feedback from our stakeholders enables us to refine our business strategy in order to meet these needs and concerns.

As part of our stakeholder and materiality assessment conducted in 2018, we surveyed our employees, customers, investors, shareholders, financing bodies, public authorities, policy makers and regulators, and finally, the local communities in which we operate.

In 2019, we reviewed our stakeholder engagement mechanisms by consulting with investors, board members, community members 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, and disclosure of key environmental data, including our greenhouse gas emissions.

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.

Stakeholders visiting an Ormat plant

OUR SUSTAINABILITY STRATEGY - DEFINING WHAT'S MATERIAL TO ORMAT

Ormat began working to identify our material issues in 2018 by conducting a materiality assessment. Both the stakeholder survey (described above) and the materiality 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 material issues according to the level of importance of the issue to their specific stakeholder group.

The list of issues presented to our stakeholders was compiled based on our understanding of relevant best practices and recommendations for compiling material issues for presentation to stakeholders, such as those indicated in the Sustainability Accounting Standards Board's ("SASB") standards for Electric Utilities and Power Generators[27], information from the news media and from benchmark studies on relevant issues for our business sector.

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

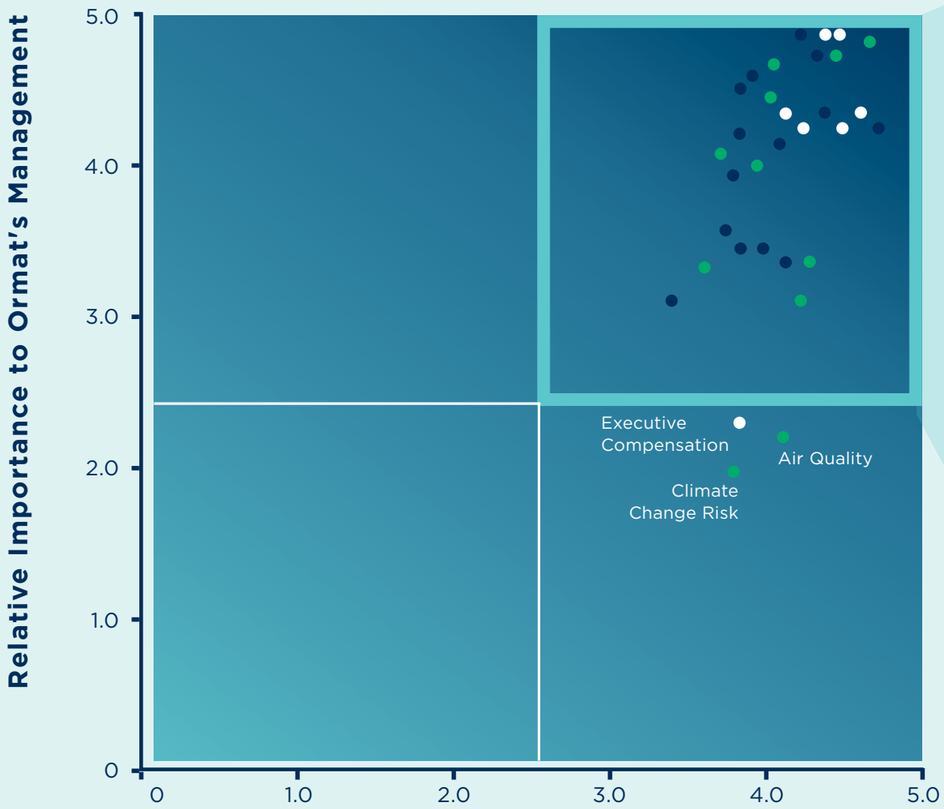
The results of the materiality survey in 2019 are presented below in two ways. In the first, the table where the material issues are presented according to their level of significance to both our stakeholders and the Company, and are classified according to Economics & Governance, Environment and Social. In the second, the material issues are presented in a graph matrix which groups all material issues together.

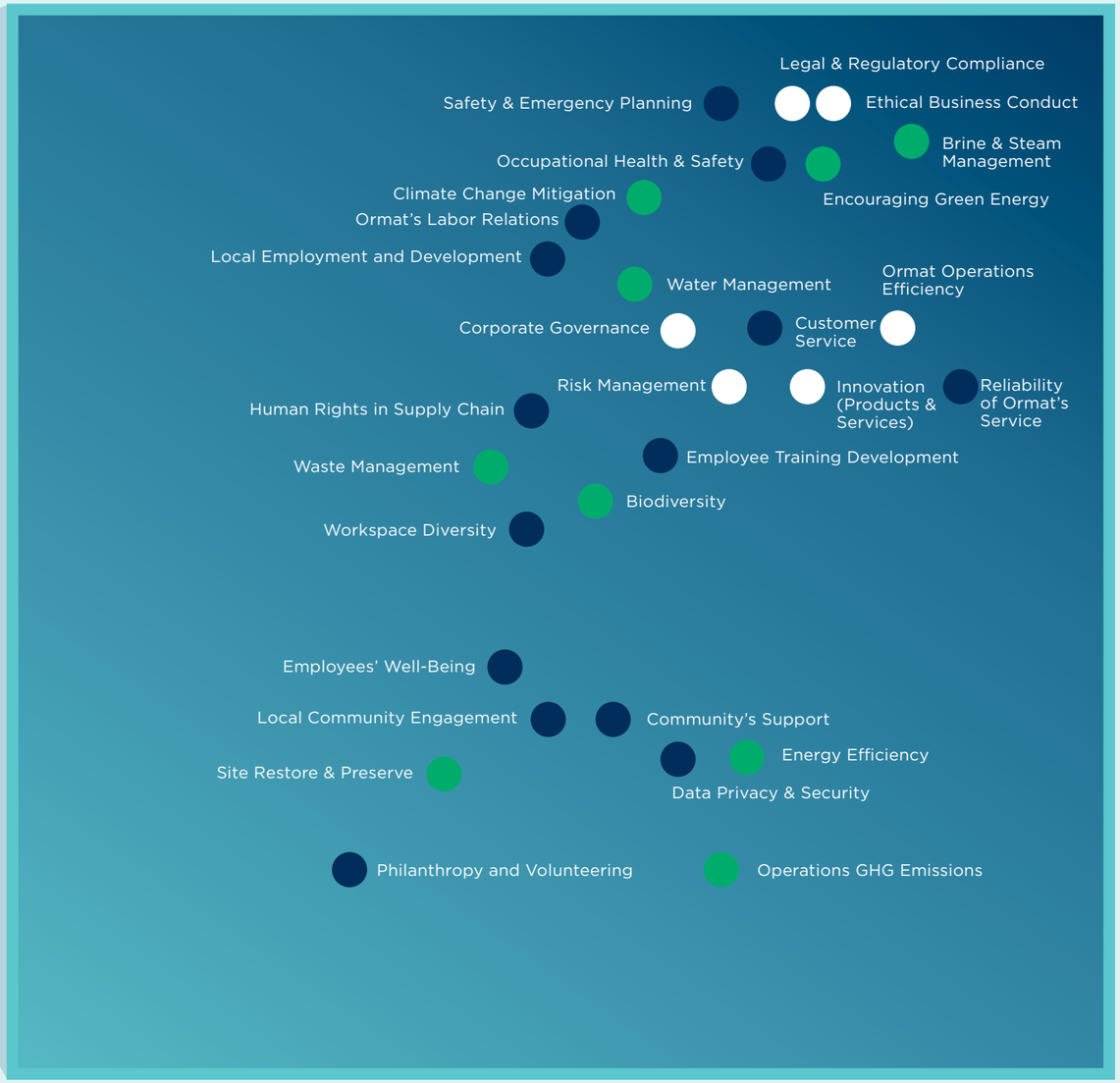
Economics & Governance
- Ethical Business Conduct
- Legal & Regulatory Compliance
- Operational Efficiency
- Innovation (Products & Services)
- Corporate Governance
- Executive Compensation

Evironment
- 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

27 As per the "Electric Utilities & Power Generators Sustainability Accounting Standard," Industry Standard Version 2018-10.





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 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, recovered energy generation and energy storage. 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 fully 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

We endorse several external initiatives that assist us in realizing our environmental, social and corporate governance commitments.

We have reported on our Greenhouse Gas ("GHG") emissions to the CDP since 2010. We also report data on our 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.

In addition, 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. FORGE yielded new insights and techniques for characterizing potential enhanced geothermal system ("EGS") sites as well as tested new techniques and tools in the field of geothermal drilling technologies. Currently, Ormat is partnering on several proposals to the Department of Energy for federally funded research on drilling technology and machine learning.

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

ORMAT'S MEMBERSHIPS OF ASSOCIATION

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

Type of Organization	Relevant Memberships
1 | Geothermal Organizations	• Geothermal Resources Council (GRC) – U.S. • International Geothermal Association (IGA) • Indonesia Geothermal Association
2 | Energy Organizations	• California Energy Markets • California Energy Storage Alliance (CESA) • Energy Storage Association – U.S. • Society of Petroleum Engineers – U.S. • Utah Clean Energy • Green Energy Association of Israel • World Energy Council
3 | Health and Safety Organizations	• The American Society of Mechanical Engineers (ASME) • National Safety Council – U.S. • National Fire Protection Association (NFPA) – U.S. • Alliance for Industrial Efficiency • American Society of Safety Professionals (ASSP) • CA OPC Engineers Board • California Community Choice Association (CalCCA)
4 | Chambers of Commerce	• CalChamber – California, U.S. • Churchill Economic Development Authority – Nevada, U.S. • Hawaii Island Chamber of Commerce • Elko Chamber of Commerce – Nevada, U.S. • Israel Export Institute • Manufacturers Association of Israel • Israel Latin America Association • Israel Turkey Business Council

ORMAT AND THE SUSTAINABLE DEVELOPMENT GOALS

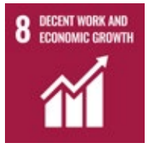
The Member States of the United Nations adopted 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development (the 2030 Agenda).[28] The 17 SDGs and the related 169 targets were designed to address the world's most pressing social and economic issues. The goals were designed to tackle some of the biggest challenges facing the planet, society and economies, such as poverty, inequalities, injustice and climate change. However, 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.

28 https://sustainabledevelopment.un.org/

The following table details the most relevant SDGs and targets that we address through our business activities and social and environmental engagement plans:

Sustainable Development Goal	Relevant Targets	GRI Disclosures	Relevant Business Activities
 **No Poverty** End poverty in all forms, everywhere	• 1.4: Equal rights to economic resources, access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	GRI Disclosure 413-2	• We assess the relative economic impact on the communities in which it operates through stakeholder engagement and economic impact assessments. • We engage with local communities and work to alleviate poverty through our philanthropic activity and employment creation as part of our agenda for 100% local employment
 **Good Health and Well-Being** Ensure healthy lives and promote well-being for all at all ages	• 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines andv vaccines for all.	GRI Disclosure 401-2	• Healthcare and safety are key aspects of the benefits that we provide our employees, including paid sick leave and access to healthcare packages at or beyond the local labor and regulatory requirements
 **Quality Education** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• 4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. • 4.5: Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	GRI Disclosure 404-1	• Our philanthropic activity world-wide is education focused. • Employees are offered opportunities to expand their technical and professional skills and knowledge, and to engage in personal development courses and degrees, which we work to sponsor at our international power plants and facilities. On average, Ormat employees received 7 hours of training in 2019. • We provide equal academic and training opportunities for employees, regardless of their gender. We sponsor the Women in Geothermal (WING) Program to promote gender equality in the geothermal sector. Lastly, we set up a school for girls in our Kenya communities
 **Clean Water and Sanitation** Ensure access to water and sanitation for all	• 6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. • Support and strengthen the participation of local communities in improving water and sanitation management.	GRI Disclosure 303-1-a GRI Disclosure 303-1-c	• Our power plants are air cooled, in comparison to the majority of geothermal plants which are water-cooled. Thus, we greatly minimize the use of water. • We work to minimize the use of water in our power plants and conduct environmental impact assessments to test local aquifer and groundwater quality surrounding our power plants. We also work to minimize the amount of water used in the manufacturing process.
 **Affordable and Clean Energy** Ensure access to affordable, reliable, sustainable and modern energy	• 7.2: Increase substantially the share of renewable energy in the global energy mix • 7.A: Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology • 7.B: Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support	GRI Disclosure 302-1 GRI Disclosure 302-2 GRI Disclosure 302-3	• As a leading provider of renewable energy solutions worldwide, we are helping countries and communities meet their renewable energy targets. • We provide recovered energy generation and energy storage, which help a variety of renewable energy solutions to work to scale. • We work with governments and through international frameworks to promote our renewable energy solutions, including support for research and development in the geothermal and energy storage fields, collaborations with relevant industry organizations and with leading renewable energy companies. • We introduce our renewable energy technologies in the developing world to support national renewable energy goals and international commitments in those countries.

	**Decent Work and Economic Growth** Promote inclusive and sustainable economic growth, employment and decent work for all	• 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors • 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value • 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	GRI Disclosure 201-1 GRI Disclosure 203-2 GRI Disclosure 102-8 GRI Disclosure 202-2 GRI Disclosure 401-1 GRI Disclosure 401-2 GRI Disclosure 401-3 GRI Disclosure 102-41 GRI Disclosure 403-1-a GRI Disclosure 403- 1-b GRI Disclosure 403-4-a GRI Disclosure 403- 4-b GRI Disclosure 403-5 GRI Disclosure 406-1	• We are committed to local employment at all of our operational facilities and power plants. • We work to develop the skills and knowledge of our employees, including at our manufacturing facilities thus encouraging the upgrading of skills for labor-intensive sectors. • Through our renewable energy solutions, we seek to help countries decouple economic growth from environmental degradation caused due to the burning of fossil fuels and from the use of non-renewable resources for energy generation. • We promote equality in employment for all of our employees regardless of gender, race, cultural background, religion, physical disposition, or other irrelevant factors. • We implement an advanced health and safety framework that is implemented through our Quality, Environment, Health and Safety policy. We support the labor rights of all our employees and honor their basic rights to decent work and fair pay. We manage human resources with employees' rights in mind.
	**Affordable and Clean Energy** Promote inclusive and sustainable economic growth, employment and decent work for all	• 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. • 9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies. • 9.A: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States	GRI Disclosure 201-1 GRI Disclosure 203-1	• Our power plants contribute to the existing energy generation infrastructure in the countries where we operate. The nature of renewable energy infrastructure works to increase the overall level of resilience in the country of operation. • Through our power plants and renewable energy solutions, we actively encourage the adoption of clean and environmentally-sound technologies, mainly in developing countries that may have limited access to such solutions.
	**Responsible Consumption and Production** Ensure sustainable consumption and production patterns	• 12.2: Achieve the sustainable management and efficient use of natural resources • 12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment • 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse.	GRI Disclosure 301-1 GRI Disclosure 302-1 GRI Disclosure 302-2 GRI Disclosure 302-3 GRI Disclosure 303-1-a GRI Disclosure 303-1-c GRI Disclosure 305-1 GRI Disclosure 305-2 GRI Disclosure 305-3 GRI Disclosure 306-1 GRI Disclosure 306-2	• We encourage the sustainable use of materials and resources, including natural geothermal resources. • We encourage and track the generation of waste products and the use of materials (namely non-renewable materials) at our operational sites. • We actively promote and enforce practices for recycling, reclamation and reuse of materials at our operational sites, with a specific emphasis on our manufacturing facilities.
	**Climate Action** Take urgent action to combat climate change and its impacts	• 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	GRI Disclosure 201-2	• We analyze our risks and opportunities in terms of climate change impacts, and work to assess how our business and operational activities impact the likelihood of climate change and other environmental impact scenarios. This includes reporting on our own energy use and CO2 production. • Our core offering – geothermal energy – is renewable, thus reducing use and concomitant burdens of non-renewable energy use among our customers.
	**Life on Land**	• 15.1: Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements • 15.9: Integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.	GRI Disclosure 304-1 GRI Disclosure 304-2 GRI Disclosure 304-3 GRI Disclosure 304-4	• We conduct environmental impact assessments to ensure that we have an adequate understanding of our impacts. • We actively engage our stakeholders and consult with local communities and local government administrators.

RISK MANAGEMENT STRATEGY – SUSTAINABILITY 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 deal with relevant risks and to implement appropriate methodologies for addressing 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 services.[29] 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.

Based on our risk assessment, Ormat is not exposed to any special material risk from climate change. 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. For example, in 2019, we experienced prolonged elevated temperatures in the Western United States which impacted generating capacity at our facilities and adversely impacted our revenues in the fourth quarter of the year. To the extent weather conditions continue to be impacted by climate change, the generating capacity of certain of our facilities may be adversely impacted in a manner that we could not predict which may in turn adversely impact our operations. 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.

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.

29 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 III.
ABOUT THIS REPORT

Tuzla West geothermal plant, supplied by Ormat.
Turkey, 12 MW

ABOUT THIS REPORT

Ormat's 2019 sustainability report highlights our environmental, social and governance (ESG)-related measures, initiatives and activities for the reporting period of January through December, 2019. This is the Company's second sustainability report. This report has been prepared in accordance with the GRI Standards: Core option.[30] Our inaugural sustainability report was published in 2018; prior to this time we generated sustainability briefs and updates for stakeholders based in principle on the GRI standards. All previous sustainability publications are available on the Company's website.[31]

Following the publication of our 2018 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. The only notable development from previous reporting periods is that, following significant changes in our systems and data collection processes, we have decided to establish this year as our base year for calculating Ormat's carbon footprint moving forward.

We have not changed our list of material topics and topic Boundaries from our 2018 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 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 14 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, 2019 filed with the SEC and can be reached at the following link.[33] 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, 2019 through December 31, 2019 and is focused on our material operations in the United States, Israel, Turkey, Honduras, Guatemala, Guadeloupe (French Caribbean) and Kenya. Ormat has operations or holdings in other locations such as Indonesia, which as of 2019 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 2019 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 more prominent role for material topics, such as Diversity and Corporate Governance. We have also included information related to our recently acquired Energy Storage & Management segment. Lastly, in order to provide a fuller representation of our total emissions, we have added the emissions from our production, although it is included in our customers' emissions disclosure.

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 2019 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:
info@ormat.com

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

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

FORWARD-LOOKING STATEMENTS

Information provided in this report may contain statements relating to current expectations, estimates, forecasts and projections about future events that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements concerning the completion of the offering and the use of proceeds therefrom. Actual future results may differ materially from those projected as a result of certain risks and uncertainties. For a discussion of such risks and uncertainties, see "Risk Factors," in each case, included in Ormat's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission ("SEC") on March 2, 2020, as amended by Amendment No. 1 on Form 10-K/A filed with the SEC on March 3, 2020, and Ormat's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020 filed with the SEC on November 5, 2020 and other risk factors detailed from time to time in filings with the SEC. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

30 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.
31 https://www.ormat.com/en/company/engagement/view/?ContentID=140
32 https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066

CHAPTER IV.

OUR BUSINESS, FINANCIAL PERFORMANCE AND ECONOMIC IMPACTS

Olkaria III geothermal complex, Kenya, 150 MW

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 energy market 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, such as the Tel Aviv Stock Exchange (TASE) and the New York Stock Exchange (NYSE).[33] In addition, Ormat is part of the following indices: CRSP, Dow Jones, FTSE, Morningstar, MSCI, NASDAQ, Russell 2000, 2500 and 3000, S&P, TASE, Wilshire 5000, WisdomTree and WisdomTree U.S.

Our electricity segment is the core of our business, accounting for 72.4% of our total revenues for the year 2019. The vast majority of revenue from this segment originates in the United States – 61.8%, with the remaining 38.2% coming from the rest of the world. Having realized the importance of renewable energy, including geothermal alternatives, various governments have been preparing regulatory frameworks and policies, and providing incentives to develop the sector, which Ormat views as a positive opportunity for its business. In addition, and particularly in the United States, a number of states and territories have renewable portfolio goals or laws that encourage or require utilities to generate or buy a percentage of their electricity from renewable energy or recovered energy sources.

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 20 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.

Generally, there is an increase in the use of renewable energy solutions due to various tax incentives for utilities, as well as the decline in the price of renewable solutions, such as for Solar PV. However, one of the biggest challenges in the deployment of effective renewable energy solutions is that the supply can be unstable (due to environmental or atmospheric conditions). As a result, energy management, and especially energy storage, is becoming a key component in the future electrical grid, which one of the main reasons Ormat is actively investing in the deployment and development of energy storage and management solutions. The Company's first real step into the energy storage and management market was the acquisition of Viridity Energy Inc.

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 is outlined below.

OUR BUSINESS STRATEGY

Our strategy is to continue building a geographically balanced portfolio of geothermal and recovered energy assets, and to continue to be a leader in the geothermal energy market with the objective of becoming a leading global provider of renewable energy. Since 2015, we have implemented a number of the elements of a new multi-year strategic plan. 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.

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 and annual reports that are filed with the Securities and Exchange Commission (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[34] and on our Investor Relations page.[35]

Our shareholders are consistently provided with current and exact information on our economic and financial performance. 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 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.

ECONOMIC PERFORMANCE IN 2019

In 2019, Ormat continued to experience strong revenues and operational growth. Overall, total revenues from all segments increased by approximately US$27 million.

Pursuant to our dividend policy we expect to distribute at least 20% of our annual profits available for distribution by way of quarterly dividends Consequently, in 2019 Ormat paid a total of $22.38 million USD ($.44 per share) in dividends to its shareholders.

During 2018 and 2019, our electrical generating capacity of our operating portfolio expanded by approximately 119 MW from 795 MW at YE 2017 to 914 MW at year-end 2019, representing a CAGR of 7.2% in our generating capacity. The growth in the electricity segment is due to a number of factors, namely the completion of a number of expansion projects in our existing geothermal power plants, such as a major expansion of the third phase at our McGinness Hills complex, increasing the complex capacity by 48 MW to a total of 140 MW; expansion at our Olkaria III complex in Kenya that increased the generating capacity by 11 MW to a total of 150 MW; and the completion of the third phase at the Sarulla complex in Indonesia that allowed the plant to reach a generating capacity of 330 MW. Also, in 2019 we added the first hybrid solar and geothermal power plant, in the Tungsten project in Nevada. The expansion and improvement of our existing power plants contributes to helping us achieve our strategic goals, but also significantly contributes to our revenues and economic success over time.

The data presented in the table below details the direct economic value generated, distributed and retained by the Company in 2017-2019. More information and data regarding our financial performance can be found in our 2019 Annual Report, which can be accessed at the following link.[36]

Direct economic value generated, distributed and retained (US$ thousands)	2019 (US$)	2018 (US$)	2017 (US$)
Revenue[37] (sales and other income)	746,044	719,267	692,812
Operating costs[38] (excluding employee–related expenses)	271,493	269,323	260,383
Employee wages and benefits[39]	137,513	113,343	108,043
Payments to providers of capital[40]	84,014	80,698	60,995
Payments to governments, by country[41]	1,649	18,023	21,878
Community investments	929	726	236
Economic Value Distributed	495,598	482,118	451,535
Economic Value Retained	250,446	237,149	241,277

33 Under the ticker "ORA".

34 https://www.sec.gov/

35 https://investor.ormat.com/Docs

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

37 "Revenue" is defined as net sales plus revenues from financial investments and sales of assets. For Ormat, revenues are generated from our electricity, product and other segments. Net sales is calculated as gross sales from products and services minus returns, discounts and allowances.

38 "Operating costs" refers to operating expenses including cost of revenues, research and development (R&D), selling and marketing, and general and administrative expenses.

39 "Employee wages and benefits" refers to total payroll and social benefits less non-operating expenses such as the amortization of employees' stock options.

40 "Payments to providers of capital" refers to interest net of interest capitalized and cash dividends paid.

41 "Payments to governments, by country" refers to income taxes, net paid by Ormat. Ormat has not reported this data according to country in the current report, but plans to do so in forthcoming reports. Ormat did not pay any penalties in 2018 or 2017.

The following presents our net revenues for 2017-2019, comparatively, according to geographical location.

Location (US$ thousands)	2019 (US$ thousand)	2018 (US$ thousands)	2017 (US$ thousands)
United States	377,956	328,606	301,132
Kenya	121,661	119,094	110,243
Turkey	88,938	168,699	125,166
Guatemala	28,624	27,975	27,991
Other foreign countries	128,865	74,893	128,280
Consolidated Total	**746,044**	**719,267**	**692,812**

LOANS AND FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENTS AND DEVELOPMENT BANKS

Ormat interacts directly with governments, their agencies and development banks in the context of constructing and operating 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 2019 Annual Report at the following link.[42]

Aside from tax benefits, a number of Ormat's projects are funded with financial incentives and loans from prominent government and multilateral backed development financial institutions, such as the Development Finance Corporation ("DFC"), the German Investment Corporation (DEG)[43], the Clean Technology Fund ("CTF"), 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	Senior secured project finance loan	Olkaria III, Kenya
DEG	Credit agreement 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.

42 https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066
43 Deutsche Investitions- und Entwicklungsgesellschaft.

Ormat does not directly receive government 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 2019 Annual Report at the following link.[44]

Overall, governments and governmental entities are not part of Ormat's shareholding structure. As of 2019, there was one exceptional case: the national electric company of Guatemala, Instituto Nacional de Electrificación (INDE), owned 3% of our Zunil power plant.

Developing Renewable Energy and Critical Infrastructure

The presence of Ormat's operations around the world, including in various developing countries, has an inherently positive impact on environmental, economic and social levels. 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 non-renewable 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).[45] 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 philanthropic contributions and various community development activities as detailed above in the "Supporting and Shaping Sustainable Communities and Futures" Chapter.

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 in the below table.[46]

Location	Relevant Environmental Regulations and/or Incentives
United States	• National Environmental Policy Act (NEPA) • Public Utility Regulatory Policies Act (PURPA) • Public Utility Holding Company Act (PUHCA) • Federal Power Act (FPA) • California Environmental Quality Act
Guatemala	• General Electricity Law of 1996, Decree 93-96 • Technical Norms for the Connection, Operation, Control and Commercialization of the Renewable Distributed Generation and Self-producers Users with Exceeding Amounts of Energy
Kenya	• Kenyan Energy Act
Honduras	• Law of Electrical Industry (Decree 404-2013) • Law of Incentives for Renewable Energy Projects

44 https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066
45 Source: http://www.geo-energy.org/reports/2017/GEOTHERMAL%20IS%20GOOD%20FOR%20AMERICA.pdf
46 More information on the environmental regulations that Ormat adheres to are outlined in our Annual Report (Form 10-K).

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 2019, Ormat worked with approximately 5,000 different suppliers. Ormat did not experience any significant changes to the organization that affected its supply chain in 2019. There were no significant changes to Ormat's supply chain in 2019.

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 complex geothermal and Recovered Energy 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.

Our "Code of Business Conduct and Ethics" outlines our guidelines for directors, officers and employees that deal with or come into direct contact with suppliers. 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 website,[47] 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 link[48].

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.

Customer service at the Company is managed by our Customer Service Group, which is part of the Business Development and Sales Group. Our Customer Service 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.

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 – Ormat organizes and hosts several different client workshops in different countries periodically. The workshop aims to address different issues such as improvements in operations, project management, construction and trends and 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 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. 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 2019.

47 https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Conflict%20Minerals%20Policy.pdf
48 https://investor.ormat.com/Doc/Index?did=52115999

CHAPTER V.
OUR HOLISTIC APPROACH TO CORPORATE GOVERNANCE

McGinness Hills geothermal complex, NV, U.S., 143 MW

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.

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

Ormat is a publicly traded company.

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.[49] [50] The 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 two Director members who are female, 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.

Presented below is the list of our Board of Directors' members, as of the date of this report, and the committees in which they are members:

Director member	Position on Ormat's Board of Directors	Committee membership	Nationality	Gender	Date Joined
Isaac Angel	Chairman of the Board of Directors		Israeli	Male	June 2020
Ravit Barniv	Independent Director	Audit, Compensation (Chair), Nominating and Corporate Governance	Israeli	Female	November 2015
Bert Bruggink	Independent Director	Investment	Dutch	Male	June 2020
Dan Falk	Independent Director	Audit (Chair), Compensation	Israeli	Male	November 2004

49 As of our Annual Meeting of Stockholders in June 2020, and at the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors considered and nominated (based on the proxy vote of stockholders) an additional Board of Directors member, resulting in ten Director members in total. The decision to expand the size of the Board of Directors was made subsequent to the Chief Executive Officer Isaac Angel's announcement in February 2020 that he will be retiring from the company, effective as of July 1, 2020. The Board determined that it is in the best interest of the company to nominate Mr. Angel to be a nominee and to expand the size of the Board of Directors accordingly, if he is elected by the company's stockholders.

50 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.

Director member	Position on Ormat's Board of Directors	Committee membership	Nationality	Gender	Date Joined
David Granot	Independent Director	Audit, Nominating and Corporate Governance, Investment (Chair)	Israeli	Male	May 2012
Stan H. Koyanagi	Independent Director	Compensation	American	Male	July 2017
Dafna Shafrir	Independent Director	Compensation, Investment	Israeli	Female	May 2018
Stanley B. Stern	Independent Director	Audit, Nominating and Corporate Governance (Chair)	American	Male	November 2015
Hidatake Takahashi	Independent Director	Nominating and Corporate Governance	Japanese	Male	June 2020
Byron G. Wong	Independent Director	Audit	American	Male	July 2017

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. [51] [52]

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the integrity of Ormat's financial statements; the effectiveness of internal controls over financial reporting; Ormat's compliance with legal and regulatory requirements; the independence and qualifications of Ormat's independent auditor; and performance of the internal audit functions. Each committee is made up of at least three directors who meet the appropriate independence and experience considerations as outlined by the standards of the NYSE and the SEC.[53]

The Compensation Committee's purpose is to be responsible for our overall compensation philosophy and assists the Board of Directors in its oversight responsibilities with respect to the compensation of Ormat's Chief Executive Officer and other executive officers and directors, including all compensation plans, policies and programs that are subject to Board approval. The Compensation Committee is also responsible for annually reviewing and approving corporate goals and objectives relevant to the CEO and executive officers, for making recommendations to the Board with respect to the adoption, amendment, termination or replacement of incentive-compensation plans, equity-based plans, revenue sharing plans or other relevant plans maintained by the Company, and for overseeing the company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, among other topics. The committee is made up of at least three directors who meet the relevant independence considerations, as outlined per the NYSE and SEC regulations mentioned above.[54]

The purpose of the Nominating and Corporate Governance Committee is to assist the Board of Directors in identifying qualified individuals to become members of the Board, for selecting or recommending the Board director nominees, developing and recommending to the Board's corporate governance guidelines and for overseeing the evaluation of the Board and management. The Nominating committee provides the Board with guidance reviewing the Company's Corporate Governance Guidelines and monitoring compli-

51 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

52 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.

53 More information on the Audit Committee is available in the Company's Audit Committee Charter at the following link: https://www.ormat.com/Warehouse/userUploadFiles/Image/Audit%20Committee%20Charter_February%202020.pdf;

54 More information on the Compensation Committee is available in the Company's Compensation Committee Charter at the following link: https://www.ormat.com/Warehouse/userUploadFiles/Image/ORA%20--%20Compensation%20Committee%20Charter.pdf

ance with the guidelines, among other responsibilities. The committee is made up of at least three directors who meet the relevant independence considerations, as outlined per the NYSE and SEC regulations detailed above. [55]

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.

According to the aforementioned Corporate Governance Guidelines, and the NYSE rules, we have established guidelines for director independence, according to which the Board of Directors considers all relevant facts and circumstances in making an independence determination regarding a current or future director member. The Board of Directors reviews the independence status of each of the directors annually.[56]

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 at this time. Our Board believes that, at this time, 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 planning.[57]

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 matters.[58]

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 2019, 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.

COVID-19 Outbreak

While this report covers our activities during 2019, we nevertheless believe it is relevant to address our strategy in coping with the COVID-19 crisis of 2020, a worldwide pandemic of a scope not seen in over a century. In order to address the business and operational impacts of COVID-19 on the Company, the management worked to maintain and enhance business activity during this global crisis. Our Board of Directors worked to support key management decisions – in areas of supply chain, human capital and financial management –with the goal of ensuring that, as a company, we emerge from the crisis stronger and more resilient.

The Board of Directors transitioned to virtual meetings for our Annual Meeting of Stockholders, as well as for the Board of Directors and committee meetings if and to the extent needed.[59] The goal of making the Annual Meeting accessible to all stockholders via the Internet is to enable full and equal participation by all stockholders at all locations in the world at little to no cost.[60] We worked to enhance stockholder access, participation and communication through online tools, so that our stockholders did not have to compensate the rights and opportunities afforded to them in in-person meetings. [61]

In addition, the Board of Directors is responsible for reviewing strategies and material goals relating to corporate governance, economic, environmental and social issues and for setting the level of expectation from the Company and its employees regarding these issues.

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.

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
Zvi Krieger	Executive Vice President – Electricity Segment	July 2014
Bob Sullivan	Executive Vice President – Business Development	July 2015
Shlomi Argas	Executive Vice President – Product Segment and Operations	January 2018
Hezi Kattan	General Counsel & Chief Compliance Officer	February 2018
Ofer Ben Yosef	Executive Vice President - Business Development, Sales and Marketing	April 2020
Shimon Hatzir	General Manager of Energy Storage and Solution	October 2018
Liat Inbar Arad	Senior Vice President – Human Resources	July 2020

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.

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

55 More information on the Nominating and Corporate Governance Committee is available in the Company's Nominating and Corporate Governance Committee Charter at the following link: https://www.ormat.com/Warehouse/userUploadFiles/Image/ORA%20--%20Nominating%20and%20Corporate%20Governance%20Committee%20Charter.pdf

56 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

57 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

58 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

59 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

60 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

61 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.

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 February 2020, we announced a transition of its senior management. Mr. Isaac Angel has decided to retire from his position as Chief Executive Officer, effective July 1, 2020, after six years of successful service to the Company, its employees and its shareholders. Mr. Angel became a member of Ormat's Board of Directors before his retirement as Chief Executive Officer and continues to be employed by the Company through December 31, 2020 in order to assist with the management transition. Ormat's Board of Directors has appointed Mr. Blachar, the Company's President and Chief Financial Officer, to succeed Mr. Angel. Mr. Blachar assumed the role of Chief Executive Officer on July 1, 2020 upon Mr. Angel's retirement from the position.

Mr. Blachar was succeeded in his role as Chief Financial Officer by Assaf Ginzburg, effective May 10, 2020.

Remuneration Policies

he 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 rewards[62], 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.[63]

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

Ormat offers some employees stock-based awards according to its Incentive Compensation Plan. In 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, all of which could be issued as options or as other forms of awards.

Our Corporate Governance Policies and Guidelines

Our Corporate Governance Guidelines, which are publicly available on our website at the following link[64], 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[65] of our website. 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 link.[66] 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.

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" page.[67] 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 Policy[68] 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

62 Including pursuant to the Company's equity-based plans.
63 https://investor.ormat.com/Cache/1001250792.PDF?O=PDF&T=&Y=&D=&FID=1001250792&iid=4087066

64 https://www.ormat.com/Warehouse/userUploadFiles/Image/Corporate%20Governance%20Guidelines.pdf
65 https://www.ormat.com/en/company/welcome/governance/
66 www.ormat.com/Warehouse/userUploadFiles/Image/CODE%20OF%20ETHICS%20APPLICABLE%20TO%20SENIOR%20EXECUTIVES.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.pdf

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).

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 link.[69]

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 website,[70] 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 Ethics,[71] Anti-bribery and Anti-corruption Policy[72] 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 2019 Annual Report and other reports.

ETHICAL CONDUCT AT ORMAT

Ormat upholds a Code of Business Conduct and Ethics that was last amended in January 2013.[73] 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 link.[74]

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 2019. 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/Warehouse/userUploadFiles/Image/Anti-Corruption%20Policy.pdf
70 https://www.ormat.com/Warehouse/userUploadFiles/Image/Insider%20Trading%20Policy.pdf
71 https://www.ormat.com/Warehouse/userUploadFiles/Image/CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS.pdf
72 https://www.ormat.com/Warehouse/userUploadFiles/Image/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf
73 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.
74 www.ormat.com/Warehouse/userUploadFiles/Image/CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS.pdf

CHAPTER VI.
GENERATING ENVIRONMENTAL VALUE AND MEASURING OUR IMPACTS

Sarulla geothermal complex, 330 MW, Indonesia

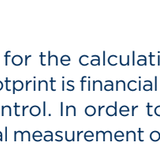
MITIGATING CLIMATE CHANGE RISKS AND WORKING TO REALIZE NEW OPPORTUNITIES

Ormat is a global leader in the vertically integrated delivery of renewable energy solutions: geothermal energy, recovered energy and energy storage and management. We have developed and manufactured geothermal and recovered energy power plants with a cumulative collective capacity of 2900 MW[75] since our Company was established over 50 years ago and we are proud to note that all of our power plants operate without fossil fuel consumption as a general rule. 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 have little emissions. That said, we actively work towards the reduction of the GHG emissions[76] generated through our operations and business practices, which includes commitments to mitigate any subsequent climate change effects. The consolidation approach for the calculation of our carbon footprint is financial and operational control. In order 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.[77]

We selected 2019 as our new base year for calculating Ormat's carbon footprint, following a process of re-evaluation of our methodology. We re-examined our total production reporting and concluded we would also report on our net production this year. Additionally, 2019 marks the first year that Ormat calculates Scope 3 emissions generated from employee personal and business travel.



KPI

We have established a target for a 5% reduction per revenue in Scope 1 and 2 emissions by the end of 2021, measured against the 2019 base levels discussed above. Our progress towards this goal will be reviewed annually, and will be reported in the 2020 Sustainability Report.

Our Carbon Footprint and GHG Emissions Mitigated

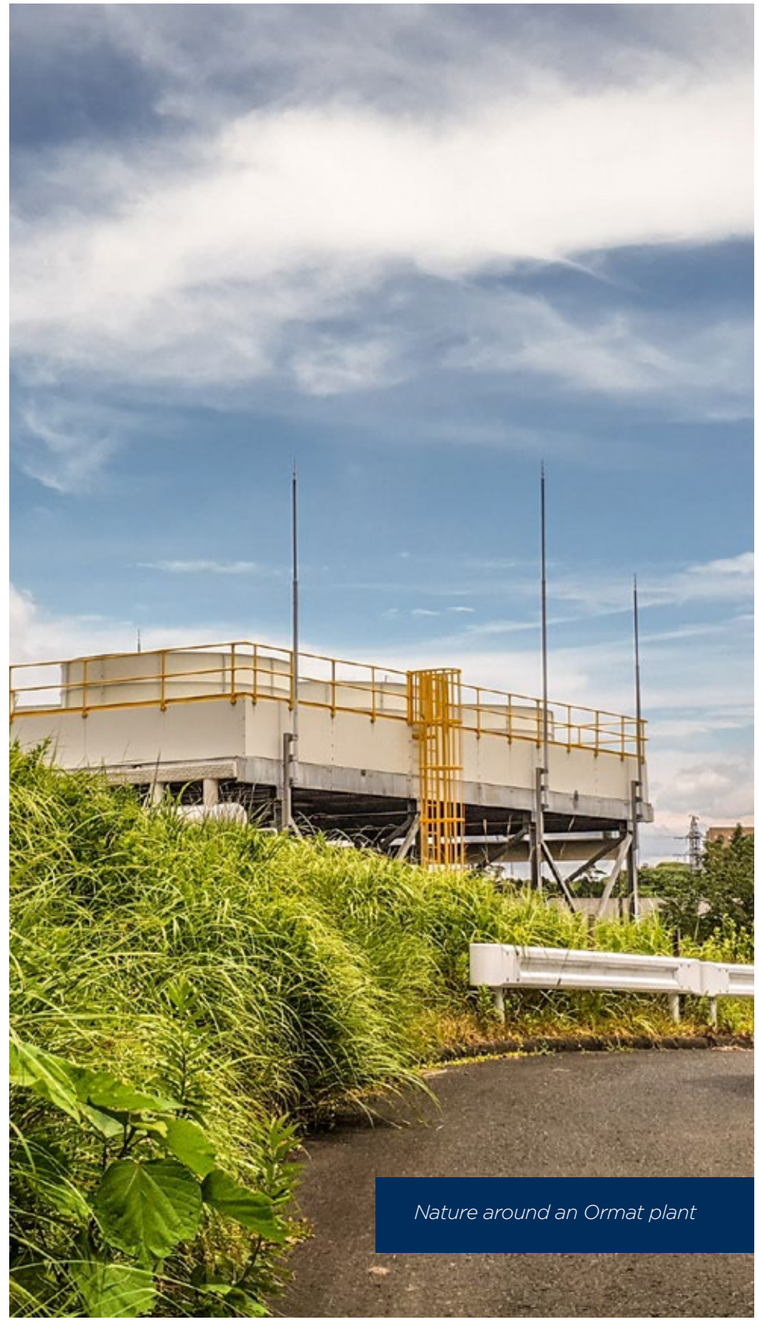
Ormat's operating activities from owned facilities and purchased electricity (Scope 1 and 2)[78] emissions, which include manufacturing facilities and machinery, offices, power plants, corporate automobile fleet, drilling rigs and electricity consumption at our facilities, among other sources, generated **156,962 tons CO2 (equivalent) (e)** in 2019. This year we have expanded our calculations to include employee transportation and business travel as part of our **Scope 3 emissions**, which totaled **3,802 tons CO2(e).**[79] More information on the breakdown of our carbon footprint calculations for 2019 is provided in the graphs and charts below.[80]

The Scope 1 emissions for 2019 totaled 121,214 tons CO2(e). MMost Scope 1 emissions arise from the generation of our geothermal energy, which is sold to our clients and consumed internally as the auxiliary power of our geothermal power plants. 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 are unable to conduct 100% reinjection of the geothermal resource (due to operational and other constraints), 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.[81] 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 offices. [82]

The total Scope 2 emissions[83] for 2019 from purchased electricity consumption off the grid at our operational sites, offices, and manufacturing facilities, was 35,748 tons CO2(e). 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 2019, self-consumption of solar energy at our manufacturing facility totaled **1,725,172 kWh**. The energy generated sold to the local electrical utility was **388,664 kWh** and resulted in the avoidance of emissions totaling **210 tons of CO2 (e**) in 2019.[84]

We continue to make efforts to improve the energy efficiency of our facilities, in line with our overarching mission and commitment to renewable energy.

Our GHG emissions intensity calculation, i.e. the relative intensity of our Scope 1 and Scope 2 emissions divided by our revenues in FY2019[85] was 0.0002104 CO2 (e) / FY2019 revenues. Including Scopes 1, 2 and 3, our emissions intensity was 0.0002155 CO2 (e) / FY2019 revenues. This calculation, which marks 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.



Nature around an Ormat plant

75 As of the publication of this report.

76 "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.

77 Through the voluntary GHG reporting framework.

78 Scope 1 is direct GHG emissions from sources that are owned or controlled by the Company. S Scope 2 is indirect GHG emissions from the consumption of purchased electricity, heat or steam. Scope 3 is indirect other GHG emissions

79 The source of the emission factors and global warming potential is the United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA). As such, the gases included in our carbon footprint calculation are CO2, CH4, and NH4.

80 All calculations include storage facilities data.

81 As published by the Office of ENERGY EFFICIENCY & RENEWABLE ENERGY, in: https://www.energy.gov/eere/geothermal/geothermal-power-plants-meeting-clean-air-standards#:~:text=When%20geothermal%20power%20plants%20do,than%20fossil%20fuel%20power%20plants.

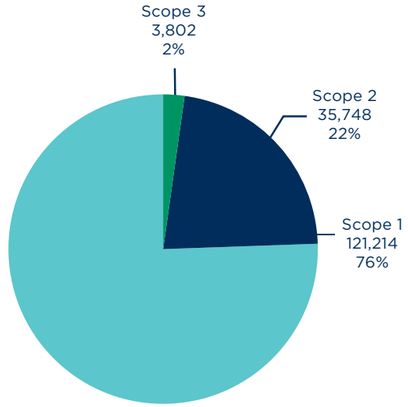
82 These data were obtained from the majority of Ormat's relevant sites; our Yavne (Israel) manufacturing facility is the primary producer of Ormat's worldwide air conditioner related emissions.

83 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 2020) document.

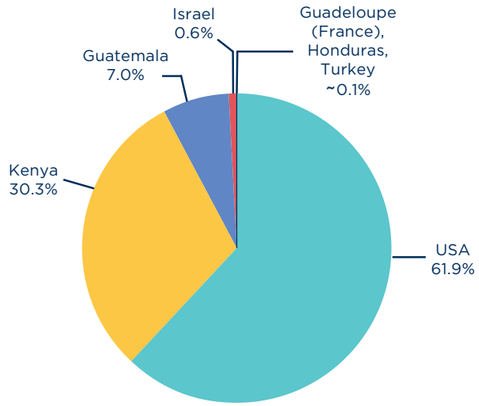
84 The presented data was not considered in the calculations of Ormat's total Scope 2 CO2 emissions, i.e. deduction of the solar offset of 210 tons CO2 equivalents.

85 Ormat's revenues in RY2019 total approximately USD $746,000,000, which was used as the basis for the energy intensity calculation.

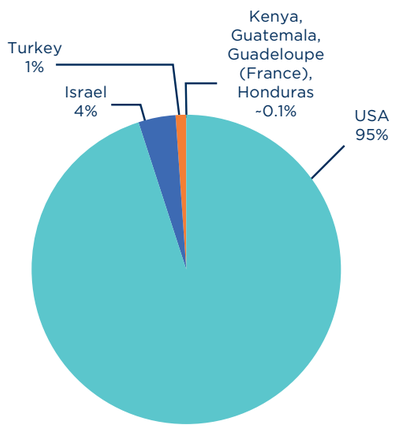
Scopes Breakdown



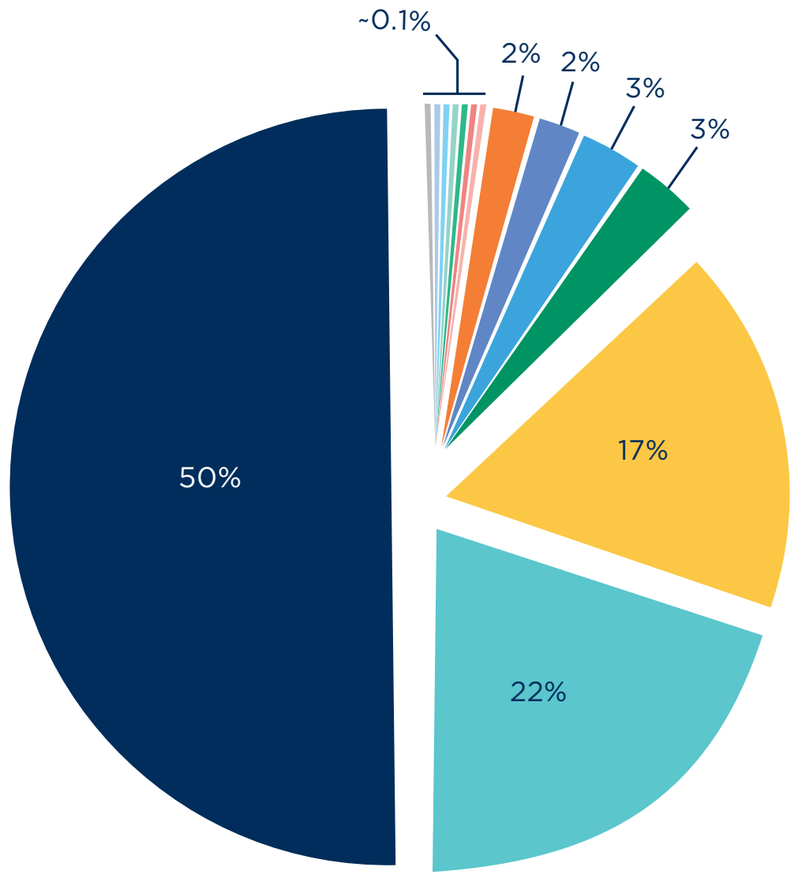
Scope 1 | Emissions by Country



Scope 2 | Emissions by Country



Total Emission by Source

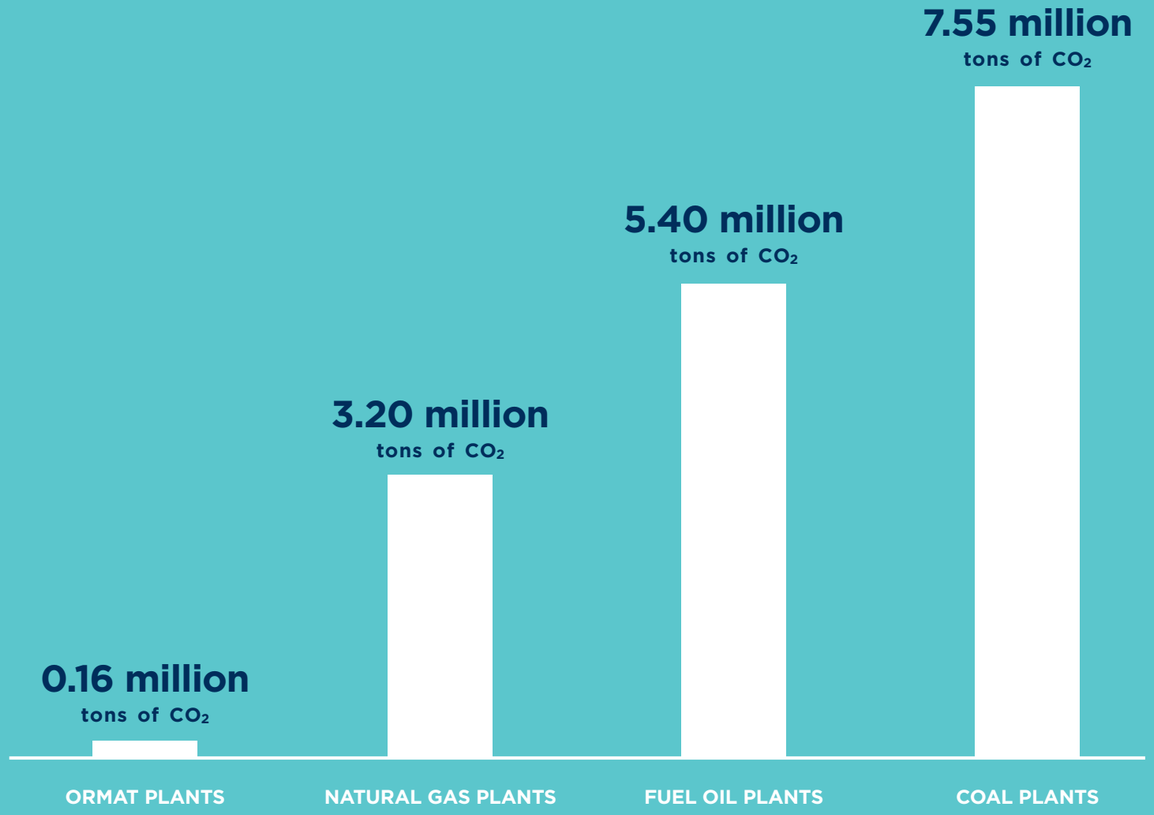


- A/C - Used in Offices and Factories
- Heating
- Generators
- Gas Used in Company Kitchen (LPG)
- Vehicles - Heavy Duty Truck (used for company work)
- Solar Energy Consumption
- Employee Transportation
- Geothermal plant emission- Net - sold to clients
- Electrical Energy Consumption
- Geothermal plant emission- Aux - internal use
- Drilling Rigs
- Vehicles - others (used for company work)
- Machinery Owned & Leased by Company - Used in Factory (forklifts, cranes, welding machine etc.)
- Business flights

EMISSIONS FROM OPERATIONS

In 2019, Ormat-owned power plant facilities generated 6,238,272 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 below shows the renewable electricity offset recorded by Ormat in 2019 conceptually compared with other common methods of base load electricity generation, such as conventional fossil fuel-based methods. These figures present only the emissions that were avoided through the generation of renewable power at Ormat's owned power plants in 2019. 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 2,900 MW.

The below table compares the CO2 generated by Ormat plants with the amount generated by other technologies for an equivalent amount of power [86] [87].



86 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.
87 The electricity output from these products represents more than 1% of electricity output in the average of OECD member countries for the years 2011-2015.

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"[88].

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/MWh

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
Fuel Consumption in the Organization[89]		
Gasoline	119,784	78,127
Diesel	29,333	46,085
Red Diesel	35,419	74,135
Kerosene	477	0[90]
FOD	484	479
LPG	461	892
Natural Gas	-	3,028[91]
Electricity Purchased for Consumption in the Organization		
Electricity	88,835	315,991[92]
TOTAL ENERGY CONSUMPTION IN THE ORGANIZATION (GJ)	**274,793**	**518,736**

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

Total Electricity and Heating Consumption (GJ)		
	2018	**2019**
Electricity Consumption (purchased and self-generated)	5,872,532[93]	6,679,461
Heating Consumption[94]		3,090

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**
Electricity Sold by the Organization	21,090,315	22,459,179

88 https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019
89 As of 2019, Ormat did not consume any renewable fuel, and therefore this metric is not reported.
90 Kerosene is used in the United States for drilling operations; none was necessary in 2019.
91 28,675 therms Natural Gas are included in the below figure, where it is used for heating in the United States. This figure reflects improved collection of data.
92 As above, the main drivers of this increase are Ormat's improved collection of heating data, and our reconstruction efforts in our Puna plant and concomitant consumption of energy from the grid there.
93 2018 data has been updated and corrected since the 2018 report
94 Ormat does not generate and/or consume cooling or steam energy resources, and therefore only data on the electricity and heating consumption by the organization is reported.
95 Ormat does not sell heating, cooling or steam energy resources, and therefore only data on the electricity sold by the organization through generation in our power plants is reported.

ENERGY INTENSITY

We calculated the energy intensity for our organization, or the measure of the efficiency or inefficiency in the use of energy resources in the organization, by dividing the absolute energy consumption by our organization as presented above – 521,826 GJ[96] by our revenues for 2019, i.e. USD $746,000,000, to reach an energy intensity ratio of 0.000699 GJ/US$. This is our organization-specific metric that we plan to report on in a comparative fashion in forthcoming reports.

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 2019 to reduce the Company's energy consumption:

Migration to energy-efficient light bulbs: We have continued the process of replacing conventional incandescent light bulbs with energy-efficient LED bulbs in our power plants.

Consumption of self-produced energy: In 2019, we completed building a solar plant generating 7 MWh of power at our Tungsten location, which will support the plant's parasitic load (standby power). In October 2019, we reduced the energy consumption of a Well Pad at the Amatitlan location by migrating from energy sourced from the local electrical company to electricity generated by the plant itself.

Improving air quality: In our Heber location, we took steps to mitigate fugitive dust emissions from unpaved roads at our plant and wellfields.

Improving energy efficiency of equipment: In our Israel location, we replaced older air conditioning units with newer ones bearing a Class A energy rating and replaced older water heaters that suffered from excess mineral deposits that harmed their efficiency. Similarly, we conducted a program of annual preventative maintenance of HVAC equipment at our Mammoth location, to ensure continued efficient functioning, and replaced older motors at our Kenya location with newer and more energy efficient models.

Other initiatives promoting sustainable practices: At our Amatitlan, Israel, and Mammoth locations, we worked to reduce energy waste from unnecessary illumination. Strategies included staff education to turn off lights when not in use, and the installation of photoelectric movement detection sensors.

At our manufacturing facility in Israel, we have initiated a system for measuring energy consumption in different parts of the factory. Findings are analyzed to identify opportunities for increasing energy efficiency. This analysis led to an initiative to reorganize working shifts so that the daylight hours are maximized, resulting in reduced electricity consumption during the evening surge hours.

Our largest vehicle fleet is in the United States, where most of our power plants are located. Our operational locations there are taking strides to reduce the carbon footprint from vehicle use, while also decreasing our fleet expenses. To achieve this goal, Ormat has partnered with a third party fleet management company to not only manage the purchase and sale of vehicles, but to manage vehicle maintenance and fuel expenses by creating a system of "Green Scores" that rate the drivers in each group according to their average mileage per gallon and the number of "unfavorable" events on the road such as hard braking, hard acceleration, or speeding.

In addition, Ormat's drilling department works to improve optimization and increase energy efficiency by replacing aging semi-trucks with more efficient and safer vehicles.

96 This increase was mainly driven by improved collection of data, our Puna plant reconstruction efforts, and the concomitant purchase of energy purchased from the grid in that location.

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, which is composed of water, salts and minerals) required for geothermal energy generation, and water resources which 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

We engage with water resources from diverse sources to operate our power plants, manufacturing facilities and offices.

We use water resources for various purposes, such as:

- 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 of the plant.

- MANUFACTURING 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 plants 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. The source of water used for drilling is different at each location and tanks are usually brought onto the drilling site. The water used meets relevant regulatory and environmental requirements that are enforced as conditions of our drilling permits[97].

As of 2019, 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 volume of water consumption according to its role in various aspects of our operations.

Use of Water Resource[98]		Total Volume (m^3) in 2018	Total Volume (m3) in 2019
Operation of power plant	Air cooled power plant	35,395[99]	24,409
	Water cooled power plant	14,593,118[100]	14,630,984
Manufacturing facilities		21,028[101]	18,813
Drilling activities		43,527	8,082
Total water consumed		**14,693,067**	**14,682,288**

97 The quantity of water utilized in exploration and drilling activities varies year to year. In 2019, 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, our Puna operation did not report its water use data for 2019.

98 Most of our water usage data for 2019 (amount of water consumed) was derived from utility invoices paid at our various locations.

99 Reclassified

100 Reclassified

101 Reclassified

Impacts of Our Operations on the Local Hydrology and Aquifers

We 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 into 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 2019, 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 circumstances, 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.

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

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

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 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

102 Partially or fully water-cooled facility.
103 Partially or fully water-cooled facility.
104 Partially or fully water-cooled facility.
105 Each REG plant uses a small amount of water, none for plant operation, each plant purchases from its own local utility
106 Partially or fully water-cooled facility.
107 Partially or fully water-cooled facility.
108 Partially or fully water-cooled facility.
109 Partially or fully water-cooled facility.
110 Partially or fully water-cooled facility.
111 The drilling work frequently changes locations and we did not record the different water sources that were used. If there is drilling in an existing plant then typically the water comes from the local utility from which the plant purchases water but in new locations water is usually trucked in containers and brought to the drilling site.

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 2019, including details on how the waste products were disposed of or treated.

Type of Waste	Waste Classification (Hazardous or Non-Hazardous)[115]	Weight (kilograms) 2018[113]	Weight (kilograms) 2019[114]	Disposal Method
General Waste Streams and Construction Waste	Non-Hazardous	500,240	499,320	Landfill
Metal - General, Aluminum, Scrap and Carbon Steel	Non-Hazardous	942,290	1,184,370	Recycling
Nylon/Plastic Waste	Non-Hazardous	829,920	829,920	Recycling
Wood	Non-Hazardous	720,359	920,460	Recycling
Dichlorbenzene	Hazardous	16,000	0	Authorized Disposal Methods
Used Paint Containers and Paint Thinners	Hazardous	26,400	14,112	Authorized Disposal Methods
Used Oils	Hazardous	5,700	2,900	Authorized Disposal Methods
Lacquer	Hazardous	1,000	0	Authorized Disposal Methods[112]
Radiographic films	Non-Hazardous	250	300	Recycling
Paper and Cardboard	Non-Hazardous	501,712	501,592	Recycling
Acid (Nitric Acid, Sulfuric Acid), Anti-Freeze, Antiseize, Organic Dissolving Material	Hazardous	Not reported in 2018	9,156	Authorized Disposal Methods
Batteries, Electronic Waste and Lightbulbs	Non-Hazardous	Not reported in 2018	71,980	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 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.

112 "Authorized Disposal Methods" refers to authorized third parties that assist Ormat in disposing of certain types of hazardous waste according to relevant local regulations.

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)[115]	Weight (kilograms) 2018[113]	Weight (kilograms) 2019[114]	Disposal Method
Used Oils, Petroleum Solids, Oily Rags, Pads, Used Filters and Other Oil Contaminated Products	Hazardous	3,284,469	255,034	Landfill, Recycling, Authorized Disposal Methods, Recovery & Reuse[116]
Motive Fluid [117]	Hazardous	984,744	632,250	Authorized Disposal Methods
Metal - General, Aluminum, Scrap and Carbon Steel	Non-Hazardous	119,550	157,819	Recycling
General Waste Streams and Construction Waste	Non-Hazardous	81,000	380,945	Landfill & Incineration
Wood	Non-Hazardous	5,700	5,063	Landfill, Recycling & Reuse
Paper and Cardboard	Non-Hazardous	569	8,233	Landfill, Recycling & Reuse
Acid (Nitric Acid, Sulfuric Acid), Anti-Freeze, Antiseize, Organic Dissolving Material	Hazardous	Not reported in 2018	10,317	Authorized Disposal Methods
Batteries, Electronic Waste and Lightbulbs	Non-Hazardous	Not reported in 2018	1,332	Recycling
Geothermal Drilling Mud (Liquid & Solid)	Non-Hazardous	Not reported in 2018	650,703	Landfill
Sand	Non-Hazardous	Not reported in 2018	925,183	Landfill
Nylon/Plastic Waste	Non-Hazardous	Not reported in 2018	459	Landfill
Used Paint Containers and Paint Thinners	Hazardous	Not reported in 2018	1,822	Authorized Disposal Methods & Recycling

Significant changes from 2018

As can be seen in the above table, there were several instances of changes in 2019 from the quantities of waste produced in 2018. In nearly all cases, increases in waste produced were the result of refurbishment projects that began in 2019. For example, at our Amatitlan location we produced approximately 2,000 kg more non-hazardous waste (metal products) due to our ongoing Amatitlan Enhancement Project and the resultant gathering of pipes. In the United States, two sites underwent refurbishment projects which produced cooling tower debris. In other cases, an increase in reported amount of paper and wood waste was the result of improved monitoring and more precise record keeping.

113 Some of the weights of the waste provided are estimated based on data received from our operational sites.
114 Some of the weights of the waste provided are estimated based on data received from our operational sites.
115 The classification of hazardous waste depends on the location of the operations and the legal or environmental regulations that govern the topic in that country and/or locality. Therefore, waste is indicated as 'Hazardous' when it is considered as such in at least one of the locations of operation included in the scope of this report.
116 The disposal methods for the oils and solids varies depending on the country of operation.
117 The categorization of 'hazardous' and 'non-hazardous' in the context of motive fluids depends on the nature of local regulations that govern the topic. The majority of the hazardous waste classifications pertain to state-level waste and by product regulations that govern the nature of our operations in the state of California.

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.

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, own and those for which we have turn-key contracts, below we present a detailed description of the impact assessments and action plans that we generated for our fully-owned plants in 2019.

Olkaria III, Kenya

Kenya

Our Olkaria III power plant, located in Hells Gate National Park, was built in stages, starting with a 13 MW plant in 2000. Since then it has grown incrementally, and now holds a total generation capacity of 150 MW. Hells Gate National Park is managed by the Kenya Wildlife Service, and is categorized as an International Union for Conservation of Nature (IUCN) Category II national park[118] and a tentative UNESCO World Heritage site. Furthermore, the geothermal field is near Lake Naivasha and local flower-growing farms, all of which necessitate careful examination of the potential environmental impact of our operations. Last year (2018), Ormat entered into an environmental management agreement with the Kenyan Wildlife Service (KWS) to effectively manage environmental resources in the Park and to enhance conversation activities. The agreement mandates that all installed infrastructure will not obstruct wildlife movements, breeding or migratory patterns, that no exotic animals or plants will be introduced, that all rules and regulations of the Park will be followed, and that local trees will be planted (with preference for the Tarchonanthus camphoratus species) in order to enhance the Park's natural features. As required by law, annual environmental audits have been undertaken for Olkaria III Geothermal Power Project (the Project) since 2006, with environmental audit reports being submitted to NEMA for review of performance and for recordkeeping.

The 2019 environmental and social audit of Olkaria III was undertaken over the period between January to February 2020 and encompassed a review of activities and operations across all areas utilized within the Olkaria Geothermal Field and its surroundings. The adequacy of existing management controls to protect the environment within Hells Gate National Park and other surroundings was also assessed. The audit observed Ormat's commitment to good environmental, health, and safety practices (including noise management), alongside a variety of ongoing initiatives to promote the social, economic, and environmental welfare of the surrounding communities. It noted that all staff (including contractors) are regularly trained on EHS issues, that investment decisions are guided by regular Environmental Impact Assessments of proposed reinjection and production wells, and that the project itself contributes to economic development at the national and local level through the supply of cheaper renewable energy and the creation of direct and indirect employment and business opportunities.

In the few circumstances where the audit found potentially problematic practices and impacts, we have developed a program to mitigate such concerns, and will continue to seek ways of improving our sustainability at the Olkaria III site in the future. For example, our audits found that, while Ormat provides colored waste segregation bins within the plant, employees were not using them effectively. We will implement a program of staff education to increase effectiveness of this effort and ensure that the bins are clearly labelled. In another case, our audit discovered R22 (an ozone-depleting substance) in use as a refrigerant in our facility's older air conditioning units. This problem will be mitigated through the decommissioning of older units and replacement of R22 refrigerant with ozone-friendly types, such as R410A and R407C.

118 International Union for Conservation of Nature (IUCN) Category II national park refers to large protected areas that play a role in the connectivity of the landscape or seascape in that they are the home to large ecological processes and are complemented with species and ecosystems that are characteristic of the natural area.

United States

Our McGinness Hills (Nevada) site is characterized by unique biodiversity factors that must be accounted for when conducting our operations. Significantly, it is home to a population of greater sage-grouse, which inhabits a limited geographic range in the American Northwest and Canada and has been characterized as a "Near Threatened" species by the IUCN.

Ormat has committed to carrying out measures that are aimed at preventing unnecessary negative environmental impacts during the construction, operation, and reclamation phases. These measures have been in place over the lifetime of the project and are periodically reviewed in order to determine if they can be expanded upon. Requirements include coordination of a Wildlife Working Group, the development of a Bird and Bat Conservation Strategy, and the implementation of an Adaptive Management Plan, which aims to mitigate the impact of our operations on local fauna with specific emphasis on the greater sage-grouse population. We have developed and now implement an Integrated Weed Management Plan to ensure that our materials do not promote the spread of invasive species of weeds, work to mitigate noise pollution through the installation of sound dampening barriers, and follow the guidelines of the Avian Power Line Interaction Committee when conducting our transmission lines.[119] Employees and contractors are instructed to avoid disturbing local wildlife, especially during the greater sage grouse breeding season. Other measures include the planting of native species according to BLM guidelines, and painting equipment to blend better with the surrounding natural landscape.

Amatitlan, Guatemala, annual reforestation

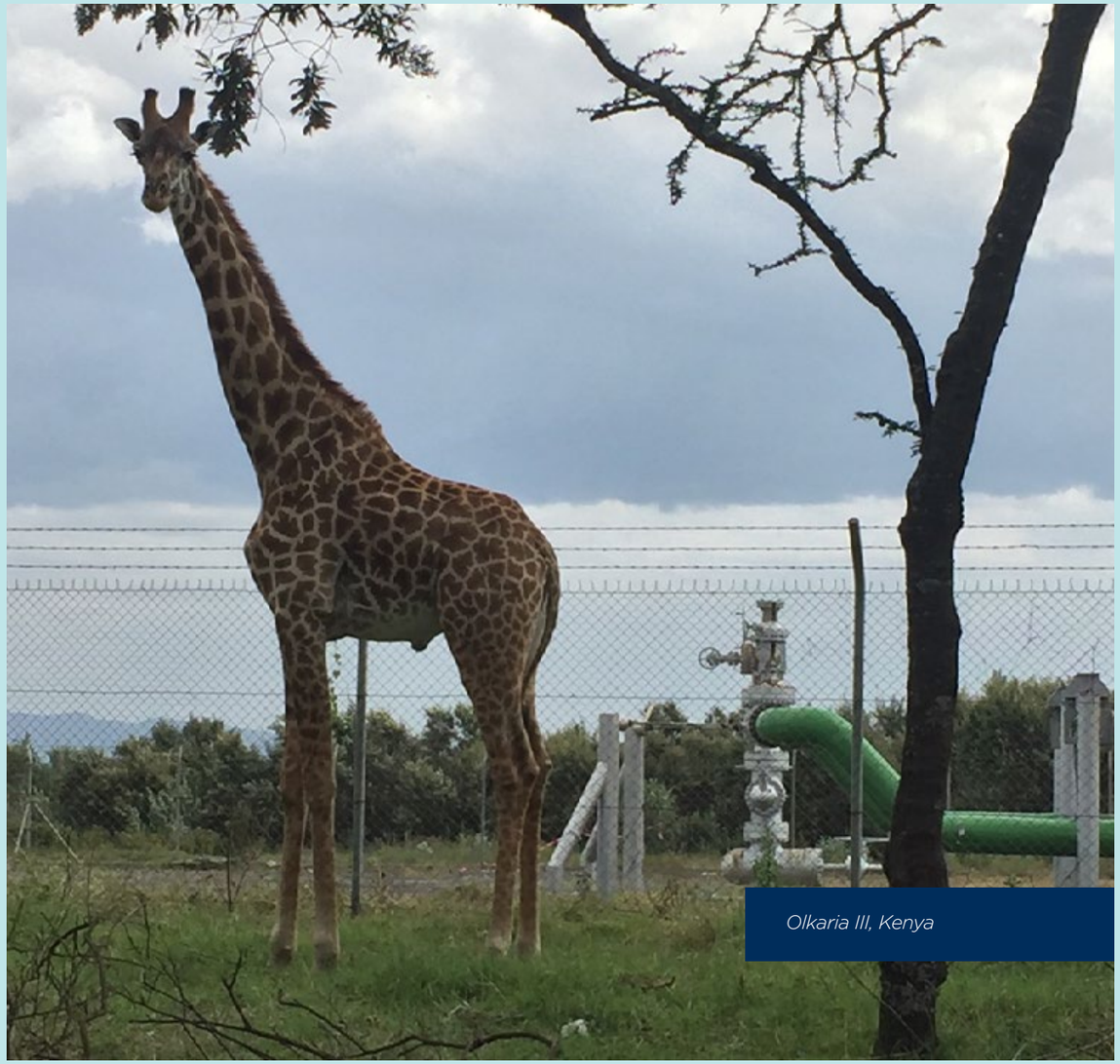
Additionally, In Nevada, where we are developing plans for a new power plant in the Dixie Valley Playa, local conservation groups have brought to our attention their concerns regarding the Dixie Valley toad, a rare type of toad which was only described by scientists in 2017. We have taken these concerns into account in our planning process and will work to mitigate the harmful effects of our geothermal plant on the toad's habitat.

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 operations.[120]

For example, in 2019 we conducted a water quality assessment at our Amatitlan site, which was found to be well within acceptable parameters. For instance, no negative impacts were detected in terms of pH level, and no nitrates were found.

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.



Olkaria III, Kenya

119 "Avian Power Line Interaction Committee" leads the electric utility industry in protecting avian resources while enhancing reliable energy delivery.

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

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

Plumsted storage facility, New Jersey, USA, 20 MW / 20 MWh

OUR PEOPLE: EMPLOYMENT AND SKILL DEVELOPMENT AT ORMAT

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.

In 2019, we employed 1408 people worldwide[121]. 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).[122] [123]

Wherever we work, we strive for equal opportunity employment[114] 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.

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 integrated 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 Resources Department and the VP of Human Resources[125], 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, Ms. Liat Inbar-Arad. 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.

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 others. [126] 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.

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 staunch insistence 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 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 ensure that these frameworks, policies and their relevant conditions are upheld in our dealings with employees, and that

121 Exact figures on the number of our employees is provided in continuation of this report, and data is provided in reference to GRI Standard 102-8: Information on employees and other workers.
122 1385 employees are included within the Boundaries of this report.
123 Exact figures on the number of our employees is provided in continuation of this report, and data is provided in reference to GRI Standard 102-8: Information on employees and other workers.
124 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
125 Appointed to the position in mid-2020. More information is available in Ormat's 2020 Proxy statement: http://d18rn0p25nwr6d.cloudfront.net/CIK-0001296445/5a906a1b-66cc-4cd2-892d-db5e1032b447.pdf

126 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.

Employees with questions or grievances 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.

Employment Data for Ormat[127]

	2019				2018			
Location	**Number of Employees**	**Percentage of Total Employees**	**Of Which Permanent**	**Of Which Temporary**	**Number of Employees**	**Percentage of Total Employees**	**Of Which Permanent**	**Of Which Temporary**
United States	578	41%	566	12	584	43%	577	7
Israel	584	42%	574	10	556	41%	545	11
Kenya	64	5%	64	0	58	4%	58	0
Honduras	52	4%	48	4	45	3%	45	0
Guatemala	57	4%	56	1	54	4%	54	0
Turkey	25	2%	25	0	23	2%	23	0
Guadeloupe	25	2%	22	3	26	2%	20	6
TOTAL	**1,385**	**100%**	**1,355**	**30**	**1,346**	**100%**	**1,322**	**24**

Most of our employees (98%) in 2019 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 2019, 2% of our employees were classified as temporary.

	2019				2018			
	Total number of employees (by employment contract and gender) YE							
	Permanent		Temporary		Permanent		Temporary	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	166	25	11	4	169	24	14	3
31-50	641	132	11	2	628	120	3	1
51 or older	320	71	1	1	314	67	1	2
Total	**1,127**	**228**	**23**	**7**	**1,112**	**211**	**18**	**6**

127 This includes only those locations included within the Boundaries of this report, and excludes personnel located in Chile, Indonesia, New Zealand, and the Philippines.

	2019				2018			
	Total number of employees (by employment type and gender) YE							
	Full Time		Part Time		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	175	27	2	2	180	26	3	1
31-50	649	131	3	3	628	117	3	4
51 or older	314	69	7	3	306	64	9	5
Total	**1,138**	**227**	**12**	**8**	**1,114**	**207**	**15**	**10**

In 2019, nearly 99% of our employees worked with us in a full-time capacity. 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.

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 2019 was 86%.

	Total number of employees (by employment contract and gender) hired in 2019				Total number of employees (by employment type and gender) hired in 2019			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	50	8	21	6	68	13	3	1
31-50	83	23	12	5	95	28	0	0
51 or older	11	8	0	2	11	9	0	1
Total	**144**	**39**	**33**	**13**	**174**	**50**	**3**	**2**

	Total number of employees (by employment contract and gender) hired in 2018				Total number of employees (by employment type and gender) hired in 2018			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	48	8	19	2	67	10	0	0
31-50	101	21	2	1	103	22	0	0
51 or older	33	9	1	2	34	9	0	2
Total	**182**	**38**	**22**	**5**	**204**	**41**	**0**	**2**

	Total number of employees to end employment in 2019				Total number of employees to end employment in 2019			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	29	0	12	5	40	5	1	0
31-50	80	17	3	4	83	20	0	1
51 or older	36	9	1	3	34	9	3	3
Total	**145**	**26**	**16**	**12**	**157**	**34**	**4**	**4**

	Total number of employees to end employment in 2018				Total number of employees to end employment in 2018			
	Permanent		Temporary		Full Time		Part Time	
	Male	Female	Male	Female	Male	Female	Male	Female
30 or younger	28	3	31	3	57	5	2	1
31-50	79	12	4	0	83	11	0	1
51 or older	47	14	2	0	45	14	4	0
Total	**154**	**29**	**37**	**3**	**185**	**30**	**6**	**2**

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 adheres 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

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. While we do not have specific organizational goals or quotas for hiring individuals from specific gender, racial, cultural, ethnic, national or religious groups, we work to integrate as many different perspectives, experiences and backgrounds into our employee base at all levels of the organization. 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 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 in the U.S. has partnered with a consulting firm that provides us with statistical analysis of the gender and ethnicity ratios, 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 in the U.S. helping us to open positions to 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.

Below is our 2019 year-end new hires headcount by gender

Gender	Count	% of Total
Total Female	62	22%
Total Male	215	78%
Total Overall	277	

Below is our U.S. 2019 year-end new hires headcount by ethnicity/race[128]:

Category	Count	% of Total
Total Minorities[129]	50	27%
Total Non-Minorities	132	73%
Overall Total	182	

As of 2019, 17% of our employees were female. There are six female members of our broader management team who fill positions such as the Senior Vice President and Corporate Secretary; 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.

In addition, we work to ensure that our employees come from diverse age groups. Most of our employees are between the ages of 31-50, but we also have a significant number of employees who are 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.

128 We do not track the specific diversity of our workforce in our locations outside of the US. With this, all overseas employees are locally hired and thus are representative of the communities in which we operate.

129 Includes the following minority groups: Black or African American; Native American and Alaskan Natives; Asian Americans; Native Hawaiians and other Pacific Islanders; Hispanics and Latinos of all races, and people of two or more races.

Below is our 2019 year-end headcount by management category and gender:

Category	Senior management	% of total	VPs	% of total	Mid-management (reporting to VPs)	% of Total
Total Female	0	0%	9	39%	14	13%
Total Male	7	100%	14	61%	90	87%
Overall Total	7		23		104	

Below is our U.S. 2019 year-end management headcount by ethnicity/race:

Category	Senior management	% of total	VPs	% of total	Mid-management (reporting to VPs)	% of Total
Total Minorities[130]	0	0%	0	0%	6	15%
Total Non- Minorities	1	100%	8	100%	35	85%
Overall Total	1		8		41	

Collective Bargaining Agreements & Employee Unions

While we support 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 2019. As of December 2019 1.8% of our employees were covered by collective bargaining agreements, namely the employees of our Bouillante power plant in Guadeloupe, where employees are represented by the national union, the Confédération Générale du Travail de Guadeloupe.

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 2005[131]. Furthermore, we currently provide such employees with benefits and working conditions that are at least as favorable as the conditions specified in the collective bargaining agreement.[132] 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 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 operation.[133]

130 Includes the following minority groups: Black or African American; Native American and Alaskan Natives; Asian Americans; Native Hawaiians and other Pacific Islanders; Hispanics and Latinos of all races, and people of two or more races.

131 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.

132 2019 Annual Report.

133 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 2019.

Most of our employees receive parental leave benefits, health care insurance[134],sick leave benefits, coverage in the event of disability and/or infirmity, and vacation days[135]. Additionally, at our significant locations of operation[136], our full-time employees are provided benefits that may include life insurance, 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 employees[137] .

All our global employees are entitled to retirement and pension benefits[138] at or beyond the legally required level of employer contribution in the relevant country of operation, including access to 401(k)[139] 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. The amounts funded amounted to $10.8 million and $10.6 million at December 31, 2019 and 2018, respectively. Severance pay expenses for the years ended December 31, 2019, 2018 and 2017 were $3.5 million, $3.0 million and $3.2 million, respectively, which are net of income (including loss) amounting to $1.0 million, $(1.1) million, and $1.8 million, respectively, generated from the regular deposits and amounts accrued in severance funds. Accordingly, the following table sets forth our contractual obligations to employees in paying their benefits (or relevant assets) upon retirement:

	Year ending 2020 (in thousands of USD)
Benefits upon retirement[140]	4,780

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 employee[141].

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 Plan[142], 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.

2019		
	Male	Female
Total number of employees entitled to parental leave	1,150	235
Total number of employees that took parental leave	22	12
Total number of employees that returned to work in the reporting period after parental leave ended	22	11
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	26	5
Return to work rate following parental leave	100%	92%

In order to facilitate a healthy work-life balance for our employees, we encourage them to take vacation days and, at some locations, we provide special holidays to mark the observance of religious holidays, and cultural events. Our approach towards vacation time is flexible, allowing employees to choose their vacation period and to divide the period into intervals throughout the year, of course in consultation with their managers. At some of our operational locations, 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.

In addition to the healthcare benefits noted above, 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, which is why we not only work to ensure they are supported in their healthcare needs, but 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 for certain periods of time at our sites in housing facilities. We do our best to ensure that the facilities are up to their standards and that they are afforded a reasonable level of comfort and accessibility. According to our Human Rights and Labor Policy, at all of our facilities we work to uphold

133 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 2019.

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

135 According to the relevant national framework for vacation days or the personal employment contract of the employee. The indication here is to the possibility for employees to take vacation days, as well as the possibility for extended vacation periods, based on requests and individual employee needs.

136 Coverage for GRI Disclosures 401-2b is provided for the employees that are included in the 'significant locations of operation' noted in the "Information Boundaries of This Report," and does not include employees based in Indonesia, the Philippines, Chile and New Zealand.

137 Benefits are not provided to part-time or temporary employees at our significant locations of operation in the United States.

138 At the national retirement or pension issuance age in the significant location of operation.

139 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.

140 The above amount was determined based on employees' current salary rates and the number of years' service that will have been accumulated at their expected retirement date. These amounts do not include amounts that might be paid to employees that will cease working with us before reaching their expected retirement age.

141 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.

142 The 2012 Incentive Plan expired in May 2018 upon adoption of the 2018 Incentive Compensation Plan ("2018 Incentive Plan"), except as to stock-based awards outstanding under the 2012 Incentive Plan on that date.

basic human rights, and we apply this in our approach to employee housing and residential facilities as well. 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 bussing to and from the power plants to facilitate a smoother work experience. We offer healthy and fulfilling dining options for our employees – namely 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.

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 2019, 87% of our permanent and temporary employees received regular career performance reviews, i.e. on an annual or biannual basis.

Percent of employees who received performance review in 2019

2019		
	Male	Female
Permanent employees	90%	87%
Temporary employees	29%	0%

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 2019, we did not receive any substantive complaints or grievances from employees regarding violations of the Code of Business Conduct and Ethics nor 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 2019, we surveyed nearly 10% 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 dedicated 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 in 2019 released 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.

Collaboration in Ormat

We offer employees several options to improve their work-life balance and ensure that they are fulfilling both their personal and professional goals. We allow some flexibility in work schedules for parents, and in some cases we allow for regular remote work or work from home, depending on the circumstances and the specific needs of the employee. 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.

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

TRAINING & EDUCATIONAL OPPORTUNITIES

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.

In 2019, Ormat employees received an average of 7 hours of training and education.

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 path towards 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 opportunities 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.

Training in Ormat's manufacturing facility

Ormat's team 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 2019, the proportion of management hired from the local communities in our plants was 100%.[143] 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 employment 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

143 '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.

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

The health and safety of our employees, subcontractors, the public and the environment is an overarching priority at Ormat. We manage risks by identifying, assessing and controlling risks in every facility, office and workplace that we own and operate. We promote safety awareness and values and our goal is to 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 follows, 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 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.

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 Global VP of QEHS. The Global VP of QEHS is 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[144] 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[145], 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 our countries of operation and information on the industry standards to which we adhere.

144 HTTPS://WWW.ORMAT.COM/WAREHOUSE/USERUPLOADFILES/IMAGE/ORMAT%20INTERGRATED%20QUALITY%20ENVIORNMET%20HEALTH%20AND%20SAFETY%20(QEHS)%20POLICY.PDF
145 HTTPS://WWW.ORMAT.COM/WAREHOUSE/USERUPLOADFILES/IMAGE/ORMAT%20HUMAN%20RIGHTS%20POLICY.PDF

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 2019, 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

Working safely in Ormat

committees. In 2019, 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 2019, 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 the Occupational Safety and Health Administration's (OSHA)[146] 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.

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.

The following table details Ormat's performance with regards to accepted workplace health and safety indicators in 2019.

Parameter[147]	Female	Male	All
Injury Rate[148]	0	3.56	2.13
Occupational Disease Rate[149]	0	0	0
Lost Day Rate [150]	0	1.31	1.10
Absentee Rate	0.05	0.03	0.03
Work-Related Fatalities [151]	0	0	0

In 2019, we recorded the following reportable injuries at our operational sites:

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

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

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 (PJSM)
Number of documented PJSMs 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

146 The Occupational Safety and Health Administration (OSHA) is an agency of the United States Department of Labor.

147 Each of the health and safety parameters are reported according to the relevant disclosures set out in 403-2 of the GRI's SRS standards.

148 Frequency of injuries, relative to the total time worked by all workers during the reporting period. Ormat uses the total recordable injury rate, TRIR which is calculated as the number of medical treatment injuries per 200,000 employee hours.

149 Frequency of occupational diseases relative to the total time worked by all workers during the reporting period. Calculated as the number of medical treatment occupational diseases per 200,000 employee hours.

150 Time ('days') that cannot be worked (and are thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational disease or accident. Calculated as the number of lost day cases per 200,000 employee hours.

151 Death of a worker occurring in the current reporting period, arising from an occupational disease or injury sustained or contracted while performing work that is controlled by the organization or that is being performed in workplaces that the organization controls. Calculated as the number of fatalities per 200,000 employee hours.

The following table represents our health and safety performance regarding the abovementioned indicators in 2019:

Indicator	Business Unit	2019 Performance	2019 Total
Safety Suggestions	United States Operations	317	791
	Israel Operations	244	
	Other International Operations	155	
	Drilling Operations	75	
Safety	United States Operations	2249	6872
	Israel Operations	2539	
	Other International Operations	1426	
	Drilling Operations	658	
JHAs	United States Operations	133	432
	Israel Operations	53	
	Other International Operations	186	
	Drilling Operations	19	
PJSMs	United States Operations	950	2169
	Israel Operations	514	
	Other International Operations	454	
	Drilling Operations	251	
Safety Inspections	United States Operations	1564	1895
	Israel Operations	10	
	Other International Operations	158	
	Drilling Operations	63	
Safety Work Orders (Tasks)	United States Operations	1212	1638
	Israel Operations	317	
	Other International Operations	61	
	Drilling Operations	48	
Safety Committee Meetings	United States Operations	163	289
	Israel Operations	70	
	Other International Operations	52	
	Drilling Operations	4	

In forthcoming reports, we plan to report on our health and safety indicator performance to show our progress year-over-year.

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, isobutane[152] . 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 follows 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).

152 More information on our treatment of these regulated substances can be found in the "Waste and Materials" chapter.

Community event near Amatitlan plant in Guatemala

ore information on our treatment of these regulated substances can be found in the "Waste and Materials" chapter.

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 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 Global Reporting Initiative (GRI), 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 is responsive and respectful to local customs, in full 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 maintain ongoing dialog and change according to their changing needs.

In 2019, of all the social and environmental impact assessments we conducted, Ormat did not discover any notable 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' page[153] 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 are 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 2019, 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.

Beyond local and national platforms, Ormat has also found a voice on the global stage to discuss the benefits of geothermal energy. In 2019, Vice President of Business Development Paul Thomsen presented on Ormat's efforts to implement sustainable development goals in the geothermal energy arena to the United Nations in New York, NY.

United States

In the United States, Ormat works to increase awareness of renewable and geothermal energy in the general public as well as for policy makers and government representatives. We regularly share information with these groups regarding the multiple benefits of geothermal as a viable, steady, and reliable source of renewable energy that has minimal impacts on the surrounding environment. Ormat employs 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 an example of the in-depth engagement activities initiated by Ormat in communities that host our power plants, in 2019 Ormat began work on a Steamboat Hills geothermal enhancement project near Reno, Nevada. The enhancement project entails the replacement of old power plant equipment to improve performance and efficiency. With the aim of being a good neighbor in our community, staff attended a neighborhood advisory board meeting, provided a workshop at the Reno City Council, and met with the City Planning Commission and the Regional Planning Committee to proactively address questions and concerns regarding the project. Following these meetings, the Reno City Council approved the Steamboat Hills geothermal enhancement project, based on its adherence to relevant regulations, including those governing Ormat's environmental and social engagement.

Since 2019, Ormat has continued to address relevant concerns and provide community education on geothermal energy in the Reno, Nevada area, including community-wide presentations on renewable energy hosted by the Great Basin Institute, the Nevada Petroleum and Geothermal Society, and local Chambers of Commerce. These well-attended presentations were highlighted by the local news and led to heightened community interest in tours of our geothermal facilities. We continue to provide these tours and presentations, attend community meetings, and implement feedback mechanisms from the public in all of our host communities to sustain community engagement and interest. Regarding the initiatives identified throughout the course of these outreach activities, Ormat publishes an annual progress report accessible to the public.

While a significant component of community engagement is focused on the economic benefits of building a geothermal power plant, Ormat is also deeply committed to looking beyond economic factors to enhance the quality of life in our host communities. In May of 2018, Kilauea, a volcano active since 1983, began a months-long eruption in Puna, Hawaii, transforming the landscape and devastating the community. In the wake of the eruption, Puna Geothermal Venture (PGV) and 700 surrounding homes in the community were entirely surrounded by lava. Ormat immediately committed to bringing the PGV plant back online to provide power to the community. Working closely with oversight partners, Ormat worked quickly to design, engineer and clear a new path to the facility. And with the help of the Kapoho Land Development Company, we were able to create access for our neighbors whose homes had become inaccessible due to the eruption.

Following the eruption, as Puna banded together to heal, Ormat was honored to contribute funds to the Hawaii Island Chamber of Commerce, the Imiloa Astronomy Center, the local Hawaii chapter of the Boy Scouts of America, and several other community groups and causes as their journey to overcome the tragedy commenced. Abiding by the philosophy that a rising tide lifts all boats, Ormat seeks similar philanthropic and sponsorship opportunities in all of our host communities to encourage those communities to thrive and flourish through arts, education, health and wellness. In 2019, we donated funds to the AVA Ballet Theater and the Pioneer Center for Performing Arts in Reno, NV and in both 2018 and 2019 we sponsored a summer youth education program for the Yomba Shoshone tribe in Austin, NV centered around culture, community, and wellness.

153 https://www.ormat.com/en/company/contact/main/

In addition to extensive outreach activities in our host communities, Ormat takes every opportunity to increase education and awareness for policy makers and government representatives, including tours and educational presentations to local and national delegations. In 2019, the geothermal energy space saw a flurry of activity in Washington D.C., as Nevada Senator Cortez Masto and Oregon Senator Ron Wyden introduced the Geothermal Energy Opportunities Act. Following this and based on increased interest in geothermal technology on a national level, Ormat presented the clean energy potential of geothermal energy to the Energy and Mineral Resources Subcommittee in September of that same year.

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

School girls from a school for the community near Olkaria III

77 https://www.ormat.com/en/company/contact/main/

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 of constructing a community recreation park, including a playground for children. Last, but not least, Ormat was a sponsor of the 2019 Pepinal community soccer championship.

Honduras

The mission of Ormat's geothermal project in Honduras, Geotérmica Platanares (GPS), is to be a leading regional provider of renewable energy while building a balanced portfolio of geothermal assets. GPS also 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. 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.

Geotérmica Platanares applies the same high standards to the way we interact, engage and develop our business, while also understanding and perceiving the unique cultural needs of each community on every level. In all cases, GPS 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.

Our goal is to inform and engage our visitors and provide a first-hand look at how geothermal energy is contributing to a cleaner energy future and a more stable, affordable electricity grid. To that end, in 2019 hundreds of people from across Honduras – students, local government members, service organizations, environmental groups, and others – visited our facility for tours.

Ormat recognizes that for successful interactions with the community to occur, there must be a basis for meaningful communication, mutual respect and trust. That's why we create mechanisms to encourage all community members to speak openly and honestly about any concerns that our development activities may raise. The Grievance Mechanism ensures that 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 pro-activity. In 2019, GPS did not receive any major stakeholder grievances nor were any other issues raised regarding vulnerable community groups in our area 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 in previous years, in 2019 we conducted a robust program of community outreach in Honduras. We underwrote improvements to the main roadway, enabling residents to safely make their way to work at the San Andres Mines. We remodeled the San Andres Social Center, a long-awaited improvement, which will enable it to serve as a venue for town meetings and the celebration of social occasions. In El Cedro, one of the poorest communities in the region, we provided the materials to build new roofs for the town's neediest residents. When it comes to community safety, our focus this year was Traffic Safety. To this end, we placed road signs, traffic lights, and crosswalks in critical places to help protect pedestrians and motorists alike. Throughout the region we serve, we conducted a program of reforestation, together with students of the communities, which resulted in the planting of over 12,000 trees, and a recycling education program, which made available recycling kits for solid residues.

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 disadvantaged 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 2019, 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 nearby communities.

a new school near Zunil

EDUCATIONAL EMPOWERMENT

United States

Ormat aims to educate as many people as possible about renewable energy – specifically geothermal energy – and its concomitant benefits for people, their communities, and the environment It is with this aim in mind that we generally 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.

In addition to reaching school students of all ages, we also understand the importance of fostering developing minds and providing equality of opportunity in education. In 2019, Ormat provided support to the Central Union High School District in El Centro, California, towards their youth softball league. We are now in the second year of our three-year commitment (begun in 2018) to the Mammoth Lakes Foundation, which funds full scholarships for every Mono County senior high school student planning on attending the Cerro Coso Community College. In 2019, we also began a scholarship program for students of the Eureka County High School, which offers competitive scholarships to graduating seniors planning on continuing to college or vocational studies, with an emphasis on Engineering, Electrical Instrumentation & Controls (through Great Basin Community College in Elko) or other scientific fields. Similarly, in 2019 Ormat also committed funds to fund scholarships for students attending Hawaii Community College and the University of Hawaii, Hilo as the local community recovered from the trauma of the 2018 Kilauea eruption.

Guatemala

In 2019, Ormat supported early childhood and elementary school education in five target communities served by Amatitlan. We funded the salary costs of two teachers serving schools in Calderas and Pepinal and provided scholarships for four students in San Francisco de Sales. In the latter city, we also donated musical instruments for the school band. In Bejucal, we built new bathrooms for a community school in an effort to improve the overall sanitary and health conditions experienced by schoolchildren. In El Cedro, we donated stoves to the town's primary school, to enable them to provide hot breakfasts for their students. Also in El Cedro, we purchased a refrigerator for the local nursery school to help preserve the food that they receive from the Ministry of Education.

In La Calera, the village near Zunil, which is home to a population of around 600 people, our efforts focus on supporting the community's elementary school, because we believe that education can serve as a springboard for the advancement of the whole community. Currently, around 70 students from 5 to 13 years of age attend, and it is therefore critical that the school will be able to adequately serve their needs. To that end, in 2019 Ormat sponsored the construction of a second-floor addition to the existing building, adding five new classrooms, complete with new desks and whiteboards, together with a renovation of the entire school. The inauguration was a big community event, with the students receiving new school supplies and uniform.

Honduras

In 2019, we began a project in collaboration with the Honduras Ministry of Education, which will transform a community public school into Honduras' first public bilingual

school, teaching English as a Second Language. This year, we started with students at the kindergarten level, and will expand to the first-grade level in 2020. Though the program is new, it has already created an impact – enrollment in the community school has doubled since we began.

In 2019, we also provided 50 scholarships to students at the high school and university level to enable them to access quality educational opportunities that would otherwise be unavailable to them.

We believe that hunger is a major barrier to the ability of children to learn. For this reason, we continue to provide the ingredients to provide meals to all the children in the five educational centers within our communities. We also donated appliances, water tanks, food storage containers, and other materials to ensure that the food can remain fresh and nutritious before being served.

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 for bright young girls. By doing so, we provide higher education pathways for female students which open doors to careers as a viable alternative to early marriage. In 2019, we granted mid-level and tertiary sponsorships to over 40 students from our six served communities (Narasha, Olomunyak, Olmara, Nkaampani, Oltepesi, and Olmaiyana), alongside over 50 secondary school bursaries.

We also carried out a mentorship program in partnership with the National Organization of Peer Educators to 8th grade girls. In all our communities, we supported schools by providing hot meal services, installing water tanks, transporting teachers to schools, building classrooms, donating classroom furniture and equipment, supporting extracurricular activities, and in some cases hiring school guards and funding teacher salaries.

Guadeloupe

In 2019, we continued our support for extracurricular activities, such as sports and music, which consists of providing grants to purchase supplies. We provide essential school tutoring for students in need, and provide prize incentives (computers, mobile phones, and travel tickets) for the 10 best students in the city. As Safety is a core Ormat value, we have continued our ongoing program to support safe bicycle and scooter driving for young people.

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 network.[154] 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 2019, 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 2019, 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

United States

Ormat is involved in a wide variety of partnerships designed to promote health, well-being, dignity, and self-sufficiency in our host communities. In 2019, Ormat was a sponsor at the American Heart Association's (AHA) annual Heart and Stroke Ball and employees also participated in the AHA's annual Heart and Stroke Walk. We also continue to proudly support the Food Bank of Northern Nevada through donations and volunteered staff time.

Guatemala

During 2019, Ormat supported the salary costs of a doctor for three days per week at the Cedro Health Post. Additionally, we supported the salary costs of a nurse who provided weekend services at the San Vincente Health Center, two days a week. This initiative

154 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/

Committed to health during the global pandemic

Ormat is committed to the health and well-being of our employees and all the individuals living in our host communities across the globe. Never before has that commitment been tested as it was in the latter part of 2019, and through 2020, when the COVID-19 pandemic swept across the globe. The virus infected hundreds of thousands of people in every country, leading to the shutdown of economic activity and the breakdown of essential global supply chains.

In the early days of this crisis, Ormat acted quickly to put strict social distancing mechanisms in place to protect all of our employees. While their safety was our top priority, it was clear that more was needed from us in many of the communities that host our power plants. Quick work was needed to launch an extensive outreach plan to support these communities where we do business. One of the largest impacts to individuals that we sought to address was the reduced availability of food to vulnerable populations. Because of this dangerous food insecurity, Ormat devised a plan to supply food to 17 different communities, ultimately providing 2,795 food packages to support 11,411 people in Kenya, Guatemala and Honduras.

In addition to providing needed sustenance to these communities, there was an outcry from healthcare workers across the globe for medical and personal protective equipment (PPE). Ormat heard the call and joined the hundreds of international companies who stepped up to donate necessary supplies and personal protective equipment (PPE) to hospitals in Kenya, Guatemala, Honduras and the United States. In Nevada, we donated 1,200 unused N95 masks from our power plant operations to Renown Hospital and the Veterans Administration Hospital.

While the world isn't out of the woods yet, we understand the need to come together as a global community to meet the needs of our most vulnerable. We will continue to seek opportunities in our communities to make a positive impact on our neighbors, and we hold onto the hope that as the world recovers, we will all emerge from this crisis stronger and more connected, resilient and prepared than ever before.

is a continuation of the support that we provided in 2018. Additionally, we supported the ongoing renovation of the Pepinal Health Post, including the construction of a new roof, and facilitated the donation of medical supplies.

Honduras

This year, Ormat continued to collaborate with the Central American Medical Outreach (CAMO)[155] Brigades, a foundation that provides essential medical services to disadvantaged communities. In 2019, we worked with them to provide medical services year-round to our communities. Through this initiative, Ormat was able to provide hundreds of medical treatments such as dental care treatments for children between the ages of 7 and 16, mammography screening to women older than 35 years of age, and cytology exams.

Kenya

In 2019, 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, we also operated a free medical clinic, in partnership with the government-run Naivasha District Hospital.

LOCAL LIVELIHOOD

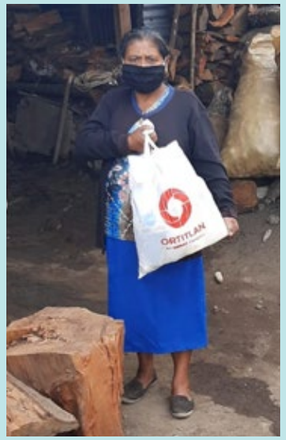
One of the prime directives that sets Ormat apart is our Company-wide promotion of local employment; everyone who works at a plant is from the country in which the plant is located. We believe every renewable energy facility we develop, own and/or operate should be staffed by people who live in or close 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.

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.




Dental care to the community near Platanares plant in Honduras

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 program[156] 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, operating construction equipment, and business management and administration. We also provide essential skills training and mentorship to small and medium sized enterprises (SMEs) in the area and prioritize hiring community members to work within our facility.

155 See https://www.camo.org/

156 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 VIII.
GRI CONTENT INDEX

Content Index
Ormat Technologies, Inc.

Dec 2020
Service

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.

Don A. Campbell geothermal complex, NV, U.S., 36 MW

GRI Standards	Disclosure	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. 14)	
	102-2: Activities, brands, products and services	'How Ormat Powers our Renewable Energy Future' (pg. 8), 'Ormat: What We Do' (pg. 14), 'About Our Renewable Energy Business' (pgs. 14-15), 'Geothermal Power Plants' (pg. 16), 'Recovered Energy Power Plants' (pgs. 18-19), 'Storage & Energy Management' (pgs. 20-21), 'Our History and Key Experience' (pg. 20), 'Our Proprietary Technology (pg. 20), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64)	
	102-3: Location of headquarters	'Our History and Key Experience' (pg. 20)	
	102-4: Location of operations	'Ormat At A Glance' (pgs. 10-11), 'Ormat Presence' (pg. 12-13), 'Ormat's Geothermal and Recovered Energy Power Plants in Operation as of December 2019' (pgs. 18-19) 'Our History and Key Experience' (pg. 20), 'Information Boundaries of This Report' (pg. 42-43)	
	102-5: Ownership and legal form	'Ownership Structure' (pg. 22), 'Beneficial Ownership' (pg. 22)	
	102-6: Markets served	How Ormat Powers Our Renewable Energy Future' (pg. 8), 'Ormat: What We Do' (pg.14), 'About Our Renewable Energy Business' (pgs. 14-15, 'Geothermal Power Plants' (pg. 16), 'Our History and Key Experience' (pg. 20), Our Customers' (pgs. 20-21), 'About Our Business' (pg. 46), 'Our Business Strategy' (pg. 46)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-7: Scale of the organization	How Ormat Powers Our Renewable Energy Future' (pg. 8), 'Ormat At A Glance' (pgs. 10-11), 'Ormat Presence' (pg. 12-13), 'About Our Renewable Energy Business' (pgs. 14-15), 'Our History and Key Experience' (pg. 20), ' Our Customers' (pgs. 20-21), 'About Our Business' (pg. 46), 'Economic Performance in 2019' (pgs. 47-48), 'Our People: Employment and Skill Development at Ormat' (pg. 82), 'Our Employment Framework' (pgs. 82-83)	
	102-8: Information on employees and other workers	'Employment Data for Ormat in 2019' (pgs. 84-85), 'Subcontractors and Third Parties' (pgs. 85-86), 'Employee Retention' (pgs. 86-87), 'Diversity & Equality in Employment at Ormat' (pgs. 88-89)	
	102-9: Supply chain	'Ormat's Supply Chain & Procurement Practices' (pg. 50), 'Subcontractors and Third Parties' (pgs. 85-86)	
	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. 38), ' Relevant Risks' (pg. 38)	
	102-12: External initiatives	'External Initiatives' (pg. 32)	
	102-13: Membership of associations	'Ormat's Memberships of Association' (pg. 33)	
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker	'A Message for Our Stakeholders' (pg. 4)	
	102-15: Key impacts, risks, and opportunities	'Knowing Our Impacts – Stakeholder Engagement Strategy' (pgs. 26-28), 'Risk Management Strategy – Sustainability and Climate Change-Related Risks' (pgs. 38-39)	

GRI Standards	Disclosure	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. 24-25), 'Our Five Core Values' (pgs. 24-25), 'Making Sound Corporate Governance a Priority' (pg. 54)	
	102-17: Mechanisms for advice and concerns about ethics	'An Organization Shaped by Values' (pgs. 24-25), 'Ensuring a Corruption-Free Work Environment' (pgs. 59-61), 'Communication and Training on Anti-Corruption Commitments' (pg. 60), 'Whistleblower Policy' (pg. 61), 'Our Outlook on Employment' (pg. 82), 'Our Employment Framework' (pgs. 82-83)	
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure	'Our Holistic Approach to Corporate Governance' (pg. 52), 'Ormat's Corporate Governance Structure' (pgs. 54-55), 'Ormat's Board of Directors' (pg. 54), 'Ormat's Board of Directors Committees' (pgs. 55-56), 'Ormat's Management' (pgs. 57-58)	
	102-19: Delegating authority	'Ormat's Board of Directors Committees' (pgs. 5-56)	
	102-20: Executive-level responsibility for economic, environmental, and social topics	'Ormat's Board of Directors Committees' (pgs. 55-56)	
	102-21: Consulting stakeholders on economic, environmental, and social topics	'Knowing Our Impacts – Stakeholder Engagement Strategy' (pgs. 26-28), 'Our Approach to Stakeholder Engagement' (pgs. 26-27), 'Our Main Channels of Stakeholder Engagement' (pg. 27), 'Ormat's Board of Directors Committees' (pgs. 55-56)	
	102-22: Composition of the highest governance body and its committees	'Ormat's Corporate Governance Structure' (pgs. 54), 'Ormat's Board of Directors' (pgs. 54), 'Ormat's Management' (pgs. 57-58)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-23: Chair of the highest governance body	'Ormat's Board of Directors' (pg. 54)	
	102-26: Role of the highest governance body in setting purpose, values and strategy	'Ormat's Corporate Governance Structure' (pg.54), 'Ormat's Board of Directors' (pg. 54), 'Ormat's Management' (pgs. 57-58)	
	102-29: Identifying and managing economic, environmental, and social impacts	'Our Strategic Commitments and Sustainability Plan' (pg. 32), 'Ormat's Board of Directors Committees' (pgs. 55-56)	
	102-30: Effectiveness of risk management processes	'Our Risk Management Approach' (pg. 38)	
	102-33: Communicating critical concerns	'Ensuring a Corruption-free Work Environment' (pg. 59), 'Whistleblower Policy' (pg. 61)	
	102-35: Remuneration policies	'Remuneration Policies' (pg. 58), 'Stock-based Awards' (pgs. 59)	
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	'Stakeholder Groups Engaged by the Organization' (pg.26)	
	102-41: Collective bargaining agreements	'Collective Bargaining Agreements & Employee Unions' (pg. 89)	
	102-42: Identifying and selecting stakeholders	'Knowing Our Impacts – Stakeholder Engagement Strategy' (pgs. 26-28)	
	102-43: Approach to stakeholder engagement	'Our Approach to Stakeholder Engagement' (pgs. 26-27), 'Our Main Channels of Stakeholder Engagement' (pg. 27), 'Our Stakeholders' Key Interests and Concerns' (pg. 28), 'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs. 29-31), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 105)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 102: General Disclosures 2016	102-44: Key topics and concerns raised	'Our Stakeholders' Key Interests and Concerns' (pg. 28)), 'Our Sustainability Strategy – Defining What's Material to Ormat'(pgs. 29-31), 'Our Strategic Commitments and Sustainability Plan' (pg. 32), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 105)	
Reporting Practice			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	'About This Report' (pg. 42), 'Information Boundaries of This Report' (pg. 42-43)	
	102-46: Defining report content and topic Boundaries	'About This Report' (pg. 42, 'Information Boundaries of This Report' (pg. 42-43)	
	102-47: List of material topics	'Our Sustainability Strategy – Defining What's Material to Ormat' (pgs. 29-31)	
	102-48: Restatements of information	'About This Report' (pg. 42), 'Information Boundaries of This Report' (pg. 42-43)	
	102-49: Changes in reporting	'About This Report' (pg. 42), 'Information Boundaries of This Report' (pg. 42-43)	
	102-50: Reporting period	'About This Report' (pg. 42)	
	102-51: Date of most recent report	'About This Report' (pg. 42)	
	102-52: Reporting cycle	'About This Report' (pg. 42)	
	102-53: Contact person for questions regarding the report	'Contact Point for Questions Regarding This Report' (pg. 43)	
	102-54: Claims of reporting in accordance with the GRI Standards	'About This Report' (pg. 42)	
	102-55: GRI content index	'GRI Content Index' (pgs.114-130)	
	102-56: External assurance	'About This Report' (pg. 42)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
Material Topics			
GRI 200 Economic Standards Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Our Business, Financial Performance and Economic Impacts' (pg. 44), 'About Our Business' (pg. 46)	
	103-2: The management approach and its components	'About Our Business' (pg. 46), 'Management of Economics and Finance at Ormat' (pgs. 46-47)	
	103-3: Evaluation of the management approach	'Our Risk Management Approach' (pg. 38), 'About Our Business' (pg. 46), 'Our Business Strategy' (pg. 46)	
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	'Economic Performance in 2019' (pgs. 47-48)	
	201-2: Financial Implications and other risks and opportunities due to climate change	'Relevant Risks' (pg. 38)	When compiling the information specified in Disclosure 201-2, if the reporting organization does not have a system in place to calculate the financial implications or costs, or to make revenue projections, it shall report its plans and timeline to develop the necessary systems. Omission of 201-2 iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.
	201-3: Defined benefit plan obligations and other retirement plans	'Employee Benefit, Healthcare & Welfare Frameworks' (pgs. 89-92)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 201: Economic Performance 2016	201-4: Financial assistance received from government	'Loans and Financial Assistance Received from Governments and Development Banks' (pgs. 48-49)	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.**
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. 32)	
	103-2: The management approach and its components	'Our Strategic Commitments and Sustainability Plan' (pg. 32)	
	103-3: Evaluation of the management approach	'Our Strategic Commitments and Sustainability Plan' (pg. 32)	
Non-GRI Material Topic	Ensuring innovation in products & services that Ormat offers its customers	'Our Strategic Commitments and Sustainability Plan' (pg. 32)	
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' (pgs. 50-51)	
	103-2: The management approach and its components	'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
	103-3: Evaluation of the management approach	'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
Non-GRI Material Topic	Reliability of Ormat's Service	'About Our Renewable Energy Business' (pgs. 14-15), ' About Our Geothermal Solutions' (pgs. 16-17), 'Storage and Energy Management' (pgs. 20-21), 'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
Customer Service			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
GRI 103: Management Approach 2016	103-2: The management approach and its components	'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
	103-3: Evaluation of the management approach	'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
Non-GRI Material Topic	Customer Service	'Our Approach to Stakeholder Engagement' (pgs. 26-27), ' Our Main Channels of Stakeholder Engagement' (pg. 27), 'Our Stakeholders' Key Interests and Concerns' (pg. 28), 'Providing Excellent and Reliable Customer Service' (pgs. 50-51)	
Market Presence			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'An Organization Shaped by Local Employment' (pgs. 97)	
	103-2 The management approach and its components	'An Organization Shaped by Local Employment' (pgs. 97)	
	103-3 Evaluation of the management approach	'An Organization Shaped by Local Employment' (pgs. 97)	
GRI 202: Market Presence 2016	202-2: Proportion of senior management hired from the local community	'An Organization Shaped by Local Employment' (pgs. 97)	
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Developing Renewable Energy and Critical Infrastructure' (pg. 49), 'Our People: Employment and Skill Development at Ormat' (pg. 82), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 105), 'Our Goals and Guideposts' (pg. 105)	
	103-2: The management approach and its components	'Our Goals and Guideposts' (pg. 105), 'Understanding and Uniqueness' (pg. 105), 'Social Action Plans' (pg. 105)	
	103-3: Evaluation of the management approach	'Listening Means Learning' (pgs. 105-109)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	'Ormat: What We Do' (pg. 14), 'About Our Renewable Energy Business' (pgs. 14-15), 'Developing Renewable Energy and Critical Infrastructure' (pg. 49), Ormat and The Sustainable Development Goals' (pgs. 33-37), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 105)	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.**
	203-2: Significant indirect economic impacts	'Developing Renewable Energy and Critical Infrastructure' (pg. 49), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 105)	
Anti-Corruption			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Our Holistic Approach to Corporate Governance' (pg. 52), 'Ensuring a Corruption-Free Work Environment' (pg.59)	
	103-2: The management approach and its components	'Our Holistic Approach to Corporate Governance' (pg. 52), 'Ensuring a Corruption-Free Work Environment' (pg. 59)	
	103-3: Evaluation of the management approach	'Ensuring a Corruption-Free Work Environment' (pg. 59)	
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	'Our Holistic Approach to Corporate Governance' (pg. 50), 'Ensuring a Corruption-Free Work Environment' (pg. 59)	
	205-2: Communication and training about anti-corruption policies and procedures	'Ensuring a Corruption-Free Work Environment' (pg. 59), 'Communication and Training on Anti-Corruption Commitments' (pg. 60)	
	205-3: Confirmed incidents of corruption and actions taken	'Our Holistic Approach to Corporate Governance' (pg. 52), 'Ensuring a Corruption-Free Work Environment' (pg. 59)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
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' (pg. 73), 'Waste, Material Management and Recycling ' (pgs. 73-75), 'At Our Global Power Plants' (pg. 74), 'At Our Manufacturing Facilities, Workshops and Offices' (pgs. 74-75)	
	103-2: The management approach and its components	'Waste, Management of Materials and Biodiversity Conservation' (pg. 73, 'Waste, Material Management and Recycling' (pgs. 73-75), 'At Our Global Power Plants' (pg. 74), 'At Our Manufacturing Facilities, Workshops and Offices' (pgs. 74-75)	
	103-3: Evaluation of the management approach	'Waste, Management of Materials and Biodiversity Conservation' (pg. 73, 'Waste, Material Management and Recycling ' (pgs. 73-75)	
GRI 301: Materials 2016	301-1: Materials used by weight or volume	'Waste, Management of Materials and Biodiversity Conservation' (pg. 73, 'Waste, Material Management and Recycling' (pgs. 73-75), 'At Our Global Power Plants' (pg. 74), 'At Our Manufacturing Facilities Workshops and Offices' (pgs. 74-75)	
Brine & Steam Management			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	' About Our Renewable Energy Business' (pgs. 14-15), 'About Our Geothermal Solutions' (pgs. 16-17), 'Management of Geothermal By-Products and Water Resources' (pg. 71), 'Management of the Geothermal Resource and its By-Products' (pg. 71)	
	103-2: The management approach and its components	' About Our Renewable Energy Business' (pgs. 14-15)'About Our Geothermal Solutions' (pgs. 16-17), 'Management of the Geothermal By-Products and Water Resources' (pg. 71), 'Management of the Geothermal Resource and its By-Products' (pg. 71)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	'About Our Geothermal Solutions' (pgs. 16-17), 'Management of the Geothermal By-Products and Water Resources' (pg. 71), 'Management of the Geothermal Resource and its By-Products' (pg. 71)	
Non-GRI Material Topic	Brine & Steam Management	'Ormat: What We Do' (pg. 14), 'About Our Renewable Energy Business' (pgs. 14-15), 'About Our Geothermal Solutions' (pgs. 16-17), 'Management of the Geothermal By-Products and Water Resources' (pg. 71), 'Management of the Geothermal Resource and its By-Products' (pg. 71), 'Safe Dealing with Hazardous Materials and Emergency Response Plans' (pg. 103)	
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. 64), 'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 69), 'Efforts to Improve Energy Efficiency' (pg. 70)	
	103-2: The management approach and its components	'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64), 'Energy Use, Efficiency and Fuel Resource Management at Ormat' (pg. 69), 'Efforts to Improve Energy Efficiency' (pg. 70)	
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	'Efforts to Improve Energy Efficiency' (pg. 70)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 302: Energy 2016	302-1: Energy consumption within the organization	'Energy Consumption in the Organization' (pg. 69)	As the organization does not consume fuel from renewable sources as of 2019, the data for 302-1b was omitted as the requirement is **not applicable.**
	302-1: Energy consumption within the organization	'Energy Consumption in the Organization' (pg. 69)	The organization does not report information for parameters 302-1c iii-iv as the **information is unavailable** – the organization does consume energy for cooling, or steam. These energy expenditures are included in the total electricity consumption in the organization, reported in 302-1e. Information 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 2019.
	302-3: Energy intensity	'Energy Intensity' (pg. 70)	
Encouraging Green Energy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'About Our Renewable Energy Business' (pgs. 14-15), 'Geothermal Power Plants' (pg. 16), 'About Our Geothermal Solutions' (pgs. 16-17), 'Recovered Energy Power Plants' (pgs. 18-19), 'Our History and Key Experience' (pg. 20), 'Our Customers' (pgs. 20-21), 'Our Five Core Values' (pgs. 24-25), 'Our Strategic Commitments and Sustainability Plan' (pg. 32), 'About Our Business' (pg. 46), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64)	

GRI Standards	Disclosure	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 Renewable Energy Business' (pgs. 14-15), 'Geothermal Power Plants' (pg. 16), 'About Our Geothermal Solutions' (pgs. 16-17), 'Recovered Energy Power Plants' (pgs. 18-19), 'Our History and Key Experience' (pg. 20), 'Our Customers' (pgs. 20-21), 'Our Five Core Values' (pgs. 24-25), 'Our Strategic Commitments and Sustainability Plan' (pg. 32), 'About Our Business' (pg. 46), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64)	
	103-3: Evaluation of the management approach	'About Our Renewable Energy Business' (pgs. 14-15), 'Geothermal Power Plants' (pg. 16), 'About Our Geothermal Solutions' (pgs. 16-17), 'Recovered Energy Power Plants' (pgs. 18-19), 'Our History and Key Experience' (pg. 20), 'Our Customers' (pgs. 20-21), 'Our Five Core Values' (pgs. 24-25), 'Our Strategic Commitments and Sustainability Plan' (pg. 32), 'About Our Business' (pg. 46), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities' (pg. 64)	
Non-GRI Material Topic	Encouraging Green Energy	'About Our Renewable Energy Business' (pgs. 14-15), 'Our History and Key Experience' (pg. 20), 'Our Customers' (pgs. 20-21)), 'An Organization Shaped by Values (pgs. 24-25), 'Our Sustainability Strategy – Defining What's Material to Ormat ' (pgs. 29-31), 'Ormat and the and the Sustainable Development Goals' (pgs. 33-37), 'About Our Business' (pg. 46) 'Our Business Strategy' (pg. 46), 'Economic Performance in 2019' (pgs. 47-48), 'Developing Renewable Energy and Critical Infrastructure' (pg. 49), 'Environmental Regulations Supporting Our Business' (pg. 49), 'Mitigating Climate Change Risks and Working to Realize New Opportunities ' (pg. 64), 'Emissions from Our Power Plants and Operations' (pgs. 64-67), 'Supporting and Shaping Sustainable Communities and Futures' (pg. 105)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
Water			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Our Risk Management Approach' (pg. 38), 'Management of Geothermal By-Products ' (pg. 71), 'Management of Water Resources in Our Operations' (pg. 71)	
	103-2: The management approach and its components	'Our Risk Management Approach' (pg. 38), 'Management of Geothermal By-Products and Water Resources' ((pg. 71), 'Management of Water Resources in Our Operations' (pg. 71)	
	103-3: Evaluation of the management approach	'Our Risk Management Approach' (pg. 38), 'Management of Geothermal By-Products and Water Resources' (pg. 71), 'Management of Water Resources in Our Operations' (pg. 71)	
GRI 303: Water 2016	303-1: Water withdrawal by source	'Management of Water Resources in Our Operations' (pg. 71), 'Impacts of Our Operations on the Local Hydrology and Aquifers' (pgs. 72-73)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
Biodiversity			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Our Risk Management Approach' (pg. 38)), 'Biodiversity' (pg. 76),	
	103-2: The management approach and its components	'Our Risk Management Approach' (pg. 38), 'Biodiversity' (pg. 76),	
	103-3: Evaluation of the management approach	'Our Risk Management Approach' (pg. 38), 'Biodiversity' (pg. 76), ' Environmental Impact Assessments and Environmental Audits' (pg. 76),	
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. 73), 'Biodiversity' (pg. 76), 'Maintaining the Natural Environment in the Construction and Operation of Our Power Plants' (pg. 76)	
	304-2: Significant impacts of activities, products, and services on biodiversity	'Biodiversity' (pg. 76), 'Maintaining the Natural Environment in the Construction and Operation of Our Power Plants' (pg. 76), 'Environmental Impact Assessments and Environmental Audits' (pg. 76)	
	304-3: Habitats protected or restored	'Environmental Impact Assessments and Environmental Audits' (pg. 76)	
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	'Environmental Impact Assessments and Environmental Audits' (pg. 76)	
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' (pgs. 64-67)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 103: Management Approach 2016	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' (pgs. 64-67)	
	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' (pgs. 64-67), 'Emissions from Operations' (pg. 68)	
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	'Emissions from Our Power Plants and Operations' (pgs. 64-67), 'Our Carbon Footprint and GHG Emissions Mitigated' (pg. 64)	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.
	305-2: Energy indirect (Scope 2) GHG emissions	'Emissions from Our Power Plants and Operations' (pgs. 64-67), 'Our Carbon Footprint and GHG Emissions Mitigated' (pg. 64)	
	305-3: Other indirect (Scope 3) GHG emissions	'Emissions from Our Power Plants and Operations' (pgs. 64-67), 'Our Carbon Footprint and GHG Emissions Mitigated' (pg. 64)	The organization omitted 305-3c 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.
	305-4: GHG emissions intensity	'Emissions from Our Power Plants and Operations' (pgs. 39-42), 'Our Carbon Footprint and GHG Emissions Avoided' (pgs. 39-42)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
Effluents and Waste			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Impacts of Our Operations on the Local Hydrology and Aquifers' (pg. 72), 'Waste, Management of Materials and Biodiversity Conservation' (pg. 73), 'Waste, Material Management and Recycling ' (pgs. 73-75), At Our Global Power Plants' (pg. 74), ' At Our Manufacturing Facilities, Workshops and Offices' (pgs. 74-75)	
	103-2: The management approach and its components	'Impacts of Our Operations on the Local Hydrology and Aquifers' (pg. 72), 'Waste, Management of Materials and Biodiversity Conservation' (pg. 73), 'Waste, Material Management and Recycling ' (pgs. 73-75), At Our Global Power Plants' (pg. 74), ' At Our Manufacturing Facilities, Workshops and Offices' (pgs. 74-75)	
	103-3: Evaluation of the management approach	'Impacts of Our Operations on the Local Hydrology and Aquifers' (pg. 72), 'Waste, Management of Materials and Biodiversity Conservation' (pg. 73), 'Waste, Material Management and Recycling ' (pgs. 73-75), At Our Global Power Plants' (pg. 74), 'At Our Manufacturing Facilities, Workshops and Offices' (pgs. 74-75)	
GRI 306: Effluents and Waste 2016	306-2: Waste by type and disposal method	'Waste, Management of Materials and Biodiversity Conservation' (pg. 73), 'Waste, Material Management and Recycling ' (pgs. 73-75), At Our Global Power Plants' (pg. 74), 'At Our Manufacturing Facilities, Workshops and Offices' (pgs. 74-75)	
Environmental Compliance			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Waste, Material Management and Recycling' (pgs. 73-75), 'Maintaining the Natural Environment in the Construction and Operation of Our Power Plants' (pg. 76), 'Health & Safety in Our Work with Subcontractors' (pg. 103)	
GRI 103: Management Approach 2016	103-2: The management approach and its components	'Waste, Material Management and Recycling' (pgs. 73-75), 'Maintaining the Natural Environment in the Construction and Operation of Our Power Plants' (pg. 76), 'Health & Safety in Our Work with Subcontractors' (pg. 103)	
	103-3: Evaluation of the management approach	'Waste, Material Management and Recycling' (pgs. 73-75), 'Maintaining the Natural Environment in the Construction and Operation of Our Power Plants' (pg. 76), 'Health & Safety in Our Work with Subcontractors' (pg. 103)	
GRI 307: Environmental Compliance 2016	307-1: Non-compliance with environmental laws and regulations	'Environmental Regulations Supporting Our Business' (pg. 49)	
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. 82)	
	103-2: The management approach and its components	'Our People: Employment and Skill Development at Ormat' (pg. 82)	
	103-3: Evaluation of the management approach	'Our People: Employment and Skill Development at Ormat' (pg. 82), 'Our Employment Framework' (pgs. 82-83)	
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	'Our Employment Framework' (pgs. 82-83)	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	'Employee Benefit, Healthcare & Welfare Frameworks' (pgs. 89-92)	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.

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 401: Employment 2016	401-3: Parental Leave	'Employee Benefit, Health-care & Welfare Frameworks' (pgs. 87-90)	Omission of 401-3e. retention rates of employees that took parental leave, by gender Information unavailable due to difficulties in data collection. We have subsequently provided guidance to human resources managers on how they can obtain this data, and anticipate being able to provide it in our next report.
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' (pgs. 98-100), 'Measuring Our Health and Safety Performance' (pgs. 100-102), 'Health and Safety in Our Work With Subcontrac-tors' (pg. 103)	
	103-2: The manage-ment approach and its components	'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' (pgs. 98-100), 'Health and Safety in Our Work With Subcontrac-tors' (pg. 103)	
	103-3: Evaluation of the management approach	'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' (pgs. 98-100), 'Health and Safety in Our Work With Subcontrac-tors' (pg. 103)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 403: Occupational Health and Safety 2016	403-1: Workers repre-sentation in formal joint management-worker health and safety committees	'Our Occupational Health and Safety Program – Striving to Go Beyond Compliance' (pgs. 98-100)	
	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	'Measuring Our Health and Safety Performance' (pgs. 100-102)	
Training and Education			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Training and Educational Oppor-tunities' (pgs. 95), 'Educational Empowerment' (pgs. 109-110)	
	103-2: The manage-ment approach and its components	''Training and Educational Oppor-tunities' (pgs. 95), 'Educational Empowerment' (pgs. 109-110)	
	103-3: Evaluation of the management approach	'Training and Educational Oppor-tunities' (pgs. 95), 'Educational Empowerment' (pgs. 109-110)	
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	'Training & Educational Opportuni-ties' (pgs. 95)	Omission of 404-1ii. Division by employee category Information unavailable, we are imple-menting data collection and anticipate to be able to provide it on our next report.
	404-2: Programs for upgrading employee skills and transition assis-tance programs	'Training and Educational Oppor-tunities' (pgs. 95), 'Educational Empowerment' (pgs. 109-110)	
	404-3: Percentage of employees receiving regular performance and career develop-ment reviews	'Employee Performance Reviews & Satisfaction Surveys' (pg. 92)	The organization does not track the percentage of employees that receive regular performance and career development reviews by employee category and therefore this information is unavail-able. The organization has begun to implement steps to track this number and expects to implement it in the next report.

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Information Boundaries of This Report' (pg. 42-43), 'Ormat's Board of Directors' (pg. 54), 'Our Outlook on Employment' (pg. 82), 'Our Employment Framework' (pgs. 82-83), 'Diversity & Equality in Employment at Ormat' (pgs. 88-89)	
	103-2: The management approach and its components	'Information Boundaries of This Report' (pg. 42-43), 'Ormat's Board of Directors' (pg. 54), 'Our Outlook on Employment' (pg. 82), 'Our Employment Framework' (pgs. 82-83), 'Diversity & Equality in Employment at Ormat' (pgs. 88-89)	
	103-3: Evaluation of the management approach	'Information Boundaries of This Report' (pg. 42-43), 'Ormat's Board of Directors' (pg. 54), 'Our Outlook on Employment' (pg. 82), 'Our Employment Framework' (pgs. 82-83), 'Diversity & Equality in Employment at Ormat' (pgs. 88-89)	
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	'Information Boundaries of This Report' (pg. 42-43), 'Ormat's Board of Directors' (pg. 54), 'Our Outlook on Employment' (pg. 82), 'Our Employment Framework' (pgs. 82-83), 'Diversity & Equality in Employment at Ormat' (pgs. 88-89)	
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. 105), 'Our Goals and Guideposts' (pg. 105)	
	103-2: The management approach and its components	'Supporting and Shaping Sustainable Communities and Futures' (pg. 105), 'Our Goals and Guideposts' (pg. 105)	

GRI Standards	Disclosure	Page Number/Chapter Name/Link	Omission and Reason for Omission
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	'Supporting and Shaping Sustainable Communities and Futures' (pg. 105), 'Our Goals and Guideposts' (pg. 105)	
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	'Supporting and Shaping Sustainable Communities and Futures' (pg. 105), 'Our Goals and Guideposts' (pg. 105), 'Social Action Plans' (pg. 105), 'Community Engagement and Handling Grievances' (pgs. 105-109), 'Educational Empowerment' (pgs. 109-110), 'Healthcare Delivers Hope' (pgs. 110-112), 'Local Livelihood' (pg. 113)	
Customer Privacy			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundaries	'Data Privacy and Cybersecurity for Our Stakeholders' (pg. 51)	
	103-2: The management approach and its components	'Data Privacy and Cybersecurity for Our Stakeholders' (pg. 51)	
	103-3: Evaluation of the management approach	'Data Privacy and Cybersecurity for Our Stakeholders' (pg. 51)	
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	'Data Privacy and Cybersecurity for Our Stakeholders' (pg. 51)	

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, 2019.

(In thousands $)	**Year Ended December 31, 2019**
Net Income	93,543
Adjusted for:	
Interest expense, net (including amortization of deferred financing costs)	78,869
Income tax provision	45,613
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla	13,089
Depreciation and amortization	143,242
EBITDA	**374,356**
Mark-to-market on derivative instruments	(1,402)
Stock-based compensation	9,358
Gain on sale of subsidiary and property, plant and equipment	-
Insurance proceeds in excess of assets carrying value	-
Loss from extinguishment of liability	468
Impairment of goodwill, net of reversal of a contingent liability	-
Termination fee	-
Merger and acquisition transaction costs	1,483
Settlement expenses	-
Write-off unsuccessful exploration activities	-
Adjusted EBITDA	**384,263**

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