

ENVIRONMENT AND CLIMATE CHANGE POLICY

Ormat Technologies Inc.

Ormat Technologies Inc. ("Ormat", "The Company", "We") is primarily a renewable energy company and, therefore, preservation of and care for the environment are at the core of what we do. As a leading renewable energy company with over five decades of experience, Ormat is committed to the principles of environmental sustainability and actively works to control its impacts on global climate change, including through the management of risks and opportunities that may arise therein. As such, Ormat's Senior Management is vested with the responsibility for formulating the Company's environment and climate change strategy and for approving our corporate policies, as well as for organizing the necessary internal control systems therein. Inline with its corporate Mission & Values, the Company seeks to ensure both stability within the renewable energy market and stability in the delivery of renewable power for our customers, expressing our full commitment to building a sustainable energy future for all.

Ormat's Senior Management representatives have collaborated in the writing and approving this *Environment and Climate Change Policy* (the "Policy") and in support of the Company's business philosophy that sets the tone for all of our employees' commitment to its underlying principles.

This Policy should be considered together with relevant sections in Ormat's *Integrated Quality, Environment, Health & Safety System Policy*, which outlines the environmental codes and standards we comply with, relevant principles and objectives for managing risk and ensuring the continuous improvement of the Company's performance. The policy is available at the link provided below.¹

PURPOSE OF THIS POLICY AND SCOPE OF APPLICATION

This *Environment and Climate Change Policy* applies to the Company and all of its subsidiaries, with the purpose of demonstrating our commitment and leadership on issues pertaining to sound environmental management, encouraging environmental sustainability in our business practices and recognition of the challenges and opportunities that climate change poses for current and future generations, as well as for our business activities and operations.

Ormat holds that the environment is a central aspect of sustainable business practices, and seeks to preserve and protect the environment through its activities and in its engagement with its key stakeholders. Respect for the environment is integral to our business strategy, striving to help our customers achieve lower emissions and greater energy efficiency, while

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

standing in compliance with relevant laws, regulations and industry best practices.

Through this Policy, Ormat enumerates and commits to its existing practices and future goals while responding to the expectations of its stakeholders for transparent information and strategic commitments regarding preservation of the environment and in analyzing, measuring and adapting to the various short, medium and long-term risks and opportunities that may arise from the effects of climate change.

MANAGEMENT OF ENVIRONMENTAL TOPICS IN ORMAT AND IMPLEMENTATION OF THIS POLICY

Environment and climate change-related topics are managed in the organization through the policy-setting and strategic direction set by our Board of Directors and Senior Management. These topics are reviewed by the Board of Directors while discussing the Company's strategy. The senior Management discusses Ormat business opportunities and sets Ormat's emissions reduction targets – including targets for reduction of the Company's own emissions and targets achieved through distribution of the Company's renewable energy technologies and solutions worldwide.

Senior Management is tasked with reviewing climate-related targets and reporting indicators, in the scope of reviewing our sustainability reports, while working with relevant business units to report on relevant data and make efforts to reduce emissions and energy usage in the company.

The Company's Senior Management is responsible for ensuring the implementation of this policy, the *Integrated Quality, Environment, Health & Safety System Policy* and the principles that these policies support.

ORMAT'S ENVIRONMENTAL AND CLIMATE CHANGE COMMITMENTS

In developing and investing in the proliferation of clean energy solutions, Ormat expresses its commitment to the environment. This aspect is a key priority that is considered in planning our business, while also encouraging innovation and energy efficiency for our customers and clients, with the goal of enabling the Company to become a driver for sustainability within the global economy. The Company works to control, track and report environmental impacts, such as the use of water resources, handling of hazardous waste and materials, biodiversity impacts on wildlife and plants, and energy usage in our power plants, operational and manufacturing facilities.

Furthermore, Ormat is committed, in principle, to the United Nation's Sustainable Development Goals (SDGs)², as outlined in the 2030 Agenda for Sustainable Development that was adopted by all UN member states in 2015. Ormat outlines its impact contribution to specific SDGs and related targets in the context of its annual sustainability report.

² <https://sustainabledevelopment.un.org/?menu=1300>

In addition, and as described in both our annual financial reports and sustainability reports, we are committed to upholding all relevant environmental aspects of laws and regulations that govern our operations and activities in various countries. In many cases, this involves conducting environmental impact assessments (EIAs) at some of our sites, providing a thorough mapping of relevant environmental risks and opportunities that Ormat must address.

NATURE OF OUR ENVIRONMENTAL AND CLIMATE CHANGE COMMITMENTS

Our Company has set a number of objectives tied to the environment and climate change that include:³

1. Ensuring that we act as leaders in the renewable energy market, actively encouraging low carbon energy generation, while also working towards the efficient use of energy, water and material resources. This is achieved through growth in our renewable energy generation capacity, improving the efficiency of new and existing power plants, efficiently managing water resources namely in “water stressed” areas and encouraging measures to ensure energy efficiency in the construction, manufacturing and operation of our power plants;
2. Developing and proliferating innovative technologies that encourage renewable energy systems globally, through geothermal and other renewable power generation technologies, and in providing accessibility solutions through our storage sector, enabling the integration of renewable energy and energy storage for better performance and management;
3. Reducing our environmental impact by encouraging the application of best available geothermal technologies and solutions including for plant construction, operations, and decommissioning – taking into consideration the full lifecycle of the plant;
4. Protecting biodiversity, including the indigenous flora and fauna, in the immediate vicinity of our power plants through the development of biodiversity action plans (in the context of EIAs), actively engaging in protection and preservation projects, carrying out bio-monitoring activities, and working to mitigate the impacts of our power plants and facilities on the natural environment;
5. Reducing waste and by-product generation, while also encouraging the recycling, reuse, repurposing and reinvention of materials and wastewater by-products;
6. Tracking relevant data on the Company’s environmental and climate change impacts in the context of our annual sustainability reports,

³ Additional environmental commitments, standards and processes are outlined in Ormat’s *Integrated Quality, Environment, Health & Safety Policy*, which is available at the following link:
[https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20\(QEHS\)%20Policy.pdf](https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20(QEHS)%20Policy.pdf)

including publication of relevant information on our company website;

7. Complying with the standards set out in relevant legislation and regulations, including resolution of cases of non-compliance and considering other opportunities for engagement on environmental and climate change-related issues related to our business.

This *Environment and Climate Change Policy* may be amended periodically by the Company.

Stakeholders can submit questions, comments or grievances regarding this or any of Ormat's other policies at the following address: info@ormat.com