



ORMAT GREEN FINANCE FRAMEWORK

June 2022

This Ormat Green Finance Framework was developed in alignment with the Green Bond Principles (2021), as published by the International Capital Markets Association (“ICMA”).

We intend to allocate an amount equivalent to the net proceeds from offerings of “green bonds” to finance and/or refinance, in whole or in part, one or more Eligible Green Projects (as defined below) in accordance with this Ormat Green Finance Framework. In addition to proceeds from such offerings, we may use cash from operations or borrowings under our credit facilities in order to effect such allocation.

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Eligible Green Projects

“Eligible Green Projects” are allocations made by the Company or any of its subsidiaries to any of the projects defined below in the 24 months prior to or 24 months following the issuance date. Eligible Green Projects include the following:

- *Renewable Energy*: Expenditures related to the research, field and site development, acquisition, manufacturing, distribution, maintenance, management and operation of:
 - new geothermal energy generation facilities with GHG emissions less than 100g CO₂e/kWh;
 - upgrades to existing geothermal energy generation facilities to increase efficiency, resiliency and reliability.
 - energy storage systems; or
 - solar PV systems.
- *Eco-efficient and/or circular economy adapted products*: Expenditures to create and increase capacity, research and development to improve and optimize technologies, and the management of storage and distribution assets for recovered energy generation facilities.

The examples of expenditures within the Eligible Green Projects are for illustrative purposes only, and we cannot assure you that the net proceeds from the sale of the notes will be allocated to fund projects with these specific characteristics.

Process for Project Evaluation and Selection

We have established an ESG Working Group composed of members from our executive finance, investor relations, legal and ESG teams to review and select projects that are aligned with the Eligible Green Project definitions above. The ESG Working Group will work closely with executives and business functions to ensure that selected Eligible Green Projects align with Ormat’s corporate ESG policies and strategies, particularly project-

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related risk management evaluation and specific Environmental Health and Safety procedures.

Management of Proceeds

The ESG Working Group will track the amount of net proceeds allocated toward Eligible Green Projects. Pending allocation, proceeds may be temporarily used for general corporate purposes, to repurchase shares, invest in cash, cash equivalents, or other liquid securities, or repay outstanding indebtedness. Any payment of principal and interest will be made from our general corporate account and will not be linked to the performance of any Eligible Green Project. In the case of divestment or if a project no longer meets the eligibility criteria listed above, we will use reasonable efforts to reallocate the funds to other Eligible Green Projects during the term of the instrument.

Reporting

Annually, until full allocation of the net proceeds, we expect to publish a Green Financing Report on our corporate website or as part of our sustainability report, subject to applicable confidentiality considerations, that includes information on (i) amounts allocated to Eligible Green Projects, by category and, where feasible, initiative, (ii) the amount of net proceeds pending allocation, and, where feasible, (iii) impact reporting.

Impact reporting may include, where feasible, case study examples of specific facilities that highlight beneficial outcomes, and metrics including renewable energy capacity created, renewable energy generated, and greenhouse gas emissions avoided. The report will be accompanied by management statement regarding the amount of net proceeds that have been allocated toward Eligible Green Projects.

External Review

Upon full allocation, we will obtain an assurance report reviewing and confirming the allocation of the offering to Eligible Green Projects from a qualified independent external reviewer.