



ORMAT

ORMAT TECHNOLOGIES

SUPPLIER CODE OF CONDUCT

September 2021



1. INTRODUCTION

Ormat Technologies Inc. and its direct and indirect subsidiaries ("Ormat", "We", the "Company") is committed to ensuring the implementation of its values, as outlined in our Code of Conduct and Ethics, in our dealings with Suppliers, Contractors and Consultants (collectively "Suppliers"). In line with our Code of Business Conduct and Ethics¹, Human Rights and Labor Standards Policy², Environment and Climate Change Policy, and Integrated Quality, Environment, Health & Safety Policy³, and to support the business integrity of our activities, we ask our suppliers to honor our values and standards set forth in this Supplier Code of Conduct (the "Code"). In line with Ormat's commitment to compliance, suppliers working with Ormat are required to adhere to the relevant recommendations for sound governance, labor practices and environmental expectations outlined herein and in Ormat's Anti-Bribery and Anti-Corruption ("ABAC") Policy.

Beyond reflecting Ormat's values and existing Terms and Conditions for suppliers, this Code follows those principles set forth in internationally recognized standards such as the United Nations Declaration of Human Rights and the International Labor Conventions (ILO), as well as based on other relevant laws and regulations outlined where relevant herein.

The Code outlines our requirements and expectations of suppliers in the following areas:

- Ethics and Corporate Governance
- Labor and Human Rights
- Environment and Climate Change Policies and Practices
- Integrated Quality, Environment, Health & Safety Systems

This Code is distributed to all existing, new and potential suppliers, and is made publicly available on the Sustainability section of our website [here](#)

2. GENERAL REQUIREMENTS

Compliance with the Law and Adherence to Regulations

Ormat expects all suppliers to meet or exceed all applicable laws and regulations, in line with the Company's Code of Business Conduct and Ethics.

¹ www.ormat.com/Warehouse/userUploadFiles/Image/CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS.pdf

² www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Human%20Rights%20Policy.pdf

³ [www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20\(OEHS\)%20Policy.pdf](http://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20(OEHS)%20Policy.pdf)



The Company acknowledges that there are differences in local laws and practices between countries. In some cases, the Code establishes policies and/or requirements that would not otherwise be required according to the regulatory framework in the country. In keeping with the Company's commitment to meet the highest standards of business conduct wherever it does business, all suppliers are asked to comply with all aspects of the Code of Business Conduct and Ethics, even if it is not required by local laws. Conversely, there may be laws in certain countries which may not specifically apply outside of those countries, and therefore, may not be specifically addressed in the Code of Business Conduct and Ethics. As such, suppliers are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when uncertain about them. Suppliers are welcome to consult with Ormat on this topic by submitting their query to the email address noted below in the "Mechanisms for Expressing Concerns or Obtaining Clarification Regarding the Code" section of this document.

Without deviating from the above responsibility, the Company may add policies applicable to specific regions as required or appropriate under local laws^{002E}

Prohibition of Corrupt Practices and Compliance with the Company's Anti-Corruption Policy

Ormat is fully committed to complying with all applicable laws and regulations, specifically those that mandate fair conduct, when carrying out its business throughout the world. The Company maintains and enforces compliance policies, including an ABAC Policy, which sets forth expectations for all Ormat employees, officers and directors, and third-parties to provide guidance in their business dealings worldwide, so that they may at all times act in compliance with all applicable anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act ("FCPA") and other applicable anti-corruption and criminal laws around the world (collectively "Anti-Corruption Laws"). The Company expects its suppliers to demonstrate a zero-tolerance policy towards all forms of corruption and bribery.

Ormat's ABAC policy can be found on the Company website at the following link: <https://www.ormat.com/Warehouse/userUploadFiles/Image/ABAC%20Revised%20Policy%20-%20final%20July%202021%202020%20-%20English.pdf> As part of Ormat's compliance program, due diligence is run on relevant suppliers and potential business partners. All suppliers are expected to understand and follow Ormat's compliance rules. Per our ABAC Policy, monitoring and enforcement procedures of all suppliers shall comply with applicable Anti-Corruption laws.

Written Agreements Required

Suppliers will be retained and paid pursuant to a written agreement supplied or approved by the Company's General Counsel, and only following the express written approval by the Company Officer with authority to authorize retention of such individual.



Suppliers shall be permitted to work with the Company only if they operate in conformity with their written contracts, all applicable laws and rules, and this Code, in addition to the Company's Compliance program.

Avoiding Conflicts of Interest and Risk Analysis

All Suppliers must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interests of the Company. If a conflict of interest arises, the supplier must disclose any relevant connections to the Company to their relevant point of contact.

Prohibition on Insider Trading

No supplier can buy or sell shares or other securities of a business, or give advice thereon, if he or she has access by reason of his or her professional activities with the Company to any non-public information about that business. Trading by suppliers of the Company's securities, including the exercise of stock options, is permitted only in accordance with the Code of Business Conduct and Ethics, Form of Insider Trading and Confidentiality Policy Statement, as well as applicable laws and rules promulgated by the U.S. Securities and Exchange Commission and NASDAQ.

Protection of Intellectual Property

The Company recognizes intellectual property rights as well as proprietary confidential information (collectively "IP") as a central shareholder value. Suppliers shall take appropriate action to preserve and enhance the Company's IP and respect the IP rights of other persons and entities.

Non-Disclosure Requirements

Where relevant, the written retention agreements with suppliers shall contain provisions regarding the non-disclosure and non-use of proprietary and/or confidential information received by such suppliers during the term of the relationship with the Company.

Labor and Human Rights

Ormat communicates its Human Rights & Labor Policy to its stakeholders, including suppliers and business partners, and outlines its expectations regarding respect for human rights, avoiding infringements of human rights and addressing human rights impacts that Ormat may be directly or indirectly involved with or responsible for.

As such, this section of the Code is based, in all material respects, on the Company's Human Rights & Labor Policy, which is made publicly available on our website at the following link: <https://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Human%20Rights%20Policy.pdf>



Workplace Practices

The Company expects its suppliers to honor international human rights declarations that ensure the implementation of advanced human rights practices - the globally ratified International Labor Organization's Declaration of Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights - as well as all applicable work and labor-related laws in the Company's countries of operation.

We prohibit forced and child labor practices⁴ and expect our suppliers to show respect for their employees and treat them with dignity, and according to decent and fair labor practices as well as relevant labor laws.

We expect our suppliers to observe all applicable laws and regulations relating to the health and safety of their employees. This includes the requirement that suppliers will have effective safety programs in place regarding emergency preparedness, chemical, physical and biological agent exposure, ergonomics and incident reporting and investigation.

We expect our suppliers to compensate employees in accordance with applicable laws and regulations, to provide a formal grievance mechanism for employees with concerns about their rights, benefits or working hours, and to encourage diversity and to avoid discrimination in the workplace.

Finally, we expect our suppliers to recognize their employees' rights to join or refuse to join labor unions or associations and to engage in collective bargaining, as permitted by the law.

Responsible Sourcing and Conflict Minerals

We aim to source all the materials used in our supply chain for the manufacture of our products in a way that upholds human rights and discourages reprehensible practices such as human trafficking and slavery in the supply chain. We also aim to take into account the rights of indigenous peoples in extractive industries for metals and elements used in our products.

We expect our suppliers to engage in responsible sourcing practices, using verified sources where possible. Consistent with this Code, and its Human Rights & Labor Policy, the Company has established a detailed Conflict Minerals Policy⁵ addressing the human rights and labor issues connected with the mining and trading of tantalum, tin, tungsten and gold, which are used in the electronics industry supply chain.

⁴ A "child" is any person who is younger than (i) 15 years old (or 14 where the law of the country permits); (ii) the minimum age for completing compulsory education in the country of employment; or (iii) the minimum age for employment in that country, whichever is the highest.

⁵ www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Conflict%20Minerals%20Policy.pdf



3. ENVIRONMENTAL RESPONSIBILITY

Obtaining Necessary Permits and Observing Reporting Requirements

The Company expects its relevant suppliers to obtain, maintain, and keep updated all relevant environmental permits, approvals and registrations.

Implementation of Environmental Policies

The Company expects its suppliers to read and follow its Environment and Climate Change Policy. Ormat may seek from its suppliers' copies of documented environmental policies, including those policies that stipulate a commitment to environmental protection, prevention of pollution and compliance with environmental legislation. Suppliers' environmental policies and practices may address relevant procedures and standards for measuring and reporting on issues such as the reduction of climate change-related impacts inherent in the use of hazardous substances, chemicals, waste management, air pollution, energy management and water consumption, among other topics. Ormat asks its suppliers to consider the relevant climate change-related risks that may arise from their business activities and to take measures to control and address these risks, when and where possible.

4. INTEGRATED QUALITY, ENVIRONMENT, HEALTH & SAFETY SYSTEMS

Adherence to Our Integrated Quality, Environment, Health & Safety System Policy

The Company expects all relevant suppliers to adhere, in all material respects, to our "Integrated Quality, Environment, Health & Safety System Policy"⁶, and all regulatory and reporting requirements and expectations detailed therein.

Identify and Assign Relevant Roles for Management

The Company expects its relevant suppliers to identify and assign relevant roles with regards to ensuring the implementation of various management systems and programs.

Assessment and Management of Risks

In line with the abovementioned policies, the Company expects its relevant suppliers to have adequate processes in place for identifying environmental, health and safety, labor, human rights, ethics and corporate governance-related risks that may be associated with their

⁶ [www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20\(QEHS\)%20Policy.pdf](http://www.ormat.com/Warehouse/userUploadFiles/Image/Ormat%20Integrated%20Quality%20Environment%20Health%20and%20Safety%20(QEHS)%20Policy.pdf)



operations and the products and/or services that they provide the Company. The Company expects such Suppliers to have adequate procedures and controls in place for managing such risks and ensuring regulatory compliance.

Maintaining Documentation and Records

The Company expects its suppliers to maintain adequate records and documentation of their business dealings as they pertain to the Company.

5. COMMUNICATION CHANELS

For questions, comments or clarification regarding the Code, or to report infringement or suspected infringement of any applicable laws and regulations, or any additional requirements set forth by the Company, suppliers may write to us at the following email address and we will work to address the request in a timely manner: <https://www.ormat.com/en/company/contact/main/> or abac.compliance@ormat.com. Inquiries, reports or questions may also be submitted anonymously.

Updating and Reviewing the Code

Ormat reserves the right to periodically update and review this Code in order to ensure that it aligns with our standards of conduct, corporate values, sustainability goals and relevant strategic targets.