



2022 ESG Report

TABLE OF CONTENTS

ESG Highlights 2022	3
Letter from the CEO	4
Letter from the Head of ESG	5

About OPC Energy

Overview	7
History	8
Business Highlights	9
Leading the Energy Transition	10
Israel	10
United States	12
Diversified Energy Pillars	13

Our ESG Approach

Overview	16
SDGs	17
Materiality Analysis	18
Managing ESG	19
Our ESG Goals	20

Our Environmental Impact

Our Environmental Impact	22
Environmental Management	23
Energy Management	25
GHG Emissions	26
Air Quality	28
Water	29
Waste	30

Our Social Impact

Our Social Impact	32
Our Employees	33
Diversity, Inclusion, and Equality	34
Development & Engagement	35
Health and Safety	39
Supporting Communities	42

Governance

Governance	46
Board of Directors	47
Remuneration Policy	48
Code of Ethics	48
Compliance	49
Enterprise Risk Management	51
Cybersecurity & Data Privacy	52
Stakeholder Engagement	53
Economic Development	54
Responsible Supply Chain	55

About this Report	56
-------------------------	----

Appendix

Employee Data Charts	58
GRI Indicator Charts	59
SASB Indicator Chart	62



ESG Highlights 2022



CPV set a target of reducing its scope 1 GHG emission intensity (tCO₂e/ KWh) by **25%** by 2030, compared to a 2022 base year.



Achieved a **43%** representation of women in the C suite management of OPC Energy



Set up an organizational **ESG governance structure** including:

- Board ESG committee
- Combined OPC & CPV ESG executive leadership team
- 2 ESG steering Committees (Israel & US)
- ESG working group
- Joint Carbon Committee



17% reduction in our Scope 1 and Scope 2 emissions from our operations in Israel compared to 2021



100% of employees received training on governance topics: Code of Ethics, anti-bribery, Securities and trading compliance, anti-fraud, cybersecurity.

Saddleback wind farm, Mountain Wind Transaction

Letter from the CEO



2022 was a significant year for OPC, as we continued our growth to support our vision of leading the energy transition. The global trend of moving away from electricity generated purely by fossil fuels and traditional technology towards electricity

created by renewable energy and ultra efficient thermal technologies is increasing. This is due not only to an increased awareness and experience of climate crisis, but also to the economics that make the construction of renewable energy facilities, particularly solar PV and ultra efficient thermal technologies, more competitive.

At OPC we are in an excellent position to meet the growing demand for a diverse supply of electricity. While we consider natural gas a critical component for enabling the transition to renewable energy, we are increasing our renewable energy portfolio and investing significantly in world-class, innovative carbon capture technology. We are set to deploy these assets at scale in Israel and the US, and we are proud of our role in the global energy transition. While we continue to deliver technologically advanced and environmentally responsible power generation

solutions to customers, we are also committed to our own sustainable operations.

This report outlines our recent ESG achievements across our operations. As a unique team within the energy industry, we are in an exceptional position to ensure our business meets the highest standards of environmental, social, and governance performance. We consider our ESG approach as the foundation of our business and growth strategies, and we operate accordingly – with a deep commitment to implementing cutting-edge technology and acting according to our core values.

In Israel, our power plants support national goals to increase efficiency in the energy sector, reduce the country's greenhouse gases, and contribute to a full transition away from coal as a source of electricity production. We also recently announced plans to build a 245 MW solar energy facility with over 1.3Gwh of storage in the Negev desert.

As we were finalizing this report, Israel entered a national crisis with the outbreak of the war. At OPC, we immediately went into action to ensure our power plants remain operational during this critical time. We launched a 2 million NIS emergency donation fund to support families impacted or displaced by the war. Our employees have dedicated their time and energy in volunteer efforts, preparing meals and leading activities for displaced families. We recognize the

importance for all of us to come together to support and help each other during these difficult times, and we are doing all we can to contribute to these efforts.

In North America, through our subsidiary CPV, our ultra-efficient power facilities and extensive development pipeline align perfectly with the technologies and operational attributes sought by community leaders, regulators, and policymakers to plan for the region's clean energy future. The development of CPV's carbon capture projects, which will capture up to 90% of the carbon emissions from power plants, is an important milestone not only for the company but also for the energy sector as a whole.

Making the transition to a low carbon economy will not be easy. It requires an unprecedented effort by business, government, and communities to work together in a transparent and effective manner. I am so proud of the efforts of our entire company where each and every one of us is committed to help lead our efforts in the energy transition. We invite you to explore the achievements, challenges, and opportunities outlined in this report, and we look forward to continuing to work together with our stakeholders towards a new low carbon reality.

Giora Almogy
CEO



Letter from the Head of ESG



We are proud to publish our second ESG Report, which presents detailed information on the key ESG issues relevant for our company. In 2022, we took further steps to develop our comprehensive ESG strategy and workplan, and defined a specific

governance structure to oversee the development and implementation of our ESG strategy across the organization. As part of this process, we set clear goals for material environmental, social, and governance activities, and we are dedicated to working towards achieving these targets.

We are committed to a 25% reduction in our Scope 1 emissions intensity by 2030 and have already achieved progress towards this goal through our business strategy and implementing the latest innovative technologies in our power facilities. We closely monitor our air emissions and have achieved zero deviation from standards for emissions in 2022.

In addition, we have extensive projects in place to reuse industrial water in our operations, and we achieved a 15% reduction in water consumption at our Israel sites in 2022 compared to 2021.

The health and safety of our employees is a priority at OPC, and we continue to invest significant resources in training programs to support our culture of safety, which is deeply imbedded in our company culture through an approach of shared accountability between all employees. Recognizing that we operate in a sector with a history of lack of diversity, we are taking specific steps to support a diverse talent pipeline and recruit employees from underrepresented groups, especially women. Notably, we have achieved a 43% presence of women in the C-suite management of OPC Energy. We strongly believe that a diversity of people, ideas, and experience will help us drive ambitious goals together. Furthermore, we remain committed to supporting the communities in which we operate, and continue to build partnerships that support our volunteer and community efforts.

All these activities are guided by our core values and commitment to responsible corporate governance.

We have extensive compliance program, enterprise risk management procedures, and governance training activities in place to guide us in our business activities, in a standardized way across locations, as we grow and develop our business.

We are deeply grateful to all of the employees and managers across the OPC group who demonstrate every day our shared commitment towards building a better company and supporting the global energy transition.

Keti Simhayev

Head of Risk Management & ESG

Keti.Simhayev@opc-energy.com

About OPC Energy



Overview

Established in 2010 as the first private electricity company in Israel, OPC is a leader in the energy transition revolution.

Headquartered in Tel Aviv and traded on the Tel Aviv Stock Exchange (TA 35 Index), we operate in two main geographic areas – Israel and the US, through our subsidiary CPV, which we acquired in 2021.

We are a team of energy professionals, working on the forefront of the energy sector to spearhead the energy transition revolution. We focus on the development, construction, operation, and management of electric power generation assets with lower greenhouse gas emissions. Using diversified best-in-class technologies, we help support the sustainability of Israel and the US energy markets

through the deployment of safe, reliable, cost-effective, and environmentally responsible power generation. We aim to provide our customers and the communities where we operate with all their energy needs, delivered with the highest level of professional and quality service.

We are proud of the role we play in the global energy transition and of our steps towards creating a more sustainable power industry in Israel and the US.



Our Mission

To lead the energy transition with the development and operation of technologically advanced and environmentally sustainable power generation.



Our Vision

We strive to be an industry leader by providing a full range of energy solutions to customers that have lower carbon emissions and support the global shift to clean energy. Through partnerships with leading manufacturers, financial institutions, governmental utilities, and local communities, we modernize power generation to increase reliability, reduce costs, and minimize environmental impacts.



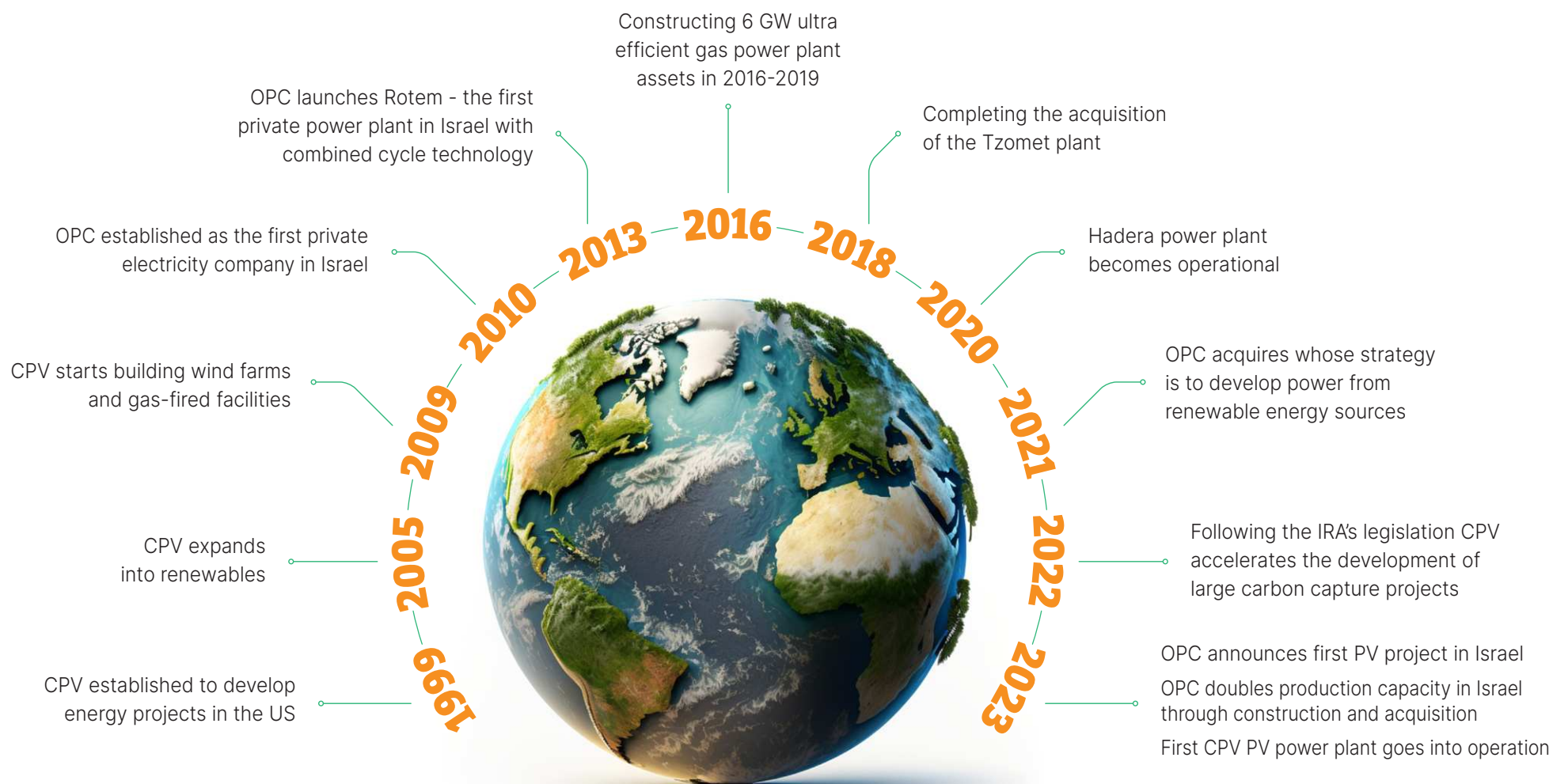
Our Values

We operate based on the values of professionalism, trustworthiness, transparency, technological innovation, and a commitment to meet our stakeholders' needs.



History

Powering a better world and a cleaner environment.



Business Highlights

818

million NIS
EBITDA in 2022

28%

increase in OPC
consolidated
EBITDA from 2021
to 2022

**29,970
GWh**

total electricity
generated in 2022

Included in the
TA-35,
the flagship index
of the Tel Aviv stock
exchange

217

million NIS
net profit
in 2022

13 major sites

in operation and
under construction
in Israel and the US

12.4 GW*

capacity portfolio in
Israel and US (Gas;
solar; wind; Carbon
capture, utilization,
and storage)



*Our financial success and
resilience enable us to
promote our development
and decarbonization vision
with the right level of risk,,*

Ana Berenstein, CFO

* This number includes projects in operations, construction or development in 2022.



Leading the Energy Transition

In recent years, the world is transitioning from electricity generated through the use of coal and inefficient fossil fuels to electricity generated through the use of renewable energy and other efficient combined cycle power plants technologies. This is partly due to the growing awareness of the climate change crisis and global efforts to reduce greenhouse gas emissions, as well as the decline in construction costs for renewable energy facilities, especially those powered by solar photovoltaic cells (PV).

Against this background, as well as the growing global demand for a reliable supply of electricity – including for its transmission, and the increased electrification of the industrial sector, we believe that providing diverse energy solutions to support energy reliability and greenhouse gas emissions reduction is a critical step in the energy transition. We consider highly efficient natural gas generated energy a key factor that will enable the transition to renewable energy over the coming decades.

Our Israel power plants generated 4,085 GWh during 2022.



Israel

OPC is a leading operator of natural gas power plants in Israel and utilizes ultra-efficient combined cycle technologies. **Israel has set national goals to increase the share of energy from renewable sources to 20% by 2025, reduce GHG emissions and fully transition from coal in the electricity generation mix. We already support this goal with our ultra efficient gas power plants and will further support it once the Ramat Beka solar plant is operational.**

Our business also aligns with national energy security considerations, as **the natural gas we use is sourced locally from the Mediterranean Sea**. During the next decade, Israel expects natural gas to generate most of its electricity, as it transitions from the current mix of coal, diesel, and fuel oil to cleaner fuels.

We offer a reliable, consistent source of energy to large industrial customers through our unique offerings in Israel. As an operator of several major ultra-efficient power plants, we are able to provide a synergetic solution that meets our customers' needs.

Assets in Israel (natural gas powered)

Project name	Operation year	Installed capacity (MW)	2022 Electricity Generated (GWh)**
In Operation 2022			
Rotem	2013	466	3,285
Hadera*	2020	144	800
Under Construction 2022			
Tzomet	2023	396	-
Sorek 2	-	87	-
Energy generation projects on clients' premises	Natural gas, solar, storage	110	-

* OPC Hadera also produced about 800,000 tons of steam that it sold to a nearby factory

** Production capacity data presented are net numbers, i.e. the gross production numbers minus the energy consumed by the power plant for its own use.

We are currently developing the extensions to existing plants, Hadera 2 and Rotem 2.



In 2023 we purchased the Gat power plant which was already operational. Furthermore, we have a strategic plan in place to expand our renewable energy offerings in Israel. In 2023, we announced plans to build a 245 MW solar energy facility in the Negev desert that also includes 1,375 MWh of energy storage capabilities.

Energy storage is an important complementary technology to generating energy from renewable sources which provides grid resilience. We have contracts in place to provide this renewable energy to leading end-customers, with additional customers in the pipeline. We are also working on opportunities to develop additional solar projects throughout the country.



Production capacity in Israel*

1,081 MW



Multiple Natural Gas, Solar PV, Energy Storage Facilities at Customers' and Sorek facility

197 MW

* Capacity includes projects in operation at the end of 2023, the time of this report's publication.



Our strategic direction is built upon two pillars – one is advanced technologies for energy production from renewable energy sources and the other is the continuous optimization of power generation from natural gas, that provides a response to the energy security challenge,,

Eran Amoyal, CEO, OPC Israel



United States

In the US, we operate through our subsidiary CPV, which we acquired in 2021. We focus on optimizing existing CPV facilities and building new power generation facilities using the best available technologies in the world. With six of the world's most efficient generation facilities in operation today, nearly four gigawatts of renewable energy projects, and two of the largest carbon capture projects in the world under development, our low carbon portfolio is at the forefront of the energy transition in the US.

The recent Inflation Reduction Act (IRA) puts a clear focus on the need for deployment of additional renewable resources, while supporting the development of carbon capture thermal generation that will be needed to maintain reliability in the future. The legislation also provides the regulatory certainty necessary to continue to invest the significant capital required to develop and build these resources. With our business model of partnering with global leaders in energy technology and finance to develop the latest, commercially viable technologies, and a deep pipeline of both renewable and carbon capture projects, CPV is uniquely positioned to optimize the opportunities the IRA and the energy transition will provide.



Ultra-efficient Combined Cycle Natural Gas

5.3 GW*



Renewable energy projects (wind & solar)

4.5 GW



Two CCUS projects under development

3.9 GW

Numbers include projects in operation, construction and development.

* 1.4 GW out of which is attributed to OPC energy, based on its share of ownership in CPV facilities.



With six of the world's most efficient generation facilities in operation today, nearly four gigawatts of renewable energy projects and two of the largest carbon capture projects in the world under development, I am proud that we are at the forefront of the energy transition,,

Gary Lambert, CEO CPV



Diversified Energy Pillars

In the US, we focus on three areas of low carbon power generation:



Energy from Renewable Sources

US state and federal policies are calling for a dramatic increase in the deployment of renewable power. To that end, CPV has significantly increased its renewable power development pipeline with new wind and solar projects across the country. These projects will provide zero carbon electricity to the grid, lessening the need for electricity from conventional sources.

CPV – renewable energy assets

Project name	Energy Source	Installed capacity (MW)	Expected Cost (millions)	Investment in 2022 (millions)
In Operation 2022				
CPV Keenan II Wind	Wind	152**	-	-
Under Construction 2022				
CPV Maple Hill Solar*	Solar	126	\$180	\$36m (out of a total of \$116m)
CPV Stagecoach Solar	Solar	100	\$110	\$37
In Development				
Wind Pipeline	Wind	1,250	-	-
Solar Pipeline	Solar	2,650	-	-

* Became operational in 2023 ** Generated 286 GWh in 2022

In 2023 CPV purchased the operational “Mountain Wind” wind farms with a capacity of 82 MW and started the construction of the “Backbone” solar project with a capacity of 170 MW.

\$73 million investment in renewable energy projects in 2022 + \$316 million by Q3 of 2023



Ultra-high efficiency natural gas combined cycle

We believe the expansion of renewable energy requires an equal investment in dispatchable, flexible, and low carbon power in order to preserve a reliable electric system, and we are committed to developing the best available, low carbon technologies today to drive the energy transition. To that end, from 2016 to 2022, CPV brought five ultra-high efficiency natural gas combined cycle facilities online to allow for the safe retirement of aging power plants and to help facilitate the expansion of renewable generation.

In 2022, these combined cycle facilities, which operate with some of the lowest emissions rates in the world, generated over 26,000 GWh of electricity or the equivalent annual energy usage of 2.45 million homes. By displacing higher emitting resources, we helped reduce carbon emissions from the power sector throughout the United States and improved air quality locally by dramatically reducing emissions of NOx and SOx gases. These facilities are helping to reduce emissions today while the next generation of projects is developed for tomorrow.

CPV Ultra-high efficiency natural gas assets

Project name	Commercial operation year	% of CPV ownership	Installed capacity (MW)	2022 Electricity Generated (GWh)
In Operation 2022				
CPV Fairview	2019	25	1,050	7,607
CPV Towanic	2018	26	805	4,960
CPV Maryland	2017	25	745	3,779
CPV Woodbridge Energy Center (Shore)	2016	37.5	725	4,422
CPV Valley	2018	50	720	4,831
Under Construction 2022				
CPV Three Rivers	2023	10	1,263	-



Carbon capture

We believe carbon capture technology is ready to be deployed at scale.

CPV is developing 2 carbon capture projects: one in Texas and the other in West Virginia. These facilities will serve as the flagship projects for CPV's carbon capture platform, subject to completion of certain conditions. The Shay project (WV), is expected to be at an unprecedented scale of about 2.6 GW and the Basin Ranch project (TX) is expected to have a 1.3 GW capability. The projects will utilize amine-based carbon capture technology to capture 90%-95% of the carbon emissions from the project.



CPV Shay Energy Center illustration



Carbon capture is a crucial complimentary aspect of fighting climate change along with greenhouse gas reduction and it will continue to be a part of our ESG strategy, which is at the core of our business activities. As we grow, we continue leading the historic energy transition,,

Yair Caspi, Chairman

Our ESG Approach





Overview

We are in a unique time in the energy industry, as there is now general recognition of the need to decarbonize our economy.



This decarbonization of the economy represents a much-needed evolution towards taking meaningful steps to address climate change. From our perspective, it starts with the energy sector. In order to electrify our transportation and building sectors, a low carbon, affordable and reliable power system is absolutely critical.

Transitioning to a low-carbon economy is challenging and requires unprecedented effort across multi-stakeholders. We are committed to leading this effort, since **the energy transition is our business.**

At OPC, we are committed to responsible ESG practices. Our business strategy and growth engines, as well as our ongoing operations, are based on principles of responsible conduct in the areas of climate and environment, society, and corporate governance.

Our ESG Vision

OPC will be a leader in the energy transition revolution to a low-carbon economy and will continue to supply energy security in a reliable, efficient, and environmentally friendly manner.

Our company worldview and ESG vision serve as our North Star, and we have a unified approach and policies that meet the unique needs of each location and various stakeholders.



Decarbonization and emission reduction are strategic issues for OPC. We will continue to be at the forefront of the energy industry with our innovative and efficient renewable energy production facilities, and our carbon capture, utilization and storage solutions,

Giora Almogy, CEO



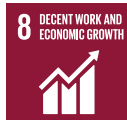
SDGs

As part of our ESG strategy, we consider the UN Sustainable Development Goals (SDGs) that pertain to our operations and the energy sector.



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

At OPC, we provide power and maintain energy security for Israel through the regular supply of electricity to private customers and the national grid. Through our subsidiary CPV, we produce electricity using ultra-high efficiency natural gas technology and renewable energy sources in the US, and work to develop and install carbon-capture projects. We are expanding our services to include local power plants based on renewable energy sources at various customer sites.



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The safety and health of our employees and subcontractors is of the highest value for us and is embedded in our organizational culture. We are working to prevent accidents and to provide significant safety training across our operations. The protection of our employees also includes upholding their human rights.



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

We operate at the forefront of technology, and our production sites deploy innovative technologies that allow us to produce energy in an efficient manner. We are developing groundbreaking carbon capture projects that supports a sustainable energy sector in the long term.



SDG 13: Take urgent action to combat climate change and its impact

Our facilities include power plants that rely on ultra efficient natural gas and renewable energy sources, such as solar and wind. We operate our facilities in an efficient and innovative manner in order to reduce our carbon footprint. We continue to promote green energy production in the company's journey to the low-carbon economy.



Materiality Analysis

In 2022, following a thorough process, we refocused the key ESG issues relevant to our company. We worked with external consultants to identify them, and then validated them in a process that included an examination of relevant standards, such as SASB, as well as relevant parameters of various rating companies and best practices in the sector. A benchmark research was conducted on the identified issues, followed by in-depth interviews with senior management at OPC and CPV. In addition, a gap analysis was carried out for each key topic to understand where we stand vis a vis the market and to identify relevant targets and KPIs.

The outcome of this process was an updated list of 12 key ESG topics which serve as the basis for our ESG strategy. We plan to develop multi-year targets for them, including measurement indicators to support the targets.

Material topics reexamination process



Refocused material topics



Environmental

- Reducing GHG emissions
- Air quality
- Climate risk
- Water management



Social

- Health and safety in the workplace
- Diversity, equality and inclusion (DEI)
- Human capital and development
- Community relations and impact



Governance

- Ethics
- Compliance with regulations
- Risk management
- Cybersecurity and data privacy



Managing ESG

While we have accomplished a great deal so far, we have also set ourselves the goal of improving our ESG performance and ratings.

To this end, in 2022 we took steps to build a comprehensive ESG strategy and workplan, a process which was completed in the first half of 2023. We have defined an ESG governance structure to oversee the development of our ESG strategy and implementation across the organization, and to support our global and local operations. This structure was approved in early 2023. To further support our ESG program, in 2022, we appointed a Head of ESG to lead our ESG efforts.

As of 2023, we have an ESG Committee made up of board directors, which determines our ESG strategy and reviews its implementation. Under the Board of Directors level, a combined OPC and CPV **Executive Leadership** Team supervises the execution of the company's ESG strategy, sets overarching goals and oversees the direction of the company.

There are **two steering committees** that oversee ESG topics for corporate, Israel, and US activities. Reporting to these committees are three **ESG working groups** focused on specific areas that meet on a regular basis and serve as a bridge between senior management and the business units that implement and oversee day-to-day ESG activities.

In addition, the joint **Carbon Committee**, comprised of senior management from OPC and CPV, focuses on the company's transition to a low carbon operation. It is responsible for outlining the company's low-carbon strategy, identifying the required investments, and setting short, medium, and long-term goals for the company to meet its strategy.





Our ESG Goals

In 2022, based on the material ESG topics we identified, we started developing a multi-year work plan to address them, with the assistance of a global consulting firm with expertise in the field. The plan, finalized in 2023, includes setting specific group targets in the ESG fields for the first time.



Environment

OPC Israel is dedicated to actively participating in the transition to a low-carbon economy. We have set a goal to invest, develop, and operate in the renewable energy field to mitigate greenhouse gas emissions. To meet this goal, in 2023 we have won a tender to build one of the biggest solar energy projects in Israel in Ramat Beka.

We are committed to setting a numeric target for GHG emission reduction for OPC Israel in 2024.

CPV is targeting a **25% reduction in our Scope-1 emissions intensity** (tCO₂e/ KWh) by 2030, compared to 2022 base year.



Social

Safety

Our primary objective is to achieve a **Zero-incident safety culture**. We are committed to conducting our business activities in strict compliance with all relevant laws and regulations across all countries where we operate. **We aim to maintain our TRIR (Total recordable incident rate) level of 1.5 in 2024.**

Employee development

We are developing a comprehensive talent strategy aimed at attracting, retaining, and motivating employees at all organizational levels, while equipping them with the necessary skills and professionalism for diverse roles within our group. We expect to complete this strategy and the detailed work plan to support it in 2024.

Diversity in the C Suite

Going beyond our 2022 **43% ratio of women in C suite** management at OPC Energy in 2024.



Governance

OPC is committed to the highest standards of business ethics in all of its operations and locations. Our target are to maintain **100% employee training** on our Code of Ethics and a record of **zero reported ethical violations** through our hotline.

Our Environmental Impact





Our Environmental Impact

Reducing our environmental impact is a key priority at OPC.

The energy industry is one of the most complex in the world, and it relies on the availability of natural resources and an intricate network of external players, with significant global environmental impact. To protect the health of our planet, we are deeply committed to the highest standards of environmental management. This is reflected in all our activities, and we are committed to high efficiency in our operations, reducing our energy use and carbon footprint, improving air quality, the proper management of water resources, and minimizing our waste.

In 2022, we succeeded in achieving improvements in the efficiency of our power plants and reducing our environmental impacts. We take a comprehensive approach to environmental management with an emphasis on continuous improvement, implementing the latest innovative technologies, and an openness to new ideas. We consider environmental protection and improved efficiency as the collective responsibility of all our employees, and we encourage new ideas in our day-to-day work. When someone suggests a new approach, we consider it, analyze it, and work to see whether it can have a positive environmental and business impact.

ENVIRONMENTAL HIGHLIGHTS

4%

reduction in operations intensity (ratio of greenhouse gases emitted to energy produced) in Israel operations in 2022 compared to 2021

0

fresh water withdrawal in some CPV operation sites

17%

reduction in our Scope 1 and Scope 2 emissions (IL), compared to 2021

15%

decrease in water use at OPC Israel from '21 to '22





Environmental Management

We are committed to taking measures to protect the environment and reduce environmental hazards. Our environmental commitment describes our approach to consider environmental impacts in all areas of our business activities, including decision-making processes, design and operation of our facilities, adoption of proven advanced environmental criteria, and the responsible use of raw materials and natural resources.

These principles are implemented through our comprehensive environmental management system, designed to ensure that our power plants comply with all relevant regulations, and we strive to go beyond compliance, where possible. The Environmental, Health and Safety (EHS) Manager manager is responsible for overseeing our environmental management. Our environmental management method ensures we are meeting all applicable regulations, and provides regular feedback on risk and anomalies to allow for quick, appropriate responses and to prevent potential harm to the environment.

Complying with Environmental Regulations

The Company's activities in Israel and the US are subject to the provisions of laws and permit requirements relating to various aspects of environmental protection, where failure to comply with the requirements may lead to measures being taken and can adversely affect our operations.

We operate in a sector where environmental regulation is critical and significant, and we maintain strict environmental procedures in order to protect the environment and local ecosystems where we operate. We comply with a wide range of applicable regulations that cover topics such as clean air, soil and water, effluents, hazardous substances, transportation, noise, etc.

In Israel, we comply with national regulations and we have clear procedures regarding our environmental activities approved by the Ministry of Environmental Protection, and municipalities. Any anomalies or request for corrections are dealt with immediately.

In the last 3 years there have been no comments by the Ministry of Environmental Protection in their annual review of our operations.

We have a zero-tolerance approach to environmental incidents and we continue monitor our ongoing operations and improvements.



Our commitment to safe, environmentally responsible operations defines our day-to-day actions, and drives our achievement of zero environmental or safety incidents,,

Yoav Goraly, EVP Operations, Israel



Internal Audits

To ensure our day-to-day practices meet environmental regulations, we have instituted an expansive internal review process. Whereas the Israeli Ministry of Environmental Protection conducts an external review of our operations once a year, we also conduct internal reviews regularly. If any gaps are found, they are reported to management, along with corrective actions, which are immediately implemented.

Topics examined in internal audits include: air emissions, storage and use of hazardous materials and fuels, potential soil and water contamination, noise, and more. Tests are conducted to evaluate and measure each of these areas, with findings reported according to severity and treated accordingly. Our approach is not only to correct anomalies, but to identify and implement preventative measures that treat the root cause. Summary of findings from the

audit reports are reported to the plant manager, and distributed monthly to the EVP of Operations and quarterly to the Safety Steering Committee, led by the CEO of OPC Israel.

In addition, we conduct specific exercises and safety and environmental trainings related to hazardous materials management, earthquakes preparedness, and natural gas leakage events. Some of these trainings are required by law, but we go beyond compliance in the number of trainings we perform, as this is a high priority for OPC. In 2022, we conducted 11 exercises at the Hadera plant and 15 exercises at the Rotem plant. In 2023, we expanded the scope of these exercises to include participation of the local emergency services, such as MDA Israel (Magen David Adom, Israel's National Emergency organization), Israel Fire and Rescue Services, and Israel's Home Front Command.

Environmental Regulation in the US

The activities of the CPV Group are subject to strict environmental legislation and regulations of **federal, regional, state and local authorities**. These laws and regulations generally relate to carbon emissions into the air, sewage into water, water use, pollutant purification and waste management. CPV requires power plant operations and maintenance service providers to implement specific compliance plans and procedures to ensure compliance with laws and regulations and routinely supervises service providers' operations. CPV power plants have emergency response service agreements in place, in the event of an environmental emergency.

In addition, we comply with the Inflation Reduction Act, which grants benefits to renewable energy and CCUS projects, extending Investment Tax Credits and Production Tax Credits.



Energy Management

We comply with all local and national regulations related to energy management at our power plants. Each power plant is required to have an energy supervisor, who is responsible for energy surveys and annual reports. The energy survey analyzes site performance and identifies opportunities for process improvement. In 2022, for example, following the energy survey at the Rotem plant, all of the lighting around the perimeter fence of the facility was replaced with LED energy efficient lighting.

To produce energy, we need to also consume some energy. It's used for our plant operations, car fleet, and offices, and mainly comes from self-generated sources (i.e., our own power plants). A portion of the energy we consume is also purchased from local energy providers.

Our energy consumption takes into account OPC's share of CPV's energy consumption in operations.

Energy consumption source	GJ
Fuel use (our operations and company vehicle fleet)	70,570,534
Purchased electricity	24,452
Self-generated energy	729,734

Supporting Energy Efficiency for our Industrial Customers

We supplied our customers with smart meters to aid in monitoring and reducing their electricity usage and environmental impact. By equipping them with the means to comprehend their energy consumption, they are more adept at controlling and decreasing it, thus reducing their carbon footprint.



In 2022 we generated a total of
29,970 GWh
 of energy - enough to power nearly
1,634,007 homes
 for one year.¹



¹ Calculated according to [EPA calculator](#).



GHG Emissions

At OPC, our overall activities contribute to a reduction in global GHG emissions through the generation of electricity powered by natural gas and renewable sources, instead of other highly polluting fuels. We carefully track and monitor our GHG emissions, with the aim of managing and further reducing them.

GHG emissions from OPC operations are calculated according to the GHG Protocol methodology, which establishes a comprehensive global standardized framework to measure and track GHG emissions. As such, we deploy the 'equity share' approach, whereby a company accounts for GHG emissions from its operations according to its share of equity in those operations. In this report, the equity share applied is the percentage of OPC ownership of power plants as detailed in our 2022 Annual Report.

We currently track Scope 1 & 2 Emissions.

Scope 1 emissions are direct emissions from a company's activities. For OPC, these include GHG emissions from fuel use in our operations, mostly natural gas, in Israel and our share of CPV's operations in the US. It also includes the company vehicle fleet, as well as direct emission of ODS (ozone depleting substances) from our operations.

Scope 2 emissions are indirect emissions from the generation of purchased energy. For OPC, this includes purchased energy for our operations in Israel and our share of CPV operations in the US, as well as for our headquarters.



GHG emissions: OPC Israel sites

The table below indicates the GHG emissions at OPC sites in Israel for the past three years. In 2022, we took the opportunity to update our GHG calculations according to the international GHG Protocol methodology; this includes a recalculation of our Scope 1 & 2 values from previous years.*

	2021	2022
Scope 1	1,798,659	1,493,510
Scope 2	4,153	2,726
Total	1,802,812	1,496,236

* For more info on GHG emissions calculation methods, see 'About this Report'.

In 2022, Scope 1 emissions were reduced by 17% in comparison to 2021.

This was due to more downtime of the power plants for maintenance purposes, resulting in lower fuel use.

In 2022, Scope 2 emissions were reduced by 34% in comparison to 2021.

This was due to a decrease in the purchase of electricity from third party providers. Out of our total Scope 1 and 2 emissions in Israel, 99.9% are Scope 1 emissions, mostly from the use of natural gas.



GHG emissions: OPC's Share of CPV US sites

GHG emission calculations for the US take into account OPC's share of CPV's emissions, according to the equity share approach.

Based on the equity share approach, OPC's share of CPV's Scope 1 and Scope 2 total emissions in 2022 was **2,083,822** tCO₂e.

Our total global Scope 1 and Scope 2 emissions in 2022 was **3,580,058** tCO₂e.

GHG Emissions: Scope 1 & 2 Total (OPC and CPV)

	OPC Emissions (Israel sites), tCO ₂ e	CPV Share of Emissions (US sites), tCO ₂ e	Total Emissions, tCO ₂ e
Scope 1	1,493,510	2,082,876	3,576,386
Scope 2	2,726	946	3,672
Total	1,496,236	2,083,822	3,580,058

Out of our total Scope 1 & 2 emissions, **58%** of our absolute global emissions come from our share of CPV's sites in the US. The other **42%** come from our Israel sites.

Emissions Intensity

Emissions intensity is the rate between the greenhouse gases emitted by our energy consumption, and our energy production (gCO₂e/kWh).

Thanks to the use of natural gas, and solar and wind powered electricity, our emissions intensity in both Israel and the US is lower than the national average. As we continue to integrate renewable energy solutions into our operations, **we expect our emissions intensity to decline in the coming years even further.**

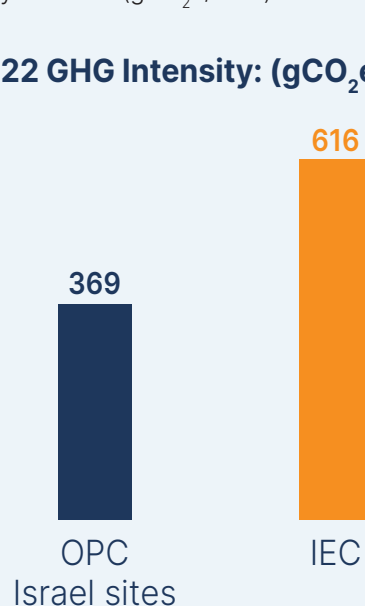
The energy intensity of our global operations in 2022 was 354 gCO₂e/kWh. This was calculated according to the equity share approach, i.e. OPC's share of emissions and energy generated at our sites worldwide.



Energy generation projects on clients' premises

The GHG emissions produced by the intensity of our operations at our Israel sites in 2022 was 369 (gCO₂e/kWh), which is 40% lower than the greenhouse gas emissions intensity of the Israel Electric Corporation (IEC), whose gas emissions intensity was 616 (gCO₂e/kWh)².

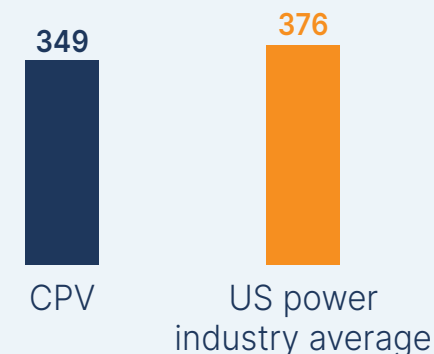
2022 GHG Intensity: (gCO₂e/kWh)



² Data for IEC taken from [IEC Annual Environmental Report 2022](#)

CPV's emission intensity rate was 349 gCO₂e/kWh in 2022, lower than the national US average emission rate for electricity production which was 376.

2022 GHG Intensity: (gCO₂e/kWh)



CPV has set a target of a 25% reduction in its Scope 1 emissions intensity by 2030, against a 2022 base year. **To reach this target we have in place a robust development pipeline with a projected capacity of 7.4 GW, including 3.9 GW of renewables.** It also includes cutting-edge projects like CPV Shay and Basin Ranch, which are in stage of development and will feature first of its kind commercial scale deployment of amine-based carbon-capture technology, to isolate CO₂ from the power plant's exhaust gas which is projected to limit its GHG emissions by 90%. Additionally, we are evaluating opportunities to improve the emissions profile of our existing high-efficiency thermal fleet through retrofits, hydrogen blending, and certified natural gas. We plan to disclose our efforts in future reporting and are committed to disclosing our performance against this target annually.



Air Quality

At OPC, we view air quality as a high priority.

We comply with all relevant regulations related to air emissions in the locations in which we operate, and aim to go beyond compliance where possible. In Israel, we are subject to the Clean Air Law, which sets emissions guidelines for private electricity generators.

To manage and minimize air emissions, we invest in the latest innovative technology, and regularly monitor and analyze our performance. In 2021 and 2022, we achieved zero deviations from emissions allowed under our licensing permits in Israel.



Air Emissions: OPC Israel Sites (tons)

	2021	2022
NO _x	970.31	927.28
SO _x	7.39	4.14
PM ₁₀	27.61	33.25



Air Emissions: CPV US Sites (tons)

In the US, CPV performs continuous air monitoring using its Continuous Emission Monitoring Systems (CEMS) at all of our power generation facilities. The table below details NO_x and SO_x air emissions at relevant CPV sites. CPV has been replacing outdated energy generation assets with our modern, cleaner burning, high-efficiency assets utilizing natural gas, which produce fewer emissions.

	2021	2022
NO _x	432.57	444.05
SO _x	28.35	27.63

Air emissions values are total emissions at the site (not a portion according to OPC's share of operations).



Zomet Power Plant



Water

We strive to reduce the amount of water used in our operations, and to minimize the environmental impact of our wastewater. Water is used for steam production during the operation of natural gas-powered power plants in a combined cycle, and wastewater generated in this process is removed from the facilities. We continue to identify opportunities to reduce our water use and reuse our wastewater where possible.

We comply with all regulations related to water use and wastewater generation, and in 2022 there were zero incidents of non-compliance associated with water quality permits, standards, or regulations.

In Israel, the water used in our operations is supplied by the national water system. We have taken a variety of steps to conserve this valuable resource, such as regularly performing comprehensive water quality tests, and at our Rotem site, recycling water in our gas turbine cooling system.



Water Consumption: OPC Israel Sites (cubic meters)

2021	2022
442,527	374,757

In 2022, water consumption at the Israel OPC sites was lower by 15% compared to 2021, due to the reuse initiatives described above.



Water Consumption: CPV US Sites (cubic meters)

2021	2022
12,646,509	12,899,009

Water consumption values are the total cubic meters of water consumed at the sites in each reporting year (not a portion calculated according to OPC's share of operations).

CPV considers water usage and consumption early on in every new project development and, when possible, uses recycled water and builds air-cooled facilities such as CPV's Towantic Energy Center in Connecticut and Valley Energy Center in New York.

Prioritizing air-cooled facilities helps reduce the amount of water needed for operations up to 90% compared to similar wet-cooled facilities.

Four of CPV's facilities engage in extensive wastewater use and recycling, including initiatives to help meet their operational water needs. For example, through an agreement with the city of Middletown, NY, grey water is provided to the CPV Valley facility from a nearby municipal wastewater treatment facility.

CPV Valley utilizes, treats, and returns the water cleaner than it is received.

This helps avoid impacting local water resources, while also providing approximately \$500,000 of revenue for the city on an annual basis.

In 2022, CPV had zero incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations.

Water Reuse at Rotem

In general, most water at a power plant is reused to operate the steam turbine, but there is always some amount of water that cannot be reused and is treated for release as industrial wastewater. In 2022, we initiated a project at the Rotem power plant to reuse a portion of the wastewater. We examined the quality of the water at this stage and once we made sure it meets our standards, we repurposed it for reuse. This initiative was launched in late 2022 and already saved 120,000 liters that year. In 2023 it expected to save 4.5 million litres. This means we purchase less water and also reduce costs for the treatment of industrial wastewater. Wastewater which we cannot reuse is sent to a nearby industrial facility, not owned by OPC, which uses the water for other purposes.





Waste

We work to minimize our waste and meet the highest environmental standards for treating solid waste and hazardous waste. General waste includes waste from our power plants and offices, and hazardous waste that is generated at our power plants. We comply with all regulations related to treating of hazardous waste, and at the Rotem and Hadera power plants, we undergo a periodic renewal of our permits to handle hazardous waste. Waste data trends changed in 2022, due to a modification in the guidelines for tracking waste set by the Israel Ministry of Environmental Protection.



Waste: OPC Israel Sites (tons)

Waste Category	2020	2021	2022
Total Hazardous waste	74.16	49.36	20.32
Hazardous waste sent to landfill	5.03	3.45	11.05
Hazardous waste recycled	69.13	45.91	9.27
Total General waste	12,118	12,457	3,766
General waste sent to landfill	12,113	11,648	1,815
General waste recycled	4.7	809.50	1,951

Data for 2020 and 2021 for the following categories has been restated to match the methodology of the Israel Ministry of Environmental Protection: Total general waste, General waste sent to landfill, and General waste recycled.



OPC Hadera Power Plant

Our Social Impact





Our Social Impact

At OPC, we take great pride in building an inclusive company that cares for its employees and the communities in which it operates, and we seek to ensure our actions uphold our commitment to being a force for positive change within the energy sector. We set high expectations for ourselves, striving to make sure our business activities and contributions to the community align with our values and support our path of continued strategic growth.

SOCIAL HIGHLIGHTS FOR 2022

Women in C Suite management

43%

Donations in Israel

1,645,000 NIS

Employees in Israel & US

283

% Increase women in management in Israel

33%

% Growth in employees from 2021 (Israel)

26%

Fatal accidents

0





Our Employees

We are proud of our employees, their professionalism, and their innovative approach which leads to excellence in our performance. We foster a culture of learning, exploration, and personal and professional development to support our employees in their career paths. We strive to create a work environment that is inclusive and supports our culture of meeting the highest standards of health and safety.

In 2022, as our business has grown, the number of employees has increased significantly. With this growth, we continue to provide a diverse range of training and professional development opportunities to support every employee's growth. In 2022, our workforce increased by 26% at OPC Israel and 28% at CPV.

As a general rule, OPC hires workers as company employees from day one. However, the company receives services from external providers for security, catering and small ad hoc mechanical and electrical work. These external contractors determine the terms of employment of its employees. In 2022, we had 23 such employees at the Rotem site and 20 employees at the Hadera site.

OPC Employees, 2021-2022

		2021		2022	
		Women 	Men 	Women 	Men 
Executive (C-Suite)	Under Age 30	0	0	0	0
	Ages 30-50	1	2	3	2
	Over Age 50	1	2	0	2
Managers	Under Age 30	0	0	0	0
	Ages 30-50	7	26	9	27
	Over Age 50	0	10	0	12
Non-managers	Under Age 30	1	0	5	5
	Ages 30-50	14	40	17	54
	Over Age 50	6	9	3	11
Total		30	89	37	113

CPV Employees, 2021-2022

		2021		2022	
		Women 	Men 	Women 	Men 
Managers	Under Age 30	0	2	0	3
	Ages 30-50	7	40	12	45
	Over Age 50	5	26	5	29
Non-managers	Under Age 30	2	6	0	16
	Ages 30-50	6	7	9	10
	Over Age 50	3	0	4	0
Total		23	81	30	103



Diversity, Inclusion, and Equality

We value the diversity of people, ideas, and experiences, and we strive to create a workplace environment that is open, inclusive, and equal for all. Recognizing that we operate in a sector prone to a lack of diversity, we take specific steps to support a diverse talent pipeline and recruit employees from underrepresented groups. We are an equal opportunity employer, and we promote hiring practices based on professional skills, regardless of an individual's gender, race, religion, or other factors. To support diversity throughout our business operations, we have a strategic recruitment process in place to diversify our hiring and increase the number of individuals from underrepresented groups and women, and in 2022, 25% of our employees were women.

We support diversity in the workplace, and in 2022 we achieved:



43%

women in C suite OPC Energy group management



8.7%

increase in employees from underrepresented groups in Israel (Israeli Arabs, Israelis of Ethiopian origin, people with disabilities)



6

new hires over the age of 45, including for senior manager positions

We support equal opportunities and employment conditions for all employees. We are proud that for the same roles with similar educational and professional characteristics, there are no wage gaps between women and men in the company.

We are committed to providing a workplace environment that is free from discrimination or harassment. We have an anti-sexual harassment policy in place, and the VP of Human Resources has undergone specific training to deal with any complaints on this matter. We conduct extensive awareness and training related to our policy for employees, including training for new hires and ongoing communication for all employees. In 2022, **100% of employees received training on sexual harassment prevention.** There were zero complaints filed regarding harassment or discrimination.

Human Rights

We are dedicated to upholding human rights and preventing any violations. We follow local laws and abide by principles ensuring proper labor standards, including no child or compulsory labor, non-discrimination, and workplace safety, as well as freedom of association. We prioritize local community rights, and work to combat corruption and safeguard privacy.



We believe that increasing the number of women in a traditionally male sector brings extra value, a diverse approach, and creates broader employment opportunities. We have 43% women's representation in the C-suite. We are proud to have recruited the first woman power plant manager in Israel,

Oshrit Suissa Kadosh,
VP for Human Resources



Development & Engagement

As our company grows, we are committed to creating opportunities for our employees and managers to develop along with the company and advance in their professional development.

Our professional training and development program is designed to provide employees with the skills and training they need to thrive at their job and to create an environment that empowers employees to continuously learn and grow. We are proud of the many employees who developed professionally with us and advanced to management positions.

All company employees participate in cross-organizational training on specific topics, including anti-bribery and corruption, prevention of sexual harassment, our code of ethics, cyber protection, securities plan enforcement, first aid, and more. In the past year, we implemented a training program for managers, and we also have a mentor program in place to support individual professional development.





Training at our Power Plants

We invest significant resources to provide specialized training to our employees in the field, as they are critical for operating our optimized array of power plants. As the operation and maintenance of power plants requires a unique set of skills, we offer tailored training for employees according to their specific roles. Our training program covers general professional skills development, as well as specific technical skills and regulatory training as needed, and takes place throughout the year with a set number of hours per employee.

Training is tracked on a monthly basis, with progress reports shared regularly with senior management.

Topics include specific training for working at high levels or at enclosed spaces, as well as first aid and emergency response training. We also provide specialized skills training for different professions, including welders, boiler operators, crane operators, electricians, and others. To maintain functional continuity and a reserve of qualified employees, we have a training program that provides specific knowledge and readiness to take over an operational position if needed.



In 2022, employees received an average of 38 hours of training per employee.

Hiring and Training for the New Tzomet Power Plant

Setting up a new power plant requires a unique set of hiring and training considerations. The recruitment and training process for the Tzomet power plant, which became operational in 2023, took 6-8 months and included a detailed mapping of all the positions, and the necessary skills and knowledge required. To ensure a diverse talent pipeline, we worked with local placement agencies, employment bureaus, and associations that work with the local population in the geographic periphery, as well as underrepresented populations. We were able to recruit a highly experienced professional woman as the site manager for the power plant, which is a first in the sector in Israel.

As the setup of a power plant can take several months, in order not to lose potential candidates over the long process, we took a range of measures, including placement of employees at other power plants in the interim, and in the

meantime, and providing training on soft skills, such as time management, routine building, etc.

Every position at the new power plant has its own training program with a set syllabus that the new employee must follow. The training program includes a range of courses, including those taught by external training institutions, e.g., equipment suppliers, and internal sessions led by OPC topic experts. During the training period, new hires are considered full-time employees and they receive all applicable employee benefits.

At the end of the training period, employees gain a set of certifications that are relevant for their professional development and continued career path.



In 2022, new employees at Tzomet received a total of 4,286 hours of training.





Benefits and Support

We strive to ensure that employees' wages and benefits go beyond typical standards in the energy sector. Our employees receive a wide range of benefits, such as health and dental insurance, education funding, health screening, tuition scholarships for employees' children, and tailored benefits according to their position or seniority.

Our holistic support for employees includes additional benefits, such as opportunities for gradual return to work after parental leave, increased sick days to take care of a family member, and support activities for parents of children with special needs. In addition, we encourage financial literacy by offering training related to savings and retirement.

As part of regulations, employees at our power plants must undergo an occupational health and hearing examination once a year. We also offer our HQ employees in Israel a bi annual thorough overall medical examination. We provide a special mobile unit to carry out these tests at the power plants, with extensive screening every two years. All employee medical information is kept confidential, and is given only to the employee.



In 2022, there were no cases of work-related illnesses.

We recognize our employees' freedom of association and respect their right to join trade unions and engage in collective bargaining. The company has two collective agreements that are updated periodically through negotiations between management and worker representatives. The collective agreements cover financial employment conditions, as well as organizational procedures. The company respects and acts in accordance with all our agreements and obligations towards our employees and trade unions at the collective level. The percentage of employees represented in collective agreements is 31.3%. In 2022, there were no exceptional events relating to collective labor relations.





Employee Engagement

As part of our holistic approach towards our employees, we are committed to engaging with them to support an open, transparent workplace environment. We invest significant resources in regular communication, including employee newsletters and tv screens placed strategically throughout our facilities to share information broadly. We conduct roundtables with employees to share business news and updates, and to receive feedback and suggestions.

To support development on an individual basis, twice a year each employee undergoes a performance review. This gives employees the opportunity to meet with their managers to review and set their individual annual goals for the year, and to share any feedback.



In 2022, 85% of OPC employees participated in the annual review process.

To gain further insights and feedback, in 2022 we conducted an employee engagement survey as part of the annual performance review. It included questions on a range of topics, such as organizational communication, employee needs, and individual career pathways. We are currently developing tailored workplans to address relevant issues raised in the survey.



Encouraging a Healthy Lifestyle

We encourage employees to live a healthy lifestyle, and employees have the opportunity to participate in workplace sports leagues and fitness training programs. We have an employee running group, and we recently hired a coach to lead the activities, which are open to experienced and new runners alike. We have also taken several measures to introduce healthy nutrition in our dining areas. To support a healthy work-life balance, employees at headquarters are able to work remotely from home once a week, and we encourage the full use of vacation days and flexible work hours, where possible.





Health and Safety

We prioritize the health and safety of our employees and are committed to supporting a healthy lifestyle and creating a safe workplace environment.

Creating a Culture of Safety

At OPC, the safety of our employees is a top priority. We take a zero-tolerance approach to safety issues and strive to ensure that safety is deeply imbedded in our company culture. Our approach to safety is based on shared accountability between managers and employees, and we encourage employees to take a proactive approach to safety by using a behavior-based plan that empowers employees to take charge of their own welfare.

We comply with all local and national safety requirements, and act in full cooperation with the relevant authorities related to environment, health, and safety (EHS) issues. In 2022, we developed a company safety policy, available on our [website](#) (in Hebrew), that outlines our approach of continuous improvement related to safety, including training, reviewing of lessons learned, and process improvements that are shared across sites. At OPC, we stress the importance of fostering an engaged employee who takes ownership of their own safety and that of others.

The company's overall safety program is overseen by the COO, who reports any issues to top management. In addition, a Safety Steering Committee meets once a quarter to review any issues and corrective actions. There is a specific safety plan for each facility, with a designated safety officer at each site who oversees the day-to-day safety. Safety training is provided to employees to increase awareness and reduce the risk of accidents or injuries. **In 2022, all power plant workers received safety training.** To support a culture of safety, we have instituted a range of measures, including starting our morning meetings at the power plants with a safety review. In addition, safety training days are held throughout the year, and we have quarterly safety roundtables where employees can discuss any safety issues with the power plant management. Last year, we also launched a Peer-to-Peer apprenticeship program, where an experienced employee mentors another employee to provide guidance and advice. We encourage employees to report any near-misses and accidents, creating an open work environment that supports a proactive approach to safety.

In the event of an incident, contractors and operators are required to conduct a root cause analysis and compile comprehensive report to identify what caused the incident and outline steps to avoid future incidents.



5 Minutes of Safety

Every morning at an OPC power plant, we start the day with “5 minutes of Safety.” This gives employees the opportunity to review any safety or environmental issues that occurred at all OPC Israel power plants, so they can learn from each other’s experiences and share professional knowledge, in real-time.



Safety Audits and Risk Assessments

We go beyond compliance when it comes to ensuring a safe work environment. We have established an extensive 3-year internal audit program, which covers 6 topics a year in depth. These audits are designed to identify any relevant safety issues, and the result is a specific enforcement plan developed through the assistance of an external organization. In 2022, we conducted seven audits, that examined topics such as noise levels, lifting machines safety, first aid kits and handling natural gas safely. As a result of these audits we updated procedures and work methods and new safer equipment was purchased.

We have established a process to identify, assess, and control risks related to safety. Risk assessments

are conducted on various topics, such as machine protection or exposure to harmful noise, and we provide the necessary training, as needed. The goal of these risk assessments is to identify main risk factors, and to recommend any follow-up processes, remediations, or actions to prevent incidents or accidents. Risks assessments are conducted in a structured manner and utilize checklists, records of past company incidents, and external documents, as needed.

As part of the risk assessment process, the company sets an 'acceptable risk' for incidents. Each scenario is evaluated according to our Risk Assessment Decision Board, where it receives a specific score, with guidelines to address and remediate the risk.

Risk Assessment Decision Board

		Probability			
		4 – High May happen every day	3 – Medium May happen from time to time	2 – Low Seldomly happens	1 – Very low May never happen
Injury Severity	4 – Severe Permanent disability or death	16	12	8	4
	3 – Medium Serious injury or illness with absence of over 30 days	12	9	6	3
	2 – Mild Medical treatment and several out-of-work days	8	6	4	2
	1 – Slight First aid required	4	3	2	1

The Unplanned 7th Audit

Every year, we plan 6 safety audits. In 2022, we recognized that we had a unique opportunity to enhance our safety culture by learning from a rare event, so we added a 7th 'unplanned audit'. Power plant turbines are typically dismantled every 15,000 working hours for preventative maintenance. This was happening at one of our power plants, and the dismantling can involve many different teams, with up to 300 employees and contractors working together. The 7th audit was conducted during the turbine dismantling to ensure smooth, safe operations during this complex endeavor.



OPC Rotem Power Plant



Safety Performance

At OPC Israel and CPV, there were no work-related ill health incidents or injuries resulting in casualties in 2022.

	OPC Israel		CPV	
	2021	2022	2021	2022
Total Recordable injuries	0	3	1	2
Rate	0	1.66	0.78	1.55

* OPC bases its injury calculations and the TRIR (Total recordable incident rate) that is derived from it on the Israeli Ministry of Labor Standards, while CPV does so based on OSHA standards that are somewhat different.

** The TRIR index excludes OPC & CPV sites that are currently under construction.

We continue to develop our safety program and in 2023, we plan to implement an enterprise management program for safety management, which will enable comprehensive organizational safety data and performance information on one centralized platform.

Contractors Safety at our Plants

It is crucial for us that all contractors who work at our facilities meet our internal safety standards. Prior to engagement, safety expectations are shared with the contractor. All relevant contractors undergo safety briefings and a pre-mission risk survey related to training and tools, and any contractor who does not meet our safety requirements is removed from the site. When a contractor arrives at a site, they are inspected by the site's safety supervisor, and inspections are made with official documentation to ensure there are no deviations from the provisions of the law, as well as the safety procedures and culture of OPC.



Safety is our North Star at OPC and determines all of our conduct. Our goal is zero environmental or safety incidents, and that is what guides our journey,,

Yoav Goraly, EVP Operations, Israel



Supporting Communities

Caring for the communities in which we operate is part of our DNA, and we strive to establish partnerships and activities that support our commitment to being a positive, contributing force to the community. We have a long history of community development and engagement programs, and we encourage volunteer opportunities for employees to support their personal contributions to the community. Our initiatives include a variety of activities, and we aim to involve our employees wherever our facilities are located. A strong connection with our community and giving back is one of our core values.



In 2022, our employees volunteered 556 hours, and 29% participated in at least one activity.



National "Good Deeds" Day

We regularly participate in National Good Deed Days in Israel, and in 2022 our employees volunteered in a variety of activities, including renovating a youth club, improving a garden at an assisted living facility, and social activities at a local senior citizen home. We also partnered with a nonprofit organization that focuses on technology education for youth and renovated a computer classroom in A Kiryat Gat elementary school.



Distributing Food to Families in Need

For many years, we have partnered with a nonprofit organization that works with youth to distribute food baskets to local families in communities near our power plants. In 2022, there was a logistics problem at one of the local distribution sites, so we offered the use of our Hadera facility for food packing, which our employees participated in. In addition, employees at others locations volunteered to distribute food packages in our local communities.

At the Rotem power plant, we partner with the local nonprofit Nirim, which also works with youth to distribute food to families in need. We have worked with them since 2015 and we continue to provide logistics assistance, as well as volunteers, as needed.





Community Race

We participated in a community race with members of an assisted living facility in Tiberias to empower and motivate the residents. As part of our engagement, we also invited the residents for a tour of one of our power plants to learn more about our work.



Israel Girls Week

To empower girls and expose female teenage students to different career pathways and opportunities, we participated in the annual 2022 Israel Girls Week. Two of our women managers met with groups of students to share their personal story and professional development path.



Employees kids' Summer Jobs

In 2022, we developed a program that gives employees' children the opportunity to work with local nonprofit social organizations during the summer vacation. Teenagers are able to work at the community organization, with their summer salaries paid by OPC. We see great importance in conveying an educational message of help and support in the community, as well as connecting our employees' families with our goals in the field of social responsibility.



Supporting our Community at War

In the fall of 2023, as this report was being finalized, Israel experienced a national crisis and the outbreak of war. In the spirit of coming together to support each other, especially the families who were hurt or displaced from their homes, OPC established an emergency donation fund of 2 million NIS. A portion of this funding was allocated to support 80 families displaced by the war housed at the Abraham Hostel in Tel Aviv. In addition to our donation of 450,000 NIS to help cover housing and food costs, many OPC employees volunteered their time and energy to make the families feel welcome, including serving and cleaning up after meals and organizing social activities for youth and adults.





Donations

To support our community involvement, we make charitable donations each year. The donation budget is approved by a donation committee, which is part of the Audit Committee of the Board, and includes the Chairman of the Board, the CEO, and the VP of HR. Donations are made to nonprofit organizations that work on education and community development projects, with a focus on the geographic periphery of Israel where our power plants are located.



**In 2022, we donated
1,645,000 NIS to various
nonprofit organizations.**

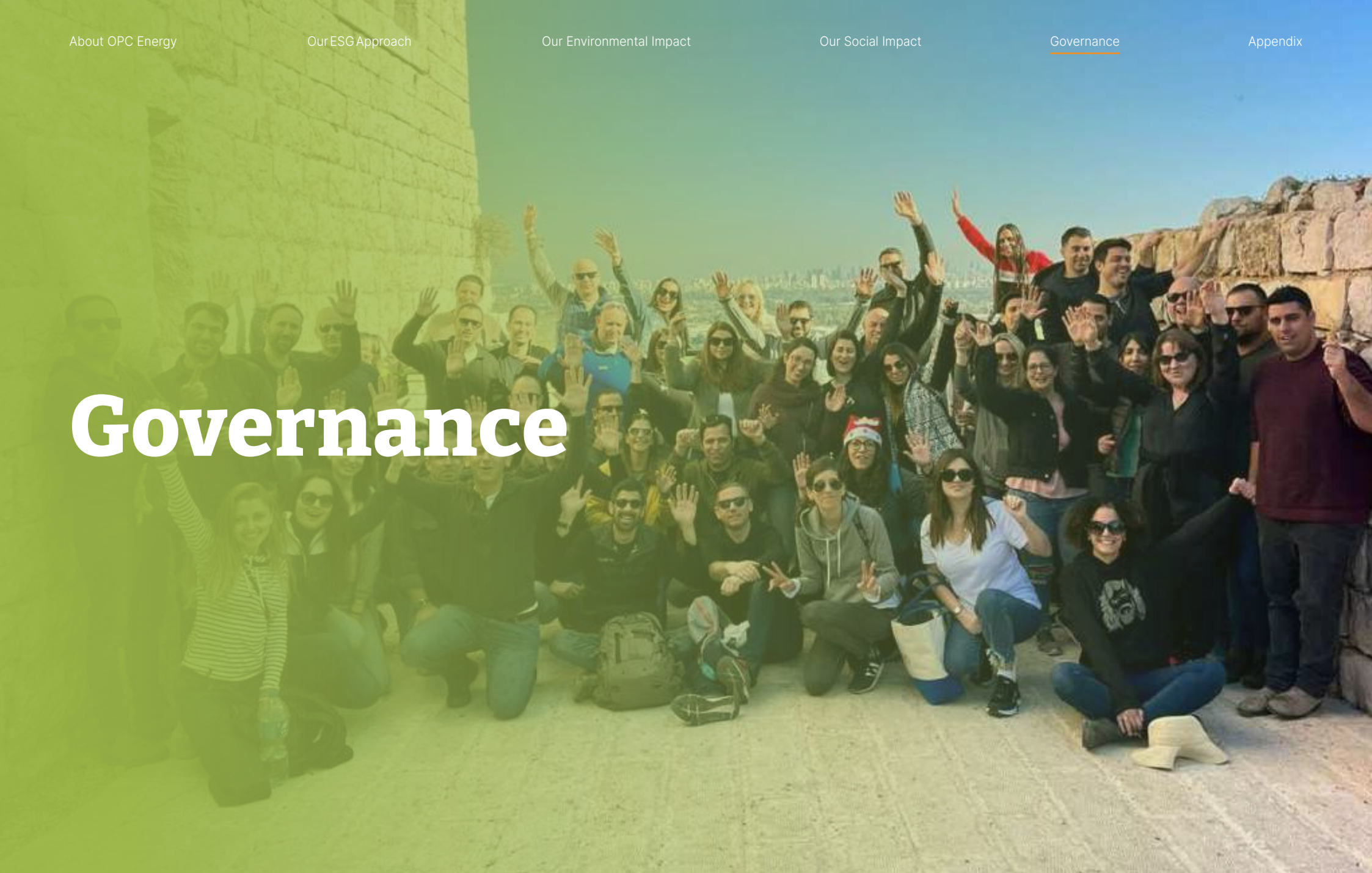
At CPV, we have identified Science, Technology, Engineering and Math (STEM) education as an area of focus for our community development to ensure that the workforce of tomorrow has the education and training needed for successful careers, including in the energy sector. Our community engagement model supports quality education and helps reduce

inequalities by funding new STEM grants and labs in public schools, visiting classrooms, providing career coaching from CPV staff, and offering guided tours of our power generation facilities.

Through our two-year grant program to the nonprofit Project Lead The Way, we continue to support educational programs that focus on STEM in middle school. With the grant, participating school systems can offer an “Energy and the Environment”. We are proud in helping to provide such educational opportunities to youth in our local communities.

Beaver Ridge wind farm, Mountain Wind Transaction

Governance





Governance

At OPC we strive to conduct our business with integrity and in a fair, respectful, and transparent manner.

We assume responsibility for all our actions and business practices, and hold ourselves responsible to our stakeholders, as well as the wellbeing of the communities surrounding us. We are guided by our Code of Ethics which reflects these values, and our commitment to comply with all relevant laws, regulations, compliance programs, and procedures. Our compliance programs and governance policies are in place to ensure we are upholding our values and commitments, including the prevention of bribery and corruption. As a public company traded on the Tel Aviv Stock Exchange (TASE), we strictly adhere to the provisions of the Israel Securities Law and TASE regulations and rules.

HIGHLIGHTS

0

reported violations
of our Code of Ethics

0

finances due to
violations of the law

45

OPC energy board and board
committees' meetings



The energy industry is evolving and changing constantly, and as a public company operating in this industry we are committed to maintaining the highest level of ethical and responsible conduct. This is done through compliance with relevant regulatory requirements and by building a robust organizational culture that can handle the challenges of our industry,,

Nurit Traurik, EVP General Counsel



Board of Directors

Total Number
of Directors

9

Separate Chairman
and CEO

Yes

Number of
External Directors

2

Annual Election
of Directors

Yes

Number of
Independent
Directors

1

Women
Board
Members

22%

Number of Directors
with Financial and
Accounting Expertise

7

The OPC Board of Directors is responsible for the company's accountability, overseeing risk management and guiding the company's strategy and implementation to generate sustainable value for our shareholders and employees, while taking into consideration our stakeholders' expectations. The Board has three committees: Audit & Compensation, Financial Statements and Donations. In 2023, two additional committees were added: a Financing committee and an ESG committee.

In 2022, the Board consisted of 9 appointed members* with a wide range of professional skills and relevant experience to perform their duties. These include strategy setting, global industry knowledge, finance, high level managerial experience, corporate governance and risk management expertise.



In 2022, there were 45 meetings of the Board of Directors and its committees, with nearly 100% attendance.

For more details on the OPC Board of Directors and its policies, committees, and responsibilities, please see the [OPC 2022 Annual Report](#).

* In 2023 a new independent board member was appointed.





Remuneration Policy

OPC has a public remuneration [policy](#) which is approved according to the Israeli Public Companies Law and our compensation policy is based on personalized performance and individual KPIs. These include goals and performance evaluations for senior management, as well as all other employees. Annual monetary rewards (bonuses) are dependent on these performance evaluation processes.

We have added performance KPIs for our senior management team that include implementation of renewable and low-carbon generation assets.



Code of Ethics

The OPC Code of Ethics outlines our values and principles of professional ethical behavior across the entire organization. The Code guides employees in making decisions aligned with the company's values, with rules to avoid conflicts of interest. The Code is based on the following principles: **compliance with the law, acting with fairness, respect for others, and the prohibition of harassment and discrimination**. It also outlines our commitment to excellence and continuous improvement, our dedication to safety, and our responsibility towards communities and the environment.

Training on the Code is provided to all new employees, and annual training is given to employees throughout the company.



In 2022, 100% of the company's employees received training on the Code of Ethics.

The Code of Ethics is reviewed periodically by senior leadership, and was reviewed in 2023 to make sure it is aligned with our growing operations and company development. The Code is available on the company's [website](#).





Compliance

We conduct our business in full compliance with the laws and regulations in the locations where we operate.

We have a variety of tools in place, including policies, training, and internal audits, to support full compliance with relevant regulations and laws. To ensure we stay up to date with relevant regulations, we work with external consultants and keep track of news and updates through various professional channels, including newsletters, events, and industry conferences. Some of the key mechanisms to support compliance are described below.

Internal Audits

The internal auditor is appointed by the Board of Directors after receiving a recommendation from the Audit Committee and operates under the supervision of the Chairman of the Board. The internal auditor prepared an audit plan for 2022, based on a multi-year work plan. It covered a range of topics, including the company's main areas of activity, risk and exposure areas, a risk survey, potential for savings and efficiency, monitoring and remediations of any deficiencies, and implementation of recommendations. We have conducted audits on our environmental performance, bank accounts management and contracts with suppliers, and other issues. The auditor's report is submitted and discussed by the Audit Committee and the board, including review of findings and procedures to be implemented.

Enforcement Plan

We have implemented internal enforcement plans to ensure proper corporate governance by OPC employees, managers, and members of the Board in compliance with the provisions of the law. The enforcement plans consist of training, reporting, supervision and controls to ensure that OPC representatives comply with the high standards of conduct required by the law and OPC. Any violation of the law can result in disciplinary action and is considered a violation of the employment agreement. Training on the enforcement plans is provided annually to employees to ensure proper awareness of the company's policies related to ethical business practices.

There are six enforcement plans that cover a range of topics, including anti-bribery and corruption prevention, securities, environmental responsibility, safety, fraud and embezzlement, and fair competition.

In 2022, there were zero allegations of non-competitive behavior leveled against the company and zero fines for non-compliance paid by the company.





Anti-Corruption

We recognize that our reputation for integrity is one of our most important assets, and that corruption is a threat to our business and values. We consider an anti-corruption stance as an integral part of how we conduct our business and take pride in our integrity and fair operations. We have a **zero-tolerance policy towards bribery and corruption**.

Our anti-corruption and anti-bribery policy provides details and guidelines for proper business behavior, and every employee is required to acknowledge and comply with the policy.

There were zero events related to bribery or corruption in 2022.



Whistleblower Hotline

We have procedures in place to manage the reporting of complaints by employees or external parties related to improper business conduct or activity. Our purpose is to create an open, direct, and confidential method to report any irregularities or improper behavior on the part of the company's employees or those acting on its behalf, while maintaining the privacy and protection of the individual who filed the report. We encourage our employees to speak up and report all instances of potentially unethical behavior.

Reports can be made via a dedicated public website: <https://opc.ethics-hotline.co.il/>, which is stored on secure, external servers and is not part of the OPC website or internal network. Reports made through the website get to the General Counsel who investigates them and informs the CEO, the Audit Committee chairperson and the company's internal auditor, and then takes remediation actions, as needed. It is also possible to report directly to the General Counsel and Audit Committee chairperson, and there is a separate whistleblower hotline for CPV.

In 2022, there were zero ethical incidents reported to the OPC and CPV whistleblower hotlines.

Governance Training

We mandate extensive training to all employees on corporate governance, proper business behavior, and compliance with policies and procedures, and keep track of our progress.

We achieved 100% participation both at OPC Israel and at CPV.

Governance training topics for employees	2022
Code of Ethics	100%
Anti-Bribery	100%
Securities and trading compliance	100%
Anti-fraud	100%
Sexual Harassment Prevention	100%
Cybersecurity	100%



Enterprise Risk Management

At OPC, our continued success depends on our ability to manage risks.



Our Enterprise Risk Management (ERM) framework, led by the Head of Risk Management and ESG, is designed to generate a holistic view of risks and drive a culture of smart risk-taking. It monitors and reports risks, defines roles and responsibilities across the company, and ensures that effective risk management is integrated into our significant activities. It helps us better understand our risk exposure by providing increased transparency for leadership on how our key threats and opportunities are evolving throughout the year and how to address them.

To ensure we identify risks as comprehensively as possible, we maintain a broad risk universe that reflects the company's potential risk categories. The risk management process involves the systematic application of standardized practices and methodologies to assessing, treating, monitoring, reviewing, and reporting risks on an ongoing basis. ESG issues are considered within our risk assessment framework.



Risk management is more than just avoiding downside risks or reducing vulnerabilities. It serves as a catalyst for unlocking upside opportunities and creating value, allowing us to proactively navigate challenges, foster innovation, and thrive in a dynamic and ever-evolving business environment.

Keti Simhayev,
Head of Risk Management & ESG



Cybersecurity & Data Privacy

We deploy extensive monitoring and control systems to protect the hardware, software, and operating systems we use in our business operations. We have written policies and procedures in place to ensure data privacy, and we constantly work to update our safeguards and systems in accordance with the latest technological developments.

Cyber security is managed by the company CISO, who reports to the CIO. A cyber steering committee

convenes on an ongoing basis, with representatives from the power plants participating. The goal of the committee is to create ongoing reporting and control mechanisms to obtain a snapshot of cyber risks, and to provide the approval of the necessary tools and mechanisms that deliver appropriate responses. In 2022, we conducted a company-wide IT risk survey to identify potential areas for improvement or changes. There were zero incidents of cyber security non-compliance and no breaches of customer privacy and

losses of customer data in 2022.

At CPV, there is a designated office holder responsible for overseeing the cybersecurity program at the corporate offices and energy generation facilities. In 2021, CPV conducted an internal cyber audit that was presented to the its Audit Committee and the Board of Directors. There were zero incidents of non-compliance with physical and/or cybersecurity standards or regulations in 2022 at CPV.

Protecting our Power Plants Against Cyberattack

We have implemented a range of protection measures for the information systems and operating systems at our facilities to protect against cyberattacks. In Israel, OPC power plants are subject to the guidelines of the Israel Ministry of Energy's Security and Cyber Division for cyber defense at power plants.

The multi-layer protection of power plants consists of:

- 1 An air-gapped OT network with a data diode preventing external access to the network
- 2 Physical security at all sensitive areas
- 3 24/7 security operation center monitoring all incidents in real time



OPC Hadera Power Plant



Stakeholder Engagement

Engaging with our stakeholders is a high priority at OPC. As each stakeholder group may have different priorities and expectations from the company, we have a wide range of active, continuous methods of engagement, including formal and informal activities and channels. For our employees, we hold regular meetings and roundtables, and conduct continuous communications on company activities, with opportunities for feedback. We conduct regular outreach to our customers and suppliers through our sales and procurement departments, as well as provide a wide range of informational materials.

As a public company, we publish our financial statements on our designated IR webpage, which also includes TASE reports and announcements, quarterly investor presentations, and other relevant financial reports. Our IR manager is in regular contact with investors, and we hold quarterly conference calls for investors with our CEO and CFO, as well as an annual investor conference.

We participate in roundtables and provide responses at public hearings to engage with relevant government and regulatory authorities, and we work with our partners in the community through joint projects conducted by various non-profit and community organizations.

Memberships and Associations

OPC is a member of a variety of organizations in order to promote business in a responsible manner.

Private Electricity Producers Forum in Israel



The primary objectives of the forum include collaborating with governmental authorities and diverse regulatory entities to advance the natural gas electricity production sector through private sector engagement. This endeavor aims to establish a competitive market for electricity generation in Israel.

Green Energy Association of Israel



Promotes the implementation of renewable energy electricity production in Israel.

EnergyCom



Israel's Energy Community was established by the Israeli Ministry of Economy in partnership with the Ministry of Energy and the Innovation Authority to create a dynamic community to together create an innovation environment in the various energy sectors in Israel.

Ma'ala



A non profit corporate membership organization serving as a hub for ESG in Israel. We participate in the Ma'ala Index, which rates over 150 companies in Israel on their ESG performance. We are proud of our performance of attaining the **Platinum+** rating for our 2022 activities.

CPV is a member of several organizations, including:

- Electric Power Supply Association
- American Clean Power Association
- Solar Energy Industries Association
- PJM Power Provider Group
- New England Power Generators Association
- Independent Power Producers of New York

Economic Development

In Israel, our power plants are strategically located to serve our customers' needs, including in geographically peripheral areas. This provides local communities with employment opportunities, including at the Rotem power plant, our largest power plant that is located in the Negev desert. This strengthens the local economy through the employment of workers, suppliers and subcontractors in the southern area of the country. In addition, we purchase natural gas from local suppliers, contributing to national economic development.

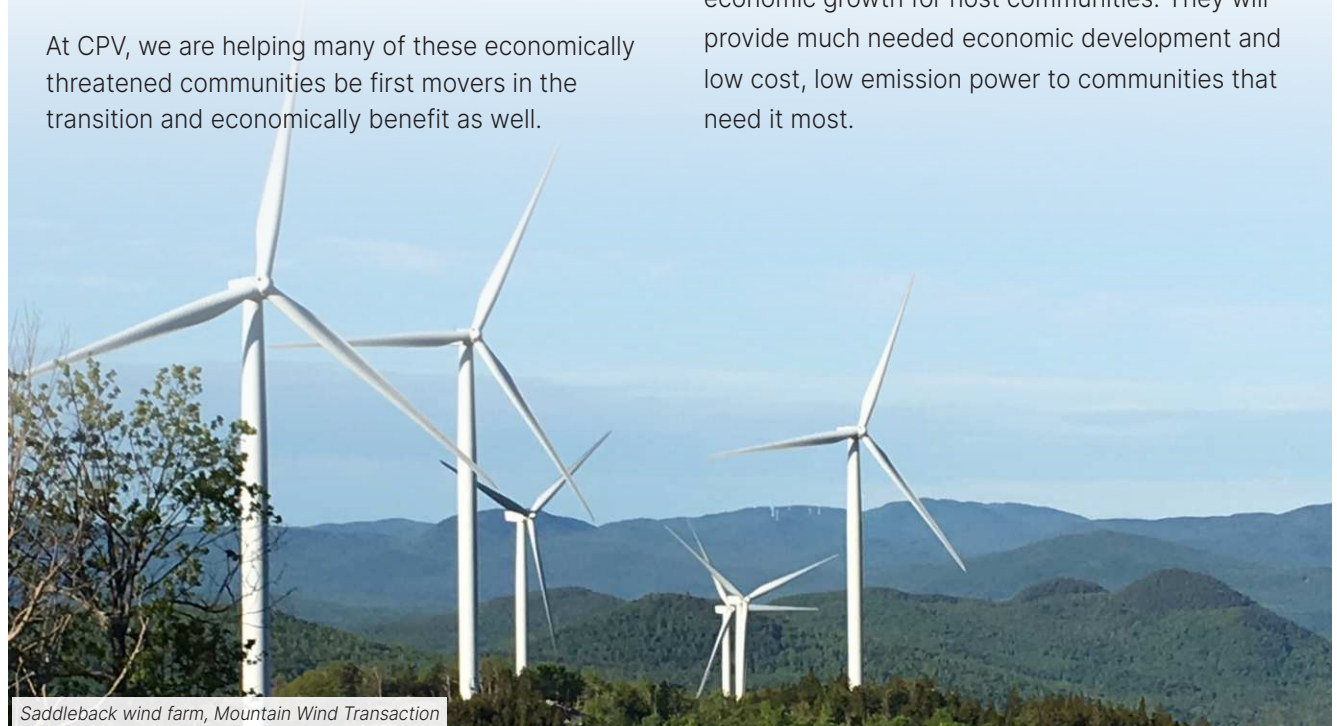
We fall under the jurisdiction of the Israeli Encouragement of Industry Law and so are entitled to reduced tax levels. We ensure strict compliance with all country-specific tax regulations through internal company procedures. Furthermore, we ensure all corporate taxes are remitted promptly and accurately, in accordance with the relevant tax regulations and guidelines. The VP of Accounting and Tax is in charge of the company's tax policy, implementing it, and managing tax risks. Complaints about tax compliance can be filed through the general public hotline.

Supporting Communities in the Energy Transition

A concern with the transition to cleaner energy is that "energy communities", which historically have depended on the fossil fuel industries may suffer job losses and economic downturns as fossil fuel power plants are decommissioned and shut down.

At CPV, we are helping many of these economically threatened communities be first movers in the transition and economically benefit as well.

We have committed to the development of over 400 MW of renewable energy capacity at former coal mine sites: CPV Maple Hill Solar, CPV Backbone Solar, and CPV Rogues Wind. These projects, spread out across Pennsylvania and Maryland, will repurpose sites that have limited alternative use and put them to productive use, creating renewable energy while providing economic growth for host communities. They will provide much needed economic development and low cost, low emission power to communities that need it most.



Saddleback wind farm, Mountain Wind Transaction



Responsible Supply Chain

We are committed to creating and maintaining responsible procurement, and we hold ourselves accountable to all our stakeholders, including our suppliers, and expect the same level of accountability from those with whom we engage.

Our suppliers fall under two main categories: service and materials suppliers to help us run our business operations and facilities, and technical suppliers for the core equipment and infrastructure of our power plants. In addition, we purchase natural gas for our power plants; this is the company's biggest expense.

Local Procurement

Where possible, we strive to support local businesses and suppliers. Beyond the potential savings in transportation and logistics costs, we recognize the value of working with local providers and its impact on the local economic development of nearby and regional communities.



More than 90% of procurement in Israel related to ongoing activity is with local suppliers.

Managing our Supply Chain

Purchasing is managed by the procurement team which oversees identification of suppliers, management of the contract process, and ensures that the suppliers we work with and the goods and services we purchase meet the criteria required by law and beyond. Our procurement department monitors whether a company has valid business licenses and permits, as well as proper employment conditions, including safety procedures in place.

As part of our agreements with suppliers, they must declare that they have communicated to their

employees our company's policy against corruption and bribery, and they must provide assurance on confidentiality, valid licenses, and insurance, including employers' liability insurance and professional liability. To support full compliance with regulations and ethical business practices, each provider has access to the OPC whistleblower hotline.



About this Report

This report reviews the activities of OPC in Israel and its subsidiary in the US CPV in the calendar year 2022 and includes information on some major company developments that occurred in 2023. Our previous report covered 2021 and OPC intends to continue reporting on its ESG performance annually.

This report covers both our operations in Israel and the US. When discussing global policies, results or operations we use the term “OPC Energy” or simply “we”. When discussing Israel, we use “OPC Israel,” and when discussing the US we refer to “US operations” or CPV.

The report is written in accordance with the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB) guidelines for electric utilities and power generators.

Regarding operational or financial aspects, in case of a discrepancy, the information in our financial statements supersedes any information herein.

For any comments or questions about this report please write to ESG@opc-energy.com.

Emission data calculation methods:

- Scope 1 emissions in OPC’s Israel sites was calculated according to DEFRA 2022 emission factors.
- The calculation for OPC’s share of CPV’s Scope 1 emissions was done according to the EPA 2023 emission factors, in order to be aligned with CPV’s GHG accounting methodology.
- Restatement of Scope 2 data is due to the inclusion of self-generated electricity consumption (double counting) in previous years, which was corrected.



Appendix

Appendix

Employee Data Charts

Employees by type of employment

	2021	2022	YoY Change
Full-time - OPC Israel	117	147	26%
Part-time - OPC Israel	2	3	50%
Total - OPC Israel	119	150	26%
Full-time - CPV	104	132	27%
Part-time - CPV	0	1	0%
Total - CPV	104	133	28%

New hires, attrition and turnover rate

	2021	2022
New hires - OPC Israel	19	53
Attrition - OPC Israel	15	22
Turnover rate - OPC Israel	12.6%	14.6%
New hires - CPV	25	46
Attrition- CPV	10	17
Turnover rate- CPV	9.6%	12.7%

OPC Israel parental leave

	2021			2022		
	Women 	Men 	Total	Women 	Men 	Total
Parental Leave (401-3)						
Number of employees that were eligible for parental leave	4	6	10	3	6	9
Number of employees that took parental leave	4	0	4	3	0	3
Number of employees that were due to return from parental leave during the year	3	0	3	2	0	2
Number of employees that returned from parental leave during the year	2	0	2	0	0	0
Number of employees returning from parental leave in the previous year and were still employed at least 12 months thereafter	0	0	0	2	0	2
Return to work rate	75%	-	75%	0%	-	0%
Retention rate	-	-	-	100%	-	100%



GRI Indicator Charts

GRI Disclosure #	GRI Standard Title	Source	Page
The Organization and Its Reporting Practices			
2-1	Organizational details	ESG Report 2022	56
2-2	Entities included in the organization's sustainability reporting	ESG Report 2022	56
2-3	Reporting period, frequency and contact point	ESG Report 2022	56
2-6	Activities, value chain and other business relationships	ESG Report 2022	7
		20F for 2022	4-14
2-7	Employees	ESG Report 2022	58
2-8	Workers who are not employees	ESG Report 2022	33
Governance & Ethics			
2-9	Governance structure and composition	ESG Report 2022	47
2-10	Nomination and selection of the highest governance body	20F for 2022	76
2-11	Chair of the highest governance	20F for 2022	181
		ESG Report 2022	3
2-15	Conflicts of interest	ESG Report 2022	48
2-19	Remuneration policies	ESG Report 2022	48
		20F for 2022	152-155
2-20	Process to determine remuneration	ESG Report 2022	48

GRI Disclosure #	GRI Standard Title	Source	Page
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	ESG Report 2022	16
2-23	Policy commitments	ESG Report 2022	20, 48, 50
2-25	Processes to remediate negative impacts	ESG Report 2022	50
2-26	Mechanisms for seeking advice and raising concern	ESG Report 2022	50
2-27	Compliance with laws and regulations	ESG Report 2022	49
2-28	Membership associations	ESG Report 2022	53
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	ESG Report 2022	53
Employment & OHS			
2-30	Collective bargaining agreements	ESG Report 2022	37
Material Topics			
3-1	Process to determine material topic	ESG Report 2022	18
3-2	List of material topics	ESG Report 2022	18
Economic Performances			
201-1	Direct economic value generated and distributed	20F for 2022	163-165



GRI Disclosure #	GRI Standard Title	Source	Page
Market Presence			
202-2	Proportion of senior management hired from the local community	100%	
Procurement Practices			
204-1	Proportion of spending on local suppliers	ESG Report 2022	55
Anti-Corruption			
205-1	Operations assessed for risks related to corruption	100%	
205-2	Communication and training about anti-corruption policies and procedures	ESG Report 2022	50
205-3	Confirmed incidents of corruption and actions taken	ESG Report 2022	50
Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Report 2022	49
Tax			
207-1	Approach to tax	ESG Report 2022	54
207-2	Tax governance, control, and risk management	2022 Annual Report	54

GRI Disclosure #	GRI Standard Title	Source	Page
Energy			
302-1	Energy consumption within the organization	ESG Report 2022	25
302-4	Reduction of energy consumption	ESG Report 2022	25
Water and Effluent			
303-1	Interactions with water as a shared resource	ESG Report 2022	29
303-3	Water withdrawal	ESG Report 2022	29
303-4	Water discharge	ESG Report 2022	29
303-5	Water consumption	ESG Report 2022	29
Emissions			
305-1	Direct (Scope 1) GHG emissions	ESG Report 2022	26
305-2	Energy indirect (Scope 2) GHG emissions	ESG Report 2022	26
305-4	GHG emissions intensity	ESG Report 2022	27
305-5	Reduction of GHG emissions	ESG Report 2022	26
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	ESG Report 2022	28



GRI Disclosure #	GRI Standard Title	Source	Page
Waste			
306-3	Waste generated	ESG Report 2022	30
306-4	Waste diverted from disposal	ESG Report 2022	30
306-5	Waste directed to disposal	ESG Report 2022	30
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	There were no incidents of non-compliance	
Employment			
401-1	New employee hires and employee turnover	ESG Report 2022	58
401-3	Parental leave	ESG Report 2022	58
Occupational Health & Safety			
403-2	Hazard identification, risk assessment, and incident investigation	ESG Report 2022	40-41
403-3	Occupational health services	ESG Report 2022	37
403-4	Worker participation, consultation, and communication on occupational health and safety	ESG Report 2022	40
403-5	Worker training on occupational health and safety	ESG Report 2022	39-41

GRI Disclosure #	GRI Standard Title	Source	Page
403-6	Promotion of worker health	ESG Report 2022	37
403-9	Work-related injuries	ESG Report 2022	41
403-10	Work-related ill health	No such cases in 2022	
Training & Education			
404-1	Average hours of training per year per employee	ESG Report 2022	36
404-3	Percentage of employees receiving regular performance and career development reviews	ESG Report 2022	38
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	ESG Report 2022	47
405-2	Ratio of basic salary and remuneration of women to men	ESG Report 2022	34
Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	ESG Report 2022	34
Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Report 2022	52



SASB Indicator Chart

Topic	Metric	Category	Unit of Measure	Report In 2022
Greenhouse Gas Emissions & Energy Resource Planning	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ e	3,576,386
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	12, 19, 23, 25
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀)	Quantitative	Metric tons (t)	1- 927 2- 4 3- 33
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	374,757
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	0
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate	Quantitative	Rate	1- 1.55/1.66 2- 0

Forward Looking Statement

This Report is provided voluntarily and solely for the purpose of presenting a general overview of the matters and certain activities as presented herein, including highlights of the ESG performance and initiatives for the calendar year 2022 (the “Purpose”) of OPC Energy Ltd. (“OPC”) and its subsidiaries (the “Group”).

In respect of information concerning the Group’s operations or financial results, readers are hereby referred to the full immediate and periodic reports filed by OPC with the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd., including information regarding OPC’s activities and the risks entailed thereby, and warnings regarding forward-looking information. In any case of discrepancy, information detailed in the Public Reports shall prevail.

This report contains certain forward-looking statements and forward looking information as defined in the Securities Law, 5728-1968 (the “Securities Law”) with respect to the Group’s sustainability goals and its plans, intentions, expectations, assumptions, goals and beliefs regarding its business. These statements and information include all matters that are not historical fact and may be identified by the use of words such as “believes”, “expects”, “will”, “targets”, “goals”, “KPI” or similar expressions, including variations and the negatives thereof or comparable terminology.

This forward-looking information include, among other things, statements about expectations in connection with the Group’s environmental, social and governance (“ESG”) initiatives and in connection with the Group’s business and activities, including the plans, targets and

goals set forth in this report in connection therewith. In addition, information regarding projects under construction or development, including in relation to the expected commercial structure and the commercial operation date and the expected MW and storage capacity, including projects under development, which are based on a carbon emission reduction strategy or a carbon capturing strategy, these project’s capacity, the extent to which emissions will be reduced, the integration of advanced technologies and the technological characteristics (capacity, carbon capturing and storage capabilities), the estimated construction costs, the eligibility to benefits, expected construction and/or commercial operation dates.

Such forward-looking information are based on the current assumptions, intentions and plans of the Group and there is no certainty that it will materialize or how it will materialize (in whole or in part), including due to factors beyond the Group’s control, including due to the factors referred to under “Risk Factors” in sections 8.21 and 19 in Part A of the OPC’s annual report for 2022. As of the date of this report, the projects under development or construction, the promotion thereof and the pace of their progress are subject to the fulfillment of various conditions (including obtaining approvals, licensing processes, completion of the development of the project and technological capabilities, securing funding, etc.), including conditions that are outside of the Group’s control, and which have not yet been fulfilled as of the date of this report. Therefore, as of the date of this report, there is no certainty that some or all of the projects will be executed.

In light of these and other risks, uncertainties and assumptions, the forward-looking events described in this report may not occur. The forward-looking statements and information speak only as of the date of this report. OPC undertakes no obligation to update or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise.

This Report includes a number of issues deemed relevant by the Group for the Purpose, yet the inclusion or exclusion of any detail in this Report does not indicate whether such detail is material or immaterial for the Group. Except where noted, the information covered in this report highlights the OPC’s ESG performance and initiatives for the calendar year 2022. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Moreover, this report may use certain terms, including those that GRI or others may refer to as “material,” to reflect the issues or priorities of OPC, its subsidiaries and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. This report may contain information sourced from external public publications of various entities or regulators, which was not independently examined by the Group. Neither the Group nor any of its employees or representatives shall be liable for any loss resulting from reliance on this Report or its contents.

 **PC**ENERGY

2 0 2 2

ESG

REPORT