OPC ENERGY

2021
Impact Report


Rotem power plant, Israel


Maple Hill Solar, PA, USA

TABLE OF CONTENTS

Keenan Wind Farm OK, USA

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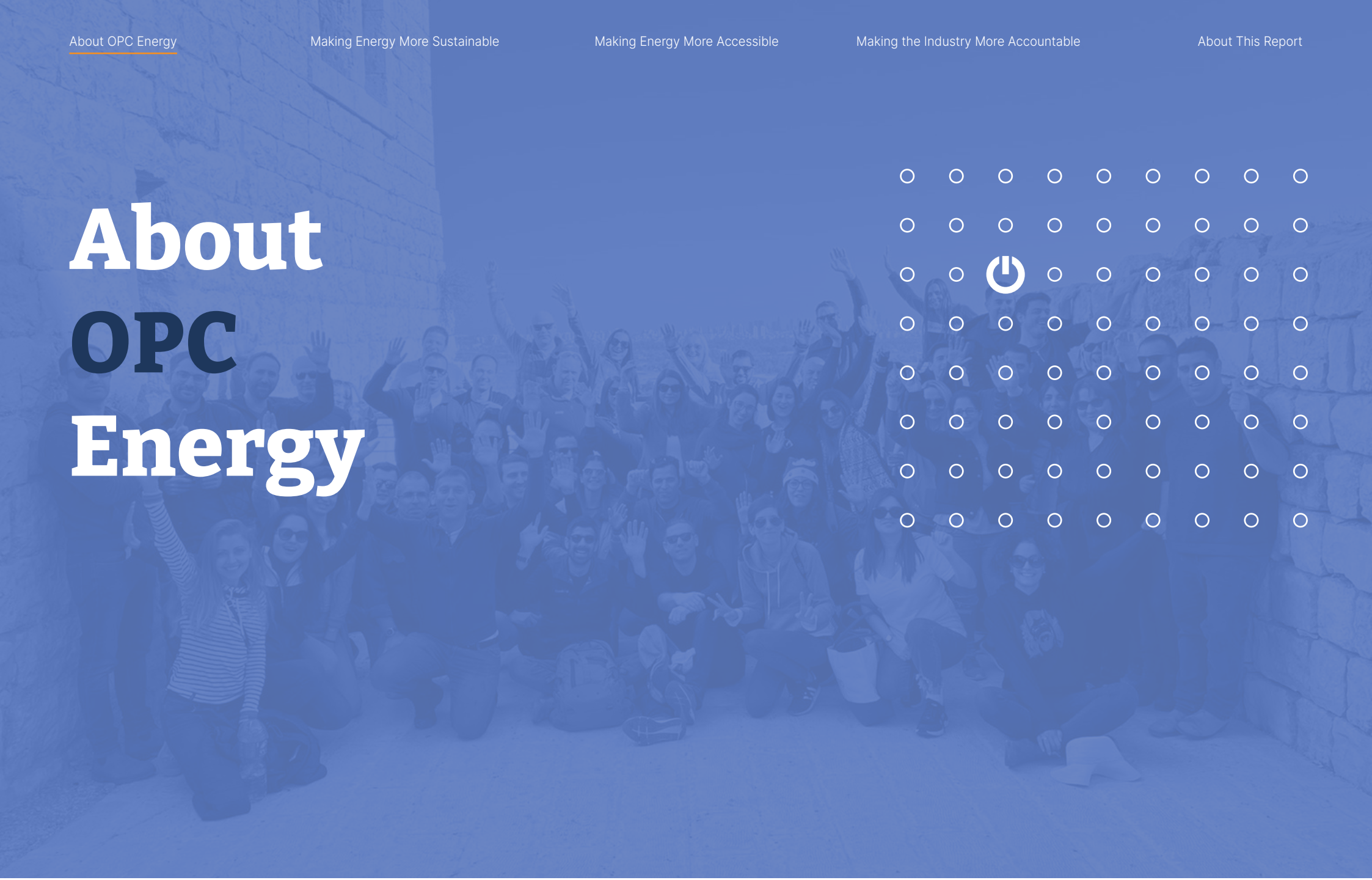
OPC ENERGY

About OPC Energy



Letter from the CEO

“We believe in a better world, and here at OPC Energy, we are doing our part by leading the Energy Transition Revolution

Following our mission, we are committed to providing safe, reliable electric power for our customers, while protecting the environment. Recent events such as the COVID-19 pandemic and political turmoil disrupting the global power supply have only raised awareness of the need for sustainable and dependable energy, and OPC Energy is proud to be at the forefront of energy change.

To accelerate this transition, in 2021 we acquired CPV, a U.S. energy company engaged in the development and management of highly efficient thermal and renewable power plants, using cutting-edge, clean, and efficient technologies.

We are committed to providing more sustainable energy solutions through our strategic combination of natural gas and renewable energy, making energy more accessible to all regardless of geography or socioeconomic status, and making the energy industry more accountable to all of our stakeholders.

New legislation in the USA, the Inflation Reduction Act (“IRA”), opens up a tremendous business opportunity for continued growth in the United States. The IRA law encourages the development of state-of-the-art power plants that operate on natural gas in combination with carbon capture and sequestration technology. That way, it is possible to provide clean energy in an efficient, continuous and economical way without greenhouse gas emissions. OPC is promoting two projects in the USA with an aggregate capacity of approximately 3GW and a total investment of over $6 billion, which will combine carbon capture and sequestration technology. In light of the high efficiency and continuous operation of these power plants, the savings in greenhouse gas emissions is equivalent to almost 10 GW of solar energy.

I am proud to present our very first impact report, which outlines our efforts to positively impact the global energy landscape and our world at large. This report serves as a milestone in our company’s development, and demonstrates our dedication to sustainability, clear and transparent corporate governance, and community involvement, especially in rural and peripheral areas. We look forward to continuing to work together with our stakeholders towards a better world.

Giora Almogy
CEO

Letter from the VP of Investor Relations and ESG

I am very proud to release OPC's first ESG report. As a global company at the center of the energy sector, we recognize the significant impact climate change has on society and are striving to do our part to minimize the effects of climate change. We understand that ESG is a vital part of conducting a successful business and are committed to integrating responsible sustainability practices into our core business strategies.

As you will see in the pages of this report, we have begun our ESG journey through a number of important steps. First, in 2022 OPC began participating in ESG index measurements to assess corporate responsibility and are proud to have won the high "Platinum" rating with the Maala ESG index. Additionally, as pioneers in the Israeli energy sector, OPC is leading industry change by making energy more sustainable and accessible while holding the energy industry more accountable. As the global market experiences rapid growth in power demand, we recognize the difficulty in relying solely on renewable energy and are on a quest to balance environmental sustainability as well as reliability for energy supply.

Highlights of our steps toward a more sustainable power industry include carbon mitigation for natural gas-fired power generation through the burning of cleaner fuels (pre-combustion), or the capturing of emissions, transport and sequestration (post-combustion). OPC is also developing three first-of-their-kind Decarbonize Natural-Gas projects which are featured in the "Making Energy More Sustainable" section of this report.

In our efforts toward making energy more accessible and making the industry more accountable, we have embedded caring for our communities into the fabric of our company. We strive to make positive contributions to the communities where we live and work through collaboration, integration and contribution. Community outreach projects, volunteering hours and monetary contributions are outlined in the "Making Energy More Accessible" section of this report. As demonstrated there, we are committed to upholding our promise of positive change in the energy industry.

Additionally, we prioritize building a supportive and sustainable work environment that cares for our employees. We maintain a strong framework for corporate governance and ethics that oversee accountability for all of our activities, including setting high expectations of our suppliers and ensuring their alignment with our values. More details of our practices can be found in the "Making the Industry More Accountable" section of this report.

As demonstrated throughout the coming pages, we will continue working to find a balance that allows us to provide the best service for our customers and our planet. This is just the beginning of our ESG journey, and we know that OPC will continue to lead the way in responsible ESG practices and are looking forward to playing a role in building a brighter, greener future for our planet.

Jonathan Fisch
VP Investor Relations and ESG

About OPC Energy

We are an experienced power group dedicated to leading the Energy Transition Revolution and providing safe, reliable and environmentally-responsible electric power where we operate.

We are the first private electricity player in Israel, generating and supplying electricity to private customers and the Israeli System Operator (ISO). We use the most innovative and advanced technologies to generate highly carbon-efficient electricity at competitive prices. In this way, we contribute to reducing greenhouse gas emissions and local pollutants while also increasing competition in the industry.

We operate in Israel through OPC Holdings Israel and in the United States through Competitive Power Ventures (CPV) which we acquired at the beginning of 2021, and specialize in:

- Initiation and development of facilities to generate electricity. While leveraging our experience, we provide unique, valuable energy solutions to our customers.
- High performance, managerial and operational capabilities to promote projects through the entire project lifecycle: from the early stages of location finding through the licensing, permitting, design, and fundraising for projects, resulting in fast, professional, and effective execution.
- Operation and maintenance of power plants professionally and meeting the highest standards to maximize efficiency and availability.
- Energy supply through tailor-made solutions to meet individual customer needs.

Our Vision

We strive to be an industry leader by providing a full range of uniquely valuable environmentally-friendly energy solutions to our customers based on professionalism, trustworthiness, technological innovation, and commitment to meeting their needs. We act to expand our activities and promote energy projects in Israel and the U.S.

Strategic Acquisitions

In January 2021, we acquired CPV, propelling us into the U.S. energy market. CPV is a U.S. energy company engaged in developing, constructing, and managing power plants with renewable and conventional (natural gas) energy , including including carbon capture and storage.
The acquisition significantly increases our growth potential in the renewable energy market.

In 2021, we also acquired 51% of the shares of Gnrgy Ltd., which is engaged in e-Mobility services for electric vehicles. Established in 2008, Gnrgy is a leading electric car charging company in Israel. The company has deployed thousands of charging stations, private and public. In a few short years, we believe that most of the vehicles sold in Israel will be electric, which will result in a significant increase in the demand for electricity and the need to provide solutions for vehicle charging management services. This acquisition gives us a direct connection to customers to sell them privately and sustainably produced electricity.

Our Operations

In Israel, OPC's activities involve generating and supplying electricity and steam to privatecustomers and the Israeli System Operator and initiating, developing, constructing, and operating power plants for energy generation. We currently operate two power plants, have two large-scale plants under construction and several smaller-scale power facilities under construction on customers' premises.

OPERATING

466 MW
OPC Rotem, 80%

144 MW
OPC Hadera, 100%

CONSTRUCTION & ACQUISITION

396 MW
OPC Zomet, 80%

87 MW
OPC Soreq, 100%

120 MW
C&I Projects, 100%

75 MW
Gat Energy, 100%

In the United States, OPC develops, constructs, and manages renewable and conventional energy power plants through the CPV Group.
Since its inception, CPV has initiated and built power plants with a total capacity of approximately 15GW, of which about 5GW are wind energy and 10GW natural gas. CPV currently has six operating power plants with a total capacity of 4.2GW (CPV's net share – 1.4GW), three plants under construction and many more in development.

OPERATING

152 MW
Keenan, 100%

725 MW
Shore, 37.5%

745 MW
St. Charles, 25%

720 MW
Valley, 50%

805 MW
Towantic, 26%

1,050 MW
Fairview, 25%

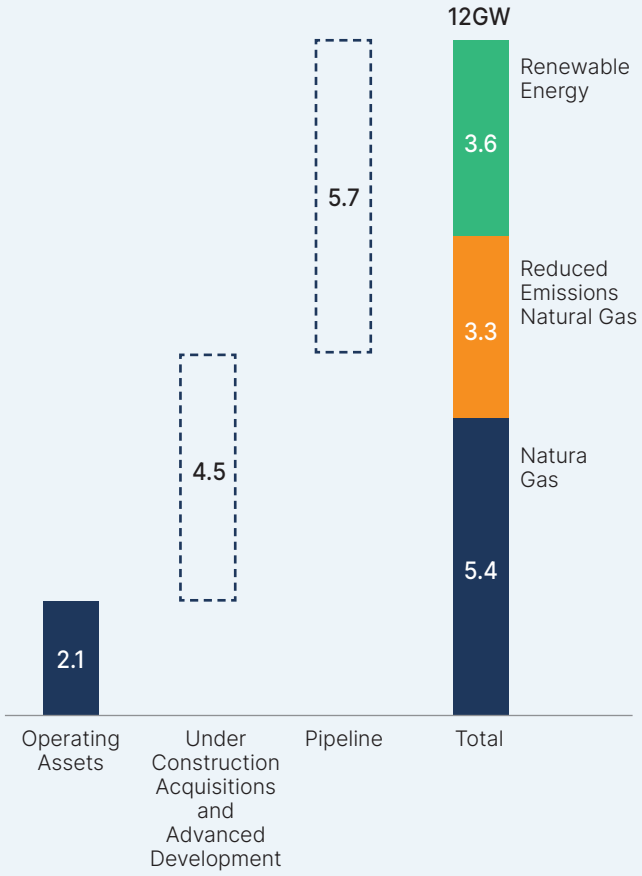
CONSTRUCTION

126 MW
Maple Hill, 100%

102 MW
Stagecoach, 100%

1,258 MW
Three Rivers, 10%

Our Portfolio (GW)



Sustainability Management

OPC Energy is committed to a responsible way of conducting business, integrating sustainability in all that we do.

OPC's entire leadership team manages ESG issues, with each officer tasked with overseeing relevant processes of their departments and fostering crucial stakeholder relationships under the guidance of our VP Investor Relations and ESG who takes the lead on critical issues.

In 2022, OPC began participating in the Maala ESG index, which serves as the main index for assessing corporate responsibility in Israel. The ranking assesses the degree of commitment and socio-environmental impact of more than 100 of the largest companies and organizations in the Israeli economy, including public, government and private companies, and allows them to measure annually, map gaps and set goals for improvement concerning norms and standards in Israel.

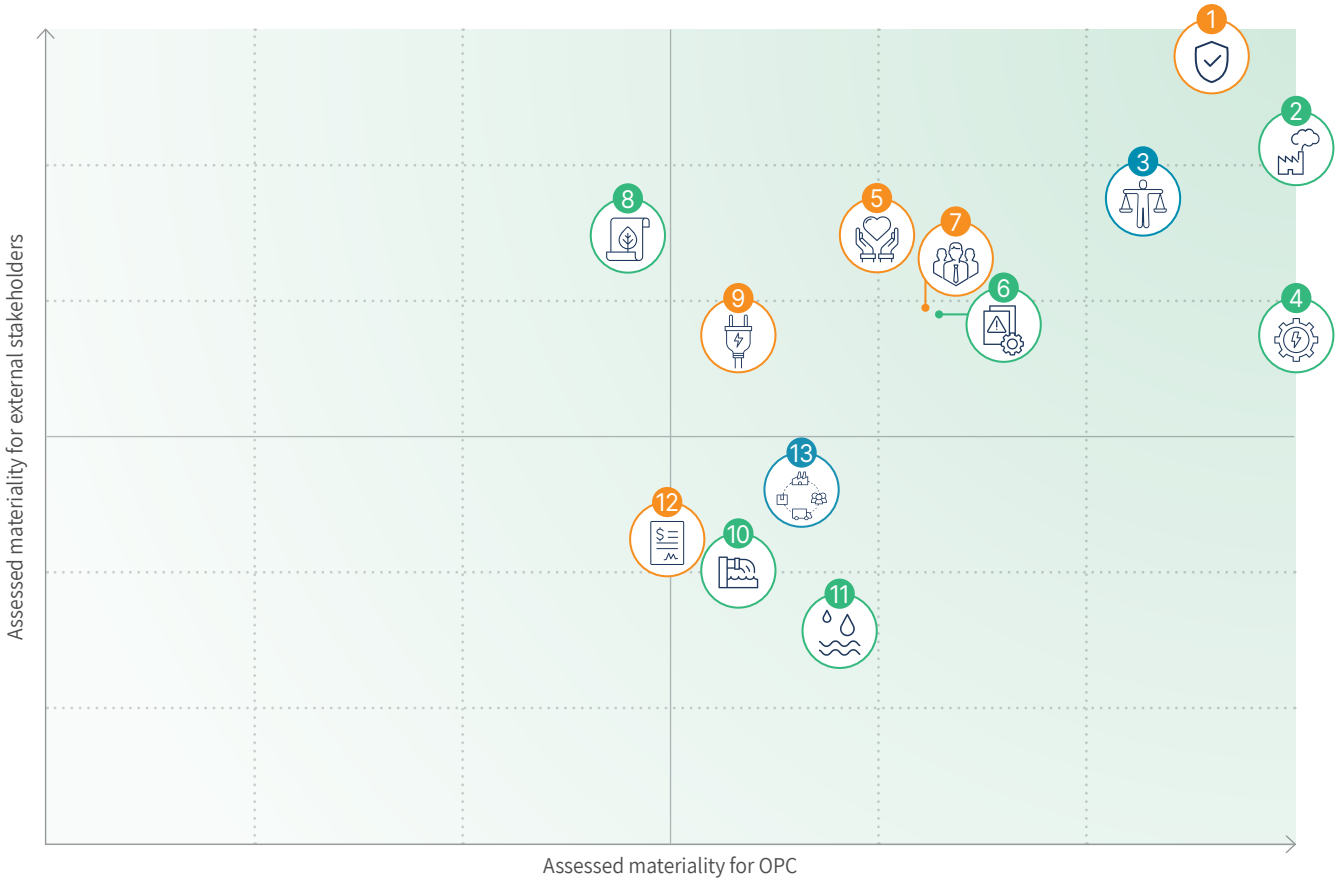
We are proud to report our efforts are being recognized, reflected in the Maala ESG index published in 2022, in which OPC Energy won the high "Platinum" rating.

Maple Hill Solar, PA, USA

Materiality and Stakeholder Dialogue

Our materiality assessment process is deeply informed by stakeholder engagement. In preparation for our ESG reporting process, we initiated a materiality assessment to examine relevant environmental, social, and governance issues. Initial topics were selected according to their relevance to ESG reporting standards, the global energy sector, and ESG ranking agencies. These topics were then prioritized by OPC management and mapped out based on their relevance to sustainability and our business.

The material impacts of the Company revealed 13 key ESG issues:



E Environmental | S Social | G Governance

1. Health and Safety
2. Emissions
3. Accountability & Ethics
4. Energy efficiency
5. Community impact
6. Crisis management
7. Human capital and diversity
8. Compliance with environmental regulations
9. Availability and reliability of energy supply
10. Sewage and waste
11. Water
12. Indirect economic impacts
13. Supply Chain

Materiality and Stakeholder Dialogue (continued)

At OPC Energy, we place our stakeholders' interests at the center of all we do. Maintaining an active and ongoing dialogue with all stakeholders, including employees, customers, suppliers, investors, partners and our communities is of utmost importance.

This engagement allows us to gain valuable insight and better respond to the complex challenges. We are committed to operating with transparency and to developing long-term relationships with all of our stakeholders:

Stakeholders	Channels for dialogue
Clients	Through our commercial department
Suppliers	Through the company's procurement mechanisms
Community partners	Collaborations between the company and the local community, associations and organizations.
Employees	The company holds dialogue with employees through regular meetings, internal media communication and round tables, executive conferences and employee satisfaction surveys.
Investors	Through the TASE website via immediate reports, quarterly presentations, financial statements and as required by the directives of the Supervisor of Capital Markets, and through our IR department
Regulation	The company participates in the "round tables" events carried by the regulators, reacts to public hearings

SDGs

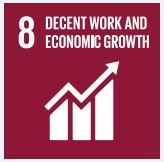
In 2015, the State of Israel, together with the 192 member states of the UN, adopted 17 Sustainable Development Goals (SDGs).

These global goals address international sustainability challenges in the environment, society, and the economy and aspire to achieve and implement them through a joint global effort by 2030.

OPC Energy is proud to participate in the national and international effort to achieve the SDGs. Out of the seventeen goals, four main objectives have been defined that touch on our activity as an energy infrastructure company:

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

At OPC Energy, we develop and offer affordable access to energy solutions while working to mitigate emissions. Through our acquisition of CPV, we are contributing to the growth of the renewable energy industry and working with Gnrgy to increase the viability and accessibility of electric cars in Israel.



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

Employment fairness is a cornerstone in all activities of OPC Energy, which places the issue of safety at the heart of the company's corporate culture. An accident-free work environment is a condition in ensuring employees' mental and physical well-being. OPC Energy prioritizes safety-based leadership and works specifically to protect workers' rights and promote a safe work environment.

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

OPC Energy contributes to the advancement of the industry, innovation, and infrastructure in Israel through support for a variety of projects focusing on efficient and sustainable energy solutions:

- Natural gas-based energy supply from OPC Energy power plants
- Production at customers' sites
- Managing clients' energy mix
- Management of electric vehicle charging

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

Reducing our carbon footprint is a critical step in the war on climate change. OPC Energy works to drastically reduce our and our clients' carbon footprint through clean technologies, efficient power generation, and energy management solutions.

COVID-19

The onset of the COVID-19 pandemic changed the way we live and work drastically but only reaffirmed our mission to care for our people, communities, and environment.

The pandemic's impact on our company's revenue was minimal. However, we experienced some delays in construction due to restrictions and supply chain interruptions, and we never sacrificed our commitment to ensuring the wellbeing of our employees. We provided full pay at no expense to vacation days, salary updates, and annual grants and adjusted our working arrangements. We implemented procedures for the operational continuity of the stations to ensure the safety and health of employees. We made special efforts to allow parents to work from home, arranging schedules so that work could be done remotely and in capsules. As essential workers, OPC employees were also eligible for early vaccination. Our HR activities in welfare and training were not affected throughout the crisis.

As we looked after our employees, we simultaneously took care of the needs of our local communities. To alleviate some of the pressures of the social crisis that resulted from the pandemic, we increased our community contributions by 12%.

Our American counterparts reacted similarly, contributing over $100k to help fight the increased hunger in our host communities that resulted from the economic crisis of the pandemic. Like in Israel, CPV implemented health and safety measures to address COVID-19 following federal, state, and local guidelines and based on employee surveys. Those health and safety measures included work-from-home options, mask-wearing in the common areas of CPV offices, and daily health assessments for in-office staff. CPV also launched a COVID-19 Resource Page on the company intranet to maintain clear communication with all employees. We are proud to report that over 90% of staff received vaccination against COVID-19.

At the Forefront of Energy Change

As pioneers in the Israeli energy sector, we strive to change the industry for the better, both locally and abroad. As the global energy landscape shifts, OPC is equipped to lead the change on several levels:

MAKING ENERGY MORE SUSTAINABLE

Like most countries around the world, both Israel and the US have relied heavily on coal for their energy needs in the past and whilst coal use has gradually reduced, it still accounts for about 25% of generation in the markets where we operate. However, as the world looks to transition to more sustainable alternatives, OPC Energy offers a range of energy solutions that have better outcomes for the planet, while maintaining a high level of energy reliability, operating 24/7, 365 days a year.

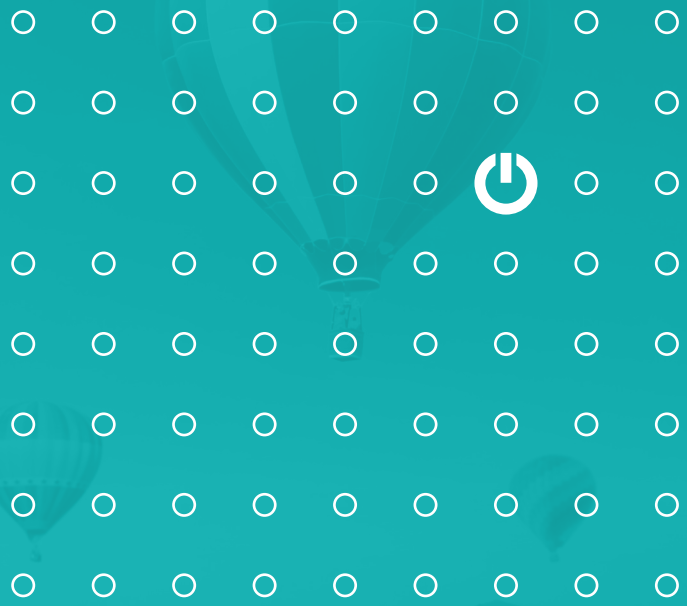
MAKING ENERGY MORE ACCESSIBLE

Energy is a necessary resource that unfortunately is not equally accessible to all. As the first private energy producer in Israel, we strive to challenge the status quo of energy sales, expanding access to all areas and to all who need it at competitive prices. As we expand to the US and partner with CPV, we bring our vision of equitable access to affordable, clean energy with us.

MAKING THE ENERGY INDUSTRY MORE ACCOUNTABLE

The energy industry has a long history of lack of accountability, prioritizing profit at the expense of many stakeholders. At OPC, we understand that in order to successfully embark on the journey toward sustainable energy, we must work together efficiently and thoughtfully with all of our stakeholders under the supervision of an ethical and responsible governance system.

Making Energy More Sustainable



A Mixed Energy Approach for True Energy Change

The energy industry is among the most complex in the world, relying on the availability of natural resources and external players. It requires agility and creativity. OPC Energy has mastered an approach that accounts for the volatility of resources while minimizing our environmental impact.

Integrating natural gas and renewable energy resources in power generation ensures both energy security and sustainability. Natural gas and renewable energy investments have different sets of risks and work together complementarily. We have found that a combination of both types of energy can significantly reduce overall portfolio risks in the electric power sector.

As the global market experiences rapid power demand growth, it is difficult to rely solely on renewable energy due to the fact that renewable sources are intermittent by nature, an attribute that is important in the provision of energy.

In our quest for environmental sustainability as well as reliability for energy supply, we at OPC have found the balance that allows us to provide the best service for our customers and our planet.

Natural gas

For centuries now, humanity has been relying on the burning of fossil fuels to provide energy for all our activities, emitting massive amounts of CO2 at the expense of the planet. As we look for alternatives, it has been proven that natural gas is the most energetically dense fossil fuel that exists, meaning that it produces the most energy for the least amount of fuel. Compared to coal and petroleum products, natural gas is a relatively clean-burning fuel, emitting half the amount of carbon into the atmosphere as coal.

In February 2022, specific natural gas activities were deemed "environmentally sustainable" by the European Commission for the purposes of the EU Taxonomy Regulation. The rationale behind this was that although it does emit some CO2, natural gas contributes to climate change mitigation and has the potential to play a significant role in the transition to a climate-neutral economy. It cannot yet be replaced by technologically and economically feasible low-carbon alternatives while being dispatchable and reliable to help balance supply and demand.

Rotem power plant in Mishor Rotem, Israel

OPC's plants operate primarily using combined cycle and co-generation technology.
The OPC Energy Rotem power plant, which began operating in 2013, was Israel's first large-scale private station to run on natural gas. It uses combined cycle technology to maximize the gas's efficiency to produce an extra 50-60% of power without consuming additional fuels, helping reduce carbon emissions in the Israeli economy by replacing electricity production with coal. Combined-cycle technology operates by utilizing the waste heat produced from the initial electricity generation process to power a second power generation engine or turbine, achieving dual electricity production from a single fuel.

Natural gas (continued)

Hadera power plant in Hadera, Israel

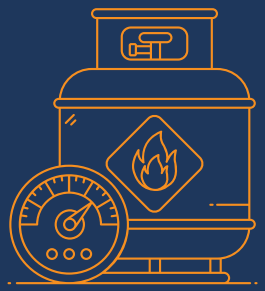
Cogeneration technology, used at our Hadera power plant, yields two energy-producing products. It utilizes the steam generated for further use throughout the facility, providing energy to Hadera Paper Mill, the System Administrator, and other adjacent private customers.

Tzomet power plant in Plugot Junction, Israel

OPC Energy is also in the advanced stages of construction of Tzomet peaker plant, an open cycle power plant using conventional technology. This plant is built to increase the reliability of the energy grid, only operating during peak hours, with high operational flexibility which will support an increasing amount of renewable energy in the south of Israel.

With the acquisition of CPV, OPC also gained access to the Shore, Maryland, Valley, Towantic, and Fairview power plants, of which CPV owns minority stakes, which use state-of-the-art combined-cycle technology to produce highly efficient energy.

Equipped with the newest and most sophisticated technology, OPC is able to maximize energy efficiency in our use of natural gas. The advantages of natural gas are that it is reliable and more efficient than alternative fossil fuels, but it does emit CO2. In conjunction with renewable energy sources, however, it makes the perfect formula for true reliable energy transition.



Net-Zero Natural gas - The Next Gegeneration of Power Plants

Carbon mitigation for natural gas-fired power generation can be accomplished either through the burning of cleaner fuels (pre-combustion), or the capturing of emissions, transport and sequestration (post-combustion).

In August 2022, the Inflation Reduction Act (IRA) of 2022 was signed by the President of the U.S. and it became law, the purpose of which is, among other things, to grant significant tax credits for renewable energies and technologies from reduction of carbon emissions, and to lead to an increase of the local generation and the regulatory stability in the area.

The IRA Law includes, a number of benefits for renewable energy projects, and a tax credit for electricity generation facilities with carbon capture capability at the rate of a 75% and above of the carbon emissions

OPC is developing three first-of-their-kind Decarbonize Natural-Gas projects:

In the US –
Shay project in West Virginia and **Basin Ranch project** in Texas.

Both projects will include onsite carbon capture for the plant's emissions, and will be capable of blending hydrogen.

In Israel –
Rotem II in Mishor Rotem, adjacent to our Rotem plant.

OPC is developing, for the first time in Israel, a net-zero "green technology" power plant.

Net-Zero Natural gas - The Next Gegeneration of Power Plants (continued)

OPC is developing a multi-Billion Dollar Decarbonized Natural Gas Power Station with Carbon Capture in West Virginia

OPC, through CPV, selected West Virginia for a 2 GW combined-cycle natural gas power station utilizing carbon capture and storage. Following permitting and construction, the project will go into operation later this decade. The project was made possible by the advancement of the recently passed federal legislation, known as the Inflation Reduction Act.

Gary Lambert, CEO of CPV: “CPV is pleased to work closely with West Virginia to bring this project to fruition in the coming years. This project and technology represent a significant step forward for our Nation in deploying low carbon, dispatchable generation critical to maintaining reliability as we address our collective concerns regarding climate change. West Virginia has been extremely forward thinking at the local, state, and national level, and we cannot thank Senator Manchin enough for his leadership in making this opportunity possible.”

Nationwide, large technology and industrial customers have made pledges to lower their environmental footprint, which often includes the sources of energy they rely on for their operations. A low carbon baseload energy source in West Virginia will be an asset to the state’s existing manufacturing and industrial companies, while also attracting future investments.

Gary Lambert, CEO of CPV (center) and U.S Senator Joe Manchin of West Virginia (right)

The construction of the project will utilize well over 1,000 skilled tradespeople from across the region, including prevailing wage labor and apprenticeships, to fulfill the requirements created by the Inflation Reduction Act to utilize the expanded tax credits for carbon sequestration. The natural gas utilized by the facility will support hundreds of additional jobs in West Virginia.

Numerous companies across West Virginia have been working with CPV and the project for over a year to advance it to this decision point. The project has already started the extensive regulatory approval process.

Renewable energy

In addition to highly efficient combined-cycle nature gas-fired facilities, CPV is involved in the development of renewable energy power plants. The Keenan II Wind Plant in Oklahoma is currently in operation, which generates enough electricity to power approximately 45,000 Oklahoma homes and since coming online is estimated to have offset carbon dioxide emissions equivalent to taking more than 1 million cars off the road for a year. In 2021, CPV announced the development of 400+ MWs of renewable energy capacity at former coal mine sites. The renewable projects, spread out across Pennsylvania and Maryland, will repurpose these sites that have limited alternative use and put them to productive use creating renewable energy while providing economic growth for host communities.

The use of renewable energy is one of the best ways to reduce emissions. Because this energy comes from natural sources or processes that are constantly replenished, it does not harm the environment to the extent that traditional fossil fuel usage does.

Solar and wind generation are breaking records and being integrated into national electricity grids at growing rates. Increasing the share of renewables is globally accepted as a viable way to decarbonize the energy sector.

However, the fundamental challenge of wind and solar energy is intermittency, which is an essential attribute in energy networks. Utilities struggle with inherent unpredictability, which can lead to the instability of the electric grid. Balancing power will be required as we work toward a lower-carbon future, an ideal combination with natural gas.

Solar panels on the roof of Azrieli Acre mall

Supporting the energy transition in transportation

In May 2021, OPC Energy acquired control of Gnrgy Ltd., which provides charging services for electric vehicles. Gnrgy is one Israel's four largest electric car charging companies, with hundreds of public charging stations and thousands of private charging stations. Gnrgy charging stations are compatible with all models of electric vehicles available in the market. The company offers a dedicated application for customer service, help to find charging stations and their availability and navigation to their locations. Gnergy offers complete installation for private stations wherever the customer chooses by highly-skilled Gnrgy Electric Charging Academy-certified technicians.

In 2019, the Israeli Ministry of Energy introduced a new target that by 2030, all new private vehicles sold will be electric. As demand for electricity and charging solutions increase to match this target, we hope to provide customers with privately and sustainably produced electricity.

The use of electric vehicles provides many benefits. Electric vehicles require fewer expenses, both in terms of maintenance since they entail simpler assembly mechanisms and in terms of ongoing costs, as the cost of charging a full battery is less than that of refueling a car. Additionally, these vehicles are typically equipped with the best modern safety systems and offer unparalleled speed and performance. Arguably most importantly, though, is that electric vehicle usage can reduce direct emissions and air pollution. Electricity flowing through the transmission network is produced more cleanly and efficiently than gasoline burned in the vehicle's engine. In addition, the energy sector is undergoing a revolution to increase the percentage of renewable energy produced, which will reduce pollution created by the demand for electricity.

Glossary of the world of electric vehicles

DC charging station

Direct current - high-speed stations that can charge about 100 km of travel between 7 and 40 minutes (depending on the speed of the charger and the compatibility of the vehicle).

AC charging station

Alternating Current - Normal stations capable of charging an entire battery for several hours (depending on the charger's speed and the vehicle's compatibility). A complete battery is sufficient for a driving range of between 250 and 300 km, and these stations are usually located in residences, businesses, and public places.

Lithium-ion battery

A rechargeable battery based on two metals, cobalt and lithium. It is an advanced technology battery with high energy density, long life, and no memory effect. Devices that run on lithium-ion batteries and electric vehicles include laptops, tablets, and smartphones.

Energy storage systems

Make it possible to deploy fast charging stations anywhere without upgrading existing electrical infrastructure. Depending on the available power, the system is set from the existing network infrastructure (depending on the available capacity). Still, it allows the power supply to deliver high-capacity power to the charging station for fast charging of the electric vehicle's battery.

Travel range anxiety

Range Anxiety is an expression of the phenomenon whereby drivers are reluctant to switch to electric vehicles due to the limited range allowed by the vehicle's battery. At the same time, the relatively long charging time and the lack of fast-charging stations in contrast to the high accessibility of gas stations reinforce this feeling. Energy storage systems help make charging stations more accessible.

Charging time

The amount of time it takes for the battery of the entire electric vehicle to fill up from an empty state to a complete form. It is essential to recognize that, as with any other charged device, filling the car battery from 70% and 80% onwards is relatively slow, and road drivers tend to fill up to about 80%. Due to this, the figure of the battery charge time up to 80% is sometimes displayed, which is considered the duration of the relatively fast charge.

Radiation and electric vehicles

According to the Ministry of Environmental Protection tests, electric and hybrid vehicles emit no more radiation than regular vehicles. Similar to other vehicles, additional radiation exposure may be caused when wiring is improperly done. It should be noted that no country imposes restrictions on the use of vehicles in general and hybrid vehicles in particular about radiation inside the car.

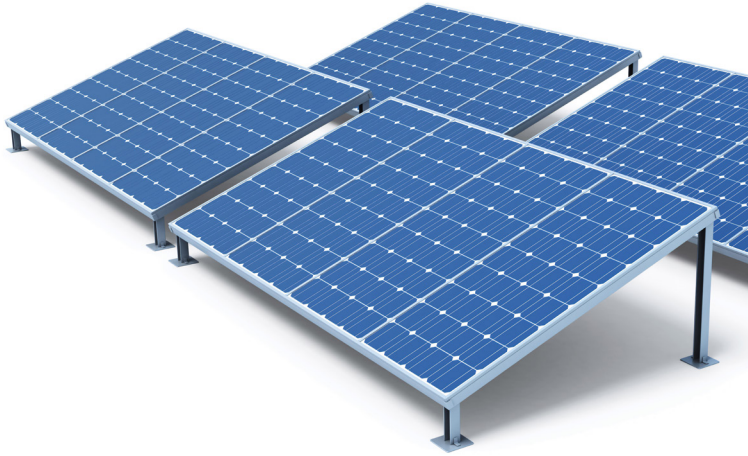
Environmental Management

Reducing our environmental impacts is a key priority as part of an industry associated with a larger footprint. To protect the health of our planet, OPC Energy is deeply committed the highest standards of environmental management.

The Company's environmental policy principles account for environmental considerations in all areas of activities, including in decision-making processes, design and operation of our facilities, adoption of proven advanced environmental criteria, and wise use of raw materials and natural resources.

These principles are implemented by our comprehensive environmental management system, which works to ensure that our power plants not only comply with all relevant regulations[1] but go above and beyond that which is legally required. Our SHE unit is responsible for enforcing this management system, providing frequent feedback on risks and anomalies to allow for quick and appropriate responses and to prevent general potential harm to the environment.

Internal review is an important factor in our practices. Whereas the Ministry of Environmental Protection conducts external reviews of our operations once a year, it is important for us to conduct internal reviews regularly. If gaps are found, they are reported to management with plans to rectify them. Management holds frequent discussions regarding the implementation of internal enforcement and whether there have been environmental anomalies.



1 Among the laws in the field of the environment that apply to the company's activities and constitute a cornerstone for it are: regulations for the prevention of hazards (used oil, unreasonable noise); water regulations; The Law for the Prevention of Marine Pollution from Land Sources; The Hazardous Substances Act; Clean Air Act; The Non-Ionizing Radiation Law; Environmental Protection Act; Collection and Disposal of Waste for Recycling Law; Business Licensing Regulations.

We are proud to report that we have had no cases of non-compliance with environmental laws and regulations in 2020 or 2021.

In 2022 we plan to continue this pattern, with zero environmental incidents on our sites and improvements as we continue to monitor and support our ongoing operations.

Beyond compliance with regulatory frameworks, we have instituted a number of initiatives to help us go above and beyond in our environmental performance. In general, we constantly upgrade our technology to use the best on the market. In 2021, we provided our clients with smart meters to help monitor and reduce their electricity consumption and overall footprints. By empowering our clients with the tools to understand their energy usage, they are better able to manage and reduce it and therefore lower their carbon footprints.

In addition, we maintain a consistent dialogue with local environmental organizations. For example, we are in contact with the Association of Cities for Environmental Protection Sharon-Carmel, a regional organization representing 18 local authorities initially established to maintain an adequate level of air quality near Hadera.

We constantly look for the best local energy solutions, including the installation of PV panels. For example, we installed solar panels with a capacity of 0.5 megawatts on the roof of Azrieli Acre, allowing the mall to consume renewable energy for its activities.

Electric Vehicles

At OPC Energy, we are transitioning our car fleet to electric vehicles, both for cars we lease and for general company transportation.

In 2021, we successfully began using an electric minibus to shuttle employees to Rotem site. Most of the new vehicles we purchased in the past year are electric, and we plan to continue this trend in years to come.

Greenhouse gas emissions

Overall, our work at OPC Energy contributes to a reduction in GHG emissions through our supply of energy-efficient natural gas-powered electricity as a replacement for highly pollutant coal.

The intensity of our emissions is low in relation to the average volume of emissions in the electricity sector in Israel and is expected to continue to decline as we continue to integrate renewable energy solutions. OPC Energy's greenhouse gas emission intensity in 2020 was **40% lower** than IEC's (Israel's state-owned utility) greenhouse gas emission intensity.

GHG Intencity - OPC vs. IEC (g CO2eq / KWh)

OPC Israel - GHG (Million tonne CO2eq)

	2019	2020	2021
Scope 1	1.50	1.36	1.73
Scope 1	0.03	0.03	0.03
Total	1.53	1.39	1.79

GHG Intensity - OPC vs. IEC (g CO2eq / KWh)

	2019	2020	2021
OPC	401	371	384
IEC	620	617	

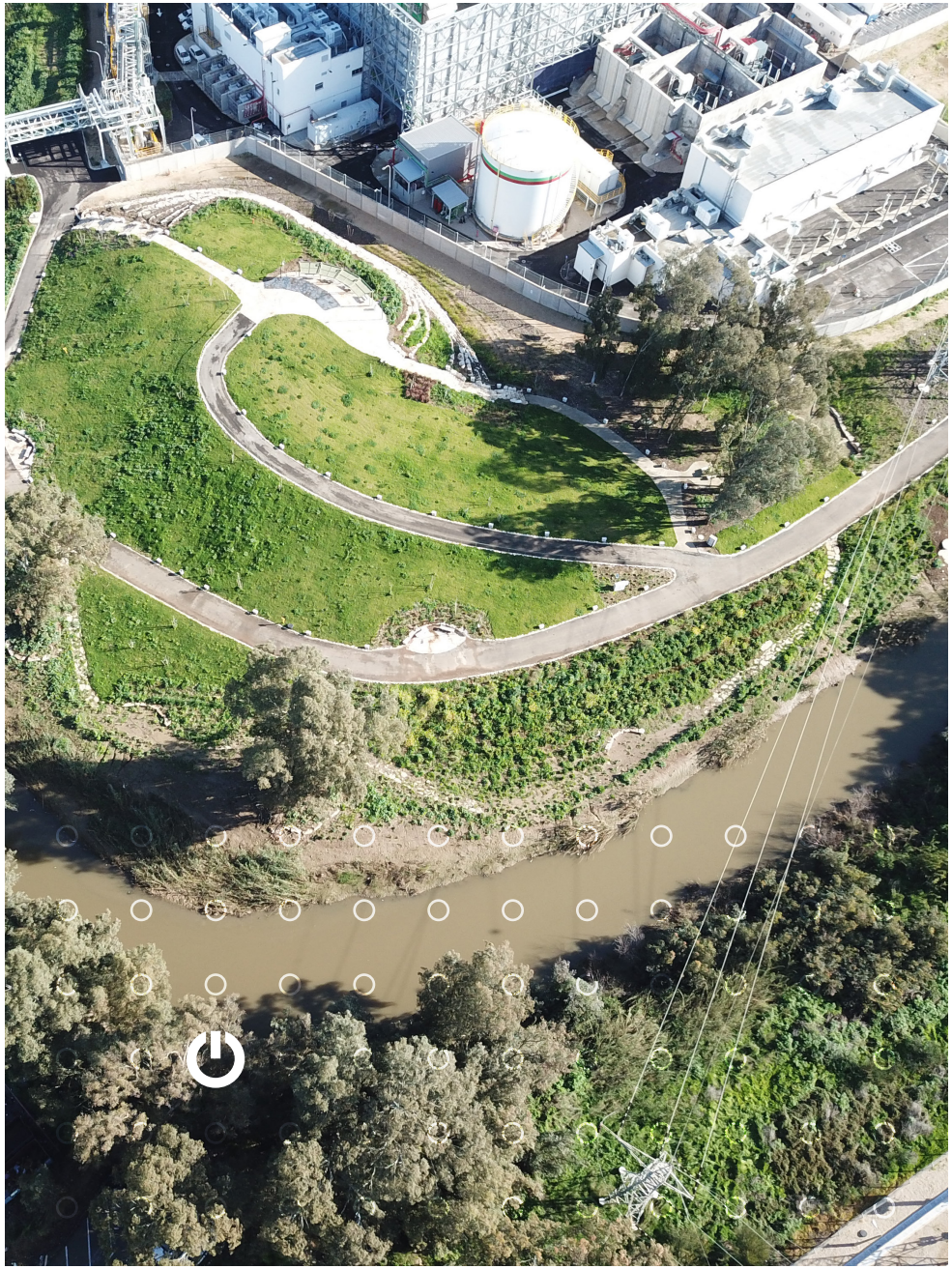
The chart above indicates the GHG emissions at OPC sites in Israel. In 2020, we began activity in our new Hadera power plant, reflected in the increase between the years 2020-2021. In addition, the calculations for the years 2019 and 2020 did not account for diesel use for our car fleet or cooling gases.

Greenhouse gas emissions (continued)

Scope 1 GHG Emissions at CPV US Sites 2021	Total tonnes CO2eq	GHG Intensity (CO2eq/g)
Towantic Energy Center	1,981,714	357
Valley Energy Center	1,608,261	371
Shore Energy Center	1,336,168	366
Fairview Energy Center	3058415	387
Maryland Energy Center	1,445,847	381

Air Quality Emissions at OPC Israel Sites	Unit	2019	2020	2021
NO2	Tonnes	831.94	966.82	970.31
SO2	Tonnes	23.86	7.96	7.39
PM10	Tonnes	12.73	8.20	27.61

Air Quality Emissions at CPV US Sites 2021	Unit	Total 2021	OPC's share of emissions
NOx	Tonnes	432.57	97.25
SO2	Tonnes	28.35	6.53



Energy generation and consumption

To power our operations in Israel, we partially use electricity from the IEC and partially the energy that we produce.

Energy Consumption	Consumption (GWh)	%of Generation
Israel sites	82.4	1.8%
USAsites	144.9	1.8%

Energy Generation	Unit	2021
Rotem Power Plant	GWh	3,726
Hadera Power Plant	GWh	760
Maryland Energy Center	GWh	3,795
Towantic Energy Center	GWh	5,555
Valley Energy Center	GWh	4,334
Shore Energy Center	GWh	3,653
Fairview Energy Center	GWh	7,899
Keenan II Wind Farm	GWh	529

Water consumption

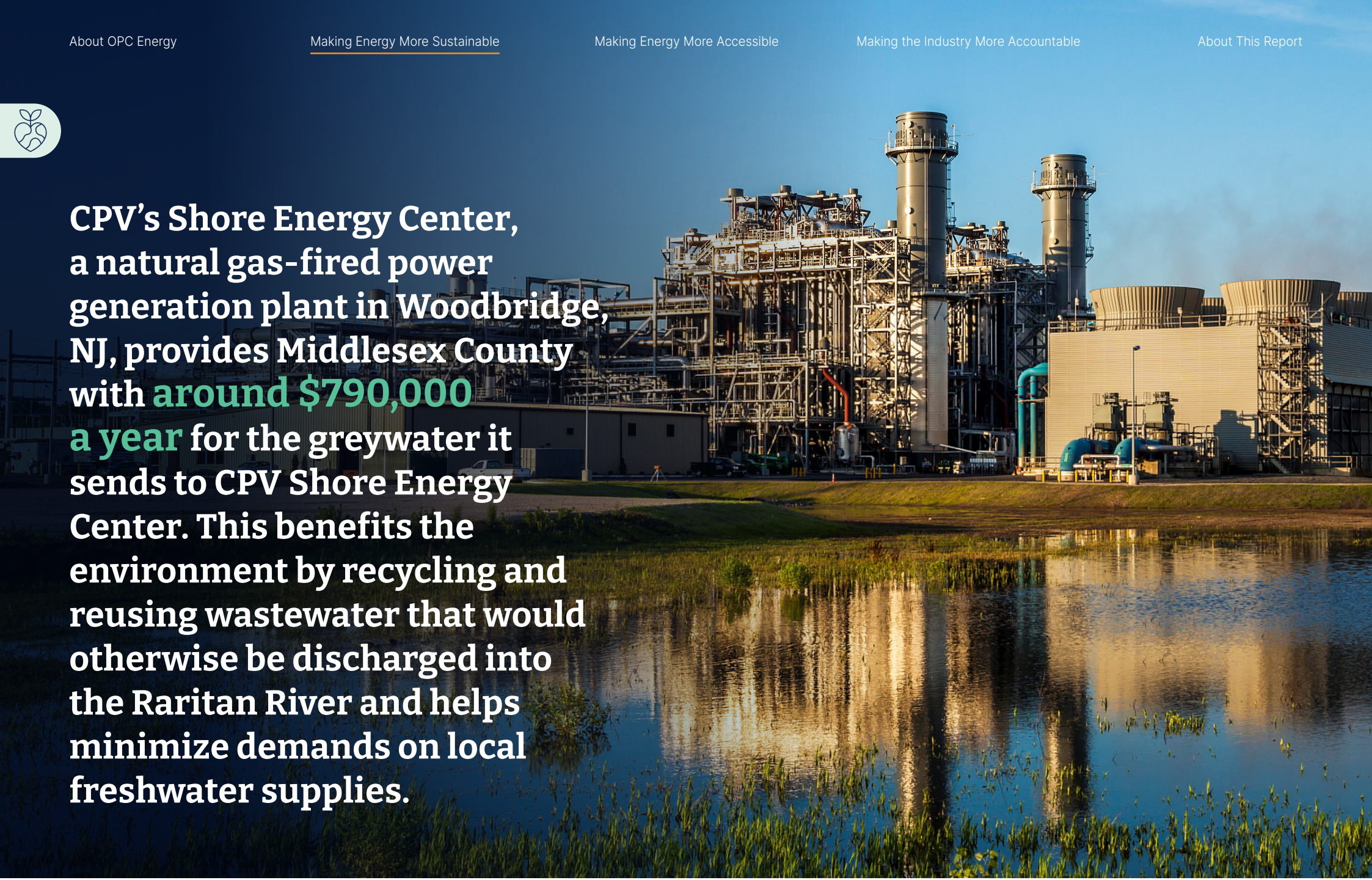
OPC Energy in Israel uses water supplied to our power plants through the national water supply system. We take several steps to conserve this valuable resource, such as regularly performing comprehensive water quality tests and recycling water in our gas turbine cooling system. At our Rotem power plant, we created a closed-loop to reuse the water within our gas turbine cooling system, **ultimately saving us 4,000-5,000 cubic meters per year and 40,000 NIS per year,** which would have otherwise become wastewater.

Sewage and wastewater which we cannot reuse is sent to our partners at the Rotem Ampert plant, who are able to recycle the water for other purposes.

In the US, approximately 7,000 cubic meters of water was derived from greywater. CPV considers water usage and consumption early in every new project's development and, when possible, uses recycled water and air-cooled facilities which help us reduce the amount of water needed for operations by up to 90% compared to similar wet-cooled facilities.

OPC Israel sites	Unit	2019	2020	2021
Total water consumption	Cubic meters	297,874	429,105	442,527

Total water consumption CPV US Sites	Unit	2021 Total	OPC's share of total
Shore Energy Center	Cubic meters	2,898,221	753,537
Maryland Energy Center	Cubic meters	3,160,264	568,847
Towantic Energy Center	Cubic meters	101,380	18,248
Valley Energy Center	Cubic meters	175,411	61,393
Fairview Energy Center	Cubic meters	6,311,233	1,136,021



CPV's Shore Energy Center, a natural gas-fired power generation plant in Woodbridge, NJ, provides Middlesex County with around $790,000 a year for the greywater it sends to CPV Shore Energy Center. This benefits the environment by recycling and reusing wastewater that would otherwise be discharged into the Raritan River and helps minimize demands on local freshwater supplies.

Waste

OPC Energy strives to be a leader in its field with a commitment to the highest environmental standards for treating solid waste and hazardous waste. Between 2019-2021, the amount of solid waste decreased by 15% as a result of various steps taken by the company.

In 2021, we developed a new program with our supplier to reduce and treat hazardous waste in which approximately 1,200 barrels of ammonia per year that would have otherwise been sent to landfills are returned to our manufacturer for reuse and recycling.

In 2020, 93% tons of the company's hazardous waste was sent for recycling,[2] and in 2021, 92% was recycled.

OPC power plants in Rotem, Hadera and the Energy Center have toxin permits that are renewed once a year. The company meets all the conditions and actions required by the permits.

Waste at OPC Israel Sites	Unit	2019	2020	2021
Total Hazardous waste	tonnes	50.01	74.16	49.36
Hazardous waste sent to landfill	tonnes	1.82	5.03	3.45
Hazardous waste recycled	tonnes	48.19	69.13	45.91
Total solid waste	tonnes	472.2	469.7	20.50
Solid waste sent to landfill[3]	tonnes	468	465	0
Solid waste recycled	tonnes	4.2	4.7	20.5

2 Total tons of hazardous waste transferred for recycling in accordance with the R1-R13 directives

3 Total tons of hazardous waste transferred to landfill treatment in accordance with Directives D1-D15

Making Energy More Accessible

Making Energy More Accessible

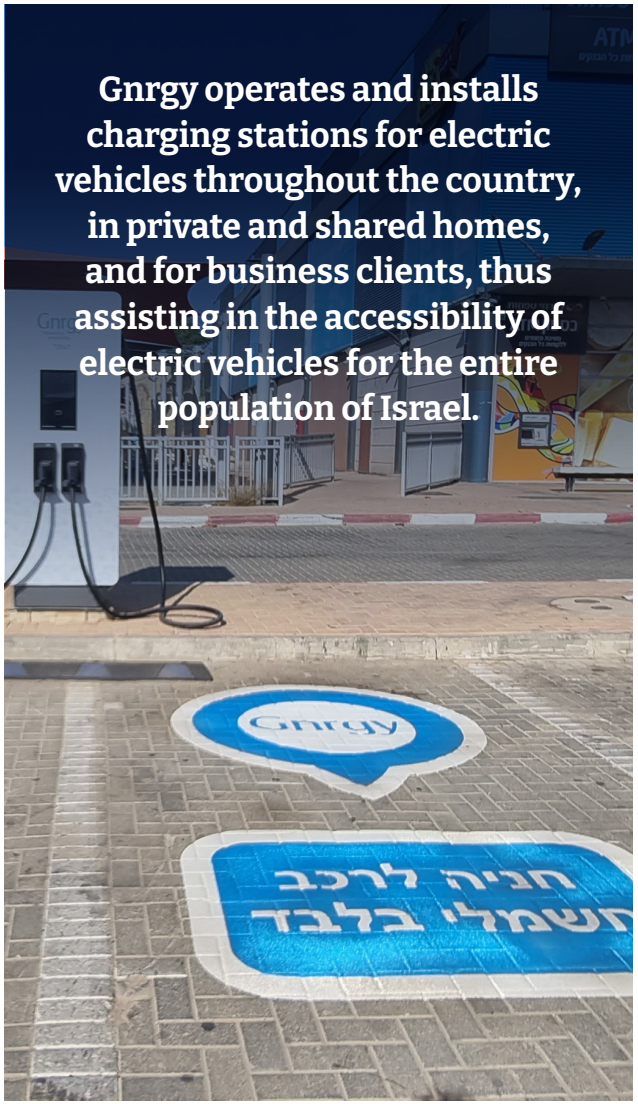
At OPC Energy, we believe in equitable access to necessary resources regardless of background. For years now, in Israel the IEC has had sole control over the supply and sale of energy, and OPC seeks to provide an alternative source to serve as competition and expand access to electricity.

Supplying our clients with power locally on their sites allows them a new level of agency that was not previously possible, and we plan to continue more activities of this kind. Clients can be less dependent upon the IEC , saving on the associated transmission fees, choosing for themselves when to use their purchased energy, and gaining greater operational reliability for moments when the IEC shuts down supply during peak hours.

We place particular emphasis on Israel's periphery, with our Rotem Power Station strategically located in the Negev and our forthcoming Tzomet plant near Kiryat Gat. Our business activity contributes to strengthening local economies while providing agency to our customers to satisfy their energy needs on their own terms.

In the US, CPV takes special care to increase North America's economic and environmental sustainability. Using local energy sources like wind and natural gas while partnering with host communities to support their tax base and school districts allows CPV to work together with local communities to improve their economies and expand access to energy.

We care deeply about our communities and work tirelessly to bring them accessible, affordable and highly-efficient energy, in addition to other activities that we conduct to give back



Encouraging Competition in the Energy Industry

OPC Energy is the first private electricity producer in Israel and a pioneer of competition in the Israeli energy industry.

Today the company is responsible for generating about 5% of electricity in Israel, produced efficiently and sold at discounted prices relative to the IEC. In supplying reliable and efficient electricity at competitive prices to a wide range of customers, OPC is committed to increasing competition and lowering energy prices in a previously monopolized industry, and expanding accessibility throughout the country.

In 2021, OPC Energy also received a license to supply electricity to domestic consumers as part of the Electricity Authority's pilot to open the supply segment to competition.

By creating competition in the industry and offering energy alternatives, we also empower our private clients by providing autonomy regarding their electricity needs. We have signed agreements to construct 90 megawatts of distributed power plants on the private grounds of factories and businesses throughout the country. These power plants will be built by OPC Energy and will allow electricity consumers to save more on electricity costs.

Similarly, in the US we advocate for competitive markets that allow us to quickly invest in the lowest-cost, most-efficient resources while incentivizing the necessary research and development of technological breakthroughs. We operate in a market in which technological innovation and disciplined investment, spurred by competition, allow all resources to compete to decarbonize and generate clean, sustainable power.

Strengthening Our Communities

Caring for our community is deeply embedded in the fabric of our company. We strive to establish ourselves as contributing members of the communities where we live and work.

In Israel, our strategically placed power plants allow us to serve our own needs while also connecting our local communities with employment opportunities in peripheral areas, such as our largest and oldest power station in the Rotem Plain of the Negev, which contributes to the strengthening of the local economy through the employment of workers, suppliers and subcontractors in the Negev, as well as property tax payments and taxes to local authorities. **50% of all OPC suppliers are located in Israel, and 30% of our suppliers are located in peripheral areas of the country.**

In the US, CPV provides economic renewal in areas that were historically dependent on high CO2-emitting power plants. In 2021, we announced 400 MWs of renewable energy projects in advanced development on former coal mine sites. By renewing brownfield sites, we are providing economic revitalization and helping areas transition from the 20th-century energy landscape into the power system of the future.

Community outreach

A significant part of our outreach and engagement strategy is the proactive approach we take towards donations to and volunteering within local communities to foster sincere and ongoing engagement. OPC encourages employees to volunteer in a way that accommodates their professional and personal needs, offering opportunities for regular and one-time volunteering. We are especially focused on activities that uplift youth from socioeconomically disadvantaged backgrounds and women and programs that promote health as well as technological education.

In 2020, our donations in Israel amounted to a total of NIS 1,908,000 and in 2021, NIS 1,610,000

Since 2014, we have offered Good Deeds Day, in which employees from all over the company volunteer during their paid work hours together to give back to their communities and build camaraderie.

In 2021, these activities included OPC Rotem employees building a community garden in Arad, OPC Hadera employees participating in a beach cleanup, and our Tel Aviv headquarters employees renovating a nursing home in Givatayim.

Among many other initiatives, OPC has also invested about NIS 10 million in the Nahal Hadera Park, which offers the residents our local community green spaces, pedestrian and bicycle paths, sitting areas and other facilities for public enjoyment.

Other activities in which we are involved are:

Nirim in the Neighborhoods has been operating in Dimona since 2014, thanks to the partnership and significant support of OPC Rotem. This community outreach program engages youth aged 14 to 18 from disadvantaged backgrounds to provide mentorship and support. In 2021, some of the program participants joined our employees at OPC Rotem for a candle-lighting ceremony and Hanukkah party.

S.A.H.I., which engages youth ages 13-18 from Israel's socio-geographic periphery in the distribution of aid, where they decide on the direct beneficiaries and ways to assist their own communities. In the past two years, OPC employees have volunteered with the organization to distribute food packages to families in need for the holidays of Rosh Hashanah and Passover.

Shavot, a non-profit that works to encourage self-esteem and advancement of girls through meaningful experiences, combining elements of goal-setting, self-feedback and exposure to inspirational women. In 2021 in partnership with Shavot, OPC employees Oshrit Suissa-Kadosh, our VP of HR, and Hila Haim-Zada, HR Business Partner, gave inspiring lectures to the Girls' Club in Yeruham and eighth-graders in Or Akiva, respectively.

Our partners in the US are also deeply involved in the community. CPV is strengthening institutions in our host communities on several levels.

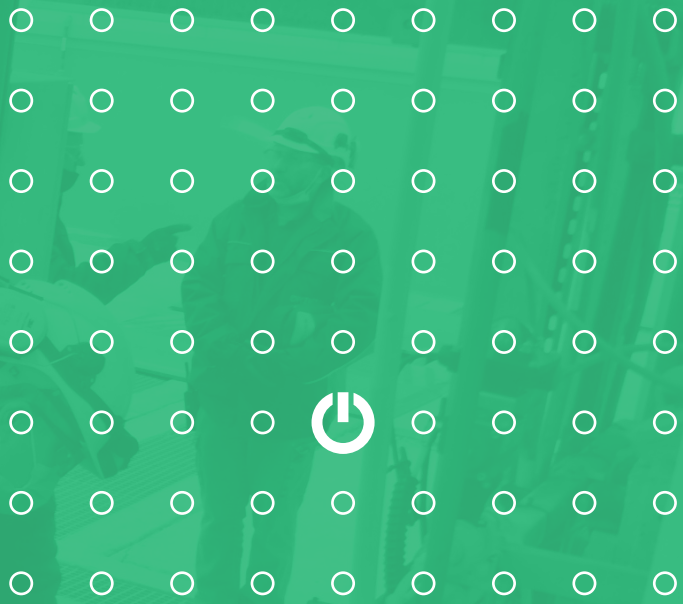
- We support local emergency responders, sponsor public safety events such as National Night Out, and help community organizations that first responders support to better the local community and their relationships with residents. We are committed to looking at the individual needs of each community in determining our support rather than using a one-size-fits-all approach. In 2021, our projects donated $134,491 to fire departments in our host communities. Those funds went towards purchasing a new fire truck, safety gear, and portable tools.
- CPV stepped up early in the pandemic to provide charitable contributions topping $100k across our portfolio of projects following the significant increase in food insecurity due to COVID-19. We have made the fight against hunger in our host communities a charitable giving focus area moving forward.
- In 2021, we announced the development of 400+ MWs of renewable energy capacity at former coal mine sites. The renewable projects, spread out across Pennsylvania and Maryland, will repurpose these sites that have limited alternative use and put them to productive use creating renewable energy while providing economic growth for host communities.
- CPV supports ties to science, technology, engineering, and math (STEM) in our communities by funding new STEM grants and labs in public schools, visiting classrooms, providing career coaching from CPV staff and offering guided tours of CPV's power generation facilities. Our model supports quality education and helps reduce inequalities.

Overall, CPV has invested more than USD 1 billion in economic development projects which generate paid jobs. In 2021, CPV donations in the US amounted to USD $292,000.

"By repurposing the sites of former coal mines, we can take land with limited ability to use and put it to work, helping generate renewable energy critical to decarbonizing the electric sector by 2035. In doing so, we can both reduce the need to disturb greenfield sites and help revitalize areas that have been impacted by the transition to cleaner energy sources."

Gary Lambert, CEO of CPV

Making the Industry More Accountable



Making the Industry More Accountable

Accountability to our stakeholders is part of the fabric of OPC. As a company, we are deeply embedded within our communities and are committed to upholding our promise of positive change in the energy industry.

Holding ourselves accountable as an energy company means caring for our employees, setting high expectations of our suppliers and monitoring their performance to ensure that they align with our values, and maintaining a str framework for corporate governance and ethics that oversee accountability all of our activities.

Accountability to Employees

Our employees

At OPC Energy we understand that our employees are the foundation for our success. We strive to provide all employees with equal opportunities and create a sustainable and supportive work environment that contributes to our employees' quality of life and overall performance.

OPC and CPV are equal opportunity employers. We promote hiring practices based on professionalism and skill regardless of gender, race, religion or other irrelevant factors. The energy industry is prone to a lack of diversity, and new approaches to recruitment and retention are being implemented industrywide.

At OPC we take pride in building an inclusive company, such as managing our strategic recruitment process of women in field positions, including in our calendar and celebrating the holidays of different religions, developing relationships with non-profit organizations that specialize in recruiting employees from underrepresented populations, and more.

Our policies and practices support these efforts to ensure a safe, equitable, and diverse workplace. We employ a special commissioner for sexual harassment, and our annual training program includes a section on the prohibition and prevention of sexual harassment, with an emphasis on teaching managers how to take an active leadership role in its prevention. We offer an anonymous hotline for filing complaints and communicate its accessibility bulletin boards on our sites and during employee training.

As evidence of the success of the company's employment policy, the turnover of the company's employees stands at 7.5% at OPC. In our CPV headquarters in the USA[4], our employees stay in the company for an average of 6.5 years.

4 CPV directly employs only those who work at the headquarters. Those who operate the energy centers are contractors operating through various agreements with CPV.

Our employees (continued)

OPC Employee headcount: 2020 and 2021

	Age group	Number of employees 2020	Number of employees 2021	Percentage of total employees 2020	Percentage of total employees 2021
Men	Under 30 years old	2	-	2%	-
	30-50 years old	61	69	52%	57%
	Over 50 years old	23	21	20%	18%
Men total		**86**	**90**	**74%**	**75%**
Women	Under 30 years old	-	1	0%	1%
	30-50 years old	23	22	20%	18%
	Over 50 years old	7	7	6%	6%
Women total		**30**	**30**	**26%**	**25%**
Total		**116**	**120**	**100%**	**100%**

CPV Employee Headcount: 2021

	Age group	Employees and managers who have been hired	Employees and managers whose employment has ended (dismissed / resigned / retired)	Number of employees	Percentage of total employees
Men	Under 30 years old	5	1	8	8%
	30-50 years old	12	4	47	45%
	Over 50 years old	3	1	26	25%
Men total		**20**	**6**	**81**	**78%**
Women	Under 30 years old	-	1	2	2%
	30-50 years old	1	3	13	13%
	Over 50 years old	2	-	8	8%
Women total		**3**	**4**	**23**	**22%**
Total		**23**	**10**	**104**	**100%**

25%
of OPC Energy employees are women

Over
90%
of OPC employees participated in our employee satisfaction survey

75%
of OPC employees in our power stations benefit from a collective bargaining agreement

CPV reported
7%
employee turnover in 2021

OPCENERGY

Health and safety

OPC Energy puts the health and safety of our employees at the top of our priorities. We take a zero-tolerance approach to safety issues, and safety is deeply embedded in our company culture and policies.

Our approach is based on shared accountability between management and our employees, using a behavior-based plan that empowers our employees to take charge of their welfare. Our safety management system is based on proactivity and agency. We conduct internal reviews of our operations regularly to ensure proper performance, finding gaps and rectifying them preemptively, conducting risk and employee field surveys by regions and systems, sharing knowledge between sites, and maintaining regular dialogue with management regarding ways to improve. We conduct six tests per year at our Israeli sites on safety compliance in machinery and equipment, employee welfare and occupational health, and employee training status.

As part of our proactive safety training program, we conduct safety training for all employees at least once a year. For work that is considered hazardous, employees must obtain special permits containing best practices, and each safety officer must have extensive knowledge of these issues. These employees undergo eight days of training and are evaluated annually to validate their certification.

Our behavior-based safety plan relies on significant workforce involvement and prevention. Safety awareness is addressed at all levels of OPC's management, discussed in daily meetings, in training, in company procedures, and in analysis of near-miss incidents and accidents.

Health and safety (continued)

We work to continuously learn from experience, collecting data and observations from our employees to better understand any issues that arise and improve our practices accordingly. Based on the observations shared by our employees, our safety teams are able to develop improvement plans.

Rotem natural gas turbine delivered to site

Our focus on prevention has paid off, with zero work accidents in 2020 and 2021.

0 Total recordable incident rate, Israel 2020

0 Total recordable incident rate, Israel and USA 2021

0 Lost time incident rate, Israel 2020

0 Lost time incident rate, Israel and USA 2021

Health and safety (continued)

Our partners in the US likewise demonstrate above-average safety performance, thanks to hands-on site management by our contractors and operators. Just like in Israel, every CPV facility has a safety committee responsible for promoting a safe workplace on the job site. We encourage staff at our plants to create safety committees to ensure that safety recommendations come from all levels of the organization, not just top-down. Before any job or task is begun, a Job Safety Analysis is performed to assess risks and identify procedures to help prevent injuries or hazards. Each project starts with training and a full review of safety procedures. Once a project is underway, we continue to monitor and track safety indicators and perform regular assessments. Our proactive approach involves multiple weekly safety checks to prevent potential hazards, comprehensive emergency response plans and annual safety drills. CPV accounts for safety records as a key determining factor in selecting contractors and operators, selecting those who implement near-miss programs, as these practices incentivize transparent reporting of workplace risks and contribute to safety performance. All employees and contractors are trained annually to effectively prevent safety risks before they occur.

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

Maryland Power Plant Dedication, MD, USA

Internal communication

OPC Energy strives to maintain a fruitful dialogue with its employees regarding every facet of their work experience, ranging from safety to satisfaction.

The company takes several steps to deepen internal organizational communication – holding regular meetings among station employees, internal media communication, personal conversations and feedback sessions between employees and their managers, round tables, executive conferences and more. At CPV, as well, we specifically communicate about our ESG efforts quarterly across the company through our All-Hands meetings and internal newsletters.

At the end of 2020, OPC conducted a survey that examines employee perception in Israel and their satisfaction with the company. Over 90% of the company's employees responded to the survey, and the results were published and presented to management. They revealed that employees were seeking further opportunities for development, specifically in relation to management skills, and management listened, ultimately leading to the expansion of employee development initiatives.

Employee development

At OPC, one way in which we hold ourselves accountable to our employees is by listening to their feedback and creating an environment that empowers them to consistently learn and grow.

We do so by providing opportunities to advance in their careers and expand their knowledge base through extensive training programs.

The operation and maintenance of a power plant require professional certification and the acquisition of knowledge and skills. With this in mind, we conduct an annual training program that is individually tailored to each employee based on the knowledge and expertise required to do their job. The program, which is implemented throughout the year, presents a target number of hours of training and study that includes certification and skill refreshment (for example, refresher training for working at heights, working in a covered space, annual safety, emergency staff, first aid providers, prevention of sexual harassment) as well as professional training to improve and develop a professional workforce (such as, for example, courses for fire stokers, welders, classified electric technicians and crane operators).

Our annual training also covers topics of our internal securities enforcement program, ethics, bribery and corruption, and more.

We understand at OPC that a strong company requires strong leaders. It is important to us that our managers are well prepared to lead their fellow employees and are equipped with the tools they need to do so. We take note of employees and managers with unique growth potential, and work with them on professional development and preparation for their next positions. We work with existing managers on setting goals and objectives, conduct workshops and provide individual guidance on management skills.

In 2021, OPC employees spent an average of 41 hours on training.

In the US, CPV trains all employees annually to reinforce our core values, behavioral conduct, policies, and procedures. The training falls into two categories: technical and development. Technical training for mechanics, electricians, and operators is approximately 80% of all training, whereas the remaining 20% of development training is focused on the leadership skills of plant management staff. The training is adapted every year to address any updates to the CPV Code of Conduct or our policies and procedures, which undergo an annual review.

In 2021, 100% of our plant staff completed their training.

Employee benefits

As part of our accountability to our employees, among our priorities are providing the best working experience and prioritizing the overall wellbeing of our employees.

In line with our commitment to creating a healthy and safe work environment for our employees, we support a healthy lifestyle and work to encourage the physical activity of all employees. The company's employees compete in workplace sports leagues, the company runs fitness training in the company's offices for the staff, and we even provide financial assistance for gym memberships outside the workplace. We work to promote healthy diets through adjustments to the menu in the workplace and vending machines and by offering courses and nutrition counseling. Finally, we also provide ergonomic adjustments of workstations to our employees according to their needs.

In addition, we provide our employees with joint health and dental insurance, which also includes a subsidized benefit for family members. Medical examinations are performed every year for employees, and once every two years the employee may perform extended screening tests, for early detection of medical problems, at an examination institute of hospitals in the south and the center of the country.

In general, we support the personal and financial wellbeing of our employees in a number of ways. We offer tuition assistance financially for the children of the employees, increased entitlement to sick days for those required to care for sick family members, support activities for parents of children with special needs, options for a gradual return from parental leave, and flexible working hours at our headquarters. We encourage financial literacy through offering training on savings and pensions, such as lectures, information sessions, and other resources.

OPC staff are employed under personal employment agreements. Employment agreements include instructions regarding employee wages and social conditions such as: executive insurance, pension fund, provident fund, study and compensation fund, entitlement to vacation days, convalescence and illness, notice period, commitment to confidentiality and the like.

OPC routinely grants employees employed on a personal contract supplements or salary updates, at its discretion, as well as an annual grant that usually ranges from one salary to three salaries on average, at discretion, depending on the company's role and business results.

At the Rotem power plant, approximately 75% of the station's operations workers are employed by a collective agreement that determines and regulates the course of the employee's life in the organization, from its absorption until the end of his work. The agreement defines the terms of employee absorption, the probationary period, initial remuneration and salary, annual salary update rates and grants, entitlements to vacation, illness and convalescence, welfare conditions, disciplinary regulations, termination process, the mechanism for resolving disputes between management and employee representatives, salary supplements and grants. The workers at the Hadera power plant are also subject to a similar collective agreement.

Supplier Accountability

We are accountable to all our stakeholders, including our suppliers, in all of our business activities and expect the same level of accountability from all those with whom we engage.

In 2020 and 2021, OPC Energy contracted with about 400 suppliers, mostly for the provision of technical equipment for routine maintenance and operation of the company's facilities, as well as for preventive maintenance.

In order to ensure that all of our suppliers and contractors uphold our high standards of ethical conduct, we prioritize companies with high environmental performance and require them to sign a code of ethics. We account for whether companies have a valid business license and permits as well as proper employment conditions, safety and hygiene at work and often conduct inspections of our suppliers' facilities to ensure compliance.

Corporate governance and ethics

Corporate governance

As a public company, we hold ourselves accountable to all of our stakeholders, striving to always do business in a transparent and ethical manner.

Our Board of Directors supervises this accountability, overseeing risk management and ensuring the efficiency and the generation of sustainable value for our shareholders, employees, and the wider ecosystem in which we operate.

ESG issues are integrated into the CEO's routine management review, who reports on this performance to the Board of Directors for evaluation four times per year.

The Board of Directors and its various committees review the company's business strategy and management, conduct an associated risk assessment, and discuss with management and additional key stakeholders. The Board's committees oversee the management of the specific risks relevant to its operation. The Board consists of four committees:

1. Audit and compensation Committee
2. Financial Statement Review Committee
3. Donations Committee
4. Investments and Protections Committee

Risk management, including environmental risks, safety aspects, and other aspects, are examined through internal audits, are presented to the Audit Committee, and are discussed within its framework and within the framework of board meetings.

Board of Directors Structure

We ensure that our Board of Directors is effective and aligned with the long-term interests of shareholders by maintaining a board meeting attendance rate of at least 75% in each fiscal year and holding board member elections on an annual basis, with the exception of external directors who are appointed every 3 years by a special majority on the Board of Directors.

Name	Membership in committees	Independent/ External Director	Qualifications	Term Commencement	Family relation
Yair Caspi Chairman of the Board		No	Industry expert	January 3, 2021 (Director since September 22, 2019)	No
Joseph Tenne	Audit and Renumeration Committee; Financial Statement Review Committee; Donations Committee	External Director	Accounting and Finance	External Director since November 7, 2017	No
Michal Marom Brikman	Audit and Renumeration Committee; Financial Statement Review Committee; Donations Committee	External Director	Accounting and Finance	External Director since November 7, 2017	No
Robert Rosen		No	Accounting and Finance	July 7, 2020	No
Antoine Bonnier		No	Accounting and Finance	February 27, 2020	No
Jacob Worenklein		No	Accounting and Finance	October 10, 2021	No
Aviad Kaufman		No	Accounting and Finance	October 10, 2021	No
Sarit Sagiv	Audit and Renumeration Committee; Financial Statement Review Committee; Donations Committee	Independent Director	Accounting and Finance	January 12, 2022	No

Executive compensation

OPC's compensation policy is based on the provisions outlined in the Companies Regulations. We offer stock options and restricted shares, as well as benefits for retirees and severance pay. Furthermore, corporate officers are entitled to an annual bonus conditional on meeting measurable targets that are set annually by the compensation Committee and the Board of Directors. The compensation policy is approved by OPC shareholders through a vote at the general meeting.

Conflict prevention

OPC Energy strictly complies with the provisions of the Securities Law 1968 as part of our risk management framework to fight against securities fraud, insider trading, questionable accounting practices and conflicts of interest. The company formulated an internal securities enforcement plan in December 2018 to ensure proper corporate governance by assisting our employees, managers and Board of Directors to comply with the provisions of the law.

The enforcement plan consists of a system of training, reporting, supervision and control to ensure that OPC representatives comply with the high standards of conduct required by the law and OPC. Any violation of the law or of the provisions of the enforcement plan will result in disciplinary action and are considered a violation of the employment agreement.

Ethics

At OPC Energy, our Code of Ethics is deeply embedded in all of our practices. The Code reflects the values which we strive to uphold, such as integrity and trust, non-discrimination and equal opportunities, transparency, the protection of our clients' and employee's privacy and more.

Our Code of Ethics is based on the principles of:

- Compliance with the law
- Prohibition of harassment and discrimination
- Commitment to the health and safety of our employees and the community
- Fairness in business
- Proper use of the group's assets and their preservation
- Commitment to the environment
- Mutual respect
- Responsibility, excellence and continuous improvement

All employees must agree to and sign the Code of Ethics, and are required to participate in annual training on its enforcement. The Code is supported by our whistleblower procedure which enables anonymous reporting and protection for employees who expose breaches of ethics or corruption in the organization.

In 2020 and 2021,

100%

of employees at OPC Energy signed and completed training on the relevant codes of ethics.

In addition, there were no ethical issues during the reporting period.

Anti-corruption and bribery

OPC Energy is committed to acting fairly and honestly, as stated in the company's Code of Ethics.

We consistently comply with the law regarding issues of embezzlement, fraud, bribery, and corruption and implement activities to prevent bribery and corruption at all levels of society.

OPC formulated a series of procedures and policies that deal with the prevention of bribery and corruption and address various related issues, including:

- OPC Energy's Anti-Corruption Policy
- our Code of Ethics
- internal enforcement plan
- donation procedure

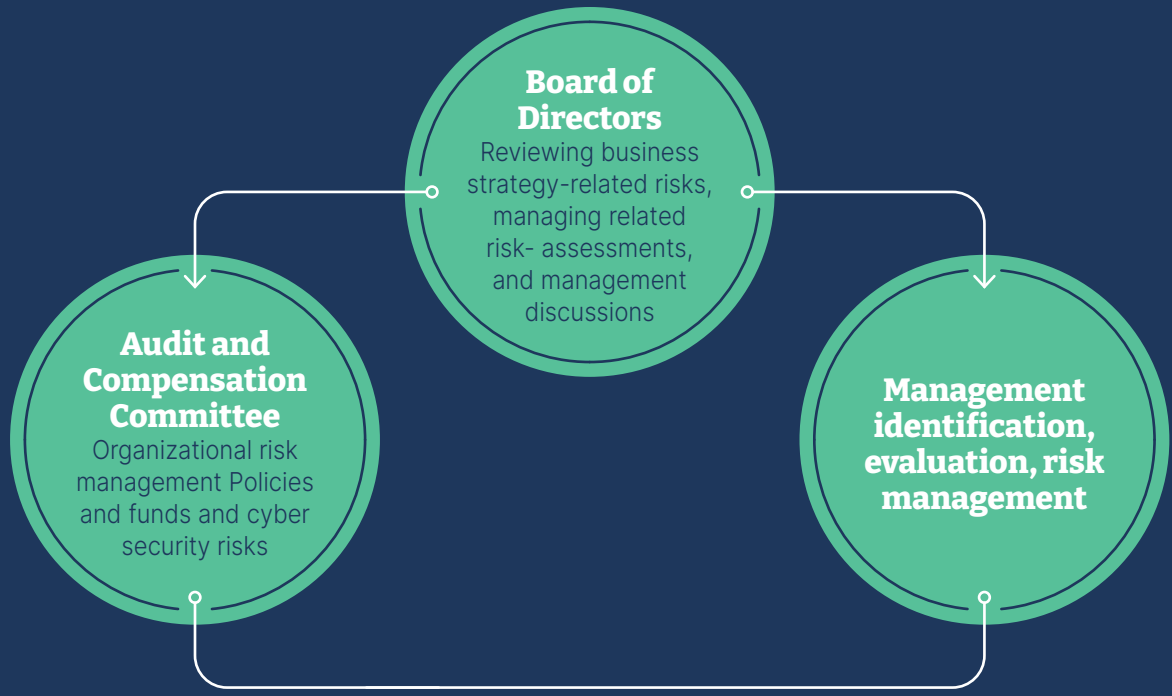
Our internal laws and procedures are binding and apply to all units and employees of the company. As a public company, OPC Energy is committed by law to properly disclosing financial statements and immediate reports of material events to the public. We regularly and continuously investigate risks of embezzlement and fraud, suspicions of bribery and corruption and violations of our Code of Ethics.

Crisis management

OPC's Board of Directors, the Audit and Remuneration Committee, management and the finance department all oversee various aspects of risk management within the Company.

Risk management is embedded in several company procedures.

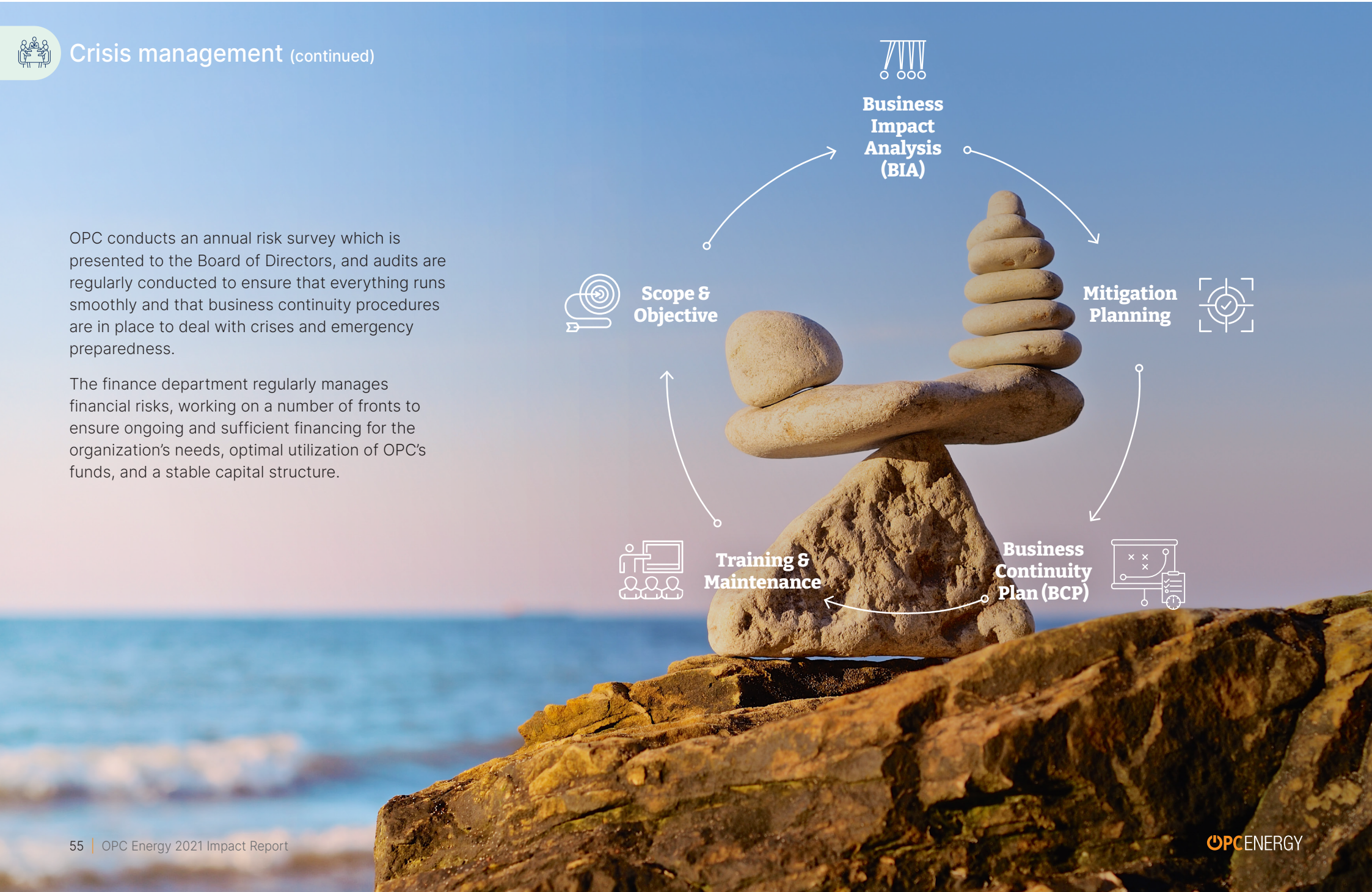
Financial risk management procedure in the business continuity procedure:



Crisis management (continued)

OPC conducts an annual risk survey which is presented to the Board of Directors, and audits are regularly conducted to ensure that everything runs smoothly and that business continuity procedures are in place to deal with crises and emergency preparedness.

The finance department regularly manages financial risks, working on a number of fronts to ensure ongoing and sufficient financing for the organization's needs, optimal utilization of OPC's funds, and a stable capital structure.



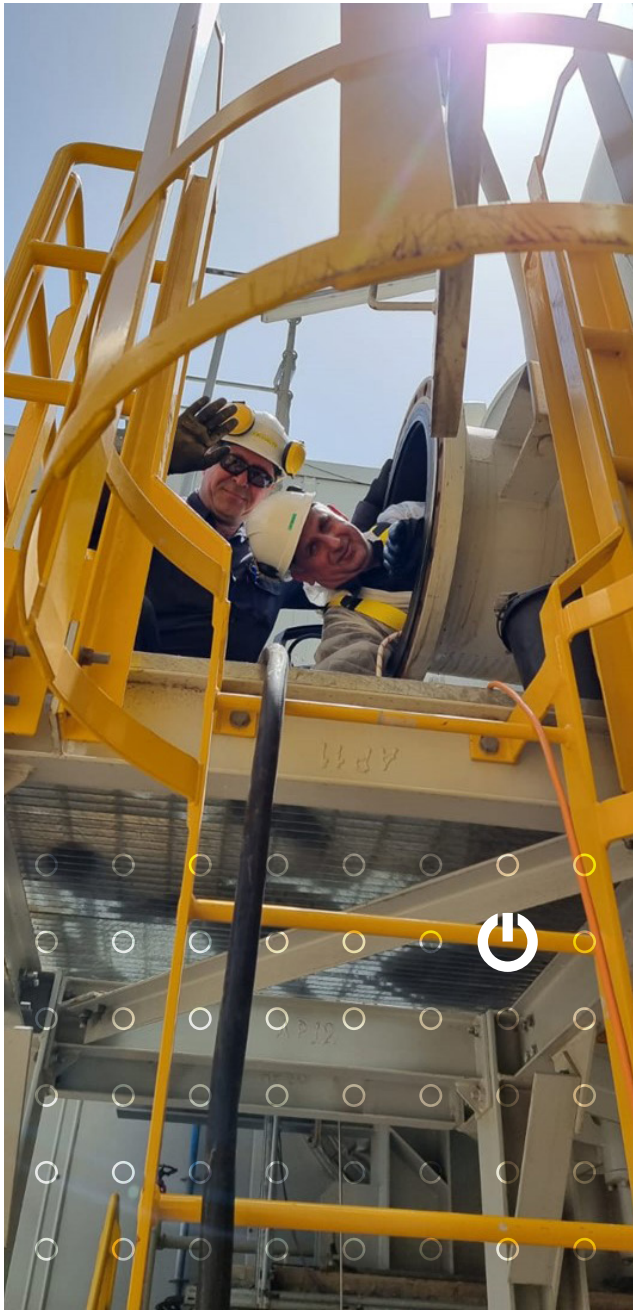
Privacy and cybersecurity

OPC Energy uses information technologies, communications and data processing systems in our day-to-day operations, and we understand the risk that damage to the administrative or operational systems may pose, such as delays and disruptions in the supply of electricity to the company's clients, including theft of information.

The company's being an Israeli corporation increases the risk of cyber-attacks. The Rotem, Hadera and Tzomet power stations are counseled by the Ministry of Energy's Security and Cyber Division on cyber protection issues at their power stations, who provides guidelines for protecting our equipment and work procedures, implementing online safety systems, and more. Armed with the understanding of these risks, we constantly take steps to increase information security - including through network monitoring and control systems, hardware hardening and operating systems, backups, written policies and procedures, access restrictions, training for employees, etc.

With each new contract, the company's suppliers sign an information security appendix, according to which they are required to meet all standards and instructions for maintaining information security in accordance with OPC Energy procedures. Vendors are also required to comply with the Privacy Protection Act.

In addition, annual training for employees includes elements on proper cybersecurity practices.

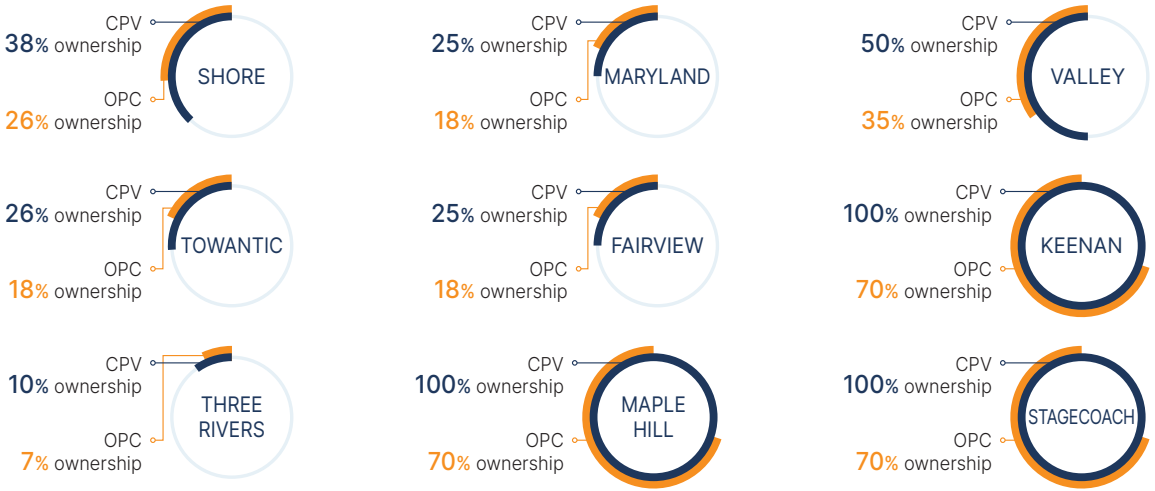


About This Report

About This Report

We are happy to present our first report, which initiates our biennial ESG reporting journey.

This report contains an overview of OPC Energy's sustainability projects and activities during FY 2020 and FY2021, whose period is from November 1, 2019 to October 31, 2021. This report details activities relating to our material issues at OPC Energy sites in Israel, and CPV sites in the US according to OPC's stake in each American site. Based on OPC's 70% ownership of CPV, the following percentages were calculated to determine OPC's share of emissions and environmental impacts:



For the purpose of composing this report, we conducted a benchmark process of peer companies, interviews with employees and other stakeholders, surveys and feedback, and analyzed policy and program documents, company bylaws, the code of ethics and more.

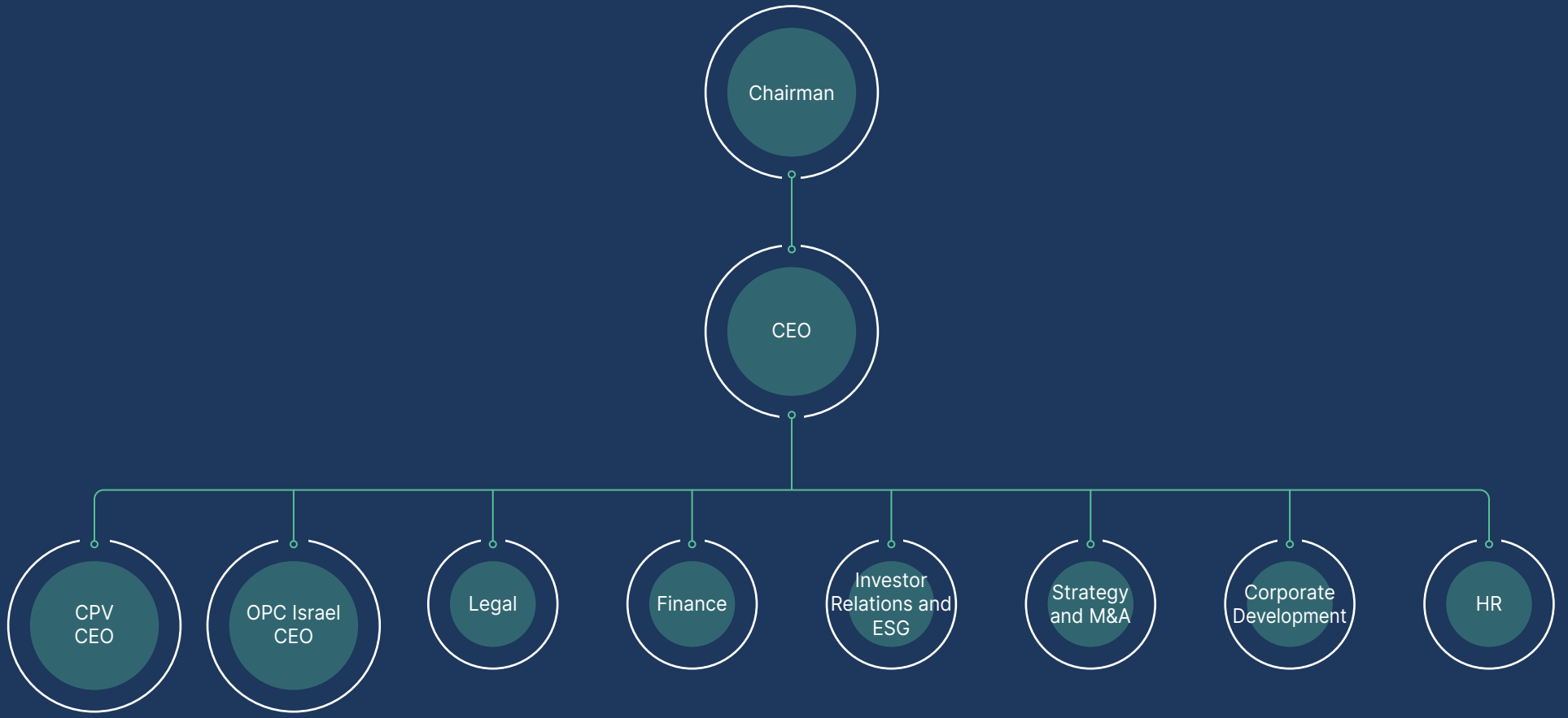
This report is written in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and the Sustainable Accounting Standards Board (SASB). The report was written with the assistance of Good Vision – Sustainability advisory, of the Fahn Kanne & Co. Grant Thornton Group. Good Vision is highly experienced in ESG services and is a member of the GRI GOLD community.

This Report is provided voluntarily and solely for the purpose of presenting a general overview of sustainability projects and certain activities as presented herein (the "Purpose") of OPC Energy Ltd. and its subsidiaries (the "Group").

In respect of information concerning the Group's operations or financial results, readers are hereby referred to such information as provided in the Group's financial statements and other reports published on the Tel Aviv Stock Exchange website (the "Public Reports"). In any case of discrepancy, information detailed in the Public Reports shall prevail.

This Report includes 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 and the Group makes no representations with regards to the accuracy or completeness of the description of its operations presented herein. 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. This Report includes opinions, assumptions, plans and other forward-looking information which are subject to uncertainties or risks. Such information may not materialize, in whole or in part, due to various factors including factors that are not controlled by the Group.

Governance Structure



GRI Index

Topic	Disclosure Number	Disclosure Title	Page/Reference
Organization Profile (Core)	102-1	Name of the organization	Pg 1
	102-2	Activities, brands, products, and services	About OPC Energy, pg 5
	102-3	Location of headquarters	Making Energy More Accessible, pg 37
	102-4	Location of operations	About OPC Energy, pg 5
	102-5	Ownership and legal form	About This Report, pg 57
	102-6	Markets served	Strategic Acquisitions, pg 7
	102-7	Scale of the organization	CEO Message, pg 4
	102-8	Information on employees and other workers	Our employees, pg 43
	102-9	Supply chain	Supplier Accountability, pg 49
	102-10	Significant changes to the organization and its supply chain	COVID-19, pg 13
	102-11	Precautionary Principle or approach	Corporate Governance and Ethics
	102-12	External initiatives	Community outreach, pg 37
	102-13	Membership of associations	Green Energy Association of Israel Natural Gas IPPs Israeli Forum
Strategy (Core)	102-14	Statement from senior decision-maker	CEO Message, pg 4
Ethics and Integrity (Core)	102-16	Values, principles, standards, and norms of behavior	Corporate governance and ethics, pg 50
Governance (Core)	102-18	Governance structure	Governance Structure, pg 58

GRI Index (continued)

Topic	Disclosure Number	Disclosure Title	Page/Reference
Stakeholder engagement (Core)	102-40	List of stakeholder groups	Materiality and stakeholder dialogue, pg 11
	102-41	Collective bargaining agreements	Our employees, pg 43
	102-42	Identifying and selecting stakeholders	Materiality and stakeholder dialogue, pg 11
	102-43	Approach to stakeholder engagement	Materiality and stakeholder dialogue, pg 11
	102-44	Key topics and concerns raised	Materiality and stakeholder dialogue, pg 12
Reporting practice (Core)	102-45	Entities included in the consolidated financial statements	About This Report, pg 56 Annual Report
	102-46	Defining report content and topic Boundaries	About This Report, pg 57
	102-47	List of material topics	Materiality and stakeholder dialogue, pg 11
	102-48	Restatements of information	Not Applicable
	102-49	Changes in reporting	Not Applicable
	102-50	Reporting period	About This Report, pg 57
	102-51	Date of most recent report	About This Report, pg 57
	102-52	Reporting cycle	About This Report, pg 57
	102-53	Contact point for questions regarding the report	Jonathan Fisch, VP Investor Relations & ESG, Jonathan.Fisch@opc-energy.com
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report, pg 57
	102-55	GRI content index	GRI Index
	102-56	External assurance	NA

GRI Index (continued)

Topic	Disclosure Number	Disclosure Title	Page/Reference
Management Approach (required for each material aspect)	103-1	Explanation of the material topic and its Boundary	Stakeholder Dialogue and Materiality, 12
	103-2	The management approach and its components	Corporate governance and ethics
	103-3	Evaluation of the management approach	Corporate governance and ethics
Economic performance	201-1	Direct economic value generated and distributed	Refer to our Annual Report
Anti-corruption	205-1	Operations assessed for risks related to corruption	Anti-corruption and bribery, pg 53
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption and bribery, pg 53
Energy	302-1	Energy consumption within the organization	Energy Consumption, pg 29
Water	303-1	Water withdrawal by source	Water Consumption, pg 30
	303-3	Water recycled and reused	Water Consumption, pg 30
Emissions	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, pg 28
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, pg 27
	305-4	GHG emissions intensity	Greenhouse Gas Emissions, pg 27
	305-5	Reduction of GHG emissions	Greenhouse Gas Emissions, pg 27
Effluents and Waste	306-1	Water discharge by quality and destination	Water Consumption, pg 30
	306-2	Waste by type and disposal method	Waste, pg 32
	306-4	Transport of hazardous waste	Waste, pg 32
	306-5	Water bodies affected by water discharges and/or runoff	pg 31

GRI Index (continued)

Topic	Disclosure Number	Disclosure Title	Page/Reference
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Management, pg 26
Employment	401-1	New employee hires and employee turnover	Our Employees, pg 43
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Employee benefits, pg 48
Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	Health and safety, pg 47
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and safety, pg 45
Training and Education	404-1	Average hours of training per year per employee	Employee Development, pg 47
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development, pg 47
	404-3	Percentage of employees receiving regular performance and career development reviews	100%
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our Employees, pg 43
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The company enforces with contractors the issue of fair employment and workers' rights and audits the pay slips of contractor employees as part of their contracts with OPC Energy.
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Community outreach, pg 37

OPC ENERGY

2021 IMPACT REPORT