



POWERING THE FUTURE OF ENERGY

SUSTAINABILITY REPORT 2021

www.solaredge.com/sustainability



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MESSAGE FROM OUR CEO



Looking back over 2021 and the recent months, the subject of “energy” has dominated the headlines. Whether it’s energy uncertainty due to global conflict, rising energy prices threatening economic growth, or bold energy legislation to reduce the impact of climate change, it has clearly become one of the key factors that will shape our future.

Electricity continues to play a greater role in our day to day lives. Everything from home heating to individual mobility is becoming increasingly electrified. Global electricity consumption is expected to increase by nearly 50% by 2050 compared to 2020¹. One of the most efficient, cost-effective and sustainable ways to meet this demand is with PV systems. Experts estimate that the solar energy share of the global installed electricity capacity mix is likely to increase from 11% in 2019 to 38% in 2050,² which would make it the largest renewable energy source used worldwide.

Homeowners, business leaders and governments understand that an investment in solar is not only economically advantageous, but also contributes to a more sustainable future. By the end of 2021, over 2.27 million homes around the world were equipped with SolarEdge PV systems, and more than 30% of Fortune 100 companies are using our systems on at least one of their rooftops. Overall, the carbon-free energy generated globally by our DC optimized PV inverter solutions is enabling the avoidance of an estimated 23 million metric tons of greenhouse gas (GHG) emissions each year. These avoided emissions are equivalent to taking 5 million gasoline-powered cars off the road permanently. Furthermore, we are delivering improved residential and community solutions as well as more robust systems for businesses and larger enterprise users. These innovative new solutions will enhance our contribution to the global low-carbon economy transition.

As a company dedicated to helping build a sustainable future, SolarEdge has made progress toward our 2025 sustainability targets. For example, when comparing 2021 with the previous year, we have reduced our own greenhouse gas emissions intensity by 7% and have improved our safety incident rate by 19%. We have made strides in sustainable procurement, auditing the responsible practices of our major contract manufacturers, and implementing a supplier code of conduct for growing parts of our supply chain.

In terms of gender equality, there are now over 120 women among our dedicated managers, and we have established targets and plans to increase the percentage of women employees, women managers and women in R&D roles.

Our work is not without challenges. Like many other global manufacturing companies, we have experienced disruptions in material supplies, logistics constraints and persisting COVID-19 related difficulties. These challenges, coupled with the increasing demand for our products, have required us to apply creative approaches and solutions to enable continuity of supply in increasing volumes.

Our sustainability strategy – powering the future of energy – guides us to conduct our business responsibly, ethically, inclusively, and efficiently. We are set to continue this path to deliver on our sustainability commitments, and I invite you to read more about our ongoing progress in the following pages of this report.

Thank you for your interest.

Zvi Lando
Chief Executive Officer



1. International Energy Outlook 2021, U.S. Energy Information Administration, October 6, 2021, <https://www.eia.gov/outlooks/ieo/introduction/sub-topic-01.php>
2. New Energy Outlook 2020 by Bloomberg New Energy Finance (BloombergNEF) <https://about.bnef.com/new-energy-outlook-2020/>



ABOUT SOLAREEDGE

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Company Profile

SolarEdge is a global leader in high-performance smart energy technology. By leveraging world-class engineering capabilities and with a relentless focus on innovation, we create smart energy products and solutions that power our lives and drive future progress. SolarEdge was founded in 2006 by five visionaries who saw the possibility to revolutionize the way power is harvested from the sun. One of our earliest innovations was an intelligent optimized inverter solution that transformed the solar industry and has led to SolarEdge becoming the number one inverter company (by revenues) for 4 years consecutively¹.



Our social purpose:

To power the future of energy so we can all enjoy better, more energy-efficient lifestyles and a greener, sustainable future.



Our employees:

4,000 employees (approx.) at year end 2021

1,100 employees (approx.)

in our research and development organization at year end 2021



Our social mission:

Shaping the future of sustainable energy production, energy storage and e-Mobility through technological innovation.



Our products and services:

SolarEdge addresses a broad range of energy market segments through PV, energy storage, EV charging, batteries, electrical vehicles and grid services solutions. The SolarEdge DC-coupled architecture maximizes PV power generation, solar energy storage and self-consumption, hence lowering the overall cost of energy produced by PV systems.



Our core values:

Customer Success. Innovation. Humility. Excellence.

Our solutions and global distribution support the worldwide transition from centralized, fossil fuel-based energy to clean, distributed and renewable power generation and consumption.

1. Based on revenues. Source: IHS PV Inverter Market tracker, Second Quarter 2022



About SolarEdge

Company Profile



Our reach at the end of 2021:

#1 solar Inverter company, revenue wise

133 countries with SolarEdge installations in 5 continents

83.9 million Power Optimizers shipped, cumulative

3.5 million inverters shipped, cumulative

29.5 GW (approx.) of our systems shipped worldwide (since 2010)

>2.45 million solar energy installations around the world monitored by SolarEdge systems

>790 thousand inverters produced in 2021

18.6 million Power Optimizers produced in 2021

405 awarded patents and approximately 397 patent applications filed worldwide



Our financials¹:

\$1.964 billion revenues in 2021 (GAAP)

\$220 million spending on research and development in 2021

Our stock is traded on the **NASDAQ** Global Select Market, where stock prices are quoted under the symbol "SEDG".





About SolarEdge

Corporate Governance

As a publicly traded company (Nasdaq: SEDG), SolarEdge maintains a robust corporate governance structure. Our governance aims to ensure due process for executing our responsibility to our shareholders and to all those we serve through our business, upholding ethical conduct, effective risk management, strategy execution and integrity of corporate infrastructure. The Board is elected by SolarEdge stockholders. In 2021, the Board met seven times, with each Director attending 100% of these meetings. As of June 1, 2022, our Board of Directors consists of seven members, led by Nadav Zafir, who joined the Board in 2019 as an independent Chair and Director.

SolarEdge Board of Directors

7 Directors
(including the Chair)

6 Independent directors
(86%) (as per Nasdaq rules)

2 Women directors
(29%)

We seek to ensure our board benefits from a diverse range of skills and experience, welcoming individuals who can support our business objectives with appreciation of the context in which we operate, both from the standpoint of markets and technology, and also with an environment, social and governance (ESG) lens. Through our board refreshment process, we have added a new Board member each year for the past four years, each bringing valuable new perspectives. For example, in early 2022, Mr. Dirk Hoke joined our Board of Directors, bringing vast experience of leading global technology and industrial companies with a focus on electronics and transportation.

“I have always believed in the power of business to drive positive change. SolarEdge is well positioned to help transform markets and make clean energy a reality everywhere, both for built structures and mobility, supporting global efforts to mitigate climate change. I am thrilled to offer my experience to help the team at SolarEdge realize the full potential of solar energy for a better future for all of us.”

Dirk Hoke, SolarEdge Director

In 2021, the Board received quarterly updates from SolarEdge management on ESG matters and engaged to support decisions across a range of issues. These included (among others) our newly introduced ESG-related compensation metrics and goals (see section: [Sustainability Governance](#)). The Board also reviewed and approved the company’s revised [Insider Trading Policy](#).

Specifically, our Nominating and Corporate Governance Committee holds responsibility for oversight of sustainability matters. In 2021, we welcomed Betsy Atkins to our Board of Directors. Ms. Atkins serves as Chair of the Nominating and Corporate Governance Committee. Ms. Atkins is a seasoned businesswoman and entrepreneur and a renowned thought leader in the area of corporate governance and ESG, frequently publishing articles on these topics.

“It is critical that companies take meaningful and industry appropriate steps to set and achieve ESG goals and that the progress is measured in a programmatic, factual, and consistent fashion.”

Betsy Atkins, SolarEdge Director, from an article published on Forbes.com¹

Our Board maintains four standing committees whose members are independent directors. In 2021, to reinforce our technology capabilities and support effective leadership and oversight of related developments and cybersecurity, the Board established a Technology Committee.

Audit Committee	Nominating and Corporate Governance Committee
Responsibilities include, among others: <ul style="list-style-type: none"> █ Oversight of SolarEdge’s financial reporting, risk assessment and risk management █ Oversight of the adequacy of our internal controls 	Responsibilities include, among others: <ul style="list-style-type: none"> █ Developing and recommending criteria for identifying and evaluating Director candidates █ Identifying individuals qualified to become Directors, consistent with criteria approved by our Board of Directors █ Oversight of and making recommendations to the Board regarding sustainability matters
Compensation Committee	Technology Committee
Responsibilities include, among others: <ul style="list-style-type: none"> █ Oversight of overall executive compensation philosophy, policies, and programs █ Oversight of strategies and policies related to human capital as well as diversity and inclusion 	Responsibilities include, among others: <ul style="list-style-type: none"> █ Oversight of technology related strategies, processes, and programs █ Reviewing benefits, risks and potential risk mitigation measures associated with proposed technology advancement programs █ Reviewing actions and risks associated with any current shortfalls in product performance, quality, or reliability and manufacturing methods including any product security █ Oversight of cyber security, including incident analysis and risk identification and mitigation █ Oversight of information systems design and performance

Our Principles of Corporate Governance are available under “Corporate Governance” on our [website](#).



Corporate Governance

Sustainability governance

During 2021, we invested additional resources to support ongoing, management of Environmental, Social and Governance (ESG) matters in line with our sustainability strategy and business objectives. Overall leadership of sustainability at SolarEdge rests with our Chief Marketing Officer (CMO), a member of our executive management team. In 2021, we welcomed a new Head of ESG to our team. The Head of ESG reports to the CMO, and leads our global management of ESG matters, including performance development, monitoring, and, public disclosures. Throughout the company, business leads and functional heads support the delivery of our sustainability strategy and compliance with responsible business practices in their respective departments. Members of our executive management team serve as sponsors for the delivery of our sustainability targets.

ESG policies and positions: In addition to our annual Sustainability Report, we enhance our disclosure on ESG matters with the publication of [policies and positions](#). These policies and positions cover topics such as Compliance, Human Rights, Supplier Management and Supplier Code of Conduct, Environmental Stewardship and Climate Resilience. We plan to add more positions in the future to augment our transparency for all stakeholders.

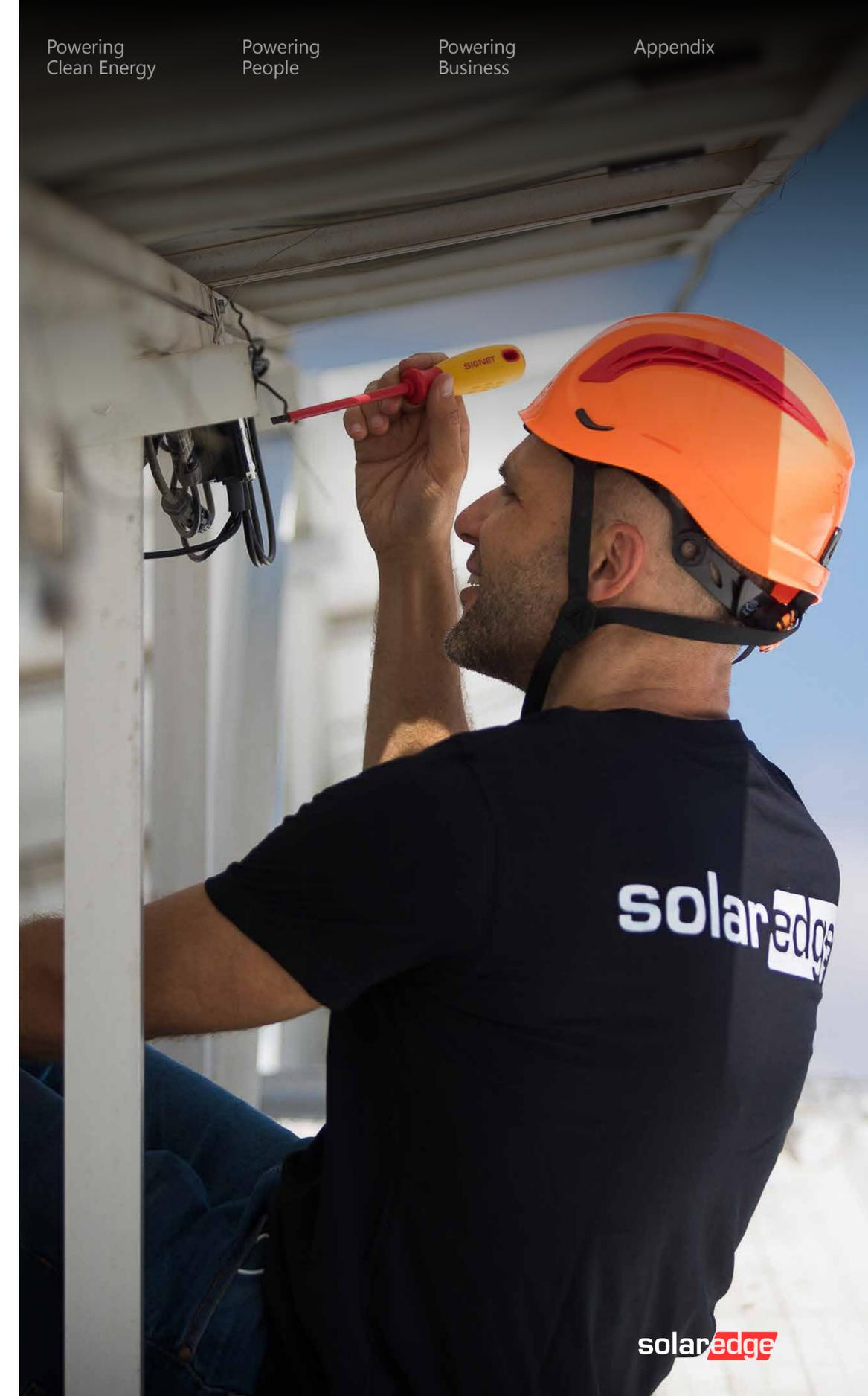
Incorporating ESG targets into management objectives: Based on 2021 discussions with shareholders, the company has integrated ESG-related performance goals into the overall 2022 company performance goals that are relevant for our senior executives, including our Non-Executive Officers and Chief Executive Officer, under our annual incentive compensation plans. These goals address topics such as the enhancement of gender equality in our workforce, reduction of GHG emissions, assuring the safety of our employees, responsible procurement, electronic waste recycling and ethics training.

Risk management

Our Board of Directors oversees the company's risk management process. We maintain a robust risk management program with the aim of ensuring that key risks, including strategic, operational, compliance, ethical, environmental and social risks are properly monitored and mitigated. Risks are prioritized on an annual basis using our risk analysis process that is led by our internal audit team. Management and the Audit Committee of the Board of Directors review the risk assessment and decide on priorities for internal auditing of risks for the coming year. We conduct several internal audits per year and report the results and corrective action plans to management and to the Audit Committee of the Board of Directors.

In 2021, cybersecurity risk was addressed as an area of increasing focus for our Board, particularly as more of our operations rely on digital technologies. In addition, as noted above, the Board established a Technology Committee to support the integrity of our operations and provide oversight of technology related matters, including cybersecurity. Our management team provides regular updates to both the Audit Committee and the full Board regarding our cybersecurity risks and our activities relating to digital security. For progress in information security, see section: [Cybersecurity and Data Privacy](#).

Internal audit: In 2021, our internal audit department reported on five different audits commissioned by the Audit Committee. The audits focused on intellectual property protection, fraud and employee safety, among other topics, while an additional eight investigations were held in response to various reports to our whistleblower hotline or issues raised directly by employees to their managers.





SUSTAINABILITY HIGHLIGHTS

2.27 million homes

equipped with a SolarEdge PV system by the end of 2021

29.5 GW

of our systems shipped worldwide by the end of 2021, delivering affordable clean energy

23 million metric tons

(estimated) of GHG emissions are avoided annually through the use of our installed systems

23% increase

in global employees (by end of 2021, versus end of 2020)

29% of our directors are women

(as of June 2022)

122 women in management roles

(up from 100 in 2020)

Over 50 participants

in designated development programs for female managers and women in tech roles.

Over 175 key suppliers

have committed to the terms of our supplier code of conduct

8% reduction

in greenhouse gas emissions (Scope 1+2) per revenues

New South-Korea Production Site¹

for Lithium-Ion battery cell manufacturing, supporting growing renewable energy storage needs

94% of SolarEdge

global employees received formal performance reviews

71% of generated waste

was either recycled or recovered to energy

ISS ESG rating: among top 10%

of highest rated companies in the Electronic Components sector

33,400 hours

of total annual training time, which are 8.37 average hours per employee

19% improvement

in the safety rate of recordable injuries (TRIR), compared to 2020



1. Commenced operations on May 22



SUSTAINABILITY STRATEGY

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Our sustainability strategy leverages high-performance smart energy technology to power the future of energy. With this, we aim to deliver positive impact for people and society, while operating in line with ethical and responsible practices. Our three-pillar strategy, developed in 2020, was influenced by our [2020 Materiality Assessment](#). The results of this assessment have indicated 11 material topics that have the most significant impact for our stakeholders. These material topics align with our business objectives, stakeholder expectations, and 10 of the 17 UN Sustainable Development Goals.

Powering the Future of Energy:

So we can all enjoy better living and a sustainable future



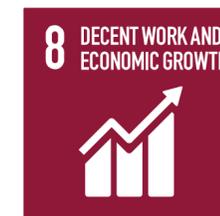
Powering Clean Energy

- Accelerate affordable clean energy
- Deliver smart energy solutions
- Product innovation
- Deliver sustainable products



Powering People

- Be a responsible employer
- Protect human rights
- Invest in communities



Powering Business

- Ethical and compliant conduct
- Climate resilience
- Resource efficiency
- Ethical sourcing



Our strategy is supported by multi-year targets in each pillar. Progress toward the delivery of each target is sponsored and supported by a member of our senior management team. In 2021, we continued to make progress as is shown in the following 2021 Performance Summary.

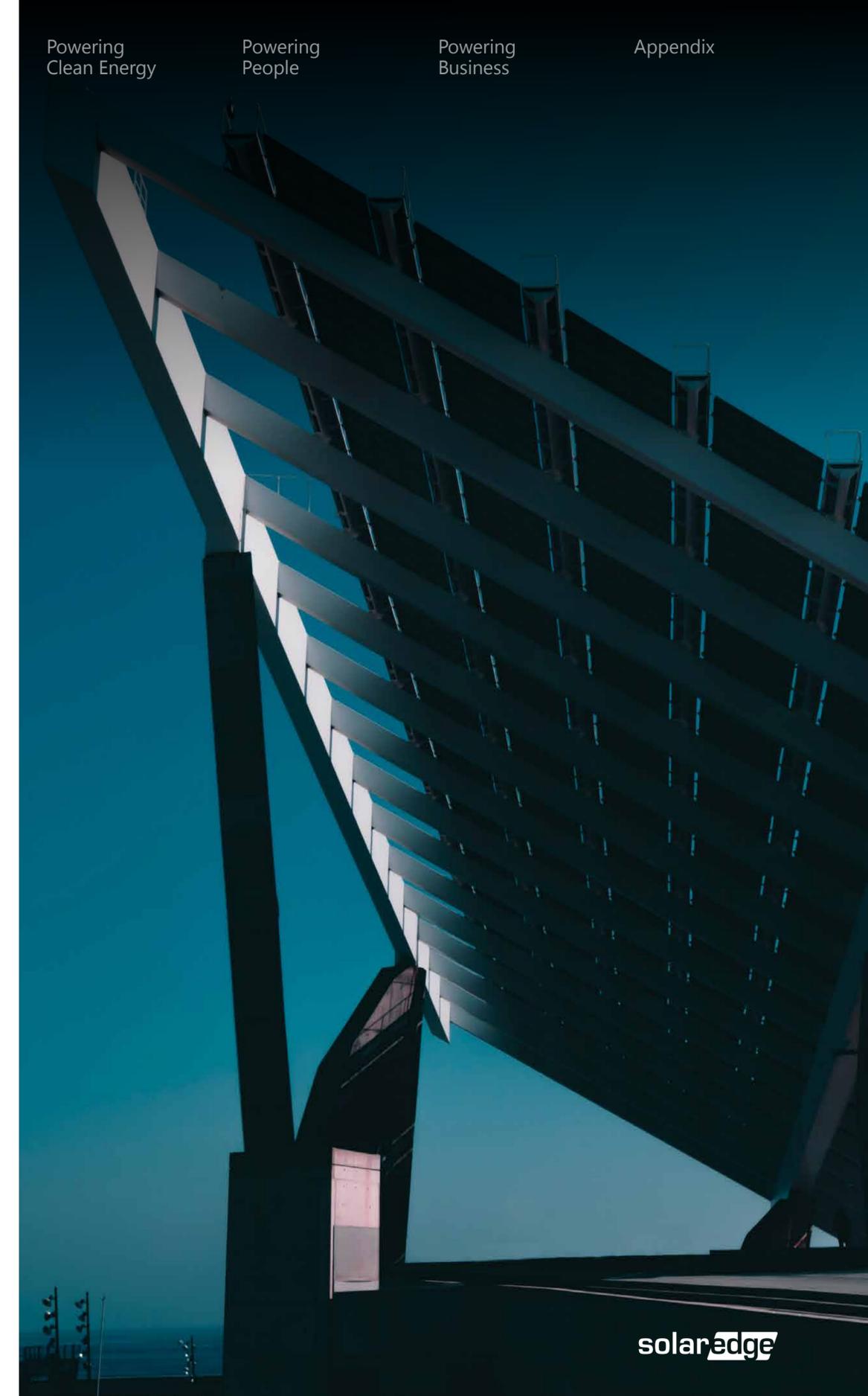


2021 Performance Summary

Powering Clean Energy



Goals	2025 Targets	Status	Performance in 2021
Accelerate affordable clean energy	Reach 2.5 million homes equipped with a SolarEdge PV system		2.27 million homes equipped with a SolarEdge PV system by the end of 2021 (cumulative). On track to exceed 2025 target.
	At least 30,000 GWh renewable energy produced by our customers using SolarEdge systems between 2020-2025		22,301 GWh produced in 2021. Total of 38,451 GWh of renewable electricity was produced in 2020-21 by our customers. 2025 target was exceeded, ahead of schedule. A revised target will be determined.
Deliver smart energy solutions	Introduce new applications for home smart energy management and electric mobility		Launched significant expansion of our residential portfolio, the "SolarEdge Home" smart energy ecosystem, including a new residential battery offering. See section: Smart Innovation
Product innovation	Invest in innovations supporting the transition to renewable energy use, storage and smart energy management		Launched S-Series range of Power Optimizers for all sizes of residential installations with advanced safety protection and easier installation. See section: Smart Innovation
Deliver sustainable products	Improve the lifecycle value of PV inverters		First comprehensive carbon footprint analysis completed for leading models of inverters and Power Optimizers. See section: Lifecycle assessment





2021 Performance Summary

Powering People



Goals	2025 Targets	Status	Performance in 2021
Be a responsible employer	Continue to increase investment in training & development opportunities for employees in order to develop new skills and professional learning at every level		<ul style="list-style-type: none"> Delivered more than 33,400 hours of training (8.37 training hours per employee on average in 2021). Implemented several employee development programs. Formed career mapping and development planning for Service and Hardware roles. See section: Investing in employee development
	Increase gender equality and inclusiveness in our workforce. <ul style="list-style-type: none"> Achieve these targets by 2025: 38% women in Israel solar workforce (currently 30%) 21% women in Israel solar R&D roles (currently 17%) 24% women in Israel management solar roles (currently 18%) 		<ul style="list-style-type: none"> 30% women in Israel Solar Division workforce. 17% women in Israel Solar Division R&D roles. 18% women in Israel management Solar Division roles. Over 50 women participated in designated development programs for female managers, and for women in tech roles. First detailed annual pay-gap analysis completed (for Israeli employees); no material difference found in pay by gender. See section: Diversity, equity, and inclusion
	Achieve TRIFR (total recordable injury frequency rate) equal to or below 0.7 in all SolarEdge facilities		Overall TRIFR rate in 2021 was 0.51 across all SolarEdge facilities including both employees and contractors. This represents a 19% improvement over 2020 (0.63) and achieves our 2025 target. See section: Health, safety and wellbeing
Responsible Procurement	<ul style="list-style-type: none"> Achieve acknowledgment of the terms of our Supplier Code of Conduct (SCoC) by all significant suppliers. Audit key suppliers to assure their compliance with the SCoC requirements on social, ethical and environmental issues. 		<ul style="list-style-type: none"> More than 175 suppliers have signed their acknowledgment of the SCoC terms or presented equivalent codes of conduct of their own. On-site SCoC audits conducted in three contract manufacturer sites, and one major raw material supplier. See section: Responsible procurement
Invest in communities	Establish a global structured community program with measurable community impact		Three-year community engagement plan to start in 2022. Plan focuses on advancing renewable energy with a community value; STEM education and youth innovations; and enhancing diverse population. See section: Communities



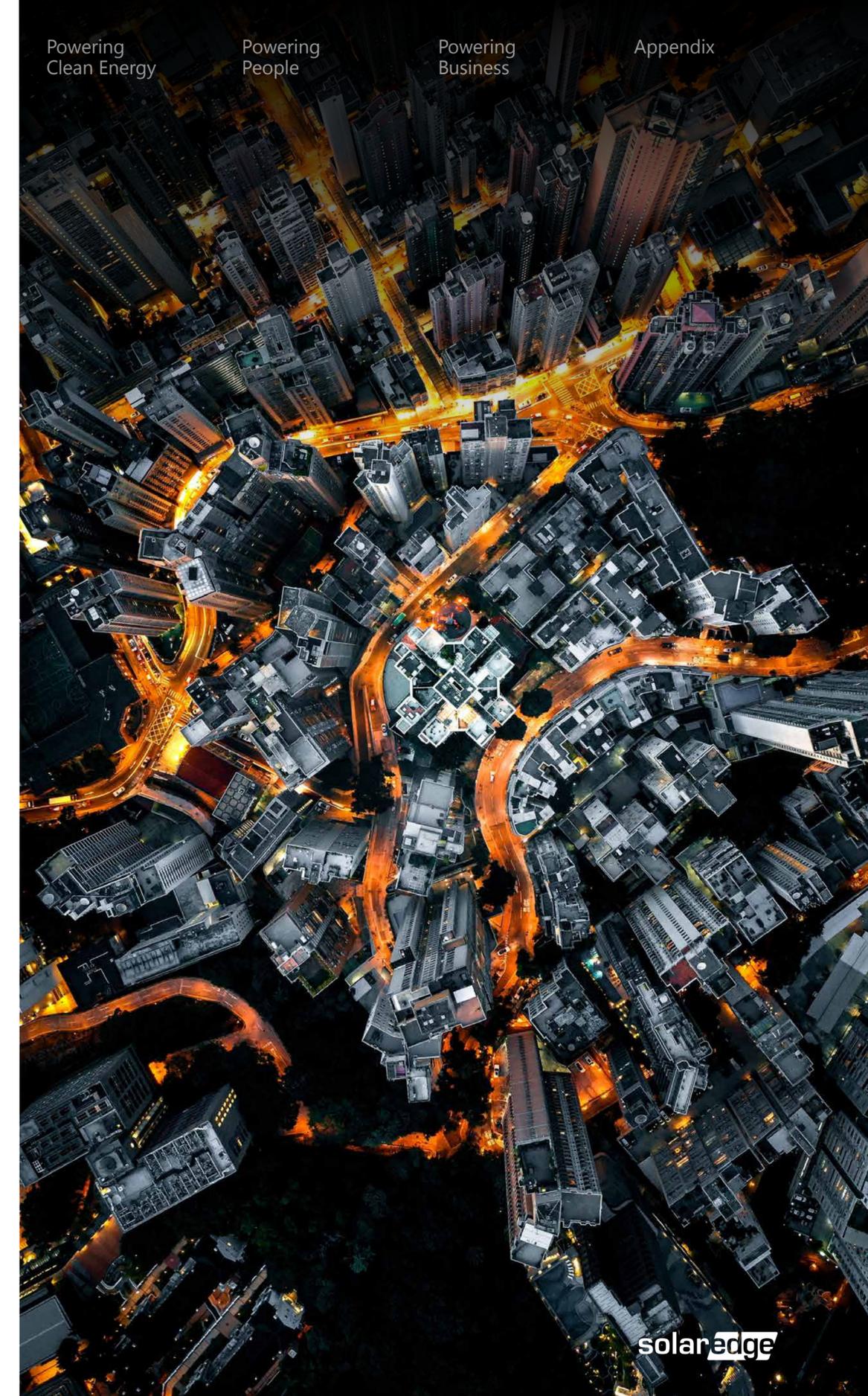


2021 Performance Summary

Powering Business



Goals	2025 Targets	Status	Performance in 2021
Ethical and compliant conduct	Enhance compliance and global training for Code of Conduct, Privacy, Intellectual Property, and Information Security		Code of Conduct updated to include expanded guidance relating to whistleblowing practices, political and trades union involvement, and human rights. Annual Code of Conduct, Privacy and Intellectual Property training for all employees planned to start in 2022. See section: Ethics and Compliance
Climate resilience	Work towards 30% reduction in greenhouse gas (GHG) emissions per \$million revenue (base year 2020)		8% reduction achieved in 2021, on track to achieve our 30% reduction target for 2025 (VS 2020 base year). See section: Climate Change Mitigation
Resource efficiency	Achieve near-zero e-waste to landfill		All e-waste generated directly at our facilities is collected and handled by certified WEEE (Waste Electrical and Electronic Equipment) handlers and recyclers. See section: Waste Management





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Overview

Electrification. Decarbonization.
Decentralization. Digitization.

These four words represent the keys to a smart, clean renewable energy future that will power the world for generations to come. With demand on the rise to meet growing population requirements,¹ global electricity consumption is expected to increase by nearly 50% by 2050 compared to 2020.² There is no better, cheaper, more accessible way to meet these demands than by harvesting the power of the sun to generate electricity for all. The solar energy share of the global installed electricity capacity mix, is likely to increase from 11% in 2019 to 38% in 2050.³ This share of solar energy will represent more than 52% of the expected renewable energy capacity available from all sources.

Climate change is widely considered as the world's single most pressing challenge.⁴ Therefore, the largescale creation of reliable renewable and carbon-free energy sources has become a global priority. Energy independence has become even more critical with geopolitical crises and economic unrest in Europe and other interdependencies across the globe. Fossil fuels are becoming more expensive and are environmentally destructive. Renewable energy is increasingly recognized as the "smarter choice", offering both cost savings and new opportunities for energy independence.

At SolarEdge, we are invested in being part of the solution to these challenges, and our progress to date in driving affordable clean energy and smart energy solutions is just the beginning. We are moving forward with our strategy to expand the accessibility of our technology to more markets, utilities, businesses, and homes. At the same time, we are driving innovation to scale additional applications, such as e-Mobility and storage.

2.27 M
homes were equipped with a SolarEdge PV system by the end of 2021.

23 M
metric tons of CO₂e emissions are avoided annually through the use of our installed systems.⁵

1. Global electricity consumption continues to rise faster than population, U.S. Energy Information Administration, June 15, 2020, <https://www.eia.gov/todayinenergy/detail.php?id=44095#>

2. International Energy Outlook 2021, U.S. Energy Information Administration, October 6, 2021, <https://www.eia.gov/outlooks/ieo/introduction/sub-topic-01.php>

3. New Energy Outlook 2020 by Bloomberg New Energy Finance (BloombergNEF) <https://about.bnef.com/new-energy-outlook-2020/>

4. Climate change top challenge over the next decade, UNESCO global survey finds, UN News, March 31, 2021, <https://news.un.org/en/story/2021/03/1088812>

5. Emissions avoided annually through the full-year usage of all SolarEdge systems shipped by the end of 2021. The calculation was based on an average conservative ratio of 1,100 kWh per installed kW. The calculated kWh were converted to saved emissions using the Greenhouse Gas Equivalencies Calculator of the EPA: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Powering Clean Energy

Our Clean Energy Solutions

As the use of solar power becomes more widespread around the world as a source of clean energy for millions of people, it is important to maximize the renewable energy output of each installed photovoltaic (PV) system. Doing so facilitates the acceleration of the global transition to low-carbon energy dependence.

The SolarEdge portfolio provides advanced technology for PV systems, allowing the harvesting and management of solar energy with an optimized solution.

Our diverse portfolio serves as the backbone of our residential and commercial PV systems. Some of our systems are designed to meet the clean energy needs of individual homeowners and multi-family tenant buildings. Other systems, with higher capacities, are designed to serve various commercial, industrial, agricultural and utility needs.



Our Clean Energy Solutions

Full range of clean & smart energy solutions

Solar PV systems, designed for maximum renewable power production:

SolarEdge's intelligent solution, combining inverters with Power Optimizers, has changed the way solar power is harvested and managed. This solution offers both design flexibility and performance reliability at the level of individual solar panels, ensuring that each panel delivers the maximum energy output.



Inverters:

SolarEdge inverters convert the DC power produced by PV modules to AC power that can be used in the home or business or exported to the local electricity grid. SolarEdge's inverters have varying power ratings and feature sets. These variations are designed to match the specific needs of either residential or commercial/industrial solar energy systems, and to align with the characteristics of local electricity grids in the numerous regions where SolarEdge products are available.

Power Optimizers:

DC Power Optimizers are attached to individual solar modules to maximize each PV panel's DC power output before the power is converted to AC power by the inverter, which means more solar energy. Power Optimizers limit the ability of one PV module to affect the performance of other modules. In this way, power generation performance is maximized at the individual PV module level, increasing the financial and environmental benefits of the solar PV system.

Our Clean Energy Solutions

SolarEdge DC power optimized systems provide essential tools that manage smart energy production and consumption. These tools (see below) help to increase the efficiency of power generation and the overall electricity consumption of its consumers. The combined improved cost-effectiveness of these PV systems and tools, help to make affordable clean energy available to a broader population.

Batteries:

The SolarEdge Home Battery is an essential component of our solar PV systems. The batteries provide energy storage to overcome periods of low energy production (for example, limited sunshine) or no energy production (nighttime). This enables the supply of electricity from the battery, even in times of grid outages. Also, when grid electricity is required, the SolarEdge Home Battery enables charging at lower-rate tariffs, for example, overnight. The battery is DC coupled - it can store both AC power output from the inverters and direct DC power output from the PV modules. This important feature helps to minimize energy waste and maximize storage.

EV Chargers:

With up to 22kW charging power, our SolarEdge EV Charger can be integrated into a home or business PV system for single and three phase installations, both indoor and outdoor. It provides power for family or commercial vehicles, extending green living and working to include green mobility. Through the utilization of PV power for vehicle battery charging, the SolarEdge EV Charger amplifies the environmental benefits of electric vehicles: the solar power used reduces the need for charging the vehicle with more carbon-intensive grid-electricity as is the case with most EV chargers.



Software tools:

Supporting the installation and use of our products, we provide a suite of software apps for the management and continuous monitoring of SolarEdge PV systems and all connected devices. For example, mySolarEdge is our proprietary mobile app for home system owners, offering ease of monitoring at the module level, real-time control, and troubleshooting in the case of performance issues.

Communication options:

All SolarEdge system components connect to each other via a cloud-based secure network and can be monitored and operated via an online connection. This makes it easy to use and facilitates real-time decision-making regarding energy production and storage.



Powering Clean Energy

Our Clean Energy Solutions

Expanding our battery cell production capacity

In May 2022, as part of our plan to advance smart energy availability, we announced the opening of our new battery cells production site. Sella 2, a two gigawatt-hour (GWh) lithium-ion battery cell manufacturing plant at our Kokam subsidiary in South Korea, started producing test cells for certification, with ramp-up expected during the second half of 2022. Sella 2 will enable SolarEdge to have an in-house supply of lithium-ion batteries to serve our customers in all markets, as well as other industries, with the capability to scale battery cell capacity in the future to support the growing needs for energy storage solutions.





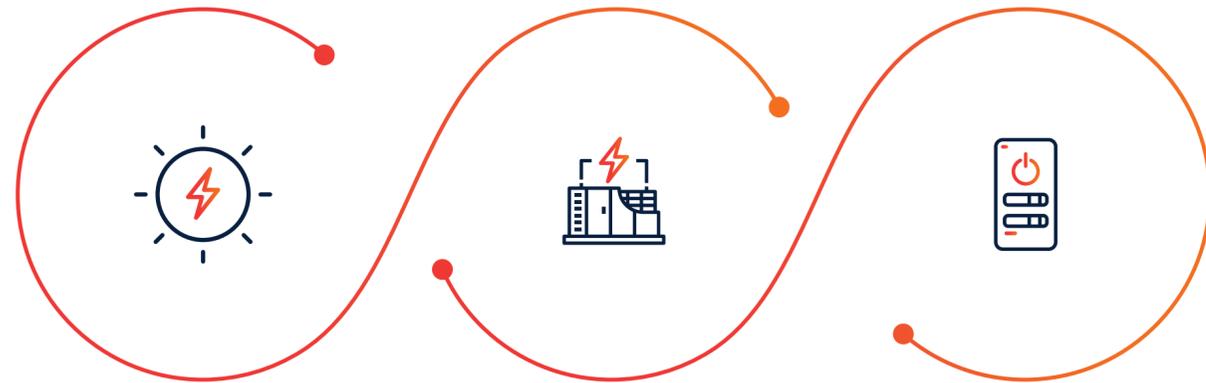
Powering Clean Energy

Affordable Clean Energy

SolarEdge is helping to make affordable clean energy a reality, in direct support of the UN's Sustainable Development Goal (SDG) No. 7. We continue to enhance accessibility through our comprehensive solutions for powering homes. Our smart energy management systems address production, consumption, and storage needs, ensuring our customers' power is always-on, always efficient, and always clean and green.

On the following pages, we share some recent examples of our Smart Energy Management systems installed in our markets.

Smart Energy Management



Energy Generation

Inverters & Optimizers
Other Energy Sources

Energy Storage

Residential Storage
Commercial and Utility Storage
Electrical Vehicle (V2G)

Energy Consumption

Electrical Vehicles Charging
Water Heating
Services





Powering Clean Energy

Affordable Clean Energy

Residential & community solutions

Our complete residential solutions offer homeowners and communities the opportunity to live sustainably in homes that generate and use energy from the sun. With residential and community systems representing a dominant share of our global revenue, SolarEdge systems enable solar energy generation in millions of homes located in more than 100 countries.

Solar power, now and in the future, in Italy

Andrea, a homeowner in Italy, recently completed the installation in his family home of a SolarEdge solar energy supply and storage system. The system, installed by Global Solar, includes an 8 kWp SolarEdge PV System with integrated Power Optimizers, a SolarEdge inverter and two SolarEdge Home Batteries. This system provides renewable electricity for Andrea's home, and is supported by around-the-clock monitoring and real-time decision-making capabilities, enabling Andrea and his family to live sustainably. Andrea is already thinking about the future and would like to expand his SolarEdge Home by adding an EV Charger to power his electric car with clean energy.

"I chose SolarEdge because I want to enjoy peace of mind when using solar energy to supply all my home's energy needs"

Andrea, homeowner, Italy

Education powered by clean energy in the UK

Pupils at 11 schools in Coventry and South Gloucestershire in the UK can now attend lessons in solar-powered facilities that have cut nearly 300 metric tons from their annual carbon emissions. In addition, the recently installed rooftop PV systems provide the education authorities an annual saving of almost £200,000. The system was installed by Ineco Energy, a specialist in energy-efficient solutions, which selected SolarEdge's DC-optimized systems to meet the local councils' requirements for maximum energy generation, enhanced safety, and reasonable operating and maintenance (O&M) costs.

With just a six-week window during the summer holidays to complete all 11 installs, Ineco opted to use SolarEdge's Three Phase Inverters with Synergy technology at several of the schools. The synergy inverter is a modular inverter that splits the functionality of traditional commercial inverters into three smaller, lightweight units, enabling rapid and cost-effective installation. Another advantage of the system is that it can be oversized by up to 150% to increase energy production from solar arrays without having to add additional inverters, helping to keep energy costs low.

"By using SolarEdge's Synergy inverters, we have effectively 'future-proofed' the solar installations at the Coventry and South Gloucestershire schools by ensuring they have the capacity to grow in line with changing energy demand."

Angus Rose, Director, Ineco Energy





Powering Clean Energy

Affordable Clean Energy

Democratizing affordable energy in Texas

Virtual power plants (VPPs) enable entire communities to benefit from a low-cost clean solar energy source coupled with the ability to mitigate the impact of blackouts with grid-independent backup solar power. This is what's happening now in Houston, Texas, with the installation of a series of first-in-kind residential clean energy projects for renters throughout Texas.

The program deploys innovative community solar and storage VPPs, enabling communities in the region to empower tenants with cost-effective and resilient clean energy. Each VPP provides reliable energy supply to consumers, with financial and environmental benefits; royalty and income streams from energy sales for the real estate partners; and flexible capacity services to the Texas energy market, allowing utilities to leverage previously untapped distributed energy resources to support grid stabilization. This initiative was implemented by PearlX Infrastructure LLC, a flexible energy provider. The project utilizes SolarEdge's PV systems and cloud-based grid services technology, along with cutting-edge design and engineering capabilities. PearlX finances the VPPs with minimal credit barriers, providing lower and middle-income tenants with access to community solar and storage, making solar an affordable reality for the thousands of tenants subscribing to the VPP systems.

With this initiative, PearlX and SolarEdge are creating a widely replicable, decentralized model that facilitates accelerating the energy transition in Texas, while stabilizing the grid and minimizing the risk of grid failure. At the same time, energy consumers across the state can benefit from accessible clean energy.

"Advances in solar and storage technologies are serving as the key enablers that are helping to drive the new democratic and distributed energy economy. Developments in software are providing the grid with much needed control to optimize the use of solar for different communities. This is making solar power more available and flexible, so that even renters can benefit from renewable energy."

*Peter Mathews, General Manager,
SolarEdge North America*

Smart and green energy usage in Japan

"The way we use electricity during the day has changed. I used to run the washing machine at night when electricity was cheaper, but now, when the weather is good, I use the electricity generated by solar power for the washing machine and other household appliances, so I use electricity more efficiently during the day. Another change is that I now use a monitor to see the amount of electricity generated and consumed on a daily basis."

Yuuichi Takemoto, SolarEdge system homeowner, Japan

Storing solar energy in France

"We use 68% of the electricity we generate, which is possible because of the SolarEdge battery that enables us to store energy and use it the day after when there may be less sunlight. We sell our residual electricity to the national electricity company."

Phillipe Cayoux, SolarEdge system homeowner, Pyrenees region, France

[Watch Video](#) >>

Living sustainably in the Netherlands

"We came to the conclusion that solar energy is a great option to cut costs and live more sustainably at the same time."

Leonie van Harberden, SolarEdge system homeowner, Netherlands

[Watch Video](#) >>





Powering Clean Energy

Affordable Clean Energy

Helping global businesses transition to low-carbon energy

While the rising cost of energy is often the primary driver for companies to consider alternative energy sources, the need to address climate change is becoming a growing priority for many businesses around the world today. Fortunately, SolarEdge solutions address both of these concerns. With fast, efficient, and safe installation, utilizing rooftop space that is otherwise unproductive, solar PV systems offer substantial cost savings and an attractive return on investment while enabling a cost-efficient path to zero-carbon operations.

More than **30%** of Fortune 100 companies have PV systems optimized by SolarEdge.

The following are just a small selection of recent SolarEdge installations from around the world.

Rooftop solar for carbon neutral construction materials in the UK

Litecast Ltd, a precast concrete company that specializes in the manufacture of concrete floor beams, selected a SolarEdge rooftop PV system to support its expansion, including at its new production facility in Nuneaton. The system (installed by 'Your Eco UK'), generates approximately 284MWh of electricity, avoiding almost 80 metric tons of carbon emissions annually, and comprises 1,019 solar panels, 511 SolarEdge Power Optimizers, nine SolarEdge inverters and a SolarEdge weather station. With this installation, Litecast has progressed towards its goal to become the UK's first carbon neutral construction supply company, demonstrating that clean energy is an accessible, affordable, and practical solution for decarbonizing the construction industry.

"Litecast is leading the transformation of the construction industry through its pioneering use of energy-efficient technology and processes. When it came to installing a solar solution, they were looking for a system that would generate the maximum amount of energy, while delivering more value over the system's lifetime through reduced maintenance costs, longer warranties and advanced safety features."

Nick Spicer, Managing Director, Your Eco UK





Powering Clean Energy

Affordable Clean Energy

Spreading smiles with sustainable energy in Chicago

Radio Flyer, a leading manufacturer of wagons for kids, is on track to go 100% carbon-free, including at its Chicago headquarters. Radio Flyer invested in an integrated clean power solution spanning four separate rooftop arrays using SolarEdge’s Three Phase inverters with Synergy Technology and Power Optimizers. In addition to the flexibility and cost-effectiveness of SolarEdge’s system, advanced fire safety features enabled compliance with Chicago’s strict safety guidelines and the latest National Electric Code (NEC) 2017/2020 requirements. The 606 kW SolarEdge system is designed to produce 737,000 kWh a year with an aim to offset more than half of Radio Flyer headquarters’ electricity usage, significantly reducing the carbon emissions they generate per year and with an annual savings of approximately \$50,000 in utility bills.

“Our mission is to spread smiles to kids of all ages and create warm memories that last a lifetime. We do this through our innovative products, but also by acting sustainably to improve our world. By working with Sunvest and SolarEdge, we took a step closer to achieving our mission.”

*Eric Selner, VP Operations & Sustainability,
Radio Flyer*

Carbon neutral sorting center for DHL in Israel

Recently installed at DHL Israel’s flagship robotic sorting center, the largest of its kind in the Middle East, SolarEdge’s DC-optimized rooftop PV system is planned to produce over 750 MWh of renewable electricity annually. The produced solar power will be sufficient to meet 100% of the site’s annual electricity needs. Available excess energy will be offered for sale to the national grid operator. The system is expected to deliver a return on investment in less than five years while avoiding over 180 tonnes CO₂e of GHG emissions.

From salt to solar energy production in Taiwan

An energy company in Taiwan invested in a 77 MW ground-mount utility-scale PV farm spanning 280 square kilometers, that is planned to produce enough electricity to power almost 350,000 households daily. The electricity generated is sold to the national utility company, taking advantage of an incentive program offered by the Taiwanese government and making affordable, clean energy a reality for people in this region. The solar array is located near the Chigu Salt Mountain in Tainan City, Taiwan, on land that was previously used to sun-dry large fields of salt. The SolarEdge installation comprises 674 X 100 KW three phase inverters with Synergy Technology and 57,000 Power Optimizers, while the SolarEdge Monitoring Platform enables real-time visibility and control of power production, enabling full optimization of the solar plant’s output. Real-time notifications sent to operations and maintenance staff enable quick identification of faulty modules and remote troubleshooting. This reduces the need for site visits and dispenses with the use of thermal imaging drone cameras typically used at large sites for inspection and diagnostics of PV panels. Remote monitoring and troubleshooting are estimated to save up to 50% in maintenance costs.





Affordable Clean Energy

Sustainable packaging gets greener in Vietnam

Alta Plastic Ltd. is a leading manufacturer of biodegradable plastic packaging products and food pouches with a manufacturing facility in Ho Chi Minh City, Vietnam that consumes approximately 300 MWh of power each month. To reduce the high electricity costs and meet sustainability objectives, Alta installed a rooftop 920 kW PV system with SolarEdge’s DC-optimized solution, including nine SolarEdge three phase inverters with Synergy Technology.

So far, after 15 months of operation, Alta has cut down more than 520 metric tons of CO₂ emissions (around 420 metric tons annualized), in addition to lowering energy costs by approximately 30%.

This solar system also enabled the factory to take advantage of a 20-year Vietnam-government incentive for installing PV and exporting unused energy to the grid. Generally, the solar energy generated by the PV system is used for the factory’s self-consumption, however, on public holidays, including the long Lunar New Year holiday, the plant is closed, and any produced power is exported automatically into the grid, enabling Alta to earn revenues from surplus energy. The integrated SolarEdge Energy Meter enables tracking of in-house consumption and exported energy.

“Integrating renewable energy into the traditional plastics manufacturing industry is a critical step towards protecting our environment. For our plant, this means becoming a completely green manufacturer—in materials, machinery, and energy sources. The SolarEdge solution helps us meet our commitment to environmental sustainability.”

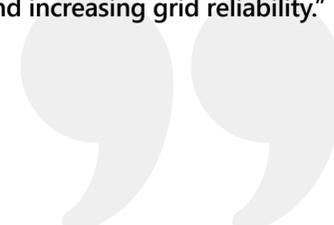
Tu Minh Hoang, General Director, Alta Company JSC.

Decarbonizing electricity generation in Tahiti

Our subsidiary, Kokam, a market leader in the manufacturing and supply of innovative lithium-ion battery solutions, has entered into contract to supply Electricité de Tahiti (EDT) with a Battery Energy Storage System (BESS), serving as Tahiti’s first Virtual Synchronous Generator (VSG). Comprised of a 15 MW / 10.4 MWh battery system with an integrated 20Mvar static compensator (STATCOM), the state-of-the-art BESS will replace EDT’s reserve diesel generators. The new system will cost-effectively reduce diesel fuel consumption, increase supply of renewable energy, and strengthen the grid. It is expected that this change will save EDT up to \$1.25 million per year, in addition to reducing maintenance costs, making this an affordable system as well as environmentally favorable for the benefit of local residents and businesses.

“Electricité de Tahiti’s BESS demonstrates how innovative and intelligently-designed battery solutions can help utility and industrial customers lower greenhouse gas emissions while also improving their bottom line and increasing grid reliability.”

Ike Hong, Chief Marketing Officer, Kokam





Powering Clean Energy

Affordable Clean Energy

e-Mobility

The e-Mobility market is evolving rapidly, with changes in consumer approaches and travel patterns noticeable post-COVID. For example, there is an appreciable increase in consumers preferring to own a vehicle rather than using public transport, and more than 50% planning to buy a car will choose either a fully electric, plug-in hybrid, or hybrid vehicle.¹

Light commercial vehicle e-Mobility solutions

Our e-Mobility division develops end-to-end solutions for electric and hybrid vehicles, including innovative high-performance powertrains and software solutions that advance the adoption of clean energy transportation.

Our light commercial vehicle (LCV) e-Mobility solution enables Stellantis, one of the world's leading automakers, to enhance its contribution to greener city centers and cleaner commercial transportation. This is critical for reducing direct air emissions in densely populated urban areas.

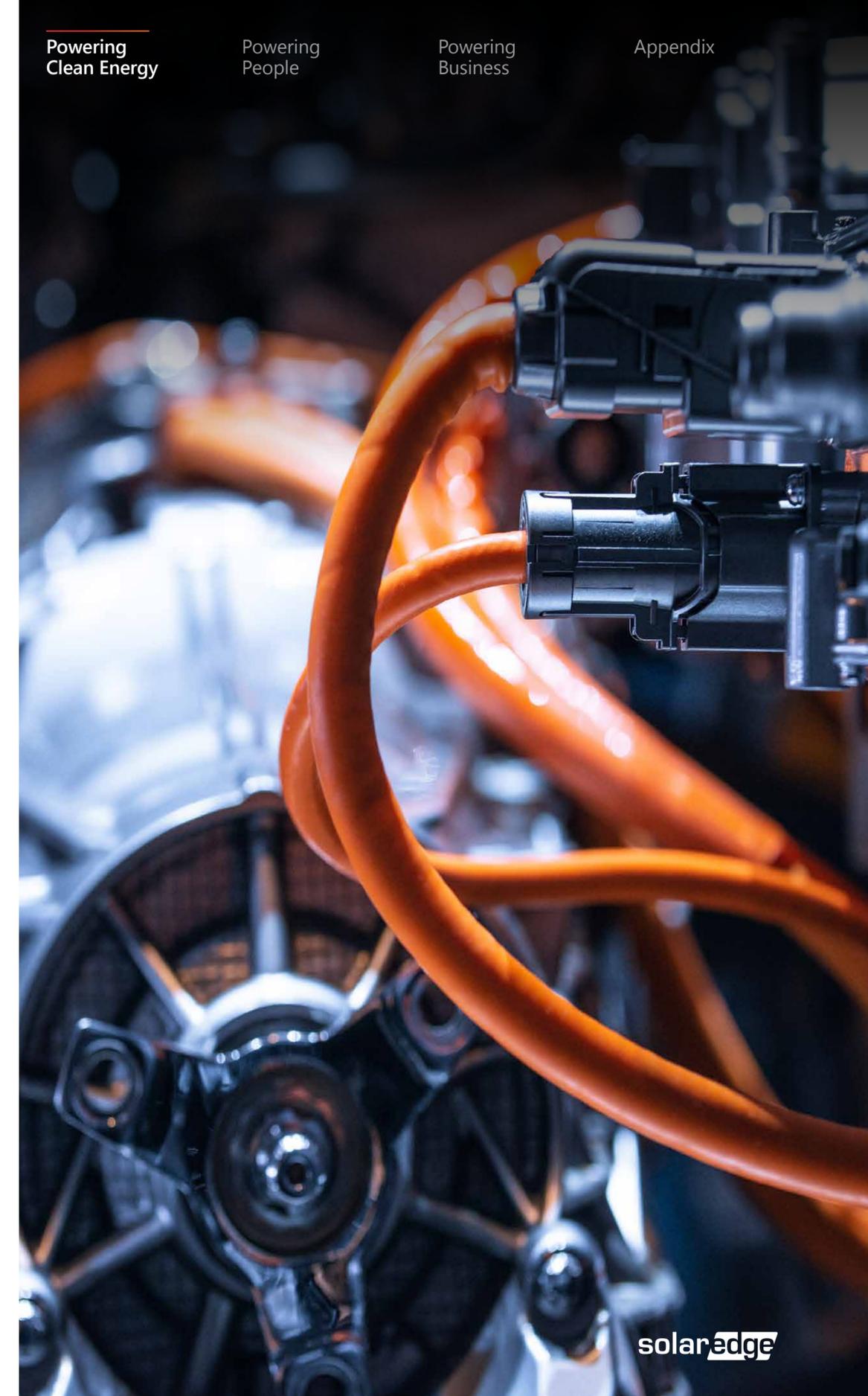
In early 2021, SolarEdge was selected to supply full electrical powertrain units and batteries for the production of the Fiat E-Ducato LCV. We have supplied more than 2,000 eLCV kits as at the end of 2021, with ongoing deployment planned through 2023. We continue to explore opportunities to support additional markets with our innovative e-Mobility solutions.

SolarEdge e-Mobility division:
Products supplied by end of 2021 (and their usage)

1,525M
travelled km

2,153
eLCV kits

165,000
charge sessions





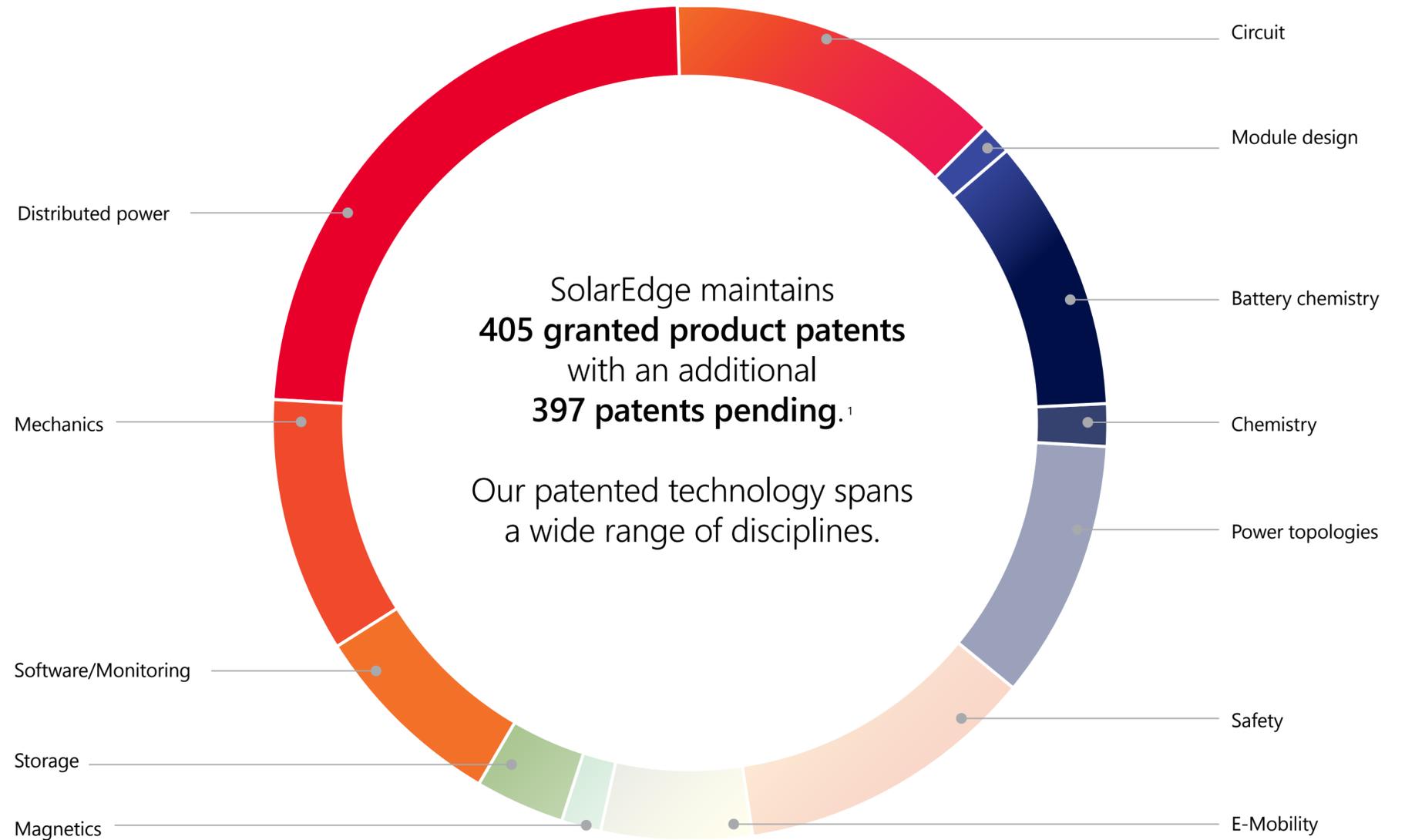
Powering Clean Energy

Smart Innovation

SolarEdge prides itself on its innovative DNA. From the outset, our vision was to transform energy markets and change the way energy is harvested. We have relentlessly developed the most advanced technologies to bring renewable energy solutions to our markets, our customers, our end-users as well as for the good of the planet. We continue to develop new generation products that enable our customers around the world to harvest even more of the sun's natural energy in systems that are flexible, affordable, accessible and safe - whether in the home or in a range of industrial settings such as corporations, factories, carports, floating installations, ground-mounts and agriculture.

Principles driving innovation at SolarEdge:

- Enable customers to maximize energy self-reliance with solar power produced by their owned systems;
- Drive customer electricity bills down while maintaining continuity of energy supply through smart storage and utilization;
- Achieve simplicity and convenience through a single system that manages and monitors energy production, storage, and consumption; and
- Facilitate control of home energy devices with a single app, providing a full range of data and commands for real-time decision making.





Powering Clean Energy

Smart Innovation

Transforming integrated home energy management

PV for homeowners has been our core market from the outset. Although we continue to expand and diversify, our heart always holds a special place for those individuals who choose to live sustainably every day, relying upon SolarEdge technology to help them harvest the sun's power and contribute to a cleaner, greener planet. A focus of our innovation continues to be enabling homeowners and home dwellers to gain maximum benefit from their smart energy installations.

In 2022, we launched a significant expansion of our residential portfolio: "SolarEdge Home," the next generation in smart energy management systems. The solution is designed to dynamically manage, monitor, and optimize solar energy production, consumption, and storage in real-time. It also enables homeowners to optimize the electricity source selection at all times, reducing costs and minimizing the consumption of peak-rate grid electricity. Through monitoring and synchronizing the energy needs of all connected devices and appliances, SolarEdge Home automatically maximizes PV energy consumption, and manages the power load, scheduling decisions and homeowner preferences to ensure maximum convenience and cost-savings.

"Home energy use is increasing, driven largely by the adoption of electric vehicles, home heating and cooling systems, and smart home devices. Reducing energy costs is therefore a top homeowner priority, as well as decreasing carbon footprint. SolarEdge Home is an advanced smart energy system that enables homeowners to manage and monitor solar energy production and usage in real-time from their mobile app. After changing the way power is generated and harvested from the sun with DC-optimization, we are now transforming the way in which homeowners can maximize the consumption of that solar energy within the home."

*Alfred Karlstetter, General Manager,
SolarEdge Europe.*

We aim to bring the latest innovative technology to as many markets as possible, while tailoring each offering to meet local regulatory needs and usage preferences in each market. In line with this intention, we expect to launch SolarEdge Home in North America, South Africa, and Australia in the coming year.



Smart Innovation

Available for single and three phase PV systems, SolarEdge Home consists of several new products to address the diverse needs of homeowners. These include:

SolarEdge Home Hub Inverter:

Combining SolarEdge's award winning and most efficient inverter technology with the intelligence, scalability and advanced safety features, the SolarEdge Home Hub Inverter is essential for managing the growing demands of energy hungry lifestyles. Additional devices can be connected to the inverter at the time of installation or in the future to help homeowners manage ongoing energy needs to avoid increasing power bills, overcome grid outages and support further home electrification.

SolarEdge Home Battery:

SolarEdge's storage solution offers 94.5% round-trip efficiency, storing energy to provide power when it's needed most. This solution is designed to operate seamlessly with SolarEdge inverters. The SolarEdge Home Battery can provide backup power during grid outages (when used with the SolarEdge Home Backup Interface). It can also connect to additional SolarEdge Home Batteries for greater storage capacity and offers compatibility with third-party generators.

SolarEdge Home Smart Energy Devices:

A growing suite of scalable smart energy devices that enable increased solar energy consumption, including a SolarEdge EV Charger designed to enable homeowners to drive on sunshine and a SolarEdge Hot Water Controller which automatically diverts excess PV energy to provide hot water.

SolarEdge Home Network:

A proprietary wireless network that seamlessly connects and communicates with most SolarEdge Home devices.

SolarEdge Home Operating System:

The backbone of the SolarEdge Home, automates complicated storage, scheduling and energy source decisions. This software orchestrates the operation of all connected devices, energy production and consumption at any given moment to make sure the home's energy needs are addressed as cost-effectively and efficiently as possible.



SolarEdge Smart Modules



SolarEdge EV Charger



SolarEdge Home Backup Interface



SolarEdge Home Hub Inverter



SolarEdge Home Battery Low Voltage



SolarEdge Home Hot Water Controller



SolarEdge Home Smart Switch



SolarEdge Home Smart Socket



SolarEdge Home Dry Contact



SolarEdge Home Inline Meter

SolarEdge Home Smart Energy Devices



Powering Clean Energy

Smart Innovation

Next generation Power Optimizers: enhanced safety and easier installation

In 2022, we launched our S-Series range of Power Optimizers, now available for all sizes of residential installations. Our Power Optimizers increase energy output from solar installations by constantly tracking the maximum power point of each module, thereby reducing the mismatch power losses that typically occur in traditional PV systems due to shading or soiling of solar panels. This enables the Power Optimizers to maximize system uptime and energy production.

Our S-Series includes our most advanced safety standards and ease of installation. In addition to the SolarEdge comprehensive safety suite with integrated SafeDC™ functionality and rapid shutdown, the S-Series features SolarEdge Sense Connect, an industry-first technology that prevents potential electric arcs by continuously monitoring the connector temperatures. Also, the S-Series includes an improved cable layout design that makes system installation safer, easier and faster. We plan to expand the S-Series range to commercial installations in the coming year.

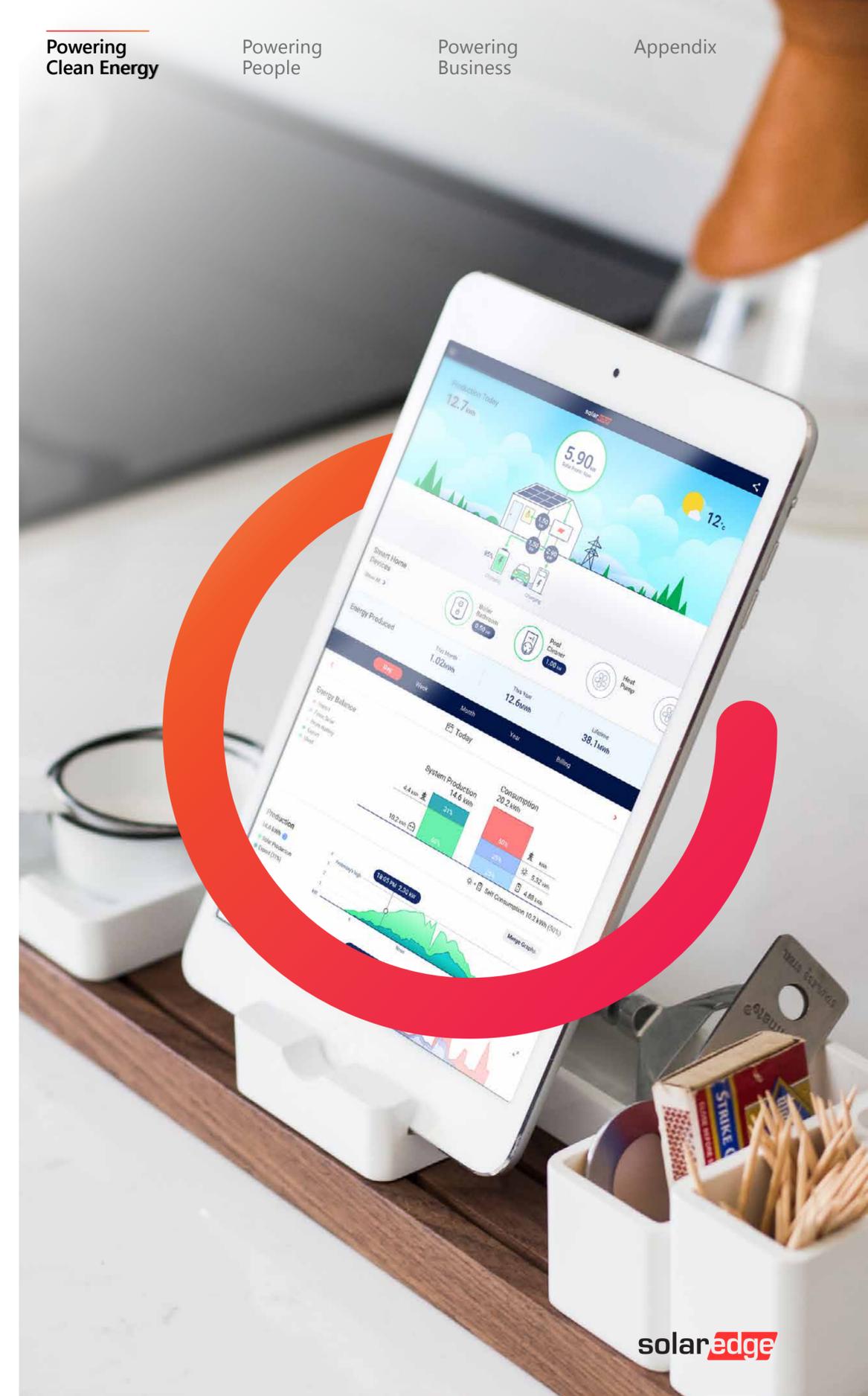
“Just as advances in energy efficiency and improved economics are important for the proliferation of solar energy, so too is the attention to safety and installation practices that champion installer and firefighter safety. We will continue to set benchmarks in industry safety standards by focusing on innovative solutions that bring ever more reliability to the industry.”

Yogev Barak, Chief Marketing Officer

Real-time PV control for homeowners

Once homeowners have installed a PV system with SolarEdge components, we want to ensure they gain the maximum energy benefits available, while minimizing their carbon footprint. To help them achieve this, we provide homeowners with mySolarEdge, a free monitoring mobile application. mySolarEdge enables tracking of solar energy production, consumption, and storage in real-time, and remote management of smart home appliances such as SolarEdge’s EV Charger. The app also provides users with critical system information and enables them to independently resolve routine system issues. From the installer’s perspective, the mySolarEdge app also reduces the need for site visits by allowing installers to offer fast and efficient remote support.

In 2021, we added valuable features to the mySolarEdge app. For example, the new Weather Guard feature, launched in North America, is designed to automate, and maximize backup power. This is achieved by directing solar energy to charge the battery when a severe weather incident is predicted.



Smart Innovation

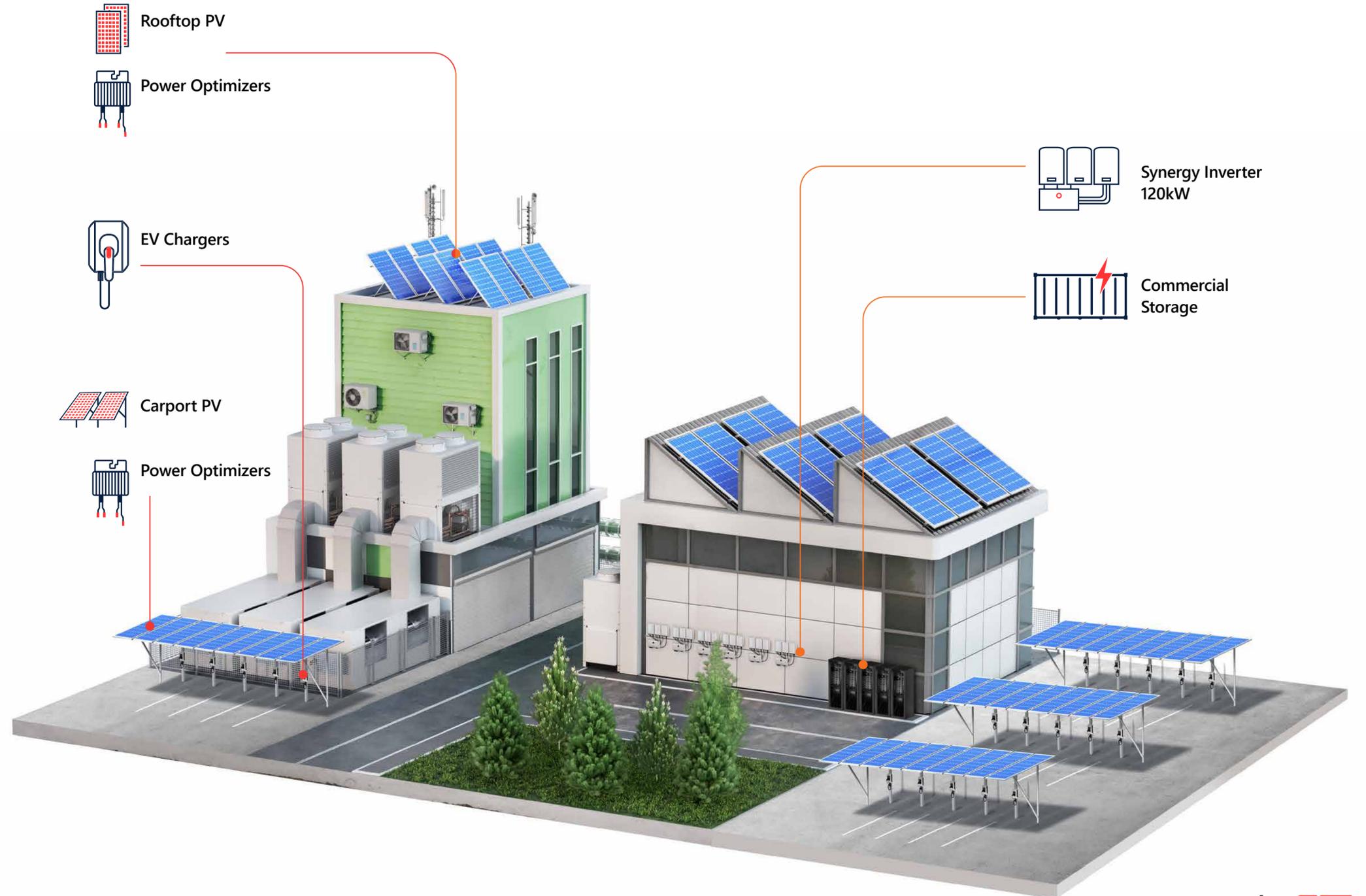
Innovative solutions for Commercial and Industrial energy management

SolarEdge is increasingly developing comprehensive offerings for commercial, industrial, and utility applications, offering a suite of solutions for a diverse range of business energy requirements.

Our new commercial solution is based on the three phase inverter with Synergy Technology which scales up to 120kW. This inverter maximizes energy production with up to 150% DC oversizing and includes technology that autocorrects to avoid module performance degradation. The modular design is composed of independently working Synergy Units and controlled by a single Synergy Manager for easy installation, serviceability, and energy management across large sites with significant ongoing energy needs.

This new inverter embeds an innovative pre-commissioning feature that validates critical PV components, wiring and communications, and early-stage fault detection from a smartphone before connection to the grid. It enables installers to resolve all issues before leaving the site, significantly reducing the need for return visits. Due to its relatively lightweight design, this three phase inverter can be installed with ease and efficiency.

It also takes PV safety to the next level with built-in thermal sensors to protect hardware and surge protection devices to withstand surges caused by lightning or grid events. The SolarEdge Monitoring Platform enables tracking of the system in real-time with remote, module-level monitoring and troubleshooting.





Powering Clean Energy

Customer Service

The primary interface for homeowners and users of SolarEdge systems is often our wide network of independent installers. We invest in educating our installers so that they can improve their installation skills and minimize installation time, and so that our end customers can enjoy a positive installation experience and start harvesting the sun's power in an expedited manner.

In 2021, as Covid-19 related lockdowns continued to make in-person training events impractical in many countries, we continued to offer training programs using a hybrid approach that combined hands-on and digital learning techniques. As a result, we were able to significantly increase our overall training reach, offering more than 400 training events and attracting approximately 50,000 participants.

Our EDGE Academy, an intuitive web-based learning portal for SolarEdge installers, offers a multi-level certification program, available in 11 different languages. Each completed certification is valid for two years.

In 2021, over

120,000

EDGE Academy courses were completed, the grand majority of which by SolarEdge installers.¹

SolarEdge certification programs are offered at three levels to support the knowledge progression of SolarEdge installers. In 2021, over 16,000 certification courses were completed in the EDGE academy, for all available certification levels.



Customer service and satisfaction continues to be a key component of our business and we consider it integral to our overall success. We maintain high levels of customer engagement supported by over 600 employees who specialize in customer support and training. This engagement is maintained by the call centers that we operate in 6 countries, together with local field service engineers, assisting our customers with commissioning of large projects, introduction of new technologies and features, and on-the-job training of new installers.

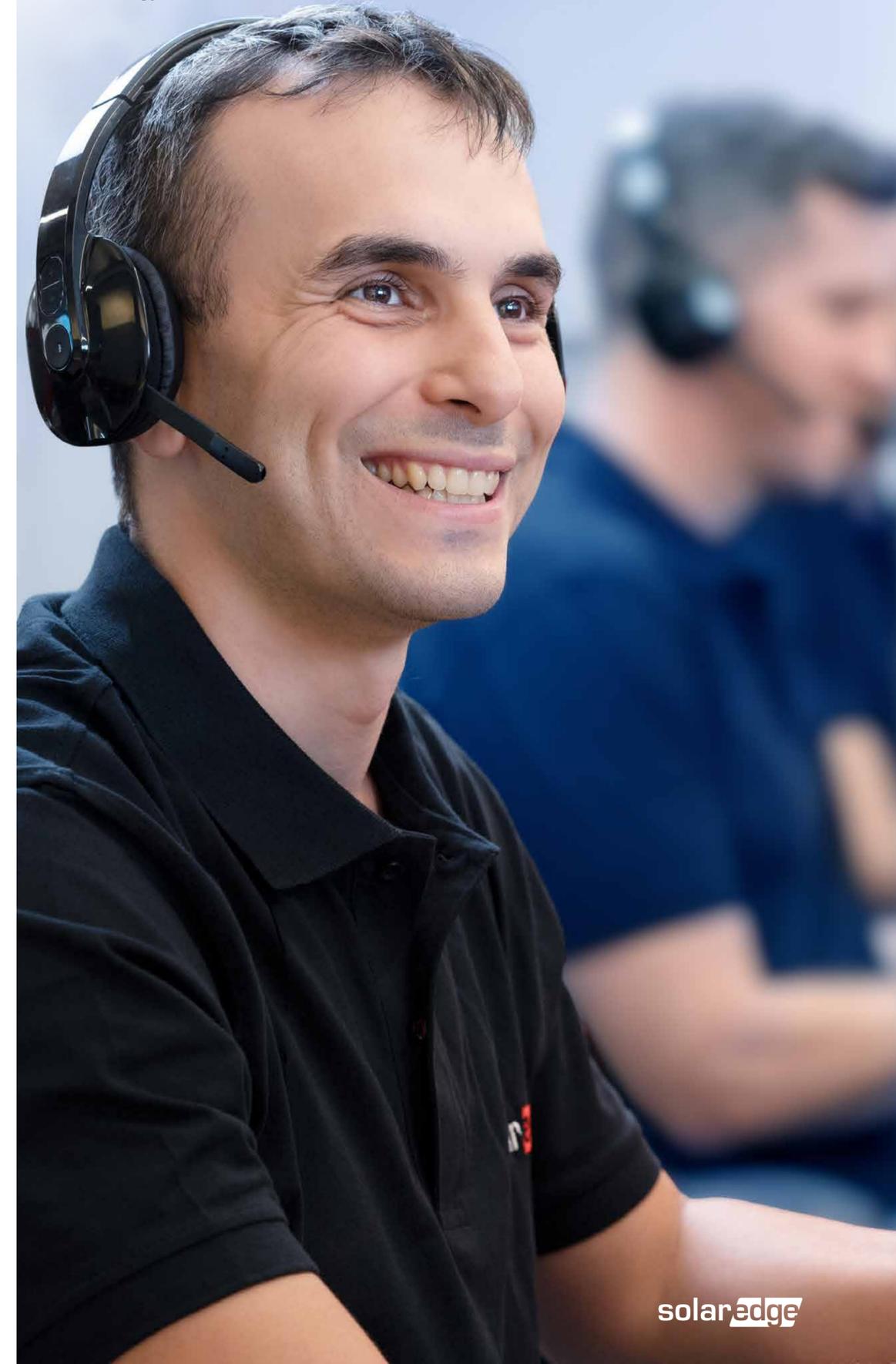
In 2021, we received over

1.25M

 service requests

through our customer service channels.

The average satisfaction rate for our response was 4.5/5 overall.



1. A minor part of the courses completed were taken by SolarEdge employees



Safe and Sustainable Products

At SolarEdge, safety is a primary feature of all our product offerings, and is a key element of our product design, development and testing. Similarly, as an industry leader in technologies that promote environmentally friendly solutions for energy generation, we strive to minimize the footprint of our value chain as much as possible.

Product safety

All SolarEdge products are designed with safety in mind, both at the individual component level and at the level of the overall system. We use the most advanced technology to protect users, installers, maintenance staff and anyone who comes in contact with our products from potential safety risks at all times.

The overall managerial responsibility for product safety at SolarEdge belongs to the SolarEdge executive product safety committee, which consists of our VP R&D, VP Customer Service, VP Quality & Reliability and VP General Counsel and Corporate Secretary. Product safety issues and risks are discussed in the committee on a quarterly basis.

Each product safety incident or risk is examined by a combined team of our product, service, and R&D experts. This team works to determine the source of the hazard.

Once the source is identified, corrective actions are set in place with adjustments to the relevant practices: installation training, product manuals, product physical design, product algorithms, monitoring systems or other safety features.

Due to the often-high voltage of PV systems, precautions must be taken to ensure the safety of people and avoid property damage. The SolarEdge PV system adopts a holistic approach in reducing the risks associated with electrocution and fire by providing an integrated safety solution that combines enhanced protection and detection mechanisms.

These mechanisms comply with stringent safety requirements by:

- Reducing a PV system's DC voltage to a safe level when the system is shut down
- Designing for early fault detection
- Applying active and continuous protection mechanisms
- Supporting module-level monitoring with actionable fault alerts
- Allowing conductors to rapidly discharge their electric load down to safe voltage levels

For example, a key element of our integrated safety system is our SafeDC™ built-in proprietary safety technology. This feature is designed to minimize the risk of electrocution from high DC voltage. Upon activation of SafeDC™, our Power Optimizers automatically revert to their default touch-safe voltage of only 1V in less than one minute. SafeDC™ is activated in the following cases: During installation, when strings are disconnected from the inverter, or the inverter is turned off; When the inverter is locked or disabled; When the inverter or AC connection is shut down. The SafeDC™ feature helps to protect people engaged in PV system inspection and maintenance activities, as well as enabling emergency responders to address fires in homes or other buildings with confidence that the system does not pose an additional hazard.

Our monitoring abilities are another core part of our holistic safety management system. SolarEdge's platform provides real-time remote monitoring at the module, string, and system level, allowing for greater visibility of system performance. The platform's automatic alerts are designed to provide accurate and immediate fault detection, allowing for better hazard recognition and rapid response in case of product safety incidents.

An additional important safety feature of our systems is our advanced electric arc detection and prevention mechanism. An electric arc is an unintended, prolonged electrical discharge occurring across a small air gap. Since photovoltaic systems have many connection points, arc faults can occur, causing potential fire hazards. SolarEdge has developed state-of-the-art arc fault detection algorithms and AFCI (Arc Fault Circuit Interrupter) mechanisms. These algorithms are designed to locate potential arc faults and to prevent them through corrective actions, and are available for implementation on more than a million of our inverters. The algorithms were tested by certification entities and third-party companies to ensure that they pass the set requirements and provide the expected performance, under a full range of electrical conditions and various types of installations.

We dedicate significant resources to widespread safety training, focusing on potential risks related to our business and products, such as electrification, fire and working on roofs. This training is conducted both for our employees (see "[Health, Safety and Wellbeing](#)") and our global community of installers (see "[Customer Service](#)").



Safe and Sustainable Products

Standard certification

SolarEdge complies with the following international quality and environmental standards:



We aim to certify all the manufacturing and R&D sites under our operational control according to relevant ISO standards for management systems in the fields of quality, environment and safety.

By the end of 2021, 100% of the designated sites in all relevant countries (Israel, South-Korea, Italy and the US) were certified to ISO 9001 (quality) and ISO 14001 (environmental management).

Almost all designated sites (92% by headcount) are also certified to ISO 45001 (safety management). One remaining site (Italy) is planned to complete this certification in 2023.

Lifecycle assessment

SolarEdge solutions support the worldwide transition to renewable, low-carbon power generation and consumption. The use of our systems allows for millions of tonnes of GHG emissions to be avoided each year. We also strive to examine and reduce the carbon emissions related to the sourcing, production and shipping of our products.

In late 2021, we completed our first comprehensive carbon footprint analysis of leading models of our inverters and Power Optimizers. The analysis process was led and certified by the carbon footprint and decarbonization experts, the [Carbon Trust](#). The analysis allows us to understand the main emission sources throughout our products' lifecycle, helping us better understand our emission reduction opportunities. SolarEdge is among the first solar energy companies to complete this analysis, meeting customer needs and expectations. We are currently examining the expansion of LCA analysis scope for additional products and/or additional environmental impacts.



Sustainable packaging

In recent years, the packaging design process for new SolarEdge products focused on finding cost-effective packaging molds that could be made from recyclable materials while fully protecting our products from harm during shipment. Wherever such reasonable options were found, the company designed, and is now using, recyclable packaging using materials such as cardboard, pulp and wood. As a result of this process, the packaging of our Power Optimizers, our battery packages, and some additional products, is made from these recyclable materials. We continue the search for recyclable packaging options for our other products as well, striving to meet both physical and reasonable cost criteria. In parallel, we are monitoring evolving regulations on packaging materials in different global regions to ensure our current and future compliance.

Product End-Of-Life

We build our products for lasting performance, offering a 25-year warranty for most Power Optimizers and 12 years for most inverters, so customers can benefit from highly efficient clean energy without wasting resources in replacement units. Nonetheless, we work to ensure the recyclability of our products, when reaching their eventual end-of-life stages. See full details in section "[Waste Management](#)". We also help in securing a sustainable end-of-life for our products by participating in the EU "Take Back" program of the Waste Electrical and Electronic Equipment (WEEE) directive.



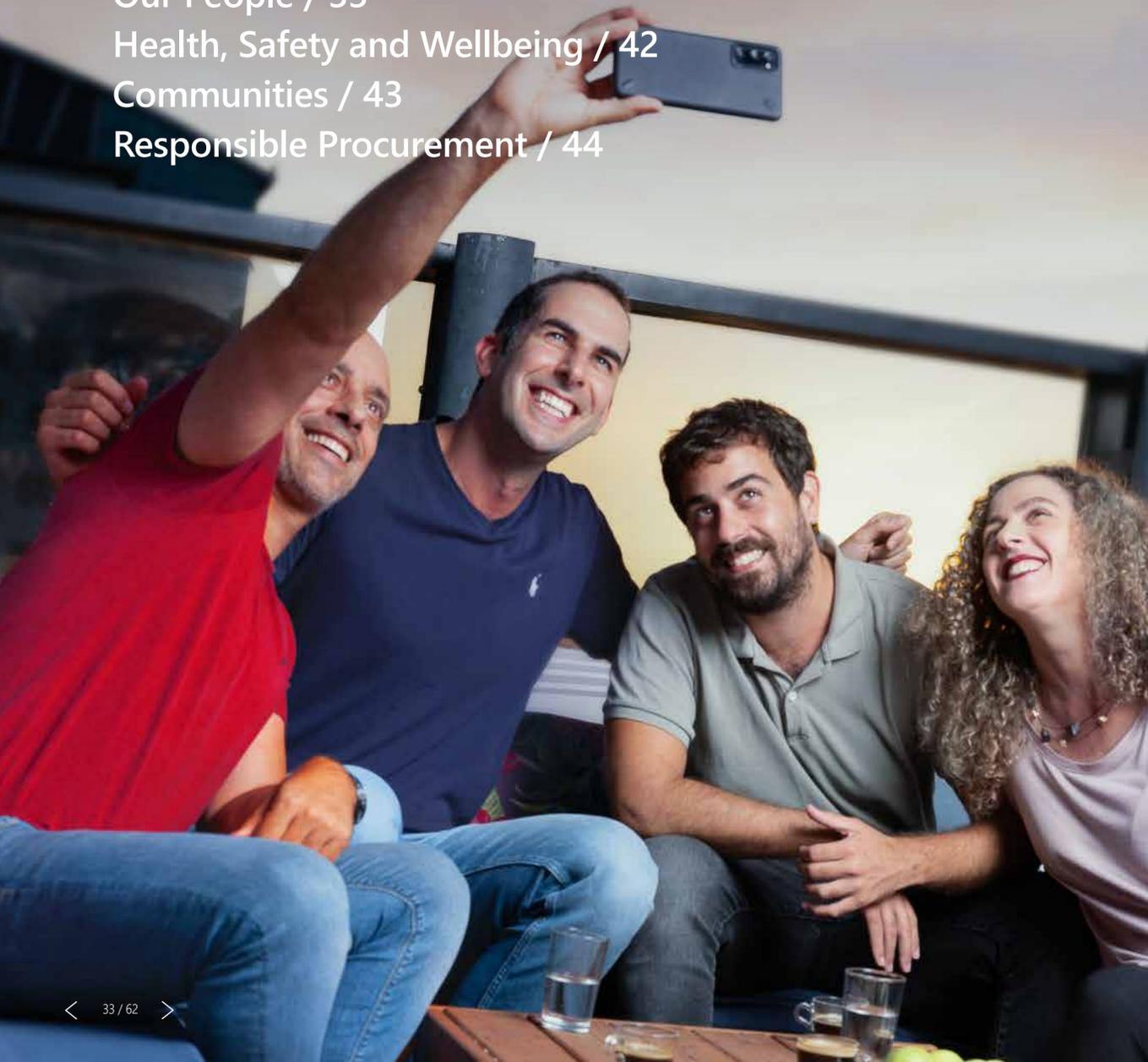
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Technology is created by people. That's why, at SolarEdge, we are people-first.

Our people believe passionately in our purpose to power the future of energy and know that, as our business grows, so does our contribution to making our planet a place where all can thrive. Everyone at SolarEdge has a role to play in creating a cleaner, greener future.

At the same time, we seek to create a workplace that enables everyone to be at their best. This means living our values, operating ethically and responsibly, nurturing open and respectful communication, welcoming our differences and caring about each other and our communities. We invest in building the capabilities of our people so they can enhance their contribution. And, we love having fun while we do all of the above!

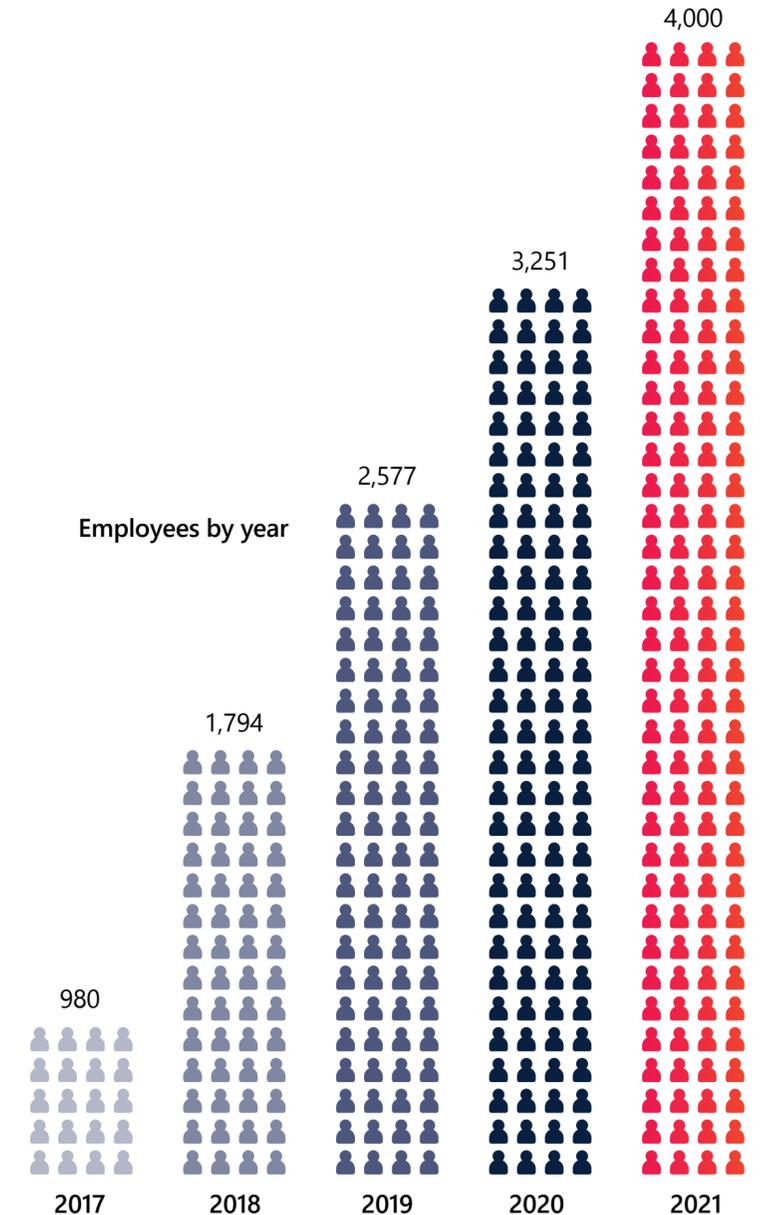
Our People

Our success depends on our ability to attract, retain and engage outstanding employees at all levels of our business. In 2021, we further expanded our organization to meet the increasing demand for the sustainable benefits our energy solutions deliver. To support the needs of our fast-growing business and our global workforce, which has more than quadrupled in the past five years, we invested in our human resources infrastructure, including recruitment, onboarding, development and engagement processes while continuing to reinforce our entrepreneurial spirit and values-based culture.

Employees by region, 2021



Employees by year





Powering People

Our People

Investing in employee development

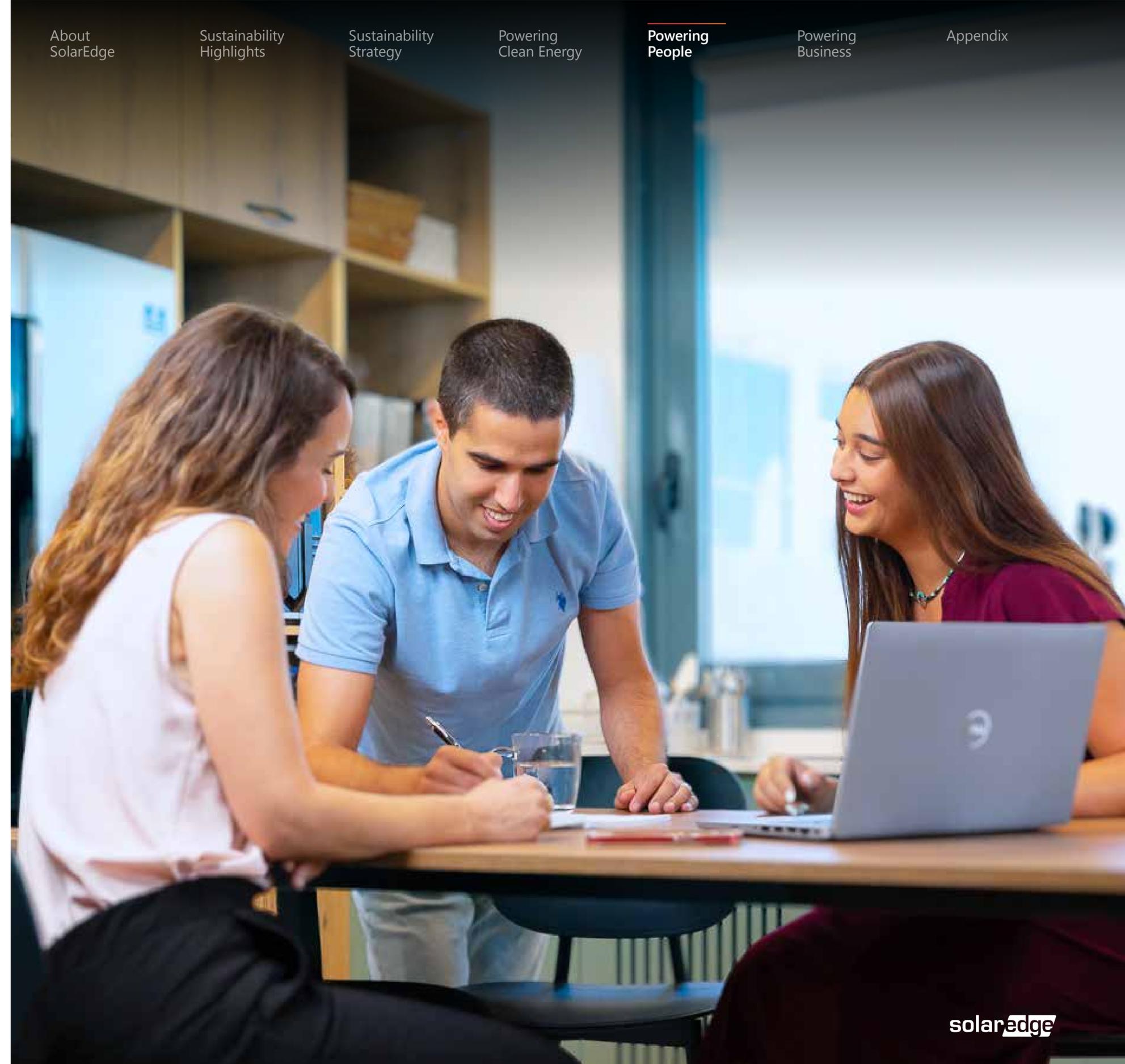
We continue to seek the best ways to encourage, engage and empower our employees to support our business objectives. We provide opportunities for personal development and support for professional advancement. Similarly, we invest in the well-being and safety of our employees so that they can be at their personal best, every day.

Recruitment and onboarding:

We rely on the success of our recruitment efforts to attract and retain technically skilled people who can support our ongoing innovation and expansion. We aim to be inclusive in our hiring practices, focusing on the best talent for each role and welcoming all genders, nationalities, ethnicities, abilities and other dimensions of diversity.

In 2021, SolarEdge hired 1,411 employees, contributing to a net increase in the company's global workforce by

23% in one year.





Our People

Given the fast pace of recruitment at SolarEdge, it is important to ensure the effective onboarding of new employees. In October 2021, we conducted a survey among all new recruits for that month – a total of 86 employees.

Employees strongly agreed or somewhat agreed as follows:

- 91% The hiring process was professional and supportive
- 88% I was satisfied with the information that was given to me during my first days
- 91% I feel welcome and part of the team
- 91% I am satisfied with the guidance, attention and availability of my manager

While these are very positive results, we continue to examine opportunities to improve onboarding processes.

Hiring students:

We encourage students to work part-time at SolarEdge while they continue their studies to prepare them for potentially joining the company upon completion of their degrees. At any given time, there are around 80 students in these specially tailored roles. In 2021, more than 20 students graduated and subsequently became full-time SolarEdge employees.

Internal mobility:

In 2021, we introduced the SolarEdge Internal Mobility program. The new program was designed to encourage internal recruitment and provide exciting career and personal development opportunities to our expanding workforce. All open positions are now first offered to SolarEdge current employees worldwide who have been with the company for at least two years, and are performing satisfactorily in their current roles.

Succession planning:

In 2021, we rolled out a formal talent pipeline development strategy for senior roles across all divisions with an aim to:

- Identify individuals with the potential to fill key business leadership positions
- Map organizational gaps, forecast hiring needs, actively develops new pools of talent
- Provide critical development experiences to those that can move into key roles
- Establish succession planning as a regular business practice at SolarEdge

We completed our first succession plan review and continue to define and implement actions to create a robust leadership pipeline for SolarEdge.

Training, skills and leadership development:

We aim to provide our employees with advanced professional and development skills so that they can perform effectively in their roles and build their capabilities and career prospects for the future. We also maintain a program of annual performance reviews so that employees can receive feedback and plan their next career moves and professional development with their managers.

In 2021, 94% of SolarEdge employees globally received formal performance reviews. This included all eligible employees.¹

In 2021, SolarEdge employees participated in approximately 33,400 training hours, equivalent to an average of 8.37 hours per employee per year.



1. The remaining 6% of the employees were recruited shortly before the end of 2021, and therefore did not receive a performance review by year-end.



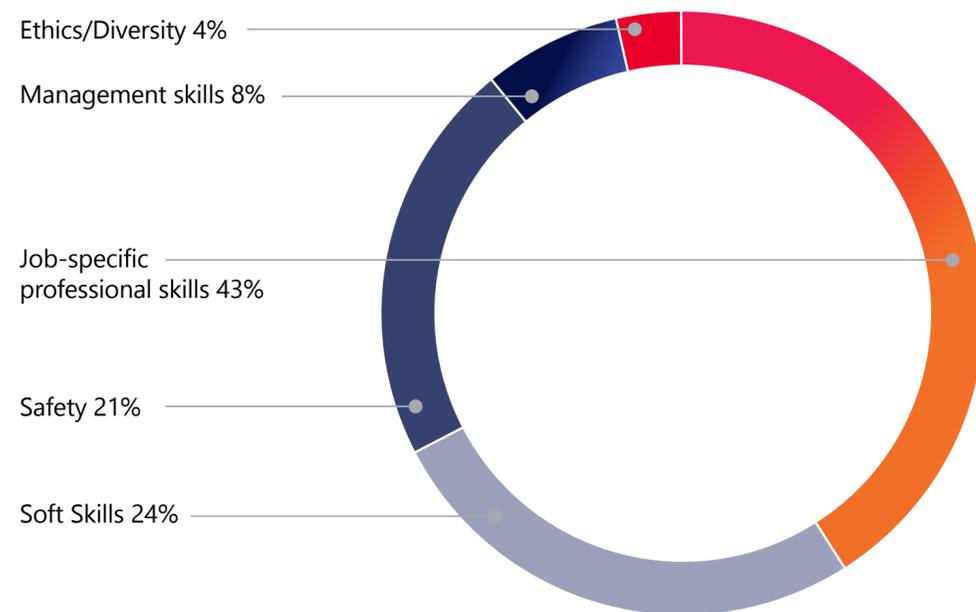
Powering People

Our People

Almost half of our total training hours covered professional job-specific skills; other topics included a range of important skills to support delivery of business objectives, personal development and organizational culture.

As part of our extensive investment in training each year, we provide leadership and development programs for managers and team leaders as well as advanced professional skills for sales, R&D and other functional teams. Such programs are defined each year in line with identified training needs and delivered to different populations as required. We also partner with local educational resources to offer formal learning programs on a variety of subjects.

Training Delivery in 2021



Our People

In 2021, in addition to ongoing training offerings, we launched three new development programs:

1

Employee Development Soft Skills Program:

This program aims to provide quality training to help enhance individual and organizational productivity and growth by focusing on a core set of skills relevant to all employees.

Main Topics of 2021 Soft Skills Training in SolarEdge



English Skills



Working From Home



Presentation Skills



Time Management



Positive Communication Skills



Excel

The programs are delivered online, in line with annual training plans to meet training needs by region. In 2021, employees signed up for 47 total sessions of 11 different soft skill courses. Seventy employees signed up on average for each course session.

2

Career Path Mapping Program:

During the past year, we have developed specific career path frameworks to support the professional development and growth of two distinct employee populations with unique needs: those in service roles and those in hardware roles. We saw the need to create clarity about professional career paths and enable managers and employees to effectively plan personal development, while also supporting the retention and engagement of our employees in professional roles at a local and global level. During biannual reviews with managers, next career moves and training and development needs are identified for service and hardware professionals.

Service Roles: Service is at the heart of our offering to customers, and more than 13% of our employees globally occupy service roles. These roles include: Technical Service Representatives, Technical Service Engineers, Field Service Engineers, Customer Care Specialists, Service Project Managers and more, each at differing levels of experience and skill. Overall, there are more than 35 individual service roles across our organization. Through the creation of our new Service Career Path Framework, we provide tools to map career progression options and training needs at each level for all service professionals at SolarEdge.

Hardware Roles: There are approximately 250 professionals in our hardware division at SolarEdge, and their development opportunities are defined by the skills and experience needed to advance in a technical or a management capacity. The Hardware Career Path Framework identifies the training and experience necessary to advance and the annual review process supports individual programs and identification of training requirements.

3

The 'Boost Your Career' Leadership Development Program for Women:

This program was specifically designed to support our goal to advance women to more senior roles at SolarEdge, and provide effective leadership tools for women. Read more in the section: [Diversity, equality and inclusion](#).

We also invest in building innovation and team-building skills, specifically for our employees in research and other technology functions. Our annual 24-hour hackathon inspires our teams to explore new product and service ideas that will help us achieve our purpose of powering the future of energy. At the 2021 'SolarEdge HackaWars', more than 360 employees in technology roles competed to generate the best innovations, supported by 19 mentors from our senior leadership.

Also, we maintain a collaboration with Tel Aviv University's Faculty of Engineering, whereby our R&D employees may attend academic courses on a wide range of topics. In 2021, 61 SolarEdge employees took advantage of this learning opportunity.

By the end of 2021, tailored career plans had been developed for our service and hardware departments, who together account for

19% of the total at SolarEdge global workforce.



Our People

Compensation and benefits

We aim to provide our employees with competitive compensation and benefits that enable them to achieve a good quality of life and plan for their future. We meet all mandatory employment requirements according to local regulations in each area where we operate around the globe. Accordingly, our employees worldwide are paid above the minimum wage and are entitled to statutory retirement saving programs, paid vacation days and sick leave, and other benefits according to local regulations.

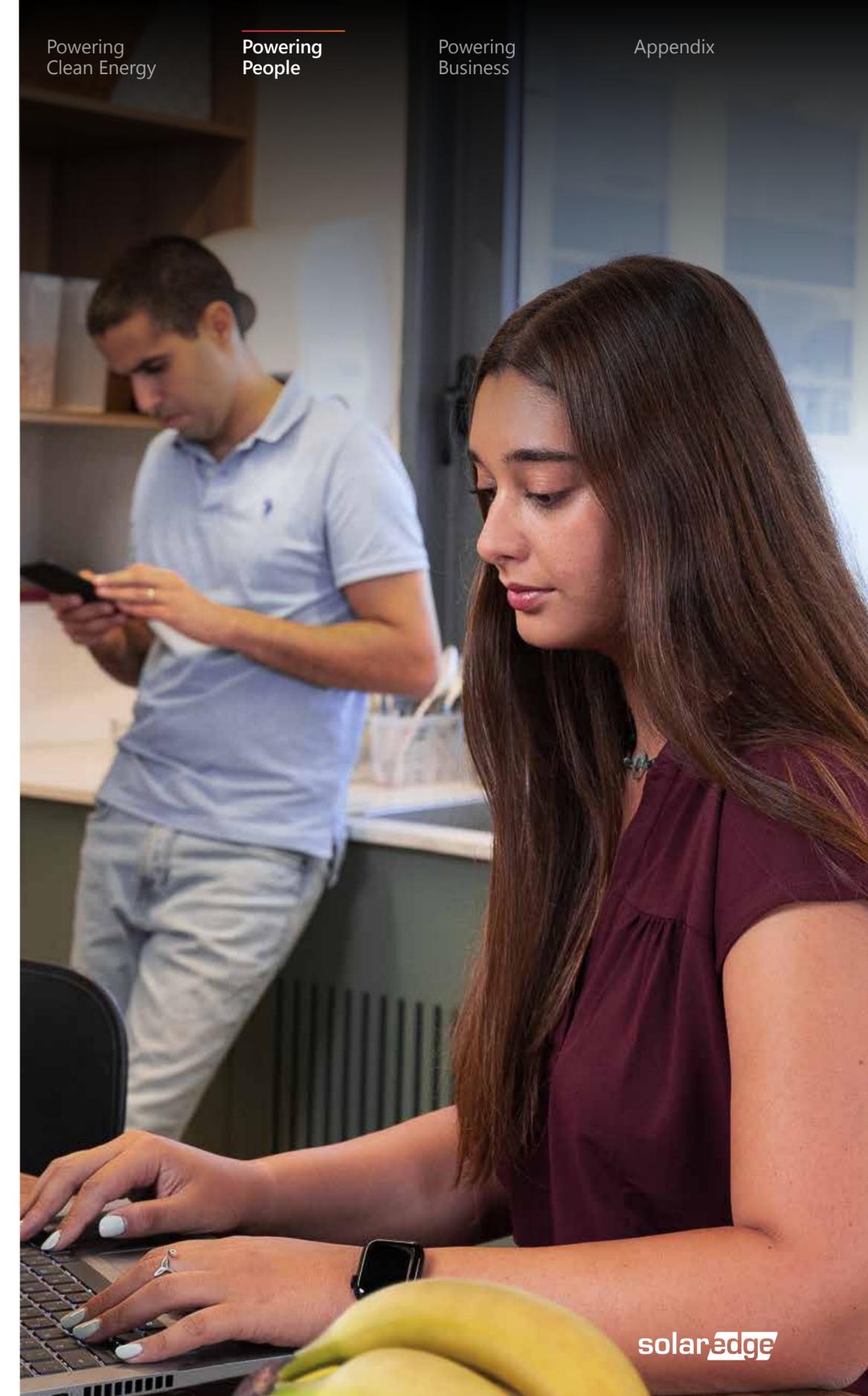
We provide additional employee benefits, beyond legal requirements. These benefits differ according to local norms in different regions, market preferences and company needs, with increased focus on employee health and well-being. The following are examples of such additional benefits—in all cases, a majority of our global workforce (>50%) enjoys different variations of these benefits:

- Stock-based compensation: Restricted Stock Units (RSUs) and Employee Stock Purchase Plan (ESPP). This program was recently expanded to include production-line employees in Israel who have been employed for over 6 months.
- Annual bonus and performance-based bonus plans (MBO).
- Additional (non-pension) medium/long-term saving programs.
- Subsidized health insurance plans.

In 2021, we conducted a gender pay gap analysis of our employee base in Israel at all roles and levels. For further details, see the section on [Diversity, equality and inclusion](#).

Upholding employees' human rights

As part of our stand on human rights, we respect the rights of our employees and are guided by the ILO Declaration on Fundamental Principles and Rights at Work. SolarEdge is committed to providing equal opportunity in all aspects of employment and does not tolerate discrimination, harassment or retaliation of any kind. All employment practices and decisions, including those involving recruiting, hiring, transfers, promotions, training, compensation, benefits, disciplinary measures and termination, must be conducted without regard to age, gender, race, color, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity or any other protected status or activity, and must comply with all applicable laws. We prohibit child labor and all forms of forced labor. We do not employ individuals under the age of 18 other than for summer intern programs in certain locations (not in manufacturing roles). For additional details on this subject, see our [Approach to Human Rights](#).





Our People

Diversity, equity, and inclusion

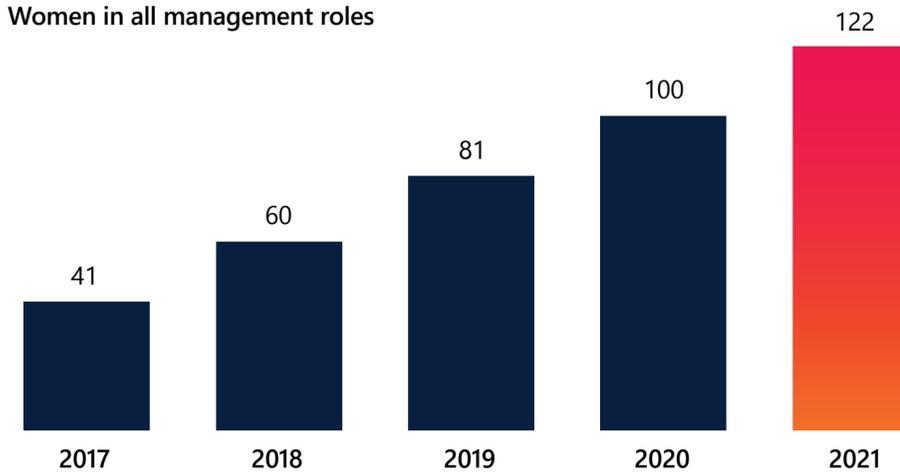
We believe in the strength of an organizational culture that embraces differences and welcomes individual contributors who represent various dimensions of diversity. As we grow, we are striving to increase the presence of women in executive, management and R&D positions as well as taking active steps to increase the diversity of our workforce and inclusiveness of our approach and practices. Around the globe at SolarEdge, we have been delivering training and education to support awareness and inclusive practices across our workplaces. For example, at different locations, we have:

- Provided foundational diversity and inclusion training for managers and employees.
- Delivered training on the inclusion of people with disabilities in the workplace.
- Hosted workshops, lectures, and webinars on a range of topics including valuing diversity; respectful and positive interaction; and Women of Color in Tech (as part of Black History Month in the U.S.).

Advancing women

We work to create opportunities to hire more women at SolarEdge. In the past three years, overall women's representation increased from 21% in 2019 to 26% in 2021. We place specific emphasis on supporting the advancement of women in executive and management positions and we have more than tripled the number of women in over the past five years in all management roles.

Women in all management roles



In 2021

17% of management positions¹

were held by women, compared to 13% in 2019.

We recognize there is more work to do to close the gap toward stronger representation of women at all levels in our organization. Our goal is to increase gender equality and inclusiveness in our workforce, overcoming the inherent challenges of gender equality for the tech sector. We recently set quantitative targets to promote this goal, focusing initially on our Solar Division in Israel, which constitutes approximately half of our global workforce. By 2025, we aim to achieve the following levels of women's representation in our Israeli Solar Division workforce:

- 38% women overall (currently 30%)
- 21% women in R&D roles (currently 17%)
- 24% women in management roles (currently 18%)

We plan to take the following steps in 2022 and future years to advance the achievement of these targets:

- Talent development programs for women (see below).
- Partnerships with NGOs to better identify appropriate women tech-role candidates, and to nurture the next generation of women in tech.
- Expand anti-bias training
- Conduct an annual gender pay gap analysis



Our People

Talent development programs for women

The Boost Your Career Leadership Development Program was launched in 2021 as a global program to accelerate the advancement of women based on performance and leadership potential. It is a six-month program that operates at two levels: personal customized development and group learning and skill-building. Each participant completes a 360° performance and skill profile, in addition to custom training modules, including career management and communication skills. Additionally, following the structured training elements, the participants engage in facilitated group learning and networking. The program also included several one-on-one mentoring sessions for each participant. The mentors were former executives from global businesses, with each matched specifically by background and language to each program participant.

30 managers completed the Boost Your Career Leadership Development Program for Women

In 2021, we also planned a new development program for women in R&D and technical roles with at least three years' experience at SolarEdge. The program ran in the first half of 2022 and consisted of six workshops with internal and external facilitators and a TED-style summary meeting in which participants present conclusions to senior leadership. The workshops covered:

- /// **Grow your Career:** Technology versus management careers
- /// **Personal influence:** Goal-setting, managing strengths, managing personal brand
- /// **Organizational influence:** Understanding company strategy, risk-taking, entrepreneurship

21 women in technical roles completed the Technical Career Development Program

“SolarEdge is very goal-focused, the growth from year to year is remarkable and those of us who are flexible, and know how to adapt to change, can really excel and bring added value to the company. I appreciate working in an environment where flexibility in working hours is welcomed, as that enables me to manage my role as a mother and my work role.”

Elisa Rossi, Financial Planning & Analysis Manager, SolarEdge e-Mobility, Italy

Prominent SolarEdge women leaders are also acting to promote gender equality in the different regions where we operate. For example, Joanne Park, Vice President, Human Resources at our South Korean subsidiary, Kokam, is an active member of WIN, the Korean Women's Innovation Forum. WIN is a nonprofit that has created a network of female executives and business leaders in South Korea, supporting programs for the empowerment of women and the promotion of gender equality.

[Watch Video](#) >>





Our People

Inclusion of different groups

In 2021, at SolarEdge in Israel and the U.S., underrepresented minorities accounted for 8% of our direct workforce (equivalent to 5% of our total global workforce).

We aim to increase the number of employees from underrepresented minorities across our workforce, in all regions where we operate. Our main efforts are currently centered in Israel, where over half of our global workforce is located. We maintain several partnerships with social organizations in Israel, designed to increase our recruitment of candidates from the Arab community in Israel, ultra-Orthodox women, and individuals with disabilities. Our short-term target for 2022 is to recruit 20 additional employees from the Arab society in Israel, and 20 additional ultra-Orthodox Israelis.

Our diversity-focused collaborations include:

- Working with a specialist nonprofit agency (Tsofen) for recruitment of candidates from the Arab society for engineering positions.
- Engagement with the Rayan Employment Center that works to integrate, promote and strengthen the Arab society in the world of work and training in Israel.
- Additional collaborations that focus on the Arab community in Israel include supporting the integration of Druze women into the hi-tech sector (with the 'Lotus' initiative); and helping young engineering graduates from the Arab community become software developers (with the 'Fursa' initiative).
- Engagement with Kama Tech, an organization supporting the placement of individuals from the Israeli ultra-Orthodox community in the local high-tech industry. In 2021, in a targeted recruitment collaboration, we hired 8 ultra-Orthodox women for software development positions. Through this collaboration, we aim to recruit 20 additional ultra-orthodox employees in Israeli through 2022.

Partnering with a specialist program of the Ono Academic College (Roim Rachok—Looking Ahead) for recruitment of employees on the autism spectrum. These employees are recruited for specific positions through dedicated interview days. This initiative also includes training sessions for SolarEdge managers on integrating employees with disabilities into the workplace. To date, we have hired 4 employees as part of this initiative. In addition, the company funds recurring occupational therapy sessions for the employees with disabilities at SolarEdge at their place of work.

In the U.S, we publish our annual EEO-1 Form, which we compile as required by the U.S. Equal Opportunity Commission. This information, which reflects a summary of the voluntary self-identification by our U.S. employees in 2019, 2020 and 2021, can be found [on our website](#).

Pay gap analysis: In Israel, to meet regulatory requirements, we completed an analysis of pay levels in our local workforce, representing approximately 55% of our global employees. The analysis is available [on our website](#) (in Hebrew) and covered pay levels by gender, job profile and department, examining gross salary and salary levels used to determine severance pay (excluding bonuses). Of the job groups analyzed, where both men and women were employed, we found no material difference in pay by gender:

- Where pay gaps existed, an equal number of job groups favored women as favored men.
- For all job groups, no pay gap was greater than 6% in favor of men or 8% in favor of women.

We will continue to conduct this analysis annually, as required by law and to ensure that material differences are not created within comparable roles.



Health, Safety and Wellbeing

We believe that all accidents and injuries at work are preventable, and we strive to achieve a zero-injury culture across our offices and operations. We comply with applicable occupational health and safety regulations and are certified to Occupational Health and Safety Quality Management Standard ISO 45001:2018.

Safety performance: Overall accountability for safety at SolarEdge rests with the Vice President for Quality & Reliability, a member of our executive management. Safety performance is reported monthly to the company Chief Executive Officer and executive management, including specific safety incidents analysis, findings, corrective actions and updates on safety improvements.

Our safety practices include:

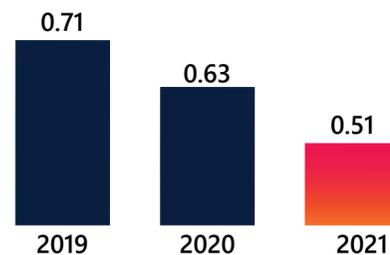
- ▮ Nominated Safety Officers at each company manufacturing/R&D site;
- ▮ Mandatory annual safety training for all employees;
- ▮ Mandatory job-specific training is for all employees in relevant roles (for example, for those working in high-voltage labs);
- ▮ Comprehensive safety, fire, and emergency drill programs to ensure employees are well-versed with emergency procedures; and
- ▮ Root-cause assessments of incidents and corrective actions.

In 2021, across our total workforce, we achieved

a **19% reduction** in the rate of recordable injuries (TRIR).

Our overall TRIFR (rate of recordable injuries) rate in 2021 was 0.51 across all SolarEdge facilities including both company and contractor employees. This represents a 19% improvement over 2020 (0.63) and achieves our 2025 target (TRIFR <= 0.7).

TRIFR (employees and contractors)



This improvement was the result of focused efforts to reinforce both our safety management infrastructure and our safety practices. In 2021, we expanded our environment, health and safety (EHS) team with the addition of an EHS Director and additional experienced safety officers with expertise in the processes and technologies that characterize SolarEdge's activities. They include electricity safety engineers who focus on preventing electricity-related incidents.

In 2021, SolarEdge employees participated in more than

6,800 hours of safety training.

Though 2022, we plan to boost safety training with new emphasis on fire prevention and emergency handling, specifically focusing on the Li-Ion battery risks, as well as expanding first aid training and nominating a global network of safety trustees to help drive and maintain safety culture and practice throughout the organization. We also plan to implement new systems for tracking global EHS performance to help reduce safety risks and support ongoing EHS compliance worldwide. These will include:

- ▮ EHS regulatory and compliance monitoring
- ▮ Incident reporting and investigation
- ▮ Training management

COVID-19 safety measures: During the ongoing circumstances related to the COVID-19 pandemic in 2021, we continued to offer employees the flexibility to work remotely, and we maintained our rigorous hygiene and social distancing practices in the workplace as well as free antigen testing. We have continued to offer support and subsidized counseling to employees to address the mental health challenges caused or exacerbated by the pandemic.

Employee wellbeing: We believe in supporting employees in caring for their own health and wellbeing, so that they can live healthy and productive lives and also contribute their best at work. Throughout the year, on a tailored-by-country basis, we organize educational and sporting activities, including annual medical checkups, to help employees increase their awareness of health risks and provide opportunities for each to invest in their own wellbeing. In Israel, for example, in October 2021, we held our annual Health Week, hosting daily activities including Yoga, Pilates and stress massages, as well as BMI and breast health checks and lectures.

See also the section: [Compensation & Benefits](#) for details of wellbeing-related employee benefits.



Communities

As a global leader in smart energy, impact is at the core of what we do. Alongside our continuous efforts to innovate and grow our business, we look for opportunities to create positive impact in the communities around us. To this end, we established a Corporate Social Responsibility (CSR) Committee, comprised of employees from a range of functions within the company, to help progress community engagement programs while representing different internal views. In early 2022, we added a full-time role: Corporate Social Responsibility (CSR) Global Lead with responsibility for oversight and effective promotion of our community engagement strategy and programs. In 2021, the CSR Committee concluded the development of a community engagement plan for the upcoming years. The 3 pillars of the plan include:

- Advancing renewable energy for environmental community value.
- Strengthening Science, Technology, Engineering and Math (STEM) education and encouraging youth innovation.
- Enhancing diverse populations.

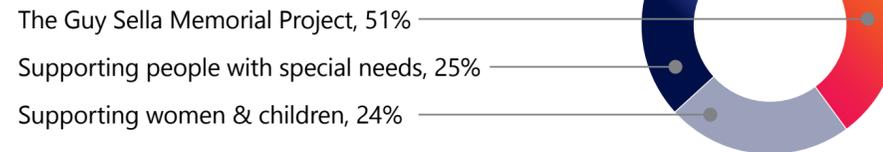
The plan also defined the criteria for CSR initiatives in the communities where our operations are located, emphasizing employee engagement and potential impact. In addition, community engagement outreach leads have been appointed in our different departments and regions and we defined a new policy for company-organized volunteering initiatives, allowing employees to volunteer one day per year during paid working hours.

In 2021, SolarEdge donated **\$195,000**,

equivalent to 0.14% of net profits.¹ This was in line with our ongoing commitment to donate at least 0.1% of net profits to charitable causes annually.

Our contributions included our annual funding of The Guy Sella Memorial Project and donations to nonprofits supporting child development and providing aid to people with special needs.

SolarEdge Charitable Donations, 2021



The Guy Sella Memorial Project: This project was initiated in 2020 in honor and memory of Mr. Guy Sella, SolarEdge's former CEO, Chairman and Co-Founder. As part of the project, the company has committed to invest \$1,000,000 over ten years in a joint SolarEdge-Technion educational and technological initiative (with 2021 representing the second project year).The Technion, Israel's leading technical research university, is committed to matching these funds. The Guy Sella Memorial Project combines teaching, research, and outreach activities for high school, undergraduate, and graduate students, including teaching labs and research fellowships.

Donations Campaign: In Israel, where over 50% of the SolarEdge workforce is located, we have recently set up a donations channel for employees to donate to causes close to their hearts. The donation themes are aligned with our overall CSR focus areas: environmental sustainability, technological education and innovation, and advancing diverse populations.

Support for Ukraine in 2022: SolarEdge mobilized to help address the urgent needs of hundreds of refugees from Ukraine who were housed in apartments in the North of Israel, close to our Sella 1 factory. Both the company and its employees have donated essentials such as baby-care products, women's hygiene products, various household items and school equipment. Dozens of Sella 1 employees have volunteered to help with the packaging of refugee support kits. In total, our contribution to support refugees from Ukraine amounted to over \$25,000.



1. Donation per profit ratio was calculated using the 2021 total donations, divided by the 2020 total net profits. We consider this ratio to be representative, since our donation budget is planned as the beginning of each year as a percentage of last year's profits. If the 2021 total donations would be divided by the 2021 net profits, the result is a 0.12% ratio.



Powering People

Responsible Procurement

SolarEdge aims to maintain the highest standards of ethical, responsible and transparent conduct throughout its operations. In parallel, the company strives to ensure that the same high standards are observed throughout SolarEdge's entire supply chain. The company places great importance on the conduct of the suppliers with whom we engage for the manufacture, storage, supply, maintenance and delivery of products and services.

We have designed our manufacturing processes to produce high quality products at competitive costs as part of a sustainable supply chain. We maintain a mix of in-house production and contract manufacturing.

In 2021, we reached full manufacturing capacity in our manufacturing facility located in the North of Israel, "Sella 1", from which we began commercial shipments to the U.S. of SolarEdge Power Optimizers and inverters in 2020. The proximity of Sella 1 to our R&D team and labs enables us to accelerate new product development cycles as well as define equipment and manufacturing processes of newly developed products which can then be adopted by our contract manufacturers worldwide. In mid-2022, we have also commenced the first-stage operations of our new facility, Sella 2, a two gigawatt-hour (GWh) lithium-ion battery cell manufacturing plant at our Kokam subsidiary in South Korea (see section: [Expanding our battery cell capacity](#)).

We currently use contract manufacturing for the majority of our solar products. This production is conducted in four sites, operated by two leading global electronics manufacturing service providers, Jabil and Flex. Both of these contract manufacturers operate in accordance with sustainability principles and maintain sustainability programs in their own right, as well as complying with SolarEdge's requirements. Due to the key role of these contract manufacturers in SolarEdge's supply chain, they have also been prioritized as part of our first supplier on-site audits in connection with our Supplier Code of Conduct. Three of these four sites have already been audited to date (see below).

SolarEdge Manufacturing Reach

4 owned & operated factories in Israel, Italy and South Korea

4 contract manufacturing sites in Hungary, China, Vietnam and Mexico for key SolarEdge products

20 automated assembly lines for SolarEdge Power Optimizers*

7K workers involved in our global manufacturing process*

1.5M sq. ft. of manufacturing floor space*





Responsible Procurement

Supplier conduct

In 2021 we published our [Supplier Code of Conduct \(SCoC\)](#) which includes provisions regarding, among others, Ethics, Safety, Environmental Protection, Human Rights, and Fair Employment. More than 175 suppliers have signed their acknowledgment of the SCoC terms (as of July 2022) or presented equivalent codes of conduct of their own. The suppliers engaged for acknowledgment so far were all related to our solar business activities. We aim to expand the engagement through 2022-23 to the rest of the SolarEdge divisions, and to begin including the SCoC as a mandatory part of our new/renewed contractual agreements with suppliers.

Supplier management

Our [Approach to Supplier Management](#) covers suppliers of goods or services to SolarEdge and includes our commitment to engage suppliers that meet SolarEdge's requirements in legal, financial, environmental, social, human rights and governance matters, including all the provisions defined in our SCoC. This entails conducting relevant due diligence before engaging new suppliers and monitoring supplier adherence during the course of their engagement with SolarEdge. We support our commitment through procurement staff training, supplier reviews and feedback and risk assessment tools.

In 2021, we also conducted on-site audits of three contract manufacturer sites, and one major raw material supplier, in connection with their compliance to SCoC. These audits were led by SolarEdge's global quality department and included a checklist of approximately 50 items that correlate to our SCoC requirements including, for example: Safety, Fair Employment, Environmental Management, Ethical Conduct, and preserving Human Rights. In cases where minor non-conformance issues were identified, the SolarEdge auditors have maintained contact with the sites to ensure the formalization of a corrective action plan and its execution.

In 2022, we plan to conduct a SCoC audit for our fourth contract manufacturer site, thereby completing audits for all contract manufacturing. We also plan to audit another major raw material supplier as well as re-auditing some sites that were audited in 2021, due to their key role in SolarEdge's supply chain operations.

Human rights in China

In recent years, the global community has raised concerns relating to abuses of human rights in the Xinjiang Uyghur Autonomous Region (XUAR) in China. Some of these concerns have been connected to the sourcing of polysilicon, a key raw material in solar panel manufacturing.

As detailed in our [Approach to Human Rights](#), SolarEdge does not tolerate any abuse of human rights, forced labor or modern slavery.

SolarEdge does not manufacture solar panels and does not maintain any facilities (manufacturing or other) in XUAR. We purchase solar panels in some cases to be sold as Smart Modules (where our DC Power Optimizers are pre-integrated with the PV module). However, this constitutes a very small portion of our global business, (PV modules amounted to less than 1.5% of all SolarEdge global sales in 2021). Nevertheless, we have reached out to our solar panel suppliers for their statements on this topic. The panel suppliers have declared they do not have any involvement or direct connection with activities related to human rights violations in XUAR or elsewhere. We published a formal statement in this regard for our customers. See our published statement [here](#).





Responsible Procurement

Conflict-free sourcing

Our [Supplier Code of Conduct](#) and approach to human rights also includes a focus on conflict minerals. The illegal extraction and trade of natural resources, and associated human rights violations, conflict and environmental degradation are matters of growing international concern. These issues are especially acute in the eastern provinces of the Democratic Republic of Congo (DRC). Some of these concerns focus on the extraction and trade of ores of tantalum, tin, tungsten and gold (3TG), which flow to world markets through the DRC and adjoining countries. Once refined, these metals are commonly used within electronic products and additional industries.

SolarEdge does not procure metals directly. Nonetheless, we are taking action to increase transparency and ensure responsible procurement by our suppliers and sub-suppliers. SolarEdge's policy requires that our suppliers who manufacture components, parts, or products containing tin, tantalum, tungsten, and/or gold must commit to sourcing those materials from responsible sources only and in compliance with SEC ruling and OECD guidance. Materials, which either directly or indirectly contribute to conflict or any human rights violations, are unacceptable. We expect our suppliers to define, implement and communicate to sub-suppliers their own policy, outlining their commitment to responsible sourcing of these materials, legal compliance and measures for implementation. We require suppliers to work with their sub-suppliers to ensure traceability of these materials (at least) to the smelter level, and report these details to us through CMRTs (Conflict Minerals Reporting Templates).

The engagement with our suppliers is done through a dedicated on-line tool developed by a responsible sourcing specialized vendor, where the target suppliers are asked to upload their CMRT templates. The details of sub-suppliers reported through the CMRTs, are compared with lists of smelters with a possible risk for human rights violations. Where a high-risk smelter is identified within our supply chain, the company investigates and if needed, takes action to ensure we only source our materials from responsible sources.

In 2021, SolarEdge identified 1,007 target suppliers that provided components for our products manufactured during the calendar year. Through the on-line tool, 453 (45%) of these suppliers provided satisfactory responses to our CMRT requests (compared to 43% in 2020, and 30% in 2019). The suppliers approached in 2021 collectively supplied 22,550 distinctive parts for SolarEdge products. The satisfactory responses by suppliers cover 56% of these parts (compared to 28% in 2020, and 13% in 2019).

For further details, see our full [Policy on Conflict Minerals](#) and our [Conflict Minerals Report](#) on form SD for 2021. Our conflict minerals practices have so far focused on the responsible sourcing of 3TG materials, in accordance with the SEC regulations and OECD guidance. We are evaluating the addition of other materials to our responsible sourcing processes, to meet recent requests by some of our stakeholders.





POWERING BUSINESS

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We believe that business is powered by trust, and trust is built through operating with integrity, decency, and transparency. We nurture a culture of ethical conduct throughout our business and aim to operate in ways that improve the impact and mitigates the risks of our operations on society and the environment.

Ethics and Compliance

Compliance: Compliance is fundamental to our business, as it protects us from risk, fosters trust with our stakeholders and provides a solid basis for sustainable growth and a positive contribution to society. We aim to conduct business in line with all applicable laws and regulations governing our operations in all countries. In 2021, SolarEdge was not subject to any fines for non-compliance with any of the laws and regulations that apply in all the regions where we operate. For more information, see our [Approach to Compliance](#).

Ethical conduct: Our [Employee Code of Conduct](#) sets out specific guidance for SolarEdge employees to conduct business in accordance with the highest ethical standards and establishes an expectation that all employees will act in accordance with personal and professional integrity. The code has recently undergone an update, to include expanded guidance relating to whistleblowing practices, political and trades union involvement and human rights. The Employee Code of Conduct has been translated to the local languages commonly used in most regions where our employees reside. A copy of the Employee Code of Conduct is included in each new employee's contract, appearing in a language the employee can understand (same as for our employment contracts). All new employees receive training regarding the code requirements and confirm in writing their intent to comply with these requirements and their willingness to report suspected violations. In 2022, we launched a new annual on-line employee code of conduct training program that is mandatory for all global employees. The training includes emphasis and realistic work-place scenarios regarding issues such as anti-harassment and discrimination, anti-corruption, conflict of interest, political involvement, and more. The training will also re-inform the employees regarding the different channels available for reporting code violations.

Whistleblowing: Employees are encouraged to report suspected violations of the Employee Code of Conduct through different means, including a confidential hotline. All reports are promptly investigated and action is taken as required. In 2021, we investigated eight compliance related allegations as follows:

Topic	Number of reports	Proportion of total reports
Business integrity	3	37%
Human resources, diversity and workplace respect	2	25%
Misuse of company assets	2	25%
Environment, health and safety	1	13%

As a result of our investigations, eight employees were dismissed, and one employee was subject to disciplinary action. In 2020, five reports were investigated (business integrity: 4 / 80%; misuse of company assets: 1 / 20%) and two employees were dismissed as a result.



Cybersecurity and Data Privacy

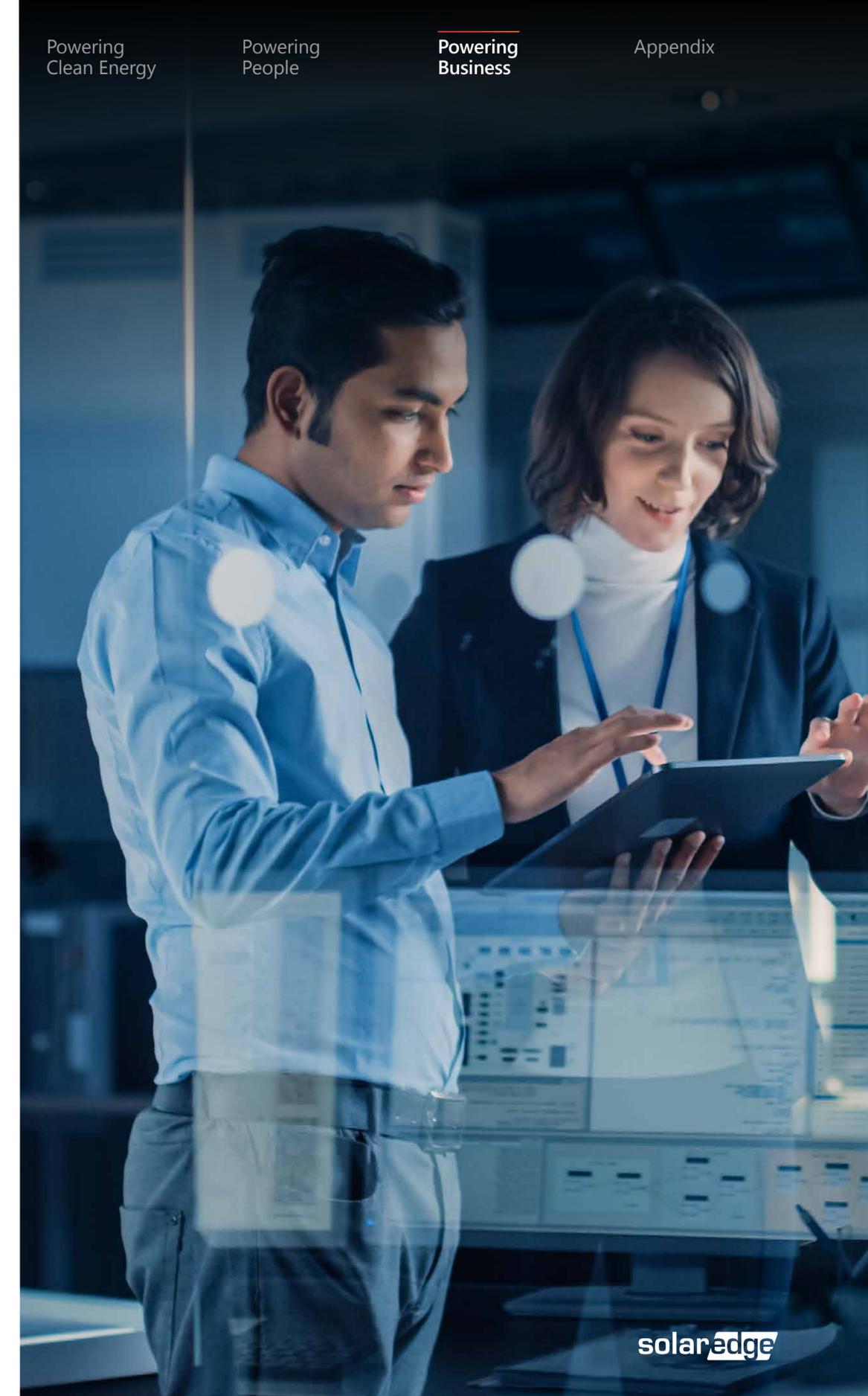
In a business heavily reliant upon communications technology for our PV monitoring capabilities, as well as for the day-to-day running of our business, we must protect our company and our customers against threats to our information security. SolarEdge's Chief Information Security Officer leads our information security strategy and delivery, designed to provide security and promote a secure software development lifecycle. We maintain an extensive set of programs and processes to provide a robust cybersecurity defense, including:

- Adherence to information security standards and privacy regulations including GDPR
- Third-party certification to ISO 27001 Information Security Management Standard
- Website protection for our online platforms
- Protection against Denial-of-Service attacks (that prevent legitimate use of our services)
- Continuous security events monitoring in our security operations center
- Incident response policies and procedures
- Backups of our customer data against multiple data loss scenarios
- Role-based access to our systems and programs
- Cyber awareness training for all new employees as part of their induction program
- Quarterly newsletters with relevant updates on risks and new cyberthreats for all employees
- Monthly cybersecurity drills to test employees' knowledge and reaction to cyberthreats
- Company coverage for information security risks by an active insurance policy

We introduce new technology and processes on an ongoing basis with the intention of reducing cybersecurity risks and aligning with the National Institute of Standards and Technology (NIST) cybersecurity framework for risk management. In 2022, we plan to introduce an annual cybersecurity online training that will be mandatory for all global employees.

SolarEdge has not experienced any material information security breaches in the past three years and minor issues have been reported to our Audit Committee. The company has not been subject to any information security breach penalties or settlement payments in the same three-year period.

Our management team provides regular updates to the Audit Committee and the full Board regarding our cybersecurity activities and other developments impacting our digital security.





Climate Change Mitigation and Resource Efficiency

SolarEdge's solutions contribute to the efforts to mitigate global climate change. Our renewable energy solutions reduce carbon emissions by millions of tonnes each year, enabling individuals, organizations, and governments to reduce their carbon footprint. Across our operations and in our supply chain, we continually seek to produce, distribute, deliver, and maintain our materials in ways that will minimize resource consumption and reduce environmental impact.

Reducing the GHG emissions of our operations

In 2021, we reduced our Scope 1 & 2 CO₂e emissions per million dollar revenues by 8% versus 2020, achieving more than a quarter of our 30% reduction target for 2025.

We are taking several steps and continue to search for additional reduction opportunities to allow us to progress towards our target:

- We installed SolarEdge PV systems on the rooftops of two company sites (Sella 1 and Modiin, in Israel), partially replacing fossil-fuel sourced external electricity. We plan to install 2 additional PV systems on the rooftops of our new Sella 2 site in Korea, and our Reno site in the U.S.A.
- We are implementing an innovative electricity savings method in the new Sella 2 site. The production process of lithium-ion batteries involves using significant amounts of electricity in the charge/discharge cycles of battery formation. The technical limitations of the traditional battery production process often cause this electricity to be discharged without reuse. In contrast, the new method planned for Sella 2 production is designed to use an innovative electricity reservoir, allowing for an estimated 50% of the discharged electricity to be reused.
- In May 2022, our Sella 1 manufacturing site in Israel transitioned to purchasing all of its external electricity needs from a recently opened private power plant. This private power plant produces its electricity using a highly efficient process that employs natural gas exclusively for combustion. It has a significantly improved carbon intensity compared with the general grid electricity in Israel, which still includes partial combustion of coal. The related Scope 2 emission reduction will therefore partially commence in 2022, with full-year realization as of 2023.
- To complement the previous step, we are examining additional opportunities for integrating renewable energy in other areas of our operations.





Climate Change Mitigation and Resource Efficiency

Resource efficiencies at our Sella 1 facility

Our Sella 1 manufacturing site in Israel started full operation in 2021. The site has been designed to operate at high levels of energy and resource efficiency, with continuous improvement being facilitated through advanced operation and monitoring systems. Existing and newly improved features include:

- Operating new and highly efficient machinery, such as chillers, air blowers, air treatment systems and lighting, all designed to achieve high usage efficiencies and minimize energy consumption.
- Site personnel engage in continuous monitoring and control of the site conditions and changing external climate to adjust the operating terms accordingly and preserve energy. For example, in 2021, the modification of the site's air treatment system algorithm enabled the reduction of over a third of its original energy consumption.
- The site uses a mixed bed resin system for water deionization (before usage in the production process). This system was designed to allow to almost all water consumed to be reused in the process. Further details below.
- The optimization of the water deionization process parameters through 2021 has significantly reduced the frequency of needed resin replacement.
- The output process water cleaning system was also improved through 2021 with a new precipitation tank installed upstream of the system's filters. The improved process has enabled the significant reduction of needed filter replacements.

Water efficiency

Almost all water used in SolarEdge's operated sites is provided by municipal water supplies. Water from other sources is a negligible part of total water withdrawal (<0.5%). Generally, the activities at all SolarEdge sites and offices, are not water intensive. The total of ~40 Km³ consumed by our global operation in 2021 is equivalent to the estimated annual domestic consumption of approximately 500 people (based on average consumptions in Israel)¹.

Nevertheless, we aim to conserve water wherever possible and use only what is strictly needed to support our teams in our global sites and offices. In several of our locations, we conserve water through water-saving devices on faucets and showers, and low-water flush mechanisms in our bathrooms.

Our Sella 1 production site in Israel excels in water efficiency and recycling. The primary water on-site usage is for the washing of residual coating and solder flux. This de-ionized water is maintained in a closed cycle which is entirely separate from the site's wastewater system. The output water from the process is re-treated and is almost entirely reused, with only small amounts of evaporated water being unretrievable. In 2021, over 6000 m³ of water were reused in this matter at Sella 1. In comparison, this means that 13% of our entire global water usage was composed of internally recycled water.





Climate Change Mitigation and Resource Efficiency

Waste management

We aim to minimize waste from our operations and reuse or recycle what we cannot eliminate. We generate modest amounts of waste from our office activities, R&D laboratories, and production facilities.

In 2021 **59%** of our total waste generated was sent for recycling, **WITH AN ADDITIONAL 12%** of total waste sent to incineration with energy recovery.

We recognize the challenges of electronic waste as a contributor to environmental degradation and are examining further options to reduce electronic waste from our supply chain with a target to achieve near-zero electronic waste-to-landfill.

All e-waste generated directly at our facilities is collected and handled by certified WEEE (Waste Electrical and Electronic Equipment) handlers and recyclers. In general, our products are designed for long-term use and carry multi-year warranties (10-25 years). Nonetheless, we work to ensure the recyclability of our products for their eventual end-of-life stages. Through our long-term engagement with our main e-waste handling companies, we have learned that our solar products (such as inverters and Power Optimizers) can be recycled, and in a cost-effective manner.

Among other actions, we have ensured that the potting (protective polyurethane filling) that coats the assembled circuit boards and critical parts of our Power Optimizers does not create an obstacle for the recycling of the valuable electronic components.

The e-waste handling companies have demonstrated to us their developed methods to successfully separate the potting material from the encased e-waste. The potting is also a key factor in assuring the longevity of our Power Optimizers, helping to protect them from weather conditions through their 25 years of warranted lifetime. This allows for reduced material consumption and reduced waste generation, while achieving the increased power production that our systems allow.

In the past year, we have conducted on-site visits with some of our main e-waste handling companies and have found the on-site recycling processes for our products to operate according to our expectations.

We will continue to examine the recyclability of our products (across all company affiliates), to ensure their compatibility within the new circular economy.





Climate Change Mitigation and Resource Efficiency

New office recycling program

Recently, we launched an enhanced recycling program for our headquarters in Herzliya, Israel to further engage our employees in environmental practices while contributing to reduce our environmental impact. Supported by 40 employee Recycling Champions, we installed recycling bin systems at different locations in our offices and educated employees on how to separate office waste effectively. The program includes separate bins for food packaging, paper, drink containers, e-waste, batteries and expired medicine.

Environmental compliance of our operations

We fully comply with all environmental (and other) regulations that apply in all regions where we operate. To date, SolarEdge has never experienced an environmental incident that resulted in any retaliatory steps from regulators in any country. We have not been held to any fines, penalties or sanctions related to environmental regulations.





APPENDIX

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- GRI Data Tables / 57
- SASB Disclosure / 62

About this Report

Thank you for your interest in our fourth annual Sustainability Report, representing our commitment to accountability and transparency to our stakeholders and our impact on sustainable development, society, and the environment.

This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option. GRI principles have informed our reporting approach: materiality (the issues relevant to our most significant impacts and which are of most importance to our stakeholders), stakeholder inclusiveness (responding to stakeholder expectations and interests), sustainability context (presenting our performance in the context of sustainability) and completeness (inclusion of the information that reflects significant economic, environmental, and social impacts to enable stakeholders to assess our performance).

We also report for the second time in accordance with the Sustainability Standards Accounting Board (SASB) Standard for Solar Technology and Project Developers, in line with the growing expectations of our investors for financially material sustainability disclosures.

The scope of the Report is:

- ▄ All SolarEdge operations world-wide unless otherwise specifically stated. Environmental data is reported for all sites and offices that have more than only marketing and sales activities, supported by an estimation that marketing and sales activities add to less than 1% of the total energy consumption and waste generation of the company.
- ▄ Quantitative performance data is supplied for calendar year 2021 and prior years where available. Corporate information and progress updates are also included from early 2022.
- ▄ All dollar amounts quoted in this report refer to U.S. currency (USD).
- ▄ In data tables, some figures may not calculate to 100% or to exact totals due to rounding effects.

This report has been verified internally but not externally assured.



We welcome your feedback and invite you to send comments to:

Roy Weidberg
Head of ESG
Sustainability@solaredge.com



GRI Content Index

GRI 102: General Disclosures 2016

Reference	Description	Page reference or response
102-1	Name of the organization	SolarEdge Technologies Ltd
102-2	Activities, products, and services	4
102-3	Location of headquarters	Israel
102-4	Location of operations	5
102-5	Ownership and legal form	6
102-6	Markets served	5
102-7	Scale of the organization	5
102-8	Information on employees	57
102-9	Supply chain	44
102-10	Significant changes	None
102-11	Precautionary Principle	Our Approach to Environmental Stewardship and Climate Resilience
102-12	External initiatives	SolarEdge is not currently a member of any significant initiatives at a global level.
102-13	Membership of associations	SolarEdge does not hold any Board roles in industry associations at this time.
102-14	Statement from senior manager	3
102-16	Values, principles, standards	4
102-18	Governance structure	6
102-40	List of stakeholder groups	57
102-41	Collective bargaining agreements	57
102-42	Identifying and selecting stakeholders	57
102-43	Stakeholder engagement	57
102-44	Key topics and concerns raised	57
102-45	Entities included	53
102-46	Report content and topic boundaries	53
102-47	List of material topics	9
102-48	Restatements of information	58
102-49	Changes in reporting	None
102-50	Reporting period	53
102-51	Date of most recent report	53
102-52	Reporting cycle	53
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102-54	Reporting in accordance with the GRI Standards	53
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Appendix

GRI Content Index

GRI Material Disclosures

Material impact	GRI Standards	GRI 103 Management Approach (2016) GRI 103-1, 103-2, 103-3	Indicator	Page	Omissions
Affordable Clean Energy	GRI 203 (2016) Indirect Economic Impacts	18	203-2 Indirect economic impacts	18	
Smart Energy Solutions		25	203-2 Indirect economic impacts	25	
Product Development and Innovation		25	203-2 Indirect economic impacts	25	
Responsible Employer	GRI 401 (2016) Employment	33	401-1 New hires and turnover	60	
	GRI 403 (2018) Occupational Health and Safety	42	403-1 Occupational health and safety management system	59	
			403-2 Hazard identification, risk assessment, and incident investigation	59	
			403-3 Occupational health services	59	
			403-4 Worker participation, consultation, and communication on occupational health and safety	59	
			403-5 Worker training on occupational health and safety	59	
			403-6 Promotion of worker health	59	
			403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	59	
			403-8 Workers covered by health and safety management system	59	
			403-9 Work-related injuries	60	
			403-10 Work-related ill health	60	
	GRI 404 (2016) Training and Education	34-37	404-1 Average training hours	61	Data by gender/category not available
	GRI 404 (2016) Training and Education	34-37	404-2 Programs for upgrading employee skills and transition assistance programs	34-37	
GRI 404 (2016) Training and Education	34-37	404-3 Percentage of employees receiving regular performance and career development reviews	61		
GRI 405 (2016) Diversity and Equal Opportunity	39-41	405-1 Diversity of governance bodies and employees	61		
Climate Resilience	GRI 305 (2016) Emissions	Our Approach to Environmental Stewardship and Climate Resilience	305-1 Direct (Scope 1) GHG emissions	58	
			305-2 Energy indirect (Scope 2) GHG emissions	58	
			305-3 Other indirect (Scope 3) GHG emissions	58	
			305-4 GHG emissions intensity	58	
Product Sustainability	Non-GRI Indicator	32	LCA value of PV Inverters	32	
Resource Efficiency	GRI 302 (2016) Energy	Our Approach to Environmental Stewardship and Climate Resilience	302-1 Energy consumption within the organization	58	
	GRI 303 (2018) Water and Effluents	Our Approach to Environmental Stewardship and Climate Resilience	302-3 Energy intensity	58	
			303-1 Interactions with water as a shared resource		Our Approach to Environmental Stewardship and Climate Resilience
			303-2 Management of water discharge-related impacts		Our Approach to Environmental Stewardship and Climate Resilience
			303-3 Water withdrawal	58	
			303-4 Water discharge	58	
303-5 Water consumption	58				



Appendix

GRI Content Index

GRI Material Disclosures

Material impact	GRI Standards	GRI 103 Management Approach (2016) GRI 103-1, 103-2, 103-3	Indicator	Page/Response	Omissions
Ethical Sourcing & Supplier Management	GRI 308 (2016) Supplier Environmental Assessment	44	308-1 New suppliers screened using environmental criteria	45	
Community Investment	GRI 413 (2016) Local Communities	43	413-1 Operations with local community engagement, impact assessments, and development programs		We currently do not have complete data regarding our community activities around the world. Key operations such as Israel, accounting for more than 50% of our workforce have programs in place. We plan to improve our tracking of activities in the coming years.
Ethical and Compliant Conduct	GRI 419 (2016) Socioeconomic Compliance	Our Approach to Compliance	419-1 Non-compliance with laws and regulations in the social and economic area		No instances of socioeconomic non-compliance.
Human Rights	GRI 412 (2016) Human Rights Assessment	Our Approach to Human Rights	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	61	
Customer success	Non-GRI Indicator	30	Customer survey feedback	30	
Waste Management	GRI 306 (2020) Waste	Our Approach to Environmental Stewardship and Climate Resilience	306-1 Waste generation and significant waste-related impacts	51	
			306-2 Management of significant waste-related impacts	51	
			306-3 Waste generated	59	
			306-4 Waste diverted from disposal	59	
			306-5 Waste directed to disposal	59	
Biodiversity and ecological impacts	GRI 304 (2016) Biodiversity		304-2 Significant impacts of activities, products, and services on biodiversity		Our operations do not have a significant/material impact on biodiversity.
Governance	GRI 205 (2016) Anti-corruption	Our Approach to Compliance	205-3 Confirmed incidents of corruption and actions taken	47	



Appendix

GRI Data Tables

GRI 102-8 Information on employees

Employees by contract	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Direct employees full time	508	2,004	2,512	782	2,458	3,240	1,040	2,925	3,965
Direct employees part time	33	32	65	9	2	11	14	21	35
Total direct employees	541	2,036	2,577	791	2,460	3,251	1,054	2,946	4,000
Contingent workers	19	92	111	74	100	174	98	171	269
Total workforce	560	2,128	2,688	865	2,560	3,425	1,152	3,117	4,269
Employees on permanent contracts	508	2,004	2,512	782	2,458	3,240	1,041	2,959	4,000

Employees by region and gender	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
EMEA	401	1,410	1,811	559	1,739	2,298	802	2,119	2,921
Americas	47	185	232	51	189	240	60	226	286
Asia	93	441	534	181	532	713	192	601	793
Total	541	2,036	2,577	791	2,460	3,251	1,054	2,946	4,000
Percentage of women	21%			24%			26%		

Women in workforce	2019			2020			2021		
	Women	Total	% Women	Women	Total	% Women	Women	Total	% Women
CEO and direct reports (VPs, global leaders)	6	47	13%	8	50	16%	7	59	12%
Managers	75	559	13%	92	510	18%	115	641	18%
Employees	460	1,971	23%	691	2,691	26%	932	3,300	28%
Total	541	2,577	21%	791	3,251	24%	1,054	4,000	26%

Note: Data represents headcount at year end

GRI 102-41 Collective bargaining agreements

251 employees based in Italy are covered by collective bargaining agreements, representing 7.7% of our employee base at our four main employment locations (Israel, Korea, Italy and the U.S.). These locations account for 82% of our global employees. Data is not currently available for employees in other locations.

- GRI 102-40 List of stakeholder groups
- GRI 102-42 Identifying and selecting stakeholders
- GRI 102-43 Stakeholder engagement
- GRI 102-44 Key topics and concerns raised

Primary stakeholders	Means of engagement	Key expectations
Employees	A range of internal communications channels throughout the year	Meaningful work, fair compensation, ability to learn and develop, fair and ethical treatment. A company that they can be proud to work for. Competent leadership. Safe and empowering work culture.
Customers	Meetings, customer service surveys, professional training events	Product quality, fast and reliable service, improved carbon footprint, reliability, responsiveness to needs, competitive pricing.
Suppliers	Periodical meetings and discussions	Fair dealing, opportunity to compete (especially diversity or minority suppliers), opportunity to engage in new developments.
Regulators	As needed to support current and emerging regulatory requirements	Compliance, transparency, collaboration to resolve regulatory issues in ways that benefit national and local interests. Compliance with climate change initiatives. Transparent disclosure.
Investors/ Stockholders	Annual meetings, dialogue with investors and research analysts	Return on investment, reliable financial and production forecasts, strong governance and responsible and ethical conduct. Transparent disclosure.
Communities	Community events, volunteering in communities	Safeguarding the environment and ecological impacts in communities. Supporting communities in improving lives. Local hiring. Local economic contribution.
Environmental organizations	Targeted engagement on specific topics, conferences, industry events	Environmental contribution, mitigation of negative impacts, remediation, engagement and dialogue on environmental matters.



Appendix

GRI Data Tables

GRI 302-1: Energy consumption within the organization

GRI 302-3: Energy intensity

Fuels and purchased electricity	Units	2019	2020	2021
Natural Gas	GJ	483	0	1,824
Diesel	GJ	1,521	1,777	5,496
Gasoline	GJ	14,963	13,110	18,048
Electricity purchased from Grid	GJ	114,746	141,821	168,049
Solar PV generated	GJ	2	92	800
Total energy consumption	GJ	131,715	156,799	194,217
Energy intensity	kWh / \$ million revenues	25,664	29,847	27,471

GRI 305-1: Direct (Scope 1) GHG emissions

GRI 305-2: Energy indirect (Scope 2) GHG emissions

GRI 305-4: GHG emissions intensity

GHG emissions	Units	2019	2020	2021
Direct (Scope 1) GHG emissions	MT CO ₂ e	1,197	1,056	1,710
Energy indirect (Scope 2) GHG emissions	MT CO ₂ e	17,403	21,705	26,603
Total Scope 1+2 emissions	MT CO ₂ e	18,600	22,762	28,313
Emissions intensity (Scope 1+2)	MT CO ₂ e/\$ million revenues	13.05	15.60	14.42

Note:

- Fuel and gases use DEFRA 2021 conversion factors.
- GHG emissions use IEA 2019 conversion factors except for Israel (IEC- Israel Electric Corporation, 2020) and U.S. (eGrid 2020 factor for subregion WECC California).
- GHG gas emissions include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Refrigerant gases are excluded—currently used in small amounts accounting for less than 1% of total Scope 1 emissions.
- Scope 2 emissions are reported using a market-based method. Solar PV generated power is reported with zero related emissions.
- Scope 2 emissions data for 2019 and 2020 has been restated to correct an error in emissions factor previously applied for South Korea.
- The 2021 increases in electricity consumption and in the related Scope 2 emissions are attributed mostly to the start of full-scale production in Sella 1 throughout the entire year.

GRI 305-3: Other indirect (Scope 3) GHG emissions

Scope 3 emissions	Units	2019	2020	2021
Contract manufacturer emissions (Category 1: Purchased Goods and Services)	MT CO ₂ e	17,742	21,683	18,209

Note:

- The Scope 3 emissions reported above only relate to the electricity used by our contract manufacturers for producing SolarEdge products. These emissions form a part (but not all) of our Category 1: Purchased Goods and Services. We aim to expand our Scope 3 inventory going forward.

GRI 303-3: Water withdrawal

GRI 303-4: Water discharge

GRI 303-5: Water consumption

Water withdrawal	Units	2019	2020	2021
Water withdrawal	m ³	14,435	21,572	39,467
Water withdrawal intensity	m ³ /\$ million revenues	10.13	14.68	20.10
Water discharge	m ³	11,542	13,972	13,225
Water consumption	m ³	2,893	7,600	26,242

Water withdrawal – contract manufacturers for SolarEdge production	Units	2019	2020	2021
Water withdrawal – contract manufacturers	m ³	108,190	186,856	222,624

Note:

- Almost all water in SolarEdge operated sites is withdrawn from municipal water supplies. Water from other sources is a negligible part of total water withdrawal (<0.5%).
- The grand majority of the water discharge disclosed in the table above, is directed to a wastewater treatment plant within the industrial complex where our Nonsan site (Korea) is located.
- Discharge of office sanitary or kitchen water is not currently measured and is therefore excluded from the water discharge figure above.
- Water consumption in the table above is calculated by subtracting the annual water discharge from the water withdrawal.
- Water consumption for 2019 and 2020 is restated as data for these years included both SolarEdge sites and some contract manufacturing sites. Data now shows only SolarEdge sites. For comparison, contract manufacturer water use (specifically for producing SolarEdge products) is also provided and includes all contract manufacturers.
- The 2021 increase in water withdrawal is attributed mostly to the start of full-scale production in Sella 1 throughout the entire year. However, the water withdrawal figures above exclude recycled water. Sella 1 also uses a significant amount of internally recycled water- 6,159 m³ in 2021. This means that 13% of the total water used at SolarEdge operate sites in 2021- was composed of internally recycled water.



Appendix

GRI Data Tables

GRI 306-3: Waste generated

GRI 306-4: Waste diverted from disposal

GRI 306-5: Waste directed to disposal

Waste generated		Units	2019	2020	2021
Hazardous waste		MT	294	393	570
Non-hazardous waste		MT	304	577	1,245
Total waste generated		MT	598	950	1,815
Percentage waste diverted from disposal		%	9	67	59

Waste diverted from disposal		Units	2019	2020	2021
Hazardous waste	Preparation for reuse	MT	1	3	0
	Recycling	MT	0	390	462
	Other recovery operations	MT	0	0	0
	Total	MT	1	393	462
Non-hazardous waste	Preparation for reuse	MT	0	0	0
	Recycling	MT	55	246	604
	Other recovery operations	MT	0	0	0
	Total	MT	55	246	604
Total waste diverted from disposal		MT	56	639	1,066

Waste directed to disposal		Units	2019	2020	2021
Hazardous waste	Incineration with energy recovery	MT	0	0	0
	Landfill	MT	293	0	108
	Other	MT	0	0	0
	Total	MT	293	0	108
Non-hazardous waste	Incineration with energy recovery	MT	0	0	218
	Incineration without energy recovery	MT	2	0	0
	Landfill	MT	248	311	423
	Other	MT	0	0	0
Total	MT	250	311	641	
Total waste directed to disposal		MT	543	311	749

Note:

- ▮ The increase in overall waste since 2019 is due to ramping up of new manufacturing facilities. Previously, most waste was office and laboratory waste.
- ▮ Hazardous waste increased in 2021 due to new facility startup (Sella 1) and change of production process and increased production at Kokam.
- ▮ Non-hazardous waste increased in 2021 due to new facility startups (Sella 1 and Modiin in Israel) and additional post COVID-19 activity in Italy.
- ▮ Non-hazardous waste figures for 2019 and 2020 are restated to include waste streams in our Israeli sites, which were not previously quantified.

GRI 403-1: Occupational health and safety management system

GRI 403-2: Hazard identification, risk assessment, and incident investigation

GRI 403-3: Occupational health services

GRI 403-4: Worker consultation on occupational health and safety

GRI 403-5: Worker training on occupational health and safety

SolarEdge takes a proactive approach to assuring the occupational health and safety of our employees, ensuring that we are compliant with laws and regulations while striving for safety excellence. All our manufacturing and R&D operations in Israel, Korea and the U.S are certified to ISO Occupational Health and Safety Quality Management Standard ISO 45001:2018. The only manufacturing site not certified yet, in Italy, is planned to undergo certification in 2023. We conduct regular risk assessments and incident investigation in line with ISO requirements. In all of our manufacturing and R&D sites, employees participate in safety activities and in defining safety programs, requirements and measures. Annual safety training is mandatory for all employees and specialized safety training is conducted for those in relevant or high-safety-risk roles. Only a minority of SolarEdge sites provide occupational health services onsite. However, in the event of a safety incident or need for medical consultation, Safety Officers in place at all sites are trained in appropriate responses to ensure needed medical attention is provided.

GRI 403-6: Promotion of worker health

We encourage employees to maintain good health and support their efforts with a range of recreational activities that help improve physical energy and reduce stress, as well as healthcare benefits. See section: [Health, Safety and Wellbeing](#).

GRI 403-7: Occupational health and safety impacts linked by business relationships

We introduced our Supplier Code of Conduct in early 2021 and are working to ensure our suppliers understand and agree to adhere to the Code. The Code of Conduct explicitly references "Protection of Workers" and the maintenance of occupational health and safety provisions.

GRI 403-8 Workers covered by an occupational health and safety management system

We aim to certify all the manufacturing and R&D sites under our operational control to relevant ISO standards for management systems in the fields of quality, environment and safety.

Almost all designated sites (92% by headcount) are certified to ISO 45001 (safety management). One remaining site (Italy) is scheduled to complete this certification by the end of 2022. While accounting for the entire global workforce (including non-designated sites), currently 71% of our employees are covered by a health and safety management system.



Appendix

GRI Data Tables

GRI 403-9: Work-related injuries

Occupational safety performance: employees	2019	2020	2021
Hours worked	4,065,311	4,551,822	5,596,975
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	1	0
Number of recordable injuries (TRI)	14	15	14
Number of lost days due to injury	64	342	332
Injury rate (TRIR)	0.69	0.66	0.50
Lost day rate (LTIR)	3.15	15.03	11.86
Fatality rate	0	0	0

Occupational safety performance: contractors	2019	2020	2021
Hours worked	161,380	212,648	295,240
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Number of recordable injuries (TRI)	14	0	1
Number of lost days due to injury	64	0	32
Injury rate (TRIR)	1.24	0	0.68
Lost day rate (LTIR)	109.06	0	21.68
Fatality rate	0	0	0

Occupational safety performance: workforce (employees + contractors)	2019	2020	2021
Hours worked	4,226,691	4,764,470	5,892,216
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	1	0
Number of recordable injuries (TRI)	28	15	15
Number of lost days due to injury	128	342	364
Injury rate (TRIR)	0.71	0.63	0.51
Lost day rate (LTIR)	7.19	14.36	12.36
Fatality rate	0	0	0

Note:

- TRIR and LTIR rates are calculated using the 200,000-multiplication factor, which represent the total number of hours 100 employees would work in a year (100 workers x 40 hours x 50 weeks).
- SolarEdge working hours are based on actual hours worked for all employees where available, representing approximately 75% of the total workforce. For the remaining employees, best estimates were used, based on average hours worked in the measured locations.
- Coverage includes all company employees based in all operational facilities and marketing and sales offices around the world. Contractor employee incidents are tracked and reported for the same global boundaries. In the calculations of contractor employees TRIR and LTIR rates, the work hours cover workers in Israel and Italy only. No significant employment of contract employees occurred in other company regions.
- The safety incidents and rates data for 2019-2020 have been restated to exclude off-site traffic incidents that are not work-related. Our updated data boundaries include all on-site incidents and job-related traffic incidents.
- See section: "Health, Safety, and wellbeing" for an explanation for the improvement in TRIFR rate in 2021.

GRI 403-10: Work-related ill health

Occupational Safety Risk Assessments have not resulted in identification of specific occupational ill-health topics. We continue to monitor this as part of our ongoing safety programs and audits.

GRI 401-1: New employee hires and turnover rates

New hires	New hires - 2019			New hires - 2020			New hires - 2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	51	128	179	115	292	407	148	264	412
age 30 - 50	104	301	405	179	421	600	193	541	734
> age 50	9	54	63	40	84	124	54	109	163
Age not noted	63	241	304	25	98	123	19	83	102
All new hires	227	724	951	359	895	1,254	414	997	1,411

New hires	New hire rates - 2019			New hire rates - 2020			New hire rates - 2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	2%	5%	7%	4%	9%	13%	4%	7%	10%
age 30 - 50	4%	12%	16%	6%	13%	18%	5%	14%	18%
> age 50	0%	2%	2%	1%	3%	4%	1%	3%	4%
Age not noted	2%	9%	12%	1%	3%	4%	0%	2%	3%
All new hires	9%	28%	37%	11%	28%	39%	10%	25%	35%

Leavers	Leavers - 2019			Leavers - 2020			Leavers - 2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	25	36	61	46	77	123	54	144	198
age 30 - 50	33	89	122	54	129	183	81	250	331
> age 50	8	27	35	10	49	59	11	40	51
Age not noted	14	52	66	31	126	157	12	43	55
All new hires	80	204	284	141	381	522	158	477	635

Turnover	Turnover rates - 2019			Turnover rates - 2020			Turnover rates - 2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	1%	1%	2%	1%	2%	4%	1%	4%	5%
age 30 - 50	1%	3%	5%	2%	4%	6%	2%	6%	8%
> age 50	0%	1%	1%	0%	2%	2%	0%	1%	1%
Age not noted	1%	2%	3%	1%	4%	5%	0%	1%	1%
All new hires	3%	8%	11%	4%	12%	16%	4%	12%	16%



Appendix

GRI Data Tables

GRI 404-1: Training

Training category	Hours of training in 2021
Job-specific professional skills	14,408
Soft skills	7,916
Safety	6,867
Management skills	2,847
Ethics/diversity	1,429
Total training hours	33,467
Average training hours per employee	8.37

Note:

Training applies to all SolarEdge employees globally. Training data distribution by gender and employee category are not available at this time.

GRI 404-3: Performance reviews

Performance Reviews	2021		
	Women	Men	Total
Managers	122	573	695
Employees	864	2,205	3,069
Total	986	2,778	3,764
% of total	93%	93%	94%

GRI 405-1: Diversity of governance bodies and employees

Employees by gender, age and level	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Payroll employees by age						
Age below 30	4%	9%	6%	15%	6%	12%
Age 30-50	10%	37%	14%	43%	15%	47%
Age above 50	2%	7%	3%	8%	4%	10%
No age reported	5%	26%	2%	10%	1%	4%
Payroll employees by level						
CEO and direct reports (VPs, global leaders)	0.2%	1.6%	0.2%	1.3%	0.2%	1.3%
Managers (excluding executives)	3%	19%	3%	13%	3%	13%
Non-managers	18%	59%	21%	62%	23%	59%

As of June 2022, SolarEdge's current Board of Directors includes two women (29%).

GRI 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

More than 175 key suppliers have signed their acknowledgment of our Supplier Code of Conduct terms or presented equivalent codes of their own. These terms include commitments to maintain human rights. Our Supplier Code of Conduct includes detailed requirements regarding the protection of human rights. More than 175 key suppliers have committed to these requirements, and 4 of these suppliers have undergone related on-site audits. To date, we have not found any evidence indicating that further screening of suppliers based on human rights risk is required.



Appendix

SASB Disclosure

Topic	Accounting Metric	Code	Response
Energy Management in Manufacturing	(1) Total energy consumed in GJ/%	RT-CP-130a.1	GRI 302
	(2) Percentage grid electricity in GJ/%	RT-CP-130a.1	GRI 302
	(3) Percentage renewable in GJ/%	RT-CP-130a.1	GRI 302
Water Management in Manufacturing	(1) Total water withdrawn in GJ/%	RT-CP-140a.1	GRI 303
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.1	Almost the entire water consumption of SolarEdge sites is for our sites in Israel and Korea, both of which are considered high/ extremely high water stressed countries. However, our activities are not water intensive. The total of ~40 Km ³ consumed by our sites in 2021 is equivalent to the estimated annual domestic consumptions of only 500 people ¹ . We therefore do not consider water consumption a material issue in relation to our activity, for now. See section: " Water Efficiency " for our efforts to reduce water consumption.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2	Water consumption is modest and currently does not present significant risk for SolarEdge.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled in MT/%	RR-ST-150a.1	GRI 306
	Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	None
Ecological Impacts of Project Development	Number and duration of project delays related to ecological impacts	RR-ST-160a.1	None
	Description of efforts in solar energy system project development to address community and ecological impacts	RR-ST-160a.2	Not material for SolarEdge – our Inverters and Optimizers do not generate material negative ecological impacts.
Management of Energy Infrastructure Integration & Related Regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	RR-ST-410a.1	SolarEdge 2021 Annual Report on Form 10-K: p. 20-21
	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	RR-ST-410a.2	SolarEdge 2021 Annual Report on Form 10-K: p. 31
Product End-of-life Management	Percentage of products sold that are recyclable or reusable	RR-ST-410b.1	This data is not currently available
	Weight of end-of-life material recovered, percentage recycled	RR-ST-410b.2	This data is not currently available
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	RR-ST-410b.3	We use a small amount of antimony compounds at an estimated <0.1% of our total production.
	Description of approach and strategies to design products for high value recycling	RR-ST-410b.4	Product sustainability
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RR-ST-440a.1	Not applicable to SolarEdge
	Description of the management of environmental risks associated with the polysilicon supply chain	RR-ST-440a.2	Not material for SolarEdge: only a very small portion of our global business involves the purchase and sale of solar panels. See section: " Human Rights in China " for more details.
Activity Metrics	Total capacity of photovoltaic (PV) solar modules produced in MW	RR-ST-000.A	Affordable clean energy
	Total capacity of completed solar energy systems in MW	RR-ST-000.B	Affordable clean energy
	Total project development assets in \$	RR-ST-000.C	Data not currently available

¹ Based on the average water consumption of a resident of Israel, source: Mei-Avivim water corporation.