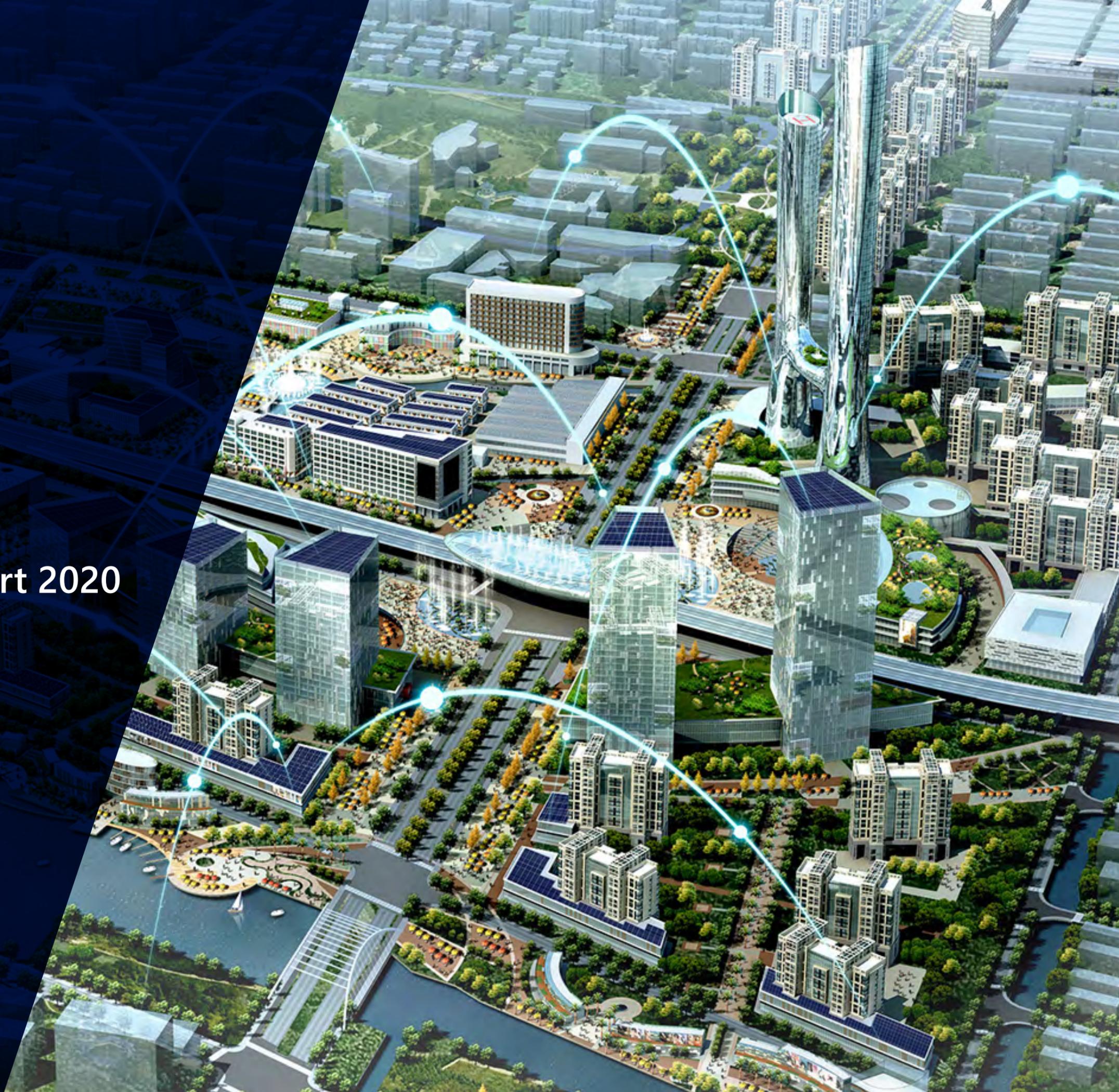


/ Powering the Future of Energy

Sustainability Report 2020



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Message from Our CEO



It is my pleasure to present the SolarEdge Sustainability Report for 2020.

Sustainability was undoubtedly one of the most prominent and significant topics of 2020. While the COVID-19 pandemic sent people home, driving up residential energy demand and electricity bills, severe weather patterns caused by global warming also left hundreds of thousands of people without power – highlighting the urgent need for continued improvement to the ways in which the world produces and consumes energy.

At SolarEdge, as a company that is dedicated to developing innovative ways to enable affordable clean energy, 2020 was a year of continued development. The pandemic led us to find new and innovative ways to work together, collaborate with our suppliers, and service our customers – all while ensuring the safety and health of those involved. We continued our aggressive pace of innovation, rolling out new and enhanced solutions that are helping to shape the future of sustainable energy production, energy storage and e-Mobility.

At the same time, we maintained focus on the issues that matter most from a corporate sustainability standpoint and continued to activate the processes needed to drive the sustainability strategy we published last year.

As the world accelerates its journey towards a low-carbon future, SolarEdge leads the way with new solutions to address this goal. Now more than ever, we believe that through a constant quest for innovation, operational excellence and growth, we can help reduce dependence on polluting and depleting fossil fuels and change the way the world generates clean and renewable power.

I invite you to learn about our progress in this report and I thank you for your interest. We at SolarEdge are committed to better living and a cleaner, greener future.

Thank you for joining us on our journey.

Zvi Lando
Chief Executive Officer



About SolarEdge

/ 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 visionary engineers who saw the possibility to advance sustainable living and climate stewardship by revolutionizing the solar industry. One of our earliest innovations was an intelligent Inverter solution that transformed the way power is harvested and managed in photovoltaic (PV) systems, maximizing the amount of energy generated by each solar module.



Our social purpose:

To power the future of energy so we can all enjoy better living and a cleaner, greener future.



Our social mission:

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



Our core values:

Customer Success. Innovation. Humbleness. Excellence.



Our employees:

> 3,000 employees for year ending 2020

904 employees in our research and development organization for year ending 2020





Our products and services:

SolarEdge addresses a broad range of energy market segments through PV, storage, EV charging, batteries, UPS, EV drivetrain and grid services solutions. The SolarEdge DC optimized Inverter solution seeks to maximize power generation while lowering the cost of energy produced by PV systems.

We are leading the energy transition from large, centralized power stations to an interconnected network of distributed energy networks based on smart solar energy systems.



Our financials⁴:

\$1.465 billion revenues in 2020

\$163 million
spending on research and development in 2020

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



Our reach at the end of 2020:

**#1 solar inverter
company, revenue wise⁵**

133 countries
with SolarEdge installations
on 5 continents

22.4 GW
(approximately) of our systems shipped
worldwide (since 2010)

65.3 million
Power Optimizers shipped

>1.9 million
SolarEdge systems monitored
around the world

2.7 million
DC inverters shipped

**363 awarded
patents** and 354 patent
applications filed worldwide

⁴ For additional information please see our quarterly financial report for the first quarter of 2021 Filed on Form 10-Q <https://investors.solaredge.com/financial-information/sec-filings>

⁵ IHS PV Inverter Market Tracker - First Quarter 2021

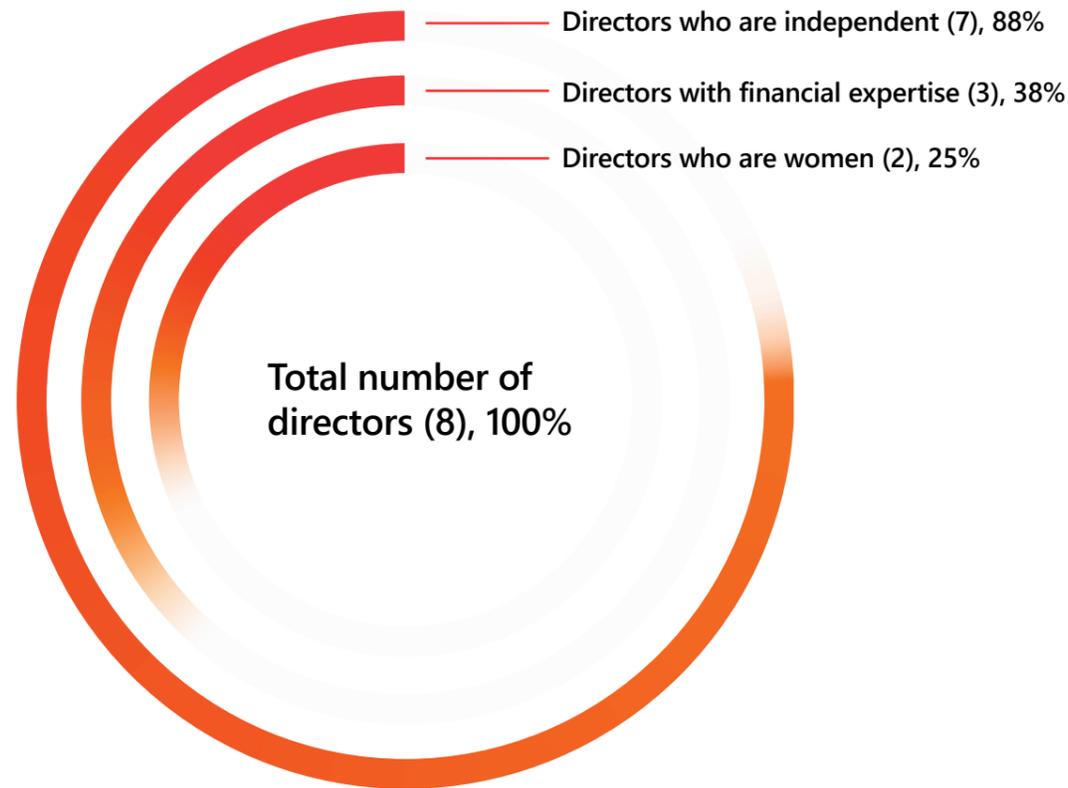
/ Corporate governance

As a publicly traded company (NASDAQ: SEDG), SolarEdge maintains a robust corporate governance structure whose role is 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 the SolarEdge stockholders. In 2020, the Board met eight times.

As of June 1, 2021, our Board of Directors consists of eight members, led by Nadav Zafir, who joined the Board in 2019 as an independent Chair and Director.



SolarEdge Board of Directors



Betsy Atkins joined our board of directors on June 1, 2021. Betsy is a seasoned businesswoman and entrepreneur with two decades of experience serving on boards of public companies.



Photo: Business Wire

Our Board has three standing committees whose members are independent directors:

- Audit Committee**, whose responsibilities include oversight of SolarEdge’s financial reporting, risk assessment and risk management, as well as the adequacy of our internal controls;
- Nominating/Corporate Governance Committee**, that develops and recommends to the Board criteria for identifying and evaluating Director candidates and identifies individuals qualified to become Directors, consistent with criteria approved by our Board of Directors. In 2020, we amended the charter of this Committee to include the responsibility of overseeing and making recommendations to the Board regarding sustainability matters;
- Compensation Committee**, which oversees overall executive compensation philosophy, policies, and programs and, as of 2020, also oversees strategies and policies related to human capital as well as diversity and inclusion.

Directors who serve on the Audit Committee and the Compensation Committee must meet additional independence criteria applicable to Directors serving on these committees under NASDAQ listing standards.

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

In addition, we have been further developing our transparency related to core Environmental, Social and Governance (ESG) topics and in early 2021, we published two new corporate position statements covering Anti-corruption and Tax Management. See these position statements on our website: www.solaredge.com/sustainability

Sustainability governance: Sustainability at SolarEdge is led operationally by the Chief Marketing Officer who leads strategy execution, policy development, performance monitoring and reporting, and is supported by functional specialists. This group networks within SolarEdge to connect with corporate functions to ensure their compliance, collaboration and provision of information for disclosure purposes. Upon the launch of our sustainability strategy in 2020, members of our executive leadership team have served as sponsors for the delivery of our 2025 targets. In 2021, we expanded the charter of the Nominating/Corporate Governance Committee to include the oversight of sustainability matters.

Risk management: 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. Typically, we conduct several internal audits per year and report the results and corrective action plans, if any, to management and to the Audit Committee of the Board of Directors. In 2020, our internal audit department reported on three different audits commissioned by the Audit Committee. The audits focused on purchasing in construction projects and rebates, among other topics, while an additional three investigations were held in response to various reports to our whistleblower hotline or issues raised directly by employees to their managers.

/ Safety and continuity through COVID-19

From the onset of the COVID-19 pandemic and throughout 2020, SolarEdge delivered on its commitments to customers and our manufacturing sites remained operational, while observing health and safety regulations on a country-by-country basis. We also continued our active research and development programs throughout this time.

Our approach to ensuring safety and continuity through the pandemic included:

Employees: Our first priority was to protect our employees and help them and their families stay safe.

/ We instituted flexible Work From Home arrangements for all employees and maintained weekly contact through our Human Resources department, supported by a new online portal for employees to stay updated. We added a range of resources and benefits to employees to help them manage the challenges of working through COVID-19.

/ We adapted our offices and facilities to enable safe working conditions during the pandemic, providing Personal Protective Equipment and implementing guidelines relating to disinfection, signage, distancing, and employee training.

For more details, see the section: [Our People](#)

Customers: We were able to maintain sales as well as deliveries of products to customers throughout the COVID-19 pandemic. We established an array of digital resources to enable remote support, including:

- /** An instructional webinar covering key support requirements;
- /** Digital tools to troubleshoot Inverter and Power Optimizer issues remotely;
- /** Online support wizards and chatbot for system owners;
- /** Monitoring platform instructions for commercial system owners;
- /** A database of tools and responses to key questions and issues; and
- /** Ongoing support from our technical service teams by phone or video conference.



Sustainability Highlights

Installations equivalent to approximately **3.1 million homes**¹
equipped with a SolarEdge PV system by the end of 2020 (cumulative)

25% of our directors are women
(as of June 2021)

24% of our employees are women
(up from 21% in 2019)

New published positions
on Anti-corruption and Tax Management

New statement on **Human Rights** in China

22.4 GW² of our systems shipped worldwide in 2020
delivering affordable clean energy

New published **Supplier Management**
approach and **Supplier Code of Conduct**
Commenced supplier engagement and sustainability audits

4.75 million metric tons
(estimated) of greenhouse gas emissions avoided annually
through PV Inverter systems supplied in 2020³

**26% increase in the number of
employees**
in 2020 (versus 2019)

85% of waste recycled
in 2020 (up from 13% in 2019)

Launched mySolarEdge 2.0,
a free monitoring application to help PV system owners track their
solar production and consumption in their homes

¹ Assuming average residential site size is 6KW

² As of December 31, 2020

³ Assuming all shipped Inverters were installed and produced during the full year 2020

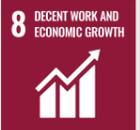
Sustainability Strategy

Our sustainability strategy, formulated and approved by SolarEdge’s Executive Leadership in 2020, was established following a process of stakeholder mapping and materiality assessment conducted in early 2020. (See our [Materiality Assessment 2020](#).) Eleven material impacts, incorporated in our strategy, align with our business objectives, stakeholder expectations and 10 of the 17 UN Sustainable Development Goals.

In this first year of our new strategic framework and targets, we have made significant progress as can be seen in the Sustainability Strategy Performance Summary. Progress towards the delivery of each target is sponsored and supported by a member of our executive leadership, and regular updates are shared with the executive team. In 2020, we focused on establishing baselines for different activities and instituting improved data collection processes for our global operations.

Powering the Future of Energy:

so we can all enjoy better living and a cleaner, greener future

 Powering Clean Energy	 Powering People	 Powering Business
<ul style="list-style-type: none"> Accelerate affordable clean energy Deliver smart energy solutions Product innovation Deliver sustainable products 	<ul style="list-style-type: none"> Be a responsible employer Protect human rights Invest in communities 	<ul style="list-style-type: none"> Ethical and compliant conduct Climate resilience Resource efficiency Ethical sourcing
	   	 



2020 Performance Summary

	Goals	2025 Targets	Status	Performance in 2020
Powering Clean Energy 	Accelerate affordable clean energy	Reach 2.5 million homes equipped with a SolarEdge PV system		1.76 million reached in 2020 (cumulative). On track to exceed 2025 target.
		At least 30,000 GWh renewable energy produced by our customers using SolarEdge systems between 2020-2025		16,150 GWh produced in 2020. On track to exceed 2025 target.
	Deliver smart energy solutions	Introduce new applications for home smart energy management and electric mobility		New launches (2020/2021) include Energy Hub, Three Phase Inverter with Synergy Technology, Smart EV Charger.
	Product innovation	Invest in innovations supporting the transition to renewable energy use, storage and smart energy management		New products launched in EU and AUS to reduce grid dependency and improve energy utilization.
	Deliver sustainable products	Improve the lifecycle value of PV Inverters		Initial Lifecycle Assessment on key products in progress, results expected in second-half 2021 to determine further actions.
Powering People 	Be a responsible employer	Continue to increase investment in training opportunities for team members to develop new skills and experiences at every level of the company		Several training and development programs completed. See section: Powering People .
		Promote gender parity and equal pay		Increase in the total number of women from 21% to 24% in 2020, with increases at all organizational levels. Equal pay assessment in progress. See section: Powering People .
		Achieve TRIFR (total recordable injury frequency rate) equal to or below 0.7 in all SolarEdge facilities		Overall TRIFR was 0.97 for employees and contractors in 2020. Processes to improve data collection and address safety risks are being accelerated.
	Protect human rights	<ul style="list-style-type: none"> Implement human rights pre-screening and training for at least 50 suppliers Develop a corporate policy on human rights in line with the Universal Declaration of Human Rights and ILO Conventions 		New Supplier Management and Supplier Code of Conduct published, with initial 130 suppliers engaged. Supplier audit program has commenced. Published new statement on Human Rights in China. See section: Human Rights in our Supply Chain .
Invest in communities	Establish a global signature community program with measurable community impact		Planning has commenced and community partners will be identified in 2021.	
Powering Business 	Ethical and compliant conduct	Enhance compliance and global training for Code of Conduct, Privacy, Intellectual Property, and Information Security		Code of Conduct, Privacy and Intellectual Property training was held for all new employees. From 2021, training is planned for all employees.
	Climate resilience	Work towards 30% reduction in greenhouse gas (GHG) emissions per \$million revenue (baseline 2020)		Scope 1+2 GHG emissions baseline 9.54 tons CO ₂ e/\$million revenue in our baseline year 2020. Opportunities to improve under review.
	Resource efficiency	Achieve near-zero e-waste to landfill		All e-waste generated directly at our facilities is handled by a certified WEEE (Waste Electrical and Electronic Equipment) handler and recycler.



Powering Clean Energy

Clean energy is the key to a sustainable and prosperous future. As the world's population is expected to grow to almost 10 billion by 2050⁶, and industrialization, globalization and access to technology continue to advance, the world energy consumption will also increase, forecasted to add around 23% per capita by 2050⁷. Reliable sources of affordable clean energy will enable people everywhere to do more, connect more, and live better. Access to energy will drive better health, education, mobility and many other dimensions of living that will help us all thrive. Unfortunately, we are still heavily dependent on unsustainable energy sourced from fossil fuels. The good news is that renewables are on the rise.

By 2050, almost one third of the global electricity demand is projected to be supplied by renewable energy sources.⁸ By 2030, 17% of this renewable energy is expected to be sourced from the sun.⁹

Many even believe that the growth in renewable energy demand will exceed these forecasts with enhanced focus on decarbonization of energy production. As many governments around the world have committed to zero emissions, supported by leading corporations, the global Race to Zero now covers over 63% of global greenhouse gas emissions and 12% of the global economy.¹⁰ Winning the Race to Zero will depend upon increased renewable energy production.

“ There has never been a better, or more critical time, to invest in harvesting the sun's natural power for a prosperous future for all. At SolarEdge, what started as our vision and continues as our mission is delivering the most productive, efficient and safest ways to extract the most out of the sun for the benefit of our growing global population. Continuous innovation is enabling us to offer more solutions and diverse applications to support smart energy ecosystems, e-Mobility, smart cities and a host of transformative solutions for low-carbon living.”



Meir Adest, Vice President, Products & Innovation, Co-Founder

⁶ World Population Prospects 2019, UN: <https://population.un.org/wpp> Accessed June 2021

⁷ https://www.researchgate.net/figure/World-population-vs-energy-demand_fig1_317635346 Accessed June 2021

⁸ McKinsey Energy Insights' Global Perspective, January 2019

⁹ <https://avenston.com/en/articles/energy-forecast-by-2050/> Accessed June 2021

¹⁰ Transforming our Systems Together, UNFCCC, <https://racetozero.unfccc.int/wp-content/uploads/2021/02/Race-to-Zero-Breakthroughs-Transforming-Our-Systems-Together.pdf>



/ Affordable Clean Energy

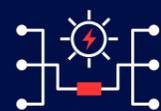
SolarEdge is helping to make affordable clean energy a reality, in direct support of the UN's Sustainable Development Goal No. 7. We advocate for fundamental transformation of the energy market to become decarbonized, decentralized and digitized.



Decarbonization: Cost-effective, innovative PV solutions making solar energy widely accessible.



Decentralization: Enabling consumers to customize their energy sourcing and use through hardware and software solutions.



Digitization: Expanding energy solutions to support smart energy management.

The demand for clean energy is growing every year, and it is now more accessible than ever before. SolarEdge contributes to enhancing accessibility through our comprehensive solutions for powering homes and smart energy capture, storage and management. In 2020 alone, we delivered the equivalent of 38% more clean energy than in 2019 through shipments of our optimized Inverter systems.

To date¹¹, we estimate¹² the 2020 cumulative sustainability impact of SolarEdge systems, based on 22.4 GW of optimized Inverter systems shipped worldwide, translates into the prevention of 17.4 million metric tons of greenhouse gas emissions equivalent to powering 3.1 million homes with electricity for a full year, every year.

In 2020¹¹, we delivered PV Inverter systems enabling the supply of annual electricity consumption for more than 863,000 homes, delivering an estimated avoidance of 4.75 million metric tons of greenhouse gas emissions annually.

SolarEdge 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 issues such as shading or soiling of solar panels. The SolarEdge topology also enables more efficient use of available roof space. This allows more solar panels to be installed to increase energy output. The following pages provide are examples of our recent installations that made affordable clean energy a reality for more homeowners.

¹¹ Assuming all shipped Inverters were installed and producing during the full year 2020.

¹² For our calculations of GHG emissions savings, we use the NREL model, <https://www.nrel.gov/docs/fy16osti/65628.pdf>. For carbon equivalencies, we use the EPA model. www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

A new solar community in the U.S.

Powering entire communities with affordable clean energy is exactly what we were made to do at SolarEdge. A recent example is our 12-acre, 6.2MW Hartford Pike solar project in the Foster municipality of Rhode Island in the U.S. Hartford Pike has a capacity of almost 8 million kWh of annual solar production, of which more than 4.3 million kWh is designated as community solar power for over 700 local residents and businesses. The project is administered on behalf of Sunlight General Capital by clean energy provider Arcadia.

The solar array includes 15,800 solar modules which are equipped with our Power Optimizers to maximize energy production and minimize operating and maintenance costs over the system lifetime. Our proprietary Power Optimizer technology overcomes the traditional challenges of community solar projects, where the ground may be uneven and nearby trees may create shade, because they can be placed at any pitch or orientation. With Power Optimizers that are integrated in each solar module, overall energy production is maximized as underperformance of one module does not impact the others. Additionally, with individual module tracking, underperformance of any solar module can be quickly identified and rectified to keep energy losses to a minimum.

” Rhode Island has set ambitious goals for renewable energy, including solar. However, many Rhode Islanders cannot install solar on their property, either for economic reasons or because their home or business premises are not suitable. Community solar enables these people to benefit from cheaper renewable electricity at no upfront cost and no long-term commitment, and with the help of SolarEdge, we can maximize solar production and savings to the community.”

James Pochez, Director of Project Development at SunLight General Capital

” We are happy to partner with Sunlight General on the Hartford Pike’s community project. Advances in solar technology are crucial in unlocking the potential of community solar by making it more commercially viable for all stakeholders. Everyone should be able to benefit from the economic and environmental benefits of solar, and we are committed to making this happen in partnership with Sunlight General and other developers.”

Peter Mathews, General Manager, SolarEdge North America



Harvesting the sun for homeowners around the world

Italy

A homeowner in Padova Province became the owner of a residential photovoltaic plant with 6kW SolarEdge Smart Modules. PV Smart Modules, are solar modules integrated with our Power Optimizers, enabling faster residential installations, simplified logistics, and easier servicing.



Switzerland

Tucked away in the picturesque Swiss canton of Waadt, this modern design home now boasts a fully integrated 28kW SolarEdge rooftop system. Despite the complicated roof structure, SolarEdge's Power Optimizers ensure that each solar roof tile works to maximize the productivity of the system, supported by real-time monitoring.



South Africa

A homeowner found a sustainable way to avoid the disruption of periodic grid blackouts in Western Cape Province in South Africa. Avoiding dependency on the grid was made possible by integrating SolarEdge's Inverter and Power Optimizers in this 11kW rooftop system, installed by Dorman Projects.



“With our SolarEdge clean energy system, the disruptive rolling blackouts that have become so prevalent in South Africa are no longer a problem.”

Rinus van der Sluys, Homeowner, Paarl, South Africa

India

Residents of India's Petunia Brigade apartment complex in Bangalore have cut electricity costs by 90% for all communal areas of the building, following the installation of a SolarEdge intelligent DC optimized 96kW installation over multiple roofs with a total area of 9,600 sq.ft.



Scoring green energy points for sports

SolarEdge's PV system, installed to power D.C. United's Audi Field, is expected to reduce the stadium's grid dependency by approximately 30% per year while helping to save \$30,000 on annual utility bills and provide players, visitors and local communities with a greener and cleaner sports experience. D.C. United's Audi Field is one of a growing number of stadiums around the world that are turning to solar to power floodlights, sound systems video screens and other facilities. Working with D.C. United's local installer, New Columbia Solar, SolarEdge supported the design and installation of a 628kW canopy with our rooftop PV system, expected to generate over 787,000kWh of renewable energy per year.

“When we opened Audi Field, we made a commitment to reduce our environmental impact and mitigate climate change. New Columbia Solar's best-in-class installation using SolarEdge products strengthens our position as one of the most environmentally friendly entertainment destinations in Washington, D.C. We are excited to get smarter about our energy and lead the way for other soccer clubs around the globe.”

Zachary Abaie, Head of Communications, D.C. United



Transforming a community in Alaska

Kotzebue Electric Association (KEA), a non-profit rural electric cooperative, provides electricity for its local community of around 3,000 residents. Living 30 miles above the Arctic Circle, heating is a matter of survival, and it runs at a high cost when powered by more than 1.2 million gallons of diesel per year. Now, instead, the community contributes to a cleaner, greener Alaska and benefits from the largest PV system in rural Alaska, a 576kW bifacial array that can capture light directly from the sun above and reflected from the ground below.

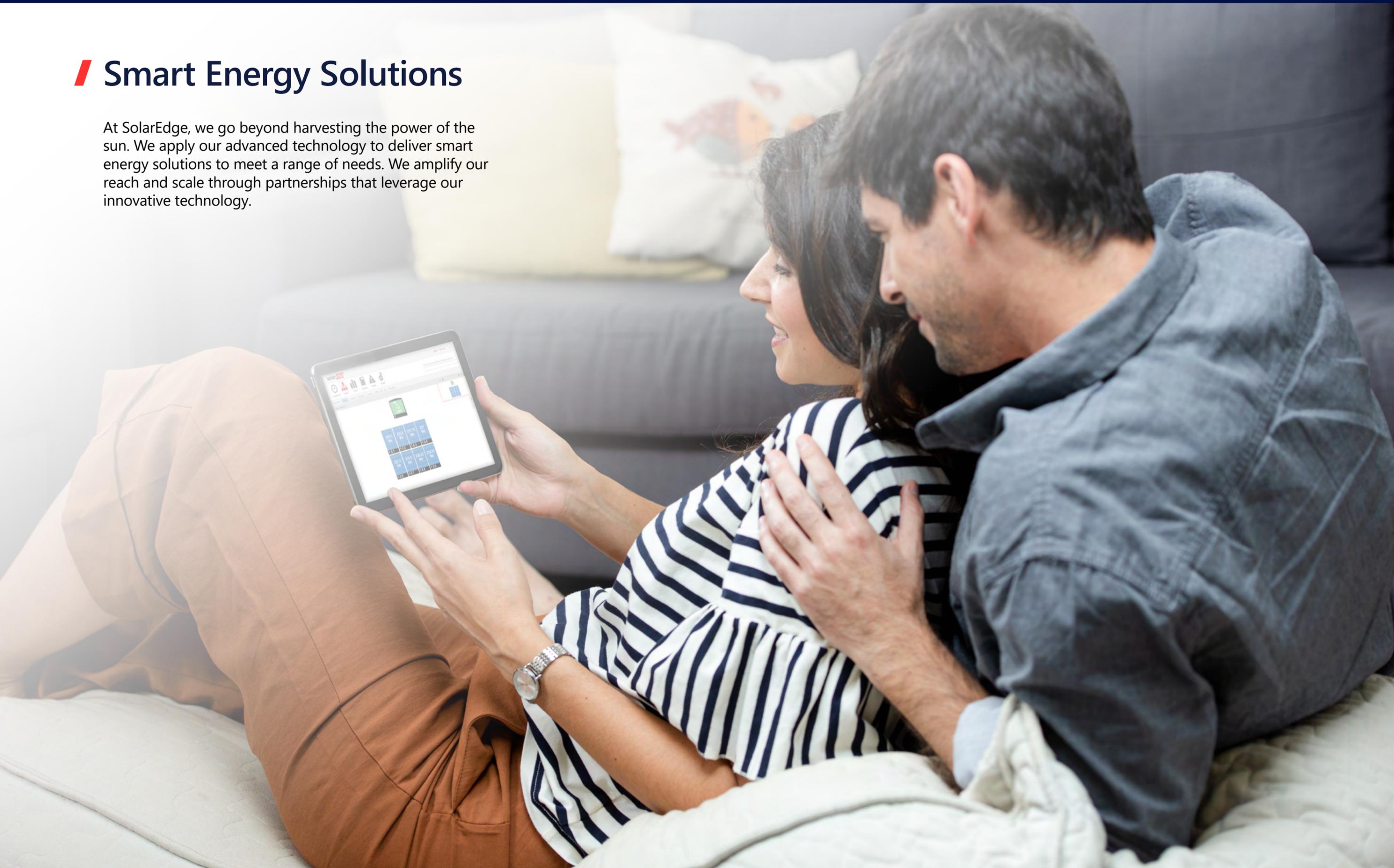
“Helping rural Alaska lower its energy costs has been a longtime vision for me. By leading the way in clean living and solar jobs for Kotzebue residents, I am hopeful that other communities across the state will soon follow — we look forward to helping them become more energy independent in the years to come.”

Edwin Bifelt, CEO, Alaska Native Renewable Industries



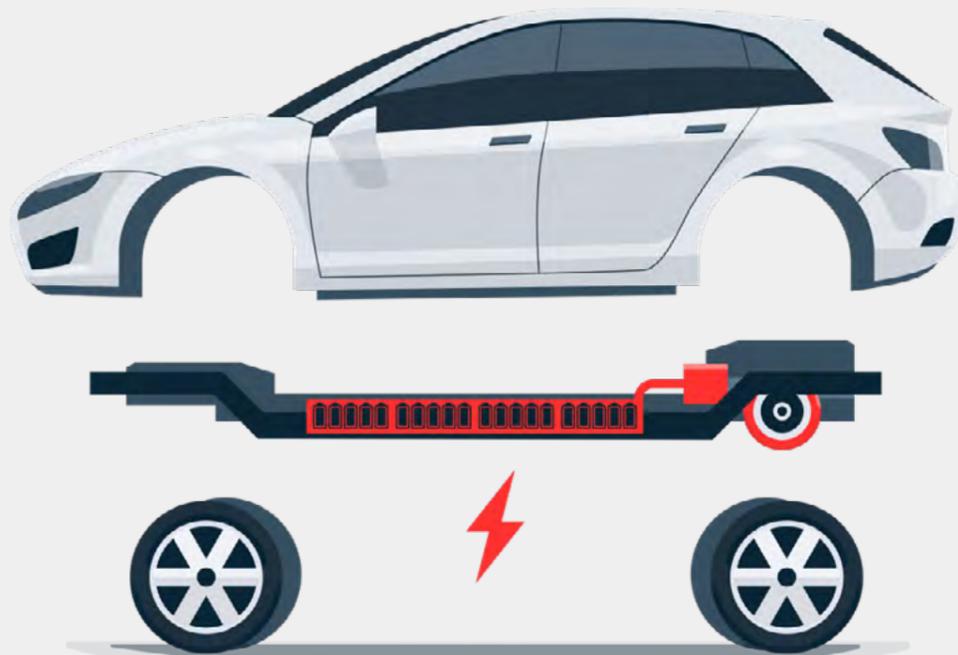
Smart Energy Solutions

At SolarEdge, we go beyond harvesting the power of the sun. We apply our advanced technology to deliver smart energy solutions to meet a range of needs. We amplify our reach and scale through partnerships that leverage our innovative technology.



Driving clean energy for commercial transportation

In early 2021, SolarEdge announced that after years of engagement in product development, it was selected to supply full electrical powertrain units and batteries for the production of the Fiat E-Ducato light commercial vehicle (LCV). Our e-Mobility division develops end-to-end solutions for electric and hybrid vehicles, including innovative high-performing powertrains and software and is a critical part of our vision to offer solutions that enable the clean energy transformation and e-Mobility revolution. Our best-in-class LCV e-Mobility solution enables Stellantis (formerly FCA), one of the world's leading automakers and mobility providers, to make a stronger contribution towards cleaner and greener city centers and commercial transportation. This is especially critical for reducing direct air emissions in densely populated urban areas.



“PV to EV”: energizing electric vehicles from rooftop energy

The frustrations of slow electric vehicle (EV) charging are well-known to the growing community of electric car owners around the world. SolarEdge solar EV charging technology can make the transition to e-Mobility cheaper, cleaner, greener and smarter. Our research shows that 80% of EV users charge at home, so ensuring an efficient home solution is critical. For example, in 2020, a homeowner in Laguna Beach, CA., sought a comprehensive smart energy solution for the entire household including their two EVs, to reduce grid dependency, improve EV charging times and lower household energy costs. Our installer in Southern California, SolarRite, installed two SolarEdge Inverters with integrated home EV charging solutions that use a single app for smart scheduling to charge EVs during off peak hours as well as sourcing grid-power only during low-demand/low-peak hours.

“ I appreciate the innovation that SolarEdge is bringing to the EV charging market. As the first company to offer PV for EV, SolarEdge enables us to provide market-leading, smart energy residential solutions, helping us to position ourselves at the forefront of technology in our markets.”

Ashraf Naji, SolarRite owner, SolarEdge Installer



Turning rooftop energy into virtual power plants

In accordance with local regulations, SolarEdge customers in the New England region in the U.S., in accordance with local regulations, can enjoy the benefits of solar power while supporting local grid energy demand and earning a financial return, potentially worth thousands of dollars per year. The local ConnectedSolutions program incentivizes customers to share energy to the grid when the New England electric grid needs it. It works by sending signals to Inverters that control energy storage batteries to reduce peak energy use and lower electricity costs. Customers using our home energy systems are paid for the average kW they generate from their storage system when supplied to the local grid. Interest in the program has grown in this region since 2019, with our support expanding to include a third utility provider in New England in 2021. For more details, see: www.solaredge.com/us/connected-solutions-ma

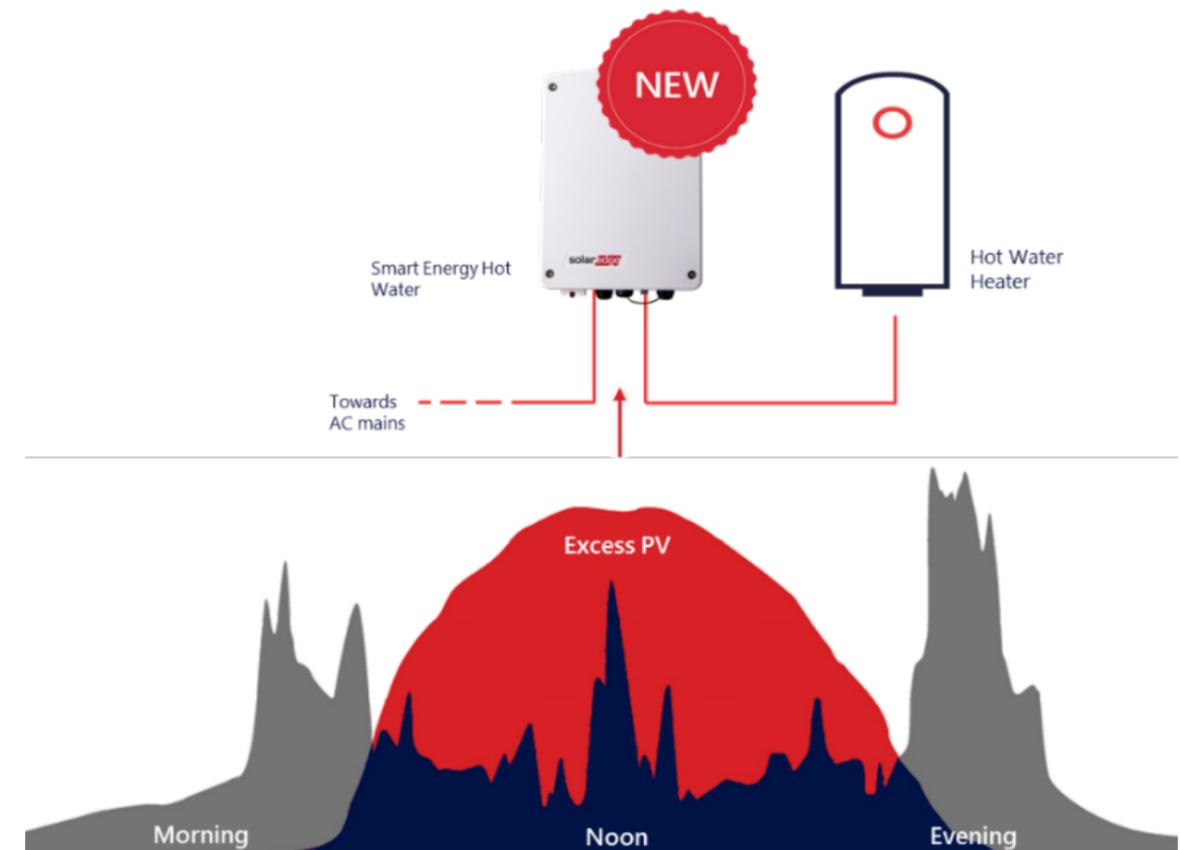
Through this program, we support improved availability of affordable clean energy as part of the total energy mix in New England. Without the ConnectedSolutions opportunity, millions of solar-generated kWh would not be utilized as homeowners are not able to use all the power their home systems generate. By offering this energy to the grid, higher quantities of green energy are accessible and affordable for entire communities.



Solar showers

Our research on household power consumption in different regions reveals the main sources: cooling and heating, water heating, and lighting, which all comprise up to 70% or more of the total household power consumption on average. Power used to heat water for showers and bathing can comprise between 14% and 25% of total household power consumption. Therefore, as part of our integrated home smart energy management solutions, we offer an innovative hot water solution which automatically diverts excess PV energy to the immersion heater to store for hot water.

In 2020, we expanded our European market presence of our solar energy hot water solution to more countries in Europe and in Australia. Our calculations estimate an average annual savings per household of approximately \$500 or more, in addition to the environmental benefits of clean energy in mitigating climate change.



/ Innovation

We are constantly seeking ways to make clean energy more accessible, more adaptable to changing needs and more sensitive to real-time consumption patterns in order to advance our vision of changing the way we power our world and our lives. In our core Inverter and Power Optimizer systems, our next generation smart home energy offerings, our commercial and e-Mobility offerings, we seek to help users:

- 1** Maximize energy independence with self-produced solar energy;
- 2** Lower electricity bills while minimizing reliance on non-PV energy through smart storage and utilization;
- 3** Achieve simplicity and convenience through a single Inverter that manages and monitors energy production and consumption;
- 4** Gain control of home energy devices and production through the use of a single app, providing a full range of information, data and commands.

We continue to invest in technology and manufacturing capabilities to deliver improved solutions, including new offerings in the past year.

Next-gen all-in-one home energy management

In 2020, we introduced our Energy Hub Inverter, our most advanced, versatile residential solution to date. The Energy Hub Inverter combines our most innovative technologies to deliver record-breaking efficiency, flexible whole home backup and superior performance. It integrates the capabilities of our existing residential Inverters in one future-ready solution for all homeowner energy needs, supporting up to 200% DC oversizing (to maximize power output) with the capability, when paired with a battery, to power a home during grid outages. With extremely high efficiency of 99%, and built-in metering providing insight into actual energy consumption and production, smart energy upgrades can be easily made to meet consumers' evolving energy needs.

The Energy Hub Inverter deploys SolarEdge's Prism technology, our proprietary software that allows for an ever-growing range of products to be easily connected and integrated as part of an all-in-one solution.

Our Energy Hub Inverter is the only Inverter to integrate many features into a single platform:

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ✓ PV energy | <ul style="list-style-type: none"> ✓ Power storage | <ul style="list-style-type: none"> ✓ EV charging |
| <ul style="list-style-type: none"> ✓ Smart energy devices | <ul style="list-style-type: none"> ✓ Energy metering | <ul style="list-style-type: none"> ✓ Generator compatible |
| <ul style="list-style-type: none"> ✓ Option to select to back up the whole home or just the most critical loads during grid power outages. | | |



Recognition for the Energy Hub Inverter with Prism Technology:

- ✓ Selected by PV Magazine as the 2020 winning new inverter product. The PV Magazine Awards recognize the biggest and most exciting innovations in the solar and storage industries.
- ✓ Selected as 2021 Innovation Award Winner by Green Builder Media Sustainability Awards™, recognizing the greatest contributions that bring us closer to harnessing the true potential of solar energy.



Reaching new heights in efficiency and reliability, the SolarEdge Energy Hub Inverter enables homeowners to gain more power from the sun with fewer resources.

“As a next-generation backup solution, the Energy Hub Inverter is part of SolarEdge’s vision to change the way we power our world and our lives. By creating a centralized platform that coordinates energy production, storage, and consumption at a local level, we are transforming what is now a fragmented energy environment into a smart energy ecosystem that decreases waste, improves efficiency, reduces bills, all while being more convenient. This is a critical step in turning houses into smart energy homes and our grid into a smart grid.”

Yogev Barak, Chief Marketing Officer



Next-gen modular commercial energy management

Over the past year, we also introduced the next generation of our commercial solution based on the three phase Inverter with Synergy Technology that scales up to 120kW.

This Inverter maximizes energy production with up to 150% DC oversizing and includes advanced technology that autocorrects to avoid module performance degradation. The modular design is composed of independently working Synergy Units and controlled by a single interface for easy energy management across large sites. Also, this new Inverter embeds an innovative pre-commissioning feature that enables full, automatic validation of system components from a smartphone, before grid connection. Due to the lightweight design, this three phase Inverter is easy and efficient to install.



Making PV safe for all

One of the reasons that SolarEdge systems are the preferred solution for many installers and customers is due to our uncompromising focus on safety in the installation and use phases. At SolarEdge, we strive to minimize fire and electrification risks for all residential and commercial PV installations and aim to pioneer PV safety solutions that go beyond existing known safety requirements in our industry. The smart technologies deployed in our systems not only improve solar performance and output, they also offer significant safety advantages, such as:

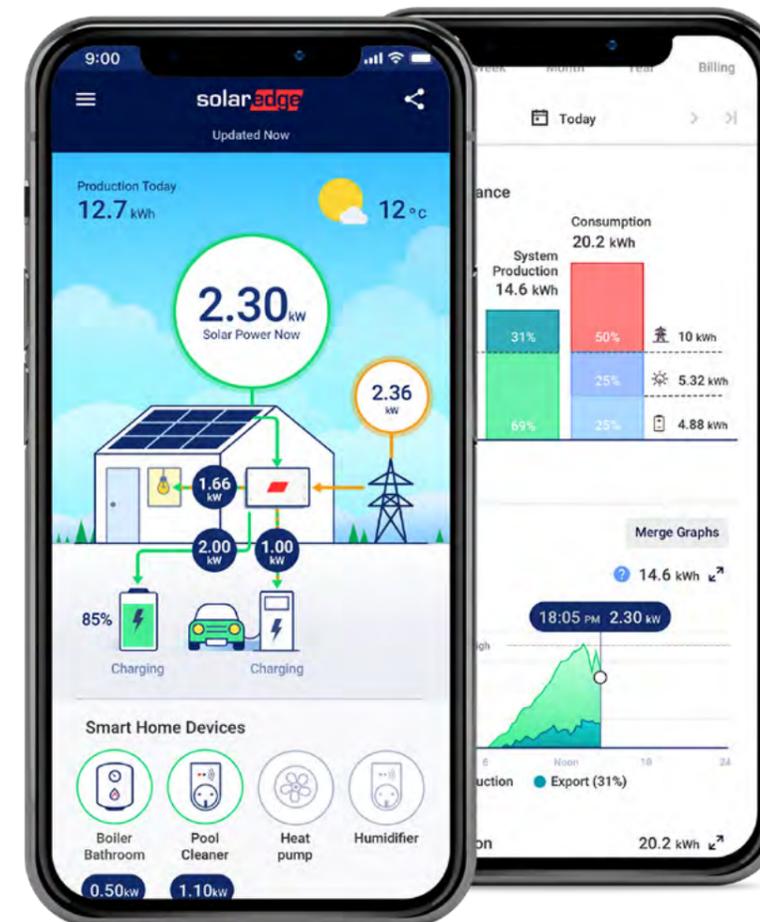
- // Reducing DC voltage to a safe level when the system shuts down
- // Early detection and prevention of system faults
- // Active and continuous Inverter protection
- // Module-level monitoring
- // Rapid discharge of conductors to safe voltage levels when required

SolarEdge’s Three Phase Inverter with Synergy Technology that scales up to an unprecedented 120kW includes thermal sensors built-in to each DC/AC terminal block and AC and DC wiring validation to reduce installation errors. The system provides two safety protection levels: if abnormal temperature is detected the system will send automatic alerts, and in severe cases, it will shut down the Inverter.

We also collaborate across our industry to share knowledge and contribute to enhanced safety protection in PV systems for all. For example, SolarEdge is an active member of the Working Group addressing British Standard IEC 63027 (DC arc detection and interruption in photovoltaic power systems) to improve and finalize specifications for this standard, currently in draft form.

Making the most of PV

Once homeowners have installed a PV system with SolarEdge components, we want to be sure they get the maximum benefit, while also minimizing their impact on the planet. To help them achieve this, in 2020, we completed the rollout of **mySolarEdge**, a free monitoring mobile application for residential and commercial PV system owners. **mySolarEdge** enables system owners to track their solar energy production, consumption and storage in real-time, and remotely manage smart home appliances and SolarEdge’s EV Charger. This app also provides users with critical system information and enables them to independently resolve routine system issues. From the installer’s perspective, use of the **mySolarEdge** app reduces site visits and allows installers to offer fast, efficient remote support.



Investing in customer service

The primary interface with homeowners and users of our SolarEdge systems is often our wide network of independent installers in the field. 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 harvest the sun’s power as soon as possible.

In 2020, as COVID-19 related lockdowns made in-person training events impossible in many countries, we adopted a hybrid approach combining hands-on and digital learning techniques. As a result, we increased our overall training reach, with approximately 900 training events (both in-person and digital) attracting approximately 58,000 participants from 90 countries.

In 2020 we introduced the EDGE Academy, an intuitive web-based learning portal for SolarEdge installers, offering the possibility of completing a certification program in one of 11 languages to become a certified SolarEdge installer. Each program is valid for two years. Over 1,700 installers worldwide have successfully completed the certification program.

SolarEdge certification programs are offered at three levels to support the knowledge progression of SolarEdge installers:



In addition, more than 11,870 sessions were undertaken by SolarEdge installers to increase their technical know-how and enhance their installation techniques by using new mobile learning tools that we developed for them in the past year. In 2021/2022, we expect to publish more advanced learning tools that use Augmented Reality to guide installers on site and further improve installation accuracy and efficiency.

Customer service and satisfaction continues to be a key component of our business and we consider it integral to our success in the future. We maintain high levels of customer engagement supported by 435 employees (as of the end of 2020) in our call centers in several 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 2020, we received almost 1 million enquiries from customers through our customer service channels. Satisfaction with our response was 93.6% overall.



Product Sustainability

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. 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. Further, we use recyclable materials in our sourced components in compliance with regulatory directives. We help secure 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.

SolarEdge complies with the following international quality and environmental standards:



Designing for sustainability

Sustainability principles guide the design of our products, leading us to continuously reduce the quantity of materials needed and increase their sustainability profile, while meeting customer quality and performance functionalities. We incorporate into our design processes not only all applicable regulatory requirements, but also targets to reduce the amount of materials used and to increase the use of recyclable materials.

Overall, we have significantly increased the freight efficiency of our Optimizers and Inverters between 2014 and 2019 by reducing the materials used and the overall size of the units.

SolarEdge Inverters are 220% and Power Optimizers are 100% more freight efficient, as measured by the number of units packed on a pallet for shipment.

SolarEdge Power Optimizers deliver 150% more watts per liter after an innovative step change beyond our first-generation Power Optimizers.

SolarEdge Single Phase Inverters deliver 97% more watts per liter after our transition to HD-Wave technology.

Lifecycle assessment

Given that our products are carbon-positive in their use phase, with a long lifetime that optimizes low-carbon solar energy harvesting, we believe the primary opportunities to reduce our carbon footprint can be found in the sourcing, production, logistics and end-of-life phases. In 2020, we embarked upon a full Lifecycle Assessment (LCA) of our leading products so that we can identify the specific actions we can take to reduce our footprint. We expect the results of this initial assessment to be available in the coming months, and this will inform product development now and into the future as well as action plans to meet our GHG reduction targets in the next five years. We are working with a renowned carbon footprint analyst, verifier and certifier to lead the analysis of our LCA work and certify our product GHG emissions.

Powering People

We seek to inspire people with our social purpose to power the future of energy. Being part of the SolarEdge team means helping address some of the world's most critical challenges, especially the availability and affordability of clean energy. We are committed to maintaining a work culture based on our core values of customer success, innovation, humbleness and excellence, and a workplace in which everyone can belong and can make a difference.

As a rapidly expanding business, more than tripling our workforce in the past four years to meet the growing demand for solar energy solutions, we balance structure and process with flexibility and agility. We are building our culture so that our core values will be top of mind and translated into everyday actions by all our employees. We are focusing on scalability, ensuring the organizational processes, targets and measures are in place to equip the organization to grow sustainably. We aspire to high levels of employee engagement with a high sense of belonging and contribution.



Our People

Employees by year



Employees by region, 2020



In 2020, and continuing into 2021, SolarEdge remains on a steep growth trajectory. As we grow, our critical mission is to support this growth by welcoming more talented and diverse people to the SolarEdge team around the world, while continuing to develop and embed processes for effective onboarding, training, development and engagement across the business. With the COVID-19 pandemic changing the work landscape in 2020, we also invested significant efforts in supporting our teams and caring for their health and well-being, whether in a home, office, factory or field working environment.

Supporting employees through the COVID-19 pandemic

With employee safety and wellbeing key priorities for SolarEdge during the COVID-19 pandemic, we created a Directors Forum that conducted weekly meetings with manager representatives from all departments to discuss and review issues and employee needs. To support employees, we provided several benefits to ease the strain of lockdowns and for them and their families. These included:

- Work From Home kits and training for managers and employees.
- COVID-19 portal for employees with messages from our CEO and practical information and activities to make time at home easier.
- Thoughtful gifts for employees who needed to work at the office.
- Subsidized anonymous and confidential psychological counseling services for employees as needed.
- Frequent personal communications including personal calls to employees under stress or in isolation.
- Summer experience voucher provided to employees providing a fun experience for them and their families, instead of company in-person events that were not possible due to COVID-19.
- Virtual Camp week of live activities online for SolarEdge families during the holidays.
- Online enrichment classes held over several weeks to support employees and families through continued lockdowns.

“In the past year, the COVID-19 pandemic challenged our organization in many ways. We spared no effort to support our teams around the world during the pandemic, focusing on health and safety, frequent communications and the transition to remote working for many. At the same time, however, despite the challenges of COVID-19, we continued to support our business growth with critical recruitment, adding more than 25% new employees to our global team.”



Shuli Ishai, Vice President, Global Human Resources



Investing in employees

With the COVID-19 pandemic requiring that many of our interactions with employees be conducted remotely in 2020, we converted our recruitment, training and engagement programs to virtual platforms.

Recruitment: To support our rapid business expansion, we recruited more than 800 new team members across several countries, with our biggest growth areas in Israel, South Korea, Italy, Bulgaria and Vietnam. We provided new training in interviewing skills for managers to assist effective, inclusive recruitment and improvement of the candidate experience. We revised our onboarding processes in certain divisions to ensure new team members feel welcome and become productive in their roles without delay, and we created a new Employee Handbook with current and updated information for all employees.

Management development: We continued to support the professional growth of our managers and we conducted several leadership sessions around the world, and commenced a coaching program for new managers. Leadership sessions included topics such as team leader management skills, managing remotely and interview skills.

Professional and general skills training: We supported our employees with a wide range of professional content and engaged employees in hackathons to explore and innovate across technical topics. We made general skills training programs available through an e-learning platform that enables employees to learn online, from anywhere, in any time zone. General skills training included subjects such as business English, time management, presentation skills, working with spreadsheets and working from home.

In 2020, we conducted more than 60 leadership and skill-development sessions, attended by more than 1,000 managers and employees.

Wellbeing: We held several health and recreational events and interactive activities online for employees and their families. These included:

- // Fitness programs such as yoga and aerobic fitness workouts on Zoom
- // Weekend challenges for employees and families on topics such as green energy or sports activities
- // Fun challenges for employees and their families with prizes for posting inspirational content on our internal SolarEdge Family Work From Home Portal

Compensation and Benefits: We aim to provide our employees with competitive salary and benefits that enable them to achieve a good quality of life and plan for the future. Our benefits differ according to local norms and market preferences, but typically include all salary and social benefits required by local law (including retirement saving programs, paid vacation and sick leave) and many benefits that go beyond legal requirements such as:

- // Stock-based compensation - Restricted Stock Units (RSUs) and Employee Stock Purchase Plan (ESPP) - for all employees
- // Annual bonus and performance-based bonus plans (MBO)
- // Voluntary pension plans
- // Health insurance and discounted health club memberships
- // Market specific benefits corresponding to local market norms in different countries

Diversity and inclusion

We are committed to building a workforce that reflects the diversity of individuals and a supportive, inclusive culture of open dialogue and collaboration in which everyone can thrive. In 2020, we established a three-pillar strategy that addresses:



Hiring & Sourcing
with a strong focus on recruiting individuals from different backgrounds



Retention & Progression
with new tools to support personal development and growth



Culture of Inclusion
with new programs to enhance awareness of and respect for diversity and build cross-cultural skills

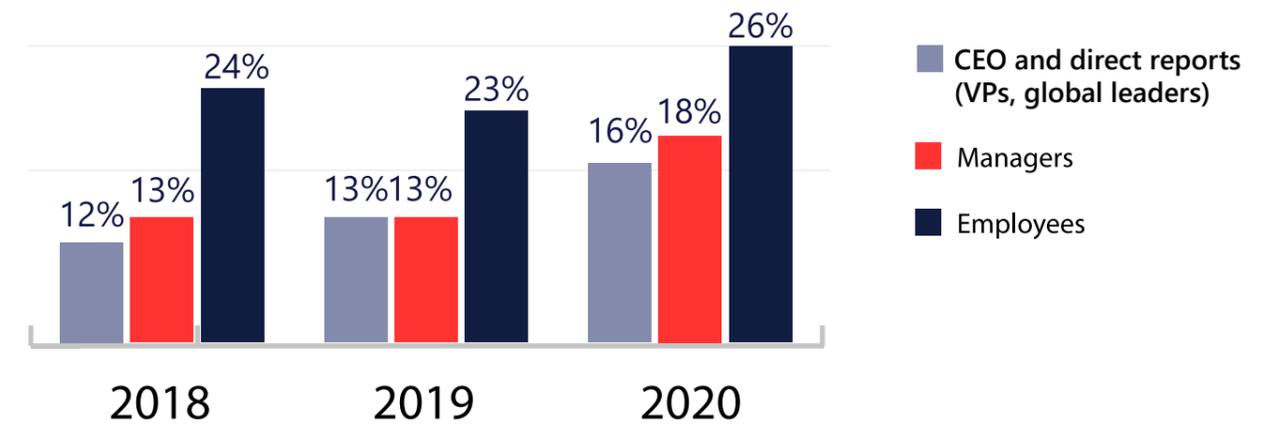
To date, we have established relevant partnerships that enable us to deliver strong results in each area and have had some initial success in recruitment. While our approach and policies are global, many of our programs are piloted first in Israel, where we have our largest employee base (more than 50%) and will be assessed for global application in the next stage. Activities so far include:

- ▮ Management training aimed at interviewing and integrating differently abled employees in the workforce;
- ▮ Identifying roles and potential opportunities for diverse employees, for example, those with special physical or mental needs;
- ▮ Collaborating with a specialist nonprofit agency (Tsofen) for recruitment of minorities in Israel for engineering positions and for plant operators for our new manufacturing facility in the North of Israel;
- ▮ Partnering with a specialist program of the Ono Academic College (Roim Rachok - Looking Ahead) for recruitment of employees on the autism spectrum for specific positions.

Gender equity as a key priority

Within our overall diversity and inclusion objectives, we place specific emphasis on achieving gender equity in line with our 2025 strategic target to promote gender parity and equal pay. To date, we have consistently increased the numbers of women in our business, including at the executive level, where the number of women has increased in absolute terms, and in relative terms from 12% to 16% of executives over the past three years. Overall, women represented 24% of our workforce in 2020, up from 21% in 2019.

Increasing rates of women at all organizational levels, 2018-2020



Identifying the gender parity opportunity

We conducted a deep analysis of gender balance and pay parity at SolarEdge in early 2021. The key conclusions show that there are opportunities to increase the rate of women in executive and management roles, and also advance women in technical roles. We are refocusing our efforts in recruitment and gender awareness training for hiring managers to ensure we enlarge our pool of women candidates, including across technical roles. A key opportunity in Israel is to engage with women from the orthodox community who are typically underrepresented in workplaces in Israel. We are collaborating with a specialist organization to assist us in welcoming more women from this sector.

In 2021, following our pay parity analysis, we are adjusting our compensation plans to address minor gaps to ensure pay equality for equal roles.

In support of women in our business and around the world in 2020, we held many inspiring events for our employees on International Women's Day, as we do every year. In 2020, events were held online.

/ Occupational health and safety

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

- /** Mandatory annual safety training for all employees regardless of their role
- /** Nominated Safety Officers at each office or operational location
- /** General and specific training (for example, for those working in high-voltage labs) mandatory for all employees in relevant roles
- /** Comprehensive safety, fire and emergency drill programs to ensure employees are well-versed with emergency procedures

Our injury rate is modest and generally comprises minor workplace injuries such as slips and falls, knocks and bruises, as well as commuting road traffic incidents. In 2020, we added additional safety resources including two safety supervisors and two laboratory safety managers. However, in 2020, we saw a rise in minor injuries compared to 2019. Therefore, in 2021, we are conducting detailed root-cause assessments and instituting wide-reaching safety campaigns to raise awareness, encourage a speak-up culture and provide training and education on a wide range of safety topics. Similarly, monthly reporting of safety performance to our Chief Executive Officer and senior management teams ensures safety is always prioritized.

Eliminating electrical hazards

Electrical related processes are the most common forms of activity at SolarEdge and electrical hazards therefore pose the most significant risk to the safety of our employees. During the past year, we have placed significant emphasis on reducing electrical hazards and instituting new safety procedures such as:

- /** LOTO (Lock Out Tag Out) stations installed in all electronic labs to remove risk of unauthorized machine startups;
- /** "Man Down" distress buttons installed in all labs and provided to electrical technicians working in labs to facilitate an emergency call in cases where the system identifies a technician has fallen during work;
- /** ELF (extremely low frequency) surveys performed at all sites to identify potential ELF radiation from electrical cabinets, testing equipment, etc.;
- /** Implementing new battery safety procedures, and
- /** Improved options for Personal Protective Equipment to provide full protection while meeting employee comfort and preferences.

In 2020, we recorded zero lost workdays due to electrical related accidents or injuries.



/ Communities

We believe that healthy and vibrant communities are the foundation of sustainable societies and sustainable businesses. SolarEdge has committed to contributing up to 0.1% of our annual consolidated net profit to support technology education and other social welfare causes in locations in which we have a presence. In 2020, we contributed \$84,300¹³ to support communities in need through donations to nonprofit organizations serving different causes and employee volunteering.

Most of our contributions in 2020 went towards supporting local communities through the COVID-19 pandemic with donations of food, protective equipment or other items to help people through challenging times. Where possible, we maintained our employee volunteering events, and during 2020, several employees engaged in local community activities.

In 2020, 53 employees in Israel volunteered for a full day to pack food parcels for those in need to be distributed by a local nonprofit humanitarian organization.

Recognizing the importance of community investment and engagement, we have committed to establishing a global signature community program with measurable community impact as one of our 2025 strategic sustainability targets. In the past year, we have reviewed options for the selection of a relevant community partner and possible program options. We expect to finalize the selection in 2021 and all supporting processes so that we can leverage our collective impact for the benefit of our global community.

¹³ This figure falls short of our targeted 0.1% in 2020, mainly due to timing of contributions not completed before year-end. Together with our new multi-year commitment starting in 2021 for the Guy Sella Memorial Project, as well as other initiatives, we expect to meet our commitment moving forward.



Recognizing our Founder: Guy Sella

In 2019, we were deeply saddened by the untimely death of Mr. Guy Sella, SolarEdge's Chief Executive Officer, Chairman and Co-Founder. All of us who had the privilege to work with Guy are inspired to continue his legacy and spirit. In his honor and memory, in 2020, SolarEdge announced a commitment of \$1,000,000 to be invested in a joint SolarEdge-Technion educational and technological project to inspire and educate young engineers who will lead Israel's energy industry towards a better tomorrow. The Technion – Israel Institute of Technology, Israel's leading technical research university, is committed to matching these funds which will be contributed over the coming ten years. The Guy Sella Memorial Project combines teaching, research, and outreach activities that extend to high school, undergraduate, and graduate students, including:



- ▮ **The Power Electronics and Renewable Energy Lab (PEARL)** undergraduate and graduate teaching lab will be established and named after Guy Sella.
- ▮ **Annual Graduate Student Research Fellowships** for Masters and PhD students in the areas of power electronics, electrochemistry, PV, and energy storage.
- ▮ **The biennial Guy Sella Research Prize and Research Grant** will be awarded to a research team or individual from Israel for innovative research in the fields of power electronics, electrochemistry, PV, or energy storage.
- ▮ **A biennial National Energy Student Hackathon** will link entrepreneurship, problem solving, teamwork, and environmental awareness in an energy-related engineering challenge open to teams from all Israeli universities who will present and demonstrate innovative solutions at a one-day event hosted at the Technion.
- ▮ **Visits to the Energy Center and Labs** for high school students.
- ▮ **Annual AI in Energy Systems Research Grants** offered by The Technion Data Science Initiative (TDSI) for work using AI to control, optimize, and monitor all facets of energy systems.

/ Human rights in our supply chain

SolarEdge is committed to upholding human rights in our supply chain. We aim for our suppliers to be aware of and commit to respecting human rights in their own operations and throughout their own supply chains.

During the past year, in line with our strategic goal to significantly invest in reducing supply chain human rights risks, we developed a new policy approach to supplier management and engagement and new dedicated standards of conduct for our suppliers that define training, measures and controls for suppliers engaged in SolarEdge's business.

Following the publication of the Supplier Code of Conduct, we informed all suppliers and, in early 2021, we completed a targeted outreach to 130 key suppliers of SolarEdge to ensure they understand and are prepared to commit to compliance with our Code. So far, approximately 70 suppliers have confirmed their intention and signed our supplier Code of Conduct. In addition, our major contract manufacturers have already Supplied self-assessments against our Code, and we have completed initial audits using guidelines published by the Responsible Business Alliance.

” In general, our Supplier Code of Conduct was well-received by our key suppliers with whom we have directly engaged in this first stage of our new program. I believe it's what they always expected from SolarEdge, even without the formal document, as our values and principles have always been part of our conversation with them.”

Yifat Zikri, Vice President, Operations



Supplier conduct

We published a new Supplier Code of Conduct, developed following multiple consultations with our procurement and operational teams, and benchmarking of existing frameworks in our markets, aiming to adopt leading practices.

SolarEdge Supplier Code of Conduct includes provisions relating to:

- / Fair dealing and integrity
- / Conflict of interest
- / Anti-corruption
- / Environmental protection and responsible sourcing
- / Human rights and labor rights
- / Protection of confidential information, intellectual property, and privacy
- / Implementing due diligence in own supply chains

Supplier management

To formalize and ensure alignment in responsible supplier management, we also developed and published a new [Approach to Supplier Management](#) covering all suppliers that supply goods or services to SolarEdge. Our approach includes our commitment not to knowingly engage suppliers that do not meet SolarEdge's requirements in legal, financial, environmental, social, human rights and governance matters, including all the provisions defined in our Supplier Code of Conduct. Our undertaking includes conducting relevant due diligence before engaging new suppliers and monitoring supplier adherence during the course of their engagement with SolarEdge. Initial implementation has commenced as noted above, and we will continue to support our commitment through procurement staff training, supplier reviews and feedback and risk assessment tools.

Conflict-free sourcing

Our [Supplier Code of Conduct](#) and approach to human rights also includes a focus on conflict minerals, given the nature of our business. We expect suppliers to observe best practice to ensure a conflict-free supply chain for SolarEdge. In 2020, the number of complete supplier responses to our inquiries on conflict minerals increased by 10% compared to 2019. See also our [Policy on Conflict Minerals](#) and our [Conflicts Minerals Report for 2020](#).

Human rights in China

In 2020, the global community raised concerns relating to abuses of human rights in the Xinjiang Uyghur Autonomous Region (XUAR) in China, and we were approached by customers and investors to confirm our position relating to manufacturing in this region. While any abuse of human rights, no matter its location, is unacceptable and in violation of our Code of Conduct, SolarEdge does not source components from the XUAR region for manufacturing of Inverters or Power Optimizers. SolarEdge also does not maintain manufacturing facilities in XUAR. In response to the concerns raised, we reached out to our solar panel suppliers. We were assured by them that they do not have an involvement with or direct connection to 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](#).



Powering Business

While we believe a sustainable world must run on clean energy, so should a sustainable business. These core traits at SolarEdge underpin our responsible business practices.



/ Ethics and compliance

SolarEdge places prime importance in operating our business both in line with ethical standards of conduct and with all applicable laws and regulations governing our operations in every country in which we do business. 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. In 2020, we were not subject to fines or sanctions for non-compliance in any part of our business. For more information, see our [Approach to Compliance](#).

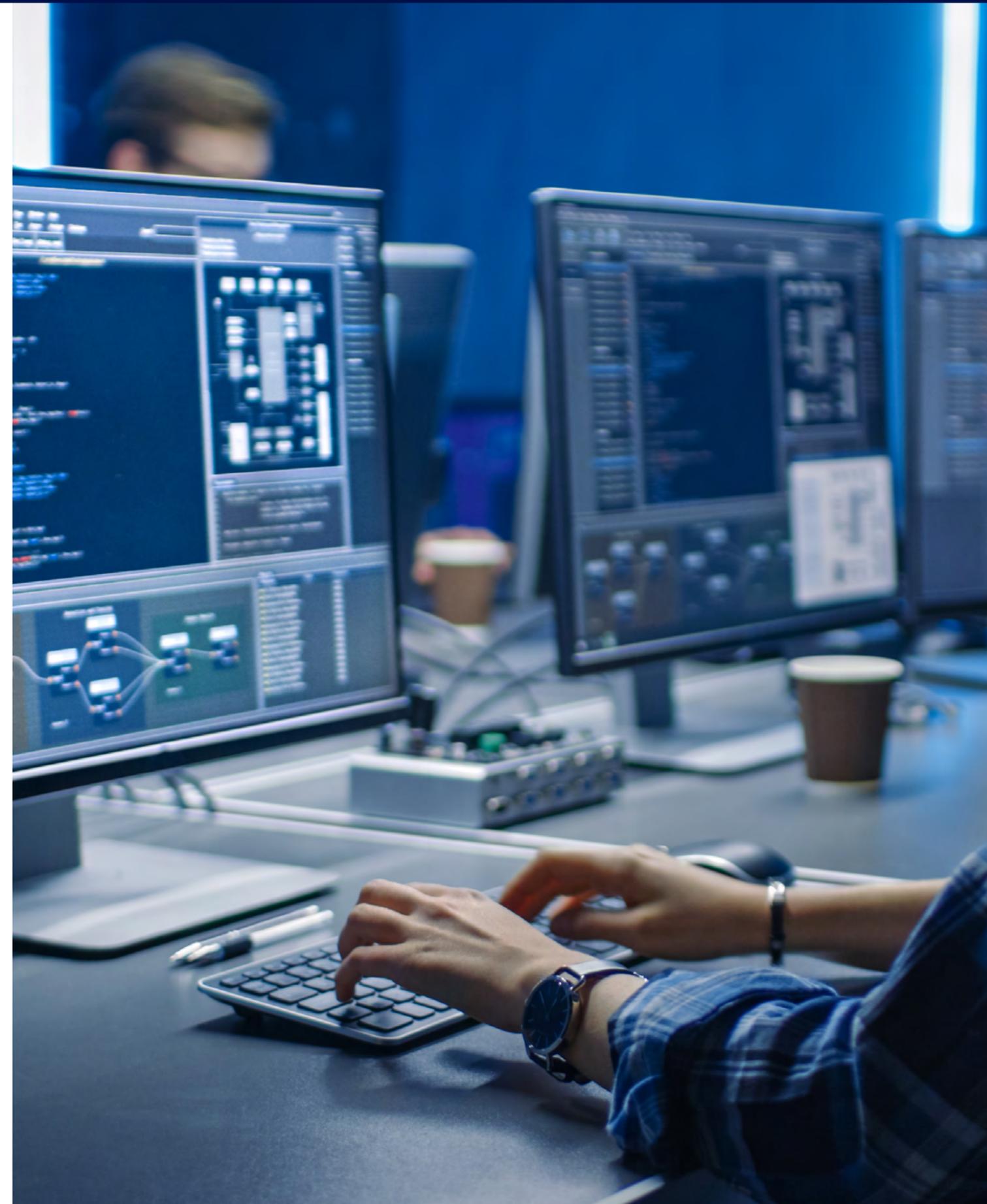
Our [Employee Code of Conduct](#) sets out specific guidance for SolarEdge employees to conduct business in accordance with the highest ethical standards and establishes an expectation that all employees will act in accordance with personal and professional integrity. The Code is available to all employees, who participate in Code of Conduct training upon joining the Company. All new employees confirm in writing their understanding, intent to comply, and willingness to report suspected violations of the Code. We require all employees to complete mandatory refresher training on ethical conduct annually.

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 business 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 from end-to-end, from our control center to smart Inverters, and promote a secure software development lifecycle.

We maintain an extensive set of programs and processes to provide a robust cybersecurity defense, including:

- / Website protection for all 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 (IR) plan
- / Business continuity and Disaster Recovery plans
- / Awareness training for all employees and dedicated training for those at high-risk
- / Role based access to our systems and programs
- / Adherence to Information Security standards and privacy regulations including ISO27001 compliance and GDPR



/ Climate Change Mitigation

SolarEdge makes a strong contribution to climate change mitigation through our core business of harvesting the sun's energy to accelerate the decarbonization of global energy consumption. Our rapid expansion and growth trajectory is directly beneficial for both people and the planet, making affordable clean energy more accessible than ever before. In our own business, our carbon impact is modest, but we nonetheless adopt a precautionary approach, aiming to minimize our resource consumption and greenhouse gas emissions throughout our operations. In 2020, due to the non-typical production patterns through the COVID-19 pandemic, our previous positive trend of energy consumption and greenhouse gas (GHG) emissions reductions was not maintained, and both increased on an absolute and normalized basis. In addition, the commissioning phases of our new manufacturing facility in Israel and expanded laboratory facilities, coupled with significant development work on our battery products, necessitated energy consumption that is not yet reflected in revenue growth. During 2021, we are pursuing opportunities to deliver significant carbon efficiencies.



Climate-related financial risks

We also acknowledge the interest of our stakeholders in understanding how we plan to address climate-related financial risks in line with the Paris Agreement, which aims to keep the global average temperature increase to below 2°C and pursue efforts to hold the increase at 1.5°C. We aim to implement the recommended framework for disclosure on the impact of climate-related financial risks developed by the Task Force on Climate-related Financial Disclosures (TCFD) as a voluntary, consistent framework for companies to provide material information to investors, lenders, insurers, and other stakeholders. In the meantime, we are focusing on taking the necessary steps to achieve our 2025 carbon reduction target of 30% reduction in GHG emissions per \$million revenue while also reducing by 20% the GHG emissions per GW Inverter power supplied to our customers around the world.

Energy consumption

The energy we use to power our operations is primarily grid-sourced electricity and gasoline to run our vehicles. We plan to expand our use of clean energy in our own operations in the future and have installed a solar array at our new manufacturing facility in Israel which became operational in 2021. We are also planning the installation of a solar array at our Li-Ion battery factory in South Korea which is currently under construction. We encourage our contract manufacturers to monitor and improve their electricity efficiency related to the manufacture of our products. Additionally, we provide incentives for SolarEdge employees who wish to install solar systems in their homes.

For our energy consumption and GHG emissions performance in 2020, see the environmental data in our [Data Tables](#) in the Appendix.

/ Resource efficiency

In general, we operate at a high level of efficiency enabling high output at consistent quality across our outsourced manufacturing facilities. With our experience in engaging multiple contract manufacturers and facilities, and our SolarEdge Manufacturing System (SEMS) for quality and control across multiple sites, we are able to deliver high-volume production of Power Optimizers and Inverters and manage demand fluctuations across our growing business. We have developed proprietary automated assembly lines for the manufacturing of our Power Optimizers. These assembly lines, currently operating in all our manufacturing facilities, enable the manufacturing of more than 5,000 Power Optimizers per machine per day.

In the third quarter of 2020, we began commercial shipments of Power Optimizers and Inverters from our newly established "Sella 1", our manufacturing facility located in the North of Israel. We expect this facility to reach full capacity in 2021. Also in 2020, we began construction of "Sella 2", our new 2GWh Li-Ion battery factory in South Korea. The new factory is being constructed to meet the growing global demand for Li-Ion batteries, specifically in the Energy Storage System (ESS) and e-Mobility markets. We expect to begin production from this new facility in the first half of 2022.

We outsource a large portion of the manufacturing of our solar products to two of the world's leading global electronics manufacturing service providers, Jabil Circuit, Inc. and Flex Ltd. By using contract manufacturers, we are able to access advanced manufacturing equipment, processes, skills and capacity to meet customer demand while benefiting from flexibility to manufacture certain products closer to our markets and customers.

Our smart approach to manufacturing

Our success is enabled by consistent ramp-up of high-quality manufacturing in a resource-efficient manner, evolving our capabilities to scale geographic diversification and support new businesses with consistently increasing level of automation across production lines. Our approach is based on driving efficiencies and consistent quality for local manufacturing around the world through the development of exemplary plant prototypes that apply our most advanced technology, workflow processes, automation development, equipment selection and scalable systems for reapplication anywhere in the world at owned or contracted manufacturing facilities. Our own facilities are also technology application hubs that work in proximity to our R&D labs and serve as global training facilities for SolarEdge operators and for our contract manufacturers. Our "Sella 1" facility in Israel is our first such dedicated facility that focuses on Power Optimizers and Inverters, and "Sella 2" in South Korea is expected to offer the same advantages for our battery development and production.

Water efficiency

We aim to conserve water wherever possible and use only what is strictly needed to support our teams in our offices and sites. We use water primarily for hygienic purposes and human consumption and draw all water from municipal water supplies at our locations around the world. We aim to conserve water wherever possible through water saving devices on faucets and showers, and low-water flush mechanisms in our bathrooms.

In our manufacturing process, water is used in minimal quantities and is always recycled. Primary water consumption is for washing of residual coating and solder flux and is recycled by the washing machines for reuse. This water is maintained in a closed cycle and is entirely separate from our wastewater system. In the manufacturing process, therefore, annual water consumption comprises approximately 12 cubic meters. Other water withdrawal is for hygiene purposes. Contaminated water is collected and treated as hazardous waste.

State-of-the-art production in Israel

The key sustainable and resource efficient features of our new 17,000 m² site in Israel for the production of SolarEdge Power Optimizers and a range of inverters include:

- / Innovative electronic management and system deploying a smart energy system with continuous monitoring at the machine level.
- / Use of residual heat for process water heating.
- / Closed loop system for water processes, with zero wastewater discharge.
- / Employees are encouraged to arrive in the facility with mass transit service provided by SolarEdge. Parking spots are limited to reduce the use of private cars.
- / Reuse of the existing physical structure and construction to avoid building an entirely new facility.
- / Separate waste streams for all types of waste that are routed for recycling.
- / Solar array providing green energy for some of the site's energy requirements.
- / LED lighting throughout the facility.

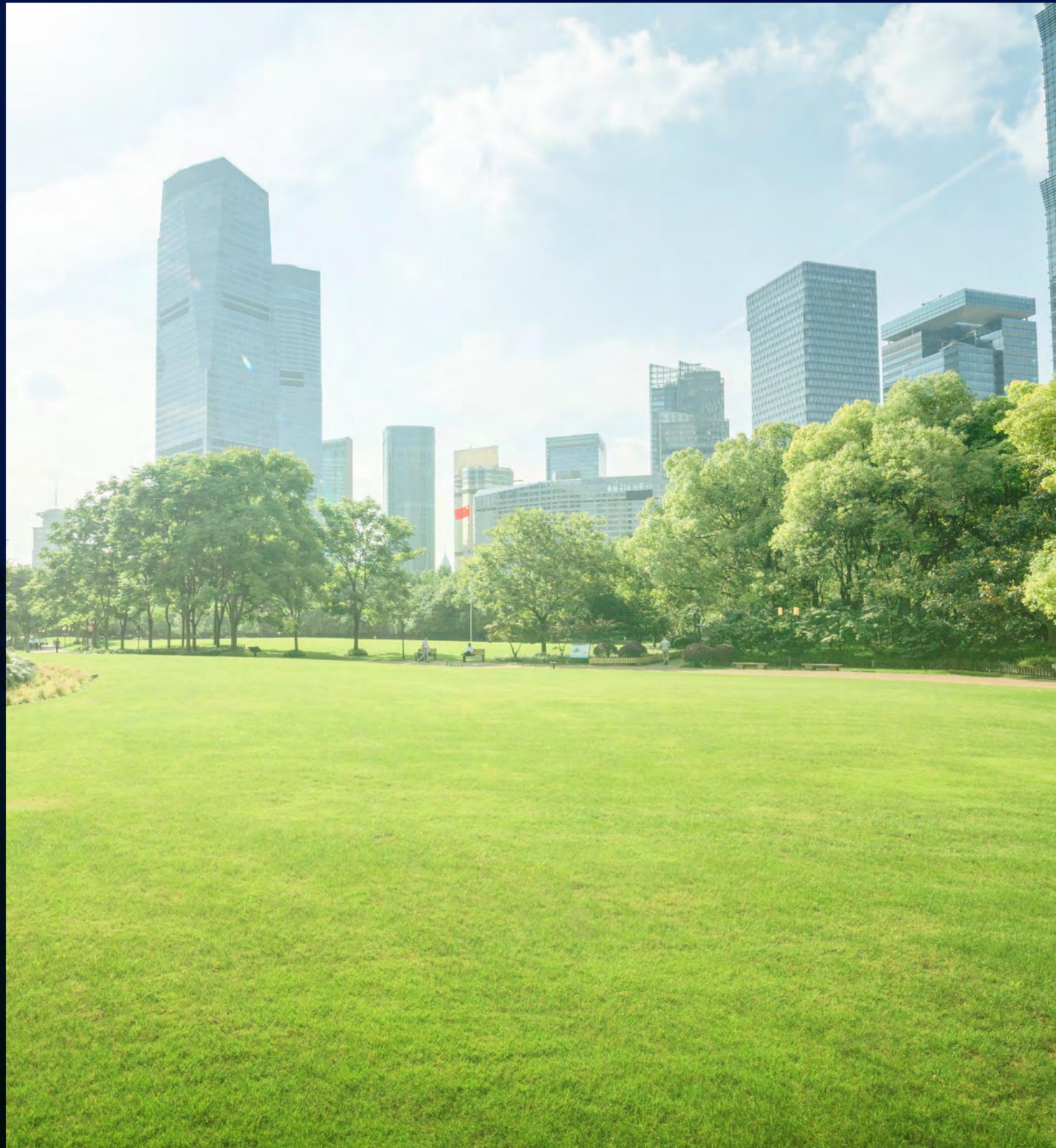
Waste management

We aim to minimize waste from our operations and recycle what we cannot eliminate. We generate modest amounts of waste from our office activities including our research and development laboratories, and from our operations. In 2020, we redoubled our efforts to identify recycling solutions for waste that had previously been sent to landfill, with a result that, in 2020, we recycled the vast majority of waste generated, more than 10 times the volume compared to 2019.

In 2020, we recycled 85% of our total waste generated compared to 13% in 2019.

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 by 2025. Currently, electronic waste is collected and sent for recycling to authorized facilities. In general, our products are designed for long-term use and carry multi-year warranties.

Appendix



/ About this Report

Thank you for your interest in our third 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 Standards represent the most widely used sustainability reporting framework in the world today. GRI principles have informed our reporting approach: materiality (the issues relevant to our most significant impacts and which are of the most importance to stakeholders), stakeholder inclusiveness (responding to stakeholder expectations and interests), sustainability context (presenting our performance in the wider context of sustainability issues) and completeness (inclusion of all the information that reflects significant economic impacts to enable stakeholders to assess our performance).

For the second time, we are reporting 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 to disclose against financially material sustainability topics.

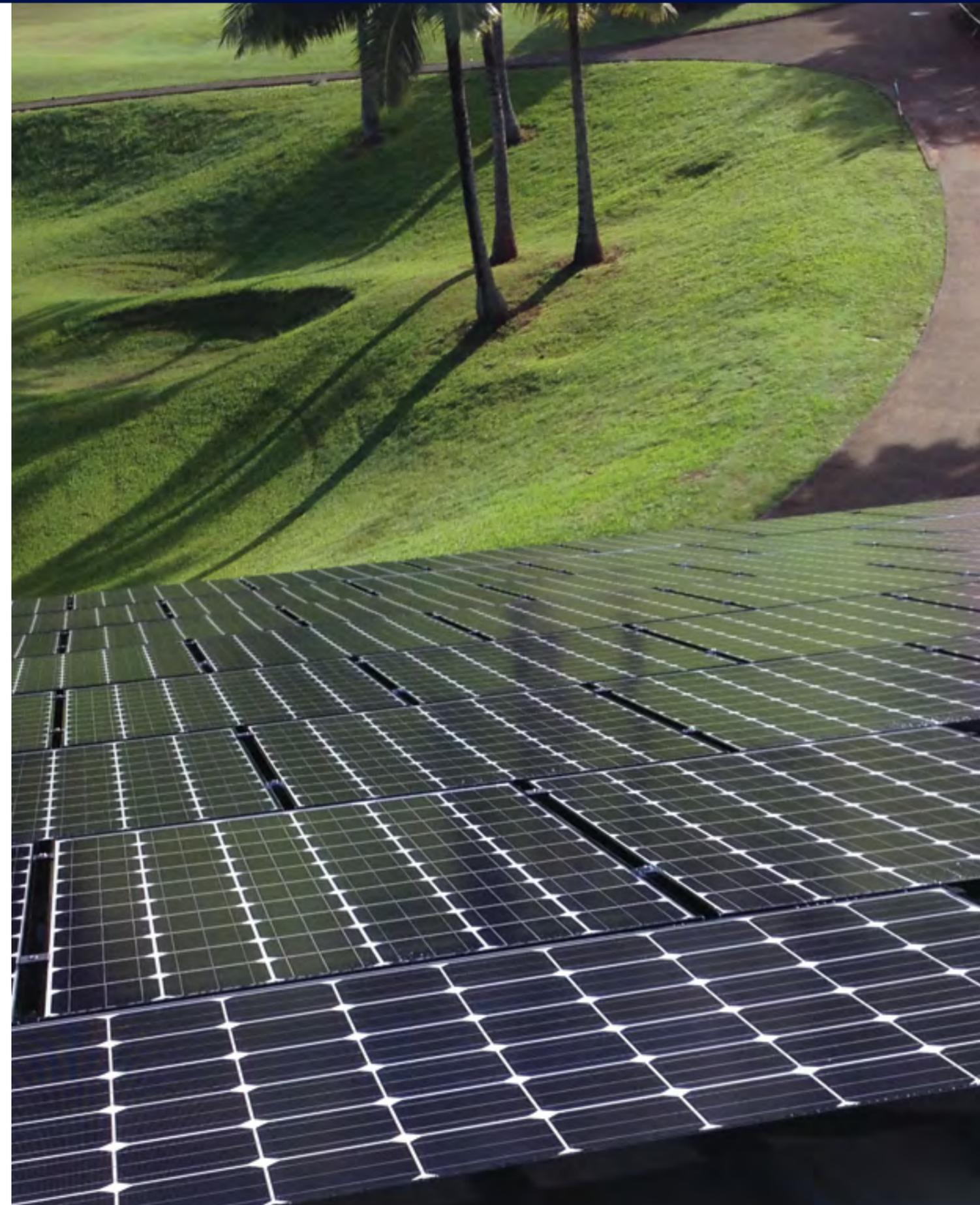
The scope of the Report is:

- /** All SolarEdge operations around the world unless otherwise stated. Environmental data is reported for all sites and offices, except those that are solely marketing and sales. We calculate the total of excluded marketing and sales sites accounts for less than 1% of the total energy consumption and waste generation of SolarEdge globally.
- /** Quantitative performance data is supplied for calendar year 2020 and prior years where available. Corporate information and progress updates are also included from early 2021.
- /** 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 extensively verified internally but not externally assured. We welcome your feedback and invite you to send comments to:



Merav Mattijssen
Vice President, Global Marketing
Sustainability@solaredge.com



GRI Content Index

GRI 102: General Disclosures 2016	Description	Page reference or response
102-1	Name of the organization	SolarEdge Technologies Ltd.
102-2	Activities, products, and services	Page 5
102-3	Location of headquarters	Page 5
102-4	Location of operations	Page 5
102-5	Ownership and legal form	Page 5
102-6	Markets served	Page 5
102-7	Scale of the organization	Page 5
102-8	Information on employees	Page 46
102-9	Supply chain	Page 40
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	Page 3
102-16	Values, principles, standards	Page 4
102-18	Governance structure	Page 7
102-40	List of stakeholder groups	Page 47
102-41	Collective bargaining agreements	No collective bargaining agreements are in place at SolarEdge.
102-42	Identifying and selecting stakeholders	Page 47
102-43	Stakeholder engagement	Page 47
102-44	Key topics and concerns raised	Page 47
102-45	Entities included	Page 42
102-46	Report content and topic Boundaries	Page 42
102-47	List of material topics	Page 10
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	Page 42
102-51	Date of most recent report	Published in 2020
102-52	Reporting cycle	Annual
102-53	Contact point	Page 42
102-54	Reporting in accordance with the GRI Standards	Page 42
102-55	GRI content index	Page 43
102-56	External assurance	Page 42

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	12	203-2	Indirect economic impacts	p.13	
Smart Energy Solutions		12	203-2	Indirect economic impacts	p.18	
Product Development and Innovation		12	203-2	Indirect economic impacts	p.22	
Responsible Employer	GRI 401(2016) Employment	30	401-1	New hires and turnover	p.49	
	GRI 403 (2018) Occupational Health and Safety	32	403-1	Occupational health and safety management system	p.49	
			403-2	Hazard identification, risk assessment, and incident investigation	p.49	
			403-3	Occupational health services	p.49	
			403-4	Worker participation, consultation, and communication on occupational health and safety	p.49	
			403-5	Worker training on occupational health and safety	p.49	
			403-6	Promotion of worker health	p.49	
			403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.49	
			403-8	Workers covered by OHS management system.	p.50	
			403-9	Work-related injuries	p.50	
			403-10	Work-related ill health	p.50	
	GRI 404 (2016) Training and Education	30	404-2	Programs for upgrading employee skills and transition assistance programs	p.30	
			404-3	Percentage of employees receiving regular performance and career development reviews	p.49	
GRI 405 (2016) Diversity and Equal Opportunity	31	405-1	Diversity of governance bodies and employees	p.49		
Climate Resilience	GRI 305 (2016) Emissions	39	305-1	Direct (Scope 1) GHG emissions	p.47	
			305-2	Energy indirect (Scope 2) GHG emissions	p.47	
			305-4	GHG emissions intensity	p.47	
Product Sustainability	Non-GRI Indicator	27		LCA value of PV Inverters		We are currently engaging with specialist consultants to deliver a first LCA for our Inverters and Optimizers. We will share the results in our next report.
Resource Efficiency	GRI 302 (2016) Energy	Our Approach to Environmental Stewardship and Climate Resilience	302-1	Energy consumption within the organization	p.47	
			302-3	Energy intensity	p.47	
	GRI 303 (2018) Water and Effluents		303-1	Interactions with water as a shared resource	p.40	
			303-2	Management of water discharge-related impacts	p.40	
			303-3	Water withdrawal	p.47	

GRI Material Disclosures

Material impact	GRI Standards	GRI 103 Management Approach (2016) GRI 103-1, 103-2, 103-3	Indicator		Page	Omissions
Resource Efficiency	GRI 306 (2020) Waste	Our Approach to Environmental Stewardship and Climate Resilience	306-1	Waste generation and significant waste-related impacts	p.40	
			306-2	Management of significant waste-related impacts	p.40	
			306-3	Waste generated	p.48	
			306-4	Waste diverted from disposal	p.48	
			306-5	Waste directed to disposal	p.48	
Ethical Sourcing & Supplier Management	GRI 308 (2016) Supplier Environmental Assessment	Our Approach to Supplier Management	308-1	New suppliers screened using environmental criteria	p.11	
Community Investment	GRI 413 (2016) Local Communities	33	413-1	Operations with local community engagement, impact assessments, and development programs	p.33	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	p.38	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		New Supplier Management and Supplier Code of Conduct published, with initial 130 suppliers engaged. Screening has commenced and further details will be reported in 2022.
Customer success	Non-GRI Indicator	6		Customer survey feedback	p.26	
Biodiversity and ecological impacts	GRI 304 (2016) Biodiversity	Our Approach to Environmental Stewardship and Climate Resilience	304-2	Significant impacts of activities, products, and services on biodiversity		Our operations do not have a significant impact on biodiversity.
Governance	GRI 205 (2016) Anti-corruption	Our Approach to Anti-Corruption and Anti-Bribery	205-3	Confirmed incidents of corruption and actions taken	p.38	

GRI Data Tables

GRI 102-8 Information on employees

Employees	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Direct employees full time	354	1,395	1,749	508	2,004	2,512	782	2,458	3,240
Direct employees part time	25	20	45	33	32	65	9	2	11
Total direct employees	379	1,415	1,794	541	2,036	2,577	791	2,460	3,251
Contingent workers	7	41	48	13	83	96	14	44	58
Total workforce	386	1,456	1,842	554	2,119	2,673	805	2,504	3,309

Employees on permanent contracts	354	1,395	1,749	508	2,004	2,512	782	2,458	3,240
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Employees by region and gender	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
EMEA	261	889	1,150	401	1,410	1,811	559	1,739	2,298
Americas	40	156	196	47	185	232	51	189	240
Asia	78	370	448	93	441	534	181	532	713
Total	379	1,415	1,794	541	2,036	2,577	791	2,460	3,251
Percentage of women	21%			21%			24%		

Women in workforce (direct employees)	2018			2019			2020		
	Women	Total	% women	Women	Total	% women	Women	Total	% women
Executives	5	41	12%	6	47	13%	8	50	16%
Managers	55	408	13%	75	559	13%	92	510	18%
Employees	319	1,345	24%	460	1,971	23%	691	2,691	26%
Total	379	1,794	21%	541	2,577	21%	791	3,251	24%

Notes:

Direct employees includes some employees employed through third parties due to absence of SolarEdge legal entity in some countries. These employees are considered part of our permanent workforce and participate in SolarEdge Human Resources processes in the same way as direct employees. Contingent workers are short-term third-party workers who meet specific temporary resourcing needs.

Executives are CEO and direct reports (VPs, global leaders).

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.

GRI 302-1: Energy consumption within the organization

GRI 302-3: Energy intensity

Fuels and purchased electricity	Units	2019	2020
Natural Gas	kWh	134,155	0
Diesel	kWh	422,899	493,924
Gasoline	kWh	4,159,817	3,644,497
Electricity purchased from grid	kWh	31,873,923	38,891,175
Solar PV generated	kWh	565	25,607
Total energy consumption	kWh	36,591,359	43,055,203
Energy intensity	kWh /\$M revenue	25,666	29,505

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

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

GRI 305-4: GHG emissions intensity

Greenhouse gas emissions	Units	2019	2020
Direct (Scope 1) GHG emissions	Tons CO ₂ e	1,197	1,056
Energy indirect (Scope 2) GHG emissions	Tons CO ₂ e	9,182	12,864
Total Scope 1+2 emissions	Tons CO₂e	10,379	13,921
Scope 1+2 emissions intensity	CO ₂ e/\$M revenue	7.28	9.54

Note: GHG emissions sources use DEFRA for fuels and gases, and IEA 2017 for electricity generation.

GRI 303-3: Water withdrawal by source

Water withdrawal	Units	2019	2020
Total water withdrawal	m ³	122,625	108,292
Water withdrawal intensity	m ³ /\$M revenue	86.01	74.21

Note: All water is withdrawn from municipal water supplies.

GRI 306-3: Waste generated
GRI 306-4: Waste diverted
GRI 306-5: Waste directed to disposal

Waste generated	Units	2018	2019	2020
Hazardous waste	Tons	268	294	392
Non-hazardous waste	Tons	139	140	284
Total waste generated	Tons	407	434	677

Waste diverted from disposal		Units	2018	2019	2020
Hazardous waste	Preparation for reuse	Tons	0	1	2
	Recycling	Tons	0	0	390
	Other recovery operations	Tons	0	0	0
	Total	Tons	0	1	392
Non-hazardous waste	Preparation for reuse	Tons	0	0	0
	Recycling	Tons	67	55	181
	Other recovery operations	Tons	0	0	0
	Total	Tons	67	55	181
Total waste diverted from disposal	Tons	67	56	573	

Waste directed to disposal		Units	2018	2019	2020
Hazardous waste	Landfill	Tons	268	293	0
	Other	Tons	0	0	0
	Total	Tons	268	293	0
Non-hazardous waste	Incineration without energy recovery	Tons	0	2	0
	Landfill	Tons	72	84	103
	Other	Tons	0	0	0
	Total	Tons	72	85	103
Total waste directed to disposal	Tons	340	378	103	

GRI 401-1: New employee hires and turnover rates

New employee hires	New hire rates - 2018			New hire rates - 2019			New hire rates - 2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	3%	4%	7%	2%	5%	7%	4%	9%	13%
age 30 - 50	5%	16%	20%	4%	12%	16%	6%	13%	18%
> age 50	1%	4%	5%	0%	2%	2%	1%	3%	4%
Age not noted	3%	20%	23%	2%	9%	12%	1%	3%	4%
All new hires	12%	44%	56%	9%	28%	37%	11%	28%	39%

Turnover	Turnover rates - 2018			Turnover rates - 2019			Turnover rates - 2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	1%	1%	2%	1%	1%	2%	1%	2%	4%
age 30 - 50	2%	4%	6%	1%	3%	5%	2%	4%	6%
> age 50	0%	1%	1%	0%	1%	1%	0%	2%	2%
Age not noted	1%	1%	2%	1%	2%	3%	1%	4%	5%
All leavers	3%	7%	10%	3%	8%	11%	4%	12%	16%

Regional hiring and turnover	2018		2019		2020	
	New hires	Turnover	New hires	Turnover	New hires	Turnover
EMEA	31%	7%	30%	8%	29%	10%
Americas	5%	2%	3%	2%	2%	2%
Asia	4%	1%	4%	1%	8%	4%

GRI 404-3: Percentage of employees receiving performance reviews

SolarEdge employees receive annual performance and career development reviews. In 2020, 100% of employees received a performance review.

GRI 405-1: Diversity of governance bodies and employees

Employees by gender, age and level	2018		2019		2020	
Employees by age	Women	Men	Women	Men	Women	Men
Age below 30	4%	7%	4%	9%	6%	15%
Age 30-50	10%	37%	10%	37%	14%	43%
Age above 50	2%	7%	2%	7%	3%	8%
No age reported	4%	27%	5%	26%	2%	10%
Employees by level						
CEO and direct reports (VPs and global leaders)	0.3%	2.0%	0.2%	1.6%	0.2%	1.3%
Managers	3%	20%	3%	19%	3%	13%
Non-managers	18%	57%	18%	59%	21%	62%

SolarEdge's current Board of Directors includes two women (25%).

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 operations are certified to ISO Occupational Health and Safety Quality Management Standard ISO 45001:2018. We conduct regular risk assessments and incident investigation in line with ISO requirements. Employees across our operations, representing 100% of our workforce, 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. We do not provide occupational health services onsite. However, in the event of a safety incident or need for medical consultation, Safety Officers in place at each site 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. During 2020, through the COVID-19 pandemic, we provided additional options for employees working remotely to maintain positive health 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 occupational health and safety management system.

All SolarEdge employees are covered by our Occupational Health and Safety Management System.

GRI 403-9: Work-related injuries

Occupational safety performance	2019			2020		
	Employees	Contractors	Total: Employees and Contractors	Employees	Contractors	Total:
Hours worked	4,065,311	161,380	4,226,691	4,551,822	377,690	4,929,512
Number of fatalities	0	0	0	0	0	0
Number of high-consequence work-related injuries	0	0	0	1	0	1
Number of recordable injuries (TRI)	14	1	15	24	0	24
Number of lost days due to injury	64	88	152	510	0	510
Injury rate (TRIR)	0.69	1.24	0.71	1.05	0.00	0.97
Lost day rate (LTIR)	3.15	109.06	7.19	22.41	0.00	20.69
Fatality rate	0	0	0	0	0	0

Notes:

- /** Working hours are based on actual hours worked except in Israel and Italy, where average 2,000 per year per employee are used. Data for contingent workers in the U.S. are not available and therefore excluded.
- /** Rates are calculated on the basis of 200,000 working hours.
- /** In 2020, SolarEdge operations in Italy and the U.S. are included for the first time.

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.

SASB Disclosure

Topic	Accounting Metric	Code	Response
Energy Management in Manufacturing	(1) Total energy consumed in GJ/%	RT-CP-130a.1	GRI 302, page 47
	(2) Percentage grid electricity in GJ/%	RT-CP-130a.1	GRI 302, page 47
	(3) Percentage renewable in GJ/%	RT-CP-130a.1	GRI 302, page 47
Water Management in Manufacturing	(1) Total water withdrawn in megaliters	RT-CP-140a.1	GRI 303, page 47
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.1	We do not operate in regions with High or Extremely High Baseline Water Stress.
	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, page 48
	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	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 Annual Report , pp4-8, 15-20
	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 Annual Report , pp4-8, 15-20
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	See page 40
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 applicable to SolarEdge
Activity Metrics	Total capacity of photovoltaic (PV) solar modules produced in MW	RR-ST-000.A	See page 5
	Total capacity of completed solar energy systems in MW	RR-ST-000.B	See page 5
	Total project development assets in \$	RR-ST-000.C	Data not currently available



Powering the Future of Energy

Sustainability Report 2020

SolarEdge
 @SolarEdgePV
 @SolarEdgePV

 SolarEdgePV
 SolarEdge
 info@solaredge.com

solaredge.com

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