



# Powering the Future of Energy

SUSTAINABILITY REPORT 2023

**Note:** This document is a PDF download version of our on-line 2023 sustainability report. It is intended for usage by stakeholders requiring a downloadable file version of the report. We recommend using the on-line report version, for a better reading experience, internal links between segments and embedded videos. To access the on-line version, please go to: <https://sustainability.solaredge.com> For all footnotes see P.29

<p><b>3.4M</b></p> <p>Homes equipped with a SolarEdge PV system</p>	<p><b>40M</b></p> <p>Metric tons of GHG emissions avoided annually through the use of our installed systems</p>	<p><b>&gt;165</b></p> <p>Women in management roles</p>	<p><b>83%</b></p> <p>Of generated waste was recycled or recovered</p>
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## Sustainable Approach & Progress

SolarEdge is a global leader in high-performance smart energy technology. By leveraging world-class engineering capabilities and with a relentless focus on innovation, we create smart energy products and solutions that power our lives and drive future progress.

SolarEdge was founded in 2006 by five visionaries who saw the possibility to revolutionize the way power is harvested from the sun. One of our earliest innovations was an intelligent optimized inverter solution that transformed the solar industry and has led to SolarEdge becoming one of the leading PV inverter companies in the world.



**LET'S DIVE DEEPER:**

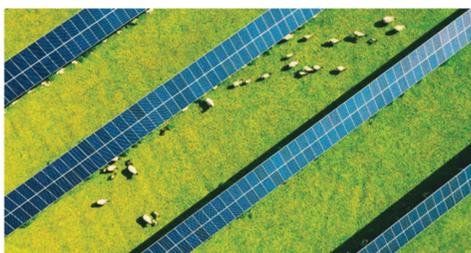
- > Sustainability Highlights
- > Governance Practices
- > Company Profile
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## Powering Clean Energy

Electrification. Decarbonization. Decentralization. Digitization.

These four words represent the keys to a smart, clean renewable energy future that will power the world for generations to come.

With demand on the rise to meet growing population requirements,<sup>[1]</sup> global electricity consumption is expected to increase by over 80% by 2050 compared to 2010.<sup>[2]</sup> There is no better, cheaper, more accessible way to meet these demands than by harvesting the power of the sun to generate electricity for all. The solar energy share of the global installed electricity capacity mix has been estimated to increase from 4% in 2022 to over 30% in 2050.<sup>[3]</sup> This share of solar energy will represent more than 40% of the expected renewable energy capacity available from all sources.



**LET'S DIVE DEEPER:**

- > Our Global Climate Impact
- > Our Clean Energy Solutions
- > Residential & Community Solutions
- > Helping Global Business Transition to Low-Carbon Energy
- > Smart Innovation
- > Customer Service
- > Safe & Sustainable Products



**LET'S DIVE DEEPER:**

- > Recruitment, Retention & Talent Pipeline
- > Training & Development
- > Fair & Quality Employment
- > Diversity, Equity, & Inclusion
- > Health & Safety
- > Community Outreach

## Powering People

Technology is created by people. That's why, at SolarEdge, we are people-first. Our people believe passionately in our purpose to power the future of energy and know that, as our business grows, so does our contribution to making our planet a place where all can thrive. Everyone at SolarEdge has a role to play in creating a cleaner, greener future.

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

## Powering Business

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



**LET'S DIVE DEEPER:**

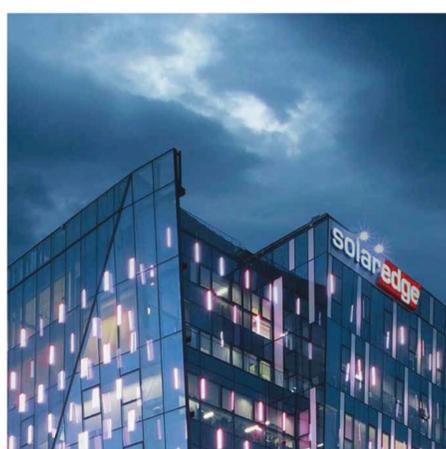
- > Ethics & Compliance
- > Cybersecurity & Data Privacy
- > Responsible Procurement
- > Climate Change Mitigation & Resource Efficiency
- > Waste Management



## Appendix

**LET'S DIVE DEEPER:**

- > About This Report
- > GRI Content Index
- > GRI Data Tables
- > SASB Disclosure



## Message from Our CEO

Sustainability is at the heart of what we do at SolarEdge. Since the Company's foundation, we have supported global efforts to mitigate the adverse effects of climate change through our renewable energy solutions. By optimizing energy generation and consumption, our PV systems greatly support efforts to curb global temperature rise and reduce climate risks affecting nations worldwide.

[Read more](#)

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Sustainability Report 2023 /

# Message From Our CEO



Sustainability is at the heart of what we do at SolarEdge. Since the Company's foundation, we have supported global efforts to mitigate the adverse effects of climate change through our renewable energy solutions. By optimizing energy generation and consumption, our PV systems greatly support efforts to curb global temperature rise and reduce climate risks affecting nations worldwide. To date, over 3.4 million homes are equipped with SolarEdge PV systems, and over 50% of Fortune 100 companies have SolarEdge technology on their rooftops. The carbon-free power produced by these systems helps to annually avoid over 40 million metric tons of greenhouse gas emissions - equivalent to removing 9.6 million gasoline powered cars from the road, permanently.

2023 was a challenging year for our industry. The first half of the year maintained the business momentum of 2022, with a high demand for our products, record revenues and challenges in meeting market growth. This trend changed drastically during the second half of 2023, with a slowdown in demand driven by changes in regulation, electricity prices and excess inventory, requiring us to take steps to align manufacturing capacity and cost cutting measures.

Nevertheless, we remain committed to accelerating the move to a low-carbon world, powered by a decentralized, distributed, interconnected energy network, where electricity is generated, stored, managed and used in the most optimal manner. We place great emphasis on safety and cybersecurity, investing in advanced technological solutions for our customers' protection. This year, we have started the roll out of SolarEdge ONE, an intelligent energy management and optimization system, allowing greater energy and financial savings in both residential and commercial applications. We also introduced the first DC-optimized inverter solution for utility-grade applications, TerraMax™, allowing for greater yields and facilitating new installation opportunities in challenging terrains.

In response to the U.S. Inflation Reduction Act (IRA) of 2022 encouraging U.S. based manufacturing of renewable energy products, and in-line with our policy of distributed production, we opened a manufacturing facility in Austin, Texas and are in the process of ramping another facility in Florida.

In parallel, we continue to make progress towards our ESG targets and to strengthen our related practices. Our sites around the world implement energy and resource saving techniques, and we are generating clean power from our own rooftop PV systems in several regions where we operate. In addition, 83% of the waste generated by our sites was either recycled or recovered to energy.

We encourage gender equality in our workforce, creating opportunities for women in all roles, with emphasis on managerial, R&D and revenue generating positions.

Our responsible practices have increasingly received external recognition. For example, SolarEdge was recently included in the 2024 Corporate Knights list of the top 100 sustainable corporations in the world. EcoVadis awarded us with a 'Silver medal', placing us in the top 15% of over 130,000 globally rated companies. We have similarly been included in the upper level of several investor-facing ESG rankings.

Our Sustainability Report details the various ways in which SolarEdge is delivering on its promise to power the future of energy through our products, people, and business practices. Together with you, our stakeholders, we are working towards a cleaner and better-connected future for current and future generations.

Thank you for your continued support.

**Zvi Lando**

**Chief Executive Officer**



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# Sustainability Highlights



**3.4 million homes**

equipped with a SolarEdge PV system by the end of 2023



**52.6 GW**

of our systems shipped worldwide by the end of 2023, delivering affordable clean energy



**40 million metric tons**

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



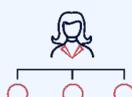
**Over 50% of Fortune 100 companies**

have SolarEdge technology on their rooftops



**38% (3/8) of our directors are women**

(as of July 2023)



**168 women in management roles**

(up from 154 in 2022)



**2,600 Volunteer Hours**

at our Israeli sites alone in 2023



**100% of manufacturing and R&D sites**

certified to ISO standards for quality, environmental and safety management



**Over 230 active suppliers**

have committed to the terms of our supplier code of conduct



**84,000 hours**

of total annual training time, which are 14.9 average hours per employee in 2023



**5 PV systems**

installed on SolarEdge sites rooftops, with a total clean power capacity of 3.6 MWp



**83%**

of generated waste was either recycled or recovered to energy



**ESG Ratings & Recognition** - Our sustainability practices, and the progress we have made, are garnering results. It is therefore gratifying to also receive external recognition and awards for our efforts. SolarEdge was recently selected as one of the 100 most sustainable companies in the world by the Corporate Knights listing. Other achievements include receiving a Silver Medal from EcoVadis, placing us in the top 15% of over 130,000 globally rated companies, and being named one of the winners of the 2023 Sustainability Leadership Award from the Business Intelligence Group. In 2023, we also submitted a full CDP Climate Change Report for the first time and achieved a 'C' rating. SolarEdge was similarly awarded a Prime Rating by ISS ESG, as one of the top 10% of rated companies in the global electronic component sector. Visit [this webpage](#) for more information on our sustainability recognition.



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# Company Profile



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### 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 generation, storage and management through innovation.



### Our core company values are:

- ▄ We constantly strive for excellence & quality;
- ▄ Our customer is at the center of everything we do;
- ▄ We live and breathe innovation and we are never done learning;
- ▄ We are initiators and confidently take action;
- ▄ We value and empower our people; and
- ▄ We continuously aim for wide-ranging impact



### Our products and services:

SolarEdge addresses a broad range of energy market segments through PV, energy storage, EV charging, batteries, electrical vehicles and grid services solutions. The SolarEdge DC-coupled architecture maximizes PV power generation, solar energy storage and self-consumption, hence lowering the overall cost of energy produced by PV systems. Our solutions and global distribution support the worldwide transition from centralized, fossil fuel-based energy to clean, distributed and renewable power generation and consumption.

5,633 employees

at year end 2023

1,525 employees

in our research and development organization at year end 2023



### Our reach at the end of 2023:

**140** countries with SolarEdge installations

**125.1 million**

Power Optimizers shipped, cumulative

**5.6 million**

inverters shipped, cumulative

**52.6 GW**

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

**>65,000**

residential installers worldwide

**>3.7 million**

solar energy installations around the world monitored by SolarEdge systems

**40 million**

tonnes CO<sub>2</sub><sup>[1]</sup> emissions are avoided annually through the use of our installed systems

**602**

awarded patents and approximately 528 patent applications filed worldwide



### Our financials<sup>[2]</sup>:

**\$2.98 billion**

revenues in 2023 (GAAP)

**\$321 million**

spending on research and development in 2023

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



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# Governance Practices

Sustainability Governance >

Risk Management >

Powering the World through Positive Policy >



## Introduction – Governance Practices

As a publicly traded company (Nasdaq: SEDG), SolarEdge maintains a robust corporate governance structure. Our governance aims to ensure due process for executing our responsibility to our shareholders and to all those we serve through our business, upholding ethical conduct, effective risk management, strategy execution and integrity of corporate infrastructure. The Board is elected by SolarEdge stockholders.

The Board met nine times during 2023. Each director attended at least 88% of the Board meetings held during the period in which they were board members and at least 75% of the committee meetings for committees of which they were members.

As of April 26, 2024, our Board of Directors consists of eight members, led by Nadav Zafrir, who joined the Board in 2019 as an independent Chair and Director.

### SolarEdge Board of Directors

**8 Directors**  
(including the Chair)

**7 Independent directors**  
(87.5% (as per listing requirements and Nasdaq rules))

**3 Women directors**  
(37.5%)

The SolarEdge Board benefits from members with a diverse range of skills and experience. We welcome individuals who can support our business objectives with appreciation of the context in which we operate, both from the standpoint of markets and technology, and also with a Sustainability and Human Capital expertise lens. Through our Board refreshment process, we have added a new Board member each year for the past 5 years (2019-2023), each bringing valuable new perspectives. For example, in 2023, Ms. Dana Gross joined our Board of Directors, bringing valuable financial, strategic and business experience to our Board through her years of experience in both executive financial and strategic roles in public companies.

Our Board maintains four standing committees whose members are independent directors. The Committees and their main responsibilities are detailed below.

Audit Committee	Nominating and Corporate Governance Committee
Responsibilities include, among others:	Responsibilities include, among others:
<ul style="list-style-type: none"> <li>Oversight of SolarEdge's financial reporting, risk assessment and risk management</li> <li>Oversight of the adequacy of our internal controls</li> </ul>	<ul style="list-style-type: none"> <li>Developing and recommending criteria for identifying and evaluating Director candidates</li> <li>Identifying individuals qualified to become Directors, consistent with criteria approved by our Board of Directors</li> </ul>

Compensation Committee	Technology Committee
Responsibilities include, among others:	Responsibilities include, among others:
<ul style="list-style-type: none"> <li>Oversight of overall executive compensation philosophy, policies, and programs</li> <li>Oversight of strategies and policies related to human capital, diversity and inclusion, workplace environment and culture, employee health and safety and talent development and retention.</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of technology related strategies, processes, and programs</li> <li>Reviewing benefits, risks and potential risk mitigation measures associated with proposed technology advancement programs.</li> <li>Reviewing actions and risks associated with any current shortfalls in product performance, quality, or reliability and manufacturing methods including any product security</li> </ul>

In 2023, the Nominating and Corporate Governance Committee received quarterly updates from SolarEdge management on ESG matters and engaged to support decisions across a range of issues. These included (among others) prominent ESG regulations that have recently been enacted in several regions where we operate and our ESG-related compensation metrics and goals (see description below).

Specifically, our Nominating and Corporate Governance Committee holds responsibility for oversight of sustainability matters. Since 2021, Ms. Betsy Atkins has been serving as Chair of the Nominating and Corporate Governance Committee. Ms. Atkins is a seasoned businesswoman and entrepreneur and a renowned thought leader in the area of corporate governance and ESG, frequently publishing articles on these topics.

**Commitment to Best Governance Practices:** In response to stockholder feedback and as part of our ongoing commitment to best governance practices, our stockholders approved amendments to our certificate of incorporation during the 2023 Annual Meeting. These amendments included declassifying the Board, starting from the 2024 Annual Meeting, and removing supermajority voting provisions related to stockholder approval of bylaw amendments, as well as certain provisions of our certificate of incorporation. This change brings our governance practices in line with those of companies of our size and stature and was responsive to stockholder input.

**Due to our advanced corporate governance practices, SolarEdge was awarded an ISS Governance QualityScore of '1', the best possible score in this ranking<sup>(1)</sup>.**



## Sustainability Governance

The overall leadership of sustainability at SolarEdge rests with our Chief Marketing Officer (CMO), a member of our executive management team. The SolarEdge Head of ESG (who leads the company's ESG team) reports directly to the CMO and leads the global management of our ESG activities, including performance development, monitoring, and public disclosures. The Head of ESG also regularly reports to the CFO, to the VP General Counsel and Corporate Secretary and to the overall company's executive management forum, regarding ESG targets and related progress, stakeholder interest, ESG risks, existing and upcoming ESG regulations, and additional related topics. Throughout the company, various business leads and heads of department support the delivery of our sustainability strategy and compliance with responsible business practices in their respective organizations. Members of our executive management team serve as sponsors for the delivery of our sustainability targets. These members include our CFO, COO, CHRO, VP General Counsel and Corporate Secretary, VP Q&R, and CMO.

**ESG policies and positions:** In addition to our annual Sustainability Report, we enhance our disclosure of ESG matters with the publication of [policies and position](#) documents. These policies and positions cover topics such as Ethics, Compliance, Human Rights, Supplier Management and Supplier Code of Conduct and QEHS (Quality, Environment, Health, Safety).

**Incorporating ESG targets into management objectives:** In recent years, the Company has integrated ESG-related performance targets into our corporate performance goals which are relevant for our senior executives, including our Non-Executive Officers and Chief Executive Officer, under our annual incentive compensation plans. In 2023 specifically, these goals addressed topics such as the enhancement of gender equality in our workforce, reduction of GHG emissions, assuring the safety of our employees, waste recycling rates, ethics training, corporate governance practices and expanded ESG reporting.

We aim to continue this process moving forward and have already defined ESG-related performance goals for senior executives for 2024 as well.

## Risk Management

Our Board of Directors oversees the company's risk management process. We maintain a robust risk management program with the aim of ensuring that key risks, including strategic, operational, compliance, ethical, environmental and social risks are properly monitored and mitigated. Risks are prioritized on an annual basis using our risk analysis process that is led by the Company's VP Risk Management and Internal Audit (who reports to the Company's CFO). The executive management and the Audit Committee of the Board of Directors review the risk assessment and decide on priorities for internal auditing of risks for the coming year. We conduct several internal audits throughout the year and report the results and corrective action plans to management and to the Audit Committee of the Board of Directors at least four times a year.

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

**Internal audit:** In 2023, our internal audit department reported on 12 different audits commissioned by the Audit Committee. The audits focused on contract manufacturers, product quality assurance, information technologies, purchasing and employee safety processes, and other topics. In addition, 6 investigations were held in response to various reports to our whistleblower hotline or issues raised directly by employees to their managers. The audit committee and the internal auditor also track the implementation of corrective recommendations.

## Powering the World through Positive Policy

SolarEdge is committed to mitigating climate change through the acceleration of smart, clean renewable energy technologies that will power the world for generations to come. In 2023, we hired a global Government Affairs team in 2023 in order to engage with governments and policy makers around the world and support that vision. The Head of Global Government Affairs reports directly to our Vice President, General Counsel and Corporate Secretary. For this, SolarEdge is registered under the U.S. Lobbying Disclosure Act and the EU Transparency Register, and the Government Affairs Team follows all regulatory and legal requirements.

We believe that business is powered by trust, and trust is built through operating with integrity, decency, and transparency. Our Global Government Affairs engagements with key stakeholders, elected officials, and policymakers at the local, state, federal and international levels are based on these same values. As a global leader, we focus our proactive advocacy on core policies that directly impact the business and our ability to realize the company vision, and/or impact our customers and shareholders. These issues include topics such as climate policies- particularly those that accelerate the deployment of solar and clean energy, cybersecurity, tax, and trade.

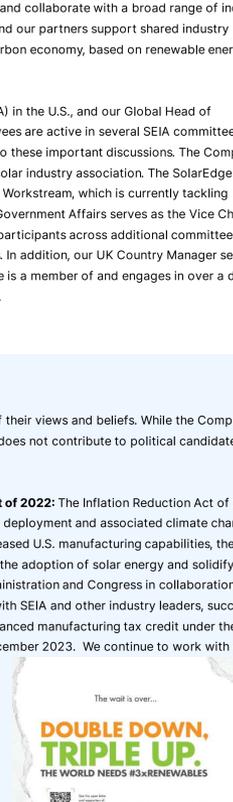
We engage directly with government entities to advance our policy priorities and collaborate with a broad range of industry groups and solar industry trade associations in our key markets. SolarEdge and our industry partners support shared industry business goals, while advocating to enhance the global transition to a low-carbon economy, based on renewable energy. This aligns with the goals of the Paris Agreement.

SolarEdge is an active member of the Solar Energy Industry Association (SEIA) in the U.S., and our Global Head of Government Affairs serves on the SEIA Board of Directors. SolarEdge employees are active in several SEIA committees and workstreams, contributing their expertise and bringing our company's voice to these important discussions. The Company is also an active member of SolarPower Europe (SPE), the foremost European solar industry association. The SolarEdge Cybersecurity Program Director serves as the Vice Chair of the Digitalization Workstream, which is currently tackling cybersecurity issues among others. Furthermore, the SolarEdge Head of EU Government Affairs serves as the Vice Chair of the Buildings & Prosumers workstream. SolarEdge employees are significant participants across additional committees that address policies important to the Company, our customers, and shareholders. In addition, our UK Country Manager serves as Vice-Chair and Board Member of the Solar Energy U.K. Association. SolarEdge is a member of and engages in over a dozen additional country-specific and U.S. state specific solar industry associations.

**Political contributions:** SolarEdge respects its employees and the diversity of their views and beliefs. While the Company encourages employees to participate in the civic life of their communities, it does not contribute to political candidates or political organizations.

**2023 Focus Area Example - Advocacy related to the Inflation Reduction Act of 2022:** The Inflation Reduction Act of 2022 (IRA) represents the United States' largest investment to date in clean energy deployment and associated climate change emissions reduction. While the IRA has already significantly encouraged increased U.S. manufacturing capabilities, the successful implementation of that law is expected to significantly accelerate the adoption of solar energy and solidify its related U.S. supply chain. Our policy team directly engaged with the U.S. Administration and Congress in collaboration with key associations and coalitions during 2023. The SolarEdge team, together with SEIA and other industry leaders, successfully advocated to include DC Optimized Inverter Systems for eligibility in the advanced manufacturing tax credit under the 45X microinverter credit, as part of the Notice of Proposed Rule, published in December 2023. We continue to work with the Administration as they finalize the rule.

**The 3X Renewables Initiative:** During 2023, SolarEdge joined the Global Renewable Alliance, IRENA and more than 300 global organizations and businesses in a shared call to world leaders to agree to triple renewable electricity capacity to at least 11,000 GW by 2030. The shared initiative calls for a rapid acceleration of renewable energy deployment during this decade, reflecting the belief that renewable energy deployment is the fastest and most cost-efficient way to decarbonize the global economy and mitigate climate change. Further details on this initiative can be found [here](#).



## How can we help you?

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# Sustainability Strategy & Performance

2023 Performance Summary >



## Introduction – Sustainability Strategy & Performance

Our sustainability strategy leverages high-performance smart energy technology to power the future of energy. With this, we aim to deliver positive impact for people and society while operating in line with ethical and responsible practices. Our three-pillar strategy is influenced by our [Materiality Assessment](#)<sup>1</sup>. The results of this assessment have indicated 11 material topics that have the most significant impact for our stakeholders. These material topics align with our business objectives, stakeholder expectations, and 10 of the 17 UN Sustainable Development Goals.

### Powering the Future of Energy:

So we can all enjoy better living and a sustainable future



Our strategy is supported by multi-year targets in each pillar. Progress toward the delivery of each target is sponsored and supported by a member of our senior management team. In 2023, we continued to make progress as shown in the following 2023 Performance Summary.

## 2023 Performance Summary

### Powering Clean Energy



Goals	Targets	Status	2023 Performance
<b>Accelerate affordable clean energy</b>	Reach >4 million homes equipped with a SolarEdge PV system by end of 2025.	On Track	<ul style="list-style-type: none"> <li>Over 3.4 million homes were equipped with a SolarEdge PV system by end of 2023 (cumulative).</li> <li>We reached our previous target of 2.5 million homes during 2022, and as such, revised the 2025 target.</li> </ul>
	Reach >500,000 commercial sites equipped with a SolarEdge PV system by end of 2025	On Track	Over 350,000 commercial sites equipped with a SolarEdge PV system by the end of 2023 (cumulative).
	Reach >220,000 GWh (cumulative) of renewable electricity produced by our customers using SolarEdge products by end of 2025.	On Track	132,000 GWh of renewable electricity produced by the end of 2023 (cumulative).
<b>Deliver smart and innovative solutions</b>	Introduce new innovations that support the transition to renewable energy use, storage and smart energy management.	On Track	<ul style="list-style-type: none"> <li>Introduced TerraMax™, the first DC-optimized inverter solution for utility-grade applications.</li> <li>Launched the energy optimization system, SolarEdge ONE for both residential and commercial SolarEdge ecosystems.</li> <li>Introduced new features in safety and cybersecurity, developing first-in-class technology for our customers' protection.</li> </ul> See section: <a href="#">Innovative Solutions</a>
<b>Deliver sustainable products</b>	Improve the lifecycle value of our products	On Track	Completed comprehensive carbon footprint analysis for leading models of inverters and Power Optimizers. Expanded LCA analysis currently underway See section: <a href="#">Lifecycle Assessment</a>

### Powering People



Goals	Targets	Status	2023 Performance
<b>Be a responsible employer</b>	Continue to increase investment in training & development opportunities for employees in order to develop new skills and professional learning at every level.	On Track	<ul style="list-style-type: none"> <li>Delivered more than 84,000 hours of training (14.9 training hours per employee on average in 2023).</li> <li>Implemented several employee and managers development programs.</li> <li>Formed career mapping and development planning for Service, IT, and most R&amp;D roles</li> </ul> See section: <a href="#">Training &amp; Development</a>
	Increase gender equality and inclusiveness in our workforce. Achieve these targets by 2028: <ul style="list-style-type: none"> <li>31% women in global workforce</li> <li>20% women in R&amp;D roles</li> <li>28% women in sales roles</li> <li>22% women in total management</li> <li>22% women in mid management</li> <li>17% women in senior management</li> </ul>	On Track	<ul style="list-style-type: none"> <li>29% women in global workforce</li> <li>18% women in R&amp;D roles</li> <li>26% women in sales roles</li> <li>19% women in total management</li> <li>20% women in mid management</li> <li>16% women in senior management</li> <li>Annual pay-gap analysis completed (for Israeli employees); no material difference found in pay by gender.</li> </ul> See section: <a href="#">Diversity, Equity, &amp; Inclusion</a>
	Create enhanced global development program for talented women and for female managers	On Track	Over 40 participants in designated development programs for female managers and women in tech roles in recent years. New program planned to be launched in 2024. See section: <a href="#">Diversity, Equity, &amp; Inclusion</a>
	'Power Your Edge' talent program: all participants to complete >90% of their personal development program	On Track	The 'Power Your Edge' program is designed to help talented employees who were identified with high potential to develop on personal, managerial and organizational levels. Each one of the over 100 program participants built a personal development plan for 2023-2024. See section: <a href="#">Training and Development</a>
	Achieve TRIR (total recordable injury frequency rate) equal to or below 0.7 in all SolarEdge facilities	On Track	Overall TRIR rate in 2023 was 0.66 across all SolarEdge facilities. This represents a 9% increase from 2022 (0.61) but still achieves our annual target. Increase is attributed to issues identified with a specific new production line, and corrective actions were put in place. See section: <a href="#">Health &amp; Safety</a>
>90% of global employees at manufacturing and R&D sites should complete mandatory safety training each year	On Track	During 2023, over 90% of manufacturing site employees in Israel and South Korea completed safety training. In 2024, we aim to achieve this KPI in all manufacturing and R&D sites (Israel, South Korea, Italy and the U.S.).	
<b>Responsible Procurement</b>	<ul style="list-style-type: none"> <li>Achieve acknowledgment of the terms of our Supplier Code of Conduct (SCoC) by all significant suppliers.</li> <li>Audit key suppliers to assure their compliance with the SCoC requirements on social, ethical and environmental issues.</li> </ul>	On Track	<ul style="list-style-type: none"> <li>More than 230 active suppliers have signed their acknowledgment of the SCoC terms or presented equivalent codes of conduct of their own. The products and services received from these suppliers are related to over 93% of the combined direct monetary spend of our Solar and Storage divisions in 2023.</li> <li>On-site SCoC audits conducted to date in 3 out of 4 of our current contract manufacturer sites, and 3 major raw material suppliers. Our newest contract manufacturer in Austin, Texas and 2 additional component suppliers are scheduled for audits in 2024.</li> </ul> See section: <a href="#">Responsible Procurement</a>
<b>Invest in communities</b>	EDGEUcate project: Launch EDGEUcate in 10 main SolarEdge sites.	On Track	EDGEUcate launched in 70% of the designated sites. The remaining sites are planned for a 2024 launch. See section: <a href="#">Community Outreach</a>
	Donate one new community PV installation project each year.	On Track	We donated and installed a PV installation at the Manof Youth Village for youth at risk in northern Israel early in 2023. A similar PV system was installed in early 2024 in a No2Violence women's shelter in central Israel. See section: <a href="#">Community Outreach</a>
	Gradually increase annual charitable donation to 0.5% of net profits by 2026.	On Track	Donated \$537K in 2023, equivalent to 0.57% of net profits, surpassing the target. The target was surpassed ahead of time on a one-time basis due to ad-hoc donations to communities in need in Q4. See section: <a href="#">Community Outreach</a>

### Powering Business



Goals	Targets	Status	2023 Performance
<b>Ethical and compliant conduct</b>	>90% of global workforce to undergo ethics training each year.	On Track	Over 5,200 employees, which represents over 90% of the end-of-year workforce, successfully completed the Employee Code of Conduct training in 2023. See section: <a href="#">Ethics and Compliance</a>
<b>Climate resilience</b>	>5% reduction of overall absolute Scope 1+2 GHG emissions by 2025 (base year 2023), excluding our sites in South-Korea.	Behind Schedule	Several energy efficiency measures were undertaken, and 5 or our sites now have SolarEdge PV systems generating renewable electricity on their rooftops. However, our absolute Scope 1+2 emissions have nonetheless increased by 26% in 2023 compared with 2022, due to significantly expanded operations in the Sella 2 site (that now accounts for >70% of our Scope1+2 emissions). The reduction target issued in previous reports (30% reduction of Scope 1+2 emissions per revenue) referred to 2020 as the base year for emission reduction, and did not reflect the significant expansion of our self-production capacities since, with emphasis on the more energy-intensive battery production. We have therefore set an updated short-term target, excluding our South-Korean sites. Once Sella 2 reaches its full production capacity and our base energy consumption stabilizes, we aim to set an updated global reduction target, to include the Korean sites and reflect a longer period. See section: <a href="#">Climate Change Mitigation</a>
<b>Resource efficiency</b>	Achieve near-zero e-waste to landfill.	On Track	All e-waste generated directly at manufacturing, R&D and logistic sites is collected and handled by certified WEEE (Waste Electrical and Electronic Equipment) handlers and recyclers. See section: <a href="#">Waste Management</a>
	>80% of generated waste recycled or recovered to energy.	On Track	83% of 2023 waste was either recycled (76%) or recovered to energy (7%). See section: <a href="#">Waste Management</a>

LEGEND ■■■■ Exceeding Target ■■■■ Achieved 2023 plan ■■■■ Behind schedule



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Sustainability Report 2023 /

# Our Global Climate Impact



Climate change is widely considered one of the world's single most pressing challenges. According to a World Economic Forum global survey, climate change is related to 5 out of the top 10 risks to humanity in the next decade <sup>[1]</sup>. Therefore, the large-scale creation of reliable renewable and carbon-free energy sources has become a global priority.

Energy independence has become even more critical with geopolitical crises and economic unrest in Europe and other interdependencies across the globe. Fossil fuels are becoming more expensive and are environmentally destructive. Renewable energy is increasingly recognized as the “smarter choice”, offering both cost savings and new opportunities for energy independence.

At SolarEdge, we are invested in being part of the solution to these challenges. We are dedicated to accelerating the move to a low-carbon world, powered by a decentralized, distributed, interconnected energy network where electricity is generated, stored, managed and used in the most optimal manner. We are moving forward with our strategy to expand the accessibility of our technology to more markets, utilities, businesses, and homes.

**Over 3.4**

**Homes were equipped with** with a SolarEdge PV system by the end of 2023.

**40M**

**metric tons of CO<sub>2</sub>e emissions are avoided** annually through the use of our installed systems. <sup>[2]</sup>

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

## Renewable Energy Transformation



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# Our Clean Energy Solutions

A smart and optimized > energy ecosystem

Storage Solutions >



## A smart and optimized energy ecosystem

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

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

Each of the solutions in our portfolio functions as a seamless smart energy ecosystem, optimizing energy efficiency, monitoring and management. Solutions for individual homeowners, multi-family tenant buildings, commercial, industrial, agricultural and utility applications are each served with a tailored suite of products. Each ecosystem is enriched by a dedicated set of software tools, some to simplify the installer's work process, and others to provide management capabilities to homeowners and business owners, in keeping with their specific needs.

Solar PV systems designed for maximum renewable power production:

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



### EV Chargers:

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



### Batteries:

SolarEdge batteries are an essential component of our solar PV solutions for homes and businesses. We offer a portfolio of storage options that are designed to address different customer needs assisting them in gaining additional value from their investment. Given the international energy landscape in which we operate and live, that includes differential pricing and, in some regions, intermittent blackouts, storing energy offers a valuable addition to a solar PV infrastructure. Customers can choose to use solar energy during financially beneficial times or at nighttime – and to store energy they produce at times when it is not financially viable to export it to the grid. Customers with systems that support backup functionality can use batteries to keep the electricity on when the grid is down. The recent addition of SolarEdge ONE energy optimization system, increases the value of the battery use by adding new capabilities, described in greater detail below.



### Power Optimizers:

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



### Inverters: :

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



### SolarEdge ONE:

SolarEdge ONE energy optimization systems are intelligent software assets, each integrated into a SolarEdge solution, and tailored to deliver functionality to the user based on specific needs: homeowners, commercial site owners, etc. SolarEdge ONE enables customers to use the ecosystem more effectively, increasing the value of the system to the user. Details on the two SolarEdge ONE varieties (for SolarEdge Home and for C&I solutions) can be found in the "Smart Innovation" section.

## Storage Solutions

In May 2022, as part of our plan to advance smart energy availability, we announced the opening of our new two gigawatt-hour (GWh) lithium-ion battery cell production site in South Korea. The new plant is currently in the ramp-up phase, which is expected to continue throughout 2023. Sella 2 will enable SolarEdge to have an in-house supply of lithium-ion batteries to serve our customers in all markets, as well as other industries, with the capability to scale battery cell capacity in the future to support the growing needs for energy storage solutions.



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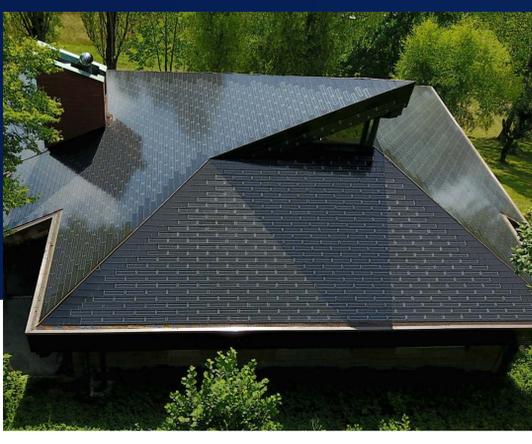
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# Residential & Community Solutions

On the following page, we share some recent examples of our smart energy management systems installed in our markets.

Our complete residential solutions offer homeowners and communities the opportunity to live sustainably in homes that generate and use energy from the sun. With residential and community systems representing a dominant share of our installed and operating systems, SolarEdge systems enable solar energy generation in over 140 countries.



## Living sustainably in the Netherlands

**Leonie van Harberden,**  
SolarEdge system homeowner,  
Netherlands

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

## Storing solar energy in France

**Phillipe Cayoux,**  
SolarEdge system homeowner,  
Pyrenees region, France

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



## Smart and green energy usage in Japan

**Yuichi Takemoto**  
SolarEdge system homeowner, Japan

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

## Helping Windach, Bavaria meet renewable energy goals

To meet their goal of generating 100% of the municipality's electricity supply from renewables, the Windach Bavaria Municipality in Germany installed a 6.6 MW SolarEdge DC-optimized ground mount solar plant. In the first nine months of operation, the plant generated enough electricity to power around 2,300 homes and saved an estimated 3,200 tonnes of CO<sub>2</sub> emissions. The project is headed by Gemeindeferke Windach, the company responsible for municipality-wide energy supply and civil engineering.

As part of the installation process, the entrepreneurs sought local buy-in for the project. They canvassed the opinions of local groups and invited shepherds who had been concerned about land usage to a mutually beneficial arrangement: sheep could graze around the installation. Biodiverse habitats for a variety of wildlife were also created around the solar plant. Municipality representatives sought to decentralize energy generation in order to relieve the strain on the grid and create greater scope for heat and electricity storage, which will become increasingly relevant. Florian Zarbo, CEO of Gemeindeferke Windach, explained: "With the recent spike in energy prices, the solar plant is paying for itself even more rapidly than anticipated. However, it would not be what it is without SolarEdge's cutting-edge technology, able to maximize energy generation, keep maintenance costs tightly under control, and providing the high level of safety that is crucial for a public project such as this."

## Great Britain VPP helps the British save energy and reduces costs

In February 2023, SolarEdge launched the first battery powered Virtual Power Plant (VPP), eligible to participate in Great Britain's National Grid ESO Demand Flexibility Service (DFS) scheme. SolarEdge collaborated with Smart Metering Systems Plc., a leading UK energy infrastructure company, to enable qualified SolarEdge Home Battery customers to earn financial incentives for their stored battery energy.

During a DFS peak demand event designed to stabilize the grid, participating customers are asked to reduce their electricity consumption during pre-scheduled demand events. In contrast to homeowners paid by the DFS for manually reducing their energy consumption, SolarEdge Home Battery owners could earn financial incentives without changing their home electricity consumption behavior, but simply by leveraging stored battery energy. Battery owners with an eligible export meter could earn even higher financial incentives by exporting their excess battery power as electricity back into the grid. SolarEdge's innovative technology automatically optimized the battery charge and discharge, ensuring homeowners earned maximum financial incentives while assisting in stabilizing the grid. In December 2023, SolarEdge announced its renewed participation in the scheme as part of its portfolio of VPPs.

## Community hospital in Cornwall installs clean energy system

St Austell Community Hospital in Cornwall (UK) has installed a rooftop solar PV system forecast to deliver around 81 MWh of clean energy each year, and to return the investment in only five years. The system supports the local Health and Care Partnership's Green Plan, which is aimed to achieve net zero carbon emissions by 2030. The installation will also play a key role in the Partnership's wider decarbonization strategy which seeks to power heavy energy loads such as electronic vehicle charging points and heat pumps with sustainable energy.

The DC-optimized PV system boasts nearly 200 solar modules, which have been upgraded to smart modules by SolarEdge Power Optimizers, to increase energy production. The SolarEdge 82.8 kW Three Phase Inverter with Synergy Technology can be oversized by up to 200%, enabling further enhanced energy yield with additional modules, now and in the future.

Alan Bean, Sustainability Program Manager for Cornwall Partnership, which runs the community hospital, noted: "We can reduce our carbon emissions while ensuring we have an energy supply that is safeguarded against rising energy prices and volatility in the global energy market."

## Helping South Australia reach grid stability goals with VPP technology

A VPP or Virtual Power Plant is a modern way to manage energy and take advantage of available renewable power: multiple users provide energy back to the grid - energy that is then distributed to others. When the South Australian State Government initiated a plan to institute a VPP, SA Power Networks stepped up as the first electricity distribution network to set the dynamic export requirements needed to implement the plan. SolarEdge was chosen for the project, aimed to develop and certify a native dynamic export-compliant system for South Australia. SolarEdge provides the grid with a cloud platform and enables customers with SolarEdge solutions to interact with the platform without requiring additional hardware. The smart inverters in the SolarEdge system can interact with the VPP without the complexity and additional cost of adding third-party controllers. Participating solar customers allow the network operator to remotely update their grid export limits in order to maintain grid stability. Beginning July 2023, the "Smarter Homes Program" for distributed energy, will invite SolarEdge's residential and small commercial systems in South Australia to take part in stabilizing the grid. While non-participant sites will have 1.5kW fixed export power limits, SolarEdge system owners benefit from export of up to six-times more energy back into the grid for most of the year.



## Democratizing affordable energy in Texas

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

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

With this initiative, PearlX and SolarEdge are creating a widely replicable, decentralized model that facilitates accelerating the energy transition in Texas, while stabilizing the grid and minimizing the risk of grid failure



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# Helping Global Businesses Transition To Low-Carbon Energy



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

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

**Over 50%**

**of Fortune 100 companies**

have SolarEdge Systems on at least one of their sites

## Floatovoltaics in Taiwan solve land use dilemmas

Taiwan is one of the most densely populated nations in the world. In a bold move to balance the nation's land management needs, the government decided to construct a floatovoltaic site at the Wu-Shan Tou Reservoir to deliver 17 million kWh of power and save 8,906 tonnes of CO2 emissions per year. The site featured a SolarEdge commercial floating PV solution, especially suited to deliver superior performance in a rugged aquatic environment. In addition to the multilayer SolarEdge safety features that secure the site, SolarEdge inverters are built to take on the harsh terrain of floating PV plants, operating at high humidity levels and a wide operating temperature range. Crucial for floatovoltaics, SolarEdge features module-level monitoring and remote diagnostics which allows O&M and site managers to pinpoint possible system faults without having to visit the floating site.

Floatovoltaics is a true win-win solution: Blocking direct sunlight to the water, solar modules reduce evaporation and improve water quality. At the same time, placing modules on water maintains them at a cooler temperature, which increases production efficiency.



## Polish manufacturer reduces energy costs

TERMA, a Polish manufacturer, invested in a PV system with an expected average annual electricity production of over 40 MWh. The system was installed atop an office, storage and production facility, with high energy requirements. The project was initiated to reduce the company's energy expenses, and provided savings that could increase significantly in the coming years, given the of rising energy prices. SolarEdge's smart energy solution was selected as the heart of the installed system, that allows for an annual average reduction of around 34 tonnes of CO2 emissions, as well as significantly reducing TERMA's yearly energy expenses.



## Vertical PV brings clean energy to the office

Dominion Properties, a US-based real estate operation, wished to turn a 7-story brick building façade in Wisconsin into an energy asset by installing 25 meters of PV modules. In order to ensure maximum power efficiency, they selected SolarEdge inverters and Power Optimizers. The installation is expected to produce 58MWh of electricity per year and will reduce electricity costs for the building tenants. In an urban vertical installation such as this, which will naturally experience shading from neighboring buildings, the SolarEdge system is designed to ensure maximum energy production from the site. An added advantage of using SolarEdge is having the option to oversize the Synergy inverters by up to 200%, which enables Dominion Properties to add more modules to the array in the future should energy demand increase, without having to invest in new equipment.

## Carbon neutral sorting center for DHL in Israel

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



## Sustainable packaging gets greener in Vietnam

Alta Plastic Ltd. is a leading manufacturer of biodegradable plastic packaging products and food pouches with a manufacturing facility in Ho Chi Minh City, Vietnam, that consumes approximately 300 MWh of power each month. To reduce the high electricity costs and meet sustainability objectives, Alta installed a rooftop 920 kW PV system with SolarEdge's DC-optimized solution, including nine SolarEdge three phase inverters with Synergy Technology. This solar system also enabled the factory to take advantage of a 20-year Vietnam-government incentive for installing PV and exporting unused energy to the grid, enabling Alta to earn revenues from surplus energy.

**In the first 15 months of the system's operation, Alta reported that it has cut more than 520 metric tons of CO2 emissions, in addition to lowering energy costs by approximately 30%.**

## Italian quarry achieves substantial reduction in energy expenses

Granulati Basaltici S.r.l is one of Italy's leading specialists in extracting and producing basalt aggregates. In a bid to counter escalating electricity bills for their energy-intensive operation, and to meet stringent ESG targets beyond the quarry, the company installed a 2MW ground-mount PV system near its operational facilities in Sicily. Powered by a SolarEdge solution, the plant succeeded in cutting the site's monthly energy expenses by over 40% with an estimated return on investment of five years. The PV installation also enabled Granulati Basaltici to significantly improve the sustainability of its operations, reducing CO2 emissions by more than 3,000 tonnes CO2e to date. The move to solar has also enabled the company to appeal to partners increasingly focused on ensuring the sustainability of the entire supply chain; this is a great asset in a market that has traditionally been inherently heavily polluting. As an additional boon, the land is expected to enjoy a second life as an extensive and highly productive solar farm once the quarry's assets are exhausted in several years.



## Brazilian small business gets a boost with solar energy

Supermercado Cristel is a supermarket in Goiânia, Brazil with a roof topology that has numerous angles and shading issues. Therefore, when the Supermercado decided to switch to solar energy to reduce their electricity costs, they were working with built-in challenges. SolarEdge was able to provide an optimal solution, with the functionality split between the Power Optimizers and the inverter. The roof layout, which would have led to module mismatch with a typical inverter solution, didn't pose a problem for SolarEdge technology. SolarEdge technology also enabled Supermercado Cristel to install about 20% more modules than they would have been able to do with a string inverter system, meeting the company's requirement for harvesting the maximum energy possible from their roof.



## Torino airport passengers travel green and safely

A largescale rooftop photovoltaic (PV) system was recently installed at Torino Airport (Italy), featuring SolarEdge solutions. The PV system is geared to provide up to 12% of the airport's annual power needs, with an estimated 1,500 MWh of solar energy generated annually. This renewable electricity was estimated to help avoid over 400 tonnes of CO2 per year. By leveraging SolarEdge optimized technology, the airport can maximize power production for each module and uphold its stringent safety requirements, including remote module-level monitoring and integrated rapid shutdown capabilities.

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# Smart Innovation

Innovative Culture >  
Innovative Solutions >



## Innovative Culture

Our company vision is to transform energy markets and change the way energy is generated, stored, managed and used. We relentlessly develop technologies and introduce enhanced renewable energy solutions, assisting the global efforts to mitigate climate change. We continue to refine the solutions we offer, to enable our global customers to harvest the sun's natural energy as efficiently as possible, in systems that are flexible, affordable, accessible and safe, in both residential and commercial applications.

To encourage employee creativity and initiative, our patent innovation program encourages employees who develop new patentable ideas that further improve our solutions, as they advance clean energy.

Principles driving innovation at SolarEdge:

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

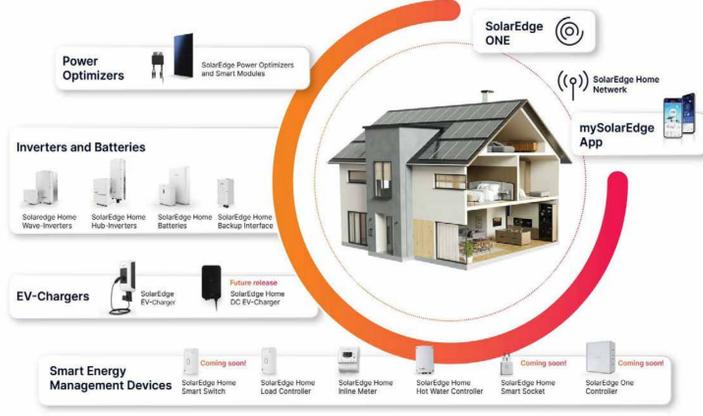
SolarEdge maintains **602 granted product patents** with an additional **528 patents pending**<sup>[1]</sup>. A majority of our patents relate to DC power optimization and DC to AC conversion for alternative energy power systems, power system monitoring and control, battery technology and management systems.

## Innovative Solutions

### Transforming integrated home energy management

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

In 2022-23, we significantly expanded our residential portfolio: "SolarEdge Home," the next generation in smart energy management systems. The solution is designed to dynamically manage, monitor, and optimize solar energy production, consumption and storage in real-time. It also enables homeowners to optimize the electricity source selection at all times, reducing costs and minimizing the consumption of peak-rate grid electricity. Through monitoring and synchronizing the energy needs of all connected devices and appliances, SolarEdge Home automatically maximizes PV energy consumption, and manages the power load, scheduling decisions and homeowner preferences to ensure maximum convenience and cost-savings.



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

#### SolarEdge Home inverters:

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

#### SolarEdge Home batteries:

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

#### SolarEdge Home smart energy devices:

A growing suite of scalable smart energy devices that enable increased solar energy consumption for diverse needs and growing electrical loads. The SolarEdge EV Charger is designed to enable homeowners to drive on sunshine; the SolarEdge Hot Water Controller automatically diverts excess PV energy to provide hot water; the SolarEdge Load Controller handles heavy loads, while also enabling efficient energy management and extended backup power; the SolarEdge Home Smart Switch enables management of specific small-load appliances; and the SolarEdge One Controller<sup>[2]</sup> is designed to facilitate integration with 3<sup>rd</sup> party applications such as EV chargers and heat pumps, connecting them to SolarEdge home ecosystem, enabling them to run more on solar while maximizing savings.

### SolarEdge ONE for SolarEdge Home

SolarEdge ONE is an energy optimization system orchestrating SolarEdge Home. It operates as the homeowner's personal energy assistant. It is based on AI algorithms that gather and process data from three types of sources: External (weather forecasts, utility rates, etc.), internal (usage patterns and system parameters), and the homeowner's preferences.

Using this data, SolarEdge ONE generates and deploys a personalized and optimized 24-hour energy plan that adapts to real time changes. This ensures that homeowners can make the most out of their SolarEdge investment and further reduce electricity bills, without the complexity of manually planning and managing their home's energy. The system enables homeowners to store solar energy at cost-effective times, increasing energy independence by controlling the timing of their PV energy consumption. It also can extend backup durations and enable homeowners to take advantage of lower time-of-use rates. Examples of real-time decisions made by the system include storing energy for forecasted weather events, selling energy to the grid when prices are favorable and conserving solar power by turning off non-essential appliances.



## Complete Energy Ecosystem for Commercial and Industrial Organizations

SolarEdge is increasingly expanding its portfolio to provide a complete solution to each of our C&I (Commercial and Industrial) customers. We have tailored solutions for customers in a wide range of industries, so that each may maximize cost savings and advance towards their energy targets. **Over 50% of Fortune 100 companies have SolarEdge technology on their rooftops.** Industries we serve vary from retail, industrial locations, warehouses or distribution hubs, public buildings, multi-dwelling buildings, carports, airports and more.

As part of the ecosystem, we offer inverters, Power Optimizers, battery storage, EV chargers and energy management, accompanied by the SolarEdge ONE for C&I, energy optimization system (further details below). These solutions allow our C&I customers to generate, consume and store more energy, which is instrumental to the increased financial benefits they can see from their system.

Safety and cybersecurity are a key issue to our commercial customers for their business continuity, and these are important pillars upon which our solutions are built. Our systems will maintain production, despite a panel going off-line, due to our MLPE (Module-level power electronics) topology. SolarEdge builds on this base to provide a multi-layered, robust safety suite designed to prevent safety events and mitigate risks. We pay equal attention to cybersecurity, with multi-level protocols that include proactive security measures, continuous monitoring and the ability to rapidly respond to an incident, if it occurs. Our comprehensive approach includes device protection, data security, network safeguard, visibility and control.



### SolarEdge ONE for commercial and industrial (C&I) solutions

SolarEdge ONE for C&I solutions<sup>[2]</sup> is an energy optimization system designed to automatically and constantly manages site energy production, storage and consumption. The optimization platform assists business stakeholders to efficiently and securely manage their power consumption, lower energy costs and reduce carbon footprint. For operation and maintenance companies and EPC's that manage several buildings with various PV systems, SolarEdge ONE for C&I provides a comprehensive platform to efficiently monitor, manage and maintain their PV system fleet.

In recent years, SolarEdge has acquired and/or invested in several companies, each of which developed a groundbreaking smart energy solution to serve our C&I customers. These products are aimed to be gradually integrated into the core SolarEdge ONE system and bolster the existing advanced energy management capabilities of our ecosystem:

#### Advanced energy management tools for C&I:

SolarEdge completed the full acquisition of Hark, a UK-based energy analytics and industrial IoT company in April of 2023. Hark's platform allows enterprises and asset operators to connect, analyze and optimize industrial assets and energy in their commercial sites. Coupled with our existing smart energy solutions, we now provide enterprises with greater transparency and control of their energy usage by identifying potential energy savings, detecting anomalies in asset energy consumption, optimizing energy usage and reducing carbon emissions through load orchestration and storage control.

#### Smart EV charging:

We completed the full acquisition of Wevo Energy in April 2024. Wevo develops software specializing in EV charging optimization and management for sites with large quantities of EV chargers such as apartment buildings, workplace carports and public charging locations. The software is designed to be vendor agnostic and supports industry leading open protocols, enabling multi-user pricing and billing, tiered prioritization of charging schedules, predictive load management, and a range of additional services. Wevo is already integrated with SolarEdge's EV chargers, solar inverters and meters, for a holistic real-time view of solar production, grid consumption and EV charging.

#### Climate-neutral building portfolio management for real estate companies:

In March 2024, SolarEdge signed an agreement to invest in and partner with Ampeers, a Germany-based software start-up that designs and operates solutions for decarbonizing entire portfolios of multi-dwelling buildings. SolarEdge aims to provide real estate companies with a holistic solution for a climate-neutral building portfolio, which includes the planning, implementation and financing options for solar and storage generation, tenant electricity billing solutions, EV charging infrastructure and new heating technologies.

#### Using technology to encourage solar energy in multi-tenant properties:

In April 2024, SolarEdge completed a minority investment in and cooperation agreement with Ivy Energy, a U.S.-based software start-up. Ivy Energy has developed a "Virtual Grid" Cloud software that supports PV installations on multi-tenant properties, allowing for better financial incentives for both property owners and tenants. The solution aims to distribute the shares of the community's total solar benefit to residents according to individual's resident energy use, time-of-use rates in real time, and the real time availability of solar energy.

### Complete Optimized Utility Solution

As the world seeks to decarbonize, we face challenges such as land use limitations. Our Optimized Utility solution offers advanced technologies for PV harvesting, tracking and energy management. Project developers can take advantage of new business opportunities by having access to previously overlooked land, such as uneven and sloped terrains, above crops or on bodies of water.

Our Optimized Utility solution is well-suited for the growing market of Agri-PV (dual land use for agriculture and energy production). Using MLPE (Module-level power electronics) technology, SolarEdge PV systems can mitigate challenges posed by Agri-PV by maximizing crop harvest and solar energy production, ensuring site safety and increasing operational efficiency.

#### ▄ The SolarEdge TerraMax™ inverter rated at 330kW and associated H1300 Power Optimizers, is the first DC-optimized utility-scale PV solution, allowing versatility and greater yields. TerraMax<sup>[3]</sup> is well-suited for ground mounts and other dual use PV installations such as Agri-PV, floating PV and Community Solar. It opens new installation opportunities in challenging terrains, where their potential could not have been maximized using traditional string inverter PV systems. SolarEdge ONE for C&I<sup>[2]</sup>, is designed to integrate to the TerraMax solution, to offer advanced tools for continuous operation and monitoring, allowing lower maintenance costs throughout the project lifetime.



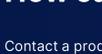
#### ▄ The SolarGik smart PV trackers are a highly beneficial addition for many types of optimized utility installations. Equipped with intelligent algorithms, the trackers can assist in optimizing production. They respond to remote commands but are also programmed to automatically adjust positioning based on weather predictions, crop requirements, and more. These compact and lightweight trackers can be installed on, greenhouses and agricultural fields, in addition to use in a traditional ground mount installation.



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Sustainability Report 2023 /

# Customer Service



The primary interface for homeowners and users of SolarEdge systems is often our wide network of independent installers. We invest in educating our installers so that they can improve their installation skills and minimize installation time, and so that our end customers can enjoy a positive installation experience and start harvesting the sun's power in an expedited manner. We offer our installer base a comprehensive package of customer support and training services which include pre-sales support, ongoing training, and technical support before, during, and after installation.

Our EDGE Academy is an intuitive web-based learning portal aimed primarily for SolarEdge installers, which is available to use free-of-charge world-wide at any time. The EDGE Academy platform is an advanced Learning Management System, available in 16 different languages, and capable of hosting thousands of online training sessions each month, allowing a self-paced, training approach. The platform's merits as a learning tool are evident by its widespread usage, with over 1.8 million learning page views in 2023 alone, by over 99,000 "unique" users.

EDGE Academy offers a multi-level certification program, with each completed certification being valid for two years. SolarEdge certification programs are offered at three levels to support the knowledge progression of SolarEdge installers. In 2023, over 19,000 certification courses were completed in the EDGE academy for all available certification levels.

In 2023, we revamped our first level certification, with up-to date installation methodologies and practices. We similarly enhanced our installer's performance enablement during 2023: we added over 50 product-specific courses, and provided a professional installation toolkit which made our software, tools and service very accessible to our installer pool.

Customer service and satisfaction continues to be a key component of our business and we consider it integral to our overall success. We maintain high levels of customer engagement supported by over 650 employees who specialize in customer support and training. This engagement is maintained by the tech centers that we operate in 12 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 2023, the Edge Academy platform hosted over

## 222,000

**learners,**  
the vast majority of which were SolarEdge installers.

The annual total number of hosted learners this year has increased by

## over 79%

compared to last year.

In 2023, we received over

## 1.9 million

service requests through our customer service channels. The average satisfaction rate for our response was 4.5/5 overall.



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# Safe & Sustainable Products

- Product Safety >
- Standard Certification >
- Lifecycle Assessment >
- Sustainable Packaging >
- Refurbishing >
- Product End-of-Life >



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

## Product Safety

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

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

Each product safety incident or risk is examined by a combined team of our product, service, and R&D experts. This team works to determine the source of the hazard. Once the source is identified, corrective actions are set in place with adjustments to the relevant practices: installation training, product manuals, product physical design, product algorithms, monitoring systems or other safety features.

Due to the often-high voltage of PV systems, precautions must be taken to ensure the safety of people and avoid property damage. The SolarEdge PV systems adopt a holistic approach in reducing the risks associated with electrocution and fire by providing an integrated safety solution that combines enhanced protection and detection mechanisms. As part of this holistic approach, we applied various safety mechanisms to our products and continue to apply new mechanisms based on our risk analysis process. Prominent examples of mechanisms already implemented to various extents in our products include:

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

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

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

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

A prominent example of these mechanisms is the SolarEdge Sense Connect feature included in the new S-Series Power Optimizers. SolarEdge Sense Connect is an industry-first technology that detects temperature increase at the connector level, stopping power flow before an arc can occur.

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

## Standard Certification

SolarEdge complies with the following international standards and with various environmental regulations:



We continuously act to certify all the manufacturing and R&D sites under our operational control according to relevant ISO standards for management systems in the fields of quality, environment and safety. By the end of 2023, 100% of the designated sites in all relevant countries (Israel, South-Korea, Italy and the US) were certified to ISO 9001 (quality), ISO 14001 (environmental management) and ISO 45001 (safety management).

All SolarEdge products are fully compliant with REACH, RoHS, TSCA, and other regulatory requirements in the various regions where they are supplied.

## Lifecycle Assessment

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

As part of these efforts, we conducted a comprehensive carbon footprint analysis for leading models of our inverters and Power Optimizers. The analysis process was led and certified by carbon footprint and decarbonization experts, [Carbon Trust](#). The analysis allows us to understand the main emission sources throughout our products' lifecycle, helping us better understand our emission reduction opportunities. We are currently working on the expansion of our LCA analysis scope for several additional products and additional environmental impacts and aim to complete this expanded process during 2024.



## Sustainable Packaging

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

## Refurbishing

Our products are built durably, for the long term and come with an extensive warranty. However, if one of our inverters or batteries nonetheless exhibits a malfunction that cannot be repaired on-site or remotely within the warranty period, it is replaced by the company. SolarEdge inverters and batteries that need to be replaced are often sent to our refurbishing sites in Europe and the U.S. where Company refurbishing experts examine the malfunction, change electronic or other components as required, conduct quality tests (similar to those that new products are put through), and package the refurbished products as viable replacements. The refurbishing process and expertise provide both a cost-saving benefit for the company and a circularity environmental value. The process reduces some of the need for new electronic components, as well as the costs and environmental impact associated with shipping by partially reducing overseas delivery of new products. Malfunctioned products that cannot be refurbished, are often recycled (see "Product End-of-Life" below).

## Product End-of-Life

We build our products for lasting performance, offering extensive warranties for Power Optimizers and inverters, so customers can benefit from highly efficient clean energy without wasting resources on replacement units. To further reduce waste and material usage, we also refurbish products - in cases where it is possible and viable (see "Refurbishing" above). We also work to ensure the recyclability of our products when they reach their eventual end-of-life stages. See full details in section "[Waste Management](#)".

We help in securing a sustainable end-of-life for our products by participating in regulatory schemes mandated in some regions where we operate, in which manufacturers and importers of electronic equipment and batteries pay levies aimed to fund the eventual collection and recycling of their sold products, at their eventual end-of-life. Such schemes include the EU "Take Back" program of the Waste Electrical and Electronic Equipment (WEEE) directive, and other similar country-specific regulations.

We've instituted a useful procedure for waste recovery at some of our sites, including Sella 1 in Israel as an example. Non-household waste including hazardous waste, cardboard, and scrap metal and e-waste is separated at the source and sent for external recycling at licensed facilities. This eases the later external process of recycling.

Recently, storage solutions have been forming an increasing part of SolarEdge's activities, offerings and revenues. In parallel, the Company has experienced growing interest from stakeholders regarding the challenging global issues of battery end-of-life. In the cases of batteries that have experienced defaults, the batteries will often undergo a refurbishing process at SolarEdge designated sites (see above). These batteries can often be refurbished and reused (especially when the fault is an issue with electronic components). We began working with battery recycling sites in several locations in order to handle remaining batteries that cannot be repaired). We continue to examine potential approaches and solutions to mitigate this issue.



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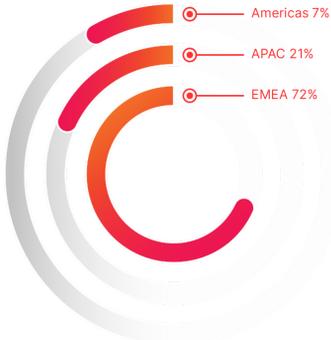
# Recruitment, Retention & Talent Pipeline



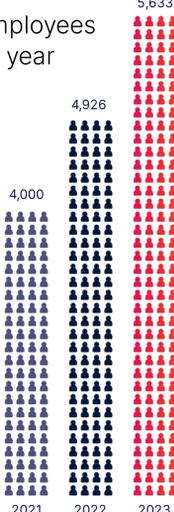
Our success depends on our ability to attract, retain and engage outstanding employees at all levels of our business.

To support our business needs and global workforce, which has significantly increased in recent years, we have invested in our human resources infrastructure, including recruitment, onboarding, development and engagement processes while continuing to reinforce our entrepreneurial spirit and values-based culture.

## Employees by region, 2023



## Employees by year



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

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

Candidate Referrals from employees already working in SolarEdge are commonly used by our recruitment department, with many existing employees recommending the company as a favorable place of work to their friends and peers.

The Company's global workforce numbered

# 5,633

at the end of 2023,  
an increase of 14% from the previous year.

**January 2024 Company Restructuring Plan:** In response to challenging industry conditions, SolarEdge implemented a restructuring plan that encompassed various measures. These included reducing manufacturing capacity and enhancing operating efficiency. Additionally, the Company announced an involuntary workforce reduction in January 2024, resulting in a reduction of approximately 16% of its workforce during the first half of 2024. These decisions were made to better align the Company with current market conditions.

SolarEdge undertook the following steps to assist employees who were let go:

- ▮ An HR taskforce made significant strides to find new roles within the company for talented employees whose position became redundant in the current state of business
- ▮ In Israel, affected employees were offered with an outplacement service proposing support and guidance to help them successfully transition to the next stage of their career.
- ▮ In addition, the affected employees in Israel were offered subsidized mental health services- provided for those seeking it by external expert providers.
- ▮ The SolarEdge HR team has maintained contact with several companies and actively helped to connect them with redundant employees who could fit their recruiting needs.

**Succession planning:** In recent years, we've rolled out a formal talent pipeline development strategy specifically targeting senior roles across all divisions, aiming to:

- ▮ Identify individuals with potential to fill key business leadership positions.
  - ▮ Map organizational gaps, forecast hiring needs, actively develop new pools of talent.
  - ▮ Build customized personal plans to provide critical development experiences to those who can move into key roles.
- Establish succession planning as a regular business practice at SolarEdge.  
Moving forward, we aim to continue defining and implementing actions to create a robust leadership pipeline for SolarEdge.

**Talent pipeline development strategy:** We take positive measures to prepare for additional recruiting needs in the upcoming years. These workforce needs are determined based both on the multi-year business plans of the company, and on the annual manpower needs review process conducted with all company departments as part of our annual budget planning. Our recruitment department uses both internal resources and external services to continuously develop a pool of potential candidates (both from within the company and externally) with relevant skills and experience that complement our current and future needs. This pool is continuously adjusted by the changing identified recruitment needs. Our internal mobility and student hiring programs (detailed below) also help us to meet our updated talent requirements. Students hired by SolarEdge receive company-specific role training making them relevant candidates for full-time positions at SolarEdge upon graduation.

In addition, in 2023, we started an internship plan for engineering students at Shenkar College, in Israel. Through this internship, the students were provided ad-hoc training for the role of operation planners, with emphasis on the specific business activities of SolarEdge. One of the plan's goals is to create a qualified talent pool for this role. Some of these students have subsequently become full-time company employees.

**Hiring students:** We encourage students to work part-time at SolarEdge while they continue their studies to prepare them for potentially joining the company upon completion of their degree. At any given time, there are around 50 students in these specially tailored roles. In 2023, a total of 26 student employees that graduated throughout the year were subsequently promoted to full-time SolarEdge employees.

**Internal mobility:** Our Internal Mobility program is designed to encourage internal recruitment and provide exciting career and personal development opportunities to our expanding workforce. Current SolarEdge employees can apply to any open position, assuming they have been with the Company for at least two years and are performing satisfactorily in their current role. In 2023, over 440 positions were filled by internal candidates, representing 23% of our open positions filled during the year. Over 330 of these career transitions represented promotions to roles of greater responsibility.

**Onboarding:** Our onboarding practices aim to better familiarize our new employees with SolarEdge's business, values, and culture. New employees are assigned to an onboarding program by their direct managers, tailored specifically for their roles, including necessary professional training and introductory meetings with main internal colleagues. In most cases, new employees are also assigned a 'buddy' who is a more veteran employee already familiar with the Company, to help with the first steps of the SolarEdge career.



We periodically conduct regional orientation days. The orientation process includes panels with Company executives (frontal or via web). The participating executives detail the Company's history, operations, and business objectives. Employee questions and suggestions are encouraged and addressed by the participating executives.

**Annual Performance Reviews:** Our performance management process is designed to align employees' goals to the Company objectives, drive excellence and employee development. At the beginning of each year, annual personal goals are set for each employee, taking into account the business objectives of the specific Company department and team, overall company focus areas, and personal development targets. As part of the annual performance review process, our employees receive feedback from their managers (both direct and matrix managers), examine the extent to which their personal targets have been met, and can plan their next career moves and professional development. In 2023, 92% of SolarEdge's global employees received formal performance reviews. This included all eligible employees<sup>11</sup>. In addition to the annual process, the Company encourages a continuous open dialogue throughout the entire year, to help meet the same targets.

**Career Path Mapping:** In recent years, we have developed specific career path frameworks to support the professional and managerial development of our global service and IT departments, and most employees in our global R&D department (including Hardware, Software, Embedded, Mechanics and additional sub-departments). We identified the need to create clarity about career paths and enable managers and employees to effectively plan personal development, while also supporting the retention and engagement of our employees at a local and global level. As part of this process, development opportunities are defined for main roles, by defining the skills and experience needed to advance in a technical or a management capacity (or those needed to switch between these paths). The internal transparency regarding the skills and experience needed for each role expands the options for internal mobility, as employees have better clarity regarding potential new roles and their related requirements. The career path mapping process also assists with managing our talent pipeline and management reserve development, with more potential future internal candidates developing specific skills required to fill-in future company workforce needs. Another goal of the career path process is to enhance the professionalism, progress, and success of our different departments, by promoting a culture of learning and knowledge development within the organization.

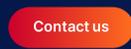
**To date, tailored career plans have been developed for the entire service and IT departments and the majority of R&D department employees. Roles with an established career path account for 27% of the total SolarEdge global workforce.**



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# Training & Development



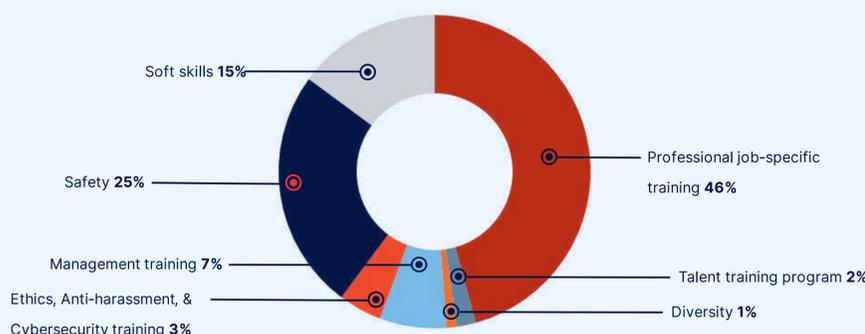
We aim to provide our employees with advanced professional development skills so that they can perform effectively in their roles, develop their skills and capabilities, and define future career goals.

As part of our extensive investment in training, we provide annual leadership and development programs for various management levels (see below) to sharpen their capabilities to lead in the changing environment. We also offer advanced professional training for sales, R&D and other professional teams. These programs are defined each year in line with identified training needs and delivered to different populations as required. We also partner with local educational resource providers to offer formal learning programs on a variety of subjects.

Of the total training hours undertaken by SolarEdge employees in 2023, 46% covered professional job-specific skills, and 25% included different forms of safety training (see further details in the [‘Health and Safety’](#) section). The full distribution of training time by categories is illustrated below.

In 2023, SolarEdge employees trained for more than  
**84,000** combined hours,  
 equivalent to an average of **14.9** training hours per employee, per year.

Distribution of 84K total training hours, in 2023



Several new training and development programs were launched at SolarEdge throughout 2023, and some existing programs were expanded. Following are some primary examples:

- / **Management and Leadership Training Programs:** Throughout 2023, we continued to expand several development and training programs to meet the needs and support the growth of our managers:
  - / An **Executive Leadership Development Program** tailored to the needs of our executive leadership
  - / A **Development Course for our Global Directors** (senior managers, such as department leaders). The course included, among else, sessions with company executives, sharing their personal experience and leadership best practices.
  - / An **Advanced Management Course for group managers** focusing on how to lead 1<sup>st</sup> level managers within their teams. This program focuses on stepping up to effectively manage managers.
  - / **1<sup>st</sup> level managers courses** undertaken locally in different regions and focusing on management and leadership skills, effective task delegation, how to motivate and provide feedback to employees, diversity and inclusion in day-to-day management, and additional skills.
  - / A **Coaching/Mentoring Program for Managers** aimed at enhancing their management capabilities. The target SolarEdge managers were provided with a focused process including one-on-one sessions with external consultants as well as former executives from various global businesses
  - / An **Internal Mentoring Program** aimed to strengthen an internal pool of effective SolarEdge mentors. The program focused on training senior leaders to serve as mentors for managers at different levels, to help them evolve, develop and increase knowledge sharing and networking.
  - / **Topic-specific courses and workshops for all managers** covering areas such as remote management, interview skills, effective goal setting and meaningful feedback.

- / **“Power Your Edge” talent development program:** In 2023, we launched a new program for employees and managers who were identified with high potential. The “Power Your Edge” program was built to help these talents develop on personal, managerial and organizational levels. Each one of the over 100 program participants built a personal development plan for 2023-2024, including tailored learning activities, personal mentoring, shadowing organizational leaders, working with other departments on ad-hoc tasks, and special assignments or projects. The program also includes group sessions, focusing on deep familiarity with various SolarEdge departments and regions, its business direction and focus areas.



- / **Employee Development Soft Skills Plan:** This program aims to provide quality training to help enhance individual and organizational productivity and growth by focusing on a core set of skills relevant to all employees. The plan included both on-line learning offered for all global employees and frontal regional courses and workshops. Some of the main topics addressed in 2023 appear in the following illustration.



- / **New LMS system for mandatory training:** Our global learning management system (LMS) includes mandatory annual on-line training on Safety, Ethics, Information Security and Procurement Procedures, with the system usages planned to continue expanding in upcoming years.
- / **“Power Up Your Skills” E-learning program:** Following a successful 2022 pilot, our “Power Up Your Skills” program was launched in 2023. Our global employees are encouraged to take on-line courses on one of the designated E-learning platforms, available in several languages. Each employee is entitled to take two online, self-paced courses per year from an extensive portfolio of professional/tech learning or soft skill courses. To date, our employees have enrolled in over 500 various personal courses through the program.

- / **SolarEdge Hackathons:** We also invest in developing innovation and team-building skills, specifically for our employees in R&D and other technology functions. Our annual hackathon in SolarEdge Israel inspires our teams to explore new product and service ideas that will help us achieve our purpose of powering the future of energy. The Hackathon planned for late 2023 was postponed due to special circumstances, but we aim to renew this annual event in 2024. Approximately 330 employees in technology roles competed in the last held 2022 Hackathon, supported by 20 mentors from our senior leadership, generating new innovations.



- / **Partnerships with educational institutions:** We maintain a collaboration with Tel Aviv University's (TAU) Faculty of Engineering whereby our R&D employees are invited to take academic courses on a wide range of topics, allowing them to expand their knowledge in professional areas that complement their professional responsibilities. Courses taken by our employees at TAU include topics such as advanced electronics, advanced programming methods, machine learning and others.

- / **Upskilling courses and activities:** We conducted Hebrew language courses in 2023 for manufacturing and cleaning personnel who recently migrated to Israel, in an effort to ease their integration within the Company and local society. Several Herzliya-based cleaning and maintenance staff participated in a Company-run computer skills courses, to develop their skills for the modern job market.



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Sustainability Report 2023 /

# Fair & Quality Employment



SolarEdge offers employees a dynamic place of work, combining high-end technology, an innovative and open culture, a collaborative spirit, and an array of advancement opportunities. In parallel, we aim to provide our employees with competitive compensation and benefits that enable them to achieve a good quality of life while planning for their future. We abide with local employment regulations in each area where we operate around the globe. Accordingly, all our employees worldwide are entitled to adequate wages, statutory retirement saving programs, paid vacation days and sick leave, and other benefits according to local regulations.

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

- // Stock-based compensation: Restricted Stock Units (RSUs) and Employee Stock Purchase Plan (ESPP).
- // Annual bonus and performance-based bonus plans (MBO)
- // Additional (non-pension) medium/long-term saving programs
- // Subsidized health insurance plans - programs vary by region and market practice
- // Subsidized mental health services - a majority of our employees can access these services from external expert mental health care providers and receive subsidized care. Employees contact the services directly and subsidies are provided by a third-party provider without the Company's knowledge and the Company has no access to this information.
- // Parental leave exceeding local regulations - varies by region, for both the primary and/or non-primary caregiver. In Israel, for example (where >50% of our global workforce is located), the non-primary caregiver receives 6 paid days of parental leave (which is above the legal requirement). Israeli employees who are the primary caregiver receive parental leave per the legal requirement, which currently includes 15 weeks of paid leave, and an additional 12 weeks of unpaid leave (eligible to employees who have worked at the Company for at least one year are eligible for these terms).
- // Childcare assistance varies by region. Region-specific examples include: subsidized activities on certain holidays or school vacation days.; subsidies for childcare; partial childcare subsidization in some cases.
- // Favorable sick day terms - meets high-tech industry market practice. The annual sick day quota is set according to regulations in the regions we operate. In accordance with these regulations, over 50% of Company employees accrue 1.5 potential sick days per month (18 per full year)
- // Hybrid work options - over 50% of our employees are allowed to work at least one day per week from their homes (excluding roles that can only be conducted on-site)

In 2022, we continued to conduct our annual gender pay gap analysis of our employee base in Israel in all roles and levels. For further details, see the section on [Diversity, Equity & Inclusion](#). The 2023 analysis is expected for publication later in 2024.

**In early 2023, SolarEdge was selected as the 11<sup>th</sup> most preferred place of work among large Israeli employers, in a comprehensive independent survey<sup>[1]</sup>.**

## Upholding employees' human rights

As part of our stand on human rights, we respect the rights at work of our employees and are guided by the ILO Declaration on Fundamental Principles and Rights at Work. SolarEdge is committed to providing equal opportunity in all aspects of employment and does not tolerate discrimination, harassment or retaliation of any kind. All employment practices and decisions, including those involving recruiting, hiring, transfers, promotions, training, compensation, benefits, disciplinary measures and termination, must be conducted without regard to age, sex, race, color, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity or any other protected status or activity, and must comply with all applicable laws. We prohibit child labor and all forms of forced labor. We do not employ individuals under the age of 18 other than for summer intern programs in certain locations. Some of the summer intern program include simple temporary roles in manufacturing. In such cases the interns are age 16 or above, are closely supervised by experienced adult employees and adhere to strict safety protocols and all relevant employment regulations. For additional details on this subject, see our [Approach to Human Rights](#).

## Employee wellbeing

We believe in supporting employees in caring for their own health and wellbeing, so that they can live healthy and productive lives and also perform their best at work. Throughout the year, on a tailored-by-country basis, we organize educational and sporting activities, including annual medical checkups, to help employees increase their awareness of health risks and provide opportunities to invest in their own wellbeing.

In Israel, for example, we have started during 2023 to conduct weekly on-site Yoga sessions, offered for our employees at Herzliya and Modiin. Also in Israel, the Company encourages employees to organize running and soccer groups and subsidizes employee participation in several running events.

In the U.S, SolarEdge employees are encouraged to participate in ongoing health and wellness activities and challenges. Recent examples include step challenges, age-specific physical exercises, challenges for balanced nutrition and healthy sleep, awareness of the effects of the digital age on wellbeing, personal financial wellbeing, and other wellness activities.

In addition, most of the Company's global employees are offered mental health counseling services as part of the Company's holistic view of employee well-being. The services are subsidized by the Company but are provided anonymously - as the employees contact the services directly and without the Company's knowledge.



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# Diversity, Equity & Inclusion

Advancing Gender Equality >

Inclusion of Different Groups >



## Introduction - Diversity, Equity & Inclusion

We believe in the strength of an organizational culture that embraces differences and welcomes individual contributors who represent diverse groups of society. We are always striving to create new opportunities for women in executive, management and R&D positions, and are taking active steps to enhance the diversity of our workforce and inclusiveness of our approach and practices.

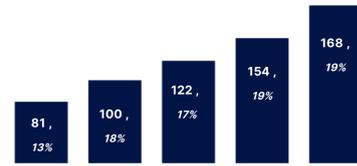
Around the globe at SolarEdge, we have been delivering training and promoting education to support awareness and inclusive practices across our workplaces. For example, at different locations, we have:

- ▄ Provided foundational diversity and inclusion training for managers and employees
- ▄ Delivered training on the inclusion of people with disabilities in the workplace
- ▄ Hosted workshops, lectures, and webinars on a range of topics including valuing diversity; respectful and positive interactions (further details below).

## Advancing Gender Equality

We are acting to create enhanced opportunities for women at SolarEdge. In the past five years, the overall representation of women in our workforce increased from 21% in 2019 to 29% in 2023. We place particular emphasis on supporting advancement opportunities for women in executive and management positions, as well as R&D and sales roles.

### Woman in all management roles and *their % among all levels of management*



In 2023, 19% of management positions<sup>(1)</sup> were held by women, compared to 13% in 2019.

We recognize that there is more work to do to close the gap toward stronger representation of women at all levels of our organization. Our mission is to enhance gender equality and inclusiveness in our workforce, overcoming the inherent challenges related to the tech sector. After making progress on gender equality targets related to our Israeli employees in recent years, we have updated our mission to reflect our entire workforce.

By 2026, we aim to achieve the following levels of representation of women in our global workforce:

- ▄ 31% women overall (29% achieved at end of 2023)
- ▄ 20% women in R&D roles (18% achieved at end of 2023)
- ▄ 28% women in sales roles (26% achieved at end of 2023)
- ▄ 22% women in total management (19% achieved at end of 2023)
- ▄ 22% women in mid management (20% achieved at end of 2023)
- ▄ 17% women in senior management (16% achieved at end of 2023)

To support our overall mission, we set sub-targets for several company departments, as well as region-specific targets. Our progress is supported by the following steps:

- ▄ Operating talent development programs for women (see below)
- ▄ Maintaining partnerships with NGOs to better identify appropriate women tech-role candidates, and to nurture the next generation of women in tech
- ▄ Expanding anti-bias training
- ▄ Conducting an annual gender pay gap analysis for employees in Israel, where most of our workforce is located
- ▄ Launching a global internal Women's Day campaign, titled "Towards Gender Equality".
  - ▄ We produced a webinar featuring a panel discussion of global female renewable energy advocates and policy leaders. They discussed the connection between diversity and innovation, and also shared their career stories and perspectives on gender equality in the renewable energy industry.
  - ▄ We also helped foster mentoring relationships among our female employees and managers. Participating female mentors hold key positions in various professional fields and geographic regions within SolarEdge.
- ▄ We produced a virtual toolkit for SolarEdge global team leaders, encouraging them to conduct roundtable discussion on gender equality with their teams. The discussions focused on gender issues within SolarEdge, as well as within society as a whole. Insights from these discussions were gathered to better address both local and corporate level challenges. This enabled us to hear from our employees directly about their personal experiences and challenges while fostering a shared discussion on how to better enhance gender equality in the company's culture.



These efforts have begun to produce initial results. For example, the number of women hired in the Company's ROW<sup>(2)</sup> region has increased from 26% of all annual hires in these regions in 2022 to 33% in 2023. Also in 2023, the Company hired its first woman field service engineer in North Europe.

Our efforts to enhance gender equality in the tech industry are not limited to our workforce. In line with the pillars of our community engagement plan, we have engaged in several initiatives, encouraging participation of women and growth in the number of women in tech studies.

These efforts included:

- ▄ Providing study scholarships to talented young women from Israel's underserved periphery
- ▄ Organizing educational tech meetups with female engineering students, led by SolarEdge women managers
- ▄ A personal enhancement program for female high school students in Israel, through group sessions held with SolarEdge female employees

See further details in the [Community Outreach](#) section of this report.

## Talent development programs for women

SolarEdge operated two development programs in recent years focused on female employees. One program aimed to accelerate the advancement of female talent based on performance and leadership potential. The second program focused on experienced women employees in R&D and technical roles. Female employees in both programs received a custom personal development program. They also benefited from group learning, the strengthening of management, presentation and communication skills, as well as career planning, and 1:1 mentoring sessions.

### Over 40 women

participated in designated development programs held in recent years, for female managers and women in tech roles.

We plan to continue to offer talent development opportunities in 2024 and beyond for our prominent female employees and managers, with a new and updated development program.



**Pay gap analysis:** In Israel, to meet regulatory requirements, we annually conduct an analysis of pay levels in our local workforce, representing approximately 51% of our global employees. The annual analysis is available [on our website](#) (in Hebrew<sup>(3)</sup>) and covers pay levels by gender, job profile and department, examining gross salary and salary levels used to determine severance pay (excluding bonuses). Of the job groups analyzed for 2022, where both men and women were employed, we found no material difference in pay by gender. For all job groups, no pay gap was greater than 8% in favor of men or women.

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

**In 2023, SolarEdge won the Bronze accolade in the 2023 Solar Diversity Champion Awards, held by SolarPower Europe. This award was granted for our shared initiative with the Samana Program, assisting talented Bedouin women gain the skills necessary to join the high-tech workforce in Israel.**

## Inclusion of Different Groups

**Under-represented minorities accounted for 7% of our U.S. and Israeli workforce (equivalent to 5% of our total global workforce) in 2023.**

We aim to create enhanced opportunities for individuals from under-represented minorities across our workforce in all the regions we operate. Our main efforts are currently centered in Israel, where over half of our global workforce is located. We maintain several partnerships with social organizations in Israel, designed to increase our recruitment of candidates from the Arab community in Israel, ultra-Orthodox women, and individuals with disabilities.

Our diversity-focused collaborations include:

- ▄ We help young engineering graduates from the Arab community in Israel with their first career steps, through the **Fursa Initiative**. To date, we have recruited two employees as full-time employees to our ERP and ATE departments.
- ▄ Recently, SolarEdge became one of the first business partners of the **Samana program**. The Samana program has set out to increase the number of Bedouin-Israeli women who are employed in the Israeli high-tech industry. Despite increasing higher education rates (including in tech fields) among Bedouin-Israeli women, their current participation in the Israeli tech industry remains very low due to cultural and geographical barriers. The program attempts to overcome these barriers by founding a dedicated tech-hub in Zarzir (Northern Israel), where candidates accepted to the program undergo a training both designed and taught by SolarEdge employees in ERP system automation. The training has been structured to meet the requirements of potential future employers such as SolarEdge. In parallel, the participants receive soft-skill training such as English language strengthening and preparation for interviews.
- ▄ Engagement with **Kama Tech**, an organization supporting the placement of individuals from the Israeli ultra-Orthodox community in the local high-tech industry. In the past few years, in a targeted recruitment collaboration, we have hired several ultra-Orthodox women for software development positions.
- ▄ Partnering with a special program at the Ono Academic College (**Roim Rachok** - Looking Ahead) for recruitment of employees on the autism spectrum. These employees are recruited for specific positions through dedicated interview days. This initiative also includes training sessions for SolarEdge managers on integrating employees with disabilities into the workplace. To date, we have hired five employees as part of this initiative. In addition, the company funds recurring occupational therapy sessions for SolarEdge employees with disabilities at their place of work.

In addition to these collaborations, we have undertaken additional initiatives to increase the inclusion of minority groups within the Company. In Israel, for example, we conducted round table discussions with employees from the Arab society focusing on their sense of inclusion and how it can be improved. Our 2023 pride month activities were organized by a committee of LGBTQ+ employees. Activities included a company-wide campaign promoting inclusivity, a webinar on inclusive parenting and a Q&A session with one of our employees that identifies as LGBTQ+.

In the U.S., we publish our annual EEO-1 Form, which we compile as required by the U.S. Equal Opportunity Commission. This information, which reflects a summary of the voluntary self-identification by our U.S. employees in 2021-2022<sup>(4)</sup>, can be found [on our website](#).



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# Health & Safety



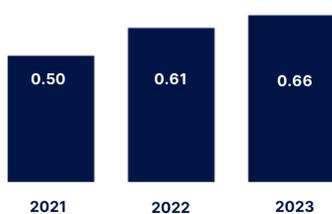
We believe that all accidents and injuries at work are preventable, and we strive to achieve a zero-injury culture across our offices and operations. We comply with applicable occupational health and safety regulations. All SolarEdge manufacturing and R&D sites are certified to Occupational Health and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

Overall accountability for safety at SolarEdge rests with the Vice President of Quality & Reliability (Q&R), a member of our executive management team. The SolarEdge Global EHS Director reports to the VP Q&R and manages all aspects of safety and environmental compliance and improvement. Safety performance is reported monthly to the company Chief Executive Officer and executive management, including specific safety incidents analysis, findings, corrective actions and updates on safety improvements.

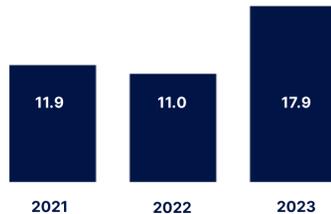
## Our health and safety practices include:

- // Nominated Safety Officers at each company manufacturing/R&D site. Our Safety Officers have gained specific expertise in the processes and technologies that characterize SolarEdge's activities.
- // Nominated lab electricity supervising engineers in two main R&D sites, focusing specifically on prevention of electricity-related incidents.
- // Appointed and trained employees in each manufacturing/R&D site as Safety Trustees who help enhance their site's local safety culture.
- // Mandatory job-specific training (such as proper use of protective equipment, working with high voltage, working in heights, safe use of machinery/chemicals/materials, etc.) for all employees in relevant roles.
- // Comprehensive safety, fire, and emergency drill programs to ensure employees are well-versed with emergency procedures.
- // Root-cause assessments of incidents and corrective actions.
- // Conducting periodic internal and external EHS audits within the company and at contract manufacturer sites.
- // Supplying employees with all necessary PPE (Personal Protective Equipment) according to the identified job-specific risks and all relevant regulations.
- // Maintaining a healthy and ergonomic work environment. Provide employees with specialized ergonomic equipment when reasonably required/requested.
- // Extensive safety training (details below).

TRIR Rate - Global Company Employees



LTIR Rate - Global Company Employees



**Safety performance:** The overall Total Recordable Incident Rate (TRIR) for our global employees in 2023 was 0.66. This rate falls within our continuous overall target of an annual TRIR rate that does not exceed 0.7, yet still constitutes a 9% increase from the 2022 TRIR of 0.61. In parallel, our global Lost Time Incident Rate due to safety incidents (LTIR) increased from 11.0 in 2022 to 17.9 in 2023 (+63%).

Following are explanations for these trends:

- // **TRIR** – The higher than usual occurrence of injuries in 2023 was mainly derived of a new production line at one of our sites, installed in mid-2023. Following safety incidents related to the line, the site Safety Officer and our Global EHS Director launched a thorough investigation and root cause analysis, revealing safety hazards in specific locations along this new line, which was delivering larger and heavier products than previously produced at this site. Corrective actions were implemented, including both physical alterations to the production line itself and amendments to the work procedures. Injuries and investigation findings were reported to the CEO and executive management.
- // **LTIR** – During 2023, two specific injuries at two different sites resulted in long-term loss of work (over 100 days each). One of these injuries was experienced by a newly recruited employee and is currently under investigation to determine if it's severity could be related to a pre-existing condition.

**Safety training:** The vast majority of our global workforce undergo annual mandatory safety training. The remainder of the workforce receive periodic safety training, in accordance with local regulations.

Our 2023 safety training included a specific focus on electrical safety, including an electrical safety campaign specifically designed for our R&D sites. Additional focus areas included enhanced fire prevention, expanded first aid training, and emergency response training (among other topics, risks associated with Li-Ion battery production and handling).

In 2023, SolarEdge employees participated in more than

**28,000**

hours of safety training, averaging over

**3.7**

annual training hours per employee.

**Safety Management Plans:** Each of our operational sites maintains a site-specific safety management plan, prepared according to local regulations and approved by the site EHS Manager/Safety Officer. These plans include elements such as:

- // Safety goals and KPIs
- // Establishing roles and responsibilities regarding day-to-day safety as well as emergency events
- // Site-specific directions on health and safety training
- // Safety procedures regarding work with external contractors
- // Procedures regarding periodic tests for equipment and materials
- // Guidelines for conducting annual site-specific health and safety risk analysis (see below).

Site-specific risk analysis evaluates the potential impact of operational tasks or conditions on employee health and safety. Common topics covered in the risk analysis include fires, use of hazardous substances, electrocution, slips, trips, falls, noise, electromagnetic work, ergonomics, and waste management. We work to mitigate all identified risks or hazards by putting processes and procedures in place that reduce the likelihood of their occurrence, in addition to assigning specific personnel with responsibility for risk mitigation, and setting a defined timeline for required corrective actions.



**Safety enhancing tools and systems:** In recent years, we have implemented systems for tracking global EHS performance, aimed to help reduce safety risks and support ongoing EHS compliance worldwide. These systems include:

- // An EHS regulatory and compliance monitoring system, tracking relevant global regulations, and assisting with customized audit planning.
- // An incident reporting and investigation system for our Israeli sites, aimed at methodically finding the incident's root cause and helping with risk elimination; and
- // Training management to better track training obligations and the progress of our expanding global workforce



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# Community Outreach

- EDGEUcate >
- Green Energy / Environment >
- Tech Education / Innovation >
- Enhancing Diverse Populations >



As a global leader in smart energy, impact is at the core of everything we do. We are continuously looking for opportunities to positively impact the communities in which we live and work.

## Introduction – Community Outreach

To this end, we have established our Corporate Social Responsibility (CSR) Committee. This committee is comprised of employees from a range of functions within the company whose purpose is to progress community engagement programs while sharing different internal views. In addition, our Head of Corporate Social Responsibility (CSR) is responsible for the oversight and effective promotion of our community engagement strategy and programs.

Our strategy and programs are based on an extensive community engagement multi-year plan.

This plan is composed of the following three pillars:

- ▄ Advancing education on renewable energy, promoting sustainability and climate action
- ▄ Promoting Science, Technology, Engineering and Math (STEM) education and encouraging youth innovation
- ▄ Enhancing diverse populations

The plan also defines the criteria for CSR initiatives in the communities where our operations are located, emphasizing employee engagement and potential impact.

In addition, we appointed community engagement outreach leads from different departments and regions and defined a new policy for company-organized volunteering initiatives, allowing employees to volunteer one day per year during paid working hours.

In 2023, SolarEdge donated **\$537,000** equivalent to **0.57% of net profits<sup>(1)</sup>**, surpassing our target<sup>(2)</sup> to reach at least 0.5% of annual net profits by 2026.



We continue to grow our efforts and measure the impact on the communities in which we live and work. This year, we expanded upon the previous year's activities, by continuing to grow a broad range of initiatives in line with the above-mentioned three-pillar employee engagement plan. We have also made ad-hoc donations to communities in need in areas where large sections of our employees reside. Two of our main initiatives were large-scale projects initiated within the Company itself (our Community Installation project and our expanded EDGEUcate project – both of which are detailed below). Other initiatives include partnering with NGOs specializing in their respective areas of expertise.

We encourage employee engagement in initiatives that reach a large number of beneficiaries and operate on a national scale. As a result, our employee volunteering rates increased significantly in 2023, reaching a total of over 2,300 volunteer hours in Israel alone.



## EDGEUcate

Our flagship long-term educational program, EDGEUcate, aims to raise awareness and educate children from a young age on sustainability practices and teaching about solar energy. We developed age-appropriate learning kits in collaboration with educational consultants and content writers for use in the classroom by our employees. Educational kits were designed for students from kindergarten through 12<sup>th</sup> grade, based on materials from our "Edge Academy".

The program was launched in Israel during 2022 and globally in 2023. By March 2024, over 160 employees taught EDGEUcate classes in 7 countries to over 8,500 pupils. We are continuing to expand this well-received, valuable program, and have set a goal to launch it at 10 target SolarEdge sites globally by the end of 2024. To date, the program has been launched at 70% of these sites. Among else, the program has been taught to children with disabilities, children from underserved communities, and from diverse populations.



## Green Energy / Environment

### Community Installation Project

Following last year's successful installation at the Manof youth village for youth at risk in North Israel, the company aimed to continue meeting its target of adding one community PV installation project each year. This year, SolarEdge donated an entire solar energy management system to a No2Violence women's shelter located in the center of Israel. No2Violence is an NGO supporting women and children jeopardized by domestic violence, enabling them to break away and start a new life. They provide shelter, professional help, vocational training, and legal aid. They also raise awareness of the scourge of domestic violence.

The 40KW SolarEdge PV system that we donated includes the Power Optimizers, inverters and other hardware that we manufacture, as well as providing the solar panels, racking and other ancillary products required for the installed system. A SolarEdge expert installation team carried out and oversaw the entire installation.

As part of our partnership with No2Violence, we are also establishing a community garden at the shelter. SolarEdge professionals are working with the organization to formulate the organization's marketing and branding strategy, as well. The women and children in the shelters have also been hosted at our Sella 1 manufacturing hub for tours of the facility.



### VeNatata

We support one of Venatata's "100,000 Trees" projects; their aim is to plant 100,000 trees throughout Israel in the next 5 years, with an emphasis on planting in urban centers and creating a "green lung". SolarEdge participated in this project by creating a tree nursery at an urban agriculture youth village in Herzliya. Dozens of employees volunteered their time and were directly involved in developing this tree nursery during 2023. In 2024, once the trees are strong enough, our employees will also be part of moving the trees for planting at rehabilitation institutions around Israel.

## Tech Education / Innovation

### The Guy Sella Memorial Project

This project was initiated in 2020 in memory of Guy Sella, SolarEdge's Co-Founder, former Chairman and CEO who passed away in August 2019. As part of the project, the Company has pledged to invest \$1,000,000 over ten years in a joint SolarEdge-Technion educational and technological initiative (with 2023 representing the fourth project year). The Technion, Israel's leading technical research university, is committed to matching these funds. The Guy Sella Memorial Project combines teaching, research, and outreach activities for high school, undergraduate, and graduate students, including teaching labs and research fellowships.

In mid-2023, the Technion held an award ceremony for research grants and scholarships as part of the project. Scholarships were granted to 4 promising students and researchers by SolarEdge's CEO. Also during 2023, several lectures regarding the SolarEdge story and technology were held in the Technion, as part of energy related courses and to mentors in a tech-hub program.

During the 2023 academic year, 40 students conducted projects in the Power Electronics and Renewable Energy Laboratory (PEARL), donated by SolarEdge and opened in 2022. PEARL is a first-of-its-kind lab integrating renewable energy and power electronics as part of the studies of the Faculty of Electrical and Computer Engineering. The goals of the lab are to acquaint graduate students with the practicalities of climate tech and to expose them to the increasing efficiencies of photovoltaics, e-mobility and other renewable technologies.

### Ofanim

We are a member of Friends of Ofanim, an award-winning organization that drives STEM education for elementary school children in Israel's underserved regions in the north and south. We have delivered our EDGEUcate workshops and conducted tours of Sella 1 for underprivileged youth in the periphery, creating educational opportunities for Israel's most disadvantaged children.

### Shavot

In recent years, female SolarEdge employees from various departments in SolarEdge took part in the Shavot program, a nationwide initiative that encourages girls to develop positive self-esteem. Through meaningful experiences like the ones fostered by our female employees, young girls are able to minimize gender gaps, discover new strengths, and aspire to reach higher goals.

In early 2024, twenty of our female employees met with twenty-two groups of girls from the city of Hadera, Israel. As part of the program, our employees shared their career path and delivered an EDGEUcate lesson. In addition, the girls visited our HQ offices on International Women's Day. They experienced a "day-in-the-life" of their SolarEdge female program participants and were exposed to the day-to-day activities of various departments at SolarEdge.

## Enhancing Diverse Populations

### Atidim

We support Atidim's Step UP Program which identifies talented young women from Israel's underserved periphery and provides support, enrichment and empowerment to create equal educational opportunities and social mobility. SolarEdge donated four full scholarships to allow four women from underserved backgrounds to major in engineering in order to pursue careers in high-tech. These scholarships also include private lessons to ensure that these women have opportune chances to excel in their careers.

Within this framework, we also organized two Meet-Ups throughout the year on tech trends in the energy sector and students from the program were invited to take part. These Meet-Ups were led by SolarEdge women managers.

### Birkat Reut

In cooperation with the Birkat Reut association which promotes equal opportunities for populations with special needs, SolarEdge hosted groups of children with emotional disabilities for fun activities. Employees led bi-weekly activities including science workshops for children with emotional disabilities.

### Go Baby Go

We support the "Go Baby Go" initiative which promotes equal opportunities for kids with physical disabilities and acts to improve their quality of life. Our initiative is centered on customizing motorized toy cars. Each car is tailored to the specific needs of a disabled child and is designed with the help of physiotherapists. The cars use propulsion technology and a seating system that allows each child to travel independently and safely. During 2023, our employees participated in four workshops, using their professional skills to build the motorized cars. During each such event, the employees also had the opportunity to meet the kids for shared activities.

### Using Technology to Encourage Employee Donations

We initiated a program to enable Israeli employees to make donations through the JGive donation platform. Employees can donate to hundreds of confirmed non-profits and receive tax refunds directly to their pay slip. This makes it easier to donate when one is inclined and ensures that contributors will receive the tax credits to which they are entitled.



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# Ethics & Compliance



**Compliance:** Compliance is fundamental to our business as it protects us from risk, fosters trust with our stakeholders and provides a solid basis for sustainable growth and a positive contribution to society. We aim to conduct business in line with all applicable laws and regulations governing our operations in all countries.

In 2023, with the exception of a minimal fine paid to the SEC with respect to delayed Form 4 filings of one of our directors, SolarEdge was not subject to any fines for non-compliance with any of the laws and regulations that apply in all the regions where we operate. For more information, see our [Approach to Compliance](#).

**Ethical conduct:** Our Employee Code of Conduct sets out specific guidance for SolarEdge employees to conduct business in accordance with the highest ethical standards and establishes an expectation that all employees will act in accordance with personal and professional integrity. The code has recently undergone an update, to include expanded guidance relating to whistleblowing practices, political and trade union involvement and human rights. The Employee Code of Conduct has been translated into the local languages commonly used in most of the regions where our employees reside. A copy of the Employee Code of Conduct is included in each new employee's contract, appearing in a language the employee can understand (same as with our employment contracts). All new employees receive training regarding the code requirements and confirm in writing their intent to comply with these requirements and their willingness to report suspected violations.

The Company has also recently revised its insider trading policy, among other things to prohibit all employees and non-employee directors from engaging in any speculative transactions, hedging and pledging transactions and trading on margin.

Since 2022, we conduct an annual on-line employee code of conduct training program. In the cases of some production employees who do not have computer access, the training is conducted in on-site group sessions. The training includes emphasis on realistic work-place scenarios regarding issues such as anti-harassment and discrimination, anti-corruption, conflict of interest, political involvement, and more. The training also re-informs the employees regarding the different channels available for reporting code violations. The new code of conduct training is mandatory for all employees world-wide, including part-time employees, and including contractor employees who work for the Company as external consultants.

Over 5,200 employees, which comprise over 90% of the end-of-year workforce, have successfully completed the Employee Code of Conduct training in 2023.

In 2023, and in addition to the global on-line training, the Company held specific code-of-conduct training sessions for dozens of procurement-related personnel, who are involved in sensitive procurement decisions. The training focused on potential conflict of interest cases relevant to procurement decisions, such as avoiding inappropriate gifts from established or potential vendors, or issues related to carrying out business with organizations that employ /are owned by family members or personal friends.

**Whistleblowing:** Employees are encouraged to report suspected violations of the Employee Code of Conduct through different means, including a confidential hotline. All reports are promptly investigated, and action is taken as required. In 2023, we investigated six compliance related allegations as follows:

Topic	Number of reports	Proportion of total reports
Human resources, diversity and workplace respect	3	50%
Business integrity	3	50%

As a result of our investigations, two employees were subject to disciplinary action.

In 2022, ten reports were investigated (6 reports regarding human resources, diversity and workplace respect; 3 reports regarding business integrity; 1 report on EHS issues). Seven employees were subject to disciplinary action.

In 2021, eight reports were investigated (3 reports regarding business integrity; 2 reports regarding human resources, diversity and workplace respect; 2 reports regarding misuse of company assets; 1 report on EHS issues). Nine employees were subject to disciplinary action.



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# Cybersecurity and Data Privacy

Cybersecurity within our >  
Organization

Cybersecurity for our >  
Customers

Data Privacy >



As solar energy emerges as a dominant source of power, installations are considered a significant part of the critical infrastructure in many countries. Grid participation, system maintenance and PV monitoring require heavy reliance on communications technology, and so protecting information integrity and reliability is of paramount importance.

With this in mind, SolarEdge launched a Cybersecurity Program aimed to safeguard its customers, itself, and to raise cybersecurity standards for the entire PV industry.

This program combines the efforts of the Chief Information Security Officer and his team, responsible for corporate protection, with those of the Chief Data and Digital Officer who leads the Product Security roadmap. The management team provides quarterly updates to the Technology Committee and annually to the full Board regarding cybersecurity activities and other developments that impact our digital security, in keeping with our high organizational focus on this issue.

## Cybersecurity within our Organization

To maintain the robustness of our cybersecurity program, we employ the following resources and practices.

### Technical Expertise

- // Technical Director for Product Cybersecurity & CISO
- // Dedicated secure development lifecycle (SDL) team
- // Acquisition of a large team of cybersecurity experts with a proven track record
- // In-house "Red Team" & Vulnerability researchers
- // External partnership with an industry-leading Incident Response Team (IRT)

### Organizational Practices

- // Cyber awareness training for all new employees as part of their on-boarding program, is coupled with an annual cybersecurity online training course, mandatory for all global employees.
- // Third party certification to ISO 27001 Information Security Management Standard for company-wide IT infrastructure and digital assets. Our products are certified to ETSI 303-645, The Radio Equipment Directive (RED) 2014/52/EU and is compliant with the UK PSTI law.
- // Recurring penetration testing & mitigation work plan
- // Secure coding training
- // Continuous security events monitoring in our security operations center
- // Incident response policies and procedures
- // Vulnerability Disclosure Program for external researchers (Bug Bounty)
- // Ad-hoc updates sent to all employees on cybersecurity risks and threats
- // Protection of main online platforms against Denial-of-Service attacks (that prevent legitimate use of our services) and Denial-of-Wallet attacks

### Supply Chain Controls

- // Vendor vetting process for hardware component suppliers (HBOM)
- // End-to-end software development in EU and Israel for inverters and for SolarEdge ONE Controllers
- // Security analysis of 3<sup>rd</sup> party code
- // Manufacturing site cybersecurity review process

### Information Security Due Diligence

We recently began undertaking information security assessments for new suppliers in an effort to ensure compliance with our requirements. These assessments cover several topics, including but not limited to- regulatory and standard compliance, information access protocols and controls, information protection, network security, physical protection, security controls, and event management and reporting. In cases of non-compliance, we formulate a corrective action plan with suppliers. We plan to expand this practice and include all major suppliers in the future.

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

SolarEdge is an active participant in various technical committees devising international regulatory cyber standards. For further information see section ["Powering the World through Positive Policy"](#). We design our solutions in line with such future regulations.

## Cybersecurity for our Customers

SolarEdge is committed to continuous cybersecurity improvement. We actively monitor cybersecurity trends, adopt industry best practices, and collaborate with security researchers to enhance our defenses.

To safeguard system connectivity, functionality, and customer data, SolarEdge follows the Cyber Informed Engineering (CIE) principle, embedding information security mechanisms into its products from initial design stages. We apply proactive security measures, perform continuous monitoring, and practice rapid incidence response if an incidence should occur.

Our Product Cybersecurity methodology is based on four pillars:

### Device Security

The underlying cornerstone of cybersecurity is the product itself. To ensure device security, SolarEdge embeds features such as:

- // Unique device passwords per inverter
- // Restrictions on remote access, allowing pre-authorized users only
- // Detection and prevention of run-time anomalies by an embedded security agent
- // Built-in security features such as casual Wi-Fi scanning protections
- // Static code analysis procedures
- // 3<sup>rd</sup> party penetration testing of the device
- // All SolarEdge inverters receive over-the-air security updates upon request, ensuring customers have secure access to signed software and firmware updates

### Data Security

To maintain security of our customers data, we ensure the following:

- // Connected SolarEdge inverters do not store sensitive information and can be fully wiped of all configuration data in a factory reset
- // System-generated data is stored on-premises at a dedicated SolarEdge operated data center in Germany
- // We implement a comprehensive backup cycle to protect our customers' data and store it with multiple redundancies
- // Best practice encryption and authentication are in place for a system to access the server

### Network Security

A critical point for protection in commercial installations is the connection between the customer's PV system and the company's IT network. To secure this connection, SolarEdge implements several measures:

- // We direct the data flows of the entire PV system through a single point of entry, via the SolarEdge Local Controller, or via the SolarEdge Inverter in smaller installations
- // All communications passing through the gateway are inspected and analyzed, and a masking feature enhances protection by making it inaccessible, even if an intrusion attempt is made within the same LAN

### Visibility & Control

SolarEdge's security methodology empowers Commercial & Industrial customers' IT and security teams to monitor their energy assets in real-time. To secure these systems -

- // All communications between the gateway and the SolarEdge server are encrypted and channeled through a single port (443)
- // Our devices contain enhanced security features, designed to block any remote action on the inverter, unless temporary access is granted by authorized personnel physically present at the device
- // SolarEdge devices also collect robust security logs on failed log-in attempts, system crashes and general system performance
- // Data analyzed at SolarEdge's SOC (Security Operations Center) can be made available to customer IT teams

## Data Privacy

At SolarEdge, we are committed to upholding the highest standards of privacy compliance in all aspects of our operations. We recognize the importance of protecting the personal data and privacy rights of our stakeholders, including employees, customers, suppliers, and investors, and we are dedicated to ensuring that our activities align with all applicable privacy laws and regulations. SolarEdge is fully compliant with the requirements of the GDPR. Our commitment to privacy compliance encompasses the following principles:

- // **Transparency:** We are transparent about the types of personal data we collect, how we use it, and with whom we share it. We provide clear and easily accessible information about our data processing activities through our privacy policies and communications channels. For further information see our [Privacy Policy](#).
- // **Lawfulness, Fairness, and Purpose Limitation:** We collect and process personal data in accordance with all relevant applicable laws and regulations worldwide. We ensure that personal data is obtained and used fairly, and only for specified and legitimate purposes. We do not use personal data for purposes incompatible with the initial one without obtaining appropriate consent or other legal basis.
- // **Data Minimization and Accuracy:** We collect and retain only the personal data necessary for the activities we execute on a lawful basis, and we take steps to ensure its accuracy and relevance. We regularly review and update our data collection processes to minimize the amount of personal data collected and to ensure its quality and accuracy.
- // **Security and Confidentiality:** We implement appropriate technical and organizational measures to protect personal data against unauthorized access, disclosure, alteration, or destruction. We restrict access to personal data to authorized personnel who have a legitimate need to know and who are bound by confidentiality obligations.
- // **Data Subject Rights:** We respect the rights of individuals regarding their personal data, including the rights to access, rectify, erase, restrict processing, and portability, as well as the right to object to processing. We have established procedures for responding to data subject requests and inquiries in a timely and effective manner.
- // **Accountability and Governance:** We have a designated Data Protection Officer in our organization who is responsible for overseeing our activities on personal data and ensuring compliance with all applicable privacy laws and regulations. We conduct periodic assessments and audits of our privacy practices to identify and address any compliance gaps or risks.

By adhering to these principles and implementing all the above-described practices, SolarEdge reaffirms its commitment to privacy compliance and its dedication to protecting the privacy rights of all stakeholders. We believe that integrating privacy considerations into our business frameworks strengthens our accountability, transparency, and trustworthiness as a responsible corporate actor.



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# Responsible Procurement

Supplier Conduct >

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

## Introduction – Responsible Procurement

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

### SolarEdge Manufacturing Reach

**4** owned and operated factories

in Israel, Italy and South Korea

**>6,000**

Power Optimizers produced per manufacturing line each day

\*Includes own manufacturing and Tier 1 contract manufacturing

**4** contract manufacturing sites

in Hungary, China, Vietnam and the U.S. for key SolarEdge products

In 2021, we reached full manufacturing capacity in our manufacturing facility, "Sella 1", located in northern Israel, from which we began commercial shipments to the U.S. of SolarEdge Power Optimizers and inverters in 2020. The proximity of Sella 1 to our R&D team and labs enables us to accelerate new product development cycles as well as define equipment and manufacturing processes of newly developed products which can then be adopted by our contract manufacturers worldwide. In mid-2022, we also commenced the first-stage operations of our new facility, Sella 2, a two gigawatt-hour (GWh) lithium-ion battery cell manufacturing plant in South Korea. The site significantly expanded its operations in 2023 (see section: Storage Solutions). We currently use contract manufacturing for the majority of our solar products. This production is carried out at four sites, operated by two leading global electronics manufacturing service providers, Jabil and Flex. Both of these contract manufacturers operate in accordance with sustainability principles and maintain sustainability programs in their own right, in addition to complying with SolarEdge's requirements. Due to the key role of these contract manufacturers in SolarEdge's supply chain, they have also been prioritized as part of our first batch of supplier on-site audits in connection with our Supplier Code of Conduct. Three of these four sites have undergone such audits during 2022-23, with our newest site in Austin (Texas) scheduled for such an audit in 2024 (see below).

According to SolarEdge's requirements, all contract manufacturer sites must be certified with the latest editions of these standards: ISO 9001 (quality), ISO 14001 (environmental management) and ISO 45001/OHSAS 18801 (safety management). As of May 2024, all of SolarEdge current contract manufacturing sites have been confirmed as certified to these standards, representing over 80% of the combined direct monetary spend of our Solar and Storage divisions in 2023. In addition, the contract manufacturer sites must prove their compliance with RoHS, REACH, the conflict minerals requirements of the US Dodd-Frank Act, and additional regulations.



## Supplier Conduct

Our [Supplier Code of Conduct \(SCoC\)](#) includes provisions regarding ESG topics such as Ethics, Safety, Environmental Protection, Human Rights, and Fair Employment. We have been engaging our direct suppliers since 2021, requesting that they sign their acknowledgement of the SCoC terms and commit to upholding them. In 2022, the direct suppliers of our Storage Solutions division were added to this engagement process, joining the existing direct suppliers of the Solar division.

More than 230 active suppliers have signed their acknowledgment of the SCoC terms (as of March 2024) or presented equivalent codes of conduct of their own. The products and services received from these suppliers are related to over 93% of the combined direct monetary spend of our Solar and Storage divisions in 2023.

We aim to continue to expand this engagement process moving forward.

## Supplier Management

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

In 2023, we conducted on-site audits of two contract manufacturer sites, and one major raw material supplier, with regard to their SCoC compliance. Almost all of our contract manufacturer sites have undergone such audits during 2022-23, with our newest site in Austin (Texas) scheduled for this audit in 2024. At the same period (2022-23), a total of 3 major raw material suppliers have been similarly audited. The sites and suppliers selected have been prioritized due to their key role in SolarEdge's supply chain operations.

These audits were led by SolarEdge's global quality department and included a checklist of approximately 50 items that correlate to our SCoC requirements including, for example: Safety, Fair Employment, Environmental Management, Ethical Conduct, and protecting Human Rights. In cases where minor non-conformance issues were identified, the SolarEdge auditors have maintained contact with the sites to ensure the formalization of a corrective action plan and its execution. We aim to continue auditing key suppliers for ESG practices moving forward.

In 2023, and in line with an Israeli regulatory requirement to increase the enforcement of labor laws, we continued to conduct an annual salary audit of employment conditions in external labor service companies. The audited companies supply SolarEdge with cleaning and security services for the Company's sites in Israel. The audits focused on fair employment conditions, checking compliance with the minimal payment terms required by law (including for overtime), and with the provision of mandated social benefits such as retirement saving programs, paid vacation days and sick leave, and additional terms. The 2023 audit results have not uncovered significant flaws in the audited companies practices. The findings of an earlier, similar audit in 2022 (together with our dissatisfaction with the quality of services rendered), led us to replace an audited company. We intend to continue conducting similar audits moving forward.

## Human Rights In China

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

As detailed in our [Approach to Human Rights](#), SolarEdge does not tolerate any abuse of human rights, forced labor or modern slavery. SolarEdge does not manufacture solar panels and does not maintain any facilities (manufacturing or other) in XUAR. We purchase solar panels to be sold in some cases as Smart Modules (where our DC Power Optimizers are pre-integrated with the PV module). However, this constitutes a very small portion of our global business (PV modules amounted to less than 1% of all SolarEdge global sales in 2023). Nevertheless, we have reached out to our solar panel suppliers for their statements on this matter. The panel suppliers have declared that they do not have any involvement or direct connection with activities related to human rights violations in XUAR or elsewhere. We published a formal statement in this regard for our customers. See our published statement [here](#).

## Conflict-Free Sourcing

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

SolarEdge does not procure metals directly from refiners or smelters. Nonetheless, we are taking action to increase transparency and ensure responsible procurement by our suppliers and sub-suppliers. SolarEdge's policy requires that our suppliers who manufacture components, parts, or products containing tin, tantalum, tungsten, and/or gold, must commit to sourcing those materials from responsible sources only and in compliance with SEC ruling and OECD guidance. We act to assure that no purchased good or materials within our supply chain would directly or indirectly contribute to conflict or any human rights violations. We expect our suppliers to define, implement and communicate to their own policy to their upstream suppliers. Our suppliers' own policies should outline their commitment to the responsible sourcing of these materials, to define measures for implementation and for assuring legal compliance. We require suppliers to work with their entire supply chain to ensure traceability of these materials (at least) to the smelter level and report these details to us through CMRTs (Conflict Minerals Reporting Templates).

The engagement with our suppliers is conducted through a dedicated on-line tool developed by a responsible sourcing specialized vendor, where the target suppliers are asked to upload their CMRT templates. The details of sub-suppliers reported through the CMRTs are compared with lists of smelters with a possible risk of human rights violations. When a high-risk smelter is identified within our supply chain, the company investigates and, if needed, takes action to ensure we only source our materials from responsible sources. Suppliers providing submissions that include smelters of concern are instructed to undertake independent risk mitigation activities. Examples include a submission of a product level CMRT to better identify the connection to products that they supply to SolarEdge. Suppliers are given clear performance objectives and reasonable timeframes with the ultimate goal of eliminating smelters of concern from the supply chain. In addition, suppliers are guided to educational resources on mitigating risk identified through the CMRT process.

SolarEdge is part of an industry-wide outreach initiative targeting smelters and refiners who have not participated in an industry-recognized responsible minerals audit/assessment program. Through this initiative, which is operated by our responsible sourcing vendor, SolarEdge, along with over 100 downstream (by several tiers) customers, and encourage them to participate, see our recognized program, in order to assure their responsible conduct.

For further details, see our full [Policy on Conflict Minerals](#) and our [Annual Conflict Minerals Report on form SD<sup>11</sup>](#).

## Responsible Cobalt Sourcing

In previous years, our conflict minerals practices have focused on the responsible sourcing of 3TG materials. Recently, with the significant expansion of our storage business, we have begun to expand our focus to responsible sourcing of Cobalt as well.

Adhering to the materiality principle, we started our Cobalt traceability risk analysis with the relevant material suppliers of our Storage Division (where most of the Cobalt SolarEdge purchases is used). We examined the EMRTs (extended minerals reporting templates) and the ESG reports and policies of suppliers related to most of the Cobalt procured upstream in our supply chain. These key suppliers have publicly committed to only purchasing products (including Cobalt) from RMAP (Responsible Minerals Assurance Process) conformant refiners. Their disclosed upstream refiners are all included in the RMI (Responsible Minerals Initiative) smelter/refiners lists as either: 'Conformant' (which has successfully completed an assessment against the applicable RMAP standard or an equivalent cross-recognized assessment) or 'Active' (has committed to undergoing an RMAP assessment, completed the relevant documents, and scheduled an on-site assessment). While we believe these satisfactory results cover the vast majority of Cobalt in our supply chain, we aim to continue to expand our relevant due diligence processes.



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# Climate Change Mitigation & Resource Efficiency

Working to Reduce the GHG Emissions of our Operations >

Resource Efficiencies at our Sella 1 Facility >

Water Efficiency >

Solvent Purification and Reusage in Sella 2 >

Environmental Compliance of our Operations >

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



## Working to Reduce the GHG Emissions of our Operations

As part of our commitment to minimize negative environmental impact, we are taking several steps and continue to search for GHG emission reduction opportunities that will allow us to progress towards our target:

- We continued to expand our on-site renewable generation capacity throughout 2023 by installing SolarEdge PV systems on the rooftops of three Company sites - Sella 2 (Korea), Umbertide (Italy), and our U.K. offices in London. SolarEdge now has five of its own PV systems on its rooftops, partially replacing fossil-fuel based electricity consumption in South Korea, the United States, Italy, the U.K, and Israel. The installed systems have a combined capacity of approximately 3.6 MWp. We aim to install an additional SolarEdge PV system at our Reno, Nevada site in the U.S. during 2024.
- We implemented an innovative electricity savings method at the Sella 2 site. The production process of lithium-ion batteries involves using a significant amount of electricity in the charge/discharge cycles of battery formation. The technical limitations of the traditional battery production process often cause this electricity to be discharged without reuse. In contrast, the new method planned for Sella 2 production is designed to use an innovative electricity reservoir, allowing for an estimated 50% of the discharged electricity to be reused.
- In Mid-2022, our Sella 1 manufacturing site in Israel transitioned to purchasing all of its external electricity needs from a recently opened private power plant. This private power plant produces its electricity using a highly efficient process that employs natural gas exclusively for combustion. It has a significantly improved carbon intensity compared to the general grid electricity in Israel, which still includes partial combustion of coal. The related Scope 2 emission reduction has been fully realized in 2023, which was the first year in which all Sella 1 external electricity was purchased from this private plant.
- Smart energy-saving systems, such as motion detectors, were installed in the R&D Center in Modiin, Israel. These systems help to reduce AC and lighting power consumptions.
- Updated energy consumption procedures were initiated and communicated to employees in our Umbertide (Italy) manufacturing site during 2023. These included shutting down computer equipment and lighting when not in use and setting an optimal AC temperature setting.
- External operational energy experts were brought in to lead an energy survey of our Israel based sites (Sella 1, Modiin and Herzliya). They collaborated with relevant company personnel to thoroughly examine energy use, the efficiency of related site systems, and potential areas for improvement. The survey affirmed robust energy management practices in all surveyed sites, while also identifying potential steps for further improvement, which will be considered by the Company moving forward.
- To complement the previous steps, we aim to examine additional opportunities for integrating renewable energy in other areas of our operations.

Despite these efforts, our 2023 absolute Scope 1+2 emissions increased to 52,822 tonnes CO<sub>2</sub>e, compared with 42,086 tonnes CO<sub>2</sub>e in 2022 (an increase of 26%). Similarly, our Scope 1+2 emission intensity (emission per revenues) rose by 31% in 2023 in comparison to 2022. The vast majority of the 2023 emission increase was related to electricity and natural gas consumption at the Sella 2 site in Korea, which began operations in May 2022 and significantly increased production during 2023. Despite the innovative electricity saving measures we initiated at the site (described above), the manufacturing of battery cells and batteries is generally more energy intense than the manufacturing of our PV system products. Energy consumption and emissions at the Sella 2 site could potentially increase further, as the site commenced 24-hour operation in the latter part of 2023. Additional energy saving measures are planned in order to mitigate this trend. The new PV installation at the Sella 2 site contributes to emission avoidance, but can only supply a minor part of the site's annual power needs. Our research has shown that the current unfavorable prices and low market availability of renewable energy certificates in South-Korea do not currently allow a viable path to purchasing such certificates to cover the site's power needs.

The 2025 reduction target issued in previous reports (30% reduction of Scope 1+2 emissions per revenue) referred to 2020 as the base year for emission reduction. However, these 2020 base emissions did not reflect our recent expansion, emphasizing the 2022-2023 addition of South Korea sites, and potential further production increase at Sella 2 in 2024. Our South Korean sites (Sella 2 and Nonsan) accounted for over 70% of the Company's Scope 1+2 emissions in 2023.

We therefore set an updated short-term absolute emission reduction target: 5% reduction in absolute Scope 1+2 GHG emissions by 2025, in comparison to that of 2023, excluding our South-Korean sites. Once Sella 2 reaches its full production capacity and our base energy consumption stabilizes, we aim to set an updated global reduction target, to include the Korean sites and reflect a longer period.



## Resource Efficiencies at our Sella 1 Facility

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

- New and highly efficient machinery such as chillers, air blowers, air treatment systems and lighting, all designed to achieve high usage efficiencies and minimize energy consumption
- Site personnel engagement in continuous monitoring and control of site conditions and change of external climate to adjust the operating terms accordingly and preserve energy. For example, recent improvements were made to the site's heating, ventilation, and air-conditioning (HVAC) operation system algorithm which enabled the reduction of about one third of its previous energy consumption.
- Establishment of an automatic shut-down routine for AC and lightning for weekends, when the site is not operating.
- Site personnel recently eliminated most of the need for washing components with deionized water by changing some of the products specification. As a result, the site has decreased its consumption of both water and mixed bed filter material.

## Water Efficiency

Almost all water used at SolarEdge operated sites is provided by municipal water supplies. Water from other sources forms a negligible 1% of total water withdrawal.

In general, the activities at all SolarEdge sites and offices are not water intensive. A total of ~110,000 m<sup>3</sup> withdrawn by our global operations in 2023 is equivalent to the estimated annual domestic consumption of approximately 1,300 people (based on average consumption in Israel)<sup>[1]</sup>.

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

As mentioned above, our Sella 1 site recently reduced water use significantly by eliminating most of the need for washing product components with deionized water. Before this change, the de-ionized washing water was maintained in a closed cycle, entirely separate from the site's wastewater system. Approximately 3,000 m<sup>3</sup> of water (estimated) was reused in this manner at Sella 1 in 2023.

The Sella 2 site, which opened in 2022 and significantly expanded its production in 2023, is also highly efficient in water usage patterns. The site implemented a coolant circulation system that allows for almost all water used in its cooling tower to be reused through thousands of repeated process cycles each year, greatly diminishing the quantity of any related wastewater.

About 9% of our entire 2023 global water consumption was internally recycled or reused.

## Solvent Purification and Reusage in Sella 2

Our Sella 2 site in South-Korea uses NMP (N-Methyl-2-Pyrrolidone) as a solvent for lithium-ion battery cell production. The site has set up an efficient NMP purification system, which allows to purify and reuse approximately 90% of the NMP material.

This system significantly reduces the need to send NMP for external purification and/or to hazardous waste treatment. This results in greater resource efficiency, and an overall reduced environmental impact.

## Environmental Compliance of our Operations

We fully comply with all environmental (and other) regulations that apply in all regions where we operate. To date, SolarEdge has not experienced a single environmental incident that resulted in any retaliatory steps from regulators in any country. We have not been subject to any fines, penalties or sanctions related to environmental regulations.



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Sustainability Report 2023 /

# Waste Management



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

**In 2023, 76% of our total waste generated was sent for recycling, with an additional 7% of total waste sent to incineration with energy recovery.**

We have recently set a target regarding the waste (of all types) generated at our sites, aiming for >80% of generated waste to be recycled or recovered to energy each year. This target has been met for both 2022 and 2023.

At some of our sites- for example, at Sella 1, non-household waste including hazardous waste, cardboard, scrap metal and e-waste is separated at the source and sent for external recycling at licensed facilities. We recognize the challenges of electronic waste as a contributor to environmental degradation and are examining further options to reduce electronic waste from our supply chain with a target to achieve near-zero electronic waste-to-landfill.

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

Among other actions, we have ensured that the potting (protective polyurethane filling) that coats the assembled circuit boards and critical parts of our Power Optimizers does not create an obstacle for the recycling of the valuable electronic components. The e-waste handling companies have demonstrated to us their developed methods for successfully separating the potting material from the encased e-waste. The potting is also a key factor in assuring the longevity of our Power Optimizers, helping to protect them from weather conditions through their 25 years of warranted lifetime. This allows for reduced material consumption and reduced waste generation, while achieving the increased power production that our systems allow.

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

As storage solutions continue to form a significant part of SolarEdge's activities, offerings, and revenues, we are working to ensure correct treatment of these products once they reach their end-of-life. For further information please see Product End-of-Life.

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



## Examples of Site Recycling Programs

In recent years, we have been operating an enhanced recycling program for our headquarters in Herzliya Israel to further engage our employees in environmental practices while contributing to the reduction of our environmental impact. Supported by our employees that volunteered as recycling champions, we installed recycling bin systems at different locations throughout our offices and educated employees on how to separate office waste effectively. The program includes separate bins for food and plastic packaging, paper, drink containers, e-waste, batteries and expired medicine.

We recently added aerosol collection containers on various factory floors at Sella 1 in Israel. The containers are collected by a local recycling partner, who empties any remaining gases and sends remaining metals for scrap reuse.



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# About This Report

Thank you for your interest in our sixth 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 reference to Global Reporting Initiative (GRI) Standards. GRI principles have informed our reporting approach: materiality (the issues relevant to our most significant impacts and which are of most importance to our stakeholders), stakeholder inclusiveness (responding to stakeholder expectations and interests), sustainability context (presenting our performance in the context of sustainability) and completeness (inclusion of the information that reflects significant economic, environmental, and social impacts to enable stakeholders to assess our performance).

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

## The scope of the Report is:

- ▮ All SolarEdge operations world-wide unless otherwise specifically stated. Environmental data is reported for all sites and offices that have more than only marketing and sales activities, supported by an estimation that marketing and sales activities add to less than 1% of the total energy consumption and waste generation of the company.
- ▮ Quantitative performance data is supplied for calendar year 2023 and prior years where available. Corporate information and progress updates are also included from early 2024.
- ▮ All dollar amounts quoted in this report refer to U.S. currency (USD).
- ▮ In data tables, some figures may not calculate to 100% or to exact totals due to rounding effects.



This report has been verified internally but not externally assured.

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

**Roy Weidberg**

Head of ESG

[Sustainability@solaredge.com](mailto:Sustainability@solaredge.com)

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# GRI Content Index

**GRI 1: Foundation 2021**  
**GRI 2: General Disclosures 2021**  
**GRI 3: Material Topics 2021**

Reference	Description	Page reference or response
1	GRI 1: Foundation 1	SolarEdge Technologies Ltd has reported the information cited in this GRI content index for the period January 1 <sup>st</sup> to December 31 <sup>st</sup> 2023 with reference to the GRI Standards.
2-1	Organizational details	<a href="#">Company Profile</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">About This Report</a>
2-3	Reporting period, frequency and contact point	<a href="#">About This Report</a>
2-4	Restatements of information	<a href="#">GRI Data Tables</a> (GRI 305-2; GRI 305-4; GRI 403-9)
2-5	External assurance	<a href="#">About This Report</a>
2-6	Activities, value chain and other business relationships	<a href="#">Company Profile</a>
2-7	Employees	Powering People- entire chapter ; <a href="#">GRI Data Tables</a> (GRI 102-8)
2-8	Workers who are not employees	<a href="#">GRI Data Tables</a> (GRI 102-8)
2-9	Governance structure and composition	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 6-11, 19-22)
2-10	Nomination and selection of the highest governance body	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 5)
2-11	Chair of the highest governance body	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 17)
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Sustainability Governance</a>
2-13	Delegation of responsibility for managing impacts	<a href="#">Sustainability Governance</a>
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Sustainability Governance</a>
2-15	Conflicts of interest	<a href="#">Ethics &amp; Compliance</a>
2-16	Communication of critical concerns	<a href="#">Sustainability Governance</a>
2-17	Collective knowledge of the highest governance body	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 13)
2-18	Evaluation of the performance of the highest governance body	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 20-21)
2-19	Remuneration policies	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 47-48 & 60-61)
2-20	Process to determine remuneration	<a href="#">2024 Annual Meeting and Proxy Statement</a> (P. 46-47, 49 & 54-55)
2-21	Annual total compensation ratio	<a href="#">2023 Annual Meeting and Proxy Statement</a> (P. 62)
2-22	Statement on sustainable development strategy	<a href="#">Sustainability Strategy &amp; Performance</a>
2-23	Policy commitments	<a href="#">Sustainability Strategy &amp; Performance</a>
2-24	Embedding policy commitments	<a href="#">Sustainability Strategy &amp; Performance</a>
2-25	Processes to remediate negative impacts	
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Ethics &amp; Compliance</a>
2-27	Compliance with laws and regulations	<a href="#">Ethics &amp; Compliance</a>
2-28	Membership associations	<a href="#">Powering the World through Positive Policy</a>
2-29	Approach to stakeholder engagement	<a href="#">GRI Data Tables</a> (GRI 102-43)
2-30	Collective bargaining agreements	<a href="#">GRI Data Tables</a> (GRI 102-41)
3-1	Process to determine material topics	<a href="#">Sustainability Strategy &amp; Performance</a>
3-2	List of material topics	<a href="#">Sustainability Strategy &amp; Performance</a>
3-3	Management of material topics	<a href="#">Sustainability Strategy &amp; Performance</a>

## GRI Material Disclosures

Material impact	GRI Standard	GRI 103 Management Approach (2016) GRI 103-1, 103-2, 103-3	Indicator	Page/Omissions
<b>Affordable Clean Energy</b>	GRI 203 (2016) Indirect Economic Impact		<b>203-2</b> Indirect economic impacts	<a href="#">Our Global Climate Impact</a>
<b>Smart Energy Solutions</b>			<b>203-2</b> Indirect economic impacts	<a href="#">Smart Innovation</a>
<b>Product Development and Innovation</b>			<b>203-2</b> Indirect economic impacts	<a href="#">Smart Innovation</a>
<b>Responsible Employer</b>	GRI 401(2016) Employment	<b>Recruitment, Retention &amp; Talent Pipeline</b>	<b>401-1</b> New hires and turnover	<a href="#">GRI Data Tables</a> (GRI 401-1)
	GRI 403 (2018) Occupational Health and Safety	<b>Health &amp; Safety</b>	<b>403-1</b> Occupational health and safety management system	<a href="#">GRI Data Tables</a> (GRI 403-1)
			<b>403-2</b> Hazard identification, risk assessment, and incident investigation	<a href="#">GRI Data Tables</a> (GRI 403-2)
			<b>403-3</b> Occupational health services	<a href="#">GRI Data Tables</a> (GRI 403-3)
			<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety	<a href="#">GRI Data Tables</a> (GRI 403-4)
			<b>403-5</b> Worker training on occupational health and safety	<a href="#">GRI Data Tables</a> (GRI 403-5)
			<b>403-6</b> Promotion of worker health	<a href="#">GRI Data Tables</a> (GRI 403-6)
			<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">GRI Data Tables</a> (GRI 403-7)
			<b>403-8</b> Workers covered by health and safety management system	<a href="#">GRI Data Tables</a> (GRI 403-8)
			<b>403-9</b> Work-related injuries	<a href="#">GRI Data Tables</a> (GRI 403-9)
			<b>403-10</b> Work-related ill health	<a href="#">GRI Data Tables</a> (GRI 403-10)
	GRI 404 (2016) Training and Education	<b>Training &amp; Development</b>	<b>404-1</b> Average training hours	<a href="#">GRI Data Tables</a> (GRI 404-1) Data by gender/category not available
			<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	<a href="#">Training &amp; Development</a>
			<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	<a href="#">GRI Data Tables</a> (GRI 404-3)
	GRI 405 (2016) Diversity and Equal Opportunity	<b>Diversity, Equity, &amp; Inclusion</b>	<b>405-1</b> Diversity of governance bodies and employees	<a href="#">GRI Data Tables</a> (GRI 405-1)
<b>Climate Resilience</b>	GRI 305 (2016) Emissions	<b>Our QEHS Policy</b>	<b>305-1</b> Direct (Scope 1) GHG emissions	<a href="#">GRI Data Tables</a> (GRI 305-1)
			<b>305-2</b> Energy indirect (Scope 2) GHG emissions	<a href="#">GRI Data Tables</a> (GRI 305-2)
			<b>305-3</b> Other indirect (Scope 3) GHG emissions	<a href="#">GRI Data Tables</a> (GRI 305-3)
			<b>305-4</b> GHG emissions intensity	<a href="#">GRI Data Tables</a> (GRI 305-4)
<b>Product Sustainability</b>	Non-GRI Indicator		LCA value of PV Inverters	<a href="#">Lifecycle Assessment</a>
<b>Resource Efficiency</b>	GRI 302 (2016) Energy	<b>Our QEHS Policy</b>	<b>302-1</b> Energy consumption within the organization	<a href="#">GRI Data Tables</a> (GRI 302-1)
			<b>302-3</b> Energy intensity	<a href="#">GRI Data Tables</a> (GRI 302-3)
	GRI 303 (2018) Water and Effluents	<b>Our QEHS Policy</b>	<b>303-1</b> Interactions with water as a shared resource	<a href="#">Our QEHS Policy</a>
			<b>303-2</b> Management of water discharge-related impacts	<a href="#">Our QEHS Policy</a>
			<b>303-3</b> Water withdrawal	<a href="#">GRI Data Tables</a> (GRI 303-3)
			<b>303-4</b> Water discharge	<a href="#">GRI Data Tables</a> (GRI 303-4)
			<b>303-5</b> Water consumption	<a href="#">GRI Data Tables</a> (GRI 303-5)
<b>Ethical Sourcing &amp; Supplier Management</b>	GRI 308 (2016) Supplier Environmental Assessment		<b>308-1</b> New suppliers screened using environmental criteria	<a href="#">Supplier Management</a>
<b>Community Investment</b>	GRI 413 (2016) Local Communities	<b>Community Outreach</b>	<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	We currently do not have complete data regarding our community activities around the world. Key operations such as Israel, accounting for more than 50% of our workforce have programs in place. We plan to improve our tracking of activities in the coming years.
<b>Ethical and Compliant Conduct</b>	GRI 419 (2016) Socioeconomic Compliance	<b>Our Approach to Compliance</b>	<b>419-1</b> Non-compliance with laws and regulations in the social and economic area	No instances of socioeconomic non-compliance.
<b>Human Rights</b>	GRI 412 (2016) Human Rights Assessment	<b>Our Approach to Human Rights</b>	<b>412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<a href="#">Supplier Management</a>
<b>Customer success</b>	Non-GRI Indicator		Customer survey feedback	<a href="#">Customer Service</a>
<b>Waste Management</b>	GRI 306 (2020) Waste	<b>Our QEHS Policy</b>	<b>306-1</b> Waste generation and significant waste-related impacts	<a href="#">Waste Management</a>
			<b>306-2</b> Management of significant waste-related impacts	<a href="#">Waste Management</a>
			<b>306-3</b> Waste generated	<a href="#">GRI Data Tables</a> (GRI 306-3)
			<b>306-4</b> Waste diverted from disposal	<a href="#">GRI Data Tables</a> (GRI 306-4)
			<b>306-5</b> Waste directed to disposal	<a href="#">GRI Data Tables</a> (GRI 306-5)
<b>Biodiversity and ecological impacts</b>	GRI 304 (2016) Biodiversity		<b>304-2</b> Significant impacts of activities, products, and services on biodiversity	Our operations do not have a significant/material impact on biodiversity.
<b>Governance</b>	GRI 205 (2016) Anti-corruption		<b>205-3</b> Confirmed incidents of corruption and actions taken	<a href="#">Ethics &amp; Compliance</a>



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# GRI Data Tables

## GRI 102-8 Information on employees

Employees by contract	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Direct employees full time	1,040	2,925	3,965	1,349	3,515	4,868	1,604	3,943	5,547
Direct employees part time	14	21	35	27	35	62	38	48	86
<b>Total direct employees</b>	<b>1,054</b>	<b>2,946</b>	<b>4,000</b>	<b>1,376</b>	<b>3,550</b>	<b>4,926</b>	<b>1,642</b>	<b>3,991</b>	<b>5,633</b>
Contingent workers	98	171	269	115	253	368	95	384	479
<b>Total workforce</b>	<b>1,152</b>	<b>3,117</b>	<b>4,269</b>	<b>1,491</b>	<b>3,803</b>	<b>5,294</b>	<b>1,737</b>	<b>4,375</b>	<b>6,112</b>
Employees on permanent contracts	1,041	2,959	4,000	1,363	3,550	4,893	1,610	3,939	5,549

**Note:**  
 ■ Figures regarding contingent staff include manufacturing workers in Israel and Italy, and some external consultants employed on a full-time basis in various countries.

Employees by region and gender	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
EMEA	802	2,119	2,921	1,040	2,439	3,479	1,263	2,771	4,034
Americas	60	226	286	89	275	364	95	295	390
Asia	192	601	793	247	836	1,083	284	925	1,209
<b>Total</b>	<b>1,054</b>	<b>2,946</b>	<b>4,000</b>	<b>1,376</b>	<b>3,550</b>	<b>4,926</b>	<b>1,642</b>	<b>3,991</b>	<b>5,633</b>
Percentage of women	<b>28%</b>			<b>28%</b>			<b>29%</b>		

Women in workforce	2021			2022			2023		
	Women	Total	% Women	Women	Total	% Women	Women	Total	% Women
CEO and direct reports (VPs, global leaders)	7	59	12%	8	73	11%	10	71	14%
Managers	115	641	18%	146	749	19%	158	804	20%
Employees	932	3,300	28%	1,222	4,104	30%	1,474	4,758	31%
<b>Total</b>	<b>1,054</b>	<b>4,000</b>	<b>26%</b>	<b>1,376</b>	<b>4,926</b>	<b>28%</b>	<b>1,642</b>	<b>5,633</b>	<b>29%</b>

**Note:**  
 ■ Data represents headcount at year end

## GRI 102-41 Collective bargaining agreements

285 employees based in Italy and Japan are employed through collective bargaining agreements, representing 5% of our total global company workforce. The remaining (95%) of our employees are employed with individual contracts.

## 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	2021	2022	2023
Natural Gas	GJ	18,24	80,298	135,948
Diesel	GJ	5,408	8,270	7,643
Gasoline	GJ	18,048	24,033	23,293
Electricity purchased from Grid	GJ	168,049	268,660	329,150
Solar PV generated	GJ	800	4,442	6,805
<b>Total energy consumption</b>	<b>GJ</b>	<b>194,217</b>	<b>385,703</b>	<b>502,837</b>
Energy intensity	GJ / \$ million revenues	99	124	169

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

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

## GRI 305-4: GHG emissions intensity

GHG emissions	Units	2021	2022	2023
Direct (Scope 1) GHG emissions	MT CO2e	1,710	7,001	9,895
Energy indirect (Scope 2) GHG emissions	MT CO2e	24,583	35,085	42,928
<b>Total Scope 1+2 emissions</b>	<b>MT CO2e</b>	<b>26,293</b>	<b>42,086</b>	<b>52,823</b>
<b>Emissions intensity (Scope 1+2)</b>	<b>MT CO2e/\$ million revenues</b>	<b>13.39</b>	<b>13.53</b>	<b>12.74</b>

**Note:**  
 ■ GHG emissions use IEA 2021 and AIB European Residual Mix 2022 conversion factors, except for Israel IREC+ Israel Electric Corporation, 2022).  
 ■ U.S. eGrid 2022 factors for subregions WECC California, WECC Northwest, and ERCOT All and supplier specific factors when available.  
 ■ GHG gas emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).  
 ■ Refrigerant gas (HFC) emissions are only included in our sustainability report from 2022 and onwards, as data was not previously available.  
 ■ However, these emissions formed only 0.3% (26 MT CO<sub>2</sub>e) of the total Scope 1 emissions in 2023, with almost all (99.7%) of Scope 1 emissions still related to fuel consumption.  
 ■ Scope 2 emissions are reported using a market-based method. Solar PV generated power is reported with zero-related emissions.  
 ■ The 2022 and 2023 increases in electricity and natural gas consumption, and the related increase in Scope 1 and 2 emissions, are attributed to the Sella 2 site in Korea that initiated operations in May 2022 and has increased production during 2023.

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

Scope 3 emissions	Units	2021	2022	2023
Contract manufacturer emissions (Category 1: Purchased Goods and Services)	MT CO2e	18,133	26,262	23,147

**Note:**  
 ■ The Scope 3 emissions reported above only relate to the electricity used by our contract manufacturers for producing SolarEdge products. These emissions form a part (but not all) of our Category 1 Purchased Goods and Services. We aim to expand our Scope 3 inventory going forward.  
 ■ Scope 2 emissions decreased in 2023, despite the overall increase in production experienced that same year. The emission decrease was achieved by the recent increase of renewable energy certificates, representing the majority of the annual electricity consumption at one of our contract manufacturer sites in China.

## GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Emissions	Units	2021	2022	2023
NOx (Nitrous oxide emissions)	MT	-	0.7	1.6
VOCs (Volatile Organic Compounds)	MT	-	-	2.6
PM (Particulate Matter)	MT	-	-	1.1
NMHCs (Non-Methane Hydrocarbons)	MT	-	-	0.1

**Note:**  
 ■ The NO<sub>x</sub> emissions reported above are relevant only from 2022 with our newly opened Sella 2 site in South Korea. VOCs, PM and NMHC emissions were measured and reported from 2023 and onwards. The above reported emissions are measured and reported in accordance with local regulations and relevant for the manufacturing sites we own in Israel, South Korea and Italy. Emissions that do not require monitoring by local regulations (for example SO<sub>x</sub> and HAPs) are not measured and are considered negligible.  
 ■ Due to the minor measured amounts of the emissions reported above, we do not consider these air emissions to hold a material environmental impact in relation to our activities. For that reason, we have not set reduction targets for these emissions.

## GRI 303-3: Water withdrawal

## GRI 303-4: Water discharge

## GRI 303-5: Water consumption

Water withdrawal	Units	2021	2022	2023
Water withdrawal	m <sup>3</sup>	39,467	62,511	110,953
Water withdrawal intensity	m <sup>3</sup> /\$ million revenues	20.70	20.10	37.27
Water discharge	m <sup>3</sup>	13,225	37,489	80,461
Water consumption	m <sup>3</sup>	26,242	25,042	30,492
Water consumption intensity	m <sup>3</sup> / \$ million revenues	13.4	8.1	10.2
Water recycled/reused on site	m <sup>3</sup>	8,159	6,229	3,150

Water withdrawal - contract manufacturers for SolarEdge production	Units	2021	2022	2023
Water withdrawal - contract manufacturers	m <sup>3</sup>	222,024	286,249	349,688

**Note:**  
 ■ Over 99% of water used at SolarEdge operated sites is withdrawn from municipal water supplies. The remaining <1% is constituted of bottled water consumed at one of our sites.  
 ■ The discharge of sanitary and kitchen waste from our office locations is not currently measured and is therefore excluded from the water discharge figure above.  
 ■ Water consumption in the table above is calculated by subtracting the annual water discharge from the water withdrawal and excludes internally recycled water.  
 ■ Water consumption reported for contract manufacturer sites, was specifically used in the production of SolarEdge products. Data on water consumption from our newest site, opened in late 2023 in Austin, Texas, is excluded from the above reporting. We are currently working with our contract manufacturer to complete water consumption measurements from this site, specific to SolarEdge related production, in order to include that data in future reports.  
 ■ The increase in water withdrawal during 2022 and 2023, and the related increase in water discharge are attributed to the Sella 2 site in Korea that was opened in May 2022, as it increased its level of production throughout 2023.  
 ■ The vast majority of the water discharged by SolarEdge is attributed to the production at our Sella 2 site. Here, water is mainly used in cooling processes and has no contact with the physical chemical process. There is a minor amount of anti-corrosion material added to the water. This cooling water is discharged to a local wastewater treatment facility, which discharges the same water to the local river post-treatment. Since the same amount of water is returned to the source river with negligible effects on water quality, we consider Sella 2 water usage to have minor environmental impact. Due to the minimal environmental impact of the wastewater reported above, we do not consider water pollutants in wastewater in our sustainability report to our activities. For that reason, we have not set reduction targets.

For the sake of disclosure in this report, the terms "water recycling" and "water reuse" are used interchangeably. See the "Water efficiency" section for details on how water is being recycled/reused at our Sella 1 and Sella 2 sites.

## GRI 306-3: Waste generated

## GRI 306-4: Waste diverted from disposal

## GRI 306-5: Waste directed to disposal

Waste generated	Units	2021	2022	2023
Hazardous waste	MT	570	514	1,618
Non-hazardous waste	MT	1,245	2,338	3,104
<b>Total waste generated</b>	<b>MT</b>	<b>1,815</b>	<b>2,852</b>	<b>4,722</b>
<b>Percentage waste diverted from disposal</b>	<b>%</b>	<b>59%</b>	<b>71%</b>	<b>76%</b>
<b>Percentage waste diverted and recovered</b>	<b>%</b>	<b>71%</b>	<b>88%</b>	<b>83%</b>

Waste diverted from disposal	Units	2021	2022	2023
<b>Hazardous waste</b>	Preparation for reuse	MT	0	0
	Recycling	MT	386	386
	Other recovery operations	MT	0	0
	<b>Total</b>	<b>MT</b>	<b>462</b>	<b>386</b>
<b>Non-hazardous waste</b>	Preparation for reuse	MT	0	0
	Recycling (Electronic Waste)	MT	50	177
	Recycling (Non-Electronic Waste)	MT	554	1,470
	Other recovery operations	MT	0	0
<b>Total</b>	<b>MT</b>	<b>604</b>	<b>1,647</b>	
<b>Total waste diverted from disposal</b>	<b>MT</b>	<b>1,066</b>	<b>2,033</b>	

Waste directed to disposal	Units	2021	2022	2023
<b>Hazardous waste</b>	Incineration with energy recovery	MT	0	0
	Landfill	MT	106	128
	Other	MT	0	0
<b>Total</b>	<b>MT</b>	<b>106</b>	<b>128</b>	
<b>Non-hazardous waste</b>	Incineration with energy recovery	MT	218	463
	Incineration without energy recovery	MT	0	0
	Landfill	MT	423	228
	Other	MT	0	0
<b>Total</b>	<b>MT</b>	<b>641</b>	<b>691</b>	
<b>Total waste directed to disposal</b>	<b>MT</b>	<b>740</b>	<b>819</b>	

**Note:**  
 ■ Hazardous waste quantities have increased in 2023 due to increased production and a revised method of waste measurement at the Sella 2 site in Korea.  
 ■ We have recorded an increase of non-hazardous waste in 2023 due to electronic and battery waste at several of our global sites as a result of activity growth during 2022. The output of non-hazardous waste at our Israeli sites increased in 2023, as a result of a parallel increase in the number of employees at those sites. An increase in non-hazardous cardboard, paper and wood waste was attributed to increased production at our Sella 1 site during 2023.  
 ■ The grand majority of increased production waste in 2022 and 2023 was treated by recycling or by incineration with energy recovery. This caused a parallel increase in the rate by which we diverted waste from landfills to recycling or energy recovery.

## 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 in assuring the occupational health and safety of its employees, ensuring that we are compliant with laws and regulations while striving for safety excellence. All our global manufacturing and R&D 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. In all of our manufacturing and R&D sites, employees participate in safety activities and in defining safety programs, requirements and measures. Annual safety training is mandatory for all employees and specialized safety training is conducted for those in relevant of high-safety-risk roles. Only a minority of SolarEdge sites in all worldwide occupational health services onsite. However, in the event of a safety incident or need for medical consultation, Safety Officers in place at all sites are trained to provide the appropriate responses to ensure needed medical attention is provided.

## GRI 403-6: Promotion of worker health

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

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

We work to ensure that our suppliers understand and agree to adhere to our Supplier Code of Conduct. We have already received acceptance of our Supplier Code of Conduct from hundreds of our active suppliers and all our contract manufacturing sites (see section: Responsible Procurement). The Code of Conduct explicitly references "Protection of Workers" and the maintenance of occupational health and safety provisions.

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

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

Currently, 100% of the designated sites (where 67% of our total global employees work), have been certified to ISO 45001 (safety management).

## GRI 403-9: Work-related injuries

Occupational safety performance: employees	2021	2022	2023
Hours worked	5,596,975	6,892,675	9,053,800
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	1
Number of recordable injuries (TRIR)	14	21	30
Number of lost days due to injury	332	378	809
Injury rate (TRIR)	0.50	0.61	0.66
Lost day rate (LTRR)	11.86	11.0	17.9
Fatality rate	0	0	0

Occupational safety performance: contractors	2021	2022	2023
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Number of recordable injuries (TRIR)	1	4	1
Number of lost days due to injury	32	24	5

Occupational safety performance: workforce (employees + contractors)	2021	2022	2023
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	1
Number of recordable injuries (TRIR)	15	25	31
Number of lost days due to injury	364	402	814

**Note:**  
 ■ TRIR and LTRR rates are calculated using the 200,000-multiplication factor, which represents the total number of hours 100 employees would work in a year (100 workers x 40 hours x 50 weeks).  
 ■ SolarEdge working hours are based on actual hours worked for all employees where available, representing the majority of the total workforce. For the remaining employees, best estimates were used, based on average hours worked in the locations measured.  
 ■ Coverage includes all company employees based in all worldwide facilities and marketing and sales offices around the world. Contractor employee incidents are tracked and reported for the same global boundaries. The reported safety incidents include all on-site incidents and job-related traffic incidents.  
 ■ TRIR and LTRR rates exclude contractor employees and include only company employees, due to data limitations regarding the work hours of our contractor employees. Nevertheless, we monitor and report all safety incidents related to our contractor employees, provide them with needed safety training and equipment, and act to prevent any risk to their personal health and safety.  
 ■ See section: [Health & Safety](#) for an explanation on the increase in TRIR and LTRR rate in 2023, compared with 2022.

## GRI 403-10: Work-related ill health

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

## GRI 401-1: New employee hires and turnover rates

New hires	New hires - 2021			New hires - 2022			New hires - 2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	148	264	412	196	402	598	205	500	705
age 30 - 50	193	541	734	299	735	1,034	303	714	1,017
> age 50	54	109	163						

# SASB Disclosure

## SASB Disclosure

Topic	Accounting Metric	Code	Response
Energy Management in Manufacturing	(1) Total energy consumed in GJ/%	RT-CP-130a.1	<a href="#">GRI 302</a>
	(2) Percentage grid electricity in GJ/%	RT-CP-130a.1	<a href="#">GRI 302</a>
	(3) Percentage renewable in GJ/%	RT-CP-130a.1	<a href="#">GRI 302</a>
Water Management in Manufacturing	(1) Total water withdrawn in GJ/%	RT-CP-140a.1	<a href="#">GRI 303</a>
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.1	Almost the entire water consumption of SolarEdge sites is for our sites in Israel and Korea, both of which are considered high/extremely high water stressed countries. However, our activities are not water intensive. The total of ~110,000 m <sup>3</sup> consumed by our sites in 2023 is equivalent to the estimated annual domestic consumptions of only 1,300 people <sup>(1)</sup> . We therefore do not consider water consumption a material issue in relation to our activity, for now. See section: <a href="#">Water Efficiency</a> for our efforts to reduce water consumption.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2	Water consumption is modest and currently does not present significant risk for SolarEdge.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled in MT/%	RR-ST-150a.1	<a href="#">GRI 306</a>
	Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	None
Ecological Impacts of Project Development	Number and duration of project delays related to ecological impacts	RR-ST-160a.1	None
	Description of efforts in solar energy system project development to address community and ecological impacts	RR-ST-160a.2	Not material for SolarEdge – our Inverters and Optimizers do not generate material negative ecological impacts.
Management of Energy Infrastructure Integration & Related Regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	RR-ST-410a.1	SolarEdge 2023 Annual Report on <a href="#">Form 10-K</a> : p. 18, 22-23, 29-30
	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 2023 Annual Report on <a href="#">Form 10-K</a> : p. 18, 19-30
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	<a href="#">Product End-of-Life, Waste Management</a>
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RR-ST-440a.1	Not applicable to SolarEdge
	Description of the management of environmental risks associated with the polysilicon supply chain	RR-ST-440a.2	Not material for SolarEdge: only a very small portion of our global business involves the purchase and sale of solar panels. See section: <a href="#">Human Rights in China</a> for more details.
Activity Metrics	Total capacity of photovoltaic (PV) solar modules produced in MW	RR-ST-000.A	<a href="#">2023 Performance Summary</a>
	Total capacity of completed solar energy systems in MW	RR-ST-000.B	<a href="#">2023 Performance Summary</a>
	Total project development assets in \$	RR-ST-000.C	Data not currently available



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# Appendix - Report Footnotes by Section

## Report Home Page

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

2. World Energy Outlook 2023, International Energy Agency, October, 2023, <https://iea.blob.core.windows.net/assets/86ede39e-4436-42d7-ba2a-edf61467e070/WorldEnergyOutlook2023.pdf> . Page 123.

World Energy Outlook 2023, International Energy Agency, October, 2023, <https://iea.blob.core.windows.net/assets/86ede39e-4436-42d7-ba2a-edf61467e070/WorldEnergyOutlook2023.pdf> . Page 267.

## Company Profile

1. Emissions avoided annually through the full-year usage of all SolarEdge systems shipped by the end of 2023. The calculation was based on an average conservative ratio of 1,100 kWh per installed kW. The calculated kWh were converted to saved emissions using the Greenhouse Gas Equivalencies Calculator of the EPA: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

2. GAAP basis. For additional information, please see our financial report for the quarterly period ended December 31, 2023, filed on Form 10-K <https://investors.solaredge.com/static-files/c1bfcb36-375e-4302-ae67-87bf8fa10a25>

## Governance Practices

1. SolarEdge was ranked with the ISS Governance QualityScore of '1' in January 2024 and has retained this score at the time of publication of this report.

## Sustainability Strategy & Performance

1. The materiality assessment was last updated in August 2021, but was reviewed and found to be up to date as part of this report's compilation process. We aim to conduct a renewed materiality assessment within the next 2 years, to align with upcoming new ESG regulations.

## Our Global Climate Impact

1. These are the biggest global risks we face in 2024 and beyond, World Economic Forum, January 10, 2024, <https://www.weforum.org/agenda/2024/01/global-risks-report-2024/>

2. Emissions avoided annually through the full-year usage of all SolarEdge systems shipped by the end of 2023. The calculation was based on an average conservative ratio of 1,100 kWh per installed kW. The calculated kWh were converted to saved emissions using the Greenhouse Gas Equivalencies Calculator of the EPA: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

## Smart Innovation

1. As of December 31, 2023.

2. Coming soon.

3. Currently available in select regions.

## Recruitment, Retention, & Talent Pipeline

1. The remaining 8% of the employees included those recruited shortly before the end of 2023, and employees temporarily absent due to parental leave or other circumstances.

## Fair & Quality Employment

1. Survey held in January 2023, by the Giora Golan research institute, for the Drushim-IL job seeking web-service. The ~3000 responders were asked to provide opinion on 118 large companies, which employ over 500 employees in Israel. Full results are available in this link (Hebrew only): [https://makospecial.co.il/50companies\\_2023](https://makospecial.co.il/50companies_2023)

## Diversity, Equity & Inclusion

1. All levels of management – from executives to team leaders.

2. SolarEdge's ROW (Rest of World) region includes countries where we operate excluding North-America and Europe- such as Israel, China, Australia, Japan and others.

3. The 2021 analysis is available on our website, as of the publication of this report. The full 2022 analysis shall be published later in 2023.

4. The 2022 EEO-1 form will be published later in 2023, data not yet available at the publication of this report.

## Community Outreach

1. Donation per profit ratio was calculated using the 2023 total donations, divided by the 2022 total net profits. We consider this ratio to be representative, since our donation budget is planned at the beginning of each year as a percentage of last year's profits. If the 2023 total donations would be divided by the 2023 net profits, the result reflects a 1.57% ratio.

2. The target was surpassed ahead of time on a one-time basis due to ad-hoc donations to communities in need in Q4.

## Responsible Procurement

1. As of the publishing of this sustainability report, our most updated available conflict mineral report is for 2022. The 2023 conflict mineral report will be published later, by June 1, 2024. Climate Change Mitigation & Resource Efficiency

1. Source: Mei-Avivim water corporation- Average annual water consumption per person in Israel in ~80 m3.

## SASB Disclosure

1. Source: Mei-Avivim water corporation- Average annual water consumption per person in Israel in ~80 m3.