Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

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.
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 optimized inverter 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.

Note to question 0.3 below: All the countries selected below include sites that are part of our current emission inventory (Scope 1, 2 and 3). The sites located in these countries include all SolarEdge owned production and R&D sites; all contractor manufacturer sites where we produce the majority of our products; and some additional regional offices and logistic sites. We estimate the emissions of all other global sites to be negligible (generally small office locations). For a full list of our subsidiaries, see our 2022 10K report, Exhibit 21.1, p. 132.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 2 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 3 emissions data for

2 years

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Bulgaria
China
Germany
Hungary
India
Israel
Italy
Mexico
Netherlands
Republic of Korea
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	SEDG

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	As part of SolarEdge's Board risk oversight, the Board receives quarterly reports on key ESG matters and progress of the Company's attainment of its ESG goals. These included, among other things, climate-related issues such as progress towards our reduction targets, climate risk monitoring, climate-related reporting regulations and additional related aspects. The Board has delegated the overall oversight for the Company's sustainability performance, disclosure, strategies, goals and objectives as well as monitoring evolving sustainability risks and opportunities to the Board's Nominating and Corporate Governance Committee. Climate-related issues are a part of these monitored sustainability aspects.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing the setting of corporate targets Monitoring progress towards corporate targets	The Board of Directors oversees the Company's risk management process both directly and through its committees. The Board oversees a Company-wide approach to risk management, designed to enhance stockholder value, support the achievement of strategic objectives and improve long-term organizational performance. The Board continuously reviews the Company's progress against its annual strategic plans and determines the appropriate level of risk for the Company generally and also assesses the specific risks faced by the Company and reviews the steps taken by management to manage those risks. The Board's involvement in setting the company's business strategy facilitates these assessments and reviews, culminating in the development of a strategy that reflects both the Board's and management's consensus as to appropriate levels of risk and the appropriate measures to manage those risks. Pursuant to this structure, risk is assessed throughout the enterprise, focusing on risks arising out of various aspects of the Company's strategy and the implementation of that strategy, including (among other things) climate-change related risks. Furthermore, as detailed in chapter 2 of this report, SolarEdge's core business of smart and renewable energy solutions is heavily related to climate-change opportunities and risks, and these are discussed frequently at the Board level. These opportunities and risks are factored into decisions regarding potential innovation/R&D priorities, M&A opportunities, major capital expenditures and additional aspects. Also, as mentioned above- the Board has delegated the overall oversight for the Company's sustainability performance, disclosure, strategies, goals and objectives to the Board's Nominating and Corporate Governance Committee. The committee is involved, among other things, in setting GHG reduction targets, and monitoring our performance towards these targets.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues

Row 1	Yes	Recognized ESG experience and thought leadership (including on climate change issues).

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other C-Suite Officer, please specify

The overall activity is managed by the Chief Marketing Officer (CMO) with significant involvement of the company's VP General Counsel and Corporate Secretary and the Chief Financial Officer (CFO).

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The overall leadership of sustainability at SolarEdge, including on climate-change issues, rests with our Chief Marketing Officer (CMO), a member of our executive management team, with significant involvement from the company's VP General Counsel and Corporate Secretary and the Chief Financial Officer (CFO). The SolarEdge Head of ESG reports to the CMO and leads the global management of our ESG activities including our emission performance and progress towards our targets, our recently inserted climate risk assessment process, supply chain engagement on climate and ESG issues, among other topics.
Throughout the company, various business leads and department heads support the delivery of our sustainability strategy including climate change 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.

Periodical reporting and work plans are performed in a wider management forum headed by the company's CEO.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In 2022, the Company integrated ESG-related performance targets into our corporate performance goals which are relevant for our senior executives, including our NEOs and Chief Executive Officer, under our annual incentive compensation plans. These goals address diverse ESG topics including (among other things) the reduction of GHG emissions.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus – set figure

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

In 2022, the Company integrated ESG-related performance targets into our corporate performance goals which are relevant for our senior executives, including our C-level executives and Chief Executive Officer, under our annual incentive compensation plans. These goals address diverse ESG topics including (among others) the reduction of GHG emissions. The level of achievement of the Company's/CEO's performance goals also forms a part of the basis for determining the annual bonus of all other C-level executives, and for additional senior managers.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive helps to internally stress the importance of moving towards our emission intensity reduction target through executive incentives to prioritize emission reductions as a core issue for our organization.

Entitled to incentive

Other, please specify

C-level executives, and additional senior managers

Type of incentive

Monetary reward

Incentive(s)

Bonus – set figure

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

In 2022, the Company integrated ESG-related performance targets into our corporate performance goals which are relevant for our senior executives, including our C-level executives and Chief Executive Officer, under our annual incentive compensation plans. These goals address diverse ESG topics including (among others) the reduction of GHG emissions. The level of achievement of the Company's/CEO's performance goals also forms a part of the basis for determining the annual bonus of all other C-level executives, and for additional senior managers.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive helps to internally stress the importance of moving towards our emission intensity reduction target through executive incentives to prioritize emission reductions as a core issue for our organization.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results, that may be subject to change when the analysis is complete. According to the preliminary results, the most likely time ranges for the different period categories are: Short-term: 0-2 years; Medium-term 2-5 years; Long-term 5-10 years. These time ranges are specific for our climate risk analysis and are necessarily relevant to other SolarEdge risks analysis processes.
Medium-term	2	5	We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results, that may be subject to change when the analysis is complete. According to the preliminary results, the most likely time ranges for the different period categories are: Short-term: 0-2 years; Medium-term 2-5 years; Long-term 5-10 years. These time ranges are specific for our climate risk analysis and are necessarily relevant to other SolarEdge risks analysis processes.
Long-term	5	10	We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results, that may be subject to change when the analysis is complete. According to the preliminary results, the most likely time ranges for the different period categories are: Short-term: 0-2 years; Medium-term 2-5 years; Long-term 5-10 years. These time ranges are specific for our climate risk analysis and are necessarily relevant to other SolarEdge risks analysis processes.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report.

Nonetheless, we are including some preliminary results, that may be subject to change when the analysis is complete.
The threshold for substantive impact definition shall be defined as part of this process, by multiplying likelihood by impact (magnitude, in CDP terms). This has not been defined by the time of publication of this CDP report.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

Not defined

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results, that may be subject to change, depending on the final analysis.
Through this process, we are examining all value chain stages and various short-term, mid-term and long-term goals, as described above. The assessment frequency moving forward is yet to be defined by the time of publication of this CDP report.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP

		report. Nonetheless, we are including some preliminary results that may be subject to change pending the conclusion of the analysis. The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses as our business continues to grow. The viability and demand for our products may be affected by many factors beyond our control. Specific factors that relate to current climate-change regulation and/or deregulation include, for example, the availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions. Another such example is the extent of deregulation in the electric power industry and broader energy industries permitting broader adoption of solar electricity generation. A loss of such subsidies/incentives or regulatory changes or lack of deregulation could in turn make our products less desirable and thereby put downward pressure or even reduce our revenues. However, such subsidies, incentives and deregulation also form an opportunity for SolarEdge, as they have already significantly contributed to the demand for our products in many global regions and continue to arise in different countries.
Emerging regulation	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may change pending the analysis conclusion. The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses as our business continues to grow. The viability and demand for our products may be affected by many factors beyond our control. Specific factors that relate to emerging climate-change regulation and/or deregulation include for example potential increased government support for other alternative energy generation technologies and products, which could in turn make our products less desirable and thereby put downward pressure or even reduce our

		revenues. However, emerging regulations also form a significant opportunity for SolarEdge. Different countries that have not significantly incentivized renewable energy to date, could potentially provide subsidies, incentives and approve new regulations that could increase demand for SolarEdge products.
Technology	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change pending the conclusion of the analysis. The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses as our business continues to grow. The viability and demand for our products may be affected by many factors beyond our control. Specific factors relating to technology include, for example, potential competing new technologies with more competitive prices than those we offer for our products, developed as part of the global effort to mitigate climate change. In addition, decreases in the retail prices of electricity from the utility grid, or other renewable energy resources, would make the purchase of solar PV systems less economically attractive and would likely lower sales of our products. The price of electricity from the utility grid could decrease as a result of several factors, including new technology developed as part of the global effort to mitigate climate change. Some examples of this could include the development of smart-grid technologies that lower the peak energy requirements of a utility generation facility, the development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times, and the development of new energy generation technologies that provide less expensive energy.
Legal	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change upon the conclusion of our analysis. The growing global awareness of climate change and the push for climate action in many developed countries is currently leading to

		several new climate and ESG reporting regulations. We will likely need to adhere to these new reporting frameworks in some of the regions in which we operate. This increases our exposure to investigations and lawsuits by regulators and stakeholders and potential liability in the unlikely event that we were not timely in our filings or did not comply with other new regulations.
Market	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change pending the conclusion of our analysis. Our revenues are primarily derived from products utilized in solar PV installations. Thus, our future success depends on continued demand for solar energy solutions and the ability of vendors to meet this demand. This demand is dependent on, among other factors, customer awareness of climate change, and the extent of the global pressure to transition to a low-carbon economy in an attempt to mitigate climate change. The levels of such awareness and pressure also have an impact on the extent of regulatory incentives for the installation of PV systems (as explained in 'Current Regulations' above). The solar industry is an evolving industry that has experienced substantial changes in recent years, and we cannot be certain that consumers, businesses, or utilities will adopt solar PV systems as an alternative energy source at levels sufficient to grow our business. If demand for solar energy solutions fails to continue to develop sufficiently, demand for our products will decrease resulting in an adverse impact on our ability to increase our revenue and grow our business.
Reputation	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change upon conclusion of our analysis. The growing global awareness of climate change and push for climate action in many developed countries, is currently leading to several new climate and ESG reporting regulations. We are likely to be included in these new reporting frameworks in some of the regions where we operate. This could expose the company to potential reputational risk due to unreliable and/or inaccurate environmental-related reporting data by the company. In addition, the manufacturing of our products is conducted in a small number of SolarEdge owned sites and at contractor manufacturer sites. While these sites are spread out in different global regions, any potential physical phenomena caused by climate change could cause disruption to production in these sites. Any inability to meet supply

		demand due to such potential production/supply chain disruptions, could cause us reputational damage (in addition to a loss of revenue and potential loss of market share).
Acute physical	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change upon conclusion of our analysis. We manufacture our products at a small number of SolarEdge owned sites and contractor manufacturer sites. While these sites are spread out in different global regions, any potential acute physical phenomena caused by climate change, such as severe flooding or severe storms, could cause disruption to production in these sites. Any inability to meet supply demand due to such potential production/supply chain disruptions could cause a loss of revenue, potential loss of market share, and reputational damage.
Chronic physical	Relevant, always included	This risk type is included in our current first-time assessment and is aimed to be included in similar future risk assessment processes. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change upon conclusion of our analysis. We manufacture our products at a small number of SolarEdge owned sites and contractor manufacturer sites. While these sites are spread out in different global regions, any potential chronic physical phenomena caused by climate change, such as structural damage from rising sea levels or increased frequency of severe floods due to precipitation pattern changes, could cause disruption to production in these sites. Any inability to meet supply demand due to such potential production/supply chain disruptions, could cause a loss of revenue, potential loss of market share, and reputational damage.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Most of SolarEdge's revenues are generated from our wide range of PV solar energy solutions. The rapidly evolving and competitive nature of the solar industry makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses as our business continues to grow. The viability and demand for our products may be affected by many factors beyond our control.

Specific factors that relate to current climate-change related regulation and/or deregulation include for example the availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions. Another such example is the extent of deregulation in the electric power industry and broader energy industries to permit broader adoption of solar electricity generation. A loss of such subsidies/incentives or regulatory changes or lack of deregulation could in turn make our products less desirable and thereby put downward pressure or even reduce our revenues. These regulations are dependent on public awareness and attitude towards climate change in all regions in which we operate (while also impacted by economic turns, inflation and interest rates, politics, and additional factors).

However, such subsidies, incentives and deregulation also form an opportunity for SolarEdge, as they have already significantly contributed to the demand for our products in many global regions and continue to arise in different countries. Also, due to the company’s expansion in recent years to storage and smart energy management systems, we can offer cost effective solutions to diverse types of local tariff regimes.

Therefore, while regulation changes are frequent and can happen on a short-term time horizon, we consider it unlikely for regulatory changes to be made in many regions in which we operate simultaneously and in such a manner that could have a short-term material negative impact on our business.

(Description subject to disclaimer, see “comment”).

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Changes in climate-change related regulations and subsidies, as described above, could potentially lead to a loss of revenues in some regions where we operate, due to potential reduced demand/viability for our products.
We currently consider the overall likelihood of this risk as unlikely, referring to the likelihood of a significant negative change in regulations in several of our main markets simultaneously.

Cost of response to risk

Description of response and explanation of cost calculation

SolarEdge is a leading global company in its market, with over 130 different countries operating SolarEdge systems, and over 50,000 residential installers that have used our systems worldwide. This wide global spread allows for risk mitigation, and the company strives to reach even more new markets. In addition, the company makes significant effort to monitor relevant regulations in all of its core markets and strives to adapt its solutions and marketing practices to any upcoming/existing change.
Moreover, the same subsidies, incentives and deregulation that form this risk, also form an opportunity for SolarEdge, as they have already significantly contributed to the demand for our products in many global regions and continue to arise in different countries. Also, due to the company's expansion in recent years to storage and smart energy management systems, we also offer effective solutions that address diverse types of local tariff regimes.

Comment

We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results, that may be subject to change upon conclusion of our analysis.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

Any potential acute physical phenomena caused by climate change, such as severe flooding or severe storms

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

We are currently engaged in our first comprehensive climate risk and opportunity analysis process. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results, that may be subject to change upon the conclusion of our analysis.

Our production is conducted in a small number of SolarEdge owned sites and at contractor manufacturer sites. While these sites are spread out in different global regions, any potential acute physical phenomena caused by climate change, such as severe flooding or severe storms, could cause disruption to production in these sites. Any inability to meet supply demand due to such potential production/supply chain disruptions could cause a loss of revenue, potential loss of market share, and reputational damage.

While these severe weather events could potentially occur in any time horizon (including short-term), we consider it unlikely for more than one of our manufacturing sites to be impacted by such severe events simultaneously. Therefore, we consider it unlikely for these events to have a negative significant effect on the overall SolarEdge revenue and market share.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Any inability to meet supply demand due to such potential production/supply chain disruptions could cause a loss of revenue, potential loss of market share, and reputational damage.

Cost of response to risk

Description of response and explanation of cost calculation

In recent years, we have been taking measures to diversify our manufacturing footprint, enabling us to both manufacture closer to our target markets and reduce the potential negative impact caused by disruptions in any specific manufacturing site including potential disruptions caused by to severe weather events.
We have designed our manufacturing processes to produce high quality products at competitive costs. The strategy is threefold: outsource, automate, and localize. Contracting with global providers, such as Jabil and Flex, gives us added flexibility to manufacture certain products in China and Vietnam, closer to target markets in Asia and the North American west coast, as well as other products in Hungary, closer to target markets in Europe and the North American east coast. In each case, this potentially increases responsiveness to customers while reducing costs and delivery times. In 2022-2023, we have expanded our manufacturing capabilities with a new manufacturing site in Mexico, which is currently finalizing its ramp-up phase. Once ramped, we believe this site will significantly increase our capacity and give us further flexibility to manage growing demand. In light of the recent Inflation Reduction Act legislation in the United States, which incentivizes the local manufacturing of renewable energy products by providing benefits to installers for the purchase and installation of U.S.-manufactured products, as well as by incentivizing manufacturers of such products to manufacture domestically, we are planning to establish manufacturing capabilities in the United States either by using contract manufacturers or by establishing our own manufacturing facility or a combination of both.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

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.

We believe that the growing public awareness and attitude towards climate change in all regions where we are active is one of the reasons for the significant growth in the global solar energy industry in recent years. The growing awareness can be a potential reason for an increase in regulatory incentives for the installation of our PV solar energy systems and improve the return on investment (ROI) for related investments (while the ROI can also be improved by higher grid electricity costs and/or a reduction in the cost of PV systems). This growing awareness also may create increased demand for additional SolarEdge solutions, such as storage solutions, e-Mobility components, and smart energy management tools.

In addition, some acute weather events, such as storms and wildfires, have been causing local power outages in various global regions in recent years. The frequency of such events is expected to increase due to climate change. While having various negative consequences, these events can also create increased demand for SolarEdge energy generation, storage, and backup interface systems as an alternative power source in cases of outage.

All these may create significant opportunities for SolarEdge, and we believe that the related growing demand is part of the reason for the Company's rapid growth in recent years.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The growing global awareness of climate change may create significant opportunities for SolarEdge, and growing demand is part of the reason for the company's rapid growth in recent years. The opportunities include new potential markets, possible demand for new company products, and possible increased revenue and market share.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

SolarEdge prides itself on its innovative DNA. From the outset, our vision was to transform energy markets and change the way energy is harvested. We have relentlessly developed the most advanced technologies to bring renewable energy solutions to our markets, our customers, our end-users as well as for the good of the planet. This DNA has yielded innovative products which have been widely accepted in the markets in which we do business.

We devote substantial resources to research and development with the objective of developing new products and systems, adding new features and reducing unit costs of our products and systems. Our development strategy is to identify software and hardware features, products, and systems that reduce the cost and improve the effectiveness of our solutions for our customers. We measure the effectiveness of our research and development by metrics including product unit cost, efficiency, reliability, power output, and ease of use.

We have a strong research and development team (of over 1400 global employees) with wide ranging experience in power electronics, semiconductors, power line communications and networking, chemical, mechanical and software engineering. In addition, many members of our research and development team have expertise in solar technologies.

We continue to develop new generation products that enable our customers around the world to harvest even more of the sun’s natural energy in systems that are flexible, affordable, accessible and safe - whether in the home or in a range of industrial settings such as corporations, factories, carports, floating installations, ground-mounts and agriculture. We have a patent innovation program that encourages and rewards

employees to develop new patentable ideas to further improve our solutions and the advancement of clean energy.
In addition, SolarEdge is a leading global company in its market, with over 130 different countries operating SolarEdge systems, and over 50,000 residential installers that have chosen to install our systems worldwide. This wide global footprint allows us to realize this opportunity in different regions, and the company strives to reach even more new markets.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the "IRA"), which includes several incentives intended to promote clean energy, battery and energy storage, electric vehicles, and other solar products, and it is expected to impact our business and operations. The guidebook to the IRA (published by the White House in January 2023) states that it is designated to "build a new clean energy economy that will (among else) cut the pollution that is fueling the climate crisis".
As part of such incentives the IRA, will among other things, extend the investment tax credit ("ITC") through 2034 and is expected to increase the demand for solar products. The IRA is expected to further incentivize residential and commercial solar customers and developers due to the inclusion of a tax credit for qualifying energy projects of up to 30%. Since these regulations are new, we are examining the benefits that may be available to us, such as the availability of tax credits for domestic manufacturers. To the extent that tax benefits or credits may be available to competing technology and not to our technology, our business could be adversely disadvantaged, and therefore there is also an inherent risk involved in the IRA.
The IRA incentivizes the local manufacturing of renewable energy products (within the U.S.) by providing benefits to installers for the purchase and installation of U.S.-manufactured products, as well as by incentivizing manufacturers of such products domestically. We are therefore planning to establish manufacturing capabilities in the United States either by using contract manufacturers or by establishing our own

manufacturing facility or a combination of both. These new U.S. operations can significantly reduce shipment costs to our company, as they will create a significant supply source within one of our primary markets for revenues (the U.S.).
Additional global regions (such as the EU) have stated that they are working to form similar incentivization plans for local manufacturing of renewable energy products. We are monitoring these upcoming possible regulations and will strive to realize similar opportunities should they arise.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The IRA incentivizes the local manufacturing of renewable energy products (within the U.S) by providing benefits to installers for the purchase and installation of U.S.-manufactured products, as well as by incentivizing manufacturers of such products domestically. We are therefore planning to establish manufacturing capabilities in the United States either by using contract manufacturers or by establishing our own manufacturing facility or a combination of both. These new U.S. operations can significantly reduce shipment costs for our company, as they will create a significant supply source within one of our primary markets for revenues (the U.S.).

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Utilizing the new incentives and planning to establish manufacturing capabilities within the United States.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a climate transition plan within two years

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Climate change is widely considered as the world's single most pressing challenge. Therefore, the large-scale creation of reliable renewable and carbon-free energy sources has become a global priority.

SolarEdge is helping to make affordable clean energy a reality. We continue to enhance accessibility through our comprehensive solutions for powering homes with solar clean energy. Our smart energy management systems address production, consumption, and storage needs.

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

By the end of 2022, over 2.78 million homes around the world were equipped with SolarEdge PV systems and over 50% of Fortune 100 companies were using our systems on at least one of their sites. Overall, the carbon-free energy generated globally by our DC optimized systems prevents the creation of 31 million metric tons of greenhouse gas (GHG) emissions each year – equivalent to taking 6.7 million gasoline powered cars off the road, permanently.

We therefore believe our activities have a direct contribution on the global climate transition plan aligning with the ambition to keep global temperature increases to 1.5°C compared to pre-industrial temperatures.

We have not yet created a formal transition plan of our own. We will consider creating such a plan moving forward but cannot at present commit to completing it within the next two years.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	We are currently engaged in our first comprehensive climate risk and opportunity analysis process. We aim to include climate-related scenario analysis as part of this process, but the process will not be completed by the time of the publication of this CDP report.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	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. We believe that the growing public awareness and attitude towards climate change in all regions where in which we operate is one of the reasons for the significant growth in the global solar energy industry in recent years. This growing awareness also creates increased demand for additional SolarEdge solutions, such as storage solutions, e-Mobility components, and smart energy management tools. All these create significant opportunities for SolarEdge and are part of the reason for the company's rapid growth in recent years. Both the SolarEdge market strategy and its R&D strategy are influenced by these opportunities and help to determine which markets to enter

		with which solutions, and what are the next needed developments and upgrades to our systems. In terms of risks, our product and R&D strategies are influenced by climate-change related regulations such as the availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions or the extent of deregulation in the electric power industry and broader energy industries to permit broader adoption of solar electricity generation. In response to these regulation risks, we continue to expand our global footprint, which already includes over 130 different countries operating SolarEdge systems, and over 50,000 residential installers that have used our systems worldwide. Our R&D efforts also include product adaptation to existing and upcoming regulations in our different markets.
Supply chain and/or value chain	Yes	In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the “IRA”), which includes several incentives intended to promote clean energy, battery and energy storage, electric vehicles, and other solar products and is expected to impact our business and operations. The guidebook to the IRA (published by the White House in January 2023), states that it is designated to “build a new clean energy economy that will (among else) cut the pollution that is fueling the climate crisis”. . The IRA incentivizes (among other things) the local manufacturing of renewable energy products (within the U.S.) by providing benefits to installers for the purchase and installation of U.S.-manufactured products, as well as by incentivizing manufacturers of such products domestically. We are therefore planning to establish manufacturing capabilities in the United States either by using contract manufacturers or by establishing our own manufacturing facility or a combination of both. These new U.S. operations can significantly reduce shipment costs for our company as they will create a significant supply source within one of our main market countries (the U.S.). This therefore affects both our operations (where we produce) and our supply chain (the shipment routes to our customers and also the shipment routes of components to the new intended U.S. site).
Investment in R&D	Yes	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. We believe that growing public awareness and attitude towards climate change in all regions where we are active is one of the reasons for the significant growth in the global solar energy industry in recent years. This growing awareness also creates increased demand for additional SolarEdge solutions, such as storage solutions, e-Mobility components, and smart energy management tools. All these create significant opportunities for SolarEdge and are part of the reason for the company's rapid growth in recent years. Both the SolarEdge market strategy and its R&D strategy are significantly influenced by these opportunities and help to determine which markets to enter with which solutions, and what are the next needed developments and upgrades to our systems. In terms of risks, our product and R&D strategies are influenced by climate-change related regulation such as the availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions or the extent of deregulation in the electric power industry and broader energy industries to permit broader adoption of solar electricity generation. In response to these regulation risks, we continue striving to expand our wide global footprint, which already includes over 130 different countries operating SolarEdge systems, and over 50,000 residential installers that have used our systems worldwide. Our R&D efforts also include product adaptation to existing and upcoming regulations in our different markets.
Operations	Yes	In August 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the “IRA”), which includes several incentives intended to promote clean energy, battery and energy storage, electric vehicles, and other solar products and is expected to impact our business and operations. The guidebook to the IRA (published by the White House in January 2023), states that it is designated to “build a new clean energy economy that will (among else) cut the pollution that is fueling the climate crisis”. The IRA incentivizes (among other things) the local

		manufacturing of renewable energy products (within the U.S.) by providing benefits to installers for the purchase and installation of U.S.-manufactured products, as well as by incentivizing manufacturers of such products domestically. We are therefore planning to establish manufacturing capabilities in the United States either by using contract manufacturers or by establishing our own manufacturing facility or a combination of both. These new U.S. operations can significantly reduce shipment costs for our company as they will create a significant supply source within one of our main market countries (the U.S.). This therefore affects both our operations (where we produce) and our supply chain (the shipment routes to our customers and also the shipment routes of components to the new intended U.S. site).

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Acquisitions and divestments Access to capital	We are currently engaged in our first comprehensive climate risk and opportunity analysis process. Following this process, we aim to also re-evaluate the impact of the identified risks/opportunities on our financial planning. The process will not be completed by the time of the publication of this CDP report. Nonetheless, we are including some preliminary results that may be subject to change upon conclusion of our analysis. We can already tentatively state that climate change risks and opportunities have impacted our financial planning in terms of revenues, capital expenditures, acquisitions and access to capital (see further details below). It is likely that additional elements are impacted and will be identified in the current assessment process. As noted above, we believe that the growing public awareness and attitude towards climate change in all regions in which we operate is one of the reasons for the significant growth in the global solar energy industry in recent years in which SolarEdge is a key player. This growing awareness also creates increased demand for additional SolarEdge solutions such as storage solutions, e-Mobility components, and smart energy management tools. All these create significant opportunities for SolarEdge and are part of the reason for the company's rapid growth in recent years. These opportunities therefore affect our current and future revenues.

		They have also affected our capital expenditures, for example since we have purchased additional machinery and equipment for the production of our smart and renewable energy solutions, in order to take advantage of the growing demand for PV energy solutions (including our products). Our acquisition decisions have also been affected by these opportunities. Most of SolarEdge's acquisitions in recent years focused on expanding its offering of smart and/or renewable energy solutions, which both can integrate with the SolarEdge original core business and further meet demands for energy savings and/or renewable energy production as part of the global trend towards a low carbon economy. For example, in January 2023, the Company entered into an agreement to acquire Hark Systems Ltd. ("Hark"), a UK-based energy IoT company for the commercial and industrial (C&I) sector. Hark's platform will enable SolarEdge to grow its C&I energy management portfolio and offer additional services to its C&I customers that would allow optimized energy consumption reducing both energy costs and GHG emissions. Our access to capital is also influenced by the opportunity of growing public awareness to climate change, as many investors have shown growing preference to companies providing solutions that promote the transition to low-carbon energy, such as those provided by SolarEdge.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, and we do not plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Intensity metric

Other, please specify

Metric ton CO2e per Million USD revenue

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.72

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

13.52

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

14.24

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

30

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

9.968

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

2.25

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

11.28

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

13.53

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

16.6198501873

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The target includes all our Scope 1+2 emissions (no exclusions), per revenues.

Plan for achieving target, and progress made to the end of the reporting year

Across our operations and in our supply chain, we continually seek to produce, distribute, deliver, and maintain our materials in ways that will reduce our direct and indirect GHG emissions.

We have installed SolarEdge PV systems on the rooftops of three company sites, and we aim to install 3 new SolarEdge PV systems during 2023 on the roofs of three additional sites. Additional sites are also being examined for potential PV system installation. We have implemented innovative electricity savings machinery and methods in our new Sella 2 manufacturing site in Korea (that started operation in mid-2022). Our Sella 1 manufacturing site in Israel, that started full operation in 2021, was also designed to operate at high levels of energy and resource efficiency and has since undertaken further improvements to energy efficiency which was facilitated through advanced operation and monitoring systems. In May 2022, the Sella 1 site in Israel also transitioned to purchasing all of its external electricity needs from a recently opened private power plant with a significantly improved carbon intensity compared to the previous supply. In addition, our R&D facility at Modiin has installed smart energy-saving systems such as motion detectors for automatic shut-down of AC and lighting systems.

To complement the previous steps, we are examining additional opportunities for integrating renewable energy in other areas of our operations.

Despite these efforts, we have experienced a minor increase of 1% in total Scope 1+2 emission-per-revenue in 2022 compared with 2021 (while the 2022 intensity was still 5% lower compared with the 2020 base year).

This increase was mostly caused by the significant energy consumption in the new Sella

2 site in Korea, which is still in its ramp-up stage. If excluding the Sella 2 ramp-up activities, the Scope 1+2 emission-per-revenue would have decreased in 2022 by 33% compared with 2021. In order to supplement emission reduction actions already undertaken, we are searching for additional ways to reduce these newly added emissions.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2020

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with customers

Other, please specify

Reach 2.5 million homes equipped with a SolarEdge PV system

Target denominator (intensity targets only)

Base year

2006

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

2.5

Figure or percentage in reporting year

2.78

% of target achieved relative to base year [auto-calculated]

111.2

Target status in reporting year

Achieved

Is this target part of an emissions target?

Not direct SolarEdge emissions- although this target does help reduce global emissions, avoided by renewable electricity generation at our customers sites.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

Global coverage of all SolarEdge residential installed systems.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

SolarEdge has become a leading global company in its market with over 130 different countries operating SolarEdge systems and over 50,000 residential installers that have used our systems worldwide. This widespread demand for our products that had led to achieving business goals such as this one is attributed to various factors. Some of these are our proven well-established efficient and reliable energy solutions, our strong research and development practices that have created technological advantages in our products, and the robust relationships we have created with our global installers and local partners.

Target reference number

Oth 2

Year target was set

2020

Target coverage

Business activity

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with customers

Other, please specify

At least 30,000 GWh renewable energy produced by our customers using SolarEdge systems between 2020-2025

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

30,000

Figure or percentage in reporting year

69,098

% of target achieved relative to base year [auto-calculated]

230.3266666667

Target status in reporting year

Achieved

Is this target part of an emissions target?

Not direct SolarEdge emissions- although this target does help reduce global emissions, avoided by renewable electricity generation at our customers sites.

Is this target part of an overarching initiative?

No, it’s not part of an overarching initiative

Please explain target coverage and identify any exclusions

Global coverage of all SolarEdge installed systems.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

SolarEdge has become a global leading company in it's market, with over 130 different countries with operating SolarEdge systems, and over 50,000 residential installers that have used our systems worldwide. This widespread demand for our products, that had led to achieving business goals such as this one, is attributed to various factors. Some

of these are our proven well-established efficient and reliable energy solutions, our strong research and development practices that have created technological advantages to our products, and the robust relationships we have created with our global installers and local partners.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	1	2,000
Implemented*	2	2,800
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify

Other, please specify

Transitioning to an external electricity provider with a significantly lower carbon intensity in our Sella 1 site

Estimated annual CO2e savings (metric tonnes CO2e)

2,500

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

30,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

In May 2022, our Sella 1 manufacturing site in Israel transitioned to purchasing all of its external electricity needs from a recently opened private power plant. This private power plant produces its electricity using a highly efficient process that employs natural gas exclusively for combustion. It has a significantly improved carbon intensity compared to the general grid electricity in Israel, which still includes partial combustion of coal. The related Scope 2 emission reduction has, therefore, partially commenced in 2022, with full-year realization expected in 2023.

No investment was required - only a change of supplier. The electricity rates of this private supplier are more competitive than the traditional national grid rates in Israel resulting in an annual savings of over 30K USD.

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

2,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Estimated lifetime of the initiative

21-30 years

Comment

We installed SolarEdge PV systems on the rooftops of three Company sites (Sella 1 and our headquarters in Herzeliya in Israel, and Milpitas in the U.S), partially replacing fossil-fuel based external electricity. The installed three systems have a combined capacity of approximately 1 MWp. In 2023, we aim to install new SolarEdge PV systems on the roofs of three additional sites: Sella 2 (Korea), Umbertide (Italy), and our offices in London (U.K.). Additional sites are also being examined for potential PV system installation.

Once all these systems are fully operational, the expected annual reduction in Scope 2 emissions is estimated at approximately 2,000 metric tons CO2e.

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

300

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

100,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Recent improvements were made to the algorithms of our heating, ventilation and air-conditioning (HVAC) operating systems, at our Sella 1 site (in Israel). These improvements have enabled the reduction of about one third of its previous energy consumption. This change did not require capital investment, and we estimate it to lead to an annual saving in energy costs of >100 K USD.

The Sella 1 site has also recently established an automatic shut-down routine for AC and lightning for weekends, when the site is not operating.

We estimate both these steps will result in an annual reduction of over 300 metric tons CO2e of Scope 2 emissions.

In addition, we have recently implemented an innovative electricity savings method in

the new Sella 2 site. The production process of lithium-ion batteries involves using significant amounts of electricity in the charge/discharge cycles of battery formation. The technical limitations of the traditional battery production process often causes this electricity to be discharged without reusage. 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. We do not yet have the full annual savings quantification for this initiative.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	
Financial optimization calculations	
Other Monitoring decarbonization requirements of stakeholders	

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Power

Solar PV

Description of product(s) or service(s)

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.

SolarEdge inverters convert the DC power produced by PV modules to AC power that

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

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Our own calculations, which have been internally verified

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

31 million metric tons of CO2e emissions are avoided annually through the use of our installed systems (this relates to all systems shipped by the end of 2022). For the sake of this report item, we have taken the functional unit of 1 global total saving.

Reference product/service or baseline scenario used

The savings calculation assumes the replacement of fossil-fuel based electricity with the renewable power generated by SolarEdge systems.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

31,000,000

Explain your calculation of avoided emissions, including any assumptions

Emissions avoided annually through the full-year usage of all SolarEdge systems (including inverters and Power Optimizers) shipped by the end of 2022. 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

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

73

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology Yes, a change in boundary	In 2022, we added our newly opened Sella 2 site to our emission inventory. Opened in May 2022 in South Korea and gradually ramped to full production in 2023, the Sella 2 site produces lithium-ion battery cells in South Korea. Despite significant efforts to plan the site for optimized energy-saving manufacturing, it is still slated to consume significant amounts of energy, and therefore emit significant amounts of GHGs. The site is still in its ramp-up stage, and for now its emissions have only been added to our 2022 inventory, without rebaselining the 2020 baseline emissions. To supplement emission reduction actions already undertaken (and described in chapter 4 of this report), we are searching for additional ways to reduce these newly added emissions. Also, we will consider updating and/or rebaselining our emission targets moving forward, to better reflect our significantly expanded operations.

		Also, Refrigerant gas (HFC) emissions are only included from 2022 and onwards, as data was not previously available. However, these emissions formed only 2.5% of the total Scope 1 emissions in 2022, with almost all (97.5%) of Scope 1 emissions still related to fuel consumption. In addition, Scope 2 emission data for 2020 and 2021 has been restarted and emissions are slightly lower than previously reported (in our 2020-2021 sustainability reports), due to minor retractive changes in emission factors.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 2, market-based	Scope 2 emission data for 2020 and 2021 has been restarted and emissions are slightly lower than previously reported, due to minor retractive changes in emission factors.	Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

1,056

Comment

Scope 2 (location-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

18,492

Comment

Scope 2 (market-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

19,722

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

21,334

Comment

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

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

7,001

Start date

January 1, 2022

End date

December 31, 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

1,709

Start date

January 1, 2021

End date

December 31, 2021

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

1,056

Start date

January 1, 2020

End date

December 31, 2020

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

35,011

Scope 2, market-based (if applicable)

35,085

Start date

January 1, 2022

End date

December 31, 2022

Comment

Past year 1

Scope 2, location-based

22,077

Scope 2, market-based (if applicable)

24,583

Start date

January 1, 2021

End date

December 31, 2021

Comment

Past year 2

Scope 2, location-based

18,492

Scope 2, market-based (if applicable)

19,722

Start date

January 1, 2020

End date

December 31, 2020

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

Our Scope 1 and Scope 2 emission inventories include all our manufacturing sites, all our R&D sites, or additional large-scale sites/offices. We estimate the emissions of all other global sites to be negligible (generally small office locations). Based on the offices where we have calculated our emissions, we can reasonably estimate all other small

offices to account together for less than 1% of our total Scope 1+2 emissions. Therefore, we consider these emissions as negligible and not material.
For a full list of our subsidiaries, see our 2022 10K report, Exhibit 21.1, p. 132.

Scope(s) or Scope 3 category(ies)

Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of Scope 3 emissions from this source

Date of completion of acquisition or merger

Estimated percentage of total Scope 1+2 emissions this excluded source represents

2

Estimated percentage of total Scope 3 emissions this excluded source represents

Explain why this source is excluded

Our Scope 1 and Scope 2 emission inventories include all our manufacturing sites, all our R&D sites, or additional large-scale sites/offices. We estimate the emissions of all other global sites to be negligible (generally small office locations). Based on the offices that we have calculated our emissions for, we can reasonably estimate all other small offices to account together for less than 2% of our total Scope 1+2 emissions. Therefore, we consider these emissions as negligible and not material.
For a full list of our subsidiaries, see our 2022 10K report, Exhibit 21.1, p. 132.

Explain how you estimated the percentage of emissions this excluded source represents

An extrapolation based on the offices that we have calculated our emissions for.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

26,262

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

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

Capital goods

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Upstream transportation and distribution

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Waste generated in operations

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Business travel

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Employee commuting

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Upstream leased assets

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Downstream transportation and distribution

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Processing of sold products

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Use of sold products

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

End of life treatment of sold products

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP

report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Downstream leased assets

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Franchises

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Investments

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Other (upstream)

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the

analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Other (downstream)

Evaluation status

Not evaluated

Please explain

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 emission categories could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1, 2021

End date

December 31, 2021

Scope 3: Purchased goods and services (metric tons CO2e)

18,133

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

The Scope 3 emissions reported above (Purchased goods and services) only relate to the electricity used by our contract manufacturers for producing SolarEdge products. These emissions form part (but not all) of our Category 1 Purchased Goods and Services. We aim to expand our Scope 3 inventory going forward.
We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

Past year 2

Start date

January 1, 2020

End date

December 31, 2020

Scope 3: Purchased goods and services (metric tons CO2e)

21,334

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

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

We are currently conducting our first comprehensive Scope 3 emissions inventory analysis. The process will not be completed by the time of the publication of this CDP report. Some of the Scope 3 could prove to be irrelevant, but the analysis has not yet been completed. We aim to report our full inventory in future ESG publications.

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	Yes	

C-CG6.6a

(C-CG6.6a) Provide details of how your organization assesses the life cycle emissions of its products or services.

	Products/services assessed	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	Representative selection of products/services	Cradle-to-grave	GHG Protocol Product Accounting & Reporting Standard	SolarEdge solutions support the worldwide transition to renewable, low-carbon power generation and consumption. The use of our systems allows for millions of tonnes of GHG emissions to be avoided each year. We also strive to examine and reduce the carbon emissions related to the sourcing, production and shipping of our products. In late 2021, we completed our first comprehensive carbon footprint analysis of leading models of our inverters and Power Optimizers. The analysis process was led and

				certified by 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. SolarEdge is among the first solar energy companies to complete this analysis, meeting customer needs and expectations. We are currently examining the expansion of LCA analysis scope for additional products and/or additional environmental impacts.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

13.53

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

42,086

Metric denominator

Other, please specify

USD million revenues

Metric denominator: Unit total

3,110

Scope 2 figure used

Market-based

% change from previous year

1

Direction of change

Increased

Reason(s) for change

Change in output

Please explain

Despite our emission reduction efforts, we have experienced a minor increase of 1% in total Scope 1+2 emission-per-revenue in 2022 compared with 2021 (while the 2022 intensity was still 5% lower compared with the 2020 base year).
This increase was mostly caused by the significant energy consumption in the new Sella 2 site in Korea (that started operations in May 2022 and is still in its ramp-up stage). If excluding the Sella 2 ramp-up activities, the Scope 1+2 emission-per-revenue would have decreased in 2022 by 33% compared with 2021. In order to supplement emission reduction actions already undertaken, we are searching for additional ways to reduce these newly added emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	6,801	IPCC Fourth Assessment Report (AR4 - 100 year)

CH4	12	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	16	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	173	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Israel	1,341
Republic of Korea	4,567
Other, please specify All other countries where SolarEdge operates	1,094

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Solar Division	2,116
Storage Division	4,567
e-Mobility Divison	318

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Israel	9,779	9,897
Republic of Korea	24,556	24,556
Other, please specify All other countries where SolarEdge operates	676	631

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Solar Division	10,121	10,239
Storage Division	24,556	24,556
e-Mobility Division	334	289

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	400	Decreased	1.5	We estimate the full year usage of our PV rooftop systems in the sites where they have already been set up in 2022, has resulted in approximately 400 metric tons of emission avoided in Scope 2 emissions. Our total Scope 1 and Scope 2

				emissions in the previous year were 26,292 metric tons. -400 / 26,292 metric tons = ~1.5% (decrease in emissions).
Other emissions reduction activities	2,000	Decreased	8	We estimate the transition of our Sella 1 site in Israel in May 2022 to an electricity supplier with a lower carbon intensity, and the energy saving initiatives undertaken in the same site in 2022, have resulted in a total of approximately 2000 metric tons of emission avoided in Scope 2 emissions. Our total Scope 1 and Scope 2 emissions in the previous year were 26,292 metric tons. -2,000 / 26,292 metric tons = ~8% (decrease in emissions).
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	16,000	Increased	61	The opening of the new Sella 2 site in Korea, in May 2022 (the site is still in it's ramp-up stage which is expected to reach full capacity in 2023) has resulted in a significant increase in natural gas and electricity consumptions. This has resulted in an addition of approximately 16,000 metric tons of emission to our Scope 1+Scope 2 emissions. Our total Scope 1 and Scope 2 emissions in the previous year were 26,292 metric tons. ~16,000 / 26,292 metric tons =~61% (increase in emissions). To supplement emission reduction actions already undertaken, we are searching for additional ways to reduce these newly added emissions.
Change in methodology	1,000	Increased	4	In 2022 we have added HFCs emission (related to refrigeration/AC systems) to our Scope 1 inventory. We have also

				added newly quantified consumption of diesel and gasoline in some sites and have added the data of several small sites to our emission inventory. The relevant data for all of these figures was not available for previous years. This has resulted in a total addition of approximately 1000 metric tons of emission to our Scope 1 emissions. Our total Scope 1 and Scope 2 emissions in the previous year were 26,292 metric tons. ~1000/ 26,292 metric tons = ~4% (increase in emissions).
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	763	Increased	3	There was a total increase of approximately 763 metric tons CO2e that resulted from a variety of small changes in different sites. Our total Scope 1 and Scope 2 emissions in the previous year was 26,292 metric tons. This combined unidentified increase resulted in ~763/ 26,292 metric tons = ~3% (increase in emissions).
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

Increased

C-CG7.10a

(C-CG7.10a) For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.

Purchased goods and services

Direction of change

Increased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

8,129

% change in emissions in this category

45

Please explain

Most of SolarEdge's production of our solar PV systems is conducted at 4 contractor manufacturing sites. The Scope 3 emissions reported in this category only relates (for now) to the electricity used by our contract manufacturers for producing SolarEdge products. Since we have significantly expanded our production in these sites (and related revenues) in 2022, the related emissions have also increased.

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No

Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	31,278	31,278
Consumption of purchased or acquired electricity		0	74,628	74,628
Consumption of self-generated non-fuel renewable energy		1,234		1,234
Total energy consumption		1,234	105,906	107,140

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

Comment

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

Comment

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

Comment

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

8,973

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

The figure reported for 'oil' is the sum of diesel and gasoline consumed by the company's sites and vehicles.
We cannot separate the total fuel consumptions to self-generation types at this time, due to data availability limitations.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

22,305

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

The figure reported for 'gas' is the total of natural gas consumed by the company's sites.
We cannot separate the total fuel consumptions to self-generation types at this time, due to data availability limitations.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

Comment

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

31,278

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

Comment

We cannot separate the total fuel consumptions to self-generation types at this current time, due to data availability limitations.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1,234	1,234	1,234	1,234
Heat			0	0
Steam			0	0
Cooling			0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

Israel

Sourcing method

Other, please specify

On-site renewable generation with a self-owned PV rooftop system

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1,196

Tracking instrument used

No instrument used

Country/area of origin (generation) of the low-carbon energy or energy attribute

Israel

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

This figure represents the majority of the solar energy we have produced and consumed in 2022, which was generated by the rooftop PV system of our Sella 1 site in Israel.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Israel

Consumption of purchased electricity (MWh)

19,622

Consumption of self-generated electricity (MWh)

1,196

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

Republic of Korea

Consumption of purchased electricity (MWh)

52,572

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

Country/area

Other, please specify

Other SolarEdge sites

Consumption of purchased electricity (MWh)

2,434

Consumption of self-generated electricity (MWh)

38

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

Total non-fuel energy consumption (MWh) [Auto-calculated]

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficiency	Comment
Row 1	Yes	

C-CG8.5a

(C-CG8.5a) Provide details of the metrics used to measure the efficiency of your organization's products or services.

Category of product or service

Solar energy equipment

Product or service (optional)

% of revenue from this product or service in the reporting year

94

Efficiency figure in the reporting year

Metric numerator

Metric denominator

Comment

We devote substantial resources to research and development with the objective of developing new products and systems, adding new features and reducing unit costs of our products and systems. Our development strategy is to identify software and hardware features, products, and systems that reduce the cost and improve the effectiveness of our solutions for our customers.
By improving the effectiveness of our solar solutions, we allow for a higher amount of solar energy to be produced and/or stored, using the same, more efficient system.
We measure the effectiveness of our research and development by metrics including product unit cost, efficiency, reliability, power output, and ease of use.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CG9.6a

(C-CG9.6a) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area

Renewable energy

Stage of development in the reporting year

Applied research and development

Average % of total R&D investment over the last 3 years

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

We devote substantial resources to research and development with the objective of developing new products and systems, adding new features and reducing unit costs of our products and systems.

The majority of SolarEdge's product and systems are related to renewable energy production, energy storage and other smart energy solutions. Likewise, the majority of

our R&D activities are related to the same solutions, that promote the global transition to a low-carbon economy.
Our development strategy is to identify software and hardware features, products, and systems that reduce the cost and improve the effectiveness of our solutions for our customers. We measure the effectiveness of our research and development by metrics including product unit cost, efficiency, reliability, power output, and ease of use.
We have a strong research and development team with wide ranging experience in power electronics, semiconductors, power line communications and networking, chemical, mechanical and software engineering. In addition, many members of our research and development team have expertise in solar technologies. As of December 31, 2022 our research and development organization had a headcount of 1,428 employees.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We are monitoring upcoming ESG regulations in the regions where we conduct our business. In areas where we are likely to be mandated in the future to report and possibly reduce our local emissions, we are examining different options for energy efficiency including on-site PV generation and renewable energy purchase.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

% of suppliers by number

1

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

We are prioritizing our direct key suppliers starting with our contract manufacturer sites and main raw material/component suppliers.

This group of suppliers is estimated to likely compose the majority of our relevant Scope 3 emissions (purchased goods and services category).

Impact of engagement, including measures of success

The electricity consumed by our contractor manufacturing sites for the production of our solar products is currently the source of all Scope 3 emissions that we have measured so far and that appear in C6.5. We annually collect this electricity data from all four contract manufacturing sites and monitor the related emissions. While these sites represent only a fraction (less than 1%) of our total supplier by number, they do account for a majority of our direct spend.

Another form of engagement is through our Supplier Code of Conduct (SCoC) that includes provisions regarding various ESG topics. Among these areas, we ask our suppliers to commit to work towards the reduction of the negative impact of their operations on the environment including GHG emissions. We have been engaging our direct suppliers since 2021 requesting that they sign their acknowledgement of the SCoC terms and commit to upholding them. More than 280 suppliers have signed their acknowledgment of the SCoC terms (as of March 2023) 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 2022. Among else, all of the contract manufacturing sites where we produce most of our solar products have committed to these terms.

In addition, we have approached several of our suppliers requesting carbon footprint data for products supplied to us. This process has so far occurred on an ad-hoc basis when needed for our product lifecycle analysis processes or the more comprehensive Scope 3 analysis we have recently started, which was not concluded by date of the submission of this report.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

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. Our customers also have access to reasonable estimations of the emissions avoided through usage of their specific systems through SolarEdge's online system tracking tools.

We also strive to examine and reduce the carbon emissions related to the sourcing, production, and shipping of our products.

We have been receiving a growing number of requests for the carbon footprint associated with all lifecycle stages of our products. While the interested customers form only a fraction (<1%) of our total customers by number, we acknowledge the importance of this collaboration for the sake of global decarbonization efforts and to strengthen our relationship with these customers.

In late 2021, we completed our first 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. SolarEdge is among the first solar energy companies to complete this analysis meeting customer needs and expectations.

The results are shared with customers on an ad-hoc basis.

We are currently examining the expansion of the LCA analysis scope for additional products and/or additional environmental impacts.

Impact of engagement, including measures of success

The results are shared with customers on an ad-hoc basis. We believe this strengthens our relationship with the relevant customers and potentially increases their level of preference to our products. The measures of success are the relative amounts of related customer requests (for product carbon footprint values) that we are able to satisfy.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Other, please specify

Requiring suppliers to commit to work towards the reduction of the negative impacts of their operations on the environment, including GHG emissions.

Description of this climate related requirement

Our Supplier Code of Conduct (SCoC) includes provisions regarding various ESG topics. Among these, we ask our suppliers to commit to work towards the reduction of the negative impacts of their operations on the environment, including GHG emissions. Since 2021, we have been requesting that our suppliers sign an acknowledgement of our SCoC terms and commit to upholding them. More than 280 suppliers have signed their acknowledgment of the SCoC terms (as of March 2023) 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 spending of our solar and storage divisions in 2022. Among else, all of the contract manufacturing sites, where we produce most of our Solar products, have committed to these terms. We strive to eventually cover 100% of our direct procurement with this requirement.

% suppliers by procurement spend that have to comply with this climate-related requirement

93

% suppliers by procurement spend in compliance with this climate-related requirement

93

Mechanisms for monitoring compliance with this climate-related requirement

Other, please specify

Monitoring of compliance by our procurement department

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

https://api.solarpowereurope.org/uploads/221201_Joint_statement_permitting_NG_Os_clean_5_cf4288c647.pdf

221201_Joint_statement_permitting_NG_Os_clean_5_cf4288c647.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

SolarEdge is a member of several industry associations representing the solar industry in different regions. Through these activities, SolarEdge and other association members support the shared business goals of our industry, while advocating to enhance the global transition to a low-carbon economy, based on renewable energy. In 2022, we joined SEIA (Solar Energy Industry Association) in the U.S., with the general manager of SolarEdge North America now serving as one of SEIA board members. SolarEdge employees and managers are members of several SEIA committees and workstreams, contributing from their personal knowledge and experience.

SolarEdge is also an active member of SolarPower Europe, a prominent industry association for the European solar business. Our VP of Marketing in Europe serves as the Vice Chair of the Buildings and Prosumers Workstream, with additional employees and managers participating in other workstreams. The joint statement attached above (where SolarPower Europe is one of the signatories), relates to the Paris agreement in p.3.

In addition, our UK country manager serves as Vice-Chair and Board Member of the Solar Energy U.K Association. We also hold membership in over a dozen additional country-specific solar industry associations. In some of these, we participate in relevant committees and workstreams.

In all of the cases, our involvement is consistent with our climate strategy and commitments- to expand the widespread usage of Solar energy- as an effective global method of decarbonization. We coordinate internally to assure these targets are consistent with the activity of the industry associations mentioned above.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Solar Energy Industries Association (SEIA)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Our involvement is consistent with our climate strategy and commitments- to expand the widespread usage of solar energy, as an effective global method of decarbonization. We coordinate internally to ensure these targets are consistent with the activity of the industry associations mentioned above.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Page/Section reference

P. 7, 23, 27 in the attached PDF.
We however recommend using the online version of the report, which is much easier to read:
https://sustainability.solaredge.com/sustainability-report/our-global-climate-impact;
https://sustainability.solaredge.com/sustainability-report/climate-change-mitigation-resource-efficiency;
https://sustainability.solaredge.com/sustainability-report/gri-data-tables

Content elements

Strategy
Emissions figures
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

10K report 2022.pdf

Page/Section reference

p. 15 (which is 19 in PDF page selection),

Content elements

Strategy
Emission targets
Other, please specify
Product Carbon Footprint analysis

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, and we do not plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, and we do not plan to undertake any biodiversity-related actions

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Other, please specify Statement on the issue	Our operations do not have a significant/material impact on biodiversity. See p. 26 of the PDF version of our 2022 sustainability report, or in the on-line version: https://sustainability.solaredge.com/sustainability-report/gri-content-index 1

[1]se-solaredge-2022-sustainability-report-nam.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

This CDP report contains forward-looking statements that are aspirational based on our management's current expectations, estimates, projections, beliefs and assumptions. Forward-looking statements include information concerning, and opinions regarding: corporate responsibility matters, including our strategies, expectations, commitments, aspirations, or targets with respect to the environment or sustainability, employees and human capital, procurement and supply chain, cybersecurity, data privacy, philanthropy, and our possible or assumed future results of operations, business strategies, technology developments, new products and services, financing and investment plans, competitive position, industry and regulatory environment, effects of acquisitions, growth opportunities, and the effects of competition and opinions, statements, or ratings from third parties about our performance and risk profile related to corporate responsibility matters.

Forward-looking statements include statements that are not historical facts and can be identified by terms such as “aim,” “anticipate,” “aspire,” “believe,”, “commit,” “could,” “seek,” “endeavour,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “strive,” “target,” “will,” “would,” or similar expressions and the negatives of those terms.
Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that are often beyond our control and difficult to predict, which may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include climate conditions or events, technological developments and advances, legislative and regulatory developments, stakeholder engagement, and energy prices, among others, including the risk factors described in our periodic filings with the Securities and Exchange Commission (the “SEC”). Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management’s beliefs and assumptions only as of the date of submission of these responses. You should not rely upon forward-looking statements as predictions of future events as we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update these forward-looking statements or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future, or we have provided such updates in the past.

The data and figures provided have not yet undergone external verification. Such data and figures, as well as historical, current, and forward-looking statements and information included in response to this questionnaire may be based on historical or current expectations, estimates, projections, beliefs, and assumptions, which may change in the future; diligence, processes, and internal controls that continue to evolve; standards for measuring progress that are still developing; and representations, certifications, or data provided or reviewed by third parties, including acquired entities, which may be subject to ongoing review, may be incomplete, or may not have been fully integrated into the Company’s processes. The information included in, and any issues identified as material for purposes of, responses to this questionnaire may not be considered material for SEC reporting purposes. In the context of these responses, the term “material” is distinct from, and should not be confused with, how such term is defined for SEC reporting purposes.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer (CFO)	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms