

## / Our Approach to Compliance

### Introduction

SolarEdge places significant importance in operating our business both in line with ethical standards of conduct and with all applicable laws and regulations governing our operations in every country in which we do business. Compliance is fundamental to our business, as it is not only the right way to behave as a corporation, it protects us from risk, engenders trust with our stakeholders and provides a solid basis for sustainable growth and positive contribution to society.

### Our Approach to Compliance

#### Compliance with Laws

It is SolarEdge's policy to comply with all laws, rules, regulations and Company policies. It is the personal responsibility of employees to adhere honestly and in good faith to the standards and restrictions imposed by those laws, rules, regulations and Company policies. Although no employee is expected to know the details of all these laws, rules and regulations, it is important for employees to have a general understanding of the specific laws, rules and regulations that are relevant to their areas of responsibility at the Company. Employees should contact the General Counsel if they have questions about particular legal requirements or what the law permits.

#### Employee Code of Conduct

SolarEdge conducts its business in accordance with the highest ethical standards of corporate leadership and citizenship and expects all its employees to act in accordance with the highest standards of personal and professional integrity. Our [Employee Code of Conduct](#) sets out specific guidance for SolarEdge employees in this respect.

Employees are responsible for adhering to the standards in this Code, for raising questions if they are in doubt about the best course of action and for reporting possible misconduct promptly after it comes to their attention.

No code or policy can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, the Code is intended to highlight areas of ethical risk, provide guidance in recognizing and dealing with ethical issues and establish mechanisms to report unethical conduct. All employees are required to certify at the time they are hired to their understanding of and agreement to comply with this Code.

Employees receive training relating to the Employee Code of Conduct upon joining the Company. Similarly, our annual training program includes a refresher on ethical conduct that is mandatory for all employees at least every two years, and they are required to confirm their completion of this training.

#### Compliance Management

Our legal professionals, supported by external legal advisors, monitor regulatory requirements governing our business and our products. In addition to our legal and finance departments that directly oversee compliance for corporate matters, responsibility for compliance in local operations is delegated to nominated managers who are charged with ensuring implementation of compliance requirements, compliance reporting and training relevant staff in current and new compliance requirements.

#### Risk Management

We maintain a robust risk management program with the aim of ensuring that key risks, including strategic, operational, compliance, ethical, environmental and social risks are properly monitored and mitigated. Risks are prioritized on an annual basis using our Risk Analysis process that is supported by external risk specialists. Management and the Audit Committee of the Board of Directors review the risk assessment each year and decide on priorities for internal auditing of risks for the coming year. Typically, we conduct four internal audits per year and report the results and corrective action plans, if any, to management and the Audit Committee of the Board of Directors.

## Anti-Bribery and Anti-Corruption

Anti-bribery and anti-corruption are cornerstones of our Code of Conduct, compliance and risk management programs. Through our internal systems, we pay specific attention to the potential for bribery and corruption and seek to minimize risk in this area. We uphold all applicable legislation and instruments designed to protect society against corruption in business, including but not limited to the U.S. Foreign Corrupt Practices Act and the UK Anti-Bribery Act. Our Employee Code of Conduct states: No-one acting on behalf of the Company may use bribes, kickbacks or other corrupt practices in conducting the Company's business. Employees must comply with the U.S. Foreign Corrupt Practices Act ("FCPA") whether they are located in the United States or abroad.

## Supplier Conduct

Our focus on compliance also extends to those with whom we partner and suppliers we engage to support our business activities. We aim to select partners and suppliers that maintain their own compliance and ethical programs and uphold standards equal to those at SolarEdge. Our primary contract manufacturers are major corporations in their own right and have such programs in place including public disclosure.

## Reporting Concerns

SolarEdge provides multiple channels for asking questions and raising compliance concerns. We maintain an open door, anti-retaliation, and confidentiality policies to encourage and protect employees who raise a valid concern.

Identifying, reporting, and managing non-compliance with SolarEdge's policies at an early stage can help limit the extent of damage caused to our employees, partners, customers, and shareholders. Any legal violations of our compliance policies and ethical standards, whether witnessed or simply suspected, should be reported to the following parties in this order:

- / Supervising manager
- / Legal Department
- / General Counsel
- / Audit Committee

The Company, and applicable law, prohibit any form of retaliation for raising concerns or reporting possible misconduct in good faith. No employee will be subject to discrimination, harassment or retaliation of any kind for reporting misconduct the employee believes in good faith to be in violation of this Code, any applicable policy or applicable law. SolarEdge is committed to protecting the privacy of anyone who reports what they believe to be a violation of company policy, serious irregularities in the way business is being conducted, or the law.

## Compliance Governance

Accountability for compliance at SolarEdge is overseen by the Audit Committee of our Board of Directors and managed operationally for all corporate compliance topics by the Vice President, General Counsel, and the Chief Financial Officer who report on these matters to the Chief Executive Officer and to the Audit Committee of the Board of Directors. Throughout the Company, compliance is managed by the corporate functions where relevant, or by heads of relevant functions and regions, covering defined activities such as product compliance and certifications, environmental compliance etc. All are supported by the General Counsel, CFO and external advisors where required.

## Validity

This approach is endorsed by SolarEdge's Executive Management Team. It is supported by internal procedures and reporting mechanisms that maintain our compliance programs. **Last updated:** September 2020.