

# **/ Powering the Future of Energy**

## **Sustainability Report 2019**



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# About this Report

Thank you for your interest in our second annual Sustainability Report, representing our commitment to accountability and transparency to our stakeholders about the way we do business and our impact on people and the environment.

This Report has been prepared in accordance with GRI Standards: Core option. GRI Standards represent the most widely used sustainability reporting framework in the world today. GRI principles have informed our reporting approach: materiality (the issues relevant to our most significant impacts and which are of most importance to stakeholders), stakeholder inclusiveness (responding to stakeholder expectations and interests), sustainability context (presenting our performance in the wider context of sustainability issues) and completeness (inclusion of all the information which reflects significant economic impact to enable stakeholders to assess our performance). This Report also includes an index of our disclosures for the SASB Standard for Solar Technology Project Developers.

Our last report was published in 2019.

### The scope of the Report is:

- / All SolarEdge operations around the world unless otherwise stated. Environmental data has been collected for offices housing more than 30 employees. Smaller offices use minimal resources and we do not track their consumption.
- / Quantitative performance data is supplied for calendar year 2019 and prior years where available. Corporate information and progress updates may also be from early 2020. In this Report we introduce our newly developed sustainability strategy and multi-year targets. Beginning next year, we will start to report on progress against these targets.
- / All dollar amounts quoted in this report refer to U.S. currency (USD).

This Report has been extensively verified internally but not externally assured.

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

Merav Mattijssen  
VP Global Marketing  
[Sustainability@solaredge.com](mailto:Sustainability@solaredge.com)

# Letter from our CEO



Thank you for taking an interest in SolarEdge’s Sustainability Report, covering our performance and activities in 2019 and early 2020. We are publishing this Report as the COVID-19 pandemic has presented people and economies around the world with unprecedented challenges. My thanks go out to all SolarEdge team members who have maintained services to our customers in the midst of considerable disruption, and demonstrated resolve, flexibility and care for each other and our communities.

As a company focused on a shared, sustainable future, through the accelerated adoption of affordable clean energy, we see the undeniable connections between human health and a healthy environment. Although the discourse during the COVID-19 pandemic has of course emphasized human health, but the urgency of climate change mitigation remains in focus.

This is at the core of SolarEdge: we enable the natural energy of the sun to be harvested more efficiently than ever before, and our constant investment and innovation in energy generation, storage and smart distribution to power homes, businesses and electric vehicles significantly contribute to a sustainable future on the planet. The United Nations Sustainable Development Goal 7, Affordable Clean Energy, is both a reflection of our contribution to human prosperity and a guiding light for our employees.

With the goal to support our ongoing progress as a sustainable business, we have mapped out a sustainability strategy based on the issues that matter most in terms of the difference we make, and agreed on a set of 2025 targets that will help guide our progress. Please review these targets and the highlights of the progress we have made to date in this Report.

In the meantime, I believe that by working together, acting with integrity and caring for one another, we will find a positive way forward. We at SolarEdge, are committed to advancing the ways that energy is harvested through continued technological innovation so that we can all enjoy better living and a cleaner, greener future.

Thank you for joining us on our journey.

**Zvi Lando**  
Chief Executive Officer



## Company profile

**We are a technology leader for smarter and more sustainable energy solutions.**

SolarEdge was founded in 2006 by visionary engineers who saw the possibility to advance better living and climate stewardship by revolutionizing the solar industry. One of our early innovations was an intelligent inverter solution that changed the way power is harvested and managed in photovoltaic (PV) systems. Today, we are a global leader in smart energy solutions that power our lives and drive future progress, leveraging world-class engineering capabilities with a relentless focus on innovation.





## Our social purpose:

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



## Our social mission:

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



## Our core values:

Innovation, excellence and integrity.



## Our employees:

**2,431\*** full time employees at end year 2019



## Our products and services:

SolarEdge addresses a broad range of energy market segments through PV, storage, EV charging, batteries, UPS, EV drivetrain and grid services solutions. The SolarEdge DC optimized inverter solution seeks to maximize power generation while lowering the cost of energy produced by PV systems. We are leading the energy transition from large, centralized power stations to an interconnected grid of distributed energy networks based on smart solar energy systems.



## Our financials:

**\$1.4. billion** revenues in 2019

**\$121 million** spending on Research and Development in 2019

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



## Our reach as of end 2019:

**> 130 countries** with SolarEdge installations on 5 continents

**> 49.9 million** power optimizers shipped

**> 2.1 million** DC inverters shipped

**16.2 GW** of our systems shipped worldwide

**1.38 million** solar energy installations around the world monitored by SolarEdge systems

**348 awarded patents** and 266 patent applications filed worldwide

\*This figure differs from the total number of employees noted in GRI 102-8 due to a different calculation method for the full workforce. For legal purposes, in the case of any discrepancy, figures quoted in our Annual Report shall prevail.

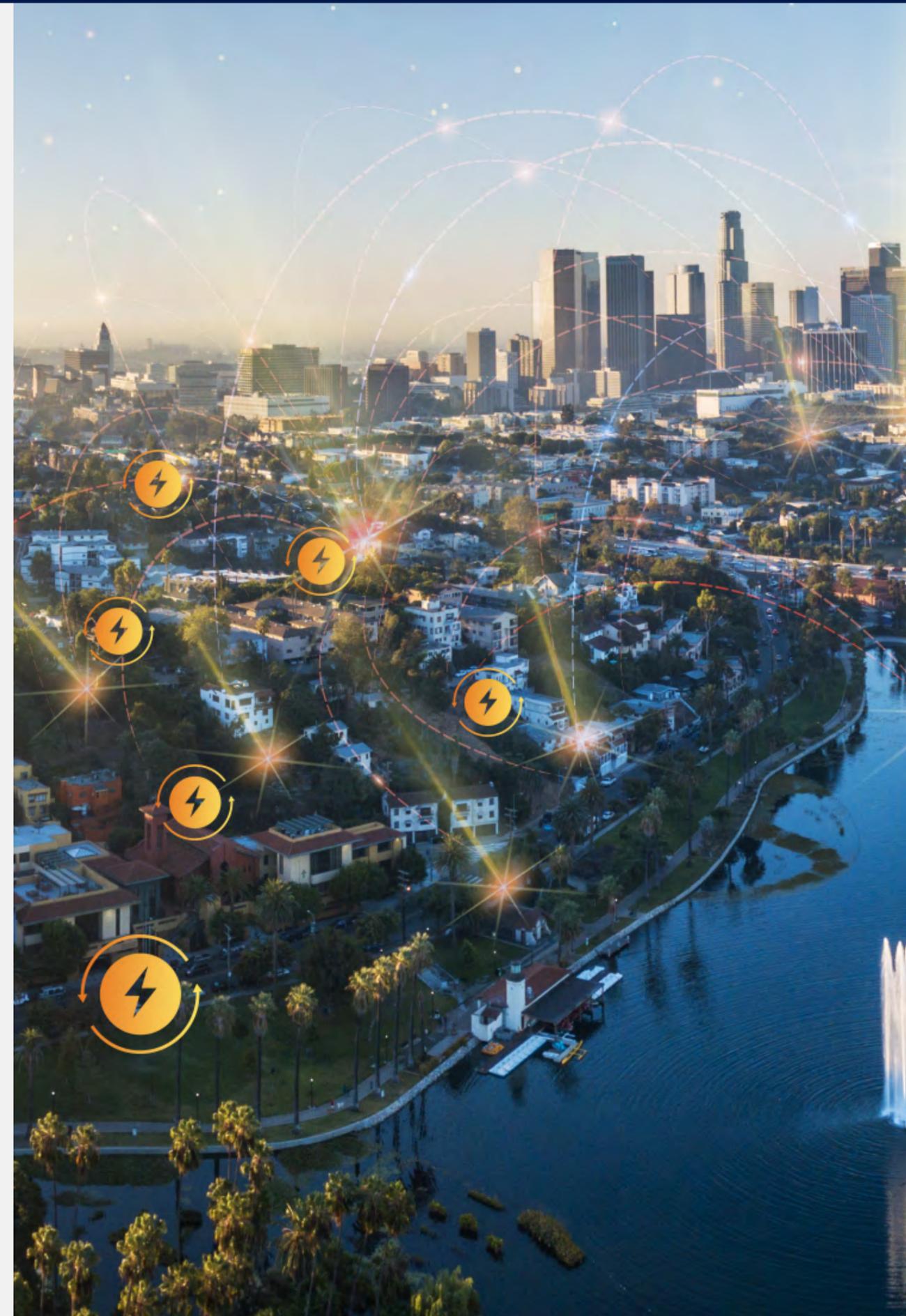
# / Materiality, Strategy and Targets

With a core business that is inherently focused on mitigating climate change by making solar power more affordable and more efficient, sustainable development has always been at the core of our thinking and planning. However, we still possess startup characteristics, experiencing rapid growth and expansion while more than doubling our revenue and employee base in the past two years. In 2019, influenced by strong interest from our investors and customers, we embarked upon a structured journey to improve our sustainability governance, infrastructure, strategy and disclosure. This Report is testimony to our progress, and is the first in our annual reporting cycle to share our new social purpose, mission, strategy and targets.

The articulation of a social purpose and mission, developed through dialogue and feedback from our senior executives, reflects the approach that has driven us since our inception. The first step was identifying the primary stakeholders to whom we are accountable.

## Our stakeholders:

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



## Materiality assessment:

The next step was a materiality assessment to define our most important impacts across all dimensions of our business. We scanned our value chain universe using several inputs, representing the various voices of our stakeholder groups and global expectations, including:

- 1 SolarEdge business strategy and core capabilities;
- 2 Globally relevant sustainability frameworks and disclosure platforms including: Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), UN Global Compact, CDP Climate Change Framework, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the UN Sustainable Development Goals;
- 3 Investor priorities through investment analyst feedback (for example, ISS);
- 4 Peer performance and focus areas based on public disclosures;
- 5 Industry trends, including emerging issues and current and developing regulatory frameworks;
- 6 Insights gathered through regular meetings and interactions with customers, employees, suppliers, local communities and environmental organizations.

This assessment yielded 74 individual topics in 15 clusters, representing the overall sustainability universe for SolarEdge. In several interactive rounds of dialogue with senior management and our Executive Team, we prioritized these topics based on our assessment of their degree of impact, using a scoring system to evaluate likelihood and scale, including the level of stakeholder concern. This process resulted in 11 priority topics that yielded our new sustainability strategy, goals and targets.

- |                                      |  |
|--------------------------------------|--|
| / Affordable Clean Energy            | / Resource Efficiency                    |
| / Smart Energy Solutions             | / Ethical Sourcing & Supplier Management |
| / Product Development and Innovation | / Community Investment                   |
| / Product Sustainability             | / Ethical and Compliant Conduct          |
| / Responsible Employer               | / Human Rights                           |
| / Climate Resilience                 |  |

## Sustainability strategy:

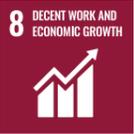
In 2020, we formulated our sustainability strategy based on the priority topics of our materiality analysis. Our strategy is supported by three pillars that align with 10 of the UN Sustainable Development Goals, where Affordable Clean Energy is the most significant in terms of our overall impact.

To support our progress and anchor our commitments to our stakeholders, we commit to 15 different targets for 2025, and we will report our progress against these targets each year.

## Powering the future of energy:

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

 <p><b>Powering Clean Energy</b></p> <ul style="list-style-type: none"> <li>/ Accelerate affordable clean energy</li> <li>/ Deliver smart energy solutions</li> <li>/ Product innovation</li> <li>/ Deliver sustainable products</li> </ul>	 <p><b>Powering People</b></p> <ul style="list-style-type: none"> <li>/ Be a responsible employer</li> <li>/ Protect human rights</li> <li>/ Invest in communities</li> </ul>	 <p><b>Powering Business</b></p> <ul style="list-style-type: none"> <li>/ Ethical and compliant conduct</li> <li>/ Climate resilience</li> <li>/ Resource efficiency</li> <li>/ Ethical sourcing</li> </ul>
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 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>5 GENDER EQUALITY</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	 <p>13 CLIMATE ACTION</p>
 <p>15 LIFE ON LAND</p>	 <p>10 REDUCED INEQUALITIES</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>			
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>					



## Powering Clean Energy

Goals	2025 Targets
Accelerate affordable clean energy	Reach 2.5 million homes equipped with a SolarEdge PV system At least 30,000 GWh renewable energy produced by our customers using SolarEdge systems between 2020-2025
Deliver smart energy solutions	Introduce new applications for home smart energy management and electric mobility
Product innovation	Invest in innovations supporting the transition to renewable energy use, storage and smart energy management
Deliver sustainable products	Improve the life cycle value of PV inverters



## Powering People

Be a responsible employer	Continue to increase investment in training opportunities for team members to develop new skills and experiences at every level of the company Promote gender parity and equal pay Achieve TRIFR (total recordable injury frequency rate) equal to or below 0.7 in all SolarEdge facilities
Protect human rights	Implement human rights pre-screening and training for at least 50 suppliers. Develop a corporate policy on human rights in line with the Universal Declaration of Human Rights and ILO Conventions.
Invest in communities	Establish a global signature community program with measurable community impact



## Powering Business

Ethical and compliant conduct	Enhance compliance and global training for Code of Conduct for Privacy, Intellectual Property, and Information Security
Climate resilience	Work towards 30% reduction in greenhouse gas (GHG) emissions per \$million revenue (baseline 2020)
Resource efficiency	Achieve near-zero e-waste to landfill
Ethical sourcing	Improve sustainable sourcing of key raw materials

## / Corporate governance

As a publicly traded company (NASDAQ: SEDG), SolarEdge maintains a compliant, robust corporate governance structure whose role is to ensure due process for executing our responsibility to our shareholders and all those whom we serve through our business, upholding ethical conduct, effective risk management, strategy execution and integrity of corporate infrastructure. The Board is elected by the SolarEdge stockholders and meets at least four times per year - in 2019, the Board met at least 4 times.

Our Board of Directors consists of seven members (August 2020), led by Nadav Zafir, who joined the Board in 2019 as an independent Chair and Director.

**Of the total seven Directors, 6 are independent (86%), 3 have financial skills (43%) and one is a woman (14%).**

In addition, directors who serve on the Audit Committee and the Compensation Committee must meet additional independence criteria applicable to directors serving on these committees under NASDAQ Stock Market LLC listing standards.

Our Principles of Corporate Governance are available under "Corporate Governance" on our website at <http://investors.solaredge.com>

## / Sustainability governance:

Sustainability at SolarEdge is led operationally by the Vice President for Global Marketing who leads strategy execution, policy development, performance monitoring and reporting, supported by functional specialists. This group networks within SolarEdge to connect with corporate functions to ensure their compliance, collaboration and provision of information for disclosure purposes. Following the adoption of our new sustainability strategy and targets, we are planning to relaunch our sustainability steering committee to help formally drive these processes consistently throughout the organization. We plan to establish a new committee charter and supporting processes for implementation in 2021.

**The Board has three standing committees whose members are independent Directors:**

**01** Audit Committee, whose responsibilities include oversight of SolarEdge's risk assessment and risk management, as well as the adequacy of our internal controls;

**02** Nominating/Corporate Governance Committee, which develops and recommends to the Board criteria for identifying and evaluating director candidates and identifies individuals qualified to become Directors, consistent with criteria approved by our Board of Directors; and

**03** Compensation Committee, which oversees overall executive compensation philosophy, policies, and programs.

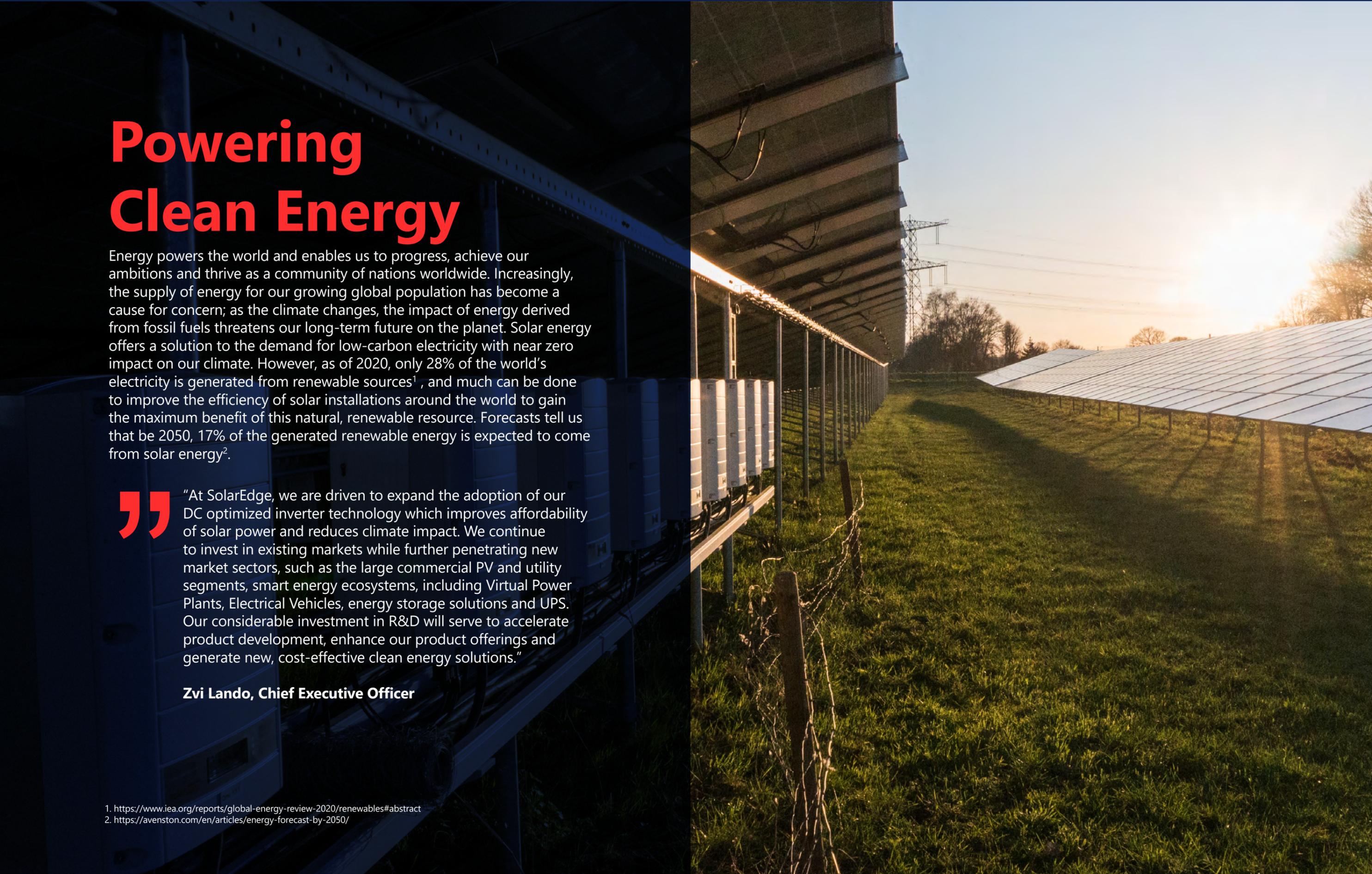
# Powering Clean Energy

Energy powers the world and enables us to progress, achieve our ambitions and thrive as a community of nations worldwide. Increasingly, the supply of energy for our growing global population has become a cause for concern; as the climate changes, the impact of energy derived from fossil fuels threatens our long-term future on the planet. Solar energy offers a solution to the demand for low-carbon electricity with near zero impact on our climate. However, as of 2020, only 28% of the world's electricity is generated from renewable sources<sup>1</sup>, and much can be done to improve the efficiency of solar installations around the world to gain the maximum benefit of this natural, renewable resource. Forecasts tell us that by 2050, 17% of the generated renewable energy is expected to come from solar energy<sup>2</sup>.

“At SolarEdge, we are driven to expand the adoption of our DC optimized inverter technology which improves affordability of solar power and reduces climate impact. We continue to invest in existing markets while further penetrating new market sectors, such as the large commercial PV and utility segments, smart energy ecosystems, including Virtual Power Plants, Electrical Vehicles, energy storage solutions and UPS. Our considerable investment in R&D will serve to accelerate product development, enhance our product offerings and generate new, cost-effective clean energy solutions.”

**Zvi Lando, Chief Executive Officer**

1. <https://www.iea.org/reports/global-energy-review-2020/renewables#abstract>  
2. <https://avenston.com/en/articles/energy-forecast-by-2050/>



# / Accelerating affordable clean energy

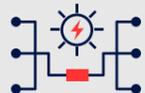
SolarEdge’s solutions directly address UN SDG#7 - providing affordable, clean energy. Our route to supplying affordable energy solutions involves the transformation of the energy market to become decarbonized, decentralized and digitized.



**Decarbonization** means offering cost-effective, innovative PV solutions, making solar energy accessible to more people.



**Decentralization** means deploying hardware and software solutions to enable consumers to customize their energy sourcing and use.



**Digitization** means expanding energy solutions to support smart energy management.

SolarEdge serves a variety of sectors to deliver the broadest possible access to cost-optimized power supply to meet different needs.



## Powering homes:



We offer a complete smart energy management solution for the residential market with our Energy Hub Inverter that optimizes, manages, and monitors energy production, storage, and consumption. Using our high-end PV technology, storage, smart metering and EV charging solution, home-owners can benefit from self-consumption energy solutions, reduce use of grid-sourced electricity and fossil fuel to power vehicles, lower energy costs and help keep the planet green.

To date, we estimate<sup>3</sup> the cumulative sustainability impact of SolarEdge’s systems, based on 16.2 GW of optimized inverter systems shipped worldwide translates into the prevention of 12.6 million metric tons of greenhouse gas emissions equivalent to powering 2.1 million homes with electricity for a full year, every year.

In 2019, we supplied PV inverter systems equivalent to supplying annual electricity consumption for more than 737,000 homes in several countries, delivering an estimated avoidance of 4.4 million metric tons of greenhouse gas emissions annually.



## Powering energy storage and distribution:



The SolarEdge range of solutions offers highly efficient and optimized power consumption flows at every stage, serving commercial installations that operate power grids, microgrids, district energy supply and energy storage facilities. Our advanced monitoring, measurement, and control capabilities, adaptable to specific needs, provide the basis for minimum possible carbon footprint profiles across many applications.

The use of our inverter technology is becoming increasingly relevant as solar energy from independent providers replaces traditional grid electricity. Both in the U.S. and Europe, the need to preserve the stability of the electric grid is critical and requires solar PV inverters to respond dynamically to variances in grid-wide voltage. SolarEdge PV inverters enable complete compliance with grid requirements, enabling maximum advantage to be gained from solar installations, wherever they are. This means lower cost of power and higher positive impact on the planet.

<sup>3</sup> For our calculations of GHG emissions savings, we use the NREL model, <https://www.nrel.gov/docs/fy16osti/65628.pdf>. For carbon equivalencies, we use the EPA model. [www.epa.gov/energy/greenhouse-gas-equivalencies-calculator](http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator)

## Helping Australians make clean energy more affordable

The Australian electricity market is leading the world in a strategic transition to a distributed, decarbonized, and digital energy network. In 2019, SolarEdge joined forces with AGL Energy, a leading Australian power provider. AGL’s new residential battery program is part of an expanded virtual power plant (VPP) in Queensland, Victoria, and New South Wales, building on AGL’s experience with its virtual power plant in Adelaide. The network of connected SolarEdge systems is managed as a virtual power plant, based on SolarEdge’s grid services. Private SolarEdge system owners, signed up to the program, can receive substantial rebates on their electricity bill for allowing the virtual power plant to access their batteries in times of grid need.

“AGL’s residential battery program unlocks new benefits for our customers and provides grid services that benefit all grid users. We are excited to expand our cooperation with SolarEdge and leverage its StorEdge solutions and grid services in order to successfully launch this program.”

*Dominique van den Berg, General Manager of Distributed Energy, AGL*



## Powering clean tourism in Amsterdam

With many rooms to power, cleaner and cheaper energy helps hotels to reduce operational costs and carbon footprints. In 2019, we provided our technology and monitoring systems support to Solnet Group for the installation of a PV system on the rooftop of the prestigious Hotel Okura Amsterdam. The installation, led by Solnet, uses 419 SolarEdge power optimizers and three inverters that help increase the energy yield and transform the hotel into a low-carbon clean tourism leader in this important European destination.

“From the beginning, we recognized that SolarEdge could provide us with the solar technology required to move our customer offering forward. The quality and performance of its solutions has proven instrumental in Solnet securing a great deal of new business across Europe.”

*Arttur Kulvik, CEO, Solnet Group*



## **/ Advancing smart energy management solutions**

We believe that affordable clean energy is optimized through technology and innovation which amplifies the benefits in many ways. Across all our categories and markets, we aim to deliver new applications and technology solutions that help increase adoption and accessibility.

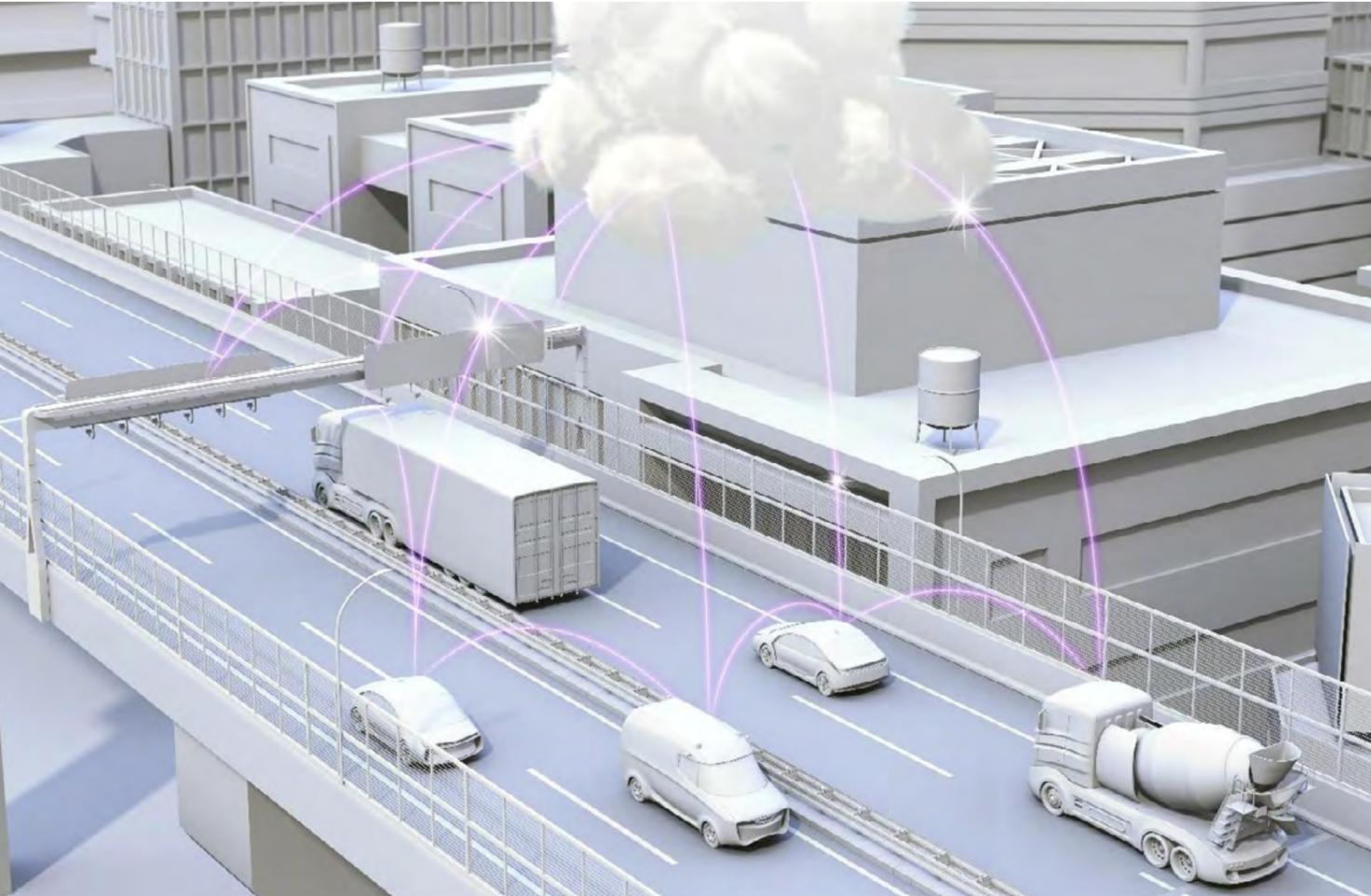


## Smarter electric mobility solutions

Industry experts expect the global market for electric vehicles to increase from approximately one million EVs in 2018 to approximately 20 million by 2030. As part of our mission to power the future of clean energy, including the mobility sectors, in 2019 SolarEdge acquired SolarEdge e-Mobility, s.p.a, an Italian provider of innovative integrated end-to-end e-mobility solutions for electric vehicles, such as motorcycles, commercial vehicles and trucks.

“Acquiring SolarEdge e-Mobility, s.p.a is another step in executing our strategy of sustainable growth. It is addressing an additional fast growing and technologically efficient market. SolarEdge e-Mobility, s.p.a’s innovative technology and experienced team provides SolarEdge with fast access to the high growing e-mobility market, advancing our purpose of powering clean energy around the world.”

*Yoav Galin, co-founder and Vice President, Research & Development*



## Sharing affordable clean energy with the grid

In 2019, SolarEdge became part of National Grid’s ConnectedSolutions program in Massachusetts and Rhode Island, ConnectedSolutions incentivizes customers to share energy to the grid when the New England electric grid needs it. Customers are paid for the average kW they generate from their storage during demand peak times, when their surplus energy is routed to supplement the needs of the grid. The program relies on SolarEdge’s centrally managed grid services platform and enables National Grid to provide affordable and additional types of energy to customers to help meet energy demand peaks.

“At National Grid, we are committed to implementing creative and innovative solutions to provide cleaner and more cost-effective energy to our customers. We are excited that SolarEdge is a key player in the launch and continued expansion of our ConnectedSolutions program.”

*John Isberg, Vice President of Customer Solutions, National Grid*

## Floating solar powering 600 homes

In 2019, 600 Dutch households were able to enjoy a first full year of affordable clean energy sourced from an innovative SolarEdge solution installed in an irrigation water basin in the Netherlands. The 1.9MW Lingewaard Floating Solar Park, installed by Tenten Solar, became a green energy power source producing 1 million kWh of energy from 6,150 PV panels. SolarEdge's commercial PV is optimized for floating PV installations which can sometimes be hampered by module ageing, maximizing energy generation over the system lifetime.

Floating solar installations are becoming more popular in The Netherlands and across Europe; as the open environment means that every ray of sunlight is captured. No valuable farming land is needed and solar panels stay cool for greater efficiency. In addition, because these installations are not land based, no erosion occurs. The panels block out sunlight so that less water evaporates and the reduction of direct sunlight reduces algae growth to ensure improved quality of irrigation water.

“For us this is the first and certainly not the last project and we are actually now setting up a second solar park on a lake in Lingewaard. As its floating commercial PV solution was so effective at the Lingewaard Floating Solar Park, we hope to work with SolarEdge again at this new location.”

*Pieter Siekman, Project Manager, Lingewaard Energy*



# / Fast-track product innovation

Focus on innovation is the core driver of sustainable growth at SolarEdge. We devote substantial resources to research and development with the objective of developing new products and systems, adding new features to existing products and systems and reducing unit costs. Our development strategy is to 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, and software engineering. In addition, many members of our team have expertise in solar technologies.

Our core product roadmap includes power optimizers, inverters, software, energy meters and smart energy management. For example, we are now actively engaged in the development of next generation power optimizers. Each new generation reduces the number of components required and improves the efficiency of the power optimizer that in turn reduces energy loss. This enables the design of a more cost-effective and usually smaller enclosure and also keeps the electronics cooler, improving the power optimizer’s reliability, while reducing its manufacturing, shipping and use-phase environmental footprint.

Our innovation continues to our battery-related technology through our Kokam subsidiary with 151 awarded patents and 5 pending applications as well as additional patents in the area of e-mobility. Innovation for new customer segments and new markets is a primary focus of our R&D team.

## New power management technology for solar efficiency

In 2020, we launched our Energy Hub Inverter with Prism Technology that combines our most advanced technology and functionality to achieve higher flexibility in home backup while simplifying installation, enabling homeowners to power part of or the entire home during grid outages. With built-in metering providing insight into actual energy consumption and production, smart energy upgrades can be easily made to meet consumers’ evolving energy needs.

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

*Lior Handelsman, co-founder and former Vice President, Marketing and Product Strategy, SolarEdge*

In 2019, we invested **\$121 million** in research and development (8.5% of revenues) with a team that includes **755 full-time specialists** at year end.

Our technology and system architecture are protected by **348 awarded patents** and **266 patent applications** filed worldwide as of the end of 2019.



## / Innovation market by market

Different regulatory environments and market conditions mean that our innovation is often tailored to the markets in which we operate. In 2019-2020, for example, we delivered unique innovative solutions to support markets in Australia and Europe, among others.

### Australia:

We launched a new three phase hybrid inverter for the residential market – single inverter for managing solar battery power and smart energy, giving homeowners more control over their energy consumption. Featuring new technology and design flexibility for optimal yield, this inverter addresses local design restrictions enabling more power with faster installation. The inverter is battery-ready – meaning that it allows direct connection of multiple batteries for up to 200% power generation beyond regular nameplate capacities.

### Europe:

We launched the StorEdge HD-Wave inverter for on-grid applications in Europe for solar production, battery storage and smart energy devices, all from a single unit. Previously these capabilities were possible using the single-phase HD-Wave inverter and StorEdge interface. Combining them into one unit with fewer components means less cabling and labor for faster and lower-cost installation and a more attractive unit, requiring less wall space. Homeowners can use this inverter to increase their energy independence and savings by storing excess solar production on a battery for use when needed, day or night. Battery storage helps meet household energy demands, resulting in less or cheaper electricity purchased from the grid.

These options not only give customers maximum flexibility and energy efficiency, they offer improved sustainability profiles and specifically support the achievement of UN Sustainable Development Goal 7, Affordable Clean Energy.



# / Delivering sustainable products

As an industry leader in technologies that promote environmentally friendly solutions for energy generation, we strive to minimize the footprint of our value chain as much as possible. We build our products for lasting performance, offering a 25-year warranty for power optimizers and 12 years for inverters, so customers can benefit from highly efficient clean energy with a positive planet effect without wasting resources in replacement units. Further, we use recyclable materials in our sourced components in compliance with regulatory directives. We help secure a sustainable end-of-life for our products by participating in the EU "Take Back" program of the Waste Electrical and Electronic Equipment (WEEE) directive.

SolarEdge complies with the following international quality and environmental standards:



## Design sustainable:

Sustainability principles guide the design of our products, leading us to continuously reduce the quantity of materials needed and increase their sustainability profile, while meeting customer quality and performance functionalities. We incorporate into our design processes not only all applicable regulatory requirements, but also targets to reduce the amount of materials used and to increase the use of recyclable materials. For example, SolarEdge's HD-Wave inverters, introduced in 2016, are designed with fewer raw materials than previous inverter generations and have a higher weight efficiency, meaning more clean energy generated over the system lifetime and a lower levelized cost of energy.

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

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

SolarEdge high-power optimizers deliver 150% more watts per liter after an innovative step change beyond our first-generation optimizers.

SolarEdge single phase inverters deliver 97% more watts per liter after our transition to HD-Wave technology.

## Lifecycle assessments to identify sustainability opportunities:

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

# Powering People

An important part of our strategy as a sustainable business is to empower people – both within SolarEdge and through our partnerships with suppliers and local communities – so they can engage with our purpose driven mission to power the future of clean energy and help make our planet cleaner and greener.

By upholding our commitments to our employees, suppliers and communities, we aim to inspire people to be at their best and join us in meaningful actions and partnerships that improve lives.

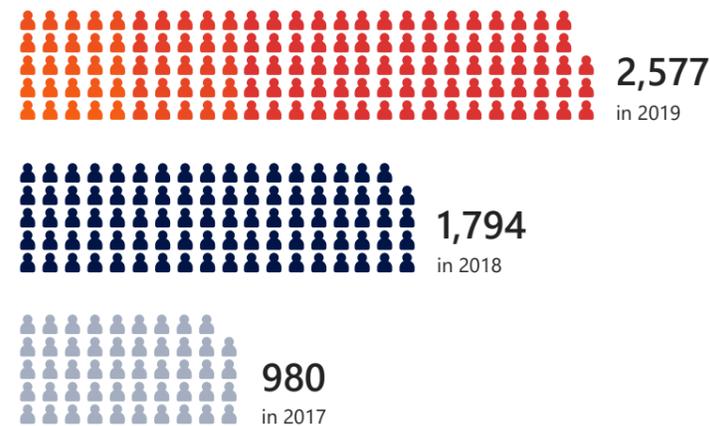


# / Engaging employees

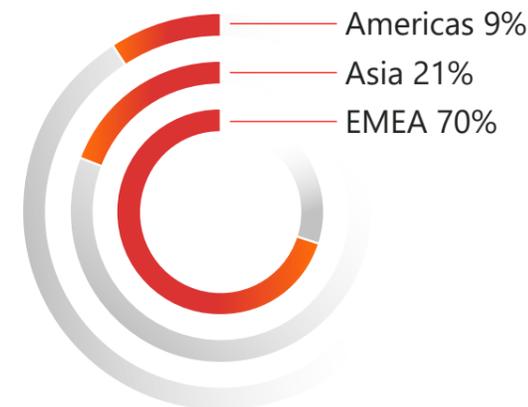
We maintain a diverse global workforce spanning 29 countries with a group of employees that is constantly growing to support the demand for solar energy in our markets. Since 2017, we have more than doubled our workforce and continue to expand. In such a dynamic, disruptive environment, a key challenge is supporting our rapid growth as a multinational company while establishing advanced processes and practices that build on our core unique culture.

This includes putting in place a fair, equitable and inclusive human resources infrastructure that will enable sustainable growth for the business, and personal and professional growth for our employees. In recent years, we have made progress, and we continue to develop an agile and adaptable organization to meet our expansion goals.

Direct Employees by year



Employees by region, 2019



“In the past couple of years, we have hired hundreds of employees while driving up retention levels. We have begun to develop a truly global foundational framework for Human Resources Management and are rolling out core processes around the world. As we look ahead, we plan to expand our focus from meeting resourcing needs to meeting organizational development aspirations, and many of the building blocks for this are already in place.”

*Shuli Ishai, Global Vice President, Human Resources*

## Values-based culture:

Our core values are simply stated while serving to underpin all our decisions, relationships and activities: excellence, integrity, and innovation. Integrity is at the root of all we do, and all employees are guided by our [Employee Code of Conduct](#) to make decisions with integrity, respect others and support good, ethical practices.

## Recruitment:

Prior to the onset of the global pandemic, the pace of recruitment at SolarEdge has been rapid as we expand the business, and we seek diverse individuals to join our team, including those with leading technical skills for our active innovation programs. In the past few years, we have grown almost three-fold, so our hiring rates are high (37% in 2019), while, we are pleased to note, our turnover rate remains modest (11% in 2019).

Most of our new hires are in the EMEA region where our core research and development and corporate workforce is based, but we are growing in other regions in line with business expansion.

We encourage employees to share opportunities through our vibrant FBF (Friend Bring a Friend) program, through which more than 60% of employees were hired in the past few years in Israel. We aim to be inclusive in our hiring practices, focusing on the best talent for the role, welcoming all genders, nationalities, ethnicities, abilities and other dimensions of diversity.



## Employee engagement:

We find that the work we do is inspirational for our employees who value our contribution to a greener, cleaner future. We engage them as partners in achieving our social mission by providing a caring, safe and supportive workplace, competitive benefits, open communications and sharing of progress.

For example, in Israel we maintain two employee committees that aim to support resource efficiency and reduction of carbon emissions resulting from commuting to work. These teams have delivered a number of successes including:

- / A centralized carpool service facilitated using the Waze platform
- / Designated facilities for those who bike to work such as showers and parking spots
- / Easy dishwashing machines and reusable cups in offices to reduce the use of disposables
- / Routing recyclable waste to a facility employing disabled people for waste separation and recycling

## Employee Benefits:

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

- / Stock-based compensation for eligible employees – (RSU's) Restricted Stock Units and (ESPP) Employee Stock Purchase Plan
- / Annual bonus and performance-based bonus plans
- / Voluntary pension plans
- / Health insurance and discounted health club memberships
- / Market specific benefits corresponding to local market norms in different countries
- / Family-friendly programs such as childcare benefits

We benchmark our total remuneration against local industry and peers using data from professional surveys.



## Training and development:

We aim to provide our employees with advanced professional and development skills so that they can perform effectively in their roles and build their capabilities and career prospects for the future. Starting in 2018, we instituted a program for managers and team leaders to develop their leadership skills. In 2019, most mid-level managers participated in this program. In addition, we conduct advanced professional training for sales, research and development and other functional teams as part of our extensive training program each year.

We support employees with online performance development tools that enable performance assessment and identification of learning needs. Individuals complete the program and follow-up with a discussion with their manager to plan ongoing development.

In 2019, 60% of our employees completed a formal performance review.

## Safe workplace:

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

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

Our injury rate is modest and generally comprises minor workplace injuries such as slips and falls, knocks and bruises. In 2019, we achieved a recordable injury rate of 0.66 per 100 employees (14 injuries in total), and a lost day rate of 3.03 (64 days in total). We continue to drive awareness, hazard prevention and safe practices around our operations.

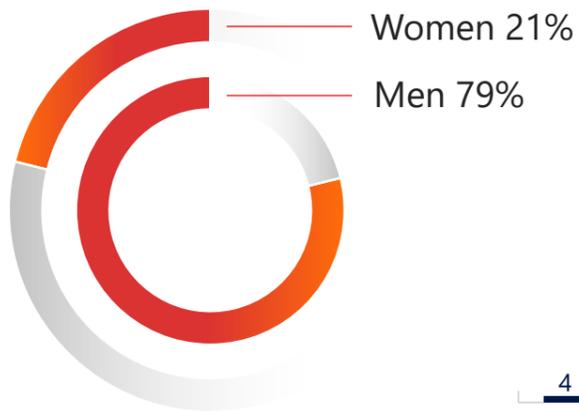
<sup>4</sup>Data includes EMEA (based on estimated working hours) and Asia (based on actual working hours)



## Diversity and inclusion:

In addition to promoting a diverse workforce, we want employees to know that they are respected, valued, and heard. We promote a supportive, welcoming culture of open dialogue and collaboration. Achieving gender balance remains a challenge, as typically there is a lack of women applying for positions that require the technical skills for many roles at SolarEdge in our markets. At present, 21% of our workforce is women, and 13% of our executives and managers are women. However, during the past three years, we have more than doubled the total number of women in our team, adding women at all levels. We strive for an increase in the presence of women in executive and management positions as part of our new 2025 target to promote gender parity and equal pay. We are formulating plans to support achieving this target.

Employees by gender, 2019



Women at SolarEdge, 2017-2019



Women in workforce	2017			2018			2019		
	Women	Total	% women	Women	Total	% women	Women	Total	% women
Executives	4	39	10%	5	41	12%	6	47	13%
Managers	37	226	16%	55	408	13%	75	559	13%
Employees	194	715	27%	319	1,345	24%	460	1,971	23%
<b>Total</b>	<b>235</b>	<b>980</b>	<b>24%</b>	<b>379</b>	<b>1,794</b>	<b>21%</b>	<b>541</b>	<b>2,577</b>	<b>21%</b>



## / Protecting human rights

We believe that all people deserve respect and we support the universal understanding that human rights are rights inherent to all human beings, regardless of nationality, place of residence, sex, gender, gender identity, national or ethnic origin, color, religion, language, or any other status. We are guided by the human rights set out in four widely accepted frameworks and detailed in [Our Approach to Human Rights](#).

To further reinforce our commitment and practice in relation to upholding human rights, in 2020 we are planning the development of a Supplier Code of Conduct that will aim to engage our suppliers and contractors in support of our human rights commitments and agree to uphold these principles and standards in their own operations. (see section: [Progress on Ethical Sourcing](#)).

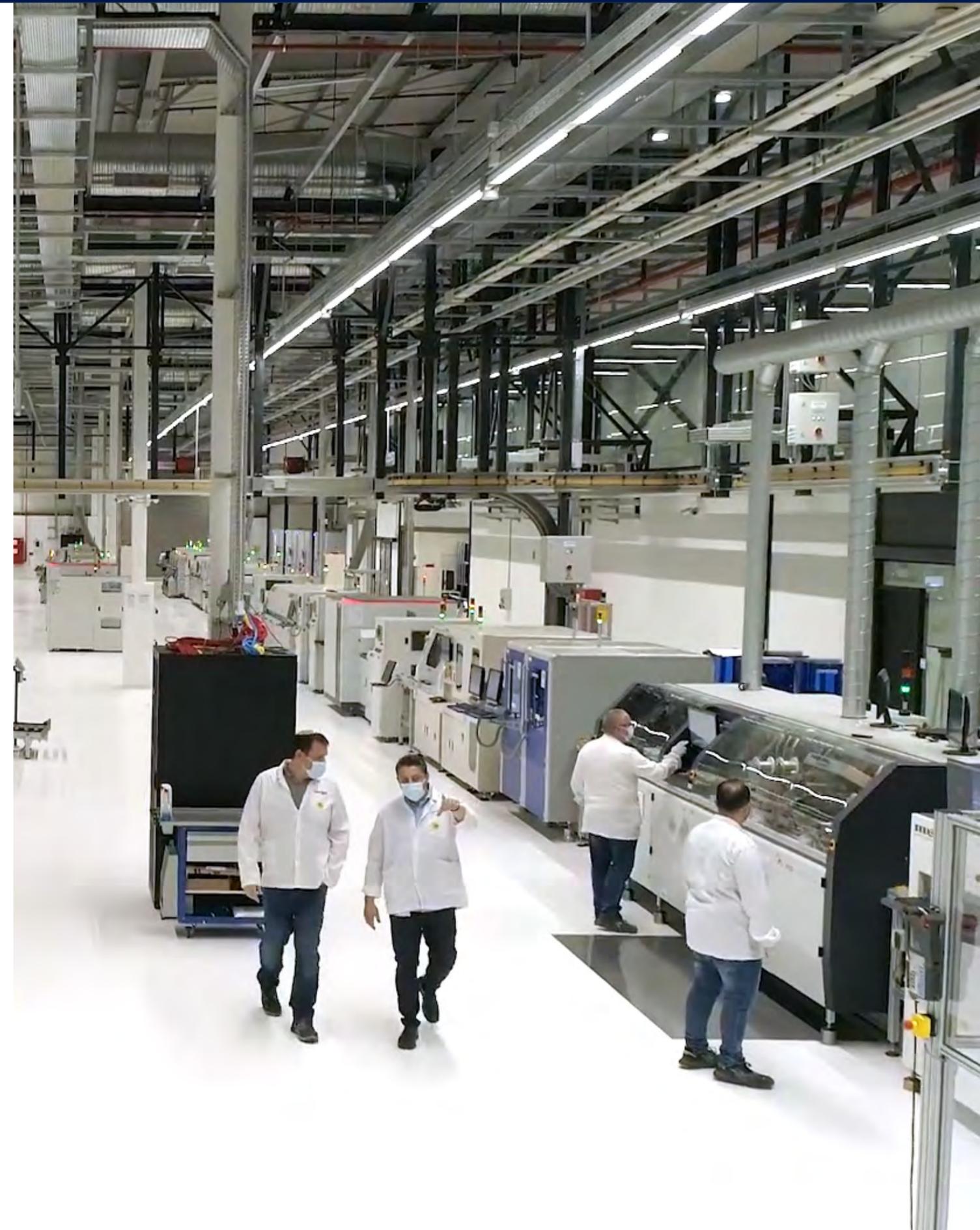
At present, our standard contract terms reference SolarEdge's Code of Ethical Conduct, and we plan to make our expectations more specific in a new Code for publication in 2021. We will then communicate this Code to our suppliers and define procedures for integrating its provisions into our sourcing decisions.

### Human rights in our supply chain:

The salient issue relating to human rights for SolarEdge can be found in our supply chain, where sourcing of metal and electronic components for our products require detailed monitoring and transparency at each step of the sourcing chain. We are taking action to increase transparency and ensure responsible procurement by our suppliers and sub-suppliers in order to protect the human rights of all involved in the supply of metals to our company. See our [Policy on Conflict Minerals](#). We also report annually on our progress, in line with regulation, and our latest report can be found on the [Corporate Governance Section](#) of our website.

**In our own operations and operating facilities, we have identified no major human rights risks.**

Our contract manufacturing organizations are large, advanced corporations that maintain their own high standards of human rights throughout their operations. Our own facilities are primarily office, labs and sales based and conform to our own standards of ethical conduct. Therefore, our human rights focus primarily relates to sourcing components.



## / Investing in communities

We believe that strengthening our communities and helping improve the quality of life for all is both our responsibility as a business and a contributor to our business success. We believe that healthy and vibrant communities are the foundation of sustainable societies and sustainable business.

Therefore, we have committed to contributing to 0.1% of SolarEdge's annual consolidated net profit to support technology education and other social welfare causes in areas in which we have a presence. In 2019, we donated more than \$150,000 to support communities in need.

Our donation program is administered by a Donations Committee chaired by our General Counsel and comprising company executives. Applications for donations can be submitted by employees, customers and suppliers and are vetted by a sub-committee of the Donations Committee that is comprised of employees.

In addition, we encourage our employees to volunteer in our communities and support causes that are close to their heart. We also support employee-led initiatives where possible.



## Powering education in Cambodia

SolarEdge Product Manager, Frank Bakker, was travelling in Cambodia and saw an opportunity to help school children get a better education to break out of the cycle of poverty. Galvanizing support and donations from GoFundMe campaigns and Kamworks, a solar energy company in Cambodia, and securing the donation of an inverter, power optimizers, a smart energy hot water system and an energy meter from SolarEdge, the OM [MTI School in Cambodia](#) was provided with a world class solar system that powers the school and enables more funding to be spent directly on education. The installation was completed in 2019 and by 2020, the school has confirmed that it has been able to reduce its electricity bill by 50%.

“The children here are from the slum areas and cannot afford to go to school. We live from gifts from people who want to help us to reach out to these children. With the solar installation, we save \$300-400 every month on electricity, and that enables us to help the children in a better way.”

*John Crezee, School Principal*



Play Video

## Supporting kids in our community

Since 2018, employees in our Israel office have been volunteering to help disabled children in our local communities. We partner with Go Baby Go, a not-for-profit that encourages mobility and activity in disabled children through customization of motorized toy vehicles.

At SolarEdge, our employees are thrilled to welcome groups of handicapped children to our offices and help build a tailor-made e-vehicle which they then take home and that allows them more independence in their home and local surroundings.

In 2019, we held four e-vehicle building sessions in which we built six vehicles per session, making a big difference in the lives of the children and their families.

# Powering Business

## Upholding ethical and compliance conduct

SolarEdge places prime importance in operating our business both in line with ethical standards of conduct and with all applicable laws and regulations governing our operations in every country in which we do business. Compliance is fundamental to our business, as it 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. In 2019, we were not subject to any fines or sanctions for non-compliance in any part of our business. Read more in [Our Approach to Compliance](#).

## Ethical conduct

Our [Employee Code of Conduct](#) sets out specific guidance for SolarEdge employees to conduct business in accordance with the highest ethical standards of corporate leadership and citizenship and establishes an expectation that all employees will act in accordance with the highest standards of personal and professional integrity. The Code is available to all employees and they receive Code of Conduct training upon joining the Company. All new employees confirm their understanding and intent to comply, and willingness to report suspected violations of the Code with their signature.

Similarly, our annual training program includes a mandatory refresher on ethical conduct for all employees at least every two years.



# / Improving climate resilience

As a business founded upon the acceleration of affordable clean energy through optimizing solar systems, you could say that climate resilience is our business.

According to IHS Markit PV Inverter Market Tracker (2019), SolarEdge is ranked as the top PV inverter supplier in the world by revenue, and the top single-phase PV inverter supplier in the world. Through our global footprint of optimized inverter systems installed in more than 130 countries, we are helping drive global progress towards a low-carbon economy.

Beyond the products we provide for our markets, we also aim to operate in a resource efficient manner and minimize our operational carbon footprint as far as possible. In any event, our footprint is modest, generated primarily from our office and administrative activities, logistics, and lean supply chain. We calculate our resource consumption from manufacturing facilities and office locations that house more than 30 employees. Smaller offices are usually part of leased buildings and their overall impact on our resource consumption is not material.

## Climate-related financial risks:

We also acknowledge the interest of our stakeholders in understanding how we plan to address climate-related financial risks in line with the Paris Agreement, which aims to keep the global average temperature increase to below 2°C and pursue efforts to hold the increase to 1.5°C.

We aim to implement the recommended framework for disclosure on the impact of climate-related financial risks developed by the Task Force on Climate-related Financial Disclosures (TCFD) as a voluntary, consistent framework for companies to provide material information to investors, lenders, insurers, and other stakeholders.

We are reviewing the TCFD recommendations and setting up a team within SolarEdge to address the governance, strategy, risk management, metrics and targets that will enable us to disclose more fully against TCFD in 2021/2022. In the meantime, we have set a first long-term carbon reduction target to achieve a 30% reduction in GHG emissions per \$million revenue while also reducing by 20% the GHG emissions per GW inverter power supplied to our customers around the world.

## Greenhouse gas emissions:

We strive to become a zero carbon manufacturer and aim to reduce over time our absolute and normalized carbon emissions which result primarily from our energy consumption across our operations.

In 2019, we started to introduce zero-emission solar PV generation as a means of reducing our emissions footprint. Our first small solar installation is in South Korea which delivered an initial 500 kWh in 2019.

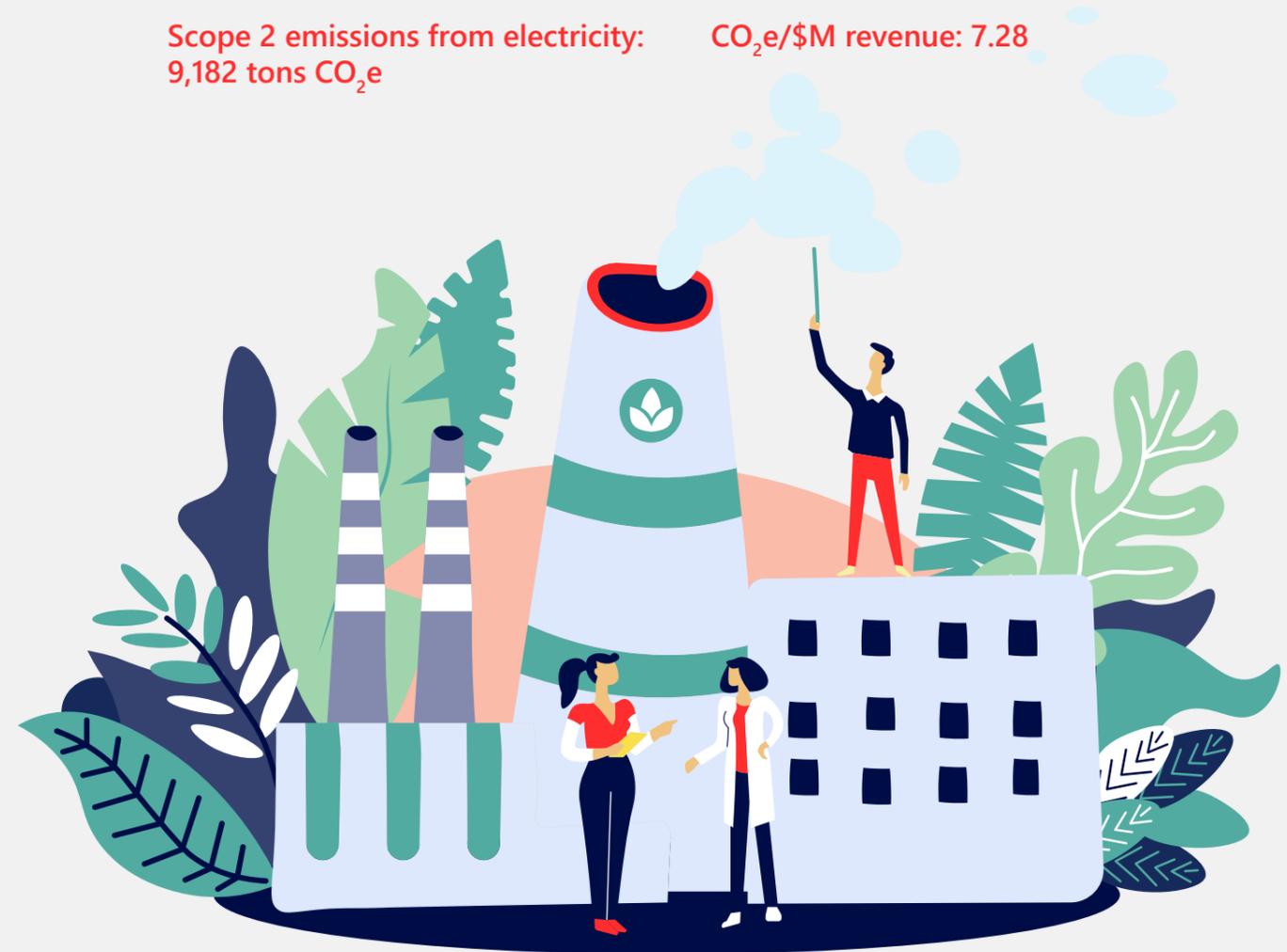
Our GHG emissions performance in 2019:

Scope 1 emissions from fuels:  
1,197 tons CO<sub>2</sub>e

Total emissions:  
10,379 tons CO<sub>2</sub>e

Scope 2 emissions from electricity:  
9,182 tons CO<sub>2</sub>e

CO<sub>2</sub>e/\$M revenue: 7.28



# / Maintaining resource efficiency

We have designed our manufacturing processes to produce high quality products with a strategy based on outsourcing, automation and localization as far as possible. In 2019, our main products were manufactured by two of the world’s leading global electronics manufacturing service providers, Jabil Circuit, Inc. at their Chinese and Vietnamese facilities, and Flex Ltd. in Hungary for our optimizers.

In 2020, we commissioned our first in-house manufacturing facility, a 10,000 square meter production unit for product prototypes, manufacturing and proprietary testing equipment. The site will be equipped with a rooftop solar system and will deploy energy efficient technology throughout.

We have developed proprietary automated assembly lines for the manufacturing of our power optimizers. Each of these assembly lines enables the manufacturing of more than 4,000 optimizers per machine per day. Our South Korean subsidiary, Kokam, has a manufacturing facility for lithium-ion cells and batteries that has the capacity to manufacture up to 150 MWh per annum.



## Energy consumption:

The energy we use to power our operation is primarily grid-sourced electricity for our office operations and Korean manufacturing facility (Kokam) and gasoline to run our vehicles. We plan to expand our use of clean energy in our own operations in the future with the introduction of our in-house manufacturing facility.

Our energy consumption performance in 2019:

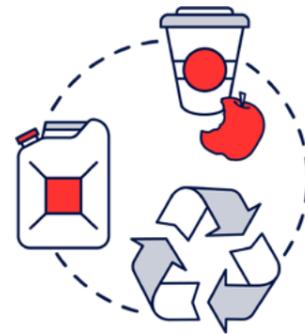
- / Total consumption: 36,591,359 KwH
- / Electricity consumption: 86%
- / KWh/\$M revenue: 25,666

We encourage our contract manufacturers to monitor and improve their electricity efficiency related to the manufacture of our products.



## Water withdrawal:

We aim to conserve water wherever possible and use only what is strictly needed to support our teams in our offices and sites. We use water primarily for hygiene purposes and human consumption and draw all water from municipal water supplies at our locations around the world. We aim to conserve water wherever possible through water saving devices on faucets and showers, and low-water flush mechanisms in our bathrooms. Our water withdrawal in 2019 was 122,625 m<sup>3</sup>.



## Waste management:

We aim to minimize waste from our operations and recycle what we cannot eliminate. We generate very small amounts of waste from our office activities including our research and development laboratories, and from our operations. More than 99% of our waste is non-hazardous. In 2019, we generated a total of 142 tons of waste, 39% of which was recycled, 59% was landfilled and the remainder incinerated or recovered.

We recognize the challenges of electronic waste as a contributor to environmental degradation and in 2020 we are examining further options to reduce electronic waste from our supply chain with a target to achieve zero electronic waste by 2025.

## Progressing ethical sourcing

Ethical sourcing for SolarEdge means ensuring a supply chain that is responsible in its employment of people and sourcing and its use of resources. At a manufacturing level, SolarEdge's products are manufactured by two primary well-established contract manufacturers who meet high ESG (environmental, social and governance) criteria and publicly report their progress.

We source our raw materials through various component manufacturers and invest resources in continued cost-reduction efforts in partnership with our suppliers.

We expect our suppliers to adhere to the principles and practices described in our Employee Code of Conduct, which defines the ethical standards we expect throughout our operations.

In 2021, we plan to deepen our engagement with suppliers through the development of a Supplier Code of Conduct, with the intention that suppliers will sign their confirmation to comply for all operations and engagements with SolarEdge. During 2021, we expect to develop a program for assessing supply chain risks, supported by monitoring practices.



# GRI Content Index



## GRI Content Index

GRI 102: General Disclosures 2016	Description	Page reference or response
102-1	Name of the organization	Solaredge Technologies, Inc.
102-2	Activities, products, and services	<a href="#">5</a>
102-3	Location of headquarters	Herzliya, Israel
102-4	Location of operations	<a href="#">5</a>
102-5	Ownership and legal form	<a href="#">5</a>
102-6	Markets served	<a href="#">5</a>
102-7	Scale of the organization	<a href="#">5</a>
102-8	Information on employees	<a href="#">34</a>
102-9	Supply chain	<a href="#">30</a>
102-10	Significant changes	None
102-11	Precautionary Principle	<a href="#">Our Approach to Environmental Stewardship and Climate Resilience</a>
102-12	External initiatives	SolarEdge is not currently a member of any significant initiatives at a global level.
102-13	Membership of associations	SolarEdge does not hold any Board roles in industry associations at this time.
102-14	Statement from senior manager	<a href="#">3</a>
102-16	Values, principles, standards	<a href="#">5</a>
102-18	Governance structure	<a href="#">9</a>
102-40	List of stakeholder groups	<a href="#">6</a>
102-41	Collective bargaining agreements	None
102-42	Identifying and selecting stakeholders	<a href="#">6</a>
102-43	Stakeholder engagement	<a href="#">6</a>
102-44	Key topics and concerns raised	<a href="#">6</a>
102-45	Entities included	<a href="#">2</a>
102-46	Report content and topic boundaries	<a href="#">2</a>
102-47	List of material topics	<a href="#">7</a>
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	<a href="#">2</a>
102-51	Date of most recent report	<a href="#">2</a>
102-52	Reporting cycle	<a href="#">2</a>
102-53	Contact point	<a href="#">2</a>
102-54	Reporting in accordance with the GRI Standards	<a href="#">2</a>
102-55	GRI content index	<a href="#">32</a>
102-56	External assurance	<a href="#">2</a>

## GRI Content Index

Material impact	GRI Standards (2016)	Management Approach Standards 101:1-3	Indicator	Page	Omissions	
Affordable Clean Energy	203: Indirect economic impacts	<a href="#">11</a>	203-2 Indirect economic impacts	<a href="#">11</a>		
Smart Energy Solutions		<a href="#">13</a>	203-2 Indirect economic impacts	<a href="#">13</a>		
Product Development and Innovation		<a href="#">16</a>	203-2 Indirect economic impacts	<a href="#">16</a>		
Responsible Employer	401: Employment	<a href="#">19</a>	401-1 New hires and turnover	<a href="#">36</a>		
	403: Occupational Health and Safety	<a href="#">22</a>	403-2 Types of injury and rates of injury	<a href="#">22</a>	Breakdown by gender and region not available. New data collection processes will make this available for 2021.	
	404: Training and Education	<a href="#">19</a>	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">22</a>		
			404-3 Percentage of employees receiving regular performance and career development reviews	<a href="#">22</a>		
405: Diversity and Equal Opportunity	<a href="#">23</a>	405-1 Diversity of governance bodies and employees	<a href="#">36</a>			
Climate Resilience	305: Emissions	<a href="#">Our Approach to Environmental Stewardship and Climate Resilience</a>	305-1 Direct (Scope 1) GHG emissions	<a href="#">35</a>		
			305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">35</a>		
			305-4 GHG emissions intensity	<a href="#">35</a>		
Product Sustainability	Non-GRI Indicator	<a href="#">18</a>	LCA value of PV inverters		We are currently engaging with specialist consultants to deliver a first LCA for our inverters and optimizers. We will report performance from 2021/2022.	
Resource Efficiency	302: Energy	<a href="#">Our Approach to Environmental Stewardship and Climate Resilience</a>	302-1 Energy consumption within the organization	<a href="#">35</a>		
			302-3 Energy intensity	<a href="#">35</a>		
			303: Water	303-1 Water withdrawal	<a href="#">35</a>	
			306: Waste	306-2 Waste by type	<a href="#">35</a>	
Ethical Sourcing & Supplier Management	308: Supplier Environmental Assessment	<a href="#">30</a>	308-1 New suppliers screened using environmental criteria		We plan to implement a Supplier Code of Conduct and develop new supplier screening processes for reporting in 2021/2022.	
Community Investment	413: Local Communities	<a href="#">25</a>	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">25</a>	We currently do not have complete data regarding our community activities around the world. Key operations such as Israel, accounting for 70% of our workforce have programs in place. We plan to improve our tracking of activities in the coming years.	
Ethical and Compliant Conduct	419: Socioeconomic Compliance	<a href="#">Our Approach to Compliance</a>	419-1 Non-compliance with laws and regulations in the social and economic area		No instances of socioeconomic non-compliance.	
Human Rights	412: Human Rights Assessment	<a href="#">Our Approach to Human Rights</a>	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		All contracts include requirement to comply with SolarEdge's Code of Conduct, but no specific screenings of supplier contracts were undertaken to date.	

## GRI Data Tables

### GRI 102-8 Information on employees

Employees	2017			2018			2019		
Employees by contract	Women	Men	Total	Women	Men	Total	Women	Men	Total
Direct employees full time	219	733	952	354	1,395	1,749	508	2,004	2,512
Direct employees part time	16	12	28	25	20	45	33	32	65
Total direct employees	235	745	980	379	1,415	1,794	541	2,036	2,577
Contingent workers		26	26	7	41	48	13	83	96
Total workforce	235	771	1,006	386	1,456	1,842	554	2,119	2,673

Employees on permanent contracts	219	733	952	354	1,395	1,749	508	2,004	2,512
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Employees by region and gender	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
EMEA	167	560	727	261	889	1,150	401	1,410	1,811
Americas	33	117	150	40	156	196	47	185	232
Asia	35	68	103	78	370	448	93	441	534
Total	235	745	980	379	1,415	1,794	541	2,036	2,577

Women in workforce	2017			2018			2019		
	Women	Total	% women	Women	Total	% women	Women	Total	% women
Executives	4	39	10%	5	41	12%	6	47	13%
Managers	37	226	16%	55	408	13%	75	559	13%
Employees	194	715	27%	319	1,345	24%	460	1,971	23%
Total	235	980	24%	379	1,794	21%	541	2,577	21%

**GRI 302: Energy consumption within the organization**

**302-1:**

**302-3: Energy intensity**

	Fuels and purchased electricity	2019
GRI 302-1	Natural Gas	134,155
GRI 302-2	Diesel	422,899
	Gasoline	4,159,817
	Electricity purchased from Grid	31,873,923
	Solar PV generated	565
	Total energy consumption in Kwh	36,591,359
GRI 302-3	Energy intensity Kwh/\$M revenue	25,666

**GRI 305: Emissions**

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

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

**305-4: GHG emissions intensity**

	Greenhouse gas emissions	Units	2019
GRI 305-1	Direct (Scope 1) GHG emissions	Tons CO2e	1,197
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Tons CO2e	9,182
	Total Scope 1+2 emissions	Tons CO2e	10,379
GRI 305-4	Emissions intensity	CO2e/\$M revenue	7.28

**GRI 303: Water**

**303-1: Water withdrawal by source**

	Water Withdrawn by Source	Units	2019
GRI 303-1	Total water withdrawn	m3	122,625

Note: All water is withdrawn from local municipality supplies

**GRI 306: Effluents and Waste**

**306-2: Waste by type and disposal**

	Non- Hazardous waste by disposal type		2018	2019
GRI 306-2	Landfill	Tons	72.28	83.58
	Recycling	Tons	67.00	55.08
	Incineration	Tons	N/A	1.60
	Total Non- Hazardous Waste	Tons	139.28	140.26
	<b>Hazardous waste by disposal type</b>			
	Landfill	Tons	267.69	293
	Recycling	Tons	N/A	0.18
	Recovery (including energy recovery)	Tons	0.33	1.01
	Total Hazardous Waste	Tons	268.02	294.19
	Total Waste	Tons	407.30	434.45

**GRI 401: Employment: 401-1: New employee hires and turnover**

New employee hires	New hire rates - 2017			New hire rates - 2018			New hire rates - 2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	3%	5%	7%	3%	4%	7%	2%	5%	7%
age 30 - 50	6%	17%	23%	5%	16%	20%	4%	12%	16%
> age 50	1%	3%	4%	1%	4%	5%	0%	2%	2%
Age not noted	2%	6%	8%	3%	20%	23%	2%	9%	12%
All new hires	11%	31%	42%	12%	44%	56%	9%	28%	37%

Turnover	Turnover rates - 2017			Turnover rates - 2018			Turnover rates - 2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< age 30	0%	1%	1%	1%	1%	2%	1%	1%	2%
age 30 - 50	2%	4%	5%	2%	4%	6%	1%	3%	5%
> age 50	0%	1%	1%	0%	1%	1%	0%	1%	1%
Age not noted	0%	1%	0%	1%	1%	2%	1%	2%	3%
All leavers	3%	6%	8%	3%	7%	10%	3%	8%	11%

**GRI 405: Diversity: 405-1: Diversity of governance bodies and employees**

Global payroll employees by gender, age and level as a percentage of total workforce	2017		2018		2019	
	Women	Men	Women	Men	Women	Men
By age						
Age below 30	4%	6%	4%	7%	4%	9%
Age 30-50	14%	47%	10%	37%	10%	37%
Age above 50	4%	9%	2%	7%	2%	7%
By level						
CEO and executives (VPs, global leaders)	0.4%	3.6%	0.3%	2.0%	0.2%	1.6%
Managers	4%	19%	3%	20%	3%	19%
Non-managers	20%	53%	18%	57%	18%	59%

SolarEdge's current Board of Directors includes one woman (14%).

# SASB Content Index



## SASB Content Index

This refers to SASB Standard for Solar Technology and Project Developers, Version 2018-10

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Energy Management in Manufacturing	(1) Total energy consumed	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CP-130a.1	GRI 302
	(2) Percentage grid electricity	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CP-130a.1	GRI 302
	(3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CP-130a.1	GRI 302
Water Management in Manufacturing	(1) Total water withdrawn	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	RT-CP-140a.1	GRI 303
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	RT-CP-140a.1	We do not operate in regions with High or Extremely High Baseline Water Stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CP-140a.2	Water consumption is modest and currently does not present significant risk for SolarEdge.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (mt), Percentage (%)	RR-ST-150a.1	GRI 306
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RR-ST-150a.2	None
Ecological Impacts of Project Development	Number and duration of project delays related to ecological impacts		Number, days	RR-ST-160a.1	None
	Description of efforts in solar energy system project development to address community and ecological impacts	Discussion and Analysis	N/A	RR-ST-160a.2	Not material for SolarEdge
Management of Energy Infrastructure Integration & Related Regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	Discussion and Analysis	N/A	RR-ST-410a.1	SolarEdge Annual Report pp4-8, 15-20
	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	Discussion and Analysis	N/A	RR-ST-410a.2	SolarEdge Annual Report pp4-8, 15-20
Product End-of-life Management	Percentage of products sold that are recyclable or reusable	Quantitative	Percentage (%)	RR-ST-410b.1	This data is not currently available.
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Metric tons (mt), Percentage (%)	RR-ST-410b.2	This data is not currently available.
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	Quantitative	Percentage (%)	RR-ST-410b.3	We use a small amount of antimony compounds at an estimated <0.1% of our total production.
	Description of approach and strategies to design products for high value recycling	Discussion and Analysis	N/A	RR-ST-410b.4	Delivering sustainable products, <a href="#">p18</a>
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	RR-ST-440a.1	Not applicable to SolarEdge.
	Description of the management of environmental risks associated with the polysilicon supply chain	Discussion and Analysis	N/A	RR-ST-440a.2	Not applicable to SolarEdge.
Activity Metrics	Total capacity of photovoltaic (PV) solar modules produced	Quantitative	Megawatts (MW)	RR-ST-000.A	Accelerating affordable clean energy, <a href="#">p11</a>
	Total capacity of completed solar energy systems	Quantitative	Megawatts (MW)	RR-ST-000.B	Accelerating affordable clean energy, <a href="#">p11</a>
	Total project development assets	Quantitative	Reporting currency	RR-ST-000.C	Data not currently available.

# Powering the Future of Energy

## Sustainability Report 2019

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