



Enphase Energy, Inc.

Sustainability Report 2024





Enphase Energy, Inc.

Sustainability Report 2024

Contents

	A letter from our President and CEO	<u>04</u>
		<u>05</u>
		<u>06</u>
About us		<u>07</u>
	Enphase in numbers	<u>08</u>
	Our purpose	<u>09</u>
	Our core values	<u>10</u>
	Enphase culture playbook	<u>12</u>
	Our technology	<u>14</u>
	Financial sustainability	<u>16</u>
Environmental		<u>17</u>
	E1. Our approach	<u>18</u>
	E2. Clean energy production	<u>19</u>
	E3. Energy and emissions	<u>23</u>
	E4. Product quality	<u>27</u>
	E5. Responsible supply chain	<u>31</u>
	E6. Case studies	<u>38</u>
Social		<u>39</u>
	S1. Company demographics	<u>40</u>
	S2. Attracting and retaining the best	<u>42</u>
	S3. Enabling growth and advancement	<u>43</u>
	S4. Cultivating a fair and supportive workplace	<u>45</u>
	S5. Customer experience	<u>46</u>
	S6. Corporate Social Responsibility	<u>50</u>
Governance		<u>51</u>
	G1. Oversight and management	<u>52</u>
	G2. Business ethics and compliance	<u>53</u>
	G3. Data privacy, cybersecurity, intellectual property	<u>56</u>
Appendix		<u>57</u>
	Workforce policies	<u>58</u>
	Environmental impact accounting	<u>61</u>
	GRI and SASB index	<u>63</u>
	Climate risk	<u>68</u>
	United Nations Sustainable Development Goals	<u>70</u>
	About this report	<u>71</u>
	Forward-looking statements and other important legal information	<u>72</u>
	GAAP to non-GAAP reconciliation	<u>72</u>

A Letter from our President and CEO



Badri Kothandaraman
President and CEO

“As the world’s leading supplier of microinverter-based solar and battery systems, we recognize our responsibility to promote sustainable practices and contribute to building a safe and equitable environment worldwide.”

I am pleased to share our 2024 Sustainability Report with you, where we discuss our ongoing efforts to realize Enphase’s purpose: “Advancing a sustainable future for all.” As the world’s leading supplier of microinverter-based solar and battery systems, we recognize our responsibility to promote sustainable practices and contribute to building a safe and equitable environment worldwide.

We continue to integrate principles into our business that drive sustainable growth and long-term value. Our focus remains on clean energy innovation, operational excellence, employee relations, and strong governance. As you read this report, you will see several examples of how we incorporate environmental safeguards, strive for operational excellence, and focus on the responsible hiring, training, and managing of our global workforce. We are also continuing to expand access to clean energy through our Corporate Social Responsibility (CSR) efforts, and stay accountable through our leadership and governance practices.

Since inception, we have shipped more than 80 million microinverters and 1.69 GWh of IQ® Batteries. Approximately 4.7 million Enphase-based systems have been deployed in over 160 countries. We have shipped approximately 28.10 GW DC power of Enphase microinverters, preventing the release of 72 million metric tons of carbon dioxide equivalent (MTCO_{2e}) – the equivalent of powering 14.9 million homes for one year.¹ Those are not just numbers – they represent energy independence, resilience, and progress for individuals, families, small businesses, and communities around the world.

We have made progress in managing our carbon footprint since the publication of our inaugural Environmental, Social, and Governance (ESG) Report in 2020. In 2024, we reported a 13.4% decrease in Scope 2 emissions, compared to 2023. In 2024, we began sourcing renewable energy for all facilities where local utilities offer green tariff programs and increased on-site generation capacity to more than one megawatt (MW), bringing our renewable energy mix up to 80%.

We had a challenging time in 2024 due to sustained unpredictability in the solar industry. Despite market headwinds – including high interest rates in the United States and policy uncertainty in Europe – we maintained a disciplined focus on operational efficiency and cost control. Our [culture playbook](#) is a reminder of how our strong culture enabled us to remain aligned on strategic priorities while continuing to innovate.

“Our company embraces the opportunity to create a future of sustainable prosperity for all our stakeholders, by making it possible for people to become producers and participants in a clean energy future – when people and the planet need it most.”

I am proud of our team’s ongoing dedication to developing technology and products that support energy independence and grid stability. By the end of 2024, we were shipping our IQ8™ Microinverters into 57 countries. We also introduced new products, including microinverters designed for small-commercial solar applications, our FlexPhase battery that supports both single-phase and three-phase applications, our smart electrical vehicle (EV) chargers, and our IQ PowerPack 1500 portable energy system. We also made progress on our next-generation energy systems, laying the groundwork for smarter, more resilient homes and businesses.

The passing of the Inflation Reduction Act (IRA) by the U.S. Congress in 2022 enabled us to begin manufacturing in the United States, helping to create new jobs and advance the country’s clean energy economy. By the end of 2024, we were shipping our IQ8HC™ Microinverters, IQ8X™ Microinverters, IQ8P-3P™ Commercial Microinverters, and IQ® Battery 5Ps from our contract manufacturing facilities in the United States. With higher domestic content than previous generations, these products, when paired with other U.S.-made solar components, helped our customers qualify for the IRA’s domestic content bonus credit.

I am proud of our ongoing sustainability efforts and remain optimistic for what the future holds. Enphase was founded on three commitments that still guide us today: innovation, quality, and customer experience. Our company embraces the opportunity to create a future of sustainable prosperity for all our stakeholders, by making it possible for people to become producers and participants in a clean energy future – when people and the planet need it most. I look forward to continuing to share our progress.

I would like to thank our employees for their continued hard work and dedication, and our customers, partners, and shareholders for their strong support. I appreciate your interest and engagement in our sustainability efforts.

Sincerely,








Badri Kothandaraman
President and CEO



¹ Approximate values as of December 31, 2024. CO_{2e} calculations based on 107 TWh of clean energy production under the U.S. Environmental Protection Agency (U.S. EPA) Greenhouse Gas (GHG) Equivalencies Calculator

About us



Enphase in numbers

 2006 the year Enphase was founded	 2,781 employees and key contributors across our global offices ¹	 7,500+ installers worldwide ¹	 28.10 GW DC cumulative shipments of microinverters ¹
 4.7 million systems deployed in more than 160 countries ¹	 80 million microinverters shipped ¹	 1.69 GWh of storage ¹	 107 TWh of clean energy production ²

 72 million MTCO ₂ e prevented from entering the atmosphere, enough to power 14.9 million homes with energy for one year ³	 8.1 billion gallons of gasoline not consumed ³	 183 billion miles not driven by an average gas-powered passenger vehicle ³
--	--	--

¹ Approximate values as of December 31, 2024
² Cumulative estimate based on Enphase managed systems data from 2006 through December 31, 2024 grossed up for non-managed systems based on historical production records
³ CO₂e calculations based on 107 TWh of clean energy production under the [U.S. EPA GHG Equivalencies Calculator](#)

Our purpose

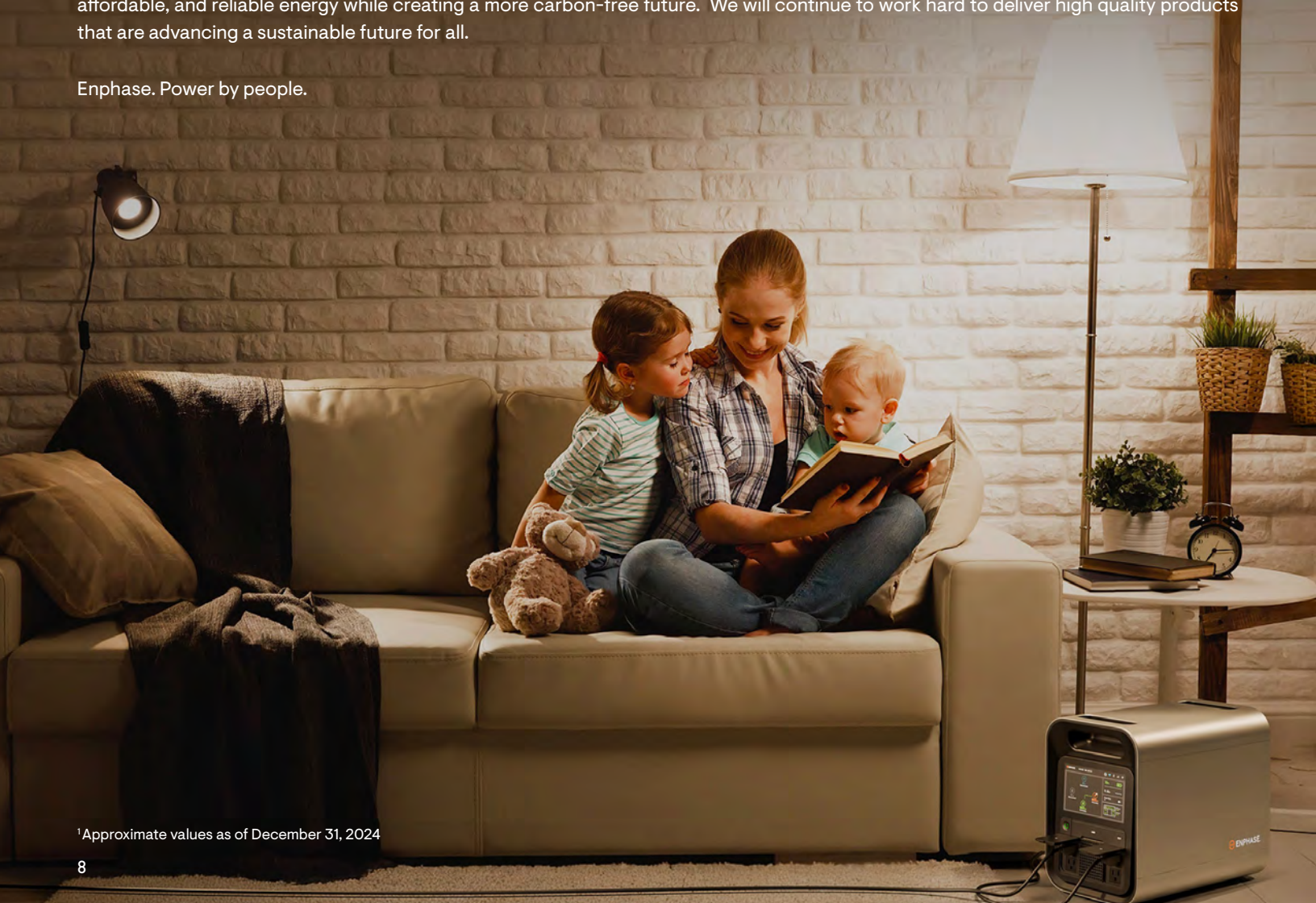
Advancing a sustainable future for all.

Enphase Energy is a global energy technology company and the world's leading supplier of microinverter-based solar-plus-storage systems. We design, develop, and deliver smart, easy-to-use home energy solutions that manage energy generation, energy storage, and control and communications on one intelligent platform. We are working every day to enable whole-home energy management powered by renewable energy, as well as creating a more resilient and reliable electricity grid for everyone.

Enphase transformed the solar industry with its revolutionary microinverter technology which turns sunlight into a safe, reliable, resilient, and scalable source of energy to power our lives. Today, our microinverters can be paired with our industry-leading batteries, EV chargers, and artificial intelligence (AI)-driven software, creating a comprehensive home energy management system. As we work towards an equitable energy future for all, we are aware of the importance of mobilizing the world to reduce the carbon footprint and electrify the planet.

Today, if you see a home with solar panels on it, there is a good chance it is an Enphase home. As of the end of 2024, more than 80 million microinverters were installed on approximately 4.7 million homes in over 160 countries,¹ helping millions of people gain access to clean, affordable, and reliable energy while creating a more carbon-free future. We will continue to work hard to deliver high quality products that are advancing a sustainable future for all.

Enphase. Power by people.



¹Approximate values as of December 31, 2024

Our core values

Our company values are reflected in the way we work together, our performance, and how we are rewarded.

Customer first

We exist for our customers.

We listen to our customers and measure our success based on their feedback.

We take action to deliver the best customer experience.

Quality

We place safety and quality above everything else.

We measure everything that matters and drive continuous improvement.

We make the highest quality products.

Teamwork

We appreciate and respect different behavioral styles and perspectives.

We collaborate globally to achieve more together than we can on our own.

We actively work to break down silos.



Integrity

We tell the truth at all times, without making excuses.

We do what is best for the company.

We take ownership of our behaviors and results.

Innovation

We value innovation and recognize that it is the cornerstone of our existence.

We encourage appropriate risk-taking and challenge the status quo to find solutions.

We actively promote innovation through curiosity and continuous learning.

Enphase culture playbook

The pillars of the [Enphase Culture Playbook](#) help align and guide daily interactions with our purpose and values.

High performance

- We set the standard.
- We stretch ourselves to achieve exceptional results.
- We are relentless in the pursuit of excellence.

Recruiting and retaining the best

- We hire only the best.
- We reward and retain the best.
- We promote our people who get results.

Openness and transparency

- We are curious and encourage new ideas.
- We recognize that people have different styles and encourage diverse perspectives.
- We openly discuss issues and want to learn rapidly from our mistakes.

Accountability and execution

- We acknowledge reality and get things done without making excuses.
- We measure what matters and manage our performance through metrics.
- Our metrics have clear targets that don't change on a whim, and we publish progress against these each quarter.

Learning organization

- We encourage innovation.
- We develop employees through two-way coaching and feedback.
- We learn from our mistakes using a structured problem-solving approach known as 8-D.
- We document and share knowledge freely.

[Culture playbook](#) →



Our technology

Enphase was founded in 2006 with the deep-rooted belief that AC-coupled, distributed architectures offers the best path forward on cost, reliability, and scalability. We have developed deep technical capabilities across semiconductor-based power conversion, software-defined energy management, and grid interoperability. At the core of our innovation are our custom-designed application-specific integrated circuits (ASICs), which allow our microinverters and batteries to convert energy efficiently, reliably, and intelligently.

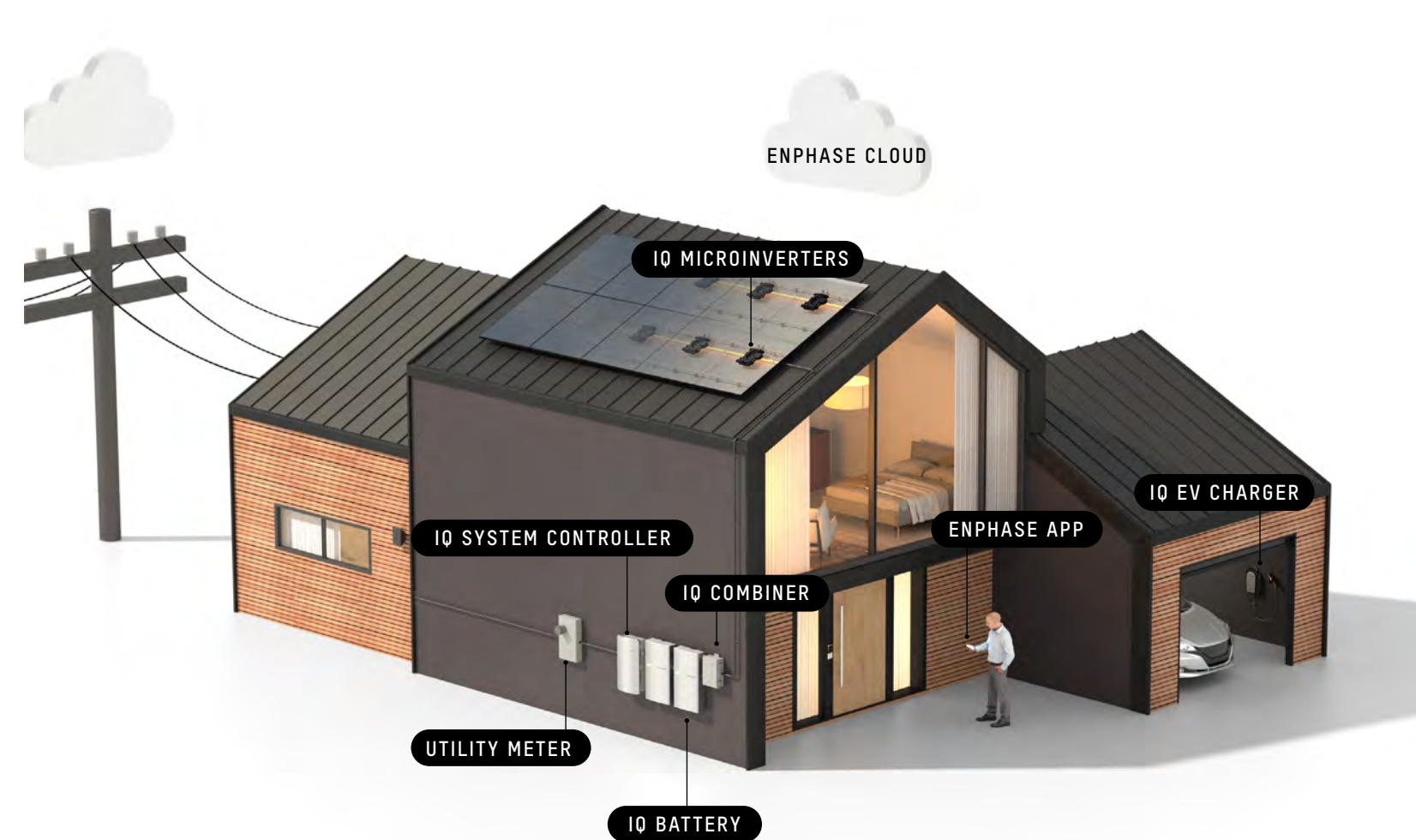
“The Enphase Energy System brings a high technology, networked approach to solar generation plus energy storage, by leveraging our design expertise across power electronics, semiconductors and cloud-based software technologies.”

We have a built-in system redundancy in both photovoltaic (PV) generation and energy storage, eliminating the risk that comes with a single-point of failure. Our intelligent microinverters work with virtually every solar panel made, and when paired with our smart technology, result in one of the industry’s best-performing clean energy systems. Further, the nature of our cloud-based, monitored system allows for remote firmware and software updates, that allows cost-effective remote maintenance and ongoing utility compliance.

The Enphase® Energy System brings a high technology, networked approach to solar generation plus energy storage, by leveraging our design expertise across power electronics, semiconductors and cloud-based software technologies. Our integrated approach to energy solutions maximizes a home’s energy potential while providing advanced monitoring and remote maintenance capabilities.

The Enphase Energy System uses a single technology platform for seamless management of the whole solution, including IQ® Microinverters, IQ Batteries, IQ® EV Chargers, IQ® System Controllers, IQ® Combiners (with embedded IQ® Gateways), and other hardware. Installers use the Enphase® Installer App to rapidly commission system components, and system owners may use the Enlighten™ cloud-based monitoring services provided through the Enphase® App to monitor their energy production, consumption, and storage.

We have transitioned from solar only systems to complete energy management solutions, which consist of solar, batteries, load control, EV charging, compatibility with third-party generators, and grid services. This transition has contributed to the rising global interest in the full electrification of homes and businesses through renewable sources of energy.



Financial sustainability

\$1.3 billion
revenue in 2024

We managed well with our financial discipline through a difficult global environment in 2024. Revenue was \$1.3 billion in 2024, compared to \$2.29 billion in 2023. We shipped 6.5 million microinverters in 2024, compared to 15.5 million in 2023. Our non-GAAP gross margin expanded to 48.9%,¹ with the IRA net benefit, and our non-GAAP gross margin was 40.0%,¹ exclusive of the IRA net benefit.

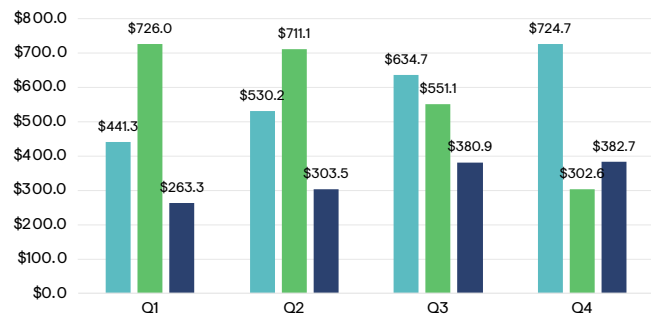
6.5 million
microinverters shipped in 2024

We maintained a healthy balance sheet in 2024. We generated approximately \$480.1 million dollars in free cash flow during 2024 and exited the year with approximately \$1.72 billion dollars in cash, cash equivalents, restricted cash and marketable securities, slightly above our year-end balance in 2023. We repurchased 4.54 million shares of our common stock at an average price of \$86.15, for an aggregate amount of \$391.4 million.

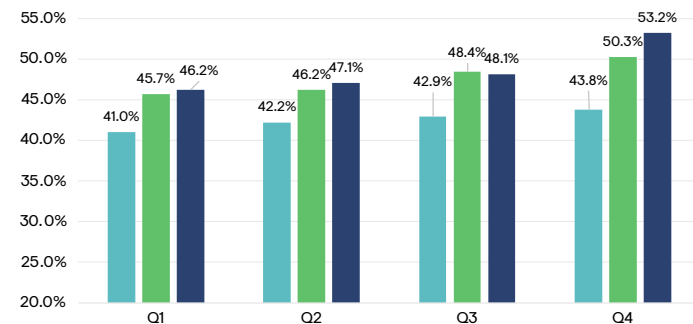
48.9%
non-GAAP gross margin in 2024

We reported another year of profitability in 2024. GAAP net income was \$102.7 million, resulting in diluted earnings per share of \$0.75. Non-GAAP net income was \$321.0 million, resulting in non-GAAP diluted earnings per share of \$2.37.¹

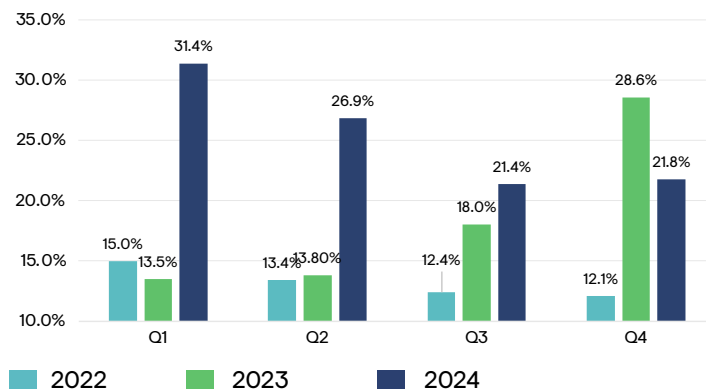
Quarterly revenue by year



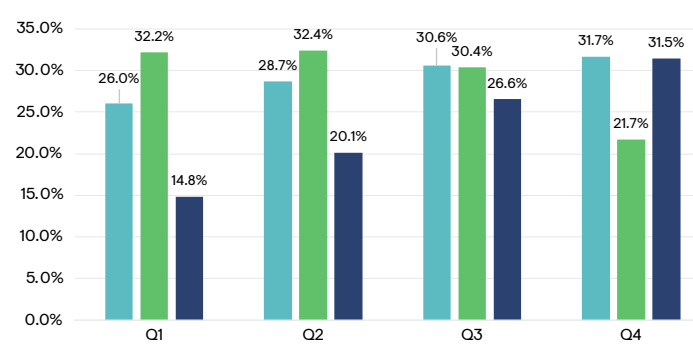
Quarterly gross margin % by year



Quarterly operating expenses % by year



Quarterly operating income % by year



¹Please reference Appendix for GAAP to non-GAAP reconciliation

A responsible investment

Our purpose at Enphase is “advancing a sustainable future for all” and we are proud of the reputation we have built as a global leader in energy management systems and sustainability. Several third-party organizations have recognized our leadership in 2024, and our ESG ratings among leading agencies continued to improve. We remain committed to meeting or exceeding the qualifying thresholds for sustainable investment under various rubrics such as the United Nations Global Compact (UNGC), the United Nations Sustainable Development Goals (UN SDGs), the EU Finance Disclosure Regulation (SFDR), and the EU taxonomy for sustainable activities.

100%
sustainable revenue

100%
sustainable research and development

Table 1 Awards and recognition

Organization	Recognition
Corporate Knights	Global 100 list of the world’s most sustainable companies (#10 ranking)
Newsweek	America’s Greenest Companies
Frost & Sullivan Institute	Enlightened Growth Leadership Award
Financial Times	The Americas’ Fastest Growing Companies 2024
Cornerstone	Galaxy Award for Excellence in Skills Adoption and Impact
Avtar & Seramount	Best Companies for Women in India (BCWI) and Exemplar of Inclusion in the Most Inclusive Companies Index (MICI)

Table 2 ESG ratings history

Organization	2021	2022	2023	2024
Institutional Shareholder Services (ISS)	C / not Prime	C / not Prime	C+ / Prime	B- / Prime
Morgan Stanley Capital International (MSCI)	BBB	A	AA	AA
Sustainalytics	Medium risk	Medium risk	Medium risk	Low risk

Environmental

Enphase's best-in-class energy management solutions, spanning solar energy generation, battery storage, EV charging, and cloud-based monitoring and control, provide the smart energy needed to power global sustainable development. Our products and services directly address the urgent challenges presented by climate change and help accelerate the transition to a low-carbon economy.



“At Enphase Energy, we deliver technology solutions that make clean energy affordable, safe, reliable, and accessible to all.”

E1. Our approach

At Enphase Energy, we deliver technology solutions that make clean energy affordable, safe, reliable, and accessible to all. We remain committed to optimizing the environmental impact of our products and operations as outlined below. Also see our [Global Environmental Policy](#).



Product impact

We create the products and services the world needs to help slow the pace of global warming, protect the environment, and accelerate the transition to a clean energy economy.



Efficient operations

We source renewable energy, conserve resources, manage waste responsibly, and certify 100% of facilities to the ISO 14001:2015 Environmental Management System (EMS) standard.



Supplier relationships

We partner with manufacturers and suppliers who uphold expectations to manage environmental issues responsibly, as outlined in our [Supplier Code of Conduct](#).



Transparent reporting

We disclose our environmental performance annually to inform a broad set of stakeholder groups, facilitate data-driven decision making, and create opportunity for constructive engagement and feedback.



Employee empowerment

We challenge and incentivize employees to assess routine operations and propose innovative solutions to achieve positive and lasting environmental outcomes resulting from our business operations.



Legal compliance

We comply with all applicable environmental, health, and safety laws in the areas where we operate, as well as all pertinent industry codes and standards.

E2. Clean energy production

Enphase energy systems are deployed on approximately 4.7 million homes and businesses across 160 countries,¹ generating renewable energy and avoiding Greenhouse Gas (GHG) emissions that would otherwise result from local grid consumption.

During 2024

27 TWh

generated by Enphase microinverters²

18 million

MTCO₂e prevented from entering the atmosphere³

Since 2006

107 TWh

generated by Enphase microinverters⁴

72 million

MTCO₂e prevented from entering the atmosphere⁵

Chart 1 Cumulative energy production

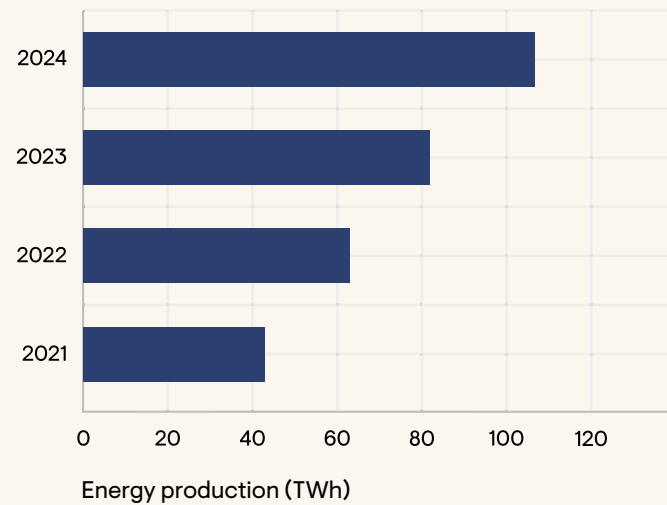
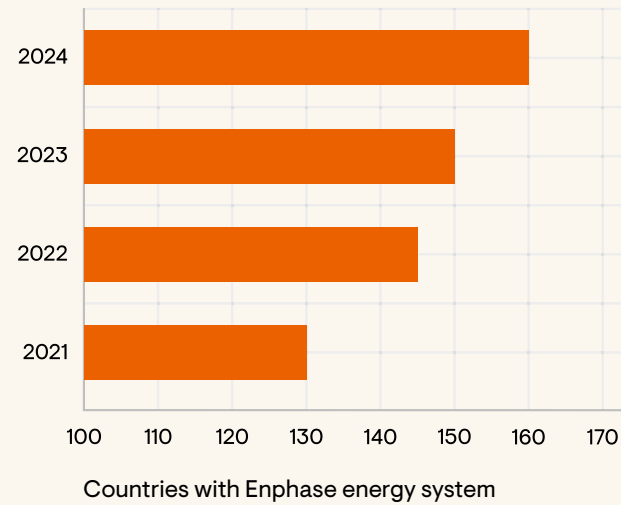


Chart 2 Geographic coverage



¹ Approximate values as of December 31, 2024

² Estimate based on Enphase managed systems data as of December 31, 2024 grossed up for non-managed systems based on historical production records

³ CO₂e calculations based on 27 TWh of clean energy production under the U.S. EPA GHG Equivalencies Calculator

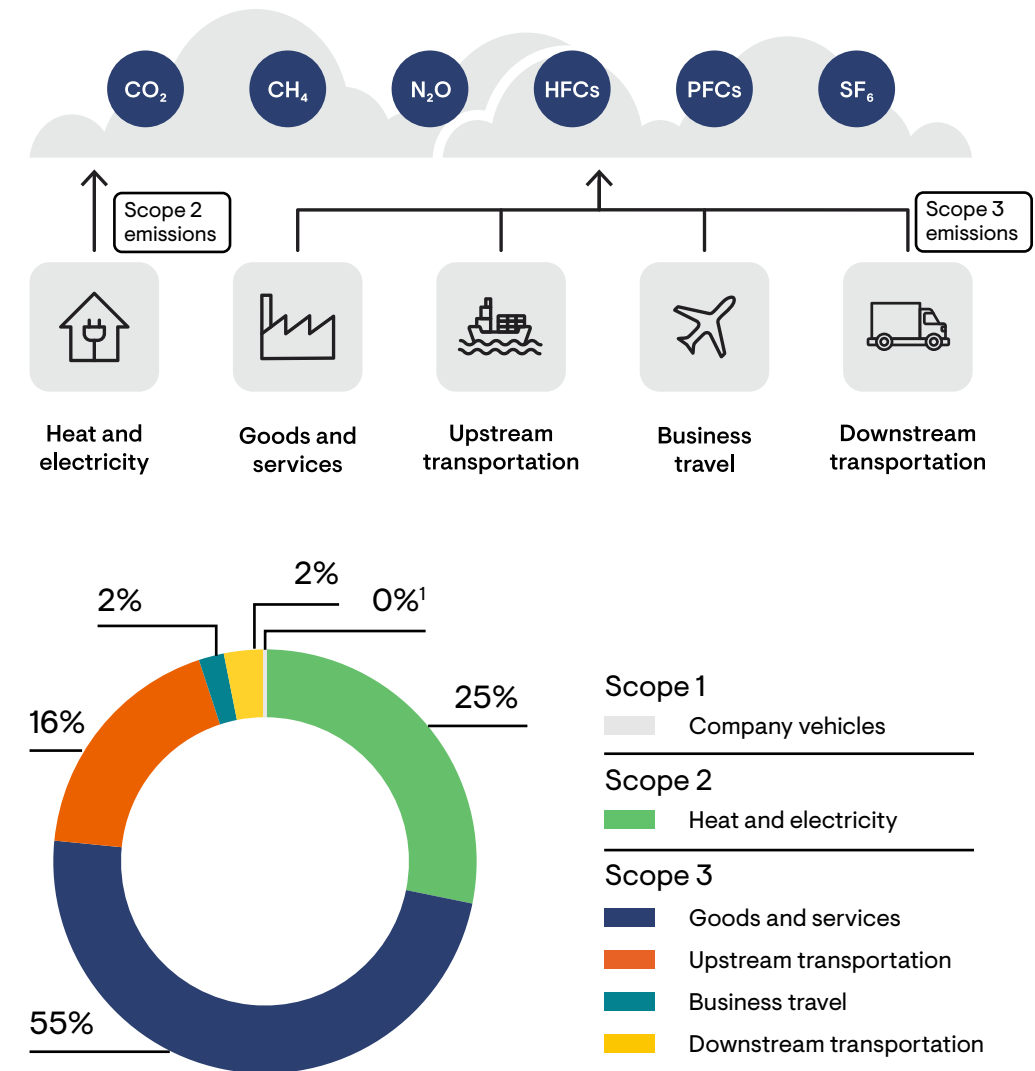
⁴ Cumulative estimate based on Enphase managed systems data from 2006 through December 31, 2024 grossed up for non-managed systems based on historical production records

⁵ CO₂e calculations based on 107 TWh of clean energy production under the U.S. EPA GHG Equivalencies Calculator

E3. Energy and emissions

We measure our emissions to align our business with international climate goals and endeavor to avoid the most devastating consequences of global warming and climate change. Our annual GHG inventory is prepared in accordance with the GHG Protocol and covers emissions which are deemed material to our business.

Chart 3 2024 GHG emissions



¹ See appendix for inventory methodology

Managing GHG emissions

In 2022, we set our current target to reduce Scope 1 and 2 economic emissions intensity by 30% by 2030 from a 2021 baseline. An economic intensity target is best-suited for Enphase because 100% of our revenue stems from climate change opportunities resulting in real emissions reductions. We limited our target to Scopes 1 and 2 due to our concerns about accurately measuring Scope 3 and belief that other entities across the value chain take responsibility for pursuing emission reductions within their own operations.

While we did review the criteria defined by the Science-Based Targets Initiative (SBTI) during the target-setting process, we determined that the absolute reduction curve required for Scopes 1 and 2 is incompatible with our leased facility operating model. However, several major suppliers have set SBTI-approved targets, helping to reduce our value chain emissions. We plan to review the recently revised SBTI Net Zero Criteria to determine if it is appropriate to develop and pursue a science-based target in the future.

Table 3 GHG reduction target progress

Emissions metric	2021	2022	2023	2024
Scope 1 - Direct emissions (MTCO ₂ e)	0	0	0	0
Scope 2 - Electricity-indirect emissions (MTCO ₂ e)	9,240	10,603	15,557	13,458
Revenue (\$M)	1,382	2,331	2,291	1,331
Scope 1 + 2 emissions intensity (MTCO ₂ e / \$M)	6.99	4.55	6.78	10.11

Hazardous air pollutants

Enphase products help prevent the release of hazardous air pollutants (HAPs)¹ into the atmosphere typically resulting from fuel combustion among mobile and stationary sources such as cars, trucks, and factories. We do not consider the release of HAPs across Enphase's operations to be significant, given that we do not own or operate a company vehicle fleet or any large factories.

Table 4 NO_x and SO₂ emissions

	Annual NO _x (lbs.)	SO ₂ (lbs.)
Enphase U.S. operations	3,932.1	546.4

¹Particulate matter (PM 2.5), nitrous oxides (NO_x), sulfur oxides (SO_x), and other ozone-depleting substances (ODS)



Increasing renewable energy use

Our renewable energy strategy covers 100% of Enphase operations and consists of a variety of tactics to limit non-renewable energy consumption and reduce our carbon footprint.

In 2024, we began sourcing renewable energy for all facilities where local utilities offer green tariff programs and increased on-site generation capacity to over one MW. Our renewable energy mix is 80% as a result.



Expanding on-site generation capacity



Sourcing renewable energy from utilities

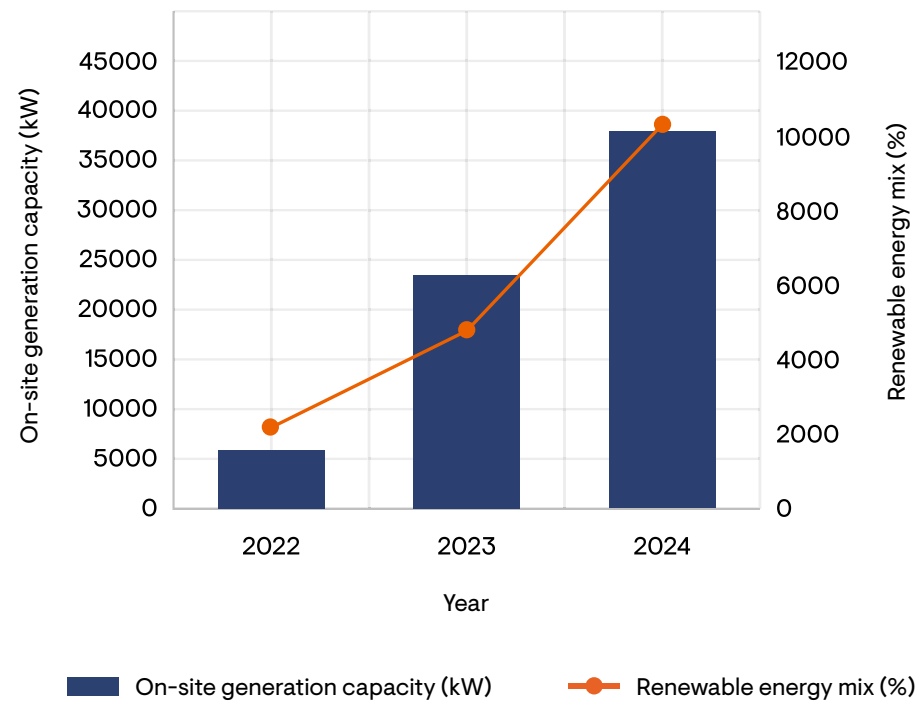


Completing energy efficiency projects

“Our renewable energy strategy covers 100% of Enphase operations and consists of a variety of tactics to limit non-renewable energy consumption and reduce our carbon footprint.”

“Our sharp focus on quality and reliability allows us to offer industry-leading warranties, achieve best-in-class field failure rates, and maintain preferred status among a wide range of global distributors and installers.”

Chart 4 Renewable energy mix and on-site generation capacity



E4. Product quality

Our sharp focus on quality and reliability allows us to offer industry-leading warranties, achieve best-in-class field failure rates, and maintain preferred status among a wide range of global distributors and installers. We set rigorous Defective Parts Per Million (DPPM) targets at each stage of product development through launch. Once deployed, dedicated teams monitor product performance and analyze field failures to identify and eradicate root causes. Remote firmware and software updates enabled by our cloud-based monitoring technology support our product service and safety program, helping to extend lifespan and minimize service disruptions.

100%

certification to ISO 9001:2015

0

product recalls in company history

0.05%

failure rate¹

500

DPPM target¹

Our IQ Batteries and IQ System Controllers are designed to allow for in-situ repairs by exchanging components rather than replacing the entire piece of equipment. This results in an improved customer experience, reduced system downtime, and enhanced environmental profile of the product lifecycle by negating material needs for replacement and avoiding emissions and pollution related to product recovery and disposal. The Quality Team sets and pursues aggressive serviceability targets to ensure these benefits are realized.

90%

serviceability target for IQ Batteries

95%

serviceability target for IQ System Controllers

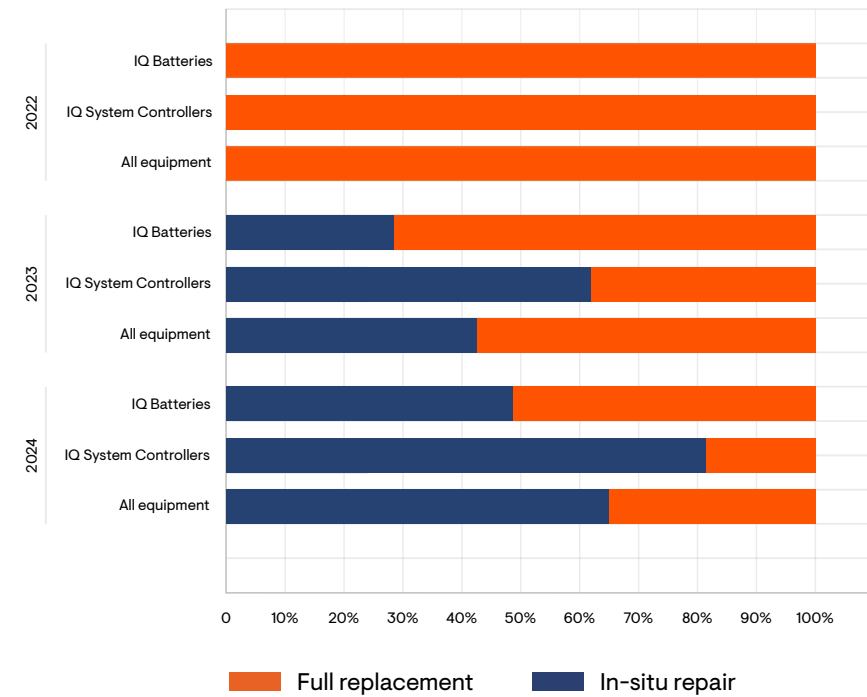
753

metric tons of material saved²

¹ For microinverters

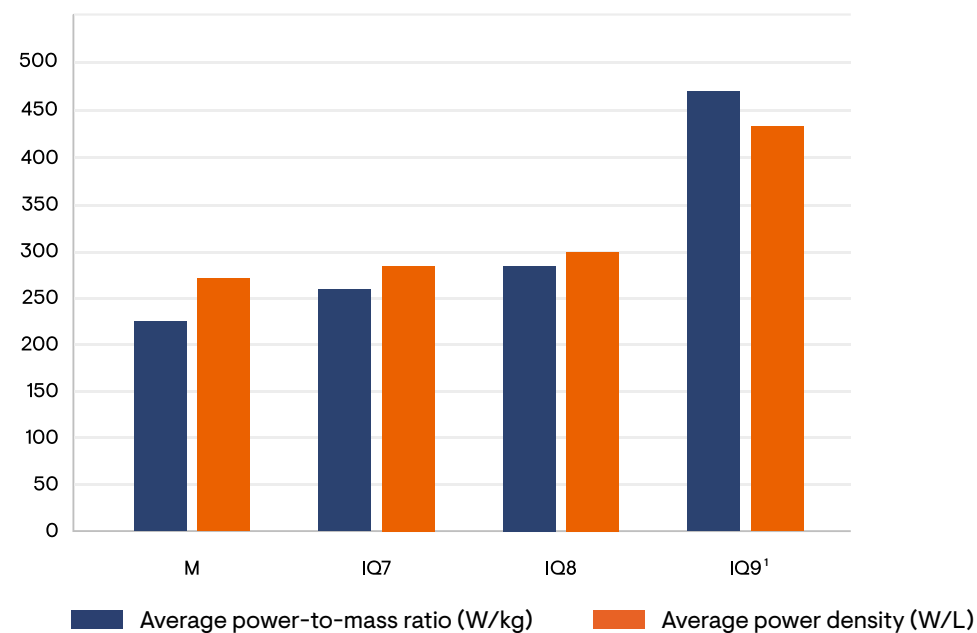
² Cumulative amount of material saved as of 12/31/2024, derived from number of units serviced multiplied by mass of material saved per unit

Chart 5 Equipment serviced in-situ



Over time, our engineers have improved the power output and materials efficiency of our microinverters, resulting in reduced cost and allowing for pairing with high-powered, next-generation solar panels. We are dedicated to delivering industry-leading products that meet or exceed the standard of quality, reliability, and performance.

Chart 6 Microinverter series materials efficiency



¹ Estimated values for future product series

Safety and compliance

Enphase Energy Systems are inherently safer due to their AC system architecture. By converting high-voltage, direct current (DC) from individual solar panels to low-voltage AC at the panel, microinverters virtually eliminate arc fault fire risk in solar installations. This benefit is magnified when storage is added, as our IQ Batteries use a stable, safer lithium iron phosphate (LFP) chemistry and are AC-coupled, meaning they charge and discharge using AC rather than DC.

Firefighters across the globe have welcomed the safety of Enphase Energy Systems. We have trained thousands of firefighters on the critical strategies and tactics needed to mitigate structure fires that involve PV and energy storage systems (ESS), and remain committed to setting the gold standard with respect to PV and ESS safety. For more information, please see our [Energy Story: Safety and Solar](#).



Safer lithium iron phosphate (LFP) battery chemistry



Safer AC-coupled system architecture

Safety comes first for those working on our product development. The Product Life Cycle Process (PLCP) outlines all actions required to bring a product from concept through to end-of life, and covers product safety issues exhaustively, requiring hazard risk assessments, safety plans, safety trainings, emergency preparedness and response plans, and Occupational Health and Safety Agency (OSHA) compliant Emergency Action Plans (EAPs) specific to that product. Once deployed, safety performance is monitored through our cloud-based software. Any field incidents are promptly investigated and appropriate corrective actions taken.

Procedures for monitoring and managing risks associated with the inclusion of harmful chemicals in products are covered in the PLCP as part of a broader compliance review process. All products are certified to the following compliance standards promoting product responsibility:



Restriction of Hazardous Substances Directive (RoHS)



Registration, Evaluation, Authorization and Restriction of Chemicals Directive (REACH)



Waste Electrical and Electronic Equipment Directive (WEEE)



EU Battery Regulation

Waste management

We manage our electronic waste (e-waste), hazardous waste, and universal waste. These waste streams are responsibly handled by certified vendors who provide certificates of destruction, outlining the percent composition, mass, and recycling method employed for each constituent material. Our battery recycler is certified to the Responsible Recycling (R2) standard for responsible recycling, which prohibits incineration as a disposal solution. All battery waste is processed to recover valuable metals and recycle the remaining plastic and byproducts, allowing for the most valuable components to be reused as material inputs for new products.

We also make a conscious effort to ensure responsible resource consumption across our facilities. Water conservation is encouraged, and we have installed auto stop taps to reduce consumption. Facilities are equipped with reusable and compostable materials; single-use items are eliminated; and employees are provided with reusable dishware, utensils, and mugs. Ink cartridges, organics, plastic, glass, cardboard, fluorescent bulbs, and metal scraps are recycled as standard practice among facilities.

Our environmental audit program includes periodic and complete evaluations of our product development and research and development (R&D) centers. Audits include air and water quality, waste management practices, spill prevention and control, hazardous materials management, and employee awareness.

Table 5 Waste management¹

Waste type	Amount generated (MT)	Amount diverted from disposal (MT)	Percent recycled (%)	Percent directed to landfill (%)
Hazardous waste	0.75	0.75	100	0.0
E-waste	105.80	105.80	100	0.0
Universal waste	17.82	17.82	100	0.0

¹Hazardous waste, e-waste and universal waste across Germany, India, New Zealand and United States operations

E5. Responsible supply chain

We are committed to sourcing components and materials from companies that share our values around human rights and ethics. We work closely with contract manufacturers to ensure our products are made to the highest environmental and socially responsible standards.

Codes and policies

Our codes and policies reflect our principles and define expectations for responsible behavior among suppliers. We require all suppliers to sign and return certifications indicating they will abide by our Supplier Code of Conduct and apply the requirements contained therein to sub-suppliers.

[Supplier code of conduct](#)

[Human rights policy](#)

[Conflict minerals policy](#)

“We are committed to sourcing components and materials from companies that share our values around human rights and ethics.”

Forced labor and conflict minerals

We take the issues of slavery and human trafficking very seriously and will continue doing our part by responsibly managing our supply chain to help eradicate human trafficking and slavery. As stated in our Supplier Code of Conduct, our suppliers must not support, promote, or engage in the practice of forced labor, child labor, slavery, or human trafficking. The Supplier Code of Conduct requires our suppliers, next tier suppliers, and subcontractors to comply with all international standards and applicable laws regarding slavery and human trafficking and to conduct due diligence of their operations to verify compliance that the materials used in our products comply with laws regarding human trafficking and slavery. Also see our [California Transparency in Supply Chains Disclosure](#).

100%

CMs certified to the Enphase Supplier Code of Conduct

100%

Conflict minerals reporting template (CMRT) completion rate

We are committed to following all materials guidance and environmental regulatory compliance requirements of the countries in which we operate. We do not use cobalt in our batteries as this mineral represents an increased risk of being sourced from the Democratic Republic of the Congo (DRC) and other conflict-affected areas associated with unfair labor practices. Our conflict minerals disclosure on responsible sourcing is updated annually and filed with the Securities and Exchange Commission (SEC) and posted on our website. For additional information, please refer to our most recent [conflict minerals report](#).

Manufacturing

Our sourcing strategy emphasizes global procurement of materials and outsourced product manufacturing to third party contract manufacturers (CMs). In 2023, we began shipments of our microinverters from our contract manufacturing facilities in the United States. The IRA enabled us to begin manufacturing in the United States, creating new jobs and advancing the country’s clean energy economy. In 2024, we also began shipping IQ Battery 5Ps from our contract manufacturing facilities in the United States.

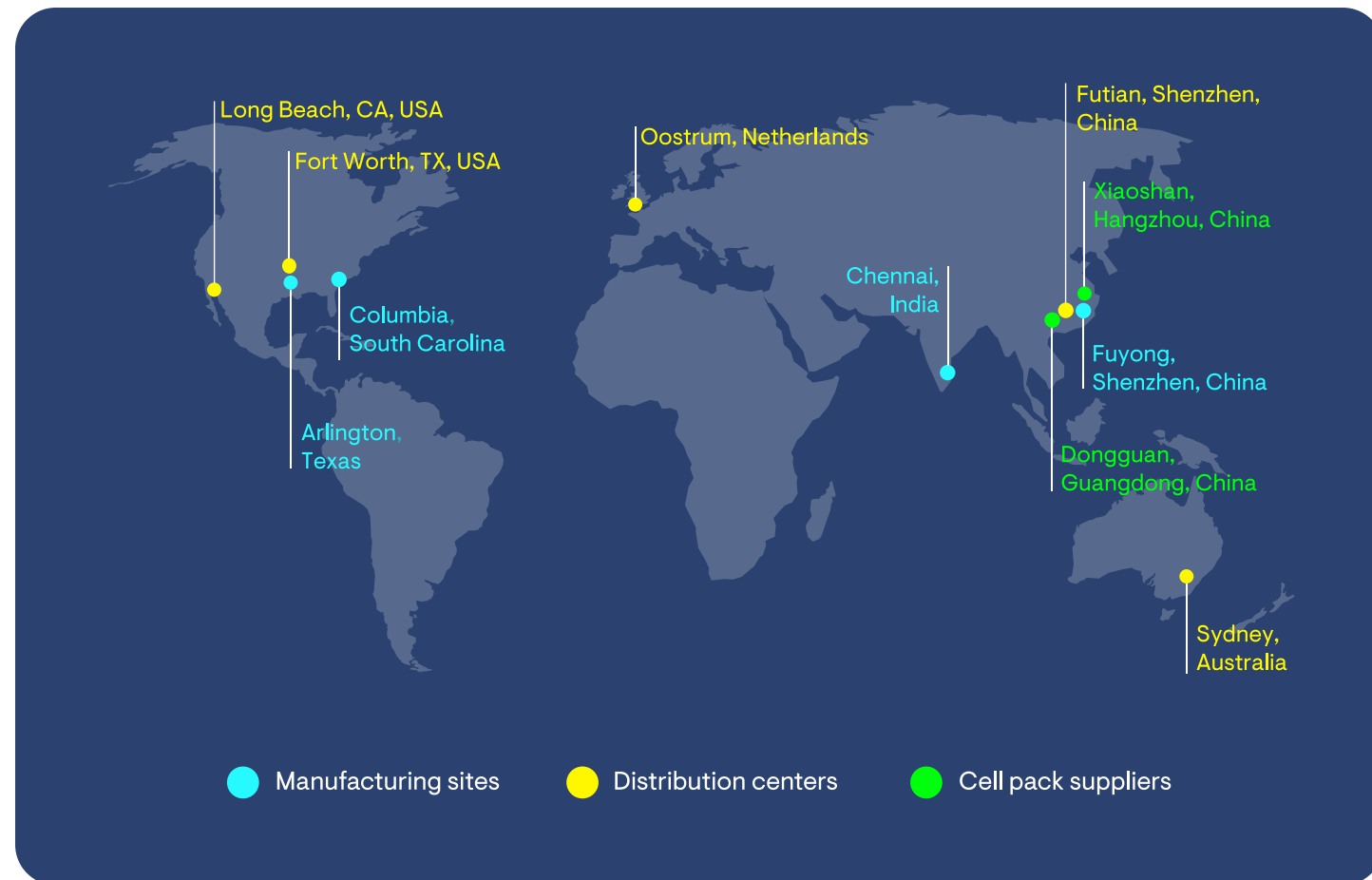
100%

CMs certified to ISO 14001:2015 Environmental Management System (EMS)

100%

CMs certified to ISO 9001:2014 Quality Management System (QMS)

Chart 7 Global supply chain



29M

microinverters per year¹

1.2+GWh

of battery storage per year¹

1,200+

jobs created in U.S. manufacturing

¹Annual production capacity

Supplier assessments

We are committed to producing high-quality, reliable products in a manner consistent with our high standards for environmental and social responsibility. Our Quality Team assesses supplier performance from initial screening and onboarding through the termination of the relationship to ensure adherence to the expectations set forth in our codes and policies.

“Our Quality Team assesses supplier performance from initial screening and onboarding through the termination of the relationship to ensure adherence to the expectations set forth in our codes and policies.”

Due to the volume of suppliers supporting our business, we separate our Supplier Quality Assessment (SQA) process into two phases – an initial screening and onboarding phase which applies to all suppliers, and a follow-on monitoring phase which covers a smaller set of priority suppliers identified as at-risk for non-compliance. Inclusion for ongoing monitoring is determined by a weighted scorecard of factors covering strategic importance, technology type, supplier location, and percentage of total procurement spend.

As a signatory to the Solar Energy Industries Association (SEIA) Forced Labor Prevention Pledge, any indication that a supplier represents a forced labor risk automatically qualifies that supplier as “high risk” and subject to ongoing audits. Additional efforts beyond auditing to identify and eradicate forced labor include mapping the supply chain up to the third tier, deploying detailed supplier questionnaires, and systematic data intelligence gathering. These measures are designed to enhance transparency and traceability across multiple tiers of the supply chain and ensure alignment with our ethical standards and regulatory obligations.

Table 6 SQA environmental, labor and human rights, and health and safety factors¹

Topic	Assessment criteria
Environmental	<ul style="list-style-type: none"> Environmental policy Environmental Management System (EMS) certification REACH and RoHS compliance Conflict minerals report submitted
Labor and human rights	<ul style="list-style-type: none"> Workforce policies covering human rights, labor rights, and prohibition of slavery and human trafficking Conformance to Uyghur Forced Labor Prevention Act (UFLPA) requirements
Health and safety	<ul style="list-style-type: none"> Evidence of OHS rules and practices Accident reporting Annual fire drill and emergency response procedures

¹Not exhaustive

Chart 8 SQA process

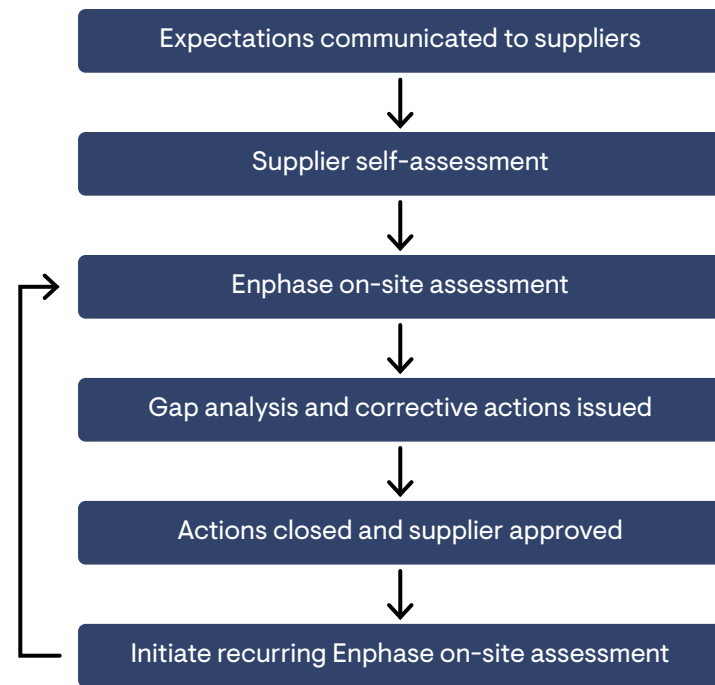


Table 7 2024 Supply chain assessment results, non-compliance

Supplier	Environmental noncompliance rate (%)	Social noncompliance rate (%)	Screened for environmental and social criteria (%)
CMs	5.0	0.0	100.0
Priority suppliers	0.0	11.5	100.0

Table 8 2024 Supply chain assessment results, corrective actions

Supplier	Environmental corrective actions issued (ct.)	Social corrective actions issued (ct.)
CMs	1.0	0.0
Priority suppliers	0.0	3.0

E6. Case studies

United States

E2 Solar worked with the Glass Museum in Sandwich, Massachusetts to help keep electrical operating costs down with the addition of solar. The irregular roof created design challenges, and the Enphase IQ8-3P Commercial Microinverters allowed the solar system to be mounted on six different roof planes and stay hidden from the street, while keeping the AC output in compliance for the utility.

Sandwich Glass Museum

Organization

E2 Solar

Enphase product installer

Sandwich, MA

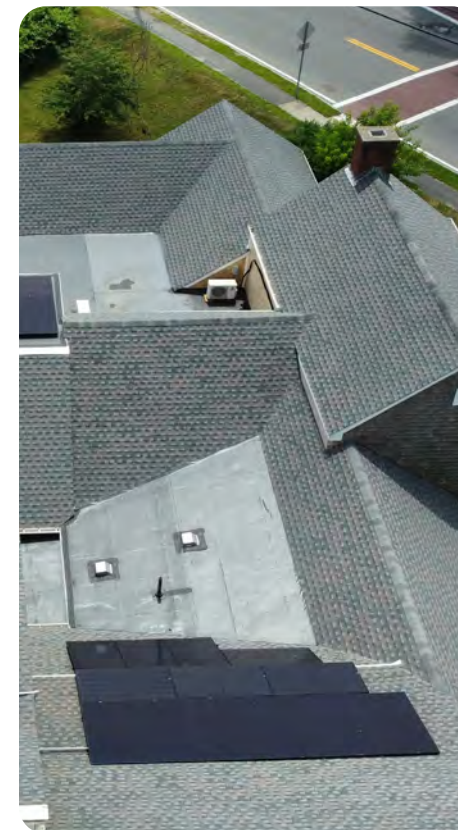
Location

28.0 kW

solar energy system size

29.7 MWh

estimated annual production



United States

The Enphase commercial solution was chosen by EightTwenty, to fit the goals of Spur Design who wanted to generate positive cash flow, take advantage of tax benefits, and increase the overall value of multiple properties. The asset owner had been experiencing consistent increases in utility costs. Now, with this solar investment, all of the electricity consumption is estimated to be offset. The asset owner has peace of mind to know the Enphase purchase is backed by an industry-leading warranty to support solar production for decades.

Spur Design

Organization

EightTwenty

Enphase product installer

Oklahoma City, OK

Location

45.1 kW

solar energy system size

65.7 MWh

estimated annual production



Brazil

Enphase and Onway Energy installed a 500.5 kW system on the roof of Diviforma, a well-known manufacturer of wooden partitions. Given all the wood in their storage, their main concern was the possibility of fire caused by the solar system. This made Enphase the right choice for this project. Another key consideration for this project was Enphase's market-leading warranty.

Diviforma

Organization

OnWay Energy

Enphase product installer

Brasília

Location

500.5 kW

solar energy system size

767.6 MWh

estimated annual production



Spain

Enphase and Alternativas Energéticas Vaquero SL, an installer of Enphase products in Spain, installed a solar and battery system on one of the main buildings of La Pinilla Ski Station in Segovia, Spain. The system will help to reduce the electricity bill of the ski station facilities, hotel, and restaurant. The installer and the owner of the facilities decided to install an Enphase Energy System due to its reliability and safety. They also chose Enphase products so they can easily expand the system in the future to add more power and storage.

La Pinilla Ski Station

Organization

Alternativas Energéticas
Vaquero SL

Enphase product installer

Segovia

Location

18.8 kW

solar energy system size

19.8 MWh

estimated annual production



Australia

The YMCA Australia's Strategy 2030 is a global initiative to help tackle the world's most pressing challenges. The initiative is focused on "Four Pillars of Impact" – community wellbeing, meaningful work, a sustainable planet, and a just world. Enphase partnered with Island Energy and Magma Electrical to install more than 270 kW across four YMCA Discovery Camps in Victoria, Australia, to support the YMCA's local sustainability efforts.

YMCA Australia

Organization

Island Energy and Magma
Electrical

Enphase product installer

Anglesea, Victoria

Location

270.0 kW

aggregated solar energy system size

372.8 MWh

estimated annual production



Philippines

Enphase and WeGen Energy Philippines Inc. collaborated to support the Local Government Unit (LGU) of Infanta in its mission to champion the environmental protection of the Southern Tagalog region. Through advocacy, clean energy, and education, the goal is to minimize the industrial threat to the local Indigenous population and their ancestral lands.

Infanta Quezon Local Government Unit

Organization

WeGen Energy Philippines Inc.

Enphase product installer

Infanta, Quezon Philippines

Location

87.4 kW

solar energy system size

123.9 MWh

estimated annual production



India

SolarSquare Energy, an installer of Enphase products, installed a 341.2 kW solar system featuring 638 IQ Microinverters at the SNN Raj Greenbay Apartment complex. The site posed significant challenges for solar installation due to the highly distributed buildings and multiple obstructions leading to shadowing on the installation site. Enphase microinverter technology stood out due to its high performance, long-term warranty, and detailed system monitoring and insights. This helps ensure efficient energy capture despite partial and shifting shadows throughout the day.

SNN Raj Greenbay Apartment complex

Organization

SolarSquare Energy Pvt. Ltd.

Enphase product installer

Bangalore

Location

341.2 kW

aggregated solar energy system size

498.2 MWh

estimated annual production



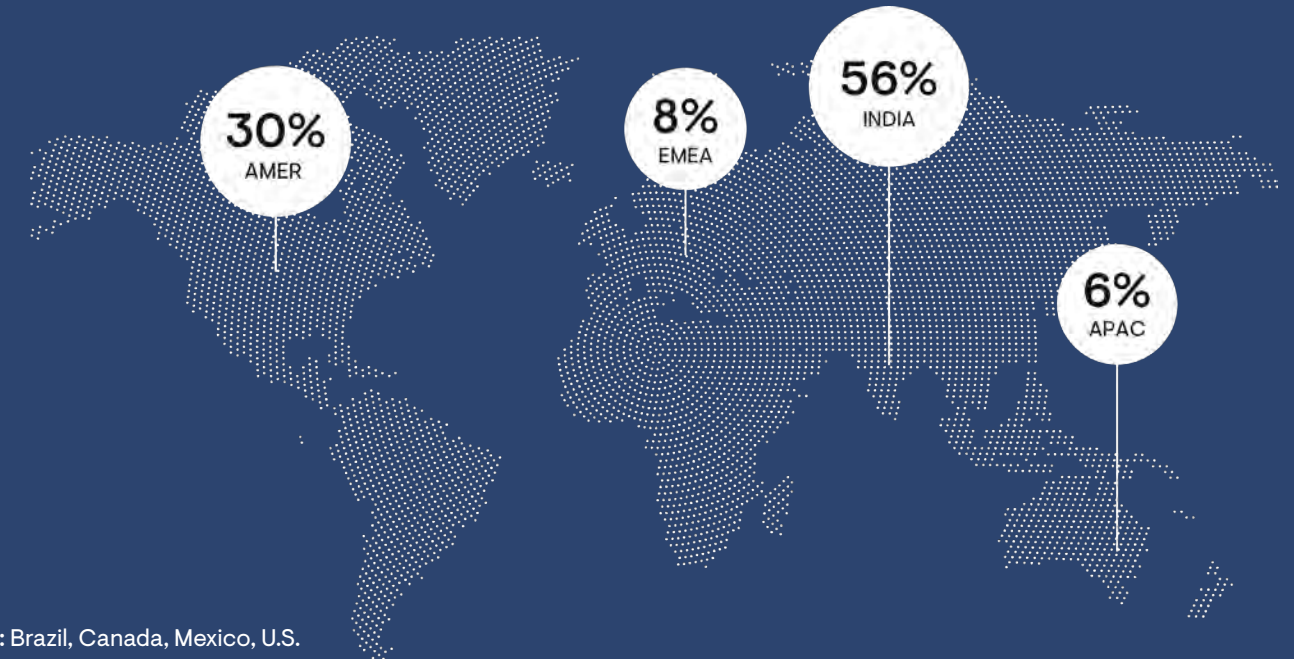
Social

People and culture are critical to our success. By attracting and retaining top talent, providing opportunities to learn and grow, and cultivating a welcoming, equitable, and safe work environment, we can consistently deliver best-in-class energy systems to homeowners and businesses around the world.



S1. Company demographics

Geographic headcount



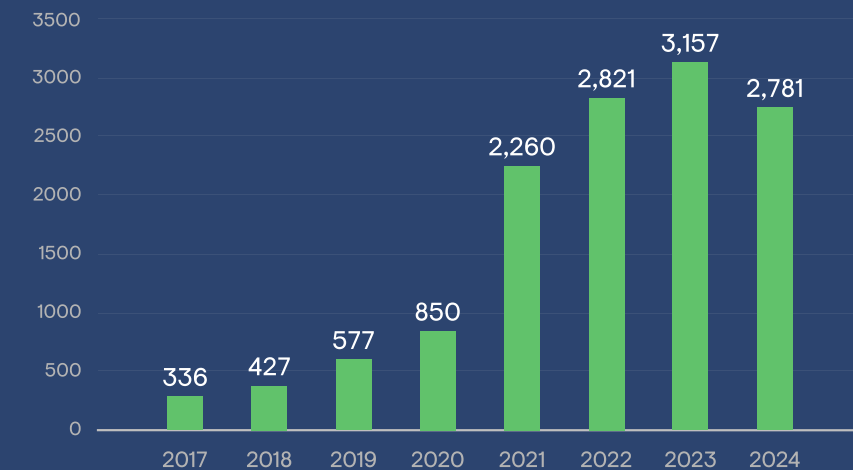
AMER: Brazil, Canada, Mexico, U.S.

INDIA

APAC: Australia, China, Indonesia, Japan, Philippines, Thailand

EMEA: Austria, Belgium, France, Germany, Hungary, Italy, the Netherlands, Poland, Portugal, South Africa, Spain, Sweden Switzerland, U.K.

Employee headcount



S2. Attracting and retaining the best

We are committed to building a world-class, high-performing team and have established relationships with top universities worldwide, professional associations, and industry groups to maintain a strong talent pipeline. Our competitive compensation and comprehensive benefit packages enable employees and their families to achieve a nice quality of life and opportunity to plan for the future.

Table 9 Employee benefits¹

Type	Offerings
Health	<ul style="list-style-type: none"> • Medical, dental, and vision insurance plans • Health Savings Account (HSA) • Flexible Spending Account (FSA) • Fertility care plan • Business travel medical plan • Life and disability insurance
Wellness	<ul style="list-style-type: none"> • Paid holiday, vacation, special leave, and sick leave • Paid parental leave • Paid disability leave • Employee Assistance Program (EAP) • Mental health awareness and stress management courses • Virtual fitness programs • Remote work options
Health and safety	<ul style="list-style-type: none"> • 401(k) retirement plans • Stock-based compensation through Restricted Stock Units (RSUs) • Employee Stock Purchase Plan (ESPP) • Quarterly bonus or commission plans

Employee engagement and satisfaction

Our employee engagement efforts include quarterly all-employee town hall meetings - which keep our employees well-informed and increase transparency - and employee engagement events, where we foster teamwork and networking to strengthen our workplace culture. An annual Employee Net Promoter Score (eNPS) survey is sent to all employees, and the responses inform program development for the following year. All employees receive annual performance reviews and merit-based compensation increases, keep regular one-on-one meetings with their manager, and are provided well-defined career advancement pathways for their specific role in the company.

¹ Benefit offerings vary by country; Five days (40 hours) of paid sick leave at 100% pay (U.S. only); Family Medical Leave Act (FMLA) provides for 12 weeks paid parental leave (U.S. only)

Table 10 Gender demographics

Employee group	Female (%)	Male (%)	Undisclosed (%)
Executive officers (16)	18.8	81.2	0.0
Leadership (203)	10.8	89.2	0.0
Managers (571)	13.8	86.2	0.0
All employees (2781)	18.8	80.9	0.3

Table 11 Ethnic demographics¹

Ethnicity	Employee group		
	All employees (%)	Leadership (%)	Managers (%)
American Indian or Alaska Native (not Hispanic or Latino)	0.1	0.0	0.5
Asian (not Hispanic or Latino)	20.1	47.1	37.1
Black or African American (not Hispanic or Latino)	3.9	0.8	2.0
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	2.0	1.7	2.4
Two or more races (not Hispanic or Latino)	3.4	0.0	0.5
Undisclosed	11.5	3.3	7.3
White (not Hispanic or Latino)	59.0	47.1	50.2

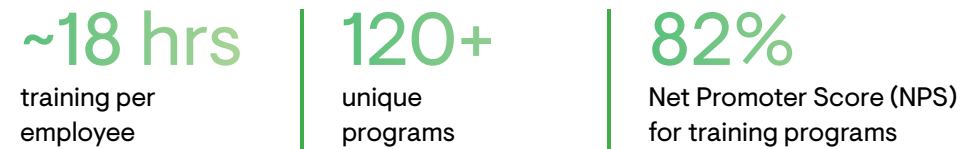
Table 12 Age demographics

Employee group	< 30 Years (%)	31-50 Years (%)	> 50 Years (%)	Undisclosed (%)
Leadership	0.0	59.6	40.4	0.0
Managers	3.0	77.4	19.2	0.4
All employees	32.3	56.7	10.5	0.5

¹U.S. only

S3. Enabling growth and advancement

Enphase Learning Academy is the global hub for Learning and Development (L&D), offering tech talks, job-related training, soft skills courses, and leadership development programs to all employees, including part-time employees and contractors. Pillars of the L&D program include access to an extensive AI-powered online learning platform, robust orientation and onboarding programs, in-person trainings, and support for continuing formal education and leadership development.



Management and Leadership Development

Enphase offers a structured Management Development Program designed to address real-world managerial challenges through knowledge sharing, networking, projects, assignments, and role-plays. The Leadership Development and Mentoring Program helps cultivate emerging leaders at Enphase. The program prepares participants for future leadership roles by partnering them with experienced leaders and equipping them with essential skills, strategies, and perspectives to drive innovation and success.

Education Assistance Program

After one year of employment, all full-time employees are eligible to participate in the Education Assistance Program which provides financial support to pursue formal education or certifications which enhance performance in a current role or the potential to succeed in an aspirational role or career path.

Ennovate innovation competition

In 2024, Ennovate, the annual company hackathon, received 139 stunning ideas across three broad themes - software, systems, and business processes - of which 48 were shortlisted for review by our executive team. The ideas were funded by Enphase for demonstration or prototype creation, and the best ideas were awarded with a cash prize based on their novelty and business potential.

S4. Cultivating a fair and supportive workplace

Our motivation to build fairness, equal opportunity, and security into our work culture stems from the recognition that top talent and great ideas come from people of all cultures and backgrounds. As a high-performing organization, we encourage a wide berth of perspectives and experiences to help stimulate creativity and innovative thinking by eliminating unconscious bias in recruitment and hiring while also supporting programs and initiatives focused on promoting fair business practices.

Our women's Employee Resource Group - WE SPARK - and development program - WE RISE - create opportunity for women at Enphase to connect, share experiences, and support one another in both their personal growth and career advancement.

Pay parity

Maintaining internally consistent and non-discriminatory pay and pay practices is a key element of our compensation philosophy. In 2024, we completed a review of pay practices to validate our performance and found pay practices are fair, with a female to male pay ratio of 101%.

Partnerships

We are continuing to honor the ParityPledge, which requires a commitment to interview and consider at least one qualified woman and person of color for every open role, vice president and higher, including C-Suite and the Board.

We continued reviewing our people management practices for alignment to the SEIA DEIJ program curriculum. The program offers a wide variety of courses designed to help companies build a fair and effective solar industry workforce.

We continued our partnership with Women in Cleantech & Sustainability, an organization that fosters an influential network of professionals to further the roles of women in growing the green economy and making a positive impact on the environment.

“Our motivation to build fairness, equal opportunity, and security into our work culture stems from the recognition that top talent and great ideas come from people of all cultures and backgrounds.”

Health and safety

In 2024, we published the first comprehensive Occupational Health and Safety (OHS) manual for Enphase, which contains detailed information on the OHS program covering governance and management, safety recordkeeping, employee training, hazard assessment, audits, and emergency preparedness procedures and much more.

Chart 9 Key elements of Enphase OHS program

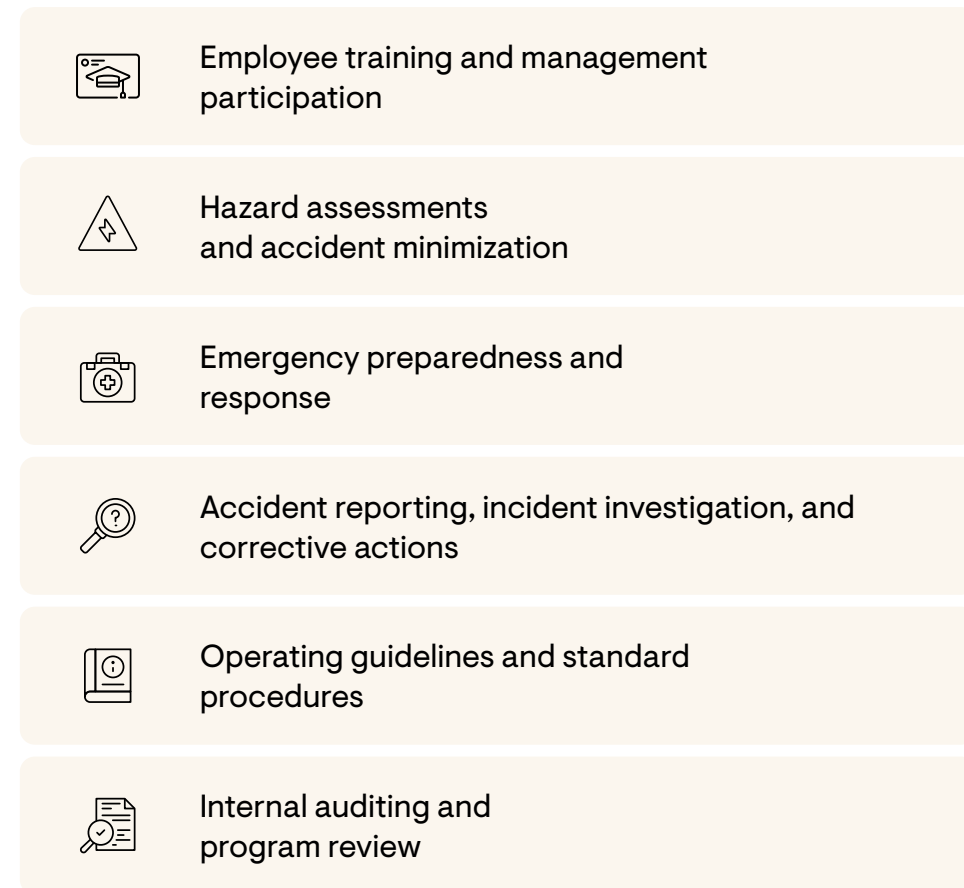


Table 13 2024: Accident and injury rates¹

	Total Recordable Incident Rate (TRIR)	Lost Time Incident Rate (LTIR)	Days Away, Restricted, Transfer (DART)	Fatalities ²
Enphase Energy	0.47	0.22	0.40	0
Industry Benchmark ³	0.70	0.50	0.30	n/a

¹North America, New Zealand, and India operations

²Includes Enphase and contract employees

³NAICS code 334413 – Semiconductor and Related Device Manufacturing

S5. Customer experience

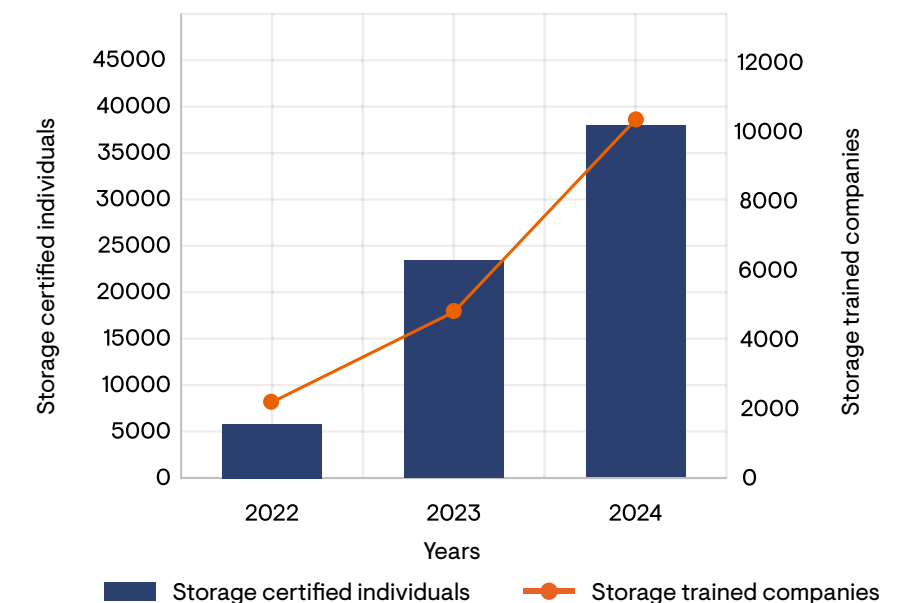
We continue to cultivate an organizational focus on customer satisfaction and are committed to providing a best-in-class customer experience. We maintain high levels of customer engagement through our customer support group, Enphase community, and the Enphase App. We continue to provide 24/7 support for installers and Enphase system owners globally across our phone, online chat, and email channels. We continue to train our customer service agents with a goal of reducing average customer wait times to under two minutes, and we continue to expand our network of field service technicians in the United States, Europe, and Australia to provide direct homeowner assistance.



“We maintain high levels of customer engagement through our customer support group, Enphase community, and the Enphase App.”

The Enphase University platform is an on-demand platform where installers can become certified in the sales, design, and installation of Enphase products. We offer more than 75 unique certification and qualification courses for our installers, available in 25 native languages across the United States, Latin America, Europe, South Africa, Australia, and Asia Pacific. In addition, Enphase conducts in-person training events at regional training centers across the globe, and operates mobile vans equipped with live Enphase systems to reach remote installer communities across the United States and Puerto Rico. Training is also available on demand via our Enphase Energy Training YouTube channels where we currently have approximately 6,000 subscribers worldwide.

Chart 10 Installer training



S6. Corporate Social Responsibility

United States



GRID Alternatives

Since 2012, we have supported GRID Alternatives, a national non-profit leader, in its mission to build community-powered solutions to advance economic and environmental justice through renewable energy. GRID works towards this mission by organizing solar installations and providing job training in low-income communities. Through the partnership, we donate our industry-leading microinverters, batteries, and EV chargers for GRID projects. These products further GRID's important work in bringing energy resilience to disadvantaged communities and advancing the clean energy transition.

48 MW
solar installed

11,132
system installed

\$319 million
expected lifetime savings

801,586 tons
of GHG emissions avoided¹



¹Based on data provided by GRID Alternatives



Petaluma schools

Enphase and Petaluma schools partnered for a career day to introduce high school students to the opportunities in solar, energy storage, and energy management technologies. Students learned about the importance of renewable energy, received hands-on experience with state-of-the-art equipment in Enphase's training lab, and discussed the variety of career opportunities available in clean technology with company leaders.



The Footprint Project

Enphase continued supporting the Footprint Project in its mission to "Build Back Greener" after natural disasters by providing clean energy to communities in crisis. In the wake of the Hurricane Helene disaster in 2024, Enphase donated equipment to deploy four grid-tied PV and battery backup systems in the impacted area. Enphase also donated equipment to support relief efforts of the Lahaina Resource and Recovery Center following the devastating wildfires in Maui.



R. Buckminster Fuller Dome

Enphase partnered with the R. Buckminster Fuller Dome organization to power a local museum dedicated to Buckminster ("Bucky") Fuller's legacy with renewable energy. Bucky was a pioneer in thinking globally and explored energy and material efficiency in the fields of architecture, engineering, and design. Bucky's vision to "make the world work for 100% of humanity in the shortest time possible" has inspired many to pursue careers in advancing global sustainability.



Empowered by Light

Enphase partnered with Empowered by Light to distribute 25 Enphase IQ® PowerPack 1500 portable batteries and solar panels to firefighting strike teams and communities in Los Angeles, California, following the devastating wildfires. The IQ® PowerPack 1500s and portable solar panels were used to charge cell phones, laptops, satellite receivers, radios, lighting, and other small critical devices. Learn more on Empowered by Light's [website](#).



Florida Solar Energy Industries Association

Enphase donated equipment to support the Florida Solar Energy Industries Association’s (FLSEIA) participation in the Future Builders of America leadership summit, an annual event for high schoolers to learn about career opportunities in the construction industry, including instruction on how to install solar PV systems.



India Sudar Educational and Charitable Trust

Enphase continued its contribution to schools across rural Karnataka by developing essential facilities infrastructure such as installing female restrooms, computer centers, and libraries. The project also aims to create employment opportunities in the local village areas surrounding the schools.

Australia



ME POWERUP

Enphase, MEA POWERUP, and Excel Power joined forces to donate a five kW off-grid solar system for a remote birthing clinic in Timor-Leste, a village with a population of approximately 250 people and no running water or electricity. The system will help provide consistent electricity to improve infant mortality, which is currently 30%.



Vathsalya Charitable Trust

Enphase provided educational sponsorship along with comprehensive support services to enhance the overall development and future prospects of 135 underprivileged children, particularly girls, in the vicinity of Pillana Garden and surrounding areas.

Thailand



SCG Future Energy

Enphase and SCG Future Energy collaborated to donate Enphase IQ® Microinverter-powered solar systems to two universities in Thailand. The objective of the donation is to both educate students about leading solar power technology and offset daytime electricity costs.



Maharaja Energy

Enphase partnered with Maharaja Energy to install and maintain two community osmosis plants, helping to provide clean drinking water in areas of suburban Bangalore.

India



Trinity Cares Foundation

Enphase continued its partnership with Trinity Cares Foundation by donating cutting-edge computer labs to two schools, helping to train government school teachers in computer-assisted instruction and providing underprivileged students the opportunity to achieve computer literacy. An Enphase solar PV system was also installed to ensure sustainable and uninterrupted power.



Sharon Educational Charitable Trust

Enphase partnered with the Sharon Educational Charitable Trust to improve the infrastructure at Sharon School by establishing a science laboratory and providing supporting materials including magnetic boards, furniture, closed-circuit television systems, laptop computers, and a water purifier.



Le Rhythme

Enphase partnered with Le Rhythme to support women empowerment and skills training programs for 100 female students in the fields of banking and financial services.

Governance

Our corporate governance framework is rooted in risk management and compliance, which serves as a foundation for sustainability efforts at Enphase.



G1. Oversight and management

Our sustainability program structure drives attention to relevant environmental and social risks and opportunities across all organizational levels, enabling the development of thoughtful strategies on a variety of environmental, social and governance matters. We make every effort to balance the concerns and long-term interests of a wide range of stakeholders such as suppliers, employees, customers, installers, investors, and regulators with business priorities and objectives to develop and implement a competitive ESG strategy which promotes positive, lasting outcomes for society and the environment.

We maintain a decentralized, dotted-line structure for identifying, communicating, and managing sustainability issues which frequently span functional boundaries and call for differing combinations of domain expertise depending on the topic under discussion. Generally, the Nominating and Corporate Governance Committee (NGC) of our Board of Directors (“Board”) oversees ESG matters, approving the strategy developed by the Executive Leadership Team, which is implemented through supporting Working Groups. Additional information about the role of the Board and its various committees is available in our [Corporate Governance Guidelines](#) and our most recently filed [Proxy Statement](#).

“Our ESG program structure drives attention to relevant environmental and social risks and opportunities across all organizational levels, enabling the development of thoughtful strategies on a variety of ESG matters.”

Chart 11 ESG oversight and management

	<ul style="list-style-type: none"> • The NGC oversees ESG matters including strategy, initiatives, policies, and outreach to investors and other interested stakeholders • The Board is updated on ESG matters at least annually and approves the strategy and objectives defined by the ESG Executive Leadership Team
	<ul style="list-style-type: none"> • The ESG Executive Leadership Team is comprised of representatives from executive management • Meets quarterly to review ESG risks and opportunities, discuss emerging trends, orient strategy, define objectives, and ensure appropriate resourcing
	<ul style="list-style-type: none"> • The ESG Working Groups are comprised of teams across legal, supply chain management, operations, health and safety, product and service quality, business ethics and corruption, sourcing and conflict minerals, human capital management, compliance, and disclosure business functions • Implements the strategy articulated by the ESG Executive Leadership Team and approved by the Board

G2. Business ethics and compliance

At Enphase, we hold ourselves to the highest ethical standards, and believe that all people should be treated with dignity and respect. The Enphase Code of Conduct (“Code”), applicable to all officers, directors, employees, contractors and consultants, sets forth guidelines to ensure proper and ethical behavior, legal compliance, and adherence to company standards, policies, and procedures. The Code expressly prohibits unethical behavior in the areas of bribery, corruption, facilitation payments, conflicts of interest, and mandates compliance to all laws of the countries in which we operate.

All Enphase employees, including supply chain and procurement managers, are required to complete compliance training during onboarding and refresher training every year thereafter, throughout the duration of employment. The trainings cover the substance of company codes and policies, supplemented with practical examples and guidelines of what is considered acceptable behavior. Employees must pass an exam and sign off digitally to confirm comprehension of the training materials to receive credit for compliance training completion.

100%

Compliance training completion

0

No material violations of the Code of Conduct in 2024

We take matters of ethics and integrity seriously at all levels of our organization and communicate the existence of our anonymous, third-party whistleblower hotline to all Enphase employees and suppliers, made available in most local languages where we operate. Employees and suppliers are encouraged to report any grievances or witnessed or suspected non-compliance to our codes and policies to ensure the highest levels of ethics and integrity are upheld across our operations.

The hotline is available 24 hours a day, seven days a week, and structures are in place to monitor all reported instances of non-compliance. All reports are investigated promptly with the highest degree of confidentiality. Retribution or retaliation against whistleblowers is strictly prohibited. Employees are also encouraged to report any suspicious or unethical activity directly to their manager, the human resources department (or human resources representative), the legal department, or our Compliance Officer. Corrective actions are taken by managers, executive sponsors, and the Audit Committee of the Board when appropriate.

“At Enphase, we hold ourselves to the highest ethical standards, and believe that all people should be treated with dignity and respect.”

“We train our workforce about our privacy policy and other data processing activities, and frequently refer to it in developing and maintaining our products and services”

G3. Data privacy, cybersecurity, intellectual property

Data privacy and cybersecurity

We continue to carry out our belief that every global citizen is entitled to strong privacy protection. This belief is carried out in our data privacy and cybersecurity programs.

Our data privacy program is a single framework governing all processing of personal information, derived from the world’s strictest standards, including the EU’s General Data Protection Regulation (GDPR), California’s Consumer Privacy Act (CCPA) and California Privacy Rights Act (CPRA), and the most stringent of requirements from various other state and federal privacy laws. Every processing activity follows this uniform framework, which ensures that we treat our employees, customers, partners, and general consumers in the proper way. As a few notable examples:

- We never sell personal information
- We give individuals notice and choice – notice of how we process their personal information, including who we share it with, and a choice of such processing where possible. This includes built-in consent in many instances where it is not legally required
- We comply with data subject requests regardless of where the data subject is located, including requests to access, delete, know, rectify, and not sell or share
- Our privacy team routinely engages with consumers on data issues, even where there is no legally recognized privacy request
- We demand best-in-class privacy clauses with our service providers/processors

Our public privacy policy continues to reflect our privacy practices globally, including all data processing activity in each of our various businesses. Going beyond simply legal compliance, our privacy policy was created and continues to evolve based on what is “right” rather than merely what is “required.” Our policy is routinely reviewed and updated in accordance with leading data privacy laws, internal policies, and to reflect improvements in internal practices consistent with the principles above. We train our workforce about our privacy policy and other data processing activities, and frequently refer to it in developing and maintaining our products and services.

All partner engagements involving personal information are done with guidance from our privacy team, which seeks to ensure that our partners abide by our privacy expectations above. With our service providers/processors, this includes privacy clauses that including definition of parties’ respective processing roles, restrictions on use and further transfer of personal information, definition of data retention periods, and other forms of data minimization.

We also deeply integrate our privacy and cybersecurity efforts, with the understanding that the confidentiality, integrity, and availability of personal information inherently impacts our delivery on privacy principles. In 2024, we broadened the trust criteria of SOC2 Type 2 certification and included additional services and business units, on top of the existing SOC2 Type 2 certification that covered our core businesses and architectures. We continue to work with various third-party cybersecurity experts and certification bodies to demonstrate our commitment to cybersecurity.

“We remain strongly committed to advancing the state of the art, including developing and protecting our technologies through various forms of intellectual property.”

We continue to include Board level oversight of cybersecurity, and have matured various components of our cybersecurity program, including improvements in risk identification and management, coordinated vulnerability reporting, Security Incident Response Team policy and procedures, and management and evaluation of escalated incidents and outward reporting obligations. Our cybersecurity program continues to mature through improved documentation, tools and resources, tabletop exercises, cross-functional involvement, and other improvements.

Intellectual property

We remain strongly committed to advancing the state of the art, including developing and protecting our technologies through various forms of intellectual property. Patents and trade secrets are among our most valuable assets as they protect our investment in R&D. We place particular emphasis on protecting our digital innovation, including software and ASIC designs, through a specifically focused High-Value Trade Secret program. Our patent portfolio continues to be a best-in-class representation of our dedication to innovation. At the end of 2024, we had several hundred issued patents and another several hundred pending patent applications, covering microinverters, batteries, EV supply equipment, grid and microgrid interaction, our supporting hardware and software suite, and various components and technologies within these major categories. We expect this protection to continue to grow in the years ahead, owing both to our increased innovation and our focus on enhancing our intellectual property position.

As a leading international brand, we also protect our trademarks and have a portfolio of more than 100 unique trademarks, both registered and unregistered. Our domain protection reflects a similar intensity as we continue to expand internationally. We emphasize protection of our copyrights as well, where we restrict any use of Enphase copyrighted content without an express license granted by our intellectual property team.

We also protect all our confidential information with confidentiality agreements, required of employees and external parties. All of our R&D personnel have entered into invention assignment agreements with Enphase, requiring assignment of inventions, designs, and technologies.

Just as we expect others to respect our intellectual property, we similarly respect the rights of others, routinely evaluating relevant portfolios for freedom-to-operate, rigidly enforcing internal open-source consumption policies, observing Digital Millennium Copyright Act (DMCA) copyright takedown procedures, and ensuring that we are honoring others' intellectual property rights.



Appendix



“We recognize the importance of maintaining a positive and constructive relationship with our workforce, as it is instrumental in our pursuit of sustainable growth and innovation.”

Workforce policies

Labor rights

Enphase supports the fundamental rights enshrined in international labor standards. We believe that every individual has the right to associate freely and to engage in collective bargaining as protected by relevant laws and regulations. We are committed to complying with all applicable labor laws and standards in the countries where we operate, ensuring that our employees have the freedom to organize, negotiate, and express their collective interests. We recognize the importance of maintaining a positive and constructive relationship with our workforce, as it is instrumental in our pursuit of sustainable growth and innovation. Our workforce and labor commitments include:

- Paying a living wage
- Respecting the right to collective bargaining
- Respecting union rights
- Respecting workers' freedom of association
- Abiding by specific conventions or standards governing union rights, specifically the Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

Policy against discrimination

We do not tolerate discrimination of any kind based on race, color, sex, gender, gender expression, religion, sexual orientation, national origin, ancestry, disability, medical condition, genetic information, marital status, pregnancy, military or veteran status, or any other protected characteristic as outlined by federal, state, or local laws. This policy applies to all employment practices within our organization, including hiring, recruiting, promotion, termination, layoff, recall, leave of absence, compensation, benefits, training, and apprenticeship.

Policy against harassment

Enphase's policy prohibits sexual harassment (by a person of the same or opposite sex) and harassment based on pregnancy, childbirth or related medical conditions, race, religion, color, gender, gender identity, national origin or ancestry, citizenship, physical or mental disability, legally protected medical condition, family care status, marital status, registered domestic partner status, age, sexual orientation, military caregiver status, veteran status, or any other basis protected by federal, state or local law. All such harassment is prohibited in any Enphase Energy locations, including international locations. This policy applies to all persons involved in the operations of our Company. The policy also protects employees from harassment by vendors or clients. If harassment occurs on the job by someone not employed by Enphase Energy, the procedures in this policy should be followed as if the harasser were an employee of our Company.

Environmental impact accounting

Avoided emissions calculations

Avoided metric tons of carbon dioxide equivalent (MTCO₂e) figures found throughout the report were derived from actual kilowatt-hour (kWh) production of our deployed microinverter fleet as recorded in our Enlighten™ monitoring database, including a gross up factor of 1.2 to account for deployed systems which are not monitored in the database. The conversion of kWh production to carbon dioxide equivalent figures was made using the U.S. EPA Greenhouse Gas Equivalencies calculator.

GHG inventory methodology

We follow the GHG Protocol Corporate Standard in preparing our annual inventory. The reporting boundary for Scopes 1 and 2 includes leased facilities where Enphase has operational control. Scope 1 emissions are considered zero, as we do not operate a vehicle fleet or any large factories. Scope 2 emissions are derived from consumed electricity and heat among leased facilities globally.

Electricity and heat consumption were converted to CO₂e using emission factor data provided in the Emissions Factors for Greenhouse Gas Inventories provided by the U.S. EPA (eGRID2021) for U.S. locations and the Emissions Factors 2021 data set from the International Energy Agency (IEA) for international locations. Emissions calculations cover those attributable to carbon dioxide (CO₂), nitrous oxide (N₂O), and methane (CH₄) resulting from electricity generation, heat generation, and transmission and distribution losses. Emissions are converted to CO₂e by multiplying by their global warming potential (GWP), referencing default factors provided by the Intergovernmental Panel on Climate Change (IPCC). Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃) gases are excluded from our inventory, as leased facilities under our operational control do not produce significant amounts of these GHGs.

We completed a screening inventory as outlined in the GHG Protocol to determine which of the 15 Scope 3 categories to include in the GHG inventory. Factors influencing inventory inclusion or exclusion include relevance and the ability to capture and disclose accurate data.

The data supporting Scope 3 disclosures were provided by our third-party travel agency, contract manufacturers, and internal logistics team, covering purchased goods and services (category 1), upstream transportation and distribution (category 4), business commuting (category 6), and downstream transportation and distribution (category 9).

Emissions attributable to contract manufacturing were made using supplier-specific data, covering Scope 1 and Scope 2 of manufacturing activity at six manufacturing sites, representing substantially all of total contract manufacturing spend in 2024. The emissions disclosed represent only that fraction of activity attributable to the manufacture of Enphase products.

Emissions from upstream and downstream transportation were calculated using the distance-based method outlined in the GHG Protocol, covering freight of consigned raw materials into contract manufacturers (CMs) and distribution centers (DCs) and freight of finished goods from CMs to DCs or customers. Vehicles considered include aircraft, medium- and heavy-duty trucks, and waterborne craft. MTCO₂e estimates were calculated from emissions factors made available by each specific upstream or downstream carrier.

Renewable energy mix was calculated by referencing information made available by local utility grid operators for all leased facilities globally. Electricity consumption in kWh, as billed or estimated by square footage, was multiplied by the non-fossil fuel percentage of the specific utility grid mix and divided by the total kWh consumed. This figure also accounts for the impact of any PV systems or bi-directional EV chargers installed across leased facilities.

Table 14 Energy and emissions detail

Energy metric	Units
Energy intensity (kWh/\$M)	15,127
Aggregated energy consumption (MWh)	20,134
Grid electricity consumption (MWh)	19,266
Renewable energy consumption (MWh)	16,125
Non-renewable energy consumption (MWh)	4,060
Heat consumption (MWh)	1,294
Annual energy efficiency project savings (MWh)	195
Emissions metric	MTCO ₂ e
Location-based emissions (Scope 1 and 2)	14,663
Market-based emissions (Scope 1 and 2)	13,458

Table 15 Scope 3 emissions detail

Category	Name	Value
1a	Purchased goods and services (product)	-
1b	Purchased goods and services (non-product)	32,635
2	Capital goods	-
3	Fuel and energy related activities	-
4	Upstream transportation	9,502
5	Waste generated in operations	-
6	Business travel	998
7	Employee commuting	-
8	Upstream leased assets	-
9	Downstream transportation and distribution	1,614
10	Processing of sold products	-
11	Use of sold products	-
12	End-of-life treatment of sold products	-
13	Downstream leased assets	-
14	Franchises	-
15	Investments	-

Category	Screening comments
1a	Not deemed material
1b	Emissions resulting from product manufacturing
2	Not deemed material
3	Captured in category 1b, 4, 6, and 9 calculations
4	Freight of consigned raw materials into CMs and DCs
5	Not deemed material
6	Provided by third-party business travel agency
7	Not deemed material
8	Not deemed material
9	Freight of finished goods from CMs to DCs or customers
10	Not deemed material
11	Not deemed material
12	Not deemed material
13	Not applicable
14	Not applicable
15	Not applicable

GRI and SASB index

GRI Standard	Disclosure	Location
2 General disclosures	2-1 Organizational details	See 10-K at https://investor.enphase.com/sec-filings
	2-3 Reporting period, frequency, and contact point	FY 2024, annually
	2-6 Activities, value chain, and other business relationships	See About Us and Environment sections; See 10-K (Business Section) at https://investor.enphase.com/sec-filings
	2-7 Employees	See Social section
	2-9 Governance structure and composition	See Corporate governance Section; See Proxy Statement at https://investor.enphase.com/sec-filings
	2-10 Nomination and selection of the highest governance body	See Corporate governance Section; See Proxy Statement at https://investor.enphase.com/sec-filings
	2-11 Chair of the highest governance body	See Corporate governance Section; See Proxy Statement at https://investor.enphase.com/sec-filings
	2-12 Role of the highest governance body in overseeing the management of impacts	See Corporate governance Section; See Proxy Statement at https://investor.enphase.com/sec-filings
	2-13 Delegation of responsibility for managing impacts	See Corporate governance Section; See Proxy Statement at https://investor.enphase.com/sec-filings
	2-14 Role of the highest governance body in sustainability reporting	See Corporate governance Section; See Proxy Statement at https://investor.enphase.com/sec-filings
	2-15 Conflicts of interest	See Proxy Statement at https://investor.enphase.com/sec-filings
	2-17 Collective knowledge of the highest governance body	See Board of Directors information on Enphase company website
	2-18 Evaluation of the performance of the highest governance body	See Proxy Statement at https://investor.enphase.com/sec-filings
	2-19 Remuneration policies	See Proxy Statement at https://investor.enphase.com/sec-filings
	2-20 Process to determine remuneration	See Proxy Statement at https://investor.enphase.com/sec-filings
	2-22 Statement on sustainable development strategy	See CEO Letter
	2-25 Processes to remediate negative impacts	See Enphase Code of Conduct
	2-26 Mechanisms for seeking advice and raising concerns	See Corporate governance Section
	2-27 Compliance with laws and regulations	See Enphase Code of Conduct
2-28 Membership associations	p. 67	
2-30 Collective bargaining agreements	See 10-K (Business Section) at https://investor.enphase.com/sec-filings	
3 Material topics	3-1 Process to determine material topics	See 2022 ESG Report
201 Economic performance	201-1 Direct economic value generated and distributed	See Financial Sustainability Section and GAAP to non-GAAP Reconciliation
	201-2 Financial implications and other risks and opportunities due to climate change	See p. 63
	201-3 Defined benefit plan obligations and other retirement plans ¹	4.273 \$M
203 Indirect economic impacts	203-1 Infrastructure investments and services supported	See About us , Environmental , and Social
	302 Energy	302-1 Energy consumption within the organization 302-3 Energy intensity 302-4 Reduction of energy consumption
305 Emissions	305-1 Direct (Scope 1) GHG emissions	See Environment and Appendix
	305-2 Energy indirect (Scope 2) GHG emissions	See Environment and Appendix
	305-3 Other indirect (Scope 3) GHG emissions	See Environment and Appendix
	305-4 GHG emissions intensity	See Environment and Appendix
	305-5 Reduction of GHG emissions	See Environment and Appendix

¹401k employer contributions

GRI Standard	Disclosure	Location
306 Waste	306-1 Waste generation and significant waste-related impacts	p. 26
	306-2 Management of significant waste-related impacts	p. 26
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	p. 57
	308-2 Negative environmental impacts in the supply chain and actions taken	pp. 30-31, 54-57
401 Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 45
403 Occupational Health and Safety	403-1 Occupational health and safety management system	p. 52
	403-2 Hazard identification, risk assessment, and incident investigation	p. 52
	403-3 Occupational health services	p. 52
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 52
	403-5 Worker training on occupational health and safety	p. 52
	403-6 Promotion of worker health	p. 52
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 52
	403-8 Workers covered by an occupational health and safety management system	p. 52
	403-9 Work-related injuries	p. 52
	403-10 Work-related ill health	p. 52
404 Training and Education	404-1 Average hours of training per year per employee	18.0
	404-2 Programs for upgrading employee skills and transition assistance programs	pp. 50-51
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	p. 47, 74
408 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	pp. 54-57
409 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pp. 54-57
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	pp. 54-57
Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	p. 30-31
Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	Zero
	417-3 Incidents of non-compliance concerning marketing communications	Zero
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero

SASB Standard	Accounting Metrics	Code	Response
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RR-ST-150a.1	0.75 MT, 100%, see p. 26
	Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	0, n/a
Product End-of-life Management	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	RR-ST-410b.3	Estimated less than 0.1%
Product End-of-life Management	Description of approach and strategies to design products for high-value recycling	RR-ST-410b.4	pp. 23-26
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RR-ST-440a.1	pp. 54-57
Total Project Development Assets	Reporting currency	RR-ST-000.C	Financial sustainability
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RR-ST-130a.1	See Environment section
Water Management in Manufacturing	(2) Total water consumed ¹	RR-ST-140a.1	6,527 m ³

¹ North America operations only

Climate risk

The following responses to the Taskforce for Climate-Related Financial Disclosures (TCFD) recommendations are not meant to be an exhaustive review of climate-related issues impacting the business. Rather, the following should be treated as a supplement to our [2024 Form 10-K filing](#).

Governance

The Board has primary oversight of climate risks and opportunities, with the NGC overseeing the ESG program specifically. The Board receives updates on sustainability and ESG matters from the NGC at least annually, covering strategy, policies, initiatives, progress against goals and targets, and communications with employees, investors, and other company stakeholders. The Audit Committee reviews climate risk alongside other major financial risk exposures, and steps taken by management to monitor and control these risks. The NGC also reviews climate disclosures as required by the jurisdictions in which we operate. Please see the “Leadership and governance” section of our website for additional information.

The ESG Executive Leadership Team, led by our General Counsel and comprised of representatives from executive management, meets quarterly to prioritize strategic objectives, discuss climate risks and opportunities, and review status of various climate-related initiatives. Also see section G1. Oversight and management of this report.

Strategy

Our purpose is advancing a sustainable future for all. Our strategy is to build best-in-class home energy systems and deliver them to customers through our installer and distributor partners, enabled by a comprehensive installer platform. Successful execution reduces GHG emissions, slows the pace of global warming, and accelerates the transition to a clean, accessible, and resilient energy system.

Thus, the impact of climate issues on our financial condition is positive, so long as climate risk is managed appropriately over the long-term as discussed below. Key aspects of our low-carbon transition plan include continued execution of our strategy in service of our purpose, transitioning operations to renewable energy, and building resilience into the value chain through enhanced cooperation with suppliers, contract manufacturers, and customers.

Our strategy is a function of the economic, technological, legal, market, regulatory, social, and environmental context in which we operate. Per the Intergovernmental Panel on Climate Change (IPCC), significant GHG emissions reductions are needed in this decade to limit warming to below 2°C from pre-industrial levels, allowing for net-zero emissions by 2050, and avoiding the most catastrophic consequences of global warming. Thus, we are focused on driving impact as quickly and responsibly as possible while also preparing for an uncertain future which may follow a variety of warming trajectories informed by climate science. All

climate-related scenarios which require reductions in GHG emissions are favorable to Enphase.

A trajectory resulting in 2°C or lower warming from pre-industrial levels will require largescale, rapid, and equitable deployment of clean energy technologies, including those engineered by Enphase. In this case, the economic, technological, legal, market, regulatory, social, and environmental context would create increased demand for our products and drive rapid growth. However, these scenarios (e.g., Shared Socioeconomic Pathway 1) require rapid decarbonization across all sectors globally, implying the need to decouple resource extraction and consumption from economic growth. Thus, significant investment and financing for accelerated R&D, expanded operations, and enhanced coordination with value chain partners would be needed. Ultimately, with the proper global investment, planning, and coordination, a 2°C or lower scenario would allow us to rapidly deploy our products in the near-term and scale at the commensurate rate to achieve the desired outcome over the long-term.

Characteristics of short-, medium-, and long-term time horizons for climate issues at Enphase are defined as follows:

- **Short-term (0-3 years)** – rapid business growth; low-carbon transition planning and implementation; qualitative climate risk disclosures; improved emissions tracking and reporting; and setting and executing on near-term GHG reduction target.
- **Medium-term (3-7 years)** – manage continued business growth; quantitative climate scenario analysis and strategic integration; setting and executing long-term GHG reduction targets.
- **Long-term (7-25 years)** – manage continued business growth; quantitative climate scenario analysis integrated with strategic and financial planning; maintain operational alignment with global climate goals.

Table 16 Climate risks and opportunities

Climate risks	
Short-term	<ul style="list-style-type: none"> • Extreme weather events such as floods, cyclones, hurricanes, wildfires, and heatwaves could result in delays in product shipments, which could adversely affect our revenue, competitive position, and reputation. • Delaying operational decarbonization could limit access to third-party capital and affect operating costs or reputation. • Not evaluating potential climate risk impacts to key suppliers, contract manufacturers, and logistics partners may adversely affect our ability to execute our strategy over the long-term.
Medium-term	<ul style="list-style-type: none"> • Extreme weather events may increase in severity and frequency and disrupt operations, which could adversely affect our revenue, competitive position, and reputation. • Chronic climate change impacts such as rising mean temperatures, rising sea levels, droughts, new diseases, population migration, and water stress may have the potential to disrupt our business operations in certain geographies. • Increased insurance premiums for operations in geographies vulnerable to climate risk may adversely affect cost or force investment in climate mitigation projects to ensure business continuity. • Inability to reduce quantity of virgin material inputs or integrate circular principles into product design, manufacturing, and business processes could adversely affect cost, reputation, competitiveness, and social license to operate in certain geographies.
Long-term	<ul style="list-style-type: none"> • Extreme weather events may further increase in severity and frequency, having the potential to disrupt our business. • Chronic climate change impacts may become more pronounced, having the potential to negatively impact our business operations in certain geographies.
Climate opportunities	
Short-term	<ul style="list-style-type: none"> • Improve climate risk analysis and integrate results into strategic planning. • Implement low-carbon transition plan for facilities and key suppliers.
Medium-term	<ul style="list-style-type: none"> • Leverage climate scenario planning to inform strategic decision making, such as determining significant locations of operation. • Enhance resilience through product lifecycle and business process innovations.
Long-term	<ul style="list-style-type: none"> • Continued integration of climate-risk scenario analyses into strategic planning across all aspects of the business.

Risk Management

A detailed discussion of risks to the business can be found in our [Form 10-K](#) for the year ended December 31, 2024. Currently, climate risks are reviewed as part of the ESG materiality assessment process. The Director of ESG collaborates with key internal and external stakeholders to identify and rank climate risk and other enviro-social factors. Results are reviewed with the ESG steering committee to define strategic priorities and goals, which are then managed by a supporting network of extended leadership and collaborators, both within and outside the organization.

In 2023, we completed our first water risk assessment using the Aqueduct Water Risk Atlas tool provided by the World Resources Institute (WRI). Our assessment included all Enphase office locations and six contract manufacturing locations, representing substantially all contract manufacturing activity in 2023. Locations were assessed for both baseline water stress and water quantity, quality, and access (as defined in the Aqueduct Peak RepRisk Country ESG Risk Index). We defined risk as those locations which scored either “High” or “Extremely High” in the Aqueduct risk scale. Moving forward, we plan to further develop quantitative, forward-looking scenario-based climate risk assessments over short-, medium-, and long-term time horizons as recommended by the TCFD and integrate results into risk management and strategic planning processes.

Table 17 Physical climate risk, baseline water assessment

Location	Proportion in high water stress areas (%)	Proportion in areas of high water accessibility, quality, availability risk (%)	Proportion in areas of high coastal flood risk (%)
Corporate offices	25%	13%	25%
Contract manufacturers	67%	17%	67%

Metrics and Targets

Financial metrics found in our quarterly filings and annual reports reflect how well we are 7 of this report for additional climate opportunity indicators. Relevant climate risk metrics can be found in the Emissions and energy section of this report.

Performance against climate metrics and targets is connected to remuneration at all levels of the organization, as all revenue generated by us ultimately results in emissions reductions through renewable energy deployments and improved efficiency in energy management. All employees have the option to explicitly link individual goals to climate metrics. CEO compensation for 2024 is explicitly tied to increasing on-site generation capacity across leased facilities and preventing emissions resulting from product deployments. The results of CEO performance directly modulate bonuses paid out to all employees.

Membership associations

- Advanced Energy United (AEU)
- California Solar + Storage Association (CALSSA)
- Florida Solar Energy Industries Association (FlaSEIA)
- Hawaii Solar Energy Association (HESA)
- Nevada Solar Association (NSA)
- New York Solar Energy Industries Association (NYSEIA)
- Puerto Rico Solar Energy and Storage Association (SESA)
- Solar Energy Industries Association (SEIA)¹
- SolarPower Europe
- Holland Solar¹

¹Board member

United Nations Sustainable Development Goals

GOAL	DESCRIPTION	TARGETS	ENPHASE CONTRIBUTION
 <p>1 NO POVERTY</p>	End poverty in all its forms everywhere	1.5	<p>Enphase directly reduces exposure and vulnerability to extreme climate events and other economic, social, and environmental shocks and disasters by deploying renewable energy generation and management systems across the globe. Renewable energy directly reduces GHG emissions and mitigates climate risk.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being for all at all ages	3.9	<p>Renewable energy generation and management promotes environmental justice, good health, and well-being by avoiding the release of hazardous chemicals and air, water, and soil pollution associated with traditional forms of energy production.</p>
 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.3, 4.4, 4.5	<p>We promote technical and vocational education in the renewable energy industry through our company learning platform and non-profit partnerships. As our geographic reach continues to grow, we will expand opportunities for men, women, and children to learn about the renewable energy industry and create opportunities to contribute to global deployment of renewable energy technologies.</p>
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	5.1, 5.2, 5.5	<p>We do not tolerate discrimination in any form, including against women. We are committed to eliminating human trafficking, slavery, and any type of human rights abuses across our supply chain. Women are represented on our Board of Directors and in leadership positions throughout the company.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable, sustainable, and modern energy for all	7.1, 7.2, 7.3, 7.a, 7.b	<p>Access to reliable, affordable, and modern energy services is what Enphase offers its customers. Enphase microinverters boast the highest levels of reliability, and our next generation off-grid solutions are paving the way for further access.</p> <p>As Enphase continues to grow globally and gain market share, it accelerates its positive impact and contributes to the goal of increasing the global renewable energy mix.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all	8.2, 8.3, 8.7, 8.8	<p>Through our work in deploying renewable energy systems in emerging markets, we are supporting economic growth in developing countries. We employ local leaders and attract talent from local markets, helping to provide decent work globally.</p> <p>We are committed to eradicating forced child labor and ending modern slavery and human trafficking of children, including the use of child soldiers.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.2, 9.4, 9.5	<p>Our core business contributes directly to the “adoption of clean and environmentally sound technologies and industrial processes.”</p> <p>We have expanded our manufacturing footprint globally, accelerating our ability to upgrade infrastructure to be more sustainable, particularly regarding clean and environmentally-sound renewable energy generation and management technologies.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient, and sustainable	11.3	<p>Sustainable urbanization is a priority for both residential and small commercial applications of our products and services. Additionally, we support this goal through our long-standing philanthropic activities that help to provide solar energy for low-income communities through our partnership with GRID alternatives.</p>
 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts	13.1	<p>The Enphase Energy System helps communities be more resilient in the face of climate-related hazards and natural disasters through its grid-agnostic and energy storage capabilities; allowing homeowners and businesses to stay safer and connected even when grid services are interrupted or when there is extensive damage to energy infrastructure due to natural disasters.</p>

About this report

We referenced the Sustainability Accounting Standards Board (SASB) to identify material financial ESG metrics for the investor community and referenced the Global Reporting Initiative (GRI) standards to report on additional sustainability issues. We drew upon subject matter expertise of our colleagues throughout Enphase and value chain partners to collect and organize the content relative to the areas we identified for disclosure. Additionally, we provided disclosures aligned with the four key themes of the Taskforce for Climate-Related Financial Disclosures (TCFD) recommendations. Lastly, we compared our activities to the United Nations Sustainable Development Goals (SDGs) to assess and convey how we are contributing to these goals. For specific information about this report or our sustainability program overall, please contact us at ir@enphaseenergy.com. We intend to issue this report on an annual basis. All information included in this report is for the twelve month period ended December 31, 2024, unless otherwise stated. References to “we,” “us,” “our,” “Enphase” or “Enphase Energy” throughout this report pertain to Enphase Energy, Inc.

Forward-looking statements and other important legal information

This report and the materials or websites cross-referenced contain statements that are aspirational or reflective of our views about our future performance that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “aspire,” “believe,” “commit,” “endeavor,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “seek,” “strive,” “target,” “projection,” “will,” and “work,” or similar statements or variations of such terms and other similar expressions. The forward-looking statements in this document and the materials or websites cross-referenced concern our goals, progress or expectations with respect to corporate responsibility, sustainability, employees, environmental matters, policy, and business risks and opportunities. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. These statements are based on numerous assumptions that we believe are reasonable, but are open to a wide range of uncertainties and business risks. In addition, these statements may be based on standards for measuring progress that are still developing, controls and processes that continue to evolve, and assumptions that are subject to change in the future. Consequently, actual results may vary materially from what is contained in a forward-looking statement.

For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to our business in general, see our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 10, 2025 and our subsequent periodic reports filed with the SEC from time to time. Copies of these filings are available on the Enphase website at <http://investor.enphase.com/sec.cfm>, or on the SEC website at www.sec.gov. All forward-looking statements in this report are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

The information included in, and any issues identified as material for purposes of, this document may not be considered material for SEC reporting purposes. In the context of this report, the term “material” is distinct from, and should not be confused with, such term as defined for SEC reporting purposes. Website references and hyperlinks throughout this document are provided for convenience only, and the content on the referenced third-party websites is not incorporated by reference into this report, nor does it constitute a part of this report. We assume no liability for the content contained on the referenced third-party references. This report contains non-GAAP financial measures relating to our performance. You can find the reconciliation of these measures to the most directly comparable GAAP financial measures on the next page.

GAAP to non-GAAP reconciliation

Reconciliation of non-GAAP financial measures

in millions, except percentages	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Gross profit (GAAP)	\$326.4	\$323.3	\$262.0	\$146.7	\$115.5	\$137.2	\$178.2	\$198.3
Stock-based compensation	3.7	3.4	2.7	3.5	4.2	3.7	2.9	3.7
Acquisition related amortization	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.7
Gross profit (Non-GAAP)	\$331.9	\$328.6	\$266.6	\$152.1	\$121.6	\$142.8	\$183.0	\$203.7
Gross margin (GAAP)	45.0%	45.5%	47.5%	48.5%	43.9%	45.2%	46.8%	51.8%
Stock-based compensation	0.5%	0.5%	0.6%	1.2%	1.6%	1.3%	0.8%	0.9%
Acquisition related amortization	0.2%	0.2%	0.3%	0.6%	0.7%	0.6%	0.5%	0.5%
Gross margin (Non-GAAP)	45.7%	46.2%	48.4%	50.3%	46.2%	47.1%	48.1%	53.2%
Operating expenses (GAAP)	\$158.7	\$153.0	\$144.0	\$156.9	\$144.6	\$135.4	\$128.4	\$143.5
Stock-based compensation	(56.0)	(50.8)	(41.1)	(51.7)	(56.6)	(49.0)	(43.0)	(47.9)
Acquisition related expenses and amortization	(3.7)	(3.9)	(3.9)	(3.9)	(3.5)	(3.5)	(3.1)	(2.9)
Restructuring and asset impairment charges	(0.7)	(0.2)	-	(14.8)	(1.9)	(1.2)	(0.7)	(9.4)
Operating expenses (Non-GAAP)	\$98.3	\$98.1	\$99.0	\$86.5	\$82.6	\$81.7	\$81.6	\$83.3
% of Revenue (Non-GAAP)	14%	14%	18%	29%	31%	27%	21%	22%
Income (loss) from operations (GAAP)	\$167.7	\$170.3	\$118.0	\$(10.2)	\$(29.1)	\$1.8	\$49.8	\$54.8
Stock-based compensation	59.7	54.2	43.8	55.2	60.8	52.7	45.9	51.6
Acquisition related expenses and amortization	5.5	5.8	5.8	5.8	5.4	5.4	5.0	4.6
Restructuring and asset impairment charges	0.7	0.2	-	14.8	1.9	1.2	0.7	9.4
Income from operations (Non-GAAP)	\$233.6	\$230.5	\$167.6	\$65.6	\$39.0	\$61.1	\$101.4	\$120.4
% of Revenue (Non-GAAP)	32%	32%	30%	22%	15%	20%	27%	31%

Reconciliation of non-GAAP financial measures (continued)

In millions	FY'23	FY'24
Net income (GAAP)	\$438.9	\$102.7
Stock-based compensation	212.8	211.0
Acquisition related expenses and amortization	22.9	20.4
Restructuring and asset impairment charges	15.7	13.2
Non-cash interest expense	8.4	8.6
Non-GAAP income tax adjustment	(85.5)	(34.9)
Net income (Non-GAAP)	\$613.2	\$321.0
Net income per share, diluted (GAAP)	\$3.08	\$0.75
Stock-based compensation	1.57	1.56
Acquisition related expenses and amortization	0.16	0.15
Restructuring and asset impairment charges	0.11	0.10
Non-cash interest expense	0.06	0.06
Non-GAAP income tax adjustment	(0.57)	(0.26)
Net income (loss) per share, diluted (Non-GAAP) (1)	\$4.41	\$2.37
Shares used in diluted per share calculation GAAP	142.3	140.0
Shares used in diluted per share calculation Non-GAAP	139.2	135.6
Income-based government grants (GAAP)	\$53.5	\$157.5
Incremental cost for manufacturing in U.S.	(11.6)	(38.3)
Net IRA benefit (Non-GAAP)	\$41.9	\$119.2
Net cash provided by operating activities (GAAP)	\$696.8	\$513.7
Purchases of property and equipment	(110.4)	(33.6)
Free cash flow (Non-GAAP)	\$586.4	\$480.1

(1) Calculation of non-GAAP diluted net income per share for the year ended December 31, 2023 excludes convertible Notes due 2023 interest expense, net of tax of less than \$0.1 million in each period from non-GAAP net income.

Non-GAAP Financial Metrics

Enphase Energy has presented certain non-GAAP financial measures in this Environmental Social Governance Report 2024. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the accompanying tables to this press release. Non-GAAP financial measures presented by Enphase Energy include non-GAAP gross profit, gross margin, operating expenses, income from operations, net income, net income per share (diluted), net IRA benefit, and free cash flow.

These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Enphase Energy's results of operations as determined in accordance with GAAP. As such, these non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Enphase Energy uses these non-GAAP financial measures to analyze its operating performance and future prospects, develop internal budgets and financial goals, and to facilitate period-to-period comparisons. Enphase Energy believes that these non-GAAP financial measures reflect an additional way of viewing aspects of its operations that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

As presented in the "GAAP to non-GAAP reconciliation" pages, each of the non-GAAP financial measures excludes one or more of the following items for purposes of calculating non-GAAP financial measures to facilitate an evaluation of Enphase Energy's current operating performance and a comparison to its past operating performance:

- Stock-based compensation expense. Enphase Energy excludes stock-based compensation expense from its non-GAAP measures primarily because they are non-cash in nature. Moreover, the impact of this expense is significantly affected by Enphase Energy's stock price at the time of an award over which management has limited to no control.
- Acquisition related expenses and amortization. This item represents expenses incurred related to Enphase Energy's business acquisitions, which are non-recurring in nature, and amortization of acquired intangible assets, which is a non-cash expense. Acquisition related expenses and amortization of acquired intangible assets are not reflective of Enphase Energy's ongoing financial performance.
- Restructuring and asset impairment charges. Enphase Energy excludes restructuring and asset impairment charges due to the nature of the expenses being unusual and arising outside the ordinary course of continuing operations. These costs primarily consist of fees paid for cash-based severance costs, accelerated stock-based compensation expense and asset write-downs of property and equipment and acquired intangible assets, and other contract termination costs resulting from restructuring initiatives.
- Non-cash interest expense. This item consists primarily of amortization of debt issuance costs and accretion of debt discount because these expenses do not represent a cash outflow for Enphase Energy except in the period the financing was secured and such amortization expense is not reflective of Enphase Energy's ongoing financial performance.
- Non-GAAP income tax adjustment. This item represents the amount adjusted to Enphase Energy's GAAP tax provision or benefit to exclude the income tax effects of GAAP adjustments such as stock-based compensation, amortization of purchased intangibles, and other non-recurring items that are not reflective of Enphase Energy's ongoing financial performance.
- Non-GAAP net income per share, diluted. Enphase Energy excludes the dilutive effect of in-the-money portion of convertible senior notes as they are covered by convertible note hedge transactions that reduce potential dilution to our common stock upon conversion of the Notes due 2025, Notes due 2026 and Notes due 2028, and includes the dilutive effect of employee's stock-based awards and the dilutive effect of warrants. Enphase Energy believes these adjustments provide useful supplemental information to the ongoing financial performance.
- Net IRA benefit. This item represents the advanced manufacturing production tax credit ("AMPTC") from the IRA for manufacturing microinverters in the United States, partially offset by the incremental manufacturing cost incurred in the United States relative to manufacturing in Mexico, India, and China. The AMPTC is accounted for by Enphase Energy as an income-based government grants that reduces cost of revenues in the consolidated statements of operations.
- Free cash flow. This item represents net cash flows from operating activities less purchases of property and equipment.



© 2025 Enphase Energy. All rights reserved.

Enphase, the e logo, IQ, and certain other marks listed at <https://enphase.com/trademark-usage-guidelines> are trademarks of Enphase Energy, Inc. in the U.S. and other countries.