Enphase Energy, Inc.

Environmental Social and Governance Report 2023

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Contents

	A letter from our President and CEO	04
About us		06
	Enphase in numbers	07
	Our purpose	08
	Our core values	09
	Enphase culture playbook	10
	Our technology	12
	Start-up to industry leader	14
	Customer first	15
	Financial sustainability	18
	Our financial performance	19
Environment		20
	E1. Environmental stewardship	21
	E2. Clean energy production	23
	E3. Emissions and energy	24
	E4. Product responsibility	30
	E5. Case studies	33
People		42
	P1. Company demographics	43
	P2. Recruiting and retaining the best	44
	P3. Cultivating a diverse, inclusive and equitable workforce	46
	P4. Developing our people	50
	P5. Promoting a safe and healthy workplace	52
	P6. Responsible supply chain	54
Society		58
	S1. Enphase Corporate Social Responsibility (CSR) initiatives	59
	S2. Enphase grid services	63
	S3. Enphase innovation and industry leadership	66
	S4. Promoting clean energy policies	69
Governance		72
	G1. ESG governance and leadership	73
	G2. Business ethics and compliance	77
	G3. Data privacy, cybersecurity, intellectual property	80
Appendix		83
	Emissions and energy calculation methodologies	84
	GRI index	86
	SASB index	88
	TCFD response	89
	Membership associations	93
	Contributing to the UN Sustainable Development Goals	94
	About this report	96
	Forward-looking statements and other important legal information	97
	GAAP to Non-GAAP reconciliation	98

A Letter from our President and CEO

Badri Kothandaraman
President and CEO

"We aim to support a cleaner, more reliable, and better-performing grid to help improve quality of life, and to collaborate with a wide range of stakeholders to advance policy outcomes in support of clean energy across the world."

Since the publication of our inaugural Environmental, Social, and Governance (ESG) report in 2020, we have made strides in managing our emissions footprint, cultivating a diverse and inclusive workplace, and raising awareness of ESG issues across the business. I am pleased to report the ongoing success of our ESG efforts in 2023 as we continued to make best-in-class renewable home energy systems with a laser focus on product innovation, quality, and customer experience.

Enphase was founded in 2006 with its purpose: "Advancing a sustainable future for all." We are the world's leading supplier of microinverter-based solar and battery systems. Our systems are helping millions of people gain access to clean, affordable, and reliable energy. As you read this report, you will see our purpose is infused into every part of our business. We acknowledge our responsibility to reduce our emissions footprint, focus on our customers and partners, and ensure our employees and the people and communities we serve are treated with transparency and respect, all while continuing to deliver products that are productive, reliable, smart, simple, and safe.

Since inception, we have shipped more than 73 million solar microinverters and 1.2 GWh of IQ® Batteries. Approximately 4.0 million Enphase-based systems have been deployed in more than 150 countries. Approximately 25.2 GW DC power of Enphase microinverters have been installed in solar systems, preventing 56 million metric tons of carbon dioxide equivalent ($MTCO_2e$) – the equivalent of providing energy to 7.3 million homes for one year.[1]

2023 was a challenging year as our industry suffered through a period of slowdown in overall demand, primarily due to high interest rates in the United States and California's Net Energy Metering (NEM) 3.0, and macroeconomic conditions in Europe. I am proud of the hard work and resilience shown by our employees around the world who worked tirelessly to deliver innovative products and services to our customers as we navigated through the global slowdown. We maintained our operational excellence throughout 2023 and our culture playbook is a reminder of how we work together to achieve results.

We aim to support a cleaner, more reliable, and better-performing grid to help improve quality of life and to collaborate with a wide range of stakeholders to advance policy outcomes in support of clean energy across the world. The passing of the Inflation Reduction Act (IRA) by the U.S. Congress in 2022 enabled us to begin manufacturing in the United States, bring back high-technology jobs, and advance the country's clean energy economy. During 2023, we began shipments from our new contract manufacturing partners in the United States, including Flex in South Carolina and Salcomp in Texas.

In 2023, we introduced our products into more countries. We started shipping our IQ8™ Microinverters into 21 countries worldwide. Our IQ Batteries are shipping to customers in North America, Belgium, Austria, France, the Netherlands, Switzerland, Spain, Portugal, Sweden, Denmark, and Greece. We also introduced our latest Enphase® Energy System, powered by IQ8 Microinverters and the IQ Battery 5P. The IQ Battery 5P delivers the best

[1] Estimate based on Enphase managed systems data as of December 31, 2023 grossed up for non-managed systems based on performance monitoring data; CO_2e calculations based on U.S. Environmental Protection Agency (U.S. EPA) Greenhouse Gas (GHG) Equivalencies Calculator.

power specifications and commissioning times of any Enphase battery to date. By the end of 2023, we were shipping the IQ Battery 5P to the United States, Puerto Rico, Australia, and the United Kingdom. We plan to enter more countries in Europe and Asia throughout 2024.

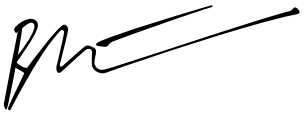
"We remain committed to creating lasting value for all stakeholders, delivering a superior customer experience, and driving sustainable practices that make a meaningful difference."

We launched our IQ® electric vehicle (EV) chargers in the United States and Canada in 2023. These Wi-Fi enabled smart chargers are now integrated into the Enphase Energy System. This enables use cases such as self-consumption and green charging, and allows homeowners visibility into the operation of their system through their Enphase® App.

We remain committed to creating lasting value for all stakeholders, delivering a superior customer experience, and driving sustainable practices that make a meaningful difference. As we navigate the clean energy market fluctuations due to global macroeconomic conditions, geopolitical instability, and climate change, our team is excited about the opportunities in 2024, knowing that sustainability is at the core of what we do at Enphase.

We appreciate your continued interest in our ESG efforts and thank our employees, customers, partners, and shareholders for their dedication as we continue to embrace our core values and advance a sustainable future for all.

Sincerely,



Badri Kothandaraman
President and CEO

About us

Enphase in numbers

2006
the year Enphase was founded

3,157
employees and key contributors across our global offices[1]

8,701
installers worldwide[1]

25.2 GW DC
approximate cumulative shipments of microinverters[1]

4 million
approximate number of systems deployed in more than 150 countries[1]

73+ million
approximate number of microinverters shipped[1]

1.2 GWh
of storage[1]

80.6 TWh
of clean energy production[2]

56 million
$MTCO_2e$ prevented from entering the atmosphere, enough to power 7.3 million homes with energy for one year[3]

6.3 billion
gallons of gasoline not consumed[3]

144 billion
miles not driven by an average gas-powered passenger vehicle[3]

[1] As of December 31, 2023
[2] Annual running total estimate based on Enphase managed systems data as of December 31, 2023 grossed up for non-managed systems based on cumulative production records
[3] Estimate based on Enphase managed systems data as of December 31, 2023 grossed up for non-managed systems based on cumulative production records; CO_2e calculations based on U.S. EPA GHG Equivalencies Calculator

Our purpose

Advancing a sustainable future for all.

Founded in 2006, Enphase is a global energy technology company and a leading provider of solar, battery, and EV charging products. We are working every day to enable whole-home energy management powered by clean energy, as well as helping to create 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 software, creating a comprehensive home energy management system.

The Enphase App provides unprecedented data and control in the palm of your hand. For the first time in the evolution of our centuries-old grid, people can get paid for the clean energy they produce and share with their communities, helping to build a new energy future that harnesses the sun. This clean, free, abundant source of energy can power our lives and ultimately help replace fossil fuels altogether.

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 2023, more than 73 million microinverters[1] have been installed on approximately four million homes in over 150 countries, helping millions of people gain access to clean, affordable, and reliable energy while creating jobs and a more carbon-free future. Enphase is putting people and their power at the center of our shared energy future.

Enphase. Power by people.

[1] Estimate based on Enphase managed systems data as of December 31, 2023 grossed up for non-managed systems based on cumulative production records since inception

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.

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.

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.

Quality

We place safety and quality above everything else.

We measure everything that matters and drive continuous improvement.

We make the highest quality products.

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 →


ENPHASE
SOLAR
NEXT

Our technology

Enphase was founded on the deep-rooted belief that an AC-coupled distributed architecture will always win in the long run on cost, safety and reliability. To build products based on this architecture, we have developed core competencies in semiconductor-based power conversion, software-defined Internet of Things (IoT) systems, and an energy management platform. The microinverter, along with our battery, system controller, and cloud software form a true IoT system. Our Energy System manages energy flows between the various distributed energy resources (DERs), the utility grid, and home loads, all with the aim of delivering the most reliable solution at the lowest available energy cost.

"The microinverter, along with our battery, system controller, and cloud software form a true IoT system."

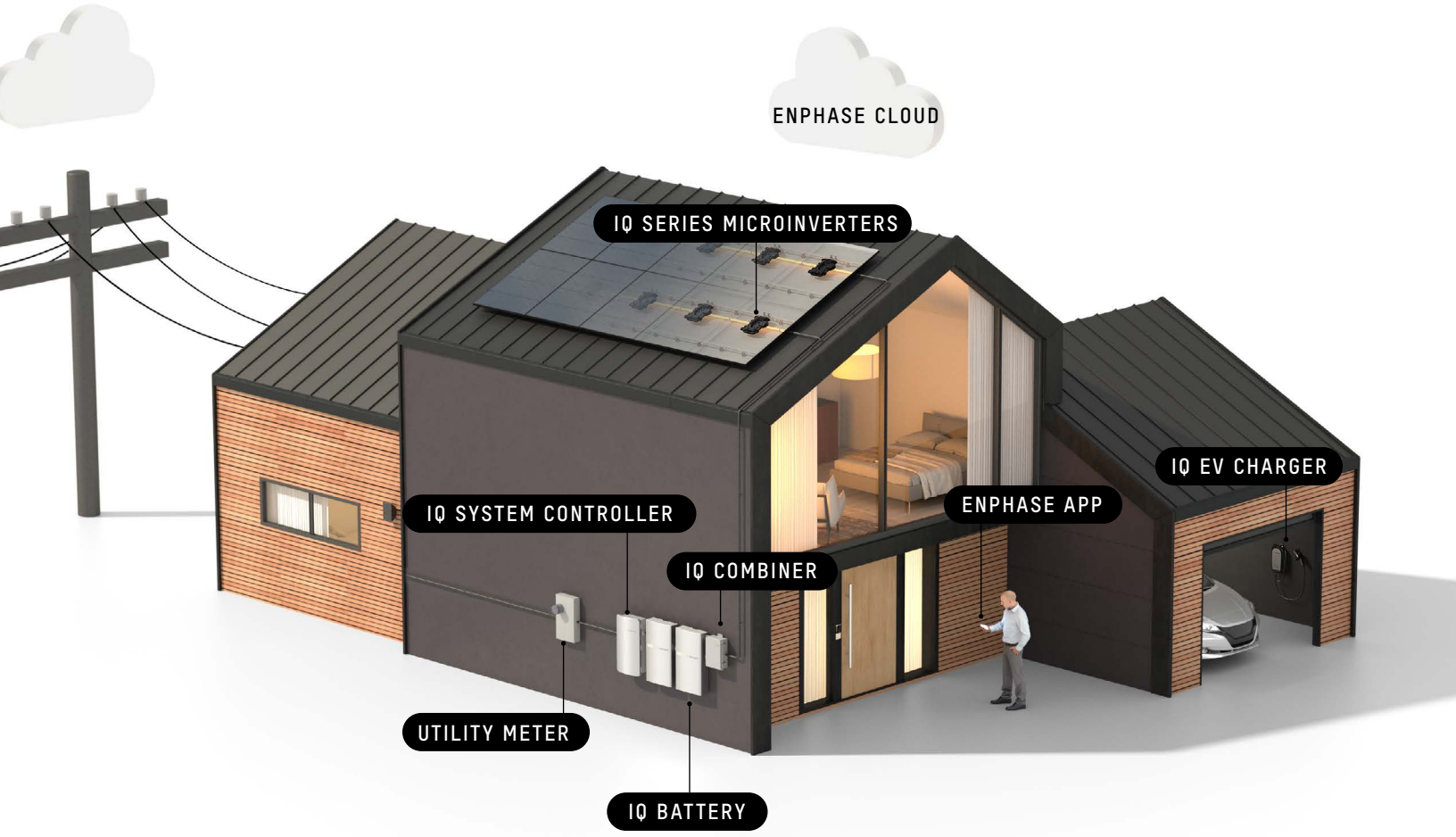
The Enphase Energy System brings a high technology, networked approach to solar generation plus energy storage by leveraging our design expertise across power electronics, semiconductors, and cloud-based software technologies. It uses a single technology platform for seamless management of the whole solution, enabling rapid commissioning with the Enphase® Installer App; consumption monitoring with the IQ® Gateway or IQ® Combiner and the Enphase App, a cloud-based energy management platform; and our IQ Battery.

The Enphase Energy System has become more sophisticated with the addition of devices such as batteries, EV chargers and heat pumps. In addition, utility tariffs which historically were fixed rates, are becoming more complex with time of-use rates, NEM 3.0, demand charges, and dynamic tariffs. Our home energy management software (HEMS) is evolving to manage this complexity by leveraging artificial intelligence (AI) and machine learning (ML) for forecasting and optimization.

The increasing penetration of EVs has implications for home energy management, as households not only consume significantly more power with an EV, but also have a large battery that can be used for both backup and grid service. Our smart IQ EV chargers are compatible with most EVs sold in North America. We are working on a smart IQ EV charger for many countries in Europe that we expect to introduce in 2024.

We are also working on bidirectional EV charger technology enabling vehicle-to-home and vehicle-to-grid functionality. This new bidirectional EV charger, along with Enphase's solar and battery storage, will provide connectivity and control, enabling use cases like green charging. It will allow homeowners visibility into the operation of their Enphase solar-plus-battery-plus-EV charger systems through the Enphase App. We expect to introduce this new bi-directional EV charger in 2025.

Enphase Home Energy Management System

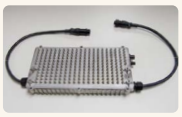


Start-up to industry leader

2006

Founded by Raghu Belur and Martin Fornage in California

2008



First microinverter-based solar system introduced

2011

One million microinverters shipped since inception

2012

Listed on NASDAQ under symbol ENPH

2014

Fourth-generation technology introduced

2015

10 million microinverters shipped since inception

2016

Sixth-generation IQ technology introduced

2018

Seventh-generation IQ technology introduced

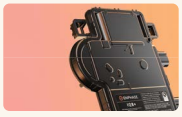
2019

One millionth microinverter-based solar system deployed

2020

Started shipping IQ Batteries in North America

2021



Eight-generation IQ technology introduced

2022

Started shipping IQ8 Microinverters in France and the Netherlands

2023

Launched IQ Battery 5P

Customer first

Customer experience

We exist to serve our customers and communicate consistently with them to review their experiences and levels of satisfaction with our products. We incorporate customer feedback into future product design and functionality in real-time, with the end goal of maintaining a high degree of satisfaction among distributors, installers, and homeowners. The ability to successfully grow and evolve our business requires open and continuous dialogue to ensure a smooth experience, and we take this aspect of our business very seriously.

77

Net Promoter Score (NPS) among homeowners and installers worldwide

100

field service NPS

24/7

call center support with target wait time of 1.8 minutes

30

minute target for improved battery commissioning times

Enphase University

The Enphase University platform is an on-demand platform where installers can become certified in the sales, design, and installation of Enphase's products. The Enphase University platform has been in service for several years and supports our remote training team dedicated to teaching our installers how to successfully install and commission Enphase systems.

We offer more than 45 different certification and qualification courses for our installers pertaining to the commissioning of specific Enphase products, which are available in 18 native languages across the United States (U.S.), Latin America, Europe, Australia, Asia Pacific, Brazil, and South Africa.

In addition, Enphase conducts in-person training events at more than 12 regional training centers across the globe, and we use vans equipped with Enphase system products to bring training where possible to installers in remote locations to learn about storage commissioning best practices. Training is also available on demand via our Enphase Energy Training YouTube channels where we currently have approximately 6,000 subscribers worldwide.

23,000+

installers certified in Enphase Energy Systems

25,300+

installers certified in Enphase photovoltaic (PV) systems

4,700

solar installation companies represented worldwide

516,000

Enphase University courses completed by installers


ENPHASE

Financial sustainability

$2.3 billion
revenue in 2023

15.5 million
microinverters shipped in 2023

47.1%
non-GAAP gross margin in 2023

We managed well in 2023 with our financial discipline through a difficult global environment. Revenue was $2.29 billion in 2023, compared to $2.33 billion in 2022. We shipped 15.5 million microinverters in 2023, compared to 15.4 million in 2022. Our non-GAAP gross margin expanded to 45.3%[1], exclusive of the IRA net benefit, and our non-GAAP gross margin further increased to 47.1%[1], inclusive of the IRA net benefit, by manufacturing our microinverters in the United States.

Our balance sheet remained very strong in 2023. We generated approximately $586.0 million dollars of free cash flow in 2023 and exited the year with $1.70 billion dollars in cash, cash equivalents and marketable securities, up over $80.0 million dollars year-over-year, while repurchasing 3.3 million shares of our common stock for approximately $410.0 million dollars.

A responsible investment

We are proud of the reputation we have built as a global leader in home energy management systems and sustainability. In 2023, we were pleased to be recognized by several third-party organizations for success in aligning our business with international sustainable development goals, including placement on both the Corporate Knights Global 100 and Newsweek's America's Greenest Companies lists.

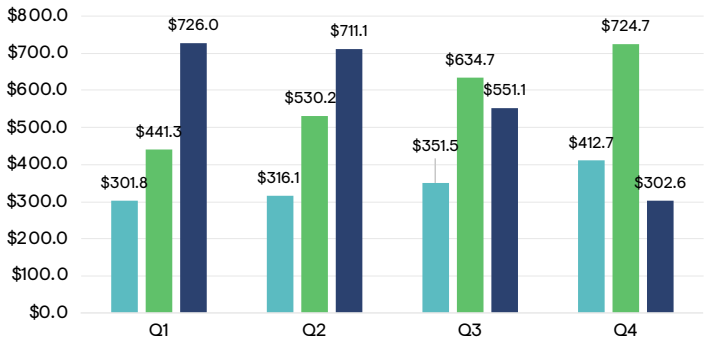
Our performance among third-party ESG ratings agencies also continued to improve in 2023, with Enphase earning an ESG 'Prime' rating from Institutional Shareholder Services (ISS), a 'AA' ESG rating from Morgan Stanley Capital International (MSCI), and reduced risk rating from Sustainalytics. We remain committed to meeting and exceeding the qualifying thresholds for sustainable investment under various criteria such as the United Nations Global Compact (UNGC), the United Nations Sustainable Development Goals (UN SDGs), the EU Sustainable Finance Disclosure Regulation (SFDR), and the EU taxonomy for sustainable activities.

[1] See Appendix for reconciliation to comparable GAAP measures

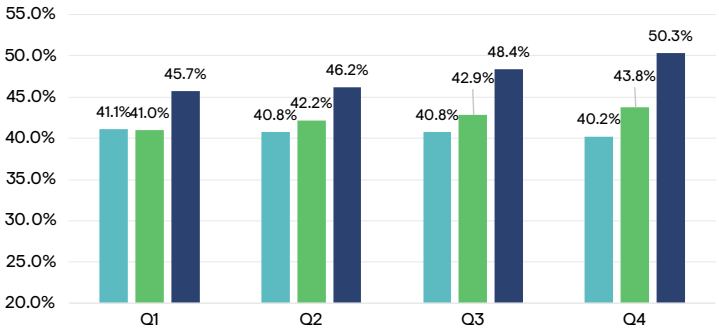
Our financial performance

We had another year of profitability in 2023. GAAP net income was $438.9 million, resulting in diluted earnings per share of $3.08. Non-GAAP net income was $613.2 million, resulting in non-GAAP diluted earnings per share of $4.41 million.[1]

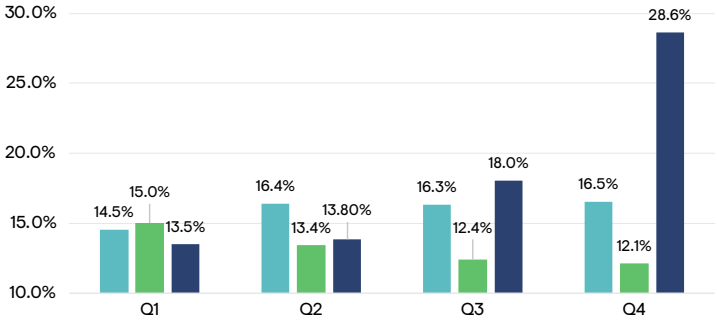
Quarterly revenue by year



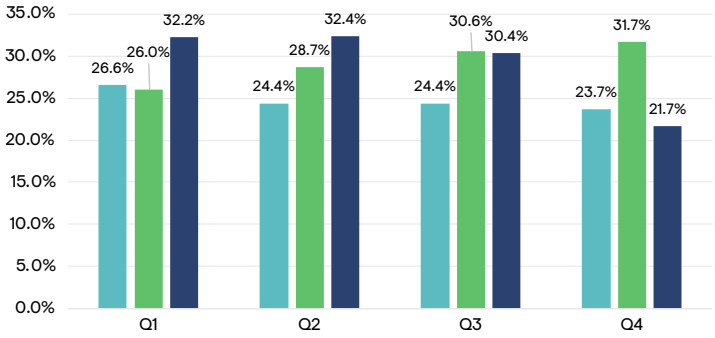
Quarterly gross margin % by year



Quarterly operating expenses % by year



Quarterly operating income % by year



2021 2022 2023

[1]See Appendix for reconciliation to comparable GAAP measures

Environment

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 drive global sustainable development. Our products and services directly address the urgent challenges presented by climate change and accelerate the transition to a low-carbon economy.

E1. Environmental stewardship

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 drive global sustainable development. Our products and services directly address the urgent challenges presented by climate change and accelerate the transition to a low-carbon economy.

"At Enphase, we create clean energy products and technologies the world needs to help slow the place of global warming."

Climate change strategy

At Enphase, we create clean energy products and technologies the world needs to help slow the pace of global warming, protect the environment, and accelerate the transition to a clean, accessible, and resilient energy system. Our climate change strategy disclosures align with the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD) and may be found in the Appendix.

Environmental management system (EMS)

Enphase demands of itself superior environmental performance, and 100% of our facilities are ISO 14001:2015 certified. Our EMS is continually improved to align with business strategy, promote positive environmental impacts, and minimize adverse impacts. Through the EMS, we proactively assess environmental risks and opportunities, define key performance indicators (KPIs) and targets, and evaluate progress toward environmental goals. Our executive leadership has direct oversight of the global Environmental Health and Safety (EHS) program.

Supplier expectations

Enphase works with suppliers who share our commitment to sustainability, and all suppliers and vendors are expected to uphold the same standards of environmental stewardship as we do. Suppliers are screened on specific criteria including the presence of an environmental policy; EMS or Eco-Management and Audit Scheme (EMAS) certification; Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) compliance; conflict minerals reporting; as well as the establishment of human rights and labor policies.

Auditing

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.

Reporting and stakeholder consultation

We report our annual environmental performance in line with prevailing sustainability reporting frameworks. Stakeholders such as our shareholders, local communities, customers, suppliers and contractors, government agencies, and other organizations focused on protecting the environment are allies and collaborators, and their priorities and feedback regarding our environmental performance are considered when assessing our environmental performance.

"We support pollution prevention programs and efficiently use materials and energy to conserve natural resources."

Product lifecycle stewardship

Our products are designed to be safe for the environment and their intended use. All hazardous waste generated across our operations is disposed of properly or recycled, and we comply with all applicable laws and directives where we operate regarding hazardous waste, including Waste from Electrical and Electronic Equipment (WEEE), RoHs, REACH, and the European Union (EU) batteries directive. We support pollution prevention programs and efficiently use materials and energy to conserve natural resources, including measuring emissions and implementing an emissions reduction strategy.

Legal compliance

Enphase complies in the areas where we operate with all applicable environmental, health and safety laws, as well as all pertinent industry codes and standards. We also expect our suppliers, partners, and customers to comply with all appliable environmental, health and safety laws and regulations.

Empowering employees

We harness the intellect and energy of our employees to achieve positive and lasting environmental impacts resulting from our business. Employees at all levels actively participate in environmental goal-setting, allowing for important insight and innovation to be realized across the company. We incentivize performance toward environmental-related goals, with all employees eligible to tie short-term bonuses to associated objectives.

E2. Clean energy production

During 2023

22 TWh
generated by Enphase microinverters[1]

15 million
$MTCO_2e$ prevented from entering the atmosphere[2]

Since 2006

80.6 TWh
generated by Enphase microinverters[1]

56 million
$MTCO_2e$ prevented from entering the atmosphere[2]

[1] Annual running total estimate based on Enphase managed systems data as of December 31, 2023 grossed up for non-managed systems based on cumulative production records
[2] Estimate based on Enphase managed systems data as of December 31, 2023 grossed up for non-managed systems based on cumulative production records; CO_2e calculations based on U.S. EPA GHG Equivalencies Calculator

E3. Emissions and energy

This is our third year of completing a greenhouse gas (GHG) emissions inventory. The calculations follow the guidance provided in the GHG Protocol Corporate Standard, covering Scope 1 (direct), Scope 2 (electricity-indirect), and select Scope 3 emissions categories. Please see the Appendix for details on the inventory methodology and energy and emissions data disaggregated at the individual facility level.

We consider Scope 1 emissions to be negligible given our "OpEx Lite" operating model, where we do not own or operate any large factories. Emissions from our field service and training vehicle fleet do not represent more than 5% of our total emissions and are excluded from our GHG inventory per GHG Protocol guidelines.

Energy consumption among our leased facilities globally creates our Scope 2 emissions. We are managing Scope 2 emissions by increasing on-site PV generation capacity by installing new PV systems on leased buildings and completing energy efficiency projects on a continuing basis. Our energy management program is informed by the ISO 50001 standard, though we do not currently hold ISO 50001 certification.

Note that we intentionally forgo market solutions such as Renewable Energy Certificates (RECs) to drive down Scope 2 emissions figures. This allows us to confidently claim that our operations run on renewable energy, while cultivating a net positive outcome. By leaving installed PV on the leased buildings after we vacate, we leave the facilities in a better condition than originally found.

We completed a screening inventory as outlined in the GHG Protocol to determine which of the fifteen 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. Several of our key suppliers and customers have set ambitious GHG reduction targets through the Science-Based Targets Initiative (SBTi), helping to drive down our Scope 3 emissions. We continue to measure our Scope 3 emissions and explore opportunities for further reductions moving forward.

Table 1: 2023 GHG emissions*

Emissions type	Units
Direct emissions (Scope 1) ($MTCO_2e$)	0
Electricity-indirect emissions (Scope 2) ($MTCO_2e$)	15,529
Other indirect emissions (Scope 3) ($MTCO_2e$)	49,077
Total emissions ($MTCO_2e$)	64,606

*All emissions figures represent location- and market-based calculation.


ENPHASE

Managing GHG emissions

We appreciate the need to reduce operational emissions as we continue growing our business and helping to accelerate the world's transition to a resilient and efficient renewable energy system. In 2022, we set a target to reduce our Scope 1 and 2 economic emissions intensity by 30% by 2030 from a 2021 baseline. To this end, we plan to increase energy efficiency and reduce energy consumption from non-renewable sources by continuing to employ the following strategies:

- Expanding facility on-site PV generation capacity
- Participating in utility renewable energy and green tariff programs
- Completing facility energy efficiency projects
- Requiring facilities to provide access to renewable energy
- Installing bi-directional EV chargers at facilities
- Incentivizing emissions reduction and energy conservation initiatives

"Facility on-site PV generation increased by 228% year-over-year to a total of 855.9 kW"

2023 actions taken

- Increased facilities' on-site generation capacity to 855.9 kW
- Completed energy efficiency projects representing annual savings of 195,052 kWh
- Planned energy efficiency projects representing an annual savings of 955,296 kWh
- Completed PV installs for three additional Enphase facility locations
- Joined Austin Energy Green Choice program

Chart 1: On-site PV generation capacity (kW)

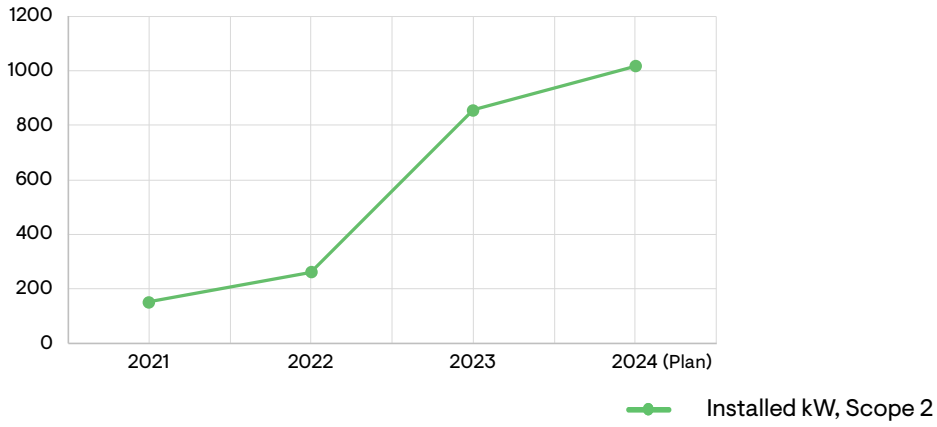
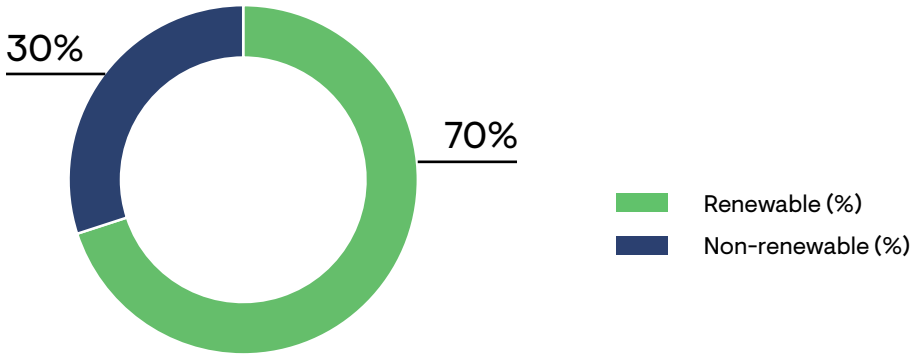


Chart 2: Renewable energy mix



GHG reduction target progress

As of the end of 2023, our scope 1 and 2 emissions intensity has decreased by three percent from our 2021 baseline. The reported increase in scope 2 emissions is compatible with our internal target model, and reflects increases in headcount, the number of facility locations, and facility activity due to the growth of our business. We expect to see improved performance as the net impact of increases to on-site generation capacity and participation in green tariff programs made during 2023 are fully realized and as the solar industry recovers from recent global macroeconomic headwinds. We remain confident that our continuing efforts to decarbonize while providing the clean energy products and technologies needed to meet global climate goals will accelerate progress in the coming years.

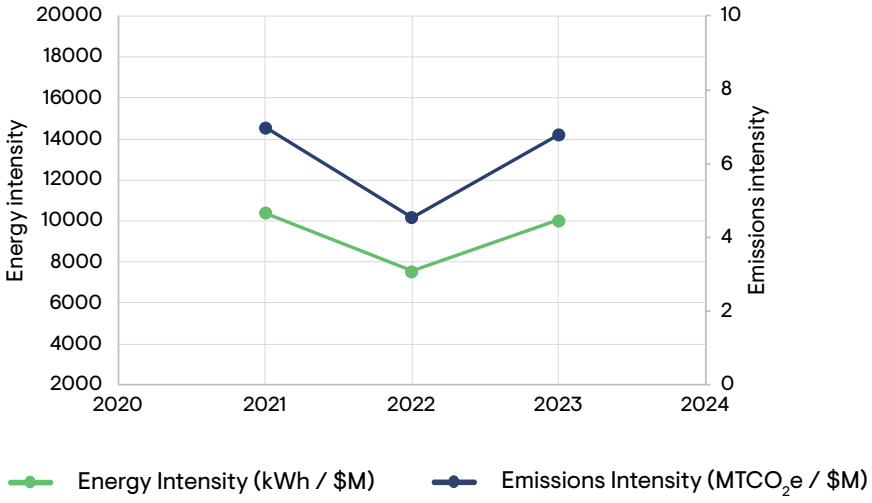
Table 2: Progress on GHG emissions reduction target

Emissions metric	2021	2022	2023	2030 Target
Direct emissions (Scope 1) ($MTCO_2e$)	0	0	0	0
Electricity-indirect emissions (Scope 2) ($MTCO_2e$)	9,240	10,603	15,529	n/a
Revenue ($M)	1,382	2,331	2,291	n/a
Scope 1 + 2 emissions intensity ($MTCO_2e$ / $M revenue)	**6.99**	**4.55**	**6.78**	**4.89**

Table 3: Energy consumption detail

Energy metric	Units
Grid electricity consumption (MWh)	20,079
Heat consumption (MWh)	2,954
Aggregated energy consumption (MWh)	23,033
Total electrical power used (MWh)	20,507
Normalized electrical power used (kWh / $M revenue)	6,856
Energy intensity (kWh / $M revenue)	10,055
Consumed energy from the grid (%)	99

Chart 3: Emissions and energy intensity trend*



*Scopes 1 and 2 only

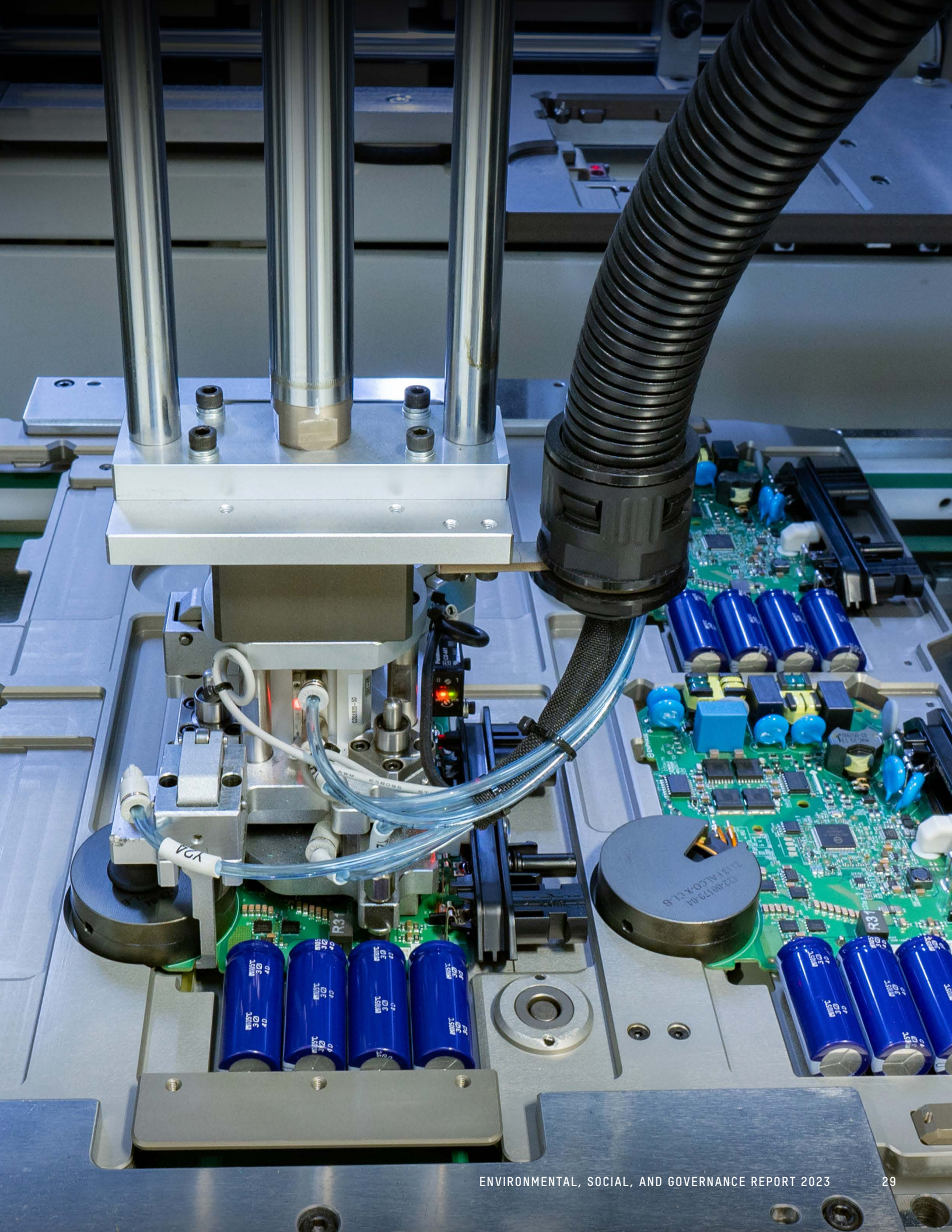
Hazardous air pollutants

Enphase installed products reduce the amount of hazardous air pollutants (HAPs) that enter the atmosphere, helping to alleviate human health issues related to the release of particulate matter (PM 2.5), nitrous oxides (NO_x), sulfur oxides (SO_x), and other ozone-depleting substances (ODS). These are typically released from fuel combustion among both mobile and stationary sources such as cars, trucks, and factories. Many people are disproportionately impacted by air pollution, including those who live in communities of color or low-income communities. Every clean kilowatt hour generated by an Enphase system helps to reduce air pollution and promote environmental justice.

We do not consider the release of HAPs across Enphase's operations to be significant, given we do not own or operate a company vehicle fleet or any large factories. However, we do hold upstream suppliers and contract manufacturers accountable for environmental performance as outlined in our Enphase Supplier Code of Conduct and proactively work to reduce Scope 3 emissions, including HAPs, as described earlier in this report.

Table 4: NO_x and SO_2 emissions

	Annual NO_x (lbs.)	SO_2 (lbs.)
Enphase U.S. operations	3.726	0.818



E4. Product responsibility

Activities across the entire value chain from raw material extraction to end-of-life methods comprise our product footprint, and we are committed to reducing adverse environmental impacts as much as possible by following "Design for Environment" (DfE) principles. We strive to reduce the material inputs needed to build safe, reliable, high-quality products, integrate recycled materials where possible, and design products that can be repurposed or recycled safely at the end of their designed lifespan.

"We assess the safety of our products at all stages of their life cycle, from prototype development through manufacturing, use, service, and recycling or disposal."

Product quality and safety

We take a comprehensive approach to quality and safety, with all products thoroughly qualified and tested to ensure compliance with rigorous standards while exceeding customer expectations. All Enphase products and services are certified to the ISO 9001:2015 standard through our Quality Management System (QMS). Executives overseeing product quality and safety report directly to the Chief Executive Officer (CEO), with supporting managerial oversight for a wide variety of cross-functional activities such as product development, defect and failure mode analysis, field service, and product end of life management.

100%
ISO 9001:2015 certified products

Zero
product recalls

We assess the safety of our products at all stages of their life cycle, from prototype development through manufacturing, use, service, and recycling or disposal. This includes evaluating the inclusion or use of harmful chemicals in products and designing processes to ensure safety across all stages of the product lifecycle. Procedures for monitoring and managing the risks associated with inclusion of harmful chemicals in products are well-defined in our Product Lifecycle Process (PLCP), applicable to all product lines. All products are compliant with REACH and RoHS regulations.

Supporting emergency response and first responders

In line with our commitment to safety, we have helped train thousands of firefighters across the United States and Brazil on the critical strategies and tactics needed to mitigate structure fires involving PV and energy storage systems (ESS). Enphase is continuing this effort by engaging fire service consultants to develop training videos for fire professionals. We 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.

Repairability

During 2023, we introduced the ability to service batteries and other balance of system (BOS) components in the field by swapping components rather than replacing the entire product. This helps to reduce system downtime, improve customer satisfaction, and better the overall environmental profile of our products. Every component swap in the field ultimately reduces reliance on raw material inputs, avoids emissions and pollution related to product disposal, and extends product lifetime. We plan to expand this practice of field repairability to cover additional products in the future.

"Every component swap in the field ultimately reduces reliance on raw material inputs, avoids emissions and pollution related to product disposal, and extends product lifetime."

Waste management

Currently, we are primarily concerned with managing our electronic waste (e-waste), hazardous waste, and universal waste responsibly across global operations. In 2023, we expanded our tracking and management to include operations in Germany, India, and New Zealand in addition to the United States. The overall waste is generated through R&D, prototyping, and creating experimental apparatus for new product development and improvement across our product portfolio. Our dedication to building innovative, best-in-class products regarding safety, quality, and reliability requires extensive testing and failure analysis. Test equipment is disassembled or deconstructed, with the constituent parts recycled and reclaimed for future use, where possible. We make every effort to divert these wastes from landfills by sending e-waste, hazardous waste, and universal waste to certified vendors who provide certificates of destruction, outlining the percent composition, mass, and recycling method employed for each constituent material.

100%
waste diverted from landfill*

100%
RoHS, REACH, WEEE, and EU Battery Directive compliance

We focus significant efforts on residential, commercial, and industrial battery disposal and recycling. We evaluate third-party recycling vendors for certifications and compliance performance prior to engaging with them. Our battery recycler is certified to the R2 standard, which prohibits incineration as a disposal solution. All battery waste is processed thermally or chemically to recover valuable metals such as nickel, lithium, cobalt, and copper, with the remaining plastic and byproducts separated for recycling. This allows for valuable components to be reused as material inputs for new products. We design our batteries for long-term duration to decrease waste, using lithium iron phosphate (LFP) chemistry as the storage material. Beyond batteries, we are reviewing the methods of other third-party vendors to validate that material is diverted from landfill and developing a vendor audit program to verify the destination of generated waste.

We promote our company's commitment to recycling and preventing products and materials ending up in landfills through our internal training and compliance with applicable federal, state, and local regulations. Employees working in our R&D labs undergo additional annual training to ensure they understand how to properly dispose of any hazardous materials that are not eligible for our recycling programs.

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

Sustainable facilities

We also make a conscientious 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.

Table 5: Waste management*

Waste Type	Amount Generated (MT)	Amount Diverted from Landfill (MT)	Percent Recycled (%)	Percent Directed to Landfill (%)
Hazardous Waste	1.03	1.03	100	0.0
E-Waste	105.86	105.86	100	0.0
Universal Waste	33.15	33.15	100	0.0

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

E5. Case studies

United States

Florida Solar Design Group, an installer of Enphase products in the United States, completed a 45.6 kW rooftop solar energy project for the Conservancy of Southwest Florida in Naples, Florida. Florida Solar Design Group installed 106 Enphase® IQ8H™ Microinverters, which are expected to help the Conservancy meet their sustainability goals.

Conservancy of Southwest Florida
Organization

Florida Solar Design Group
Enphase product installer

Naples, Florida
Location

45.6 kW
solar energy system size

77.4 MWh
estimated annual production

United States

A1A Solar, an installer of Enphase products in the United States, completed a 43.2 kW rooftop solar energy project for dtw Research in Fernandina Beach, Florida. A1A Solar installed 90 Enphase IQ8H Microinverters, which are expected to offset an estimated 41% of the business's energy use with clean solar power.

dtw RESEARCH

Organization

A1A Solar

Enphase product installer

Fernandina Beach, Florida

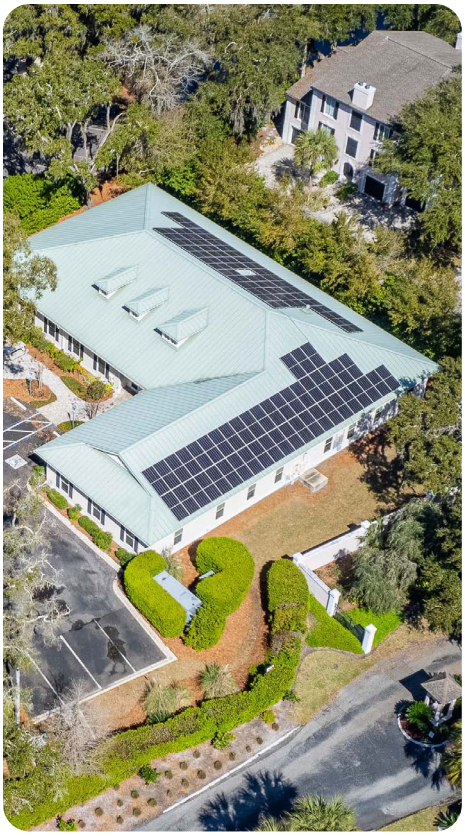
Location

43.2 kW

solar energy system size

56.3 MWh

estimated annual production



Canada

Hakai Energy Solutions, an installer of Enphase products in Canada, completed a 26.2 kW rooftop solar energy project on the K'omoks First Nation administration building in Comox, British Columbia, Canada. The installer calculates that the addition of this Enphase commercial solar system on the building will offset approximately 35% of their electrical energy requirements, contributing to significant operating cost savings over the lifetime of the system.

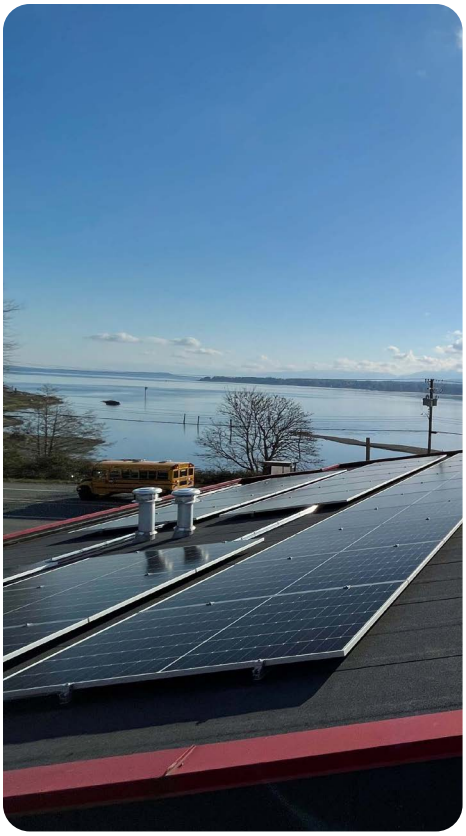
K'omoks First Nation
Organization

Hakai Energy Solutions
Enphase product installer

Comox, British Columbia
Location

26.2 kW
solar energy system size

26.7 MWh
estimated annual production



Spain

PROT energía, an installer of Enphase products in Spain, performed a temporary solar installation for exhibition during the world ski mountaineering championship in the Catalan Pyrenees to promote the use of renewable energy. The installation covered the supply of 12% of the electricity consumed during the event, achieving a savings of 24 kg of CO_2. The installation consisted of eight solar panels with Enphase® IQ7A™ Microinverters.

Skimo Championship (Boí Taüll 2023)

Organization

PROT energía

Enphase product installer

Boí Taüll (Lleida)

Location

3.4 kW

solar energy system size

France

Regis Electric, an installer of Enphase products in France, completed a rooftop solar energy project for a family in Cannes, France. The system was designed to provide clean, resilient energy to help reduce electricity bills and make the family more self-sufficient. The installation consisted of 48 solar panels with Enphase® IQ8AC™ Microinverters and two Enphase IQ Battery 10Ts.

Homeowner
Organization

Regis Electric
Enphase product installer

Cannes
Location

24 kW
solar energy system size

33.6 MWh
estimated annual production

Australia

Country Solar NT, an installer of Enphase products in Australia, installed a 99.6 kW Enphase solar system, featuring 240 Enphase IQ7A Microinverters for the iconic Territory Wildlife Park in Darwin to power their visitor center. Given the different roof azimuths, variable roof pitch due to a curved roof, and extensive partial shading from surrounding vegetation and air conditioning units, as well as the region's tough tropical climatic conditions, Enphase's microinverters were the preferred solution for this project.

DICE (Aust) Pty Ltd t/a Country Solar NT

Organization

DICE (Aust) Pty Ltd t/a Country Solar NT

Enphase product installer

Territory Wildlife Park - Berry Springs, Darwin NT 0838

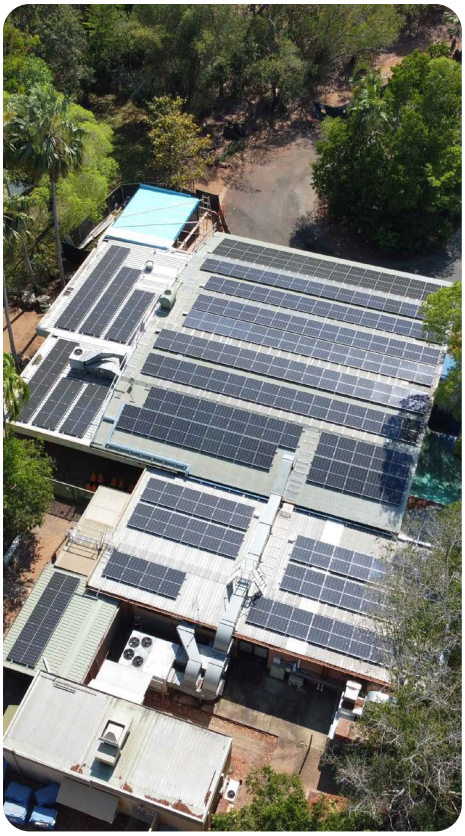
Location

99.6 kW

solar energy system size

127 MWh

estimated annual production



India

U-Solar Clean Energy Solutions Pvt. Ltd, an installer of Enphase products, built a beautiful 684 panel solar energy system across the 30,000 square foot rooftop space of Indiqube GVH building in Bangalore, Karnataka. This building functions as Enphase's research and development facility and is the headquarters of Enphase-India operations.

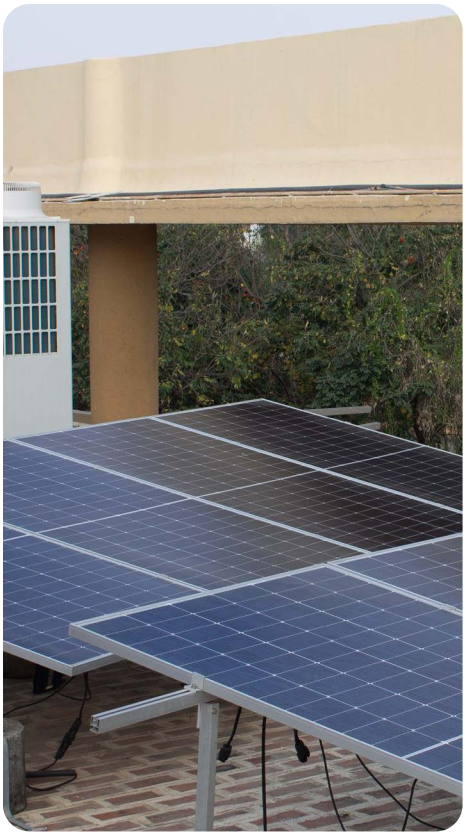
Indiqube GVH
Organization

U-Solar Clean Energy Solutions Pvt. Ltd
Enphase product installer

Bangalore (KA)
Location

369.4 kW
solar energy system size

506 MWh
estimated annual production



Brazil

Fortlev, an Enphase distribution partner in Brazil, chose Enphase microinverters to power its warehouse. The installation includes 627 Enphase IQ7A Microinverters on the roof to generate clean energy and savings for its business.

Fortlev Solar

Organization

Allan Realtec

Enphase product installer

Serra City / Espirito Santo State

Location

210 kW

solar energy system size

384 MWh

estimated annual production

South Africa

The U.S. Embassy and Consulate in South Africa selected Rubicon Renewables as its official supplier for solar and backup on more than 400 consulate homes in the Western Cape and Gauteng. Enphase IQ7A Microinverters were selected for their 25-year warranty, panel-level asset management toolset, all-AC electrical safety, and superior performance in residential applications.

U.S. Embassy and Consulate in South Africa
Organization

Smart Energy and Ramgreen Services
Enphase product installer

Pretoria, Cape Town, and Johannesburg
Location

4.8 MW
aggregated solar energy system size

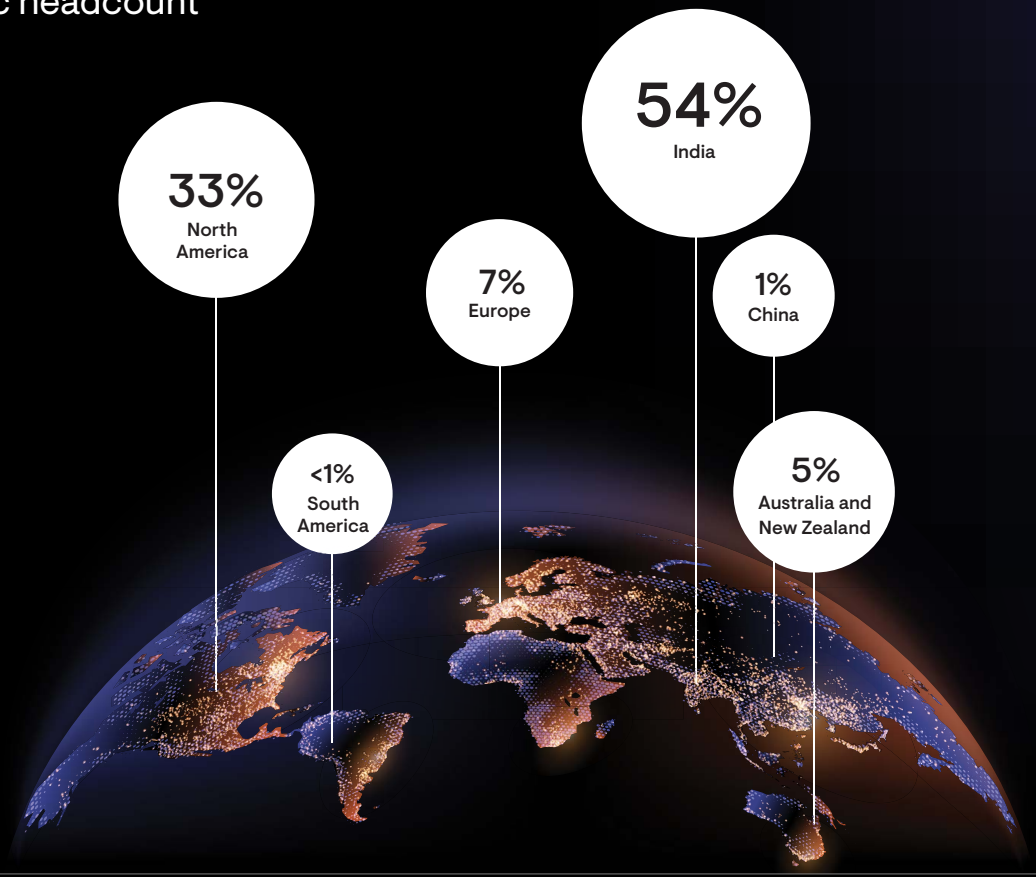
9,275 MWh
estimated annual production

People

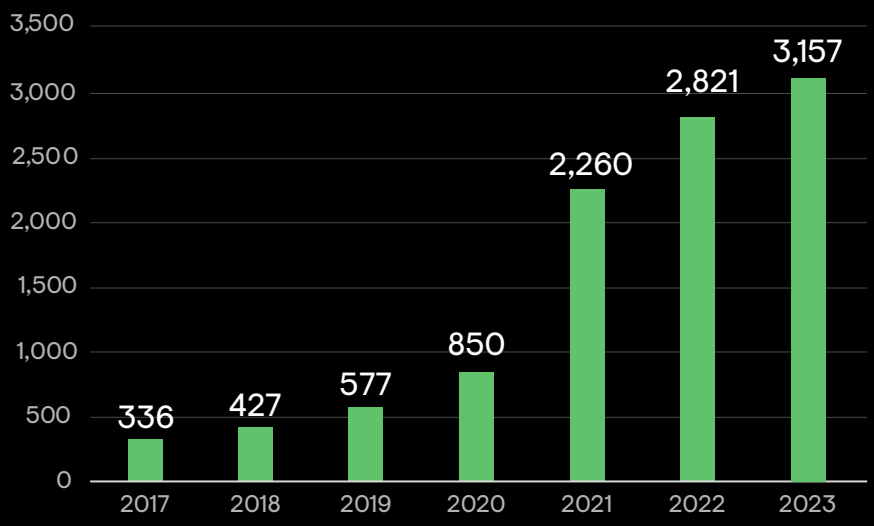
We strive to make Enphase a great place to work by recruiting and retaining the best talent, cultivating a diverse, equitable and inclusive workforce, providing opportunities for learning and development, and ensuring a safe and healthy work environment.

P1. Company demographics

Geographic headcount



Employee headcount



P2. Recruiting and retaining the best

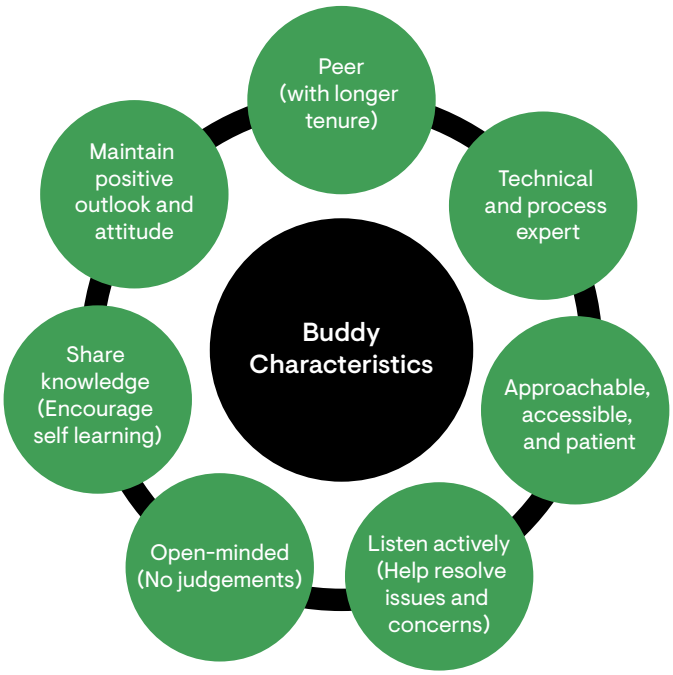
We are committed to attracting and developing a strong, diverse group of employees. Our robust talent management program includes university outreach, global recruitment, career progression, and leadership development - empowering our employees to reach their full potential and find work satisfaction.

Recruitment and onboarding

We leverage employee referral programs, seek talent from specialized conferences, and work with recruiting agencies to supply a diverse slate of candidates for each job placement search. In addition, our talent acquisition department sponsors events, partners with student organizations on university campuses, makes certain all published job descriptions contain inclusive language, and ensures that interview teams are broadly represented. Once someone is hired, our world-class, scalable, and blended model for new employee onboarding and training creates an environment where all employees feel welcomed, supported, and valued.

Buddy Up!

As part of our new employee onboarding, every new employee is paired with a colleague, a "buddy," who is a go-to person for the new employee. The buddy provides assistance and information during the settling-in period and ensures that the new employee is engaged and supported. In turn, our buddies benefit from improved self-confidence and the ability to hone managerial and leadership skills.



Benefits and wellness

The physical, social, emotional, and financial needs of our employees and their families guide our global wellness program. We provide our employees with competitive compensation and benefits that enable them to achieve a nice quality of life and plan for their future, including retirement savings plans, paid vacation days and sick leave, and other benefits according to local regulations. All employees receive stock-based compensation through awards of Restricted Stock Units (RSUs) and are afforded additional benefits such as the ability to participate in an Employee Stock Purchase Plan (ESPP), quarterly bonus or commission plans, subsidized health insurance plans, employee assistance programs (EAP), and virtual fitness programs.

"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."

We care about our employees and their families. Enphase provides family forming benefits through Carrot, one of the leading global fertility care platforms. Carrot helps members explore alternatives to in-vitro fertilization (IVF) and assists employees around the world of every age, race, income, sex, sexual orientation, gender and marital status.

Engagement and satisfaction

We conduct an annual Employee Net Promoter Score (eNPS) and employee engagement survey. This survey drives our employee engagement plans and activities for the upcoming year. All employees are surveyed, and each functional or business unit prepares its own action plans for improvement for the year based on the survey results and feedback.

Workforce and 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, including the freedom to organize, negotiate, and express 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).

P3. Cultivating a diverse, inclusive and equitable workforce

Enphase's ability to innovate relies on the perspective and knowledge from employees across a broad range of backgrounds and experiences. We ensure our leaders and employees at all levels of the organization work with each other to foster an inclusive culture and mindset, and to continuously improve our interactions with each other, our partners, our customers, and our communities. Our global diversity, equity, and inclusion (DEI) strategy is focused on hiring, engagement, retention, and development efforts to achieve an inclusive and diverse workforce and is driven by a cross-functional council of executive leaders. As an extension of the efforts from the DEI council, we formed WE SPARK (Women at Enphase - Strong, Progressive, Ambitious, Resilient, Knowledgeable), an employee resource group (ERG) for women in 2023. This is a self-sustained community of women at Enphase whose mission is to inspire change, build and foster networking, and drive women's professional growth by addressing the habits that limit them from advancing in the professional landscape. In 2024, WE SPARK aims to offer developmental workshops throughout the year.

"We ensure our leaders and employees at all levels of the organization work with each other to foster an inclusive culture and mindset, and to continuously improve our interactions with each other, our partners, our customers, and our communities."

Eliminating bias and ensuring equal opportunity

We address the topic of "unconscious bias" in training that is available to recruiters, hiring managers, and interviewers to ensure inclusive hiring practices. Through our "Interviewing the Enphase Way" and "Hiring the Enphase Way" philosophies and trainings, we evaluate candidates on merit and do not fall victim to prejudice or 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 all applicable 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.

Table 6: Global gender diversity

Employee group	Female (%)	Male (%)	Not disclosed (%)
Executive officers (14)	14.3	85.7	0.0
Leadership (209)	10.5	82.8	6.7
Managers (589)	14.5	80.1	5.4
All employees (3,157)	17.5	75.1	7.4

Table 7: Global age diversity

Employee group	< 30 Years (%)	31-50 Years (%)	> 50 Years (%)
Leadership (209)	0.9	58.4	40.7
Managers (589)	4.6	77.1	18.3
All employees (3,157)	35.8	53.3	10.9

Table 8: U.S. race and ethnicity

Ethnicity	All employees (No. 1,003) (%)	Leadership (No. 127) (%)	Managers (No. 230) (%)
American Indian or Alaska Native (not Hispanic or Latino)	0.2	0.0	0.9
Asian (not Hispanic or Latino)	17.1	42.5	31.3
Black or African American (not Hispanic or Latino)	3.0	0.8	2.2
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	2.9	2.4	2.2
Two or more races (not Hispanic or Latino)	0.5	0.0	0.0
Not disclosed	21.8	11.0	16.5
White (not Hispanic or Latino)	54.5	43.3	46.9

DEI organizations and partnerships

Avtar and Seramount

In 2023, Avtar, India's premier DEI solutions firm, along with Seramount, a strategic professional services firm dedicated to advancing DEI in the workplace in the United States, conducted its eighth successive edition of the Best Companies for Women in India (BCWI) and the Most Inclusive Companies Index (MICI). The BCWI and MICI studies evaluate organizations based on their gender diversity initiatives, equal opportunities, career advancement for women, and overall workplace inclusivity. Enphase again received two awards – "Top 100 Best Companies for Women in India" and an "Exemplar of Inclusion." This accolade highlights Enphase's commitment to gender diversity and inclusion in the workplace.

SEIA DEIJ Certification Program

Enphase continued its partnership with the Solar Energy Industries Association (SEIA) to help advocate for diversity and inclusion in the solar industry. SEIA's Diversity, Equity, Inclusion & Justice (DEIJ) program increases social awareness by promoting solar companies that are certified, showcasing their progress in this space. The SEIA DEIJ also provides resources to help with expanding diversity efforts and educates member companies through various programs, training and resource development. In 2023, Enphase earned bronze level certification in the SEIA DEIJ program.

Women in Cleantech & Sustainability

Enphase continued its partnership with Women in Cleantech & Sustainability (WCTS), 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. By supporting WCTS, we are helping to shine a light on the need for more women in cleantech and fostering support for clean energy with participation in events and mentorship opportunities.

CEO Action for D&I

Enphase's CEO signed the CEO Action for Diversity & Inclusion pledge in 2021, joining more than 2,000 other CEOs, to act on supporting more inclusive workplaces. We continued our pledge to promote diversity in our leadership team and implemented changes focused on attracting more qualified and diverse talent into the company such as making positive changes in our hiring process, including rewriting job postings to appeal to women, requiring that qualified diverse candidates must be interviewed for all new executive-level and Board of Directors (Board) positions, and ensuring a diverse representation of interviewers are always included in the process.

ParityPledge

Enphase is a signatory to the corporate "ParityPledge," alongside a significant number of established corporations, in support of women and people of color in the workplace. We are continuing to honor the pledge goal, 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.

P4. Developing our people

‘Experience-Exposure-Education’ learning model

Our learning model is designed to enable the majority of knowledge gained from job-related experiences, followed by learning from coaching and mentoring, and formal learning events. This model reinforces our belief that learning is not just a result of functional responsibility - it goes beyond formal training. Learning and development are embedded into daily work, cross-functional interactions, informal mentoring, and stretch assignments at Enphase.

82

NPS for learning programs

100%

compliance course completion

Enphase Learning Academy

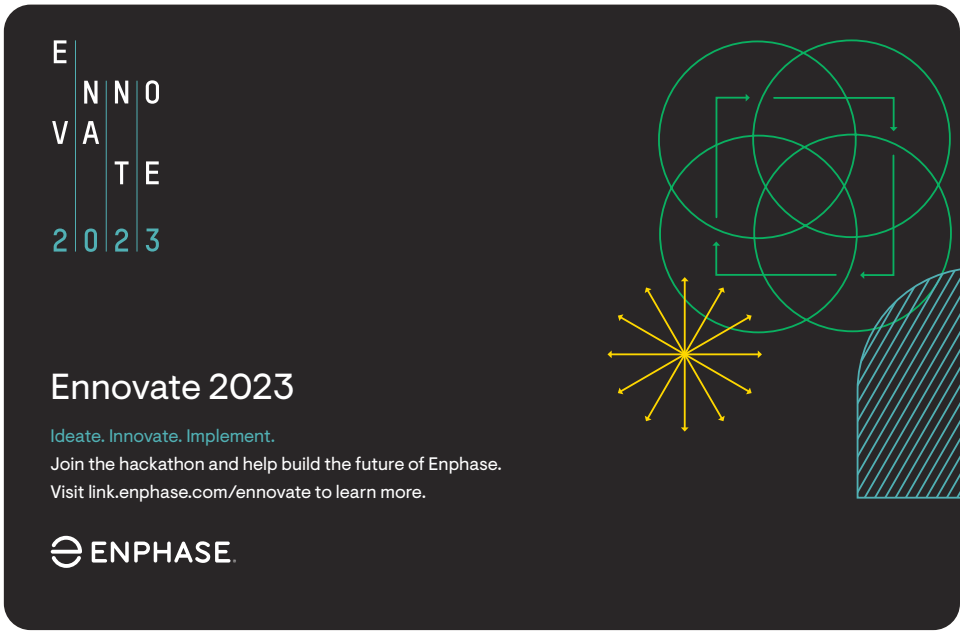
Enphase Learning Academy is the hub for learning and development for employees globally, focusing on job-related training, business awareness training and product overviews, and soft-skills programs. In 2023, Enphase Learning Academy launched the Management Development program – a six-month upskilling program for people managers; and the Leadership Development & Mentoring program – a one-year program aimed at grooming emerging leaders to take on leadership positions at Enphase.

Career pathing, development and mobility

Enphase offers its employees clear direction and opportunities for continued learning and growth. Employee career development at Enphase can often be non-linear. It happens in all directions, including subject matter expertise, lateral growth to new teams, and linear growth through a job family. We encourage employees to own their development and engage in career conversations with their managers. Such conversations enable employees to realize their career goals by identifying lateral and vertical advancement opportunities through focused development plans.

‘Ennovate’ – Enphase’s innovation program

Innovation remains a core value at Enphase and is key to the long-term success of our organization. Ennovate, Enphase’s annual company-wide hackathon, is one of the programs that helps drive innovation at Enphase. In 2023, the Ennovate program again received over 130 ideas across three broad themes - software, systems, and business processes. A cross-functional team of engineering and business leaders has short-listed 36 proposals for proof-of-concept demonstration presentations, with prizes awarded to teams with the best ideas.



Education Assistance Program

Our Education Assistance Program offers qualifying employees financial support to advance their educational goals and increase their business knowledge. This benefit is used by our employees globally to advance their knowledge and career through formal education.

Enphase behavioral competency framework

Behavioral competencies are attributes that Enphase employees are expected to demonstrate at the workplace, forming a shared understanding of performance standards and Enphase’s values and culture. Enphase’s behavioral competency framework is at the core of internal employee practices such as hiring, performance evaluation, promotions and career development.

P5. Promoting a safe and healthy workplace

Occupational Health and Safety (OHS) and Environmental Health and Safety (EHS)

Enphase's Occupational Health and Safety (OHS) program has implemented a culture of safety compliance, framed on identifying hazards, minimizing workplace risks, and promoting continuous improvement in safety performance. The U.S. Department of Labor's Occupational Health & Safety Administration (OSHA) guidelines are the building blocks for our OHS program in the U.S. and provide significant influence over the development of our global OHS systems. The OHS program either complies with or exceeds the occupational health and safety regulations in the countries where we operate.

"In 2023, Enphase had zero reportable notices of health and safety violations worldwide."

The OHS program goes through a continuous monitoring and evaluation process. Our OHS policy provides strategic direction, guiding principles, and relevant responsibilities for management, employees, and the Enphase Environmental Health and Safety (EHS) team. Our EHS team is led by a safety professional trained and certified by the Board of Certified Safety Professionals (BCSP). In 2023, Enphase had zero reportable notices of health and safety violations worldwide.

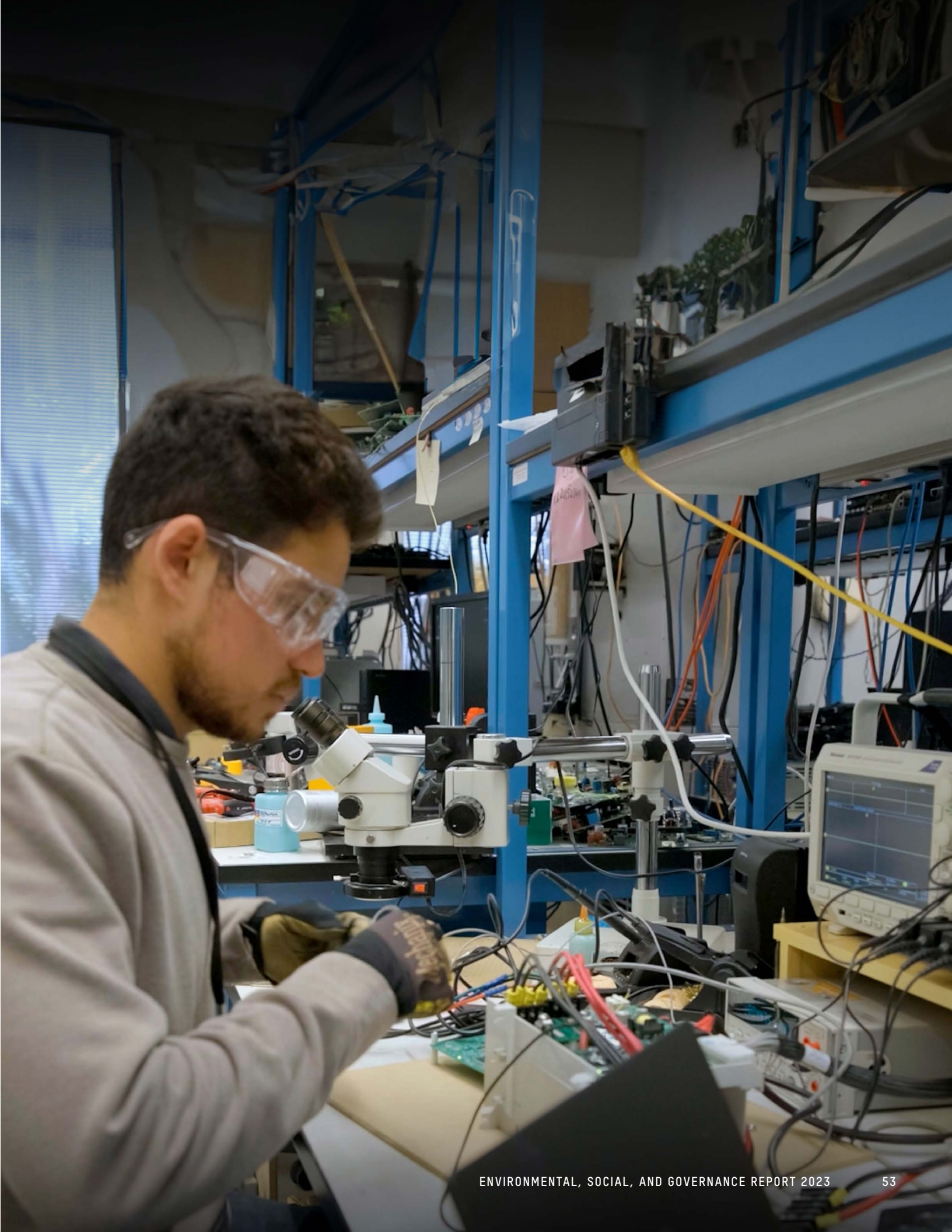
Workplace accident and injury rates

Enphase uses OSHA definitions to calculate recordable incidents, lost time, and restricted-day injuries. These definitions are also implemented globally for data gathering and analysis. In 2023, we expanded the accident and injury reporting program to cover operations in New Zealand and India in addition to those in North America. As a result of these efforts, our recordable incidents, lost-time, and restricted-day injuries are below industry averages published by the U.S. Bureau of Labor Statistics.

Table 9: Accident and injury rates*

	Total Recordable Incident Rate (TRIR)	Lost Time Incident Rate (LTIR)	Days Away, Restricted, Transfer (DART)	Fatalities**
Enphase Energy	0.23	0.13	0.13	0
Industry Benchmark* **	1.10	0.30	0.50	No data

*North America, New Zealand, and India operations
**Includes Enphase and contract employees
***NAICS code 334413 – Semiconductor and Related Device Manufacturing



P6. Responsible supply chain

Our commitment to human rights

We acknowledge our responsibility to protect, preserve, and promote human rights around the world. We are committed to ensuring that the people and communities impacted by our business can live a life of liberty, dignity, and respect. Our internal codes and policies on human rights are rooted in established frameworks and conventions including:

- United Nations Declaration on Human Rights
- The Code of Conduct of the Responsible Business Alliance (RBA)
- The United Nations Guiding Principles for Business and Human Rights (UNGPs)
- The Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work

"We believe access to energy helps to reduce poverty, improve health, reduce inequality, and raise standards of living."

Beyond the fundamental rights defined in these frameworks and conventions, we also consider access to clean, reliable, and affordable energy as a basic human right and a prerequisite for achieving the 2030 United Nations Sustainable Development Goals (UN SDGs). We believe access to energy helps to reduce poverty, improve health, reduce inequality, and raise standards of living. For more information, please refer to our Human Rights Policy.

Business relationships and due diligence

We seek to do business with those who share our values and commitment to human rights and expect all business partners to abide by our codes of conduct. We protect human rights across the value chain through the adoption of contractual clauses, supplier screening measures, grievance reporting, and on-site audits of our contract manufacturing facilities. At minimum, we expect our business partners to uphold basic human rights pertaining to minimum wage, maximum working hours, freedom of association and the right to collective bargaining, corporal punishment and disciplinary practices, acceptable living conditions, non-discrimination, and compliance with health and safety laws as defined in domestic and international conventions and frameworks.

All Enphase employees, including supply chain and procurement managers, are educated annually on expectations regarding human rights as part of compliance training. As of the end of 2023, all suppliers are under contractual obligation to abide by the expectations set out in our Supplier Code of Conduct.


ENPHASE
PRODUCTS MADE IN THE USA FROM IMPORTED PARTS

Grievance mechanisms

Grievance mechanisms are available, including the use of an anonymous third-party whistleblower hotline, when instances of non-compliance with the Enphase Energy Code of Conduct or our Supplier Code of Conduct are observed or reported. Corrective actions are taken by managers, the HR department, the Legal department, executive sponsors, and/or the Audit Committee of the Board when appropriate.

"We are committed to following all materials guidance and environmental regulatory compliance requirements of the countries in which we operate."

Eradicating forced labor and human trafficking in supply chains

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.

Materials sourcing and conflict minerals

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 and conflict minerals policy.

We expect our suppliers to source materials and operate in a responsible manner consistent with the Organization for Economic Cooperation and Development's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and are committed to ensuring that private security providers respect human rights. We expect our suppliers to acknowledge and agree to the following terms with respect to conflict minerals:

- that we are required to meet the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act
- to provide us with conflict mineral content and country of origin information on products supplied to us
- to cooperate in our or independent third-party auditing of the supply chain and procurement process, conflict mineral audits, and due diligence on its suppliers, and
- to collaborate with us in developing a chain of custody for conflict minerals in the supply chain and identifying and sourcing conflict-free sources for minerals used in our products

Supplier selection

The success of our products would not be possible without positive and long-lasting relationships with suppliers and partners that share our values of high quality, design, and sustainability. We work closely with all our contract manufacturers —from onboarding to customer delivery —to ensure that our products are made to the highest ethical, environmental, and socially responsible standards.

"The success of our products would not be possible without positive and long-lasting relationships with suppliers and partners that share our values of high quality, design, and sustainability."

We provide a Supplier Quality Assurance Manual that outlines our expectations of new and continuing partners. We are committed to producing high quality, reliable, and cost-effective products that are shipped on time, provide customer value, and conform to national and international requirements. We, along with our customers, demand and expect defect-free products and services. Prior to onboarding, all potential suppliers are rigorously screened for performance on over 100 factors related to quality, environmental stewardship, and social responsibility such as:

- Presence of a certified ISO 9001 or ISO/TS 16949 Quality Management System (QMS)
- Presence of a certified ISO 14001 Environmental Management System (EMS)
- Presence of an environmental policy, and
- Published REACH and RoHS compliance

Auditing procedures

We maintain Enphase employee presence at all contract manufacturing locations to ensure that rigorous standards for quality and environmental and social sustainability are upheld throughout the duration of the manufacturing partnership. All contract manufacturers are subject to supplier audits covering environmental, social, and sustainability criteria. For each contract manufacturer, we complete one audit, issue any corrective actions, and document corrective actions taken during a follow-up audit. Contract manufacturing audits are completed at least annually by our on-site teams. We plan to extend our auditing procedures to additional strategic first tier hardware component suppliers in the future.

- 100% of CMs are certified to ISO 14001 Environmental Management System (EMS)
- 100% of CMs are certified to ISO 9001 or ISO/TS 16949 Quality Management System (QMS)

Table 10: Supply chain auditing*

Environmental non-compliance rate (%)	Social non-compliance rate (%)	Health and safety non-compliance rate (%)	Contract manufacturers issued corrective actions (%)	Corrective action completion rate** (%)
9%	3%	0%	100%	88%

*Contract manufacturing partners only
**Remaining unresolved corrective actions to be completed in 2024

Society

We aim to support a cleaner, more reliable, and better-performing grid, and to collaborate with a wide range of stakeholders to advance policy outcomes in support of clean energy across the world.

S1. Enphase Corporate Social Responsibility (CSR) initiatives

United States

GRID Alternatives

We have been partnering with GRID Alternatives, a national non-profit leader, since 2012. GRID's mission is to build community-powered solutions to advance economic and environmental justice through renewable energy. GRID works towards this mission by handling 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.

42 MW
solar installed

10,300
families served

$295 million
expected lifetime savings

705,200 tons
of GHG emissions avoided

Over the lifetime of our partnership, GRID has installed more than 10,300 solar energy systems using Enphase products in in low-income communities across the United States, which equates to more than 42 megawatts of solar power. These homes are expected to see an estimated lifetime savings of more than $295 million, helping to prevent more than 705,200 tons of greenhouse gas emissions from entering the atmosphere. In addition, Enphase employees have volunteered thousands of on-job working hours over the past decade, which led to the installation of solar on dozens of low-income homes and community buildings. This work has also provided job trainees and volunteers with more than 592,000 hours of solar education and training.

Matt's Place Foundation

Enphase donated microinverters to Matt's Place Foundation in Spokane, Washington, to support building a living space for families contending with Lou Gehrig's disease. This eco-friendly state of the art interactive smart home is designed specifically for ALS patients and their families and is meant to help those living with ALS lead more independent lives.

Vision Warriors Foundation

Enphase teamed up with the Vision Warriors Foundation to donate microinverters to power housing for homeless veterans in the Saint Louis area. Located on a 5-acre property in the heart of St. Louis, the Veterans Community Project (VCP) campus will consist of 50 tiny homes ranging from 240–320 square feet and a VCP Village Community Center. The community center will serve as a "base camp," providing case management services, education, health and wellness programming, and social activities for veterans living in the village.

The Footprint Project

After the Maui wildfire disaster, Enphase support allowed Footprint Project to stand up its largest microgrid mobilization ever. In the first three months of response, Footprint Project deployed over 200 kW of solar and 350 kWh of energy storage to provide clean, sustainable power to 18 relief hubs across Maui.

Empowered by Light

Enphase joined Empowered by Light to launch a one-year pilot workforce development program in Juncos, Puerto Rico in an effort to help meet the growing demand for solar installers in the region. The program seeks to train 60 people during the first year, using GRID's Installation Basics Training (IBT) curriculum that consists of three weeks and 120-hours of interactive classroom learning and hands-on solar training labs with equipment. The program aims to connect graduating trainees to real jobs which will increase job placement and the overall impact of the IBT program.

Empower a Billion Lives

The Empower a Billion Lives (EBL) competition, an interdisciplinary, biennial global competition to identify and promote innovative and scalable solutions to energy poverty. Teams are invited from across the globe and from all walks of life, including companies, entrepreneurial startups, research organizations, and student teams from colleges and universities.

Australia

House of Hope / Foundation 61

Enphase, Australian Women in Solar Energy (AWISE), REC Solar, and Vortex Electrical collaborated to donate a 30 kW state-of-the-art solar system to House of Hope, a new live-in facility for women seeking drug and alcohol rehabilitation support in Geelong, Victoria. Driven by not-for-profit Foundation 61, the solar system is projected to save around $650 monthly on running costs, or the equivalent of one full-time support worker's salary one day a week.

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.

University 1

Organization: Kasetsart University
Enphase installer: SCG Future Energy Co., Ltd.
Location: Kasetsart University BKK, Thailand
Solar energy system size: 2.2 kW
Estimated annual production: 2,882 kWh

University 2

Organization: King Mongkut's University of Technology Thonburi
Enphase installer: SCG Future Energy Co., Ltd.
Location: King Mongkut's University of Technology Thonburi BKK, Thailand
Solar energy system size: 4.4 kW
Estimated annual production: 6,107 kWh

India

Trinity Care Foundation

We continued our support of the Trinity Care Foundation with two new schools (Adarsha Vidyalaya, Siddepalli and New Government High School, Venkatagirikote) receiving cutting-edge computer labs to provide underprivileged students with computer literacy, and implementing Enphase powered solar PV systems to ensure an uninterrupted power supply, thus fostering a sustainable and eco-friendly learning environment.

India Sudar

We continued our 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.

Society of St. Vincent De Paul (Mandya)

We sponsored the education expenses for 35 students at the Sharon School, KG Halli, Bangalore who hail from underprivileged families, primarily migrant laborers from the northern parts of India.

Pratham Books

We worked with Pratham books to print and disseminate 18,800 children's books (in multiple regional Indian languages such as Assamese, Tamil, Telugu and Marathi) with state governments, non-profit organizations and the school system. These books introduce science, technology, engineering, and mathematics (STEM) subject matters to children in underprivileged communities in India's expansive agricultural hinterland.

Maharaja Energy and SEWA

Enphase collaborated with Maharaja Energy and SEWA to distribute 290 efficient cookstoves to underprivileged rural households. Both organizations are dedicated to catalyzing inclusive and sustainable development for vulnerable sections of society by providing opportunities to improve the overall standard of living.

S2. Enphase grid services

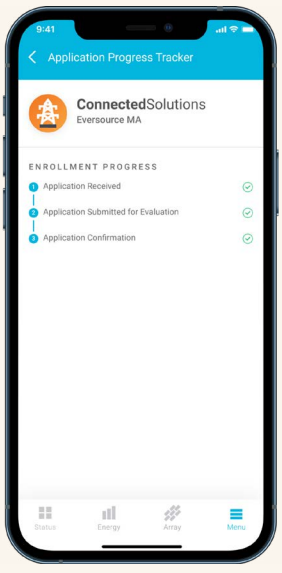
Adding value to customers and communities with Enphase solar and battery systems.

In 2023, we expanded our grid services programs, enabling more homeowners with IQ Batteries to participate in utility programs and earn money. These programs, also known as virtual power plants (VPPs), create a network of home batteries that utilities and grid operators manage. Homeowners who enroll in a VPP send the stored energy in their home batteries to the grid to help electric utilities avoid using power from expensive, polluting power plants when power demand is higher. In return, homeowners can receive hundreds to thousands of dollars toward their home battery system purchase or as annual incentive payments.

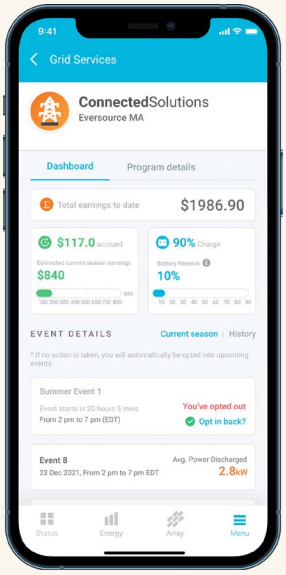
In many grid services programs, customers can sign up, monitor, and control participation in the program using the Enphase App or via their energy providers' web portal or apps. The incentives reduce the cost of the home energy system and help make home batteries more accessible and affordable for more people. Homeowners enrolled in these programs can still use their reserved energy for backup power when the grid is down, and Enphase Storm Guard can prioritize a full charge for the battery when triggered.

An overview of our grid services programs can be found on our website.

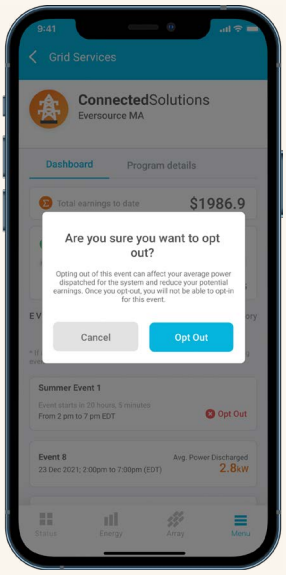
Enroll



Monitor



Backup and opt-out



In 2023, we announced our participation in Pacific Gas and Electric's (PG&E) Emergency Load Reduction Program (ELRP), Public Service Enterprise Group (PSEG) Long Island's Battery Storage Rewards Program, and Connecticut's Energy Storage Solutions Program. We also signed and started many more pilot VPP programs with utilities across the United States. We also introduced our most powerful home battery, the IQ® Battery 5P, which offers an industry-leading energy storage solution to help homeowners, utilities, and grid operators derive more value.

PG&E Emergency Load Reduction Program

California homeowners in PG&E territory who install Enphase IQ Batteries and enroll in the program will earn $2 per kilowatt-hour from PG&E for using the electricity stored in their IQ Batteries to help reduce demand on the grid during peak load periods. The ELRP demand response events are scheduled to occur during hot summer days between May and October and last from one to five hours between 4 p.m. and 9 p.m. Between 20 and 60 event hours will be scheduled during each ELRP season, with homeowners expecting to earn between $100 to $250 per year.

PSEG Long Island's Battery Storage Rewards Program

Currently, Long Island homeowners who install Enphase IQ Batteries and enroll in PSEG Long Island's Battery Storage Rewards program will receive an upfront incentive from installers of Enphase products of at least $250 per kilowatt-hour of useable battery capacity with a cap of $6,250 per household. For example, homeowners with two IQ Battery 5Ps offering 10 kilowatt-hours of usable capacity will receive an upfront discount of $2,500 from their Enphase installer as part of the program. Low-to-moderate income homeowners may be eligible for a larger $400 per kilowatt-hour discount or $4,000 for installing two IQ Battery 5Ps with 10 kilowatt-hours of usable capacity. In return for the upfront incentive, participating homeowners agree to let PSEG Long Island use the electricity stored in their batteries to help reduce demand on the grid during peak load periods about 10 times per year. The power-sharing would occur automatically, and participants would keep the functionality of their IQ Batteries, including backup power.

Connecticut Energy Storage Solutions Program

Connecticut homeowners who install Enphase IQ Batteries and are electric customers of United Illuminating or Eversource Energy are eligible to enroll in the Energy Storage Solutions program. Enrolled homeowners currently receive an upfront incentive from the Connecticut Green Bank of at least $250 per kilowatt-hour of useable battery capacity with a cap of $16,000 per project, or 50 percent of the battery plus installation cost (whichever is lowest). For example, homeowners with two IQ Battery 5Ps offering 10 kilowatt-hours of usable capacity will receive an upfront incentive of at least $2,500 from the program. Underserved communities, lower-income households, and "grid edge" customers (homeowners in areas with more frequent or longer grid outages) may qualify for an even more significant incentive of $450 - $900 per kilowatt-hour of usable battery capacity. In addition, the upfront incentive can be coupled with seasonal performance incentives from United Illuminating or Eversource of up to $200 per kilowatt each summer and $25 per kilowatt each winter for sharing the electricity stored in the homeowner's IQ Batteries to help reduce demand on the grid during peak load periods.

Our portfolio of grid services programs currently spans nine states, including Arizona, California, Connecticut, Hawaii, Massachusetts, New York, Rhode Island, Texas, and Vermont. As we continue to scale these programs, including expanding programs internationally in the coming years, we expect to provide access to cleaner, more affordable, and more reliable energy for everyone.

Learn more about these programs on the Enphase website.

S3. Enphase innovation and industry leadership

Supporting a more clean, reliable, and better-performing grid through codes and standards.

To support our commitment to drive the adoption of sustainable clean energy solutions, we participate in the development of policies and regulations around the world as part of our core principles.

Underwriters Laboratory (UL) and the Institute of Electrical and Electronics Engineers (IEEE)

"We participate in the development of policies and regulations around the world as part of our core principles."

In 2023, Enphase continued its leadership and collaboration with UL and IEEE, including acting as task group leader and co-convener for several specific standards and actively participating in the standards development process for a variety of safety and compliance issues.

Underwriters Laboratory elevated Power Control Systems (PCS) from a Certification Requirements Decision under UL 1741 to an Outline of Investigation (OOI) under UL 3141 in 2023. This change reflected UL's belief that PCS is a critical function which warranted being a full UL standard. Enphase lead the PCS task group which published the First Edition of UL 3141 and will continue work on future editions leading to publication as a bi-national standard in the U.S. and Canada. In addition to leadership on the PCS task group, Enphase also participated in UL Standards Technical Panels UL 1741, UL 3141, UL 3741, UL2703, UL 6703, UL 9540, UL 9540A, and UL 1699B during 2023.

Enphase continued its support of the Institute of Electrical and Electronics Engineers in 2023, serving on the management team developing the next revision of the IEEE P1547 and P1547.1 standards as well as participating in multiple sub-groups supporting this effort. Enphase also served as co-facilitator of Task Force 2, charged with developing recommended changes in multiple sub-groups to accommodate Vehicle to Grid applications in 1547. Enphase co-facilitated the 1547.1a amendment, which corrects or provides clarity on over 100 issues discovered following original publication of 1547.1 in 2020.

Interstate Renewable Energy Council (IREC) and Sustainable Energy Action Committee (SEAC)

Led by IREC, the SEAC provides a forum for stakeholders to address code enforcement and permitting for sustainable energy systems. Enphase is a founding member and an active participant in SEAC's work to advance clean energy permitting and inspection initiatives. The SEAC addresses industry confusion about how to interpret particular codes, which can slow down the deployment of solar and battery systems and create more work for local officials and project developers.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US Department of Energy I2X program

In 2023, Enphase submitted a proposal to the U.S. Department of Energy (DOE) to study the impact of PCS on utility service transformers. The project was selected for funding and assigned to Pacific Northwest National Labs (PNNL) which will conduct the research. Enphase worked with several utilities to define the goals and objectives of the project and is supplying PNNL with high resolution performance data for actual systems operating in the field.

International Code Council

We work alongside other clean energy stakeholders, in collaboration with the International Code Council (ICC) to develop changes to the International Fire Code (IFC) and the International Residential Code (IRC) to develop practical solutions. The group actively participates in the code-making process to recommend solutions for future versions of the Code. The IFC has gained increased importance, especially in California, as energy storage systems are beginning to be installed at scale.

International Electrotechnical Commission (IEC)

The IEC is a global, not-for-profit membership organization, whose work underpins quality infrastructure and international trade in electrical and electronic goods. We work with the IEC to support the writing of international codes and standards. Specifically, our team is actively engaged as members of the IEC Technical Committee 82, which is scoped to look at solar PV energy systems. Within this committee, we are actively involved with Working Groups 3 (balance of system components) and 6 (inverter safety). We have also participated in working groups to develop the following IEC standards:

- IEC 63027 (DC arc fault)
- IEC 62109-1 (Inverter safety)
- IEC 62109-3 (AC module safety)
- IEC 62548 (PV array design requirements)

S4. Promoting clean energy policies

"The Inflation Reduction Act (IRA) was signed into law in 2022 and enabled Enphase to begin manufacturing in the United States, bring back high-technology jobs and help advance the country's clean energy economy."

In 2023, Enphase was involved in several policy and regulatory initiatives that are expected to enable the broad adoption of DERs including residential solar, energy storage, and EV charging.

In the United States, we continued our leadership role with SEIA as members of the Board of Directors, as well as leadership positions in various committees and subcommittees. We continued our role as members of the California Solar & Storage Association (CALSSA), which represents the largest state-affiliated solar and battery industry association in the United States. We are also members of Advanced Energy United, which represents the full range of advanced energy technologies and services in the United States.

In Europe, we are members of Solar Power Europe, the leading trade association for solar technology on the continent.

Here are some highlights from 2023:

United States manufacturing

The IRA was signed into law in 2022 and enabled Enphase to begin manufacturing in the United States, bring back high-technology jobs and help advance the country's clean energy economy. We began microinverter shipments in 2023 from our new contract manufacturing locations in the United States, including Flex in South Carolina and Salcomp in Texas.

DER interconnection policy

Enphase worked with decisionmakers in both the United States and Europe to accelerate the adoption of new interconnection processes to enable higher penetration levels of DERs while mitigating against costly grid upgrades by grid operators.

Enphase was also instrumental in developing the regulatory standards necessary to unlock PCS software for home solar and battery systems. PCS is an advanced software-enabled feature that enables a more streamlined interconnection process for DERs, reduces the need for main panel upgrades, and supports increased battery capacity for homeowners.

Enphase undertook these initiatives in 2023 and continues to advance them in order to help ensure that DERs can safely connect to the grid, provide grid resilience benefits to customers, and grid services benefits to grid operators.

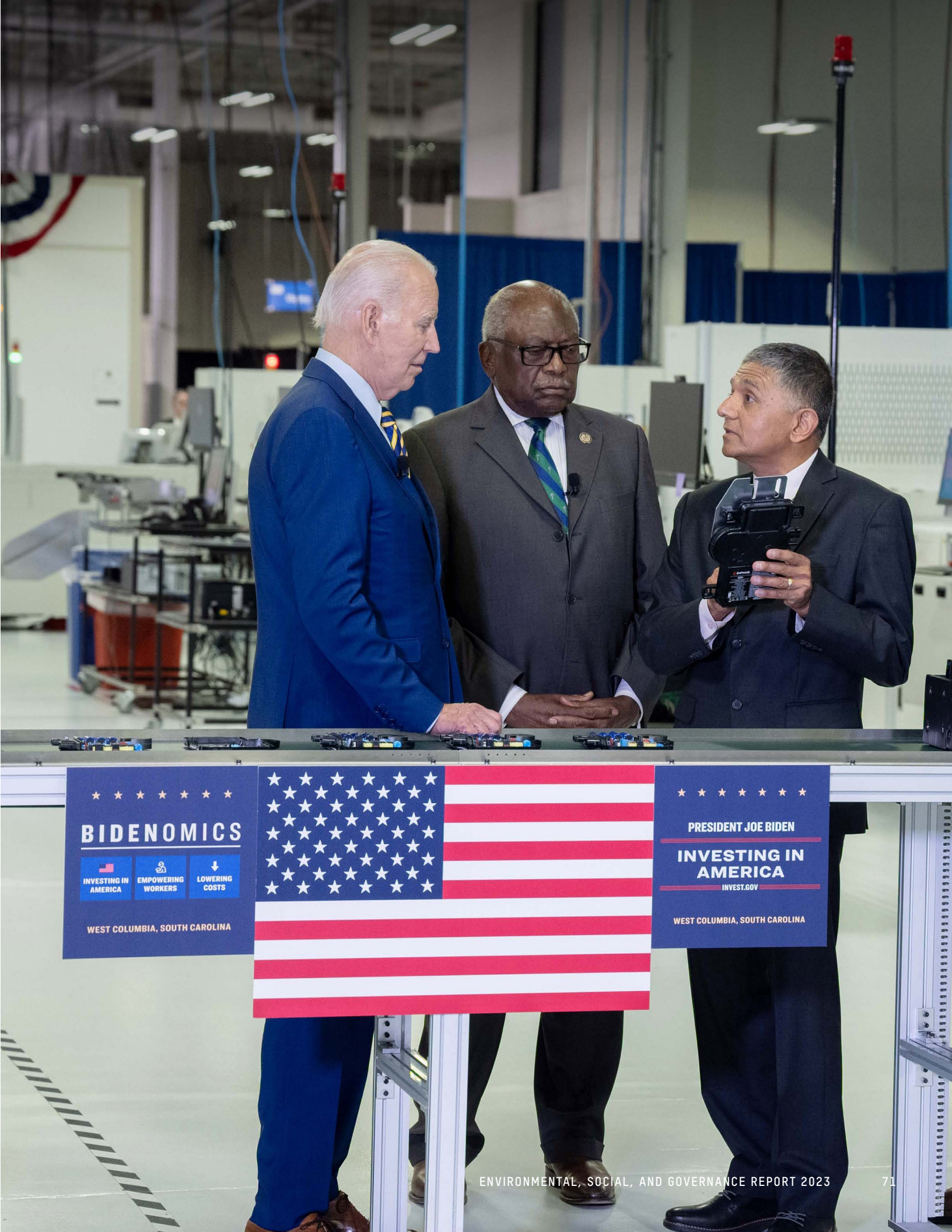
"Enphase was responsible for advancing policies and regulations in support of DER-enabled VPPs that provide reliability services to the electric grid in many markets."

Virtual power plant (VPP) policy

Enphase was responsible for advancing policies and regulations in support of DER-enabled VPPs that provide reliability services to the electric grid in many markets. This includes the development of VPP programs that enable residential customers to modify their DER systems (i.e., decrease energy consumption and/or increase energy exports) to receive maximum compensation from grid operators. In addition, Enphase worked to advance the development of incentive programs for customers to acquire DER systems that grid operators, in turn, may utilize to maintain grid reliability.

Domestic manufacturing policy

Enphase worked with decisionmakers to advance incentivization programs in the United States and Europe to support the development of a domestic manufacturing industry for DER systems, as well as new tax and tariff initiatives that serve to increase customer demand for domestically manufactured products and improve safety and security standards for DER customers.


BIDENOMICS
INVESTING IN AMERICA
EMPOWERING WORKERS
LOWERING COSTS
WEST COLUMBIA, SOUTH CAROLINA
PRESIDENT JOE BIDEN
INVESTING IN AMERICA
INVEST.GOV
WEST COLUMBIA, SOUTH CAROLINA

Corporate governance

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

G1. ESG governance and leadership

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

Board oversight of ESG

Our Board of Directors is presided over by an Independent Chair of the Board. We believe that having an Independent Chair, separate from our CEO, creates an environment that is more conducive to objective evaluation and oversight of management's performance. We further believe this increases management's accountability and improves the Board's ability to monitor whether management's actions are in the best interests of our company and our shareholders.

Our governance framework is rooted in risk management and compliance, which serves as a foundation for sustainability and ESG efforts at Enphase. We appreciate the importance of ESG risks and opportunities, and the Board and its committees are responsible for overseeing our overall ESG strategy.

The Nominating and Corporate Governance Committee oversees ESG matters including strategy, initiatives, policies, and outreach to investors and other interested stakeholders. Our cross-functional ESG executive leadership team provides regular updates on emerging ESG trends, reporting and regulations, and assessment of strategic objectives over the short-, medium-, and long-term on climate and emissions, diversity initiatives, human rights, and other material ESG topics.

The Audit Committee has the responsibility to consider and discuss our major financial and accounting risk exposures and the steps our management has taken to monitor and control these exposures, including the potential financial impact of physical climate risks. The Audit Committee also monitors compliance with legal and regulatory requirements, including emerging ESG and sustainability disclosure requirements, as well as the performance of our internal audit function.

The Compensation Committee oversees matters related to human capital management, leadership development, and talent assessments. The Committee is also responsible for executive compensation and pay metrics.

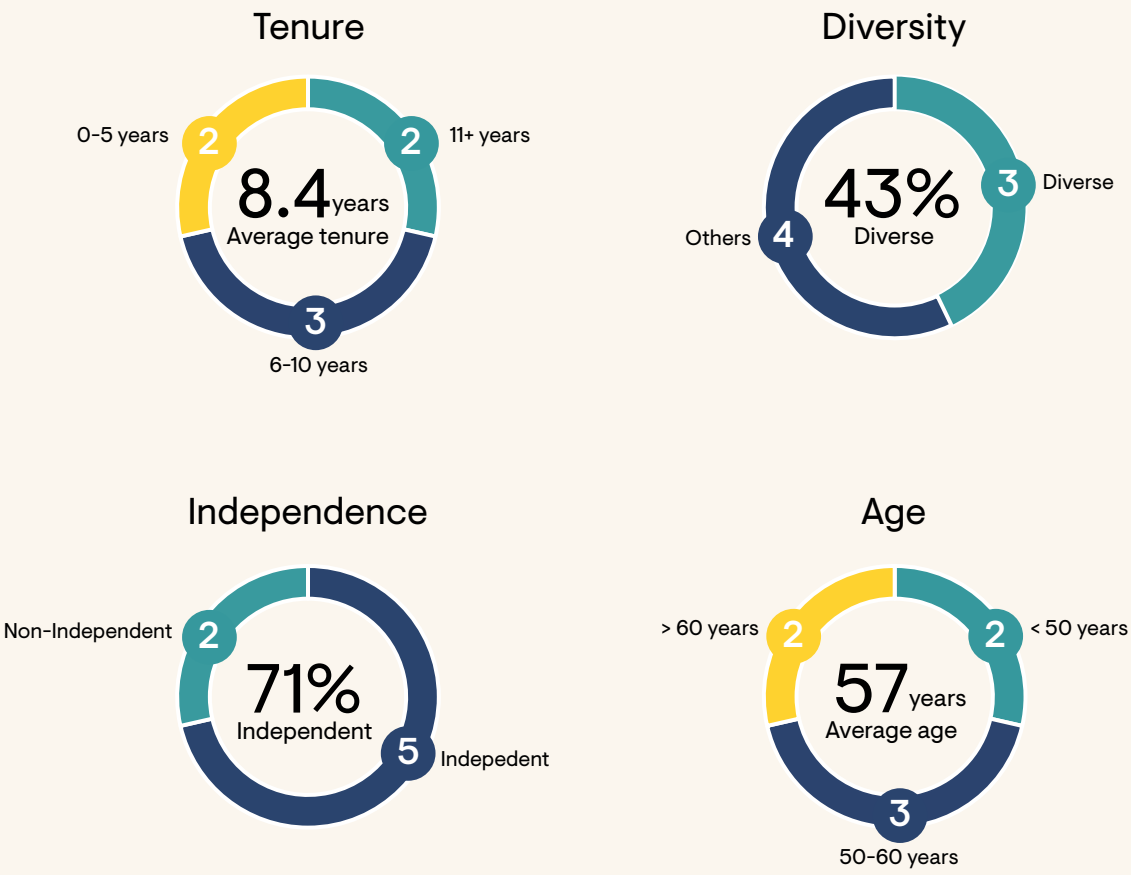
Additional information about the role of the Board and its various committees is available in our Corporate Governance Guidelines and our most recently filed Proxy Statement.

Board diversity and independence

We are committed to ensuring that our Board is effective and serving the long-term interests of our shareholders. We believe that our Board should represent diversity of thought, background, skill, experience, and expertise. We recognize that enhancing demographic diversity on the Board, through the representation of women and underrepresented groups, encourages a thoughtful decision-making process that is important to effective corporate governance. Consistent with our philosophy, we have codified a version of the Rooney Rule in our Corporate Governance Guidelines, which states that, "the Nominating and Corporate Governance Committee will ensure each pool of qualified candidates for additional or vacant Board positions from which Board nominees are chosen includes candidates who bring racial and/or gender diversity."

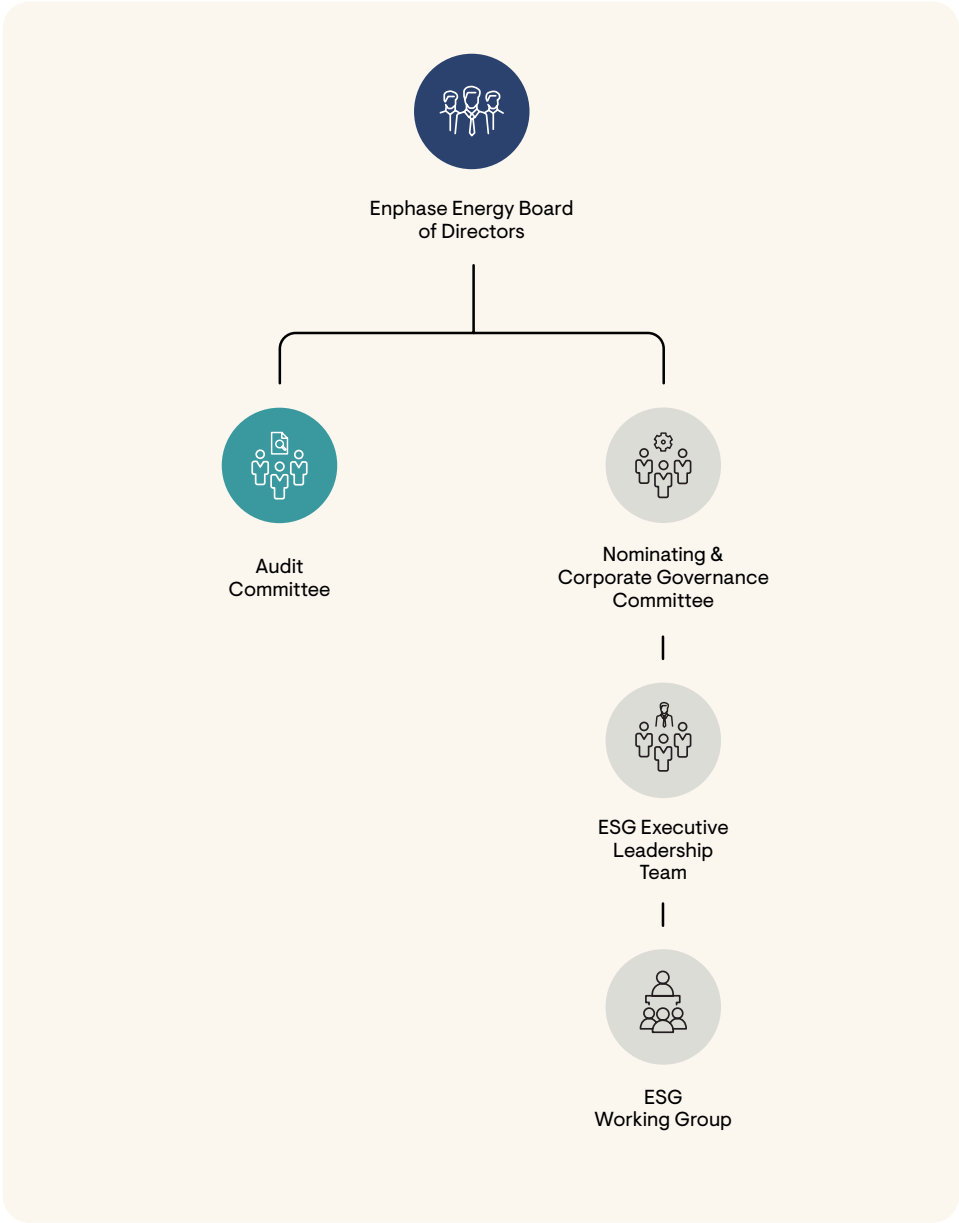
The composition of our seven-person Board reflects a variety of backgrounds, experiences, and tenures, and we continue to seek opportunities to enhance the diversity and effectiveness of our Board.

Board composition



ESG management structure

Our cross-functional ESG executive team, led by our General Counsel, and the supporting working groups manage and operationalize the ESG program across the company. The ESG team is comprised of representatives from executive management and meets regularly to review ESG risks and opportunities, develop ESG goals and targets, and allocate the necessary resources to achieve companywide ESG objectives. The supporting ESG working groups include senior leaders and key internal stakeholders representing legal, investor relations, global policy and government affairs, facilities, procurement, supply chain, quality, manufacturing, customer service, human resources, compliance, and risk management. Progress toward ESG goals and targets is incentivized through our annual and quarterly bonus program.



ESG pay link

We are in the business of providing climate change solutions to the world. Given our purpose, remuneration to executives, senior leadership, managers, and individual contributors helps drive performance under the environmental ESG pillar, including quarterly bonus payouts that are a function of company profitability, our company performance against targets, and individual performance. Beyond climate-related goals, employees can also be rewarded in a similar manner through the quarterly bonus system for advancing progress among other various ESG initiatives under the social and governance pillars.

Stakeholder engagement

Our ESG program is rooted in addressing issues most important to both our company and stakeholders. This allows us to identify and prioritize sustainability risks and opportunities and proactively respond to stakeholder concerns. Our approach considers the expressed concerns among stockholders, financial analysts, company leadership, employees, customers and suppliers against the evolving regulatory landscape, disclosure requirements, and emerging ESG trends. We use our findings to help identify strategic priorities and define goals and targets of our ESG program.

G2. Business ethics and compliance

Enphase Code of Conduct

We hold ourselves to operating under the highest ethical standards and believe that all people should be treated with dignity and respect. The Enphase Code of Conduct applies to all officers, directors and employees, contractors, and consultants. It sets forth guidelines to ensure proper and ethical behavior, legal compliance, and adherence to our standards, policies, and procedures. We are committed to complying with all applicable laws and regulations everywhere we operate.

"We hold ourselves to operating under the highest ethical standards and believe that all people should be treated with dignity and respect."

Supplier Code of Conduct

We choose business partners who share our mission and intend to work only with those suppliers who agree that our shared success is based on acting ethically and lawfully. We expect our business partners to adhere to our Supplier Code of Conduct, which includes (a) conducting business with high ethical standards; (b) complying with applicable laws; (c) supporting the human rights of workers and treating their employees with dignity; (d) adhering to anti-slavery and human trafficking principles; and (e) maintaining safe and healthy working conditions.

Compliance training

To meet legal requirements and regulations, such as anti-discrimination laws, health and safety regulations, and data privacy laws, we offer a set of compliance trainings, with an objective to provide required information and awareness to all employees, including managers, on anti-corruption, bribery, human trafficking and slavery, safety, code of conduct, workplace harassment prevention, ISO training and more. We achieved 100% completion of our required compliance courses and had no confirmed cases of breaches to our Code of Conduct in 2023.

Clawback policy

Effective October 2, 2023, the Compensation Committee approved a new Executive Compensation Clawback Policy (the "Required Clawback Policy"), which is designed to comply with, and will be interpreted in a manner consistent with, Section 10D of the Exchange Act and the applicable Nasdaq rules. In addition, we also maintain clawback provisions that apply to employees, including our named executive officers, that receive equity awards under our 2023 Performance Share Program that allows the Board to recover any incentive-based compensation that was paid based on erroneous financial information reported under securities laws ("PSP Clawback Provisions"). For additional information regarding the Required Clawback Policy and the PSP Clawback Provisions, please refer to our 2024 Proxy Statement.

Whistleblower policy

We take matters of ethics and integrity seriously at all levels of our organization and provide an anonymous platform available to report violations of the Code of Conduct. We proactively communicate the existence of the whistleblower hotline and empower each employee to report any witnessed or suspected wrongdoing. The whistleblower hotline is also available in most local languages where we operate. Under our whistleblower protection and non-retaliation provisions, any employee, supplier, or other party is encouraged to anonymously or non-anonymously report concerns and violations of our policies. Our hotline is available 24 hours a day, seven days a week, and structures are in place to ensure 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, human resources, the legal department, or our Compliance Officer. For additional information, please refer to our Code of Conduct.

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 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."

- We never sell or provide 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 reflects our privacy practices globally, including every 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 2023, we obtained SOC2 Type 2 certification for

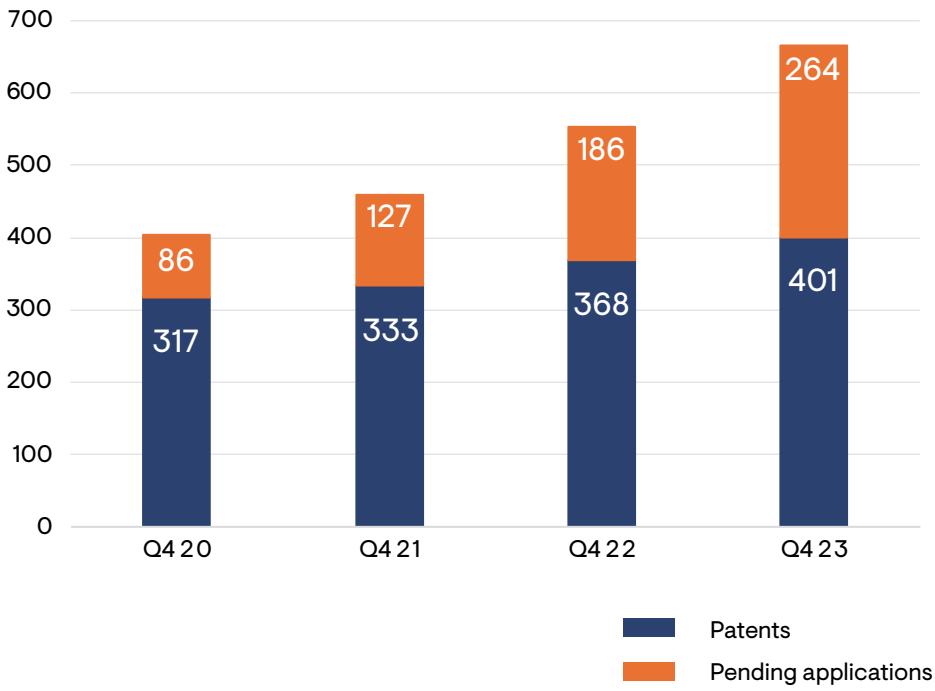
several of our core businesses and architectures. We continue to work with various third-party cybersecurity experts and certification bodies to demonstrate our commitment to cybersecurity.

We also significantly matured our cybersecurity operations, including improvements in Board level oversight, 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 are 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, through a specifically focused High-Value Trade Secret program. Our ASIC designs are similarly protected through customized High-Value Trade Secret Protection Plans. Our patent portfolio continues to be a best-in-class representation of our dedication to innovation. At the end of 2023, we had more than 400 issued patents and more than 250 pending 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.

Chart 4: Patents and pending applications



As a leading international brand, we also protect our trademarks and have a portfolio of more than 100 unique trademarks, both registered and unregistered. This includes pending marks in more than 40 countries. Our domain protection reflects 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.

Falling between the discrete forms of intellectual property, we protect all our confidential information with confidentiality agreements, both with employees and external parties. All our R&D personnel have additionally entered into invention assignment agreements with the company, requiring employees to assign to us all the inventions, designs, and technologies they develop during their employment with us.

While 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

Emissions and energy calculation methodologies

Avoided metric tons of carbon dioxide equivalent ($MTCO_2e$) figures were derived from actual kilowatt-hour (kWh) production of our deployed microinverter fleet from Enphase's inception through December 31, 2023 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 Enlighten database. The conversion of kWh production to carbon dioxide equivalent figures was made using the U.S. EPA Greenhouse Gas Equivalencies calculator.

The 2023 GHG emissions inventory follows the GHG Protocol Corporate Standard, covering Scope 1, Scope 2, and certain Scope 3 categories. All emissions were calculated using an operational control and location-based method for electricity and heat consumption across all leased facilities globally. We forgo market products to reduce emissions, so the reported location-based figures are equivalent to market-based emissions figures. Note that heat consumption was only gathered for facilities located in North America. Electricity consumption for European office locations was estimated by square foot using data from the U.S. Commercial Buildings Energy Consumption Survey (CBECS), representing two percent of energy consumption reported. Electricity and heat consumption were converted to $MTCO_2e$ 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 (CO_2), nitrous oxide (N_2O), and methane (CH_4) resulting from electricity generation, heat generation, and transmission and distribution losses. Emissions are converted to CO_2e 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 (SF), and nitrogen trifluoride (NF_3) gases are excluded from our inventory, as facilities under our operational control do not produce significant amounts of these GHGs.

The data supporting Scope 3 disclosures was 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 eight manufacturing sites, representing substantially all of total contract manufacturing spend in 2023. 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. $MTCO_2e$ 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 11: Energy and emissions data disaggregated at facility level

Location	Direct GHG emissions (Scope 1) ($MTCO_2e$)	Indirect GHG emissions (Scope 2) ($MTCO_2e$)	Total electrical power use (kWh)	Electrical power from grid (renewable) (kWh)	Electrical power from grid (non-renewable) (kWh)	Electrical power and energy generated (renewable) (kWh)	Energy conservation project, completed and pending (kWh)
U.S. facility #1	0	247.0	866,417	823,096	43,321	-	110,019
U.S. facility #2	0	2596.7	7,043,764	6,691,576	352,188	-	-
U.S. facility #3	0	431.9	581,571	541,919	28,522	11,130	14,827
U.S. facility #4	0	316.4	272,166	246,052	12,950	13,164	-
U.S. facility #5	0	393.8	753,093	715,438	37,655	-	-
U.S. facility #6	0	73.9	115,172	109,414	5,759	-	-
U.S. facility #7	0	342.1	505,608	242,700	242,700	20,208	-
U.S. facility #8	0	4.1	11,132	10,575	557	-	4,892
U.S. facility #9	0	81.4	232,000	109,504	122,496	-	27,600
International facility #1	0	0.3	40,584	40,584	-	-	-
International facility #2	0	24.7	2,982,320	2,982,320	-	4,058	139,980
International facility #3	0	3.3	397,143	397,143	-	-	840,030
International facility #4	0	28.0	76,119	-	-	-	-
International facility #5	0	28.3	77,017	-	-	-	-
International facility #6	0	5.5	91,637	-	-	-	-
nternational facility #7	0	37.0	95,159	-	-	-	-
International facility #8	0	8.3	139,074	-	-	-	-
International facility #9	0	10841.1	6,167,100	549,752	5,237,114	380,234	-
International facility #10	0	93.2	60,901	-	-	-	13,000
Total	**0**	**15,557.0**	**20,507,976**	**13,460,073**	**6,083,262**	**428,794**	**1,150,348**

GRI index

GRI Standard	Disclosure	Location
GRI 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 2023, 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 People 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 (ESG governance and leadership); See Proxy Statement at https://investor.enphase.com/sec-filings
	2-11 Chair of the highest governance body	See Corporate governance Section (ESG Governance and leadership); 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 (ESG Governance and leadership); See Proxy Statement at https://investor.enphase.com/sec-filings
	2-13 Delegation of responsibility for managing impacts	See Corporate governance Section (ESG Governance and leadership); 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 (ESG Governance and leadership)
	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 (Business ethics and compliance)
	2-27 Compliance with laws and regulations	See Enphase Code of Conduct
	2-28 Membership associations	See p. 93 of this report
	2-29 Approach to stakeholder engagement	See p. 76 of this report
	2-30 Collective bargaining agreements	See 10-K (Business Section) at https://investor.enphase.com/sec-filings
GRI 3: Material topics	3-1 Process to determine material topics	See 2022 ESG Report
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	See Financial Sustainability Section and GAAP to non-GAAP Reconciliation, pp. 98-99
	201-2 Financial implications and other risks and opportunities due to climate change	See TCFD Response, p. 89
GRI 203: Indirect economic impacts	203-1 Infrastructure investments and services supported	See About us, Envrionment, and Society sections
GRI 302 Energy 2016	302-1 Energy consumption within the organization	See Environment and Emissions and energy calculation methodologies sections
	302-3 Energy intensity	See Environment and Emissions and energy calculation methodologies sections
	302-4 Reduction of energy consumption	See Environment and Emissions and energy calculation methodologies sections
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See Environment and Emissions and energy calculation methodologies sections
	305-2 Energy indirect (Scope 2) GHG emissions	See Environment and Emissions and energy calculation methodologies sections

GRI Standard	Disclosure	Location
	305-3 Other indirect (Scope 3) GHG emissions	See Environment and Emissions and energy calculation methodologies sections
	305-4 GHG emissions intensity	See Environment and Emissions and energy calculation methodologies sections
	305-5 Reduction of GHG emissions	See Environment and Emissions and energy calculation methodologies sections
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	pp. 30-32
	306-2 Management of significant waste-related impacts	pp. 30-32
GRI 308 Supplier Environmental Assessment 2016	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
GRI 401 Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 45
GRI 403 Occupational Health and Safety 2018	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
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	17.3
	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%
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 47, 74
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	pp. 54-57
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pp. 54-57
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	pp. 54-57
GRI Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 30-31
GRI Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Zero
	417-3 Incidents of non-compliance concerning marketing communications	Zero
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero

SASB index

Topic	Accounting Metrics	Code	Response
Hazardous Waste Management	Amount of hazardous waste generated , percentage recycled	RR-ST-150a.1	1.03 MT, 100%, see p. 32
	Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	0, n/a
Management of Energy Infrastructure Integration & Related Regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	RR-ST-410a.1	pp. 63-70
	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	RR-ST-410a.2	pp. 63-70
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. 30, 32
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 section and GAAP to Non-GAAP Reconciliation, pp. 98-99
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*	RR-ST-140a.1	5,223 m^3

*Water consumption information collected for certain operations in North America only. Water consumption was drawn from municipal supplies.

TCFD response

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 2023 Form 10-K filing.

Governance

The Board of Directors has primary oversight of climate risks and opportunities, with the Nominating and Corporate Governance Committee overseeing the environmental, social, and corporate governance (ESG) program specifically. The Board receives updates on sustainability and ESG matters from the Nominating and Corporate Governance Committee 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 Committee also reviews climate disclosures as required by the jurisdictions in which we operate. Please see the "Leadership and governance" section of the Enphase website for additional information.

The ESG steering committee, led by our General Counsel and comprised of executive leadership, meets quarterly to prioritize strategic objectives and review status of various climate-related initiatives, drawing on the results of our ESG materiality assessment and other inputs as appropriate. Functions represented include legal, investor relations, global policy and government affairs, facilities, EHS, procurement, supply chain, manufacturing, customer service, human resources, compliance, and risk management. Updates are provided to the Nominating and Corporate Governance Committee and to the Board. ESG working groups, comprised of department heads, extended leadership, and individual contributors, manage progress toward climate-related goals and targets as defined by the steering committee. Supporting activities across global operations are tracked and rolled up into corporate dashboards, which are reviewed by the director of ESG and shared with the ESG steering committee on a quarterly basis.

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.

Short-term risks (0-3 years)

- 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.

Short-term opportunities (0-3 years)

- Improve climate risk analysis and integrate results into strategic planning.
- Implement low-carbon transition plan for facilities and key suppliers.

Medium-term risks (3-7 years)

- 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.

Medium-term opportunities (3-7 years)

- 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 risks (7-25 years)

- 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.

Long-term opportunities (7-25 years)

- 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 2023 Form 10-K for the year ended December 31, 2023. 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 12: 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 performing with respect to climate opportunities. Please see page 7, Enphase in numbers, 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 2023 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

North America

Solar Energy Industry Association (SEIA)
Advanced Energy Economy
Electric Vehicle Charging Association
California Solar + Storage Association (CSSA)
Hawaii Solar Energy Association (HSEA)

Latin America

Solar Energy and Storage Association of Puerto Rico (SESA)
AMF (Association Mexicana de la Industria Fotovoltaica)
Asolmex (Association Mexicana de Industria Solar)
Absolar (Associacao Brasileira de Energia Fotovoltaica)
ABGD (Associacao Brasileira de Geracao Distriuida)

Europe

Solar Power Europe
European Solar Industry Alliance
PV Austria

Asia-Pacific

Master Electricians of Australia
Clean Energy Council
Sustainable Energy Association of New Zealand
National Electrical and Communications Association
Smart Energy Council
AMCHAM India
ASSOCHAM
Bridge to India
Mercon, SolQuarter, REI

Contributing to the UN Sustainable Development Goals

GOAL	DESCRIPTION	TARGETS	ENPHASE CONTRIBUTION
	End poverty in all its forms everywhere	**1,5**	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.
	Ensure healthy lives and promote well-being for all at all ages	**3.9**	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.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	**4.3, 4.4, 4.5**	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.
	Achieve gender equality and empower all women and girls	**5.1, 5.2, 5.5**	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.
	Ensure access to affordable, reliable, sustainable, and modern energy for all	**7.1, 7.2, 7.3, 7.a, 7.b**	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. 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.

	Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all	**8.2, 8.3, 8.7, 8.8**	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. We are committed to eradicating forced child labor and ending modern slavery and human trafficking of children, including the use of child soldiers.
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	**9.2, 9.4, 9.5**	Our core business contributes directly to the "adoption of clean and environmentally sound technologies and industrial processes." 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.
	Make cities and human settlements inclusive, safe, resilient, and sustainable	**11.3**	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.
	Take urgent action to combat climate change and its impacts	**13.1**	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 safe and connected even when grid services are interrupted or when there is extensive damage to energy infrastructure due to natural disasters.

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 material 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). Lastly, we compared our activities to the United Nations Sustainable Development Goals (SDGs) to assess and convey how we are contributing to these important 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, 2023, 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 9, 2024 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	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Gross profit (GAAP)	**$122.9**	**$127.8**	**$140.4**	**$163.3**	**$177.0**	**$219.0**	**$267.9**	**$310.7**	**$177.0**	**$219.0**	**$267.9**	**$310.7**
Stock-based compensation	1.0	1.1	2.9	2.4	2.5	3.1	3.2	4.3	2.5	3.1	3.2	4.3
Acquisition related amortization	-	-	-	0.2	1.3	1.5	1.4	2.1	1.3	1.5	1.4	2.1
Gross profit (Non-GAAP)	**$123.9**	**$128.9**	**$143.3**	**$165.9**	**$180.8**	**$223.6**	**$272.5**	**$317.1**	**$180.8**	**$223.6**	**$272.5**	**$317.1**
Gross margin (GAAP)	**40.7%**	**40.4%**	**39.9%**	**39.6%**	**40.1%**	**41.3%**	**42.2%**	**42.9%**	**40.1%**	**41.3%**	**42.2%**	**42.9%**
Stock-based compensation	0.4%	0.4%	0.9%	0.6%	0.6%	0.6%	0.5%	0.6%	0.6%	0.6%	0.5%	0.6%
Acquisition related amortization	-%	-%	-%	-%	0.3%	0.3%	0.2%	0.3%	0.3%	0.3%	0.2%	0.3%
Gross margin (Non-GAAP)	**41.1%**	**40.8%**	**40.8%**	**40.2%**	**41.0%**	**42.2%**	**42.9%**	**43.8%**	**41.0%**	**42.2%**	**42.9%**	**43.8%**
Operating expenses (GAAP)	**$61.6**	**$68.4**	**$103.0**	**$105.6**	**$115.2**	**$125.0**	**$132.5**	**$153.7**	**$115.2**	**$125.0**	**$132.5**	**$153.7**
Stock-based compensation	(13.9)	(14.3)	(44.1)	(34.8)	(45.3)	(49.9)	(49.1)	(59.4)	(45.3)	(49.9)	(49.1)	(59.4)
Acquisition related expenses and amortization	(4.0)	(2.5)	(1.6)	(2.7)	(3.6)	(3.9)	(4.2)	(4.8)	(3.6)	(3.9)	(4.2)	(4.8)
Restructuring and asset impairment charges	-	-	-	-	-	-	(0.6)	(1.8)	-	-	(0.6)	(1.8)
Operating expenses (Non-GAAP)	**$43.7**	**$51.6**	**$57.3**	**$68.1**	**$66.3**	**$71.2**	**$78.6**	**$87.7**	**$66.3**	**$71.2**	**$78.6**	**$87.7**
% of Revenue (Non-GAAP)	**14.5%**	**16.4%**	**16.3%**	**16.5%**	**15.0%**	**13.4%**	**12.4%**	**12.1%**	**15.0%**	**13.4%**	**12.4%**	**12.1%**
Income (loss) from operations (GAAP)	$61.4	$59.4	$37.4	$57.7	$61.8	$94.0	$135.4	$157.0	$61.8	$94.0	$135.4	$157.0
Stock-based compensation	14.8	15.3	46.9	37.1	47.8	53.1	52.3	63.6	47.8	53.1	52.3	63.6
Acquisition related expenses and amortization	4.0	2.5	1.6	2.9	4.9	5.3	5.6	7	4.9	5.3	5.6	7
Restructuring and asset impairment charges	-	-	-	-	-	-	0.6	1.8	-	-	0.6	1.8
Income from operations (Non-GAAP)	**$80.2**	**$77.2**	**$85.9**	**$97.7**	**$114.5**	**$152.4**	**$193.9**	**$229.4**	**$114.5**	**$152.4**	**$193.9**	**$229.4**
% of Revenue (Non-GAAP)	**26.6%**	**24.4%**	**24.4%**	**23.7%**	**26.0%**	**28.7%**	**30.6%**	**31.7%**	**26.0%**	**28.7%**	**30.6%**	**31.7%**

Reconciliation of non-GAAP financial measures (continued)

In millions, except per share data		FY'23
Net income (GAAP)	**$**	**438.9**
Stock-based compensation		212.8
Acquisition related expenses and amortization		22.9
Restructuring and asset impairment charges		15.7
Non-cash interest expense		8.4
Non-GAAP income tax adjustment		(85.5)
Net income (non-GAAP)	**$**	**613.2**
Net income per share, diluted (GAAP)	**$**	**3.08**
Stock-based compensation		1.57
Acquisition related expenses and amortization		0.16
Restructuring and asset impairment charges		0.11
Non-cash interest expense		0.06
Non-GAAP income tax adjustment		(0.57)
Net income (loss) per share, diluted (Non-GAAP) (1)	**$**	**4.41**
Shares used in diluted per share calculation GAAP		**142.3**
Shares used in diluted per share calculation Non-GAAP		**139.2**
Income-based government grants (GAAP)	**$**	**53.5**
Incremental cost for manufacturing in U.S.		(11.6)
Net IRA benefit (Non-GAAP)	**$**	**41.9**
Net cash provided by operating activities (GAAP)	**$**	**696.8**
Purchases of property and equipment		(110.4)
Free cash flow (Non-GAAP)	**$**	**586.4**

(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 2023. 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 (basic and diluted) 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 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 present the non-GAAP tax amount based on cash tax expense and reserves for periods prior to 2023. Effective January 1, 2023, Enphase Energy updated its methodology of computing the non-GAAP income tax adjustment from reporting cash tax expense and reserves to the projected non-GAAP annualized effective tax rate as Enphase Energy utilized most of its net operating loss and tax credit carryforwards in the year ended December 31, 2022, and became a significant cash taxpayer in the United States. Going forward, Enphase Energy will 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 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.