



Enphase Energy, Inc.

# Sustainability Report 2025





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# A letter from our President and CEO



**Badri Kothandaraman**  
President and CEO

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

I am pleased to share our 2025 Sustainability Report with you as we continue to make meaningful progress in expanding the availability of clean energy, strengthening our operations, and embedding sustainability across our global business. As the world’s leading supplier of microinverter-based solar and battery systems, we recognize our role in acting responsibly and adopting practices that will help support long-term sustainability for all.

Since inception, more than 5.1 million Enphase-based systems have been deployed in over 160 countries, helping millions of people access clean, affordable, and reliable energy. Our products have enabled an estimated 137 terawatt hours of clean energy generation, preventing approximately 92 million metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) emissions.<sup>1</sup> These outcomes represent tangible progress toward a more resilient and decarbonized global energy system, while empowering homeowners, businesses, and communities worldwide.

We remain committed to reducing our own operational footprint. In 2025, we achieved a 23.3% reduction in Scope 1 and 2 greenhouse gas emissions, compared to 2024, and reached an 84% clean energy mix across our global operations. These improvements reflect ongoing investments in energy efficiency, renewable energy sourcing, and responsible operations management as part of our broader climate strategy.

2025 was a challenging year of transition for Enphase and the solar industry as periods of market volatility were driven by macroeconomic conditions, policy shifts, and global uncertainty. Through it all, we continued to manage our business with rigor, demonstrating that financial discipline and sustainability reinforce one another. This approach enables Enphase to navigate market variability while continuing to create value for our stakeholders. Our [culture playbook](#) is a reminder of how we work together to achieve results.

We remain focused on technology and products that help improve quality of life while keeping true to our core purpose of sustainability. In 2025, we introduced several new products. Building on the global momentum of our IQ8™ Microinverter, we launched the IQ9N-3P™ Commercial Microinverter, our most advanced microinverter yet. This is our first microinverter powered by advanced gallium nitride (GaN) technology. The IQ9N-3P helps simplify design complexity, lower installation and balance of system costs, and improve system efficiency for 480 V commercial projects. We also started shipping our fourth-generation IQ Battery system, which includes the IQ® Battery 10C, IQ® Combiner 6C, and IQ® Meter Collar. The IQ Battery 10C is designed to be approximately 30% more energy-dense, occupy 62% less wall space, and reduce installation costs compared to previous models. Together, these components can help simplify backup installations, enhance reliability, and provide greater value to homeowners. In addition, we launched our IQ® EV Charger 2, our most advanced electric vehicle (EV) charger to date. IQ EV Charger 2 works with Enphase solar and battery systems or as a standalone charger.

<sup>1</sup> Cumulative estimate based on Enphase managed systems data as of December 31, 2025 grossed up for non-managed systems based on historical production records. CO<sub>2</sub>e calculations based on 137 TWh of clean energy production under the [U.S. Environmental Protection Agency \(U.S. EPA\) Greenhouse Gas \(GHG\) Equivalencies Calculator](#).

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

We have made significant investments in domestic manufacturing to offer products that qualify under domestic content provisions and comply with foreign entity of concern (FEOC) regulations, helping customers capture the full value of available clean energy tax incentives, helping improve overall project economics. By the end of 2025, we were shipping our IQ8HC™ Microinverters, IQ8P-3P™ Commercial Microinverters, IQ9N-3P Commercial Microinverters, IQ® Battery 5Ps, and IQ Battery 10Cs from our U.S.-based facilities. The ability to manufacture in the United States has strengthened our supply chain, created skilled jobs, and reinforced our long-term competitive position.

We reinforce resilience and trust across our supply chain as part of our long term sustainability strategy. Through enhanced risk management practices, increased supplier oversight, and clearly defined human rights expectations, we continue to raise standards across our value chain. These efforts help safeguard business continuity, promote ethical sourcing, and reinforce the long term strength of our global supplier relationships.

Safety, quality, and reliability remain foundational to Enphase’s culture and product strategy. Our system architecture is designed with safety at the forefront, protecting homeowners, installers, and first responders. I am proud to report that we continue to maintain zero product recalls, a testament to our rigorous design, testing, and quality assurance processes.

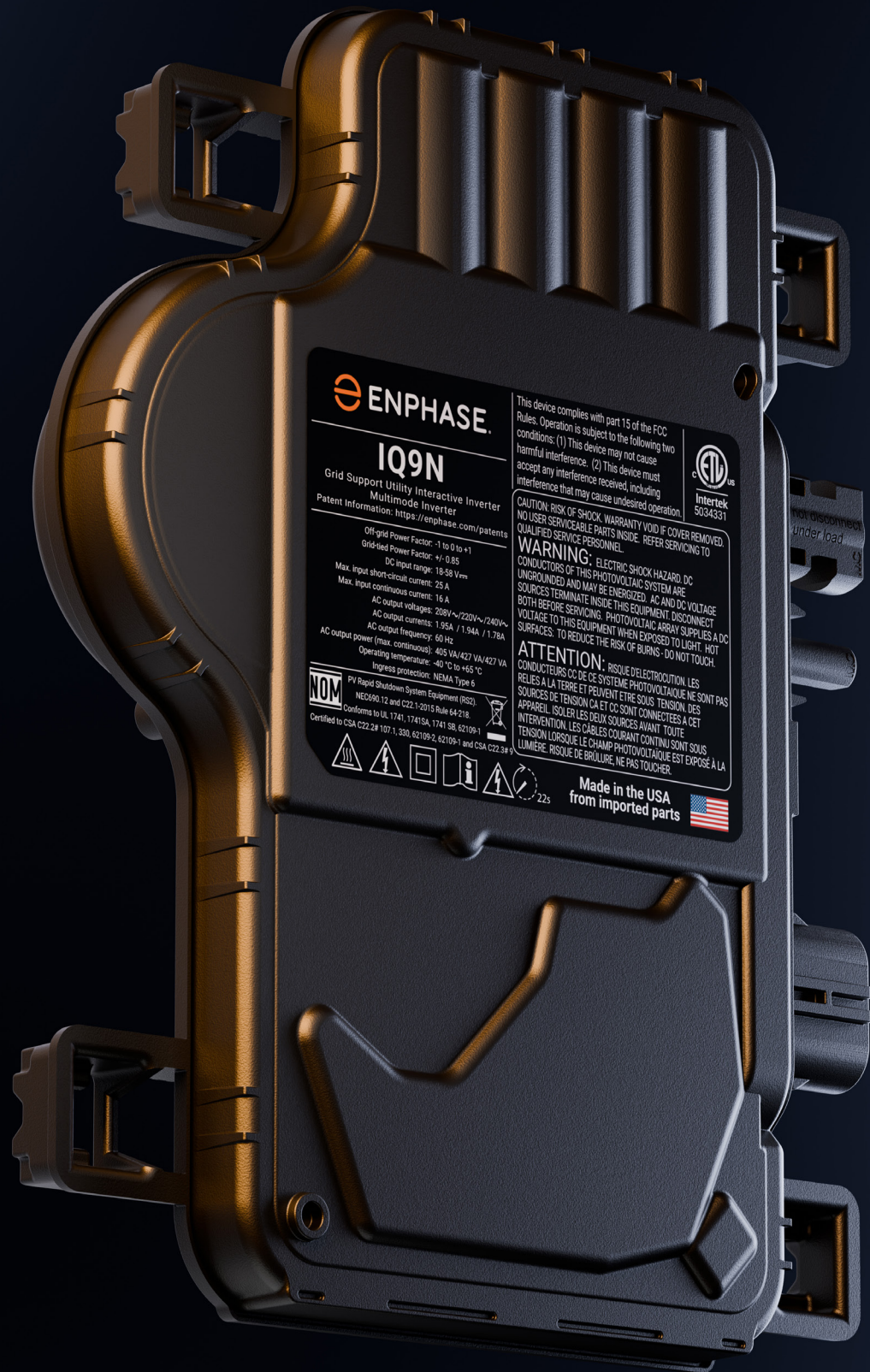
While the clean energy industry continues to experience periods of market volatility, we believe Enphase’s long term opportunity remains strong. Sustainability is not a separate initiative at Enphase – it is central to who we are, how we innovate, and how we grow.

Thank you for your interest in our sustainability efforts. We appreciate our employees, customers, partners, and stockholders for their continued trust and engagement as our accomplishments this past year would not have been possible without their collective support. Together, we remain committed to realizing Enphase’s purpose: “Advancing a sustainable future for all.”

Sincerely,

**Badri Kothandaraman**  
President and CEO

# About us



# Enphase in numbers



2006

the year Enphase was founded



2,872

employees and key contributors across all our global offices<sup>1</sup>



1,967

installers in the Enphase Installer Network (EIN)<sup>1</sup>



30.90<sup>GW</sup>

microinverters shipped<sup>1</sup>



5.1 million

systems deployed in more than 160 countries<sup>1</sup>



2.39<sup>GWh</sup>

of energy storage systems shipped<sup>1</sup>



137<sup>TWh</sup>

of clean energy production<sup>2</sup>



92 million

MTCO<sub>2</sub>e prevented from entering the atmosphere, enough to power 19.2 million homes with energy for one year<sup>3</sup>



10.4 billion

gallons of gasoline not consumed<sup>3</sup>



234 billion

miles not driven by an average gas-powered passenger vehicle<sup>3</sup>

<sup>1</sup> Approximate cumulative values as of December 31, 2025

<sup>2</sup> Cumulative estimate based on Enphase managed systems data as of December 31, 2025 grossed up for non-managed systems based on historical production records

<sup>3</sup> CO<sub>2</sub>e and other calculations based on 137 TWh of clean energy production under the U.S. EPA GHG Equivalencies Calculator

# Our purpose

## Advancing a sustainable future for all.

Founded in 2006, Enphase transformed the solar industry with our revolutionary microinverter technology, which turns sunlight into a safe, reliable, resilient, and scalable source of energy to power our lives. Today, our intelligent microinverters work with virtually every solar panel made, and when paired with our award-winning smart battery technology, they create one of the industry's best-performing clean energy systems.

The Enphase Energy System helps people make, use, save, and sell their own power. This includes our industry-leading app, which 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 and 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's a good chance it's an Enphase home. Enphase has shipped approximately 86.4 million microinverters, and more than 5.1 million Enphase-based systems have been deployed in over 160 countries,<sup>1</sup> helping millions of people gain access to clean, affordable, and reliable energy while creating good jobs and a more carbon-free future for everyone. Enphase is putting people and their power at the center of our shared energy future.

Enphase. Power by people.

<sup>1</sup>Approximate cumulative values as of December 31, 2025

# Our core values

Our company values will show up in how we work together, how we perform, and how we all get rewarded. At Enphase, we promote and reinforce these five core values:

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.

We place safety and quality above everything else.

We measure everything that matters and drive continuous improvement.

We make the highest quality products.

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.



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

We do what's best for the company.

We take ownership of our behaviors and results.

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.

# Culture playbook

The pillars of the Enphase Culture Playbook help align and guide daily interactions with our purpose and values.

## High performance

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

## Recruiting and retaining the best

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

## Openness and transparency

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

## Accountability and execution

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

## Learning organization

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

[Culture playbook →](#)



# Our technology

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

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

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

We have evolved from solar only offerings to complete energy management solutions that enable seamless control of solar generation, battery storage, load management, EV charging, grid services, and compatibility with third party generators. Built on a single technology platform – including IQ® Microinverters, IQ® Batteries, IQ® EV Chargers, IQ® System Controllers, and IQ® Combiners with embedded IQ® Gateways – the Enphase Energy System is rapidly commissioned through the Enphase® Installer App and monitored by system owners via the Enlighten™ cloud based Enphase App, supporting the growing global transition toward the electrification of homes and businesses using renewable sources of energy.

“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.”



# Financial sustainability

**\$1.47 billion**  
revenue in 2025

We managed well with our financial discipline through 2025. Revenue was \$1.47 billion in 2025, compared to \$1.33 billion in 2024. We shipped 6.4 million microinverters in 2025, compared to 6.5 million in 2024. Our non-GAAP gross margin was 48.2%.<sup>1</sup>

**6.4 million**  
microinverters shipped in 2025

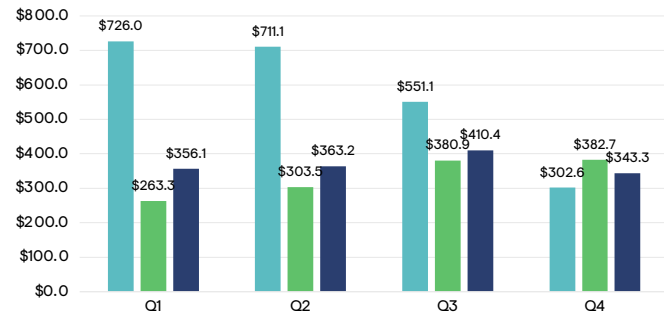
We maintained a healthy balance sheet in 2025. We generated approximately \$95.9 million dollars in free cash flow during 2025 and exited the year with approximately \$1.51 billion dollars in cash, cash equivalents, restricted cash and marketable securities. We repurchased 2,297,053 million shares of our common stock at an average price of \$56.58 for an aggregate amount of \$130.0 million.

**48.2%**  
non-GAAP gross margin in 2025

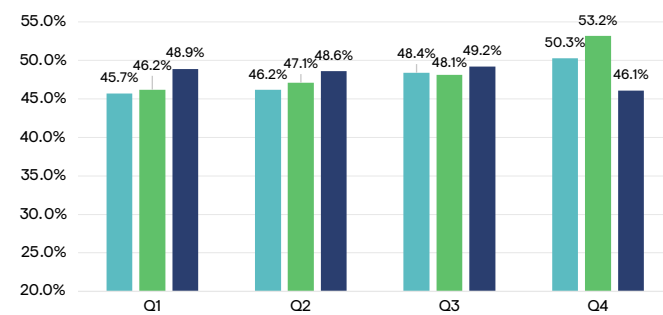
## Financial performance

We reported another year of profitability in 2025. GAAP net income was \$172.1 million, resulting in diluted earnings per share of \$1.29. Non-GAAP net income was \$389.8 million, resulting in non-GAAP diluted earnings per share of \$2.96.<sup>1</sup>

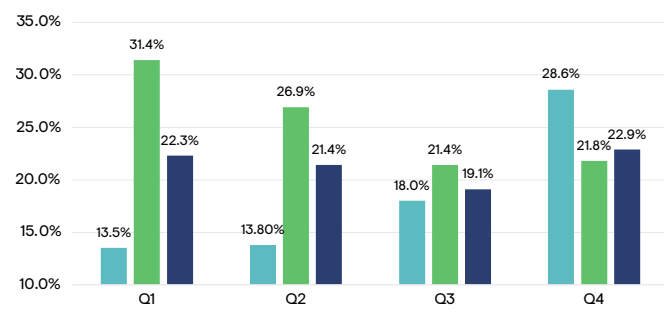
### Quarterly revenue by year



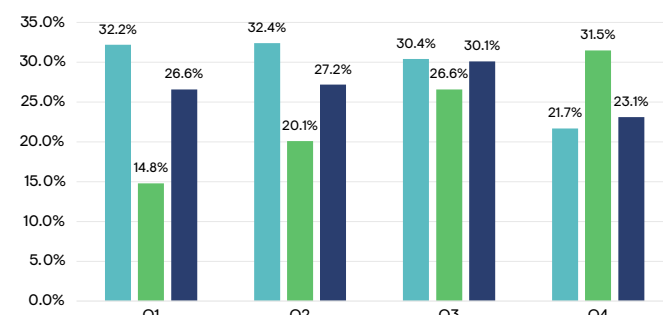
### Quarterly gross margin % by year



### Quarterly operating expenses % by year



### Quarterly operating income % by year



■ 2023 ■ 2024 ■ 2025

<sup>1</sup>Please reference the Appendix for GAAP to non-GAAP reconciliation.

## A responsible investment

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

**100%**  
sustainable revenue

**100%**  
sustainable R&D

**100%**  
green CapEx

Table 1 Awards and recognition

Organization	Recognition
Corporate Knights	Global 100 list of the world’s most sustainable companies
Corporate Knights	America’s Greenest Companies
Harvard Business School	Institute for Business in Global Society Climate Innovators 100 List
Newsweek	America’s Greenest Companies
Solar Power World	Best-In-Show in Top Products Competition

Table 2 ESG ratings history

Organization	2021	2022	2023	2024	2025
Institutional Shareholder Services (ISS)	C / not Prime	C / not Prime	C+ / Prime	B- / Prime	B / Prime
Morgan Stanley Capital International (MSCI)	BBB	A	AA	AA	AA
Sustainalytics Risk Rating	Medium	Medium	Medium	Low	Low

# Environmental

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



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

## E1. Our approach

At Enphase Energy, we deliver technology-based solutions that make clean energy affordable, safe, reliable, and accessible to all. We remain committed to optimizing the environmental impact of our business operations as outlined below.



### Product impact

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



### Responsible operations

We source clean energy, conserve resources, and manage waste responsibly, as described in our [Global Environmental Policy](#), and certify 100% of operations to the ISO 14001 standard.



### Supplier relationships

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



### Transparent reporting

We disclose annual updates on our environmental performance to facilitate data-driven decision making and encourage open dialogue with interested stakeholders.



### Employee empowerment

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



### Legal compliance

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

# E2. Our carbon footprint

We proactively manage our carbon footprint to preserve the climate benefits unlocked through product deployments and ensure business consistency with Paris-aligned emissions reduction pathways.

## Energy and emissions

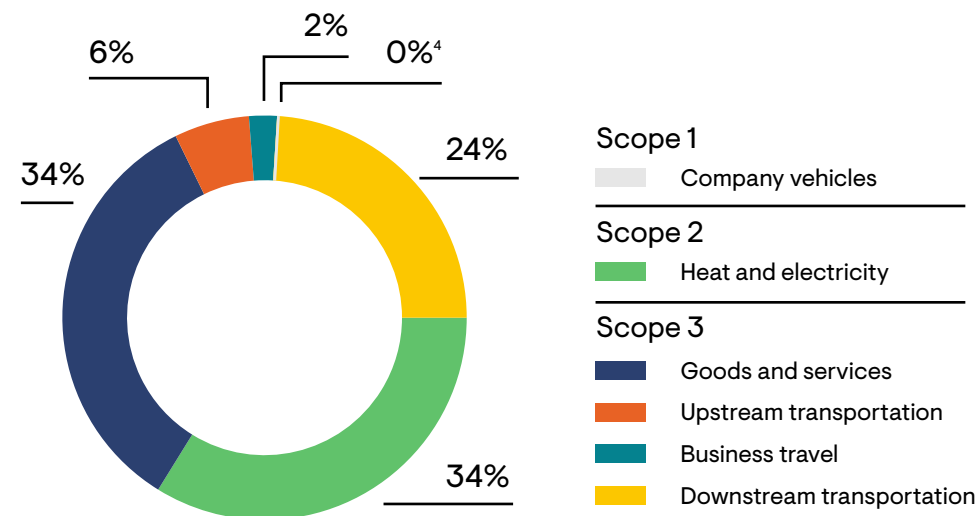
Enphase energy systems are deployed on approximately 5.1 million homes and businesses in more than 160 countries.<sup>1</sup> These systems generate clean energy and avoid Greenhouse Gas (GHG) emissions that would otherwise result from local grid consumption.

**30 TWh**  
generated by new Enphase microinverters deployed in 2025<sup>2</sup>

**20 million**  
MTCO<sub>2</sub>e prevented from entering the atmosphere<sup>3</sup>

We prepare an annual GHG inventory in accordance with the GHG Protocol to monitor emissions performance and assess our decarbonization strategy.<sup>4</sup>

Chart 1 2025 GHG emissions



“Our carbon management strategy is built on reducing the environmental footprint of operations while maximizing the climate benefits delivered through product deployments.”

## Decarbonizing operations

Our carbon management strategy is built on reducing the environmental footprint of operations while maximizing the climate benefits delivered through product deployments. This includes on-site renewable energy generation and battery storage, clean energy sourcing, disciplined emissions governance, value chain engagement, and capital planning aligned with long term climate objectives. We implement various methods to increase clean energy use and reduce operational emissions while scaling the positive climate impact of our products and services.<sup>1</sup>

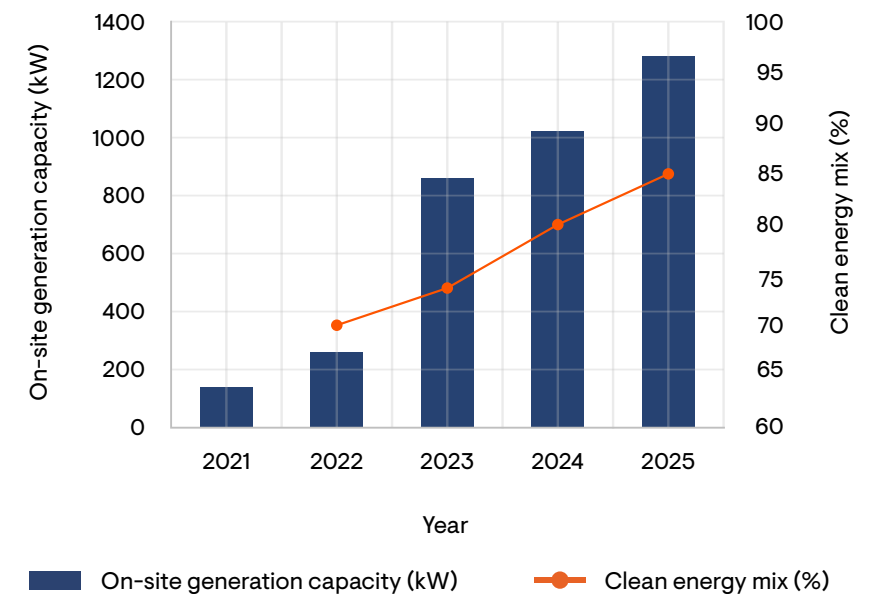
Expanding on-site renewable energy generation

Sourcing clean energy from local utilities

Improving operational efficiency

In 2025, we expanded on-site renewable energy generation to two additional Enphase facilities and maximized responsible energy procurement from local utilities in line with our sourcing principles.<sup>2</sup> The result was a 23.3% year-on-year reduction in emissions and increase in clean energy mix to 84%.

Chart 2 Decarbonization summary



<sup>1</sup> Approximate values as of December 31, 2025  
<sup>2</sup> Estimate based on Enphase managed systems data as of December 31, 2025 grossed up for non-managed systems based on historical production records  
<sup>3</sup> CO<sub>2</sub>e calculations based on 30 TWh of clean energy production under the [U.S. EPA GHG Equivalencies Calculator](#).  
<sup>4</sup> GHG inventory methodology and further details located in the Appendix

<sup>1</sup> Our decarbonization strategy covers 100% of relevant Enphase operations  
<sup>2</sup> See Appendix for additional details

## Assessing climate impact

We track absolute emissions, economic emissions intensity, and a custom impact intensity metric to communicate the effectiveness of our operational decarbonization strategy in the broader context of financial performance and positive climate impact. These performance trends indicate success in achieving meaningful operational emissions reductions while continuing to expand the climate benefits delivered through our products and services.



In 2022, we established an economic emissions intensity target to guide our operational decarbonization roadmap and support Paris aligned outcomes. Using 2021 as our baseline, we aim to achieve a 30% reduction by 2030 in our market based Scope 1 + Scope 2 emissions intensity, measured as MTCO<sub>2</sub>e per \$M revenue. We assess progress against this target at least annually through our GHG inventory process and disclose year over year performance trends in this report, including changes in emissions intensity and the operational measures driving those results.

**Table 3 GHG emissions performance**

Metric	2021	2022	2023	2024	2025
Absolute emissions (MTCO <sub>2</sub> e)	9,240	10,603	15,557	13,458	10,326
Year-over-year change in absolute emissions (%)	0	14.8	46.7	-13.5	-23.3
Economic emissions intensity (MTCO <sub>2</sub> e) / (\$M revenue)	6.99	4.55	6.78	10.11	7.01
Change in emissions intensity vs. 2021 baseline (%)	0	-34.9	-3.0	44.6	0.3
Impact intensity (MTCO <sub>2</sub> e) / (TWh enabled)	212.9	165.2	193.0	125.7	75.4

<sup>1</sup>Year-over-year reduction in market-based absolute Scope 1 and 2 emissions

## On science-based targets

We are committed to aligning our operational emissions trajectory with the global objective of limiting warming to 1.5°C, consistent with the goals of the Paris Agreement. While our operating model limits the applicability of traditional absolute reduction target frameworks, we advance alignment through sustained market based clean energy sourcing, continuous operational efficiency improvements, and active engagement with key value chain partners. Our approach prioritizes structural emissions reductions over time while preserving the scalability required to deliver significant climate benefits through the rapid deployment of clean energy technologies.

As climate accounting standards and decarbonization frameworks continue to evolve, we seek to stay informed on leading methodologies and emerging best practices. We conduct ongoing reviews of relevant developments, such as changes to the GHG Protocol and updates to the Science-Based Targets Initiative (SBTI) Corporate Net-Zero Standard, to inform future decisions on emissions targets, metrics, and disclosures, as appropriate given our operating model.

## Hazardous air pollutants

Our products enable the avoidance of hazardous air pollutants (HAPs) that would otherwise be released from fossil fuel-based electricity generation, including particulate matter (PM<sub>2.5</sub>), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>2</sub>), and other ozone forming and acidifying substances.

**Table 4 2025 NO<sub>x</sub> and SO<sub>2</sub> emissions**

	Annual NO <sub>x</sub> (lbs.)	SO <sub>2</sub> (lbs.)
Enphase U.S. operations	52,223	23,660

## E3. Product quality and safety

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

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

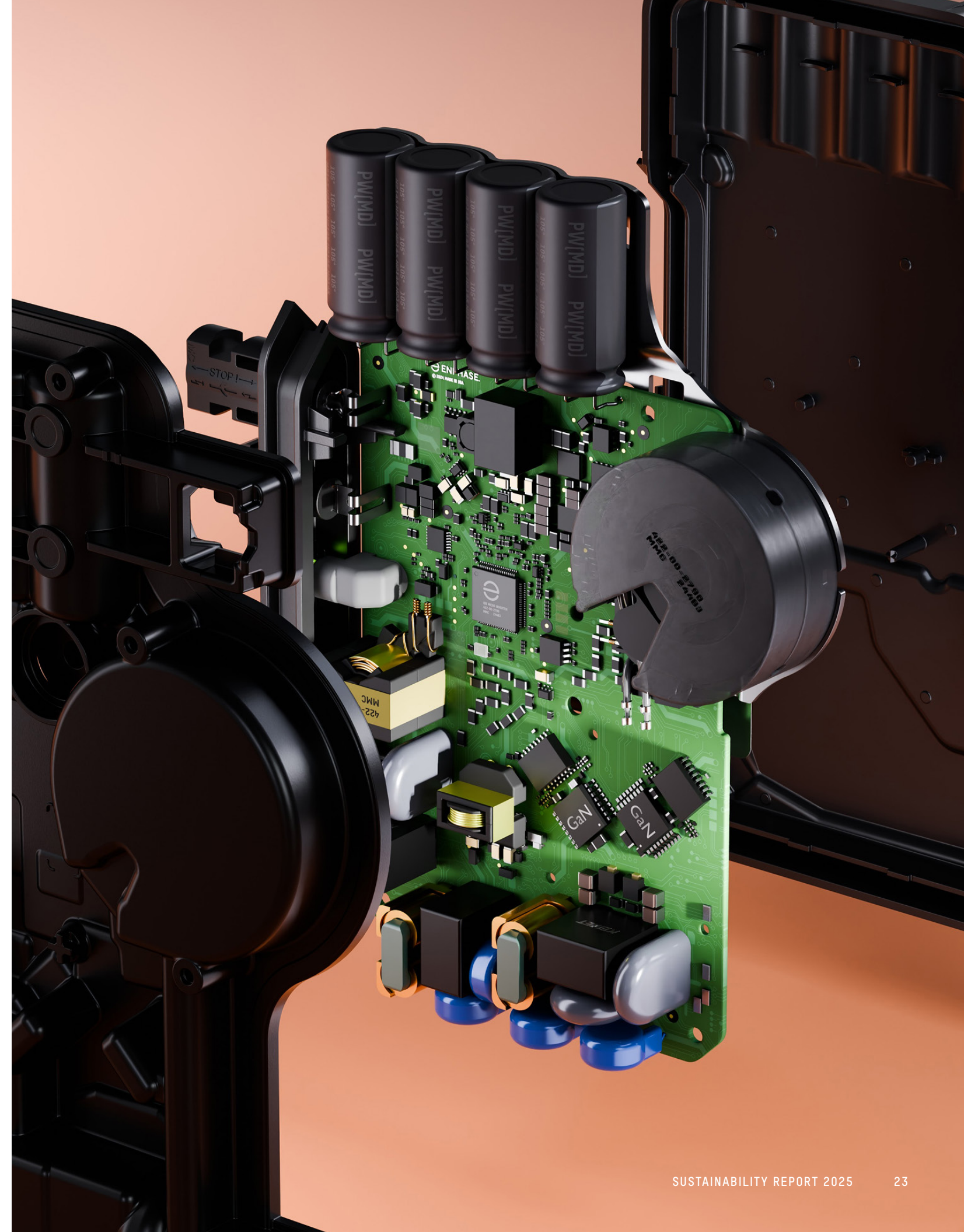
0 product recalls in company history

8x better than M-Series<sup>1</sup>

500 DPPM reliability target



<sup>1</sup>8X refers to actual failure rate results of IQ™ microinverters versus and M215™ microinverters as of Dec. 31, 2025



## Designing for circularity

We align our operations with circular design practices, including serviceability, repair pathways, and responsible recovery at end-of-life. These measures extend product life, preserve embedded materials, and reduce demand for incremental raw material inputs associated with replacement and disposal.



### Maintain/Prolong

We design products to allow for in-situ repairs by exchanging components rather than replacing the entire product. These processes result in an improved customer experience by maintaining system uptime, while also preserving materials and reducing pollution that would otherwise result from recovery and disposal. The Quality team sets ambitious serviceability targets to ensure these benefits are realized. To-date, the serviceability program has resulted in over 1,140 metric tons of recovered material.

95%

serviceability target<sup>1</sup>

1,140

metric tons of material saved<sup>2</sup>



### Reuse/Redistribute

We thoroughly evaluate equipment that comes back to us through the Enphase Upgrade Program or otherwise from the field failures or Returned Merchandise Authorizations. If deemed fully functional, these products are repackaged and used for product trainings and demonstrations to installers and distributors, employees, or other interested audiences, extending their useful lifespan.



### Recycle

We meticulously recycle our electronic waste (e-waste), hazardous waste, and universal waste across our global operations. Sources of recycled material include scrap generated through product R&D, manufacturing and testing; office computers and peripherals; and equipment that could not be managed through the circularity methods discussed above.

<sup>1</sup> For IQ Batteries and IQ System Controllers

<sup>2</sup> Cumulative amount of material saved as of 12/31/2025

## Waste management and pollution prevention

Our waste streams are handled responsibly by certified vendors who provide certificates of destruction outlining the percent composition, mass, and recycling method employed for each constituent material. When recycling batteries, our chosen vendor is certified to the Responsible Recycling (R2) standard, which prohibits incineration of any components as a secondary disposal solution. The program emphasizes the recovery of valuable metals and the recycling of remaining plastic and byproducts. As a result, both rare earth and environmentally-persistent components are reused as material inputs for new products where possible, reducing waste accumulation volumes and raw material needs. We do not export electronic waste to non-OECD countries for disposal.

Enphase's waste management program is designed not only to maximize diversion from landfill, but also to prevent environmental releases of hazardous constituents embedded in electronic equipment, batteries, and universal waste streams. All hazardous waste is handled in accordance with applicable regulations, and Enphase recorded no reportable spills, releases, or environmental enforcement actions related to waste handling or hazardous substances in 2025.

Lastly, we make a conscious effort to ensure responsible resource consumption across our facilities. Water conservation is encouraged, and we have installed auto stop taps to reduce waste. 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 a standard practice among our facilities.



Table 5 Waste managed in 2025<sup>1</sup>

Waste type	Amount generated (MT)	Amount diverted from disposal (MT)	Recycled (%)	Percent directed to landfill (%)
Hazardous waste	0.40	0.40	100	0
E-waste	74.53	74.53	100	0
Universal waste	23.80	23.80	100	0

<sup>1</sup> Hazardous waste, e-waste and universal waste across India, New Zealand, and United States operations

## Managing harmful chemicals

Chemical safety is embedded into our global product governance framework through a formal evaluation and planning process that applies to all newly developed and materially modified products. Our approach aligns with applicable global regulations and emerging regulatory trends. All of our products are compliant to the following standards:

- 
**Registration, Evaluation, Authorization and Restriction of Chemicals Directive (REACH)**
- 
**Restriction of Hazardous Substances Directive (RoHS)**
- 
**Waste Electrical and Electronic Equipment Directive (WEEE)**
- 
**EU Battery Regulation**
- 
**California Proposition 65**

In addition to regulatory compliance, we maintain a proactive chemical risk reduction approach designed to minimize the use of hazardous substances throughout the product lifecycle. Chemical screening is conducted during product concept and design reviews to identify substances of concern, substances of very high concern, and IEC 62474 Declarable Substances. Where feasible, we prioritize material substitution, engineering controls, or design alternatives to eliminate or reduce reliance on hazardous substances ahead of regulatory thresholds.

## Eco-friendly packaging

Enphase products are packaged to specifications designed to minimize environmental impact while ensuring product protection and transportation efficiency. Packaging materials are selected with an emphasis on recyclability, and environmental performance is continually improved through design and logistics optimization. Our approach prioritizes reducing the number of packaging components and material types, increasing the use of paper based and widely recyclable materials, and optimizing pallet configurations to improve shipping efficiency.



These measures help reduce packaging waste, lower transportation impacts, and support end user recycling by simplifying material sorting and aligning packaging formats with common municipal recycling capabilities across major markets. Plastic used in product packaging represents less than 1% of total packaging weight, typically. Packaging for IQ Microinverters, IQ Gateways, and the IQ Meter Collar consists entirely of paper based materials and is 100% recyclable.



<sup>1</sup>Product packaging for IQ Microinverters, IQ Batteries, IQ Gateways, IQ System Controllers, IQ Combiners, IQ Collar, EVSE NA Gen 2

## Environmental health and safety

We are committed to conducting operations in a manner that maintains safe and healthy working conditions, protects the environment, and conserves natural resources. We maintain structured management systems to identify, assess, and manage Environmental Health and Safety (EHS) considerations across global operations. 100% of Enphase operated facilities are certified to ISO 9001 and ISO 14001.

100%

ISO 14001:2015 Environmental Management System (EMS) certification<sup>1</sup>

100%

of Enphase operated facilities complete environmental assessments

Environmental considerations are managed through an ISO 14001-certified EMS that uses a standardized register to systematically identify, evaluate, prioritize, and address potential impacts across operations and relevant value chain activities. This process assigns accountable owners, applies consistent impact and likelihood evaluation, tracks mitigation actions and residual outcomes, and informs annual environmental objectives and targets with time bound actions. Management systems are periodically reviewed and updated to address regulatory changes, evolving operational conditions, and insights from audits and incidents, supporting continual improvement and ongoing certification maintenance.

## Product safety testing

Enphase designs and tests products to meet or exceed applicable safety, quality, and reliability requirements. All products undergo structured hazard identification and evaluation across the product lifecycle, addressing chemical, electrical, mechanical, thermal, ergonomic, and environmental considerations. Hazards exceeding acceptable thresholds require mitigation prior to commercialization, while remaining tolerable hazards are addressed through labeling, user documentation, and training. Product conformity with applicable standards is validated through independent third-party testing and certification.

100%

ISO 9001:2015 Quality Management System (QMS) certification<sup>1</sup>

100%

of products receive third-party testing and certification

Product safety and quality performance are monitored throughout the product lifecycle using diagnostics, customer support escalation processes, warranty programs, and field reliability data, which inform corrective actions, design improvements, and continuous improvement initiatives.

<sup>1</sup>All Enphase operations and contract manufacturing operations

## Field safety and performance

Enphase Energy Systems are inherently more safe than others present in the market due to their AC system architecture. By converting high-voltage, direct current from individual solar panels to low-voltage AC, microinverters virtually eliminate arc fault and corresponding thermal risk in solar installations. The benefit is magnified when storage is added, as our IQ Batteries use a stable, safe lithium iron phosphate (LFP) chemistry and are AC-coupled, meaning they charge and discharge using alternating current.



Safer lithium iron phosphate (LFP) battery chemistry



Safer AC-coupled system architecture

Firefighters across the globe have recognized and welcomed the increased safety, reliability, and operating security of Enphase Energy Systems. We have trained thousands of firefighters on critical strategies and tactics which serve to further mitigate structure fires involving PV and Battery Energy Storage Systems (BESS) and remain committed to setting the gold standard with respect to PV and BESS safety. For more information, please see our [Energy Story: Safety and Solar](#).

# E4. Responsible supply chain

We are committed to building a supply chain and manufacturing ecosystem that reflects our values of responsibility, resilience, transparency, and continuous improvement. Our approach to managing labor, human rights, and environmental risks includes defined supplier expectations, risk based oversight, and corrective action mechanisms across key tiers of the supply chain.

## Codes and policies

Our Supplier Code of Conduct sets explicit labor and human rights expectations for suppliers across our supply chain, including the prohibition of forced labor and child labor, respect for freedom of association, non-discrimination, safe and healthy working conditions, payment of legally required wages and overtime, and compliance with applicable working hour limits. We require all suppliers to certify they will abide by the expectations set forth in the Enphase Supplier Code of Conduct and apply the requirements contained therein to sub-suppliers.<sup>1</sup>

- [Supplier code of conduct](#)
- [Human rights policy](#)
- [Conflict minerals policy](#)

## Materials sourcing

While Enphase does not extract or refine raw materials, our products rely on semiconductors, metals, and battery related materials sourced through a multi tier global supply chain. Upstream environmental and social risks are managed through supplier expectations, oversight, and prioritization of key material categories, alongside chemical and materials safety requirements that support regulatory compliance and the management of substances of concern. Additional detail is provided in the Managing harmful chemicals section of this report.

## Forced labor and conflict minerals

We prohibit forced labor, child labor, slavery, and human trafficking across our supply chain. Suppliers, subcontractors, and relevant sub tier suppliers are required to comply with applicable laws and international standards and to conduct due diligence to verify compliance. Also see our [California Transparency in Supply Chains Disclosure](#). 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 posted on our website. For additional information, please refer to our most recent [conflict minerals report](#).

<sup>1</sup>Contract manufacturers and direct hardware component vendors

## Manufacturing

All manufacturing sites are certified to ISO 9001, ISO 14001, and ISO 45001 management standards<sup>1</sup>, ensuring consistent quality, environmental and safety controls are in place across our global footprint. Manufacturing operations support delivery of Foreign Entity of Concern (FEOC)-compliant microinverters and batteries with domestic content, and globalization efforts are underway for battery cell packs sourcing.

<b>100%</b> ISO 14001, ISO 9001, and ISO 45001 certification	<b>20M+</b> microinverters per year	<b>1.2+GWh</b> of battery storage per year
---	--	---

“We are committed to building a supply chain and manufacturing ecosystem that reflects our values of responsibility, resilience, transparency, and continuous improvement.”

Chart 3 Global supply chain<sup>2</sup>



<sup>1</sup> Arlington only certified to ISO 9001:2015 Quality Management System (QMS) standard. We plan to certify to ISO 14001:2015 and ISO 45001:2015 in the future  
<sup>2</sup> As of December 31, 2025

## Qualification, onboarding and training

Supplier labor and human rights expectations are communicated prior to onboarding through the Supplier Code of Conduct and are contractually binding as a condition of engagement. Supplier performance is a factor in qualification, business allocation, and contract renewal decisions. Where non conformance is identified, we require corrective action within defined timeframes and may escalate responses, up to and including disengagement, if issues are not remediated.

## Supplier audits and assessments

We conduct compliance audits across our supply chain, up to the third tier, with audit depth and frequency scaled based on geography, product type, and specific risk indicators. In 2025, 1,023 suppliers were assessed through internally conducted risk audits, supported by a third party software platform to enhance consistency, documentation, and traceability.

**1000+**  
suppliers screened

**100%**  
of audited suppliers subject  
to corrective action tracking

Supplier sustainability performance is assessed through initial screening and ongoing monitoring, with enhanced oversight applied to suppliers identified as higher risk. Risk level is determined by a weighted scorecard of factors covering strategic importance, technology type, supplier location, and percent of total procurement spend. Enphase is a signatory to the Solar Energy Industries Association (SEIA) Forced Labor Prevention Pledge, and thus suppliers identified as potential forced labor risks are classified as high risk and subject to enhanced monitoring and follow up audits.

**Table 6** Select environmental, labor and human rights, and health and safety screening factors<sup>1</sup>

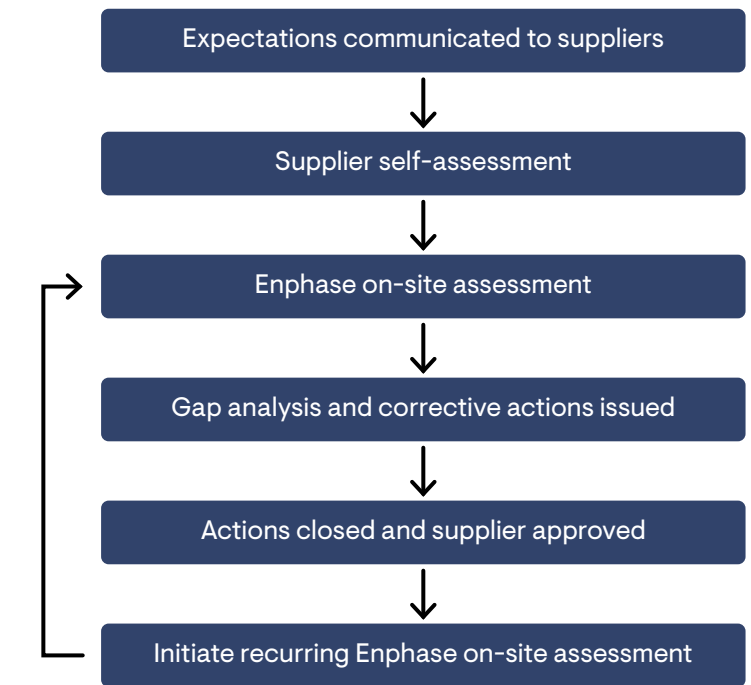
Topic	Assessment criteria
Environmental	<ul style="list-style-type: none"> <li>Environmental policy</li> <li>Environmental Management System (EMS) certification to ISO 14001:2015 or equivalent</li> <li>REACH and RoHS compliance</li> <li>Conflict minerals report submitted</li> </ul>
Labor and human rights	<ul style="list-style-type: none"> <li>Workforce policies covering human rights, anti-slavery and human trafficking, labor rights</li> <li>Evidence of conformance to Uyghur Forced Labor Prevention Act (UFLPA)</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>Evidence of OHS rules and practices</li> <li>Accident reporting</li> <li>Annual fire drill and emergency response procedures</li> </ul>

<sup>1</sup>Not exhaustive

## Corrective actions and remediation

When audits or assessments identify non compliance with labor or human rights expectations, we issue a corrective action plan that defines remediation requirements, ownership, and target completion dates. Corrective actions are tracked through closure, and recurring issues are analyzed to identify systemic improvement opportunities. Additional supply chain due diligence measures, including multi tier mapping and supplier questionnaires, are disclosed in our [Modern Slavery Statement](#).

**Chart 4** Supplier auditing and assessment process



**Table 7** 2025 Supply chain assessment results, non-compliance

Environmental non-compliance rate (%)	Social non-compliance rate (%)	Suppliers screened for environmental and social criteria (%)	Suppliers certified to our Supplier Code of Conduct
4.2	0.2	100	100
Environmental corrective actions issued (ct.)		Social corrective actions issued (ct.)	
1.0		0.0	

## E5. Installer highlights

### United States

MEI Renewables worked with Amy's Kitchen, Inc. to support the company's commitment to sustainability through the installation of a rooftop solar energy system at its headquarters in Petaluma, California. As a mission-driven food and beverage manufacturer, Amy's Kitchen sought to reduce its environmental impact while offsetting a significant portion of its building energy use. The Enphase IQ8P-3P Commercial Microinverters were selected to simplify system design, ensure compliance with rapid shutdown requirements, and provide reliable, module-level monitoring backed by a 25-year limited warranty. The system supports Amy's long-term operational and sustainability goals while delivering meaningful energy cost savings.

Amy's Kitchen, Inc.

Organization

MEI Renewables, Inc.

Enphase product installer

Petaluma, CA

Location

**51.0 kW**

solar energy system size

**70.0 MWh**

estimated annual production



### United States

Sandbox Solar worked with Horse & Dragon Brewing, a craft brewery in Fort Collins, Colorado, to support the company's commitment to sustainability and long-term cost savings through the installation of a rooftop solar energy system. As a brewery focused on balancing environmental responsibility with financial performance, Horse & Dragon sought a solution that would deliver reliable production and predictable savings. The Enphase IQ8P-3P Commercial Microinverters were selected for their flexibility in matching the building's AC system size, streamlined installation, and long-term reliability backed by a 25-year limited warranty.

Horse & Dragon Brewing

Organization

Sandbox Solar, LLC

Enphase product installer

Fort Collins, CO

Location

**43.0 kW**

solar energy system size

**60.4 MWh**

estimated annual production



## United States

Tampa Bay Solar partnered with the Manatee School for the Arts to design and install one of the largest rooftop solar energy systems ever deployed at a Florida school, placing more than 3,000 solar panels across six campus buildings in Palmetto, Florida. The two megawatt, grid-tied system now provides more than 90 percent of the school's electricity needs while dramatically reducing utility costs by an estimated \$200,000 annually, allowing the school to invest more in educational programs, teachers, and students. Students also get real-world exposure to clean energy technologies, reinforcing sustainability education alongside classroom learning. The project is expected to power the campus for at least 25 years and significantly cut the school's carbon footprint as part of a long-term commitment to operational efficiency and environmental stewardship.

### Manatee School for the Arts

Organization

### Tampa Bay Solar

Enphase product installer

### Palmetto, FL

Location

# 2.0 MW

solar energy system size

# 3.8 GWh

estimated annual production



## Colombia

Tecnología Renovable y Sostenible partnered with Avo-Pak to deliver one of Colombia's largest rooftop solar installations, supporting both industrial operations and community-focused economic development in La Ceja, outside Medellín. Installed at Avo-Pak's avocado processing facility, the system includes 1,879 Enphase IQ8P-3P Commercial Microinverters and was designed to offset 20–30% of the site's energy consumption while prioritizing long-term reliability and local impact. The project reflects a shared commitment to precision engineering, high-quality system design, and using solar energy as a catalyst for sustainable growth and job creation in the region.

### Avo-Pak

Organization

### Tecnología Renovable y Sostenible

Enphase product installer

### La Ceja, Antioquia

Location

# 1.4 MW

solar energy system size

# 2.1 GWh

estimated annual production



## Belgium

Earth worked with Belgoprocess to support the development of a large-scale solar installation at a radioactive waste management facility in Dessel, Belgium. Given the scale, complexity, and safety requirements of the project, 4,000 Enphase IQ8H Microinverters were selected for their safer AC-based system architecture, emphasis on cybersecurity, and superior reliability and performance. The distributed microinverter design enables independent operation at each panel, reducing risk associated with high-voltage DC power while providing advanced panel-level monitoring and long-term operational flexibility. The system is designed for future expansion, supporting Belgoprocess' long-term sustainability and operational goals.

**Belgoprocess**

Organization

**Earth**

Enphase product installer

**Dessel**

Location

**2.2 MW**

solar energy system size

**2.1 GWh**

estimated annual production



## France

R Green Energy worked with GUMUS, a building insulation and exterior painting company based in the Auvergne-Rhône-Alpes region of France, to install a rooftop solar energy system designed to deliver maximum safety, reliability, and long-term performance. With safety and insurance considerations top of mind, GUMUS sought a solution that avoided centralized inverters, DC power on the roof, and grounding constraints in its car park. Enphase IQ8 Microinverters were selected to provide a low-voltage AC architecture, enhanced roof safety, and industry-leading warranties backed by strong financial stability. The system supports GUMUS' operational needs while delivering predictable energy production and long-term value.

**GUMUS**

Organization

**R GREEN Energy**

Enphase product installer

**Auvergne-Rhône-Alpes  
region**

Location

**99.6 kW**

solar energy system size

**117.8 MWh**

estimated annual production



## Australia

Solahart Eastern Ranges partnered with residents of an apartment complex in Templestowe, Victoria to deliver the largest Enphase microinverter installation under Solar Victoria's Solar for Apartments rebate program. The project addressed a longstanding barrier to renewable energy adoption for apartment owners who face unique challenges around shared roof space, building infrastructure, and system design for multi-unit dwellings. Enphase IQ Microinverters were selected for their panel-level optimization, module-level monitoring, and flexibility to accommodate varying system sizes. The installation is expected to deliver approximately \$86,620 in collective energy cost savings in the first year, demonstrating that solar is no longer limited to standalone homes and offering a replicable model for apartment communities across Australia.

Solar Victoria

Organization

Solahart Eastern Ranges

Enphase product installer

Templestowe

Location

**50.0 kW<sup>1</sup>**  
solar energy system size

**70.0 MWh**  
estimated annual production



## India

Noel Franganz Villa Association, a premium residential community in Kerala, partnered with SolX Green Energy LLP to deploy a 150 kW solar energy system across 22 villas, the clubhouse, and the electric room in Kakkannad, Ernakulam. The project faced significant space and cable-routing constraints to the utility substation, making conventional solar designs impractical. To address this, the installer implemented an innovative energy-metering solution and a custom elevated mounting structure to optimize rooftop space and minimize shading. Integrated Enphase storage enabled residents to store excess solar energy, improving energy independence, resilience, and long-term electricity savings while supporting the community's sustainability goals.

Noel Franganz Villa Association

Organization

SolX Green Energy LLP

Enphase product installer

Ernakulam, Kerala

Location

**150.0 kW**  
solar energy system size

**208.1 MWh**  
estimated annual production



<sup>1</sup> Aggregated capacity and production across all systems

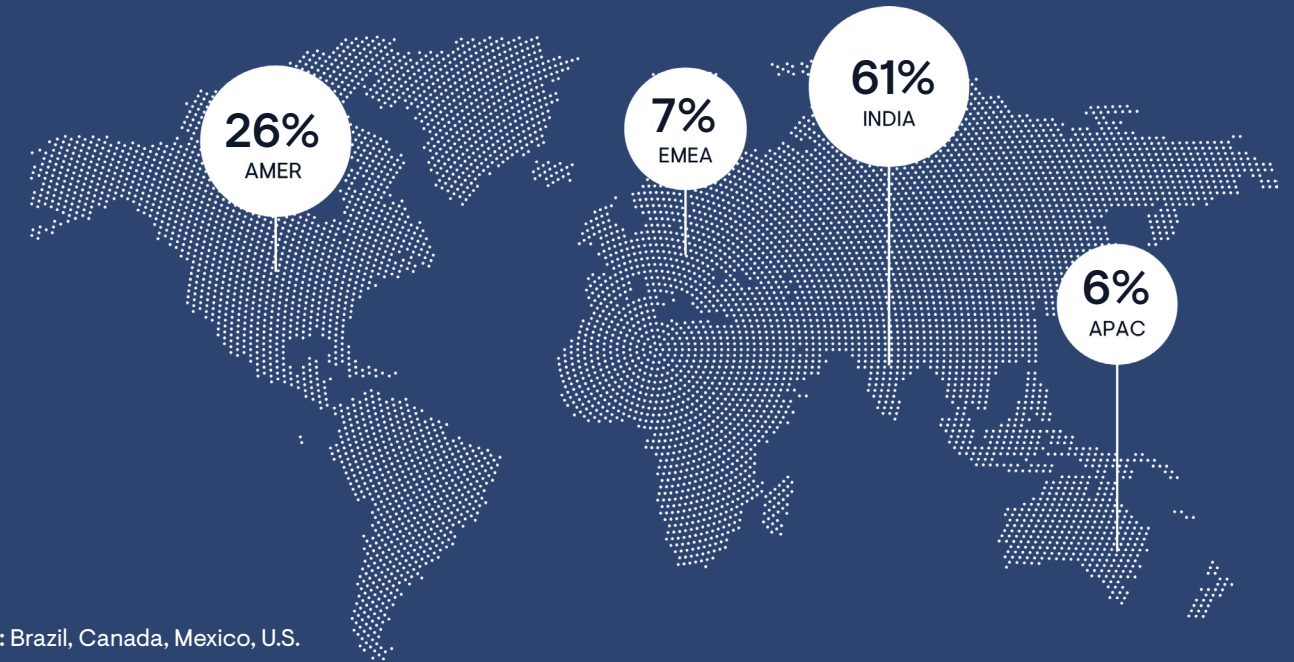
# Social

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



# S1. Company demographics

## Geographic headcount



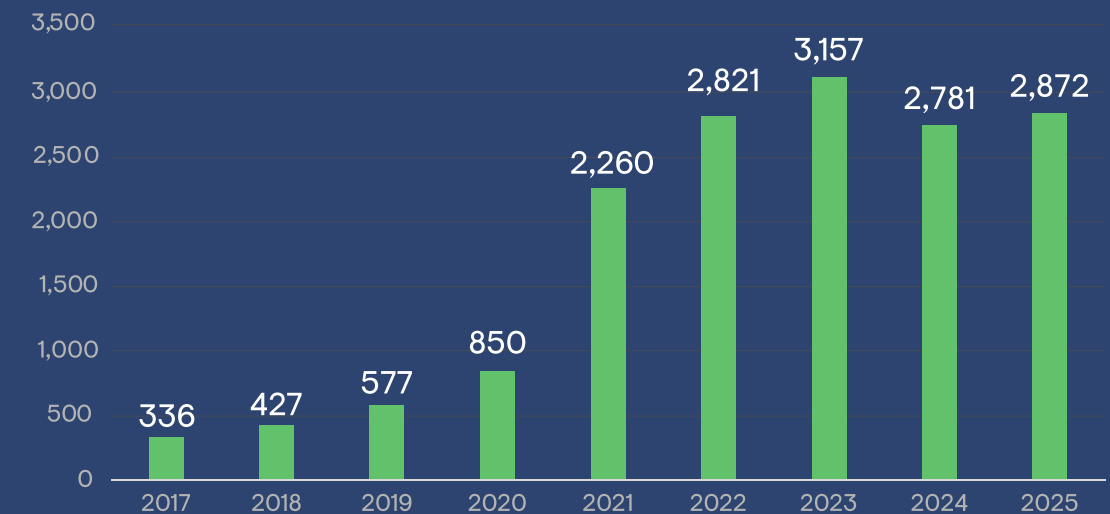
AMER: Brazil, Canada, Mexico, U.S.

INDIA

APAC: Australia, China, New Zealand, Japan

EMEA: Austria, Belgium, France, Germany, Italy, the Netherlands, Poland, Spain, Sweden, U.K.

## Employee headcount



## S2. Attracting and retaining the best

People drive success at Enphase, and our talent strategy reflects this by ensuring every person has the support needed to contribute to our mission. We provide competitive compensation and benefits, offer meaningful opportunities for learning and career advancement, and a company culture where people from any background can contribute and succeed.

### Compensation and benefits

Our total rewards strategy covers direct and indirect compensation with the aim to attract, retain, and motivate the best talent. We take a market driven, performance aligned approach, offering competitive compensation including base salary, variable pay, and equity awards, and benefit programs that address the needs of our global workforce. In 2025, 100% of employees were eligible for stock equity compensation.

**Table 8 Employee benefits<sup>1</sup>**

Type	Offerings
Health	<ul style="list-style-type: none"> <li>• Medical, dental, and vision insurance plans</li> <li>• Health Savings Account (HSA), Flexible Spending Account (FSA)</li> <li>• Fertility care plan</li> <li>• Business travel medical plan</li> <li>• Life and disability insurance</li> </ul>
Wellness	<ul style="list-style-type: none"> <li>• Paid holiday, vacation, special leave, and sick leave<sup>2</sup></li> <li>• Paid parental leave<sup>3</sup></li> <li>• Paid disability leave</li> <li>• Employee Assistance Program (EAP)</li> <li>• Mental health awareness and stress management courses</li> <li>• Virtual and on-campus fitness programs</li> <li>• Flexible work arrangements / remote work options</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>• 401(k) retirement plans</li> <li>• Stock-based compensation through Restricted Stock Units (RSUs)</li> <li>• Employee Stock Purchase Plan (ESPP)</li> <li>• Quarterly bonus or commission plans</li> </ul>

<sup>1</sup> Benefit offerings vary by country

<sup>2</sup> Five days (40 hours) of paid sick leave at 100% pay (in the US)

<sup>3</sup> Family Medical Leave Act (FMLA) provides for 12 weeks (in the US)

**Table 9 Company demographics**

Employee group	Female (%)	Male (%)	Undisclosed (%)
Executive officers	17.7	82.3	0.0
Leadership	11.6	88.4	0.0
Managers	14.9	85.1	0.0
All employees (2781)	20.3	79.4	0.3

**Table 10 Ethnic demographics<sup>1</sup>**

Ethnicity	Employee group		
	All employees (%)	Leadership (%)	Managers (%)
American Indian or Alaska Native <sup>2</sup>	0.3	0.0	0.6
Asian <sup>2</sup>	18.1	26.0	36.1
Black or African American <sup>2</sup>	4.1	0.6	1.8
Native Hawaiian or Other Pacific Islander <sup>2</sup>	2.1	1.2	3.0
Two or more races <sup>2</sup>	4.3	0.6	1.2
Undisclosed	12.1	44.4	7.9
White <sup>2</sup>	59.0	27.2	49.4

**Table 11 Age demographics**

Employee group	< 30 Years (%)	31-50 Years (%)	> 50 Years (%)	Not disclosed (%)
All employees	39.3	51.1	9.5	0.1
Leadership	0.0	55.5	44.5	0.0
Managers	2.9	77.2	19.9	0.0

<sup>1</sup> U.S. only

<sup>2</sup> Not Hispanic or Latino

## Performance management and feedback

We conduct annual performance reviews to provide structured, documented feedback and support development planning. In 2025, 100% of employees received an annual performance review. In addition to formal reviews, managers are expected to provide ongoing coaching and feedback throughout the year.

## Employee listening, escalation, and non-retaliation

We encourage open communication and timely escalation of workplace concerns. Employees may raise concerns through multiple channels, including their manager, Human Resources, or our third-party hosted whistleblower hotline. We prohibit retaliation against individuals who report concerns in good faith or participate in investigations. Reported concerns are reviewed promptly and investigated by qualified personnel, with confidentiality maintained to the extent appropriate and permitted by law. Managers are required to escalate suspected misconduct or related complaints to Human Resources or management.

## Workforce transitions and employee support

We aim to manage workforce transitions responsibly and with respect for impacted employees. When transitions occur, we provide comprehensive support measures, which may include severance packages, extended healthcare benefits, and resources to aid in career transitions, consistent with local requirements and company practice.

## Pay parity

Maintaining equitable, consistent, and non-discriminatory pay practices remains a core element of our compensation philosophy. In 2025, we conducted a comprehensive global pay equity analysis and confirmed consistent results with 2024, with a female-to-male pay ratio of 101%.<sup>1</sup>

We analyze outcomes across job levels, geographies, and functions, with no systemic gender-based pay disparities identified. Pay outcomes remain equitable across individual contributors, managers, and executives, and across major regions (Americas, EMEA, APAC), with no material gaps observed across core functions. We continue to strengthen our approach through annual reviews, targeted remediation where needed, alignment with evolving regulatory requirements, including EU Pay Transparency, and ongoing monitoring of representation trends and manager decision-making to ensure equitable outcomes over time.

<sup>1</sup> Analysis based on methodology using regression modeling to control for role, level, location, experience, and performance, supported by a global job architecture and governance review across Total Rewards, HR, and Legal

# S3. Enabling growth and advancement

We believe continuous learning and growth are essential to our culture and our success. Through the Enphase Learning Academy, we offer a comprehensive learning environment that combines live instructor led programs, virtual sessions, self-paced courses, and access to a third-party online global learning catalog, ensuring that development opportunities are available to all employees, regardless of location or role.

14.5

hours of training per employee<sup>1</sup>

705

internal promotions

## Career advancement and development programs

We aim to provide a clear and fair pathway for career progression across all teams and functions. Our leadership and management development programs, supported by a talent pipeline built through relationships with top universities, professional associations, and industry groups worldwide, help drive long-term succession planning and workforce stability. All employees are also eligible for our Education Assistance Program, which provides financial support for employees interested in pursuing external academic opportunities related to their career ambitions.

**Table 12 Leadership and development programs**

Program	Audience	Objectives	2025 Participants
Leadership Development Program	Senior talent	Prepare leaders for broader strategic responsibility through mentorship and enterprise relevant projects that translate learning to business impact	24
Management Development Program	People managers	Build foundational and advanced people leadership capabilities; emphasize practical application and manager effectiveness	99

<sup>1</sup> 12.98 hours per female employee; 14.94 hours per male employee

## Ennovate innovation competition

In 2025, Ennovate, the annual company hackathon, received 139 stunning ideas across three broad themes - software, systems, and business processes - of which 45 were shortlisted for review by our executive team. The ideas were funded by Enphase for demonstration or prototype creation, and the best ideas were awarded with a cash prize based on their novelty and business potential.

## Program evaluation

Learning and development programs are evaluated using a quantitative performance framework that tracks outcomes across customer satisfaction, operational excellence and quality, continuous learning and growth, and talent and culture. Engagement, effectiveness, completion, and participation indicators are measured against annual targets and reviewed on an ongoing basis to assess program performance and alignment with organizational priorities. These measures enable continuous improvement by informing program design, delivery, and investment decisions over time, while supporting workforce capability development, employee engagement, and long term organizational resilience



Equal gender representation in Leadership Development Program<sup>1</sup>



86% satisfaction with development program<sup>2</sup>

## Culture, belonging and fairness

Our approach to culture, belonging, and fairness is rooted in the belief that strong performance, innovation, and long term success are supported by a workforce that reflects a broad range of experiences, perspectives, and backgrounds. We are committed to creating a work environment that promotes fairness, equal opportunity, and security across all stages of employment. This includes efforts to reduce bias in recruitment and hiring practices, foster mutual respect, and support programs that address structural imbalances within our industry.

To support the professional growth of women across the organization, we offer Rise Beyond, a women's development program focused on building confidence, strengthening self awareness, and developing practical skills through mentorship and structured learning. The program combines peer connection, guided reflection, and skill building activities to support both professional advancement and personal development. To date, 38 employees have completed the program. We also support employee led workplace clubs and Employee Resource Groups (ERGs) as a way to strengthen connection, learning, and engagement across the organization. Our women's ERG, WE Rise is a ERG primarily for women but open to all, that focuses on confidence building, leadership development, and professional growth, while helping to advance gender balance and opportunity across all levels of the company.

<sup>1</sup> Proportion of female program participants aligns with workforce female to male ratio

<sup>2</sup> As measured by Net Promoter Score; Leadership Development Program only

# S4. A culture of health and safety

At Enphase, protecting the health and safety of employees, contractors, and visitors is central to responsible operations and effective risk management. Our Occupational Health and Safety (OHS) program is designed to prevent injuries and illnesses, strengthen risk controls across our operational footprint, and foster a culture in which everyone is empowered to identify hazards and stop unsafe work.

## Scope and risk focus

The OHS management system applies globally across all Enphase-operated facility locations that present meaningful occupational safety risks. This risk-based scope ensures that program requirements, training, and oversight are concentrated on operations where potential exposure is greatest, including laboratories, testing environments, manufacturing facilities, shipping and receiving, and site support operations.

Chart 5 Key elements of Enphase OHS program



Employee training and management participation



Hazard assessments and accident minimization



Emergency preparedness and response



Accident reporting, incident investigation, and corrective actions



Operating guidelines and standard procedures



Internal auditing and program review

## Governance, accountability, and worker participation

Oversight of occupational health and safety is embedded within Enphase's broader risk and sustainability governance framework. Senior management regularly reviews OHS performance, audit outcomes, incident trends, and the status of corrective and preventive actions. Clear roles and responsibilities are defined across leadership, managers, employees, and contractors, reinforcing shared accountability for workplace safety.

Employee and contractor engagement is supported through defined reporting channels, routine safety communications, and training. Workers are encouraged to raise concerns and report hazards, incidents, and near misses without fear of retaliation -- supporting early identification of risks and continuous improvement.

## Health and safety risk management

Occupational health and safety risks are identified and managed through a proactive process designed to protect employees, contractors, and visitors. This includes hazard identification, job safety analyses, and ongoing evaluation of workplace conditions across manufacturing, laboratory, and office environments, as applicable. Key risk areas assessed include ergonomic exposures, electrical and mechanical hazards, chemical exposure, manufacturing and assembly activities, and the use of tools and equipment.

100%

operations covered by OHS management system

100%

employees and contractors trained on OHS program requirements

## Inspections and audits

Enphase conducts OHS inspections and audits to evaluate conformance with internal requirements and management system expectations aligned with ISO 45001 principles. These activities assess the effectiveness of hazard identification and risk assessments, application of the hierarchy of controls, implementation of procedures, training completion, and corrective and preventive action management, providing assurance that operational controls are functioning as intended.

Audit scope and frequency are risk-based and proportionate to operational complexity. Inspections include routine work area reviews, targeted oversight of higher-risk or changing activities, and verification of safety-critical systems such as fire protection, chemical storage, electrical safety, and emergency systems, alongside periodic management system reviews of overall performance and trends. Inspection plans are reviewed and adjusted in response to audit results, incidents and near misses, operational changes, and regulatory developments to remain aligned with evolving risk profiles and business activities.

## Emergency preparedness and response

All Enphase operations maintain documented Emergency Action Plans that address site-specific, foreseeable emergency scenarios. Emergency preparedness and response are integrated into the OHS management system and are evaluated through audits, inspections, and management oversight. Emergency plans define response procedures, evacuation routes, communication protocols, and clearly assigned roles and responsibilities to support an effective and coordinated response.

Emergency preparedness activities include inspection and maintenance of emergency equipment such as fire extinguishers, first aid kits, eyewash stations, spill kits, and emergency shut-off devices, as well as verification of fire protection systems, exit routes, signage, evacuation maps, and designated assembly points. Emergency drills are conducted as required to validate readiness and employee awareness. Findings from drills, audits, or incidents are documented and used to update emergency plans, training, and operational controls.

## Incident reporting, investigation, and corrective actions

Enphase maintains formal processes for reporting, investigating, and responding to occupational incidents and near misses. Employees and contractors are encouraged to report events and unsafe conditions promptly. Reported incidents are investigated based on severity to identify root causes and contributing factors, and corrective and preventive actions are documented, assigned, tracked, and verified. Learnings are incorporated into training and operational controls to reduce the likelihood of recurrence.

**Table 13** Accident and injury rates<sup>1</sup>

	Total Recordable Incident Rate (TRIR)	Lost Time Incident Rate (LTIR)	Days Away, Restricted, Transfer (DART) Rate	Fatalities <sup>2</sup>
Enphase	0.52	0.24	0.17	0.0
Benchmark <sup>3</sup>	0.80	0.30	0.10	n/a

<sup>1</sup> United States, New Zealand, and India operations

<sup>2</sup> Includes Enphase and contract employees

<sup>3</sup> NAICS code 334413 - Semiconductor and Related Device Manufacturing

# S5. Corporate Social Responsibility

## United States




### GRID Alternatives

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

Table 14 GRID partnership summary

Period	Equipment donations (pcs.)	Monetary donations (\$M)
CY 2025	6,930+	7.0
Since partnership inception	93,000+	12.8

 **108 MW**  
installed capacity

 **3.37 TWh**  
generated

 **1,700+**  
families supported

 **495,000+**  
hours of workforce training<sup>1</sup>

<sup>1</sup>Highlighted figures supported by [Enphase partnership data](#) provided by GRID Alternatives

studio **804**

### Studio 804

Enphase supported Studio 804, a nonprofit design build program at the University of Kansas, through an in kind donation of solar energy equipment for its 2025 student led residential project. The donation supported the installation of a high performance solar photovoltaic system as part of Studio 804's 18th LEED Platinum certified home. The project provided graduate architecture students with hands on experience in sustainable, real world construction practices.



### Illinois Solar Energy Industries Association

Enphase provided a solar PV demonstration system to the Illinois Solar Energy Industries Association (ISEA) to support the upgrade of ISEA's Solar House public education and demonstration facility. The donation supports renewable energy education, workforce awareness, and public engagement with solar technology in the local market.



### Ranger Road

Enphase supported Ranger Road, a nonprofit organization focused on helping U.S. military veterans transition successfully to civilian life, through a solar plus storage renewable energy system installation. The project involved the development of a facility that integrates solar energy as part of its infrastructure and training environment, supporting veterans in their transition into the civilian workforce.



### The Footprint Project

Enphase continued supporting the Footprint Project in its mission to "Build Back Greener" after natural disasters by providing clean energy to communities in crisis. In the wake of the Hurricane Helene disaster in 2024, Enphase donated equipment to deploy four grid-tied PV and battery backup systems in the impacted area. Enphase provided additional support in 2025 to install renewable energy systems for people affected by the storm.



### Avalon Community Center

Enphase supported the Avalon Community Center in Ann Arbor, Michigan through an in kind equipment donation to strengthen energy resilience for a facility serving low income residents. The community center is part of a broader net zero residential development within the Veridian community, led by FEW Energy and pursuing the Living Building Challenge. Solar energy deployed across all homes in the development using Enphase technology. The initiative supports reliable access to essential services and reflects Enphase's focus on community resilience and sustainable development.

## Australia



### Good Day Electrical and Solar

Enphase partnered with installer Good Day Electrical and Solar to support the installation of a solar energy system providing free, renewable power to a healthcare center serving a local Māori community. The initiative helps strengthen access to reliable healthcare in a region where Māori communities have historically faced certain barriers, such as higher rates of unemployment, health disparities, and limited access to consistent medical services.

## 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.

## India



### OpenGrad Edu Foundation

Enphase collaborated with the Indian Institute of Technology, Gandhinagar on advanced research addressing safety risks associated with lithium ion batteries, including fire incidents and toxic gas release arising from electrical, mechanical, and thermal abuse and manufacturing defects. The research focused on early detection of battery abuse and contributes to improved public safety, particularly in the context of electric vehicle adoption in India.



### Indian Institute of Technology, Gandhinagar

Enphase collaborated with the Indian Institute of Technology, Gandhinagar on advanced research addressing safety risks associated with lithium ion batteries, including fire incidents and toxic gas release arising from electrical, mechanical, and thermal abuse and manufacturing defects. The research focused on early detection of battery abuse and contributes to improved public safety, particularly in the context of electric vehicle adoption in India.



### Vathsalya Charitable Trust

Enphase continued its support of Vathsalya Charitable Trust by providing educational sponsorships and comprehensive development services to 140 underprivileged children, primarily girls, in Pillana Garden and surrounding areas in Karnataka.



### Trinity Cares Foundation

Enphase continued its partnership with Trinity Cares Foundation by supporting the establishment of computer labs in two government schools and enabling teacher training in computer assisted instruction. Solar photovoltaic systems were also installed at both schools to support sustainable and uninterrupted power supply.



### Janhit Society for Social Welfare

Enphase partnered with Janhit Society for Social Welfare to establish a solar powered community Reverse Osmosis (RO) plant, improving access to safe and clean drinking water in rural Karnataka.



### Le Rhythme

Enphase partnered with Le Rhythme to support employable skills training for 50 individuals from underprivileged communities in Telangana. The initiative provided structured training in Solar PV Operations and Maintenance (O&M), delivered by NSDC certified trainers with industry experience.



### India Sudar Educational and Charitable Trust

Enphase continued its contributions to schools across rural Karnataka by supporting the development of essential infrastructure, including female restrooms in four schools, computer centers in five schools, and libraries in eight schools.



### Divya Karunya Charitable Trust

Enphase supported the development of essential infrastructure at Thrithwa Elizabeth Mane, a destitute home in Karnataka serving 80 underserved and differently abled individuals, primarily persons with mental disabilities rescued from the streets. The support enhanced access to shelter, medical care, rehabilitation, and daily living services.



### Sharon Educational Charitable Trust

Enphase continued its partnership with Sharon Educational Charitable Trust by providing education scholarships to 36 underprivileged students at Sharon School. The support covered annual school fees, books, uniforms, and essential stationery to help ensure continuity of education.



### Pratham Books

Enphase partnered with Pratham Books to print and distribute 20,000 books for underprivileged children through 200 library sets, leveraging Pratham Books' partner networks with state governments, non profit organizations, and schools across India.



### Bangalore Cantonment Rotary Trust

Enphase continued its association with Bangalore Cantonment Rotary Trust by supporting women's vocational training programs, employability initiatives for school dropouts, healthcare access through the donation of a dialysis machine, and early childhood care through the establishment of a daycare center.



### Diya Ghar

Enphase partnered with Diya Ghar to provide hygiene kits to 550 underprivileged children and educational support to 15 underserved students, contributing to improved well being and continued access to education.



# 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. Sustainability oversight and management

Sustainability and ESG matters at Enphase are governed through an integrated approach that aligns Board of Directors oversight, executive accountability, and management ownership across the Company. This structure enables consistent oversight across all material sustainability topics while allowing functional experts to manage topic-specific risks and opportunities.

### Board oversight

The Board of Directors (“Board”) has primary oversight of climate risks and opportunities, with the [Nominating and Corporate Governance Committee \(NGC\)](#) overseeing the 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, including 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.

### Executive accountability and management ownership

The ESG Executive Leadership Team, led by our General Counsel and comprised of executive leadership, meets quarterly to assess risks and opportunities, discuss emerging trends, orient strategy, define objectives, and ensure appropriate resourcing. The steering committee provides updates to the NGC at least annually.

A cross-functional set of working groups aligned to ESG and sustainability topic areas implement the strategy articulated by the Executive Leadership Team and approved by the Board. For each topic area, relevant members of executive leadership participate in governance discussions at least quarterly, while the operational teams responsible for execution meet regularly to implement initiatives, track progress, and address operational needs.

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

## G2. Business ethics

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

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

### Compliance training

Enphase requires all employees, including managers and personnel in high risk or regulated roles such as supply chain, procurement, manufacturing oversight, engineering, finance, and data handling, to complete mandatory compliance training as a condition of employment.

Compliance training is delivered during onboarding and annually thereafter, with content updated regularly to reflect evolving regulatory requirements, emerging risks, and internal policy updates. Training is administered through a centralized learning management system and tracked for completion and effectiveness.

100%

Code of Conduct compliance training completion

0

No material violations of the Code of Conduct in 2025

Compliance training at Enphase is designed to be practical and scenario based, using real world examples tailored to employees’ roles and responsibilities. To receive credit for completion, employees must successfully complete all course materials, pass required knowledge assessments, and provide a digital acknowledgment confirming their understanding of and commitment to comply with company policies. In addition to core training, role specific advanced modules are provided to employees with elevated risk exposure, including those in leadership, procurement, human resources, legal, engineering, and information security functions.

Table 15 2025 compliance training completion rates

Training	2025 results
Code of Conduct	100%
Privacy and Data Security	100%
Environmental Health and Safety	94%
Workplace Harassment Prevention <sup>1</sup>	94%
Supply Chain Labor Standards and Human Rights	100%
Data Privacy and Cybersecurity	100%

### Reporting violations and grievances

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

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

<sup>1</sup> California operations only

## G3. Digital trust and security

As a technology-enabled clean energy company, Enphase's hardware, software, and digital platforms rely on the secure and responsible treatment of data. Protecting customer and employee privacy, maintaining cyber resilience, and safeguarding our intellectual property are foundational to our business and our customers.

“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”

### Oversight

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

### Data privacy and cybersecurity

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 laws. Every processing activity follows this uniform framework, which ensures that we treat our employees, customers, partners, and general consumers in the proper way. As a few notable examples:

- We never sell personal information
- We give individuals notice and choice – notice of how we process personal information, including who we share it with, and a choice of processing preferences where possible. This includes built-in consent in many instances where not even legally required
- We treat all individuals the right way, regardless of where they are located, including honoring data subject requests to access, delete, know, correct, and not sell or share
- Our privacy team sits alongside all major business units and embeds privacy into product, service, and internal operations by default
- We demand best-in-class privacy clauses with our service providers/processors

Our [privacy policy](#) reflects our global practices, including all data processing activity in each of our various businesses. Going beyond compliance, the 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 are strongly committed to advancing the state-of-the-art, including developing and protecting our technologies through various forms of intellectual property protection.”

### Audits, certifications, and assurance

All relevant Enphase operations are certified to the ISO/IEC 27001 information security management standard, demonstrating the consistent application of a globally recognized framework for managing information security risks. This certification covers the systems, policies, and processes used to protect the confidentiality, integrity, and availability of data across Enphase's digital platforms and internal operations.

In addition to ISO/IEC 27001 certification, Enphase maintains SOC 2 Type II reporting for in scope systems and services. SOC 2 Type II examinations assess both the design and operating effectiveness of security controls over an extended audit period and provide independent assurance regarding the reliability and resilience of our cybersecurity environment.

### 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 protection. 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 patent portfolio continues to be a best-in-class representation of our dedication to innovation.

As a leading international brand, we also protect our trademarks and have a portfolio of more than 100 unique trademarks, both registered and unregistered. Of that, we currently have active registrations for 25 of our trademarks in 30 countries and registrations pending in an additional 39 countries. Our domain protection reflects a similar intensity as we continue to expand internationally. We emphasize protection of our copyrights as well, where we restrict any use of Enphase copyrighted content without an express license granted by our intellectual property team.

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

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

# G4. Positions and policies

## Political engagement and trade associations

Enphase participates in select industry and trade associations to support the responsible advancement of clean energy technologies, grid resilience, safety standards, and market transparency. Engagement with these organizations is intended to contribute technical expertise, share best practices, and engage constructively in policy dialogue related to renewable energy deployment and energy system modernization. Participation is aligned with Enphase’s corporate purpose and long term business strategy.

Oversight of trade association participation and related public policy engagement is maintained by senior management and the Legal function, consistent with the Enphase Code of Conduct. Trade association memberships and any leadership or board roles are reviewed periodically to ensure alignment with company values, ethical standards, and enterprise risk considerations. Enphase does not delegate political decision making authority to trade associations, nor does it authorize associations to act on the Company’s behalf in political matters.

Enphase maintains clear boundaries around political activity. The Company does not make corporate political donations, does not contribute to candidates, parties, or political action committees. Trade association involvement is limited to issue based engagement focused on clean energy policy frameworks, safety, quality, grid integration, and consumer protection, rather than partisan political advocacy. Enphase did not make any financial political donations in 2025.

**Table 16 Membership associations**

Organization	Primary Region / Market
Solar Energy Industries Association (SEIA) <sup>1</sup>	United States (National)
Hawaii Solar Energy Association (HESA) <sup>1</sup>	United States (Hawaii)
California Solar + Storage Association (CALSSA)	United States (California)
SolarPower Europe	Europe (EU)

<sup>1</sup> Board member

## Policy against discrimination

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

## Policy against harassment

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

## 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, ensuring that our employees have the freedom to organize, negotiate, and express their collective interests. We recognize the importance of maintaining a positive and constructive relationship with our workforce, as it is instrumental in our pursuit of sustainable growth and innovation. Our workforce and labor commitments include:

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

# Appendix



## Environmental accounting

We follow the GHG Protocol Corporate Standard in preparing our annual inventory. The reporting boundary for Scopes 1 and 2 includes leased facilities where Enphase has operational control. Consumed electricity and heat among leased facilities were converted to CO<sub>2</sub>e 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<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), and methane (CH<sub>4</sub>) resulting from electricity generation, heat generation, and transmission and distribution losses. Emissions are converted to CO<sub>2</sub>e 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<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>) gases are excluded from our inventory, as leased facilities under our operational control do not produce significant amounts of these GHGs.

We completed a screening inventory as outlined in the GHG Protocol to determine which Scope 3 categories to include in the GHG inventory. Factors influencing inventory inclusion or exclusion include relevance and the ability to capture and disclose accurate data. The data supporting Scope 3 disclosures were provided by our third-party travel agency, contract manufacturers, and internal logistics team, covering purchased goods and services (category 1), upstream transportation and distribution (category 4), business commuting (category 6), and downstream transportation and distribution (category 9). Emissions attributable to contract manufacturing were made using supplier-specific data, covering Scope 1 and Scope 2 of manufacturing activity across manufacturing sites, representing substantially all of total contract manufacturing spend and activity in 2025. 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<sub>2</sub>e estimates were calculated from emissions factors made available by each specific upstream or downstream carrier.

Clean 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.

**Table 17 Energy and emissions detail**

Energy metric	Value
Energy intensity (kWh/\$M)	12,979
Aggregated energy consumption (MWh)	19,078
Grid electricity consumption (MWh)	18,432
Renewable energy consumption (MWh)	15,124
Non-renewable energy consumption (MWh)	3,308
Emissions metric	MTCO <sub>2</sub> e
Location-based emissions (Scope 1)	0
Market-based emissions (Scope 1)	0
Location-based emissions (Scope 2)	15,301
Market-based emissions (Scope 2)	10,326
Location-based emissions (Scope 3)	20,206
Market-based emissions (Scope 3)	20,206

**Table 18 Scope 3 emissions detail**

Category	Name	MTCO <sub>2</sub> e
1	Purchased goods and services	10,362
4	Upstream transportation	1,834
6	Business travel	680
9	Downstream transportation and distribution	7,330

# Climate risk

Find below responses aligned with the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD).

## Governance

See section [Sustainability oversight and management](#) of this report.

## Strategy

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

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

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

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

**Table 19 Climate risks and opportunities**

Climate risks	
Short-term	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Delaying operational decarbonization could limit access to third-party capital and affect operating costs or reputation.</li> <li>• 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.</li> </ul>
Medium-term	<ul style="list-style-type: none"> <li>• Extreme weather events may increase in severity and frequency and disrupt operations, which could adversely affect our revenue, competitive position, and reputation.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
Long-term	<ul style="list-style-type: none"> <li>• Extreme weather events may further increase in severity and frequency, having the potential to disrupt our business.</li> <li>• Chronic climate change impacts may become more pronounced, having the potential to negatively impact our business operations in certain geographies.</li> </ul>
Climate opportunities	
Short-term	<ul style="list-style-type: none"> <li>• Improve climate risk analysis and integrate results into strategic planning.</li> <li>• Implement low-carbon transition plan for facilities and key suppliers.</li> </ul>
Medium-term	<ul style="list-style-type: none"> <li>• Leverage climate scenario planning to inform strategic decision making, such as determining significant locations of operation.</li> <li>• Enhance resilience through product lifecycle and business process innovations.</li> </ul>
Long-term	<ul style="list-style-type: none"> <li>• Continued integration of climate-risk scenario analyses into strategic planning across all aspects of the business.</li> </ul>

## Risk Management

A detailed discussion of risks to the business can be found in our [Form 10-K](#) for the year ended December 31, 2025. 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 2025, we continued our water risk assessment using the Aqueduct Water Risk Atlas tool provided by the World Resources Institute (WRI). Our assessment covered 35 locations, including all Enphase office locations, manufacturing locations, and strategic distribution centers identified by executive leadership. 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 20 Physical climate risk, baseline water assessment**

Location	Proportion in high water stress areas (%)	Proportion in areas of high coastal flood risk (%)
Assessed operations	34%	9%

## Metrics and Targets

Climate-related metrics used to assess climate-related risks and opportunities are disclosed throughout this Sustainability Report and in our filings with the U.S. Securities and Exchange Commission, including our Annual Report and quarterly filings. Key climate risk, emissions, and energy-related metrics are presented in the relevant environment and emissions sections of this report, together with indicators that reflect climate-related opportunities embedded in our business strategy.

Performance against climate metrics and targets is embedded in our governance and incentive structures. Our business model inherently links financial performance with emissions reductions enabled through product deployment and improved energy management outcomes. Climate-related objectives may be incorporated into employee performance goals, and executive remuneration is partially informed by performance against climate-related growth, deployment, and impact metrics, reinforcing accountability for climate outcomes across the organization.

## GRI and SASB index

GRI Standard	Disclosure	Location
2 General disclosures	2-1 Organizational details	See 10-K at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-3 Reporting period, frequency, and contact point	FY 2025, annually
	2-6 Activities, value chain, and other business relationships	See About Us and Environment sections; See 10-K (Business Section) at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-7 Employees	See <a href="#">Social section</a>
	2-9 Governance structure and composition	See Corporate governance Section; See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-10 Nomination and selection of the highest governance body	See Corporate governance Section; See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-11 Chair of the highest governance body	See Corporate governance Section; See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-12 Role of the highest governance body in overseeing the management of impacts	See Corporate governance Section; See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-13 Delegation of responsibility for managing impacts	See Corporate governance Section; See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-14 Role of the highest governance body in sustainability reporting	See Corporate governance Section; See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-15 Conflicts of interest	See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-17 Collective knowledge of the highest governance body	See <a href="#">Board of Directors information on Enphase company website</a>
	2-18 Evaluation of the performance of the highest governance body	See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-19 Remuneration policies	See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-20 Process to determine remuneration	See Proxy Statement at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>
	2-22 Statement on sustainable development strategy	See <a href="#">CEO Letter</a>
	2-25 Processes to remediate negative impacts	See <a href="#">Enphase Code of Conduct</a>
	2-26 Mechanisms for seeking advice and raising concerns	See <a href="#">Corporate governance Section</a>
	2-27 Compliance with laws and regulations	See <a href="#">Enphase Code of Conduct</a>
	2-28 Membership associations	p. 64
2-30 Collective bargaining agreements	See 10-K (Business Section) at <a href="https://investor.enphase.com/sec-filings">https://investor.enphase.com/sec-filings</a>	
3 Material topics	3-1 Process to determine material topics	See <a href="#">2022 ESG Report</a>
201 Economic performance	201-1 Direct economic value generated and distributed	See <a href="#">Financial Sustainability Section</a> and <a href="#">GAAP to non-GAAP Reconciliation</a>
	201-2 Financial implications and other risks and opportunities due to climate change	See p. 63
203 Indirect economic impacts	203-1 Infrastructure investments and services supported	See <a href="#">About us</a> , <a href="#">Environmental</a> , and <a href="#">Social</a>
302 Energy	302-1 Energy consumption within the organization	See <a href="#">Environment</a> and <a href="#">Appendix</a>
	302-3 Energy intensity	See <a href="#">Environment</a> and <a href="#">Appendix</a>
	302-4 Reduction of energy consumption	See <a href="#">Environment</a> and <a href="#">Appendix</a>
305 Emissions	305-1 Direct (Scope 1) GHG emissions	See <a href="#">Environment</a> and <a href="#">Appendix</a>
	305-2 Energy indirect (Scope 2) GHG emissions	See <a href="#">Environment</a> and <a href="#">Appendix</a>
	305-3 Other indirect (Scope 3) GHG emissions	See <a href="#">Environment</a> and <a href="#">Appendix</a>
	305-4 GHG emissions intensity	See <a href="#">Environment</a> and <a href="#">Appendix</a>
	305-5 Reduction of GHG emissions	See <a href="#">Environment</a> and <a href="#">Appendix</a>

GRI Standard	Disclosure	Location
306 Waste	306-1 Waste generation and significant waste-related impacts	pp. 22-29
	306-2 Management of significant waste-related impacts	pp. 22-29
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	pp. 30-33
	308-2 Negative environmental impacts in the supply chain and actions taken	pp. 22-29, 30-33
401 Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 44
403 Occupational Health and Safety	403-1 Occupational health and safety management system	pp. 49-51
	403-2 Hazard identification, risk assessment, and incident investigation	pp. 49-51
	403-3 Occupational health services	pp. 49-51
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 49-51
	403-5 Worker training on occupational health and safety	pp. 49-51
	403-6 Promotion of worker health	pp. 49-51
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 49-51
	403-8 Workers covered by an occupational health and safety management system	pp. 49-51
	403-9 Work-related injuries	pp. 49-51
	403-10 Work-related ill health	pp. 49-51
404 Training and Education	404-1 Average hours of training per year per employee	14.5
	404-2 Programs for upgrading employee skills and transition assistance programs	pp. 47-48
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	p. 45
408 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	pp. 30-33
409 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pp. 30-33
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	pp. 30-33
Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	pp. 28-29
Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	Zero
	417-3 Incidents of non-compliance concerning marketing communications	Zero
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero

SASB Standard	Accounting Metrics	Code	Response
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RR-ST-150a.1	0.40 MT, 100%, see p. 25
	Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	0, n/a
Product End-of-life Management	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	RR-ST-410b.3	Estimated less than 0.1%
Product End-of-life Management	Description of approach and strategies to design products for high-value recycling	RR-ST-410b.4	pp. 22-29
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RR-ST-440a.1	pp. 30-33
Total Project Development Assets	Reporting currency	RR-ST-000.C	<a href="#">Financial sustainability</a>
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RR-ST-130a.1	See <a href="#">Environment</a> section
Water Management in Manufacturing	(2) Total water consumed <sup>1</sup>	RR-ST-140a.1	2,810 m <sup>3</sup>

<sup>1</sup> North America operations only

# United Nations Sustainable Development Goals

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

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## 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](mailto: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, 2025, unless otherwise stated. References to “we,” “us,” “our,” “Enphase” or “Enphase Energy” throughout this report pertain to Enphase Energy, Inc.

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## 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 17, 2026 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](http://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	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
Gross profit (GAAP)	\$115.5	\$137.2	\$178.2	\$198.3	\$168.2	\$170.5	\$196.2	\$152.0
Stock-based compensation	4.2	3.7	2.9	3.7	4.2	4.3	4.1	4.5
Acquisition related amortization	1.9	1.9	1.9	1.7	1.6	1.6	1.6	1.6
Gross profit (Non-GAAP)	\$121.6	\$142.8	\$183.0	\$203.7	\$174.0	\$176.4	\$201.9	\$158.1
Gross margin (GAAP)	43.9%	45.2%	46.8%	51.8%	47.2%	46.9%	47.8%	44.3%
Stock-based compensation	1.6%	1.3%	0.8%	0.9%	1.2%	1.3%	1.0%	1.3%
Acquisition related amortization	0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%
Gross margin (Non-GAAP)	46.2%	47.1%	48.1%	53.2%	48.9%	48.6%	49.2%	46.1%
Operating expenses (GAAP)	\$144.6	\$135.4	\$128.4	\$143.5	\$136.3	\$133.5	\$130.1	\$129.6
Stock-based compensation	(56.6)	(49.0)	(43.0)	(47.9)	(50.9)	(49.5)	(47.3)	(48.6)
Acquisition related expenses and amortization	(3.5)	(3.5)	(3.1)	(2.9)	(2.8)	(2.9)	(2.9)	(2.8)
Restructuring and asset impairment charges	(1.9)	(1.2)	(0.7)	(9.4)	(3.2)	(3.3)	(1.3)	(0.6)
Operating expenses (Non-GAAP)	\$82.6	\$81.7	\$81.6	\$83.3	\$79.4	\$77.8	\$78.5	\$78.8
% of Revenue (Non-GAAP)	31%	27%	21%	22%	22%	21%	19%	23%
Income (loss) from operations (GAAP)	\$(29.1)	\$1.8	\$49.8	\$54.8	\$31.9	\$37.0	\$66.2	\$22.4
Stock-based compensation	60.8	52.7	45.9	51.6	55.1	53.8	51.4	53.1
Acquisition related expenses and amortization	5.4	5.4	5.0	4.6	4.4	4.5	4.5	4.5
Restructuring and asset impairment charges	1.9	1.2	0.7	9.4	3.2	3.3	1.3	(0.6)
Income from operations (Non-GAAP)	\$39.0	\$61.1	\$101.4	\$120.4	\$94.6	\$98.6	\$123.4	\$79.4
% of Revenue (Non-GAAP)	15%	20%	27%	31%	27%	27%	30%	23%

## Reconciliation of non-GAAP financial measures (continued)

In millions	FY'24	FY'25
Net income (GAAP)	\$102.7	\$172.1
Stock-based compensation	211.0	213.5
Acquisition related expenses and amortization	20.4	17.9
Restructuring and asset impairment charges	13.2	7.1
Non-cash interest expense	8.6	4.2
Non-GAAP income tax adjustment	(34.9)	(25.0)
Net income (Non-GAAP)	\$321.0	\$389.8
Net income per share, diluted (GAAP)	\$0.75	\$1.29
Stock-based compensation	1.56	1.62
Acquisition related expenses and amortization	0.15	0.14
Restructuring and asset impairment charges	0.10	0.05
Non-cash interest expense	0.06	0.04
Non-GAAP income tax adjustment	(0.26)	(0.18)
Net income (loss) per share, diluted (Non-GAAP)	\$2.37	\$2.96
Shares used in diluted per share calculation GAAP	140.0	134.9
Shares used in diluted per share calculation Non-GAAP	135.6	131.5
Net cash provided by operating activities (GAAP)	\$513.7	\$136.5
Purchases of property and equipment	(33.6)	(40.6)
Free cash flow (Non-GAAP)	\$480.1	\$95.9

## Non-GAAP Financial Metrics

Enphase Energy has presented certain non-GAAP financial measures in this Environmental Social Governance Report 2025. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the accompanying tables to this press release. Non-GAAP financial measures presented by Enphase Energy include non-GAAP gross profit, gross margin, operating expenses, income from operations, net income, net income per share (diluted), 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 amortization. This item represents amortization of acquired intangible assets, which is a non-cash expense. Acquisition related amortization of acquired intangible assets are not reflective of Enphase Energy's ongoing financial performance.
- Restructuring and asset impairment charges. Enphase Energy excludes restructuring and asset impairment charges due to the nature of the expenses being unusual and arising outside the ordinary course of continuing operations. These costs primarily consist of fees paid for cash-based severance costs, accelerated stock-based compensation expense and asset write-downs of property and equipment and acquired intangible assets, and other contract termination costs resulting from restructuring initiatives.
- Non-cash interest expense. This item consists primarily of amortization of debt issuance costs and accretion of debt discount because these expenses do not represent a cash outflow for Enphase Energy except in the period the financing was secured and such amortization expense is not reflective of Enphase Energy's ongoing financial performance.
- Non-GAAP income tax adjustment. This item represents the amount adjusted to Enphase Energy's GAAP tax provision or benefit to exclude the income tax effects of GAAP adjustments such as stock-based compensation, amortization of purchased intangibles, and other non-recurring items that are not reflective of Enphase Energy 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.
- Free cash flow. This item represents net cash flows from operating activities less purchases of property and equipment.



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