

Enphase Energy (ENPH) ESG Report

Profile:

Enphase is a leading company in the solar industry. Enphase makes microinverters, that convert direct current generated by solar panels into alternating current suitable for use on the grid. Enphase's microinverters are placed behind each panel, enabling power output to remain high, even if one panel malfunctions or has subpar output due to shade. Enphase focuses primarily on residential applications. The company believes that the biggest impact it can have on the planet is making affordable solar energy mainstream.

What Enphase Does Well:

Enphase's most obvious benefit to society is facilitating the transition away from fossil fuels for homeowners. Enphase has deployed over three-million systems across 145 countries accounting for 19 gigawatts (GW) of solar systems installed. This has led to a 45 million metric ton reduction of carbon dioxide, which could power nearly six million homes for an entire year. Enphase also produces storage systems and electric vehicle (EV) charging products to help the world with the energy transition.

Enphase also aims to provide systems in an equitable manner. The company has partnered with GRID Alternatives, a leading US non-profit to install affordable renewable energy in the US for years. Through the partnership, Enphase donates products "to help GRID achieve its mission of accelerating a rapid, equitable transition to a world powered by renewable energy." Enphase has installed over 9,300 systems across low-income communities in the US, supporting nearly 1,500 families, and diverting nearly 100,000 tons of greenhouse gas (GHG) emissions.

Concerns:

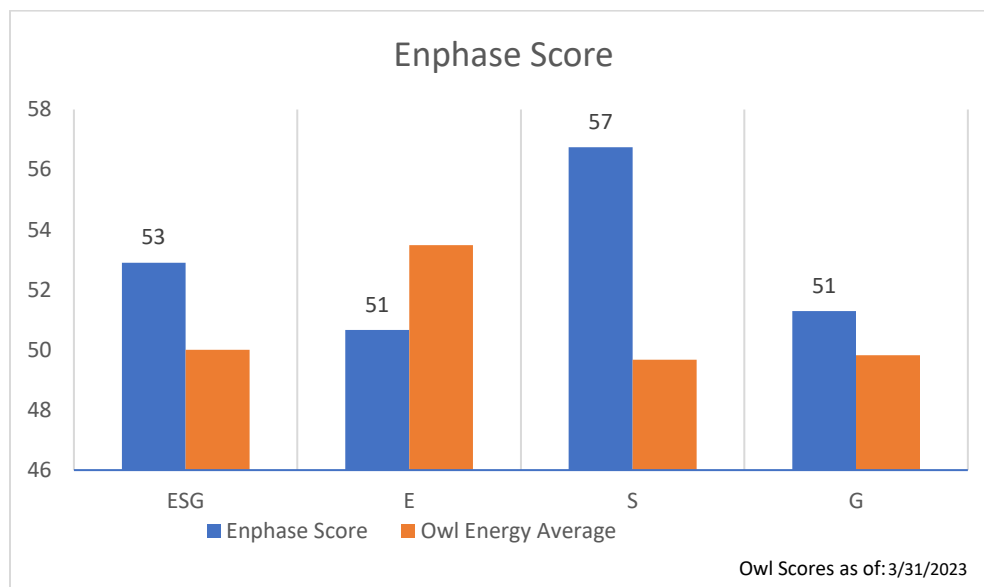
Our firm's largest concern with Enphase is a responsible supply chain. Specifically, forced labor, human trafficking, and mineral sourcing are potential issues. In 2021, the company disclosed "certain products it contracts to manufacture contain conflict minerals originating in the Democratic Republic of the Congo or adjoining countries." With a complex supply chain, there is always the possibility that minerals have been knowingly or unknowingly sourced from conflict areas instituting forced labor or human trafficking.

Our firm would also push management to increase diversity within the company. Just two of 15 members of upper management are currently female, but our firm does recognize over 50% represent minority groups. The board of directors has just one female out of the seven members.

Shareholder Engagement:

None.

ESG Scores:



Conclusion:

Overall, Enphase is a leader in the solar and storage industries empowering citizens and underserved communities to join the electrification movement. Enphase “helps people make, use, save, and sell their own power” which is a necessity amid the transition to clean and renewable energy.

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