

ENPHASE POLICY AGAINST FORCED LABOR

Enphase is committed to complying with all relevant laws and regulations in the locations in which it operates, including U.S. forced labor laws related to the importation of goods (19 U.S.C. § 1307). Enphase prohibits the use of forced labor (including convict and forced child labor) throughout its supply chain and will not agree to purchase products made **in whole or in part** with forced labor.

FORCED LABOR IMPORT PROHIBITION. The U.S. prohibits the importation of merchandise mined, produced or manufactured, **in whole or in part**, in any foreign country by forced or indentured labor – including forced child labor. Reasonable evidence received by the U.S. Customs and Border Protection (CBP) agency that merchandise was made **in whole or in part** with forced labor may result in initial detentions, known as Withhold Release Orders (WROs), even when the evidence is not conclusive. Seizure and forfeiture of the merchandise, penalties, and even criminal charges are possible in the most serious cases. CBP maintains a list of WROs and Findings online¹ and Enphase’s suppliers’ are responsible for monitoring updates.

SANCTIONED ENTITIES. U.S. sanctions laws prohibit or restrict dealings, directly or indirectly, with any person or entity in certain fully embargoed destinations (currently Cuba, Iran, North Korea, Syria and certain regions of Ukraine) or on any U.S. Government restricted party lists, including but not limited to, the Specially Designated Nationals (“SDN”) List, the Entity List, the Sectoral Sanctions List (“SSI”), or the Russia-related CAPTA and Entities Directives. The U.S. restricted party lists can be accessed at: <https://www.trade.gov/consolidated-screening-list>. This includes any person or entity directly or indirectly owned 50 percent or more in the aggregate by one or more blocked persons on the SDN List, SSI List, or Russia-related CAPTA and Entities Directives. These sanctions also include restricted banks that are part of an otherwise lawful transaction.

NORTH KOREA WORKERS. U.S. law continues to deem any North Korean nationals working in a supply chain as forced laborers regardless of the origin of the goods. The U.S. bans goods made wholly or in part by the labor of North Koreans.

SUPPLIER CERTIFICATION. To further ensure products and their inputs imported into the United States by Enphase are not made with forced labor and/or subject to import restrictions, we request that you certify, by signing The Enphase Supplier Code of Conduct, your acceptance of the following prohibitions and terms:

1.0 Prohibitions on the Use of Prison or Forced Labor including Forced Child Labor.

- 1.1** Supplier is prohibited from using forced child labor, prison labor or any type of forced labor.
- 1.2** Supplier is prohibited from sourcing materials, components or processes from persons or entities that use forced child labor, prison labor, or any type of forced labor, in the manufacture of any article of goods, or any of its components.
- 1.3** Supplier is prohibited from engaging in any transaction that involves, or is the result of, the use of forced child labor, prison labor, or any type of forced labor.
- 1.4** Supplier is prohibited from manufacturing any goods destined to the United States that are subject to a CBP WRO²

¹ <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings/>. You may sign up to receive email or text alerts on new CBP actions at: <https://public.govdelivery.com/accounts/usdhscbp/subscriber/new>.

² <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings/>

1.5 Supplier is aware of the Forced Labor Indicators developed by the International Labor Organization (ILO) and is prohibited from using labor under such conditions.³

2.0 Prohibition on Transactions with North Korean Entities/Individuals.

2.1 Supplier is prohibited from employing North Korean nationals or citizens.

2.2 Supplier is prohibited from sourcing materials, components or processes that, in any way, involves a person or entity that is: (a) located in North Korea; (b) controlled—directly or indirectly—by a North Korean person or entity; or (c) involves a North Korean national or citizen.

3.0 Prohibition on Raw Materials, Components, and Finished Goods Covered by a CBP WRO or otherwise Presumptively Banned from Admission into the United States

3.1 Supplier is prohibited from sourcing any components or materials originating from a region or supplier covered by a CBP WRO or CBP Finding, or otherwise presumptively banned from import into the United States, in its production of goods destined to the United States;

3.2 Supplier is prohibited from manufacturing any goods destined to the United States within a region or from supplier covered by a CBP WRO or CBP Finding;

3.3 Supplier is prohibited from manufacturing or sourcing any components or materials from manufacturers that participate in a Government sponsored “poverty alleviation” program or the “pairing-assistance” program.

4.0 Warranty of Due Diligence. Supplier warrants that it has conducted adequate due diligence to verify its operations and that of its own suppliers to conform to the provisions of this agreement.

5.0 Notice of CBP or third party inquiry or visit. Supplier agrees to notify Enphase within 5 business days of any contact made with Supplier by a representative of U.S. Customs and Border Protection, a non-governmental organization (NGO), or research institute, for investigating its labor conditions or potential forced labor. Supplier agrees to notify Enphase within 5 business days in the event a representative from U.S. Customs and Border Protection or U.S. government official visits one or more of the production facilities of Supplier.

6.0 Recordkeeping. Vendor/Supplier agrees to maintain adequate and accurate records tracing the origin of their sourcing materials, components, or processes. The term records include but are not limited to the following types of documents:

- Finished goods bill of materials showing all materials/parts used in finished goods, noting the origin/manufacturer of each material.
- Daily production reports for finished goods to trace work in progress by specific order/style/unique identifier
- Transactional documents for all tier 2 materials (e.g. semiconductor chip): identity of producer entity, affidavit of origin from producer, purchase order, invoice, packing list, proof of payment
- Transportation documents for all tier 2 materials (e.g. semiconductor chip): shipping documents, bill of lading, receiving reports or dock/warehouse receipts, customs clearance documents
- Transactional documents for all tier 3 materials (e.g. polysilicon or silica): identity of producer entity, affidavit of origin from producer, purchase order, invoice, packing list, proof of payment

³ The indicators are: abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, and excessive overtime. https://www.ilo.org/global/topics/forced-labour/publications/WCMS_203832/lang--en/index.htm.

- Transportation documents for all tier 3 materials (e.g. polysilicon or silica): shipping documents, bill of lading, receiving reports or dock/warehouse receipts, customs clearance documents
- Transactional documents for all tier 4 materials (e.g. quartzite): identity of producer/ginner entity, affidavit of origin from producer/ginner, purchase order, invoice, packing list, proof of payment
- Transportation documents for all tier 4 materials (e.g. quartzite): shipping documents, bill of lading, receiving reports or dock/warehouse receipts, customs clearance documents
- Factory profiles at all levels, equipment list, production capability, number of employees, how many shifts, owner/officer names, etc.
- Affidavits of origin at all levels
- US Customs & Border Protection forced labor certificate of origin (19 CFR 12.43) from the last seller in each country the material or component was procured from.

Supplier agrees to provide such records to Enphase upon request, within 10 days of the date of request.

7.0 Liability. In the event that Enphase goods are denied entry into the destination country, Enphase is assessed any monetary amounts, or Enphase suffers economic or reputation harm, as a result of an actual or claimed violation of this Agreement, Supplier agrees to pay any and all actual and consequential damages and reasonable attorney fees in connection with any such violation, including, but specifically not limited to, any penalties, fines, or liquidated damages assessed. Enphase shall be entitled, at its discretion, to withhold any payment due Supplier to recover actual and consequential damages and reasonable attorney fees in connection with any such breach.

8.0 Scope of Agreement. This Agreement is intended to supplement any and all contracts and agreements between Enphase and Supplier related to the supply of goods or services by Supplier to Enphase (“Supply Contracts”). This Agreement applies to all existing Supply Contracts, whether in force on the date of this agreement or entered into thereafter.