

Green Transaction

Green, Greener, Maxeon

How do our ESG Commitments support Your Investment

maxeon

POWERING POSITIVE CHANGE



Important Milestones

2020	2021	2022	2023	
<p>Established New ESG Team Dedicated team with global and local diversified ESG experiences</p> <hr/> <p>Joined United Nations Global Compact Issued CEO Letter of Commitment on our support of the SDGs</p> 	<p>Inaugural Sustainability Report Completed a benchmarking exercise and materiality assessment to shape our ESG focus areas and sustainability report</p> <hr/> <p>Conflict Minerals Reporting Completed first Conflict Minerals disclosure report post-spinoff</p> <hr/> <p>Green Finance Reporting (and Sustainability-Linked Loans)</p> <hr/> <p>Target Setting for Material Topics Developed long-term targets around material topics by the end of 2021</p>	<p>Winner, 2021 Asia Sustainability Reporting Awards, Best Sustainability Report (Human Rights), Silver</p>  <hr/> <p>Modern Slavery Statement Filed inaugural Modern Slavery Statement in 2022 which aligns with Australia, California and United Kingdom reporting standards</p> <hr/> <p>Published 2nd Sustainability Report</p> <hr/> <p>Energy Payback Time Assessment</p>	<p>Green Bond Framework & Final Green Finance Reporting (with external assurance)</p>  <hr/> <p>Cradle to Cradle Silver</p> <hr/> <p>Launched Maxeon Gives A platform for employees to nominate solar panels for donation</p>	<p>Named by Corporate Knights a Top 100 Most Sustainable Company</p>  <hr/> <p>Joined CFO Coalition for the SDGs</p>  <hr/> <p>Climate-related Risks</p>  <hr/> <p>Powering a Circular Economy Policy Policy for recycling and beyond</p>

Sustainable Development Goals in Maxeon

SDG 7

Affordable and Clean Energy



SDG 10

Reduces Inequalities



SDG 12

Responsible Production and Consumption



SDG 16

Peace, Justice and Strong institutions





Our commitment for Your Project

maxeon
POWERING POSITIVE CHANGE

Areas of improvement identified

Environmental

- Energy and Emissions
- Water Management
- Waste
- Circular Economy

Social

- Occupational Health and Safety
- Fair Labour and Human Rights
- Employee Engagement
- Learning and Development
- Diversity and Inclusion
- Community Investment

Governance

- Business Integrity and Ethics
- Product Quality, Reliability and Safety
- Sustainable Innovation
- Customer Engagement and Satisfaction

Environmental

Material topic	Metric	2020	2022 performance
ENVIRONMENTAL Energy and emissions	Energy intensity (MWh consumed/ MW produced)	254	Our energy intensity decreased to 175 MWh consumed/ MW produced, 31.3% improvement from 2020.
	Emissions intensity (tCO ₂ e/MW produced)	160	Our emissions intensity decreased to 136 tCO ₂ e/MW produced, 14.8% improvement from 2020.
ENVIRONMENTAL Water management	Water intensity (m ³ used per MW produced)	3,874	Our water intensity decreased to 2,602 m ³ /MW produced, 32.8% improvement from 2020.
ENVIRONMENTAL Waste	Waste Recycling	80%	Decrease in overall recycling rate to 68% of total waste recycled
ENVIRONMENTAL Circular economy	Cradle to Cradle (for Maxeon products)	Bronze	Achieved Cradle to Cradle Silver

KEY HIGHLIGHTS 2022

Launch of Sunpower One ecosystem

Kick-off of climate risk analysis and TCFD recommendations alignment

Investing in sustainable packaging

Cradle to Cradle, Silver Certification

Social

Material topic	Metric	2020	2022 performance
SOCIAL Occupational health and safety	TRIR (Total Recordable Incident Rate)	0.63	TRIR increased to 1.14
SOCIAL Fair labour and human rights	Incidents/ traceability	Zero cases of verified non compliance with human rights law	Working towards increases traceability of supply chain by putting it on the blockchain
SOCIAL Diversity and inclusion	% of people leaders who identify as female	32%	Females in Executive Leadership Team maintained at above 25%
SOCIAL Community investment	Maxeon volunteering days	NA	Increased Maxeon volunteering days from 2020
SOCIAL Employee engagement	We strive for an engaged workforce, where people have meaning in their work and can learn and grow	<p>A. No leadership development programme</p> <p>B. No career and development planning framework</p> <p>C. Performance reviews occur twice yearly, feedback ad-hoc</p>	Rolled out Leadership Training Programme and increased career and development discussions amongst employees and, are on track for 2025 performance

KEY HIGHLIGHTS 2022

Launch of Maxeon Gives

Launch of Employee Resource Groups

Young SDG Leaders Programme

Governance

Material topic	Metric	2020	2022 performance
GOVERNANCE Consumer engagement and satisfaction	Net Promoter Scores (NPS) for customer health	54 (EMEA only)	56 (Global)
GOVERNANCE Product quality, reliability and safety	Maximum number of defective parts per million in sales contracts (DPPM)	2000 DPPM	407 DPPM
GOVERNANCE Sustainable innovation	Warranty and efficiency (One can calculate Carbon Positivity with this and Energy Payback Time)	25 years	Our 40-year warranty maintains @22.7% efficiency
GOVERNANCE Business integrity and ethics	Incidents of corruption (defined as bribery of a public official)	Zero substantiated incidents	Zero incidents of corruption in FY 2022

KEY HIGHLIGHTS 2022

Collaboration with Solar Energy Research Institute of Singapore

Partnership with Star Charge

Partnership with AlphaESS

Green Bond Framework

Maxeon launched its first Green Bond Framework in 2022, to further align our financing approach with our sustainability ambitions. This framework is applicable to all Green Bonds issued by Maxeon on or before July 2021 in accordance with the four core components of the Green Bond Principles, issued by the International Capital Market Association (ICMA).

This framework enables us to issue Green Bonds under various formats when Maxeon chooses to issue green bonds, including public or private placements. As such, we hope to promote environmentalism through a focus on sustainable finance. For more details, please refer to our Green Bond Framework.



Source:

<https://corp.maxeon.com/esg/sustainability-reports/report-2022> p. 24

Task Force on Climate-related Financial Disclosures (TCFD)

We initiated our alignment to the TCFD framework, beginning with the reporting of our climate-related risks, opportunities and relevant disclosures. As fundamental to our environmental strategy and ensuring alignment to the framework, conducting a climate risk assessment has moved to the forefront of our environmental efforts in mitigating climate impacts.

As we recognise the importance of underlining our measures undertaken to either leverage opportunities or mitigate climate-related risks, we have embarked on a detailed evaluation of the physical and transitional risks affiliated with different climate change scenarios across the regions where we operate.

Maxeon acknowledges the global, comparable and effective nature of the TCFD framework in accounting for climate-related risks and opportunities in organisational risk management, strategic planning and decisionmaking processes. As leaders in the solar industry, through our reporting on, alignment with, and commitment to the TCFD framework, we hope to increase our market transparency and stability whilst striving to uphold the trust and confidence we have fostered amongst our stakeholders.

For more information, please read our Sustainability Report 2022 p.20 <https://corp.maxeon.com/esg/sustainability-reports/report-2022>

Source:

<https://corp.maxeon.com/esg/sustainability-reports/report-2022>

maxeon

p 19

Energy Payback Time

To better understand the efficiency and performance of our products, we have engaged an external consultant to perform an assessment of our solar panels' energy payback time (EPBT).

EPBT is the period required for a renewable energy system to generate the same amount of energy that was used to produce the system itself. The assessment additionally investigated the cumulative energy demand (CED) over all life cycle stages of our panel and also took into account local grid efficiencies for different global locations.

In the assessment performed on Maxeon's energy usage data, the energy requirements for the production of Maxeon solar panels were determined to be exceptionally low, as compared to the solar energy these panels produced with an overall result providing an EPBT of less than a year. Therefore, energy produced over our technology's lifetime far exceeds the energy required in its production.

We are proud to report that Maxeon solar panels outperformed conventional PERC PV technology by almost threefold, demonstrating the efficiency of our renewable energy technology and our commitment to excellence.

Source: <https://corp.maxeon.com/esg/sustainability-reports/report-2021>, p.27

Transparency and Circular Economy

Transparency in our product ingredients

Our interdigitated back contract (IBC) panels carry the Declare label, the only solar panel to do so. This distinction, issued by the International Living Future Institute, gives our product greater transparency by listing the materials that make up our panels.

Clients can benefit from this as the labels also certify that our panels are free from harmful substances such as lead or cadmium and do not require hazardous waste-handling procedures, thus supporting the recycling process. View our Declare label here: <https://declare.living-future.org/products/sunpower-maxeon-5-panels> .

Maxeon received its first Sustainalytics rating in 2021. Rated as “Medium risk” which is lower as compared to other solar companies identified as High to Severe ESG risks [SunPower Corp. ESG Risk Rating \(sustainalytics.com\)](#)

Looking Forward

To improve our efforts to promote the Circular Economy, we will continue to strengthen our partnerships and processes to ensure materials are used productively and limit extraction of raw and virgin materials.

We will pursue the standards set out by the various certification schemes such as Cradle to Cradle, Declare label and LEED.

Source <https://corp.maxeon.com/esg/sustainability-reports/report-2021>, p. 36

Fair Labour and Human Rights

Our compliance strategy instils a risk-based approach which aligns with the International Labour Organisation (ILO), whilst our annual training and certifications on our Code of Conduct include labour rights practices. Maxeon requires compliance certifications from all our suppliers in alignment with the Office of Foreign Assets Control (OFAC) of the US Department of Treasury to reduce the risk of exposure for breaches of our policies and procedures.

If increased risk is identified, Maxeon conducts enhanced due diligence and grants specialised certifications on supplier operations and labour practices, thereby minimising our risk exposure on identified issues. Maxeon has separately provided a Modern Slavery Statement under the Australian law for the year 2021.

Here: <https://corp.maxeon.com/esg/modern-slavery-report>



The following dimensions are addressed in our policy:

NON-HARASSMENT

Maxeon prohibits engagement in any form of harassment including but not limited to status-based harassment, sexual harassment and mental or physical coercion or verbal abuse of workers. Maxeon also prohibits the threat of any such treatment.

NON-DISCRIMINATION

Maxeon upholds a merit-based work environment and expressly prohibits discrimination in the workplace. Maxeon supports minority and indigenous persons rights in the countries where we operate, and expects our suppliers to do the same.

A SAFE AND CONDUCIVE WORKPLACE

Maxeon works to ensure that the workplace is a safe and conducive environment for everyone. This includes a cap on the hours worked in a week, fair compensation and a number of safety precautions and measures that have been established.

FREEDOM OF ASSOCIATION

Maxeon respects the rights of all workers to associate freely including joining labour unions, seeking representation and establishing joint workers' councils, under the conditions that local laws are respected and adhered to.

FORCED OR CHILD LABOUR

Maxeon prohibits any form of forced or child labour, including modern slavery and human trafficking.

Source <https://corp.maxeon.com/esg/sustainability-reports/report-2021>, p. 52

Supply Chain Management

Maxeon considers its supply chain partners as an extension of the company. Our policies and procedures regarding how we treat our workforce are aligned with industry international best practices and guidelines issued by global organisations, such as the United Nations. We ensure that our employees and contractors are aware of the Global Human Rights Policy and Code of Conduct through their employment contracts, during onboarding, annual training, and certification courses. Anonymous reports may be made on our Compliance & Ethics Helpline at all times, allowing internal and external stakeholders to raise any concerns or infractions of these policies and procedures.

[We have a zero-tolerance policy for any violations of human and labour rights.](#)

We take specific measures if there are suspicions of violations of our policies or procedures, including holistic and robust investigations. If investigations prove that the offending party is found guilty, the party will be immediately terminated.

- 1 Carry out due diligence consistent with the OECD's recommended process
- 2 Require all Maxeon suppliers to acknowledge Maxeon's Supplier Sustainability Guidelines
- 3 Commit to adopt, widely disseminate, and incorporate this policy in contracts and agreements with suppliers who may source the concerned minerals
- 4 Require concerned suppliers to declare that all products supplied either do not contain 3TG that are necessary to their production or functionality, or, if they do, that they originate from non-conflict areas or from refiners or smelters that have been validated as being conflict-free
- 5 Coordinate with other companies, to create better reporting solutions
- 6 Ensure transparency of the conflict minerals reporting process by making our reports publicly available
- 7 Reserve the right to request additional documentation from suppliers regarding the source of any minerals included in its products, and ask for traceability data to be maintained for a minimum of five years

Source <https://corp.maxeon.com/esg/sustainability-reports/report-2021>, p. 53

Business Integrity and Ethics

We conduct annual training for all our employees and suppliers to instil ethical business behaviours across our workplaces and throughout our supply chain, as per our Code of Conduct. This training imparts our fundamental values of sustainability, transparency, integrity and honesty in all business behaviour.

The training also highlights intolerable corporate actions, including insider trading and other prohibited practices. Our detailed risk assessment process can be found in our 20-F Annual Financial Report. We have a global presence and organisational structure, which can increase the potential impact of adverse changes to laws, rules and regulations.

As a result, we have an extensive set of corporate governance policies, as illustrated at right.



Source: <https://corp.maxeon.com/esg/sustainability-reports/report-2021>, p.76

Business Integrity and Ethics

Performance Highlights

Maxeon regularly conducts a risk assessment to identify risks affiliated with bribery and corruption. As our presence spans the globe, when engaging with countries that fare poorly on the Transparency International's Corruption Perceptions Index, we maintain corporate governance measures by acquiring additional compliance certifications from relevant governmental and regulatory bodies.

Looking Forward

Maxeon aspires to stay vigilant and continuously remain compliant with emerging regulations whilst fortifying its policies and procedures to ensure ethical and best business practices are reflected in our company culture and business dealings.

GRI 205-3: Confirmed incidents of corruption and actions taken

	2020	2021	2022
Business integrity and ethics			
Confirmed incidents of corruption and actions taken	0	0	0
Operations assessed for risks related to corruption	100%	100%	100%
Confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Confirmed cases of bribery and actions taken, if any	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0	0
Number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period	0	0	0

Source: <https://corp.maxeon.com/esg/sustainability-reports/report-2021>, p.79

Annexes and Case Studies



Eligible Green Expenditures Report

- Download here:

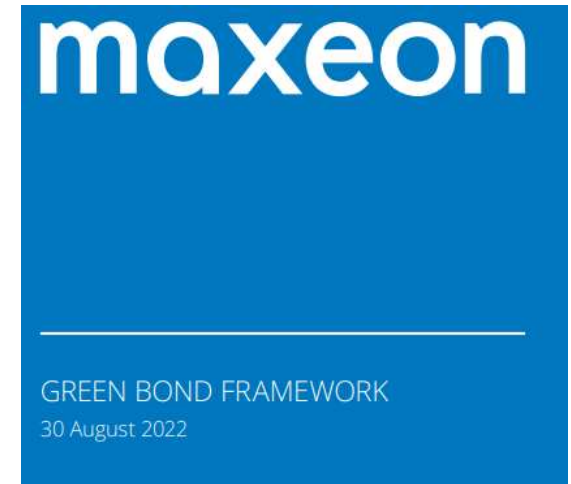
<https://corp.maxeon.com/static-files/d7adc9c7-1345-49b9-bf94-4e34930efcaf>



Modern Slavery Statement and Modern Slavery Appendix

<https://corp.maxeon.com/esg/modern-slavery-report>

<https://corp.maxeon.com/esg/modern-slavery-report-appendix>



Green Bond Framework and Green Bond Assurance report

<https://corp.maxeon.com/static-files/526d8686-abf1-4e6f-beed-271351846d4f>

<https://corp.maxeon.com/static-files/a3cd33ef-aab6-4c73-bb9f-b02069a9d885>

Annexes and Case Studies



Maxeon Gives Programm

<https://corp.maxeon.com/esg/maxeon-gives-program>



Our Long Term Targets

<https://corp.maxeon.com/static-files/e2361288-1c86-43b5-8127-c19f46c01ad6>



And much more

- <https://corp.maxeon.com/esg?page=0%2C0%2C0>

Thank you!

maxeon

POWERING POSITIVE CHANGE

Confidential | © 2023 Maxeon Solar Technologies, Ltd.