

maxeon

GREEN BOND FRAMEWORK

30 August 2022

Executive Summary

Headquartered in Singapore, Maxeon designs and manufactures Maxeon® and SunPower® brand solar panels. At Maxeon Solar Technologies, our highly advanced solar products are powering the fight against climate change in more than 100 countries around the globe, which operate under the SunPower brand in certain countries outside of the United States. As a leading solar innovator, we have access to more than 1,000 patents and have created two best-in-class solar panel product lines. As a purpose-driven global organization, we believe we can make the greatest impact by joining the 12,000 + companies in 160 countries who also believe that together, we can make the world a better place.

Maxeon is a Signatory to the United Nations Global Compact and an avid supporter of the UN Sustainable Development Goals (UN SDGs). Our industry-leading green credentials for our panels and LEED certified facilities are a testament to our commitment to being at the forefront of solar sustainability.

Operating our business in an environmentally and socially responsible way is core to us and central to our UN commitment is the alignment of our ESG strategy with the United Nations Sustainable Development Goals (SDGs).

In line with Maxeon's sustainability strategy and to enable investors to join us as we take action against climate change, we may issue Green Bonds. We intend to use the proceeds from any sales of Green Bonds to fund ongoing and new environmental projects. Eligible projects would fall in three areas, including:

- Renewable Energy
- Energy efficiency
- Waste Management

ESG Governance and Culture

Our ESG strategies, initiatives and performance are supervised by our Executive Leadership Team (ELT) and further governed by our Nominating and Corporate Governance Committee, which consists of two independent directors and two directors appointed by our shareholders, TotalEnergies and TCL Zhonghuan Renewable Energy Technology (TZE).

As we strive towards remaining abreast of macro ESG trends, opportunities and risks, our Global ESG team and Chief Legal Officer, who is also our Global ESG Executive Leader, provide quarterly updates and presentations to the Committee on global ESG shifts, as well as our own ESG initiatives and progress.

We have established a formal ESG structure governing the functions of independent operations, through a Global ESG Lead hired by the Singapore headquarters alongside our Legal team, to effectively solidify our sustainability approach, framework and efforts. As a result, we can effectively cross-collaborate within the organisation to execute our ESG ambitions and track our progress.

Maxeon Green Bond Framework

Maxeon's Green Bond Framework applies to 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):

- 1. Use of proceeds;**
- 2. Process for project evaluation and selection;**
- 3. Management of proceeds;**
- 4. Reporting.**

The Framework allows the company to issue Green Bonds under different formats, including public or private placements.

Use of Proceeds

We intend to allocate an amount equal to the net proceeds from the sale of any Green Bond issuances to finance or refinance, in whole or in part, one or more new or existing Eligible Projects. “Eligible Projects” are investments and expenditures made by us or any of our subsidiaries beginning with the issuance date of any Green Bonds, or in the 24 months prior to any such issuance, in eligible green projects. An amount at least equivalent to the net proceeds of Maxeon’s Green Bonds will be allocated exclusively to existing or future investments in or financings of Eligible Green Assets, which are assets, businesses or projects that meet Maxeon’s Green Bond Framework Eligibility Criteria as defined below. Each of Maxeon’s eligible categories have been aligned with the relevant UN Sustainable Development Goals (SDGs).

Breakdown of Eligible Green Expenditures:

- Patents and other IP
- Manufacturing Equipment
- Internal R&D OPEX
- PCA* OPEX
- PCA* CAPEX

* “PCA” means the Product Collaboration Agreement with SunPower Corporation. Amounts are in United States dollars (USD) and rounded.

Eligible Project Criteria

Eligible Categories

Renewable Energy



Examples of Eligible Green Assets/Projects

Expenditures and financing related to the development, manufacturing, construction, operation and maintenance of solar panels and energy. Examples of projects may include, but not limited to:

- On-site solar panels installations
- Operations and maintenance of solar panels
- Development/Procurement of intellectual property
- Collaboration projects with NUS and Solar Energy Institute of Singapore (SERIS) on R&D development of solar panels

Intended Environmental Benefits

Develop better performing solar panels for our clients to minimize environmental impact.

Eligible Project Criteria

Eligible Categories

Energy Efficiency



Examples of Eligible Green Assets/Projects

Expenditures related to initiatives, technology and automation to reduce energy consumption, greenhouse gas (GHG) emissions and operational carbon footprint. Example of projects may include, but not limited to:

- LED lighting retrofits
- Replacement of cooling fan blades
- Other energy optimization projects
- Costs to procure production equipment for solar manufacturing and energy efficiency initiatives to bring P-Series to the United States market

Intended Environmental Benefits

Minimize the environmental impact at our manufacturing facilities and offices globally.

Eligible Project Criteria

Eligible Categories

Waste Management



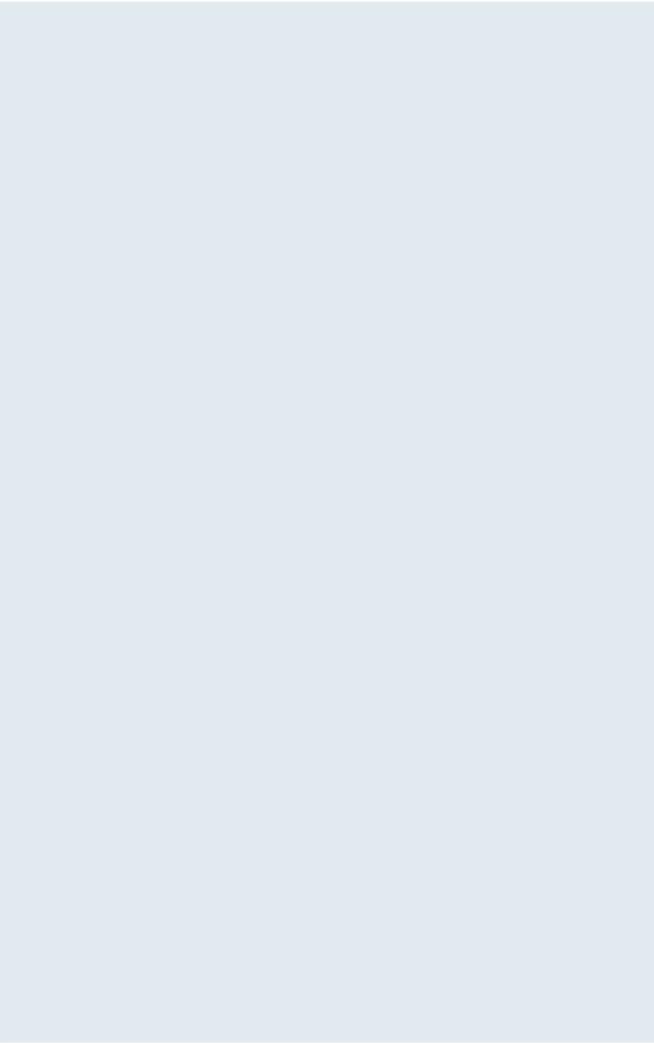
Examples of Eligible Green Assets/Projects

Expenditures related to activities that increase waste diversion from landfill and reduction of waste. Example of projects may include, but not limited to:

- Improve segregation of waste for recycling
- Reduce waste generation from construction and operation of facilities
- Improving recovering of materials

Intended Environmental Benefits

Increase overall recycling rate and reduce waste production across our operations and supply chain.



Process for Evaluation and Selection

Maxeon's Green Bond Team (including representatives from the finance team and the executive sponsor of our sustainability initiatives) will assess Eligible Green Expenditures to ensure they are related to activities that adhere to our sustainability, corporate governance, regulatory, environmental and health and safety policies as well as our corporate values. The Green Bond Team intends to prioritize allocations to expenditures incurred after the Maxeon spin-off. The Green Bond Team will determine the eligibility of expenditures and finalize an allocation of an amount equal to the net proceeds to Eligible Green Expenditures. We intend to allocate an amount equal the net proceeds of this an offering to Eligible Green Expenditures within 36 months of the date of issuance.

Management of Proceeds

Our finance team will internally track amounts allocated to projects constituting Eligible Green Expenditures. We may re-allocate to other expenditures constituting Eligible Green Expenditures in our discretion. Payment of principal of and interest on the notes will be made from our general funds and will not be directly linked to any Eligible Green Expenditures.

Notwithstanding the Green Bond Framework, for the avoidance of doubt, proceeds will not be allocated to finance projects that have been reviewed by Maxeon as being any of the following:

- Extraction, refining or transportation of fossil fuels
- Nuclear energy
- Agricultural or afforestation operations on land designated as primary forest (deforestation related), high conservation value areas, or legally preserved areas
- Production and refining of palm oil
- Payday loans and predatory lending activities
- Adult entertainment
- Alcohol / alcoholic products
- Tobacco products
- Gambling
- Child Labor

Reporting

Until the maturity date of the notes (or unless earlier redeemed in full as described under the caption which “Description of Notes—Mandatory Redemption”), or until such time as an amount equal to the net proceeds of this offering has been fully allocated to Eligible Green Expenditures, we will publish annual update reports on our website will be available to investors commencing one year from the date of issuance of any notes. These reports will include assertions by management on the amount allocated to Eligible Green Expenditures and the amount pending allocation, if any.

Where reasonable, these reports will include sustainability metrics describing the environmental outcomes and impacts of our Eligible Green Expenditures including, but not limited to, measures of increased production capacity for solar panels and solar energy and, where applicable, estimates of avoided carbon emissions.

After an amount equal to the net proceeds of an offering allocated to Eligible Green Expenditures, we will obtain an assurance report from a qualified independent external reviewer in respect of its examination of management’s assertions.

The Greenhouse Gas (GHG) emissions avoidance (tCO₂e) is calculated by using production output (MW), divided by market share, and converted to MWh by multiplying the average generation capacity of a panel (MWh) computed using historical data. The MWh are then converted to emissions avoidance (tCO₂e) by:

- US and Canada emissions avoidance (tCO₂e) are calculated from EPA Greenhouse Gas Equivalencies Calculator
- Relevant emission factors¹ are then applied to the other market shares to derive the emissions avoidance (tCO₂e)

¹ Average operational margin emission factors are referenced from [Institute for Global Environmental Strategies \(IGES\)](#)

External Assurance

Maxeon has obtained an external review with EY to confirm the alignment of the Framework with the applicable market standards. The review will be published on Maxeon's website, maxeon.com/esg. Maxeon has also engaged EY as an external auditor to provide independent verification and assurance on its reporting and management of proceeds in accordance with the Framework.