

maxeon
POWERING POSITIVE CHANGE™

Sustainability Report
2020

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Sustainability Report 2020



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INTRODUCTION

Letter from Jeff Waters, Chief Executive Officer, and Kevin Kennedy, Chairman of the Board of Directors

We face a very challenging world today on many fronts. In 2020, the COVID-19 outbreak took an enormous human toll around the globe. At the same time, lockdowns in many countries caused devastating economic effects. In the recent United Nations' [Sustainable Development Goals Report 2020](#), the UN Secretary General noted that the ongoing COVID-19 pandemic is threatening lives and livelihoods, and making the achievement of the Global Goals even more challenging. Despite all of this, at Maxeon we remain hopeful as vaccine programmes in many countries are rolling out, and we look forward to a 'new normal' of building back better.

In August 2020, Maxeon Solar Technologies completed the spin-off from SunPower Corporation, and both companies are now independent entities in their own right. At Maxeon, our products are powering the fight against climate change in more than 100 countries. We are excited to issue our inaugural Sustainability Report in our first year of independent operations.

In doing so, we officially begin our own sustainability journey and establish Maxeon's role as a key contributor to the environment, our people and the communities where we live and work.

To demonstrate our commitment to sustainability, Maxeon joined the United Nations Global Compact, the world's largest corporate sustainability initiative, within months of launching as an independent company. We are eager to play a role in supporting the 'Decade of Decisive Action,' aimed at achieving the Sustainable Development Goals (SDGs) by 2030. We are pleased to share that we have integrated environmental, social and governance (ESG) goals and initiatives into our executive and employee compensation plans, thus demonstrating our organisation-wide commitment to sustainability.



INTRODUCTION

Letter from Jeff Waters, Chief Executive Officer, and Kevin Kennedy, Chairman of the Board of Directors

continued

According to the World Economic Forum [Global Risks Report 2021](#), environmental risks continue to threaten and are exacerbated by the ongoing pandemic crisis. As a solar company, we believe that all of us have a part to play in the fight against climate change, and we do so best through our business and products – as expressed by our company purpose of Powering Positive Change™. One example of balancing environmental sustainability efforts while keeping our people safe is Maxeon's programme to collect, deliver, repair, decontaminate and package used Personal Protective Equipment (PPE) from our employees in our Philippines factory. This effort resulted in a marked decrease in single-use PPE waste, as we reused them in a safe and sanitary manner.

We are committed to being responsible corporate citizens, as we believe this is key for any business to earn their social license to operate in the communities where they conduct business.

To support the wider community, we participated in fundraising and donated aprons and smocks, face shields and shoe covers to frontline healthcare workers at Melaka General Hospital in Malaysia. Additionally, we believe that the Occupational Health and Safety (OHS) of our employees and contractors are paramount. This belief is embedded in every activity from the design stage, day-to-day operations, communications and engagement and review stage as part of our Plan-Do-Check-Act and Continual Improvement Process. For our efforts, we are pleased to have achieved an industry-leading Total Recordable Incidence Rate of 0.63. That said, any recordable rate above zero is unacceptable, and we will continue to strive for perfection. Furthermore, we believe in diversity and inclusion in our workforce and the communities we serve as demonstrated in our hiring statement, which stipulates that employment decisions are made on merit. Our commitment is also reflected in our zero-tolerance policy towards all forms of discrimination and harassment in the workplace.

WE SUPPORT



INTRODUCTION

Letter from Jeff Waters, Chief Executive Officer, and Kevin Kennedy, Chairman of the Board of Directors

continued

Lastly, we uphold a culture of integrity informed by our core values and cultivated by a shared set of behaviours. As our core values remind us, “We hold ourselves to a higher standard,” with each of us being responsible for doing the right thing and operating with the utmost ethical integrity. This is the foundation of how we do business with our customers, partners, vendors and suppliers.

We are excited to chart this sustainability path together, and will continue to rely on the commitment of our staff and valued partners to make this journey. On behalf of the Board of Directors and Executive Leadership Team of Maxeon Solar Technologies, we are grateful for your strong support and we look forward to engaging and partnering you to achieve our collective goals together.



Jeff Waters

Chief Executive Officer



Kevin Kennedy

Chairman of the Board of Directors

INTRODUCTION

Letter from Lindsey Wiedmann, Chief Legal Officer, Global ESG Executive Leader

Powering Positive Change is the core of what we do at Maxeon Solar Technologies, and we are delighted to showcase our sustainability programme in our first full year of independent operations with the launch of this Sustainability Report.

I began working in renewables more than 17 years ago because the threat of climate change was something I could not ignore. The solar industry is a critical part of the solution and we must continue to push the boundaries of innovation to deploy more and more solar around the world. At Maxeon Solar Technologies, we also believe that in fighting climate change, we have a responsibility to our future generations to do so in a sustainable way.

Sustainability is a journey. And to begin our journey at Maxeon, we have bolstered our internal and external resources to champion ESG alongside our passionate employees and have leveraged the best corporate sustainability practices to formulate our strategy and identify the issues we can contribute to most.

In establishing our programme and to support progress towards achieving the principles that comprise our commitment as a United Nations Global Compact Signatory, we conducted a prioritisation exercise to identify the UN Sustainable Development Goals (SDGs) where we can scale the most impact in our business. We challenged ourselves to adopt goals that expand beyond our primary business of providing access to renewable energy around the globe. As a result, we have committed to four SDGs (see right).

As the Executive Leader of our newly established Global ESG team, I know that our company will be much more effective in achieving our goals with the collective engagement across our organisation. We performed a materiality assessment, a formal and extensive stakeholder engagement exercise, to prioritise the material topics in ESG that Maxeon will adopt to form the foundation of our



INTRODUCTION

Letter from Lindsey Wiedmann, Chief Legal Officer, Global ESG Executive Leader

continued

holistic programme. It was important to hear and act on the views of our stakeholders, as their input leads to the creation of shared value. This process is aligned to international sustainability standards and formulates our company sustainability focus areas from a new baseline. At the end of the exercise, 14 material topics now form the building blocks of our sustainability strategy. We share our performance results on all of these topics in the Environmental, Social and Governance chapters of this report.

We are excited to launch this Sustainability Report, but this is definitely just the start. Over the next year, we will set time-based goals around our material topics and will assess our performance in our next sustainability report. We will also continue to enhance the scope and robustness of our data reporting across the ESG pillars, aligned to disclosure standards.

We will continue to engage internal and external stakeholders in our journey, both formally or informally, to refine our sustainability strategy. This is an iterative process that we will continually refresh to ensure that our priorities are current and relevant.

I encourage you to join us in our sustainability endeavours.



Lindsey Wiedmann

Chief Legal Officer, Global ESG Executive Leader

INTRODUCTION

About this Report

Reporting Scope and Period

This is the first standalone annual Sustainability Report (this “Report”) published by Maxeon Solar Technologies, Ltd. (the “Company” or “Maxeon”), (NASDAQ: MAXN).

This Report discusses Maxeon’s performance in the context of its activities relating to environmental, social and governance (ESG) considerations for the calendar year ended 31 December 2020 (“2020”). Maxeon is reporting on an entire year, despite only separating from SunPower Corporation in August 2020. Maxeon presents our performance in the wider context of sustainability and includes coverage of material ESG topics. Our aim is to use this Report to share our commitment to sustainability with valued stakeholders, including employees, investors, customers, business partners, suppliers and contractors, regulators and the communities where we operate.

Reporting Standards

This Report has been prepared in accordance to the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards, Core option, aligned to the Sustainability Accounting Standards Board (“SASB”), Singapore Exchange (“SGX”) Sustainability Reporting requirement and the United Nations Sustainable Development Goals (“SDGs” or “Global Goals”). Click [here](#) for more information.

Publication Date

This Report is published on 30 June 2021. A soft copy of the report can be found online on our [website](#).

Feedback

Maxeon welcomes any questions or feedback on this Report. Our Global Environmental, Social and Governance (ESG) Lead can be contacted at esg@maxeon.com.

INTRODUCTION

About Maxeon Solar Technologies

Headquartered in Singapore, Maxeon designs and manufactures Maxeon® and SunPower® brand solar panels, and has sales operations in more than 100 countries, operating under the SunPower brand in certain countries outside the United States. The company is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. A Signatory to the UN Global Compact and supporter of UN Global Goals, Maxeon is a forerunner in solar sustainability with industry-first green credentials in panels and a fleet of five LEED-certified facilities. With operations in Africa, Asia, Oceania, Europe and Mexico, Maxeon products span the global rooftop and solar power plant markets through a network of more than 1,200 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a 35-year history in the solar industry and numerous awards for its technology. Through our partners, we empower more than 367,000 customers to make a positive impact on the world by transitioning to solar energy.

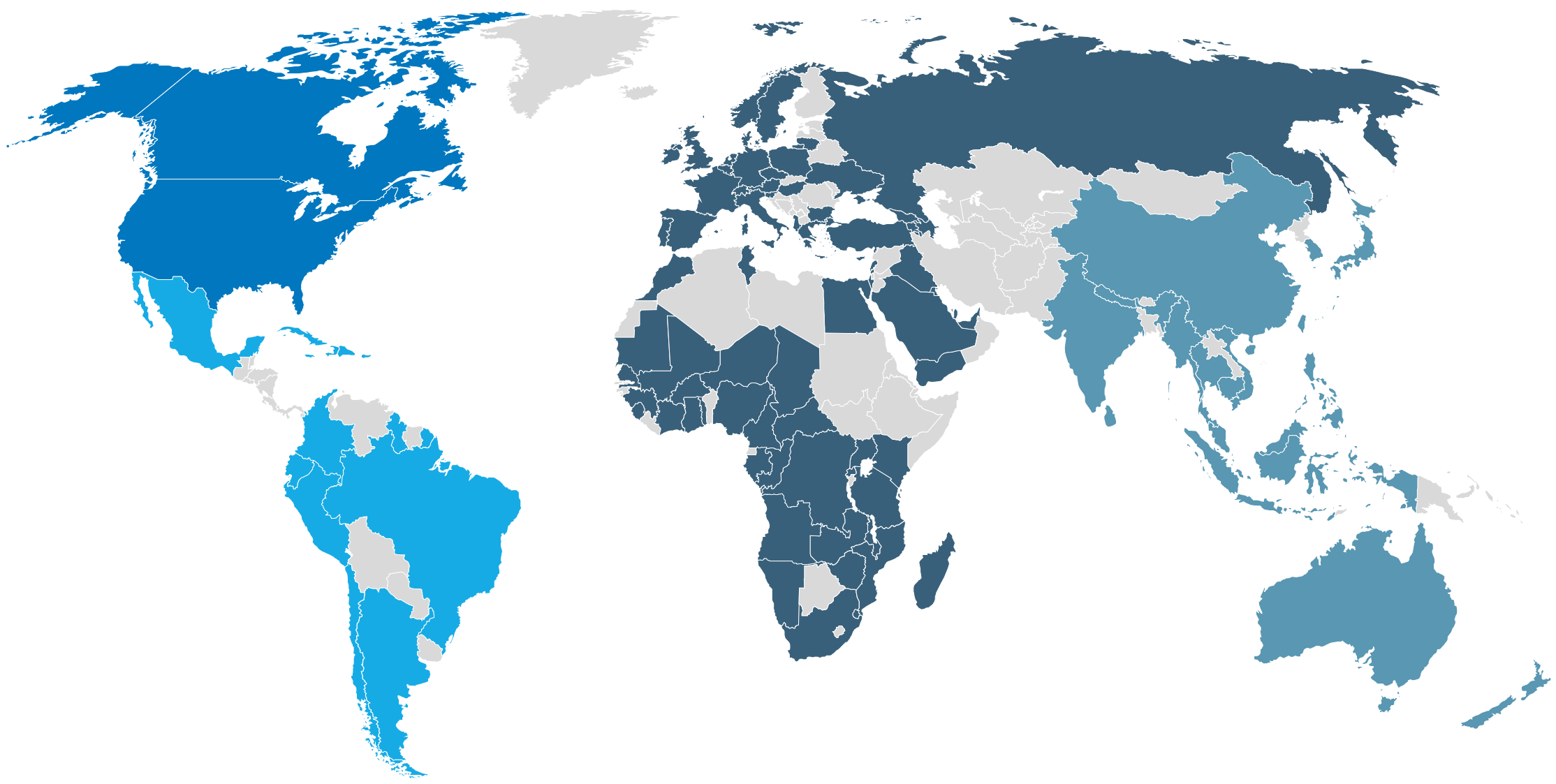


For more information on our business, you can refer to our [website](#).

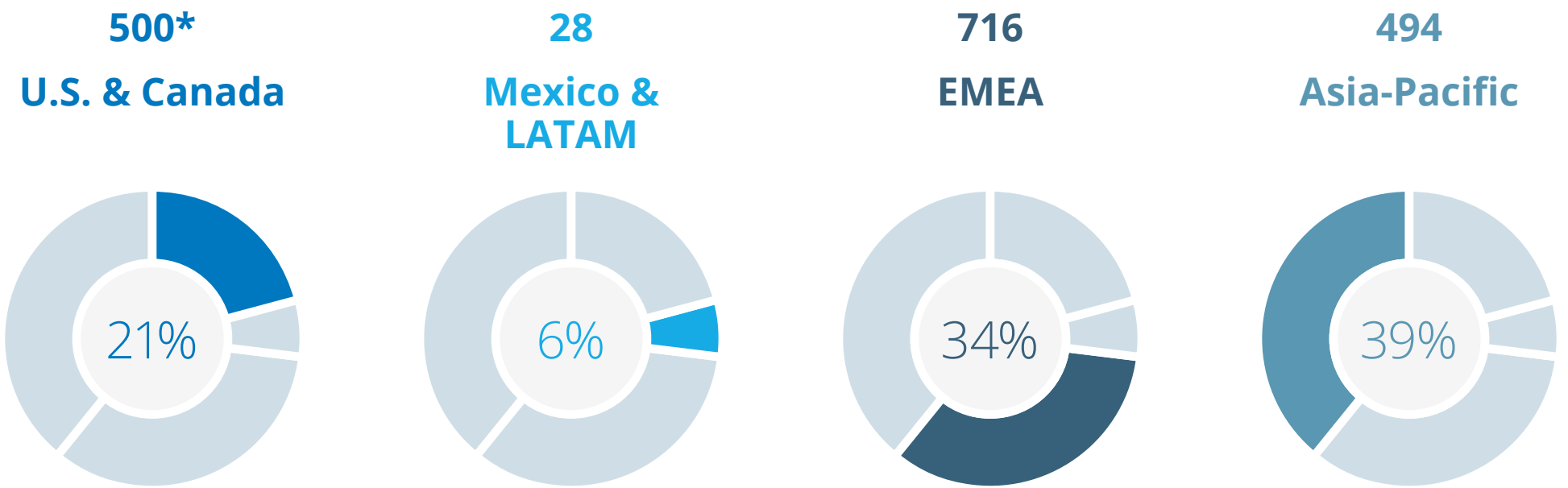
INTRODUCTION

About Maxeon Solar Technologies

We sell products under the SunPower brand into 100+ countries through a network of 1,200+ sales and installation partners.



Global Sales & Installation Partners



* Plus an additional 500+ U.S. Installers through our exclusive panel supply agreement with US-based SunPower Corporation.

INTRODUCTION

About Maxeon Solar Technologies

A Leader in Solar Innovation

Maxeon offers a comprehensive panel portfolio ensuring maximum flexibility to address all customers' energy needs across residential solar, commercial solar and solar power plants. We have two best-in-class solar panel product lines: Maxeon line of interdigitated back contact ("IBC") solar cells and panels, and the Performance line of shingled solar cells and panels. Our products are offered with an industry-leading, 25-year power and performance warranty.

1. Based on search of data-sheet values from websites of top 20 manufacturers per IHS, as of January 2019
2. As of 2018, Jordan, et al, "Robust PV Degradation Methodology Application" PVSC 2018 and "Compendium of Photovoltaic Degradation Rates" PiP 2016
3. Performance panels expected useful life of 35 years. Source: "SunPower P-Series Technology Technical Review," Leidos Independent Engineer Report. 2016. SunPower Maxeon panels expected useful life of 40 years. Source: "SunPower Module 40-Year Useful Life," Useful life is 99 out of 100 panels operating at more than 70% of rated power
4. SunPower Performance P19 panels identified as top performers in the 2018 DNV GL PV Module Reliability Scorecard: <https://www.dnvgl.com/publications/2018-pv-module-reliability-scorecard-117982>.

SUNPOWER | MAXEON

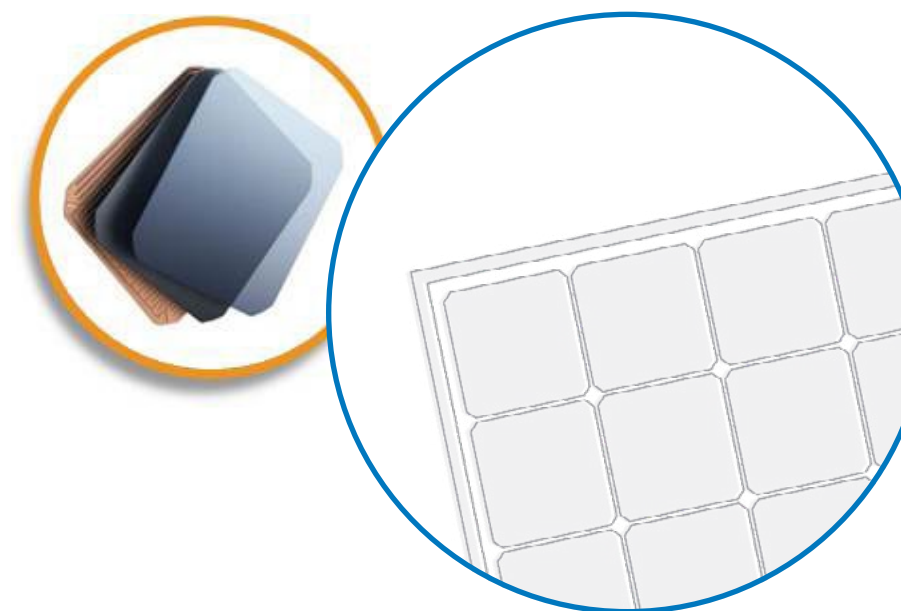
FUNDAMENTALLY DIFFERENT, AND BETTER

#1 Solar Panel Efficiency ¹
in the market, fitting more energy
in less space

#1 Lowest Degradation Rate
in the solar industry ²

Leading Durability ²
with a 40-year expected useful life ³

Ultra-pure silicon on a patented copper foundation



SUNPOWER | PERFORMANCE

MAKING THE CONVENTIONAL, EXCEPTIONAL

Higher Efficiency at a Value Price
Patented technology, G12 wafers, China JV

Enhanced Energy Yield
Less soiling/shading loss (row spacing),
bi-facial, greater power density

Reliability Advantages in Harsh
Environments
Comprehensive warranty, top module
reliability performer⁴

Patented, unique mono PERC shingled cell panel design



INTRODUCTION

Sustainability Approach and Governance

Our Approach to Sustainability

As a leader in the solar industry, Maxeon believes that setting a high standard for the entire solar industry is essential in the fight against climate change. We intend to make a meaningful and positive impact on the environment, for the communities we serve, the energy industry, our customers and beyond. Our sustainability approach is grounded in our purpose of *Powering Positive Change* as expressed on the right.



OUR PURPOSE

Powering Positive Change™

OUR VALUES

We push the boundaries

We hold ourselves to a higher standard

We thrive together



OUR SUSTAINABILITY PILLARS

ENVIRONMENTAL

Creating positive environmental impact to sustain our natural world by investing in technologies to combat climate change

SOCIAL

Creating positive value in society and communities by leading, partnering and supporting initiatives to enhance people's lives

GOVERNANCE

Creating positive economic value and maintaining ethics and integrity through responsible and transparent business practices

INTRODUCTION

Sustainability Approach and Governance

Top-down governance & bottom-up culture in driving ESG

Our ESG efforts and performance are governed by the Executive Leadership Team and overseen by the Nominating and Corporate Governance Committee (the “Committee”), consisting of two independent directors and two directors designated by our shareholders TotalEnergies and Tianjin Zhonghuan Semiconductor (TZS). The Chief Legal Officer, who is also our Global ESG Executive Leader, together with the Global ESG team, provides quarterly updates and presentations to the Committee on our ongoing initiatives, roadmap and macro ESG trends, opportunities and risks.

We established a formal ESG function in our first quarter of independent operations, with a dedicated resource hired in the Singapore headquarters to lead the formulation of our approach, framework and efforts, together with the Legal team. We work across the organisation to collectively execute our ESG programme and report progress. As we believe that ESG is a shared responsibility and to further incorporate sustainability into our company culture, ESG is one of the six inaugural post-spin-off Corporate Key Results (KRs) identified as critical to achieving our broader company goals.

Actively engaging stakeholders

Engaging with and understanding the needs of our stakeholders is an essential part of our sustainability journey. We identify our key stakeholders based on the impact our business has on them, and their roles in the business. In 2020, we conducted an extensive stakeholder engagement exercise involving both internal and external stakeholders. Through in-depth interviews and online surveys, we gathered insights that informed our materiality assessment. In addition, we also carried out an employee survey to understand perceptions around the Maxeon brand, the vision and purpose. A synopsis of our ongoing engagement with different stakeholders is presented in the [Materiality Assessment Process](#) section and narrated across the other sections of this Report.



INTRODUCTION

Sustainability Approach and Governance



	INVESTORS	NOT FOR PROFIT PARTNERS	REGULATORS AND GOVERNING AGENCIES	CUSTOMERS	EMPLOYEES	SUPPLIERS
Platforms for Engagement	<ul style="list-style-type: none"> • Investor and analyst presentations • Annual general meetings • Quarterly reports • Press releases 	<ul style="list-style-type: none"> • Media • Press releases • Industry events • Regular emails 	<ul style="list-style-type: none"> • Media • Press releases • Industry events • Regular meetings and calls • Regular emails 	<ul style="list-style-type: none"> • Website • Regular meetings and calls • On-site visits, installation and maintenance • Industry events 	<ul style="list-style-type: none"> • Company Intranet • Emails • Regular Townhalls (All-Hands Meetings) 	<ul style="list-style-type: none"> • Questionnaires • Emails • Regular meetings and calls
Stakeholder Priorities	<ul style="list-style-type: none"> • Energy and Emissions • Fair Labour and Human Rights • Diversity and Inclusion • Business Integrity and Ethics • Sustainable Innovation 	<ul style="list-style-type: none"> • Energy and Emissions • Waste • Fair Labour and Human Rights • Diversity and Inclusion • Community Investment • Business Integrity and Ethics 	<ul style="list-style-type: none"> • Energy and Emissions • Water Management • Waste • Occupational Health and Safety • Fair Labour and Human Rights • Business Integrity and Ethics • Product Quality, Reliability and Safety 	<ul style="list-style-type: none"> • Energy and Emissions • Water Management • Circular Economy • Fair Labour and Human Rights • Diversity and Inclusion • Product Quality, Reliability and Safety • Customer Engagement and Satisfaction 	<ul style="list-style-type: none"> • Energy and Emissions • Occupational Health and Safety • Fair Labour and Human Rights • Employee Engagement • Learning and Development • Community Investment • Business Integrity and Ethics • Product Quality, Reliability and Safety 	<ul style="list-style-type: none"> • Circular Economy • Occupational Health and Safety • Fair Labour and Human Rights • Business Integrity and Ethics • Sustainable Innovation

INTRODUCTION

Sustainability Approach and Governance

Our Commitment to the Sustainable Development Goals

To demonstrate our deep commitment to sustainability, Maxeon made the decision to join the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative, last December, in our first full quarter of operations as an independent company. As a purpose-driven global organisation, 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. After a prioritisation, impact and relevance exercise across the business and with our Executive Leadership team, Maxeon chose to focus on four key UN SDGs to create sustainable and positive impact (see right).

These SDGs are consistent with our purpose of Powering Positive Change™. They are also linked to the Maxeon Values that make us who we are, as a company and as a culture, and define what we stand for with our customers and investors. Uniting for a better world is part of everything we do, core to how and why we do it. These selected SDGs will also be factored into our long-term target setting that we will undertake later this year and announce in our next sustainability report.

With less than ten years left to meet the UN's 2030 Agenda on sustainable development, renewable energy will be a key engine powering both Singapore's and the world's decarbonisation agenda. At Global Compact Network Singapore, enabling businesses to transition smoothly to a low-carbon future through community and capacity building is a key priority. We warmly welcome Maxeon Solar Technologies to the United Nations Global Compact and look forward to working alongside them to take decisive action for the SDGs.

Esther Chang

Executive Director, Global Compact Network Singapore



INTRODUCTION

Sustainability Approach and Governance

Materiality Assessment Process

At Maxeon, we recognise that as a spin-off of SunPower and an independent entity now headquartered in Singapore, we need to formulate our own ESG approach to reflect our material impacts and to influence the decisions of our stakeholders.

Given the complexity and fast-changing nature of ESG issues today, we aligned our materiality assessment to GRI and SASB international sustainability reporting standards as the basic premise to help us structure our ESG programme. We also voluntarily comply with the Singapore Exchange (SGX) sustainability reporting requirement, keeping in line with best practices where we are headquartered, although Maxeon is listed on the NASDAQ. Our intent is to be holistic and centred around long-term goals aligned to our sustainability focus areas and emerging ESG issues and market needs.



Powerhouse Telemark leads the industry as an example of an environmentally sustainable building reducing its annual energy consumption by 70% compared to similar new-construction offices.

INTRODUCTION

Sustainability Approach and Governance

To initiate our materiality assessment process, we engaged an independent consultant to help us perform analyses across a broad spectrum of influencers allowing us to identify the key topics that are most relevant and impactful in the industry.

Next, we wanted to validate this universe of ESG issues through the insights of an array of key stakeholders, both internal and external, through a series of interviews (face-to-face and video) and surveys. Due to the global nature of our operations, we sought a range of views across geographies and business units.



INTRODUCTION

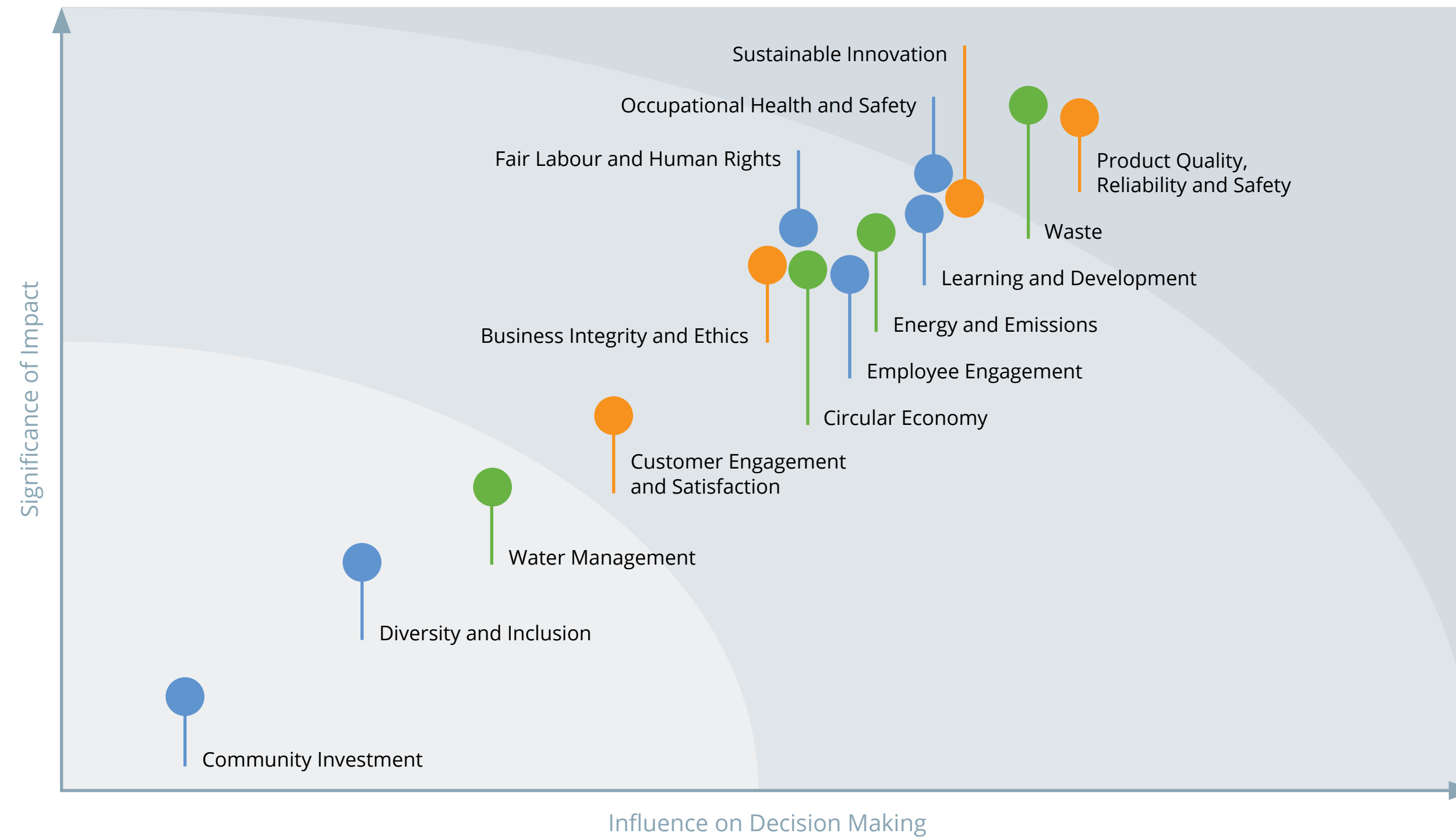
Sustainability Approach and Governance

Final Results: Maxeon's Key Material Topics

Through our materiality assessment interviews and surveys, we derived a wide array of quantitative and qualitative inputs which were then aggregated, assessed and analysed. Our Executive Leadership Team deliberated on these topics through a dedicated management workshop, which led to the validation, finalisation and selection of Maxeon's inaugural material topics, ensuring both bottom-up inputs and top-down validation.

Through this process, we established what are considered to be the areas of greatest potential impact on the environment, economy and society.

The materiality assessment resulted in 14 key material topics, divided across the three pillars of ESG.



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

INTRODUCTION

Key Highlights of 2020



OVERALL

- Joined United Nations Global Compact in first quarter of independent operations and committed to the SDGs
- Launched this inaugural sustainability report post spin-off aligned to GRI, SASB, SGX Sustainability Reporting requirement and United Nations Global Compact Ten Principles



ENVIRONMENTAL

- Maxon solar panels are Cradle to Cradle Certified and achieved Declare Label
- Mexico solar manufacturing facility is certified as Landfill-Free
- Fleet of five LEED-certified facilities



SOCIAL

- Supported the community with close to USD \$70,000 of total community grants and donations and more than 190 volunteers
- Total Recordable Incident Rate of 0.63
- Average Training Hours per employee is 37.4

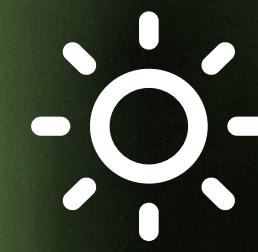


GOVERNANCE

- Zero incidents of bribery, corruption or other ethical issues
- All of our manufacturing plants and R&D facilities are certified in ISO 9001: 2015 Quality Management System, ISO45001: 2018 Occupational Safety and Health Management System and ISO14001: 2015 Environmental Management System
- Powering 1.1GW of solar energy

ENVIRONMENTAL

Spotlight



Towards Circularity, Measuring Our Impact



ENVIRONMENTAL

Towards Circularity, Measuring Our Impact

More Sustainable By Design: Maxeon is Cradle to Cradle Certified

SunPower Maxeon™ solar panels are the world's first solar panels to be Cradle to Cradle Certified® and have voluntarily achieved this certification since 2014.

The Cradle to Cradle Certified Product Standard is a globally recognised measure of product sustainability from the Cradle to Cradle Products Innovation Institute. To achieve the certification, products are assessed across five categories: material health, material reutilisation, renewable energy and carbon management, water stewardship, and social fairness. The certification recognises products that are creating a positive impact on the environment and society by ensuring a circular economy through their design and manufacturing.

Earning this certification year after year highlights our commitment to producing solar panels that are as sustainable as the energy they produce. By aligning with its requirements, we reduce our impact on the environment, while demonstrating our commitment to playing a role in the circular economy. For more information on the Cradle to Cradle Certification products, please visit c2ccertified.org.

Our certification scorecard highlights our overall designation as 'Bronze'. Our efforts were also recognised with the [inaugural 2019 pv magazine Sustainability Award](#) for sustainable design and business practices.



ENVIRONMENTAL

Our Environmental Responsibility: An Overview

Decarbonisation in the midst of a pandemic

The topic of climate change has risen to the forefront of the global conversation in recent years, as the scientific community unites on the urgency of climate threats. In 2020, as the world began to emerge from the COVID-19 pandemic, many began advocating for an environmentally sustainable approach to the economic recovery, a continuation of a trend that was well underway.

Maxeon is committed to playing a key role alongside our peers, international and industry associations, and external partners to support climate action efforts by governments and corporations.

Leading the way toward a low-carbon future

As a leader in the solar industry, Maxeon enables and supports the transition of economies and businesses towards a renewable, low-carbon future. We strive for the highest integrity, safety and quality. We also recognise the importance of reducing our operational carbon footprint and are continuously striving to lower our own energy consumption, greenhouse gas (GHG) emissions, water consumption and waste. In addition, we are committed to managing our footprint throughout our value chain, working collaboratively with suppliers, distribution partners and customers to drive holistic impact across the lifecycle of our products and our operations.

“Reducing resource consumption and enabling the transition to a low-carbon economy is top of mind for us to meet our sustainability aspirations.”

Dr. Markus Sickmüller

Chief Operations Officer

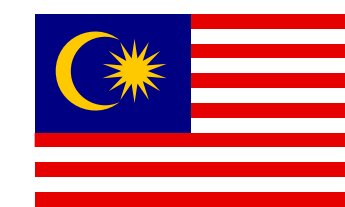
ENVIRONMENTAL

Our Environmental Responsibility: An Overview

Environmental responsibility is core to the way we do business – from sourcing our raw materials to manufacturing our products. In our Supplier Sustainability Guidelines, we require our suppliers to actively work to reduce the consumption of natural resources, including material sourcing such as polysilicon. We also include sustainability criteria in our tenders to track this environmental impact. These criteria focus on environmental issues including energy and other resource reduction, air emission control, pollution, the use of hazardous substances, wastewater and solid waste management to mitigate current and emerging environmental risks where we operate.

As we strive to move from a linear to a closed-loop, circular model in our business, we look to reduce our impact on the environment across the various stages of our business, particularly in sourcing recycled materials and managing end-of-life product impacts¹.

1. The scope of our environmental data and initiatives discussed in this report covers our main environmental footprint in our solar cell and manufacturing facilities from Malaysia, the Philippines, France and Mexico.



*Recognised with
the Prime Minister's
Hibiscus Award
2019/2020,*

*Malaysia for our environmental
accomplishments and leadership*

ENVIRONMENTAL

Energy and Emissions

According to the *World Economic Forum Global Risks Report 2021*, environmental risks continue to be among the top potential threats to business, by likelihood and impact, alongside the ongoing pandemic. In the face of the climate crisis, we recognise that it is important for us to play a key role in managing our own energy consumption and emissions across our business operations and manufacturing sites.

Management Approach

We have adopted a data-backed approach consistent with previous Life Cycle Assessments (LCAs) and annual reporting across our sites to gain a deeper understanding of our carbon footprint and emissions across the different stages of our product value chain. Through these efforts, we made many strides in our journey towards improving energy efficiency in our business operations, leveraging technology and automation as an enabler and moving towards renewable energy in our operations.

Our Initiatives: Improving energy efficiency

As a first step on our journey to reduce emissions, we continuously explore, pilot and utilise viable energy efficient initiatives across our sites.

In the Philippines, we have implemented many energy efficiency programmes at our site over the years. To name a few, we converted lamps and tower lights from Halogen to LED, replaced heavy-duty cooling fan blades with lighter materials and standardised the cooling processes for the control panels of wet tools. Overall, our energy conservation programmes in the Philippines resulted in total energy savings of **6.7 MWh in 2020**.

ENVIRONMENTAL

Energy and Emissions

In Mexico, we replaced fluorescent lights with LED lighting across our factory sites to increase our energy efficiency by 80-90%. Our energy efficiency measures further contribute to our LEED Gold certification and we promote energy efficiency across our operations. The primary manner by which we accomplish this is through the productive use of energy in our motors through the installation of Variable Frequency Drives (VFDs). The energy efficiency programmes at our plant in Mexico have resulted in **316.9 MWh** of energy savings in 2020.



Installation of VFDs in our motors

Our Initiatives: Technology and automation as enablers

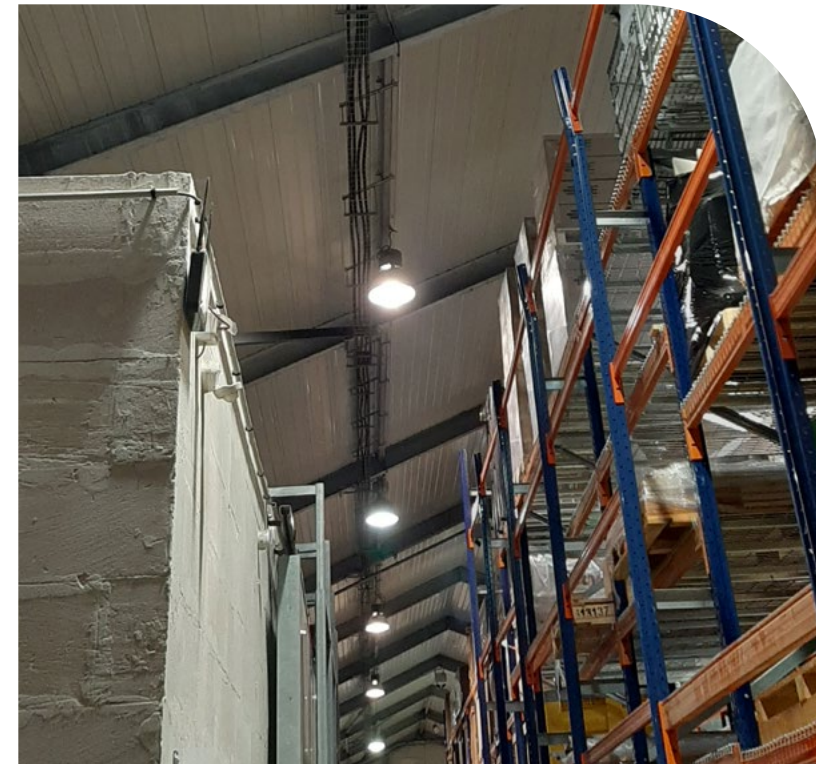
We support our employees and contractors on site through the use of automatic sensors and timed programmers to reduce heating and lighting to enhance energy conservation efforts. In addition, we work to continuously educate and encourage our employees to practise environmental responsibility and reduce unnecessary energy usage.

To increase energy efficiency in the Philippines, for example, we implemented an automatic timer to monitor the site's air conditioning usage and installed VFDs in our larger equipment such as condensers, chiller water pumps, cooling tower pumps and scrubbers. We also rely on optimisation processes to improve our current energy efficiency across our operations, improving our systems overall pressure, temperature, condenser water pumps and booster pumps. The total energy savings at our plant in the Philippines was **4.3 MWh in 2020**.

ENVIRONMENTAL

Energy and Emissions

In France, we began using automated sensors and better managed the use of light in our factory through daylighting to boost our energy efficiency. Moreover, we have implemented mandatory shutdowns of energy for heaters and machinery when there is no production within our factory. Overall, these energy-management initiatives resulted in **367.1 MWh** of energy savings for our site in France in 2020.



Automated sensors were installed across our France site.

Our Initiatives: Leveraging solar energy for our operations

As a solar company, powering our operations with as much solar energy as possible is core to our mission. To reduce our carbon footprint in our operations, we installed rooftop PV panels and procured green energy across our manufacturing sites.



Carport solar in Mexicali, Mexico facility

ENVIRONMENTAL

Energy and Emissions

CASE STUDY

Ramping up Renewable Energy in Malaysia



In 2013, we began Phase 1 of a 1.5 MW solar system to generate approximately 1,800 MWh of clean electricity per year. We installed the solar system onto our covered carpark and motorcycle areas as well as the central administration building. We also have plans to install a 7.8 MW solar system on the roof of our fabrication plant.



1. Future planned – FAB rooftop



2. Central Admin Building



3. Covered carpark and motorcycle area

CASE STUDY

Renewable Energy in Our Philippines Facility



The solar panel installation project is predominant at our Philippines site, as numerous structures don SunPower branded solar panels within the plant, carpark and security posts. In our facility, we also have a solar electric motor golf cart generating 0.3 MWh of power per year that is primarily used to transport employees within the site. The installation of these solar projects has resulted in cumulative energy savings of 1.8 MWh.



Our solar-powered golf cart



Installation of Solar Panel at the Security Post



Solar Carpark



Installation of Solar Panels at the South Main Roof

ENVIRONMENTAL

Energy and Emissions

CASE STUDY

Solar Across Carparks and Organic Gardens in Mexico



We installed solar panels across our manufacturing plant in Mexicali, Mexico. SunPower Maxeon panels now cover our on-site carparks and organic gardens to capture renewable energy for operational use. Last year, our solar installation projects at our site in Mexico resulted in a total of 381.4 MWh in energy savings.



Solar panels installed as part of our carport project in our Mexicali plant (SPMX1)



Solar panels installed atop our organic garden



CETYS University, located in Baja, Mexico, features a 1.2MW solar system using Maxeon technology and is recognised as the largest university PV system in Latin America. (See project spotlight on [page 81](#))

ENVIRONMENTAL

Energy and Emissions

Performance Highlights

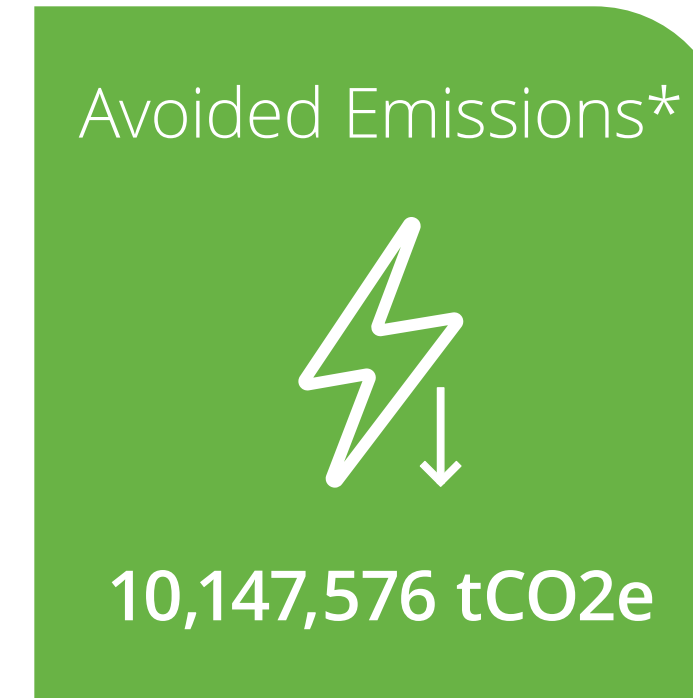
In 2020, we consumed 276,044 MWh of energy across all our manufacturing sites, estimated at 174,062 tCO₂e with an energy intensity of 254 and an emissions intensity of 160 per MWh produced.

Through the installation of our Maxeon solar solutions, we enabled the avoidance of an estimated **10,147,576 tCO₂e in 2020**.

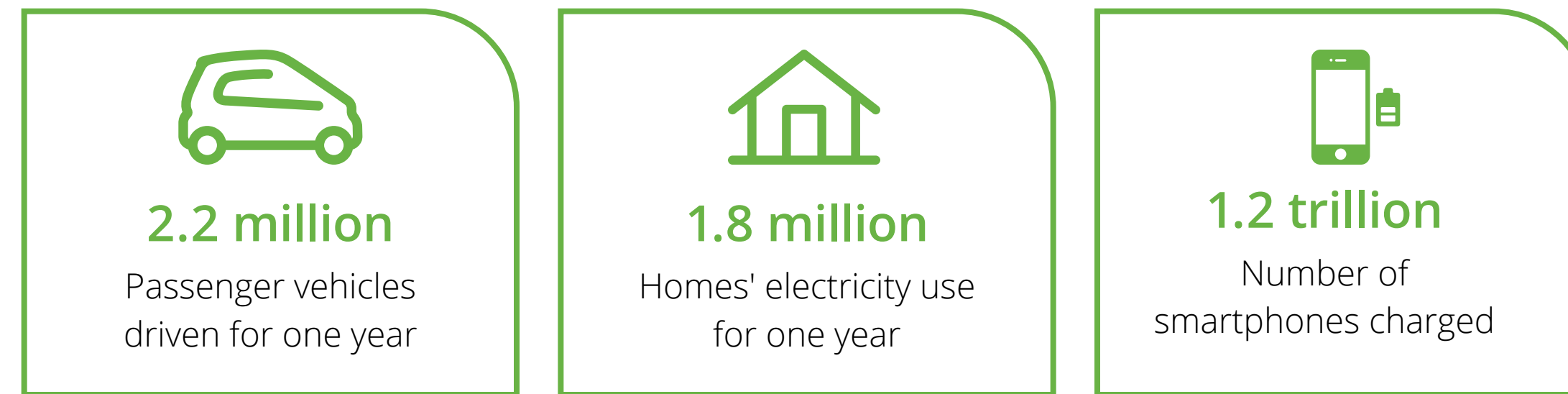
Looking Forward

In 2021, we will continue to reduce our overall emissions and energy consumption through the implementation of ongoing energy efficiency and automation initiatives. Additionally, we are exploring increasing the proportion of renewable energy to offset our overall energy consumption.

In the coming years, we will continue to strengthen the robustness of our environmental data coverage around value chain emissions and explore strategies for improvement such as updated LCAs and increased disclosure of environmental data on global reporting platforms such as CDP. We will also seek to align our emission reduction targets with science-based benchmarks.



Equivalent to negating greenhouse gas emissions from:



Equivalent to carbon sequestered by:



* Calculated using [EPA Greenhouse Gas Equivalencies Calculator](#)

ENVIRONMENTAL

Water Management

With manufacturing operations that span the globe, we understand the importance of water and wastewater stewardship, especially in countries that are water scarce and have problems accessing safe and sanitary water. In order to maintain our global commitment to our people and the environment, we treat water in our operations as the valuable resource that it is.

Management Approach

Water is both a key ingredient in and a by-product of the manufacturing processes for solar cells and panels. We manage our water use carefully and treat wastewater across our global operations as a standard policy and approach to manage current and emerging water risks. Across our manufacturing sites, we engage in numerous water recycling initiatives to reduce overall water consumption and wastewater discharged within our production processes.

Our Initiatives: Technology application and routine maintenance to reduce water usage and leakage

As part of our water management initiatives, we implemented internal water recycling processes through the use of technology to reuse the water employed for rinsing purposes during manufacturing. We also continuously work with our contractors to prevent any water leakage with the help of automated light sensors and through routine physical checks. These initiatives across the sites help promote recycling and the efficient use of water, ultimately aimed at reducing our water consumption.



Technological optimisation for water management processes

Water conservation programmes in our Philippines plant focus on optimisation and automation processes to reduce water consumption and increase overall water efficiency.

ENVIRONMENTAL

Water Management

Our Initiatives: Wastewater treatment and management

At Maxeon, we assess and control the amount of water discharged by treating and recycling the wastewater created from our operations. We also adhere to local regulations and ensure environmental compliance to water-related legislations.

In the Philippines, we conduct internal recycling processes to inject recycled water into our operations, such as using ABF drain water to refill our fire pro water tank and IW tank, thereby limiting the amount of water we consume.

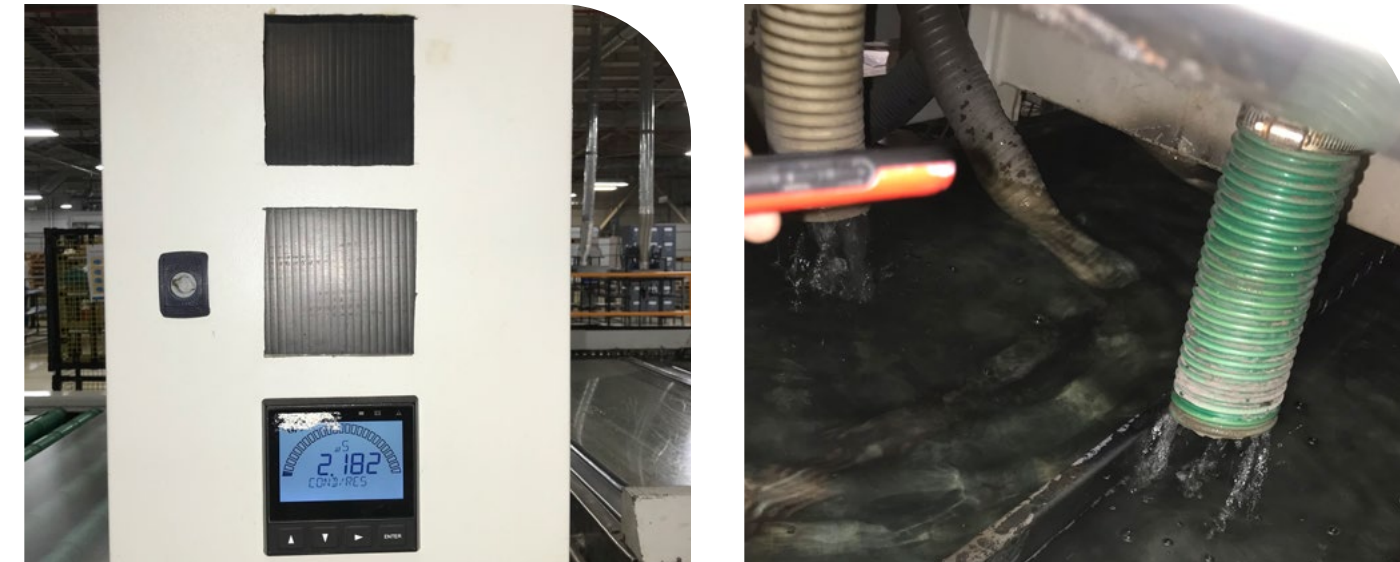
Our water-related initiatives in the Philippines facility resulted in an overall reduction of **4,299 m³/day** in water consumption in 2020.



Wastewater recycling in the Philippines

In Mexico, two water-recycling projects use reverse osmosis to reduce the water discharged into the city sewer. This wastewater is in turn recycled and used to wash our glassware and in restrooms, and for irrigating our gardens.

We also incorporated sensors and valves into our equipment to measure our water conductivity and track water consumption to ensure its efficient use. Our water-related initiatives resulted in a **4,000 m³/day** reduction in water consumption at our plant in Mexico in 2020.



Sensors to monitor water conductivity

ENVIRONMENTAL

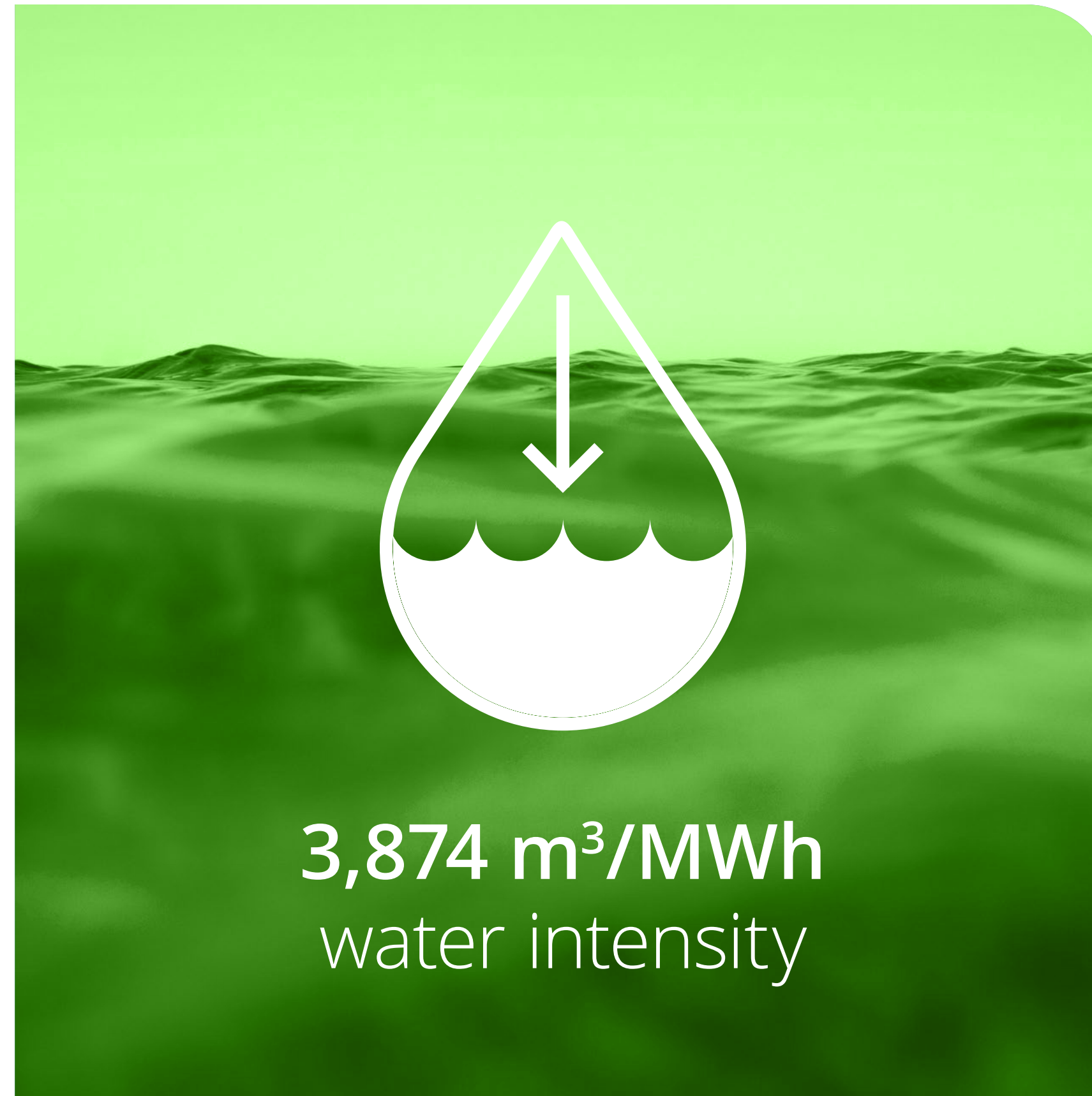
Water Management

Performance Highlights

In 2020, *we withdrew a total of 4,203,076 m³* of water across the regions where we operate, with a water intensity of *3,874 m³ used per MWh produced.*

Looking Forward

We take a proactive approach in managing our water consumption and continue to implement water reduction and recycling initiatives across our operations. In addition to complying with local regulations on water use and wastewater treatment discharge, we will continue to strive to achieve or exceed best practices within the countries where we operate, within our industry, and beyond.



ENVIRONMENTAL

Waste

In recent years, waste has become a critical issue for companies and governments to tackle in light of population growth and a rising standard of living which requires more goods to be produced. Increasingly, waste is also becoming a geopolitical issue, with many countries refusing to accept waste on their shores, creating the potential for emerging regulatory and financial risk for corporations.

Management Approach

As a solar company, Maxeon plays a direct role in decarbonisation efforts through our products, but we also continue to manage our waste output through an integrated approach of reusing, repurposing and consequently improving our waste diversion rate.

OUR INITIATIVES

Recycling for waste management



We continue to strengthen our waste recycling programmes across our factories, including the conversion of wood waste into furniture and manufacturing cartons into paper pulp, as well as a canteen plastic reduction programme and extensive reuse of interleaf as scratch paper. At our site in France, we introduced a new sorting mechanism that focuses on streamlining the different waste sources created within our factory. As a result of this initiative, we collected a total of 93.84 kg of bio waste in 2020, thereby resulting in the avoidance of 37.54 kg of carbon emissions and the creation of 16.89 kg of compost.



Waste sorting system in France

ENVIRONMENTAL

Waste

OUR INITIATIVES

Reuse of Personal Protective Equipment (PPE)

In the Philippines, we continue to pilot and implement resource conservation initiatives on site to minimise our environmental footprint. For example, since 2016, we engaged an external decontamination service provider to collect, deliver, repair, decontaminate and package the PPE utilised by our employees. We encourage staff to send used PPE through this channel to collectively reduce waste generation. Through our joint efforts, this ultimately resulted in a decrease of single-use waste as we reused PPE in a safe and sanitary manner.



The following table highlights our performance in reusing PPE to reduce our overall waste consumption in 2020.

PPE	PPE Reused per quarter (pcs)	Waste Elimination per quarter (kg)
Blue Aprons	2,743	1,642
Face Shields	1,993	797
Safety Goggles (Elvex)	185	37
Chemical Protection Boots	646	1,421

ENVIRONMENTAL

Waste

CASE STUDY

Zero Waste-to-Landfill Certification



Maxeon is the first company in Mexico to be third-party verified as Landfill-Free since 2015. This certification stipulates that less than 1% of waste materials can be sent to a landfill and less than 10% of waste materials can be sent to a waste-to-energy facility, as verified through an external audit process managed by NSF International, an independent organisation that oversees the Landfill-Free standard for companies around the world. (Learn more at [nsf.org](https://www.nsf.org).)



To achieve this certification, we adopted a lifecycle focused approach across our supply chain. At the primary stages of our supply chain, we focused on acquiring downstream waste vendors through a stringent selection process to reduce our waste in the initial stages of sourcing. We also implemented a range of waste reduction procedures during the manufacturing process, including the segregation of waste.

To continuously achieve our waste targets, we recycle on-site food waste into an organic composting garden powered by solar.

- **Step 1:** Site generates 950 pounds/day of organic waste
- **Step 2:** Collect organic waste for garden irrigation through a recycling machine that converts food scraps into soil conditioners for the plant's on-site farm
- **Step 3:** Garden grows produce which is then consumed in the staff canteen
- **Step 4:** Garden is used as a learning area for employees to apply the knowledge to their homes



Overall, we were able to generate 2,580 kg of compost in 2020 used as organic fertiliser for the gardens in our Mexicali facility.

ENVIRONMENTAL

Waste

Performance Highlights

In 2020, Maxeon produced a total of 11,803 tons of waste (6,125 tons of hazardous waste and 5,678 tons of non-hazardous waste).

We recycled 80% of our total waste (71% of our total hazardous waste and 90% of our non-hazardous waste).

Looking Forward

In the years ahead, waste management will continue to be an integral part of our sustainability commitment. We will continue to monitor our waste consumption practices to achieve reduction and responsible disposal for our hazardous and chemical waste, safeguarding our employees' well-being, the communities where we operate, and the environment.



ENVIRONMENTAL

Circular Economy

Through our environmental sustainability initiatives in energy, water and waste management, we also believe it is a natural progression for us to contribute to efforts to move from a linear economy to a closed-loop, or circular economy approach.

Management Approach

Maxeon continues to strive to adopt the concept of circularity across our operations and to support the efforts of our customers to do the same. From a design perspective, our solar panels have an estimated product lifetime of approximately 40 years and beyond, with a combined product and performance warranty of 25 years. In our operations, Maxeon aims to play a key role in the circular economy, by establishing sustainable facilities for solar cell and panel production.

We also support our customers in their recycling efforts by working with local recycling experts in the countries where we operate. These organisations include PV Cycle in Europe, Reclaim PV Recycling and Hamada Corporation in Asia Pacific, and Recycle PV Solar and SEIA in the United States.

In order to support end-of-life recycling, we work to maintain our achievement as Cradle to Cradle Certified, our commitment to Zero Waste-to-Landfill and to fulfil the responsibilities of our Declare Label.



“Building on our past sustainability initiatives and environmental certifications, applying circularity is a natural evolution which goes hand-in-hand with reducing our emissions and material usage.”

Peter Aschenbrenner

Chief Strategy Officer

ENVIRONMENTAL

Circular Economy

Our Initiatives: Design circularity across our production plants and buildings

In order to integrate circular principles in our operations, we strive to ensure that our facilities are built as sustainably as possible, adopting the principles of Leadership in Energy and Environmental Design (LEED) certification.



In 2020, our solar cell fabrication facility in Laguna, Philippines, was awarded the LEED for Building Design and Construction Gold certification for its environmental performance and sustainable operations. This brings Maxeon's total number of LEED-certified buildings to five, with three LEED Gold manufacturing facilities and two LEED Platinum administration buildings.

LEED certification recognises the sustainability of the design, construction and operation of buildings with the least environmental impact and the most efficient use of resources. Developed by the U.S. Green Building Council and recognised worldwide, LEED is a transparent certification process that includes a number of rating systems for the design, construction, operation and maintenance of environmentally sustainable structures.



Ensenada, Mexico MODCO facility



*Mexicali, Mexico
MODCO facility*

ENVIRONMENTAL

Circular Economy

Our Philippines plant achieved the LEED Gold certification through the implementation of numerous strategies to ensure the plant's sustainability, including the efficient use of water, indoor environmental quality, energy management, efficient use of resources and materials, and innovation and design. In 2016, our administration building in Philippines was also awarded the LEED Platinum certification.

Our plant in Malaysia also achieved the LEED Gold Certification for the manufacturing facility in 2015 and a LEED Platinum Certification for the Central Admin Building (CAB) in 2012. This was achieved through the adoption of many sustainable initiatives, including the use of certified wood and recycled materials during construction.

Our plant in Mexico achieved the LEED Gold Certification for the manufacturing facility in 2016. The key initiatives adopted were targeted at reducing equipment energy consumption by 70%, improving indoor thermal comfort, and an LED lighting conversion project. The Mexico plant also achieved the "Clean Industry Certificate" 2020 (on the right) by the US Environmental Protection Agency (EPA). This certification recognises the improvement of industry processes and competitiveness at the national and international level. In addition to facilitating the improvement of the environment, this certification also highlights energy savings and encourages proactive, preventive measures rather than a punitive approach.



ENVIRONMENTAL

Circular Economy

Our Initiatives: Transparency in our product ingredients

Maxeon's integrated back contact (IBC) panels are the only solar panels to voluntarily carry a Declare Label for materials transparency, similar to a "nutrition label" for food products. Issued by the International Living Future Institute, the label certifies that the product in question discloses all materials used, their assembly location, life expectancy and recyclability.

Our transparency in the panel composition, manufacturing process and end-of-life options helps our customers understand our products better and evaluate their options for clean energy. The label certifies 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](#).

Declare.

SunPower® Maxeon® 5 Panels
Maxeon Solar Technologies, Ltd.

Final Assembly: Ensenada, Baja California, Mexico
Life Expectancy: 40+ Year(s)
End of Life Options: Salvageable/Reusable in its Entirety, Recyclable (100%)

Ingredients:

Glass: Silicon Dioxide; **Encapsulant:** Ethylene-Vinyl Acetate Copolymer; **Frame:** Aluminum; **Solar Cell:** Silicon; Copper; Aluminum; Tin; **Busbar Assembly with Insulator:** Copper; Polyester Tape; Tin; **Backsheet:** Polyvinylidene fluoride; **Junction Box:** Polycarbonate; Copper; Siloxanes and Silicones, di-Me; Small Electrical Components; **Shield and Alignment Tapes:** Polyethylene; **Silicone Sealant:** Calcium carbonate; **Interconnect Tabs:** Copper; Silver; Tin; **Polyester Shield Tape:** Polyester Tape; **Solder Paste:** Silver; Tin

Living Building Challenge Criteria: Compliant

I-13 Red List:

- LBC Red List Free % Disclosed: 100% at 100ppm
- LBC Red List Approved VOC Content: Not Applicable
- Declared

I-10 Interior Performance: Not Applicable
I-14 Responsible Sourcing: Not Applicable

SNP-0005
EXP. 01 SEP 2021
Original Issue Date: 2019

MANUFACTURER RESPONSIBLE FOR LABEL ACCURACY
INTERNATIONAL LIVING FUTURE INSTITUTE™ living-future.org/declare

Declare.

SunPower® Maxeon® 2 & 3 Panels
Maxeon Solar Technologies, Ltd.

Final Assembly: Multiple Global Locations
Life Expectancy: 40+ Year(s)
End of Life Options: Salvageable/Reusable in its Entirety, Recyclable (100%)

Ingredients:

Glass: Silicon Dioxide; **Frame:** Aluminum; **Encapsulant:** Ethylene-Vinyl Acetate Copolymer; **Solar Cell:** Silicon; Copper; Aluminum; Tin; **Backsheet:** Polyvinylidene fluoride; **Junction Box:** Copper; Polycarbonate; Siloxanes and Silicones, di-Me; Small Electrical Components; **Frame Tape:** Polyethylene; **Silicone Sealant:** Calcium carbonate; **Interconnect Tab:** Copper; Silver; Tin; **Polyester Shield Tape:** Polyester Tape; **Solder Paste:** Silver; Tin; **Insulator:** Polyester Tape; **Busbar:** Copper; Tin; **Screws:** Stainless Steel

Living Building Challenge Criteria: Compliant

I-13 Red List:

- LBC Red List Free % Disclosed: 100% at 100ppm
- LBC Red List Approved VOC Content: Not Applicable
- Declared

I-10 Interior Performance: Not Applicable
I-14 Responsible Sourcing: Not Applicable

SNP-0001
EXP. 01 SEP 2021
Original Issue Date: 2018

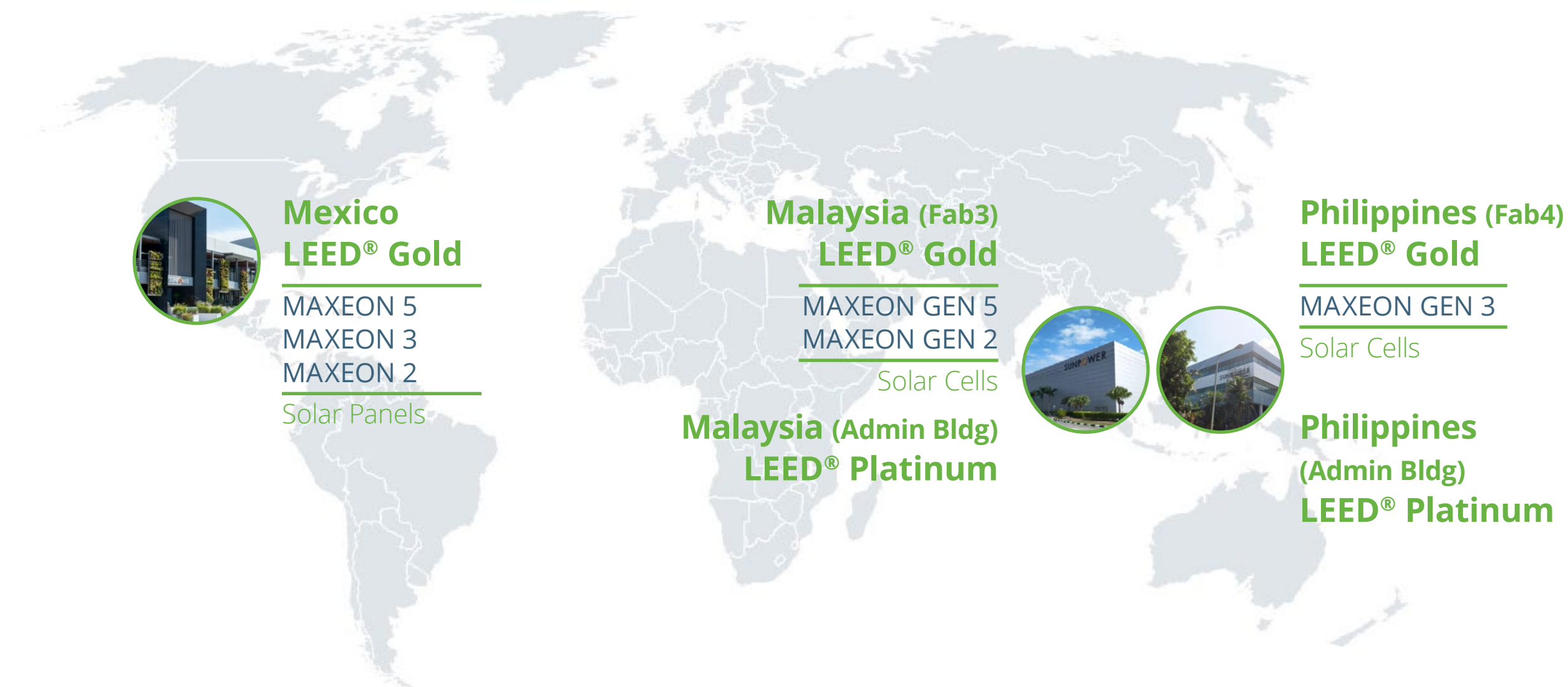
MANUFACTURER RESPONSIBLE FOR LABEL ACCURACY
INTERNATIONAL LIVING FUTURE INSTITUTE™ living-future.org/declare

ENVIRONMENTAL

Circular Economy

Performance Highlights

Five LEED® Certified Facilities including 100% of Maxeon IBC Cell Production



Looking Forward

We aim to continuously integrate circular economy strategies into our operations through a sustained focus on the environmental impacts and certifications of our products and manufacturing facilities, such as Cradle to Cradle Certified, Declare Label and our LEED certifications.

In addition to our current efforts, Maxeon is exploring opportunities and strengthening partnerships for mitigating unintended product lifecycle impacts, understanding that internal processes and external practices will evolve over time.

ENVIRONMENTAL

Performance Metrics

	TOTAL (2020)
Energy Consumption (MWh)	276,044
Fuel Consumption (MWh)	1,170
Fuel Consumption (Litres)	123,269
LPG Use (MWh)	562
LPG Use (kg)	41,405
Conventional Purchased Electricity – Grid (MWh)	266,246
Conventional Purchased Electricity – Grid (%)	97
Green Power Purchased (MWh) ¹	6,342
On-site Renewable Electricity (MWh) ²	1,722
On-site Renewable Electricity (%)	0.63
Total Renewable Energy (% of Electricity)	2.94
Employee Commute (km) ³	1,604,169
Air Travel (km)	896,625
Scope 1 Emissions (tCO₂e)	399
Scope 2 Emissions (tCO₂e)	173,335
Scope 3 Emissions (tCO₂e)	328
Total Emissions (tCO₂e)	174,062
Energy Intensity (MWh consumption / MWh produced)	254
Emission Intensity (tCO₂e / MWh produced)	160
Emissions avoided annually (tCO₂e) ⁴	10,147,576

	TOTAL (2020)
Total Water Withdrawn (m³) ⁵	4,203,076
Total Water Recycled (m³)	6,445
Total Water Discharge Volume (m³) ⁶	4,466,105
Water Intensity (m³ / MWh produced)	3,874
Hazardous Waste Generation (tons)	6,125
Amount of Hazardous Waste Recycled (tons)	4,341
Percentage of Hazardous Waste Recycled (%)	71
Non-Hazardous Waste Generation (tons)	5,678
Amount of Non-Hazardous Waste Recycled (tons)	5,108
Percentage of Non-Hazardous Waste Recycled (%)	90

1. Sources of green power purchased are geothermal, solar and wind through Purchase Power Agreements

2. From energy produced by our on-site solar panels

3. Covers leased company shuttle only

4. Calculated using [EPA Greenhouse Gas Equivalencies Calculator](#)

5. Water withdrawn attributes to water consumed. Source of water withdrawn across the sites is municipal water apart from FAB 4, which also sources water withdrawn from industrial parks, residential and commercial water. Mexico (High Baseline Water Stress): Water withdrawn = 1.57%

6. In FAB 3 and FAB 4, water discharged is higher than water withdrawn due to chemical additions in the treatment of wastewater

SOCIAL

Spotlight



Our COVID-19
Response

SOCIAL

Spotlight: Responding to COVID-19

The COVID-19 pandemic has been an unprecedented crisis around the world, devastating lives and livelihoods. Our employees faced personal struggles as well as professional challenges unlike any other time in our company's history.

For Maxeon, the pandemic has had an adverse impact on most aspects of our business, and the impact is ongoing and will continue to evolve. To safeguard the health of our employees and support the communities where we operate, we implemented an immediate, holistic COVID-19 response across the organisation.

Keeping Our Workforce Safe

The safety and well-being of our employees is paramount. We ensure that we keep ahead of the latest guidelines and advisories issued by the local health ministries and governmental authorities. Through our weekly COVID-19 Steering Committee Meetings led by our CEO and Executive Leadership Team and regular working group global meetings, we established health and safety policies, implemented business practices and met the key objective of having "Zero Local Transmission" within our premises.

At our offices and manufacturing sites, our approach included many new practices, such as contact tracing management protocols, control measures such as safe distancing, temperature monitoring, and hygiene and sanitising practices, as well as deep cleaning of our premises, movement control of overseas visitors/contractors and limitation of business travel, and finally, implementation of a Return to Work policy for support staff.



Our SPMX1 site has been audited and achieved the Distinction Award from Mexican Institute of Social Security (IMSS) in recognition of our efforts in COVID-19 Prevention and Control in 2020

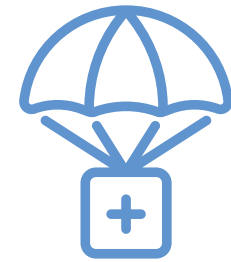


SOCIAL

Spotlight: Responding to COVID-19

Contributing to Community Response

During the early stages of the COVID-19 outbreak, when healthcare staff, hospitals, governments and communities in many countries around the world faced equipment shortages, Maxeon committed to providing aid and relief wherever it was possible. Our employees came together to assist in donations of materials for the building of quarantine facilities, provided PPE for frontline workers as well as provided food to underserved communities who were adversely affected by the shutdowns.



Wood Pallet Donation for COVID-19 Quarantine Facility in Philippines

Wood pallets were donated for the construction of quarantine facilities at six different hospitals in the Philippines.

Each facility measures 6x26 metres and can accommodate 15 beds and two lavatory facilities.

Food Distribution to Underserved Communities in Malaysia

Food parcels were delivered to underserved communities in Alor Gajah, Malaysia. These parcels included 500 packets of rice as well as 200 units of hand sanitiser.

Supporting COVID-19 Frontliners in Philippines

Donations included:

- 60 aprons/smocks
- 60 face shields
- 4,000 shoe covers

Donations for COVID-19 Frontliners in Malaysia

Phase 1: 1 Apr 2020

1,500 units of food containers and cutleries, two industrial stand fans, one portable air-conditioner (Value: RM 3,750)

Phase 2: 3 and 10 Apr 2020

500 food containers and cutlery sets, 32 pillows, 139 units of hand sanitiser, 96 bottles of mineral water (Value RM 2,040)

SOCIAL

Social Stewardship: An Overview

With the challenges caused by the pandemic, we believe, now more than ever, that people are at the heart of our operations at Maxeon. We strive to integrate our purpose of Powering Positive Change™ throughout our business operations and supply chain, for the benefit of our employees, our partners and the communities where we operate.

In addition to creating a safe workplace for our employees, we actively seek to build a diverse pipeline of talent, retain well-performing staff and create an environment where employees can fulfil their potential. It is important for us to develop our employees, provide competitive employee benefits and ensure fair and safe working conditions so that we have an engaged workforce who are proud to work for Maxeon.

Externally, we strive to be a responsible corporate citizen by contributing to and supporting the communities where we operate. For our suppliers within our value chain across the globe, we emphasise that human rights and fair labour conditions are central to upholding our operational integrity.

“Our interlinked relationship with our employees, community partners and suppliers drive shared value and are paramount in ensuring Maxeon’s continued success.”

Tiffany See
Chief Human Resources Officer



SOCIAL

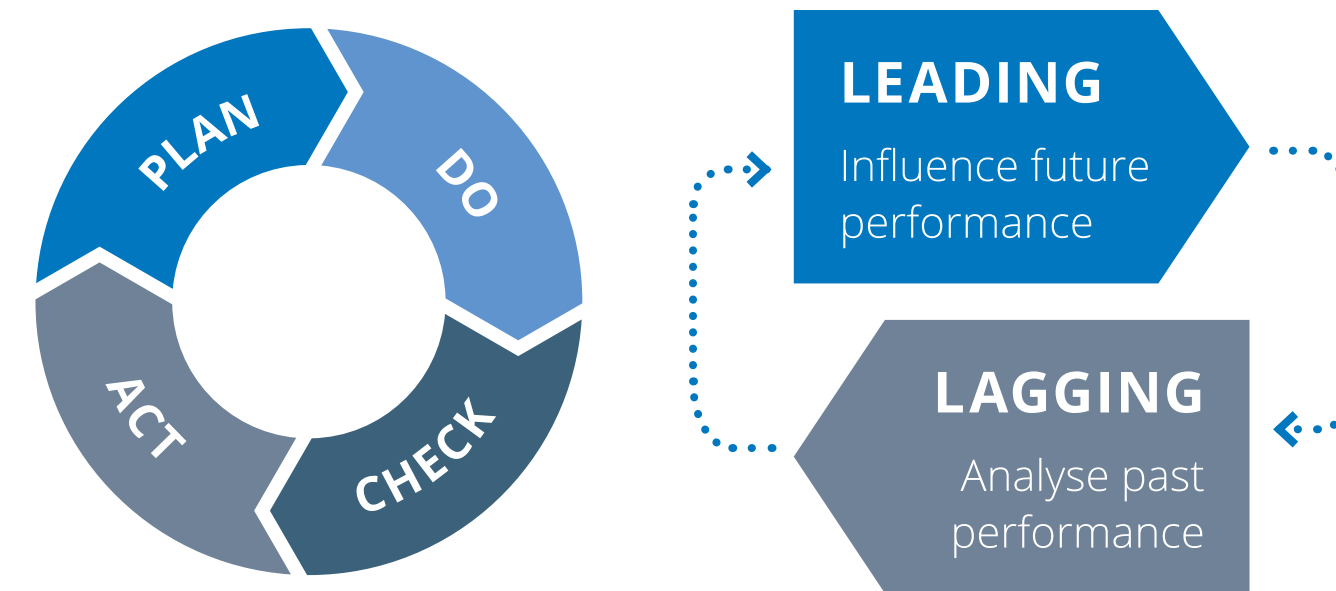
Occupational Health and Safety

Management Approach

At Maxeon, the safety and well-being of our employees and contractors is our top priority.

Occupational Health and Safety (OHS) is embedded in every aspect of our day-to-day operations at Maxeon, from the product design stage through to the review stage as part of our internal Plan-Do-Check-Act continual improvement process.

We empower, engage and consult our employees and contractors through participation and partnership programmes, sharing best practices and innovative OHS solutions.



Our Initiatives

We go beyond compliance by subscribing to the most stringent Occupational Safety and Health Administration (OSHA) requirements and are also certified to ISO45001: 2018 Occupational Safety and Health Management and ISO14001: 2015 Environmental Management Systems. Leading and lagging OHS Performance Indicators are measured as part of our proactive approach. We have incorporated a comprehensive Management of Change process into our Risk Management approach to address EHS hazards and risks at the design, implementation, elimination and mitigation stages via the Hierarchy of Controls. All manufacturing plants and RD&D facilities are subjected to internal audits and third-party assessments to assure that our performance and management systems are reviewed and functioning efficiently and effectively.

ENVIRONMENTAL HEALTH AND SAFETY POLICY

MAXEON SOLAR TECHNOLOGIES, LTD.
(CORP-EHS-MAN-97262)

Maxeon Solar Technologies is committed to **Powering Positive Change™**. We strive to achieve sustainable growth while conducting business through sound safety, health and environmental practices.

The following commitments set the framework for the EH&S Management System:

- We promote an injury-free and occupational illness-free workplace.
- We protect the environment by preventing pollution from our business operations.
- We fulfill our compliance and legal obligations arising from interested stakeholders and areas where we operate.
- We contribute to the protection of our environment by proactively reducing our carbon footprint, including minimizing the consumption of energy and water resources.
- We develop our products to minimize environmental impact throughout their lifecycle.
- We strive for continual improvement to enhance our EH&S performance.
- We involve the participation and consultation of workers and key stakeholders in the EH&S process.

Jeff Waters
Chief Executive Officer

Approved: November 18 2020

maxeon
POWERING POSITIVE CHANGE™

SOCIAL

Occupational Health and Safety

We engage in the participation and consultation process with our employees and contractors to drive workplace safety. Induction staff training is provided to new employees and contractors at all sites. Employees and contractors are empowered to identify Good Catches through feedback suggestions and site inspections. The formation of EHS committees at all sites provides an avenue for discussions and consultation at all levels so that every employee has a voice and stake in OHS matters. As part of our Emergency Preparedness and Response plans, we identify and assess key scenarios and prepare through competency training and actual hands-on drills.



To promote physical well-being, Maxeon hosts and supports an array of initiatives including health screening programmes, health campaigns and health talks for our employees. We also host team events to promote unity and synergy among our employees while engaging in physical activities. These include charity runs, jogathons, badminton, mountain biking, paintball and more. We also have in-house, 24/7 medical clinics at our manufacturing sites to provide access to medical care when needed.

"Safety is our way of life at Maxeon Solar Technologies."

Chin Siang Yeo

Director, Global EHS

Good health is not solely about physical wellness, however. We foster the awareness of good mental health too, with "rest and relax" areas as well as private rooms for nursing mothers at our sites.

SOCIAL

Occupational Health and Safety

Performance Highlights

In 2020, Maxeon reported zero work-related fatalities with an industry-leading Total Recordable Incidence Rate of 0.63. There were however, eight incidents of recordable work-related injury, six (75%) of which were slip, trip and fall in nature with two (25%) that were machinery/equipment related. Incident investigations are conducted using the 8D Problem Solving Methodology to identify the root causes and corrective actions with the best transferable practices and key lessons shared across the organisation.



EHS Committee Meeting at FAB3, Malaysia

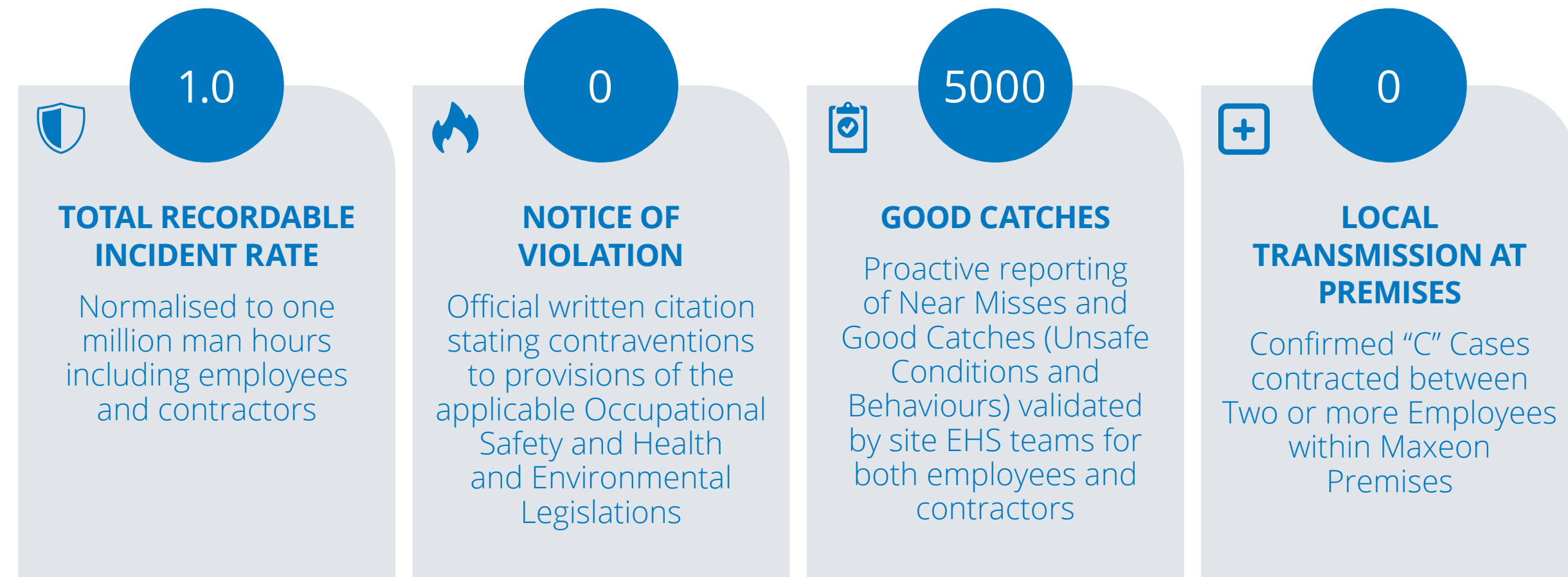


Search and Rescue Drill at SPMX1, Mexico

Looking Forward

At Maxeon, we continuously strive to keep all our employees safe at work. As our organisation expands in scope, we aim to ensure high-risk and non-routine activities are addressed to ensure all our employees and contractors are safe.

OUR OHS OBJECTIVES



SOCIAL

Fair Labour and Human Rights

Management Approach

We promote fair labour practices and respect human rights across our global network of operations for all employees, workers in our supply chains and individuals in the community.

Our [Global Human Rights Policy](#) established standards for our global business conduct related to human rights and labour for employees, suppliers and any other business partners, and is made publicly available through our various stakeholder engagement platforms, including our website. The policy is informed by global best practices and guidelines including:

- [Universal Declaration of Human Rights](#),
- [Conventions of the International Labour Organization \(ILO\)](#),
- [UN Guiding Principles on Business and Human Rights](#),
- [UN Global Compact](#),
- [Organisation for Economic Co-operation and Development \(OECD\) Guidelines for Multinational Enterprises](#).



The following dimensions are addressed across our policy:

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.

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.

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.

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 number of hours worked in a week, fair compensation plans and rigorous safety practices.

Forced or child labour

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

SOCIAL

Fair Labour and Human Rights

Our compliance strategy inculcates a risk-based approach aligning to the ILO, and our annual training and certifications in our Code of Conduct include labour rights practices. To mitigate risk exposure for breaches of our policies and procedures, Maxeon requires compliance certifications from all our suppliers in alignment with the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury. If increased risk is identified, Maxeon conducts enhanced due diligence and accords specialised certifications on supplier operations and labour practices to minimise our risk exposure on identified issues.

Our Initiatives: Supply Chain Management

Maxeon's policies and procedures surrounding the treatment of our workforce are aligned with industry international best practices and guidelines issued by global organisations such as the United Nations.

Our employees and contractors are made aware of the Global Human Rights Policy and Code of Conduct through their employment contracts, onboarding processes and annual training and certification courses. Maxeon also has a [Compliance and Ethics Helpline](#) that is available 24 hours a day, seven days a week, which allows internal and external

stakeholders to anonymously report any concerns or infractions of these policies and procedures.

We have a zero-tolerance policy for any violations of human and labour rights. In situations where infractions of our policies and procedures are suspected, special measures are taken, including holistic and robust investigations. If the investigations prove that the offending party has violated the policy, the party will be immediately terminated.

We hold our suppliers to the same standards as our employees and contractors. We enforce our policies through our Master Services Agreements, which require suppliers to acknowledge our policies and Code of Conduct and their responsibilities pursuant to these. We also expect our suppliers to track and make available to us upon request any information relevant to their human rights compliance, including annual assessments and compliance certifications.

Maxeon also has established its Supplier Sustainability Guidelines, which encompass risk assessments, audits, certifications, training and accountability and management systems to ensure compliance of all laws and regulations around human rights and fair labour.

“Holding Ourselves to a Higher Standard requires us to be stewards of all the elements, from minerals to human capital, that are embedded in our products.”

Matt Kasdin

Director, Senior Counsel

SOCIAL

Fair Labour and Human Rights

Our Initiatives: Conflict Minerals Policy

Through our established [Conflict Minerals Policy](#), we are committed to avoiding the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo (DRC) or adjoining countries, while continuing to support responsible mineral sourcing in the region. Conflict minerals include: columbite-tantalite (coltan) (i.e., tantalum), cassiterite (i.e., tin), gold, wolframite (i.e., tungsten) or their derivatives (3TG), and could expand to include other minerals or their derivatives.

To support this policy, Maxeon has committed to *seven key principles* (see graphic).

Suppliers identified as having a reasonable risk that they are sourcing from or linked to any party providing direct or indirect support to, non-state armed groups, will immediately undergo detailed investigations by Maxeon. Should any breaches to the Conflict Minerals Policy arise, remediation measures will be undertaken which can include suspension or discontinuation of the engagement.

1

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

2

Commit to adopt, widely disseminate, and incorporate this policy in contracts and agreements with suppliers who may source the concerned minerals

3

Require all Maxeon suppliers to acknowledge Maxeon's Supplier Sustainability Guidelines

6

Coordinate with other companies to create better reporting solutions

5

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

4

Carry out due diligence consistent with the OECD's recommended process

7

Ensure transparency of the conflict minerals reporting process by making our reports publicly available

SOCIAL

Fair Labour and Human Rights

Performance Highlights

Zero cases of non-compliance were found in 2020 with regard to human rights and fair labour issues, both within our internal operations as well as within our supply chain.

Looking Forward

In addition to having a zero-tolerance policy for any violations of human and labour rights, we continue to monitor current and emerging regulations and industry best practices. We will continue to enhance our internal policies and controls and work with our suppliers to ensure continued compliance with any relevant laws, protocols and best practices as circumstances may require.

For any high-risk countries identified in the future, we will work across our value chain to mitigate risks through our multi-step risk assessment methodology and if necessary, engage specialists, both internal and external, to aid in risk assessment and remediation measures, should issues arise.



SOCIAL

Employee Engagement

Maxeon regards our employees as vital to our collective success and growth. The changing nature of the way we work driven by technology transformation and demographic shifts requires adaptation from traditional ways of work through active engagement with all of our employees. Through our culture of care and focus on manager accountability, we aim to create emotional engagement of our employees so they care about their work in our company achieving individual and collective success.

Management Approach

We hold our leaders accountable for talent, specifically acquiring and developing great talent. We are focused on ensuring all our team members' activities align with our corporate key results through our annual performance management approach. This ensures that every team member is focused on what matters most and deliver meaningful work which impacts Maxeon's long-term success.

Our Initiatives

On an organisational level, we have simplified our annual performance and key results (KRs) to focus all our team members on 6 corporate KRs. We have developed a quarterly cadence through Executive Leadership Team All-Hands Meetings (AHMs) to communicate progress to all employees. At a site level, these communications are also delivered locally through our site AHMs delivered by the site leader. In addition, our larger sites, Mexico, Malaysia and Philippines, conduct regular employee engagement sessions led by local site leaders.

Our company benefits often exceed requirements of local legislation in the countries where we operate. Benefits include life and healthcare insurance, disability support and parental leave, and our healthcare benefits extend to temporary and contract staff.

SOCIAL

Employee Engagement

Performance Highlights

Through our employee engagement initiatives, we are continuously engaging our employees globally and through the local teams.

4,609 full-time employees

Looking Forward

We are committed to continuing the existing employee engagement activities we have in place and sharing between our sites to create a more consistent experience for our team members.



SOCIAL

Learning and Development

Management Approach

We believe it is important to continuously develop our employees in their individual career aspirations and to create value and positive impact for the environment and our customers through our products. In addition to establishing a set of mandatory annual training modules on specific regulatory and technical topics, our leaders are accountable for ensuring all team members have development plans structured around a development framework. This ensures that all development actions are customised to each employee.

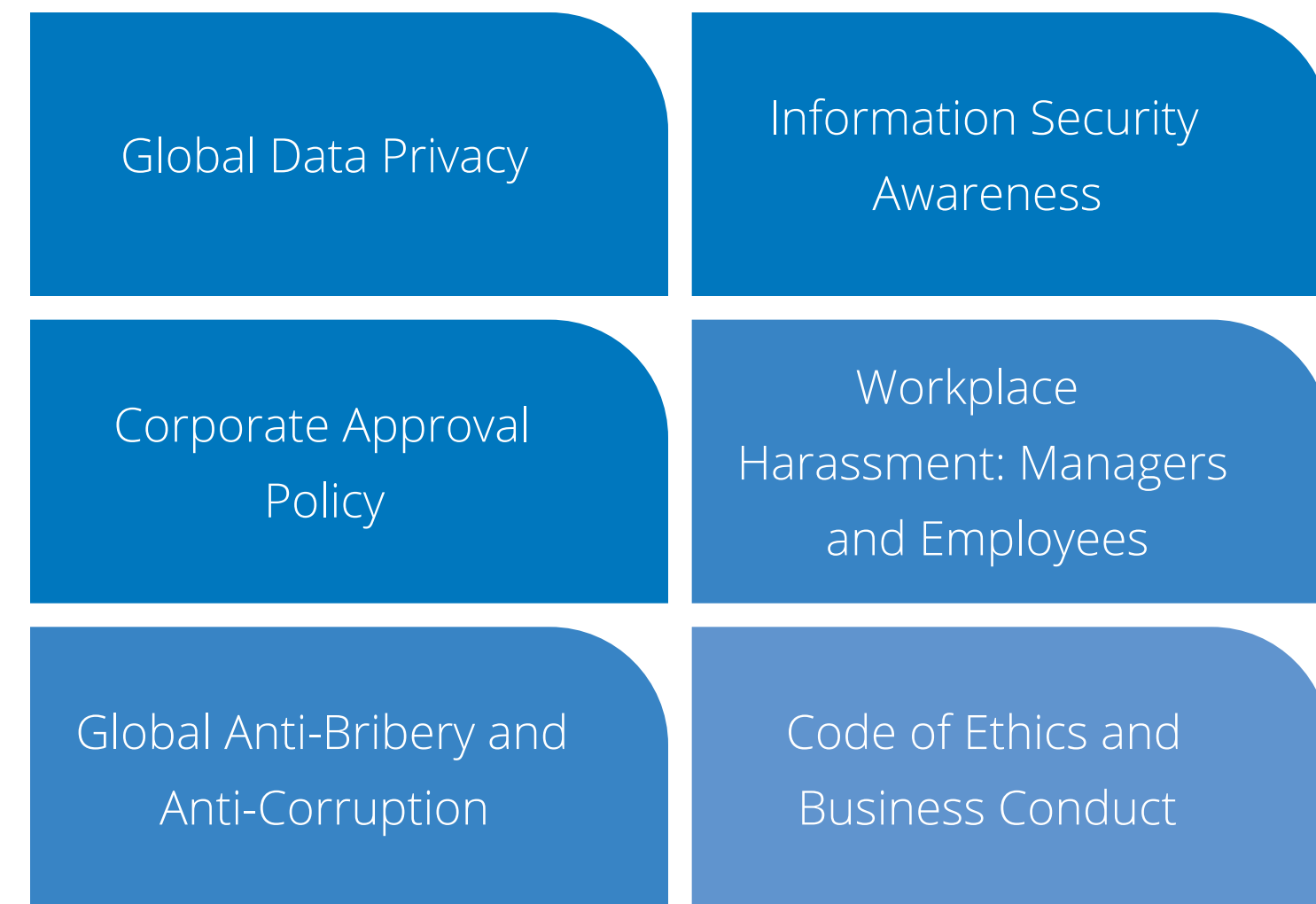
Our Initiatives

We have developed our Maxeon Leadership Capability framework which provides a consistent approach to how managers assess performance and provide feedback to all team members across the company. These capabilities – Driven, Selfless and Adaptable – have been identified as being most important to Maxeon’s transformation. We are currently revising our employee onboarding experience to provide a consistent approach for all new hires and ensure that all team members understand Maxeon’s core values from their first day.

In addition, there is a mandatory training programme for all employees which includes our Code of Ethics and Business Conduct, IT and Safety training that conforms with local regulations. These training modules are delivered in an on-demand online format so our employees can access them anytime, anywhere.

Performance Highlights

Aside from our standard annual mandatory trainings, such as workplace health and safety training, we also have in place six global mandatory training courses that are to be completed upon hire, with required refresher training every two years. These trainings are available online to enhance accessibility to all our employees globally.



SOCIAL

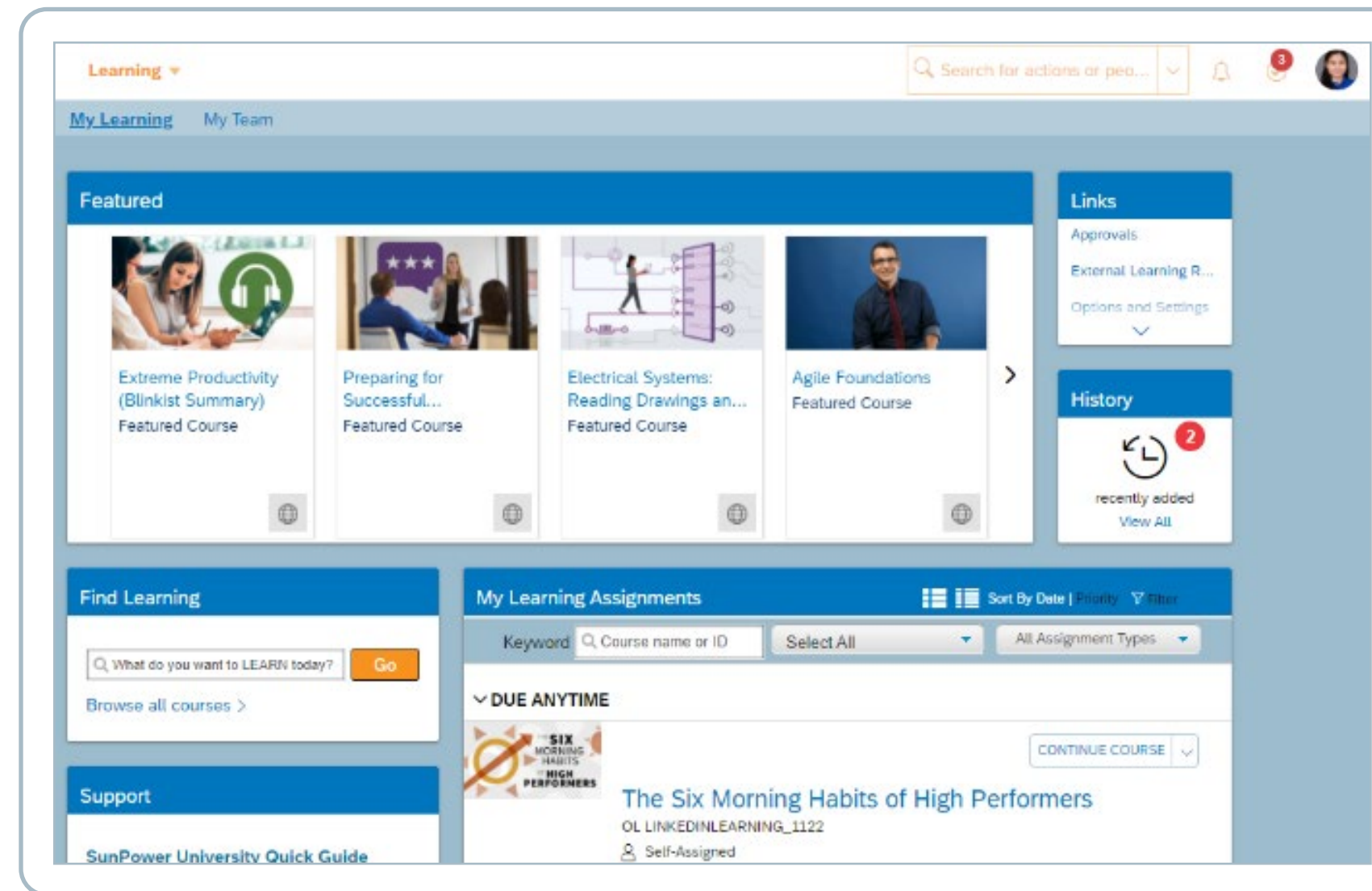
Learning and Development

As part of encouraging employees to be accountable for their personal learning and development, we have an online repository of learning courses available to all employees. Through this online platform we are able to track employee training to help us better understand our employees' desires for personal and professional growth.

In 2020, we delivered **172,262 training hours** to our employees, or an average of **37.4 hours per employee**.

Looking Forward

We are committed to our employees' learning and development by holding our leaders accountable for ensuring development action plans are in place that provide development through on-the-job training (70%), learning through others (20%) and online/classroom training (10%). All development action plans and manager development discussions will be linked to our leadership capability framework. In 2021, we are deploying our first module in our frontline leader programme, The Maxeon Leader, which covers expectations of leadership at Maxeon and our leadership capability model.



Online repository of learning courses available to all employees

SOCIAL

Diversity and Inclusion

At Maxeon, we are committed to fostering diversity and inclusion in the workplace to create a fair and equitable business environment for our employees. This is demonstrated through our policies, training, diversity statements and in the way we respect and celebrate diversity across the organisation.



Management Approach

As a purpose-driven organisation, at Maxeon we believe in empowering and promoting the social, economic and political inclusion of all people, which is aligned to the Equal Opportunity and Diversity; Non-Discrimination principle of our Global Human Rights policy.

We reject all forms of discrimination and harassment at the workplace, including:

- sex (which includes pregnancy, childbirth, breastfeeding, or related medical conditions, the actual sex of the individual, or the gender identity or gender expression)
- race
- colour
- religion (including religious dress practices and religious grooming practices)
- sexual orientation
- national origin
- ancestry
- citizenship
- marital status
- familial status
- age
- physical disability
- mental disability
- medical condition
- genetic information
- protected veteran or military status
- any other characteristic protected by local law or regulation

SOCIAL

Diversity and Inclusion

Our Initiatives

At Maxeon, diversity and inclusion underscore how we operate and this can be seen in our Board Diversity and hiring statements.

Board Diversity statement



Maxeon is committed to a policy of inclusion and follows the guiding principle that our Board composition should reflect diversity of experience and perspectives.

In furtherance of this commitment, when considering candidates to fill an open seat on the Board, the Committee will request that the pool of potential candidates to be considered by the Committee for nomination to the Board include a diverse group of qualified candidates in terms of experience and skills, age and tenure, gender, ethnic and social background.

In addition, the Committee shall review periodically the composition of the Board to ensure it reflects the knowledge, experience, skills and diversity required for the Board to fulfil its duties.

Hiring statement



The Company is an equal employment opportunity employer and makes employment decisions, including but not limited to, hiring, firing, promotion, demotion, training, and/or compensation, on the basis of merit. Employment decisions are based on an individual's qualifications as they relate to the job under consideration.

The Company's policy prohibits unlawful discrimination based on sex (which includes pregnancy, childbirth, breastfeeding, or related medical conditions, the actual sex of the individual, or the gender identity or gender expression), race, colour, religion, including religious dress practices and religious grooming practices, sexual orientation, national origin, ancestry, citizenship, marital status, familial status, age, physical disability, mental disability, medical condition, genetic information, protected veteran or military status, or any other consideration made unlawful by federal, state or local laws, ordinances, or regulations. The Company is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers. Maxeon is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of Maxeon and prohibits unlawful discrimination by any employee of Maxeon including supervisors and co-workers.

SOCIAL

Diversity and Inclusion

Our hiring statement and fair employment policies apply to all persons involved in the operations of the company and are included in all hiring materials and job descriptions to prohibit discrimination.

Respecting and celebrating different cultures

Prior to the COVID-19 pandemic, we organised festive celebrations to commemorate the diverse cultures we have across our operational sites. As we face major disruptions due to COVID-19, Maxeon is committed to continuing to celebrate the cultures of its employees whenever possible.

Performance Highlights

Through our strong foundations and the policies that were established after our spin-off from SunPower, we have disclosed our workforce diversity stats in terms of gender proportion and age groups in our Social Performance Metrics on [page 65](#).



Looking Forward

We aim to increase the diversity of our employees in management roles by investing in the continuous development of our employees. We believe that through the inculcation of diversity in our management, we will be empowered to create integrated and holistic business decisions. Additionally, to create a diverse and inclusive culture, we intend to develop and implement a hiring plan focused on attracting, recruiting and retaining a diverse workforce. We also encourage our employees to work together toward fostering a caring culture and environment, conducive to all.

SOCIAL

Community Investment

Maxeon recognises that it is crucial to support the broader community where we operate, especially in times as challenging as this ongoing pandemic, particularly for the most vulnerable individuals and segments of communities.

Management Approach

Beyond delivering clean energy to our customers, we recognise it is vital to earn the social license to operate by acting as a positive community force in the places where we operate and beyond. To address local needs, our teams in the country develop and manage community programmes that align with location-specific needs, our business expertise and employees' skills.

In 2020, due to the devastating consequences of COVID-19, lockdowns and movement restrictions imposed by governments, our focus was on supporting pandemic recovery efforts. For more information on our initiatives, please refer to the [Spotlight](#) at the top of this section.

OUR INITIATIVES

Light for the World: Tiny solar lanterns bring hope and light to millions



Maxeon has proudly partnered with Nokero to create portable lanterns powered by Maxeon solar cells. These portable lights are fitted with a miniature flat solar "panel", which can provide light for up to 15 hours from a single day's charge.

The use of these solar lanterns negates the need for kerosene lamps, which have been proven to emit harmful toxic fumes and also act as a fire hazard. Beyond the ability to provide light that is safe and accessible, these lamps have enabled children to read and study, and local businesses to gain more than 1 billion hours of productivity. These lamps have further reduced the costs spent on kerosene and candles.



The Nokero lanterns have improved the lives of communities in more than 120 countries, showing that one spark of innovation is able to uplift the lives of millions.

—
Maxeon solar cells power Nokero portable lanterns, which provides underserved communities with access to energy and light, improving their standard of living.

SOCIAL

Community Investment

OUR INITIATIVES

Solar Mini-Grids Empower Rural Villages in Myanmar



In partnership with Mee Panyar, an innovative organisation devoted to expanding energy access and empowering underserved communities in Myanmar, Maxeon has provided SunPower Performance panels to power a 42kWp mini-grid system. This mini-grid system is able to provide the community of Kan Byin in southeast Myanmar with 24/7 access to electricity for the first time.

Previously, the community relied on a single man to power up a diesel-fuelled generator, to provide a few precious hours of energy each evening for families to do their cooking and light their homes. Apart from the obvious expense incurred by this practice, diesel fumes are harmful to both the health of the community and their environment.

The newly installed system not only allows for a constant source of energy, but has also provided an opportunity for upskilling, by teaching local technicians how to install and maintain a solar mini-grid that will provide reliable, clean energy for the next 25 years or longer.

—
SunPower Performance panels are part of a "mini-grid" that provides 24/7 power to this Myanmar community for the first time.



Employee Volunteerism and Community Engagement

We believe in building long-term partnerships with charities and non-governmental organisations so that we can work together to create even greater positive impact collectively.

In the Philippines, our longest standing partnership is with the National Red Cross, with whom we have been working since 2006. We also have ongoing partnerships and community investment initiatives including Back to School programmes, Oral Health Month programmes as well as Forest Building and Blood Donation Drives.

When the Taal Volcano erupted in the Philippines in early 2020, more than 100 families of Maxeon were affected. We organised a Cash Donation Drive and in-kind aid to provide relief to the people impacted by the heavy ash fall, leading to damage in their homes and property. The drive also provided basic necessities for employees' families who had no choice but to either relocate to relatives' homes or to stay in evacuation centres. The total donations came to PhP 2.3 million inclusive of 1-for-1 matching by the company, which was used to provide relief to all affected employees and their families.

SOCIAL

Community Investment

In Malaysia, a similar community spirit was demonstrated through the Young Enterprise (YE) Programme, an entrepreneurship programme organised by Junior Achievement Malaysia. Our volunteers closely mentored and assisted teenage students in the development of their business proposals, fostering entrepreneurial skills. Five schools and 205 students and teachers have benefited from this programme since 2013. The feedback from the students in the programme was overwhelmingly positive.



Our commitment to community development and education can also be seen through ongoing initiatives to share knowledge on solar technology and green practices. Since 2012, we have hosted monthly educational visits, in which university students from both

technical and non-technical institutions are invited to visit our facility with our employees also sharing their experiences in solar career development and internship opportunities.

Another ongoing partnership in Malaysia is the Hawksbill Turtle Conservation Programme, where our employees volunteer to assist in the excavation of turtle nests, pond and site area cleaning as well as beach cleaning. We also partnered the local state fisheries department, providing a marine GPS tracker for an adult Hawksbill Turtle, to understand the migratory patterns of the species.



(left) 4,584 students from various educational institutions have visited our Malaysia site since 2012 with two educational visits conducted before the restricted movement order in March 2020.

“This programme taught me a lot about teamwork, how to manage a business and how to control my nervousness, and most importantly taught me about responsibility. I am sure that everyone who took part in this programme had a great experience.”

Cheryl Samad

YE Alumna

SOCIAL

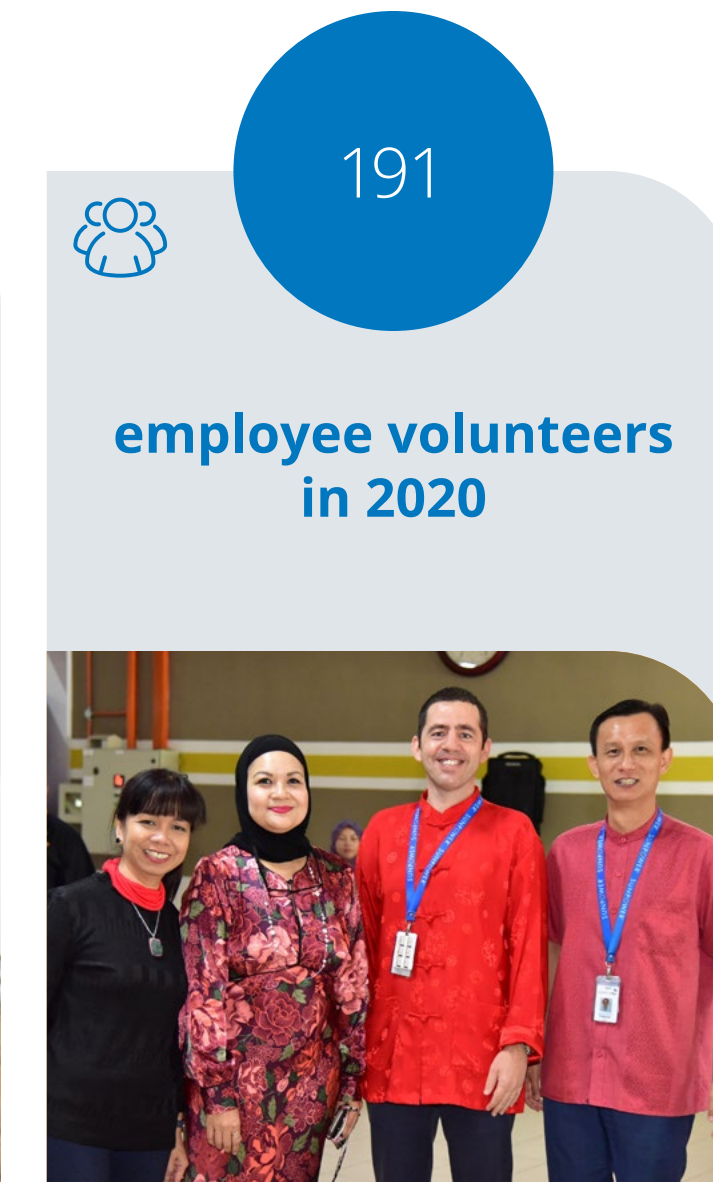
Community Investment

Performance Highlights

While 2020 proved to be a highly unusual year with a great deal of our community resources committed to the challenges that arose from the COVID-19 pandemic, our organisation and employees have consistently been committed to community engagement and investment. Over the years, our employees have been actively involved in an array of community outreach and engagement activities, including blood donations, provision of rechargeable lanterns to underserved populations, microgrid projects, forest building and coastal clean-up activities as well as mentorship for educational and entrepreneurial-driven activities.

Looking Forward

Maxon will uphold our commitment to the communities where we operate and continue to drive social development and empowerment aligned to our social and moral responsibility to society.



* including COVID-19 community outreach

SOCIAL

Performance Metrics

Employee Diversity ¹	Gender Split	
	Male	52%
	Female	48%
	Executive Leadership Team	
	Male	67%
	Female	33%
	<30 years old	-
	30-50 years old	33%
	>50 years old	67%
	Professionals / Managers	
	Male	63%
	Female	37%
	<30 years old	1%
	30-50 years old	80%
	>50 years old	19%
	Technical, Production and Administrative	
	Male	49%
	Female	51%
	<30 years old	38%
	30-50 years old	58%
>50 years old	4%	

Work-related Illness, Injuries or Fatalities ²	Number of fatalities as a result of work-related injuries	0
	Number of high-consequence work-related injury (excluding fatalities)	0
	Number of recordable work-related injury	8
	Number of hours worked	12,762,667
	Rate of fatalities as a result of work-related injuries	0
	Rate of high-consequence work related injury	0
	Rate of recordable work-related injury	0.63
	The main types of work-related injury	75% (6) – Slip, trip and fall 25% (2) – Machinery/equipment
	Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	1,000,000

1. Employee data are estimated as percentages based on calendar year from our human resource management system aligned to our reporting scope.

2. Data for employees and contractors is consolidated for the year 2020.

GOVERNANCE

Spotlight



Power to Spare

How Our Solar Panels Contribute to Energy-Positive Buildings



GOVERNANCE

Spotlight: Power to Spare – How Our Solar Panels Contribute to Energy-Positive Buildings

In Trondheim, Norway, a sleek office building currently generates twice as much solar energy as it will ever use. This is not an error but an intentional engineering solution to aid in the development of an energy-positive building. As the term "energy-positive" suggests, the Powerhouse Brattørkaia will produce enough energy to offset all its own energy use as well as energy consumed through the production of building materials used in the construction, operation and disposal of the building.

The SunPower Maxeon solar panels installed on the roof of the iconic building offset hidden energy costs embedded in the building's construction and eventual demolition over a lifetime of 60 years. The solar system is also considered unique in its design. Instead of a flat, wide roof, the building's roof slopes steeply to take full advantage of the sun's position in the Northern Hemisphere.

A total of 1,157 SunPower Maxeon solar panels cover the roof, producing, on average, 358 MWh of energy annually. Even in the northernmost reaches of Europe where winter days are only four hours long, the Powerhouse generates valuable solar energy through Maxeon's high efficiency solar panels. In the summer, when daylight hours stretch to 20 hours per day, excess energy is exported to the power grid.



Powerhouse Brattørkaia is a striking example of what climate-friendly office spaces could look like in the not-too-distant future: inspiring, resilient, and 100% energy-positive.

GOVERNANCE

Spotlight: Power to Spare – How Our Solar Panels Contribute to Energy-Positive Buildings

Importance of High-Efficiency Panels in Limited Space

By designing an angled rooftop instead of a flat one, the design team was able to increase the amount of solar surface. Still, the building must produce, on average, more than twice what it consumes in order to be energy net-positive. For this reason, SunPower Maxeon panels, which generate more power in a given space than any commercially available panel, were the ideal choice.

The shape and position of the building along a riverfront raised further considerations, specifically, high winds.

"This project had the highest wind load that we have ever worked with – 5 kilo newton per square meter or 5000 Pa," recalls Helene Bøe Tømmerbakke, project leader. "We didn't think there were any solar modules that could withstand this wind load but then we found out that Maxeon panels were proven under these conditions." The Maxeon panels installed were certified to Cyclonic Load Resistance of over 6400 Pa, equivalent to 375 km per hour, which is above a Category Five on the cyclone intensity scale.

For its efforts, Powerhouse Brattørkaia has received the BREEAM Outstanding certification, the highest possible ranking by the world's leading sustainability assessment method for an asset's environmental, social and economic sustainability performance. Its solutions support the Paris Agreement that pursues efforts to limit the global temperature increase to 1.5 degrees Celsius.

To attain this climate goal, the world's buildings must be part of the solution. Powerhouse Brattørkaia demonstrates what is possible when environmental design principles come first. Maxeon is proud to stand with this team.



A total of 1,157 SunPower Maxeon solar panels cover the roof, producing on average 358 MWh of energy annually.

GOVERNANCE

Governance Approach: An Overview

Good governance is essential to creating and preserving value for our customers, shareholders and other stakeholders. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies as well as unwavering adherence to Maxeon's values.

The key to successful business operations entails fostering positive relationships – between employees, suppliers and our customers. At Maxeon, we understand the importance of trust in achieving our goals as a company, and therefore we place a high priority on complete transparency and integrity across our operations and governing policies.

We Thrive Together: Good governance leads to good business.

At Maxeon, we conduct business in an ethical manner and maintain integrity in our affairs by staying vigilant on corporate behaviour, both internally and externally, which will in turn ensure that we build a strong foundation for our business.



We have a robust Code of Ethics and Business Conduct ("Code of Conduct") policy that addresses issues of corruption, bribery, anti-competitive and other improper corporate behaviours. The Code of Conduct acts as a guideline and assists in the proper evaluation of behaviours that should be enhanced and integrated at Maxeon. We ensure that all our existing and new stakeholders, including our suppliers and employees, are familiar with our Code of Conduct; thereby adhering to our stringent policies and upholding Maxeon's corporate values.

At Maxeon, we strive to maintain the integrity of our products and services. Our Quality Policy sets high standards with regard to product quality and reliability. In addition to implementing comprehensive quality management systems, our products are certified by international third-party agencies, and we provide our customers with an industry-leading, long-term warranty. As customer satisfaction is imperative to us, we engage our customers regularly with customer surveys and are committed to upholding their trust in us. We aim to stay ahead of the curve through a focus on sustainable innovation to empower our customers to reach new levels of sustainability. As a company, we are committed to the continuous improvement of our technology to optimise usage and maximise our contribution to the environment.

"Practising integrity and safeguarding organisational value require a rigorous focus on compliance with all laws, regulations and industry best practices."

Kai Strohbecke

Chief Financial Officer

GOVERNANCE

Business Integrity and Ethics

Management Approach

Our reputation as a company is based on the personal integrity of each employee and those with whom we do business. We endeavour to conduct ourselves in a manner beyond reproach. The company's directors, officers and employees are expected to conduct themselves in accordance with the highest moral and ethical standards, informed by Maxeon's Code of Conduct.

To instill ethical business practices in our workplace and across our supply chain, Maxeon conducts annual training for both its employees and suppliers on our Code of Conduct. This training emphasises our core values of honesty and transparency as well as our commitment to corporate sustainability. The training also covers conduct we do not tolerate, such as 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 in laws, rules and regulations.

To ensure we mitigate risks, we have an extensive set of *corporate governance policies* that include:



Find out more about our ESG policies [here](#).

GOVERNANCE

Business Integrity and Ethics

Our Initiatives: For our Employees

Our employees are made aware of our [Code of Conduct](#) and Whistleblower policies through their employment contract, annual compliance training, certification and courses.

Our compliance and ethics helpline is available 24/7 [online](#) or by phone for both internal and external stakeholders to report any known or potential violations of applicable laws or breaches of Maxeon's Code of Conduct. To ensure inclusivity, web-based reports may be submitted anonymously, and in any language. We engage an independent third party to assist in administering the helpline.

Our process for corporate compliance includes the creation of a whistleblower report, which is subsequently assessed by an executive-led committee and investigated based on the nature of the incident. If required, we engage external consultants, such as lawyers, accountants or other specialists. Ultimately, all reports are reviewed by our audit committee and remediation actions are determined on a case-by-case basis.

For our Suppliers

Our suppliers and their relevant agents are required to adhere to Maxeon's Code of Conduct and thereby, uphold the highest standards of ethics highlighted on the next page.

In addition, we also expect our suppliers to adopt or establish their own internal management systems to fulfil the requirements of our Supplier Sustainability Guidelines. This management system ensures that the supplier's operations and products are compliant with our guidelines, as well as all laws, regulations and customer requirements. Additionally, the supplier management system will assist in the identification and mitigation of operational risks pertaining to our guidelines while facilitating continual improvement.

GOVERNANCE

Business Integrity and Ethics

Supplier Sustainability Guidelines for Internal Management System



GOVERNANCE

Business Integrity and Ethics

Performance Highlights

Risks relating to bribery and corruption are continually identified through our risk assessment process. Due to our global presence, in situations where we must engage with countries that may rank poorly on Transparency International Corruption Perceptions Index, we will strengthen governance measures, such as requiring additional compliance certifications when dealing with government and regulatory authorities.

Looking Forward

As we operate in a fast-changing world, Maxeon will continue to evolve its best practices to further strengthen our robust policies and procedures with regard to ethical business practices within our company culture and in the way we conduct business.

	2020
Confirmed incidents of corruption and actions taken	0
Operations assessed for risks related to corruption	100%
Confirmed incidents in which employees were dismissed or disciplined for corruption	0
Confirmed cases of bribery and actions taken	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0

GOVERNANCE

Product Quality, Reliability and Safety

Management Approach

At Maxeon, we consistently aim for excellence and best in class for all that we do. Our Quality Policy is no different. It acts as our guideline to ensure zero compromise on the quality, reliability and safety of our products.

We have an integrated, robust set of controls and processes to meet and exceed our customers' requirements – from innovative design to supplier and materials qualification to effective and traceable manufacturing controls and end-of-line testing.

All of our manufacturing plants and R&D facilities are certified to internationally recognised standards, such as ISO 9001:2015 Quality Management System, ISO45001: 2018 Occupational Safety and Health Management System and ISO14001: 2015 Environmental Management System. At the core of our business processes are three functions: product development, realisation and distribution. These processes are carefully monitored by our Executive Leadership Team against predefined targets and to enable closed-loop learning.

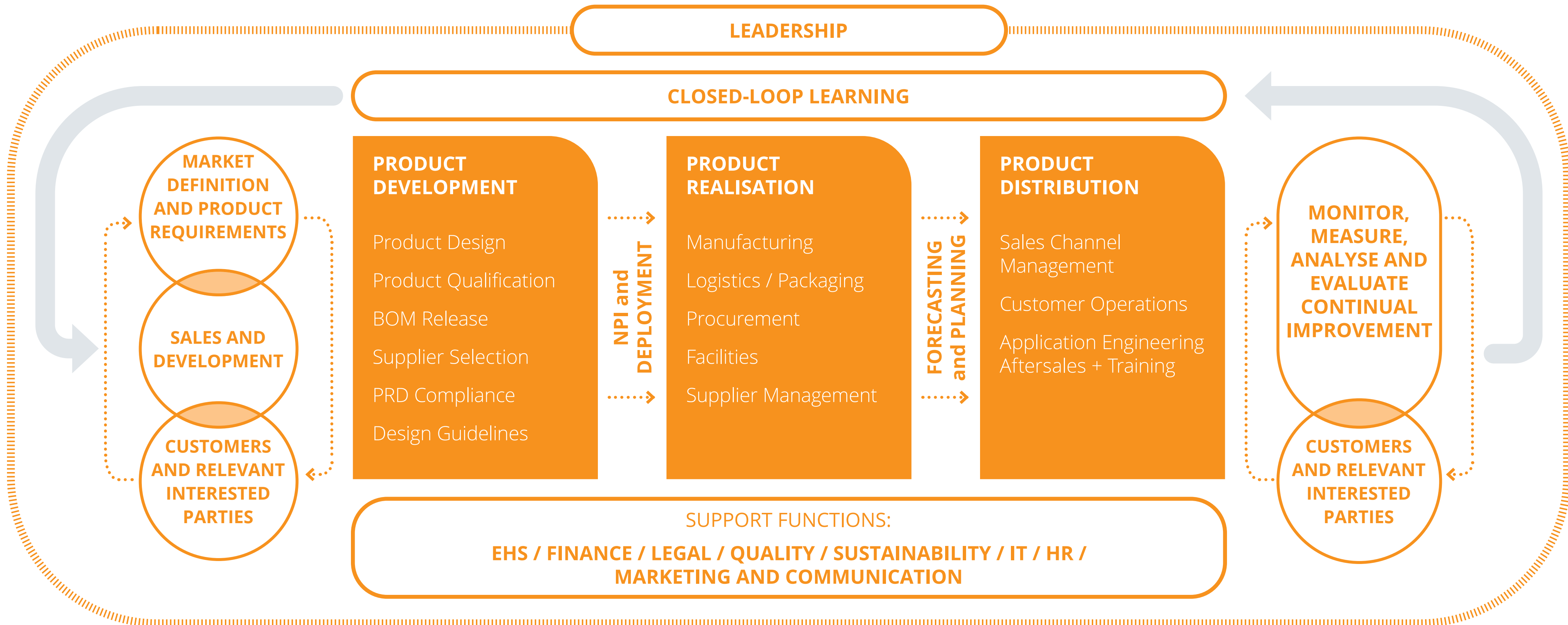
Monitoring these processes allows us to continually seek opportunities for innovation and improvement, while taking our stakeholders' considerations into account. As demonstrated in the process map on the next page, the support functions collaborate closely with product teams to ensure excellence in our operational teams and in our overall efficiency as an organisation.



GOVERNANCE

Product Quality, Reliability and Safety

Maxeon's Process Map, reflecting business process interactions in our organisation



GOVERNANCE

Product Quality, Reliability and Safety

Our Initiatives

Maxon exhibits confidence in the quality of our panels through our industry-leading, 25-year warranty. Our panels undergo extensive testing to ensure confidence in manufacturing quality, product performance and reliability over time. All our products are certified using internationally recognised third-party certification bodies, before shipping to our customers.



Internally we perform regular outgoing reliability assessments to validate the performance of our panels prior to shipment. These reliability assessments are based on methodologies defined in our Reliability Monitoring programme.

Beyond the production of high-quality panels, we further control any changes through a rigorous change management process in which criteria are set forth to assess the impact of any change impacting form, fit or function.

Maxon's iQuality system is customised to facilitate and retain various quality and reliability information to actively demonstrate our emphasis on data integrity and transparency.

We also ensure that we undertake stakeholder engagement in the quality, reliability and safety of our panels, which assists us in enhancing our processes for greater efficiencies. Engagement of employees on the shopfloor allows for the insight of differing perspectives. This level of engagement sparks ideation and assists in the continual improvement of solar solutions that are ever more efficient and reliable.

"Driving quality, reliability and safety is an integrated effort and embedded in everything we do."

Dr. Thorsten Juchem

Senior Director, Manufacturing Quality and Reliability



Local management team headed by Wouter Ooghe, General Manager, FAB 3 regularly engages manufacturing Team Leaders at Cluster Meetings

GOVERNANCE

Product Quality, Reliability and Safety

Performance Highlights

The quality, resilience and reliability of our panels is recognised through a number of reputable certifications, some of which are focused on overall product quality while others focus more on specific performance aspects. Our IBC panels not only meet all certification requirements, but perform safely far beyond the 25-year warranty period – generating typically 35% more power compared to standard PV panels.

Maxeon has been compliant with all regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period. There have been zero cases of non-compliance in this regard.

Looking Forward

Maxeon will continue to strive for unparalleled excellence in the quality, reliability and safety of our solar panels. Through regular engagement with stakeholders and leading industry developments, we aim to foster increased innovation.

Typical Certifications	Description
IEC 61215	Terrestrial modules – Design qualification and type approval
IEC 61730	Module safety qualification
IEC 61701	Salt mist corrosion testing
IEC 62804	Detection of potential-induced degradation (PID)
UL 1703	Flat Plate PV Modules and Panels
IEC 62716	Photovoltaic (PV) modules – Ammonia corrosion testing

GOVERNANCE

Sustainable Innovation

Management Approach

In a world of constant change, the only way to make a meaningful impact is to stay ahead of the curve in spite of the demands of fast-changing climate conditions across the globe. We do so through our products and by positively affecting the value chain, both upstream and downstream. We believe in collaborative innovation – influencing and working hand-in-hand with our suppliers to design new processes and solutions to be leaner and more efficient in our material utilisation. We also enable our customers to achieve their solar and clean energy goals through innovative, reliable and efficient technology.

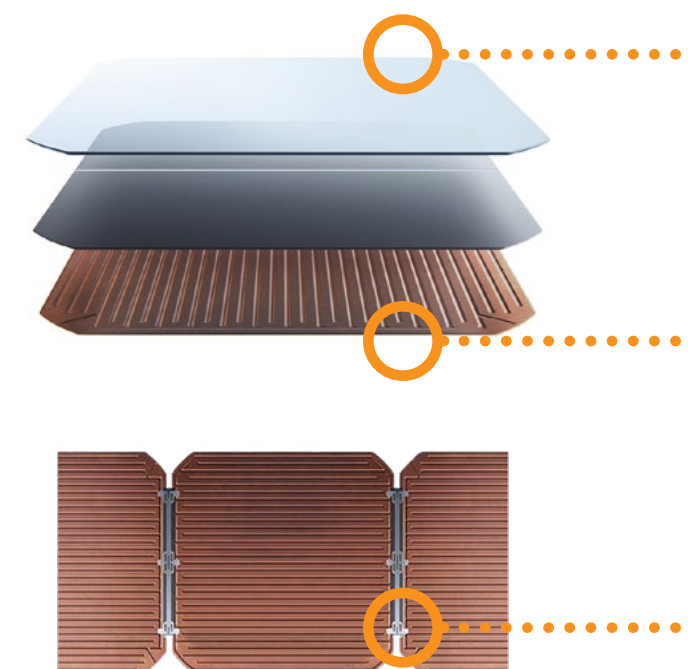
Our Initiatives: Innovating to Meet the Demands of a Changing Climate

SunPower Maxeon panels are engineered to meet the challenges of a changing climate and more weather extremes which will be more prevalent in the future. One of the durability tests SunPower Maxeon panels endure is a Humidity Freeze that mimics the whiplash of a freeze-thaw cycle. The test involves a temperature swing of -40 to +85°C, one cycle per day, with a heat and humidity soak (85% RH, 85°C)

at the top part of the cycle followed by a freeze cycle to impart high mechanical stresses on the components. Testing reveals that there is almost no impact from this stress on our panels, even after 380 cycles (38 times what's required for certification). Conventional panels, on the other hand, show power loss after 10 to 20 cycles.

The patented metal foundation of Maxeon cells allows them to bend under tough conditions with our proven track record of an expected useful life of 40 years and a return rate of less than 0.005% on over 15 million panels shipped and studied.

Refer [here](#) to find out more.



No grid lines

SunPower Maxeon cells use back-contact conductivity, eliminating unsightly metal gridlines, and enabling them to absorb more sunlight.

Solid metal backing

Metal adds massive strength to each cell, helping it resist corrosion from the element, while making the entire panel more durable.

Thick connectors

Expanding and contracting from daily temperature swings are no problem with our built-in strain relief and thick, triple-redundant connectors.

GOVERNANCE

Sustainable Innovation

Our Initiatives: Product Design and Innovating with our Suppliers in our Value Chain

Our sustainability efforts carry through to our modulisation technology and product innovation as well. We leverage our in-depth knowledge of solar cell and solar panel construction to push the boundaries of module efficiency without compromising reliability or performance. High-efficiency modules use less raw materials like metal, plastic, and glass for every watt-hour of energy produced as well as secondary impacts such as savings in transportation emissions.

Other areas of module improvements involve working with industry leading suppliers on minimising the size of our junction boxes and placing them optimally on the module which reduces the volume of plastics used in the housing, cables, connectors and potting material. Maxeon is uniquely positioned to innovate relentlessly in sustainability and efficiency programmes that minimise our impact up and down the solar supply chain.

Our Initiatives: Enabling and Supporting our Customers' Clean Energy Journey

As Maxeon builds on a legacy of 35 years of pushing the boundaries of innovation, we continue to provide products that are more powerful, reliable and durable than any other panel on the global market. In turn, our customers can power their homes and businesses more efficiently using our solar panels.

GOVERNANCE

Sustainable Innovation

SUCCESS STORY

SolarStratos



With a wingspan of 24 metres and weight of 450 kg, the SolarStratos plane is covered by 22m² of SunPower Maxeon solar cells that charge a 20-kW lithium-ion battery system, which powers a 32-kW electric motor – about the third the size of a typical electric vehicle engine.

The team's goal is to eventually fly the electric aircraft into the stratosphere, which begins 10-13 km from the surface of the earth.



“SolarStratos requires the best-of-the-best when it comes to solar efficiency, and Maxeon is constantly pushing their technology to its limits. We want our record-setting projects to demonstrate how solar is actually a technology that everyone can utilise in their daily lives.”

Raphaël Domjan, SolarStratos Founder and Pilot

[Click here to find out more.](#)

SUCCESS STORY

Lightyear One



Electric cars are considered the most energy efficient of all vehicles today. All with a design aesthetic as clean as the energy it produces.

Lightyear One, a fully functioning prototype uses SunPower Maxeon solar cells. Our innovative copper foundation gives each cell far more strength and flexibility than conventional ones, wrapping beautifully around Lightyear One's sweeping contours without cracking.



Recent testing showed that it can travel up to 725 km without a recharge — a distance no other commercially available EV can touch.

“The car actually is based on the fact that we had to fit five square metres of solar panels onto it, and all the rest is designed around it.”

Rocco Carrieri, Senior Designer for Lightyear partner Granstudio.

[Click here to find out more.](#)

GOVERNANCE

Sustainable Innovation

SUCCESS STORY

CETYS

A private, nonprofit university, CETYS now lays claim to the largest university solar installation in Latin America. At the Mexicali campus, an innovative carport system powered by Maxeon provides much-needed shade for more than 3,700 students and almost 780 faculty members and staff while producing enough clean energy to power approximately 50% of the campus' electricity needs. In Tijuana, a rooftop system leveraging our technology at the campus athletic facility provides 100% of the annual electricity used at the gym, auditorium and sports complex.



“We decided that Maxeon offered us the best panel, it is the panel that has the most production effectiveness with the longest guarantee, and the fact that they are manufacturing the panels here in Mexicali was also important.”

Mario Dipp, Dean of CETYS University at the Mexicali campus

Click [here](#) to find out more.

Performance Highlights

Companies around the world want to minimise their environmental impact and rely on solar as a critical piece of their ESG approach. In 2020, Maxeon continued to innovate right along with our customers, even as the world was in the grips of a global pandemic. We provided customers with 1.085 GW of clean energy through our products in spite of work disruptions and business shutdowns.

Looking Forward

As the world emerges from the COVID-19 pandemic, we will continue to partner with customers and suppliers who share our vision in building equitable, sustainable communities powered by clean energy. We will relentlessly pursue more ways to push the boundaries of innovation and play a leading role in collectively tackling climate change worldwide.

GOVERNANCE

Customer Engagement and Satisfaction

Management Approach

Customers are the heartbeat of any business, but for Maxeon, this is particularly true as our products literally come to life on our customers' homes and businesses. Strong customer relationships have a profound effect on our ability to expand the adoption of solar energy and engage in the global effort to fight the effects of climate change.

Like any good relationship, our customer relationships are built on trust. At Maxeon, we build and nurture our customers' trust through the consistency and quality of the products we deliver, the support we provide throughout our products' lifecycle, and the installation partners and distributors with whom we do business.

Our Initiatives

Customer satisfaction at Maxeon begins with the products we build and continues throughout the products' installation and lifetime performance. Every residential and commercial panel is backed by a 25-year Complete Confidence Warranty, ensuring that customers can put their full trust in our product. Each panel is manufactured with absolute confidence that it will deliver more energy, reliability and

savings over time – backed by extensive third-party testing and field data from more than 35 million panels deployed worldwide.

Performance Highlights

Net Promoter Scores (NPS) are a common metric used to track customers' loyalty to a company. Customers who give a rating of 9 or 10 are called Promoters – they are most likely to promote or recommend a company's products or services. Ratings of 8 and 7, referred to as Passives, represent customers who are satisfied, but not particularly inclined to promote your company. A rating of 6 and below is considered a Detractor, since the respondents are not fully satisfied with the service offered and may share their negative experience with others. The NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters. Scores above 0 are considered good and those above 50 are excellent.

“Listening to our customers and understanding their expectations and needs are critical to enable them to fulfil their clean energy objectives.”

Mark Babcock

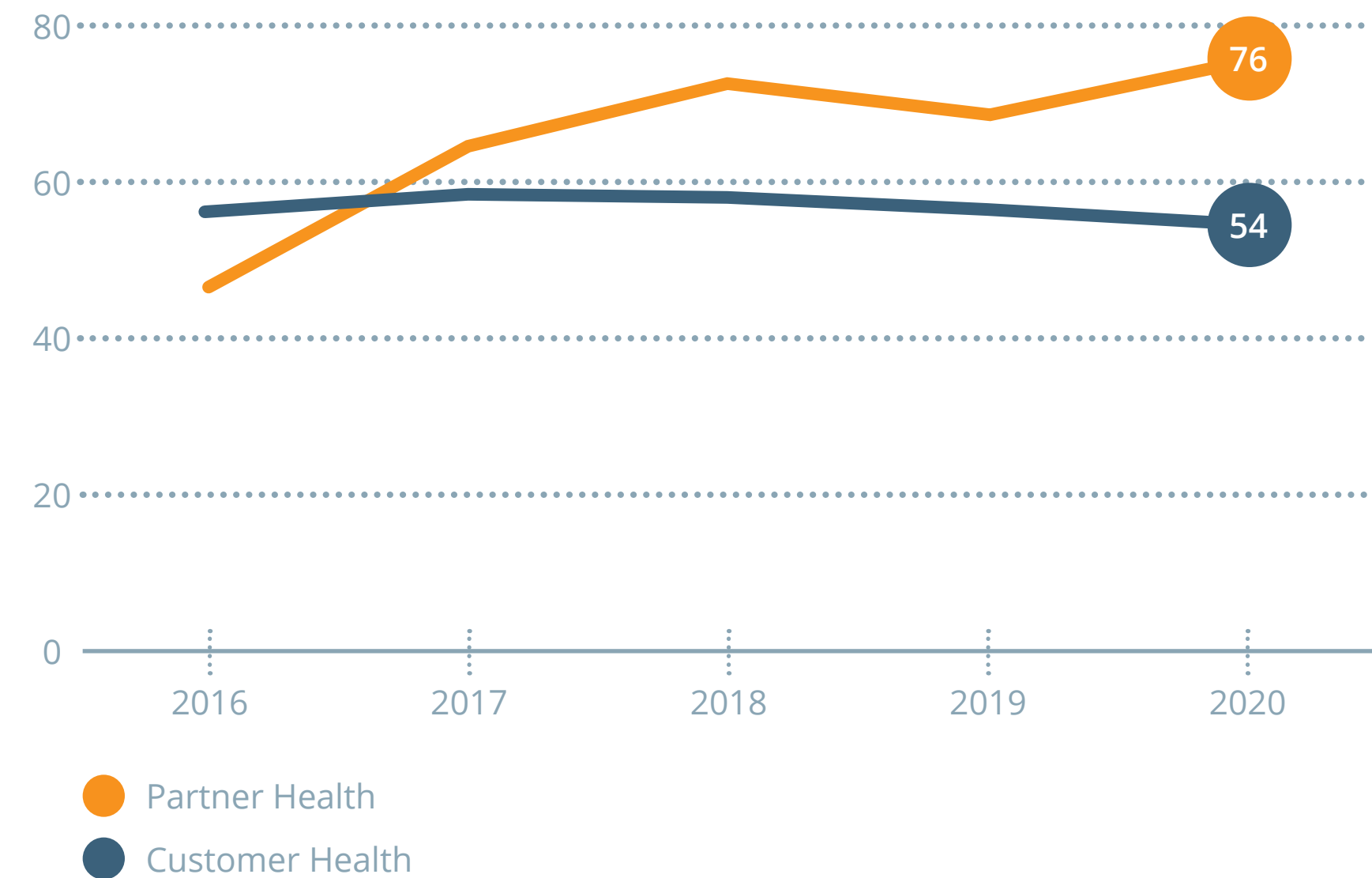
Chief Revenue Officer

GOVERNANCE

Customer Engagement and Satisfaction

At Maxeon, we measure NPS for both the performance of our products (Customer Health) and installation partners (Partner Health) who engage first-hand with our customers.

NPS Scores over the past five years



Customer Health

Maxeon is committed to ensuring our customers are happy with their systems for years to come. We invite our customers to share their feedback on both our products and our partners in three ways:

- **Installation Experience Survey** – One month after the installation is completed, we conduct a customer survey to ask how likely a customer is to recommend their Maxeon installation partner to friends and family. Additionally, we ask for feedback on the customer experience provided by the partner throughout the entire installation process (e.g., meeting commitments, responsiveness, system design, installation phase).
- **One-Year System Experience Survey** – On the first anniversary of a customer's system installation, we send a second survey to ask how likely the customer is to recommend our products and to what extent the installation met the customer's expectations.
- **Issue-To-Resolution** – Our customers are always able to contact us with questions or concerns. After a customer's query has been resolved, a survey is sent to the customer to evaluate their experience.

Our NPS for Customer Health is a combination of all the responses from the three surveys above.

GOVERNANCE

Customer Engagement and Satisfaction

Partner Health

We also conduct an annual Maxeon Partner Survey to assess how we are doing in different areas of our business. Based on feedback from our partners, who are the installers and distributors that we work with, we put in place an action plan to improve the partner experience across the different functions. We take partners' feedback very seriously and where a comment relates to a particular issue, we will contact the partner and do our best to solve it.

In addition, similar to our approach to Customer Health, partners of Maxeon also receive the Issue-To-Resolution Survey for any queries they report to us.

The NPS for Partner Health consists of a combination of results from these surveys, with the Annual Survey carrying the most weight in the calculation.

Looking Forward

Moving forward, Maxeon continues to value customer satisfaction. We will focus on securing and enhancing trust with our current and future customers through our industry-leading warranty and by seeking out and learning from customer feedback. This will be achieved through our surveys but also by keeping Net Promoter Scores part of our staff's KPIs, something we have had in place since we began calculating NPS in 2016.

We will continue to evolve and enhance our customer engagements with the feedback received and expand the programme into new regions and customer segments.



Forward-Looking Statements

This Sustainability Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to: statements regarding the Company's financial and operating expectations, market leadership, customer value proposition and competitive advantages; the Company's strategic goals and plans, including relationships with existing customers, suppliers and partners and our ability to maintain them; the legislative and regulatory environment of the solar industry; the Company's ability to manage supply chains and workforce. These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission ("SEC") from time to time, including our most recent report on Form 20-F, particularly under the heading "Item 3.D. Risk Factors." Copies of these filings are available online from the SEC or on the Financials & Filings section of our Investor Relations [website](#). All forward-looking statements in this Sustainability 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.

Building a Better Tomorrow

“By broadening our sustainability strategy to a global ESG platform, we can make an even greater impact on the communities we serve. It’s a commitment inspired by our company purpose, Powering Positive Change™ – our steadfast belief that, by constantly improving ourselves, we help create a better future for our planet, our stakeholders and our business.”

Jeff Waters

Chief Executive Officer
Maxeon Solar Technologies

maxeon

POWERING POSITIVE CHANGE™

For any questions on this Report, please contact us at esg@maxeon.com.

To find out more about our ESG commitments, visit our webpage [here](#).

Our Content Index (Appendix) can be found [here](#).