

Maxeon Sustainability Report 2022

maxeon
POWERING POSITIVE CHANGE



Table of contents

Introduction	2	Social	39
Letters from leadership	3	Spotlight: Launch of Maxeon Gives	40
About this report	5	Social stewardship: An overview	41
Key highlights of 2022	6	Occupational health and safety	42
About Maxeon Solar Technologies	7	Fair labour and human rights	45
A leader in solar innovation	8	Employee engagement	50
Sustainability approach and governance	9	Learning and development	53
Environmental	17	Diversity and inclusion	57
Spotlight: Launch of the SunPower One ecosystem	18	Community investment	61
Our environmental responsibility: An overview	19	Social performance metrics	65
Energy and emissions	25	Governance	70
Water management	27	Spotlight: Collaboration with Solar Energy Research Institute of Singapore (SERIS)	71
Waste	29	Governance approach: An overview	72
Circular economy	32	Business integrity and ethics	75
Environmental performance metrics	34	Product quality, reliability and safety	79
		Sustainable innovation	81
		Customer engagement and satisfaction	83



Introduction



Environmental



Social



Governance

Appendix



Letters from leadership

We are proud to present Maxeon’s third Sustainability Report, a testament to all we have accomplished in less than three years as an independent company as well as a blueprint for continued improvement in the areas that matter most to us.

Maxeon hails from a heritage of pioneering solar innovation dating back to 1985. With the spin-off from SunPower Corporation in August 2020, Maxeon had a foundation of a world-leading sustainability programme in producing the world’s best performing solar panels, and since then has continued to focus on building upon its technical and sustainability excellence.

As an independent company, Maxeon has successfully built on this strong heritage to create a world-class ESG / sustainability programme that encompasses everything we do as a company, starting with the quality of products we produce and striving for a similar passion for excellence in everything else we do on the environmental, social and governance fronts.

We were delighted to be recognized as a global leader for sustainability this year, being named in the top 1% of public companies globally by Corporate Knights.

As in past years, Maxeon’s Sustainability Report covering the 2022 reporting year aligns itself to the highest international standards of sustainability reporting, including the Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB) and the United Nations Global Compact (UNGC).

On behalf of the Board of Directors and Executive Leadership Team of Maxeon Solar Technologies, we express our sincere appreciation to our staff, partners and stakeholders for your unwavering support, and we look forward to your continuing partnership as we enter an exciting phase of growth for our company.



Bill Mulligan

Bill Mulligan
Chief Executive Officer



A. Colvin

Donald Colvin
Chairman of the Board of Directors



Introduction



Environmental



Social



Governance

Appendix



Letters from leadership

It is hard to believe this is the third Sustainability Report I have overseen as the Executive Sponsor of Maxeon’s ESG programme. This is a great time to reflect on all we have achieved as a company, as well as to look to the future as we continue on our sustainability journey.

We are proud of the milestones achieved in 2022 and are eager to continue to Power Positive Change in a sustainable and innovative manner. Our recently published *Powering a Circular Economy: Recycling and Sustainable Manufacturing* sets forth our company-wide sustainable practices we have been developing over the years. This includes celebrating the industry-leading technology we produce as well as documenting how we source the raw materials for our products, how we manufacture, how we transport our products and how we package them.

In 2022, Maxeon achieved Cradle to Cradle Silver certification from the Cradle to Cradle Products Innovation Institute for Sunpower Maxeon direct current (DC) solar panels this year after rigorous evaluation of our sustainable practices. Our panels were the world’s first solar panels to earn this prestigious certification, and our Silver level remains the highest level achieved by any solar company. This is just one of the many ways in which we demonstrate our steadfast commitment to the protection of the environment by powering a circular economy.

Of note in this year’s Sustainability Report, this year we are enhancing our reporting by beginning to use the Task Force on Climate-related Financial Disclosures framework, known as ‘TCFD’. You will see our climate-related risks and opportunities are set forth in this year’s Report. This disclosure will be gradually enhanced over the next three years as we continue with the TCFD disclosure process.

Additionally, we launched Maxeon Gives on our second anniversary as an independent company in August 2022. This is our corporate social responsibility (CSR) initiative. The program sees our solar panels donated to communities around the world and is part of our ongoing commitment to provide access to affordable, reliable, sustainable energy for all.

As Maxeon builds towards our 2030 ESG Long-Term Targets, we intend to grow our impact by expanding our manufacturing in a sustainable way and thereby furthering our industry leadership.

We thank our internal and external stakeholders for your support on our sustainability journey and look forward to your continued collaboration in our future endeavors.



Lindsay Wiedmann
Chief Legal & Sustainability Officer



Introduction



Environmental



Social



Governance

Appendix



About this report

Reporting scope and period

We are pleased to present our third annual Sustainability Report (“Report”), published by Maxeon Solar Technologies, Ltd. (the “Company” or “Maxeon”), (NASDAQ: MAXN).

As a follow-up from our last published Sustainability Report on 30 June 2022, this Report highlights our sustainability performance and efforts across environmental, social and governance (“ESG”) considerations for the financial year that ended on 31 December 2022 (“FY 2022” or “2022”). The Report will exemplify our sustainability strategies, aspirations and advancements relating to our material ESG topics, across the financial year. We continue to hone and further our sustainability commitment to our valued stakeholders including our employees, investors, customers, business partners, suppliers, contractors, regulators, and the communities in which we operate, as demonstrated within this Report.

The Sustainability Report supplements [Maxeon’s Annual Report 2022](#), reporting on the same period, which can be found on our [website](#).

Reporting standards

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Universal Sustainability Reporting Standards 2021 and is aligned to the Sustainability Accounting Standards Board (“SASB”): Solar Technology Project Developers Standard. We selected these widely accepted international reporting standards due to their ability to enable comparability in performance through an industry-specific lens and year-on-year internal analysis. Additionally, these standards aid in providing a robust framework for guiding our sustainability strategy whilst ensuring proper performance management, tracking and reporting. As we are headquartered in Singapore, we also adhere to the reporting requirements set out by Singapore Exchange (“SGX”).

Furthermore, we have aligned our Report to the United Nations Sustainable Development Goals (“UN SDGs”) and continue to remain committed as a signatory of the United Nations Global Compact (“UNGC”). In FY 2022, we adopted the Task Force on Climate-related Financial Disclosures (“TCFD”) to further our sustainability performance, promote transparency and acknowledge the climate-related impacts associated with our organisation and its operations.

Quality of report and assurance

We engage external experts to verify alignment of our Sustainability Report content with the requirements of the GRI Standard. Whilst we do not seek external assurance for this Report, we have robust systems to ensure the accuracy of the information reported. We plan to seek external assurance within the next three years.

Publication date

This Report is published on 28 June 2023.

Restatement of information

We have restated our 2020 and 2021 training hours data in this Sustainability Report due to an update in Maxeon’s Learning Management System, which resulted in a more detailed and accurate breakdown of the training hours.

Feedback

Maxeon welcomes any questions or feedback on this Report. For more information, please contact our Global Environmental, Social and Governance Lead, Stella Chan, at esg@maxeon.com.

Memberships in associations

- United Nations Global Compact (“UNGC”)
- Australian Packaging Covenant (“APCO”)
- Supplier Ethical Data Exchange (“SEDEX”)
- Declare – International Living Future Institute (“Declare”)
- Cradle to Cradle Products Innovation Institute (“Cradle to Cradle”)
- Chief Financial Officer (“CFO”) Coalition for the SDGs

Introduction



Environmental



Social



Governance

Appendix

Key highlights of 2022



Environmental	Social	Governance
Launch of Sunpower One ecosystem	Launch of Maxeon Gives	Collaboration with Solar Energy Research Institute of Singapore
Kick-off of climate risk analysis and TCFD recommendations alignment	Launch of Employee Resource Groups	Partnership with Star Charge
Investing in sustainable packaging	Young SDG Leaders Programme	Partnership with AlphaESS
Cradle to Cradle, Silver Certification		

Introduction



Environmental



Social



Governance

Appendix



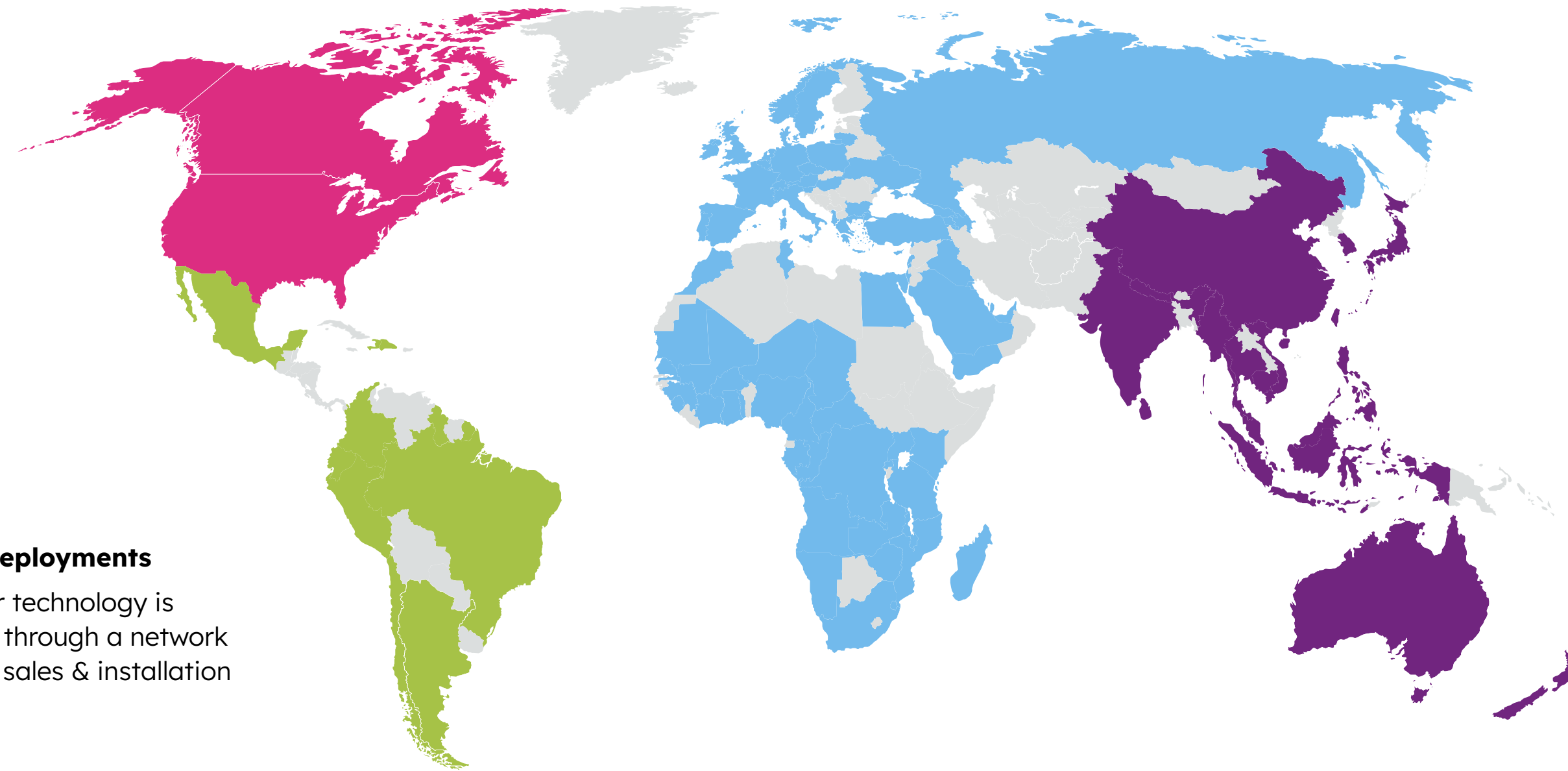
About Maxeon Solar Technologies

Headquartered in Singapore, Maxeon is responsible for designing and manufacturing Maxeon® and SunPower® brand solar panels. Our sales operations span more than 100 countries and operate under the SunPower brand outside of the United States, Canada and Japan. As an industry leader in solar innovation, we own more than 1,000 patents and have invented two highly successful, best-in-class solar panel product lines.

As a committed signatory and supporter of the UNGC and UN SDGs, we demonstrate our dedication to driving sustainability within the solar industry through our industry-first green credentials for our solar panels and our LEED-certified facilities.

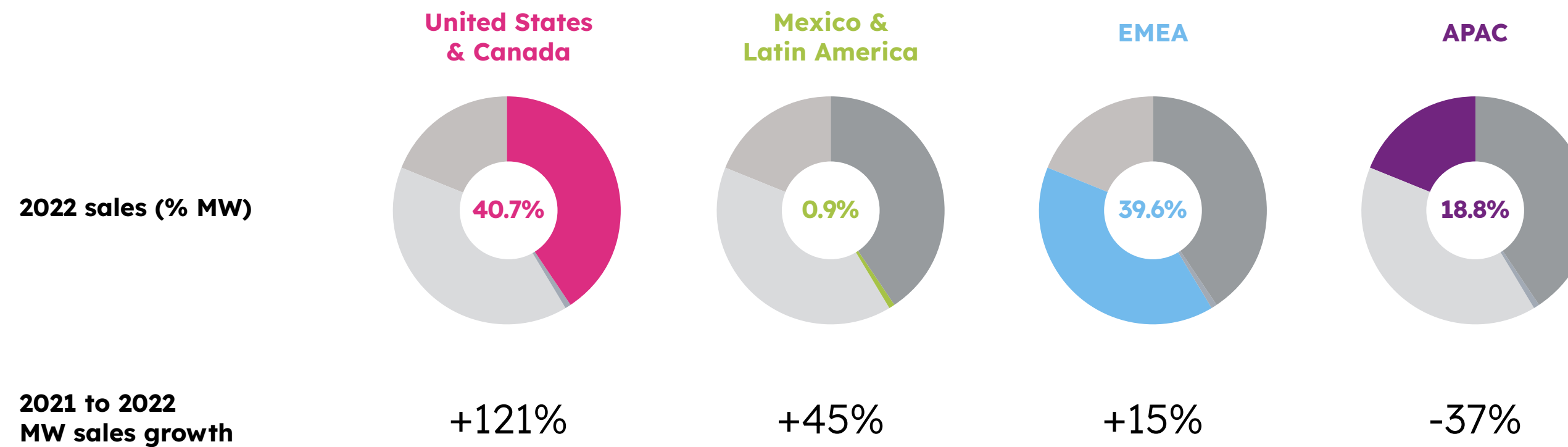
Currently, we have four production facilities located in the Philippines, Mexico and Malaysia. As our product reach extends to Africa, Asia, Oceania, Europe and the Americas, we offer our products across the international solar power market through our trusted network of more than 1,700 partners and distributors. Expanding on a rich, 35+ year legacy of challenging the innovation boundaries of the solar industry, Maxeon has achieved numerous accolades for its leadership in novel solar manufacturing technology. We have successfully enabled more than 1,000,000 customers to embark on their sustainable journeys, creating positive impact through their transition to solar energy.

For more information on our business and operations, please refer to our website at www.maxeon.com.



Global Deployments

SunPower technology is deployed through a network of 1,700+ sales & installation partners.



Introduction



Environmental



Social



Governance

Appendix

About Maxeon Solar Technologies



A leader in solar innovation

At Maxeon, we offer a comprehensive solar panel product portfolio that provides our customers across the residential, commercial and power plant markets with alternatives to meeting their energy requirements. Our product offerings include the Maxeon line of interdigitated back contact (IBC) solar cells as well as our Performance line of shingled solar panels. As a testament to our commitment to providing reliable solar technology and quality products whilst ensuring customer satisfaction, our panels have an industry-leading 25-year power and performance warranty, and a recently introduced 40-year warranty for our SunPower Maxeon panels, which includes a broad scope of maintenance services, such as panel repair and replacement. Ultimately, through our products and services, we are enabling a seamless transition to solar energy for our customers, supporting a global shift towards sustainability.

Maxeon

Fundamentally different, and better

#1 Solar Panel Efficiency¹

in the market, fitting more energy in less space

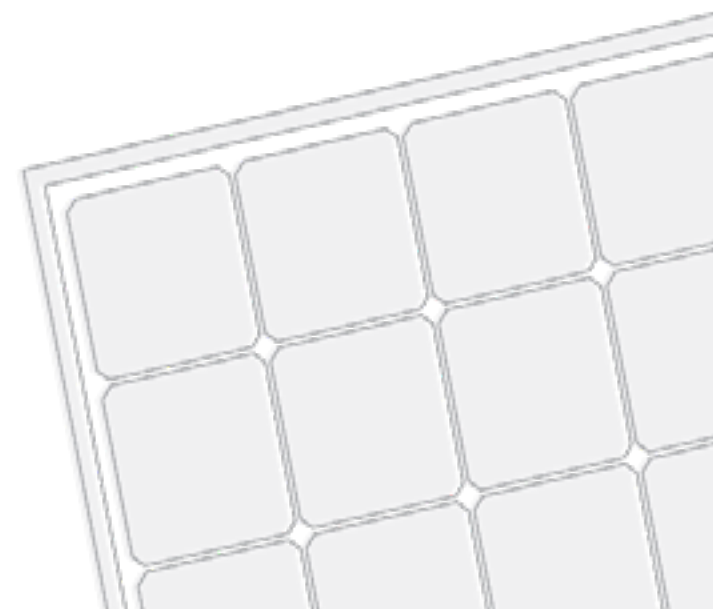
#1 Lowest Degradation Rate

in the solar industry²

Leading Durability²

with a 40-year warranty³, top module reliability performer⁴

Ultra-pure silicon on a patented copper foundation



Performance

Making the conventional, exceptional

Higher Efficiency at a Value Price

Patented technology, G12 wafers, Maxeon and China JV

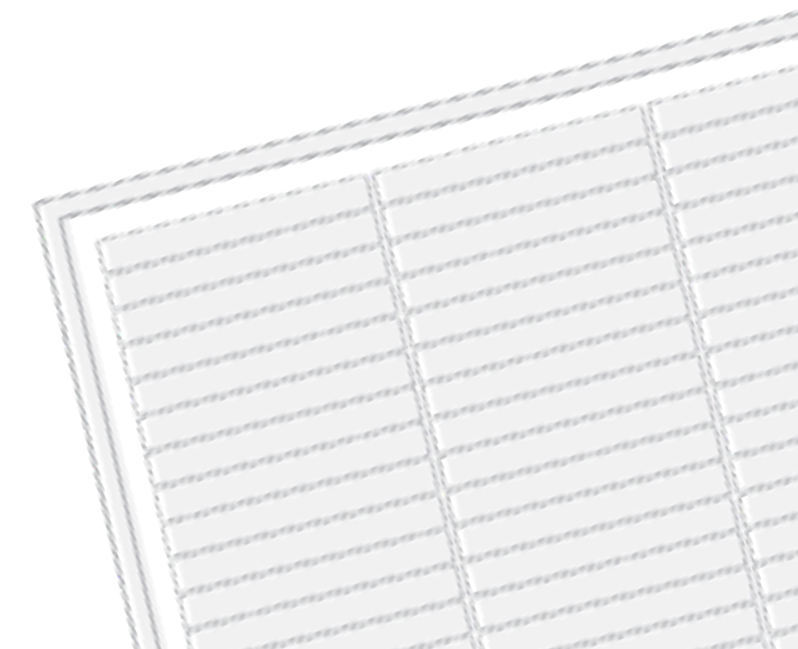
Enhanced Energy Yield

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



1. Based on search of data-sheet values from websites of top 20 manufacturers per IHS, as of January 2022.
2. As of 2018, Jordan, et al, "Robust PV Degradation Methodology Application" PVSC 2018 and "Compendium of Photovoltaic Degradation Rates" PiP 2016.
3. SunPower Maxeon solar panels are backed by a 40-year warranty. Subject to terms and conditions. Not available in all countries. 40-year warranty requires registration, otherwise our 25-year warranty applies.
4. SunPower panels have been identified as Top Performers in the PVEL PV Module Reliability Scorecard since 2017: <https://modulescorecard.pvel.com/>.

Introduction



Environmental



Social



Governance

Appendix



Sustainability approach and governance



Our approach to sustainability

At the forefront of driving sustainable innovation in the solar industry, Maxeon strongly believes in setting a high standard for the industry to mitigate climate change and its negative effects. As such, we continuously endeavor to create positive and valuable impacts on the environment, the energy industry, our customers, the communities we serve and operate in, and beyond. As we integrate the core values of ESG into our business strategy to safeguard the environment, add value, manage affiliated risks, and enhance our reputation, our sustainability ambitions and strategy are integral to our organisational purpose, values and sustainability pillars.

Purpose & Values

Maxeon’s purpose and company values are at the heart of everything we do.

Maxeon values drive decisions we make every day.

Our Values

- We Push the Boundaries
- We Hold Ourselves to a Higher Standard
- We Thrive Together



Key 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

UN SDGs



Introduction



Environmental



Social



Governance

Appendix



Sustainability approach and governance

Governance and culture in driving ESG

Our ESG and sustainability strategies, initiatives and performance are overseen by our Executive Leadership Team (ELT) and Nominating and Corporate Governance Committee (NCGC) of the Board of Directors (the “Board”), comprised of two independent directors and two directors appointed by our shareholders, TotalEnergies SE and TCL Zhonghuan Renewable Energy Technology Co., Ltd. (TZE). As such, we are able to further account for stakeholder perspectives in our sustainability considerations and strategies.

Our senior management, including the Board, ELT and NCGC, are further responsible for ensuring the review of all ESG issues relating to our material topics to ensure the effective management and performance by the organisation. Moreover, the NCGC is responsible for reviewing and approving all sustainability reported information, including our material topics. Any issues or processes that require approval are presented to the ELT in quarterly approval meetings in which the ELT obtains updates from each respective department, further informing their decision-making processes and considerations. Subsequent to acquiring insights from the relevant departments, Maxeon’s NCGC deliberates on any issues presented, and arrives at an outcome through consensus.. As such, we consider the viewpoints of our stakeholders when identifying outcomes, furthered by the shareholder representation within our Board.

Additionally, as it is pertinent to remain aware and acquainted with evolving ESG developments, trends, opportunities and risks, our Chief Legal & Sustainability Officer is tasked with managing ESG impacts, initiatives and operations, whilst providing updates and presentations to the NCGC regarding global sustainability shifts and advancements of our internal ESG initiatives and measures, on a quarterly basis. As the Board has delegated to the NCGC its responsibility for maintaining oversight of ESG strategies, initiatives and performance, these updates serve to further inform all sustainability-related matters at Maxeon.

For more information on our governance framework and financial performance, please refer to our [Annual Report](#).

Nominating and Corporate Governance Committee

Executive Leadership Team

Chief Legal & Sustainability Officer

Global ESG Team



Introduction



Environmental



Social



Governance

Appendix

Sustainability approach and governance

Actively engaging stakeholders

A critical part of our sustainability journey entails engaging with our stakeholders to better comprehend and address their needs. We have identified our material stakeholders through the dual lens of the impact Maxeon has on them and the role they play within the organisation. A summary of our ongoing engagement with our stakeholders is presented below and is addressed across the different sections of this Report.

	 Investors	 Not-for Profit	 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

Sustainability approach and governance

Materiality assessment process

The first step of our sustainability journey entails recognising the importance of accurately identifying the negative and positive impacts of our business on the environment, people and the economy. In FY 2022, we engaged an external consultant to undertake a refreshed materiality assessment to adhere with the updated GRI 2021 Standards and review the existing material topics most relevant to us. As the revised GRI Standards introduced a new definition of materiality that focuses on capturing the outward ESG impacts of an organisation, our assessment methodology focused on identifying the material topics most relevant to us whilst placing a greater emphasis on assessing Maxeon’s holistic impact. The materiality process revealed the residual impacts of each material topic, indicating priority ESG areas for Maxeon as a result of a comparatively larger negative material impact through an outward lens. As a result, the topics identified include:

- Energy and emissions
- Water management
- Waste
- Circular economy
- Fair labour and human rights
- Community investment
- Business integrity and ethics

This Report describes our efforts to mitigate the negative impacts associated with these material topics and maximise the positive impacts of all material topics. The materiality assessment followed a precautionary, principled approach in establishing and prioritising our material topics based on their potential impact on Maxeon and our customers, employees, suppliers and other stakeholders. As a result of this revamped materiality assessment process, we are able to capitalize on emerging sustainability issues, industry trends and market needs moving forward. Our prioritized ESG material topics are approved by ELT and NCGC.

Pillar	Material Topics	UN SDGs
<p>Environmental Creating positive environmental impact to sustain our natural world by investing in technologies to combat climate change</p>	<ul style="list-style-type: none"> • Energy and emissions • Water management • Waste • Circular economy 	 
<p>Social Creating positive value in society and communities by leading, partnering on and supporting initiatives to enhance people’s lives</p>	<ul style="list-style-type: none"> • Occupational health & safety • Fair labour and human rights • Employee engagement • Learning and development • Diversity and inclusion • Community investment 	
<p>Governance Creating positive economic value and maintaining ethics and integrity through responsible and transparent business practices</p>	<ul style="list-style-type: none"> • Business integrity and ethics • Product quality, reliability and safety • Sustainable innovation • Customer engagement and satisfaction 	

Sustainability approach and governance



Our sustainability milestones

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

Introduction



Environmental



Social



Governance

Appendix



Sustainability approach and governance



Long-term targets & performance

We have established long-term targets to guide our ESG efforts through a comparative assessment of our current performance against a baseline of 2020, aiding in the identification of the way forward. Our sustainability performance and targets are measured through our established 2020 baseline as this was the year of our inaugural Sustainability Report, and accurately reflects our normalized operational capacity. Maxeon continuously refers to the following to inform its sustainability direction and ambitions.

Material topic	Metric	2020	2025	2030	Narrative description	2022 performance
ENVIRONMENTAL Energy and emissions	Energy intensity (MWh consumed/ MW produced)	254	10% improvement from 2020	20% improvement from 2020	<ul style="list-style-type: none"> Lead the global transition to clean energy by enabling our customers to achieve their GHG/net zero targets Maximise Maxeon’s use of renewables (on site/virtual PPAs) Improve Maxeon’s own energy intensity per site/product line Improve Maxeon’s own emissions intensity per site/product line Continue to report Scopes 1, 2, 3 and 4 emissions across Maxeon’s sites 	Our energy intensity decreased to 175 MWh consumed/ MW produced, 31.3% improvement from 2020.
	Emissions intensity (tCO ₂ e/MW produced)	160	10% improvement from 2020	20% improvement from 2020		
ENVIRONMENTAL Water management	Water intensity (m ³ used per MW produced)	3,874	2.5% improvement from 2020	5% improvement from 2020	Maxeon is committed to being at the forefront of creating a Circular Economy in the solar industry, as evidenced by: <ul style="list-style-type: none"> First in the industry to be Cradle to Cradle Certified NSF Landfill-Free Verification Declare label Maxeon will continue to be a leader in conservation and will better its water intensity and recycling of waste figures every year, achieving 5% improvement in water intensity and 10% in waste recycling by 2030	Our water intensity decreased to 2,602 m ³ /MW produced, 32.8% improvement from 2020.
ENVIRONMENTAL Waste	Waste Recycling	80%	5% improvement from 2020	20% improvement from 2020	Maxeon will continue to be a leader in conservation and will better its water intensity and recycling of waste figures every year, achieving 5% improvement in water intensity and 10% in waste recycling by 2030	Decrease in overall recycling rate to 68% of total waste recycled
ENVIRONMENTAL Circular economy	Cradle to Cradle (for Maxeon products)	Bronze	Silver	Gold	Maxeon will estimate its Carbon Footprint (g CO ₂ /kW) and Energy Payback Time (years (or fractions thereof)) to convey Maxeon’s environmental impact more clearly	Achieved Cradle to Cradle Silver

Introduction



Environmental



Social



Governance

Appendix



Sustainability approach and governance



Material topic	Metric	2020	2025	2030	2022 performance
SOCIAL Occupational health and safety	TRIR (Total Recordable Incident Rate)	0.63	Maintain industry-leading TRIR of 0.63	10% reduction over 2020 number	TRIR increased to 1.14
SOCIAL Fair labour and human rights	Incidents/ traceability	Zero cases of verified non compliance with human rights law	Traceability of supply on blockchain such that information is available within 4 hours	Maintain zero cases of verified non-compliance with human rights laws with enhanced traceability	Working towards increases traceability of supply chain by putting it on the blockchain
SOCIAL Diversity and inclusion	% of people leaders who identify as female	32%	34%	37%	Females in Executive Leadership Team maintained at above 25%
SOCIAL Community investment	Maxeon volunteering days	NA	5,000	7,500	Increased Maxeon volunteering days from 2020
SOCIAL Employee engagement	We strive for an engaged workforce, where people have meaning in their work and can learn and grow	<p>A. No leadership development programme</p> <p>B. No career and development planning framework</p> <p>C. Performance reviews occur twice yearly, feedback ad-hoc</p>	<p>A. 90% of eligible employees passed through the leadership development programme</p> <p>B. 70% of employees had a career and development discussion with their leader</p> <p>C. Structured feedback is incorporated into our performance review process, tied to our leadership capabilities and company values</p>	<p>A. 95% of eligible employees passed through the leadership development programme</p> <p>B. 80% of employees had a career and development discussion with their leader</p> <p>C. A continuous feedback culture exists amongst our workforce, driving learning and growth leadership capabilities and company values</p>	Rolled out Leadership Training Programme and increased career and development discussions amongst employees and, are on track for 2025 performance

Introduction



Environmental



Social



Governance

Appendix



Sustainability approach and governance

Material topic	Metric	2020	2025	2030	2022 performance
GOVERNANCE Consumer engagement and satisfaction	Net Promoter Scores (NPS) for customer health	54 (EMEA only)	62 (Global)	70 (Global)	56 (Global)
GOVERNANCE Product quality, reliability and safety	Maximum number of defective parts per million in sales contracts (DPPM)	2000 DPPM	30% reduction from 2020	50% reduction from 2020	407 DPPM
GOVERNANCE Sustainable innovation	Warranty and efficiency (One can calculate Carbon Positivity with this and Energy Payback Time)	25 years	40 years @ 24% efficiency	40 years @ 25% efficiency	Our 40-year warranty maintains @22.7% efficiency
GOVERNANCE Business integrity and ethics	Incidents of corruption (defined as bribery of a public official)	Zero substantiated incidents	Maintain performance and enhance controls	Maintain performance and enhance controls	Zero incidents of corruption in FY 2022

Introduction



Environmental



Social



Governance

Appendix



Environmental



Introduction



Environmental



Social



Governance

Appendix



Spotlight: Launch of the SunPower One ecosystem

Maxeon capitalizes on its commitment to ‘Powering Positive Change’ by consistently exploring avenues to create positive climate outcomes. As climate action is critical in the current global and planetary context, we strive to direct our initiatives towards environmentalism. Exemplifying this, SunPower One was introduced as an ecosystem of products and services with the purpose of empowering homeowners to produce, manage and maximise their use of the clean energy they generate through their household solar system.

Through the SunPower One ecosystem, Maxeon seeks to reimagine and transform the consumer experience by incorporating an innovative home energy management solution to augment our product offering of solar panels. SunPower One is designed to minimise the environmental footprint of consumer households through the employment of an integrated solution. This intuitive system provides the household with actionable energy insights and suggestions through an analysis of the consumer’s monitored electricity consumption patterns and times of optimal solar production. The system proactively manages energy through the identification of surplus solar energy and energy inefficient or malfunctioning appliances, enabling consumers to identify opportunities to conserve energy, minimise their environmental footprint and reduce costs.

Through SunPower One, we hope to accelerate sustainability efforts across households, whilst bolstering the transition towards energy efficiency to amplify our efforts in the face of climate change.



Introduction



Environmental



Social



Governance

Appendix



Our environmental responsibility: An overview

Enhancing our climate action

The 27th United Nations Climate Change Conference of Parties (COP27) underscored the importance of accelerated and immediate global climate action and mitigation with regards to the current climate crisis. As such, the international governmental conference reasserted the gravity of limiting the global temperature to 1.5°C to avoid the devastating impacts of climate change. However, in the current paradigm, global emissions will continue to peak, resulting in the world's temperatures rising above the global warming limit to an excess global temperature of 2°C. As this will intensify the damages and implications of climate change, urgent action is essential.

Reaching the lower target will require the rapid and sustained reduction of greenhouse gas (GHG) emissions by 45% from 2010 levels, by 2030. As such, climate action cannot be an afterthought, resulting in a global shift towards environmental accountability impossible to governments, businesses and institutions to ensure their required implementation and action in reaching the 1.5°C target. A major focus, therefore, is the sustainable transition towards the use of and reliance on renewable sources of energy, including solar, wind, bioenergy, hydroelectric and tidal power. As a leading provider of solar energy, Maxeon embraces its commitment to enabling a seamless renewable energy transition for all the stakeholders we engage with, whilst achieving sustainability across our internal business operations and supply chains.

Moreover, spearheading environmental considerations and resource stewardship remains pivotal to our sustainability strategies, as we aim to align with the Singapore Green Plan 2030 (SGP 2030). With our headquarters in Singapore, we strive to assist in accomplishing the national SGP 2030 goals and targets relating to the management of emissions, energy, waste and water, to minimise their negative impacts on the environment, people and the economy. Additionally, in September 2022, Maxeon pledged itself as an advocate to the 2022 Singapore Green Nation Pledge introduced by the nation's Ministry of Sustainability and the Environment (MSE), which aims to realise a sustainable, resource-efficient and climate-resilient Singapore through the inculcation of guided environmental best practices. Maxeon commits to employing energy-efficient appliances, reducing and ceasing the production or use of single-use disposables whilst ensuring no bottled water is provided during meetings or events. As part of our pledge, we will continue to track our carbon footprint, captured in our annual published sustainability reports.

In addition to our sustainability commitments and integration of environmental considerations across all our operational scopes, we govern our environmental footprint and decarbonization journey through the vigilant comparative tracking of our performance to our established medium- and long-term targets.

Maxeon's alignment to the Task Force on Climate-related Financial Disclosures (TCFD) framework

In 2022, Maxeon initiated our alignment to the TCFD framework, beginning with the reporting of our climate-related risks, opportunities and relevant disclosures. As fundamental to our environmental strategy and ensuring alignment to the framework, conducting a climate risk assessment has moved to the forefront of our environmental efforts in mitigating climate impacts. As we recognise the importance of underlining our measures undertaken to either leverage opportunities or mitigate climate-related risks, we have embarked on a detailed evaluation of the physical and transitional risks affiliated with different climate change scenarios across the regions where we operate.

Maxeon acknowledges the global, comparable and effective nature of the TCFD framework in accounting for climate-related risks and opportunities in organisational risk management, strategic planning and decision-making processes. With a burgeoning demand amongst investors, regulators, stakeholders and companies for the transparent reporting of financial implications relating to climate change, Maxeon aims to capture its climate-related risk exposures to expand the quality, consistency and transparency of our sustainability reporting boundaries and better assess our impact and effects on climate change. As leaders in the solar industry, through our reporting on, alignment with, and commitment to the TCFD framework, we hope to increase our market transparency and stability whilst striving to uphold the trust and confidence we have fostered amongst our stakeholders.



Introduction



Environmental



Social



Governance

Appendix



Our environmental responsibility: An overview



Task Force on Climate-related Financial Disclosures (TCFD) Framework

Governance

a. Describe the organisation’s governance around climate-related risks and opportunities.

Our ESG and sustainability strategies, initiatives and performance are overseen by our Executive Leadership Team (ELT) and Nominating and Corporate Governance Committee (NCGC) which consists of two independent directors and two directors appointed by our shareholders, TotalEnergies and TCL Zhonghuan Renewable Energy Technology Co., Ltd. (TZE). To remain abreast of relevant ESG issues, our Global ESG team and Chief Legal Officer, who is also our Global ESG Executive Leader, provide timely quarterly updates to the NCGC on global ESG shifts as well as our own ESG initiatives and progress toward the target.



b. Describe management’s role in assessing and managing climate-related risks and opportunities.

Progress against climate-related targets will be reported to the Board on an annual basis (refer to Metrics and Targets on page 14 for more details). Our Global ESG team works across the organisation to execute our ESG ambitions and track progress. Senior management is further responsible for ensuring the review of all ESG issues relating to our material topics to ensure their effective management and performance within the organisation. Furthermore, monthly meetings are conducted to inform relevant stakeholders of ESG-related issues and initiatives.

Strategy

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

We have identified several physical and transitional risks in the medium and long term (2030 and 2050 respectively) through our first climate-risk scenario analysis that have the potential to affect our business and operations.

The scenario analysis considers two scenarios, a 1.5 C Scenario (RCP 2.6) and a >3 C scenario (RCP8.5), using the baseline year of 2022. Maxeon’s main manufacturing plants in the Philippines, Mexico and Malaysia were considered for the scope of the scenario analysis.

A non-exhaustive list of key physical risks, transition risks, and opportunities are listed as follows:

Physical risks:

- More frequent or intense floods (river and flash floods)
- Higher mean temperatures and more frequent/intense heatwaves
- Rising sea levels
- Increase in transmissibility and geographic range of diseases

Transitional risks:

- Increased cost of raw materials
- Carbon pricing
- Discriminatory public policies against Maxeon’s products
- Enhanced emissions reporting requirements
- Technology shifts
- Uncertainty in market signals

Opportunities:

- Shift in customer preferences towards lower-emission sources of energy
- Use of low-carbon economy transition policies and regulations
- Development of more energy-efficient and cost-efficient solar panels
- Growth of solar energy markets
- Savings from the implementation of new technologies

Introduction



Environmental



Social



Governance

Appendix



Our environmental responsibility: An overview



Strategy

b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.

As part of our climate risk assessment, we have prioritized relevant climate-related risks and opportunities and have determined the following potential climate-related risks and opportunities as most significant for our operations. The potential impact of these risks on our business operations is also outlined below.

Physical risks – Increased flooding from extreme precipitations and rising sea levels:

Increased flooding from extreme precipitation could result in damages to our equipment and manufacturing plants that would result in higher costs in transportation and equipment maintenance, which could decrease production capacity. Likewise, rising sea levels could increase the risk of coastal flooding and saltwater intrusion, damaging Maxeon’s physical assets and reducing production capacity. Both of these physical risks could result in reduced revenues from disruptions in production and present a safety issue for our workforce. Moreover, Maxeon could potentially face higher insurance premiums on assets in “high-risk locations.” These physical impacts are most relevant for our plants in the Philippines and Baja California, Mexico, due to their proximity to river systems and low-lying regions close to the coast, respectively. The impacts of these physical risks are expected to grow in higher-warming scenarios and time horizons as the effects of climate change lead to increased severity in extreme climate-related events.

Transitional risks - Increased cost of raw materials and discriminatory policies against Maxeon’s products:

Transition risks arise from the need to transition to a low-carbon economy and are expected to affect Maxeon’s strategy and operations as the world decarbonizes. For instance, there is currently a growing trend toward discriminatory policies favoring local solar power products in our key markets. A variety of policies ranging from local content requirements, subsidies and import tariffs aim to incentivize local production of solar energy and products. In addition, various fossil fuel incentives such as energy credits and direct subsidies remain persistent due to the recent disruptions in the global energy supply. This in turn could be a key risk to the sale of our solar panels as they face increased cost competitiveness from local companies and non-renewable energy sources.

Another transition risk arises from the increase in raw material prices due in part to the increased competition for critical raw materials. With the increasing impetus placed on the green transition, there might be a risk of increasing protectionism and competition for critical raw materials as countries and regions around the world attempt to secure supplies for domestic renewable production, leading to further constraints in the supply chain and potentially higher material costs. Due to the use of critical raw materials (e.g. silicon, boron, indium, etc.) in our solar panels and their concentration in a handful of countries, Maxeon’s supply chains are vulnerable to regulatory policy changes and/or disruption from extreme climate-related events.

Opportunities - Growth of solar energy markets, shift in customer preferences towards lower emission sources, use of public sector incentives:

To meet the massive demand for renewable energy in the future, solar energy is projected to become the world’s largest source of electricity by 2050. While not exhaustive, various forces such as changes in customer preferences and the growth of public sector incentives for renewable energy are projected to drive the adoption of solar panels globally. In terms of customer preferences, there has been a shift in perception towards the use of renewable energy, with a significant majority of people in Maxeon’s key markets now having a positive view of solar power. To further drive this change, governments have also introduced various policies to incentivize the installation of solar panels through direct subsidies, tax credits, and feed-in tariffs. All of these forces could present a significant opportunity for Maxeon to increase the sales of its solar panels across its key markets.

Introduction



Environmental



Social



Governance

Appendix



Our environmental responsibility: An overview



Strategy

c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We have conducted a qualitative scenario analysis to determine the resilience of our operations against climate risks in the medium (2030) and long-term (2050) time horizons. Overall, Maxeon’s assets in the Philippines and Mexico are vulnerable to physical risks in the medium to long term due to their proximity to river systems and low-lying coastal regions, respectively. The severity of these risks is likely to be higher in higher warming scenarios due to more intense climate-related events. Maxeon’s key markets in the U.S. and Europe markets are particularly vulnerable to transition risks such as carbon pricing, discriminatory policies, and increased material prices. These transition risks are expected to have a larger impact on the business in the longer term and lower warming scenarios as governments aim to be more ambitious in their carbon pricing systems and empower local solar manufacturers to the detriment of Maxeon’s product line. To get a better idea of the impact of these risks on the business, Maxeon will look into quantifying these risks soon. Steps are also being taken to explore strategic moves that may help transform the business and mitigate or adapt to these risks.

Risk Management

a. Describe the organisation’s processes for identifying and assessing climate-related risks.

On a high level, our Global ESG executive leader continuously monitors all regulatory updates in the geographic regions where our operations are active to assess and manage transition risks (e.g. protectionism) that will impact Maxeon’s business directly. Maxeon then undertakes an extensive risk assessment process that identifies, assesses, monitors, and eventually manages the risks associated with Maxeon’s operations. First, an internal risk assessment is done to review the business model and other areas of potential risks associated with climate change. Then, we monitor external developments such as legislation on an international level that could have an impact on the company. During this process, we will engage our stakeholders including customers, suppliers and investors to understand their perspectives regarding potential climate risks.

b. Describe the organisation’s processes for managing climate-related risks.

Short-term risks are addressed by regional management, who take immediate steps to mitigate potential damage. Medium- and long-term risks are discussed with the Board when shaping the direction of the company’s strategy. In FY22, Maxeon performed its first scenario analysis. The process involved the identification and prioritization of the key risks and opportunities for Maxeon’s operating regions.

Assessment of results

Maxeon aims to draw conclusions on the financial, material, physical and transition risks and validate or update its current strategy.

Considerations on the need to take actions

Maxeon is currently reviewing the proposed and available mitigation and adaptation plans, as well as identifying climate-related opportunities. The ultimate aim is to build sound resilience in Maxeon’s operations and market against climate-related risks and opportunities.

Such resilience will future-proof Maxeon’s real estate portfolio to guard against climate change risks, avoid premature obsolescence, and maximise its capacity to adopt available opportunities.

Actions were taken to address the risk

Maxeon currently has several environmentally friendly initiatives, including:

- Leveraging solar energy across our operations
- Capitalizing on optimization and transition opportunities through integration of new technology such as Cold Drawn Seamless (“CDS”) tubing systems to maximise energy savings
- Green (LEED-certified) buildings

Maxeon is also currently developing a decarbonization journey and setting up long-term decarbonization targets. Additional physical risk strategies, which were investigated during the scenario analysis, are also being considered.

Introduction



Environmental



Social



Governance

Appendix



Our environmental responsibility: An overview



Risk Management

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

We integrate climate risk into Maxeon’s risk management framework across all business units and geographies, including the enterprise risk management framework. In particular, Maxeon has launched our very first Green Bond framework in 2022 to better align our sustainability targets with financial goals. This Green Bond framework may be utilised when Maxeon chooses to issue green bonds. Furthermore, given that FY22 marks the commencement of Maxeon’s alignment to the TCFD framework, we target to utilise this framework to evaluate the climate risks and opportunities our businesses are exposed to. By developing appropriate measures against them, we aim to meet the sustainability demands of our investors, regulators, stakeholders and employees.

Metrics & Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The key metrics and targets Maxeon set relates to Greenhouse Gas (“GHG”) emissions. This is highlighted in the FY22 Sustainability Report under “energy and emission (performance highlights).” In general, climate-related targets are intensity-based and applied to a 5- or 10-year timeframe (short- to mid-term), with the base year utilised being 2020. Hence, our long-term targets consist of reduced energy intensity (10% by 2025, base year 2020) and emission intensity (20% by 2030, base year 2020). These see a continual trend of the decrease we saw in overall emission levels from FY21 to FY22.

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

We report on climate-related metrics in the FY22 Sustainability Report under “energy and emission (performance highlights),” which includes our Scope 1, 2 and 3 (partial) emissions. Our Scope 3 boundary entails the inclusion of emissions arising from Business Travel (Category 6) and Employee Commute (Category 7). In FY22, Maxeon’s energy consumption amounted to 370,346.8 MWh across all our manufacturing sites. Our total emissions are estimated at 240,076.9 tCO₂e, comprising of Scope 1 (327.9 tCO₂e), Scope 2 (239,391.1 tCO₂e), and Scope 3 (357.9 tCO₂e) level emissions. Overall, FY22 energy intensity amounted to 174.5 MWh per MW and emissions intensity of 136.3 tCO₂e per MW produced.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

By creating a decarbonization journey with viable Scope 1,2 and 3 strategies through company policies mentioned in the “risk management” section, we will be able to reduce emissions to support our 2025 and 2030 targets mentioned in (a). Emissions intensity is used as a KPI to track target performance currently. Nevertheless, other relevant climate-related metrics may also be considered in the future.

Introduction



Environmental



Social



Governance





Appendix



Our environmental responsibility: An overview

Maxeon Green Bond Framework

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

-  **Use of proceeds**
-  **Process for project evaluation and selection**
-  **Management of proceeds**
-  **Reporting**

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

For more details, please refer to our [Green Bond Framework](#).



Introduction



Environmental



Social



Governance

Appendix



Energy and emissions

Why is it material?

Maxeon recognises the pressing need to proactively minimise both our actual and potential negative impacts arising from operational activities. In our role as a leading, established solar energy provider and innovator, we aim to increase opportunities for reliance on renewable energy and effective resource stewardship, whilst curbing harmful emissions to the environment. In addition to empowering our customers with the ability to generate renewable energy, Maxeon as an organisation remains committed to improving our own energy and emissions intensity through targeted initiatives, performance monitoring and established targets, with the ultimate goal to minimise our carbon footprint whilst furthering international environmental strategies.

Management approach

At Maxeon, we recognise the impacts of our operations and shoulder the responsibility to manage our own carbon footprint. We evaluate our emissions at each facility, conduct thorough impact assessments and establish organisational targets to reduce our emissions and energy consumption. As we seek to realise greater positive impact for the environment and our customers through our solar-powered products, we engage in innovative mechanisms to build environmental solutions. Committed to our 2022 Singapore Green Nation Pledge, we seek to enhance our energy efficiency measures and initiatives by adopting and leveraging new partnerships, technology and automation to reduce our carbon footprint.

Our initiatives

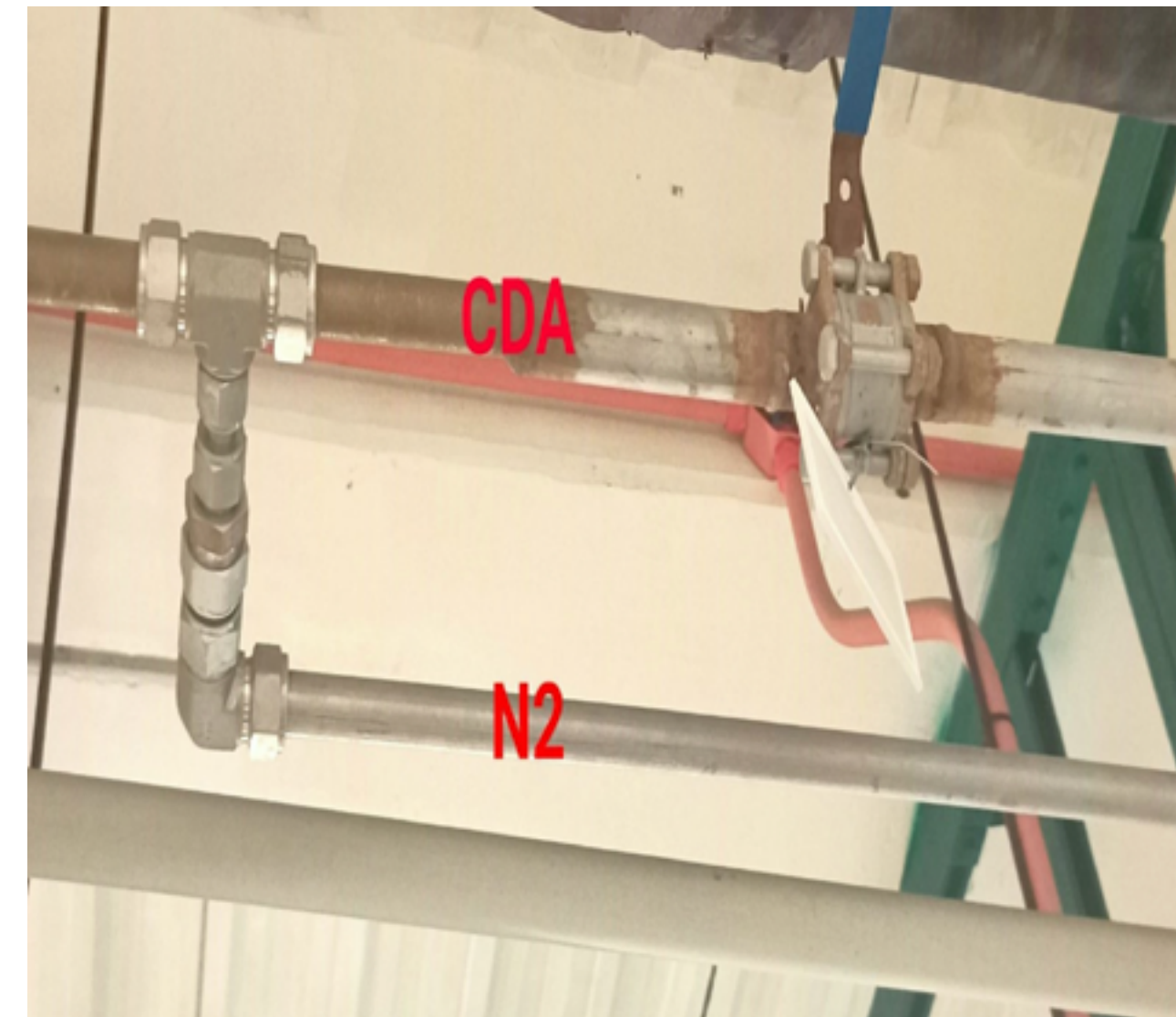
Leveraging solar energy across our operations

At our facility in the Philippines, FAB4, we have installed arrays of onsite solar panels to maximise our onsite generation of clean energy and reduce our reliance on electricity from the power grid or through conventional sources of energy, including oil, natural gas and coal. We have installed solar panels on the South Main roofs, above our canteen, car park and security posts. The installations of these solar panels in our FAB4 facility have yielded an energy savings of 309.59MWh in 2022. Moreover, we deploy solar-powered golf carts, with a road capacity of four hours, for our employees in their commute within the FAB4 facility.

Capitalizing on optimization and transition opportunities to maximise energy savings

In an effort to reduce our operational energy consumption at our FAB4 facility in the Philippines, we converted our compressed dry air (CDA) system to nitrogen (N₂) for the pneumatic system of Chemical Dispense Units to reduce our power consumption. This transition has resulted in 35 kWh of energy savings across our chemical dispensing processes and 88.7 kWh across our wastewater treatment plants (WWTPs).

Moreover, we have reduced the energy consumed by our nitrogen generation plant compressors at FAB4, through the optimization of pressure settings, generating a total of 78 kWh of energy savings in 2022. As we manage and ensure the optimal deployment of our N₂ and CDA supply pressures to further minimise energy consumption, we also sustained a reduction in our overall power consumption, leading to a total of 415 kWh of energy savings from our CDA supply pressure optimization.



Conversion of CDA to N₂ for pneumatic system of Chemical Dispense Units



Introduction



Environmental



Social



Governance

Appendix



Energy and emissions

Energy efficiency across our operations and buildings

Across our facilities in FAB4 and SPMX1, we have obtained our Leadership in Energy and Environmental Design (LEED) Gold Certification since 2021 and 2016, respectively. Maxeon continues its sustainability efforts through the implementation of multiple initiatives including energy-efficient LED lighting installations and improvements to indoor thermal comfort, reducing heating load and energy consumption. Through the installation of onsite solar panels at our Philippines facility, as well as energy-efficient installations across both Mexico and Philippines, including the use of Variable Frequency Drives (VFDs) in our motors and replaced cooling blades, we continue to optimize our energy usage, maintaining this prestigious certification across both facilities.

The Procuraduria Federal de Proteccion al Ambiente (PROFEPA), Mexico’s environmental agency, has also renewed our Clean Industry Certificate, serving as a testament to Maxeon’s commitment to augment its positive environmental contributions on both a national and international scale.

Performance highlights

In 2022, our energy consumption amounted to 370,346.8 MWh across all our manufacturing sites. Our total emissions is estimated at 240,076.9 tCO₂e, comprising of Scope 1 (327.9 tCO₂e), Scope 2 (239,391.1 tCO₂e), and Scope 3 (357.9 tCO₂e) level emissions. Our Scope 3 boundary includes emissions arising from Business Travel (Category 6) and Employee Commute (Category 7).

As a result of our business operations, our 2022 energy intensity amounted to 174.5 MWh per MW and emissions intensity of 136.3 tCO₂e per MW produced. Our overall energy consumption and GHG emissions saw an increase from 2021, however we experienced a decrease in our energy intensity and emissions intensity. This is primarily due to the increased MW production output, showing a 95.8% increase in MW produced in 2022, in comparison to 2021. Against our baseline performance in 2020, our energy intensity and emissions intensity reduced by 31.3% and 14.8%, respectively. As such, we have surpassed our 2025 target of improving our energy intensity and emissions intensity by 10% from our 2020 baseline and are on track to reach an improvement of 20% from our 2020 baseline by 2030.

Through our production capacity of solar solutions, we have achieved the avoidance of an estimated 16,473,076 tCO₂e in 2022. The increase in the emissions avoidance is due to an expansion in our production capacity as we started production of our P-series modules in 2022.

Looking forward

Maxeon upholds its commitment to further minimise the energy consumed and emissions generated from its operations, as well identify opportunities for reduced emissions and increased reliance on solar power, across our value chain. Moving forward, we strive to ensure our energy efficiency and savings measures and initiatives continue to perform to deliver and maintain the results we have seen in the past year to uphold our energy and emissions intensity targets of a 10% and 20% reduction from 2020 by 2025 and 2030, respectively.



Introduction



Environmental



Social



Governance

Appendix



Water management

Why is it material?

Effective water management and its responsible consumption are critical to addressing the key global issue of water scarcity. As fresh water is a finite natural resource, employing proper water and wastewater management across all our operational capacities is key to mitigating climate-induced water stress. Maxeon strives to continuously explore new ways to improve its water efficiency, management and stewardship initiatives to limit the adverse impacts of water scarcity on the environment in the communities where we operate.

Management approach

The manufacturing and production processes of Maxeon’s solar panels and cells require water as a key input and created byproduct. Ensuring the responsible management of our water consumption and proper treatment of all wastewater is of utmost importance for Maxeon to manage any water-related impacts to the environment and communities where we operate.

Our water management approach is informed by our overarching targets to improve our water intensity by 2.5% by 2025 and 5% by 2030, in comparison to our 2020 baseline year. As such, we continuously engage in water recycling initiatives and wastewater treatment to ensure the recyclability of water in its use for onsite cleaning and irrigation across our gardens. Ultimately, we aim to reduce our water withdrawn and track our progress as per our established targets.

Furthermore, water management involves a focus on the water we discharge and its affiliated impacts. As such, our yearly license of wastewater discharged and internally developed water quality standards, NOM-002-SEMARNAT-1996 and NOM-001-SEMARNET-2021, govern all operational water-related activities to ensure strict compliance and responsible oversight. The water consumed and employed by Maxeon is supplied and domestically treated by a commercial supplier across the various regions in which we operate, whilst all industrial wastewater generated is processed onsite. We conduct regular meetings to effectively manage our water management measures, initiatives, performance and targets.

Our initiatives

Utilising technology to limit water consumption and its inefficient use

At Maxeon, we use various technologies to proactively manage and curb the water we withdraw and ensure its efficient and conscious use. These technologies help optimize our internal recycling processes by reusing the water we withdraw to rinse panels during our manufacturing processes. As such, we reduce our reliance on fresh water through repurposing. Moreover, we continue to engage with contractors that regularly service all our water technology and systems to identify and repair any malfunctioning equipment and limit water leakages.

Water conservation programmes

At our facility in the Philippines, FAB 4, we have introduced several water-conservation programmes to optimize and curb our water consumption. Each programme has resulted in significant water savings, aiding in reducing our operational costs and environmental impacts.

We have optimized phosphate loading on cooling towers to reduce the number of chemical dosings, resulting in water savings. We have also enhanced the Electronic Water Drain (EWD) system by closing the condensate manual drain to reduce water usage.

Our facility in Mexico has ongoing water-recycling projects using reverse osmosis technology to treat and recycle the wastewater we produce. The treated water is then used in our facility for general cleaning, to wash glassware and irrigate our garden.



Enhance Electronic Water Drain (EWD) System



Introduction



Environmental



Social



Governance

Appendix



Water management

Performance highlights

In 2022, we withdrew a total of 4,582,823.7 m³ of water across the regions and facilities that we operate, with a water intensity of 2,601.7 m³ used per MW produced. Due to our water saving and water efficiency initiatives, we saw a decrease in our water intensity by 32.8% in comparison to our baseline year 2020. As such, Maxeon has surpassed its long-term targets of improving its water intensity by 2.5% and 5% from 2020 by 2025 and 2030, respectively. We will continue to maintain and enhance our water saving initiatives to sustain the levels we are at now.

Looking forward

Prioritizing water stewardship, Maxeon strives to minimise its water footprint and reduce its water intensity by 2.5% and 5% by 2025 and 2030, respectively. Moreover, we remain committed to adhering to all local regulations relating to water consumption and wastewater discharge, upholding diligence in our execution of operational activities.



Introduction



Environmental



Social



Governance

Appendix



Waste

Why is it material?

Through global shifts, international coalitions, and governmental involvement, topical discourse pertaining to waste has become pervasive. We recognize waste management as a pressing global concern and are cognizant of the environmental impacts and social implications of our waste production. In the absence of effective waste management, the exacerbation of environmental degradation through improper waste disposal, as well as social inequities through threats to public health and safety, are inevitable. As land and resources become ever more scarce, it is crucial to reduce waste and engage in proper waste disposal and recycling initiatives to curb environmental pollution, landfilling and adverse health impacts. Moreover, spearheading waste management can reduce operational costs and avert reputational damage and financial or regulatory risks, underscoring its importance as a key environmental consideration for Maxeon.

Management approach

Waste is a byproduct of solar manufacturing processes, and therefore, managing its socio-environmental ramifications is a key component of our sustainability strategy. Primarily, we take an integrated approach to reuse, repurpose and reduce the waste we generate to limit its disposal in landfills. Moreover, Maxeon’s waste management approach is governed by our 2022 Singapore Green Nation Pledge, highlighting our commitment to reduce and ultimately cease the production and usage of single-use disposables, thereby limiting waste creation.

We uphold our commitment to responsible waste management through the consistent monitoring and evaluation of waste production and reduction progress across all our facilities, whilst identifying opportunities for improvement. As we continue to enhance the comprehensive measures to minimise our waste footprint, we strive to achieve our goal of increasing the proportion of waste recycled by 5% by 2025 and 20% by 2030, in comparison to our 2020 baseline.

Our Environmental, Health and Safety (EHS) team maintains oversight of our waste management initiatives and performance, ensuring that Maxeon deploys appropriate resources to limit the production of avoidable waste. The EHS team meets monthly to discuss, share updates and explore avenues to refine the effectiveness of our current initiatives and measures aimed at reducing our waste production. Subsequently, this information is shared with our facilities and stakeholders via regular meetings.



Our initiatives

Achieving certification and compliance across all scopes of waste management

At Maxeon, we adhere to all national and regional environmental regulations to ensure our business operates with integrity and within the bounds of required standards. Beyond this, Maxeon aims to attain renowned industry certifications that attest to our efforts to reduce our environmental footprint across all our facilities.

We have maintained our PROFEPA certification for being landfill-free at our Mexico facility, SPMX1, since 2015. The criteria for attaining this certification ensures that less than 1% of Maxeon’s waste is sent to landfill, whilst less than 10% of waste is sent to a waste-to-energy facility for energy recovery. Our efforts are verified through an external audit conducted and managed by the National Sanitization Foundation (NSF) International, an independent organisation responsible for overseeing the Landfill-Free standards for companies globally.

In terms of managing our waste beyond our operational scope, Maxeon maintains its responsibility for oversight of waste generation across our supply chain by ceasing engagement with suppliers who are non-compliant with the treatment, storage and disposal requirements set out in the criteria of the Hazardous Waste Treatment, Storage and Disposal Facilities (TSD/F) qualification. In addition, we undergo periodic waste audits, conducted by EHS(PCO) Logistics, Purchasing and Waste Generator, to ensure our waste is handled by accredited waste service providers and according to proper disposal practices.



Introduction



Environmental



Social



Governance

Appendix



Waste

Recycling and repurposing our waste

As a key component to managing and minimising our waste generation, we recognise the importance of recycling in order to reduce the number of raw materials and resources employed in our manufacturing process.

We have implemented several waste and recycling projects in our Philippines facility, including:

- Using metal waste for smelting
- Converting wood waste to furniture
- Using excess cartons for paper pulp manufacturing
- Reusing foams for pillows and pellets

Through these initiatives, we collect the necessary solid waste and distribute it to scrap buyers for repurposed recycling. As a result, we successfully diverted 254 tons of solid waste from landfill at our Philippines facility in 2022.

Chemical reduction to enhance our wastewater management

The manufacturing processes at Maxeon result in the production of hazardous waste, which demands the need for its proper handling to limit its effects on the environment, our customers, and the communities where we operate. As a result, we have implemented chemical reduction initiatives to effectively manage and reduce the impacts of our hazardous waste, specifically through our discharged wastewater.

At our Philippines facility, our chemical reduction and wastewater enhancement initiatives include:

- Optimising the amount of chemicals used in our operations
- Substituting alternatives to chemicals that reduce environmental and social hazards
- Leveraging and improving technology to eliminate hazardous chemical generation in our waste streams.

The completed waste reduction programme resulted in a 62% reduction of chemical use, 23% substitution of harmful chemicals with less hazardous alternatives, and a 15% reduction of chemicals generated across our waste streams in 2022.

The chemicals we reduced include, but are not limited to, acids, alkalis, inks and metals. In doing so, we have successfully reduced the amount of chemicals we employ and subsequently the hazardous waste we generate, thereby furthering improvement and compliance to wastewater effluent limits specifically for phosphates, fluoride and copper. As a result of our chemical reduction initiatives, our FAB4 facility is compliant with the Philippines Department of Environment and Natural Resources 2016-08 Revised Effluent Limits, a legislation pertaining to proper wastewater management.

Reducing our waste footprint through responsible management

As we foster responsible waste management throughout our operations, Maxeon has implemented several initiatives in our Philippines facility, which include:

- Returning empty chemical containers (260 drums weekly) and tote bags (four bags weekly) to our suppliers for reuse



- Personal protective equipment (PPE) reuse programme that involves engaging an external decontamination service provider to wash, dry, repair and replenish the PPEs at our facility. As we encourage circularity, Maxeon has reduced its PPE consumption by 18,880 pieces annually, which is equivalent to 16.19 tons of waste annually.



Introduction



Environmental



Social



Governance

Appendix





Zero Waste-to-Landfill Certification

Maxeon’s Mexico facility has been 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.)

To achieve this certification, we adopted a lifecycle-focused approach across our supply chain. We partnered with our vendors to minimise waste by screening for vendors that have waste reduction considerations in their operations. During the manufacturing process, we also implemented a range of waste reduction procedures, including waste segregation, with some waste streams being recycled for other purposes. One way we have been achieving our waste targets at our Mexico facility is by recycling onsite food waste into an organic composting garden, powered by solar.

- Step 1: Site generates 200kg/day of organic waste.
- Step 2: Collect organic waste for garden composting through recycling machine that converts food scraps into soil conditioners for the plant’s onsite farm.
- Step 3: Garden grows produce which in turn is served in the staff canteen.
- Step 4: Garden serves as a learning area for employees to apply the knowledge to their homes.

Overall, we were able to generate 2.859 tonnes of compost in 2022 repurposed as organic fertilizer for the gardens in our Mexicali facility. The compost was also donated to operational staff and used in the orchard area.

Reduction of single-use plastics

As we strive for waste minimisation, we have replaced single-use bottles with cartons and tetra-packs in our Philippines facility. This has resulted in a 50% reduction of single-use bottled drinks and plastics. We offer a multitude of alternatives, such as recycled packaging and recyclable beverage containers. Furthermore, we incentivize our employees with discounts and benefits when they utilise their own reusable bottles when consuming beverages.

Domestic waste collection in conjunction with Earth Day

In Malaysia, a total of 27 employees participated in the domestic waste collection initiative on Earth Day and we collected a total of 324 kg of waste.



Performance highlights

In this financial year, we experienced one violation as a result of improper effluent discharge in our Malaysia facility, which was resolved through improved discharge processes and compliance with the local environmental regulations..

In 2022, Maxeon produced a total of 14,501 tons of waste of which 6,597.7 tons (45.5%) was hazardous and 7,902.9 (54.5 %) was non-hazardous. We saw an 22.9% increase in the amount of waste produced, in comparison to our 2020 baseline. This is mainly attributed to construction waste.

This financial year, the amount of waste diverted from disposal through recycling comprised of 67.7% of our total waste, of which, we have recycled 47.9% and 84.1% of our hazardous and non-hazardous waste composition, respectively. In comparison to our 2020 baseline year where we recycled 80% of our waste, our decreased recycling rate reflects our increased output as the restrictions from COVID-19 start to ease, and our operations normalize. As such, we remain dedicated to achieving our long-term targets and continuously explore avenues to improve our waste generation and recycling rates.

Looking forward

Ensuring proper waste management remains a key ESG consideration for Maxeon as we maintain our unwavering commitment to engage in the responsible handling of waste whilst minimising its negative implications through responsible oversight, reduction, recovery, disposal and circularity. Ultimately, we strive to achieve our goals to increase the amount of waste recycled 5% by 2025 and 20% by 2030, over a 2020 baseline. Moreover, we aim to achieve zero cases of violations or non-compliance with regards to waste management and effluent discharge.

Introduction



Environmental



Social



Governance

Appendix



Circular economy

Why is it material?

A circular economy refers to the reduction, reuse and recycling of resources and waste to create a sustainable and regenerative system. The circular economy concept has gained significant traction in recent years, as it challenges the traditional linear economic model and is critically important to promoting resource stewardship and limiting the environmental footprint of an organisation.

As Maxeon is committed to the UN SDG 12 of Responsible Consumption and Production, we strive to embed circularity across our sustainability strategies and our industrial and resource extraction processes to effectively reduce waste generation whilst minimising the use of raw materials. Through a circular economy model, we can successfully mitigate the depletion of natural resources and minimise negative environmental impacts whilst repurposing and reusing materials to reduce our production costs and generate new revenue streams. Maxeon recognises the need for a transition to a circular economy, as it is essential to creating a sustainable future. Ultimately, circular economy principles offer the opportunity to address both environmental and social challenges whilst promoting economic growth and innovation. We work diligently with all our stakeholders to implement initiatives and promote a closed-loop system, reflecting a circular economy approach.

Management approach

At Maxeon, we embed the concept of circularity in the design of our products and in our day-to-day business activities. Operationally, we have established initiatives and measures to enhance the closed-loop nature of our production system. We also strive to enhance the longevity of our solar panels, which currently have an estimated lifespan of 40 years, outperforming the current solar industry standard which averages a lifespan of 25 to 30 years. With a longer lifespan and an industry-leading warranty, we extend the usability of our products and subsequently produce less waste and employ fewer resources for the replacement of our panels.

Maxeon works closely with local recycling experts across the various geographies in which we operate to ensure the proper end-of-life process for our solar panels. 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. Working with these recycling experts enables us to maximise our recycling rates, mitigate waste generation and disposal, reduce our consumption of raw materials, and minimise our environmental impacts.

Additionally, we have obtained our Cradle to Cradle, Silver Certification in 2022, an improvement from Bronze level, reflecting our commitment to Zero Waste-to-Landfill and continued fulfilment of the responsibilities of our Declare label, as mentioned in this Report. Maxeon strives to strengthen and enhance our internal and external efforts to ingrain circularity principles across our operations, minimising our negative impacts on the environment, people and the economy.

Our initiatives

Investing in sustainable packaging

To further enhance our efforts to offer a holistically sustainable product, Maxeon has invested in sustainable packaging to reduce the resources used for packaging purposes. This initiative entails a new configuration of our packaging to reduce the number of straps and corner pieces used to hold packaging together. This effort has enabled us to cut 52% of corner pieces required for our packaging, reducing each package from 124 pieces to 64 pieces.

In addition, our pallet recycling programme prohibits Maxeon from purchasing any new pallets. Through this system, we have implemented three pallet recycling projects in Mexico that have resulted in a total of 58,000 pallets being recycled with a cost savings of \$1 million, as described below:

- Project Primergy: 39,300 pallets returned per week
- Project Danish: 12,400 pallets returned every two weeks
- Project Ellis: 6,200 pallets returned every two weeks

These sustainable packaging initiatives help promote circularity within our organisation as it reduces our use of packaging whilst honing in on the need to recycle packaging materials.



Introduction



Environmental



Social



Governance

Appendix



Circular economy

Recycling our solar conductive ink to prolong its lifecycle and limit waste

As the concept of embodying a circular economy continues to inform our business activities, we have embarked on an initiative to recycle leftover ink from the screens of our printing equipment to minimise ink usage and ink waste disposal.

This initiative entails scraping and transferring leftover ink from a used screen to a new screen. Prior to recycling the ink, we ensure that the condition of the leftover ink adheres to our quality and performance requirements before utilising it for a new screen. As a result of this effort, we processed an additional 1,000 solar wafers daily using the recycled ink.

Cradle to Cradle Certification

Since 2019, Maxeon’s direct current (DC) solar panels have been Cradle to Cradle Certified® at the Bronze level, and have maintained this standard through 2020 and 2021. In 2022, we are pleased to report the achievement of our established target for 2025, Cradle to Cradle Certified Silver – Silver designation for our DC solar panels.



The Cradle to Cradle (C2C) framework entails a comprehensive assessment of solar panels in relation to a standardised benchmark. The certification paves the way for continual improvement with regards to the circularity and sustainable value creation of a solar panel, as it evaluates the panel’s performance in the areas of material

health, material reutilisation, renewable energy and carbon management abilities, water stewardship, and social fairness. The C2C certification can be achieved at four ascending levels of recognition: Bronze, Silver, Gold and Platinum.

As our panels are the world’s first solar panels to earn the prestigious C2C Silver certification, we hope to inspire other companies and our industry as a whole to embody a circular economy approach.

Promoting circularity in Malaysia through fabric recycling

Maxeon strives to promote circularity and the circular economy approach across all the communities where we operate. As such, we initiated a fabric recycling campaign in conjunction with Malaysia’s Book of Record participation in August 2022. This campaign aimed to raise awareness about circularity and recycling, encouraging the Malaysian community to bring in their unused or spare clothing and fabrics to the event.



A total of 50 employees and contractors participated in this campaign that spanned four days in August 2022, during which time 529kg of fabric were collected. The donated apparel will be sent to Life Line Clothing, a zero waste textiles collective in Port Klang, where the material will be sorted for reuse, bundle sales, charity and processed to derive resin.



Looking forward

Maxeon aims to develop and strengthen its partnerships and processes to drive the transition towards a circular economy. We strive to expand on our collaboration and cooperation with stakeholders to reduce waste, reuse materials and recycle our products, ultimately maximising our positive environmental contribution. As a long-term target, we aim to achieve the Cradle to Cradle Certified Gold designation for our solar panels by 2030.

Introduction

Environmental

Social

Governance

Appendix

Environmental performance metrics

	2020	2021	2022
Energy			
Energy Consumption (MWh)	276,044	240,832	370,347
Energy Intensity (MWh used per MW produced)	254	268	175
Reduction in energy consumption from base year (MWh)	NA	35,212	(31,303)
Fuel Consumption (MWh)	1,170	1,795	1,109
Fuel Consumption (Litres)	123,269	188,929	100,892
LPG Use (MWh)	562	596	397
LPG Use (kg)	41,405	43,838	34,800
Total Electricity Use (MWh) - Grid, PPA, Onsite ¹	274,310	243,440	305,841
Conventional Purchased Electricity – Grid (MWh)	266,246	238,142	292,312
Conventional Purchased Electricity – Grid (%)	97	98	95
Green Power Purchased (MWh) ²	6,342	3,633	12,294
Onsite Renewable Electricity (MWh) ³	1,722	1,665	1,235
Onsite Renewable Electricity (%)	0.63	0.7	0.4
Total Renewable Energy (% of Electricity)	3	2	5

¹There is no heating, cooling and steam consumption at Maxeon. There is also no electricity sold.

²Sources of green power purchased are geothermal, solar and wind through Purchase Power Agreements

³From energy produced by our on-site solar panels



Introduction



Environmental



Social



Governance

Appendix



Environmental performance metrics

	2020	2021	2022
Energy			
Employee Commute (km) ⁴	1,604,169	1,504,630	1,795,922
Air Travel (km)	896,624	1,565,250	1,005,441
Total capacity of photovoltaic (PV) solar modules produced (mw)	1,085	900	1,762
Emissions			
Scope 1 Emissions (tCO ₂ e) ⁵	399	580	328
Scope 2 Emissions (tCO ₂ e) ⁶	173,335	149,282	239,391
Scope 3 Emissions (tCO ₂ e) ⁷	328	441	358
Total Emissions (tCO ₂ e)	174,062	150,303	240,077
Reduction in GHG emissions tCO ₂ e from base year	NA	(15.8%)	28%
GHG Emissions Intensity [tCO ₂ e used per MW produced]	160	167	136
Emissions avoided annually (tCO ₂ e) ⁸	10,147,576	8,413,603	16,473,076

⁴Covers leased company shuttle only

⁵Emissions included in Scope 1 calculations: fuel consumption and LPG use. Source of emission factors: GHG Protocol

⁶Emissions included in Scope 2 calculations: energy consumption and PV panel power generation. Source of emission factors: IGES 2018 OM Grid Emissions Factor

⁷Emissions included in Scope 3 calculations includes alternative commuting and air travel. Source of conversion factors: UK DEFRA 2022

⁸Calculated using EPA Greenhouse Gas Equivalencies Calculator



Introduction



Environmental



Social



Governance

Appendix



Environmental performance metrics



	2020	2021	2022
Water			
Total Water Withdrawn (m ³) ⁹	4,203,076	3,486,450	4,582,824
Total Water Recycled (m ³)	6,445	25,689	44,110
Total Water Discharge Volume (m ³) ¹⁰	4,466,105	3,689,724	4,523,336
Third-party water withdrawn (megalitres)	4,203	3,486	4,583
Total water discharge to all areas (megalitres)	4,466	3,690	4,523
Total water discharge to all areas with water stress (megalitres)	0	0	0
Total water consumption from all areas in megalitres	4,203	3,876	4,583
Total water consumption from all areas with water stress in megalitres	0	0	0
Water Intensity [m ³ used per MW produced]	3,874	3,876	2,602
Reduction in water consumption (m ³) from base year	NA	716,626	(379,748)

Introduction



Environmental



Social



Governance

Appendix

⁹Water 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%

¹⁰In FAB 3 and FAB 4, water discharged is higher than water withdrawn due to chemical additions in the treatment of wastewater.



Environmental performance metrics

	2020	2021	2022
Waste			
Hazardous Waste Generation (tons)	6,125	4,285	6,598
Amount of Hazardous Waste Recycled (tons)	4,341	2,448	3,163
Percentage of Hazardous Waste Recycled (%)	71	57	48
Amount of Hazardous Waste Prepared for Reuse (tons)	0	0	0
Amount of Hazardous Waste Prepared for Reuse (%)	0	0	0
Amount of Hazardous Waste Prepared for other recovery operations (tons) ¹¹	-	-	198
Total weight of Hazardous Waste directed to disposal onsite (metric tons)	0	0	0
Total weight of Hazardous Waste directed to disposal offsite (metric tons)	1,784	1,837	3,435
Non-Hazardous Waste Generation (tons)	5,678	6,478	7,903
Amount of Non-Hazardous Waste Recycled (tons)	5,108	5,530	6,649
Percentage of Non-Hazardous Waste Recycled (%)	90	85	84
Amount of Non-Hazardous Waste Prepared for Reuse (tons)	0	0	0
Amount of Non-Hazardous Waste Prepared for Reuse (%)	0	0	0

¹¹Maxeon commenced tracking the amount of hazardous waste prepared for other recovery operations in 2022 and hence does not have 2020 and 2021 data. We will continue building our data collection capabilities over the upcoming years.



Introduction



Environmental



Social



Governance

Appendix



Environmental performance metrics

	2020	2021	2022
Waste			
Amount of Non-Hazardous Waste Prepared for other recovery operations (tons) ¹²	-	-	70
Amount of Non-Hazardous Waste Prepared for other recovery operations (%)	-	-	1
Total weight of Non-Hazardous Waste directed to disposal onsite (metric tons)	0	0	0
Total weight of Non-Hazardous Waste directed to disposal offsite (metric tons)	570	948	1,254
End-of-life Waste treatment (incineration - metric tons) ¹³	-	-	11

¹²Maxeon commenced tracking the amount of non-hazardous waste prepared for other recovery operations in 2022 and hence does not have 2020 and 2021 data. We will continue building our data collection capabilities over the upcoming years.

¹³Maxeon only started to track limited amount of the end-of-life waste treatment in 2022. The disclosed figured only includes our Malaysia facility, Maxeon will work towards enhancing our data collection in the coming years.



Introduction



Environmental



Social



Governance

Appendix



Social



Introduction



Environmental



Social



Governance

Appendix



Spotlight: Launch of Maxeon Gives

Demonstrating our commitment to ‘Power Positive Change,’ Maxeon strongly believes in giving back to our communities to enable positive social change. This year, we embarked on the ‘Maxeon Gives’ programme to extend our sincere support to local communities whilst building upon our fundamental purpose of maximising our positive contributions. Holding ourselves to the highest standards, Maxeon goes the extra mile by taking the initiative to drive and lead meaningful positive social outcomes in the face of perennial change.

Under the Maxeon Gives programme, we have joined hands with the SM Foundation Inc. (SMFI), the corporate social responsibility arm of the SM group, to embark on the Sinag School Program in Philippines, Batangas. Under this social initiative, we seek to empower and equip schools in grassroots communities with clean, renewable energy through the installation of solar panels atop the buildings of SM schools. Through the Sinag School Program, we successfully equipped the Lemery Pilot Elementary School with 21 solar panels, assisting with the delivery, scaffolding and installation of the system.

Within the first day of this effort, 95% of solar racking and inverters, controllers and 100% of AC wirings were installed. The 21 solar panels installed at the school possess 6,510 watts of solar energy capacity, enabling an on-grid solar system. Through this initiative, we are able to support the sustainability journey of the school’s 2,900 students as we facilitate their transition towards renewable energy to reduce their energy consumption and environmental footprint. The initiative facilitates increased awareness of the importance of resource stewardship through green sources of energy, to promote environmentalism.

In addition to the Sinag School Program, we have also worked with our external partners to donate more than 900 Sunpower flexible panels to install on autonomous mobile solar stations for the Ukraine Chernihiv region as humanitarian aid for the vulnerable. The solar stations will provide autonomous power supply in the necessary places throughout the Chernihiv region, as well as the State Emergency Service of Chernihiv, Kyiv and Lviv regions. We will continue to work with our partners to provide more solar panels to support the civilians in this difficult time.

At Maxeon, we believe access to healthy environmental conditions (e.g., energy, electricity etc.) is a fundamental human right. We aim to correct these inequities by making solar panel donations through the Maxeon Gives programme. The launch of Maxeon Gives will ensure the continuity of our CSR initiatives, and at the same time, deepen our commitment to the United Nations Sustainable Development Goals 7 and 10:

- UNSDG Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all.
- UNSDG Goal 10 – Reduce inequality within and among countries.



Introduction

Environmental



Social



Governance

Appendix

Social Stewardship: An overview

As sustainability considerations are experiencing a global shift towards social issues such as health and safety, human rights, and corporate social responsibility, social stewardship forms a critical component of Maxeon’s sustainability approach and aligns with our value of holding ourselves to a higher standard. We understand the importance of being good corporate citizens and strive to improve upon our social impact by taking responsibility for our people, focusing on fair labour, employee engagement, workforce development, being an inclusive employer, and giving back to the community.

Understanding that our people are at the heart of our business success, we appreciate the value our employees bring and aim to create an empowering and inclusive work environment that enables all employees to realise their potential. We do so through continuous improvement of our training and development programmes, diversification of our talent pipelines, recognition of high-performing staff, and generous employee benefits. Maxeon aspires to deliver positive change in the long run through a workforce with diverse capabilities, perspectives and backgrounds whilst equipping our people with the tools they need to achieve their career potential in a supportive, healthy and safe occupational environment.

Upholding our commitment to be a responsible corporate citizen, we continuously enhance our efforts to contribute to and support the local communities where we live and work. A core component of this is advocating and implementing human rights and fair labour conditions. At Maxeon, we not only uphold the highest fair labour standards across all facets of our business activities, we ensure that suppliers across our global value chain uphold the same standards in their operations.



Occupational health and safety

Why is it material?

As a responsible solar manufacturer, safeguarding the Occupational Health and Safety (OHS) of our employees is fundamental to our business. Maxeon maintains the highest OHS standards by identifying, managing and mitigating health and safety hazards to ensure the welfare of our employees.

Management approach

Maxeon takes a deliberate and stringent approach to OHS risk management to ensure the health and safety of our employees. All our manufacturing, as well as research, development and demonstration (RD&D) locations are certified to the internationally recognised ISO9001, ISO45001 and ISO14001 managements systems. Every year, we undertake extensive internal and external audits to ensure our management systems are up-to-date and in compliance with applicable legal and other requirements. At Maxeon, OHS is an integral component of our day-to-day operations. In order to maintain an exemplary standard of employee health and safety across all Maxeon facilities, we engage in the sharing of best practices and knowledge across our locations including lessons learned from incidents.

In FY 2022, the key focus areas for ensuring OHS included:

- COVID response and management
- High-risk, non-routine activities and contractor management
- Legal compliance assurance
- Continual improvement and cultural change

As we manage these focus areas, our employee health and safety (EHS) committee is responsible for encouraging employee engagement and facilitating discussions on EHS issues and concerns. Maxeon organises bi-weekly operations meetings to capture and share best EHS practices across business units, whilst focusing on incidents as opportunities to learn. To continuously improve Maxeon’s OHS strategies and measures, key discussion points and outcomes from these meetings are disseminated to the EHS team via the monthly global EHS team partnership meeting.



Introduction



Environmental



Social



Governance

Appendix



Occupational health and safety

Furthermore, we have incorporated weekly safety toolbox communications, safety standdowns for all our operations, and safety incident reports that are shared on a weekly basis as part of our EHS reporting processes.

Maxon conducts extensive risk assessments to identify the hazards and impacts of our operations on employee health and safety, to mitigate any risks through robust OHS risk management. We complete annual internal audits and third-party assessments for all manufacturing plants and RD&D facilities to ensure that our performance and management systems are reviewed and functioning safely, efficiently and effectively.

Where OHS hazards and risks are identified, mitigation measures are implemented after pinpointing the most relevant controls with respect to the level of risk. Our hierarchy of controls identifies the steps necessary to eliminate these hazards and risks:

1. Eliminate and physically remove the hazard.
2. Substitute and/or replace the hazard.
3. Isolate people from the hazard through engineering controls.
4. Change the way people work through administrative controls.
5. Protect workers with personal protective equipment.

In addressing worker injuries, Maxon takes an Eight Disciplines (8D) approach to its OHS investigations, identifying all preventive actions, which are tracked and monitored on the iQuality system.

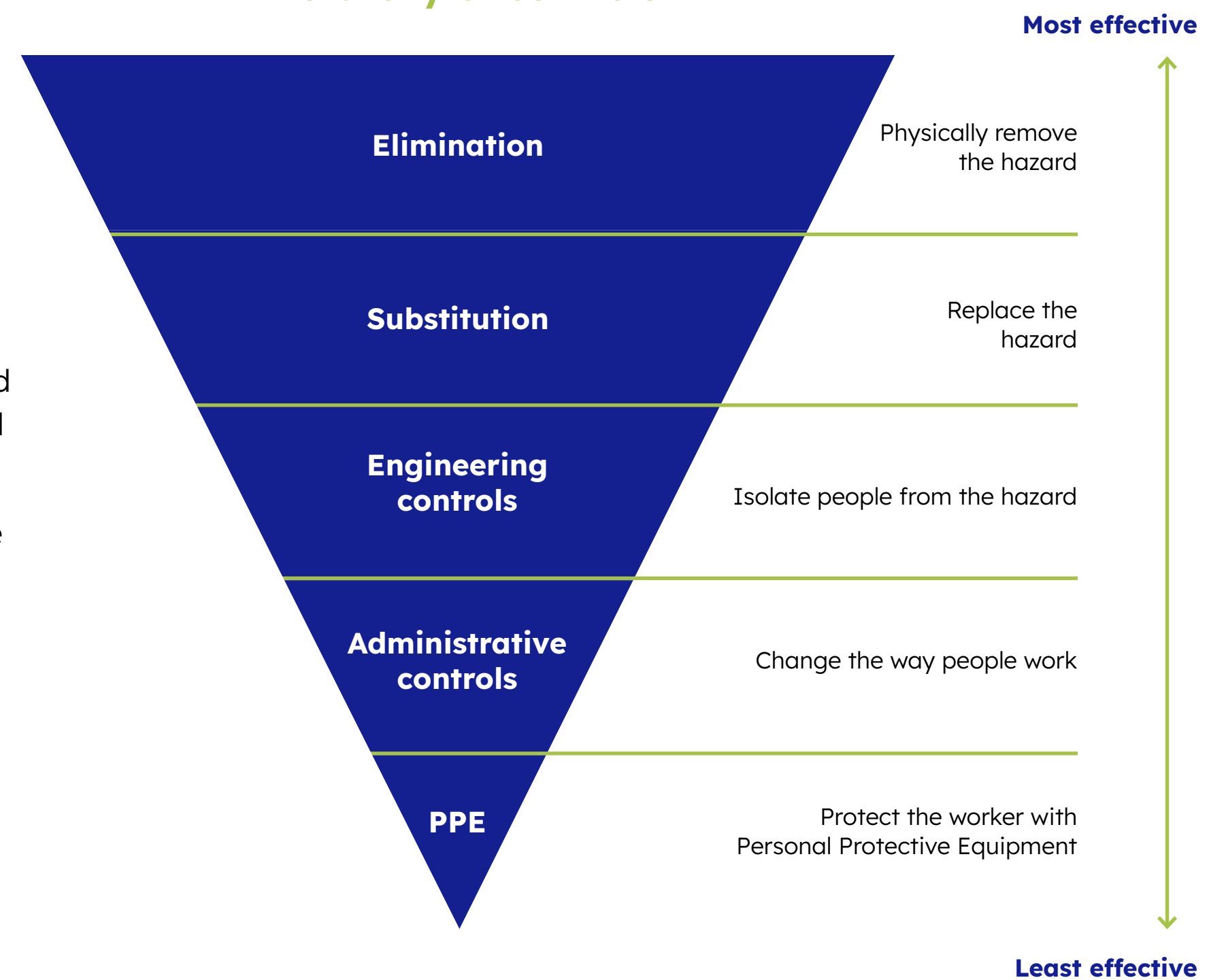
This 8D approach to OHS investigations helps create a robust response plan, limits the recordable injuries we incur through our established on-going compliance assurance programmes and ensures national and international compliance to applicable EHS, legal and other requirements.

Furthermore, we align our health and safety systems to the rigorous Occupational Safety and Health Administration (OSHA) requirements. As such, we have integrated a Comprehensive Management of Change (MOC) process into our OHS risk management approach to uphold employee safety and health at the design, implementation, elimination and mitigation stages via our Hierarchy of Controls.

To further identify OHS risks and adverse impacts beyond our workforce, we conduct due diligence on non-routine and contractor tasks to ensure their health and safety. Furthermore, we adopt the Integrated Management System (IMS) process to effectively identify current and potential risks, assisting in maintaining an excellent record of execution on identified action plans and subsequent closure of incident reports.

Ensuring legal compliance to all imposable OHS laws, regulations and requirements remains a key focus for Maxon. Demonstrating this, we have received favorable recognitions from regulatory agencies and external parties pertaining to our COVID-19 preparedness and key EHS incident learnings.

Hierarchy of controls



Occupational health and safety

Our initiatives

Fall protection programme review

Maxeon conducts Hazard Identification, Risk Assessments and Control (HIRAC) measures for routine and non-routine work at height activities. The HIRAC entails method statements, permits to work systems, and outlines subsequent implementation control measures, where applicable. Ensuring employee safety, we review all OHS training records and ensure adequate competency and authorization for employees and contractors to be involved in work at height activities, ultimately reducing associated safety risks and health hazards.

Worker capability training and consultation with workers

At Maxeon, we foster a culture of proactiveness and accountability to ensure the health, safety and well-being of all employees. Furthermore, we establish a hierarchy of responsibility whereby business unit or team leaders are tasked with ensuring the safety of their subordinates. Maxeon administers in-depth training for our leaders and employees on specific worker health and safety topics to prepare our workforce with the necessary skills to ensure their own personal safety and that of their peers and subordinates in the event of OHS emergencies or incidents. This comprehensive training and development programme aims to significantly enhance the capabilities and preparedness of our employees.

Additionally, new employees complete EHS awareness training as part of their mandatory training curriculum. We also conduct site-specific new employee orientation training programmes to ensure staff are equipped with the tools and knowledge needed to ensure their safety at each respective site.

Cart material handling risk assessment

We conduct thorough risk assessments including HIRAC, Job Hazard Analysis as well as ergonomic assessments to ensure appropriate routine and non-routine handling of cart material handling operations for both our manual and automated systems. As part of our risk management approach, we adopt our Hierarchy of Controls, and this management framework is applied to our cart material handling processes as well. Additionally, we perform cost-benefit evaluations to assess the mitigative measures we undertake.

Performance highlights

In 2022, Maxeon maintained zero cases of high-consequence injuries and fatalities as a result of work-related injuries. In proactive reporting of Near Misses, Good Catches, Unsafe Conditions and Behaviors validated by site EHS for both Employees & Contractors, in 2022 we identified a total of 6,030 good catches, with 88.3% of the good catches reported by employees and 11.7% by contractors. Meanwhile, there were 16 incidents of recordable work-related injuries in 2022. We also achieved more than a 90% vaccination rate against COVID-19, curbing its spread, effects and current significance.

In 2022, our Total Recordable Incident Rate (TRIR) per million manhours was 1.14. We will continue to focus on addressing potential high risk areas in OHS as we progress toward our long-term target of achieving a 10% reduction in TRIR by 2030, from a baseline year performance of 0.63 in FY 2020.

Looking forward

Occupational health and safety will remain a priority issue for Maxeon as we continue to strengthen our approach to identify and mitigate occupational hazards and risks. Moving forward, Maxeon aims to persist in its OHS initiatives and has established the following targets:

- Ensuring zero notices of health and safety violations
- Maintain industry-leading position of 0.63 TRIR by 2025
- 10% reduction from 2020 TRIR by 2030



Introduction



Environmental



Social



Governance

Appendix



Fair labour and human rights

Why is it material?

At Maxeon, we hold a resolute conviction to protect the rights of all individuals irrespective of their backgrounds. We believe that the protection of human rights safeguards individual livelihoods and is fundamental to societal development. Furthermore, we greatly value our employees and their indispensable role in steering our organisation to new heights. As a responsible employer who appreciates and values its employees, we aim to maintain a conducive, safe and equitable working environment. We also remain firmly committed to the principle of diligently maintaining fair labour practices across our supply chain and uphold human rights beyond our immediate operational activities.



Management approach

The Maxeon Global Human Rights Policy establishes standards for our global business conduct related to human rights and labour for employees, suppliers and any other business partners. This policy is made publicly available through our various stakeholder engagement platforms, including our website. The policy is fundamentally guided by the principles of the Universal Declaration of Human Rights, the Conventions of the International Labour Organisation (ILO), the UN Guiding Principles on Business and Human Rights, the UN Global Compact (UNG), and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Our Global Human Rights Policy includes the following elements:

1. Non-harassment

Maxeon strictly forbids all forms of harassment, including but not limited to status-based sexual, mental, or physical coercion, and verbal abuse of workers. Moreover, Maxeon also prohibits any form of threat of such behavior.

2. Non-discrimination

Maxeon firmly believes in promoting a work environment that is solely based on merit and proficiency, and explicitly forbids all types of discrimination in the workplace. We advocate for the rights of minority and indigenous individuals in the countries where we conduct our operations, and demand that our suppliers do the same.

3. A safe and conducive workplace

Maxeon is committed to providing a safe and accommodating workplace for all its employees. As we strive to achieve this, Maxeon implements several safety measures and precautions, sets a limit on the maximum hours of work per week, and offers fair compensation to all employees.

4. Freedom of association

Maxeon values the fundamental right of all workers to associate freely, including joining labour unions, seeking representation and establishing joint workers' councils, subject to the conditions of applicable local laws to ensure they are respected and adhered to.

5. Forced or child labour

Maxeon strictly prohibits all forms of forced or child labour, including but not limited to modern slavery and human trafficking.

We adopt a risk-based approach to our compliance strategy, furthered through our alignment with the ILO. Maxeon expects all suppliers to hold compliance certifications, to ensure alignment with the Office of Foreign Assets Control (OFAC) of the US Department of Treasury and minimise our risk exposure to policy breaches. In the event a risk is identified, Maxeon conducts thorough due diligence and seeks specialized certifications on supplier operations and labour practices, thereby minimising our risk exposure across the identified aspects.



Introduction



Environmental



Social



Governance

Appendix



Fair labour and human rights

Our initiatives

Conflict minerals policy

Maxeon refrains from the use of conflict minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo (DRC) or adjoining countries. We aim to responsibly source minerals within the region. The conflict minerals we have identified include columbite-tantalite (coltan) (i.e., tantalum), cassiterite (i.e., tin), gold, wolframite (i.e., tungsten) or their derivatives (3TG). Moving forward, this existing list could expand to include other minerals or their derivatives.

Our compliance team is responsible for overseeing suppliers and implementing the Conflict Minerals Policy whilst providing feedback to ensure their adherence to regulations. In the event that any breaches occur in relation to this Policy, Maxeon takes remediation measures, including suspension or discontinuation of the engagement or tender. We also remain dedicated to refining our policies to comply with evolving regulations, such as the Hoshine Withhold Release Order (WRO) and the Uyghur Forced Labor Prevention Act (UFLPA).

For this reason, we have published a specialised disclosure report relating to conflict minerals, outlining our due diligence processes and the overview of our Conflict Minerals Policy (3TG). This report includes forward-looking statements made under the safe harbour provisions of Section 27A of the Securities Act and Section 21E of the Exchange Act by the U.S. Securities and Exchange Commission (SEC).

The report also outlines the foundation of our due diligence framework, which is the criteria set forth by the Organisation for Economic Co-operation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This framework establishes a five-step process for due diligence as a basis for our global supply chain management of minerals from conflict-ridden and high-risk areas. The application of the framework constitutes a part of the programme that Maxeon has established to ensure that we only obtain products that are responsibly sourced.

We also actively engage our suppliers to ensure responsible mineral sourcing across our supply chain as part of our due diligence measures. We have engaged with 77% of our relevant tier 1 suppliers in 2022 to complete the reasonable country of origin inquiry (RCOI), a process that aids Maxeon to collect information about the presence and source of conflict minerals used in components or parts supplied to Maxeon.

Additional components of our due diligence programme are our training resources and grievance mechanism. Our compliance team consistently oversees our suppliers in implementing our Conflict Minerals Policy whilst providing feedback to ensure their adherence to regulations. Any grievances or violations to our Conflict Minerals Policy can be reported through Maxeon's Compliance and Ethics Helpline at <https://maxeon.ethicspoint.com>.

Supply chain management

Beyond our immediate business activities, Maxeon holds a zero-tolerance policy for any violations of human and labour rights across our supply chain, as ensuring compliance throughout our supply chain is integral for us to ensure ethical and sustainable business practices.

In order to protect human rights, we have taken measures to effectively communicate, inform and enforce our Global Human Rights Policy and Code of Conduct across our supply chain partners through their engagement contracts, training material, and required certification. Maxeon expects its suppliers to monitor and maintain compliance with human rights standards by keeping track of all relevant information, including annual assessments and compliance certification. Additionally, we require our suppliers to conduct annual assessments, achieve compliance certifications and provide us with updates upon request. Maxeon's Supplier Sustainability Guidelines stipulate that suppliers must conduct risk assessments, audits, training and certifications, to establish accountability and management systems and ensure compliance with all laws and regulations related to human rights and fair labour practices.

To improve our progress on the traceability and transparency affiliated with our supplier practices, we have established a Compliance & Ethics Helpline for anonymous reporting. In the event of actual or suspected policy breaches, we conduct thorough and robust investigations. Any supplier found guilty of violating our Global Human Rights Policy and Code of Conduct is subject to immediate termination or suspension.

Introduction



Environmental



Social



Governance

Appendix

Fair labour and human rights

Performance highlights

Maxon experienced zero cases of non-compliance pertaining to human rights and fair labour in 2022, both within and beyond our direct business activities. Upon the completion of our internal audits, we determined that none of our direct suppliers or their suppliers conduct their primary business operations in locations exposed to human rights violations, such as forced labour.

However, our external audit conducted in 2022 identified an issue of non-compliance with regard to working hours due to the omission of break times at our joint-venture China site. As our workers solely record their times during the commencement and completion of their work day, their break hours were not recorded, which was flagged as non-compliance due to over-time working hours. We have since remediated the issue by requiring regular sign-ins to account for break times, as verified by our auditors, thereby clearing the joint-venture of non-compliance.

In 2022, we published our modern slavery statement under the Australian law to identify and assess modern slavery risks in our operations and supply chain, the actions we have taken to address those risks, and the progress we have made to improve our understanding and effectiveness of the management of modern slavery and human trafficking risks.



Introduction



Environmental



Social



Governance

Appendix



Fair labour and human rights

GRI 407-1: Freedom of association and collective bargaining

Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk	0
Type of operation and supplier	NA
Countries or geographic areas with operations and suppliers considered at risk	NA

GRI 408-1: Operations and suppliers at significant risk for incidents for child labour

Operations and suppliers which have significant risks for incidents of child labour or young workers exposed to hazardous work	0
Type of operation and supplier	NA
Countries or geographic areas with operations and suppliers considered at risk	NA

GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour

Operations and suppliers which have significant risks for incidents of forced or compulsory labour	0
Type of operation and supplier	NA
Countries or geographic areas with operations and suppliers considered at risk	NA

GRI 410-1: Security personnel trained in human rights policies or procedures

Percentage of security personnel who have received formal training in the organisation's human rights policies or specific procedures and their application to security	100%
Are training requirements also applied to third-party organisations providing security personnel?	Yes, we have both in-person and online training from third party organisations

GRI 412-1, 412-2, 412-3: Human rights assessment

Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country	Mexico: 100% Philippines: 100% Malaysia: 100% Singapore: 100%
Total number of hours devoted to training on human rights policies or procedures concerning aspects of human rights	5,262
Percentage of employees trained on human rights policies or procedures concerning aspects of human rights	100%
Total number and percentage of significant investment agreements and contracts that include human rights clauses or underwent human rights screening	100%



Introduction



Environmental



Social



Governance

Appendix



Fair labour and human rights

Looking forward

Maxon aims to maintain our zero-tolerance policy towards human and labour rights violations and will continue to monitor current and emerging regulations and industry best practices. We seek to make continuous improvements and expand upon our existing internal policies and controls, whilst forging close relationships with our suppliers to ensure their adherence with all imposable regulations.

We aim to continue conducting thorough multi-step risk assessments to ensure complete and robust evaluation of our supply chain partners. We also remain committed to executing remediation measures, including termination and suspension, in the event that human rights violations are found. Moving forward, we will continue to enhance supply chain transparency and traceability by reducing the response time for any inquiries related to supply chain traceability to four hours via blockchain technology, by 2025. Through this, Maxon aims to maintain zero cases of verified non-compliance with human rights laws.



Introduction



Environmental



Social



Governance

Appendix



Employee engagement

Why is it material?

As we continue to expand our product and service offerings at Maxeon, we seek to involve our employees in our organisation, culture, strategies and decisions through regular discussions and meetings. In doing so, we benefit from the multitude of skills and perspectives of our talented employee base. We assert a strong focus on the active involvement of our employees, as their engagement is pivotal to sustaining business success. By fostering an organisational culture that promotes a sense of belonging and purpose, we are better able to respond to the needs of our customers and the changing dynamics of the industry as a whole.

Management approach

We focus on generating internal transformation through regular engagement, building a consistent sense of purpose across our teams, embedding our values, cultivating a culture aligned to our core values, establishing a senior leadership cohort, and creating opportunities for collaboration and feedback. We have developed an internal communications strategy, incorporating a key messaging framework and a new daily communications calendar to facilitate increased employee interaction.

Our initiatives

Creating avenues for effective communication

In 2022, we launched our new intranet, PowerHouse, a one-stop shop for all things Maxeon, available to all employees. The PowerHouse contains news, events, information on our locations and functions, as well as self-service access to policies, frameworks, global and local guidance and thought-leadership articles.

We developed new opportunities for two-way feedback loops through the Executive Leadership Team (ELT) Country Visit Framework and virtual ideas boxes. As COVID-19 eased and business travel resumed, we established a core employee engagement guideline for when C-Suite Executives are visiting. This entails an 'All Hands' meeting with all local staff and employee connect sessions with a small number of cross-functional teams, identified talent and skip level one-on-ones. In addition, we facilitated Employee Resource Groups (ERG) breakfast or lunch sessions with Maxeon's C-Suite Executives to build more direct engagement and open dialogue among our diverse workforce.

In 2022, we shifted our focus towards in-person feedback, as travel reopened. We employed the ELT Country Visit Framework, mandating face-to-face engagement with employees during an ELT visit, to complement the existing location engagement and facilitate regular in-person feedback. We supplemented this in-person feedback mechanism with regular local "pulse checks" and global feedback forms to identify areas for improvement in ensuring employee engagement. As we primarily have focused on conducting face-to-face feedback loops in

2022, we continued with our 'Your Ideas Matter' box initiative, a platform that allows team members to propose their ideas on various areas of interest, such as cost savings and efficiency, facilitating the sharing of opinions and fostering greater participation.

Core engagement programme

The Maxeon Core Engagement Programme consists of four Global All Hands meetings, eight Leadership Briefings, 'From ELT' mailboxes, and 12 CEO Messages which are relayed to employees every third week of the month.

In 2022, four Global All Hands meetings were conducted in the months of March, June, August and November. We implemented enhancements to this programme with the addition of feedback opportunities after each meeting. Maxeon also introduced a panel discussion in June and engaged a guest speaker in August to pave the way for employees to be further involved within the Global All Hands meetings.

Quarterly business reviews

Maxeon conducted four Quarterly Business Reviews (QBRs) in 2022. Through these reviews, stakeholders, including our Executive Leadership Team, and key guests were invited and team members from various business units presented our business activities and performance. Prior to November 2022, the QBR underwent a refresh to further align with our priority areas, enabling Maxeon to present a deep dive on our business risks and opportunities to our stakeholders whilst receiving valuable board suggestions and feedback from the wider team. Through this shift, we achieved positive feedback.

Introduction



Environmental



Social



Governance

Appendix

Employee engagement

Employee resource groups

Maxeon has established three main Employee Resource Groups (ERGs): Women@Maxeon, Planet@Maxeon and Mind@Maxeon. These ERGs are closely connected to our identified UN Sustainable Development Goals (UN SDGs or SDGs) and are dedicated to Maxeon’s key impact areas of gender equity, sustainability and mental wellness.

In 2022, we launched our Mind@Maxeon ERG to maximise our impact on the issue of mental wellness. We remain firmly committed to promoting positive mental and physical health at Maxeon whilst cultivating a strong and meaningful sense of community where our employees are encouraged to thrive and reach greater heights.

In October, Maxeon undertook several local and global initiatives, including our ‘Think. Act. Eat. Positive’ campaign, in observance of Mental Wellness Month. Other initiatives included:

- On-site mental health talks
- Healthy food in the cafeteria and smoothies and fruit delivered to the office
- Five-kilometre “fun runs” for employees and their families
- Opening of our company gyms post pandemic, with exercise challenges, yoga classes, as well as virtual exercise classes
- Gratitude walls at all our sites
- Videos dedicated to mental health
- Head and shoulder massages and care packages

Our wellness team shares weekly emails with employees, with tips and tricks on building resilience at home and work as well as stories from our leaders on how they manage their mental health. Finally, we launched our Thrive page on the PowerHouse platform to equip our employees with useful resources to cultivate learning on mental wellness.

Performance highlights

In 2022, 92.6% of our employees have completed the Maxeon Leader Programme, which is on track for the 2025 performance goal of 90%. We invested heavily in the programme, employing a dedicated resource for leadership development to deliver the programme in person and in regions where our leaders are based, providing a more engaging learning environment than the previous year, which was an online delivery model. Talent development is a priority, and career conversations were encouraged for all employees. 65% of employees formally logged those conversations in our performance management system. We will continue to improve our measures and initiatives to make it easier to formalise career and development conversations which can only strengthen employee engagement further, striving to build a productive environment for our employees and hit our 70% target by 2025 and 80% by 2030. Further, in 2022 we incorporated structured feedback into our performance review process, tied to our leadership capabilities and company values, delivering on our 2025 goal.

	FY21	FY22
Eligible employees’ successful completion of the leadership development programme	95% (completed Module 1)	92.6% (completed Modules 1-4)
Eligible employees who had a career and development discussion with their leader	80%	65%



Introduction



Environmental



Social



Governance

Appendix



Employee engagement

Looking forward

In the upcoming year, Maxeon intends to persistently develop our existing initiatives, whilst exploring new ways to increase employee engagement and foster a positive, cohesive work culture. In 2023, we will be activating the three ERGs we have established to build employee engagement on the issues of gender equity, mental wellness, and sustainability. Furthermore, we intend to increase internal and external communications through ongoing improvements to our PowerHouse platform and feedback channels. We will also be implementing further leadership development tied to our Maxeon Leadership Capabilities, to strengthen foundational skills and overall employee engagement. To track the performance of our employee engagement initiatives and measures, we have set the following targets:

- 90% and 95% of eligible employees successfully complete the leadership development programme by 2025 and 2030, respectively
- 70% and 80% of employees hold career and development discussions with their leaders by 2025 and 2030, respectively
- Incorporate structured feedback into our performance review process, tied to our leadership capabilities and company values, by 2025
- Build a continuous feedback culture amongst our workforce, driving learning and growth by 2030

Moving forward, Maxeon will learn from our feedback channels to identify additions to our four key employee engagement events:

International Women's Day

Earth Day

Maxeon Anniversary

Mental Wellness Month

In 2023, Maxeon intends to focus on Maxeon internal employee narrative development, volunteer programmes and by conducting assessments to measure the effectiveness of our initiatives. We will also be introducing a new learning initiative, 'PowerHour,' an online formal learning session facilitated by internal subject matter experts to share learning and knowledge across the business.



Introduction



Environmental



Social



Governance

Appendix

Learning and development

Why is it material?

At Maxeon, we recognise the importance of providing our employees with the continuous learning resources they need to be well-equipped with the skills and knowledge to accomplish their work responsibilities whilst adapting to the ever-changing business environment. As such, the development of our employees is central to the success of our organisation.



Management approach

Enhancing and continuously improving our learning and development (L&D) programmes and initiatives remains critical to Maxeon. We continue to prioritise our various training programmes by innovating and curating training courses that are linked to the Maxeon Leader Capability Framework, global training, and talent programmes.

Our Global Mandatory Training Policy (Global Policy) establishes the training requirements that are mandatory, the employees to whom the training applies, the frequency with which training must be undertaken, and the responsibilities of those involved. The Global Policy, implemented in the first quarter of 2022, sets the required learning to be completed by new hires and all Maxeon employees.

Other mandatory training courses that all employees are required to complete include the Code of Ethics and Business Conduct, and IT and Safety training. These mandatory courses ensure that employees have adequate training on the necessary workplace precautions and the overall business ethics and culture at Maxeon.

Through the Maxeon performance management approach, we seek to ensure the alignment of all Maxeon employees to our corporate key results (KRs) by providing learning sessions offered to all employees. These sessions are recorded and uploaded to our learning management system, available on demand.

These sessions enable our employees to understand the impact of their individual performance, whilst aligning their personal ambitions with company-wide goals, and driving their performance through established expectations.

As such, we aim to facilitate the development of each employee to spearhead personal growth whilst maximizing their contribution to Maxeon's long-term success.

Our Global Talent Management and Organisational Development team works closely with regional HR teams to ensure we have effective learning programmes in place. Our global training programmes are reviewed every two years to ensure the courses are updated as per current industry standards and business demands. We also ensure that all our global training programmes are aligned with legislation changes and updated when necessary.

Across our leadership development courses, feedback is requested from participants via a Microsoft form to assess the effectiveness of the course and whether their knowledge and skills have been enhanced, ultimately identifying areas for improvement in our leadership training. In addition, participants are asked about the most valuable and useful outcomes from the trainings to identify the most impactful areas for personal development.

Introduction



Environmental



Social



Governance

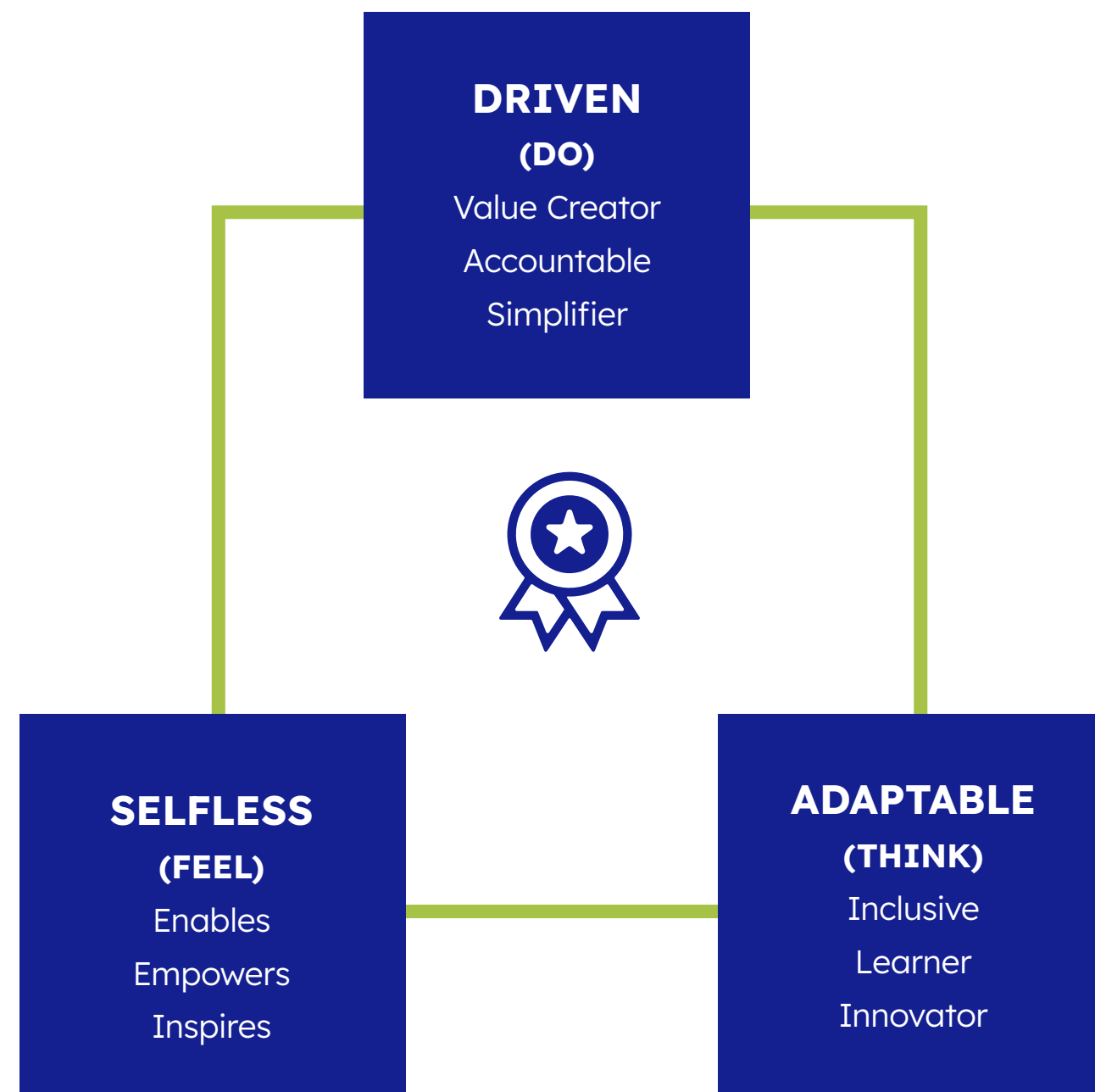
Appendix

Learning and development

Our initiatives

Maxeon leadership capabilities framework

In 2022, an area of key focus was to embed Maxeon Leadership Capabilities as the minimum standard required for leadership at Maxeon. This framework is guided by the capabilities of ‘Driven, Selfless and Adaptable’ – encouraging individuals who embrace these values to step up leadership roles. Using this framework as a guide, our managers are able to assess performance and provide feedback to team members across the company in an efficient and consistent manner.



Our Maxeon Leader Programme is designed based on the capability framework and features four foundational modules on leadership, self-awareness, giving and receiving feedback, and coaching as a leader. The programme is delivered regularly to people leaders, including new hires and newly promoted leaders, ensuring we are on track to meet the 2025 performance goal.

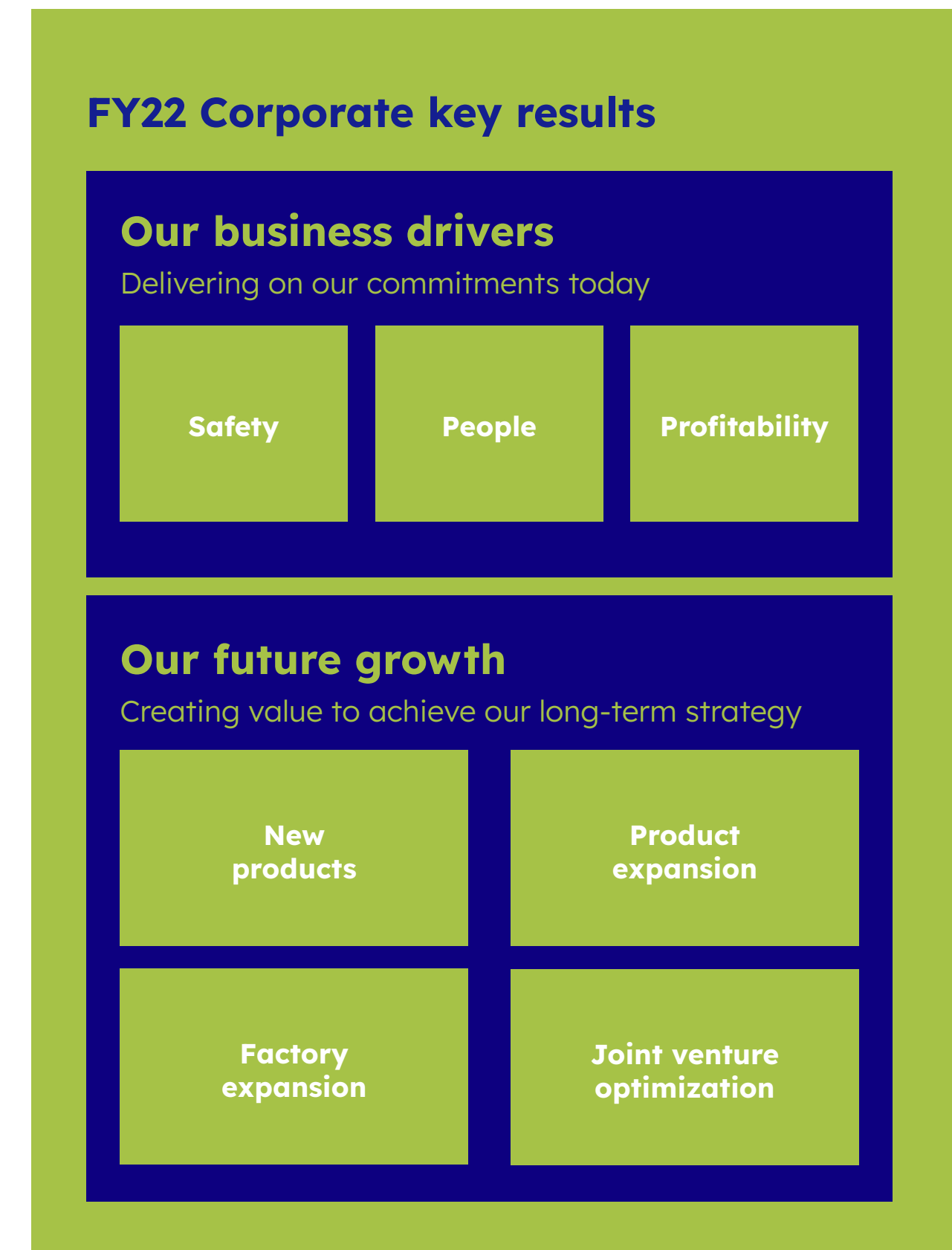
Performance culture

In 2022, we provided more guidance and structure to the Annual Performance Management cycle to ensure all employees were clear on the importance of formalising performance conversations, including giving and receiving feedback amongst colleagues to drive learning and growth. As Performance Reviews are conducted bi-annually at Maxeon, employee performance was mapped to their annually established individual performance key result indicators aligned to the corporate KRs.

As such, we amplified both leader and employee education and upskilling opportunities, thereby aiding in growing individual performance.

As we prepared for performance reviews, all Maxeon employees were invited to development sessions to learn about performance guidelines whilst sharpening their alignment with responsibility expectations. Employee development sessions were conducted in two time zones to ensure that all employees had the opportunity to attend. Facilitating greater mobility and ease, these sessions were recorded and uploaded to Maxeon’s Learning Management System (LMS), accompanied with step-by-step guides.

These are the 2022 Corporate Key Results released and cascaded across Maxeon:



Learning and development

Performance highlights

Assessing the efficacy of these new training courses, Maxeon conducted a learning and development review in the fourth quarter of 2022, to understand the necessary improvements and refinements to be addressed in 2023.

These refinements outline principles that determine the required timeframe of certain courses to include compliance, risk or role-based system awareness education.

In 2022, we saw an increase in the average training hours per employee, by region. This was due to the Global Mandatory Policy coming into effect in the first quarter of FY 2022, thereby increasing on average the number of courses required per employee.

Average training hours by country/region¹⁴

Country/region	Total employees with learning records			Total hours recorded			Average training hours per employee ¹⁵		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Americas	1	7	126	0.5	11.62	1738.76	0.50	1.66	13.80
APAC	52	66	80	138.84	205.87	737.43	2.70	3.12	9.22
EMEA	144	106	122	385.79	380.96	972.64	2.70	3.12	8.0
MX	1,723	582	2,037	2,702	1,361.06	13879.4	1.60	2.30	6.81
MY	1,528	1,387	1,751	161,514.57	83,825.10	94830.61	105.70	60.40	54.16
PH	1,114	1,102	1,117	21,113.73	21,876.21	43229.2	19	19.90	38.70
SG	21	74	107	90.05	272.90	1057.3	4.30	3.69	9.88
Grand Total/Average	4,583	3,324	5,340	185,945.48	107,933.72	156,445.34	136.50	94.19	140.57

Average training hours per employee, by region and gender¹⁶

	Mexico (SPMX1)		Mexico (SPMX2)		Philippines (FAB4)		Malaysia (FAB3)		Singapore (HQ)	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Male	2.1	7.34	2.9	6.68	19.13	35.60	48.57	47.51	2.85	9.8
Female	1.7	6.88	2.1	6.12	20.67	42.34	75.24	63.82	5.07	10.00
Total	3.9	14.23	4.95	12.80	39.80	77.95	123.81	111.34	7.92	19.80

^{14/16}With an improvement and update in our Learning Management System that resulted in more detailed and accurate breakdown of training hours, there is a restatement of our 2020 and 2021 training hours.

¹⁵Average training hours per employee = Total hours recorded/Total employees with learning records



Learning and development

Average training hours by gender

	Male	Female
Executive leadership team	13.6	22.7
Professionals/managers	15.6	18.1
Technical, production and administrative	31.2	36.2
Total	60.4	77.0

Looking forward

As we continue to revise and strengthen our learning and development measures and initiatives, we will implement two new learning modules in 2023 including:

- About Our Company and Our Industry-Leading Technology (products)
- Human Resource (HR) for non-HR managers

Looking forward, we will strengthen the focus on learning and development through implementing targeted leader learning journeys, as well as ensuring the 70/20/10 framework (i.e. 70% based on work experience, 20% on exposure and 10% on education) is applied for individual development and career planning for all employees.



Introduction



Environmental



Social



Governance

Appendix



Diversity and inclusion

Why is it material?

Maxeon is a strong proponent and advocate for diversity and inclusion (D&I) in the workplace and continuously strives to be an inclusive employer by embracing diversity. A more diverse and inclusive workforce enables Maxeon to benefit from a wide range of perspectives for decision-making, developing a deeper understanding of customer and stakeholder needs. We promote equal opportunity and empower our people to create a culture that is built on mutual respect and inclusivity. In this vein, we are able to ensure a pleasant and nurturing working environment for our workforce.

Management approach

As a purpose-driven organisation, we are a strong advocate for empowering and promoting D&I in our workforce, regardless of social, economic or political differences. Our Global Human Rights Policy expresses our equal opportunity, diversity and non-discrimination principles, in which Maxeon renounces any form of discrimination and harassment in the workplace. Moreover, we ensure that all employees and business partners in our global value chain adhere to our Global Human Rights Policy to create a conducive and safe working environment for all employees.

Our Global Human Rights Policy stipulates zero tolerance for any form of discrimination or harassment in the workplace, including discrimination based on the following characteristics:

Sex	Gender identity or expression
Colour	Race
Reproductive status <small>(which includes pregnancy, childbirth and breastfeeding)</small>	Religion <small>(including religious dress practices and religious grooming practices)</small>
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

In 2022, Maxeon launched three new Employee Resource Groups (ERGs) in an effort to strengthen our D&I practices:

Women@Maxeon

Planet@Maxeon

Mind@Maxeon

To form these ERGs, we have looked at various platforms which includes engagement events, external messaging, our hiring and retention data as well as our commitments and goals, to hone in on the areas deemed critical to Maxeon. These areas were identified as crucial to ensure an inclusive and supportive environment for our employees. These three ERGs are strongly linked to our Maxeon impact areas relating to gender equity, sustainability and mental wellness, and in turn are connected to our ESG targets and UN SDGs.



Introduction



Environmental



Social



Governance

Appendix



Diversity and inclusion

In support of a fair and equitable hiring process, our talent acquisition team applies our hiring statement for all individuals interested in joining Maxeon. The hiring statement is included in all recruitment materials, processes and job descriptions, and outlines Maxeon's commitment to being an equal and fair employer whilst renouncing any actions or decisions that may be discriminatory. This hiring statement ensures that Maxeon prevents any unlawful discrimination during the recruitment process and engages in fair hiring, giving all candidates an equal opportunity at Maxeon.

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.

At Maxeon, we are keenly aware of the need to maintain diversity on our Board of Directors. With a diverse and inclusive Board, we are able to consider a wider range of perspectives, experiences and ideas, thereby bringing about greater innovation in our decision-making. Our Board Diversity Statement underscores the commitment of Maxeon to consider a wide range of characteristics across the Board, to ensure inclusivity and diversity.

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.

Our Human Resources team manages our D&I measures, initiatives and policies. Each awareness month including, March, April and November, we share our company commitments to our employees via email highlighting our initiatives and measures in efforts of D&I, to encourage them to make a personal commitment aligned with Maxeon's goal of enabling a diverse and inclusive organisational culture. We have also set up pages on PowerHouse for these campaigns to run all year long.

As a testament to our commitment to being an inclusive employer, we have introduced a D&I mandatory training and learning course in 2022. The training is mandated company-wide and conducted annually. The D&I training empowers Maxeon employees to respect and appreciate the value of differences in terms of age, race, gender, ethnicity, religion, disability, sexual orientation, education, and national origin, and the role each employee plays in creating an inclusive workplace.



Introduction



Environmental



Social



Governance

Appendix



Diversity and inclusion

Our initiatives

Empowering women in our workforce

Maxeon's goal is to build and cultivate an inclusive culture where our workforce can thrive and reach their full potential. While training sessions for mid-year and end-of-year performance reviews are available to all, in 2022, we curated additional career development sessions specifically designed to support women in our workplace. Understanding the unique challenges that our female employees and leaders face, we have designed and delivered two career development sessions aimed at providing female employees with insight into maximising their career potential at Maxeon. These sessions aim to build the capabilities of our female employees through a focus on their personal brand, skills and expertise as a guide on how to employ these attributes to further their career.

As we are cognizant that there are fewer women in our senior leadership team, the career development sessions for our female leaders are geared towards comprehending the challenges and means of navigating the workplace given today's ever-changing environment. These included discovering how personal values can help guide individuals during times of change and skills to improve upon leadership styles. During the sessions, participants may develop an Individual Development Plan (IDP), which initiates the necessary training linked to their established corporate KRs and career goals.

International Women's Day

In 2022, we celebrated International Women's Day (IWD) with a month-long series of activities and events including recognitions of the achievements and contributions made by our female colleagues. To create and nurture an inclusive culture at Maxeon, we must raise awareness of the challenges and pre-existing biases in the workplace. Through the celebration of IWD, we encourage our employees to not only embrace gender diversity and inclusion on these special occasions but to realise the benefits of having a diverse and inclusive workforce on a day-to-day basis.

Celebrating cultural diversity

In our efforts to respect and appreciate cultural diversity at Maxeon, we celebrate cultural holidays and festivals to encourage inclusivity. With the easing of restrictions around COVID-19, we have gradually begun hosting in-person festive celebrations. In 2022, we celebrated a plethora of holidays including Chinese New Year, Valentine's Day, Golden Week, Hari Raya, Eid, Cinco de Mayo, Mother's Day, Deepavali, Dia de Los Muertos, Halloween, Mid-Autumn Festival, Thanksgiving and Christmas. During these times of celebration, we facilitate cross-team involvement activities including the decoration of our cafeterias, organising fun runs, dress-up events, parties and other offerings. Additionally, we extend our celebrations to our local communities by gifting presents to underprivileged children during festive seasons, such as Christmas.

At the end of the year, we organised an array of events to commemorate and recognise the hard work, efforts and dedication of our employees, such as a dinner and dance, informal team dinners, and large-scale celebrations with fun performances and competitions. We hope that our D&I initiatives boost company morale, show appreciation to our workforce and promote inclusion through well-rounded diversity.



Introduction



Environmental



Social



Governance

Appendix



Diversity and inclusion

Performance highlights

In 2022, we are pleased to have maintained a comparatively even split in gender composition of our employees across our operations.



GRI 2-7: Number of employees by gender

	Male	Female
2020	52%	48%
2021	54%	46%
2022	56%	44%

GRI 2-7: Number of employees by region

	Permanent employees	Temporary employees	Full-time	Part-time
Singapore	93	40	93	40
Malaysia	1763	73	1793	73
Philippines	1095	179	1095	179
Mexico	1863	36	1863	36

*Exclude employees located in other regions.

Looking forward

In continuing our effort to build a more diverse and inclusive workforce, we aim to continuously enhance and strengthen our policies, measures and initiatives across our organisation. In 2023, we will be implementing a dedicated D&I plan for Maxeon, with the support of our Women@Maxeon ERG as change champions. This plan will consist of a number of

global initiatives, to reach our aspirational goal of 34% and 37% leaders who identify as female, by 2025 and 2030 respectively, which is currently at 32%. In 2022, we are proud to highlight that there are zero reported cases and incidents of discrimination.



Introduction



Environmental



Social



Governance

Appendix



Community investment

Why is it material?

Contributing to the communities where we live and work is a testament to good corporate citizenry. At Maxeon, we believe that it is our responsibility to amplify our positive social impacts, especially across the local communities where we conduct business. In bolstering the development of local communities, we play an active role in the overall development of society and creation of a brighter future. Our commitment to creating improved collective outcomes also helps to develop our position as an industry leader in sustainability whilst encouraging a ripple effect across the industry through the generation of positive social impacts and better opportunities for all individuals, communities and organisations.

Management approach

Maxeon understands the importance of helping those in need and encouraging positive change within and beyond communities. Our local teams dedicate time and effort to design impactful community programmes tailored to the specific needs of their communities whilst leveraging their unique skillsets to address those needs appropriately through their involvement. In doing so, we seek to forge lasting ties with the communities that support us to give back and help create a better world for all.

Our initiatives

Young SDG Leaders

Maxeon joined other companies to collaborate with Global Compact Network Singapore (GCNS) and City Developments Limited (CDL) on the Young SDG Leaders programme to confer students with an opportunity to broaden their horizons in the field of sustainability whilst nurturing future young leaders. This programme entailed the creation of a business case competition, presenting students with a challenge to integrate the UN Sustainable Development Goals (SDGs) into real-life corporate scenarios. The programme provided the participants' companies with the opportunity to inspire bright young minds to incorporate their innovative ideas in amplifying their sustainable business practices.

This collaboration attracted more than 60 teams, out of which 10 outstanding teams were selected to develop a proposal for an assigned company based on their respective business challenge statements, focusing on SDG 13: Climate Action. Maxeon was pleased to partner on this programme and work personally with budding talent in the field of sustainability, to provide them with an opportunity to learn to implement sustainability considerations across an organisation.



Introduction



Environmental



Social



Governance

Appendix



Community investment

Grant a Wish

During the festive season of Christmas in 2022, Maxeon collaborated with Singapore’s Ministry of Social and Family Development (MSF) to distribute gifts to 25 children from low-income families. We sponsored 25 Popular vouchers worth \$SGD 80 each, whilst our Singapore employees donated Christmas gifts as contributions to the children. We hoped to augment the educational resources of our beneficiaries and spread some joy to brighten their festive season.



Educational visits to Maxeon facility

In 2022, Maxeon hosted a series of educational visits from tertiary institutions and organisations at our Malaysia FAB 3 facility. We hosted 33 students and lecturers from University Malaysia Pahang, College of Engineering, and 34 students and lecturers from Vocational College of Batu Pahat, Electronic Technology Unit to share our knowledge on renewable energy, sustainability and also internship

opportunities. We also welcomed professionals from Technological Association Malaysia Industry and Institution of Engineers, Malaysia (IEM) to our facility to learn more about the renewable industry, and its challenges and possibilities.



Introduction



Environmental



Social



Governance

Appendix



Community investment

Hosting community events

During 2022, our Malaysian facility, FAB3, made social investments through sponsoring three community events, with the goal of promoting community development through enabling large-scale social action. Of these, two events sponsored by Maxeon targeted healthcare. In March 2022, the National Cancer Society Melaka organised one such event aimed at increasing public awareness of colorectal cancer.



FAB3 also played a key role as the main sponsor of 'Relay for Life,' an event held in December 2022 to raise funds for cancer patients. Maxeon contributed MYR 30,000 to support cancer patients and provide caregiver benefits such as medical aid, care and other necessary support.



Lastly, Maxeon has donated hampers worth MYR 5,000 to the 'Rembia Family Day' event held at Japerun Rembia, in celebration of Independence Day in Malaysia. Rembia Family Day celebrates family and community in Rembia, a town located in the state of Malacca, Malaysia. The event includes various activities such as games, performances, food, and other forms of entertainment, as well as the distribution of gifts and prizes.



Introduction



Environmental



Social



Governance

Appendix

Community investment

Performance highlights

Over the course of 2022, a total of 501.3 hours were dedicated to volunteering efforts. This is an increase over 2021 as the pandemic eased and we were able to renew and strengthen our efforts to give back to society. As we aim to intensify our social impact, we have collaborated with local organisations to consolidate our initiatives and effectively deliver positive social impacts to the communities where we operate.

GRI 413-1 & 413-2: Operations with local community engagement, impact assessments and development programmes

Percentage of operations with implemented local community engagement, impact assessments and/or development programmes	100% of the operations have local community engagement programmes in place. Impact assessments and development programmes are in the pipeline as we continue to roll out our Maxeon Gives programme.
Operations with significant actual and potential negative impacts on local communities	0
Location of operations	Singapore Melaka, Malaysia Binan, The Philippines Ensenada, Mexico Mexicali, Mexico
The significant actual and potential negative impacts of operations	NA

Looking forward

Maxeon plans to explore, further and strengthen our endeavors to support the local communities in the areas where we live and work. In alignment with our social and moral duty as a responsible business, we seek to play an active role in facilitating social development and empowerment. As part of Maxeon’s long-term target, we aim to increase our number of volunteering days to 5,000 in 2025, and 7,500 by 2030.



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Introduction



Environmental



Social



Governance

Appendix



Social performance metrics

	2020	2021	2022
Total number of employees	4,609	4,111	5,564
Gender split			
Male	52%	54%	56%
Female	48%	46%	44%
Board diversity			
Male	90%	90%	90%
Female	10%	10%	10%
Executive	10%	10%	10%
Non-Executive	90%	90%	90%
<30 years old	0%	0%	0%
30-50 years old	30%	30%	40%
>50 years old	70%	70%	60%
Executive leadership team			
Male	67%	75%	75%
Female	33%	25%	25%
<30 years old	0	0	0
30-50 years old	33%	50%	75%
>50 years old	67%	50%	25%



Introduction



Environmental



Social



Governance

Appendix



Social performance metrics

	2020	2021	2022
Professionals/Managers			
Male	63%	66%	60%
Female	37%	34%	40%
<30 years old	1%	2%	14%
30-50 years old	80%	79%	75%
>50 years old	19%	19%	11%
Technical, Production and Administrative			
Male	49%	53%	54%
Female	51%	47%	46%
<30 years old	38%	34%	40%
30-50 years old	58%	62%	56%
>50 years old	4%	4%	4%



Introduction



Environmental



Social



Governance

Appendix



Social performance metrics

	2020	2021	2022
Occupational health and safety			
For all employees¹⁷			
Number of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of recordable work-related injuries	8	11	15
Number of recordable work-related ill health	0	0	2
Number of hours worked	12,762,667	13,570,277	11,830,970
Rate of fatalities as a result of work-related injuries (%)	0	0	0
Rate of high-consequence work-related injuries (%)	0	0	0
Rate of recordable work-related injuries (%)	0.63	0.81	1.14
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	1,000,000	1,000,000	1,000,000
Number of employees covered by OHS management system	4,609	4,111	5,564
Number of employees covered by OHS management system that has been audited or certified by an external party	4,609	4,111	5,564
Incident by injured part¹⁸			
Hand	-	37%	63%
Torso	-	18%	0%
Eye	-	18%	6%
Leg	-	27%	19%
Head	-	0%	6%
Groin	-	0%	6%

¹⁷As Maxeon was incorporated in August 2020, the occupational health and safety figures for 2020 are not disclosed. All full-time employees are accounted and included in work-related injuries, work-related ill health and work-related fatalities figures.

¹⁸Incident by injured part was only incorporated in Aug 2020, hence, figures for 2020 are unavailable.



Introduction



Environmental



Social



Governance

Appendix



Social performance metrics

	2020	2021	2022
Incident analysis by injury type¹⁹			
Caught in between	-	9%	25%
Fall from height	-	9%	0%
Hit against	-	27%	25%
Slip, trip & fall	-	28%	6%
Chemical contact	-	27%	13%
Ergonomics	-	0%	12%
Laceration	-	0%	19%
For workers who are not employees but work and/or workplace is controlled by the organisation			
Number of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of recordable work-related injuries	3	4	1
Number of recordable work-related ill health	0	0	0
Number of hours worked	- ²⁰	2,750,970.5	2,213,620
Rate of fatalities as a result of work-related injuries (%)	0	0	0
Rate of high-consequence work-related injuries (%)	0	0	0
Rate of recordable work-related injuries (%)	0	0	0.45
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	1,000,000	1,000,000	1,000,000
Number of employees covered by OHS management system	100%	100%	100%
Number of employees covered by OHS management system that has been audited or certified by an external party	100%	100%	100%
Any reasons for exclusion from OHS management system	NIL	NIL	NIL

¹⁹Incident analysis by injury type was only incorporated in Aug 2020, hence, figures for 2020 are unavailable.

²⁰Number of hours is not available as it was only incorporated in Aug 2020, hence, figures for 2020 are unavailable.



Introduction



Environmental



Social



Governance

Appendix



Social performance metrics

GRI 401-1: Total employee turnover

	Male (%)	Female (%)	Total Male (absolute number)	Total Female (absolute number)
<30yrs (%)	16.53%	14.99%	920	834
30-50yrs (%)	32.03%	24.12%	1,782	1,342
>50yrs (%)	8.05%	4.28%	448	238
Total	56.61%	43.39%	3,150	2,414

GRI 401-1: New employee hires

	Male (%)	Female (%)	Total Male (absolute number)	Total Female (absolute number)
<30yrs (%)	55%	45%	1,531	1,250
30-50yrs (%)	55%	45%	1,035	861
>50yrs (%)	66%	34%	143	75
Total	55%	45%	2,709	2,186



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Introduction

Environmental

Social

Governance

Appendix

Governance



Introduction



Environmental



Social



Governance

Appendix



Spotlight

Collaboration with Solar Energy Research Institute of Singapore (SERIS)

As part of our efforts to promote sustainability, Maxeon is currently collaborating on two research projects together with SERIS at the National University of Singapore (NUS).

Our first collaborative research project in 2021 entailed the development and deployment of highly efficient and curated glass photovoltaics (PV) for application as an urban solar noise barrier. As these PV modules curb and deflect noise, they are able to simultaneously harvest solar energy efficiently. As such, these modules are suitable for dense and urban environments, such as Singapore, as they improve quality of life whilst enabling sustainable transition through the generation of renewable energy and creation of a pleasant urban environment.

In 2022, we embarked on a second collaboration with SERIS that entailed a quantification assessment regarding the performance and benefits associated with our high-efficiency module, SunPower Maxeon 3. The assessment focused on the levelized cost of electricity (LCOE) in a dense tropical city, where surface area for PV system implementation is limited.

LCOE quantifies the lifetime value of an electricity-producing technology through the measurement of its affiliated costs against the amount of electricity it generates over its lifetime. Through LCOE analysis, different technologies can be compared to evaluate the most energy and cost-effective solution. Through our LCOE assessment, we determined that the Sunpower Maxeon 3 module is able to generate more watts of installed capacity per area as its performance ratio in tropical climates enable more

kilowatt hours (kWh) produced per kilowatt (kW) installed. Furthering this, our industry-leading 40-year warranty ensures the extended lifetime of our solar modules, thereby indicating their greater electricity production capacity in comparison to other solar modules.

Subsequent to the results of the LOCE assessment and our collaboration with SERIS, Maxeon donated 220 SunPower Maxeon 3 PV modules, with a capacity of 85 kWp, for installation at a PV system operated by SERIS at Marina Barrage in Singapore. As we hope to quantify the benefits of our modules, data from this system is continuously monitored by SERIS, in tandem with comprehensive onsite meteorological data. Ultimately, we hope the data collected serves as evidence to demonstrate the benefits of our high-efficiency modules and its positive environmental contribution in a tropical urban environment.



Introduction

Environmental

Social

Governance

Appendix

Governance approach: An overview

Establishing robust corporate governance is fundamental to the creation and preservation of value for all our stakeholders, whilst building customer loyalty and brand reputation. Ensuring good corporate governance further entails maintaining compliance to all relevant and applicable laws, regulations and policies, solidifying our management approach to curb non-compliance resulting in inimical financial, organisational, or reputational risks. Therefore, we maintain stringent oversight and implementation of management practices that promote ethical business conduct to reinforce our enduring corporate purpose and values.

At Maxeon, fostering trust amongst our valued stakeholders is critical to achieving our business objectives. We place a high priority on transparency, integrity and accountability across all our operations. In order to conduct business in an ethical manner, both internally and externally, we proactively update our governance policies to ensure compliance to all imposable international laws and regulations.

We Thrive Together: Good governance equals good business

Limiting the potential for unethical corporate behavior or malpractice can be achieved through good corporate governance and the upholding of ethical standards, ultimately, laying a strong foundation for a business to persevere. We focus intently on corporate conduct to limit any possibility of non-compliance across all our operations.

As a sound governing structure is crucial to promoting ethical business conduct, Maxeon’s Board of Directors works in tandem with the Nominating and Corporate Governance Committee to enforce good corporate governance whilst maintaining oversight and decision-making on all sustainability related matters. Maxeon’s Board provides the ultimate approval and maintains oversight over all sustainability reports, related decisions, impact assessments, performance tracking, strategy and information. The Board comprises 10 directors who are selectively recommended by the Nominating and Corporate Governance Committee, of whom six are directors appointed by our shareholders, three are independent directors and one is our Chief Executive Officer. Maxeon’s Board is chaired by an independent director. The composition of the Board and its committees are governed by Maxeon’s Constitution, together with our Shareholders Agreement, both of which can be found in our [Annual Report](#)²¹.

As Maxeon’s Board consists of at least one director from our shareholders TotalEnergies or TZE, each committee of the Maxeon Board, aside from the Audit Committee, contains a board designee of our shareholders. Therefore, we are able to account for stakeholder interest beyond the organisation in our sustainability strategies and decisions. Moreover, our continuous stakeholder engagement channels are pivotal in acquiring internal stakeholder perspectives relating to sustainability impacts on specific material topics.

The Maxeon Board maintains oversight whilst delegating its responsibilities to the following committees, with each of these comprising at least two independent directors and the Audit Committee comprised of entirely independent directors:

- Audit Committee
- Compensation Committee
- Coordination Committee
- Nominating and Corporate Governance Committee



²¹Further details on our Board composition, diversity, committees and responsibilities can be found in our Annual Report from page 70 onward.



Introduction



Environmental



Social



Governance

Appendix



Governance approach: An overview

Audit Committee (AC)

The purpose of the AC is primarily to:

- oversee our accounting and financial reporting processes
- oversee the audit of our financial statements and internal controls by our independent public registered accounting firm
- assist the Maxeon Board in the oversight of our compliance with legal and regulatory requirements and performance of the internal audit function
- oversee management's identification, evaluation and mitigation of major risks to Maxeon
- oversee our privacy and data security risk exposures and mitigations
- provide to the Maxeon Board such information deemed necessary pertaining to financial matters requiring its attention

Compensation Committee

The purpose of the Compensation Committee is primarily to:

- implement, review and modify the compensation of the Maxeon Board and senior management
- oversee our compensation philosophy
- administer our equity incentive plans

Coordination Committee

The Coordination Committee is tasked with exploring business opportunities and our performance against the measurable targets established in our approved annual budget.

Nominating and Corporate Governance Committee (NCGC)

The purpose of the NCGC is primarily to:

- select and recommend candidates for members of the Maxeon Board
- evaluate whether incumbent directors should be nominated for re-election to the Maxeon Board upon expiration of directors' terms

As we prioritise diversity and inclusion within our Board, Maxeon follows the guiding principle that the composition of the Board of Directors should reflect diversity of experience and perspectives. In the selection or consideration of a Director for the Board, the NCGC factors having a diverse group of qualified candidates with regards to their experience, skills, age, tenure, gender, ethnicity and social background. This is further explained in our Board Diversity Policy of Inclusion reflected in our Annual Report²².

Our NCGC conducts periodic reviews of the Board's composition to ensure it reflects the knowledge, experience and diversity required to execute their duties whilst ensuring the Board remains abreast of the evolving nature of the industry. The NCGC is responsible for oversight of our ESG programme and also periodically updates the Board on sustainable developments and educates Board members about matters related to ESG. Furthermore, we conduct yearly independent evaluations of the Board to assess the performance of the Board in effectively performing their duties.

Ensuring sound corporate governance, at Maxeon we mitigate potential conflicts of interest by defining the criteria of an 'independent director' as per NASDAQ Marketplace Rules. As such, we ensure our Audit Committee solely comprises independent directors to prevent conflict of interests whilst ensuring the committee's financial experts are involved in internal processes. Moreover, all members of the Board of Directors have adopted our Code of Business Conduct and Ethics required by all employees. This entails provisions that specifically apply to our principal executive officer, principal financial officer, principal accounting officer or controller, and any other individuals that perform similar functions for Maxeon. Our Code of Business Conduct and Ethics can be found in Exhibit 11.1 in our [Annual Report](#), and is also available on our website at <https://www.maxeon.com>.



Introduction



Environmental



Social



Governance

Appendix



²²Further details pertaining to our Board Diversity Policy can be found in our Annual Report, pages 71-72.

Governance approach: an overview



GRI 2-9: Governance structure and composition²³

	Number	Percentage
Independent directors	3	30%
Non-independent directors	7	70%
Under-represented individual in home country jurisdiction	0	0%
Number and nature of each individual's other significant positions and commitments	10	100%
LGBTQ+	0	0%

	Male	Female	Total
Number	9	1	10
Percentage	90%	10%	100%

Director's tenure of service

>9 years	-	-	-
<9 years	9	1	10

Introduction



Environmental



Social



Governance

Appendix

GRI 2-16: Communicating critical concerns

Total number of critical concerns	0
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²³Further details pertaining governance structure and composition can be found on our website [here](#).



Business integrity and ethics

Why is it material?

At Maxeon, we conduct ourselves with the utmost integrity and act in alignment with our Code of Conduct and Ethics at all times. Our business integrity and ethics remain a fundamental priority to us as we aim to always uphold the invaluable trust and confidence of our stakeholders. We hold ourselves accountable at every juncture of our business activities, processes and value chain. Furthermore, in taking a strong stance on business integrity and ethics, we seek to set a standard of exemplary conduct across our industry as a leader.

Management approach

Our Board of Directors have adopted a Code of Business Conduct and Ethics (Code of Conduct or CoC) that applies to all internal stakeholders, including our directors, officers, employees and engaged external stakeholders. The CoC addresses issues of corruption, bribery, anti-competitive and other improper corporate behaviors whilst acting as a guideline for proper and ethical evaluation of behaviors at Maxeon. In addition to ensuring all existing and new employees are familiar with our CoC, we enforce the need for strict conformity to our corporate policies whilst upholding our organisational purpose and values in all forms of business conduct. Further details relating to our CoC can be found in our Annual Report and on our website at <https://www.maxeon.com>.

Our initiatives

Employees

As we ensure our employees are aware of Maxeon's Code of Conduct, our whistle-blower policies are promoted through annual compliance training, employment contracts, certifications and other training courses. Maxeon's established compliance and ethics helpline is available online 24/7 or can be accessed via the phone for all stakeholders, both internal and external, to report any breaches or violations of our CoC or applicable laws.

Promoting inclusivity in our governance controls, we urge our employees to report any known or suspected misconduct, in any language, without fear of retribution, by utilising our anonymous reporting platforms. A third party oversees the helpline, and in the event of any wrongdoing, we create a report that is evaluated by an executive-led committee, responsible for investigating the incident based on its severity. If necessary, we will enlist the services of external experts, such as lawyers or accountants, to manage the situation. The Audit Committee at Maxeon is further responsible for examining these reports and implementing necessary corrective actions for each individual case.

Internal management system

When we engage with suppliers, we require them to have strong internal management systems that meet the standards set forth in our Supplier Sustainability Guidelines. Their management systems should ensure adherence to our guidelines, as well as any applicable laws, regulations and customer expectations, throughout their entire value chain. Additionally, their management systems should identify and address any operational risks related to our supplier guidelines, whilst also striving to continuously improve their management of these risks within their own supply chain.

Performance highlights

Aimed at preventing bribery, corruption and other malpractices, Maxeon conducts routine risk assessments to identify associated potential risks, even across our supply chains. As our operations are global, we take additional measures to ensure corporate governance is maintained when engaging with countries that rank poorly on the Transparency International's Corruption Perceptions Index. This includes obtaining compliance certifications from relevant governmental and regulatory bodies to further mitigate any risks.



Introduction



Environmental



Social



Governance

Appendix



Business integrity and ethics

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

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

GRI 2-27: Compliance with laws and regulations

Total number of significant instances of non-compliance with laws and regulations	0
Number of instances in which fines were incurred	0
Number of instances in which non-monetary sanctions were incurred	0
Total number of monetary value of fines for instances of non-compliance with laws and regulations that were paid	0
Fines for non-compliance with laws and regulations that occurred in current period	0
Total fines for non-compliance with laws and regulations that occurred	0

GRI 205-1: Operations assessed for risk related to corruption

Total number of operations	14
Total operations assessed for risks relating to corruption	14
Percentage of operations assessed for risks relating to corruption	100%

Introduction

 Environmental

 Social

 **Governance**

Appendix

Business integrity and ethics

GRI 205-2: Communication and training about anti-corruption policies and procedures

	Executive leadership	Professional/ manager	Technical, production and administrative
Total number of employees in each employee category	7	476	4,570
Total number that the organisation's anti-corruption policies and procedures have been communicated to	7	100%	100%
Total percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Total number of employees that received training and anti-corruption	7	476	4,570
Total percentage of employees that received training and anti-corruption	100%	100%	100%

GRI 205-2: Communication and training about anti-corruption policies and procedures²⁴

Total number of business partners	5,682
Total number of business partners that the organisation anti-corruption policies and procedures have been communicated to	5,682
Total percentage of business partners that the organisation anti-corruption policies and procedures have been communicated to	100%

²⁴Figures exclude employees, affiliates, subsidiaries and government partners.

GRI 206-1: Legal actions for anti-competitive behavior, anti-trust and monopoly practices

Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	0
--------------------------------------------------------------------------------------------------------------------------------------------------------------------	---

Main outcomes of completed legal actions	NA
------------------------------------------	----

GRI 414-1 & 414-2: Supplier social assessment

Percentage of new suppliers screened using a social criteria	100%
--------------------------------------------------------------	------

Number of suppliers identified to have significant actual/potential negative social impact	0
--------------------------------------------------------------------------------------------	---

Significant actual/potential negative social impacts identified in the supply chain	0
-------------------------------------------------------------------------------------	---

Percentage of suppliers with significant actual/potential negative social impacts, with which improvements were agreed	NIL
------------------------------------------------------------------------------------------------------------------------	-----

Percentage of suppliers with significant actual/potential negative social impacts, with which relations were terminated	NIL
-------------------------------------------------------------------------------------------------------------------------	-----

GRI 308-1 & 308-2: Supplier environmental assessment

Percentage of new suppliers screened using environmental criteria	100%
-------------------------------------------------------------------	------

Number of suppliers identified to have significant actual/potential negative environmental impact	0
---------------------------------------------------------------------------------------------------	---

Significant actual/potential negative environmental impacts identified in the supply chain	0
--------------------------------------------------------------------------------------------	---

Percentage of suppliers with significant actual/potential negative environmental impacts, with which improvements were agreed	NA
-------------------------------------------------------------------------------------------------------------------------------	----

Percentage of suppliers with significant actual/potential negative environmental impacts, with which relations were terminated	NA
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Introduction



Environmental



Social



Governance

Appendix

Business integrity and ethics

Looking forward

Maxeon aims to maintain a constant state of vigilance and ensure ongoing compliance with new and evolving regulations. We strive to strengthen our policies and procedures to promote a company culture and business practices that prioritise ethical behavior and the highest standards of organisational conduct.



Introduction



Environmental



Social



Governance

Appendix



Product quality, reliability and safety

Why is it material?

We greatly value the trust that customers have placed in us and make every effort to strengthen customer loyalty at all times. We are firmly committed to maintaining the excellence of our solar panels in terms of quality, reliability and safety. In doing so, we assert our position as a responsible and reliable organisation.

Management approach

As a sustainability leader, Maxeon seeks to exceed stakeholder expectations by consistently ensuring the quality, reliability and safety of our products. As we advance in our sustainability journey, ensuring the excellence of our products is of primary importance to Maxeon. We employ our Quality Policy as a guide to achieving our goal of maintaining exemplary product quality, reliability and safety (QRS) and ensuring zero cases of non-compliance. Enhancing our product QRS, we have incorporated a set of controls and processes integrated into our product manufacturing including innovative design, robust supplier selection and qualification for materials, effective and traceable manufacturing controls, and end-of-line testing with packaging. As we maintain the alignment of our business practices to our Quality Policy whilst leveraging our comprehensive process control mechanisms, we enable Maxeon to satisfy and surpass stakeholder expectations.

Our manufacturing and R&D facilities have successfully demonstrated their full alignment with international standards pertaining to product QRS management, as we have successfully attained the ISO 9001:2015 Quality Management Systems, ISO45001: 2018 Occupational Safety and Health Management System and ISO14001: 2015 Environmental Management System certifications. As such, we are able to ensure product QRS through our enforced and established internal systems.

Our approach to product management constitutes three primary aspects: product development, realisation and distribution. These processes are overseen by our Executive Leadership Team, whilst closely collaborating with our product team in accomplishing our predefined targets. We facilitate innovation and enhancements to our products through regular monitoring of our processes whilst accounting for stakeholder expectations at all times.



Introduction

Environmental

Social

Governance

Appendix

Product quality, reliability and safety

Our initiatives

We maintain a consistent and extensive approach in conducting regular product reliability evaluations to ensure optimal long-term performance of all Maxeon panels. In order to ensure the validity of these assessments, we employ a standardised set of methodologies as described in our Reliability Monitoring programme. Furthermore, our inhouse testing capabilities at our Reliability Testing Lab in Fab 3, our facility in Malaysia, ensure the validation process in achieving product reliability. Maxeon has also effectively incorporated a sound iQuality system into our product management process to collect and maintain data pertaining to our panel quality, whilst actively upholding data integrity and transparency. In addition to manufacturing high-quality solar panels, this system ultimately aids in identifying areas where we can further improve the performance, quality and reliability of our products.

At Maxeon, we engage with stakeholders to assess the QRS of our panels whilst identifying areas for improvement to ensure we deliver the highest quality products possible. Additionally, we gather valuable insights from our employees through various engagement initiatives and encourage idea generation and feedback to continuously hone, improve and provide more efficient and reliable solar solutions.

We have accomplished outstanding product quality as recognised by external certification bodies including TUV, JET and UI. As such, we firmly believe that we have achieved outstanding product reliability and demonstrate our confidence in Maxeon's panels through our industry-leading 40-year warranty, alongside our existing 25-year warranty. Furthermore, our Philippines facility has maintained the Philippine Quality Award (PQA), obtained in January 2011, in recognition of its Proficiency in Quality Management. The PQA is the highest level of recognition for exemplary product quality performance in the Philippines.

At Maxeon, we are proud to be the only solar panel manufacturer in the market to possess interdigitated back contract (IBC) panels with the Declare label, issued by the International Living Future Institute. The Declare label is a mark of our product reliability as it enhances our product transparency by listing the materials that our panels employ in their creation. As a result, our clients and customers are able to ensure our panels are free from harmful substances such as lead or cadmium, meaning they do not require hazardous waste-handling procedures. In identifying the ingredients in our products, we aid in their safe recycling.

Performance highlights

Maxeon has maintained its compliance with regulations and voluntary codes concerning the health and safety impacts of the products and services offered within the reporting period. As a testament to the quality, reliability, safety and durability of our solar panels, we achieved internationally recognised certifications from several reputable accreditation agencies that have conducted assessments of our product quality and performance.

As we track our product QRS, we annually record the maximum number of defective parts per million in sales contracts (DPPM) as a benchmark to assess our QRS performance. In 2022, we had 407 DPPM, which when compared to our 2020 performance of 2,000 DPPM, reflects a decrease, attributed to enhanced product quality control.

Looking forward

As a company, Maxeon firmly upholds the exemplary quality, reliability, durability and safety of our solar panels. As such, we will remain persistent in maintaining the effort we currently dedicate to attaining certifications whilst developing plans to further these existing efforts. Maxeon aims to remain an industry leader and consistently define ideals in relation to product quality, reliability and safety. Moreover, as a performance benchmark, we target to reduce our DPPM by 30% by 2025 and 50% by 2030, when compared to our baseline year performance in 2020.



Introduction



Environmental



Social



Governance

Appendix



Sustainable innovation

Why is it material?

Maxeon firmly recognises the strong potential of innovative technology and solutions to alleviate negative impacts of the climate crisis. Accelerating the adoption of renewable energy is crucial to achieving our global climate goals. As a leading solar provider, we understand the importance of providing innovative and efficient solar panels. Furthermore, in the ever-changing business environment that Maxeon occupies, it is crucial for us to stay ahead of the curve and continuously push the boundaries of solar innovation. As a testament to our commitment to assert our position as an industry leader and to promote sustainability, Maxeon strives to consistently raise the bar, setting exemplary standards for the solar industry.



Management approach

Maintaining a competitive advantage and amplifying our positive environmental and social impacts in today's fast-changing world requires constant innovation and attention to product development. Through our product offerings, we strive to purposefully contribute to society, and aspire to render a meaningful impact on our downstream and upstream supply chains. We do so by adopting a collaborative and innovative approach to our operations and product designs whilst working closely with our suppliers and business partners to curate novel solutions and operating procedures that not only ensure the efficient use of our materials but enhance the quality of our products. Additionally, at the core of our business, we aim to encourage the adoption of greener practices through our innovative, reliable and efficient solar technology, motivating the global energy transition towards solar power.

Maxeon's Research Development and Deployment (RD&D) team manages our sustainable innovation measures and initiatives, with regular meetings that assess the performance of the existing measures and initiatives. At the same time, we continuously explore new opportunities and ventures to further our innovative efforts in sustainability.

Our initiatives

Partnership with Star Charge

In October 2022, Maxeon partnered with Star Charge, a leading global electric vehicle (EV) charging solution provider, to incorporate Star Charge EV charging ports as part of Maxeon's SunPower One home energy solution. This partnership is the latest in the series of strategic developments Maxeon has undertaken to expand its SunPower One programme, with the aim of creating an open ecosystem of green and clean energy products and services that seamlessly integrate with our solar panels.

This partnership integrates Star Charge's expertise in research, development and manufacturing capabilities relating to EV charging technology with our clean energy technology and next-generation consumer experience. This allows homeowners to benefit from an all-inclusive home energy system, with EV charging management and solar production together in a single solution. This partnership strives to facilitate the uptake of EVs in parallel with solar panels through a fully integrated, end-to-end suite of products that allow consumers control of their domestic energy production and consumption, enabling both financial and carbon savings.

The EV charging products will be made available and integrated in Maxeon's SunPower One home energy solutions in selected European markets in the first quarter of 2023, and subsequently rolled out to other markets during the course of the year.



Introduction



Environmental



Social



Governance

Appendix



Sustainable innovation

Partnership with AlphaESS

In our efforts to further enhance our residential clean energy solutions, we have partnered with AlphaESS, one of the world’s leading energy storage solution providers, to develop and deliver integrated solutions empowering customers with smart and green energy options. This partnership combines AlphaESS’s state-of-the-art power conversion, storage solutions and next-generation technology services with Maxeon’s solar panels, large global consumer base and exposure to encourage the adoption of clean energy solutions.

Leveraging both companies’ deep skills in product design, technology development, quality control, supply chain and customer experience, we aim to benefit from AlphaESS’s leading position across hardware product portfolios whilst investing in next-generation energy software capabilities. As we remain cognisant of the importance of proper energy storage in realising carbon neutrality and energy independence, we hope to build a market-leading, holistic clean energy solution that drives financial savings and positive contributions to the environment, enabled by the collaboration of expertise from both Maxeon and AlphaESS.

Unmatched 40-year warranty in the industry

Ahead of the curve, Maxeon launched the longest and most comprehensive combined warranty on our Interdigitated Back Contact (IBC) product line, which is sold in most countries outside the United States and Canada under the SunPower Maxeon brand. As we continuously innovate, our new warranty covers product quality, power performance and services in selected markets for 40 years, ultimately promoting circularity, optimal use and reduced waste. This novel initiative forms a fundamental part of our efforts to provide sustainable and long-lasting products for our customers to encourage and facilitate a global transition towards renewable energy.

Whilst most of the solar panel warranties in the market currently provide 12 years of coverage on products paired with a 25-year performance warranty, Maxeon’s new warranty includes 40 years of coverage for defects relating to workmanship and materials, power output protection, and the servicing required to repair or replace defective panels in selected markets.

The new SunPower Maxeon 40-year warranty is effective for systems installed on or after 1 January 2022, and is available to all residential and commercial customers in select markets in Europe, Middle East and Africa, as well as Australia, Japan and Mexico. Our new warranty applies to current and future Maxeon IBC solar products, including the new Maxeon 6 solar panel which was launched globally in 2022. Through the creation of our industry-leading warranty, we hope to disrupt our industry posing new challenges through innovative, sustainable solutions.

Performance highlights

We are proud to have engaged in numerous partnerships throughout 2022 that enhanced our product offering. Our achievements serve to drive our sustainability and climate action ambitions to maximise our positive impacts across our stakeholders. We will continue to seek new opportunities and ventures to strengthen our product offerings and push industry boundaries.

Looking forward

At Maxeon, we continue to engage and partner with multiple suppliers and leading companies who share our vision to create a sustainable world.

Maxeon aims to continue to maintain our 40-year warranty and improve the efficiency of our solar panels to 24% and 25% efficiency by 2025 and 2030, respectively.



Introduction



Environmental



Social



Governance

Appendix



Customer engagement and satisfaction

Why is it material?

As we proactively engage with our customers, we are able to enhance our understanding of their changing needs and concerns. This enables us to provide greater value to our customers whilst consistently improving our offerings. As satisfied customers correlate with the likelihood of creating a loyal customer base, repeat purchases and advocates for the brand, these directly contribute to increased revenue, market share and enhanced corporate reputation.

Engaging with customers also provides valuable feedback that Maxeon can leverage to improve our products and services, amplifying customer satisfaction and loyalty. Ensuring the satisfaction of our customers is crucial to the success of our business, and therefore, we aim not only to meet but exceed their expectations by delivering the best products and services. In today's competitive market, with numerous alternative product offerings for customers, Maxeon prioritizes customer engagement and satisfaction to retain our customer base and remain successful.

Management approach

Maintaining a strong customer relationship is key to Maxeon's ongoing success, and as a result, we strive to ensure our products are of the highest standards to meet the needs and demands of our customers. We do so by strengthening our customer engagement and our product offerings to serve and maintain the relationships we have built. This includes maintaining integrity and transparency in our products as they serve as a tool to maintain and grow customer loyalty and relationships. We work closely with our global value chain and business partners to ensure the quality of our products and operations to deliver high quality products and services.



Our initiatives

Partnership with OpenSolar to streamline workflows and enhance customer service

To engage customers and ensure customer satisfaction, it is essential to have high-quality customer service. Therefore, we have collaborated with OpenSolar, a top software provider, to develop a unique software tool exclusively for Maxeon's SunPower Design installation. This software tool offers unmatched design accuracy and speed, streamlining and enhancing our customer service. Through this partnership, Maxeon's installer network can create the most precise implementation proposals in just a few minutes, ensuring that customers receive the best service while optimising workflow efficiencies. Alongside Maxeon's SunPower Design, a new suite of tools for affiliated installers were launched, including advanced education programmes, integrated online ordering, logistics updates, marketing tools, and branded merchandise, enhancing customer accessibility and ease of use.

Our priority is to create a user-friendly and comprehensive platform that addresses the challenges and requirements of our channel partners. Through our collaboration with OpenSolar, we can provide top-notch software that is tailored to highlight the long-term benefits of our premium panel technology to customers. This software will help our partners differentiate themselves from their competitors. The OpenSolar platform's market-leading accuracy is perfectly suited to support Maxeon's installer network. The customisation capabilities of the platform will ensure that all advantages of SunPower technology are accurately modeled and presented to our end customers.



Introduction



Environmental



Social



Governance

Appendix



Customer engagement and satisfaction

With these new digital tools, we aim to offer a simplified and efficient buying experience for our trusted channel partners. These tools will serve as virtual assistants for our installers, providing them with the necessary information at the appropriate time, to enhance their sales, procurement and installation processes. These digital tools are at the core of our customer-centric business approach and transformation. We are currently in the process of making these tools available to our Sunpower-branded channel partners in Europe, Australia and Mexico.

Industry-leading warranty ensuring customer satisfaction

A key foundation of establishing customer loyalty is ensuring the longevity of our products. As such, we are pleased to be able to achieve an industry-leading warranty for our SunPower products, extending the longevity of our products and providing the best quality solar products for our customers. With this 40-year warranty, customers can obtain solar panels that deliver optimum performance and durability.

In the creation of our SunPower Maxeon 40-Year Warranty, we underwent external field studies for over 33 million IBC panels that were globally deployed, with comprehensive accelerated life testing by Maxeon and third parties. A physics-based model was used to determine the expected performance impact over time from major degradation and failure modes across our selected

panels. Collectively, these tests provided Maxeon and our customers confidence that our SunPower maxeon Module technology can support a 40-year life, and that continued operation beyond this period is certainly feasible, prolonging the lifetime of our panels.

Enabling the achievement of this extraordinary lifespan, the core technology behind Maxeon's patented IBC cell and panel designs include fundamental design differences which eliminate typical solar module faults, such as hotspots and cell interconnection failures. This further ensures robust protection against environmental stresses and climate fluctuations whilst simultaneously maximising solar reliability and energy density. Through these tests, we are able to warrant a minimum output of 98% during the first year of operation, followed by maximum annual degradation of 0.25% for the next 39 years. The result is an unprecedented 88.3% warranted power at the end of 40 years which fares 9.5% higher than the warranted power a standard solar panel can deliver after just 25 years. This achievement demonstrates the longevity of our Maxeon IBC solar panels and strengthens our position as a secure long-term energy investment for businesses and homeowners.

Performance highlights

At Maxeon, the Net Promoter Score (NPS) system gauges the loyalty of our customers whilst evaluating our performance. The NPS system uses a scale of one to ten to determine how customers rate our company. Customers who give a rating of nine or ten are referred to as "Promoters" as their rating indicates a higher likelihood of endorsing or recommending our products. Those who provide a rating between seven or eight are identified as "Passives" as they are satisfied customers, though not inclined to promote Maxeon. Customers who give a rating of six or below are perceived as "Detractors" as their rating demonstrates their dissatisfaction with our products. The NPS score is calculated by subtracting the percentage of Detractors from the percentage of Promoters. A score above zero is satisfactory whilst scores above 50 are considered excellent.

Our NPS scores look at both customer and partner health. The customer health NPS scores reflect the long-term customer satisfaction. We highly encourage our customers to provide us with their feedback on our products, installation services and partners. This allows us to reflect on our services and incorporate any constructive feedback into the improvement of our products and services. We collect feedback through three methods:



Introduction



Environmental



Social



Governance

Appendix



Customer engagement and satisfaction

1. Installation experience survey

This survey is conducted one month after system installation to obtain feedback from our customers regarding the customer experience throughout the installation process, including meeting commitments, responsiveness, system design and installation phase. We additionally seek feedback on how likely each customer is to recommend Maxeon's installation partner to their friends, family or business partners.

2. One-year system experience survey

Upon the first anniversary of the installation of our solar panels, we send our customers a survey to understand the satisfaction level of our customers with our products and whether they have met their expectations. This also aims to decipher how likely our customers are to recommend our products.

3. Issue-to-resolution

On the rare occasions when our customers face issues with their products, we have an avenue for our customers to contact us with any questions or concerns. Keeping this open line of communication is key to our customer satisfaction and engagement strategy. Upon the resolution of an issue, a survey is sent to evaluate their resolution experience.

From these surveys, the responses are tabulated and the NPS scores for customer health are calculated. In 2022, we obtained a score of 56 for our NPS customer health, staying on track from 57 and 54 in 2021 and 2020, respectively.

On the other hand, NPS scores for partner health refers to the satisfaction level of our business partners. To obtain their feedback and assess our performance across the different functions of our business, we conduct an annual Maxeon Partner Survey. With external stakeholders' feedback, we are able to gain further insight from a different point of view to strengthen our services. This feedback is utilised in an action plan to resolve and improve any issues our business partners are facing.

Similarly, for our business partners, we maintain an open line of communication where Maxeon's installation partner receives an Issue-To-Resolution Survey for their queries and issues. To calculate the NPS for Partner Health, we combine the survey results, with the annual Maxeon Partner Survey having the most weight in the calculation.

In 2022, we are pleased to have achieved an NPS Partner Score of 66, signifying a good level of partner satisfaction. Maxeon is not aware of any complaints or notices regarding breaches in customer personal data as of December 2022.

Looking forward

Maxeon remains committed to maintaining a high level of customer satisfaction through sustained customer engagement including customer feedback and inputs. Through our targeted initiatives and measures, we strive to continuously build customer loyalty whilst maintaining our competitive advantage. We aim to achieve a high NPS score of 62 and 70 globally, by 2025 and 2030, respectively.



Introduction



Environmental



Social



Governance

Appendix

Forward-looking statements

This Sustainability Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, statements regarding: (a) our expectations regarding pricing trends, demand and growth projections; (b) potential disruptions to our operations and supply chain that may result from epidemics, natural disasters or military conflicts, including the duration, scope and impact on the demand for our products, market disruptions from the war in Ukraine; (c) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our ability to meet short term and long term material cash requirements including our obligations under the long-term polysilicon supply agreement, our ability to complete an equity or debt offering at favorable terms, if at all, and our overall liquidity, substantial indebtedness and ability to obtain additional financing; (f) our technology outlook, including anticipated fab capacity expansion and utilization and expected ramp and production timelines for the Company's Maxeon 6, next-generation Maxeon 7 and Performance line solar panels, expected cost reductions, and future performance; (g) our strategic goals and plans, including partnership discussions with respect to the Company's next-generation technology, and our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) our expectations

regarding our future performance and revenues resulting from contracted orders, bookings, backlog, and pipelines in our sales channels; (i) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets; (j) the potential financial impact of climate-related risks; and (k) our goals, commitments, expectations, prospects, emissions, energy consumption, water consumption, and other environmental targets as well as ESG commitments, including the seeking of external assurance in the future, data and performance. The forward-looking statements can be also identified by terminology such as "may," "might," "could," "will," "aims," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this Sustainability Report and the Company's operations and business outlook contain forward-looking statements.

This Sustainability Report may contain references to sustainability/ ESG data and performance that reflect metrics and concepts that are commonly used in such frameworks as the Global Reporting Initiative, Task Force on Climate-related Financial Disclosures, United Nations Global Compact Ten Principles and Sustainability Accounting Standards Board. We have used best efforts to align with the most commonly accepted methodologies for ESG reporting, including with respect to climate data and information on potential future risks and opportunities, in order to provide a fuller context for our current and future operations. However, these methodologies are not yet standardized, are frequently based on calculation factors that change over time, and continue to evolve rapidly. These methodologies may also be based on assumptions,

and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this report can or will be achieved. Readers are particularly cautioned to evaluate the underlying definitions and measures used by other companies, as these may not be comparable to ours. While we will continue to monitor and adapt our reporting accordingly, we are not under any duty to update or revise the related sustainability/ ESG data or statements except as required by applicable securities laws.

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. The forward-looking statements are not guarantees of future performance and are subject to a number of risks. The reader should not place undue reliance on these forward-looking statements, as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur. Factors that could cause or contribute to such differences include, but are not limited to: (1) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) our liquidity, substantial indebtedness, and ability to obtain additional financing for our projects, customers and operations; (3) our ability to manage supply chain cost increases and operating expenses; (4) potential disruptions to our operations and supply chain that may result from damage or destruction of facilities operated by our suppliers, difficulties in hiring or retaining key personnel, epidemics, natural disasters, including impacts

Introduction



Environmental



Social



Governance

Appendix

Forward-looking statements

of the COVID-19 pandemic, or the war in Ukraine; (5) our ability to manage our key customers and suppliers; (6) the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships; (7) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (8) changes in regulation and public policy, including the imposition and applicability of tariffs; (9) our ability to comply with various tax holiday requirements as well as regulatory changes or findings affecting the availability of economic incentives promoting use of solar energy and availability of tax incentives or imposition of tax duties; (10) fluctuations in our operating results; (11) appropriately sizing our manufacturing capacity and containing manufacturing and logistics difficulties that could arise; (12) unanticipated impact to customer demand and sales schedules due, among other factors, to the spread of COVID-19, the war in Ukraine and other environmental disasters; (13) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships; (14) reaction by securities or industry analysts to our quarterly guidance which, in combination with our results of operations, may cause them to cease publishing research or reports about us, or adversely change their recommendations regarding our ordinary shares, which may negatively impact the market price of our ordinary shares and volume of our stock trading; and (15) unpredictable outcomes resulting from our litigation activities or other disputes. 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 “Risk Factors”. Copies of these filings are available online from the SEC at www.sec.gov, or on the SEC Filings section of our Investor Relations website at <https://corp.maxeon.com/investor-relations>.

All forward-looking statements in this press release 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.



Introduction



Environmental



Social



Governance

Appendix



Maxeon Sustainability Report 2022

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