

maxeon
POWERING POSITIVE CHANGE

Sustainability Report
2021



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Sustainability Report 2021



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INTRODUCTION

Letter from Jeff Waters, Chief Executive Officer, and Donald Colvin, Chairman of the Board of Directors

2021 was a challenging year as the pandemic continued to disrupt the global supply chain and the way business is conducted. Despite the backdrop of social and economic uncertainties in 2021, a silver-lining has been that the world is taking meaningful steps to address climate change. At the UN Climate Change Conference (COP26), countries were urged to align to the Paris Agreement target and shift from fossil fuels to a net-zero future. New targets set by governments around the world will increase the global pace of decarbonisation and renewable energy adoption.

As the global demand for renewable energy increases along with renewed climate commitments by government leaders worldwide, Maxeon is encouraged that our differentiated products are powering the fight against climate change in more than 100 countries. At Maxeon, we pride ourselves in being the global leader in solar innovation. This year, we launched the solar industry's longest and most comprehensive warranty of 40 years. Maxeon's latest contribution to growing a global circular economy.

Today, a growing number of corporations have begun to align Environmental, Social and Governance (ESG) to the core of their business and investment decisions, and governments around the world continue to align policies and procurement decisions to sustainability. Maxeon has been a Signatory of the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative, since December 2020. By broadening our sustainability strategy to a global ESG platform, we can make an

even greater impact on the communities we serve. We are confident in our abilities and remain committed to leading the sustainability wave with our innovative solutions.

Environmental

Climate change is profoundly impacting the world around us, and world leaders have called for urgent collective action to address the global climate crisis. Singapore continues to remain steadfast in its commitment to global climate action and signed on to several partnership coalitions during COP26, including the Global Coal to Clean Power Transition Statement. To accelerate Singapore's efforts against climate change, Ms Grace Fu, Minister for Sustainability and the Environment of Singapore, announced the launch of the Singapore Green Plan 2030, a nationwide movement to advance Singapore's agenda on sustainable development, charting ambitious targets to align with the UN's 2030 Sustainable Development Agenda and the Paris Agreement's net-zero aspiration. As a solar company, we are heartened with the progress of COP26 and Singapore's commitment to the Green Plan 2030. As a global company with its headquarters in Singapore, we are pleased to have released our first set of 2030 ESG long-term targets in 2021 in support of the global transition to clean energy and net-zero emissions. Maxeon is Powering Positive Change™.

As ESG continues to affect companies in key business and investment decisions, in 2021 the Singapore Exchange (SGX) unveiled its roadmap for mandatory climate disclosures for listed companies



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Letter from Jeff Waters, Chief Executive Officer, and Donald Colvin, Chairman of the Board of Directors

in Singapore. Amidst the urgent call for climate disclosures, we have reviewed Maxeon's ESG plans and will consider adopting the climate risk reporting framework recommended by the Task Force on Climate-Related Financial Disclosures (TCFD).

This year, we are honoured to have won the Silver Award in Asia's Best Sustainability Report (Human Rights) category by Asia Sustainability Reporting Awards (ASRA) 2021, and we are resolved to always do better.

Social

Maxeon has always been dedicated to being a responsible corporate citizen with a focus on the social wellbeing, human rights and safety of our people and communities. Our Occupational Health and Safety (OHS) commitment is deeply engrained in our culture as expressed through our policies, procedures and trainings. Safety is of paramount importance at Maxeon and will continue to be embedded in all our operations.

Governance

At Maxeon, we understand the importance of trust in achieving our goals as a company, and therefore we place a high priority on complete transparency and integrity across our operations and governing policies. Being vigilant on corporate behaviour and conducting business in an ethical manner with integrity will ensure that we build a strong foundation for our business.

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

On behalf of the Board of Directors and Executive Leadership Team of Maxeon Solar Technologies, we thank our Staff, Partners and Stakeholders for the strong support, and we look forward to our continuing partnership.

Jeff Waters
Chief Executive Officer



Donald Colvin
Chairman of the Board
of Directors



INTRODUCTION

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

We are delighted with the progress Maxeon has made in the past year and look forward to Powering Positive Change in a sustainable and innovative way. As a solar company, we have a responsibility to fight climate change and must continue to innovate to create an even greater impact on communities around the world. To further our mission, Maxeon has collaborated with the National University of Singapore's Solar Energy Research Institute of Singapore (SERIS) on two research projects in 2021 and the research is currently ongoing. We also celebrate the launch of the solar industry's most comprehensive warranty of 40 years, evidence that we stand behind the longevity of solar energy production that our panels so reliably provide. And we are quite pleased to now provide our stakeholders with our panels' energy payback time, which is the period of operating time required for an installed Maxeon panel to generate the same amount of energy used to get it to production. Data supporting what we all know, that Maxeon makes the best and most sustainable panels.

In the wake of unprecedented market momentum behind ESG in 2021, investors, corporations and government leaders have raised expectations for progress on climate pledges, alongside other social issues such as diversity, inclusion and employees' wellbeing. To demonstrate Maxeon's commitment as a United Nations Global Compact Signatory, in 2021 we established our 2030 ESG long-term targets in alignment with the UN Sustainable Development Goals (SDGs) and providing a visible roadmap of our journey towards decarbonisation and a sustainable future. In 2021, Maxeon also signed on as one of the twelve inaugural organisational members

of the Singapore Low Carbon Network, launched as part of PwC Singapore's Asia Pacific Centre for Sustainability Excellence. The network aims to support the Singapore Green Plan 2030 and brings together corporations across Singapore with ambitions to decarbonise. We are committed to helping our Singapore community achieve their decarbonisation goals and excited to work with other industry leaders and contribute our insights in solar energy technology as a means for transformation to a low-carbon economy.

Maxeon strives to maintain its sustainability leadership position in the solar industry by continuing our development of more efficient, sustainable and longer-lasting panels. As more countries and corporations pledge to achieve net-zero emissions, renewable energy will play a pivotal role in enabling this transition. Maxeon is delighted to be a key player in the race to achieving net-zero by supporting the growing demand for solar energy coupled with social and governance best practices.

As we journey towards our 2030 ESG long-term targets, we will continuously assess our yearly performance and progressively improve on our sustainability efforts. With the rising demands for accountability and climate-related disclosures, Maxeon will also consider reporting climate-related risks disclosures and aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) framework in our next sustainability report.

We thank our internal and external stakeholders for their support in our sustainability journey and look forward to continued collaboration in our future endeavours.



A stylized, handwritten signature in black ink, appearing to read 'L. Wiedmann'.

Lindsey Wiedmann
Chief Legal Officer,
Global ESG Executive Leader

INTRODUCTION

About this Report

Reporting Scope and Period

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

Our Sustainability Report, a follow-up from to our last report published on 30 June 2021, covers the Company’s performance with regards to environmental, social and governance (“ESG”) considerations for the financial year that ended on 31 December 2021 (“2021” or “FY 2021”). As we encompassed our full-year performance into this Report, we present our sustainability strategies, ambitions, and progress in material ESG topics.

Through our Report, we aim to widen our sustainability commitment across our valued stakeholders, including our employees, investors, customers, business partners, suppliers and contractors, regulators, and the communities we operate in.

Reporting Standards

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards: Core option and is aligned to the Sustainability Accounting Standards Board (“SASB”): Solar Technology Project Developers Standard and Singapore Exchange (“SGX”) Sustainability Reporting requirement. Furthermore, we have aligned our Report to the United Nations Sustainable Development Goals (“UN SDGs” or “Global Goals”) and continue to be a committed Signatory of the United Nations Global Compact (“UN GC”).

Quality of Report

Since our inaugural sustainability report published in 2021, we have engaged external consultants to conduct an annual gap analysis to ensure the quality of our sustainability report. Whilst Maxeon has not sought external assurance for its report, we have established robust systems to uphold and ensure the quality of information reported.

Publication Date

This Report is published on 30 June 2022. The report can be found online on our [website](#).

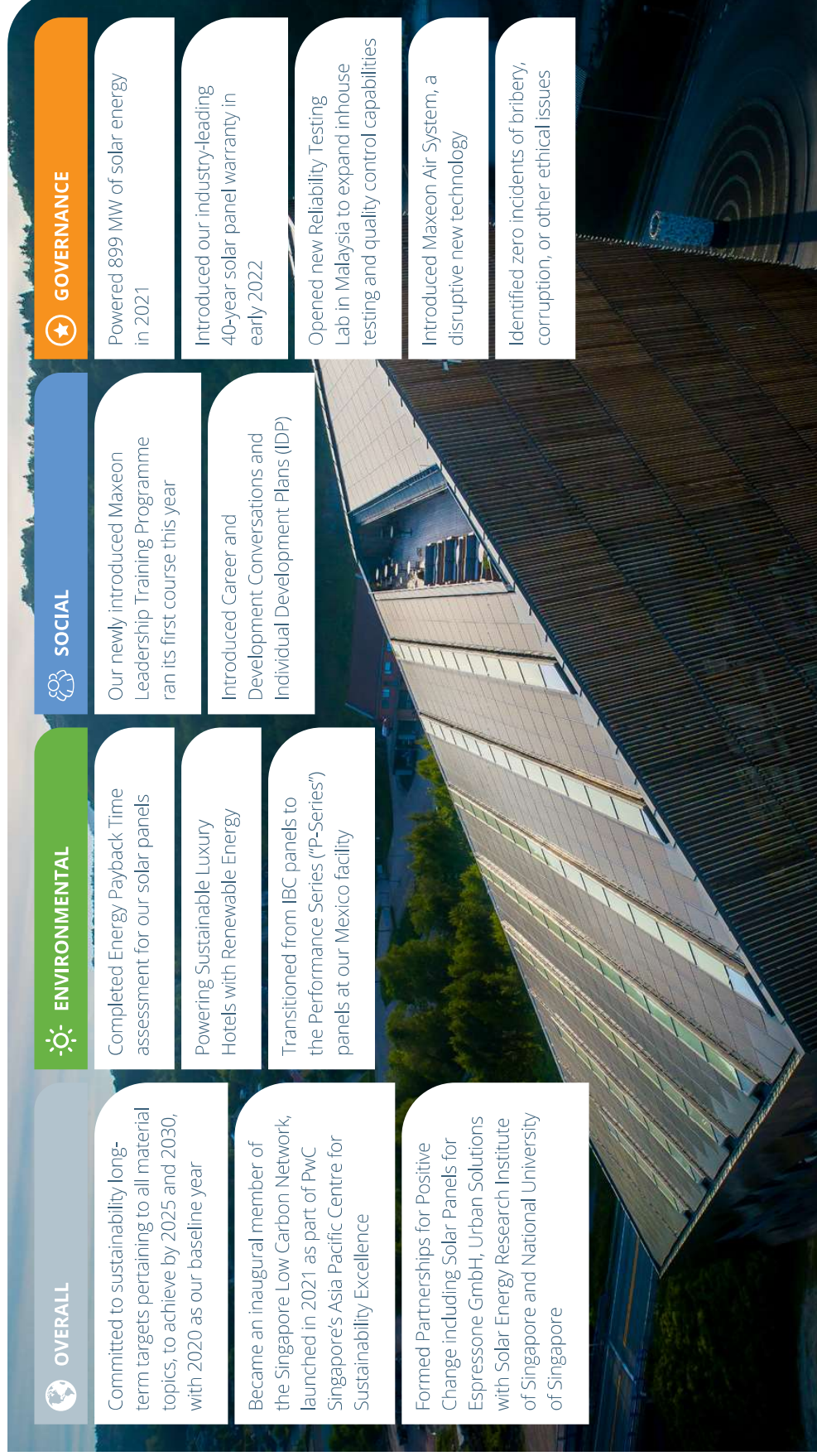
Feedback

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



INTRODUCTION

Key Highlights of 2021



OVERALL	ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>Committed to sustainability long-term targets pertaining to all material topics, to achieve by 2025 and 2030, with 2020 as our baseline year</p> <p>Became an inaugural member of the Singapore Low Carbon Network, launched in 2021 as part of PwC Singapore's Asia Pacific Centre for Sustainability Excellence</p> <p>Formed Partnerships for Positive Change including Solar Panels for Espresso GmbH, Urban Solutions with Solar Energy Research Institute of Singapore and National University of Singapore</p>	<p>Completed Energy Payback Time assessment for our solar panels</p> <p>Powering Sustainable Luxury Hotels with Renewable Energy</p> <p>Transitioned from IBC panels to the Performance Series ("P-Series") panels at our Mexico facility</p>	<p>Our newly introduced Maxeon Leadership Training Programme ran its first course this year</p> <p>Introduced Career and Development Conversations and Individual Development Plans (IDP)</p>	<p>Powered 899 MW of solar energy in 2021</p> <p>Introduced our industry-leading 40-year solar panel warranty in early 2022</p> <p>Opened new Reliability Testing Lab in Malaysia to expand inhouse testing and quality control capabilities</p> <p>Introduced Maxeon Air System, a disruptive new technology</p> <p>Identified zero incidents of bribery, corruption, or other ethical issues</p>



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INTRODUCTION

About Maxeon Solar Technologies

Headquartered in Singapore, Maxeon designs and manufactures Maxeon® and SunPower® brand solar panels. We have sales operations in more than 100 countries, which operate under the SunPower brand in certain countries outside of the United States. As a leading solar innovator, we have access to more than 1,000 patents and have created two best-in-class solar panel product lines.

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



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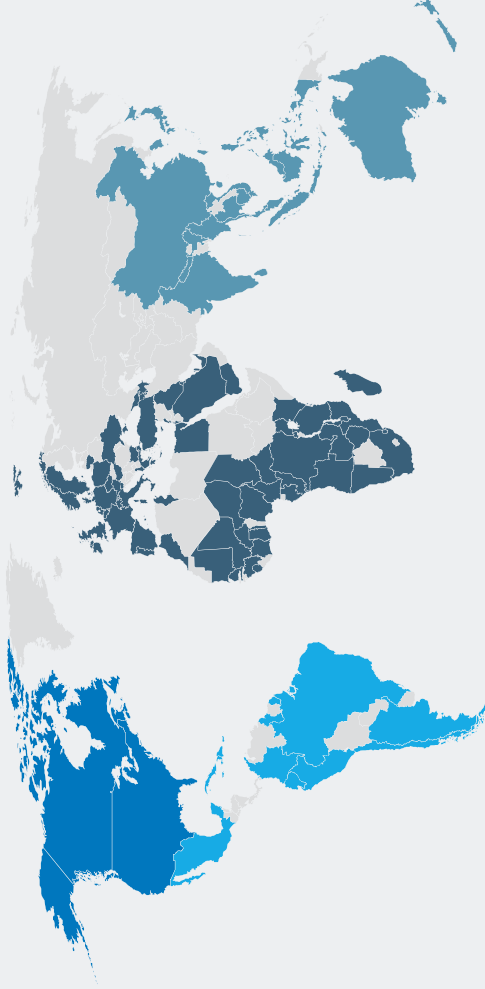
About Maxeon Solar Technologies

This year saw the closure of one of our facilities located in France due to planned restructuring. As a result, we currently have five production facilities located in the Philippines, Mexico, Malaysia and France. Maxeon's product reach extends to Africa, Asia, Oceania, Europe, North America and South America, ensuring our products are entrenched globally and across solar power markets through our trusted network of more than 1,700 partners and distributors. We leverage a 35+ year history of pushing the boundaries of innovation within the solar industry, propelling us as pioneers in sustainable solar manufacturing whilst achieving numerous awards for our technology. Through our operations and purpose, we have enabled more than one million customers to make a positive impact on the world by transitioning to solar energy.

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

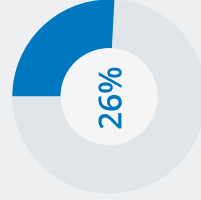


GLOBAL SALES & INSTALLATION PARTNERS



500*

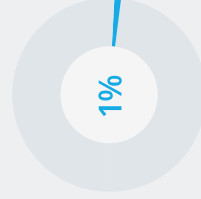
U.S. & Canada



26%

28

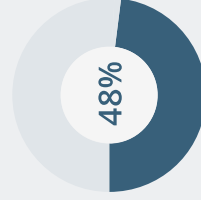
Mexico & LATAM



1%

930

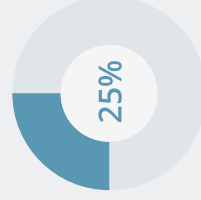
EMEA



48%

494

Asia-Pacific



25%

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

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About Maxeon Solar Technologies

A Leader in Solar Innovation

Maxeon's comprehensive solar panel portfolio ensures that all customers' energy demands may be met, across the residential solar, commercial solar and solar power plants markets. Our panel product lines are the Maxeon line of interdigitated back contact (IBC) solar cells and panels and the Performance line of shingled solar cells and panels. We provide our customers with an industry-leading, 25-year power and performance warranty.

In early 2022, we introduced a 40-year warranty for our SunPower Maxeon panels as a testament to our highly reliable solar technology. Our new warranty, the longest in the industry, assures our customers more years of clean energy production and reduced environmental impact, providing customers with even greater assurance as they transition to solar energy.

SUNPOWER | MAXEON

FUNDAMENTALLY DIFFERENT, AND BETTER

#1 Solar Panel Efficiency¹
in the market, fitting more energy in less space

#1 Lowest Degradation Rate²
in the solar industry²

Leading Durability²
with a 40-year warranty², top module reliability performer⁴

Ultra-pure silicon on a patented copper foundation



SUNPOWER | PERFORMANCE

MAKING THE CONVENTIONAL EXCEPTIONAL

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

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

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

Patented, unique mono PERC shingled cell panel design



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1. Based on search of data-sheet values from websites of top 20 manufacturers per IHS, as of January 2021.
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

Sustainability Approach and Governance

Our Approach to Sustainability

As a pioneer in sustainability innovation within the solar industry, we believe in setting a high bar for the industry in combatting climate change and its detrimental effects. We continuously strive towards creating a positive and consequential impact on the environment, the energy industry, our customers, the communities we serve and operate in, and beyond. Our approach to sustainability is governed through our purpose of Powering Positive Change™, as depicted on the right.



OUR PURPOSE

Powering Positive Change™

OUR VALUES

We push the boundaries

We hold ourselves to a higher standard

We thrive together



OUR SUSTAINABILITY PILLARS

ENVIRONMENTAL

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

SOCIAL

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

GOVERNANCE

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



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Sustainability Approach and Governance

Governance and Culture in Driving ESG

Our ESG strategies, initiatives and performance are supervised by our Executive Leadership Team (ELT) and further governed by our Nominating and Corporate Governance Committee, which consists of two independent directors and two directors appointed by our shareholders, TotalEnergies and TCL Zhonghuan Renewable Energy Technology (TZE). As we strive towards remaining abreast of macro ESG trends, opportunities and risks, our Global ESG team and Chief Legal Officer, who is also our Global ESG Executive Leader, provide quarterly updates and presentations to the Committee on global ESG shifts, as well as our own ESG initiatives and progress.

We have established a formal ESG structure governing the functions of independent operations, through a Global ESG Lead hired by the Singapore headquarters alongside our Legal team, to effectively solidify our sustainability approach, framework and efforts. As a result, we can effectively cross-collaborate within the organisation to execute our ESG ambitions and track our progress. Maxeon has embedded sustainability into its company culture, as reflected in Maxeon's Corporate Key Results (KRs) in which ESG was identified as critical to achieving broader company goals.

For more information on our governance framework and financial performance, please refer to our Annual Report.

Actively Engaging Stakeholders

Engaging with and understanding the needs of our stakeholders is an essential part of our sustainability journey. We identify our material stakeholders based on the impact our business has on them, as well as their role in our business. In 2021, we conducted an extensive stakeholder engagement exercise involving both internal and external stakeholders. Through in-depth interviews and online surveys, we gathered insights that informed our materiality assessment. In addition, we also conducted an employee survey to understand perceptions around the Maxeon brand, vision and purpose. A synopsis of our ongoing engagement with different stakeholders is presented on the next page as well as in the Materiality Assessment Process section and other sections of this Report.

We continuously engage with our stakeholders to better understand and identify their needs, ultimately aiding us on our sustainability journey. We continue to report on the material topics we identified from our extensive materiality assessment in 2021, as they remain relevant to us as an organisation, and to our stakeholders.

Nominating and Corporate Governance Committee

Executive Leadership Team

Chief Legal Officer, Global ESG Executive Leader

Global ESG Team



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Sustainability Approach and Governance



INVESTORS

- Investor and analyst presentations
- Annual general meetings
- Quarterly reports
- Press releases



NON-PROFITS

- Media
- Press releases
- Industry events
- Regular emails



REGULATORS AND GOVERNING AGENCIES

- Media
- Press releases
- Industry events
- Regular meetings and calls
- Regular emails



CUSTOMERS

- Website
- Regular meetings and calls
- On-site visits, installation and maintenance
- Industry events



EMPLOYEES

- Company Intranet
- Emails
- Regular Townhalls (All Hands Meetings)



SUPPLIERS

- Questionnaires
- Emails
- Regular meetings and calls

Platforms for Engagement

Stakeholder Priorities

- Energy and Emissions
- Fair Labour and Human Rights
- Diversity and Inclusion
- Business Integrity and Ethics
- Sustainable Innovation

- Energy and Emissions
- Water Management
- Waste
- Occupational Health and Safety
- Fair Labour and Human Rights
- Business Integrity and Ethics
- Product Quality, Reliability and Safety

- Energy and Emissions
- Water Management
- Circular Economy
- Fair Labour and Human Rights
- Diversity and Inclusion
- Product Quality, Reliability and Safety
- Customer Engagement and Satisfaction

- 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

- Circular Economy
- Occupational Health and Safety
- Fair Labour and Human Rights
- Business Integrity and Ethics
- Sustainable Innovation



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Sustainability Approach and Governance

Our Commitment to the SDGs

Maxeon has been a Signatory to the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative, since December 2020. As a purpose-driven global organisation, we believe that by broadening our sustainability strategy to a global ESG platform, we can make an even greater impact on the communities we serve. We hope that through our involvement, we can maximise our impact by joining the 12,000+ companies across 160 countries striving to better the world through their commitments to the UNGC. We continue to focus on the four previously identified key SDGs most relevant to our business in creating a sustainable and positive impact:

- **SDG 7** – Affordable and Clean Energy
- **SDG 10** – Reduced Inequalities
- **SDG 12** – Responsible Consumption and Production
- **SDG 16** – Peace, Justice and Strong Institutions

These SDGs are consistent with our purpose of Powering Positive Change™. Furthermore, they are aligned with our Maxeon values, defining our company, culture and people, ultimately governing our interactions with our customers, investors and suppliers. These selected SDGs are factored into our long-term targets to further inform our sustainability strategies.

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

Esther Chang

Executive Director, Global Compact Network Singapore



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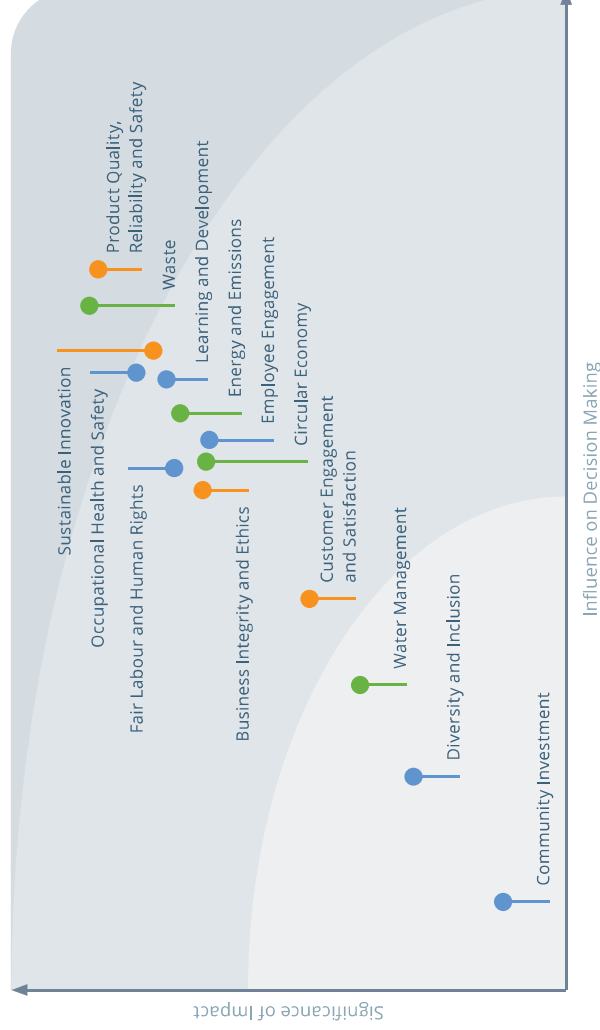
Sustainability Approach and Governance

Materiality Assessment Process

At Maxeon, we recognise the importance of accurately identifying material issues relating to a company's business, people and stakeholders, as a critical input to inform corporate sustainability strategy. As we conducted a robust materiality assessment for our inaugural Report for 2020, we continue to report on the identified material topics as they remain relevant to our organisation. This work helps to continuously refine our ESG approach and our efforts to reflect our ESG impact and influence on the decisions of our stakeholders.

The materiality assessment process conducted for our inaugural Report in 2021 included analyses to identify key industry-level ESG topics, interviews with internal and external stakeholders, and validation workshops to decipher the relevant ESG issues for Maxeon through the insights of an array of key stakeholders.

The following material topics were identified using a precautionary principled approach, and were established to be the areas of greatest potential impact and influence for Maxeon on the environment, economy and society:



ENVIRONMENTAL

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

SOCIAL

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

GOVERNANCE

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



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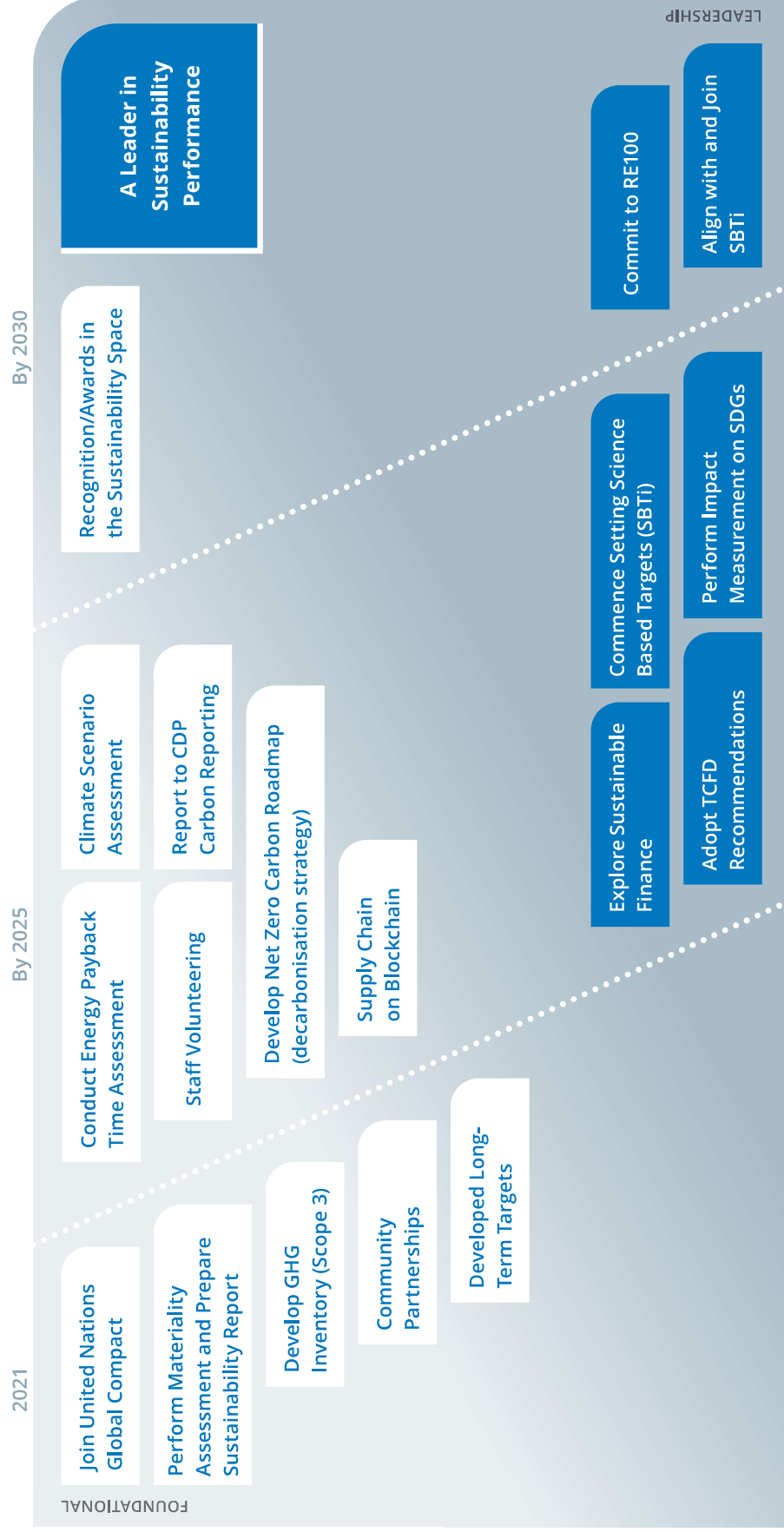
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Project Overview: Taking a Staged Approach to Our Sustainability Journey



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Environmental Long-Term Targets



Material Topic	Metric	2020	2025	2030	Narrative Description	2021 Performance
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 (on site / virtual PPAs) Improve Maxeon's own energy intensity per site / product line Improve Maxeon's own emissions intensity by per site / product line Maxeon's sites will continue to report Scopes 1, 2, 3 and 4 emissions 	Our energy intensity increased to 268MWh consumed / MW produced.
	Emission intensity (tCO ₂ e / MW produced)	160	10% improvement from 2020	20% improvement from 2020		Our emissions intensity increased to 167 tCO₂e / MW produced.
WATER MANAGEMENT	Water intensity (m ³ used per MW produced)	3,874	2.5% improvement from 2020	5% improvement from 2020	<ul style="list-style-type: none"> 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 improve its water intensity and recycling of waste figures every year, achieving 5% improvement in water intensity and 10% in waste recycling by 2030. Maxeon will estimate its carbon footprint (g CO₂/kW) and Energy Payback Time (years (or fractions thereof)) to make Maxeon's environmental impact more accessible to the public. 	Our water intensity increased to 3,876 m³ / MW produced.
WASTE	Waste Recycling	80%	5% improvement from 2020	20% improvement from 2020		Decrease in overall recycling rate to 74% of total waste recycled.
CIRCULAR ECONOMY	Cradle to Cradle certification (for Maxeon products)	Bronze	Silver	Gold		Bronze status of Cradle to Cradle Certification was maintained.

Social Long-Term Targets



Material Topic	Metric	2020	2025	2030	2021 Performance
OCCUPATIONAL HEALTH AND SAFETY	TRIR (total recordable incidence rate)	0.63	0.63	10% Reduction from 2020 number	TRIR increased to 0.81
	Incidents / Traceability	Zero cases of verified non-compliance with human rights laws	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 increasing traceability of supply chain by putting it on the blockchain
FAIR LABOUR AND HUMAN RIGHTS	% of people leaders who identify as female	32%	34%	37%	Decreased in percentage of females in Executive Leadership Team to 25%
	Maxeon volunteering days	N/A	5,000	7,500	Increased Maxeon volunteering days from 2020
DIVERSITY AND INCLUSION	We strive for an engaged workforce, where people have meaning in their work and can learn and grow	<ul style="list-style-type: none"> No leadership development programme No career and development planning framework Performance reviews occur twice yearly, feedback ad-hoc 	<ul style="list-style-type: none"> 90% of eligible employees passed through the leadership development programme 70% of employees had a career and development discussion with their leader Structured feedback is incorporated into our performance review process, tied to our leadership capabilities and company values 	<ul style="list-style-type: none"> 95% of eligible employees passed through the leadership development programme 80% of employees had a career and development discussion with their leader A continuous feedback culture exists amongst our workforce, driving learning and growth 	Rolled out Leadership Training Programme and increased career and development discussions amongst employees
	COMMUNITY INVESTMENT				
EMPLOYEE ENGAGEMENT					

Governance Long-Term Targets



Material Topic	Metric	2020	2025	2030	2021 Performance
CONSUMER ENGAGEMENT AND SATISFACTION	Net Promoter Scores (NPS) for Customer Health	54 (EMEA only)	62 (Global)	70 (Global)	57 (Global)
	NPS for Partner Health	76 (EMEA only)	70 (Global)	80 (Global)	72 (Global)
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	187 DPPM
	Warranty and efficiency (one can calculate Carbon Positivity with this and Energy Payback Time)	25 years	40 years @24% efficiency	40 years @25% efficiency	In early 2022, we have introduced our 40-year warranty @22.7% efficiency
SUSTAINABLE INNOVATION	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 2021

ENVIRONMENTAL

Spotlight: Powering Sustainable Luxury Hotels with Renewable Energy



ENVIRONMENTAL

Spotlight: Powering Sustainable Luxury Hotels with Renewable Energy

Traditionally, the hotel industry has lagged behind other real estate sectors in the adoption of energy-efficient measures¹. However, Slottsholmen on Water, a Maxeon client in the hospitality industry, has been a trailblazer in setting the standard on how hotels can be truly more sustainable. The hotel, which floats on the Västervik marina in Sweden, installed a total of 412 SunPower Maxeon® solar panels on their rooftop. The owners of Slottsholmen wanted a reliable onsite renewable energy source for the long term. Maxeon enabled this goal through the installation of durable, sustainable and high-performing solar panels. In addition to producing energy that helps power the hotel's three buildings daily, the panels also power the onsite desalination plant and geothermal heating system within the hotel premises.

The system has the capacity to generate 151,000 kWh of clean energy per year, enabling Slottsholmen to be self-sustaining for most of the year. To further their self-sufficiency, they are installing 320 kWh of lithium iron phosphate (LFP) batteries, which in tandem with the solar panels will save approximately 90 tons of CO₂ per year.

In 2021, Svensk Solenergi, the Swedish Solar Energy Association, recognised Slottsholmen with an honourable mention for the Solar Energy Prize Facility of the Year, as the hotel utilises renewable energy to power their facilities. Slottsholmen is a model for sustainable hotels in Europe and across the globe and is a testament to Maxeon's vision of Powering Positive Change™.



Slottsholmen on Water, located at the heart of Västervik, Sweden, is a prime example of how Maxeon is working with companies across various sectors to improve sustainability and reduce carbon emissions through the use of our SunPower Maxeon panels.

1. The New York Times (2020), Hotels Lag in Energy Sustainability. One Project May Change That, <https://www.nytimes.com/2020/11/10/business/hotel-marcel-energy-efficient.html>



Our Environmental Responsibility: An Overview

Responding to the Climate Crisis

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment on Climate Change has underscored the need for urgent and drastic action to mitigate disastrous climate impacts. Climate scientists and leaders continuously urge for a transition towards cleaner energy sources as a key catalyst in limiting our global temperature from rising beyond 1.5°C. This has resulted in both national and international efforts across governments and businesses, as they strive towards decarbonisation and away from traditional fossil fuels in favour of renewable sources of energy.

These trends enforce Maxeon's commitment to achieve holistic sustainability across its business and value chain, whilst partnering with clients to help them achieve their climate targets and ambitions.

Maxeon: An Inaugural Signatory to the Singapore Low Carbon Network

Maxeon continues to maintain its leading position in the solar industry by developing more efficient, sustainable and longer-lasting panels, whilst upholding the highest health and safety standards. In so doing, we aim to transform the world's economy into one that employs low carbon energy sources.

Our panels, currently installed in more than 100 countries, power homes, businesses, private as well as public spaces with solar energy, reducing our dependency on fossil fuels. As more countries, governments and corporations pledge to achieve net-zero emissions, solar energy will play a pivotal role in enabling this transition. Maxeon is excited to be an important player in the race to achieve net zero by supporting the burgeoning demand for renewable energy.

In 2021, Maxeon was one of the 12 inaugural organisational members of the Singapore Low Carbon Network, launched as part of PwC Singapore's Asia Pacific Centre for Sustainability Excellence. The network supports the Singapore Green Plan 2030 and aims to bring together enterprises and organisations across Singapore with ambitions to decarbonise. We are delighted to contribute to the network with our insights into solar energy technology and hope to strengthen an ecosystem of committed industry leaders in the transition to a low-carbon economy and world.

In addition to integrating sustainability into all facets of our business processes, we have established long- and medium-term targets on our journey towards decarbonisation.



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Energy and Emissions

The recent COP26 in Glasgow at the end of 2021 emphasised the urgent need for the global economy to curb their emissions to achieve the 1.5°C goal of limiting global warming. As all organisations are responsible for meeting this goal, at Maxeon we actively partner with corporations to further their efforts to reduce carbon emissions through the adoption of solar and an increased reliance on renewable energy. Moreover, we remain committed to improving our own energy and emission intensity by 20% by 2030, in comparison to our 2020 baseline year.

Management Approach

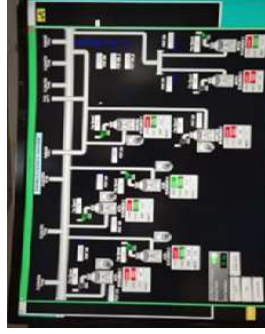
As a corporate citizen, we have a responsibility to manage our own carbon footprint. Maxeon assesses our emissions at each of our facilities annually. This approach allows us to understand our journey towards achieving greater energy efficiency whilst leveraging technology and automation to reduce our carbon footprint.

Our Initiatives

Improving Energy Efficiency

Energy efficiency remains a key step to reducing our carbon footprint as it eliminates the need to offset our carbon emissions in the first place. Solar installations from previous years have helped Maxeon on its journey towards decarbonisation.

In the Philippines, we maintained our LEED Gold Certification in 2021 through the installation of solar panels in previous years and other energy-efficient installations in our facility, including conversion of halogen to LED lamps at the perimeters of the facility, installation of Variable Frequency Drives (VFDs) in our motors, replacement of cooling fan blades and other energy optimisation projects.



Energy-Efficient Installations



ENVIRONMENTAL

Energy and Emissions

In our Mexico facility, SPMX1, energy-efficiency measures such as LED lighting retrofits have helped to maintain its LEED Gold Certification in 2021. The primary manner by which we achieve this certification is through the productive use of energy in our motors through the installation of Variable Frequency Drives (VFDs). The energy-efficiency programmes at our plant in Mexico resulted in 105,413 kWh of energy savings in 2021.



Installation of VFDs in Our Motors to Control the Cooling Tower



Technology and Automation as Enablers

In the third quarter of 2021, we began the conversion of the rooftop at SPMX1 in Mexico from Maxeon's IBC panels to the Performance Series (P-Series) panels. In addition, by 2022, 90% of our process will be automated, directly increasing our production efficiency with more quality products and improving the safety processes.



Performance Line Solar Panels Rooftop Installations

Leveraging Solar Energy for Our Operations

As a solar panel manufacturer, we constantly seek new ways to power our operations using the panels we provide to our customers. We aim to increase the installation of solar panels wherever possible across our facility sites.



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Energy and Emissions

CASE STUDY

Solar Across Car Parks and Organic Gardens in Mexico

At our Mexico manufacturing facilities in SPMX1, we have installed our solar panels atop our carparks and organic garden. In 2021, we installed 11kW roof panels at SPMX2, delivering an additional 1.875MW of energy monthly to our facility.



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



Solar panels installed atop our organic garden

CASE STUDY

Renewable Energy in Our Philippines Facility

At our Philippines site, we installed solar panels on the facility's south main roof, carpark and security posts. We also operate SunPower-branded, solar-powered golf carts to transport employees within the site. These solar installations amount to an approximate 0.2 MW energy generated annually.



Installation of Canteen Solar Roofing



Solar Carport



Installation of Solar Panels at the Security Post



CEO Jeff Waters with the FAB 4 team in our solar-powered golf cart

ENVIRONMENTAL

Energy and Emissions

Performance Highlights

In 2021, we consumed 240,832 MWh of energy across all our manufacturing sites. Our total emissions are estimated at 150,303 tCO₂e, comprising Scope 1 (580 tCO₂e), Scope 2 (149,282 tCO₂e) and Scope 3 (441 tCO₂e) emissions. Our Scope 3 boundary is currently limited to Business Travel (Category 6) and Employee Commute (Category 7).

In 2021, our performance resulted in an energy intensity of 268 MWh per MW produced and an emissions intensity of 167 tCO₂e per MW produced. While our overall energy consumption and our overall GHG emissions saw a reduction from 2020, our energy intensity as well as our emissions intensity saw an increase. This is primarily due to the decreased MW production output, showing a 17% decrease in MW produced in 2021, compared to 2020.

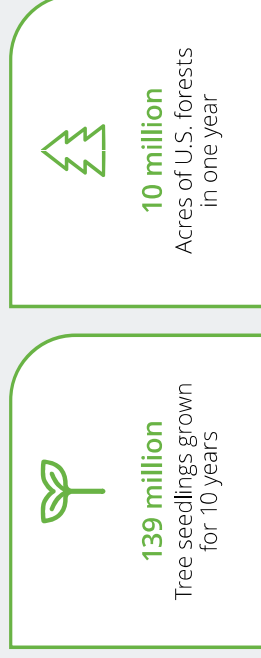
Through our production capacity of solar solutions, we have achieved the avoidance of an estimated 8,413,603 tCO₂e in 2021.



Equivalent to negating greenhouse gas emissions from:



Equivalent to carbon sequestered by:



* Calculated using EPA Greenhouse Gas Equivalencies Calculator



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Energy and Emissions

Energy Payback Time (including local grid efficiency)

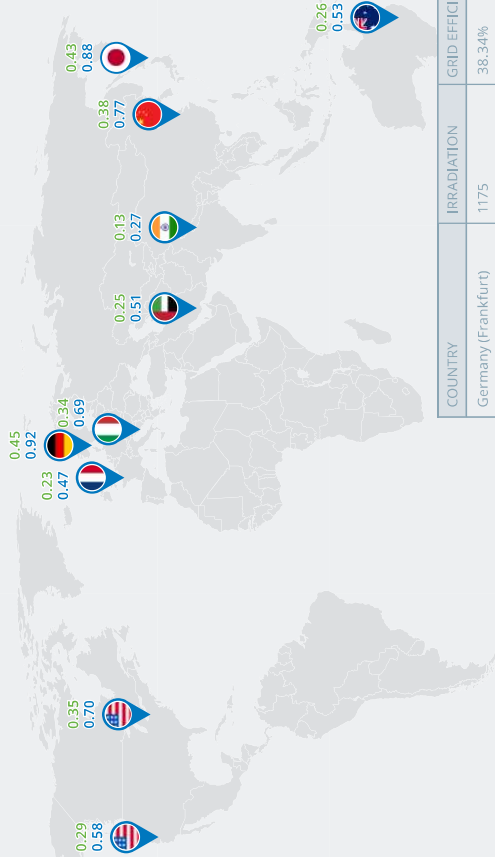
To better understand the efficiency and performance of our products, we have engaged an external consultant to perform an assessment of our solar panels' energy payback time (EPBT). EPBT is the period required for a renewable energy system to generate the same amount of energy that was used to produce the system itself. The assessment additionally investigated the cumulative energy demand (CED) over all life cycle stages of our panel and also took into account local grid efficiencies for different global locations.

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

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

EPBT

Including Local Grid Efficiency and Recycling Gains



The EPBT ranges from **0.13 - 0.45 years** for a ground-mounted system and **0.27 - 0.92 years** for a residential rooftop system.

- SunPower Maxeon 3 Ground Fixed Tilt 50 MW
- SunPower Maxeon 3 Residential Rooftop 8 kWp

COUNTRY	IRRADIATION	GRID EFFICIENCY
Germany (Frankfurt)	1175	38.34%
Japan (Tokyo)	1226	37.22%
China (Shanghai)	1271	32.04%
USA (Washington)	1456	34.36%
France (Marseille)	1623	27.30%
Australia (Sydney)	1675	30.65%
USA (San Francisco)	1714	34.36%
Italy (Rome)	1717	42.14%
India (New Delhi)	1957	17.49%
Middle East (Dubai)	1994	32.51%

Looking Forward

Maxeon continuously strives to reduce emissions from our own operations and endeavors to further reduce emissions across our value chain.



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Water Management

Water is an important and increasingly scarce resource. Establishing proper water and wastewater management across all our manufacturing operations is essential to our business and to the communities where we live and do business. We continuously pursue innovative ways to increase our water efficiency and partner with organisations that enable us to become better stewards of water.

Management Approach

Water is a by-product of and a key component in the manufacturing and production processes of solar cells and panels. As a result, we carefully manage our water consumption and treat all wastewater prior to its circulation into public utility systems. As a means of conserving water, Maxeon engages in water recycling initiatives such as treating wastewater to be used onsite for cleaning and irrigation of gardens. We aim to improve our water conservation efforts by reducing our water intensity by 5% by 2030.

Our Initiatives

Technology application and routine maintenance to reduce water usage and leakage

Our robust water management initiatives ensure that the water we withdraw is used productively and sparingly. This is largely achieved through the use of technology to optimise our internal water recycling processes by reusing the water employed to rinse off panels during the manufacturing process. Maxeon also frequently engages with contractors to service our water systems to repair any leakages and limit inefficiencies.

Wastewater Treatment and Management

Our Maxeon facilities adhere to local regulations relating to wastewater treatment and discharge processes. Furthermore, we spearhead water conservation through the recycling and reuse of wastewater generated across our facilities for other operational processes.



Solar Water Pump

ENVIRONMENTAL

Water Management

In the Philippines, our facility has introduced several water conservation programmes to optimise water usage and increase recycling. We have collected condensate water from our Makeup Air Handling Unit (MAU) and Return Air Handling Unit (RAH) to reuse as Cooling Tower Makeup water. In addition to reducing the water consumed, this also decreases water temperature in the cooling tower, thus improving energy efficiency at the same time. We have also installed a solar water pump to reuse the water from cooling water blowdown to water plants and landscaping.

Our facility in Mexico has implemented 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 for irrigation in our garden. Overall, these processes reduce our water consumption. Moreover, through the use of sensors and valves, we continuously monitor and measure our water conductivity to track water consumption, ultimately ensuring its efficient use. We have managed to reduce up to 4,000 m³ of water consumed per day by implementing water-saving measures.



3,486,450 m³
water withdrawn

Performance Highlights

In 2021, we withdrew a total of 3,486,450 m³ of water across the regions we operate with a water intensity of 3,876 m³ used per MW produced.

In 2021, we saw a slight increase in our water intensity, from 3,874 m³ per MW produced in 2020, to 3,876 m³ per MW produced. In our efforts to optimise water use through reuse and recycling where possible, we were able to minimise the impact of the reduced MW production capacity on our water intensity.

Looking Forward

Maxeon understands the importance of water stewardship and strives not just to meet local regulations on water use and wastewater, but to minimise our water footprint by pushing ourselves to set higher standards for our operations.



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Waste is a key global and environmental issue with implications on resource management, public health, inequalities and even climate change. A number of governments and international coalitions are continuously examining ways to reduce waste through public awareness campaigns, incentives for waste reduction and in some cases, taxes on waste. As a result, waste is becoming a key consideration for many organisations to account for, limiting its affiliated regulatory and financial risks.

Management Approach

Waste is another by-product of the solar manufacturing process. We remain cognisant of the socio-environmental implications of waste generation and take an integrated approach to reuse, repurpose and consequently reduce the waste diverted to landfill. We evaluate our progress by consistently tracking the waste generated and recycled, allowing us to evaluate the scope of improvements in our proportion of waste recycled across our facilities and progress, towards our goal of a 10% increase in waste recycled in comparison to 2020, by 2030.

Our Initiatives

Recycling for Waste Management

At our site in France, we continue to sort our waste into eight waste streams to facilitate recycling processes. At various locations in our factory, we have identified the type of waste typically generated and have put in place collection points in these areas to segregate the waste. As a result of this initiative, we collected 119,258 kg of organic, wood and paper waste in 2021.



ENVIRONMENTAL

Waste

Additionally, we have eliminated single use-plastics from our site in line with new 2021 regulations to decrease waste generated from economic activity by 5% by 2030 and to eliminate single-use plastic packaging by 2040. In all, 119,204.07 kg of waste was avoided at our France site in 2021.

In the Philippines, we continue our waste recycling programmes for four waste streams including metal, foam pellets, wood and cartons. The waste was placed in various collection points at our facility before being collected by recycling companies. In 2021, we diverted 254 tonnes of waste from landfills.



Waste Collection Point for Cartons

RECYCLING FOR WASTE MANAGEMENT



Metal waste for smelting



Wood waste turned into wood furniture



Foam waste recycled into pillows and pellets



Cartons recycled into paper pulp



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ENVIRONMENTAL

Waste

Reuse of Personal Protective Equipment (PPE)

In the Philippines, we continued our PPE cleaning and reuse programme to reduce waste and increase circularity. We have engaged a service provider to collect, deliver, repair, decontaminate and package the PPE utilised by our employees. Our employees are also encouraged to deposit their used PPE via this channel. Through our consistent efforts, we eliminated more than 14,000 kg of PPE waste in 2021.

PPE	PPE REUSED PER YEAR (PCS)	WASTE ELIMINATION PER YEAR (KGS)
Blue Aprons	9264	5,556
Face Shields	6456	2582
Safety Goggles (Elvex)	200	40
Chemicals Boots	2960	6512
TOTAL	18,880	14,690

PPE COLLECTION SYSTEM



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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](https://www.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 site is to recycle 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 irrigation 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 1,755 kg of compost in 2021, 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.



Solar Powered Organic Composting Garden

ENVIRONMENTAL

Waste

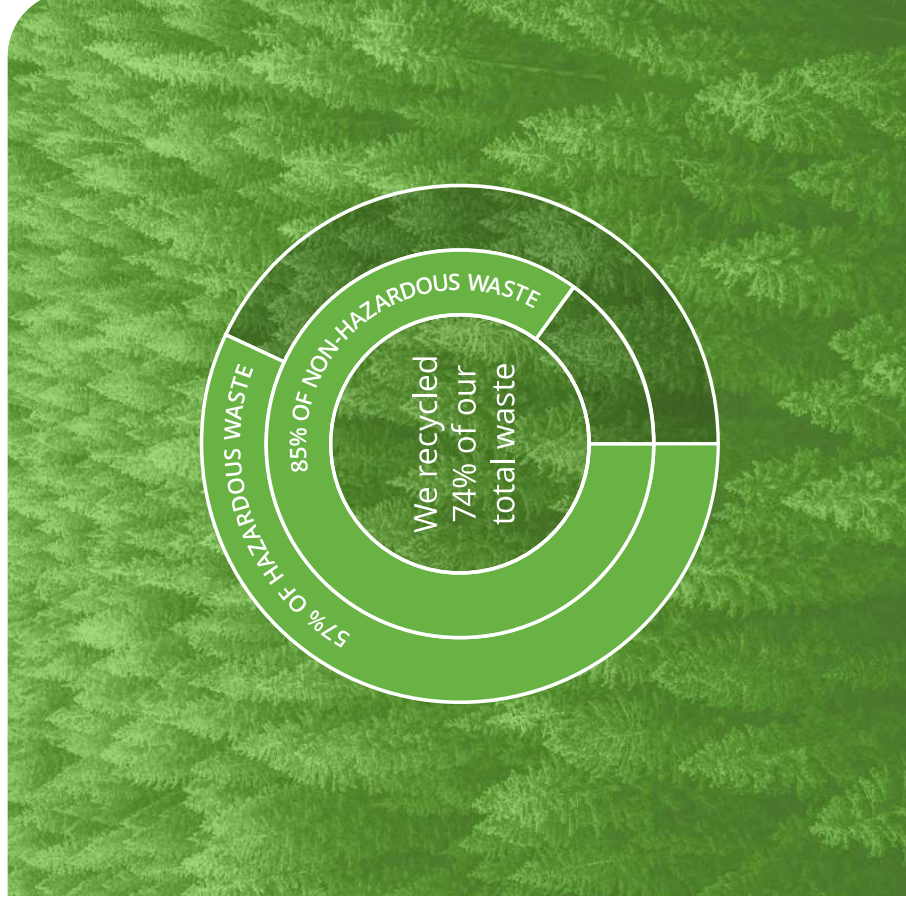
Performance Highlights

In 2021, Maxeon produced a total of 10,763 tons of waste (4,285 tons of hazardous waste and 6,478 tons of non-hazardous waste).

We recycled 74% of our total waste (57% of our total hazardous waste and 85% of our non-hazardous waste).

Looking Forward

Waste management will continue to be a priority sustainability issue for our Company as we push for better management of waste in terms of reducing its output and responsible segregation, recovery and disposal.



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Circular Economy is a concept that closely aligns with Maxeon's commitment to UN SDG 12, Responsible Consumption and Production. This relates to the efficient use and management of natural resources whilst ensuring waste is reduced and repurposed to result in a closed-loop system.

Management Approach

Maxeon strives to embed circularity into its operations as well as in the design of our products. Our panels have been designed to perform productively and last for an estimated lifespan of over 40 years, which outperforms the current solar industry average of 25 to 30 years. In our operations, Maxeon aims to play a pivotal role in creating a Circular Economy, by establishing sustainable facilities for solar cell and panel production.

We integrate a circular approach into the end-of-life stage of our products by working with local recycling experts in the countries where we operate. These organisations include PV Cycle in Europe, Reclaim PV Recycling and Hamada Corporation in Asia Pacific, and Recycle PV Solar and SEIA in the United States. In addition, Maxeon has maintained its Cradle to Cradle Certification®, which reflects our commitment to Zero Waste-to-Landfill and continued fulfillment of the responsibilities of our Declare label.

Our Initiatives

Design circularity across our production plants and buildings

With the energy efficiency initiatives implemented at our Philippines facility, including solar panels at our carparks, we maintained our LEED Gold Certification in 2021.

Our plant in Mexico, SPMX1, has maintained its LEED Gold Certification for the manufacturing facility since 2016. We have been able to do so through several initiatives including LED lighting installations and improvements to indoor thermal comfort. Furthermore, the Procuraduria Federal de Proteccion al Ambiente (PROFEPA), Mexico's environmental agency, renewed our Clean Industry Certificate. This certification exemplifies Maxeon's dedication to improving its industry processes and competitiveness, both nationally and internationally.



ENVIRONMENTAL
Circular Economy

Transparency in our product ingredients

Our interdigitated back contract (IBC) panels carry the Declare label, the only solar panel to do so. This distinction, issued by the International Living Future Institute, gives our product greater transparency by listing the materials that make up our panels. Clients can benefit from this as the labels also certify that our panels are free from harmful substances such as lead or cadmium and do not require hazardous waste-handling procedures, thus supporting the recycling process. View our Declare label [here](#).



Performance Highlights



Looking Forward

To improve our efforts to promote the Circular Economy, we will continue to strengthen our partnerships and processes to ensure materials are used productively and limit extraction of raw and virgin materials. We will pursue the standards set out by the various certification schemes such as Cradle to Cradle, Declare label and LEED.



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ENVIRONMENTAL Performance Metrics

	2021	2020
Energy Consumption (MWh)	240,832	276,044
Fuel Consumption (MWh)	1,795	1,170
Fuel Consumption (Litres)	188,929	123,269
LPG Use (MWh)	596	562
LPG Use (kg)	43,838	41,405
Conventional Purchased Electricity – Grid (MWh)	238,142	266,246
Conventional Purchased Electricity – Grid (%)	98	97
Green Power Purchased (MWh) ¹	3,633	6,342
On-site Renewable Electricity (MWh) ²	1,665	1,722
On-site Renewable Electricity (%)	0.7	0.63
Total Renewable Energy (% of Electricity)	2.22	2.94
Employee Commute (km)³	1,504,630	1,604,169
Air Travel (km)	1,565,250	896,625
Scope 1 Emissions (tCO₂e)	580	399
Scope 2 Emissions (tCO₂e)	149,282	173,335
Scope 3 Emissions (tCO₂e)	441	328
Total Emissions (tCO₂e)	150,303	174,062
Energy Intensity (MWh consumption / MW produced)	268	254
Emission Intensity (tCO₂e) / MW produced)	167	160
Emissions avoided annually (tCO₂e)⁴	8,413,603	10,147,576

	2021	2020
Total Water Withdrawn (m³)⁵	3,486,450	4,203,076
Total Water Recycled (m³)	25,689	6,445
Total Water Discharge Volume (m³)⁶	3,689,724	4,466,105
Water Intensity (m³ / MW produced)	3,876	3,874
Hazardous Waste Generation (tons)	4,285	6,125
Amount of Hazardous Waste Recycled (tons)	2,448	4,341
Percentage of Hazardous Waste Recycled (%)	57	71
Non-Hazardous Waste Generation (tons)	6,478	5,678
Amount of Non-Hazardous Waste Recycled (tons)	5,530	5,108
Percentage of Non-Hazardous Waste Recycled (%)	85	90

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

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

3. Covers leased company shuttle only

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

5. Water withdrawn attributes to water consumed. Source of water withdrawn across the sites is municipal water apart from FAB 4, which also sources water withdrawn from industrial parks, residential and commercial water.

Mexico (High Baseline Water Stress): Water withdrawn = 1.57%

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



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Spotlight: Leadership Training Programme



Spotlight: Leadership Training Programme

Management Approach

Training and development at Maxeon are crucial contributors to each employee's career aspirations. These learning opportunities also raise awareness of the value of environmental solutions, with the intention of creating a greater positive impact for the environment and our customers through our products.

We have defined our leadership capabilities and embedded them in our leadership development programme. We demonstrate our commitment to our leaders' development by making high-quality, comprehensive training accessible to enhance their leadership capabilities. We continue to innovate and curate new programmes that will develop our workforce. In 2021, we deployed a number of new training courses, including the Maxeon Leadership Programme. We maintain our stance on prioritising employee learning and development.



Web-based Classroom Training

We also host mandatory annual trainings on specific regulatory and technical topics to train and upskill our employees. Furthermore, we hold our leaders accountable for ensuring the development of each team member in their areas of expertise and geographical locations through career and development conversations. This ensures that all training is effective and customised to each employee to form a comprehensive training and development programme with the goal of significantly enhancing the capabilities of our employees.

Our Initiatives

Leadership Capability Framework

Our Maxeon Leadership Capabilities — Driven, Selfless and Adaptable — have been introduced to all our leaders. This framework allows managers to assess performance and provide feedback to all team members across the company in a consistent manner. We have done further work this year to embed these principles into our leadership culture. We hire individuals who demonstrate these values, and we continuously manage performance based on these qualities to ensure any high potential or emerging leader fully understands and can demonstrate these capabilities as they enter leadership roles.

Social Stewardship: An Overview

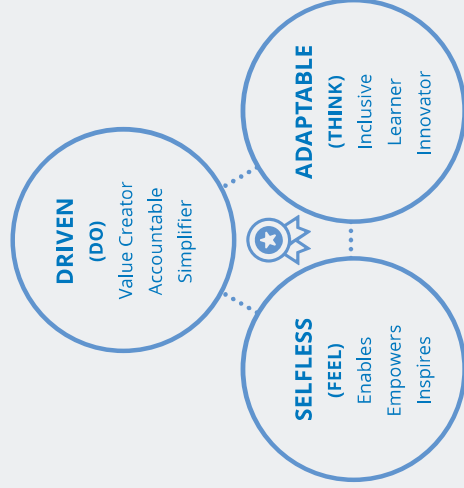
LEADERSHIP CAPABILITY FRAMEWORK

We expect all team members to demonstrate our values:

We push the boundaries

We thrive together

We hold ourselves to a higher standard



Career and Development Conversations

In Q3 2021, we introduced Career and Development Conversations and Individual Development Plans (IDP). We incorporated the learning and development framework, with 70% based on work experience, 20% on exposure and 10% on education through structured learning. Discussions of IDPs are now incorporated into our overall performance management process. Moving forward, these leadership capabilities will be further embedded into our performance management cycle.



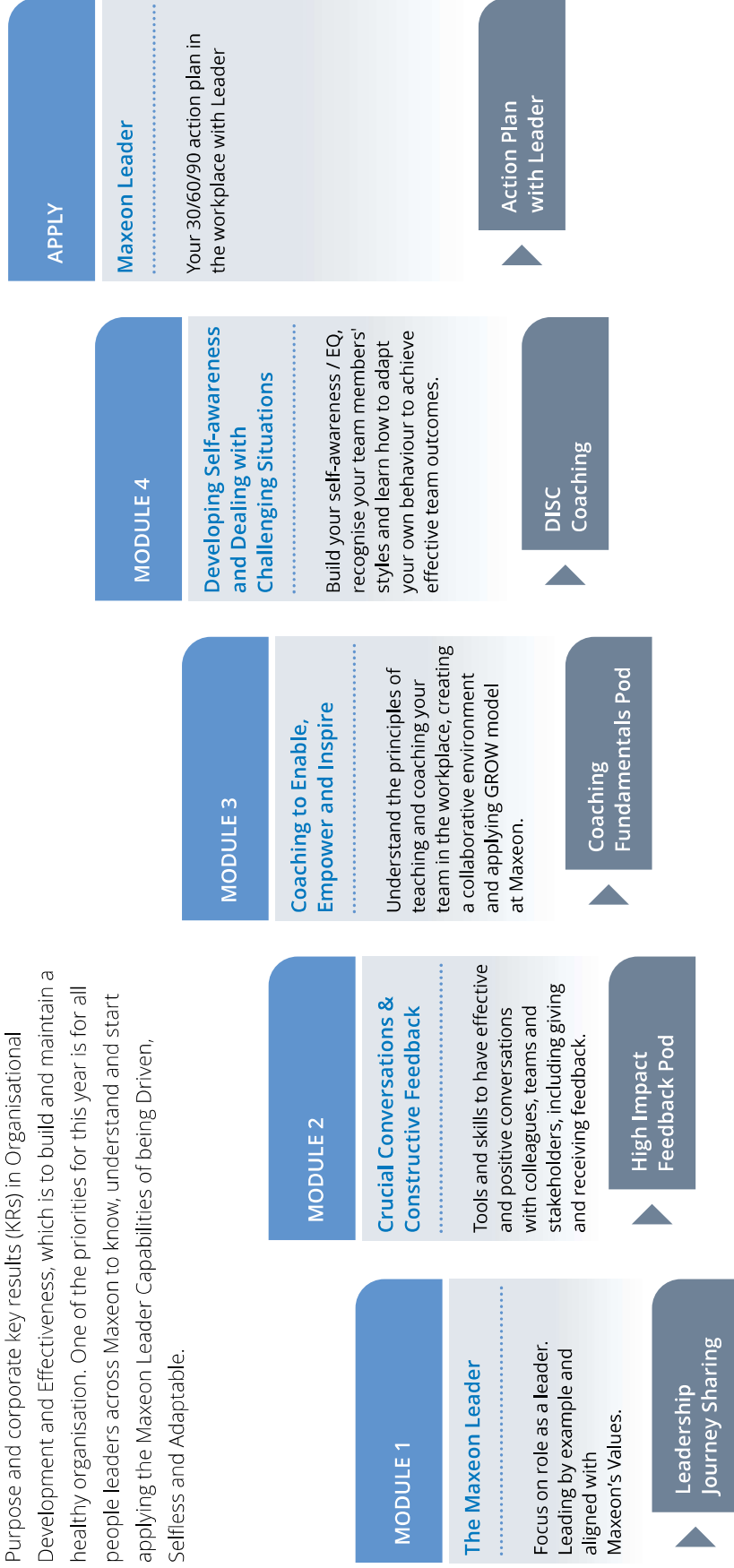
Maxeon Leader Development Programme

This year, we launched our Maxeon Leadership Programme, and 96.5% of our 456 people leaders across the organisation have attended and completed Module 1. This programme is structured around the Maxeon Leadership Capability Framework, featuring four foundational modules on leadership, feedback, coaching and self-awareness. The programme was attended by our Executive Leadership Team as well as senior leaders, managers and supervisors/team leaders. Identified leaders also joined additional feedback and coaching pods to further practice their skills.



Social Stewardship: An Overview

The Maxeon Leadership Programme directly aligns with our Purpose and corporate key results (KRs) in Organisational Development and Effectiveness, which is to build and maintain a healthy organisation. One of the priorities for this year is for all people leaders across Maxeon to know, understand and start applying the Maxeon Leader Capabilities of being Driven, Selfless and Adaptable.



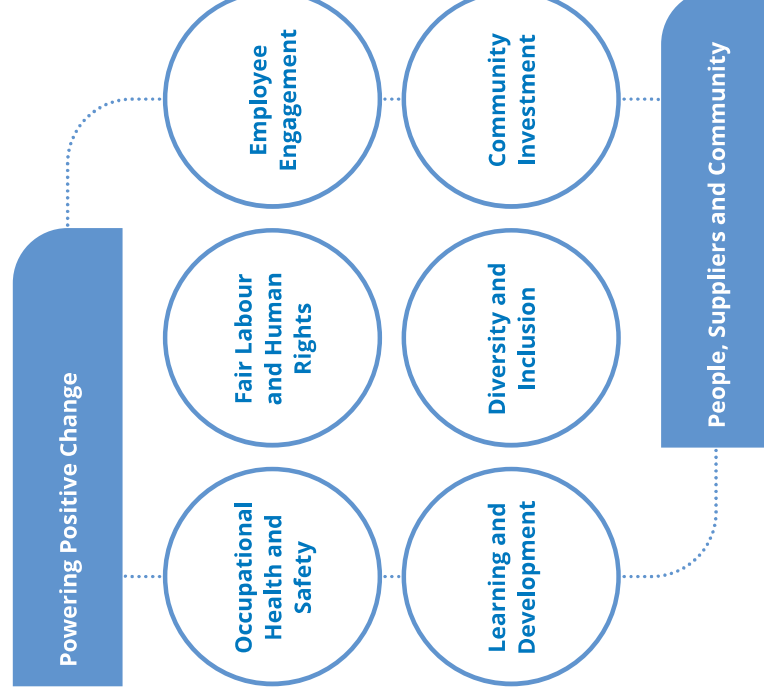
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Social Stewardship: An Overview

Throughout our business operations and supply chain, we strive to integrate our purpose of Powering Positive Change™, for the benefit of our employees, partners, and the communities where we operate. At Maxeon, we believe that people are at the core of our business success.

We understand and appreciate the value of our employees, hence we strive to create a safe working environment which enables them to fulfil their potential. In order to maintain an engaged workforce who take pride in their work, we strive for constant improvement by diversifying talent pipelines, developing our employees, providing competitive employee benefits, and recognising and retaining high-performing staff.

As we aim to be a responsible corporate citizen, we contribute to and support the communities where we operate. We place an emphasis on human rights and fair labour conditions in order to uphold our operational integrity and reiterate this message to our suppliers in our global value chain.



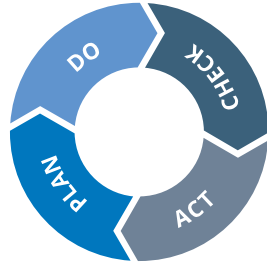
Occupational Health and Safety

Management Approach

At Maxeon, we believe that the safety of our employees and contractors is paramount. All our manufacturing and RD&D locations are certified to the internationally recognized ISO45001 and ISO14001 managements systems. We undergo rigorous external audits every year to ensure our management systems are up-to-date and in compliance with applicable legal and other requirements.

Occupational Health and Safety (OHS) is embedded into every aspect of our day-to-day operations at Maxeon, from the product design stage through to the review stage as part of our internal

Plan-Do-Check-Act continual improvement process. We also share best practices and key learnings from incidents and improvement opportunities proactively across our locations.



ENVIRONMENTAL HEALTH AND SAFETY POLICY

MAXEON SOLAR TECHNOLOGIES, LTD.
(CORP-EHS-MAN-57262)

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

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

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

Jeff Waters
Chief Executive Officer

Approved: November, 18, 2020

maxeon
POWERING POSITIVE CHANGE™



Occupational Health and Safety

Our Initiatives

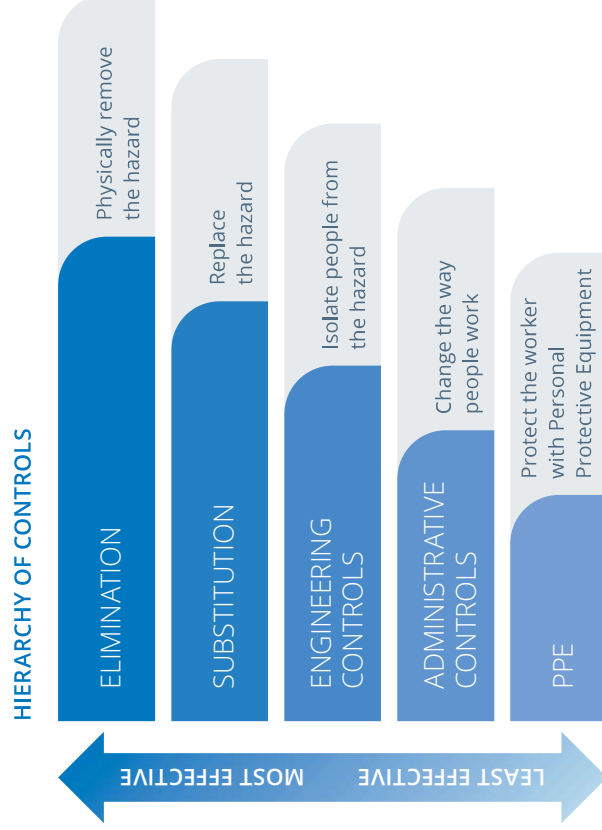
The 2021 year was a challenging one, with the management of COVID-19 across our facilities a key focus area in addition to ensuring OHS standards are being upheld. Through awareness and education, we ensured that the vast majority of our workforce is vaccinated against COVID-19. We also lobbied for vaccination at the municipal and state levels. This success is demonstrated by achieving an average full vaccination rate of more than 90% across our locations around the world with no reports of transmission within our facilities.

We go beyond compliance by subscribing to the most stringent Occupational Safety and Health Administration (OSHA)

requirements. Leading and lagging OHS Performance Indicators are measured as part of our proactive approach. We have incorporated a comprehensive Management of Change (MOC) process into our Risk Management approach to address EHS hazards and risks at the design, implementation, elimination and mitigation stages via the Hierarchy of Controls (see chart).



COVID-19 Vaccination in Partnership with Local Government, Philippines



SOCIAL

Occupational Health and Safety

All manufacturing plants and RD&D facilities are subject to internal audits and third-party assessments to ensure that our performance and management systems are reviewed and functioning efficiently and effectively.

As a team, we engage in the participation and consultation process. We have introduced a Learning Management System (LMS) training package for EHS during the onboarding process. Site-specific new employee orientation and competency trainings are also provided to employees and contractors at all sites. Employees and contractors are empowered to identify Good Catches through feedback suggestions and site inspections, which are tracked closely to ensure proper closeout. The formation of EHS committees at all manufacturing sites provides an avenue for worker consultation and participation at all levels so that every employee has a voice and stake in OHS matters. As part of our Emergency Preparedness and Response plans, we identify and assess key scenarios and prepare through competency training and realistic hands-on drills where practical.



EHS Training at SPMX1, Mexico



Emergency Preparedness at Fab4, Philippines



Personal Protective Equipment



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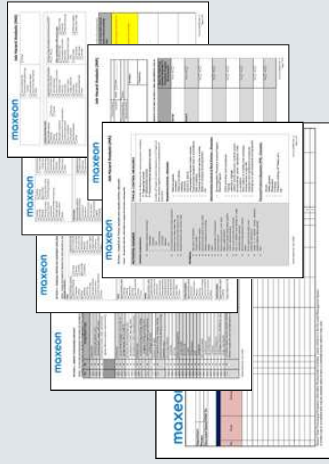


Occupational Health and Safety

CONTRACTOR MANAGEMENT AT FAB3, MALAYSIA



Safe Work Permit



Task / Hazard Specific Permit



Climbing devices have been erected for work at height, including mobile and fixed ladders with surrounding protection, as required by Mexican safety standards.



Fall Protection Programme Review at SPMX2, Mexico.

An example of a Good Catch, as workers identified the risk of falling pallets and unstacked them.



Example of a Good Catch at SPDV, France



Occupational Health and Safety

Responding to COVID-19

The COVID-19 pandemic has impacted many lives and livelihoods globally. Although we have been living with the pandemic for over a year, Maxeon still faces ongoing and ever-evolving challenges to our business. As we continue to safeguard the health and wellbeing of our employees and support the communities where we operate, Maxeon has continued our holistic COVID-19 response across the organisation.

Keeping Our Workforce Safe

Maxeon strives to ensure the utmost safety and wellbeing of our employees. In taking a cautious approach to COVID-19, we maintained our key objective of having “Zero Local Transmissions” within our premises. We also engaged an external consultancy in Environment, Health and Safety (EHS) to make certain that we are up-to-date with the latest government and corporate requirements. Maxeon continued our weekly COVID-19 Steering Committee Meetings, led by our CEO and Executive Leadership Team, as well as regular working group global meetings to update employees about health and safety policies and COVID-related business practices. We have also uploaded COVID protocols onto the Mexican Institute of Social Security (IMSS) website, to give employees access to assistance for medical care and other related requests.

At all our SPMX facilities, we continued to adhere to strict guidelines and advisories issued by local health agencies, including temperature taking, full-body disinfections, safe distancing, and contact tracing.

Furthermore, we have limited the number of visitors and contractors to our facilities, implemented protocols for SPMX employees who visit contractors’ facilities, limited business travel, and implemented a Return-to-Work policy for support staff. In FY2021, Social Security inspectors visited our SPMX facility to verify our COVID measures in place and provided a certificate that validates our facility as a safe place to work.

When the vaccination programme was rolled out, Maxeon ensured that all team members who were eligible were vaccinated. Vaccination of our workforce enabled our business to control the number of COVID cases within our facilities.

Our SPMX1 site has been audited and obtained the Distinction Award from Mexican Institute of Social Security (IMSS) in recognition of our efforts in COVID-19 Prevention and Control in 2021.



Occupational Health and Safety

Contributing to Community Response

In Malaysia, we made the following contributions to COVID-19 relief efforts:

Items	When	Quantity	Cost (RM)	Cost (SGD)
Contributions of face masks and hand sanitiser	Mar-21	1,200 units each	13,320.00	4,318.34
Contributions of water jugs to COVID-19 ward in Melaka Hospital	Jul-21	300 units	1,200.00	389.04
Contributions of food to communities affected by COVID-19 (joint effort with Salvation Army)	Sep-21	20 boxes	3,000.00	972.6
Contributions of food to employees' families affected by COVID-19	Aug-21	14 boxes	2,100.00	680.82
Contributions of PPE and refreshments to COVID-19 burial team (volunteer group) – Crowd-funding effort	Jul-21	-	1,200	389.04

Looking Forward

Our goal for 2022 is to adapt to smooth operations with COVID-19, by continuing health and safety measures in place and reinforcing these measures during upturns of COVID variants. We plan to implement measures such as home offices for applicable employees, reduced personnel, part-time work days, increased lunch breaks and following up with vaccination campaigns.



Contributions of face masks and hand sanitiser to Melaka State Government



Contribution to COVID-19 Wards – 300 Units of Water Jugs
Two of our staff helped out for two hours



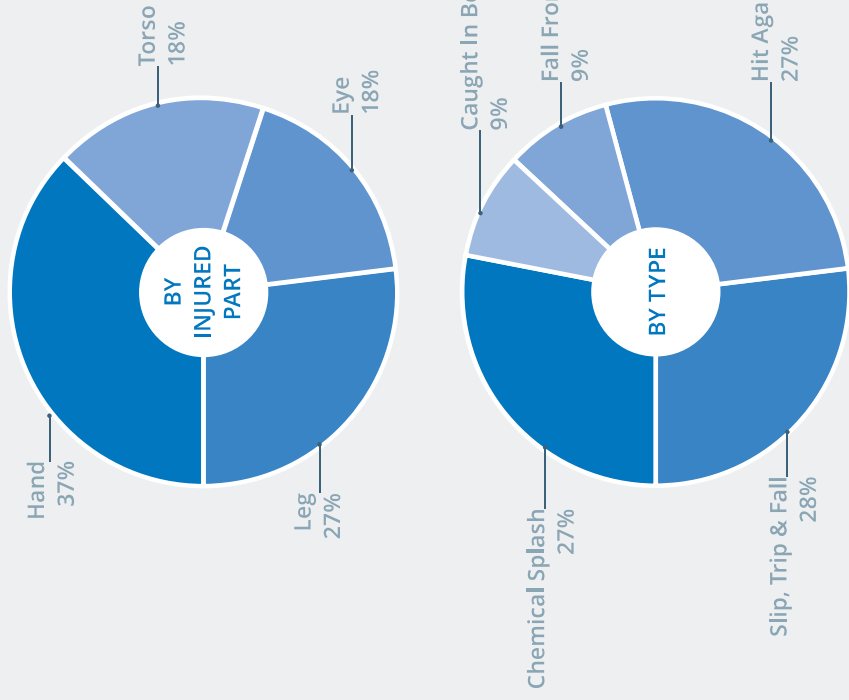
Occupational Health and Safety

Performance Highlights

In 2021, Maxeon reported zero work-related fatalities and incidents of ill health. There were, however, 11 incidents of recordable work-related injury. Incident Investigations are conducted using the 8D Problem-Solving Methodology to identify the root causes and corrective actions. The best transferable practices and key lessons are shared through our global team partnership networks. An example is the Global Fall Protection Programme Safety Standdown and Gap Analysis that was carried out comprehensively to ensure that such high-risk activities are adequately and proactively addressed and shared across locations.

0.81
Total Recordable Incident Rates (TRIR)
per Million Manhours

INCIDENT ANALYSIS

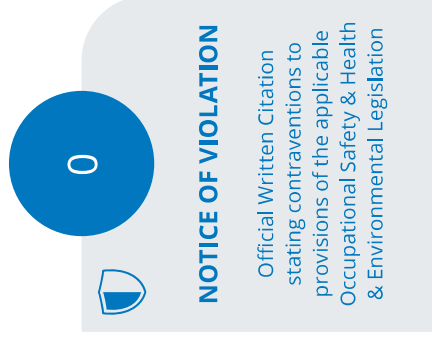


Occupational Health and Safety

Looking Forward

At Maxeon, we continuously strive to keep all our employees safe at work. As our organisation expands in scope, we aim to continue with our COVID-19 management programme and ensure that all high-risk and non-routine activities are addressed. We “push the boundaries” and “hold ourselves to higher standards” by setting up key primary leading and lagging goals aligned to our EHS policies as part of our continual improvement process.

As part of our Long-Term Targets for ESG, we plan to maintain our 2020 benchmark, which is an industry-leading Total Recordable Incident Rate (TRIR) of 0.63 by 2025, and eventually reduce this number by 10% by 2030. We will strive to create a stronger safety culture with consistent improvement in our processes.



Fair Labour and Human Rights

Management Approach

Maxeon takes a strong stance on protecting human rights. We promote fair labour practices and respect human rights across all operations globally and work to ensure that all employees, workers in our supply chains and individuals in the community are treated fairly.

Our Global Human Rights Policy clearly 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 informed by, among other policies, the Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights, the UN Global Compact (UNGC), and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.



The following dimensions are addressed in our policy:

NON-HARASSMENT

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

NON-DISCRIMINATION

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

A SAFE AND CONDUCTIVE WORKPLACE

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

FREEDOM OF ASSOCIATION

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

FORCED OR CHILD LABOUR

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



Fair Labour and Human Rights

Our compliance strategy instils a risk-based approach which aligns with the International Labour Organisation (ILO), whilst our annual training and certifications on our Code of Conduct include labour rights practices. Maxeon requires compliance certifications from all our suppliers in alignment with the Office of Foreign Assets Control (OFAC) of the US Department of Treasury to reduce the risk of exposure for breaches of our policies and procedures. If increased risk is identified, Maxeon conducts enhanced due diligence and grants specialised certifications on supplier operations and labour practices, thereby minimising our risk exposure on identified issues.

Maxeon has separately provided a [Modern Slavery Statement](#) under the Australian law for the year 2021.

Supply Chain Management

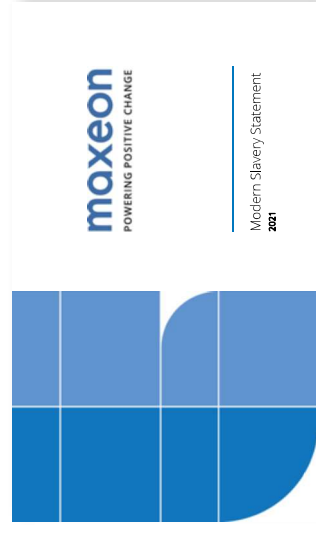
Maxeon considers its supply chain partners as an extension of the company. Our policies and procedures regarding how we treat our workforce are aligned with industry international best practices and guidelines issued by global organisations, such as the United Nations.

We ensure that our employees and contractors are aware of the Global Human Rights Policy and Code of Conduct through their

employment contracts, during onboarding, annual training, and certification courses. Anonymous reports may be made on our [Compliance & Ethics Helpline](#) at all times, allowing internal and external stakeholders to raise any concerns or infractions of these policies and procedures.

We have a zero-tolerance policy for any violations of human and labour rights. We take specific measures if there are suspicions of violations of our policies or procedures, including holistic and robust investigations. If investigations prove that the offending party is found guilty, the party will be immediately terminated.

We hold our suppliers to the same standards and procedures as our employees and contractors. We enforce these policies through our Master Services Agreements, which require suppliers to adhere to our Human Rights Policy and Code of Conduct. Suppliers are expected to track any information regarding human rights compliance, including annual assessments and compliance certifications. We also require suppliers to provide updates upon request and conduct annual assessments and compliance certifications.



Fair Labour and Human Rights

Maxeon's Supplier Sustainability Guidelines require risk assessments, audits, certifications, training, and accountability and management systems, ensuring adherence to all laws and regulations regarding human rights and fair labour.

measures will be undertaken which can include suspension or discontinuation of the engagement.

To support the Conflict Minerals Policy, Maxeon has committed to:

Conflict Minerals Policy

Through our established [Conflict Minerals Policy](#), we continue avoiding the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo (DRC) or adjoining countries, while continuing to support responsible mineral sourcing in the region. Conflict minerals include: columbite-tantalite (coltan) (i.e., tantalum), cassiterite (i.e., tin), gold, wolframite (i.e., tungsten) or their derivatives (3TG), and could expand to include other minerals or their derivatives. Maxeon is committed to refining our policies in accordance with new regulations, thereby adhering to the recently established Hoshine Withhold Release Order (WRO) and the Uyghur Forced Labor Prevention Act (UFLPA).

Maxeon will immediately conduct immediate investigations on suppliers that are identified as having a reasonable risk that they are sourcing from or linked to any party providing direct or indirect support to, non-state armed groups. Should any breaches to the Conflict Minerals Policy arise, remediation

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

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

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

4 Require concerned suppliers to declare that all products supplied either do not contain 3TG that are necessary to their production or functionality, or, if they do, that they originate from non-conflict areas or from refiners or smelters that have been validated as being conflict-free

5 Coordinate with other companies, to create better reporting solutions

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

7 Reserve the right to request additional documentation from suppliers regarding the source of any minerals included in its products, and ask for traceability data to be maintained for a minimum of five years



SOCIAL

Fair Labour and Human Rights

Performance Highlights

We are proud to report zero cases of non-compliance regarding human rights and fair labour in 2021, both within our internal operations as well as within our supply chain.

To the best of our knowledge, none of our direct suppliers or their suppliers for our products are based in or conduct their principal business activities in a location that is the subject of allegations of forced labour.

Looking Forward

In addition to having a zero-tolerance policy for any violations of human and labour rights, we continue to monitor current and emerging regulations and industry best practices. We will continue to improve our internal policies and controls, as well as maintain close relationships with our suppliers to ensure they continue to comply with the law. We are currently in the process of launching our modern slavery training.

To continue managing the ethical behaviour of our supply chain, countries deemed as high-risk will be evaluated through our multi-step risk assessment methodology, working across our supply chain to mitigate risks. Should issues arise, we will



Zero cases

of non-compliance
in 2021

engage specialists, both internal and external, to assist us in risk assessment and remediation measures.

Another goal moving forward is to increase traceability of our supply chain, by putting it on the blockchain.

In setting our long-term targets for ESG, our goal by 2025 is for information about traceability of supply on blockchain to be made available within four hours. By 2030, we aim to maintain zero cases of verified non-compliance with human rights laws with enhanced traceability.



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Employee Engagement

At Maxeon, we are committed to growing a thriving, inclusive and engaged workforce, where everyone has a purpose, feels a strong sense of belonging, and understands the role they play in the organisation. Our goal is to ensure our employees care about their work at Maxeon, individually and collectively.

Management Approach

At Maxeon, our leaders are responsible for developing talent and ensuring our team members' actions align with our corporate key results (KRs), through our annual performance management approach. This enables each team member to be focused and driven, to be productive and deliver work that contributes to our company's long-term success.

Our Initiatives

On an organisational level, we have simplified our annual performance and KRs to focus all our team members on six corporate KRs. Our Executive Leadership Team hosts quarterly All-Hands Meetings (AHMs) to communicate progress to all employees, which have been well received. At a site level, these communications are also delivered locally through our site AHMs conducted by the site leader. Our global message is customised for each location to focus on local issues or celebrations, whilst

building a sense of community and collaboration. AHMs are followed by skip-level meetings, leadership meetings, local forums and stand ups. In addition, our larger sites, Mexico, Malaysia and Philippines, conduct regular employee engagement sessions led by local site leaders.

We also have a Quarterly Business Review, in which all senior leaders share business progress in their areas over a two-day virtual event. Through the rest of each quarter, we hold Leadership Briefings with Senior Leaders in the organisation (approximately 90 employees) to share confidential information that supports these leaders in fully understanding the context behind decision-making, enabling them to be better leaders, and to better engage their teams.

In 2021, we conducted a number of employee surveys to gather feedback, including post-event surveys after our AHMs, and a specific Internal Communications survey, to better understand our employees' perspectives. Towards the end of the year, we created our first "Ideas Box" – Your Ideas Matter – in which team members submitted their ideas for cost savings, efficiency and other topics of interest, to enable employees to share their views and further contribute to the success of our company.



Employee Engagement

We provide our employees with benefits that align with local legislation in the countries where we operate. These include life and healthcare insurance, disability support and parental leave. Healthcare benefits also extend to temporary and contract staff. Retirement provisions are also aligned to countries' statutory requirements.

In conjunction with International Women's Day, Maxeon enhanced our maternity leave benefits for Australia. In Australia, employees are entitled to paid 12 weeks maternity leave or two weeks of paternity leave after a minimum service period. We have enhanced the maternity and paternity leave by reducing the minimum service period from a minimum of 12 months to 6 months. In Singapore, female employees are granted 16 weeks of maternity leave and male employees are granted two weeks of paternity leave.

In June 2021, the Compensation Committee of the Board adopted Minimum Stock Ownership Guidelines applicable to Outside Directors and members of the Executive Leadership Team. Participants must own shares of common stock, with the amount of stocks distributed being dependent on their leadership position. Maxeon believes it is in the best interest of the Company and its

shareholders to align the long-term financial interests of its executives and Directors with those of the Corporation's shareholders.

Performance Highlights

This year, we held several events and celebrations for our employees. On Earth Day, every employee was granted a day's leave on 22 April, and we encouraged our team to engage in an activity that made a difference to sustainability. Posts and photographs were shared amongst staff to recognise their efforts. In Singapore, the ESG and Legal teams came together to organise our first beach clean-up to do our part for Earth Day, collecting a total of more than 14kg of trash on the beach.



First Beach Clean-Up

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Employee Engagement

For our First Year Anniversary celebration in August, we showed our appreciation to employees and recognised our team's efforts by granting leave and hosting a global virtual celebration and local events, giveaways, and competitions with prizes.

In October, we made our first step towards establishing global Employee Resource Groups, by recognising World Mental Health Day and dedicating the month of October to a wellness challenge, inviting all locations to participate and compete virtually. Many locations held athletic competitions, shared wellness tips and mental health discussions. We communicated with employees weekly, providing competition updates and photographs.

We also conducted wellness initiatives, including a STRAVA wellness app challenge, mental health forums on a local and global scale, and increased availability of mental health services.

In Malaysia, we held several events, including Tea-Talk Sessions, Internal All Hands Meetings, Stay-in Interview, and the Wall of Fame. To show appreciation to our team members, we gave out Employee Recognition Awards, including: Long Service Awards, Health Employee Recognition Award (HERA) and First Silicon PERC achievement, and provided a free T-shirt and ice cream for all employees.



Separately, in Singapore, we held several virtual events, including quarterly townhalls and virtual teambuilding. Wellness packs, including cold brews, were delivered to employees island-wide in appreciation for their hard work. Lastly, a virtual lucky draw was held in celebration of our First Year Anniversary, and a gaming chair was given away as grand prize.

Through all of our employee initiatives, we aim to engage our employees globally and locally.



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Employee Engagement

Looking Forward

We strive for an engaged workforce, where people have meaning in their work and are able to learn and grow.

In 2022, we will continue building on the foundations of our existing employee engagement activities. In addition, we will launch our first global Employee Resource Groups, bringing together communities of passionate individuals to drive meaningful change. We will also be rolling out our new Maxeon recognition programme, SOLAR, a digital tool enabling team members to say thank you, as well as to recognise team members' significant achievements. We strive to build a culture of gratitude, recognising the achievements of our employees as a focal point of our employee engagement activities. Our goal is to formalise key feedback loops, providing the mechanisms to enable feedback at all levels.

We encourage our employees to embrace Our Purpose and Our Values in their work, creating a connection between everyone's goals to our corporate KRs. We are improving our internal communications tools to build opportunities for collaboration across sites and teams.

In 2021, we are proud to report that we have made progress on the Employee Engagement goals for Maxeon's long-term targets for ESG. We aim to make further improvements towards our recently rolled out leadership development programme and career development planning framework. We aim to have 90% of eligible employees complete the leadership development programme by 2025, followed by 95% by 2030. We also aim to have 70% of employees engage in a career and development discussion with their leader by 2025, followed by 80% in 2030.

We are incorporating structured feedback tied to our leadership capabilities and company values into our performance review process and aim to meet this target by 2025. By 2030, our goal is to embed a culture of continuous feedback amongst our workforce, to further empower our employees' learning and growth.



Learning and Development

Management Approach

Training and development are critical to the success of the company as they help to develop our employees' skill sets and fulfil their career aspirations. As such, we prioritised our Leadership Training Programme this year, as seen in the spotlight mentioned earlier in this report.

Our Initiatives

In addition to our Leadership Training Programme, Maxeon continues to innovate new frameworks and programmes to enhance our employees' learning and skills.

Mandatory Training and Onboarding Programmes

Aside from our standard annual mandatory trainings, such as workplace health and safety training, we have updated our Global Mandatory Training policy and have engaged with our Executive Leadership Team to ensure our learning initiatives align with our organisation's goals and business strategy.

This year, we introduced new courses to employees across our regions, including ISO 9001:2015 Auditor Transition Training Course, Forklift Safety Training, Behavioural Based Forklift Safety Operations Training, and Hazard Materials Managements and Spill Prevention. Furthermore, we conducted some refresher training courses to ensure each team member is up-to-date on the latest information and skills, such as Radiation Safety and Health. In the Philippines, we conducted an EHS Online Safety Refresher, and made available an instructor-led class on "Preventing Workplace Harassment" on the Learning Management System (LMS). In Malaysia, we conducted Hazard Communications for Direct Labours (DLs) and Indirect Labours (IDLs).

We continuously revise our employee onboarding programme to provide guidance to new hires, helping all team members learn about and understand Maxeon's core values from the beginning of their Maxeon journey. Our employees are also required to undergo mandatory training programmes, including our Code of Ethics and Business Conduct, IT and Safety training, which follow local regulations, all of which are accessible on-demand.



SOCIAL

Learning and Development

Performance Highlights

COUNTRY / REGION	TOTAL HOURS RECORDED	AVERAGE TRAINING HOURS
AMERICAS	22	2.2
APAC	210	2.47
EMEA	317	2.42
MX	1,024	4.4
MY	66,408	43.72
PH	20,836	15.82
SG	293	2.71
Grand Total / Average	89,110	24.4
Total Employees with Learning Records	3,652	



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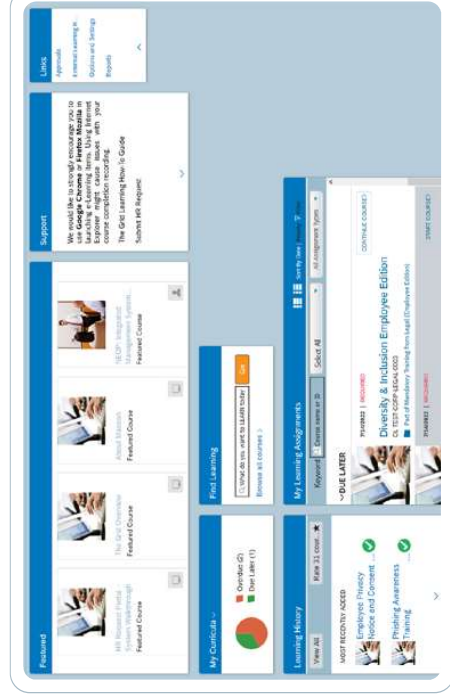
Learning and Development

Our GRID global learning platform enables us to track employee training, helping us better understand our their aspirations for both personal and professional growth. The platform is made more accessible through a mobile app, which we introduced this year. Our employees can access and complete their learning courses conveniently on their mobile phones. This encourages our team members to be personally accountable for their learning and development.

Looking Forward

We aim to continue ensuring our employees learn through on-the-job training (70%), learning through others (20%) and online/classroom training (10%). Moving forward, we plan to further embed our leadership capabilities in our performance management cycle.

In 2022, we will launch an updated version of our global anti-bribery and anti-corruption training, a workplace harassment programme, as well as training for our Code of Ethics and Business Conduct.



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Diversity and Inclusion

Maxeon is committed to building a diverse and inclusive workforce to create a fair, equitable and healthy business environment for all employees. We embody this through our policies, training, diversity statements, mutual respect and organisation-wide celebrations of diversity. In 2021, we reviewed our diversity and inclusion policies to look for ways to improve our inclusiveness and ensure the diversity of all team members.

Management Approach

Maxeon is a purpose-driven organisation, therefore we strongly advocate for empowering and promoting inclusion of all people, regardless of social, economic or political differences. We express our principles on equal opportunity, diversity and non-discrimination through our [Global Human Rights policy](#), in which we renounce any form of discrimination and harassment at the workplace, including discrimination based on the following characteristics:

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



Diversity and Inclusion

Our Initiatives

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

Board Diversity statement

Maxeon is committed to a policy of inclusion and follows the guiding principle that our Board composition should reflect diversity of experience and perspectives. In furtherance of this commitment, when considering candidates to fill an open seat on the Board, the Committee will request that the pool of potential candidates to be considered by the Committee for nomination to the Board include a diverse group of qualified candidates in terms of experience and skills, age and tenure, gender, ethnic and social background. In addition, the Committee shall review periodically the composition of the Board to ensure it reflects the knowledge, experience, skills and diversity required for the Board to fulfill its duties.

Hiring statement

The Company is an equal employment opportunity employer and makes employment decisions, including but not limited to, hiring, firing, promotion, demotion, training, and/or compensation, on the basis of merit. Employment decisions are based on an individual's qualifications as they relate to the job under consideration. The Company's policy prohibits unlawful discrimination based on sex (which includes pregnancy, childbirth, breastfeeding, or related medical conditions, the actual sex of the individual, or the gender identity or gender expression), race, colour, religion, including religious dress practices and religious grooming practices, sexual orientation, national origin, ancestry, citizenship, marital status, familial status, age, physical disability, mental disability, medical condition, genetic information, protected veteran or military status, or any other consideration made unlawful by federal, state or local laws, ordinances, or regulations. The Company is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers. Maxeon is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of Maxeon and prohibits unlawful discrimination by any employee of Maxeon including supervisors and co-workers.



Diversity and Inclusion

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

In 2021, we assessed our maternity and paternity policies across our global operations, particularly in regions where we have the most female employees, to find opportunities for improvement. Our goal is to make specific changes in areas that matter most to people, in order to implement effective changes for our employees. We have been working closely with site HR departments as well as the employees themselves to gain insight and appreciate local challenges and potential improvements.

Respecting and celebrating diverse cultures

Despite COVID restrictions in various locations, Maxeon's team members came up with creative ways to celebrate cultural holidays and festivals. During Chinese New Year (CNY) in Singapore, it is a tradition to give out red packets to friends and family as blessings for good wishes and luck for the new year ahead. In 2021, Maxeon celebrated CNY by giving out digital red packets to our Singaporean colleagues. In Malaysia, our colleagues decorated the office to celebrate CNY.

Maxeon is committed to continuing to celebrate the cultures of our diverse employees whenever possible.

In Malaysia, we celebrated Hari Raya Puasa by giving all employees 1500 "Bubur Lambuk," and we also organised an online Ramadan Quiz.

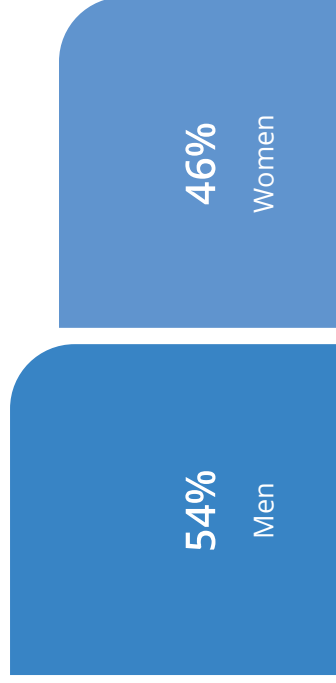
In Singapore, we have policies in place which allow employees to take half a day off on the eve of a major festive holiday if they celebrate it, such as Chinese New Year and Hari Raya Haji, to spend some time with their families.



Diversity and Inclusion

Performance Highlights

The policies that Maxeon established regarding diversity have allowed us to achieve an inclusive work environment for our employees. We are delighted to achieve the following results regarding workforce diversity:



Looking Forward

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

For our long-term ESG targets for diversity and inclusion, our goal is to increase the number of leaders who identify as female to 34% in 2025, and eventually 37% by 2030. As we launch our Women's Employee Resource Group, Women@Maxeon, we aim to establish a charter, analyse data and support the definition of a path to achieving these numbers. In 2022, our Inclusion, Diversity & Belonging strategy will be finalised with these clear goals.

Furthermore, we will implement solutions to specific challenges our employees face, in order to improve the well-being of all our team members to our best capability and make the Maxeon environment even more inclusive.



Community Investment

Maxeon understands the importance of supporting the communities where we live and work, especially when many of these areas still feel the impact of the pandemic. We strive to help the most vulnerable individuals and segments of communities.

Management Approach

Apart from providing our customers with clean energy, we understand the importance of helping those in need, and acting as a positive force within and beyond the communities where we operate. Our local teams develop and manage community programmes specific to local needs and work to address those needs as appropriate through our business expertise and through the talents and skills of local employees.

Although lockdowns, movement restrictions and government regulations prevented our team members from interacting with people directly, Maxeon was persistent in supporting initiatives and people through other means.

Our Initiatives

North Benin – North of France Craftsman Solidarity

The Craftsman Solidarity North Benin - North of France is working with the “Tanguieta Artisans Collective” for the development of “sustainable, solidarity and innovative craftsmanship.” Since 2018, they have implemented several projects for the development of crafts and learning in northern Benin.

In doing our part to support this NGO, Maxeon has constructed a 530 m² solar-powered technical and training centre for craftsman and apprentices in the Tanguieta region. We also constructed a water pumping station powered by solar, providing the area with a fresh water supply. The association develops apprenticeships of different trades for the young people of the region.



Training of Craftsmen and Apprentices



ASNBNF
Artisanat Solidaire
Nord Bénin - Nord de France



Collectif des Artisans de Tanguieta
Pour un artisanat durable, solidaire et innovant



Community Investment

Through this NGO, more than 45 people have been trained and were better equipped with skills, which helped them find jobs. The infrastructure we were able to provide has improved the lives and livelihoods of the communities in the North Benin region. We will continue to support these efforts to the best of our ability.

Junior Achievement Young Enterprise (JA-YE) Programme

This experiential, extracurricular activity recognised and supported by the Ministry of Education in Malaysia provides secondary school students with an opportunity to become entrepreneurs by creating and managing their own “mini” company at school. This involves product brainstorming, meetings with advisors, report writing, product sales, presentation and auditing. The JA-YE Programme enables students to employ concrete business practices and explore the process of building an enterprise. It equips future leaders with valuable skills in entrepreneurship, teamwork, leadership, creativity and innovation, providing students with insight to potential career paths. Maxeon is proud to sponsor local schools to participate in this programme over the past six years.

The feedback we have received about the JA-YE programme has been overwhelmingly positive, and we are happy to see the impact our investment has had on the community.

As the pandemic continued through 2021, the students in Malaysia were unable to participate in physical meetings or co-curricular events. However, they were able to attend virtual meetings and workshops, and even learned to sell their products using an online platform.

I wasn't quite excited about the programme, thinking it was a one-day programme like others. I was given one of the most important roles in this company. At first, I wasn't confident in myself and even thought I wasn't eligible for that position. With the support of my advisors and teachers, it was easy to keep up with the others. This programme was so useful and I hope to join it next year as well.

SMK Paya Rumput, Melaka,
JA-YE Alumni



Student JA-YE teams



Community Investment

Maxeon volunteers in the JA•YE programme expressed great joy as they observed improvements in the students' skills and attitudes. Beside the opportunity to impart knowledge, the programme also gave a window of opportunity for our volunteers to give back to society. Although students were unable to visit our cell fab facilities in 2021 due to the pandemic, we are planning to reintroduce visits in 2022, as local operations allow.

The JA•YE students in 2021 completed the programme and won several awards:

- 3rd Runner Up – Best Use of ICT Award
- 3rd Runner Up – E-Commerce Store with Most Orders Award

In 2021, 22 students have participated in the programme, ranging from 15 to 17 years old. Maxeon contributed MYR11,000.00, and volunteered six staff advisors who contributed 48 hours of involvement with the programme. We will continue to sponsor JA•YE, preferably with rural schools within our community.

Hawksbill Turtle Conservation Programme

Although our volunteers were only able to visit the conservation centre towards the end of 2021, Maxeon's Malaysia team continues its partnership with the Melaka Fisheries Department. We sponsored the satellite data subscription to track the Hawksbill Turtle (aptly named Puteri SunPower). In 2021, we contributed MYR 6,600 and four of our team members volunteered at the site for eight hours in November and December.



Volunteers at Hawksbill Turtle Conservation Programme

Community Investment

Contributions to the Community in Malaysia

This year, our Malaysia team was actively involved in corporate social responsibility programmes, comprising donations of goods, crowd-funding and volunteering. We celebrated local festivities by contributing to disadvantaged families during Chinese New Year, Hari Raya and Deepavali, involving a cumulative total of 15 staff volunteers and 41 hours of services. We contributed MYR13,309.70, MYR13,427.00 and MYR13,187.00 for each event respectively, providing MYDIN vouchers, groceries and snacks.

As the impact of the pandemic remains severe in Malaysia, we supported families affected by COVID-19 in various ways. We established an employee support team for families who were affected, checking in with them for any support requests such as medication, transport and food aid of MYR150 per family. This initiative involved five staff volunteers working for 20 hours and a total of MYR2,100, in support of our peers. This year, we also collaborated with the Salvation Army, contributing MYR3,000 and two staff volunteers and donating 20 food aid boxes to families affected by COVID-19.

We continue supporting schools within the country in various ways, including donations of 25 office chairs and 15 tables to Sekolah Jenis Kebangsaan (C) Pay Hwa. We also donated 1200 boxes of face masks and 1200 bottles of hand sanitisers, representing a donation of MYR13,320.00. In total, these initiatives involved seven staff who volunteered for 14 hours.



Supporting Disadvantaged Families

Donations of Office Chairs and Tables



SOCIAL

Community Investment

Performance Highlights

Due to COVID restrictions globally, we were unable to conduct as many in-person engagements as we would have preferred to do. Over the previous five years before the pandemic, our employees were actively involved in community engagement activities and volunteer work. We hope to be able to continue this direct involvement, once restrictions ease.

Despite these challenges, we not only continue to support our local communities where we operate, but also seek initiatives where we can best assist. This year, we made several contributions, including donations, sponsorships, grants, infrastructure and equipment.

Looking Forward

Maxeon will continue upholding our commitment to serve and help the communities where we operate. We also aim to drive social development and empowerment aligned to our social and moral responsibility to society. We hope to have the opportunity for more in-person engagements in 2022, once the risk of the pandemic eases. As part of Maxeon's long-term ESG targets, we plan to increase our number of Maxeon volunteering days to 5,000 in 2025, and eventually 7,500 in 2030.

12
successful community initiatives hosted in 2021*




\$24K
total community grants and donations




47
employee volunteers in 2021




INTRO



ENVIRONMENT



SOCIAL



GOVERNANCE

APPENDIX



* including COVID-19 community outreach

Performance Metrics

Employee Diversity ¹	
Gender Split	
Male	54%
Female	46%
Executive Leadership Team	
Male	75%
Female	25%
<30 years old	-
30-50 years old	50%
>50 years old	50%
Professionals / Managers	
Male	66%
Female	34%
<30 years old	2%
30-50 years old	79%
>50 years old	19%
Technical, Production and Administrative	
Male	53%
Female	47%
<30 years old	34%
30-50 years old	62%
>50 years old	4%

Work-related Illness, Injuries or Fatalities For Employees & Contractors ²	
Number of Fatalities as a result of Work-Related Injuries	0
Number of High-Consequence Work-Related Injuries (excluding fatalities)	0
Number of Recordable Work-Related Injuries	11
Number of Recordable Work-Related Ill Health	0
Number of Hours Worked	13,570,277
Rate of Fatalities as a result of Work-Related Injuries (%)	0
Rate of High-Consequence Work-Related Injuries (%)	0
Rate of Recordable Work-Related Injuries (%)	0.81
Main types of Work-Related Injuries	28% - Slip, trip and fall 27% - Chemical Splash 27% - Hit Against 9% - Fall from Height 9% - Caught in Between
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	1,000,000

1. Employee data are estimated as percentages based on calendar year from our human resource management system aligned to our reporting scope.
2. Data for employees and contractors is consolidated for the year 2021. Maxeon will continue to improve data collection processes for subsequent reports in alignment with GRI standards.



GOVERNANCE

Spotlight: Partnerships for Positive Change



Spotlight: Partnerships for Positive Change

At Maxeon, we believe in being a good corporate citizen and creating positive impact that extends beyond our operations to include our external partners. Through engaging with responsible, ethical and sustainable partners, we can further our sustainability purpose and positive impact on the planet. As a result, Maxeon continuously seeks opportunities to partner with organisations whose purpose aligns with ours, driving all-encompassing positive change for the environment and society.

Singapore Low Carbon Network

This year, we became an inaugural member of the Singapore Low Carbon Network launched by PwC Singapore, which partners with a multitude of firms and enterprises across Singapore to support the Singapore Green Plan 2030 in striving towards decarbonisation. Through our involvement as a key solar technology player, we hope to further the network's cause and propel sustainability through global partnerships.

Urban Solar

Our first research collaboration focuses on the development of Urban Solar solutions. Maxeon and Solar Energy Research Institute of Singapore (SERIS) have embarked on creating a highly efficient and customised glass photovoltaic module for application as an urban solar noise barrier. We aim to develop photovoltaic modules that reduce or deflect noise in addition to efficiently harvesting solar energy. These modules are suited for urban developments and in areas where noise pollution significantly affects the quality of life. This project investigates the areas of material selection, process development and optimisation to refine the performance and reliability of the photovoltaic modules we build.



Photovoltaic Module Laminator

Spotlight: Partnerships for Positive Change

As part of this collaboration, SERIS has graciously lent their state-of-the-art and multi-stage laboratory-grade photovoltaic module laminator to Maxeon. This laminator has been relocated and installed at Maxeon's Research, Development & Deployment (RD&D) laboratory at Kaki Bukit in Singapore. Our RD&D team employ this laminator, in tandem with the researchers from SERIS, for research and development work across this project.

Our Urban Solar collaboration with SERIS will benefit the wider community in Singapore as we develop multi-purpose noise barriers that harvest solar energy to create a pleasant urban environment with clean and renewable energy.

Solar Panels for Espresso GmbH

Another partnership we established in 2021 was with the Franconian coffee roaster, Espresso GmbH. Committed to exercising fair coffee trade and production for their people, patrons, and communities, Espresso GmbH are also committed to responsible and sustainable coffee production through their careful selection of green coffee. Furthering the company's sustainability purpose, they engaged Maxeon to install a solar power array onto the company's roof. We assisted with the installation of 491 highly efficient SunPower Performance modules, with a 25-year warranty. As a result, we were able to assist in ensuring Espresso GmbH's sustainable independence through long-term reliance on renewable energy.

Through all of these partnerships, we hope to empower ourselves and our partner organisations to further advocate for a sustainable approach to bettering the world and society. Maxeon aims to continuously expand its partnerships across the globe to drive sustainability and create positive change.



Governance Approach: An Overview

Ensuring good corporate governance is key to engendering trust and preserving value for employees, customers, shareholders and other stakeholders. As a result, it is critical to implement a sound management approach to corporate governance to enforce compliance to all relevant regulations, laws and policies, ultimately limiting scope for adverse financial, organisational and reputational risks. Furthermore, good governance reinforces Maxeon's unwavering commitment to its corporate values and purpose.

At Maxeon, we aim to be responsible leaders and inspire trust amongst all our stakeholders, thereby placing great emphasis on complete transparency and upholding integrity across all our governing policies and operating processes.

We Thrive Together: Good Governance Leads to Good Business

Conducting our organisational affairs whilst maintaining integrity and ethical standards are paramount in solidifying the foundation of our business. We remain vigilant on corporate behaviour across all scopes of our operations to limit non-compliance.

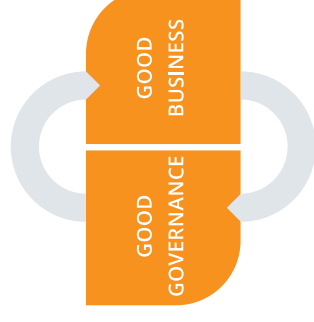
Our robust Code of Ethics and Business Conduct (Code of Conduct) presents our policies relating to corruption, bribery,

anti-competitive and other improper corporate behaviours.

The Code of Conduct is intended to guide the proper evaluation of corporate behaviours expected at Maxeon. We ensure strict adherence to our policies and uphold our corporate values by ensuring all our existing and new stakeholders are familiar with our Code of Conduct.

Maintaining integrity in our products and service offerings is a cornerstone of our business. Maxeon's Quality Policy describes the stringent standards required to ensure product quality and reliability. Additionally, we have established extensive quality management systems and our products are certified by international third-party agencies to validate their quality and performance. Through our industry-leading long-term warranty, we address our customers' needs with a guarantee of high reliability.

Customer satisfaction and feedback are critical for us to identify areas of improvement needed for sustained growth and development. As a result, we regularly engage our customers with surveys to collect feedback, demonstrate our commitment to them, inspire customer loyalty and develop products as the market demands. We aim to maintain a competitive advantage and stay ahead of the industry curve through innovation that enables new levels of sustainability. We believe continuous development and improvement of our solar technology will optimise its performance, durability and our positive contribution on society and the environment.



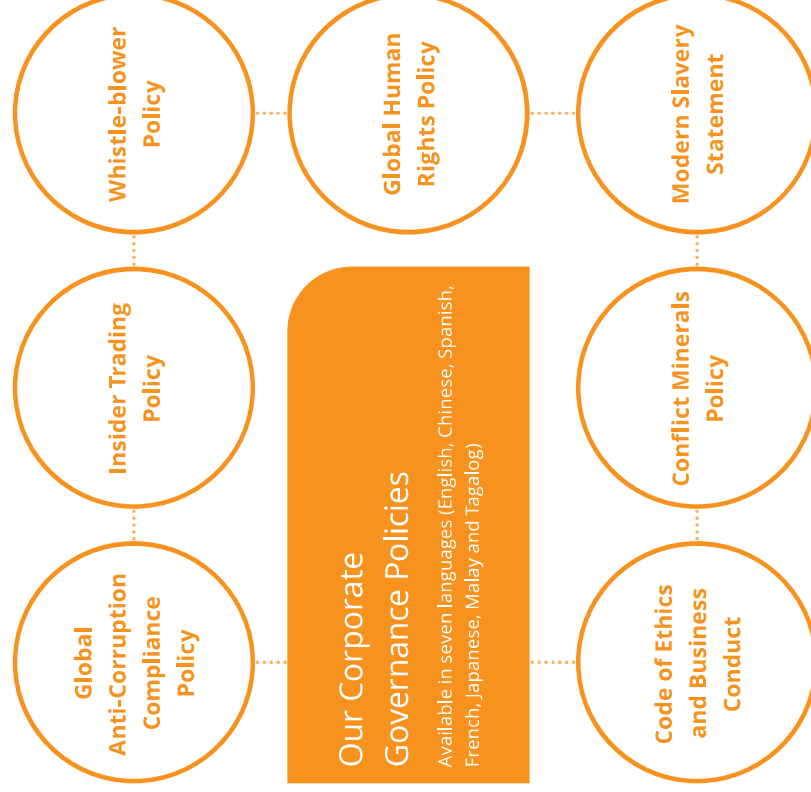
Business Integrity and Ethics

Management Approach

Our organisational reputation is dependent on the integrity of our employees and stakeholders. As a company, we aspire to conduct ourselves in a manner beyond reproach and expect our Directors, officers and employees to conduct themselves with the highest moral and ethical standards, as described in our Code of Conduct.

We conduct annual training for all our employees and suppliers to instil ethical business behaviours across our workplaces and throughout our supply chain, as per our Code of Conduct. This training imparts our fundamental values of sustainability, transparency, integrity and honesty in all business behaviour. The training also highlights intolerable corporate actions, including insider trading and other prohibited practices.

Our detailed risk assessment process can be found in our [20-F Annual Financial Report](#). We have a global presence and organisational structure, which can increase the potential impact of adverse changes to laws, rules and regulations. As a result, we have an extensive set of corporate governance policies, as illustrated at right.



Business Integrity and Ethics

Our Initiatives

For our Employees

We ensure our employees are aware of Maxeon's Code of Conduct and whistle-blower policies through annual compliance training, their employment contract, certification, and other training courses.

Maxeon's established compliance and ethics helpline is available 24/7 [online](#) or via phone for all stakeholders, internal and external, to report any breaches or violations to our Code of Conduct or applicable laws.

We encourage employees to report known or potential misconduct by ensuring anonymity in any language, thereby promoting inclusivity. We continue to engage a third party to assist in administering the helpline.

In the event of a breach, we achieve corporate compliance through the creation of a whistle-blower report which is assessed by an executive-led committee and subsequently investigated based on the nature of the incident. If needed, we employ external consultants, including lawyers, accountants or other specialists, to manage the incident. Maxeon's audit committee is responsible for reviewing all these reports and determining remediation or corrective actions on a case-by-case basis.

For our Suppliers

We enforce strict adherence to our Code of Conduct for our suppliers and their relevant stakeholders to maintain our high standards and ethical practices.



Employees on the solar rooftop of FAB4

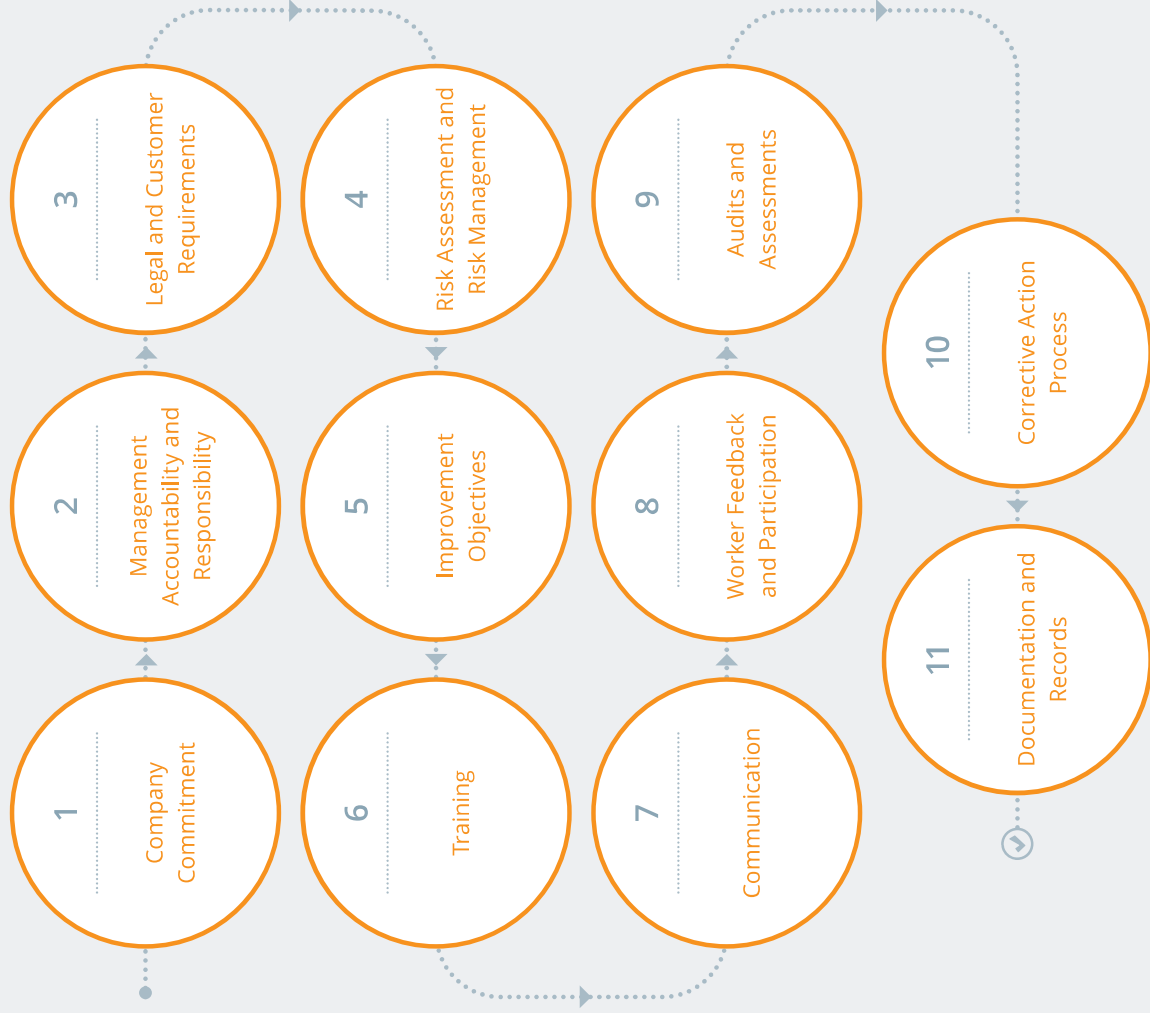


Business Integrity and Ethics

Internal Management System

Upon engagement, we require our suppliers to either possess or adopt robust internal management systems that fulfil the requirements of our Supplier Sustainability Guidelines. Their management system should enforce compliance to our guidelines, as well as relevant laws, regulations and customer demands, across the supplier's entire value chain. Moreover, the supplier's management system should identify and negate operational risks relating to our supplier guidelines whilst striving for continuous improvement in managing their own supply chain risks.

SUPPLIER SUSTAINABILITY GUIDELINES FOR INTERNAL MANAGEMENT SYSTEM



Business Integrity and Ethics

Performance Highlights

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

Looking Forward

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

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



Product Quality, Reliability and Safety

Management Approach

Maxeon continuously strives for excellence in product quality, safety and reliability. Our Quality Policy provides guidelines to ensure zero compromises on all our products.

To adhere to our Quality Policy and ensure that we satisfy and exceed customer requirements, we have developed an extensive set of controls and processes integrated along the entire product manufacturing process. These entail innovative design, supplier selection and qualification for materials, effective and traceable manufacturing controls and end-of-line testing with packaging.

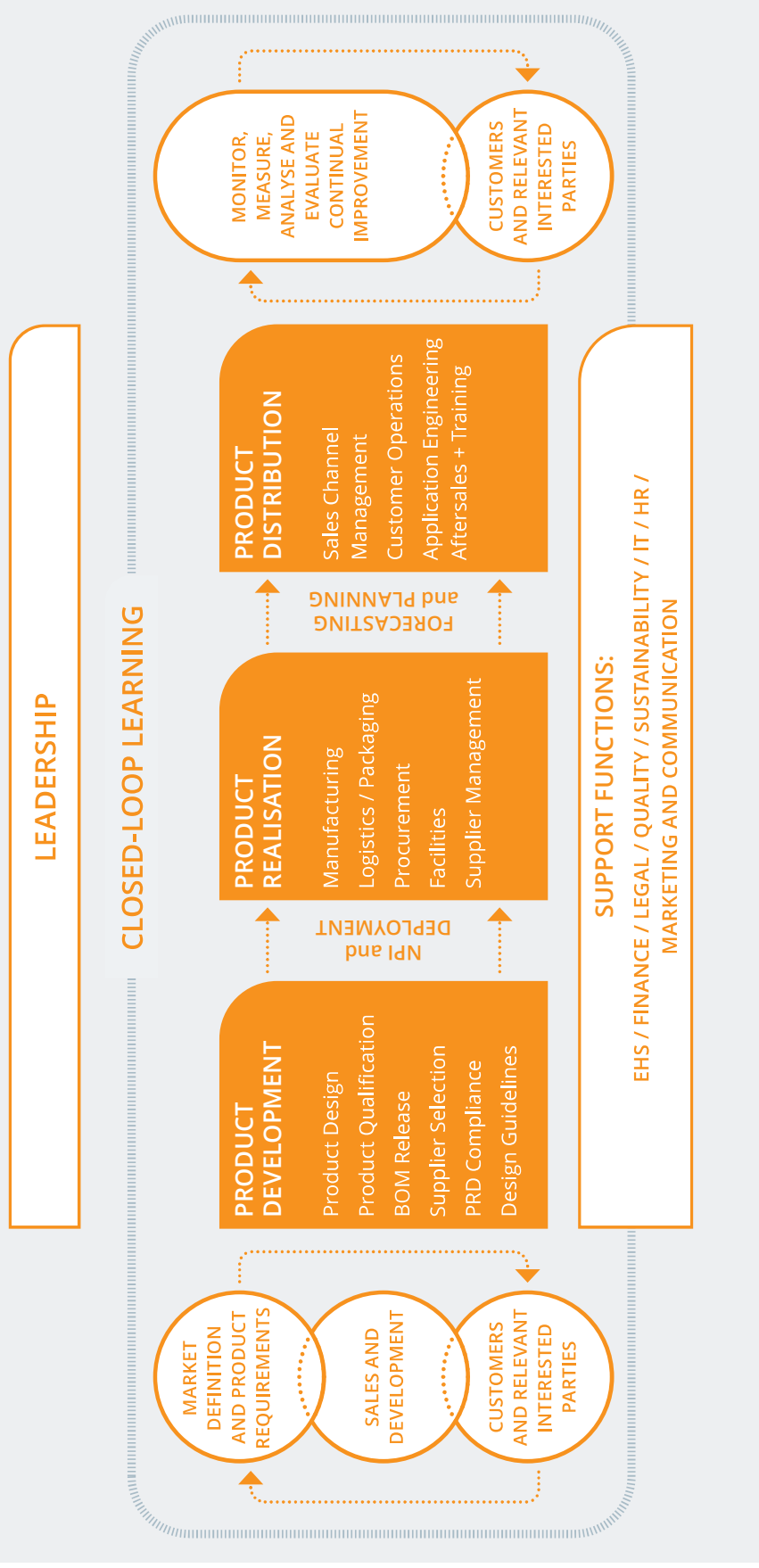
All our manufacturing plants and R&D facilities have obtained internationally recognised certifications, including ISO 9001:2015 Quality Management Systems, ISO45001: 2018 Occupational Safety and Health Management System and ISO14001: 2015 Environmental Management System. Additionally, in 2021 we extended the scope of our certifications to international standards by conducting an audit to include SPMY-Modoc, which was performed by an internationally accredited registrar.

Our business processes are segregated into three key functions: product development, realisation and distribution. Our Executive Leadership Team is entrusted with carefully supervising these processes to ensure we accomplish our predefined targets to enable closed-loop learning. Through consistent monitoring of these processes, we can identify opportunities to innovate and improve, whilst accounting for our stakeholders' considerations. As depicted in the process map on the next page, our support functions closely collaborate with product teams to ensure excellence in production, synergy and overall efficiency.



Product Quality, Reliability and Safety

MAXEON'S PROCESS MAP, REFLECTING OUR BUSINESS PROCESS INTERACTIONS



Product Quality, Reliability and Safety

Our Initiatives

As a testament to our confidence in the quality of our products, this year Maxeon introduced an industry-leading 40-year warranty, alongside our existing 25-year warranty. Maxeon conducts extensive testing of its panels to assure our customers of the panels' manufacturing quality, performance and long-term reliability. We certify all our panels via internationally recognised external certification bodies including TUV, JET and UL, prior to distribution for our customers.

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

We utilise our Reliability Monitoring programme to define the methodologies employed in our reliability assessments. Furthermore, we have increased our inhouse testing capabilities to include a new Reliability Testing Lab in Fab 3, our facility in Malaysia, and we introduced new automated mechanical load testers to further validate the reliability of our products.

In addition to manufacturing high-quality panels, we deploy the use of our management processes to further control any changes required that may impact the form, fit and function of the panels assessed. Maxeon has established a sound iQuality system that collects and maintains quality and reliability information pertaining to our panels, whilst actively upholding data integrity and transparency.

At Maxeon, we undergo stakeholder engagement to determine the quality, reliability and safety of our panels, identifying areas for advancements to result in higher quality products. We gather valuable and distinct insights from our employees through engagement initiatives whilst encouraging ideation and feedback for improved, efficient and exceptionally reliable solar solutions.



Local FAB 3 management team regularly engaging manufacturing Team Leaders at Cluster Meetings.

Product Quality, Reliability and Safety

Performance Highlights

The quality, reliability, safety and durability of our solar panels are certified through several reputable accreditation agencies that evaluate our products based on overall quality as well as specific performance aspects. In addition to meeting the certification requirements, our panels frequently outperform these standards. For example, our IBC panels can generate up to 30% more energy in the same space over 25 years as compared to conventional panels¹.

Maxeon has remained compliant and experienced zero cases of non-compliance with all regulations and voluntary codes concerning the health and safety impacts of products and services offered within the reporting period.

Looking Forward

We remain committed to delivering excellent solar panels as demonstrated by their quality, reliability, durability and safety. We aim to accomplish this by regularly engaging with stakeholders and staying abreast of emerging industry trends, to further our innovative processes and reach unparalleled heights.

1. Maxeon (400W; 22.6% efficient, 1.77 m²) compared to a Conventional Panel (350 W p-mono PERC, 19.2% efficient, approx. 1.82 m²) in the same physical footprint.

TYPICAL CERTIFICATIONS	DESCRIPTION
IEC 61215: 2016	Terrestrial modules - Design qualification and type approval
IEC 61730: 2016	Module safety qualification
IEC 61701: 2020	Salt mist corrosion testing
IEC 62804: 2015	Detection of potential-induced degradation (PID)
UL 1703: 2019	Flat Plate PV Modules and Panels
IEC 62716: 2013	Photovoltaic (PV) modules - Ammonia corrosion testing



Sustainable Innovation

Management Approach

In today's volatile and fast-changing world, constant innovation and development are key to maintaining a competitive advantage and maximising our environmental and social impacts. We aspire to meaningfully contribute to society through our product offerings and enhance our contributions through a focus on our downstream and upstream supply chains. Through a collaborative and innovative approach, Maxeon strives to work with and influence its suppliers to curate novel solutions and operating procedures that enable the efficient use of materials. Furthermore, we seek to innovate our reliable and efficient solar technology to enable our customers to achieve greener practices, through their transition towards solar power.

Collaboration with Solar Energy Research Institute of Singapore (SERIS)

To further our sustainability journey, Maxeon is currently collaborating on two research projects with the Solar Energy Research Institute of Singapore (SERIS) at the National University of Singapore (NUS).



The first collaboration focuses on developing, deploying and applying photovoltaics in the dense and urban environment of Singapore. These Urban Solar solutions will propel Singapore and other cities towards achieving self-sustaining communities.

The second collaboration quantifies the benefits that high-efficiency PV modules, such as those produced by Maxeon, can have on the levelized cost of electricity in a tropical city like Singapore.



Sustainable Innovation

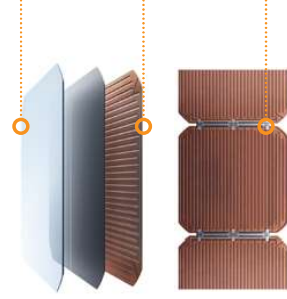
Our Initiatives

Innovating to Meet the Demands of a Changing Climate

Our solar panels are built to withstand global warming challenges and climate extremities, which are predicted to prevail in the future. We conduct a Humidity Freeze test on our SunPower Maxeon™ panels to assess their durability in the event of a whiplash during a freeze-thaw cycle. During this test, we conduct a temperature swing of -40 to +85°C, one cycle per day, with a heat and humidity factor of 85% RH, 85 °C. During this cycle we impart high mechanical stresses on the components of the panel to determine their impact on performance. Our tests have revealed that the mechanical stress does not affect our panels, even after 380 cycles, which is beyond the requirement for recognised external certifications. Amongst conventional panels, this testing process results in a power loss after 10 to 20 cycles.

The patented metal foundation of our Maxeon® cells allows flexibility under tough conditions, with a proven 40-year useful life and a return rate of less than 0.005% on over 15 million panels shipped and studied. Refer [here](#) to find out more.

Our durability assessments have resulted in the introduction of our 40-year warranty, as we remain confident in our panel performance, achieved through innovation.



No grid lines

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

Solid metal backing

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

Thick connectors

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

Product design and innovating with our suppliers in our value chain

As we strive to achieve sustainable innovation, our efforts expand to modularization technology and product development. As key players in the solar industry, we are able to leverage our extensive knowledge of solar cell and panel engineering processes to extend the capabilities of module efficiency without affecting the reliability, safety or performance of our products. We aim to make our modules efficient as they consume fewer raw materials, including metal, plastic and glass, for every watt-hour of energy produced.

We further enhance our modules by engaging lead-industry suppliers to minimise the size of our junction boxes and ensure its optimal module placement to reduce the volume of plastic used in the housing, cables, connectors and potting material. Over the course of 2021, Maxeon introduced six new products and seven pilot-line developments. One of these developments is our new technology platform, Maxeon Air™.

Introducing Maxeon Air™, a disruptive new technology platform

Despite commercial buildings accounting for an estimated 28% of global emissions, the opportunity for solar panel installations is high, yet not seized. As standard solar panels can be heavy and complex for many industrial structures, these rooftops may also not have ideal or favourable conditions to accommodate these panels. As a result, increasingly there is an unserved annual market for low-load roofs of over 4 GW.

Maxeon Solar Technology addressed this market opportunity and has recently unveiled its new revolutionary Maxeon Air Technology Platform. This was launched after five years of thorough research, development and testing to enable the production of a thin, frameless, lightweight and conformable solar panel, whose performance and efficiency are equivalent to that of a standard solar panel.

With this new development, we can now manufacture solar panels at a reduced cost whilst accounting for market opportunities and gaps. As the cost of solar cells have steadily declined, Maxeon Air technology's feasible size will result in seamless transportation and installation, ultimately reflecting a relatively smaller portion of the total system cost.



MAXEON Air

Sustainable Innovation

Maxeon Air is structured with an adhesive mounting system, which in tandem with the lack of a metal frame and heavy glass, contributes to its light weight of around 6 kg/m². Our integrated adhesive layer enables the installation of our solar panels directly onto the roof surface without any required racking, anchors or ballasts. Our peel-and-stick design was engineered to conform to uneven roof surfaces, thereby reducing installation time and subsequent business disruptions. The Maxeon Air platform weighs less than half of standard solar panel systems and greatly reduces the load installed on rooftops.

In addition to the innovative features of panel design and materials employed, Maxeon Air is fundamentally enabled by our unique SunPower Maxeon Interdigitated Back Contact (IBC) cell technology with its superior corrosion resistance and ability to bend without harmful cracking. Maxeon's IBC module technology possesses the unique ability to transmit current even in shade, continuing to produce power in conditions that would not be achievable by other solar panels. This feature, along with inherently low temperature sensitivity, ensures that our panels are industry-leading performers across various types of weather conditions.

The Maxeon Air Technology Platform has the potential to bring the necessary transformative change to other solar power applications in due time, beyond just low-load commercial rooftops. Our thin, lightweight, and conformable technology package has enabled a breakthrough of solar products suited for residential rooftops, floating PV systems and e-mobility. As we continue to unlock new innovative potential, we are excited to see the impact our new products will have in driving adoption of solar power.

Our relentless efforts to identify opportunities to innovate boosts our sustainability and efficiency ambitions and will ultimately maximise our positive impact, whilst mitigating negative impacts across our operations and supply chain.

Enabling and supporting our customers' clean energy journey

At Maxeon, we have created a 35-year legacy of pushing the boundaries of innovation to produce the most powerful, reliable and durable panels on the global market today. We are proud to enable our customers to power their homes and businesses with clean and efficient energy, using our solar panels.



Installation of Maxeon Air solar panels





SUCCESS STORY Aptera

Aptera is the most efficient solar electric vehicle that requires no charging for most daily use. It was created from the ground up with one purpose in mind — energy efficiency.

The solar electric vehicle is built from 3D printing, AI, and composite body, using 30% of the energy compared to other electric and hybrid vehicles on the road today.

Sunpower Maxeon solar cells allow the electric vehicle to travel up to 40 miles per day powered by the sun.

The vehicle is in pre-production and Aptera plans to produce 30,000 vehicles by 2025.

Aptera is a movement away from destructive energy and toward a creative and sustainable future. On earth, for earth, Aptera is for everyone.

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

Sustainable Innovation

Performance Highlights

We are proud to produce environmentally friendly products and play a positive role in the provision of our services. Our achievements serve to propel our sustainability ambitions and maximise our environmental impact across a plethora of stakeholders. At Maxeon we continuously seek opportunities to innovate and improve our product offerings, challenging established industry boundaries. Despite the global pandemic, we were able to deliver 899 MW of clean energy through our products to our customers in 2021.

Looking Forward

We aim to engage and partner with suppliers and customers who envision a sustainable world that operates on clean, renewable energy. We endeavour to break the boundaries of solar innovation and establish ourselves as pivotal leaders in combatting global warming and climate change.



Customer Engagement and Satisfaction

Management Approach

Customer satisfaction is the backbone of our business and drives our purpose at Maxeon. As our products are used for our customers' homes and businesses, maintaining strong customer relationships is crucial. Through sustained customer engagement, we can expand, develop and improve our solar technology to successfully aid in combatting the detrimental effects of climate change.

We maintain integrity and transparency in all our operations, as customer loyalty and relationships are built on trust. We nurture our customer relationships through sustained customer engagement and by consistently delivering high-quality products and services through our installation partners and distributors.

Our Initiatives

Industry-Leading Warranty

Beginning with installation through the end of a product's useful life, quality and durability are key to achieving customer satisfaction. Our panels are now backed by a recently launched 40-year Complete Confidence Warranty which evokes customer trust into our solar technology and panels. Through extensive third-party assessments and field studies of more than 33 million IBC panels deployed worldwide, we can determine the impact of typical degradation and failure modes to product performance. Our experience enables us to deliver products proven to generate more energy, more reliably, with greater savings over time.

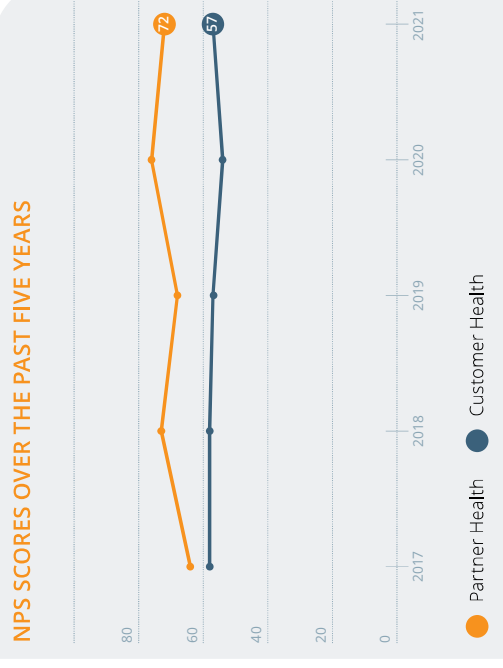


Customer Engagement and Satisfaction

Performance Highlights

Customer satisfaction is paramount to our corporate purpose and sustainability ambitions.

We employ a Net Promoter Scores (NPS) system to track the loyalty of our customers. The NPS is measured on a scale of 1 to 10, and customers who provide us with a rating of 9 or 10 are called 'Promoters,' as they are more likely to advocate or recommend our products. Customers who rate us a 7 or 8 are referred to as 'Passives' as they are satisfied customers without great inclination to promote the company and its offerings. Customers who rate us at 6 or below are considered "Detractors" as these respondents are not satisfied and may potentially share their negative perceptions. The NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters. Scores above 0 are considered good and those above 50 are excellent.



Customer Engagement and Satisfaction

In 2021, we embarked on several initiatives to maintain our high NPS score, including:

- **Marketing** – We increased our digital presence and campaigns to create greater brand awareness. We also began developing local content and revamping our newsletter to include an editorial approach to our organisational content and business updates.
- **Training** – We engaged with external trainers to expand our capabilities and partner with more companies, increasing our market presence. Additionally, we began to promote the training material and contents we acquire from these sessions.
- **Product Development and Quality** – We maintained our product quality and efficiency to ensure customer satisfaction. We also strive for continuous innovation to launch new products with novel and more efficient solar technology.

In the event that we received a low score from a customer, signifying them as a ‘Detractor’, we are quick to respond to their feedback to better understand their concerns and achieve continuous improvement. At Maxeon, we measure NPS for both the performance of our products (Customer Health) and installation partners (Partner Health) who engage first-hand with our customers.

Customer Health

Long-term customer satisfaction with our solar technology is a key consideration at Maxeon. Therefore, we encourage our customers to share their feedback on our products, installation services and partners in three ways:

- **Installation Experience Survey** – A month after the panel installation, we conduct a customer survey to ascertain how likely the customer is to recommend their Maxeon installation partner to friends, family or business partners. We also seek feedback on their customer experience throughout the installation process (e.g., meeting commitments, responsiveness, system design, installation phase).
- **One-Year System Experience Survey** – On the first anniversary of a customer’s system installation, we send a second customer survey to decipher how likely the customer is to recommend our products and to what extent the installation has met with the customer’s expectations.
- **Issue-To-Resolution** – We maintain an open line of communication for our customers to contact us with any questions or concerns. After a customer issue is resolved, we send a survey to our customer to evaluate their resolution experience.



Customer Engagement and Satisfaction

Our NPS for Customer Health is an amalgamation of all the responses from the three surveys above.

Partner Health

As means of ensuring holistic and 360° feedback, we conduct an annual Maxeon Partner Survey to assess our performance across the different functions of our business. Through the feedback obtained from our partners, we create an action plan to improve our partner experience and resolve any issues, alongside our partners.

Moreover, like our approach to discover Customer Health, Maxeon's Installation Partners also receive an Issue-To-Resolution Survey for any queries they report to us. In 2021, we extended our Issue-To-Resolution Survey to include Australia and the Greater European region.

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

Looking Forward

Maxeon is dedicated to achieving customer satisfaction by valuing customer feedback and inputs. We remain committed to evoking customer loyalty through the development of a sound and trusting relationship through our customer engagement and industry-leading warranty. We strive to maintain a high NPS and use it as a Key Performance Indicator (KPI) to determine areas for improvement amongst our employees and partners. We are committed to innovating, developing and advancing our solar technology through customer engagements and feedback.



Forward-Looking Statements

This Sustainability Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding: (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 and the pace of recovery from the COVID-19 pandemic; (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, 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 and (j) our goals, commitments, expectations, prospects, emissions, energy consumption, water consumption, and other environmental targets as well as external ESG commitments. 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.

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 standards of measurement and performance contained in the Sustainability Report are developing and 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. 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 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



Forward-Looking Statements

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.





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POWERING POSITIVE CHANGE

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

To find out more about our ESG commitments, visit our webpage:
<https://corp.maxeon.com/esg>

Our Content Index (Appendix) can be found here:
<https://corp.maxeon.com/esg/sustainability-reports-appendix/appendix-2021>

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Building a Better Tomorrow

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

Jeff Waters

Chief Executive Officer
Maxeon Solar Technologies