



Maxeon Sustainability Report 2023

maxeon

POWERING POSITIVE CHANGE



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Letters from leadership

Welcome to Maxeon's fourth Sustainability Report, a time to reflect on all the good we have done in the previous year as well to check in on our progress towards our longer-term goal of Powering Positive Change by being the best, most environmentally and socially responsible solar company in the world.

We continue to build on Maxeon's heritage of pioneering solar innovation, which dates back to 1985. 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.

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. In particular, with the Inflation Reduction Act and other stimulus in the United States, Maxeon is pleased to be a major player in the United States market as well as continuing to sell our products globally.

We are immensely proud that 2023 brought Maxeon well-deserved recognition for our industry leadership in sustainability. We won the APEX Award for Most Sustainable Business awarded by the United Nations Global Compact Singapore. We also rose into the Top 50 Most Sustainable listed companies in the world as ranked by Corporate Knights. In addition, MSCI continues to rate us as AA and ISS rates us as Prime in their respective sustainability indices.

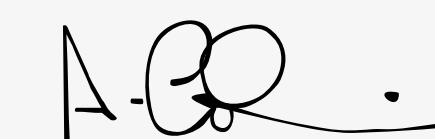
As in past years, Maxeon's Sustainability Report covering the 2023 reporting year aligns itself to the highest international standards of sustainability reporting, including the Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB) and the United Nations Global Compact (UNGC).

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



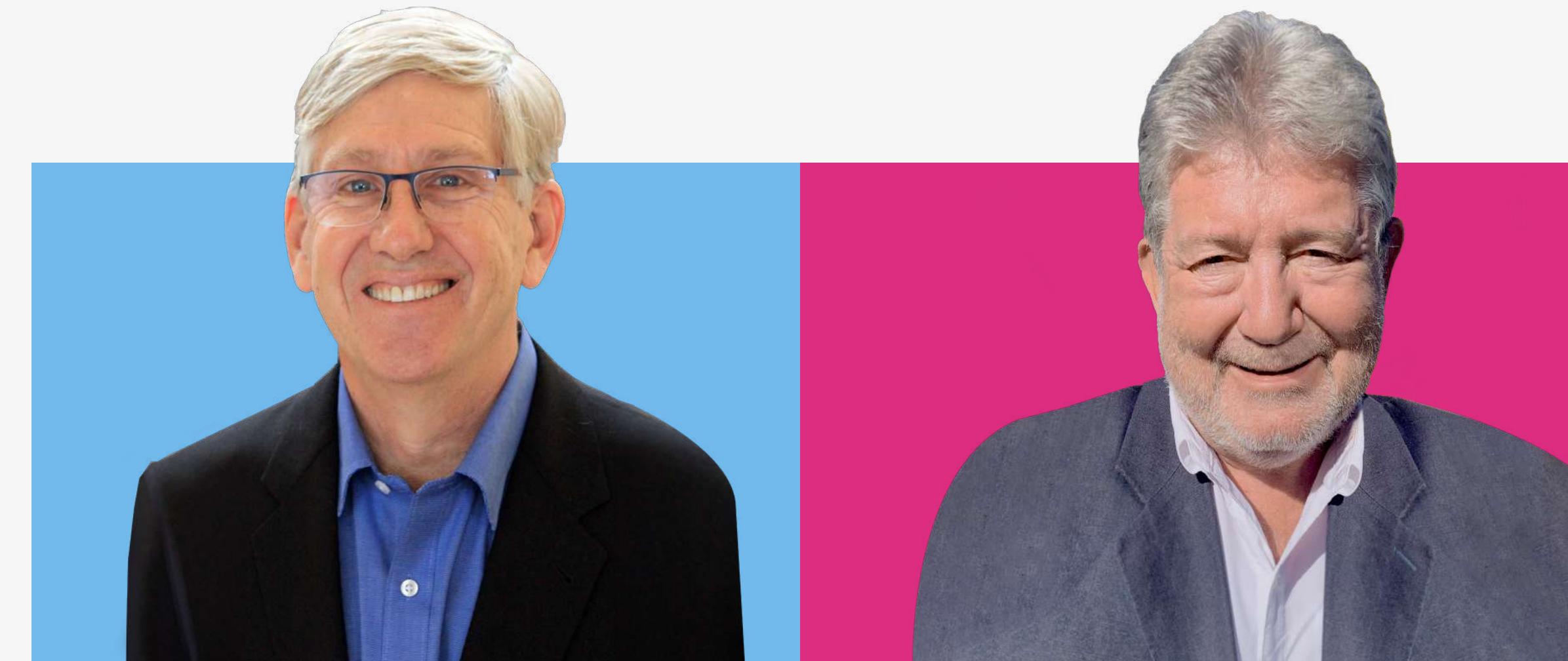
Bill Mulligan

Chief Executive Officer



Donald Colvin

Chairman of the Board of Directors



Letters from leadership

This is my fourth Sustainability Report for Maxeon and an opportunity to recognize our progress in Powering Positive Change since we spun off from SunPower Corporation in 2020.

2023 was a year of new beginnings for us, with a new CEO Bill Mulligan joining the company and the adoption of a new, fresher corporate identity with a clean and modern design to reflect our dynamic leadership in renewable energy. We also continued to innovate, launching our newest flagship product for the distributed generation market which we call Maxeon 7.

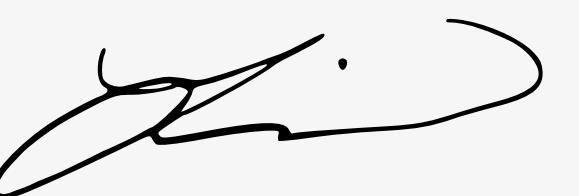
I am very proud that we enhanced our commitment to community investment by establishing Maxeon Impact Areas in Gender Equity, Sustainability and Mental Wellness, which are each important to me personally as well as Maxeon as a whole. More relevant than the commitment is the actions we have taken which you can see showcased in these pages.

I would also like to highlight our recent initiatives to demonstrate leadership in the Circular Economy. Our new corporate office in Singapore was certified LEED Gold. We also launched a partnership with Nanyang Technological University in Singapore to study our panels and investigate how to establish a better end-of-life process for these products.

It is also significant to note that Maxeon is maturing as a company, which you can see in our improved annual performance review cycle and process. Our forward-thinking approach to work-life balance incorporates a hybrid working model that adapts to our people and our respective roles.

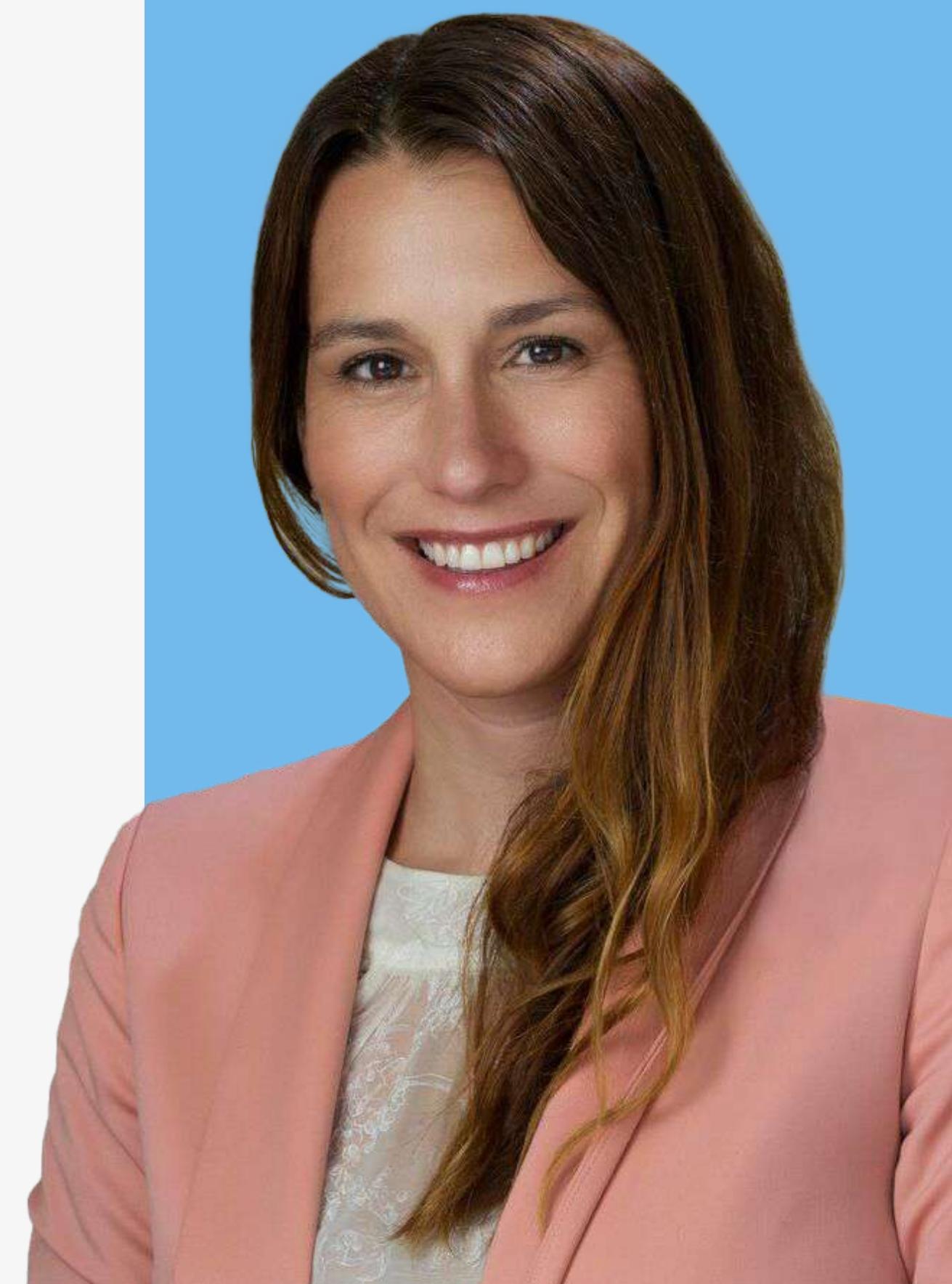
In this report, you will see more details than in years past due to the increased reporting standards. As we continue to Hold Ourselves to a Higher Standard, and keep up with the latest developments in sustainable reporting, we become more transparent and more data is disclosed to our stakeholders. You will also see that we now have a track record going back several years that you can measure us against.

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



Lindsey Wiedmann

Chief Legal & Sustainability Officer



About this report

Reporting scope and period

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

In follow-up to Maxeon’s Sustainability Report 2022, this Report details our performance on environmental, social, and governance (“ESG”) issues for the fiscal year that concluded on December 31, 2023 (hereafter referred to as “FY2023” or “2023”). More specifically, the Report covers Maxeon’s sustainability strategies, our progress on material ESG topics, and goals and targets for the short-, medium- and long-term. We are committed to continually evolving our sustainability program to meet the expectations of our valued stakeholders, including our employees, investors, customers, business partners, suppliers, contractors, regulators, and local communities.

Our Sustainability Report supplements Maxeon’s 2023 Annual Report, which can be found on our [website](#).

Reporting standards

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Universal Sustainability Reporting Standards 2021 and is aligned to the Sustainability Accounting Standards Board (“SASB”): Solar Technology Project Developers Standard.

These standards have been selected on the basis of their international recognition and credibility, in addition to suitability for industry-specific performance comparison year-on-year. We have taken the framework provided by these standards into consideration when developing our sustainability strategy and draw on them to measure and track our sustainability performance.

With our global headquarters in Singapore, to demonstrate best practice we voluntarily adhere to the reporting requirements set out by Singapore Exchange (“SGX”). In addition, as a committed signatory of the United Nations Global Compact (“UNGC”), this Report aligns to the UN Sustainable Development Goals (“UN SDGs”).

Maxeon published an inaugural Task Force on Climate-Related Financial Disclosures (“TCFD”) report as part of our Sustainability Report 2022. As we continue to deepen our understanding of the climate-related risks material to our company and its operations, we will refine our disclosures. Whilst we did not conduct an updated climate-related risk assessment in FY2023 due to asset and operational changes, we plan to undertake this task in FY2024.

Quality of report and assurance

Maxeon has sought independent specialists to validate that the information in this Report complies with the GRI Standards 2021. In 2024, we will be upgrading our data collection systems as part of our ongoing journey to improve the depth of alignment with these Standards. We have robust mechanisms in place which ensure accurate information is provided in this report and we are on track to meet our commitment to seek external assurance by 2026.

Publication date

This Report is published on 28 June 2024.

Restatement of information

All restatements of information have been referenced in our GRI Context Index, which can be found at the end this Report. Over the course of 2023, any restatements made were as a result of restructuring and alterations in data collection methods.

Feedback

At Maxeon, sustainability is an ongoing journey. As such, we welcome feedback or questions regarding the contents of this Report via esg@maxeon.com.

Memberships in association

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

Key highlights of 2023



Environmental

Achieved LEED Gold certification for Singapore corporate office

Oceanslab collaboration for using solar for racing vessels

3x increase in green power purchases

Innovative water recycling in Mexico

Waste to cement manufacturing in Malaysia



Social

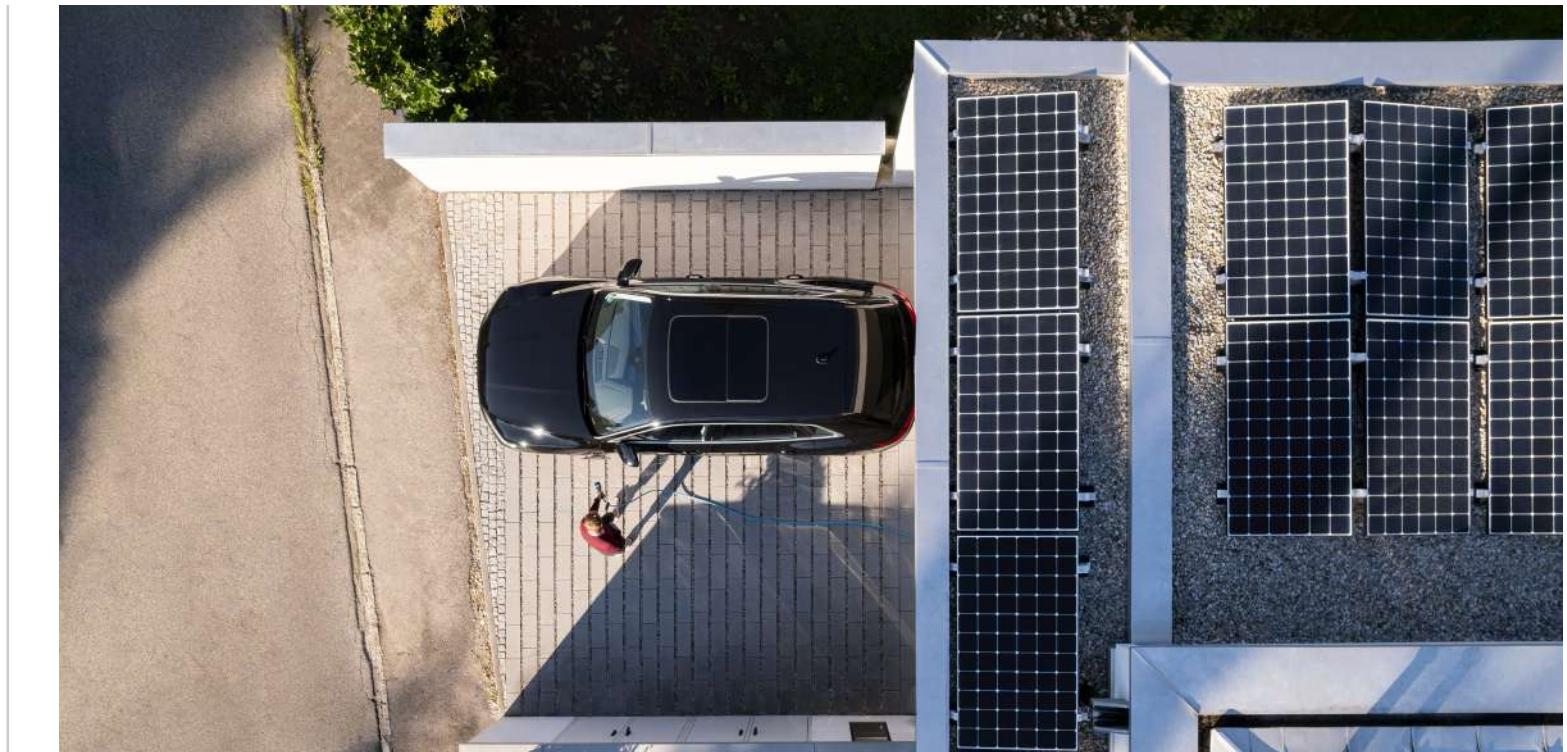
Rolled out New Maxeon Corporate Brand

Launched Ways of Working – Role-based hybrid flexible model

Improved annual performance review cycle and process

Established Maxeon Social Impact

Areas for community investment



Governance

Launch of Nanyang Technological University Recycling Partnership

Launch of SunPower home energy system

Launch of Maxeon 7 solar panel

25% in improvement of customer NPS scores

Partnership with Singapore's Nanyang Polytechnic to enhance data collection

About Maxeon Solar Technologies

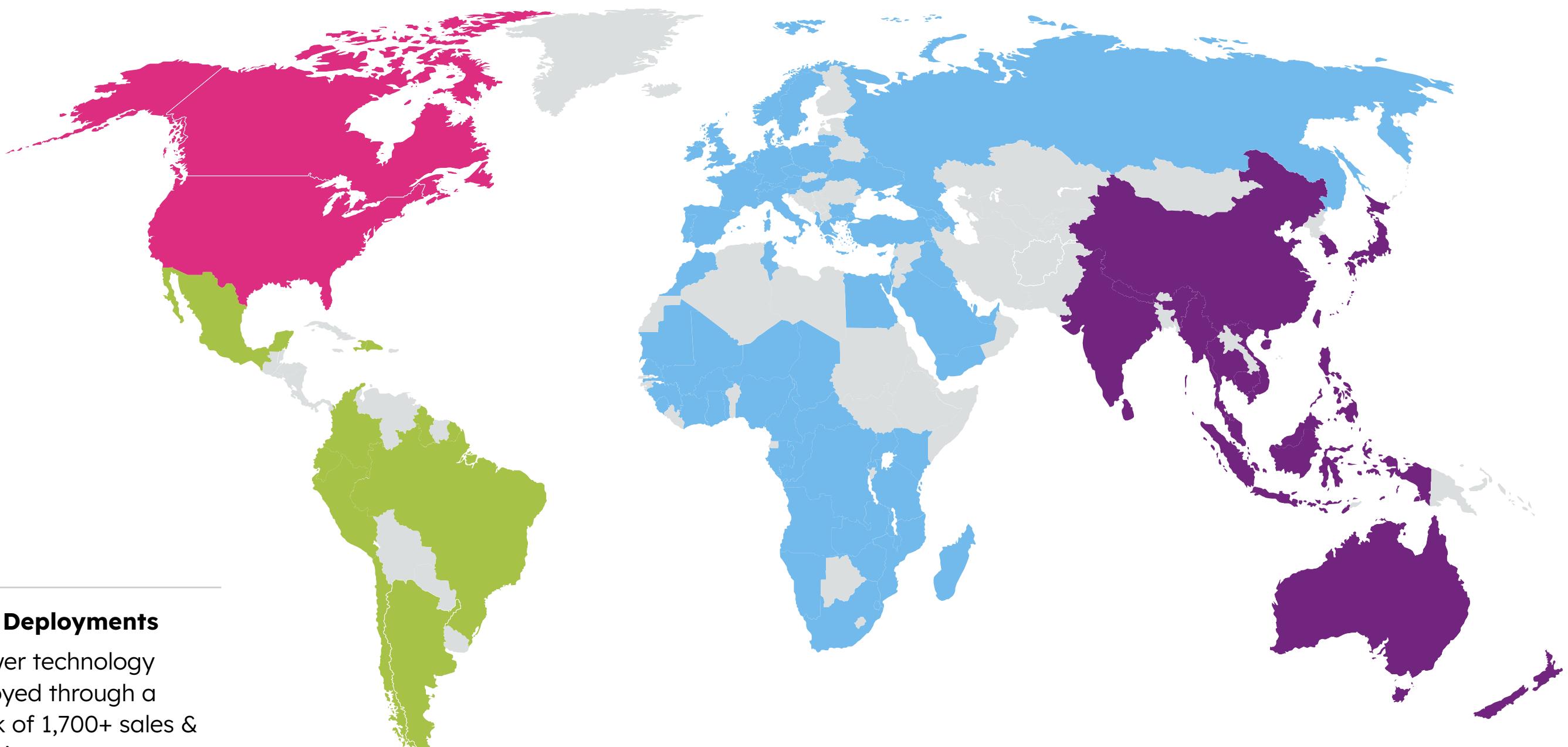
Building on a rich 39-year history of pushing solar boundaries, Maxeon was established as an independent company in 2020 following its spin-off from SunPower Corporation. Today, Maxeon designs, manufactures and sells cutting edge solar panels under the Maxeon® and SunPower® brands across over 100 countries globally. Our sophisticated and innovative solar panel product lines are based on over 1,900 patents and advanced technology which empowers our customers to contribute to efforts to accelerate action against climate change by shifting consumption habits.

A global company headquartered in Singapore, in 2023 we operated production facilities in Malaysia, Mexico, and the Philippines, formulating the environmental scope of our reporting as a result of operational control. Whilst our employees and offices span across various geographies, we follow a holistic approach in reporting our social sustainability considerations by integrating the social impacts of our people and office operations into our sustainability report.

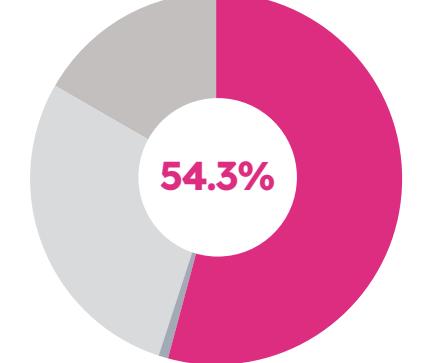
Through our valued relationships with over 1,700 partners and distributors across the globe, our products have reached over a million customers throughout Africa, Asia, Oceania, Europe and the Americas.

Maxeon is committed to working with a network of partners to advance the global sustainability agenda. We are a proud signatory of the UNGC and support their efforts to catalyze business action in support of the UN SDGs. Our 2023 sustainability efforts were recognized by our top 50 ranking in Corporate Knights 2024 Global 100 most sustainable companies.

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

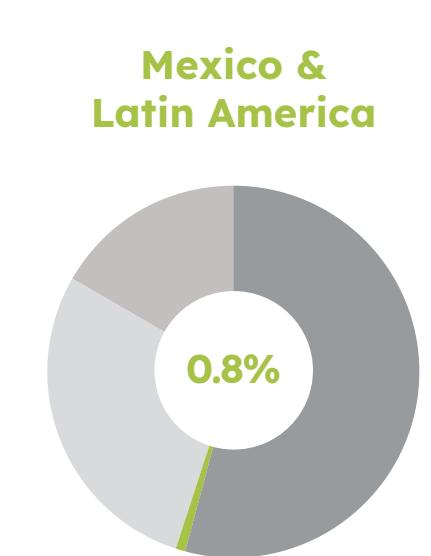


2023 sales (% MW)

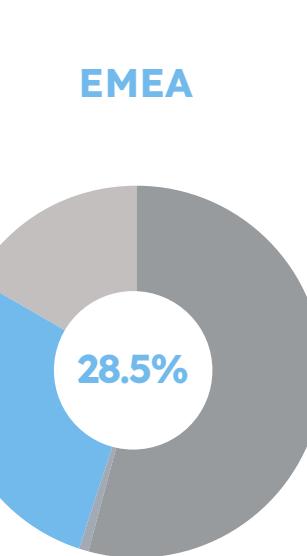


2022 to 2023 MW sales growth

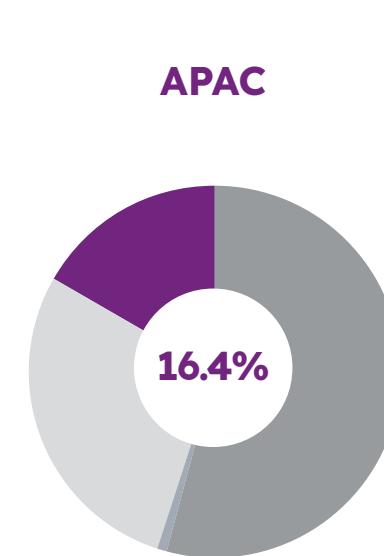
+68%



+25%



-9%



+10%

About Maxeon Solar Technologies

A leader in solar innovation

Maxeon's spirit of continuous improvement has transformed the company into a world-renowned leader in solar innovation. Positioned across residential, commercial and power plant markets, we offer customers interdigitated back contact ("IBC") solar cells and our Performance line of shingled solar panels. Since 1985, we have installed nearly 50 million SunPower and Maxeon solar panels which combined have avoided approximately 80 million metric tons of carbon emissions. With our industry-leading 25-year power and performance warranty, in addition to our 40-year warranty for SunPower Maxeon panels, we enable customers globally to source power in a way which makes a positive impact.

Maxeon solar panels

Solar for life

#1 Solar Panel Efficiency¹

in the market, fitting more power in less space

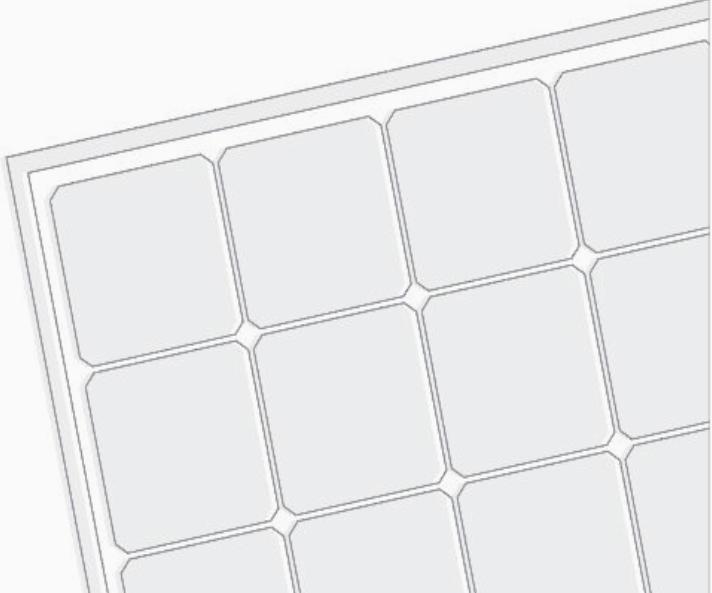
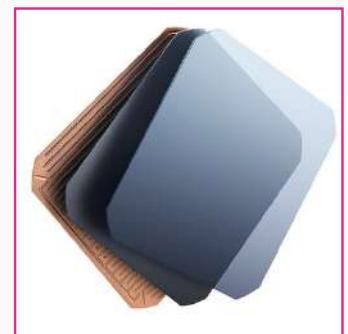
#1 Lowest Degradation Rate

in the solar industry²

Leading Durability²

with a 40-year product and power warranty,
top module reliability performer³

Ultra-pure silicon on a patented metal foundation



Performance solar panels

Making the conventional, exceptional

Higher efficiency at a value price

N-Type TOPCon solar cells

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 TOPCon shingled cell panel design



¹Based on [TaiyangNews Top Solar Modules Listing – March 2024](#)

²As of 2018, Jordan, et al, "Robust PV Degradation Methodology Application" PVSC 2018 and "Compendium of Photovoltaic Degradation Rates" PIP 2016.

³SunPower 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.

⁴SunPower panels have been identified as Top Performers in the PVEL PV Module Reliability Scorecard since 2017: <https://modulescorecard.pvel.com/>.

Sustainability approach and governance

Our approach to sustainability

Maxeon's sustainability strategy is inspired by our company purpose, Powering Positive Change™. We are committed to constantly challenging ourselves to do business in a way which creates a better future for our planet and our stakeholders. In doing so, we are raising the bar for the industry and promoting the importance of corporate action to address climate change and its negative impacts.

Purpose & values

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

Our purpose is Powering Positive Change™

Our values

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

maxeon
POWERING POSITIVE CHANGE



Key sustainability pillars

Environmental

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

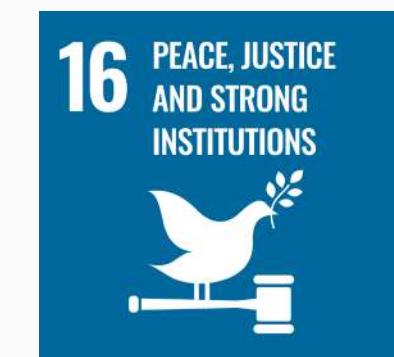
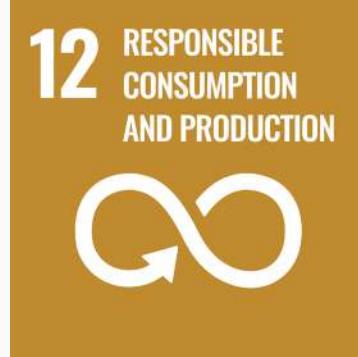
Social

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

Governance

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

UN SDGs



Governance and culture in driving ESG



Maxeon's Board of Directors (the "Board") is ultimately responsible for overseeing and making decisions on sustainability-related matters. This includes sustainability reports, policies, impact assessments, performance tracking, sustainability strategy, and sustainability-related information. The Board delegates this oversight and decision-making function to the Nominating and Corporate Governance Committee ("NCGC"), which is responsible for our ESG programme. In this capacity, the NCGC is tasked with reviewing and approving reported sustainability information, including details regarding how we are managing our material topics. The Board engages stakeholders directly as conducive to its ability to carry out sustainability oversight and decision-making. For example, the Board interacts with investors on an ad-hoc basis to garner feedback and insights on sustainability-related issues.

Maxeon's Executive Leadership Team ("ELT") supports the Board with its sustainability oversight by ensuring the day-to-day management and performance on issues relating to our material topics. This includes monitoring the effectiveness of processes to identify and manage Maxeon's ESG impacts, including the use of due diligence. Through quarterly approval meetings, the ELT is updated by relevant departments to ensure they are informed accordingly about any sustainability-related issues which require ELT attention and equipped with appropriate information for their ongoing review of ESG processes. Our Chief Legal & Sustainability Officer provides updates and presentations to the NCGC four times a year. These meetings focus on the progression of Maxeon's internal ESG initiatives and informing the NCGC of any relevant global sustainability shifts.

Actively engaging stakeholders

Consideration for people and the planet is embedded into the core of Maxeon's business model. As such, we seek input from a variety of stakeholders to collect insights enabling us to better understand the impact our business has on them and the role they play in advancing Maxeon's sustainability agenda. Our approach to stakeholder engagement is outlined in the table below:

						
Platforms for Engagement	<ul style="list-style-type: none"> Investor and analyst presentations Annual general meetings Quarterly reports Press releases 	<ul style="list-style-type: none"> Media Press releases Industry events Regular emails Speaking at conferences 	<ul style="list-style-type: none"> Media Press releases Industry events Regular meetings and calls Regular emails Annual reports Modern Slavery Statement 	<ul style="list-style-type: none"> Website Regular meetings and calls On-site visits, installation and maintenance Industry events Press releases 	<ul style="list-style-type: none"> Company Intranet Emails Regular Townhalls (All Hands Meetings) Site based employee engagement activities 	<ul style="list-style-type: none"> Questionnaires Emails Regular meetings and calls
Stakeholder Priorities	<ul style="list-style-type: none"> Energy and Emissions Fair Labour and Human Rights Diversity and Inclusion Business Integrity and Ethics Sustainable Innovation 	<ul style="list-style-type: none"> Energy and Emissions Waste Fair Labour and Human Rights Diversity and Inclusion Community Investment Business Integrity and Ethics 	<ul style="list-style-type: none"> Energy and Emissions Water Management Waste Occupational Health and Safety Fair Labour and Human Rights Business Integrity and Ethics Product Quality, Reliability and Safety 	<ul style="list-style-type: none"> Energy and Emissions Water Management Circular Economy Fair Labour and Human Rights Diversity and Inclusion Product Quality, Reliability and Safety Customer Engagement and Satisfaction 	<ul style="list-style-type: none"> Energy and Emissions Occupational Health and Safety Fair Labour and Human Rights Employee Engagement Learning and Development Community Investment Business Integrity and Ethics Product Quality, Reliability and Safety 	<ul style="list-style-type: none"> Circular Economy Occupational Health and Safety Fair Labour and Human Rights Business Integrity and Ethics Sustainable Innovation
Frequency of engagement	<ul style="list-style-type: none"> Annual Reports every 12 months Quarterly earnings reports Periodic investment presentations Direct engagement as necessary 	<ul style="list-style-type: none"> Ad hoc engagement 	<ul style="list-style-type: none"> Engage through our public communication channels on an ongoing basis, and directly as and when there are specific inquiries 	<ul style="list-style-type: none"> Continued engagement through various communication channels, including conferences, questionnaires and one-to-one meetings 	<ul style="list-style-type: none"> Engagement on an ongoing basis, through initiatives such as All Hands and our company intranet, PowerHouse 	<ul style="list-style-type: none"> Annual certifications Mandatory annual supplier trainings Audits for selected suppliers based on risk level
Our response to priorities	We share reports and relevant information in response to investors' requests, and work with them to address their needs	We take the views of not-for-profits into consideration when reviewing the effectiveness of our ESG processes	We address regulatory requirements through our reporting processes	We respond to customers' changing needs and concerns through our product offering	We work to improve employee engagement levels based on the feedback we receive	We have established a supply chain management process to communicate with and set expectations for suppliers

Materiality assessment process

In our efforts to create sustainable, positive change, it is essential for us to first understand where we have the potential to drive the greatest positive impact and also where we need to mitigate any potentially negative impacts.

Maxeon conducted an initial materiality assessment process in 2020, seeking the views of internal and external stakeholders through engagement interviews and surveys. In 2022, Maxeon performed a refreshed materiality assessment in line with the GRI Standards 2021. With the support of an external consultant, we assessed the most significant impacts our business has on the economy, the environment and people. Through this assessment we analyzed Maxeon's residual impact on a range of relevant factors in order to identify the most material to our organization. We applied a precautionary approach and prioritized material topics based on potential impact for Maxeon and our stakeholders, including customers, employees and suppliers.

Throughout this Report, we outline the steps we took in 2023 to maximize our positive impact and mitigate our negative impact relating to each of the material factors identified in the table below. We are committed to ensuring that our list of material topics accurately reflects the structure and priorities of our business.

Pillar	Material Topics	UN SDGs
Environmental Creating positive environmental impact to sustain our natural world by investing in technologies to combat climate change	<ul style="list-style-type: none">• Energy and emissions• Water management• Waste• Circular economy	 7 AFFORDABLE AND CLEAN ENERGY
Social Creating positive value in society and communities by leading, partnering on and supporting initiatives to enhance people's lives	<ul style="list-style-type: none">• Occupational health & safety• Fair labour and human rights• Employee engagement• Learning and development• Diversity and inclusion• Community investment	 10 REDUCED INEQUALITIES
Governance Creating positive economic value and maintaining ethics and integrity through responsible and transparent business practices	<ul style="list-style-type: none">• Business integrity and ethics• Product quality, reliability and safety• Sustainable innovation• Customer engagement and satisfaction	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our sustainability milestones

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

2020	2021	2022	2023	2024
<p>Established New ESG Team Dedicated team with global and local diversified ESG experiences</p> 	<p>Inaugural Sustainability Report Completed a benchmarking exercise and materiality assessment to shape our ESG focus areas and sustainability report</p>	<p> Winner, 2021 Asia Sustainability Reporting Awards, Best Sustainability Report (Human Rights), Silver</p>	<p> Named by Corporate Knights a Top 100 Most Sustainable Company</p>	<p>Partnership and Research Collaboration Agreement with the Energy Research Institute @ Nanyang Technological University (ERI@N) Focused on end-of-life management of photovoltaic modules employing silicon cells with Interdigitated Back Contact (IBC) architecture.</p>
<p>Joined United Nations Global Compact Issued CEO Letter of Commitment on our support of the SDGs</p> 	<p>Conflict Minerals Reporting Completed first Conflict Minerals disclosure report post-spinoff</p> <p>Green Finance Reporting (and Sustainability-linked Loans)</p>	<p>Modern Slavery Statement Filed inaugural Modern Slavery Statement in 2022 which aligns with Australia, California and United Kingdom reporting standards</p> <p>Published 2nd Sustainability Report</p> <p>Energy Payback Time Assessment</p> <p>Green Bond Framework & Final Green Finance Reporting (with external assurance)</p> 	<p> Joined CFO Coalition for the SDG </p> <p>Climate-related Risks</p> <p> </p> <p>Powering a Circular Economy Policy Policy for recycling and beyond</p>	<p>Top 50 within Corporate Knights 2024 Global 100 Most Sustainable Companies</p> <p>Spoke at SDG Investment Forum during the 78th UN General Assembly As part of the UNGC CFO Coalition for the SDGs</p> <p>Launch of Maxeon 7 with 24.1% efficiency</p>
<p>Target Setting for Material Topics Developed long-term targets around material topics by the end of 2021</p>	<p>Launched Maxeon Gives A platform for employees to nominate solar panels for donation</p>		<p> APEX Award for Most Sustainable Business in Singapore</p>	

Long-term targets & performance

Maxeon's short- and long-term sustainability targets guide our strategy, processes and initiatives as we strive to have an even greater impact on the communities we serve. We benchmark our performance against a 2020 baseline, a year in which operational capacity was accurately reflected and our inaugural Sustainability Report was released. Our targets motivate and inspire us to push ourselves as a company and to use our business to create positive change.

Material topic	Metric	2020	2025	2030	2023 performance
Environmental Energy and emissions	Energy intensity (MWh consumed/ MW produced)	254	10% improvement from 2020	20% improvement from 2020	Our energy intensity decreased to 149 MWh consumed/ MW produced, 40% improvement from 2020
	Emissions intensity (tCO ₂ e/MW produced)	160	10% improvement from 2020	20% improvement from 2020	Our emissions intensity decreased to 78 tCO ₂ e/MW produced, 48% improvement from 2020
Environmental Water management	Water intensity (m ³ used per MW produced)	3,874	2.5% improvement from 2020	5% improvement from 2020	Our water intensity decreased to 2,125 m ³ /MW produced, 45% improvement from 2020.
Environmental Waste	Waste Recycling	80%	5% improvement from 2020	20% improvement from 2020	Increase overall recycling rate to 83% of total waste generated
Environmental Circular economy	Cradle to Cradle (for Maxeon products)	Bronze	Silver	Gold	Achieved Cradle to Cradle Silver
Social Occupational health and safety	TRIR (Total Recordable Incident Rate)	0.63	Maintain industry-leading TRIR of 0.63	10% reduction over 2020 number	TRIR decreased to 0.4, 37% reduction from 2022
Social Fair labour and human rights	Incidents/ traceability	Zero cases of verified non compliance with human rights law	Traceability of supply on blockchain such that information is available within 4 hours	Maintain zero cases of verified non- compliance with human rights laws with enhanced traceability	Installed blockchain software at our factories and blueprint for rolling out to supply chain in place

Material topic	Metric	2020	2025	2030	2023 performance
Social Diversity and inclusion	% of people leaders who identify as female	32%	34%	37%	Female People Leaders at 32% in 2023
Social Community investment	Maxeon volunteering days	NA	5,000	7,500	Maxeon volunteering days increased to 433
Social Employee engagement	We strive for an engaged workforce, where people have meaning in their work and can learn and grow	A. No leadership development programme B. No career and development planning framework C. Performance reviews occur twice yearly, feedback ad-hoc	A. 90% of eligible employees passed through the leadership development programme B. 70% of employees had a career and development discussion with their leader C. Structured feedback is incorporated into our performance review process, tied to our leadership capabilities and company values	A. 95% of eligible employees passed through the leadership development programme B. 80% of employees had a career and development discussion with their leader C. A continuous feedback culture exists amongst our workforce, driving learning and growth leadership capabilities and company values	63% of eligible Maxeon employees passed through the leadership development program (Module 1-4) 88% of Maxeon employees had a career and development discussion with their leader 76% of our people completed mid-year reviews and 99.3% completed end of year reviews
Governance Consumer engagement and satisfaction	Net Promoter Scores (NPS) for customer health	54 (EMEA only)	62 (Global)	70 (Global)	NPS for customer health at 69, 28% increase from 2020
Governance Product quality, reliability and safety	Maximum number of defective parts per million in sales contracts (DPPM)	2000 DPPM	30% reduction from 2020	50% reduction from 2020	99 DPPM
Governance Sustainable innovation	Warranty and efficiency (One can calculate Carbon Positivity with this and Energy Payback Time)	25 years	40 years @ 24% efficiency	40 years @ 25% efficiency	Maxeon maintained the 40-year warranty and installed the first Maxeon 7 panel at 24% efficiency in the third quarter of 2023
Governance Business integrity and ethics	Incidents of corruption (defined as bribery of a public official)	Zero substantiated incidents	Maintain performance and enhance controls	Maintain performance and enhance controls	Zero incidents of corruption in FY2023

Environmental

Spotlight

Employee engagement in action: LEED Gold Certification – Workplace Office – SG

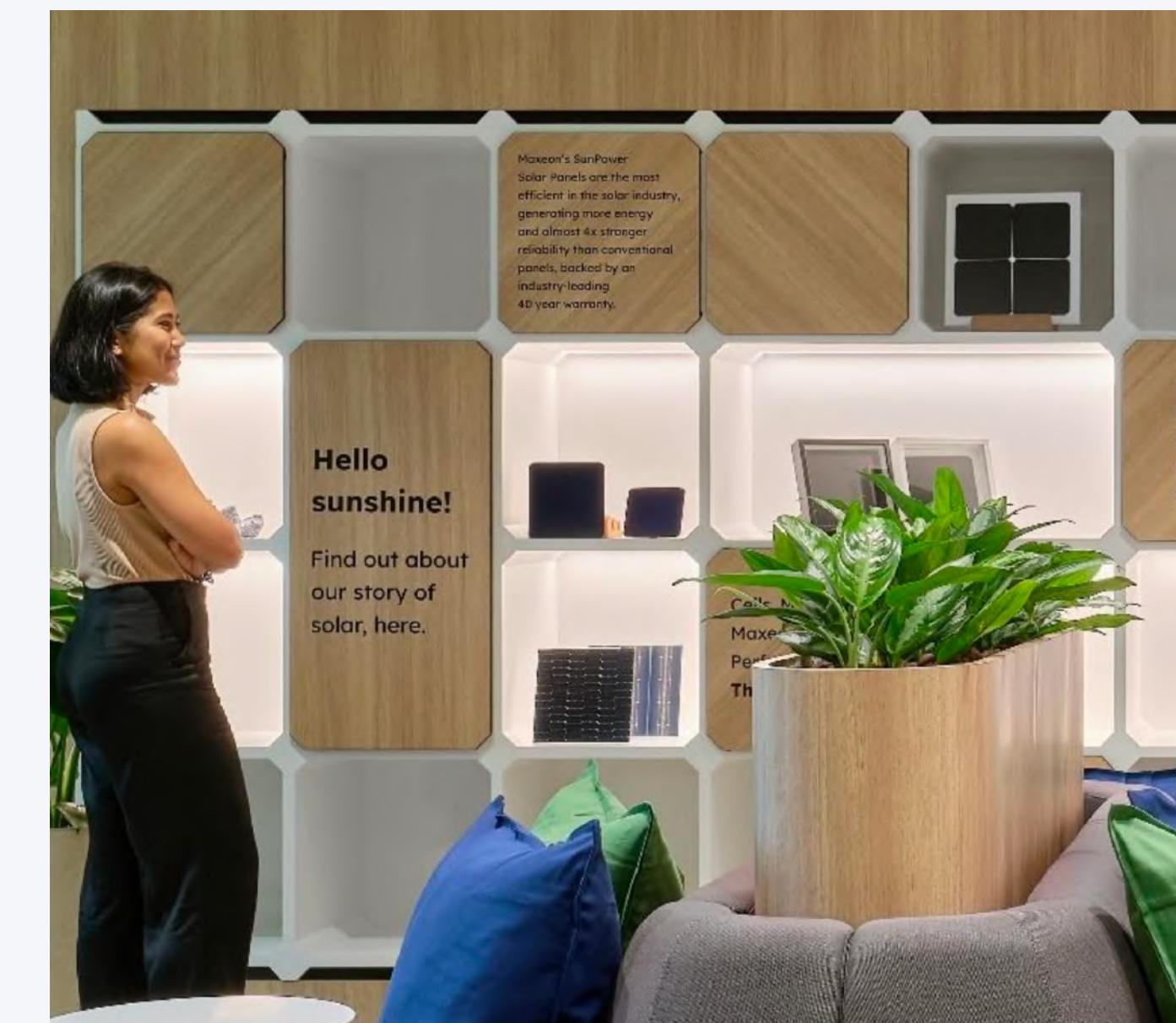
In December 2023, our Singapore HQ office was awarded Leadership in Energy and Environmental Design (“LEED”) Gold certification. This recognized our commitment to align design and product decision with LEED standards, to ‘walk the talk’ and demonstrate our commitment to sustainability through the selection, design and construction of our new office. Our journey towards achieving LEED Gold certification for our Singapore headquarters exemplifies our deep-rooted commitment to sustainability and environmental stewardship. From the outset, our goal was not just to meet LEED Standards but to exceed them, ensuring that every aspect of our office design and operations aligns with our values and aspirations for a greener future. One of the key pillars of the sustainability strategy for our building was water conservation. By carefully selecting water-efficient fixtures, we not only reduce our water consumption but also contribute to the preservation of this precious resource. Our decision to incorporate automatic lighting shut-off not only minimizes energy wastage but also underscores our dedication to energy efficiency and carbon footprint reduction.



Moreover, our emphasis on reducing parking footprint reflects our commitment to promoting alternative transportation methods and reducing vehicular emissions. By encouraging employees to use public transportation, carpooling, or cycling, we do not only alleviate traffic congestion but also contribute to cleaner air and a healthier environment. The meticulous selection of local materials and furniture not only supports the local economy but also reduces the carbon footprint associated with transportation. Additionally, conducting daylight simulation tests ensures optimal natural light utilisations, creating a more comfortable and productive workspace while reducing the need for artificial lighting.

Furthermore, our commitment to employee well-being extends beyond physical health to encompass mental and emotional wellness. Maxeon's plans for WELL certification, which is a global rating system that recognizes buildings designed and contracted to support the health and well-being of their occupants. We are able to demonstrate our in-office initiatives such as the green signage and GroBrix benefits; GroBrix is a modular vertical farming system designed for workplaces, providing employees with fresh, organic produce and promoting health, engagement and sustainability. These tools would aid in fostering a workplace culture that prioritizes the holistic well-being of our team members.

In actively managing and executing recycling construction waste practices, we demonstrate our ongoing commitment to minimizing waste generation and promoting circular economy. Our sustainability initiatives are not just about achieving certifications but embody our ethos of responsible business practices and leaving a positive legacy for future generations.



Why is it material?

Businesses have a crucial role to play in the transition to a net-zero world. We have a responsibility to drive emission reductions within our own operations, whilst also taking steps to accelerate and enable decarbonization efforts in the broader economy to keep the goals of the Paris Agreement in sight. This year at Maxeon we advanced on our targeted initiatives, as outlined in this chapter, to reduce our carbon footprint. In addition, in our role as a leading solar energy provider, we continued to provide innovative renewable energy solutions to the market to lessen fossil fuel reliance and promote effective resource stewardship.

Management approach

Maxeon acknowledges the impact of our operations and takes ownership of managing our carbon footprint. We continue to work in creative ways to provide environmental solutions. At each facility, we assess emissions by carrying out in-depth impact analysis and setting organizational goals to decrease our energy reliance and reduce carbon emissions. We also design products with energy consumption and emissions in mind, as evidenced through our innovative next-generation Maxeon 7 IBC solar panel with a conversion rate of 24.1%. Maxeon facilities are progressively phasing out older models of Maxeon IBC panels and taking steps towards carbon neutrality, thereby enhancing our positive impact on the environment and our customers.

As we strive towards actualizing the impacts of our business, we aim to outweigh any negative impacts on the environment and our customers through the provision of renewable energy via our solar powered products whilst employing innovative mechanisms to derive environmental solutions. Ultimately, Maxeon seeks to enhance its efficiency and initiatives pertaining to energy management to reduce its carbon footprint and affiliated negative environmental impacts.



Our initiatives

Harnessing solar power for all facets of our business

In Q4 of 2022, Maxeon's Philippines facility, FAB4, installed solar panels on the rooftops of South Main, including above the parking lot, security posts, and canteen. The panels maximize our on-site generation of clean energy and minimize our dependency on electricity from the power grid or through conventional and depleting energy sources. Yielding 1,037.93 MWh energy savings in 2023, up 728.34 MWh from the energy saving in 2022 FAB4 has decided to further expand this initiative by installing PV Panels with a capacity of 660kW.

In light of our Philippines facility's success, our Malaysian factory, FAB3, is following suit by exploring the implementation of a 9MW solar rooftop system.

Enhancing our infrastructure

Building on Maxeon's assets, our Malaysia facility has refurbished their 1.5MW solar panels in the parking area. This retrofitting has increased generating capacity to an average daily of 3500kWh/day from the previous average daily 1800kWh/day, a firm 94.4% in energy yield.

Energy Efficiency in our facilities

Energy efficiency throughout our facilities is a priority for Maxeon. Our FAB4 facility has maintained their Leadership in Energy and Environmental Design (LEED) Gold certification, first achieved in 2021. We are implementing several initiatives, including installing energy-efficient LED lighting and improving indoor thermal comfort to lower energy consumption and heating load. In addition, our facility in the Philippines installed solar panels on-site and our facilities in Mexico and the Philippines are optimizing energy use by replacing cooling blades and using Variable Frequency Drives (VFDs) in our motors.



Energy and emissions

Performance highlights

In 2023, our energy consumption amounted to 311,102 MWh across all our manufacturing sites, indicating a 16% decrease in comparison to FY2022, attributed to a decrease in our production of solar cells.

Our combined emissions are 162,256 tCO₂e, which includes emissions of Scope 1 (292 tCO₂e), Scope 2 (161,286 tCO₂e) and Scope 3 (678 tCO₂e). Our Scope 3 boundary includes emissions from Business Travel and Employee Commute. In comparison to FY2022, we have achieved an 11% decrease in Scope 1, 33% decrease in Scope 2, and 89% increase in Scope 3 in FY2023. Our scope 3 increase was due to new projects kicking off in China, resulting in increased employee travel between China and the Philippines. Overall, we are pleased to report that our emissions have decreased by 7% and 32% when compared to our performance in our baseline year and FY2022, respectively.

As means of monitoring our efficient use of environmental resources, Maxeon embarks to calculate its intensity values across energy, emissions, and water. This figure is derived from the annual output amount of solar panel production, across the relevant facilities, FAB 3 and FAB 4. In FY2023, this amounted to 2,457 MW produced, and as such, all intensity figures have been calculated using this figure.

Our 2023 energy intensity amounted to 127 MWh per MW produced, and emissions intensity of 66 tCO₂e per MW produced. We are pleased to indicate that alongside our overall energy consumption, our total GHG emissions saw a decrease from 2022. As such, our energy intensity for FY2023 reduced by 27% and 52% in comparison to the reported values in our FY2020 and FY2022, respectively. Moreover, we have experienced a significant decrease of 59% and 51% in our emissions intensity, from 160 tCO₂e/MW produced in FY2020 and 136 tCO₂e/MW produced in 2022, respectively, to 66 tCO₂e/MW produced in 2023. Moreover, Maxeon has significantly increased its Green Power Purchased by over three-fold while subscribing to energy tariffs in 2023 compared to 2022. As per our long-term target to achieve a 10% improvement and 20% improvement in Maxeon's energy and emission intensity from 2020 by 2025 and 2030, respectively, we are currently on well on track to achieve this.

Our ability to produce solar solutions has allowed us to avoid emitting an estimated 22,652,102 tCO₂e in 2023. This increase was achieved through the innovation of our panel production efficiency and phasing out older solar models in 2023.

Looking forward

Maxeon maintains its pledge to further minimize its energy used and emissions produced by operations. We are actively looking for ways to increase the use of solar power and reduce emissions throughout our value chain. Continuously striving to meet our goals of reducing energy and emissions intensity by 10% and 20% from 2020 by 2025 and 2030, respectively, Maxeon will continue to ensure that its energy efficiency and savings measures and initiatives deliver and surpass the results seen in the last year.



Why is it material?

Increasing water stress, driven by trends such as climate change, demographic shifts and economic growth, presents a risk to organizations with a reliance on water. At the same time, businesses can play a significant role in mitigating water stress by improving water management across their operations. Maxeon is committed to consuming water and disposing of water consciously, whilst also exploring stewardship initiatives.

Management approach

Water has always been one of the most important components of manufacturing Maxeon's solar panels and cells. We understand the environment imperative of ensuring responsible management of water usage and treatment of wastewater. As such, our facilities have incorporated water cleanliness programs, including multimedia filtration which filters sediments and particulates from water by applying pressurized feed water to push liquid through filtration media.

Additionally, managing water responsibly requires us to pay attention to the water we release and the associated effects. To guarantee stringent compliance and responsible oversight, our yearly license for wastewater discharged and our internal water quality standards, NOM-002-SEMARNAT-1996 and NOM-001-SEMARNET-2021, regulate Maxeon's water-related operations. All industrial wastewater generated is processed on-site, and the water we use and consume is supplied and locally treated by commercial partners in the various regions in which we operate. We hold frequent meetings to review the effectiveness of this process and identify any areas for improvement.



Our initiatives

Innovative technology for recycling water

In 2022, Maxeon harnessed a variety of technologies to proactively control and limit the water we use, ensuring responsible and efficient usage. We continued our efforts to reduce our reliance on fresh water through optimizing our internal recycling efforts. Our Ensenada facility (SPMX2), MX, started a project to recover the reject water through the process of reverse osmosis. Since instillation, over the past 5 months the facility has reused 114 m³ of water.

At our FAB4 facility in the Philippines, there are several initiatives which have produced notable water savings, lowering operational expenses and our environmental impact. In addition to these ongoing projects, our FAB3 facility in Malaysia has implemented a rainwater recycling initiative whereby rainwater accumulated at the Lift station FAB3 is collected by the contractor who carries out the plant watering.

Reverse osmosis treatment in Mexicali, SunPower Mexico



Performance highlights

In the previous financial year, Maxeon was issued one fine at our Malaysia facility due to wastewater discharge exceeding the prescribed limit of chemicals. We have enhanced the heat exchanger capacity while streamlining operations to mitigate the risk of similar occurrences in the future.

Maxeon withdrew a total of 4,448,494 m³ of water across the regions and facilities that we operate, with a water intensity of 1,810 m³ used per MW produced. There has been a slight decrease in water withdrawn, alongside the total water discharge volume from our previous years due to a decrease in production across the facilities. Moreover, we experienced a 30% and 53% decrease in our water intensity when compared to FY2022 and FY2020, respectively. As a result, Maxeon has exceeded its long-term goals of improving its water intensity by 2.5% and 5%, respectively, from 2020 by 2025 and 2030.

Accompanying this, Maxeon is delighted to share that its total water recycled, 84,464 m³, has significantly increased from 2022, in 2023. This has been made possible due to the efforts across our Mexico and Philippines facilities who have tirelessly implemented wastewater recycling systems and initiatives.

As a result, Maxeon has exceeded its long-term goals of decreasing our water intensity by 2.5% and 5%, respectively, from 2020 by 2025 and 2030.

Looking forward

With a focus on water stewardship, Maxeon continues to adhere to minimize its water footprint whilst adhering to its targets for 2025 and 2030. Furthermore, we are still dedicated to following all local laws pertaining to the use of water and the disposal of wastewater, exercising caution when carrying out our operating duties. Lastly, we strive to ensure no instances of wastewater discharge breaches or non-compliance going forward.

Wastewater Treatment Plant in SunPower Malaysia



Why is it material?

Waste can have potentially significant impacts on the environment and communities. As such, organizations like Maxeon have a responsibility to embed waste reduction and effective waste management into their business operations and across their supply chains. In addition to the benefits this provides for people and the planet, waste stewardship can also reduce costs for companies. Over the past year, we continued to evolve our approach to understanding waste-related impacts across our value stream, considering upstream and downstream operations, and taking steps to mitigate our impacts.

Management approach

At the core of our approach is a commitment to managing waste through reuse, repurposing, and reduction, aimed at minimizing landfill disposal. We recognize the importance of implementing these practices to maximize resource efficiency and minimize our environmental footprint.

We are fully dedicated to responsible waste management practices across all our facilities. This is evident through our ongoing efforts to carefully monitor and assess waste generation and reduction progress. We have set an interim target to increase recycling by 5% from our 2020 baseline, and a longer-term target to increase recycling by 20% from the same baseline. Our facilities in Mexico and the Philippines are striving towards a 99-100% recycling rate.

Maxeon's waste management strategy is aligned with our 2022 Singapore Green Nation Pledge, reflecting our steadfast commitment to reducing and ultimately eliminating the production and use of single-use disposables. This pledge underscores our proactive stance in limiting waste generation and prompting sustainable practices throughout our operations.

Our Environmental, Health and Safety (EHS) team plays a pivotal role in overseeing and driving our waste management initiatives and performance at Maxeon. The EHS team conducts regular monthly meetings to discuss progress, share updates, and explore innovative avenues to enhance the effectiveness of our waste reduction initiatives. These meetings serve as a platform for improvement and implementation of targeted strategies. Through the dedication and diligence of our EHS team and the active engagement of our broader workforce and stakeholders, we are driving meaningful progress towards achieving our waste reduction targets and advancing our commitment to environmental stewardship.

Scheduled waste storage in SunPower Malaysia



Our initiatives

Attaining certifications and upholding accountability

At Maxeon, we prioritize business integrity and compliance with relevant standards by adhering to relevant national and regional environmental regulations. Moreover, Maxeon seeks reputable industry certifications to validate our commitment to reducing the environmental impact across all our sites. Since 2015, our Mexico facility, SPMX1 has maintained PROFEPA certification for being landfill-free and will be recertified in 2024. SPMX1 could not be certified by PROFEPA (federal) regarding a lack of response from our state environmental agency about our air pollution license during 2023, SPMX1 has presented all qualifying evidence of accomplishment SPMX1 awaits the 2023 license approval, we have followed all the administrative steps in accordance with the certification to obtain the 'Industria Limpia' certificate even we show all evidence of accomplishment, we are now concurrently working on the exercise for air pollution license 2024.

In 2023, the National Sanitization Foundation (NSF) informed Maxeon that the Landfill-Free standard will no longer continue as part of their certifications. Despite this, SPMX1's 2023 waste calculations indicated adherence to standard throughout the year, an accomplishment we will strive to continue going forward.

Responsible waste disposal across our facilities

Extending Maxeon's responsibilities to the environment, in 2023 the Maxeon EHS and purchasing team in SPMX1 have sourced for alternative suppliers to appropriately dispose scrap cells and recycle with supplier with R2 certification to meet the landfill-free standard. With this SPMX1 meets our responsibility to the environment.

Our Malaysian facility, FAB3, has implemented a waste bidding process as a critical component of its compliance strategy to fulfil waste treatment hierarchy control requirements. This process involves soliciting bids from authorized waste treatment facilities, licensed by the Department of Environment. By engaging in waste bidding, FAB3 ensures that the waste generated from its operations is managed responsibly and in accordance with environmental regulations. In addition, FAB3 strongly encourages its waste collectors and treatment facilities to be ISO14001 certified. This proactive approach not only facilitates proper waste disposal but also supports the waste treatment hierarchy, emphasizing reduction, reuse, recycling and appropriate disposal methods.

Our collaboration with suppliers and licensed waste treatment facilities underscores our commitment to environmental stewardship and sustainable waste management practices, aligning with regulatory standards and corporate sustainability objectives.

Turning to our manufacturing plant in Malaysia, FAB3 has transitioned its waste treatment approach from traditional

landfill disposal to a processing process where certain types of waste are used as alternative raw materials in cement manufacturing. This shift not only reduces reliance on landfilling but also contributes to a circular economy by integrating waste materials into productive industrial processes. In 2023, there was a notable improvement in the hazardous waste recycling rate, gradually reaching 90-95%. This improvement is attributable to the successful treatment of Calcium Fluoride Sludge (CaF₂) from the Fluoride Waste Treatment Plant (FTP) over the past two years, which significantly enhanced recycling rates.

Our Mexico facility in Ensenada, SPMX2, has also sourced new suppliers to change the final disposition of residues. In 2022, the Ethylene Vinyl Acetate (EVA) was sent to 'Waste to Energy' which led to 40,250 tonnes recycled in 2023.

Fluoride Waste Treatment Plant in SunPower Malaysia



Performance highlights

In 2023, Maxeon produced 19,415 tons of waste, of which 8,075 tons (42%) was hazardous and 11,339 (58%) was non-hazardous. This represents a significant increase in the amount of waste produced of 34% and 64% in comparison to 2022 and our 2020 baseline, respectively, due to a one-off change in a production line at our Philippines facility.

This financial year, the amount of waste diverted from disposal through recycling comprised 83% of our total waste, of which we have recycled 69% and 93% of our hazardous and non-hazardous waste composition respectively. This represents an increase from 2022 and our 2020 baseline, during which we recycled 67.7% and 80% of our waste respectively. As such, we remain on track to achieve our long-term 2025 and 2030 target of achieving a 5% and 20% improvement in our waste recycling rates when compared to FY2020, respectively.

Looking forward

In 2024 we will continue to uphold our commitment to treating waste responsibly and minimizing its negative effects through responsible oversight, reduction, recovery, disposal, and circularity, making sure effective waste management is one of our top ESG priorities. We aim to achieve a 5% increase in waste recycled by 2025 and a 20% increase by 2030, over our 2020 baseline.



Why is it material?

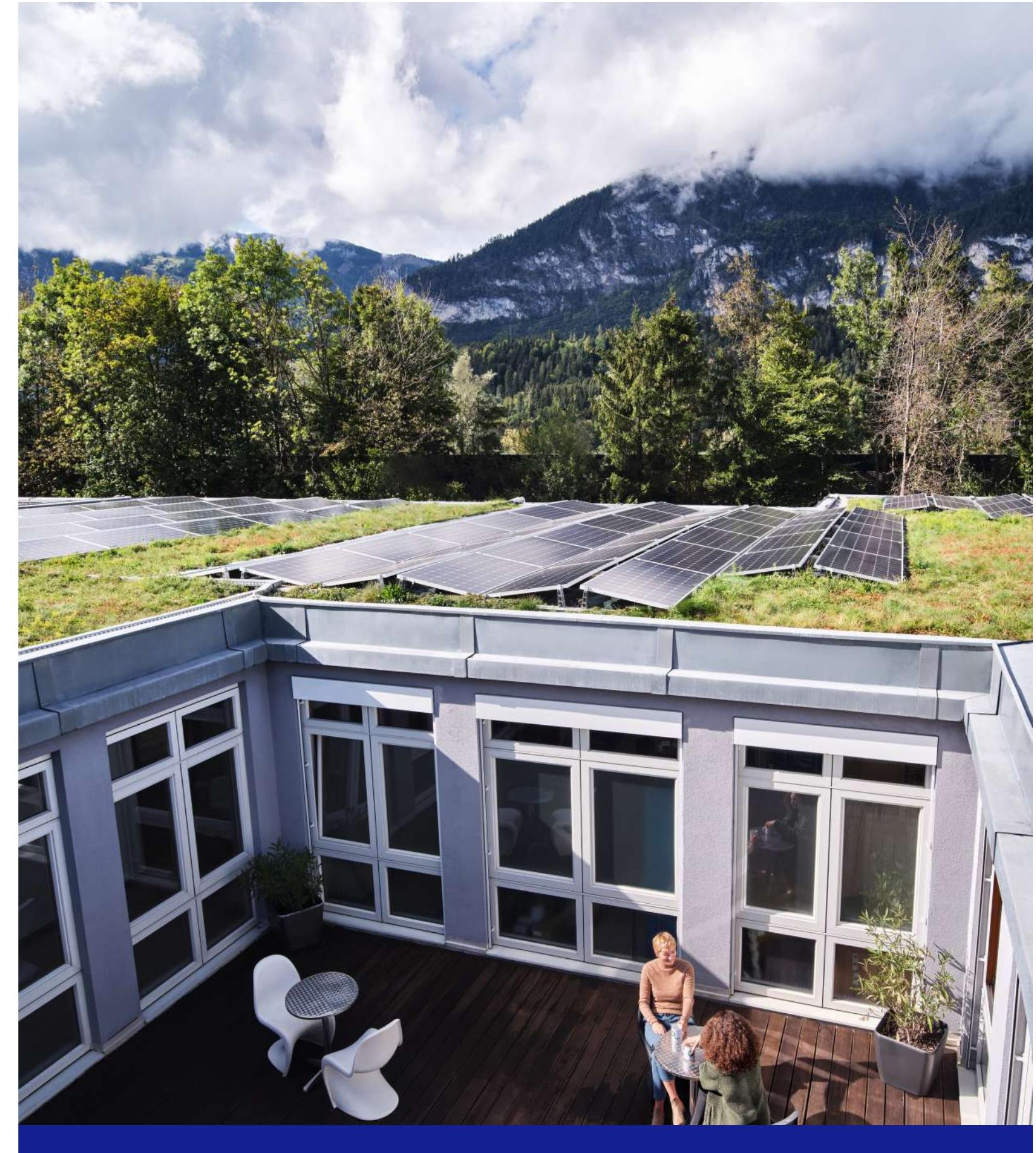
The transition to a circular economy, in which products and materials are kept in circulation, has the potential to support efforts to tackle climate change and address other crises we face collectively. As a company designing and manufacturing solar panels, by embracing circular principles we can help accelerate the shift away from the linear economic model which has dominated to date. For this reason, we have identified UN SDG 12 on responsible consumption and production as one of our priority UN SDGs. We strive to embed circular practices such as reuse and recycling across the entire life cycle of our products, from the extraction of raw materials to the use phase.

Management approach

At Maxeon, we are deeply committed to integrating circular economy principles into the design of our products and our day-to-day business operations. We have implemented a range of initiatives and measures aimed at enhancing our production system's closed-loop nature. One key focus area is extending the lifespan of our solar panels, which currently boast an estimated longevity of 40 years – significantly surpassing the industry standard of 25 to 30 years. By offering industry-leading durability and warranties, we aim to prolong the usability of our products, thereby reducing waste generation and conserving resources that would otherwise be required for frequent panel replacement.

In line with our sustainability goals, Maxeon collaborates closely with local recycling experts across the diverse geographical regions where we operate. These partnerships include organizations such as PV Cycle in Europe, Reclaim PV Recycling and Hamada Corporation in the Asia Pacific Region, and Recycle PV Solar and SEIA in the United States. By working with these recycling experts, we maximize waste generation and disposal, reduce the consumption of raw materials, and mitigate our environmental impacts.

Maxeon continually strives to strengthen and expand our internal and external efforts to embed circular economy principles across our operations.



Our initiatives

Cradle to Cradle certification

Maxeon first achieved the C2C Certified Bronze designation in 2019, awarded to our direct current (DC) solar panels. This certification, maintained through 2020 and 2021, reflects our dedication to environmental stewardship and product innovation. As of 2023, we are thrilled to announce that we have achieved our established target well ahead of schedule, achieving the prestigious C2C certified Silver designation for our DC solar panels.



The Cradle to Cradle framework represents a rigorous assessment of solar panels against a standardized benchmark, focusing on circularity and sustainable value creation. This certification underscores our ongoing commitment to continuous improvement, evaluating our panels' performance across key sustainability metrics including material health, material reutilization, renewable energy and carbon management, water stewardship and social fairness.

As the world's first solar panel to receive C2C Silver certification, we strive to inspire other companies and industries to embrace circular economy principles. By demonstrating the feasibility and benefits of sustainable product design and manufacturing, we aim to catalyze broader adoption of circularity practices and contribute to a more sustainable future for all.

Sustainable manufacturing and recycling

Maxeon partnered with Nanyang Technological University (NTU) and Energy Research Institute @ NTU (ERI@N) to launch a circular economy policy on Earth Day 2023. This collaboration aims to enhance sustainable manufacturing and recycling practices within the solar panel industry, which faces a magnitude of challenges in recycling end-of-life panels, hindering their integration into the circular economy. Together, we aim to minimize waste and maximize resource utilization in solar energy production.

Pioneering sustainable innovation

Maxeon has partnered with OceansLab, a campaign with a mission to accelerate the uptake of high-performance clean innovations. By integrating Maxeon's durable, high-efficiency solar panels into racing vessels, through this collaboration we showcase the potential of renewable energy in harsh environments. The partnership exemplifies how industries can adopt sustainable practices, demonstrating that high performance and environmental responsibility can coexist, even in challenging conditions.



Circular economy

Looking forward

Maxeon seeks to accelerate the shift to a circular economy by growing and fortifying its relationships and procedures. In order to minimize waste, recycle our products, and reuse materials, we will continue working hard to increase our collaboration and cooperation with stakeholders. This will ultimately maximize our positive environmental contribution. Our long-term goal is to have our solar panels certified as Cradle to Cradle Certified Gold by 2030.



Environmental performance metrics

	2020	2021	2022	2023
Energy				
Energy Consumption (MWh)	276,044	240,832	370,747	311,102
Energy Intensity (MWh used per MW produced)	254	268	175	127
Reduction in energy consumption from base year (MWh)	N/A	35,212	(31,303)	(55,058)
Fuel Consumption (MWh)	1,170	1,795	1,109	831.9
Fuel Consumption (Liters) ¹	123,269	188,929	100,892	82,914
LPG Use (MWh)	562	596	397	309
LPG Use (kg) ²	41,405	43,838	34,800	23,518
Total Electricity Use (MWh) - Grid, PPA, Onsite ³	274,310	243,440	305,841	311,444
Conventional Purchased Electricity - Grid (MWh)	266,246	238,142	292,312	255,597
Conventional Purchased Electricity - Grid (%)	97	98	95	85
Green Power Purchased (MWh) ⁴	6,342	3,633	12,294	54,576
Onsite Renewable Electricity (MWh) ⁵	1,722	1,665	1,235	1,272
Onsite Renewable Electricity (%)	0.63	0.7	0.4	0.5

¹In the conversion of Fuel from litres to MWh, CDP's Technical Note: Conversion of fuel data to MWh, was employed and can be accessed at https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175.

²In the conversion of LPG mass from kg to MWh was done by deriving the Net Calorific Value of LPG from <https://unstats.un.org/unsd/energy/yearbook/2015/08i.pdf>. Subsequently, CDP's Technical Note: Conversion of fuel data to MWh, provided the methodology of converting the LPG mass into MWh, accessible at https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175.

³There is no heating, cooling and steam consumption at Maxeon. There is also no electricity sold.

⁴Sources of green power purchased are geothermal, solar and wind through Purchase Power Agreements

⁵From energy produced by our on-site solar panels

Environmental performance metrics

	2020	2021	2022	2023
Energy				
Total Renewable Energy (% of Electricity)	3	2	5	14.7
Employee Commute (km) ⁶	1,604,169	1,504,630	1,795,922	1,896,288
Air Travel (km)	896,624	1,565,250	1,005,441	1,705,071
Total capacity of photovoltaic (PV) solar modules produced (mw)	1,085	900	1,762	207
Emissions				
Scope 1 Emissions (tCO ₂ e) ⁷	399	580	328	292
Scope 2 Emissions (tCO ₂ e) ⁸	173,335	149,282	239,391	161,286
Scope 3 Emissions (tCO ₂ e) ⁹	328	441	358	678
Total Emissions (tCO ₂ e) ⁹	174,062	150,303	240,077	162,256
Reduction in GHG emissions (tCO ₂ e) from base year ¹⁰	N/A	14%	(38%)	7%
GHG Emissions Intensity [tCO ₂ e used per MW produced]	160	167	136	66
Emissions avoided annually (tCO ₂ e)	11,185,788	8,413,603	16,473,076	22,652,102

⁶Covers leased company shuttle only

⁷Emissions included in Scope 1 calculations: fuel consumption and LPG use. Source of emission factors: GHG Protocol

⁸Emissions included in Scope 2 calculations: energy consumption and PV panel power generation. Source of emission factors: IGES 2018 OM Grid Emissions Factor

⁹Emissions included in Scope 3 calculations includes alternative commuting and air travel. Source of conversion factors: UK DEFRA 2022

¹⁰As a result of improved data analysis, these figures have been revised and restated to capture the changes more accurately. Figures with brackets indicate an increase instead of a reduction.

Environmental performance metrics

	2020	2021	2022	2023
Water				
Total Water Withdrawn (m³) ¹¹	4,203,076	3,486,450	4,582,824	4,448,494
Total Water Recycled (m³)	6,445	25,689	44,110	84,464
Total Water Discharge Volume (m³)	4,466,105	3,689,724	4,523,336	2,735,953
Third-party water withdrawn (megaliters)	4,203	3,486	4,583	1,200
Total water discharge to all areas (megaliters)	4,466	3,690	4,523	2,715
Total water discharge to all areas with water stress (megaliters)	0	0	0	0
Total water consumption from all areas (megaliters)	4,203	3,486	4,583	1,504
Total water consumption from all areas with water stress in megaliters	0	0	0	0
Water Intensity (m³ used per MW produced)	3,874	3,876	2,602	1,811
Reduction in water withdrawn (m³) from base year	N/A	716,626	(379,748)	(245,418)

¹¹Water 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%

Environmental performance metrics

	2020	2021	2022	2023
Waste				
Hazardous Waste Generation (tons)	6,125	4,285	6,598	8,075
Amount of Hazardous Waste Recycled (tons)	4,341	2,448	3,163	5,583
Percentage of Hazardous Waste Recycled (%)	71	57	48	28
Amount of Hazardous Waste Prepared for Reuse (tons)	0	0	0	0
Amount of Hazardous Waste Prepared for Reuse (%)	0	0	0	0
Amount of Hazardous Waste Prepared for other recovery operations (tons) ¹²	-	-	198	5,377
Total weight of Hazardous Waste directed to disposal onsite (metric tons)	0	0	0	0
Total weight of Hazardous Waste directed to disposal offsite (metric tons)	1,784	1,837	3,435	2,437
Non-Hazardous Waste Generation (tons)	5,678	6,478	7,903	11,339
Amount of Non-Hazardous Waste Recycled (tons)	5,108	5,530	6,649	10,559
Percentage of Non-Hazardous Waste Recycled (%)	90	85	84	88
Amount of Non-Hazardous Waste Prepared for Reuse (tons)	0	0	0	2.37
Amount of Non-Hazardous Waste Prepared for Reuse (%)	0	0	0	0.01

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

Environmental performance metrics

	2020	2021	2022	2023
Waste				
Amount of Non-Hazardous Waste Prepared for other recovery operations (tons) ¹³	-	-	70	303
Amount of Non-Hazardous Waste Prepared for other recovery operations (%)	-	-	1	0.98
Total weight of Non-Hazardous Waste directed to disposal onsite (metric tons)	0	0	0	0
Total weight of Non-Hazardous Waste directed to disposal offsite (metric tons)	570	948	1,254	9,345
End-of-life Waste treatment (incineration without energy recovery) ¹⁴	-	-	11	1,587

¹³Maxeon commenced tracking the amount of non-hazardous waste prepared for other recovery operations in 2022 and hence does not have 2020 and 2021 data. We will continue building our data collection capabilities over the upcoming years.

¹⁴Maxeon only started to track limited amount of the end-of-life waste treatment in 2022. The disclosed figure only includes our Malaysia facility, Maxeon will work towards enhancing our data collection in the coming years

Social

Our initiatives

Highlight: Maxeon at Three!

At our Maxeon three-year anniversary in August 2023, we welcomed bright, fresh brand colours on team t-shirts, posters, birthday cakes and bunting as well as across our communications platforms, including our Microsoft Teams backgrounds and digital banners.

Under a campaign theme of ‘Maxeon at Three: Building a brighter tomorrow, together’, we shared employee videos spotlighting stories of team members across Europe, Philippines and US, which highlighted the ‘people behind our products’. Building a sense of pride and achievement within every employee, we created a celebration-video illustrating the 38-year story of our company, which was shared via email and presented on the digital screens across our factories, cafeteria and receptions.

Locally, our sites held celebratory activities where they recognized local success, thanked staff, shared food and held the Maxeon Games which includes family events, football tournaments, and board game challenges. Our remote colleagues similarly enjoyed a Maxeon at 3 virtual quiz. Through these celebrations, our employees made new connections and got to know their colleagues better in an informal setting, contributing to stronger future collaboration.

Maxeon at 3 Anniversary Celebration - 1st Ensenada Internal Soccer Tournament



Maxeon at 3 Anniversary Celebration – “Mechanical Bull” Competition & Outlet Area



Our initiatives

Spotlight: Ways of Working at Maxeon

We recognize that ways of working are constantly evolving, and we need to adapt to the changing nature of the future of work.

In the first quarter of 2023, we implemented “Our Ways of Working” at Maxeon, a principle-based approach to guide how we work across the globe based on designated role types. These ways of working benefit our employees, customers, and our company. Employees receive flexibility, enabling them to be more productive and the company to be more performance-focused and responsive, with motivated workers delivering excellent results. This is a key strategy to attract, retain and develop talent, improve employee engagement and overall workforce diversity and inclusion, and accelerate digitalization of work processes and integration of tools and technologies.

We subscribe to the following ways of working principles at Maxeon, underpinned by our core values:

- Working differently not less, trust comes first. Performance is defined by outcomes and behavior, and an employee's effectiveness is determined by what and how they deliver. Through this, we Push the Boundaries to achieve what we set out to;
- Communication is key. Everyone is expected to engage in transparent, respectful, and open communication and understanding, through appropriate means and channels, and by doing so, we Thrive Together as a team; and

• Personal responsibility. All employees are empowered to take ownership of their work and deliver against commitments, through which We Hold Ourselves to a Higher Standard.

Further enhancing our inclusive practices, all pregnant employees and primary carers are welcome to work remotely or using flextime, where appropriate. Our Ways of Working at Maxeon enables an inclusive, diverse, and productive global workforce, enhancing an individual's ability to work in a manner that recognizes and supports their needs.



How we support remote workers

At Maxeon, employees working remotely are provided with home office subsidies to create a more productive environment and facilitate a better work-life balance. We also invest in upskilling our leaders to manage teams in a way which strengthens effectiveness and connectivity in remote and hybrid settings. This includes structuring team meetings and routines in an inclusive manner, whilst bringing teams together face-to-face as and when appropriate throughout the year. Development and training sessions are conducted using a hybrid approach to reach the target population and maximize participation for those working remotely. Global teams hold virtual sessions while also conducting physical local sessions. On occasions such as Maxeon’s third anniversary, we hosted a virtual quiz on our industry and products to include employees who work remotely in our global celebrations.

New nursing rooms in Mexicali, MX

We strive to ensure our workplace provides support for working new mothers through family-friendly initiatives. In addition to the option of remote working, our major countries of operations are all equipped with a safe and dedicated space for nursing. Having access to clean, comfortable, and private rooms is essential for new mothers to breastfeed their children, express milk, or store milk. The Mexicali, Mexico office opened new nursing rooms at factories in June 2023 to improve working conditions for working mothers. This not only supports mothers, but also raises awareness around the need of diversified employee support for different choices and stages in lives.

Our initiatives

Spotlight: Panel donations for Lifeline Albury Wodonga crisis support charity in Australia

As part of its worldwide “Maxeon Gives” initiative, we have partnered with KDEC Electrical and Solar to support Lifeline Albury Wodonga, in New South Wales, Australia, whose vision is a community free of suicide. The 40-year-old organisation’s purpose is to provide support for individuals in time of crisis, and to create a suicide safe community through building regional resilience. Lifeline provides critical services 24 hours a day, 365 days a year including confidential, one-to-one phone counselling. Operating a 24/7 support centre generates a significant annual electricity bill which can now be dramatically reduced by harnessing the power of the sun.

The installation includes the Company’s Performance Line solar panels as well as a SunPower Reserve all-in-one energy storage system. The Maxeon Gives program donates the Company’s solar solutions to communities and organizations around the world as part of its commitment to ensure access to innovative, affordable, reliable, and sustainable energy for all.

We successfully equipped Lifeline Albury Wodonga’s call centre with 8kW of Performance 3 Residential panels, as well as our latest SunPower Reserve Battery to offer

maximum autonomy to Lifeline. Stacy Read, CEO of Lifeline Albury Wodonga states that: “Everyone is surprised, it is quite a significant donation. What that means for us is that we can deliver critical suicide prevention activities locally, we can answer more calls, we can train more crisis supporters.”

You can discover the initiative [here](#).

We also donated and shipped 52 Maxeon 3 Panels to the Master Electricians Australia Power Up charity. They will be installing an off-grid system for the only maternity clinic and health facility in the remote, mountainous sub-district of East Timor in May 2024. This incredible initiative will help address the high mother and infant mortality rate in the area.



Why is it material?

Upholding the highest standards of Occupational Health and Safety (“OHS”) at Maxeon is critical to establishing a strong relationship with our employees and ensuring business continuity. We are committed to identifying, managing, and mitigating health and safety hazards to ensure the welfare of our people. In safeguarding working conditions, we maintain our credibility as a responsible company and translate Maxeon’s business and sustainability ambitions into economic success and positive impact. In limiting occupational risks and complying to applicable legal and other requirements, we ensure a good track record and a safe working environment, conducive to driving our sustainable services and strategies.

Management approach

At Maxeon, we adopt a deliberate and stringent approach to OHS risk management to ensure the health and safety of our employees. All our manufacturing, as well as research, development, and demonstration (“RD&D”) locations are certified to the internationally recognized ISO9001, ISO45001 and ISO14001 managements systems. We undertake extensive internal and external audits on an annual basis to ensure our management systems are up-to-date and in compliance with applicable legal and other requirements.

In order to maintain an exemplary standard of employee health and safety across all Maxeon facilities on a day-to-day basis, we share best practices and knowledge across our locations, including lessons learnt from incidents such as near misses and recordable cases.

In 2023, our OHS initiatives focused on the following four areas:

01	02	03	04
Pandemic/ Emergency Response and Management	High Risk Activities and Contractor Management	Awareness, Building Competencies and Capabilities	Legal Compliance Assurance

Our employee health and safety (“EHS”) committees at respective locations are responsible for encouraging employee engagement and facilitating discussions on EHS issues and concerns. This includes weekly operations meetings to capture and share transferable EHS practices across business units, in addition to discussing lessons learnt from any incidents which occur. The key EHS outcomes and discussion points ascertained from these weekly meetings are disseminated via monthly global EHS team partnership meetings, to continuously improve Maxeon’s OHS strategies and measures. We have also incorporated weekly safety toolbox communications, safety standdowns for all our operations, and safety incident reports which are shared on a weekly basis as part of our EHS reporting processes.

Through our robust OHS risk management process, Maxeon undertakes extensive risk assessments to identify and ultimately mitigate the hazards and impacts of our operations on employee health and safety. We conduct annual internal audits and third-party assessments for all manufacturing plants and RD&D facilities to ensure our performance and management systems are functioning safely, efficiently, and effectively.

Management approach

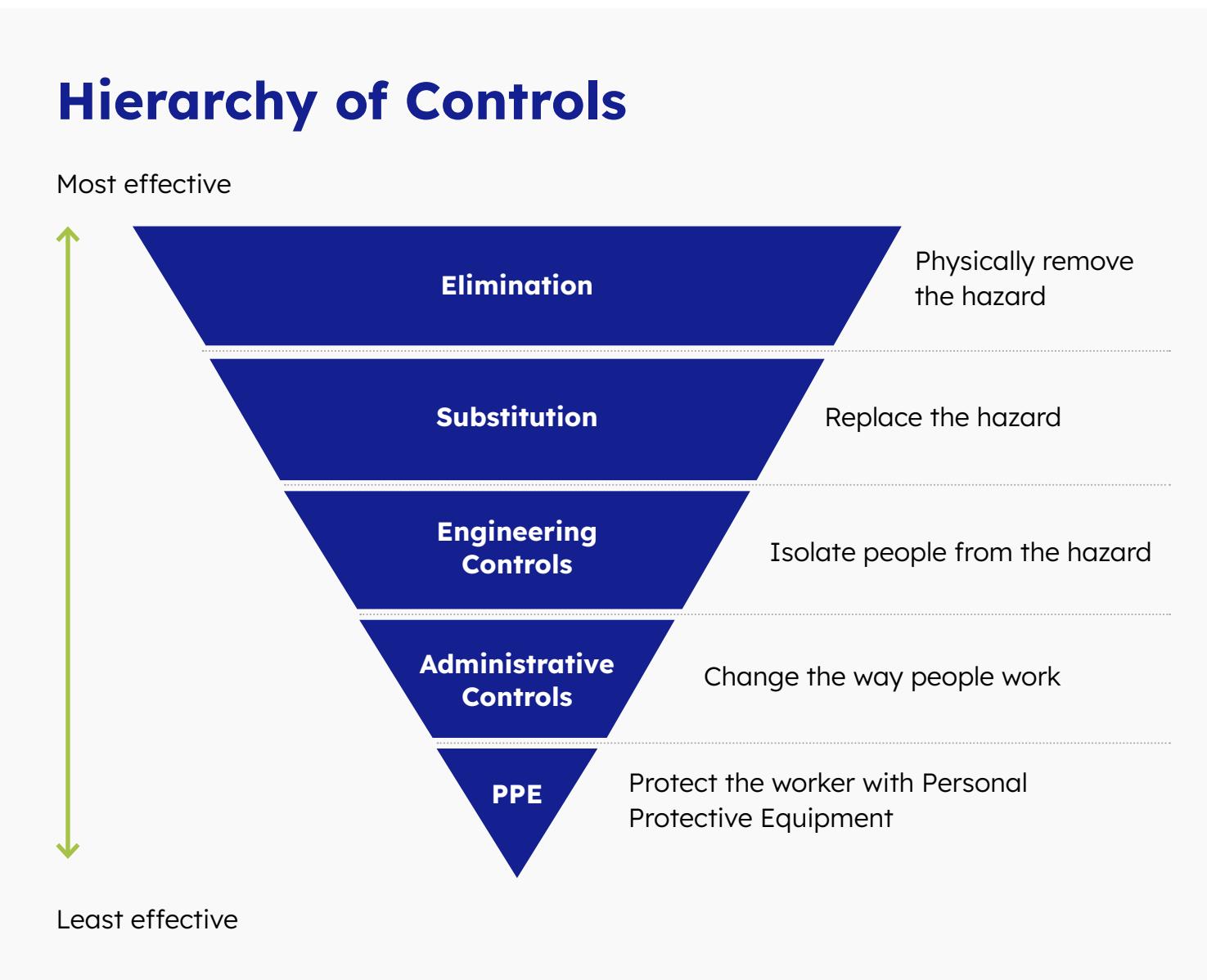
In cases where OHS hazards and risks are identified, we pinpoint the most relevant controls with respect to the posited level of risk and apply the necessary mitigation measures. We empower our employees and contractors to identify Good Catches that includes identifying Near Misses and Unsafe Acts or Behaviors with a ‘zero penalty’ approach. These are reported and tracked on a weekly basis. Any significant high OHS risk potential (“HIPO”) near misses will require an 8D Incident Investigation from which, the key findings and lessons derived are shared globally. Moreover, safety is viewed as a Key Result (“KR”) that cascades from top management downward as part of Maxeon’s performance appraisal system. As such, top management is involved in safety discussions in Maxeon’s quarterly business review (“QBR”).

Our Hierarchy of Controls, included below, sets out the steps necessary to eliminate these hazards and risks:

- 1** Elimination and physically removing of the hazard
- 2** Substitution and replacement of the hazard
- 3** Engineering controls and isolating people from the hazard
- 4** Administrative controls and changing the way people work
- 5** Personal protective equipment

Maxeon undertakes an 8D approach to OHS investigations of worker injuries, to identify preventive actions which are tracked and monitored on the iQuality system. This approach supports the provision of a robust response plan, through which we limit recordable injuries identified through our on-going compliance assurance programs and maintain compliance to national and international applicable EHS legal and other requirements.

We align our health and safety systems to the rigorous Occupational Safety and Health Administration (“OSHA”) requirements, in addition to GRI 403 reporting requirements. As such, we have integrated a comprehensive Management of Change (“MOC”) process into our OHS Risk Management approach to uphold employee safety and health throughout the design, implementation, elimination, and mitigation stages of our Hierarchy of Controls.



Environmental, Health & Safety Policy

Maxeon Solar Technologies, Ltd.

Vision: Powering Positive Change™.

We strive to achieve sustainable growth in our continual improvement and pursuit for Environment, Health, and Safety excellence in our global organization.

We believe raising the bar for the entire solar industry is essential in the fight against climate change.

Mission: Framework for the EH&S Management System

- We proactively promote the protection of the environment, including pollution prevention, and providing an injury-free and occupational illness-free workplace by eliminating hazards and reduction of risks.
- We fulfill our legal and compliance obligations from all interested parties globally.
- We commit to influence the environmental and safety aspects of our activities, products, and services throughout the life cycle.
- We continually involve the participation and consultation of our employees and stakeholders in the establishment of our EH&S processes and system.

Bill Mulligan

Bill Mulligan
Chief Executive Officer

maxeon
POWERING POSITIVE CHANGE

Last Revised: 18 Jul 2023

Identifying OHS risks and adverse impacts beyond our workforce, we conduct due diligence on non-routine and contractor tasks to ensure the health and safety of those involved. Furthermore, we adopt an Integrated Management System (“IMS”) process to effectively assess current and potential risks, and ultimately maintain Maxeon’s consistent track record in implementing action plans where necessary to close incident reports. This system adheres to the ISO9001, ISO14001 and ISO45001 Management Systems.

In recognition of Maxeon’s efforts to ensure legal compliance to all imposable OHS laws, regulations, and requirements, we received favorable recognitions from regulatory agencies and external parties pertaining to the IMS.

Our initiatives

Fall protection program review

As part of our fall protection program review, we adopt Hazard Identification, Risk Assessments, and Control (“HIRAC”) measures. This includes method statements, permit-to-work systems, and outlining implementation control measures where applicable. We review all OHS training records on an annual basis and ensure adequate competency and authorization for employees and contractors involved in work at height activities, ultimately reducing affiliated safety risks and health hazards.



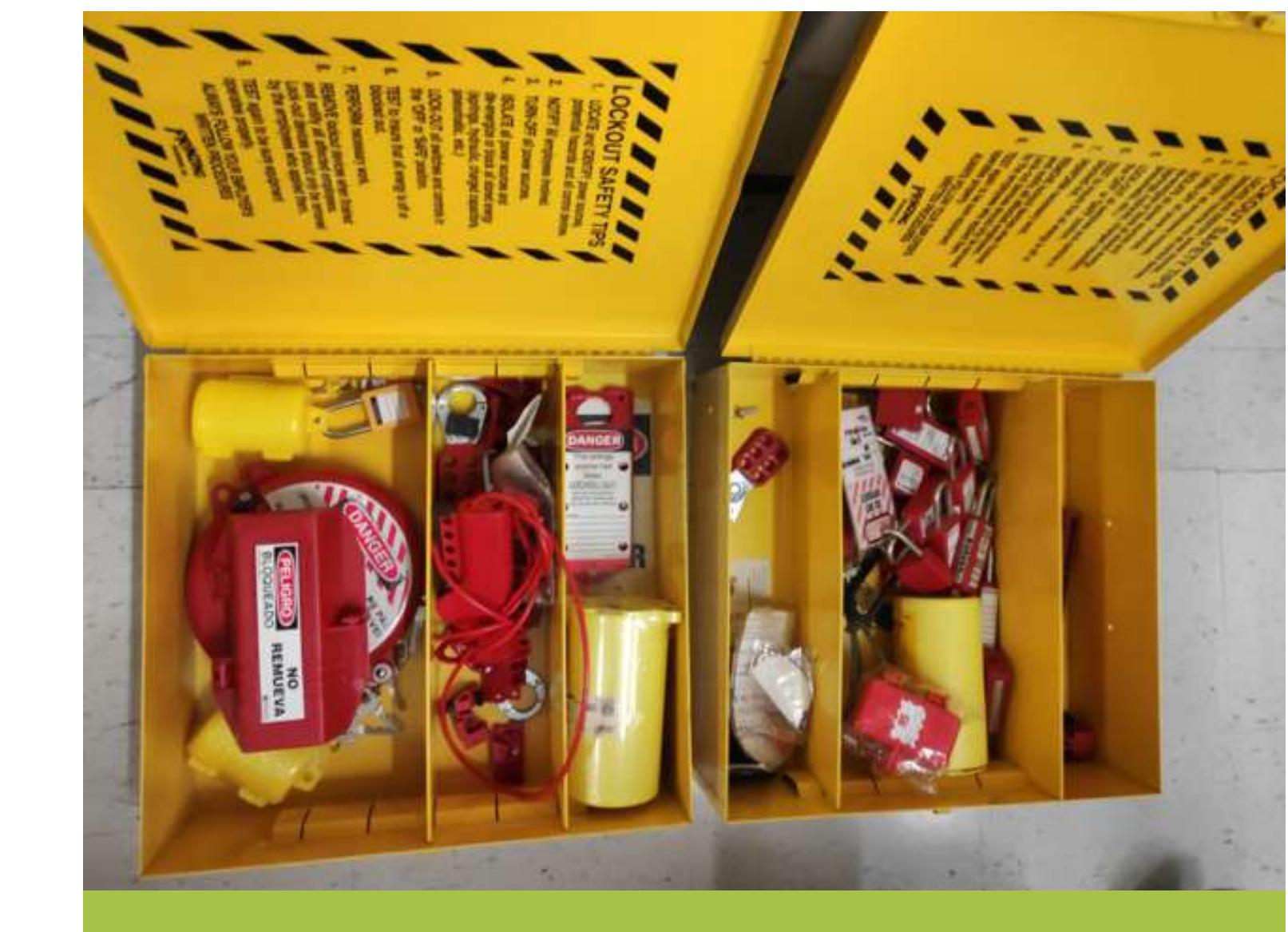
Worker capability training and consultation with workers

Fostering a culture of proactiveness and accountability in upholding safety and wellbeing for all staff at Maxeon, We established a hierarchy of responsibility which tasks business unit or team leaders with ensuring the safety of their subordinates. We administer in-depth training for our leaders and employees on specific worker health and safety topics to ensure that our workforce is equipped with the skills required to ensure their personal safety and attend to their peers in the event of OHS emergencies or incidences. Through this comprehensive worker capability training and development program, we significantly enhance the competency and preparedness of our employees.

Additionally, our new hires undergo EHS awareness training as part of their mandatory curriculum. We hold site specific orientation training programs for new employees, ensuring they are equipped with the curated tools and knowledge necessary to ensure their safety at respective sites.

Machine safeguarding and Energy Control (Lockout and Tagout)

At Maxeon we conduct thorough risk assessments for machine safeguarding purposes, including the HIRAC and Job Hazard Analysis as part of the MOC process. Fixed guards, reinforced by photoelectric sensors where applicable, are designed to create a control barrier at the point operations. In addition, we developed specific Lockout and Tagout Energy Control procedures for over 2,100 pieces of equipment and processes to protect our maintenance and facility personnel from exposure to sudden energization of hazardous energies while performing their jobs.



Performance highlights

Maxeon maintained zero cases of high-consequence injuries and fatalities as a result of work-related injuries in 2023. We continue to proactively track and report on Near Misses, Good Catches, Unsafe Conditions and Behaviors for both employees and contractors. Validated by on-site EHS teams, in 2023 we identified 5,353 Good Catches, 86% of which were reported by employees and 14% by contractors.

In 2023, there were six incidents of recordable work-related injuries, comparatively lower to the 16 in 2022. Our Total Recordable Incident Rate (“TRIR”) per million manhours was 0.4, a significant decrease from 1.14 in 2022, which represents best in class for the solar and semiconductor industry. We were able to achieve this by adhering to our 4 strategic pillars whilst focusing on HIPO events or activities. We believe that through a focus on the top 20% of significant hazard risks, presented particularly in HIPO activities, we can reduce 80% of the serious injuries as per the Pareto Principle. As such, our TRIR for 2023 is aligned to our long-term target of maintaining a TRIR of 0.63 by 2025.

Looking forward

In 2024 we will continue to strengthen our approach to identifying and mitigating occupational hazards and risks, with a particular focus on HIPO areas. Through the initiatives outlined, we aim to drive progress against our occupational health and safety targets:

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



Occupational health and safety

Social performance metrics

	2020	2021	2022	2023
Occupational health and safety				
For all employees¹⁵				
Number of fatalities as result of work-related injuries	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
Number of recordable work-related injuries	8	11	15 ¹⁶	6
Number of recordable work-related ill health	0	0	2	0
Number of hours worked	12,762,667	13,570,277	11,830,970	15,078,078
Rate of fatalities as a result of work-related injuries (%)	0	0	0	0
Rate of high-consequence work-related injuries (%)	0	0	0	0
Rate of recordable work-related injuries (%)	0.63	0.81	1.14	0.40
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked			1,000,000	
Number of employees covered by OHS management system	4,609	4,111	5,564	3,942
Number of employees covered by OHS management system that has been audited or certified by an external party	4,609	4,111	5,564	3,942

¹⁵Maxeon was incorporated in August 2020, the occupational health and safety figures for 2020 are not disclosed. All full-time employees are accounted and included in work-related injuries, work-related ill health and work-related fatalities figures

¹⁶Out of the total 16 incidents of recordable work-related injuries in 2022, 15 comprised of our employees and 1 was a contractor.

Social performance metrics

	2020	2021	2022	2023
Incident by injured part²²				
Hand	N/A	37%	63%	67%
Torso	N/A	18%	0%	0%
Eye	N/A	18%	6%	0%
Leg	N/A	27%	19%	33%
Head	N/A	0%	6%	0%
Groin	N/A	0%	6%	0%
Incident analysis by injury type¹⁷				
Caught in between	N/A	9%	25%	17%
Fall from height	N/A	9%	0%	0%
Hit against	N/A	27%	25%	50%
Slip, trip & fall	N/A	28%	6%	17%
Chemical contact	N/A	27%	13%	0%
Ergonomics	N/A	0%	12%	0%
Laceration	N/A	0%	19%	16%

¹⁷Incident analysis by injury type was only incorporated in Aug 2020, hence, figures for 2020 is unavailable.

Social performance metrics

	2020	2021	2022	2023
For workers who are not employees but work and/or workplace is controlled by the organization				
Total number	104	105	115	116
Most common type of worker	Blue collar	Blue collar	Blue collar	Blue collar
Contractual relationship with organization	Hired through service provider			
Contractual relationship with organization	Cleaner, Landscaping, Security, EHS Helper			
Number of fatalities as result of work-related injuries	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
Number of recordable work-related injuries	3	4	1	1
Number of recordable work-related ill health	0	0	0	0
Number of hours worked	N/A ¹⁸	2,750,970.5	2,213,620	2,128,363
Rate of fatalities as a result of work-related injuries (%)	0	0	0	0
Rate of high-consequence work-related injuries (%)	0	0	0	0
Rate of recordable work-related injuries (%)	0	0	0.45	0.47

¹⁸Number of hours is not available as it was only incorporated in Aug 2020, hence, figures for 2020 is unavailable.

Social performance metrics

	2020	2021	2022	2023
For workers who are not employees but work and/or workplace is controlled by the organization				
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked			1,000,000	
Number of employees covered by OHS management system	100%	100%	100%	100%
Number of employees covered by OHS management system that has been audited or certified by an external party	100%	100%	100%	100%
Any reasons for exclusion from OHS management system	NIL	NIL	NIL	NIL

Why is it material?

At Maxeon we recognize that people are the driving force behind our business. As such, we maintain a steadfast commitment to protect the rights of all individuals, regardless of background, to safeguard livelihoods and promote societal development. This secures a conducive, safe, and equitable working environment in which all employees are valued and enables us to uphold our duties as a responsible employer. Our commitment to fair labour and human rights extends beyond our immediate operational activities and applies to our supply chain, throughout which we diligently ensure adherence to international best practices to ensure every person touched by Maxeon is protected.

Management approach

Maxeon advances human rights and fair labour practices through various internal policies and processes. This includes, but is not limited to, the Maxeon Global Human Rights Policy, our Conflict Minerals Policy, our Modern Slavery Statement, and our supply chain management. These policies have been signed off by our Executive Leadership Team and are referenced in our Code of Conduct which is approved by the Board annually. As part of our Code of Conduct trainings, our employees receive training related to fair labour and human rights. We conduct human rights assessments through internal audits across Maxeon operations and our key suppliers. In enforcing such policies, the precautionary principle is applied. A full list of relevant policies can be found at <https://corp.maxeon.com/esgpolicies>.

We draw on Sedex's SMETA social audit methodology to assess standards for labour, health and safety, environmental performance, and ethics, to ultimately protect workers. With regards to our Global Human Rights Policy, we conduct due diligence on an as-needed basis to ensure conformance among our employees and suppliers.

We encourage all grievances and violations of our policies to be reported through Maxeon's Compliance and Ethics Helpline at <https://maxeon.ethicspoint.com>. The helpline is made available to suppliers to bring any actual or suspected policy breaches to Maxeon's attention for further investigation.



Our initiatives

Global Human Rights Policy

Maxeon's Global Human Rights Policy sets out standards for global business conduct related to human rights and labour. It applies to all Maxeon employees, suppliers, and other business partners. Guided by the Universal Declaration of Human Rights, the Conventions of the International Labour Organization, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises, the Policy goes beyond just legal compliance and establishes higher standards.

Available on our website, the Policy includes the following principles which cover several internationally recognized human rights:

- 1** **Humane treatment** - Maxeon seeks to ensure that workers are treated with dignity and expects suppliers to do the same.
- 2** **Equal opportunity and diversity; non-discrimination** - Maxeon rejects all forms of discrimination and harassment at the workplace.
- 3** **Freely chosen employment; recruitment fees** - Maxeon requires its suppliers to ensure that they do not engage in any form of modern slavery.
- 4** **Child labour avoidance** - Child labor is not to be used in any stage of manufacturing or otherwise in connection with any Maxeon contract.
- 5** **Working hours** - Workweeks are not to exceed the maximum set by local law.
- 6** **Wages and benefits** - Compensation paid to workers should comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.
- 7** **Freedom of association and speech** - The rights of workers to associate freely, join or not join labor unions, seek representation, and join workers' councils in accordance with local laws should be respected.
- 8** **Health and safety** - To ensure a safe and healthy workplace, to the extent applicable, we expect Maxeon employees and suppliers to adhere to a set of requirements.
- 9** **Environmental justice** - We seek to advance environmental justice by mitigating climate change and expect our suppliers to do so as well.
- 10** **Accountability** - Where employee or supplier conduct (or failure to act) is inconsistent with the principles and values embraced in Maxeon's Code of Conduct, disciplinary action may result.
- 11** **Grievance mechanism** - Maxeon has a Compliance and Ethics Helpline that is available 24 hours a day, 7 days a week.

Our initiatives

Modern slavery

Maxeon's Modern Slavery Statement 2023 acknowledges the risk of modern slavery within our business and throughout our complex supply chain. As such, we have developed an approach to identify, assess, and address modern slavery risks and have several initiatives in place for our employees and suppliers to respond to such risks.

This includes our Conflict Minerals Policy which outlines our commitment to avoid the use of conflict minerals that 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. In addition, we have taken steps to enhance supply chain traceability by identifying the source of raw materials in products, tracing those raw materials from development to delivery, and using Manufacturer's Execution System ("MES") as well as transportation documentation.

Attune to the importance of systems level change, Maxeon's work on modern slavery extends beyond our own business. We participate in the Modern Slavery Working Group at the Clean Energy Council in Australia, supporting future implementation of modern slavery legislation in Australia. We also work as part of the Clean Energy Council's Development Group to establish a Code of Practice for human rights in the solar industry.

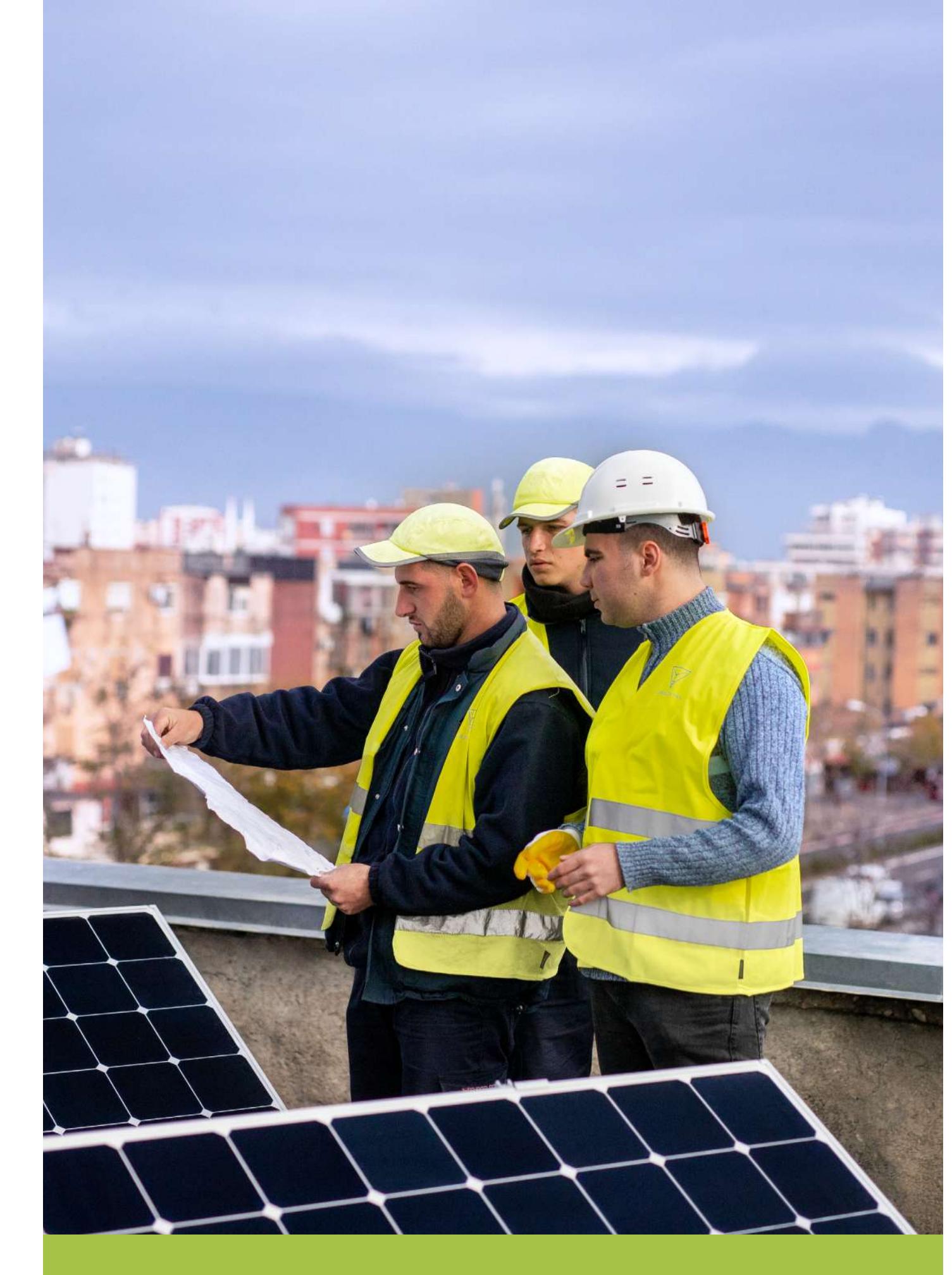


Supply chain management

Our commitment to uphold the highest standards for fair labour and human rights extends across our supply chain. We hold a zero-tolerance policy for violations and impose stringent compliance standards to ensure ethical and sustainable business practices. Suppliers are made aware of our Global Human Rights Policy and Code of Conduct through engagement contracts and training materials. They are required to conduct annual risk assessments and audits, in addition to holding compliance certifications to ensure alignment with the Office of Foreign Assets Control ("OFAC") of the US Department of Treasury.

Maxeon also expects suppliers to track relevant information on human rights, making this information available to Maxeon upon request, and to respond in a timely fashion to any assessments we conduct. Where suppliers are found to be in violation of our Global Human Rights Policy or Code of Conduct, they are subject to disciplinary action including potential immediate termination or suspension.

Finally, we promote responsible sourcing in general and Maxeon's initiatives in particular at industry events such as the ESG in Real Estate conference in Sydney and the All Energy Conference in Melbourne in 2023.



Performance highlights

In 2023 we continued diligently enforcing our zero-tolerance policy towards fair labour and human rights violations within our operations and across our supply chain. This financial year, during our social audit using Sedex's SMETA methodology, one supplier was found to have poor record keeping and potentially excessive working hours. As part of our immediate response, we worked closely with this supplier to implement more stringent record keeping of employee hours, shifting from a manual to digital system. This will help the supplier to mitigate risks associated with a lack of standardization ultimately ensuring their workers do not work excessive hours.

In line with our 2025 target to enhance the traceability of our supply chain through blockchain, such that information is available within four hours, in 2023 we implemented blockchain technology within Maxeon's factories. The next step we are embarking on is to further roll out this technology across our supplies' supply chains, to enable full traceability.

As Chair of the European Solar PV Industry Alliance, in 2023 we contributed to a paper on forced labour. Published in early 2024, this paper sets out a due diligence guide for solar PV supply chains to achieve a forced labour-free industry and to enhance overall company quality. We also participated in Forum for the Future's Shaping the Future of Responsible Recruitment initiative in Malaysia, designed to contribute to the systemic eradication of unethical recruitment practices. Finally, we spoke at conference such as the ESG in Real Estate in Sydney.

Matthew Kasdin presenting responsible supply chains at the All Energy conference in Melbourne, Australia



Performance highlights

GRI 407-1: Freedom of association and collective bargaining

Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk

0

Type of operation and supplier

Nil

Countries or geographic areas with operations and suppliers considered at risk

Nil

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

Operations and suppliers in which have significant risks for incidents for child labor or young workers exposed to hazardous work

0

Type of operation and supplier

Nil

Countries or geographic areas with operations and suppliers considered at risk

Nil

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

Operations and suppliers in which have significant risks for incidents for forced or compulsory labor

0

Type of operation and supplier

Nil

Countries or geographic areas with operations and suppliers considered at risk

Nil

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

Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security

100%

Is training requirements also applied to third-party organizations providing security personnel?

Yes, both in-person and virtual trainings for third-party organizations

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

Total number of operations that have been subject to human rights reviews or human rights impact assessments, by country

Mexico: 117
Philippines: 1,639
Malaysia: 930
Singapore: 865

Percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country

Mexico: 100%
Philippines: 100%
Malaysia: 100%
Singapore: 100%

Total number of hours devoted to training on human rights policies or procedures concerning aspects of human rights

3,942

Percentage of employees trained during on human rights policies or procedures concerning aspects of human rights

100%

Percentage of investment agreements and contracts that include human rights clauses or underwent human rights screening

100%

Fair labour and human rights

Looking forward

In 2024, we will continue advancing on our target of zero cases of certified non-compliance with human rights laws through the policies and processes we have in place to protect workers within Maxeon's operations and throughout our supply chain. Additionally, next year we will take steps towards our 2025 target to enhance the traceability of our supply chain through blockchain by collaborating with our suppliers and their respective supply chains. Finally, as we strive to be an industry leader on this topic and to enhance fair labour and human rights standards beyond just our own business, we will communicate publicly about our initiatives and share lessons learned.



Why is it material?

Our employees play a pivotal role in driving our organizational success at Maxeon. As such, we are committed to undertaking comprehensive initiatives to enhance engagement levels across the countries where we operate. In January 2023 we welcomed our new CEO, Bill Mulligan. Engaging our employees throughout this transition has been a critical focal point to build a deeper understanding of our strategy, vision, and purpose as a company. We developed a strategic approach to establish trust, foster collaboration, and build mutual understanding amongst our workforce. In turn, this helped us create a foundation of our leadership capabilities of drive, selflessness, and adaptability which enabled us to navigate organizational changes with strength and respond quickly to market conditions towards the end of 2023.

Management approach

We recognise that employee engagement is critical to Maxeon as a company and for the employees that make up the company. We strive for an engaged workforce, where people have meaning in their work and can learn and grow, which connects to healthy, productive, and motivated minds. We believe that all touchpoints for employees affect engagement and their experience, ranging from employee policies, communication, rewards, and benefits, through to events.

We have a clear internal communications strategy which ensures consistency with all communications via a key messaging framework and communications calendar that enables the seamless communications at the right time, through the appropriate channel for consistent and clear messaging.

The HR team ensures a cohesive approach and alignment of policies, communications, rewards, and benefits, and enhances each engagement initiative year on year to positively progress our culture and the engagement levels of our workforce. We monitor and track the effectiveness of our engagement approach by regularly seeking feedback from our workforce, including feedback solicited both during and after all our global events. The feedback garnered is both qualitative and quantitative including tracking number of visitors to PowerHouse, our Company intranet, attendees at events and those who use our 'On Demand' recording service, together with commentary from regular Employee Connect sessions, using the questions raised to inform our messaging.

As per the feedback garnered, we improved our technology for Global All Hands and prepared for the Q1 2024 launch of our new information Communications channel, 'Viva Engage'.

These are direct responses to raised issues in a post-COVID hybrid world as we attempt to re-bridge organisational connectivity through informal sharing of work, milestones, successes, and project plans.

As we continue to navigate changing market conditions, prioritizing employee engagement remains central to our overarching strategy for sustainable growth and success.



Our initiatives

New CEO in-person All Hands and connect sessions

We provided opportunities for employees in all our major locations to meet directly with our new CEO, Bill Mulligan, to understand his vision and enable a two-way feedback loop. Through February and March Bill held connect sessions in the offices and manufacturing facilities in San Jose, Lyon, Singapore, Malaysia, the Philippines, Ensenada (Mexico), and Mexicali (Mexico), and joined a virtual session for our global remote workers. We held sitewide All Hands meetings, internal events to bring together employees to share vision and direction., multiple ‘diagonal slice’ Employee Connect meetings with groups of 8-10 employees from various leadership levels and functions, and ‘walk the floor’ sessions to meet and learn from our manufacturing operators.

Employee engagement in action: EMEA

In February, Bill and our Chief Strategy Officer, Peter Aschenbrenner, visited La Tour de Salvagny, our site in France. This provided an opportunity for all EMEA employees to meet the leadership team, as well as an opportunity to share information across EMEA Leaders and employees, many of whom work remotely. Keeping people connected throughout the year, several team meetings were co-located in La Tour de Salvagny, such as the Annual European Sales meeting which brings all employees together to connect, collaborate and drive

faster decision making. Finally, to improve product knowledge and increase engagement in company activities to the benefit of our customers, our Sales, Marketing and Products teams came together for a training session and an exhibition of the brand new ‘Maxeon Truck’, our innovative solar roadshow solution. It was critical to involve the whole team in the campaign, share product knowledge and ensure all our employees can operate as Maxeon’s Ambassadors.



Our initiatives

Maxeon engagement program

The Maxeon Core Engagement Program comprises of four ‘Global All Hands’ meetings, four Quarterly Business Reviews, eight Senior Leader Briefings and twelve CEO Messages relayed to employees every third week of the month or during milestone events and announcements. In 2023, Global All Hands meetings were conducted in March, June, August, and November, with an average of 650 attendees dialing in live, and a further 200-300 watching ‘on-demand’ after the event. Each session took questions in advance and included a 30-minute live Q&A function, with a commitment that all submitted questions would be answered in the week after the call and shared with employees via email. Following global townhalls, we hold site townhalls in our manufacturing sites to further cascade key messages down to our supervisors and operators on the factory floor.

This Core Engagement Program is supplemented with regular messaging from ELT leaders based on Subject Matter Expert representation. For example, in 2023 our CSO, Lindsey Wiedmann, announced our new Corporate Knights ranking and our CFO, Kai Strohbecke shared financial updates.

Finally, our Corporate Calendar ensures a regular cascade of global communications related to general employee announcements, HR-specific matters such as performance reviews, and info-sec messaging such as phishing tests or advice on how to avoid scams. These are planned and managed globally to ensure consistency, timely issuing, and impact assessment.

Highlight: Engaging our employees with an exciting new brand

In April 2023, we rolled out our new corporate branding across the company, launching an exciting updated look and feel for Maxeon. We crowd sourced branding concepts and invited employee feedback through a survey and deep dive engagement sessions designed to capture what it means to work for Maxeon. We ran multiple training sessions for all internal communications leads, HR and local site leaders to ensure the new brand was well understood, and our vision and identity were well communicated.

This update also brought a new tone of voice to our communications – inspirational, informal, fun, and modern. Taglines such as ‘Hello sunshine’ and ‘Brighter together’ were used to excite and inspire employees throughout our activities, and our new joiner welcome pack was revamped in line with this change. Feedback from employees have been extremely positive and three years in, we have a consistent and strong brand identity, embraced by our team around the globe.



Our initiatives

Employee recognition - SOLAR awards

SOLAR is an internal online recognition program launched in April 2022, designed to foster a culture of thanks and appreciation for demonstrating company values and extraordinary contributions, recognizing the behavior we want to reinforce across Maxeon. In the first year of the program, we have seen significant adoption from the employees and it has become a channel to express gratitude amongst our employees and managers, based on the magnitude and complexity of their impact, across five levels.

To date, more than 800 employees across different job grades and functions have been nominated at least once, 38% of which fell within the 'Say thank you' level. Increasing the usage of the recognition program, we are planning initiatives of visual awareness campaigns, such as placing posters at major offices and sites, and display SOLAR messages on the lock screen of the laptops.

We noted remarkable nominations including cost saving initiatives, overcoming obstacles amid adverse situations, project improvement and delivery of solar panels to civilian Ukrainian populations impacted by the ongoing crisis. All these have truly exhibited the company's values, and we continue to promote this program to appreciate and applaud the achievements of our people.



Say thank you

On the right track

Lead the way

Above and beyond

Record breaker

Our initiatives

Our mental wellbeing programs

As a company, we're committed to promoting positive mental health at Maxeon and growing a strong community where everyone can thrive. Every October, we mark World Mental Health Day with global and local campaigns around the importance of mental health conversations and raising awareness to reduce stigma.

In 2023, this campaign took place as we underwent an organizational change and workforce reduction due to a downturn in external market conditions. In difficult circumstances, it was an opportunity to elevate our culture of respect, trust, and care for our employees, exemplifying our commitment to nurture our people. We took additional steps to help our employees feel supported, reinforcing our belief that Powering Positive Change starts with looking after ourselves. This included tools to check individual mental wellbeing, a manager toolkit for difficult conversations, ELT sponsorship through company-wide awareness, sharing employee mental health stories and dedicated events on site to raise awareness around mental wellbeing.

Employee engagement in action: Mental Health Awareness in Australia

Marking the 'R U OK day' in Australia, we hosted a Mental Health Awareness exclusive online webinar. We welcomed Wayne Schwass, a highly respected Australian Football League player, who has become a leading advocate for mental health awareness, working in particular to eliminate the stigma surrounding men's mental health. A total of 40 internal employees and 19 groups of partners from ANZ and APAC attended the session, with great testimonials showcasing the importance of mental wellness initiatives.

"A great opportunity to step back and assess why mental health is so important."

"It has opened up conversations with colleagues".

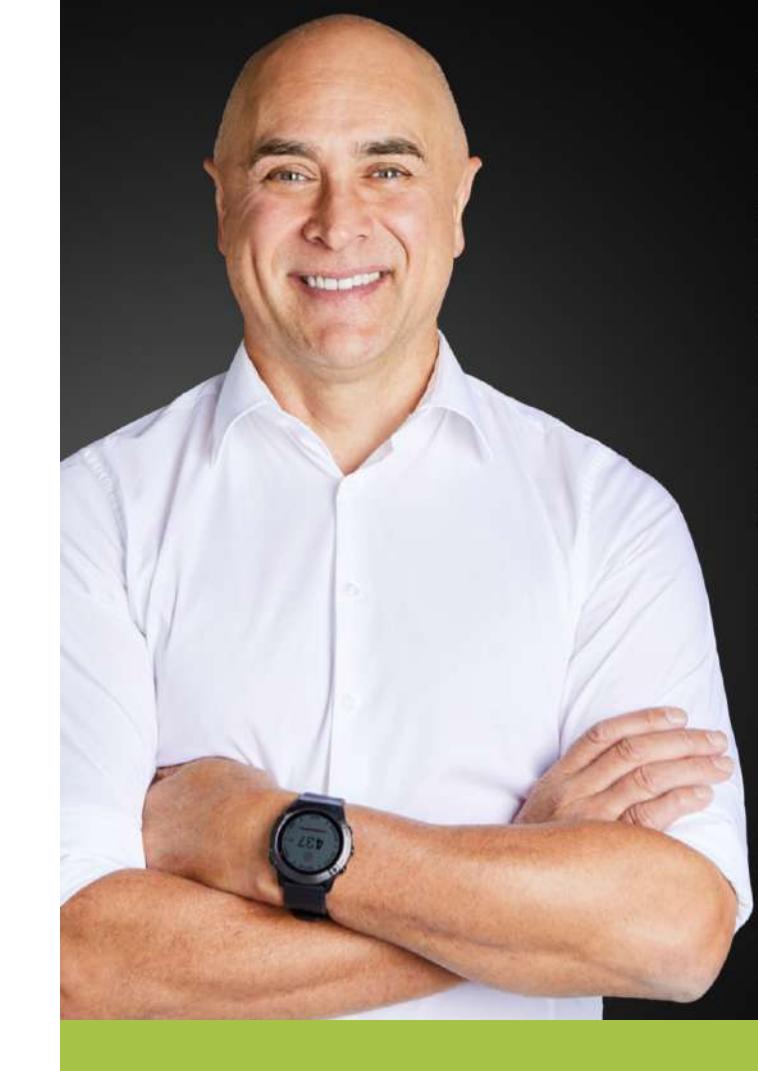
The webinar was highly rated across 100% of attendees who took the survey, reporting that they found the speaker relevant and would like to see more events like this in the future.

PUKA^{UP}

Who's

Wayne Schwass?

Founder of PukaUp, mental health advocate and storyteller.



In 2006, Wayne started the Sunrise Foundation – a not-for-profit that delivered preventative education programs to more than 5000 secondary school students. Wayne has taken on several important roles in the community including being the lead witness in the 2019 Royal Commission into the Victorian Mental Health System, serving as a panel member for the review of the Victorian Mental Health Act 1986 as well as being a leading voice on mental health and emotional wellbeing.

The Sunrise Foundation confirmed that creating awareness and proactively doing something about the mental health and the ongoing suicide crisis Australia faces, is indeed Wayne's passion.

The second iteration of Wayne's social enterprise was founded in 2017: PukaUp. Through PukaUp, Wayne continues his work of normalising the conversation around mental health, and giving people the opportunity to take control of their own wellbeing, before reaching crisis point.

Wayne enjoyed a celebrated 14 year AFL playing career, going on to establish himself as a respected sports media broadcaster – a position he held over a 17 year period until 2019, where his speaking skills were honed.

[Hear from Wayne →](#)

Our initiatives

Global Employee Assistance Program

In the fourth quarter of 2023, we launched our global Employee Assistance Program (“EAP”), providing all Maxeon employees and their families with a range of professional resources and tools to help them find solutions to the challenges they face at any age and stage of life.

All employees and their families can access a range of professional support resources and tools through our external healthcare support platform. The EAP service is completely confidential within the limits of the law to protect the employees and their families. Some examples of the resources include:

- **Short-term Professional Counselling**
- **Heartbeat newsletter**
- **Manager Consultations**
- **Manager Area on the Health Platform**

Outplacement Services

As we underwent a workforce reduction, we supported employees through localised on-the-ground employee relations and mental wellbeing support programs, delivered through our regional HR teams. Over the course of several months, we provided impacted employees with skills training, resume writing assistance, and interview opportunities to help ease their transition.

We also deployed an outplacement service delivered by our partner, Randstad RiseSmart, to indirect labour employees. This included an interactive half-day workshop led by external expert facilitators and an individually tailored one-month outplacement coaching program, attended by participants from Americas, APAC, Australia, and EMEA.

Employee engagement in action: Supporting our teams in Malaysia and the Philippines

Our manufacturing workforce in Malaysia and the Philippines were most impacted by our workforce restructuring. As a result, we ensured appropriate local support was provided in these locations. In Malaysia, Interview Skills Mastery workshops, CV writing workshops, and an on-site Mass Interview Week were conducted. Our outplacement support activities empowered hundreds of impacted Maxeon employees with renewed confidence and tools to aid their job searches and future beyond Maxeon.

Workshops/Events	Number of Workshops/Events	Number of Attendees	Post-Workshop Survey Results
 Interview Skills Mastery Workshop	6	120	74% felt better prepared for interviews
 CV Writing Workshops	3	75	82% improved resumes based on feedback
 Mass Interview Week	-	15 companies	236 interviews conducted

In the Philippines, we focused on delivering necessary support for people to secure their base needs. For example, we provided access to our on-site registered psychologist for psychological safety and mental wellbeing support. Furthermore, we coordinated with the Department of Labour’s Social Security System to help employees successfully qualify for financial support.

Performance highlights

In 2023 our performance focused on building Employee Resource Groups, increased internal and external communications, and enhance our leaning mechanisms through digitalization.

- In 2023, we had the target to activate three ERGs to build employee engagement on our impact areas of gender equity, mental wellness, and sustainability. This evolved to launching corporate campaigns focused on each of the topics, to bring larger awareness to our internal and external stakeholders through one-month initiatives that everyone was able to participate in. Raising awareness, we demonstrated our commitment and built the foundation for employees to establish their own ERGS¹⁹.
- We increased internal and external communications through ongoing improvements to our PowerHouse platform and feedback channels in 2023. This was achieved through the launch of the Maxeon Engagement Program, CEO Connect Sessions, and our celebration of Maxeon At Three, which shared powerful videos and infographics on the Maxeon story so far and our milestone celebrations in 3 years. Rolling out our new identity created a ‘one team’ approach, with employees identifying with ‘Maxeon’ as well as their local team, building a sense of pride and achievement.
- We committed to a new learning initiative, ‘PowerHour,’ an online formal learning session facilitated by internal subject matter experts to share learning and knowledge across the business. We ran sessions from Brand and our IT department, with pressing needs to upgrade our employees’ knowledge on technology and IT security. (More details provided in the Learning & Development section)

Additionally, we have achieved the following:

- **Launch of new Maxeon Brand** – company-wide initiative that redefined our business identity
- **Use of employee recognition programs** – SOLAR Awards
- **Launched mental wellbeing resources** for employees and managers to support their wellness

This year we saw a change in the total number of Maxeon employees compared to 2022. We continued to hire to strengthen our talent base in FY2023, and of the new joiners 46% were females and 54% were males. Moreover, we experienced a 48% and 38% decrease in total employee turnover in FY2023 in comparison to the previous financial year, split by male and females, respectively.

This resulted from organic resignations which were not backfilled, in addition to a planned workforce reduction due to business decisions tied to the external market changes. Maxeon’s leadership ensures an objective and fair selection criterion for all people related decisions, with no discrimination on the grounds of factors such as, but not limited to, individual backgrounds, gender, race or age.

¹⁹Further details can be found in the Diversity, Equity and Inclusion section for Maxeon’s Gender Equity ERG and Community Investment section across applicable Impact Areas

SGX: Total employees hires

	Male (%)	Female (%)	Total Male (absolute number)	Total Female (absolute number)
<30 years (%)	52.9%	47.1%	604	537
30-50 years (%)	54.0%	46.0%	380	324
>50years (%)	70.8%	29.2%	51	21
Total	54.0%	46.0%	1,035	882

SGX: Total employee turnover

	Male (%)	Female (%)	Total Male (absolute number)	Total Female (absolute number)
<30 years (%)	51.5%	48.5%	799	753
30-50 years (%)	52.1%	47.9%	757	696
>50years (%)	61.8%	38.2%	94	58
Total	52.3%	47.7%	1,650	1,507

Employee engagement

Looking forward

In 2024, we will make continuous improvements to our existing initiatives, whilst exploring new and effective ways of enhancing employee engagement and strengthening synergies to foster a positive work culture and cohesion.

As such, we will be introducing a new channel of internal engagement, increased opportunities for cross functional collaboration, and measurable engagement benchmarks through survey mechanisms. Furthermore, we intend to align our internal and external messaging through partnership with corporate communications and branding teams.

In line with our three impact areas and our company mission, moving forward we will celebrate the following key events.

- 1** **Gender Equity** - International Women's Day
- 2** **Sustainability** - World Environment Day
- 3** **Mental Wellbeing** - Mental Wellness Month

Tracking the performance of our employee engagement initiatives and measures, we have set the following targets:

- 1** Introduce a digital internal collaboration tool, Microsoft Viva Engage, with employees as content developers and community builders by FY2024.
- 2** Incorporate structured feedback into our performance review process, tied to leadership capabilities and company values, by FY2025.
- 3** Launching an employee perception survey to understand the sentiments of our employees while committing to actions that respond to challenges identified by FY2025.



Why is it material?

At Maxeon, we recognize the importance of providing our employees with avenues and resources to engage in continual learning. This ensures that they are well-equipped with skills and knowledge to adapt to the ever-changing business environment and accomplish the demands of their job. As such, the development of our employees is central to the success of our organization.

2023 was a year in which we focused on the development of our people. The aim was to elevate the performance and capability of all employees, with a strong focus on enabling our leadership population to work more effectively with their teams and navigate changing environments.

Management approach

Enhancing and improving our learning and development (“L&D”) programs and initiatives remains critical to Maxeon. We continue to innovate and curate training courses that are linked to the Maxeon Leader Capability Framework, global training, and talent programs.

Our Global Talent Management and Organizational Development team works closely with regional HR teams to analyze and assess the efficacy and effectiveness of our training programs. Our global training programs are reviewed every two years to ensure the courses are updated to meet current industry standards and business demands and aligned with legislation changes. Across all our development courses, we collect feedback from participants to assess how the course enhanced their knowledge and skills, identify areas of improvement, and uncover the most valuable and impactful areas for personal development and growth.



Our initiatives

Our development strategy

We prioritized critical development for senior leaders in the second and third quarter of the financial year, whilst continuing to build key leadership skills amongst all our functional and departmental leaders. Moreover, we created a dedicated page for leader development on our company intranet, accessible to all Maxeon employees. We developed and implemented a new learning module, 'About Our Company and Industry-Leading Technology', to enhance knowledge and understanding of what we do at Maxeon to all new and existing employees. We focused our resources on the ongoing capability uplift of our leader cohort on foundational skills tied to Driven, Selfless and Adaptable as this required further embedment across our cyclical activities.

Looking ahead to 2024, we will continue with our foundational Maxeon Leader Program, prioritizing new hires and newly promoted leaders, that ensures all people leaders understand our expectations of leadership at Maxeon so they can shape the culture we aspire all our employee to experience every day.

2023 snapshots

- 1** Streamlined global mandatory learning
- 2** Implemented a new learning module: About Our Company and Industry-Leading Technology
- 3** Maxeon Leader Program for all leaders
- 4** Capability uplift for all leaders to effectively manage performance and develop others (tied to our Annual Performance Review cycle)
- 5** Prioritized critical development for senior leaders
- 6** Maxeon Leader page on the company intranet, PowerHouse

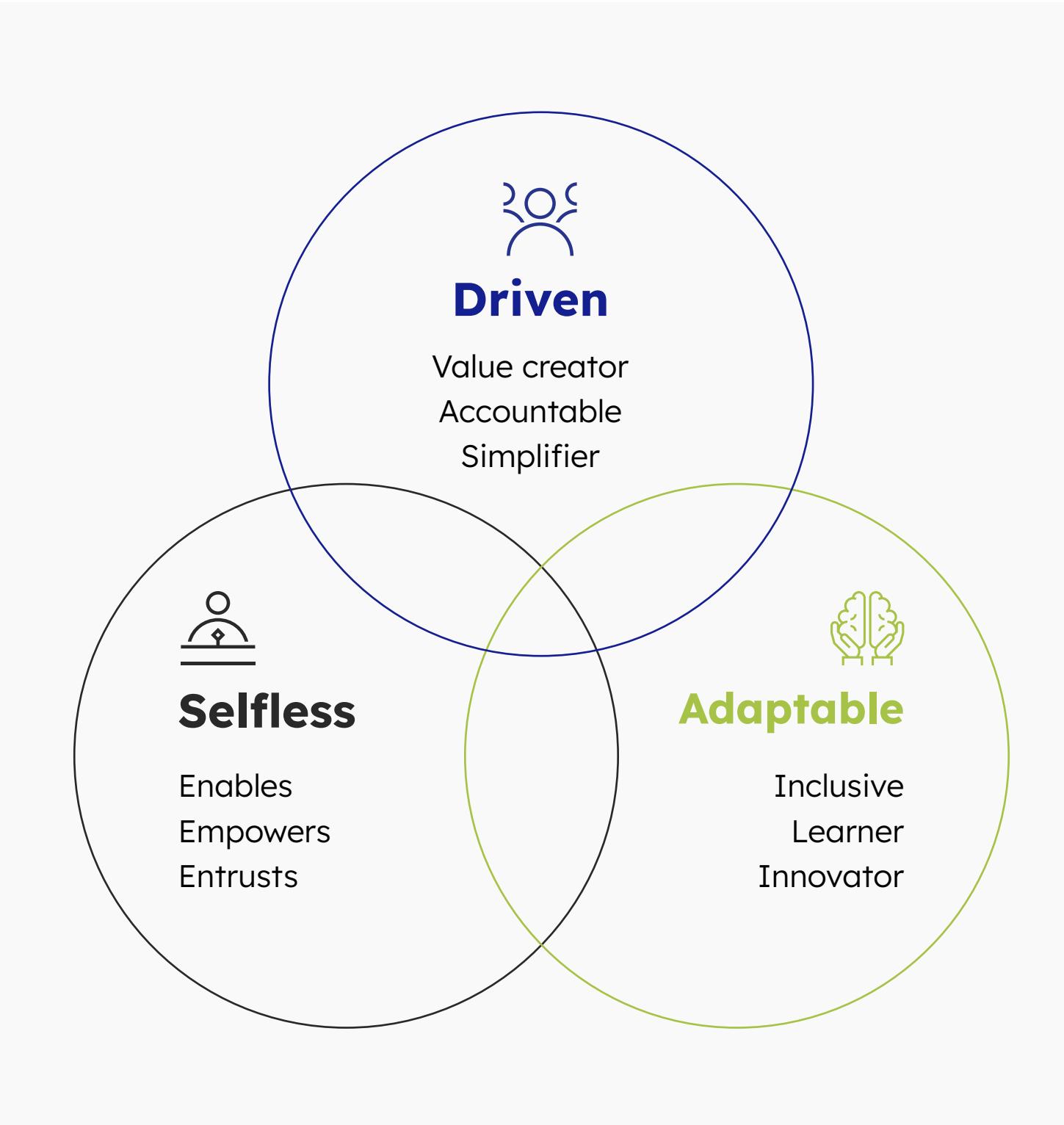
Our initiatives

Leadership capability sessions

Enhancing the capability and performance of our people and leaders over the last few years, we have defined what it means to lead at Maxeon through our Maxeon Leaders Program (“MLP”). We built a solid foundation of leader expectations and uplifting capability so all employees have a positive and engaging experience at work.

The program is based on our leadership framework which is guided by the capabilities of ‘Driven, Selfless and Adaptable’, released in 2021. Globally, 63% of eligible leaders completed the MLP, which was lower than in 2022 due to unforeseen workforce changes and restructuring. In response to this, we shifted our focus in the latter half of the year to build capabilities in Leading Change and Leader Wellbeing.

In the upcoming financial year, we will increase our delivery in each of our regional sites to ensure we remain on track to meet our 90% completion target for 2025.



In 2023, we designed and delivered a dedicated version for Vice President and Executive Leader levels. In addition to our ongoing MLP for new and existing leaders, we focused on targeted development for our senior leader cohort. Leaders were invited to attend a series of workshops, linked directly to our Maxeon Leader Framework and capabilities of ‘Driven, Selfless & Adaptable’. The series included:

- Precision Q&A, a proven method for asking savvy questions and matching them with clear, concise answers
- Interview Skills – the art of behavioral interviewing

60% of eligible and invited leaders attended the Precision Q&A and 56% eligible and invited leaders attended The Art of Behavioral Interviewing session. 100% of participants reported an increase in knowledge and skills post both workshops.

Supporting our leadership population during the disruptive and challenging times of workforce restructuring, we designed a Leading Change workshop. Delivered locally by our regional HR teams, this workshop focused on increasing awareness and skills to lead in an uncertain and changing environment. This was followed by an in-house virtual Wellbeing Support Series on developing emotional intelligence. The series provided extra support in a relaxed learning space to check in on leader wellbeing, equip participants with frameworks and tools on managing themselves and their teams, connect the wider Maxeon Leader network and share some practical tips to implement immediately. 45% of our total people leader population attended, with 70% attending more than one session. Attendance rates were highest in the Philippines, Malaysia, and Singapore as these locations saw the greatest workforce impacts resulting from the restructuring.

Our initiatives

Mandatory learning effectiveness

Our Global Mandatory Training Policy (“Global Policy”) establishes the required training for all employees on an annual basis. The Global Policy was completed by all new hires and Maxeon employees in 2023. Employees are also required to complete the Code of Ethics and Business Conduct training module, in addition to the IT and Safety training module. These mandatory courses ensure that employees have adequate training on the necessary workplace precautions and overall business ethics and culture at Maxeon.

In 2023, we streamlined global mandatory learning, prioritizing compliance and risk learning early in the onboarding journey, followed by role based and system awareness education. Further, we introduced a Corporate KR for all employees to complete their mandatory learning to reinforce the importance of managing risks. As such, we are pleased to report that 97.3% of our workforce completed their mandatory learning on-time.



L&D highlights in the regions

Across the globe, our onsite Learning & Development teams, had a successful year driving the capability and performance of our employees. Each region ensured all learning is linked to business priorities and designed with employee needs in mind, following the 70/20/10 learning methodology we employ at Maxeon (development generally made-up of 70% experience, 20% exposure and 10% education). The learning offerings ranged from offsite tertiary studies in business and continued education programs, to onsite team effectiveness, language development and complimentary learning in food sustainability.

At our Malaysia FAB3 facility, Maxeon collaborated with the Melaka Industrial Skills Development & Entrepreneurship Center (“MISDEC”) to deliver a program focused on proficiency in working with complex mechatronic systems. 27 participants were exposed to various aspects of mechatronics, including mechanical engineering, electronics, computer science, and control systems. The program aimed to nurture a “golden generation” of mechatronic experts who can contribute to the advancement of technology in various industries.

In 2023, Ensenada, Mexico’s learning and development offering was designed and delivered according to employee Individual Development Plans. The selected courses provided the necessary tools to perform their activities in the most efficient way to be upskilled for work requirements. The offering included a range of developing including tertiary education, technical training such as internal forklift & pallet jack, language development, safety courses, seminars and continuing education programs. In total, Ensenada conducted 4250 hours of external training.



Our initiatives

Completion of power BI training course



**Warehouse, shipping,
and recycling leaders
in training as internal
forklift and pallet
jack instructors**



Training courses brigades 2023

First Aid



Search & Rescue



Evacuation



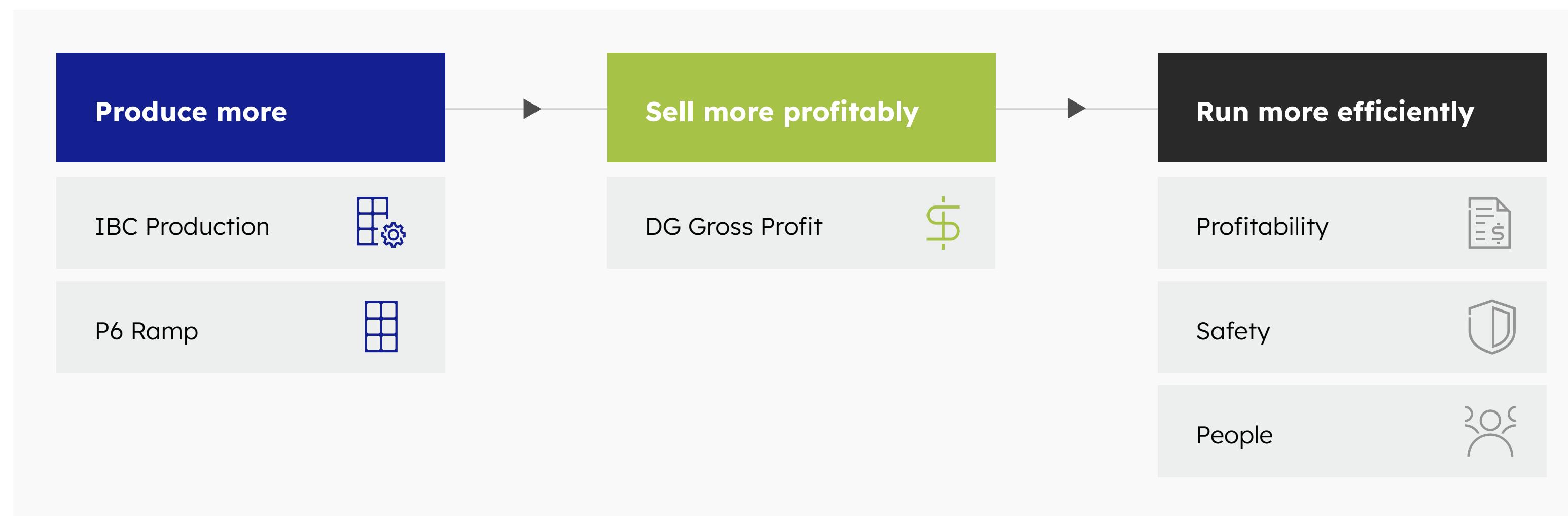
Incident Command System



Our initiatives

IDP & performance management development

In 2023, we continued the evolution of our performance management process, further enabling our talent management philosophy of a performance-based culture, by introducing a four-point qualitative rating scale. This helped promote a culture of recognizing, rewarding performance, and learning, where employees are encouraged to give and receive feedback tied to both the WHAT (what are we achieving towards the key result) and the HOW (how we are achieving our key results through the Maxeon values and leadership capabilities, our behaviors).



Through the Maxeon performance management approach, we seek to ensure the alignment of all Maxeon employees to our corporate key results (“KRs”), connecting our people and their work to our critical priorities. The diagram below outlines the 2023 Corporate Key Results which were cascaded across Maxeon: During our Annual Performance Reviews (“APR”), our leaders are required to demonstrate foundational people leadership skills in setting annual key results, giving, and receiving feedback, evaluating performance, and conducting development conversations.

As such, in 2023 we amplified employee education and upskilling opportunities aligned to our Annual Performance Review (APR) cyclical activity stages. This is enhanced through learning sessions which are recorded and uploaded to our learning management system, available on demand, enabling our employees to understand the impact of their individual performance, guiding personal growth whilst maximizing their contribution to Maxeon’s long-term success. Working together through a series of calibration discussion stages, Maxeon’s leaders and its HR teams were able to develop leaders’ and employees’ understanding of the definitions and descriptors within each of the four-points of performance ratings.

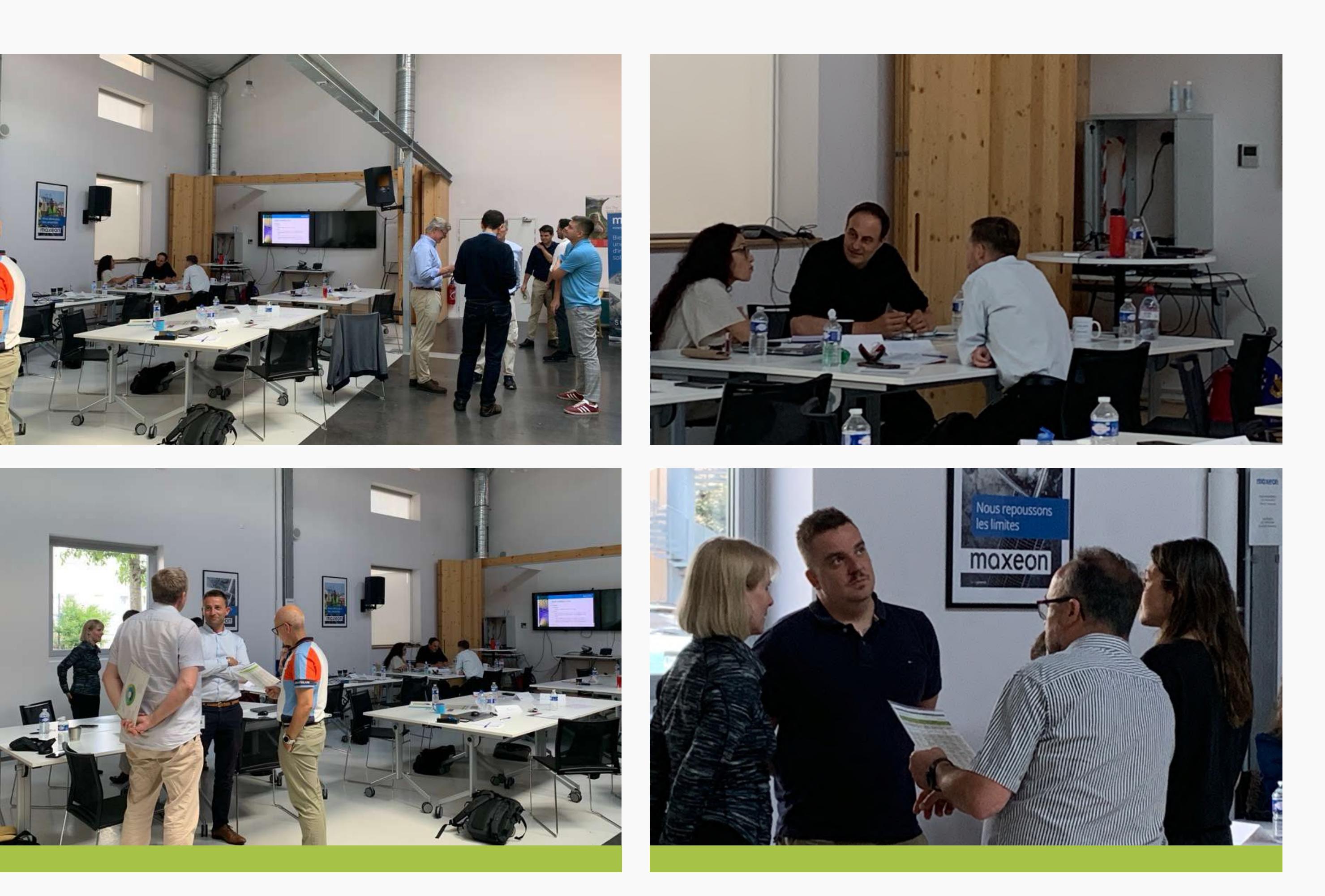
The impact of these trainings and calibrations were evident in the outcome of the final performance ratings distributions across the business, which exceeded our expectations considering this was the first year Maxeon implemented the four-point performance rating scale. 100% of employees received final calibrated performance ratings, endorsed by each ELT member and the CEO in January 2024.

Our initiatives

Team effectiveness

Every team is unique and has distinct team building needs. In 2023, we offered team effectiveness sessions to assist groups to accomplish goals and objectives more effectively. We introduced a personal development assessment tool, Everything DiSC®, to help measure an individual's tendencies and priorities, and how best to adapt and connect with others in the team. This tool supported us with new working environments, fresh team formations, team engagement and connection and changes in strategy.

Team effectiveness is strengthened through common experiences outside the day to day working environment. We encourage all teams to participate in team building activities that align with our social impact areas and community initiatives, such as volunteering. Giving back to causes that align with Maxeon's mission brings people together as a team.



Our initiatives

Graduate Training (“GT”) programs in the regions

Maxeon's graduate program aims to revitalize and strengthen organizational culture by promoting an inclusive environment that encourages continuous learning, creativity, and adaptability. Each region runs graduate programs meeting the team's needs through structured learning curriculum that enables them to gain technical and leadership skills to become high performing members. These programs are designed to provide equal opportunities for the graduates or employees regardless of their background.

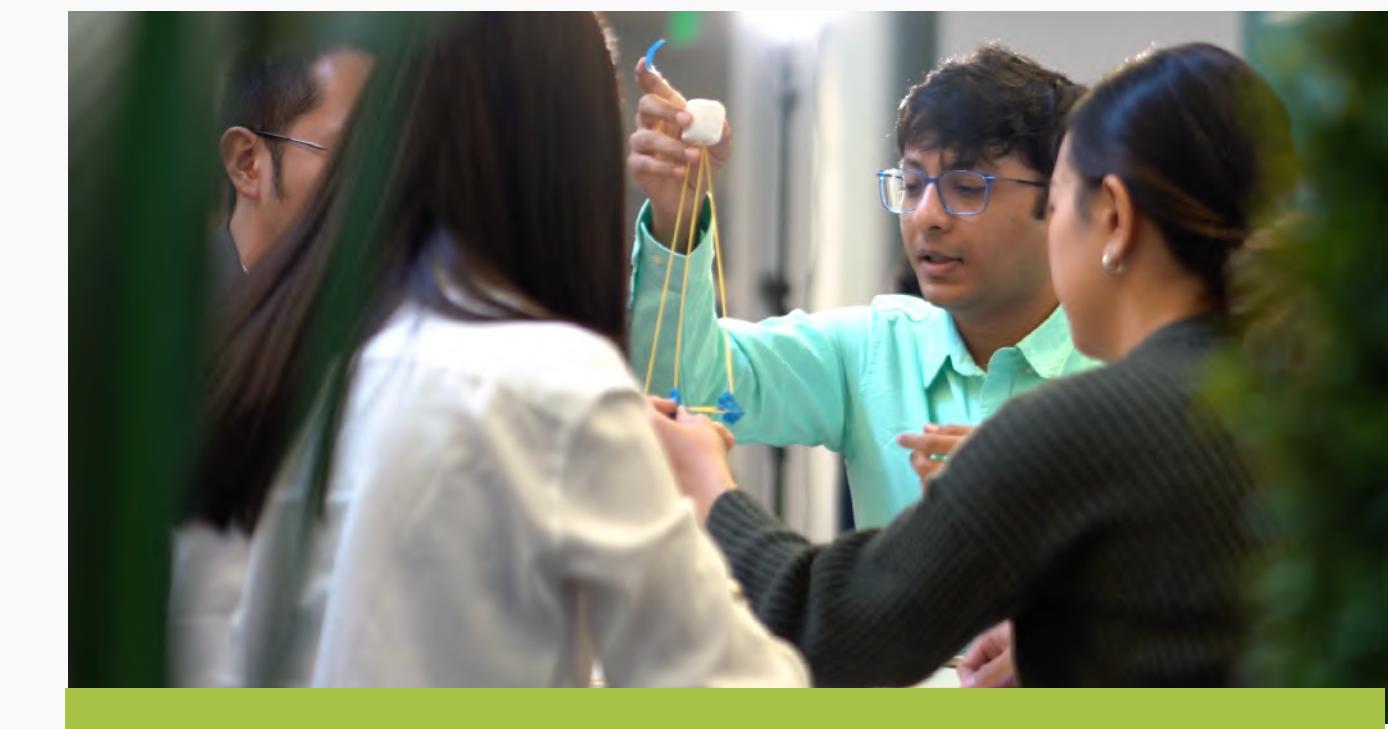
In-house Engineering Graduate education program - The Philippines

In The Philippines, we have launched a new In-house graduate education program partnered with the University of the Philippines-Diliman (UPD) to develop and strengthen the technical skills of the employees. Selected employees goes through a customised curriculum specific to Maxeon's business needs, equivalent to a Master of Science in Materials and Engineering (MS MSE) or Science and/or Engineering degrees. To this date in 2023, XX people have graduated out of this program. In 2023, we saw 7 people enrol to this program, which we hope to see graduate next year to contribute to the Maxeon technical capabilities.

Research & Development Graduate Trainee Program – United States

The US R&D team's Graduate Trainee Program started in 2023. We targeted five universities renowned for strong engineering programs and a commitment to diversity. We collected over 900 applications and hosted 23 candidates at our San Jose office for our premier Hiring event. This immersive two-day event comprised of presentations, networking sessions, team building, and much more. It provided candidates with a unique opportunity to experience the inclusive culture at Maxeon, engage with leaders and showcase their skillsets. Throughout our evaluation process, we placed emphasis not only on technical proficiency but on qualities that contribute to our values and inclusive and collaborative culture.

Our endeavors resulted in an equal gender balance of four female hires and four male hires, some commenced their roles and began making meaningful contributions. We eagerly anticipate the diverse perspectives and talent these new team members will bring to our organization as we continue to prioritize inclusivity and collaboration.



Our initiatives

Employee volunteerism in action: Malaysia

Young Enterprise Program with rural schools – Malaysia

The Young Enterprise Program (“YE”) is a key local program in Malaysia, with the goal to leverage and increase opportunities for students living in rural areas. Organized by Junior Achievement Malaysia, YE is an innovative, extra-curricular program set to inspire secondary school students to become entrepreneurs by creating and managing their own ‘mini’ company at school.

FAB3 is now in the eighth year of sponsoring a school, with nine volunteer employees mentoring students on company management, such as how to raise business capital, finance management, manufacture products, sales and marketing, IT utilization, and human resource management.

Our sponsored school, SMK Datuk Haji Talib Karim won 12 awards in the 2023 Young Enterprise Program, including 1st Runner Up for Best Enterprise (Overall). We hope that this program will make a positive impact on the lives of participants, empowering them to broaden their horizons with the new skills and insights gained.



Employee Volunteerism in Action: Melaka

Addressing the challenges families face with rising cost of living, FAB3 provides basic food items to aid impacted families during the celebrations of Chinese New Year, Eid and Deepavali. In 2023, we reached 150 families in the Alor Gajah District by collaborating with local community leaders and the Welfare Department to identify families requiring assistance. Each family received MYR200.00 worth of food items, delivered to their homes by our volunteers. As we involve our employees and team members in community projects, we foster a company culture of giving back and providing support, while addressing community challenges and solutions.

2023 MY AmCham CARES Recognition

Third year in a row, FAB3 received the 2023 MY AMCHAM CARES award from the American Malaysian Chamber of Commerce in recognition of their continuous efforts and improvements in Malaysia, in addition to their innovative best practices.

Award recipients are evaluated based on four main elements

- Communications, Measurement, Strategy, and Sustainability
- which assess the effectiveness and impact of member companies' CSR programs.

Performance highlights

In 2023, we saw an increase in the total employees with learning records, as a result of positioning learning development as a corporate target alongside the continued awareness building from Maxeon's leadership team. In contrast, the average training hours per employee overall has decreased by 13%, mainly due to the impact of workforce restructuring in FY2023. This period saw a change in training plans as well as reduction of employees going through the trainings.

Successful deployment and execution of the FY23 APR cycle has laid a solid foundation for the business, directly linking performance and reward for the first time in Maxeon's three years of business. The embedment of the APR cycle into our annual people processes will continue to act as a crucial enabler for moving the business towards a performance-based culture, fostering learning and growth.

Average training hours by country/region²⁰

Country/Region	Total employees with learning records			Total hours recorded			Average training hours per employee ²¹		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Americas	7	126	193	12	1,739	2,640	2	14	14
APAC	66	80	101	206	737	761	3	9	8
EMEA	106	122	218	381	973	1,271	3	8	6
MX	582	2,037	2,759	1,361	13,879	11,277	2	7	4
MY	1,387	1,751	2,154	83,825	94,831	115,411	60	54	53.6
PH	1,102	1,117	1,482	21,876	43,229	45,141	20	39	30
SG	74	107	296	273	1,057	2,001	4	10	7
Grand Total	3,324	5,340	7,203	107,934	156,445	178,502	94	141	123

²⁰With an improvement and update in our Learning Management System that resulted in more detailed and accurate breakdown of training hours, there is a restatement of all our reported 2021 training hours.

²¹Average training hours per employee = Total hours recorded/Total employees with learning records

Performance highlights

Average training hours per employee, by region and gender

	Mexico (SPMX1)			Mexico (SPMX2)			Philippines (FAB4)			Malaysia (FAB3)			Singapore (HQ)		
	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
Male	2.1	7.3	4.40	2.9	6.7	4.2	19.1	35.6	31.9	48.6	47.5	50.7	2.9	9.8	9.7
Female	1.7	6.9	4.0	2.1	6.1	3.4	20.7	42.3	34.4	75.2	63.8	61.7	5.1	10.0	9.6
Total²²	3.8	14.2	8.4	5.0	12.8	7.6	39.8	77.9	66.3	123.8	111.3	112.4	8.0	19.8	19.3

²²Upon revising our figures, the totals have been revised to accurately capture the nearest data points. This is a result of improved internal data review and reporting.

Average training hours by employee category

	Male	Female
Executive leadership team	6.9	5.3
Professionals/managers	10.4	11.3
Technical, production and administrative	12.2	14.1
Total	29.5	30.7

Performance highlights

63% of our people leaders completed the Maxeon Leader Program in 2023. Whilst this is lower than FY2021 and FY2022 due to a shift in focus toward safeguarding wellbeing amidst Maxeon's company-wide restructuring, we remain committed to our foundational leadership program and achieving our goal of 90% completion by 2025.

Talent development remained a priority in 2023 and we continue to upskill our leaders and employees in progressing meaningful career development plans. We are on track to achieve our goal of 70% and 80% of employees having a career and development discussion with their leader by 2025 and 2030, respectively, with an achievement of 88% in 2023.

We also made significant progress in our ongoing effort to tie performance review feedback to our leadership capabilities and company values to create a continuous feedback culture. 76% of our people completed mid-year reviews and 99.3% completed end of year reviews, with both employees and leaders identifying strengths and opportunity areas. We held learning sessions for our leaders on giving and receiving feedback, alongside conducting performance reviews with dedicated sessions for both employees and leaders. All materials were made available for employees to access on demand via our company intranet, Powerhouse.

	FY21	FY22	FY23
Eligible employees passed through the development program	95% (completed Module 1)	92.6% (completed Modules 1-4)	63% (completed Modules 1-4)
Eligible employees had a career and development discussion with their leader	80%	65%	88%

GRI 404-3: Percentage of employees receiving regular performance and career development reviews²³

	Male		Female	
	Performance ²⁴	Development ²⁵	Performance ²⁴	Development ²⁵
Executive leadership team	100%	50.0%	100%	66.7%
Professionals/managers	99.5%	93.5%	99.4%	95.9%
Technical, production and administrative	99.2%	42.0%	98.9%	73.1%
Total	99.2%	57.1%	99.4%	80.1%

²³Direct Labour employees are exempt from FY23 Career Development review figures.

²⁴For performance columns: Employees commencing on or after 1 Oct 2023 are exempt from FY23 Performance reviews figures.

²⁵For development columns: Employees commencing on or after 1 August 2023 are exempt from FY23 Career Development review figures.

Learning and development

Looking forward

We have long term targets to support our organizational capabilities and the development of our employees.

1. 90% and 95% of eligible employees successfully complete the leadership development programme by 2025 and 2030, respectively.
2. 70% and 80% of employees hold career and development discussions with their leaders by 2025 and 2030, respectively.

In 2024, we aim to strengthen and reinforce the capabilities and practices introduced in 2023. Our targets for FY2024 include.

- Extending the Maxeon Leader Program to emerging leaders.
- Building depth in all leaders through identified 1-2 critical Maxeon leader capabilities within our organization-wide Leader Capability Framework.
- Establishing our Senior Leader capability program and training curriculum to build and enhance leadership in Maxeon.
- Create our Women's Development Series, tied to our cyclical activities (i.e., ESG commitment/Corporate KRs).

We will further streamline mandatory learning and implement updates to our courses for roll-out between 2024 and 2025. This will include new IT security modules designed to enhance our people's capabilities and awareness regarding cyber threats including ransomware, phishing, and mobile security, amongst other emerging topics, to ensure optimal learning outcomes that mitigate risk and threats to the business.

Leadership development will remain a priority. Through the Maxeon Leader Program, we will foster, recognize and reward common understanding of leader expectations for all existing and emerging leaders to build consistency in employee experience. Looking forward, we will continue to review and evolve the leadership framework to ensure alignment with our strategy and the core behaviors we encourage our leaders to model and practice day-to-day to achieve our company goals. Any updates will enable targeted leader learning journeys and application of the 70/20/10 framework (i.e., 70% based on work experience, 20% on exposure and 10% on education) for development and career planning for all employees.



Why is it material?

Maxeon strives to build and cultivate an inclusive culture in which our workforce can thrive and reach their full potential. As a purpose-driven organization, we believe in promoting diversity, equity, and inclusion (“DEI”) in the workplace, regardless of social, economic, or political differences. With organizational diversity, we can leverage varied perspectives and ideas for decision-making and forge a deeper comprehension of customer and stakeholder needs. We embrace diversity, promote equal opportunity, and empower our people to create a culture that is built on mutual respect and inclusivity. In doing so, we ensure a pleasant and nurturing working environment for our workforce.

Management approach

Our Global Human Rights Policy, Board Statement, and Hiring Statement underscore our commitment to equal opportunity, diversity, and non-discrimination principles, and to renounce any form of discrimination and harassment in the workplace. The ownership is on every individual, therefore we communicate this to all employees through our leaders and DEI trainings. We empower Maxeon employees to respect and appreciate what makes everyone different, in terms of age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin.

In 2023, we curated additional career development sessions specifically designed to enable women in our workplace. We crafted and delivered two career development sessions aimed at providing female employees with insight into maximising their potential and career at Maxeon. These sessions focused on how to employ personal brand, skills, and expertise to further one’s career.

Additionally, as we are cognisant that there are fewer women in our senior leadership team, these career development sessions were also geared towards understanding the challenges and means of navigating the workplace in today’s everchanging environment. This included discovering how personal values can serve as a guide in times of change and exploring skills to improvement leadership styles. During the sessions, female participants created an Individual Development Plan (“IDP”), enabling them to initiate the necessary experiences, exposure, and education to advance their careers.



Our DEI fundamentals

We ensure all employees and business partners along our global value chain are cognizant of our Global Human Rights Policy, to create a conducive and safe working environment for all our employees.

We do not tolerate any form of discrimination or harassment at the workplace, including discrimination based on the following characteristics:

- Sex
- Citizenship
- Gender identity or expression
- Marital status
- Reproductive status
- Familial status
- (including pregnancy, childbirth, and breastfeeding)
- Age
- Physical disability
- Race
- Mental disability
- Colour
- Medical condition
- Religion (including religious dress practices and religious grooming practices)
- Genetic information
- Protected veteran or military status
- Sexual orientation
- Any other characteristic protected by local law or regulation
- National origin
- Ancestry

Maintaining a fair and equitable hiring process, our recruitment team applies our Hiring Statement and ensures it is reflected in our recruitment material, processes and job descriptions. The statement outlines Maxeon's commitment to be an equal and fair employer, renouncing any actions or decisions that may be discriminatory, and prevents any unlawful discrimination during the recruitment process.

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.

Our DEI fundamentals

At Maxeon, we are attuned to the benefits of maintaining a diverse Board which takes into account a wide range of perspectives, experiences, and ideas. Our Board Diversity Statement underscores this commitment to consider a broad array of characteristics across the Board, to ensure inclusivity and diversity.

Board diversity statement

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

Our leadership team oversees our DEI measures with the continual support of the Human Resources team with respect to initiatives and policies. During DEI awareness month which falls in March, aligned with International Women's Day, we share our company commitments with our employees via email highlighting our DEI initiatives and measures, to encourage them to make a personal commitment aligned with Maxeon's goal of enabling a diverse and inclusive organizational culture. We have also set up pages on PowerHouse for these campaigns to continue throughout the year.



Our initiatives

Employee resource groups - Women@Maxeon

In 2023, our DEI plan included a strong focus on our Women@Maxeon (“W@M”) formal employee resource group, launched in 2022. W@M is an employee led model with initiatives and needs originating from the group leadership and the employee population. The group aims to uphold the inclusivity of all genders in the workplace and support our Corporate ESG and DEI goals to increase the number of female leaders at Maxeon.

We launched a new Women@Maxeon page on our company intranet, including development programs for female career advancement and promoting women role models in Maxeon through Spotlight stories. Further, we published learning resources through Powerhouse, including information on how to be an Ally and UN Global Compact material on gender equity, and used this platform to encourage employees to join local W@M chapters.

Women@Maxeon 2023 - Our mission

Advocating for gender equity, Women@Maxeon is our community of passionate employees committed to attracting, developing, retaining, and celebrating women in the workplace. We champion an inclusive environment in which all employees are supported, encouraged and have the opportunity to achieve their full career potential.

Supporting our women

In 2023, we celebrated International Women’s Day (“IWD”) as part of our commitment to diversity, building awareness around how to sponsor and support the development of our employees, focused on females at Maxeon. In line with past years, we delivered a month-long series of activities and events. This included a CEO communication to launch the campaign, a virtual pledge wall with employees’ personal commitment to our 2023 theme #EmbraceEquity, four spotlight videos showing inspirational women role models at Maxeon and a global poll to discover how we can improve #EmbraceEquity at Maxeon, not just for IWD but longer term. Locally, site teams ran multiple activities including pledge walls in their cafeterias, purple lighting to show IWD support at Mexico sites, purple hair nets across our factories, yoga events, panel and speaker sessions, and local fairs to support female business owners. Our Fab3 facility in Malaysia held a health booth and screening, aimed at empowering women to prioritize their wellbeing.

Additionally, we support women to maximize their potential and career at Maxeon in striving to become future leaders. While leadership experiences vary for everyone, we recognize there are gender-based differences in the way women experience leadership in comparison to their male counterparts. In 2023, we took this into consideration and built programs to develop and advance our female employees, with a longer-term goal to have a balanced senior leadership gender ratio across the business and wider industry by 2030. As such, we strongly encourage our female population to establish career development goals and plans. Our HR team provides training to support all leaders in preparing for and conducting effective development conversations, including goal setting strategies using the SMART model,

which highlights that their goals must be Specific, Measurable, Achievable, Relevant, and Time-bound. Following a successful pilot in APAC in 2022, we were pleased to offer Career and Development Learning sessions for Women@Maxeon across all regions in 2023.

Positively changing the way people work, we must continue to engage our leaders. Recognizing this, we held a session attended by 81 leaders on defining and developing leadership styles. Moreover, 107 employees attended this session as it focused on adopting a growth mindset and gaining clarity on individual strengths and opportunities for development whilst discussing the means of including this into individual development plans.

Women@Maxeon development session	Date	Attended
Session for leaders: ‘Defining and developing your leadership style’	30th August	81
Sessions for all levels: ‘Energizing a Growth Mindset’	30th August	107

Furthering our training and development opportunities for our female workforce, Maxeon’s long-standing Philippines ERG Women’s Network held sessions on developing resilience through small changes to bounce back faster, enhance adaptability to discomfort, and communicate effectively. This included a Senior Leader briefing by our Philippines site General Manager and family law sharing sessions with our Legal team, highlighting specialized knowledge pertaining to women in the workplace.

Hiring highlights

In 2023, Talent Acquisition partnered with hiring managers on encouraging participation in diversity and inclusion courses, as well as cross-cultural communication training to deepen understanding of cultural diversity. Additionally, an employee referral program was implemented to broaden the pool of candidates from diverse backgrounds.

This year we also marked a notable milestone with the appointment of Maxeon's first female General Manager in the Philippines, Pauline Palma. Having joined Maxeon in June 2003 as one of the pioneer engineers at our FAB1 facility, Pauline's career exemplifies resilience, perseverance, and inclusive leadership. With over two decades of experience in the renewable energy sector, Pauline's ascent underscores Maxeon's dedication to diversity and the empowerment of women in leadership positions.

As Maxeon progresses towards a sustainable future, Pauline's leadership stands as a poignant reminder of the transformative power of breaking barriers and achieving gender equality. Her appointment serves as a beacon of inspiration, reaffirming our commitment to fostering an environment where talent, irrespective of gender, flourishes and contributes to meaningful change.

Pauline Palma, Maxeon's first female General Manager in the Philippines



Celebrating cultural diversity

As part of our efforts to respect and appreciate cultural diversity within Maxeon and embrace inclusivity, we strive to celebrate a broad array of cultural holidays and festivals. In 2023, across our local sites we celebrated Lunar New Year, Valentine's Day, Golden Week, Hari Raya, Eid, Cinco de Mayo, Mother's Day, Deepavali, Dia de los Muertos, Halloween, Mid-Autumn Festival, Thanksgiving and Christmas amongst others. During these times of celebration, we facilitate cross-team activities including the decoration of our cafeterias, organizing fun runs, dress up events, parties, and other activities. A key element is the sharing of local traditions and ensuring everyone feels welcome and able to learn from and enjoy local customs, whatever their background. Additionally, we extend our celebrations to our local communities by gifting presents to children from underprivileged backgrounds during festive seasons, such as Thanksgiving and Christmas.

DEI in action: San Jose, California

Pride event

Through workforce Pride events we recognize and honor the contributions of LGBTQ+ employees, advocate for equal rights and fair treatment in professional environments, and demonstrate our commitment to creating supportive and inclusive work cultures where individuals feel empowered to bring their authentic selves to work. Additionally, our Pride initiatives provide opportunities for education, allyship, and dialogue, helping to break down barriers and challenge stereotypes.

In 2023 our San Jose, CA office celebrated Pride by decorating, welcoming a guest speaker with over 50 employees in attendance, and hosting a dance party and potluck.



Our benefits

At Maxeon, we believe in providing our employees with competitive benefit packages aimed towards bettering our workforce and supporting our personnel in both the short- and long-term. Across all our location of operations, we offer benefits commensurate with prevailing market practices. In our major locations this includes insurance against unforeseen risks of death or accidents. As part of our policies, we provide parental leave to all employees, regardless of gender. We continually review our policies and practices to ensure they are meeting the needs of our employees and parents returning to work. In 2023, we began tracking parental leave data to measure the impact for returnees post parental leave, and will continue to do so in the upcoming years.

	Male	Female
Total number of employees that were entitled to parental leave	1,044	741
Total number of employees that took parental leave	252	123
Total number of employees that returned to work after parental leave ended	252	109
Total number of employees that were still employed 12 months after their return to work ²⁶	NA	NA
Return to work and retention rates of employees that took parental leave	100%	89%

²⁶Maxeon began collecting data on parental leave in 2023 and hence FY2023 will form the baseline year for this metric.

Performance highlights

In 2023 we maintained a comparatively even split in the gender composition of our employees across our operations and achieved zero cases of discrimination. We had a change in Board gender diversity from 2022, which we aim to revise once Board seats are available. As we further strengthened our DEI recruitment practices, we saw a significant increase of female leaders assuming critical strategic positions, steering the organization towards its goals. Additionally, we are pleased to highlight that 89.5% of all women indirect labor employees set development goals as part of their IDPs.

We also launched the first version of our HR dashboard to track demographics data, including our gender ratio. As of year-end 2023, 32.28% of our leaders identified as female, setting us on course towards our commitment to reach our aspirational goal of 34% and 37% by 2025 and 2030 respectively.

GRI 2-7: Employees: % of employees by gender

	Male	Female
2021	54%	46%
2022	56%	44%
2023	58%	42%

GRI 2-7: Employees: Total number of employees by region

	Permanent Employees	Temporary Employees	Full-time	Part-time
Singapore	115	2	117	0
Malaysia	852	13	853	12
Philippines	918	12	928	2
Mexico	1,626	13	1,627	12

Looking forward

In 2024, we will work towards an interim target of 33.5% leaders who identify as female compared to the current 33.28% in FY2023. This target will be monitored and reported on a quarterly basis by HR to all ELT and senior leadership. We will also continue to advance the development of our female employees, by creating a culture of inclusivity and individual awareness through concentrated programs both globally and locally. Ultimately, we strive to achieve our long-term targets of 34% and 37% leaders who identify as female, by 2025 and 2030 respectively.

We will be revamping our DEI plan at a global level in 2024, led by HR and Senior Leadership with the support of our W@M ERG. It will focus on the pillars of Attraction, Development, and Retention, and enhancing our HR capabilities to support the strategic agenda. A key learning in 2023 was the need to have a DEI plan set and managed within the HR function directly, driven by senior leaders and supported by our Women@Maxeon ERG in the areas they can meaningfully affect change. As part of this, we will redefine the role of the W@M ERG to enable and empower them to have the biggest impact on developing women across the company. The Talent Acquisition team will leverage senior leadership recruitment opportunities to attract qualified candidates, while the Talent Development team will focus on inclusive leadership trainings to create an improved working environment to manage diverse teams.

As part of retention and community creation, we will further enhance our W@M ERG program for continuity and higher engagement globally to ensure their work continues to support our gender diversity goal with a focus on employee development. Improving our HR capabilities, we will streamline our people systems to enable data reporting through dashboards to capture our progress throughout the year.

Why is it material?

Maxeon is committed to contributing to the communities and societies in which we operate in. We believe it is our responsibility to amplify positive social impact and play an active role in the overall development of our society and the creation of a brighter future. This commitment helps to entrench our position as an industry leader in sustainability whilst encouraging a ripple effect through the generation of better opportunities for all individuals, communities, and organizations.

Management approach

Maxeon understands the importance of helping those in need and acting as a propellant for positive change within and beyond our communities. Our local teams design impactful community programs tailored to the communities around them. In doing so, we seek to forge lasting ties with the communities that support us, to give back and help create a better world for all.

Our community impact is driven by our internal Sustainability advocacy campaign, Maxeon Gives. Aware of the significant role our employees play in how Maxeon interacts with communities, we ensure our message is promoted globally to drive the effort, resources, and time dedicated to community investments. Every year we assess our partnerships for fit and continuity, to ensure alignment with our sustainability vision. Through our offerings of goods and services to communities in need, such as schools, entities for humanitarian aid, and conservations, we realize the gift of giving and care.



Our initiatives

Maxeon gives: Employee volunteerism

Maxeon Gives, our signature donation and volunteering program, was launched on our second anniversary in August 2022. A direct response to our commitment to the UN SDGs, Maxeon Gives is comprised of two key pillars - product donations and employee volunteerism.

- Our first phase in 2022 was product donations, providing every employee the chance to nominate non-profit organizations or schools to receive Maxeon solar panels.
- Our second phase in 2023 was employee volunteerism, enabling employees to contribute to the communities in which we operate.

Maxeon Gives is not a one-time commitment, but a long-term pledge that is incorporated into our business model. We continuously evaluate and select deserving organizations to ensure our contributions make a significant impact. We are thrilled to share that we saw a significant uptake in the program, with many donations initiated by our employees globally in 2023. Through the second phase, we are progressing towards our ESG Community Investment Goal to deliver 5,000 volunteering days by 2025 and 7,500 volunteering days by 2030. Maxeon Gives: Employee Volunteerism, launched in April 2023, establishes a global standard for volunteerism based on the following:

- Consistent opportunities,
- Connection to company impact areas and purpose,
- Long-lasting and mutually beneficial partnerships and
- Impact measurement and continuous improvement.

We identified three areas where we can have the most impact for both our employees and our communities: gender equity, sustainability, and mental wellbeing. These three areas were identified as crucial to ensure an inclusive and conducive environment for our employees and are closely connected to the United Nations Sustainability Development Goals. Our volunteering efforts centre around these impact areas; examples include

Gender equity	Sustainability	Mental wellbeing
<p>Advocating for gender equity within our communities</p> <p>What this might look like:</p> <ul style="list-style-type: none">• Supporting a women's crisis helpline for a few hours• Painting rooms in a women's refuge or shelter• Giving talks at a local school on women in STEM• Mentoring female leaders or university students	<p>Having a positive impact on our environment</p> <p>What this might look like:</p> <ul style="list-style-type: none">• Carrying out a beach or park clean up• Clearing plastics from waterways• Creating new products out of recycled materials• Planting mangroves to prevent soil erosion• Farming vegetables to give to less privileged communities	<p>Promoting positive mental health and growing a strong community where everyone can thrive</p> <p>What this might look like:</p> <ul style="list-style-type: none">• Visiting older communities and reading to residents• Visiting schools and giving talks• Running a yoga class at young people's drop-in centre• Being an arts and craft facilitator for a mental health outreach
<p>Each of our global locations has identified local community groups and non-profit organisations across our three Maxeon Impact Areas. Employees are encouraged to use teambuilding opportunities as a chance to volunteer and give back, with the option for remote workers to volunteer their times within their local area, forming personal relationship with local groups.</p>		

Community investment

Our initiatives

Community investment in action: Singapore

National University of Singapore – Picolove Project

Project Picolove is an external overseas project under Rotaract Club of National University of Singapore (“RACNUS”). Maxeon donated solar panels for installation at a school in Tham Ve Village, Northern Vietnam, where the NUS students assist in the renovation and refurbishment of the school compounds, conducting and facilitating lessons, as well as engaging in interactive activities with the entire village.



Community investment in action: EMEA

ASNBNF – North of France Craftsmen Solidarity

The Craftsman Solidarity North Benin - North of France is working with the “Tanguieta Artisans Collective” on the development of “sustainable, solidarity and innovative craftsmanship.”

Maxeon has constructed a 530 m² solar-powered technical and training centre for craftsmen and apprentices in the Tanguieta region, in addition to a solar-powered water pumping station to provide the area with a fresh water supply.



Community investment in action: Shkoder, Albania

Gjimnazi “Kolë Idromeno”

In November 2023, a team of Maxeon employees combined the two key pillars of Maxeon Gives, in not only donating 46 Maxeon panels but also taking part in their installation as part of a volunteering opportunity. The team of seven visited Gjimnaz “Kolé Idromeno” in Albania and learned how to install the panels on the rooftop in partnership with Euroelektra, our Maxeon Distribution partner in the region who will manage ongoing maintenance.



Our initiatives

Employee volunteerism in action: The Philippines

Celebrating Earth Day 2023, our Philippines site launched three different volunteering initiatives:

- Through an initiative named “Conserving our Mangrove and Coasts,” 36 volunteers planted 1000 mangrove seedlings and took part in a coastal clean-up, learning about climate change and how to support mangrove conservation.
- 30 volunteers ran a one-hour session with a local school on the importance of recycling and its impact on the environment. We donated school chairs and clinic beds made out of the wooden pallets from our Maxeon sites, creating value out of old materials
- We promoted the importance of renewable energy by donating solar light posts in a non-government organization orphanage. Through these efforts, the organization can now save electricity consumption and refocus their budget on more important matters, including education support for children under their care.



Employee volunteerism in action: Ensenada

In 2023 we held five major volunteering events at the site level. Whilst led by key departments, the success of these events has relied on the collaboration and support of our employees through donating food and clothing, in addition to performing acts of service such as cleaning and sponsorship of children in homes, to name a few. The team's commitment and enthusiasm for each of activity had a direct positive impact on the people and the community.

Volunteering Event	Date	Impact area	Participants	Hours of Volunteering
Happy Children's Day	Q1	Gender Equity	14	56
Local Park Rehabilitation	Q1	Sustainability	70	560
Annual Donation 2023	Q4	Gender Equity	16	64
Donation Elderly	Q4	Gender Equity	22	88
Maxeon Child Sponsorship	Q4	Gender Equity	46	308
Total hours				1,076

Our initiatives

Children's Day celebration

We exemplified Maxeon's purpose of "Powering Positive Change" through an event in April with the Children's Day Celebration at Casa Hogar el Sauzal, a place of refuge and care for vulnerable children. Employees made personal donations of cleaning products, food, and party supplies such as piñata, candy, cake, pizzas, and other items. Seeing the smiles on the children's faces made all the effort and generosity worthwhile. It was an unforgettable day full of love and solidarity!



Community investment: Park renovation

In celebration of Earth Day, Maxeon employees and their families adopted and renovated a large abandoned local park, with a 10.73-acre perimeter, located near our plant. Our vision was to make the park welcoming for new visitors and inviting to the local community, with 2 basketball courts, a volleyball court, a soccer pitch, and a track field that for used. In April, we held our first cleaning and renovation day, focusing on the facade and main basketball court, cleaning weeds and collecting garbage.

Arriving by bus to reduce emissions, team members formed work crews, with designated leaders for washing, painting, and cleaning, utilizing tools and supplies to carry out the activities. A total of 75 people participated in this teambuilding exercise, through which we cleaned 644m² of weeds and garbage, repaired and painted 38.9m of the main entrance walls and handrail, and repaired and painted approximately 383.9m² of the Fronton courts walls.

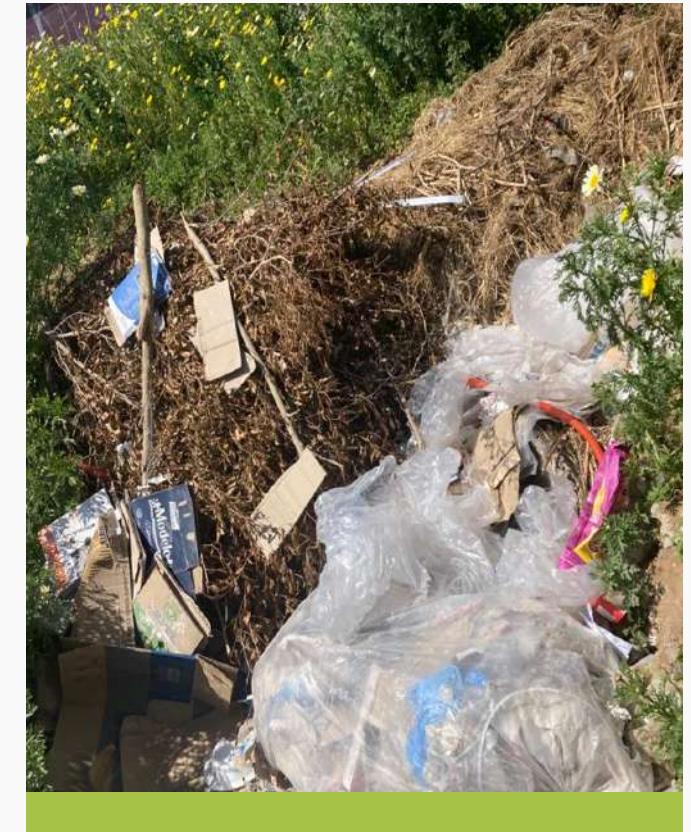
It was an incredible experience providing huge satisfaction for the whole team. We received strong feedback from the park collaborators and visitors, recognizing Maxeon for the excellent initiative for the community and the environment.



Our initiatives

Community investment: Park renovation

Before



During



Results



Our initiatives

Employee volunteerism in action: United States

Toys for Tots

The Toys for Tots initiative in San Jose, California serves a dual purpose of giving back to the community and fostering a spirit of generosity among employees. Through toy drives and donation campaigns in 2023, we were able to provide employees with an opportunity to contribute to the wellbeing of underprivileged children during the holiday season. These efforts not only supported families in need but also instilled a sense of social responsibility and compassion within employees. The initiative also strengthened team cohesion and morale, as colleagues come together to work towards a common charitable goal.



Employee volunteerism in action: Singapore

Donation sorting at Singapore Council of Women's Organization

In 2023, our Singapore team formed a partnership with Singapore Council of Women's Organization, a non-profit with more than 60-member organizations representing over 600,000 women, uniting them to work toward the ideals of 'Equal Space, Equal Voice and Equal Worth' for women in Singapore.

Our HR and Finance teams took part in hands-on volunteering events throughout the year, including cleaning and packing items for the thrift shop and star shelter, with 100% of the proceeds going towards charity. This provided a safe space for women and girls to be heard, given equal opportunities and be the best that they can be.



Employee volunteerism in action: China

Schools Partnerships - Children from starts - Xinxinyu rehabilitation center.

In April our China team volunteered at the Xinxinyu rehabilitation center, supporting children with autism who need additional care and help. The rehabilitation center aims to provide physical rehabilitation and psychological counseling for the children, providing equal education and employment rights. We donated teaching props to more than 80 children, learned about the challenges, and encouraged all China staff to paint eco-bags and send as gifts to the school. As a long-term volunteerism program, in the coming year we will provide support as teaching assistants for the children.

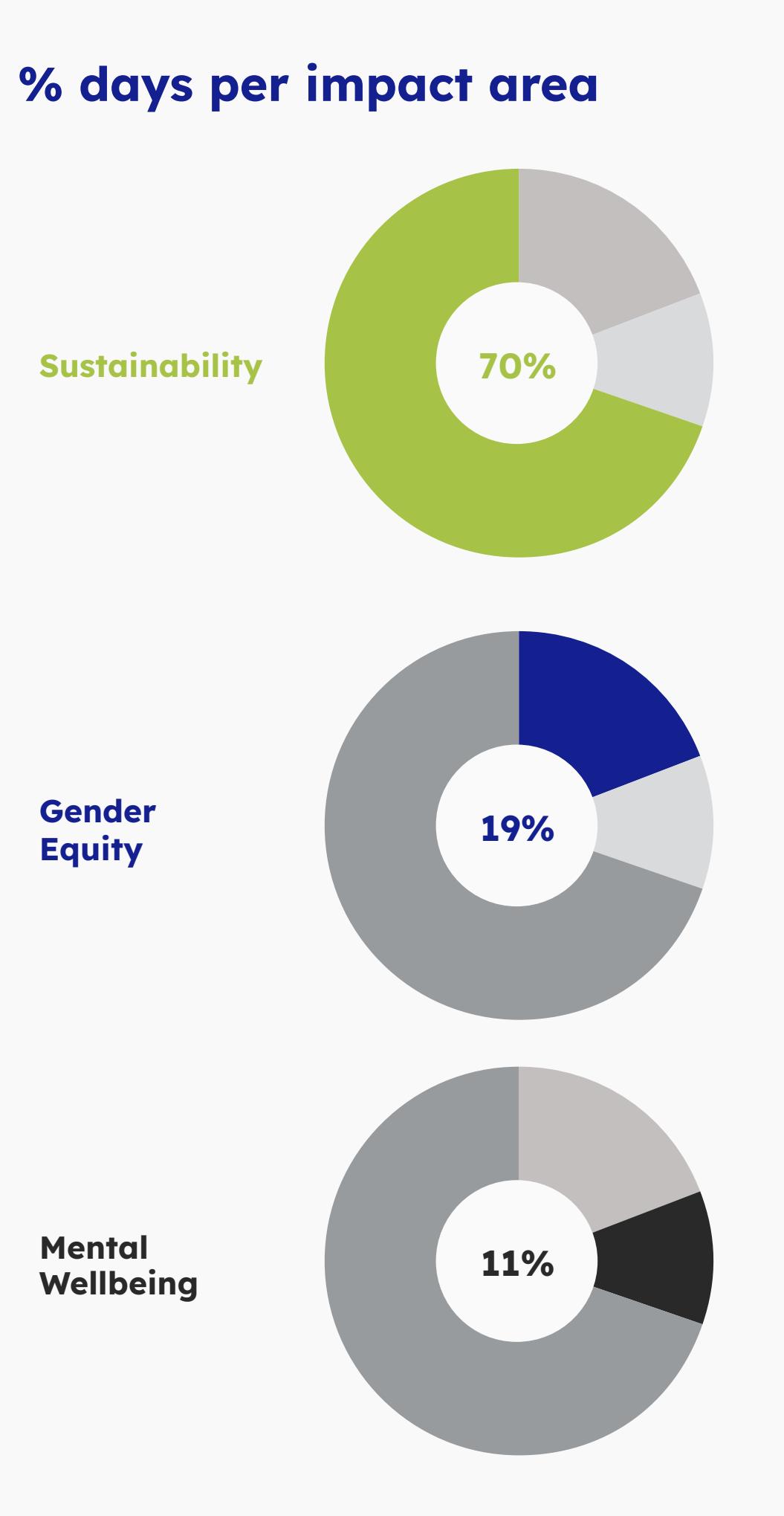


Performance highlights

In 2023, Maxeon team members contributed 433 days, equating to 3,464 hours of giving back to local communities, including over 45 grassroots organizations, schools, universities, non-profits and mentoring programs across the US, Mexico, Singapore, Malaysia, Philippines, China, Cambodia, Vietnam, Ethiopia, Italy, and Albania. This represents a 591% increase from FY2022, attributed to the official launch of our Maxeon Gives Volunteering program and our efforts to progress towards our Long Term ESG targets.

We have firmly embedded volunteering in Maxeon's DNA, consolidating reporting and sharing lessons learned across the globe. Locally, we have focused on areas where we can deliver the most impact to the respective communities, to build long term partnerships with local grassroots organizations with a view to Powering Positive Change for good.

Impact Area	Number of days
Gender Equity	82.5
Mental Wellbeing	47
Sustainability	303.5
Grand Total	433



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

Percentage of operations with implemented local community engagement, impact assessments, and/or development programs

100% of the operations have local community engagement programs in place. Impact assessments and development programs are in the pipeline as we continue to roll out our Maxeon Gives program.

Operations with significant actual and potential negative impacts on local communities

0

Location of operations

Singapore, Singapore
Melaka, Malaysia
Binan, The Philippines
Tianjin and Yixing, China
San Jose, US
Ensenada, Mexico
Mexicali, Mexico
La Tour-de-Salvagny, France
Melbourne, Australia

The significant actual and potential negative impacts of operations

NA

Community investment

Looking forward

At Maxeon, we will continue to strengthen our commitment to support the local communities in the areas where we operate. In alignment with our social and moral duty as a responsible business, we seek to play an active role in facilitating social development and empowerment. As part of Maxeon's long-term target, we aim to increase the number of Maxeon volunteering days to 5,000 in 2025, and eventually to 7,500 by 2030.



Social performance metrics

	2020	2021	2022	2023
Total number of employees	4,609	4,111	5,564	3,942
Gender split				
Male	52%	54%	56%	58%
Female	48%	46%	44%	42%
Board Diversity				
Male	90%	90%	90%	100%
Female	10%	10%	10%	0%
Executive	10%	10%	10%	10%
Non-Executive	90%	90%	90%	90%
<30 years old	0%	0%	0%	0%
30-50 years old	30%	30%	40%	20%
>50 years old	70%	70%	60%	80%
Executive leadership team				
Male	67%	75%	75%	78%
Female	33%	25%	25%	22%
<30 years old	0%	0%	0%	0%
30-50 years old	33%	50%	75%	56%
>50 years old	67%	50%	25%	44%

Social performance metrics

	2020	2021	2022	2023
Professionals/Managers				
Male	63%	66%	60%	67%
Female	37%	34%	40%	33%
<30 years old	1%	2%	14%	2%
30-50 years old	80%	79%	75%	75%
>50 years old	19%	19%	11%	23%
Technical, Production and Administrative				
Male	49%	53%	54%	56%
Female	51%	47%	46%	44%
<30 years old	38%	34%	40%	35%
30-50 years old	58%	62%	56%	59%
>50 years old	4%	4%	4%	6%

Governance

Spotlight

Maxeon at the World Solar Challenge 2023

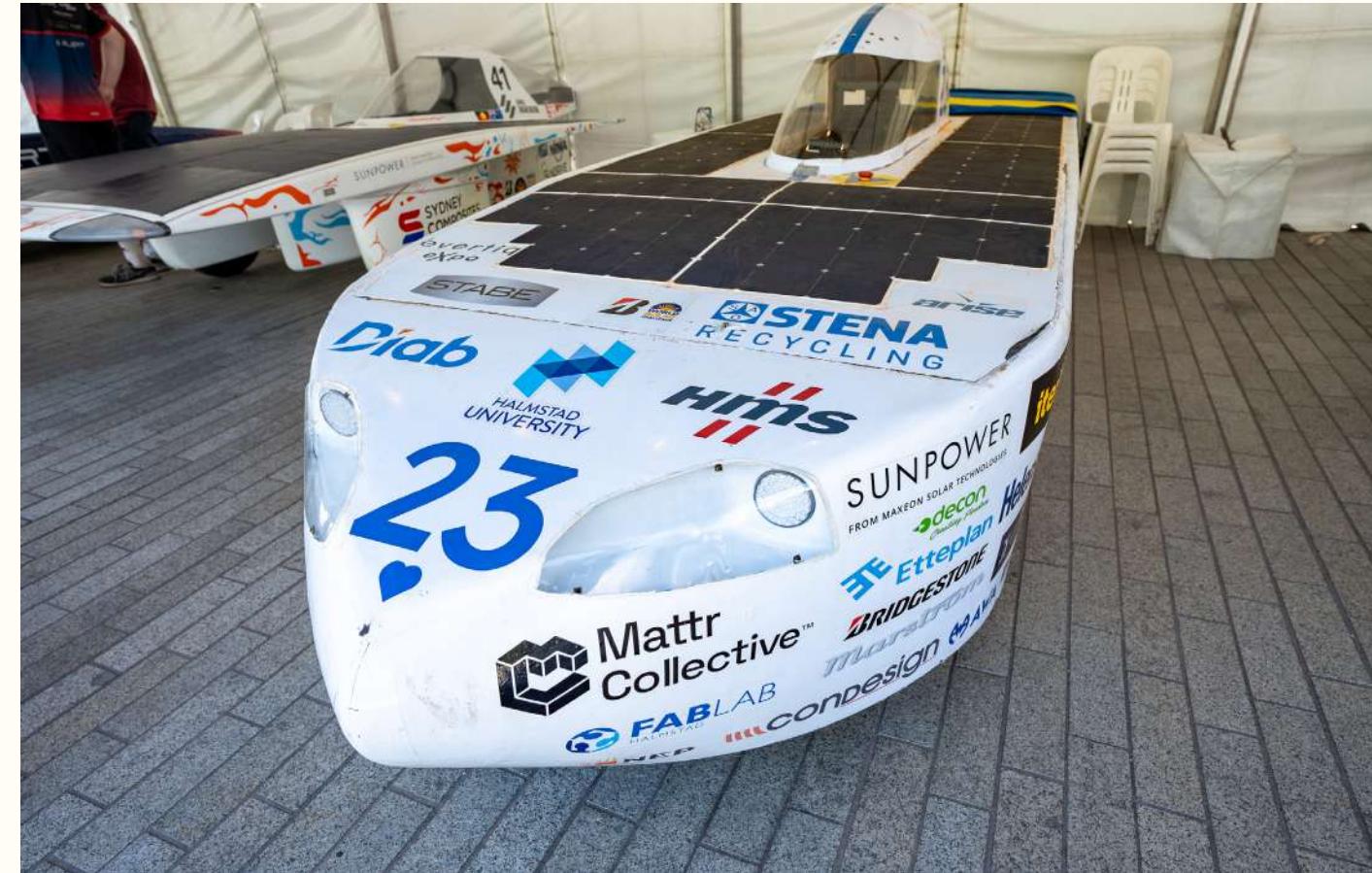
The Australian-based Bridgestone World Solar Challenge invites teams from around the world to travel 3,000 kilometers in energy efficient electric vehicles which they have designed, engineered, and built with their own hands. The Challenge, which began in 1987 and takes place every two years, pushes the limits of technological innovation.

The lengthy journey from Darwin in the Northern Territory to Adelaide in South Australia is made possible by sunshine and solar cells, which together power the electric vehicles and in doing so, highlight the potential of solar energy.

Testifying to our conviction in the quality of our products, Maxeon's high-performance cells propelled two of the 2023 teams to victory. Australia's Sunswift Racing achieved first place in the Cruiser category, while the Innoptus Solar Team from Belgium ranked top of the Challenger category. Overall, 90% of competing teams chose Maxeon solar cells, shining a light on their durability in harsh conditions.

Standing the test of searing temperatures and sand, our solar cells showed efficiency and reliability with our industry-leading conversion rate of over 25%. Designed with a unique back surface field layer, our solar panels were able to keep cool and maintain an even heat distribution. The unparalleled architecture of our cells enabled them to thrive in the physically rigorous conditions and continue powering teams to the finish line. Even when cracked or impacted our cells still functioned, providing energy to keep the cars going.

With the next race set for 2025 and our inspiration sparked by the upcoming generation of solar pioneers who worked on the 2023 World Solar Challenge, we are proud to be part of the journey towards more sustainable e-mobility.



Governance approach: An overview

Our ability to fulfil Maxeon's purpose, Powering Positive Change™, is predicated on robust and effective corporate governance. This provides the framework for business operations, through which we deliver value for our key stakeholders whilst building and maintaining customer loyalty and upholding our brand reputation. This includes compliance to all relevant and applicable laws, regulations and policies, in addition to setting high standards for our employees, officers and directors to ensure that the way we do business aligns with Maxeon's values. Preventing non-compliance and protecting Maxeon from exposure to financial, organizational or reputational risks, we maintain stringent oversight and implementation of management practices that promote exemplary business conduct.

We expect transparency, integrity and accountability across our operations and for business to be conducted in an ethical manner. This is enforced through our governance policies which are updated on an ongoing basis to incorporate changes to international laws and regulations and to ensure adherence to best practice. We firmly believe that good governance enables good business, ultimately paving the way for Maxeon and its valued stakeholders to thrive together.

Maxeon's Board is made up of 10 directors, recommended by the NCGC and subsequently selected on account of their knowledge and skills in line with our commitment to diversity of experiences and perspectives. The Board is chaired by an independent and non-executive director with five directors appointed by our shareholders. With the exception of the Audit Committee, each of our Board committees consists of at least one member representing our shareholders, ensuring their interests are incorporated into Maxeon's key business decisions.

In 2023 Maxeon welcomed three new Board members, with the appointment of David Li as an independent director, the appointment of Shen Haoping as a designee of TCL Zhonghuan Renewable Energy Technology Co. Ltd. ("TZE"), and the appointment of Alban d'Hautefeuille as a designee of TotalEnergies.

More information on Maxeon's Board members, including each individual's relevant competencies and other significant positions and commitments, can be found our website at <https://www.maxeon.com>.

The composition of our Board and its respective Committees is governed by Maxeon's Constitution, together with our Shareholders Agreement. Whilst the Board maintains oversight, responsibility is delegated between the Board's three Committees:

1 Audit Committee

2 Compensation Committee

3 Nominating and
Corporate Governance Committee

Audit Committee

The purpose of the AC is primarily to:

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

Spotlight

Governance approach: An overview

Compensation Committee

The purpose of the Compensation Committee is primarily to:

- Implement, review and modify the compensation of the Maxeon Board and senior management
- Oversee our compensation philosophy
- Administer our equity incentive plan

In August 2020, our Board adopted a policy for cash and equity-based compensation that shall be payable to eligible non-employee members of the Board who are not nominated representatives of our shareholders, Total Energies and TZE, or their corporate affiliates (“Outside Directors”).

Our Executive Compensation program for 2023 included the following:

- A Corporate Bonus Plan (“CBP”) payable annually in the form of cash. The pay-outs are dependent on meeting a number of corporate and individual objectives, including Maxeon’s financial performance and achievement of key results, as well as individual performance
- Time-based RSUs that generally vest over three years
- Performance-based restricted stock units (“PSUs”) that generally vest over two years after achieving performance targets as determined from time-to-time
- Transformation Performance Share Unit Plan with a number of PSUs to be vested over two years after achieving performance targets for the respective performance periods

In 2023, we engaged an independent external remuneration consultant to provide professional advice on Board and Executive remuneration matters.

Nominating and Corporate Governance Committee (“NCGC”)

The purpose of the NCGC is primarily to:

- Select and recommend candidates for members of the Maxeon Board
- Evaluate whether incumbent directors should be nominated for re-election to the Maxeon Board upon expiration of directors’ terms
- Oversee ESG program

Our commitment to diversity extends to the composition of Maxeon’s Board, as reflected in our Board Diversity Statement. In fulfilling its responsibility to select and recommend candidates for Maxeon Board members, the NCGC ensures the pool of potential candidates for consideration reflects diversity of experience and skills, age and tenure, gender, ethnicity and social background. Beyond Board positions specifically allocated for our shareholders, the Committee seeks independent candidates.

The NCGC periodically reviews the makeup of the Board to verify it is performing in fulfilling its duties. This is complemented by an annual independent Board evaluation to assess its performance. To date, the results from this yearly evaluation have reinforced the strength of the policies and processes in place to support the Board in effectively fulfilling its duties.



Sound corporate governance includes managing potential conflicts of interests. At Maxeon we draw on and implement NASDAQ Marketplace Rules in defining the criteria of an ‘independent director.’ All members of our Audit Committee are independent, and at least two directors per each of the remaining Committees are independent, thereby enabling the involvement of financial experts in our internal processes whilst ensuring the avoidance of conflicts of interest.

We also require that all members of the Board adopt and are familiar with our Code of Ethics and Business Conduct, which sets out a duty to avoid any apparent or actual conflicts of interests. The document is available on our website at <https://www.maxeon.com>.

Governance approach: An overview



GRI 2-9: Governance structure and composition

	Number	Percentage
Executive directors	1	10%
Non-executive directors	9	90%
Independent directors	4	40%
Non-independent directors	5	50%
Under-represented individual in home country jurisdiction	0	0%
LGBTQ+	0	0%
Female	0	0%
Male	10	100%
>9 years tenure of service	0	0%
<9 years tenure of service	10	100%

GRI 2-16: Communicating critical concerns

Critical concerns	Number	0
	Number	0

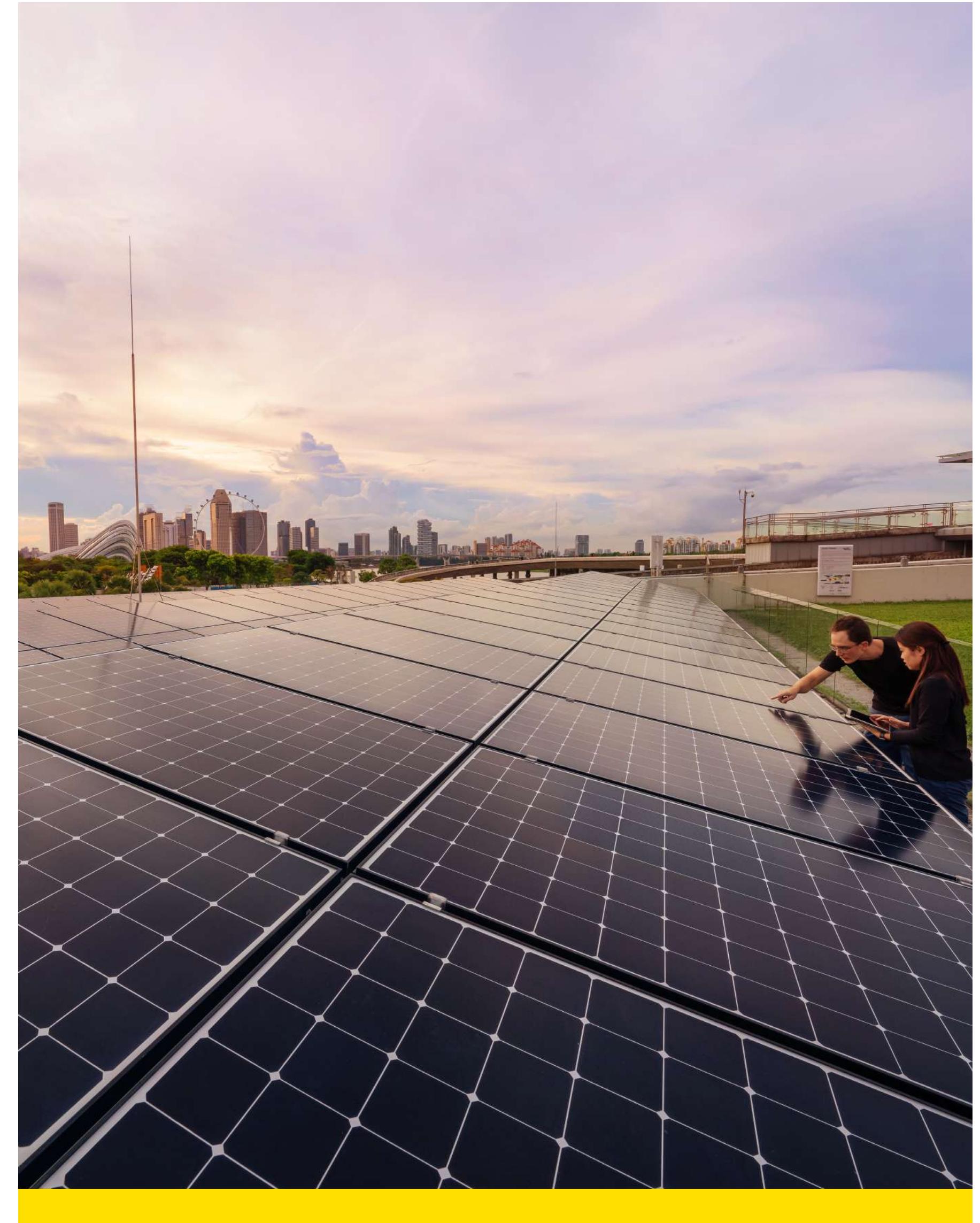
Why is it material?

One of Maxeon's core company values is "We hold ourselves to a higher standard." We deeply believe that each one of us at Maxeon has a responsibility to do the right thing and to operate with ethical integrity. Our Code of Ethics and Business Conduct sets our expectations with regards to personal and corporate conduct. Upholding business integrity and ethics is not only the right thing to do; it is also crucial to maintaining the trust of our stakeholders which is fundamental to our long-term success as a business. Among other benefits, it enables us to attract and retain talent, build a transparent relationship with our customers, and protect our reputation.

Management approach

Maxeon's Code of Ethics and Business Conduct applies to all stakeholders, including our directors, officers, employees and engaged external stakeholders. It sets out the responsibilities of the individual to do the right thing and operate with ethical integrity, aligning to our core value "We hold ourselves to a higher standard." Our Code of Ethics and Business Conduct covers topics such as anti-corruption, anti-competitive behavior, conflicts of interest, political activity and other expectations for corporate behavior. It further covers the processes for asking questions, responding to concerns and reporting violations. Further details can be found in our Annual Report and on our website at <https://www.maxeon.com>.

Preventing bribery, corruption and other malpractice, we conduct routine risk assessments within our operations and our supply chains. Across our operations in countries that rank poorly on the Transparency International's Corruption Perceptions Index, we take additional measures to ensure adherence to strong corporate governance and mitigate any risks. For example, in some cases we obtain compliance certifications from relevant governmental and regulatory bodies.



Our initiatives

Employees

Committed to ensuring our people consistently conduct themselves in an ethics manner and act with integrity, we have measures in place to make employees aware of Maxeon's Code of Ethics and Business Conduct, including our whistleblower policies. The Code of Ethics and Business Conduct is communicated through annual compliance training, employment contracts, certifications and other training courses. Employees are encouraged to seek guidance from their supervisor, local HR manager and the Chief Ethics and Compliance Officer should they have concerns relating to ethics and business conduct.

Compliance & Ethics Helpline

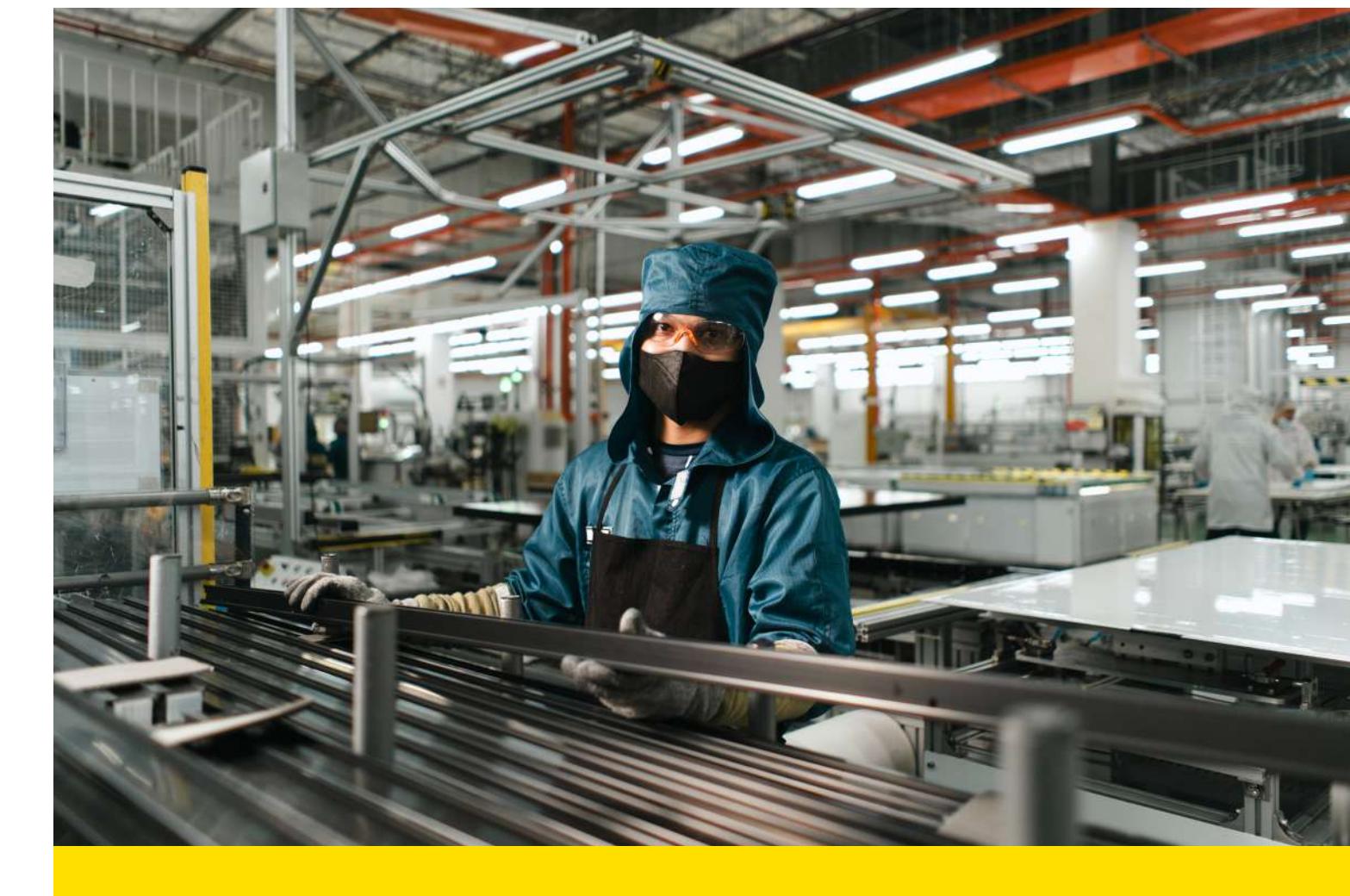
Our Compliance & Ethics Helpline, also referred to as the "Whistleblower Hotline," operates 24 hours a day, seven days a week in multiple languages. It is available for internal and external stakeholders to raise questions on business conduct issues, policies, regulations and compliance with legal requirements, and to report known or potential violations of the law or our Code of Ethics and Business Conduct. The Helpline is administered by a third party to allow for anonymity. Maxeon does not tolerate any form of retaliation against stakeholders who report in good faith.

In the case that wrongdoing is identified, a report is created and an executive-led committee will evaluate the incident based on its level of severity, with the option to enlist the services of external experts, such as lawyers or accountants, where necessary. The AC is ultimately responsible for examining reports and determining the appropriate corrective actions. All complaints made through the Helpline are summarized for the Board four times a year, and our Head of Internal Audit prepares a quarterly report detailing the complaints. We receive feedback on the Compliance & Ethics Helpline from our stakeholders on an ad-hoc basis and respond accordingly in a timely manner.

Feedback is acquired through the employed grievance mechanisms and implemented accordingly. Additionally, as Maxeon receives feedback on an ad-hoc basis, we are equipped to responding to feedback upon receiving it.

Supplier management systems

At Maxeon we expect our suppliers to adopt or establish internal management systems which ensure compliance with applicable laws, regulations and customer requirements. These systems should conform to the principles set out in our [Supplier Sustainability Guidelines](#) and ensure the identification and mitigation of operational risks. Suppliers and their agents must adhere to Maxeon's Code of Ethics and Business Conduct and can access our Compliance & Ethics Helpline to report any perceived misconduct.



Performance highlights

In 2023 we achieved zero incidents of corruption, keeping us on track to meet our 2025 and 2030 goals to maintain our performance on business integrity and ethics and to enhance controls.

We assessed all our operations for risks relating to corruption and administered training on our anti-corruption policies and procedures to 100% of Maxeon's employees globally. Looking beyond our own operations and recognizing the importance of taking action throughout the supply chain, in 2023, all new Maxeon suppliers were screened against both a social and environmental criteria to identify any significant actual or potential negative impacts. Further details of our 2023 performance are set out below.

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

	2021	2022	2023
Confirmed incidents of corruption	0	0	0
Confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0	0
Number of public legal cases regarding corruption brought against the organization or its employees during the reporting period	0	0	0

GRI 2-27: Compliance with laws and regulations

	2022	2023
Total number of significant instances of non-compliance with laws and regulations	0	0
Number of instances in which fines were incurred	0	0
Number of instances in which non-monetary sanctions were incurred	0	0
Total number of monetary value of fines for instances of non-compliance with laws and regulations that were paid	0	0
Monetary value of fines for instances of non-compliance with laws and regulations that were paid	0	0

Performance highlights

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

	2022	2023
Total number of operations	14	14
Number of operations assessed for risks related to corruption	14	14
Percentage of operations assessed for risks related to corruption	100%	100%
Significant risks related to corruption identified through the risk assessment.	N/A	N/A

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

	China	Singapore	Europe (UK)	United States
Total number of Board members in each region	3	2	1	4
Total number that the organisation's anti-corruption policies and procedures have been communicated to	3	2	1	4
Percentage that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%
Total number that received training and anti-corruption	0	0	0	0
Percentage that received training and anti-corruption	0%	0%	0%	0%

Performance highlights

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

	Executive leadership	Professional/manager	Technical, production and administrative
Total number in each employee category	9	654	5137
Total number that the organisation's anti-corruption policies and procedures have been communicated to	9	654	5137
Percentage that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Total number that received training and anti-corruption	9	654	5137
Percentage that received training and anti-corruption	100%	100%	100%

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

	Singapore	Mexico	Philippines	Malaysia
Total number in each region	117	1639	930	865
Total number that the organisation's anti-corruption policies and procedures have been communicated to	117	1639	930	865
Percentage that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%
Total number that received training and anti-corruption	117	1639	930	865
Percentage that received training and anti-corruption	100%	100%	100%	100%

Performance highlights

GRI 205-2: Communication about anti-corruption policies and procedures for business partners

	Singapore	Mexico	Philippines	Malaysia
Total number of business partners	100-200	500-700	500-700	500-700
Total number of business partners that the organisation anti-corruption policies and procedures have been communicated to	100-200	500-700	500-700	500-700
Percentage of business partners that the organisation anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%
Breakdown according to type of business partner	100% of our suppliers received communication through our contracts and our supplier trainings. Other business partners may refer to our anti-corruption policies via our website.			

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

	2022	2023
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	0	0
Main outcomes of completed legal actions	N/A	N/A

Performance highlights

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

	2022	2023
Percentage of new suppliers screened using a social criteria	100%	100%
Number of suppliers assessed for social impacts	5013	7710
Number of suppliers identified to have significant actual/potential negative social impact	0	0
Significant actual/potential negative social impacts identified in the supply chain	0	0
Percentage of suppliers with significant actual/potential negative social impacts, with which improvements were agreed	NIL	NIL
Percentage of suppliers with significant actual/potential negative social impacts, with which relations were terminated	NIL	NIL

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

	FY22	FY23
Percentage of new suppliers screened using environmental criteria	100%	100%
Number of suppliers assessed for environmental impacts	5013	7710
Number of suppliers identified to have significant actual/potential negative environmental impact	0	0
Significant actual/potential negative environmental impacts identified in the supply chain	0	0
Percentage of suppliers with significant actual/potential negative environmental impacts, with which improvements were agreed	NIL	NIL
Percentage of suppliers with significant actual/potential negative environmental impacts, with which relations were terminated	NIL	NIL

Looking forward

In 2024, we will continue to enforce our Code of Ethics and Business Conduct and further enhance existing controls around business integrity and ethics. We will remain abreast of new and evolving regulations to ensure consistent adherence with best practices and to hold ourselves to the highest standards of organizational conduct. We will work to maintain zero incidents of corruption, as achieved in 2023. Finally, through a partnership with Nanyang Polytechnic, we will enhance our data collection processes, starting with internal data and extending this work to external data in the future. This three-year collaboration will see interns from Nanyang join Maxeon to support in building a data dashboard to amplify our internal governance controls.



Why is it material?

The sustained delivery of advanced solar products to power the fight against climate change requires us to consistently uphold our standards on quality, reliability and safety (“QRS”). This nurtures the valuable relationship we have with our customers and our reputation as a responsible leader in the industry. For this reason, over the last year we continued to push boundaries to produce products we are proud of, whilst always ensuring safety for all stakeholders.

Management approach

Maintaining and further enhancing the quality, reliability and safety of our products is a primary focus for Maxeon. The sustained excellence of our solar panels is what enables our customers to consume energy responsibly and make a positive impact. We take a three-pronged approach to product management, covering product development, realization and distribution. Guided by our Quality Policy, we have a robust suite of controls and processes in place, including design innovation, rigorous supplier selection, high standards for materials, manufacturing controls to enhance traceability, and packaging end-of-line testing. This approach is underpinned by strong governance, with the relevant controls and processes overseen by our Executive Leadership Team and supported by our functional teams. We constantly reflect on and refine our processes to ensure we are meeting stakeholder expectations.

Maxeon’s manufacturing plants and R&D facilities align to several certifications which testify to the high standards we uphold on QRS. Such certifications include:

- ISO 9001:2015 Quality Management Systems
- ISO45001: 2018 Occupational Safety and Health Management System
- ISO14001: 2015 Environmental Management System certifications



Our initiatives

Sustaining our track record of optimal long-term panel performance, we conduct regular in-house product reliability evaluations, drawing on a standardized set of methodologies. For example, we have a Reliability Testing Lab at FAB3, our facility in Malaysia, supported by capabilities to evaluate product reliability. We have also deployed an iQuality system through which we collect and analyze data regarding our panel quality in line with data transparency and integrity standards. This enables accurate identification of improvements which can be made as part of our ongoing journey to take product QRS to the next level for our consumers. Additionally, we seek input from our various stakeholders, including our employees, on our products. We use this feedback to further enhance the efficiency and reliability of the solar solutions we offer to the market.

The QRS of our products is demonstrated by recognition from external certification bodies, such as TÜV, JET and UI. Moreover, the delivery of our industry leading 40-year warranty is achievable because of our confidence in the reliability of our products. Maxeon is the sole solar panel manufacturer to achieve the Declare Label, signaling to consumers that our products are trustworthy and conducive to human and environmental health. The Declare Label helps enhance transparency with regards to the materials we put in our products and reassures customers that our panels do not contain harmful substances.

Performance highlights

Tracking the QRS of our products, we measure defective parts per million in sales contracts (“DPPM”). In 2023 we achieved a DPPM score of 99 for our products. This is a 76% improvement on our 2022 respective DPPM score of 407 and reflects a significant decrease from a DPPM score of 2000 in 2020. As such, we have reached our goal early of a 50% reduction in maximum DPPM when compared with our baseline in 2020. In 2023, we also maintained compliance with all regulations and voluntary codes relating to the health and safety impact of our products and services, with zero incidences of non-compliance.

Looking forward

In 2024, we will uphold our strong 2023 performance in product QRS. In addition to maintaining our low DPPM score, we will pursue zero major customer complaints, zero major non-compliance instances identified by external audits and IATF certification at our FAB4 facility in the Philippines. Moreover, we will seek Lab approval, obtained following a lab audit by experts, to certify our in-house laboratory for physical testing. This is expected in the second quarter of 2024.

Why is it material?

In the context of a rapidly changing world, we are committed to staying ahead of the curve to take solar energy to new heights through technological innovation. In doing this, we empower people in more than 100 countries to consume energy more responsibly and live more sustainably. Whilst businesses have historically been part of the problem when it comes to climate change, we are driven to use our product offering to become part of the solution.

Management approach

As a leader in solar industry with a deeply rooted commitment to sustainability, we take a dynamic and attentive approach to innovation in order to deliver cutting edge products to our customers, whilst also driving positive social and environmental impact. This includes product design and also extends to how we operate, both within our own business and throughout our upstream and downstream supply chains. Through this innovative approach, we seek to empower consumers to make conscious energy choices through panels adaptable to all needs.

Our Research Development and Deployment (“RD&D”) are the driving force behind our initiatives designed to uphold our commitment to continuously challenge ourselves to redefine the solar landscape. With several projects and partnerships in place to power innovation, the RD&D team meets regularly to assess our performance and explore new opportunities and ventures to further uplevel.



Our initiatives

Partnership with AlphaESS

In 2024, we continued our partnership with AlphaESS, a global player for solar energy storage solution and service provider. Leveraging our combined skills and expertise, we collaborated on intelligent and green energy solutions which empower customers with higher energy independence and enable them to adopt a more sustainable lifestyle. We have captured valuable insights from AlphaESS' extensive experience in the solar industry, which serve ultimately to further enhance our product offering.

Unmatched 40-year warranty in the industry

As a result of our willingness to push the boundaries of solar innovation, we are proud to offer our customers a 40-year warranty on our Interdigitated Back Contact (“IBC”) product line, sold under the SunPower and Maxeon brand names.

We believe in providing our customers a warranty, covering both the panel and its performance, which matches the exceptional nature of our quality solar technology.

The development of this technology was made possible through field studies on over 33 million solar panels in use globally, and comprehensive accelerated life testing by both the Maxeon team and third parties. In addition, we deployed a physics-based model to evaluate how our product fares over time through degradation and failure modes. Based on this research, we deliver products we are confident can be sustained for a minimum of 40-years and potentially beyond. This is made possible by our innovative endeavors, through which we have developed technology which avoids typical solar module failure modes, setting Maxeon aside from others in the industry.



Performance highlights

In 2023, we maintained our 40-year warranty on our flagship products. As the latest evolution in our IBC product line, we have applied this warranty to our Maxeon 7 solar panels which feature a bespoke design mitigating hotspot risk from cell cracking and heat buildup under shaded conditions. Driving progress towards our targets to achieve 24% and 25% efficiency by 2025 and 2030 respectively, we installed the first Maxeon 7 solar panel at 24.1% efficiency in the third quarter of this year. Through the strides we are taking, we are on track to reach our 25% efficiency target early with the development of the Maxeon 8 solar panel.

Looking forward

Throughout 2024, we aim to collaborate with our partners and suppliers to continue redefining the possible when it comes to solar innovation. In particular, we will work towards the launch of our new Maxeon Air product, designed 50% lighter than conventional panels and free of aluminum framing, racking, ballast or anchors.



Why is it material?

Our customers are at the forefront of all that we do and the decisions we make. We prioritize engagement to understand their evolving needs and concerns. This enables us to maintain a loyal and satisfied customer base while also adapting our products in response to the feedback we receive, both of which contribute to our revenue. Committed to preserving our reputation as a market leader within a competitive industry, we listen to the voices and inputs of those we serve and always endeavor to exceed expectations through our products and supporting services.

Management approach

As consumers trend towards clean and renewable energy, fostering a relationship of trust with our customers and building brand loyalty is essential for us as a business. We are not only committed to delivering high-quality products which meet customer needs and demands, but also ensuring best in class solar customer experience. We continuously seek to strengthen our customer engagement and build an ecosystem of dealers and installers who meet our standards of quality and integrity. It is paramount to us that consumers choosing Maxeon have confidence in the professionalism of installations and that they receive ongoing support post installation.

We collect feedback from our customers through three key channels:

1. Our **installation experience survey**, which is conducted one month post installation to understand our customers' impressions of the process. We collect information on the extent to which our customers are likely to recommend our installation partner to their network.
2. Our **one-year system experience review**, which seeks to understand how satisfied our customers are with Maxeon products and whether their expectations have been met. As part of this review, we gauge how inclined our customers are to recommend our products.
3. Our **issue-to-resolution process**, which establishes a line of communication for customers to contact us with questions and concerns in rare instances where issues arise with our products. Once any issues are resolved, our customers are asked to complete a survey to provide feedback on their experience.



Our initiatives

Launch of SunPower One home energy system

In 2023, the new SunPower home energy system, a suite of products and services, was made available in multiple European countries and Australia. This ecosystem, featuring industry-leading products, empowers consumers to manage and optimise their home energy consumption and the use of self-generated clean energy. The ecosystem comprises Maxeon's high-performance residential solar panels, the all-in-one SunPower Reserve home energy storage, the innovative SunPower Drive EV charger, and a variety of other energy services and integrations.

All of these products and services are tied together by a reimagined consumer experience inside the SunPower One app for homeowners. The SunPower One app goes beyond just monitoring the output of a homeowner's solar panels. It also proactively offers users energy insights that show in detail the devices that are consuming electricity in the home, highlighting opportunities to better utilise PV production, battery capacity, and EV charging scheduling to enhance financial savings.



Ensuring the longevity of our products

Our industry-leading warranty for our products supports their longevity and is key to maintaining customer loyalty. We provide our customers with solar panels that they are 100 times less likely to return compared to standard solar panels²⁷. This is supported by a warranty which customers can process with a greater sense of ease in the unlikely event this is needed and which covers both panel repair and replacement. Testifying to the lifespan we have achieved through Maxeon's patented IBC cell and panel designs, our tests have demonstrated that customers can expect a minimum output of 98% during the first year of operation and a maximum annual degradation of 0.25% for the subsequent 39 years.

²⁷SunPower and Conventional claim rates – “A Comparative Study: SunPower DC Solar Module Warranty Claim Rate vs. Conventional Panels.” SunPower Corporation. 2019.



Performance highlights

Maxeon utilizes a Net Promoter Score (“NPS”) system to measure and track the loyalty of our customers, holding ourselves accountable to exemplary performance. Based on a scale of one to ten, the NPS system invites customers to rate Maxeon based on levels of satisfaction. In calculating our NPS score, we subtract the percentage of customers who signal dissatisfaction with products, known as “Detractors,” from the percentage of customers who signal likelihood of endorsing or recommending our products, known as “Promoters.” Discounting for “Passives,” customers who are satisfied whilst not inclined to promote Maxeon, we deem an NPA score above 50 to be excellent and a score above zero to be satisfactory.

In 2023, we achieved a NPS score for customer health of 69. We are pleased to report that this represents a 23% increase from our NPS score for customer health in 2022, recognizing our efforts to ensure a premium customer experience. With this score, we have exceeded our 2025 target of a 62 NPS score for customer health and have almost reached our 2030 target of a 70 NPS score for customer health.

In addition to measuring NPS for customer health, we also measure NPS for partner health, capturing the satisfaction level of our business partners through the Maxeon Partner Survey. Analyzing this information, we are able to better understand and resolve the issues our business partners are facing, conducive to the delivery of a strong customer experience. This survey is complemented by an issue-to-resolution survey, analogous to what we have in place for customers. Our NPS score for partner health takes both surveys into consideration, whilst weighting the Maxeon Partner Survey more heavily.

In 2023 we maintained a strong NPS score for partner health of 64. Whilst this represents a small decrease of 3% when compared with 2022, we deem a score above 50 to be excellent and hence view this score as a testament to the strong relations we have built with our partners.

Looking forward

In 2024, we will keep up our ongoing efforts to engage with our customers and ensure their satisfaction, to ultimately provide a customer experience aligned with our key value to hold ourselves to a higher standard. We look to maintain our high NPS scores for customer and partner health and to remain on track to reach our 2030 target of a 70 NPS score for customer health early.



Forward looking statements

This Sustainability Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, , including, but not limited to, statements regarding: (a) our ability to meet short-term and long-term material cash requirements, our ability to complete an equity or debt offering or financing at favorable terms, if at all, our overall liquidity, substantial indebtedness and ability to refinance such debt and our ability to continue as a going concern; (b) our expectations regarding product pricing trends, demand and growth projections; (c) 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 Israel-Hamas-Iran conflict; (d) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (e) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, implementation of restructuring plans and projected growth and profitability; (f) our technology outlook, including anticipated fab capacity expansion and utilization and expected ramp and production timelines for the Company's next-generation Maxeon 7 and Performance line solar panels, expected cost reductions, and future performance; (g) our strategic goals and plans, including capacity expansion, partnership discussions with respect to the Company's next-generation technology, and our relationship with our 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 and feedback from our partners; (i) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets; (j)the potential financial impact of climate-related risks; and (k) our goals, commitments, expectations, prospects, emissions, energy consumption, water consumption, and other environmental targets as well as ESG commitments, including the seeking of external assurance in the future, data and performance. The forward-looking statements can be also identified by terminology such as "may," "might," "could," "will," "aims," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this Sustainability Report and the Company's operations and business outlook contain forward-looking statements.

This Sustainability Report may contain references to sustainability/ ESG data and performance that reflect metrics and concepts that are commonly used in such frameworks as the Global Reporting Initiative, Task Force on Climate-related Financial Disclosures, International Sustainability Standards Board and Sustainability Accounting Standards Board. We have used best efforts to align with the most commonly accepted methodologies for ESG reporting, including with respect to climate data and information on potential future risks and opportunities, in order to provide a fuller context for our current and future operations. However, these methodologies are not

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

These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. The forward-looking statements are not guarantees of future performance and are subject to a number of risks. The reader should not place undue reliance on these forward-looking statements, as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur. Factors that could cause or contribute to such differences include, but are not limited to: (1) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) our liquidity, substantial indebtedness, terms and conditions upon which our indebtedness is incurred, and ability to obtain additional financing for our projects, customers and operations; (3) our ability to manage supply chain shortages and/or excess

Forward looking statements

inventory and 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 war in Ukraine and the Israel-Hamas-Iran conflict; (5) our ability to manage our key customers and suppliers, including the impact of the termination of the supply agreements with one of the Company's biggest customers, SunPower Corporation; (6) the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships; (7) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (8) changes in regulation and public policy, including the imposition and applicability of tariffs; (9) our ability to comply with various tax holiday requirements as well as regulatory changes or findings affecting the availability of economic incentives promoting use of solar energy and availability of tax incentives or imposition of tax duties; (10) fluctuations in our operating results; (11) appropriately sizing our manufacturing capacity and containing manufacturing and logistics difficulties that could arise; (12) unanticipated impact to customer demand and sales schedules due, among other factors, to the spread of COVID-19, the war in Ukraine and other environmental disasters; (13) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships; (14) reaction by

securities or industry analysts to our quarterly guidance which, in combination with our results of operations, may cause them to cease publishing research or reports about us, or adversely change their recommendations regarding our ordinary shares, which may negatively impact the market price of our ordinary shares and volume of our stock trading; and (15) unpredictable outcomes resulting from our litigation activities or other disputes. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission ("SEC") from time to time, including our most recent report on Form 20-F, particularly under the heading "Risk Factors". Copies of these filings are available online from the SEC at www.sec.gov, or on the SEC Filings section of our Investor Relations website at <https://corp.maxeon.com/investor-relations>. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Maxeon Sustainability Report 2023

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