

SUNPOWER®

James Nicholopoulos

Director Supply Chain, SunPower

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Dear Supplier:

Over the years, SunPower Corporation has worked with exceptional suppliers whose solutions have helped us provide customers with outstanding products and services. Our supplier relationships have succeeded because of our mutual commitment and common goals. Now we are asking you, as a supplier, to support us on issues involving Supply Chain Sustainability.

To ensure that our operations are carried out under the highest legal, financial and corporate social responsibility (CSR) standards, SunPower has adopted Supplier Sustainability Guidelines, based on the Solar Energy Industry Association's (SEIA) Solar Commitment. The Solar Energy Industries Association (SEIA) developed the Commitment for Environmental and Social Responsibility in 2012 to define common practices and expectations for all solar industry participants, including manufacturers, suppliers, subcontractors, and customers in the solar value chain.

It provides rules and guidelines suppliers are expected to observe in their daily business activities, which include respecting the rights of workers, communities and other stakeholders, along with making business operations safe and environmentally responsible. SunPower recognizes that legal and cultural requirements vary in a global business environment, and expects that all our suppliers and their suppliers follow the applicable laws of their country or territory. At the same time, the Supplier Sustainability Guidelines set forth certain universal requirements that suppliers are also expected to follow and implement throughout their own value chains.

We are providing you with a copy of the **Supplier Sustainability Guidelines** (you will find **SunPower's Conflict Minerals Policy** and **SunPower's Human Rights Statement** attached as appendices) and request that you confirm your acceptance and acknowledgment by signing the Agreement found on the last page and submitting the signed Agreement via email to Casey Riscoe (Casey.Riscoe@sunpowercorp.com). Depending on the scope of work you do for SunPower, we may also request separately that you sign SunPower's **Environmental Requirements for Packaging**, **Environmental Product Content Specification** and SunPower's **Commitment to Elimination of Human Trafficking and Slavery**.

If you have questions regarding our program or wish to share with us details of your existing Supply Chain Sustainability program, please contact Casey Riscoe. Thank you for attending to this important matter.

Regards,


James Nicholopoulos

Director SunPower Supply Chain

SunPower Supplier Sustainability Guidelines

The solar energy industry delivers sustainability solutions to customers by producing energy with low greenhouse gas impacts, improving energy security, and creating jobs and economic development. These considerations, however, are only a small part of the industry's role in sustainability. More broadly, the solar energy industry has a responsibility to mitigate and manage its full range of social and environmental impacts, which include respecting the human rights of workers, ensuring that the rights of communities and other stakeholders are respected, and making business operations safe and environmentally responsible.

To advance comprehensive sustainability performance of the solar industry in support of the above aims, the Solar Energy Industries Association (SEIA) developed the Commitment for Environmental and Social Responsibility ("the Commitment"). The Commitment defines common practices and expectations for all solar industry participants, including manufacturers, suppliers, subcontractors, and customers in the solar value chain. The Commitment is not intended to create new and additional third party rights, including for workers.

In order to reduce duplication, promote harmonization, and advance shared approaches, SEIA has adopted the Electronics Industry Code of Conduct ("EICC") V.3.0 (developed by the Electronic Industry Citizenship Coalition) as its core compliance standards for Labor, Health & Safety, the Environment, Management Systems, and Ethics (see appendix for more information on use of the EICC as part of this Commitment) and supplemented it with solar-specific principles.

SunPower expects its suppliers to be aware of its Human Rights Statement and respect and follow a similar policy, we also ask suppliers to continuously improve their observance of human rights, recognizing new interpretations and standards that affect their work. SunPower reserves the right to carry out further due diligence including monitoring and auditing suppliers to ensure compliance and reduce risk.

I. Labor Practices

Separately from the SEIA commitment, but consistent with the below expectations, SunPower intends to follow standards set out in SA8000. SunPower expects its suppliers to operate consistent with, and draw upon SA8000 and internationally recognized standards, such as the [Universal Declaration of Human Rights](#) and the [United Nations Global Compact](#), and [SunPower's Statement on Human Rights](#) to ensure human rights are protected throughout the supply chain. Suppliers should track and make available to relevant stakeholders information on their human rights performance.

1) Freely Chosen Employment

Forced, bonded or indentured labor or involuntary prison labor should not to be used. All work will be voluntary, and workers should be free to leave upon reasonable notice. Workers should

not be required to hand over government-issued identification, passports or work permits as a condition of employment.

2) Child Labor Avoidance

Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform work that is likely to jeopardize the health or safety of young workers.

3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers should be allowed at least one day off per seven-day week.

4) 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. In compliance with local laws, workers should be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure should not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

5) Humane Treatment

Disciplinary policies and procedures should be clearly defined and communicated to workers. There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers: nor is there to be the threat of any such treatment.

6) Non-Discrimination

The workforce should be free of harassment and unlawful discrimination. Companies should not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

7) Freedom of Association

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. The rights of workers to

associate freely, join or not join labor unions, seek representation, join workers' councils in accordance with local laws should be respected. Workers should be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

II. Health and Safety

SunPower recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. We also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace. Recognized management systems such as OHSAS 18001 and ILO Guidelines on Occupational Safety and Health were used by SEIA as references in preparing the Solar Commitment and may be useful sources of additional information. Suppliers are expected to be aware of and operate consistently with SunPower's Environment, Health and Safety Policy.

1) Occupational Safety

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment. Workers should not be disciplined for raising safety concerns.

Suppliers must comply with electrical design and installation standards (e.g. the IEC/NEC or equivalent) to ensure electrical safety, including when systems are installed in ground-mount (free-field) or rooftop environments.

Suppliers must comply with all applicable fall prevention requirements including, as relevant, fall prevention safety plans, training, monitoring, mitigation activities, corrective action plans as well as any additional activities to eliminate fall risk.

2) Emergency Preparedness

Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

3) Occupational Injury and Illness Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical

treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.

4) Industrial Hygiene

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programs.

5) Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

6) Machine Safeguarding

Production and other machinery are to be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

7) Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Supplier or a labor agent are to be maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, and adequate heat and ventilation and reasonable personal space along with reasonable entry and exit privileges.

III. Energy and Environment

SunPower recognizes that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public.

Suppliers should actively work to reduce the consumption of natural resources including raw materials, water, and energy taking into consideration the entire product life-cycle from raw material sourcing through end-of-life. Scrap materials and end of life products should be reused or recycled through public or private programs. Key environmental impacts of manufacturing processes, product technology or key business operations should be identified and appropriate controls should be used to minimize these impacts including tracking water use, energy use, and related greenhouse gas emissions, while maximizing energy efficiency throughout business operations. Suppliers should make available to relevant stakeholders information on all of these processes and activities.

1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

2) Pollution Prevention and Resource Reduction

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

3) Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

4) Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

6) Product Content Restrictions

Participants are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

IV. Management System

Suppliers are expected to adopt or establish a management system whose scope is related to the content of these Supplier Sustainability Guidelines. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the supplier's operations and products; (b) conformance with these Guidelines; and (c) identification and mitigation of operational risks related to these Guidelines. It should also facilitate continual improvement.

The management system should contain the following elements:

1) Company Commitment

Corporate social and environmental responsibility policy statements affirming commitment to compliance and continual improvement, endorsed by executive management.

2) Management Accountability and Responsibility

Company representative[s] responsible for ensuring implementation of the management systems and associated programs are identified. Senior management reviews the status of the management system on a regular basis.

3) Legal and Customer Requirements

Identification, monitoring and understanding of applicable laws, regulations and customer requirements.

4) Risk Assessment and Risk Management

Process to identify the environmental, health and safety and labor practice and ethics risks associated with Supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance. Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

5) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.

6) Training

Programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

7) Communication

Process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, suppliers and customers.

8) Worker Feedback and Participation

Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by these Guidelines and to foster continuous improvement.

9) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Guidelines and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

V. Ethics

To meet social responsibilities and to achieve success in the marketplace, Supplier's and their agents are to operate consistently with [SunPower's Code of Business Conduct and Ethics](#) ("Code of Conduct") and uphold the highest standards of ethics including:

1) Business Integrity

The highest standards of integrity are to be expected in all business interactions. Suppliers should prohibit any and all forms of corruption, extortion and embezzlement. Monitoring and enforcement procedures should be implemented to ensure conformance.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

3) Disclosure of Information

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.

4) Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

5) Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.

6) Protection of Identity of Whistleblowers

Programs that ensure the confidentiality and protection of supplier and employee whistleblower* are to be maintained.

*Whistleblower is defined as any person who makes a good faith disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

7) Reporting Misconduct

If a supplier believes that anyone acting on behalf of SunPower is engaged in illegal or unethical conduct, the supplier should report this to SunPower. A good-faith report of suspected misconduct will not adversely impact the supplier.

VI. Additional Policy Statements

Appendix 1: SunPower Human Rights Statement

Appendix 2: Conflict Minerals Policy



Appendix 1: SunPower Human Rights Statement

SunPower Corporation and all of its subsidiaries (collectively “SunPower”) are committed to human rights as articulated in the [Universal Declaration of Human Rights](#), the [Conventions of the International Labor Organization](#), the [UN Guiding Principles on Business and Human Rights](#), and [the UN Global Compact](#). SunPower will strive to respect these human rights and the national laws of the countries where it operates that encompass and extend these rights. This policy applies to all employees and contingent workers within SunPower.

SunPower ensures that workers are treated with dignity and work in safe and healthy conditions. In addition, SunPower staff are remunerated fairly with living wages and the company observes international norms on working hours. We prohibit the practice of forced labor, child labor, bonded labor, or any exploitative labor practice. SunPower also prohibits recruited employees from paying fees during recruitment to deter the potential for forced labor. SunPower rejects all forms of discrimination and harassment at the workplace, including due to sex (which includes pregnancy, childbirth, breastfeeding, or related medical conditions, the actual sex of the individual, or the gender identity or gender expression), race, color, 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 characteristic protected by local law or regulation. SunPower is aware of the specific need to protect minority and indigenous person’s rights in the countries we operate, as such, SunPower respects the rights of local communities and cultures and attempts to reduce impacts on their ways of life. SunPower also rejects any limitations on free speech, expression, thought, consciousness, religion, and association to include collective bargaining. SunPower actively seeks to protect the rights of its workers by publishing this policy throughout its facilities in local languages, offering human rights trainings, and listing a complaint line.

Human rights violations by our employees are unacceptable and impermissible pursuant to the principles and values embodied in our [Code of Business Conduct and Ethics](#) (“Code of Conduct”). If employee’s conduct (or failure to act) is inconsistent with the principles and values embraced in SunPower’s Code of Conduct, disciplinary action, up to and including termination of employment, may result. SunPower maintains a zero tolerance policy with respect to corruption, as articulated in our Global Anti-Corruption Compliance Policy. Our protocols to protect against corruption include providing employee training and resources, internal controls to prevent and detect violations of our Global Anti-Corruption Compliance Policy, and carrying out due diligence of third party contractors or suppliers who may interact with government officials.

SunPower attempts to hold its suppliers to the same standards as its employees. SunPower does this through its Supplier Guidelines, which require suppliers to acknowledge this human rights statement and their responsibility pursuant to it. SunPower is committed to the elimination of human trafficking and slavery from its direct supply chain. Accordingly, SunPower requires its direct suppliers to certify that they do not engage in any form of human trafficking and slavery. In order to mitigate the risk of human trafficking and slavery occurring in its supply chain, SunPower has adopted the following measures:

1. **Product Supply Chain Human Trafficking Risk Assessment:** SunPower conducts a human trafficking risk assessment of its supply chain on a yearly basis.
2. **Supplier Audits:** SunPower retains the right to conduct audits of suppliers to evaluate each supplier's compliance with SunPower's standards regarding human trafficking and slavery in supply chains.
3. **Supplier Certification:** SunPower requires direct suppliers to sign a contract amendment verifying that they are not engaged, either directly or indirectly, in human trafficking or slavery and follow corresponding local laws.
4. **Training:** SunPower offers training to its employees and suppliers on human rights that help identify, mitigate, and report on human trafficking and slavery.
5. **Accountability & Management Systems:** SunPower states in its contracts with suppliers and in [SunPower's Commitment to the Elimination of Human Trafficking and Slavery](#) that any violations of SunPower's standards, regarding human trafficking and slavery, may result in the termination of SunPower's business relationship with a supplier.

The above steps constitute SunPower's efforts to comply with the California Transparency in Supply Chains Act and to take required steps under the United Kingdom's Modern Slavery Act. When applying for U.S. federal government contracts, SunPower will comply with all anti-human trafficking requirements outlined in [FAR 52.222-50](#), and will act in the spirit of that law during all other operations. To comply with SunPower's requirement on human trafficking and slavery, a supplier must operate in full compliance with laws, rules, and regulations applicable to human trafficking and slavery in the countries in which it operates, as well as any other applicable laws. Further, SunPower expects its direct suppliers to undertake the necessary measures to ensure that their direct suppliers do not engage in human trafficking and slavery.

As a general rule for approaching human rights due diligence, SunPower will follow efforts recommended by the UN Guiding Principles, which include "assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed." SunPower will use risk-based methods to find locations of high risk for critical issues like human trafficking, and will maintain the ability to perform further due diligence including audits on human rights, labor, ethics and corruption concerns.

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SunPower makes all suppliers and business partners aware of its human rights policy and asks them to respect and follow it or a similar policy. SunPower asks its suppliers to continuously improve their observance of human rights, recognizing new interpretations and standards that affect their work. SunPower has consulted with stakeholders both inside and outside the company to develop this policy. SunPower is especially concerned with views of foreign nationals who work at facilities outside of the United States.

SunPower's Chief Operating Officer (COO) is responsible for the execution of this policy and reports to the Board of Directors on progress against the policy. SunPower's Sustainability Council, of which the COO is a member, will review human trafficking concerns in the context of its supply chain with employees who manage suppliers and form recommendations. SunPower is committed to making all required public disclosures related to human rights practices, including reporting on use of minerals regulated in by the Wall Street Reform and Consumer Protection Act (see Conflict Minerals Policy) and disclosures under the California Transparency in Supply Chains Act.

All current SunPower products are certified Cradle-to-Cradle Certified™ Silver, which requires a social fairness review covering elements of human rights. SunPower is also investigating other cost-effective certifications that could bring investors and consumers greater confidence in our human rights practices.

Appendix 2: Conflict Minerals Policy

SunPower fully supports the goals and objectives of federal legislation in the U.S., under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), which aims to prevent the use of “conflict minerals” that directly or indirectly finance or benefit armed groups in The Democratic Republic of the Congo (DRC) or adjoining countries (as defined in the Act). Conflict minerals include: columbite-tantalite (coltan) (i.e., tantalum), cassiterite (i.e., tin), gold, wolframite (i.e., tungsten) or their derivatives (3TG), and could expand to include other minerals or their derivatives, as determined by the U.S. Secretary of State. SunPower is aware that the European Union has reached a political agreement on its own conflict minerals policy, and upon a full reading of the approved law, intends to fully support its goals and objectives.

SunPower is committed to avoiding the use of conflict minerals which directly or indirectly finance or benefit armed groups in the DRC or adjoining countries, while continuing to support responsible mineral sourcing in the region. We will immediately suspend or discontinue engagement with suppliers if we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups. SunPower exercises leadership to address conflict minerals as a member of the Conflict Free Sourcing Initiative (CFSI).

SunPower is committed to complying with the reporting obligations required under the Act, as well as the related rules and regulations issued by the U.S. Securities and Exchange Commission, including the requirement that SunPower conduct inquiries into the source of any concerned minerals included in our products. SunPower adopted the CFSI universal reporting template and follows the due diligence process prescribed by the Organization for Economic Cooperation and Development (OECD) to ensure consistent, transparent and responsible sourcing of concerned minerals throughout the supply chain.

SunPower expects its suppliers to have conflict mineral policies and due diligence measures that give us reasonable assurance that minerals used are conflict-free, this includes passing the same requirements on to their suppliers.

To support this policy, SunPower will:

- Carry out due diligence consistent with the OECD’s recommended process;
- Require all SunPower suppliers to acknowledge SunPower’s Supplier Sustainability Guidelines which follow the SEIA Solar Commitment, and which include this policy as an annex;
- Commit to adopt, widely disseminate, and incorporate this policy in contracts and agreements with suppliers who may source the concerned minerals;
- Require concerned suppliers to declare that all products supplied either do not contain 3TG that are necessary to their production or functionality, or, if they do, that they originate from non-conflict areas or from refiners or smelters that have been validated as being conflict-free;
- Reserve the right to request additional documentation from suppliers regarding the source of any minerals included in its products, and ask for traceability data to be maintained for a minimum of five years;
- Coordinate with other companies, including through CFSI, to create better reporting solutions;
- Ensure transparency of the conflict minerals reporting process by making publicly available our reports.

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SunPower evaluates its relationships with its suppliers on an ongoing basis to ensure continued compliance with this policy. Suppliers who do not comply with these requirements may have their existing business relationship with Sunpower terminated, and will be reviewed by SunPower's supply chain organization for future business. A grievance mechanism exists for reporting violations of the company's Conflict Minerals Policy. Violations may be reported by calling the Company's Compliance and Ethics Helpline at 1-866-307-5679.



Supplier Sustainability Guidelines

Acknowledgement

This acknowledgement and agreement is intended to supplement any and all contracts and agreements between SunPower and Supplier for the supply of goods or services by Supplier to SunPower Corporation and its affiliates. Supplier confirms that it has read the SunPower Supplier Sustainability Guidelines and agrees with its statement of requirements.

Supplier Executive
Signature
Position
Date