Welcome to your CDP Climate Change Questionnaire 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.
We are the Sketch-to-Scale® solutions provider that designs and builds intelligent products globally. With approximately 200,000 professionals across 30 countries, we provide innovative design, engineering, manufacturing, real-time supply chain insight, and logistics services to companies of all sizes in various industries and end-markets.

We are a participant in the UN Global Compact, the world’s largest sustainability initiative as well as a constituent of the FTSE4Good Index. Our sustainability efforts have been recognized by Frost and Sullivan with the 2018 and 2019 Manufacturing Leadership Awards, and by the Institutional Shareholder Services Inc. (ISS) with the highest disclosure and transparency score in the social category.

We believe that a sustainable approach to business is essential and forms a core part of the way we do business. Our sustainability strategy identifies our commitment to sustainable development across five cornerstones: people, community, environment, innovation, and integrity. These cornerstones form the foundation of proactive solutions that continually impel us to improve our corporate citizenship and workplace performance. We believe in the power of technology to connect people, products and services to create a smarter, more sustainable future. It’s not just good business, but it’s good for the environment, for people and the communities in which we live and work. Through our sustainability strategy, vision and mission, we promise to deliver sustainable impact throughout the global communities in which we live and work to become a trusted investment, employer, and partner of choice.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Row</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 1, 2018</td>
<td>December 31, 2018</td>
<td>No</td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.
China
Malaysia
C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>Ultimate responsibility for climate-related issues resides with the audit committee of our board of directors. The charter for the audit committee includes, among other activities, the responsibility to (1) review legal and regulatory matters that may have a significant impact on financial statements and related company compliance policies and programs and (2) assess the steps management has taken to minimize risks to us, including our risk assessment and risk management policies. Because the audit committee is responsible for regulatory matters and risk assessment, the committee is best positioned to oversee Flex’s sustainability program, including climate-related issues. Our board of directors conducts an annual strategic review in which climate-related risks and opportunities are highlighted and directional initiatives are approved, e.g. increases in our onsite solar power capacity and generation.</td>
</tr>
</tbody>
</table>
C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
</table>
| Scheduled – some meetings | Reviewing and guiding strategy  
Reviewing and guiding major plans of action  
Reviewing and guiding business plans  
Monitoring implementation and performance of objectives  
Overseeing major capital expenditures, acquisitions and divestitures  
Monitoring and overseeing progress against goals and targets for addressing climate-related issues | The audit committee of our board of directors assists in fulfilling oversight of legal and regulatory matters that may have a significant impact on the financial statements and related company compliance policies and programs. This includes the responsibility to assess climate-related sustainability risks and opportunities. The board of directors conducts an annual strategic sustainability review in which climate-related risks and opportunities are highlighted and directional initiatives are approved, e.g., increases in our onsite solar power capacity and generation. At the operational level, our greenhouse gas (GHG) inventory and reduction program is overseen by an Executive Sponsor Group (ESG) comprised of the Chief Financial Officer, Chief Human Resources Officer, Chief Compliance Officer, General Counsel, the Business Segment Presidents, the Executive Vice President of Strategy and Resources (including real estate and facilities), the Vice President of Security and Brand Protection, and the Vice President of Audit and Risk Management. Progress towards our GHG reduction goal is reviewed regularly by the ESG and periodically with the CFO and the Executive Committee. Flex’s corporate sustainability team conducts quarterly sustainability scorecard reviews to assess progress on key sustainability indicators and targets by program, region and site. In addition, the team conducts periodic reviews of key issue areas, including key performance indicators, e.g., environmental, health and safety are reviewed quarterly with senior management and every two months with groups of general managers from the regions. |

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.
<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Financial Officer (CFO)</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other C-Suite Officer, please specify</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Chief Compliance Officer</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify General Counsel</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify Business Segment Presidents</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify Executive Vice President, Strategy</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify VP Security+Brand Protection</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify VP of Audit + Risk Management</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify VP Corp Social + Environ Resp</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify VP of Corporate Real Estate+Facilities</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other, please specify Executive Sponsor Group (ES)</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

1 Business Segment Presidents
2 Chief Human Resources Officer
C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Ultimate responsibility for climate-related issues resides with our board of directors. Below board-level, the Executive Sponsor Group (ESG) is responsible for climate-related issues, including our greenhouse gas (GHG) inventory and reduction program. As a cross-functional group of senior executives, including the Chief Financial Officer, Chief Human Resources Officer, Executive Vice President Strategy and Resources (including real estate and facilities) and Segment Presidents, the ESG is best positioned to support the integration of sustainability across all aspects of our business and therefore holds the highest management-level position with responsibility for climate-related issues.

We have established 20 goals (referred to as “Flex 20 by 2020 goals”) aligned to the United Nations’ Sustainable Development Goals (SDG’s) that reflect our commitment to the highest sustainability standards across our operations and supply chain. The environmental goals include reducing GHG emissions, increasing the utilization of renewable energy, increasing the production of Flex Energy Solutions solar PV modules and trackers to power the equivalent of 3.5 million homes, and providing electricity to the grid at a cost 5% less than average fossil fuel sources through Flex Energy Solutions renewable energy systems.

Our Corporate Social and Environmental Responsibility (CSER) and Corporate Real Estate and Facilities (CREF) teams set the overall carbon strategy and implement energy efficiency and carbon reduction initiatives through our global operations. Progress towards our emissions reduction goal is reviewed regularly by CSER and CREF and periodically with the CFO as well as the ESG. The board of directors conducts a strategic review in which climate-related risks and opportunities are highlighted and directional initiatives are approved, e.g. increases in our onsite solar power capacity and generation.

Our global, cross-functional CSER team, comprised of operations, customer facing and regional leads, develops corporate standards and tools, monitors performance, and captures customer environmental, social and governance requirements. CSER supports implementation of our social and environmental management system used to methodically identify, address, mitigate, and control site-level risks, including climate-related risks.
CSER plans and executes strategies in accordance with our social and environmental management requirements, which ensure alignment with our sustainability goals. Flex’s approach for managing sustainability issues includes:

- Conducting corporate audits to identify key areas of improvement; results are shared with our board of directors on a regular basis
- Leveraging our sustainability metrics system to monitor company compliance and performance at the global, regional and local levels
- Participating in industry and sustainability organizations and communicating regularly with stakeholders to identify relevant or emerging sustainability topics and concerns

All manufacturing and logistics sites have established sustainability teams, led by site general managers (GM). These teams are responsible for the implementation of our sustainability management system, creating and implementing site specific plans that support our multi-year 2020 goals (e.g., Flex 20 by 2020 goals), and report monthly to the corporate sustainability team as well as to senior operations management.

Our corporate sustainability team conducts quarterly sustainability scorecard reviews to assess progress on key sustainability indicators and targets by program, region, and site. In addition, the team conducts periodic reviews of key issue areas, including key performance indicators, e.g., environmental, health and safety are reviewed quarterly with senior management and every two months with groups of general managers from the regions.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Energy manager

Types of incentives

- Recognition (non-monetary)

Activity incentivized

- Emissions reduction project

Comment

- Meeting emission reduction and energy spending targets
- Sustainability Best Initiatives – Environment Category (climate change efforts)
• Energy savings/Cost reductions

Who is entitled to benefit from these incentives?
Facilities manager

Types of incentives
Recognition (non-monetary)

Activity incentivized
Energy reduction project

Comment
• Meeting emission reduction targets
• Sustainability Best Initiatives – Environment Category (climate change efforts)
• Energy savings/Cost reductions

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Recognition (non-monetary)

Activity incentivized
Other, please specify
Best Practices Recognition

Comment
• Meeting emission reduction targets
• Sustainability Best Initiatives – Environment Category (climate change efforts)
• Energy savings/Cost reductions

Who is entitled to benefit from these incentives?
Other, please specify
Project Lead + team—Earth Day Challenge

Types of incentives
Recognition (non-monetary)

Activity incentivized
Other, please specify
Earth Day Challenge Recognition

Comment
• Contribution to Flex 20 by 2020 Goals and SDGs
• Recognition kit (Flex branded items) to winners (1 per region)

Who is entitled to benefit from these incentives?
Other C-Suite Officer

Types of incentives
Monetary reward

Activity incentivized
Energy reduction target

Comment
Achieving energy and GHG management targets fall under the Executive Vice President of Strategy and Resources (including real estate and facilities) who reports to our CEO and is part of the Executive Sponsor Group. Annual performance reviews measure and assess accomplishments in global related programs, projects, and targets. The annual merit process is based on annual performance reviews. Energy and GHG reductions are objectives and thus figure into bonus compensation.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

<table>
<thead>
<tr>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Medium-term</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Long-term</td>
<td>10</td>
<td>25</td>
</tr>
</tbody>
</table>

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.
Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

**C2.2a**

(C2.2a) Select the options that best describe your organization’s frequency and time horizon for identifying and assessing climate-related risks.

<table>
<thead>
<tr>
<th>Frequency of monitoring</th>
<th>How far into the future are risks considered?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Six-monthly or more frequently</td>
<td>&gt;6 years</td>
</tr>
</tbody>
</table>

Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide global services and product introduction centers. Our company-wide risk identification and assessment process therefore encompasses the following potential climate-related risks: current and emerging regulatory requirements; new customer requirements; diminished or interrupted supply of energy, raw materials or components; brand/reputation; and potential business interruption or facility damage, including those from frequent and/or extreme weather events.

Flex identifies and assesses these risks through annual materiality assessments and ongoing, formal operational and supply chain risk assessments and evaluation of customer requirements. Top risks are reported to the Executive Sponsor Group (ESG) and the audit committee of our board of directors for further evaluation and mitigation.

**C2.2b**

(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide global services and product introduction centers. Our worldwide supply chain embraces roughly 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. Our company-wide risk identification and assessment process therefore encompasses the following potential climate-related risks: current and emerging regulatory requirements; new customer requirements; diminished or interrupted supply of energy, raw materials or components; brand/reputation; and potential business interruption or facility damage, including those from frequent and/or extreme weather events.

Flex identifies and assesses these risks through annual materiality assessments and ongoing, formal operational and supply chain risk assessments and evaluation of customer requirements.
requirements. Our regulations market intelligence (RMI) lead monitors changes in global climate-related regulations and evaluates applicability and relevance. The RMI lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze the impact of such requirements and agreements. RMI and CF leads, along with corporate social and environmental responsibility (CSER) team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process.

Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret specific climate-related regulations and customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls.

To identify and assess risks in our supply chain, we continuously monitor our supply chain to ensure its compliance with our social and environmental standards which exceed RBA standards. We require our suppliers to have a management system in place to ensure the continuity and effectiveness of their social and environmental activities and to mitigate potential risks. Through supplier training sessions, onsite audits, screenings, and self-assessment questionnaires, we identify potential risks and flag sites for compliance audits. In 2018, we screened more than 1,300 suppliers with Elevate Limited, a new tool provided by the Responsible Business Alliance (RBA) that integrates global risk analytics to assess supplier environmental and social compliance risk exposure.

Results from RMI, CF, CSER Regional Leads, operational and supply chain assessments are reported quarterly to the VP of CSER and discussed with enterprise risk management (ERM). Our annual ERM process includes input from compliance-area owners and more than 100 interviews with senior management from across the business. Key risks identified through this process are flagged by region and prioritized for mitigation based on impact and likelihood. Top risks are reported to the Executive Sponsor Group (ESG) and the audit committee of our board of directors for further evaluation and mitigation.

In addition to the operational and supply chain risk assessments outlined above, we also identify and assess risks via annual updates to our materiality assessment. This process is based on requests for information from stakeholders (e.g., employees, customers, shareholders, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, non-profits, industry associations). In order to determine which sustainability topics are most material to our business, we identify topics with the greatest influence for stakeholders, analyze feasibility of impact and influence for stakeholders, filter potential topics by geographic scope, and identify functional areas to validate material topics. In 2018, energy, water, emissions and supplier environmental assessments were identified as material issues for our business.
We evaluate risks based on potential impact and likelihood. For CDP reporting purposes, we define a substantive financial impact as one that could create a $10M charge to our statement of operations, resulting in a one to two penny per share negative impact. This could also significantly impact revenues unfavorably. For example, severe weather events may impact our factories and cause substantive losses due to business interruption and facility damage (e.g., 2017 Typhoon Hato in Southern China).

### C2.2c

(C2.2c) Which of the following risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Current regulation</th>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant, always included</td>
<td>Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide global services and product introduction centers. Our company-wide risk identification and assessment process therefore encompasses current regulatory risks. While current regulations related to GHG emissions and energy may have direct and indirect impacts on our business, they have not been identified as material to our business. Our business is not energy intensive, and nearly all of our facilities fall below threshold requirements for current regulations limiting GHG emissions, cap and trade programs, and mandatory reporting. We track carbon trading regimes in the major geographies where we operate, but we have not been required to participate in any of those schemes to date. Our regulations market intelligence (RMI) lead monitors changes in global climate-related regulations and evaluates applicability and relevance. The RMI lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze impacts. RMI and CF leads and our corporate social and environmental responsibility (CSER) team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret specific climate-related regulations and customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls.</td>
<td></td>
</tr>
<tr>
<td><strong>Emerging regulation</strong></td>
<td>Relevant, always included</td>
<td></td>
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<tr>
<td>-------------------------</td>
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<td></td>
</tr>
</tbody>
</table>

Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide global services and product introduction centers. Our company-wide risk identification and assessment process therefore encompasses emerging regulatory risks. While emerging regulations related to GHG emissions and energy may have direct and indirect impacts on our business, none have been identified as material to our business. Our business is not energy intensive, and nearly all of our facilities fall below threshold requirements for current regulations limiting GHG emissions, cap and trade programs, and mandatory reporting. We track carbon trading regimes in the major geographies where we operate, but we have not been required to participate in any of those schemes to date.

Our regulations market intelligence (RMI) lead monitors changes in global climate-related regulations and evaluates applicability and relevance. The RMI lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze impacts. RMI and CF leads and our corporate social and environmental responsibility (CSER) team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process.

Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret specific climate-related regulations and customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls.

Results are reported quarterly to the VP of CSER and discussed with enterprise risk management (ERM). Top risks are reported to the Executive Sponsor Group (ESG) and our board of directors audit committee for further evaluation and mitigation.

<table>
<thead>
<tr>
<th><strong>Technology</strong></th>
<th>Relevant, always included</th>
</tr>
</thead>
</table>

As a technology company, we are increasingly focused on identifying and capitalizing on opportunities related to climate change solutions. The effects of climate change have the potential to impact consumer behavior, resulting in higher demand for energy-efficient technology products and services. This increased demand will enable us to
partner with existing and new customers to deliver design and manufacturing services for more energy-efficient technology products. If we fail to respond to changing consumer behavior or customer requirements for energy efficiency, for example, there could be some impact to our reputation or customer relations. Our company-wide risk identification and assessment process therefore encompasses technology.

Our regulations market intelligence (RMI) lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze impacts. RMI and CF leads and our corporate social and environmental responsibility (CSER) team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the VP of CSER and discussed with Enterprise Risk Management (ERM). Top risks are reported to the Executive Sponsor Group (ESG) and our board of directors audit committee for further evaluation and mitigation.

<table>
<thead>
<tr>
<th>Legal</th>
<th>Relevant, sometimes included</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide Global Services and product introduction centers. Our company-wide risk identification and assessment process therefore encompasses climate-related legal risks. We have not received any climate-related litigation claims to date and are not aware of any potential climate-related compliance issues nor any exposure to date.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th>Relevant, always included</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As a technology company, we are increasingly focused on identifying and capitalizing on opportunities related to climate change solutions. The effects of climate change have the potential to impact consumer behavior, resulting in higher demand for energy-efficient technology products and services. This increased market demand will enable us to partner with existing and new customers to deliver design and manufacturing services for more energy-efficient technology products. If we fail to respond to changing market demand, consumer behavior or customer requirements for energy efficiency, for example, there could be some impact to our reputation or customer relations. Our</td>
</tr>
</tbody>
</table>
company-wide risk identification and assessment process therefore encompasses market demand and changing consumer preferences. Our regulations market intelligence (RMI) lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze impacts. RMI and CF leads and our corporate social and environmental responsibility (CSER) team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process.

Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the VP of CSER and discussed with Enterprise Risk Management (ERM). Top risks are reported to the Executive Sponsor Group (ESG) and our board of directors audit committee for further evaluation and mitigation.

<table>
<thead>
<tr>
<th>Reputation</th>
<th>Relevant, always included</th>
</tr>
</thead>
</table>
| As a technology company, we are increasingly focused on identifying and capitalizing on opportunities related to climate change solutions. The effects of climate change have the potential to impact consumer behavior, resulting in higher demand for energy-efficient technology products and services. This increased demand will enable us to partner with existing and new customers to deliver design and manufacturing services for more energy-efficient technology products. If we fail to respond to customer requirements for energy efficiency, for example, there could be some impact to our reputation or customer relations. Our company-wide risk identification and assessment process therefore encompasses reputation. Our regulations market intelligence (RMI) lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze impacts. RMI and CF leads and our corporate social and environmental responsibility (CSER) team, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional and site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the VP of CSER and discussed with Enterprise Risk Management (ERM). Top risks are reported to the Executive Sponsor Group (ESG) and our board of directors audit committee for further evaluation and mitigation.
| Physical          | Relevant, sometimes included | Acute physical events driven by climate change, such as cyclones and floods, could have an adverse effect on our operations and financial results. Our operations or systems could be disrupted by natural disasters, including cyclones and floods. We could experience interruptions of service from utilities, transportation or telecommunications providers, for example. Such events could make it difficult or impossible to manufacture or deliver products to our customers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. In recent years, severe weather events impacted our factories (e.g., a 2017 typhoon in Southern China) and caused losses due to business interruption and facility damage. These losses were not material to our overall results; however, and were therefore not described in our 10-K or other reporting. Our corporate social and environmental responsibility (CSER) and corporate real estate and facilities (CREF) teams actively collaborate to identify and assess risks at the site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the VP of CSER and discussed with Enterprise Risk Management (ERM). Top risks are reported to the Executive Sponsor Group (ESG) and our board of directors audit committee for further evaluation and mitigation. |

| Physical          | Relevant, sometimes included | Chronic physical risks from climate change could have an adverse effect on our operations and financial results. Our operations or systems could be disrupted by water stress or climate-related wildfires caused by severe drought. We could experience interruptions of service from water utilities, for example. Such events could make it difficult or impossible to manufacture or deliver products to our customers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. Our corporate social and environmental responsibility (CSER) and corporate real estate and facilities (CREF) teams actively collaborate |
to identify and assess risks at the site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Results are reported quarterly to the VP of CSER and discussed with enterprise risk management (ERM). Top risks are reported to the Executive Sponsor Group (ESG) and our board of directors audit committee for further evaluation and mitigation.

| Upstream Relevant, sometimes included | Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide Global Services and product introduction centers. Our worldwide supply chain embraces roughly 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. From time to time, we have experienced shortages of raw materials and electronic components. These shortages may be caused by events outside our control, including, but not limited to, natural or environmental occurrences such as severe storms or floods which impact our supply chain or inventory. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. For example, in Chennai, India in 2018, a storm damaged air freight cargo in transit from one location to another. Our inability to make scheduled shipments could cause us to experience a reduction in sales, an increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products. We continuously monitor our supply chain to identify and assess risks and make sure of its compliance with our social and environmental standards (which exceed RBA standards). We require our suppliers to have a management system in place to make sure of the continuity and effectiveness of their social and environmental activities, and to mitigate potential risks. Through supplier trainings, onsite audits, screenings, and self-assessment questionnaires, we identify potential risks and flag sites for potential compliance audits. In 2018, we screened more than 1,300 suppliers with Elevate Limited, a new tool provided by the Responsible Business Alliance (RBA) that integrates |
global risk analytics to assess supplier environmental and social compliance risk exposure.

<table>
<thead>
<tr>
<th>Downstream Relevant, sometimes included</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide global services and product introduction centers. From time to time, we have experienced shortages of raw materials and electronic components. These shortages may be caused by events outside our control, including, but not limited to, natural or environmental occurrences such as severe storms or floods which impact our supply chain or inventory. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. For example, in Chennai, India in 2018, a storm damaged air freight cargo in transit from one location to another. Our inability to make scheduled shipments could cause us to experience a reduction in sales, an increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products. Our regulations market intelligence (RMI) lead monitors changes in global climate-related regulations and evaluates applicability and relevance. The RMI lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze the impact of such requirements and agreements. RMI and CF leads, along with corporate social and environmental responsibility (CSER), regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification process. CSER and corporate real estate and facilities (CREF) actively collaborate to identify issues, interpret specific climate-related regulations and customer requirements, assess potential impacts, and make sure necessary resources are in place to mitigate potential risks at the regional- and site-level.</strong></td>
</tr>
</tbody>
</table>

C2.2d

(C2.2d) **Describe your process(es) for managing climate-related risks and opportunities.**

Our facilities include an extensive network of design, engineering, manufacturing, and logistics in 30 countries, across more than 100 locations. In our worldwide facilities, we also provide
global services and product introduction centers. Our worldwide supply chain embraces roughly 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. Our company-wide risk management process therefore encompasses the following potential climate-related risks: current and emerging regulatory requirements; new customer requirements; diminished or interrupted supply of energy, raw materials or components; brand/reputation; and potential business interruption or facility damage, including those from frequent and/or extreme weather events.

Flex identifies, assesses and manages these risks through ongoing, formal operational and supply chain risk assessments and evaluation of customer requirements. Our regulations market intelligence (RMI) lead monitors changes in global climate-related regulations and evaluates applicability and relevance. The RMI lead and in-house legal counsel use web-based and in-person methods to identify, analyze, and act on relevant climate-related risks. Our customer-facing (CF) lead identifies customer environmental requirements and works with RMI to analyze the impact of such requirements and agreements. RMI and CF leads, along with CSER, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our risk identification, assessment and management process.

Our CSER and Corporate Real Estate and Facilities (CREF) teams actively collaborate to identify issues, interpret specific climate-related regulations and customer requirements, assess potential impacts, and ensure necessary resources are in place to mitigate potential risks at the regional- and site-level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls.

We continuously monitor our supply chain to manage risks and make sure of its compliance with our social and environmental standards which exceed RBA standards. We require our suppliers to have a management system in place to ensure the continuity and effectiveness of their social and environmental activities, and to mitigate potential risks. Through supplier training sessions, onsite audits, screenings, and self-assessment questionnaires, we are able to identify potential risks and flag sites for potential compliance audits. In 2018, we screened more than 1,300 suppliers with Elevate Limited, a new tool provided by the Responsible Business Alliance (RBA) that integrates global risk analytics to assess supplier environmental and social compliance risk exposure.

We have new business development teams investigating market opportunities on a daily basis (Energy segment, New Ventures segment, Strategic Marketing Operations). Additionally, we have pioneered the Sketch-to-Scale® innovation model to enable start-up companies with new technologies that address these climate-related issues to grow their business from design to full production. Our sustainability team monitors the development of climate-related issues through RMI and feeds insights back into our marketing strategy.

**Transition opportunity example:** We are increasingly focused on identifying and capitalizing on opportunities related to climate change solutions. The effects of climate change have the potential to impact consumer behavior, resulting in higher demand for energy-efficient products and services. Flex Lighting Solutions (FLS) helps businesses and property owners provide high quality and highly energy-efficient LED lighting solutions for commercial and industrial facilities.
Between 2013 and 2018, we installed over 113,000 FLS LEDs across our sites in 15 countries, resulting in over 87 GWh/year energy savings and 61K tonnes CO2e avoided.

**Physical risk example:** In August 2017, Typhoon Hato struck the city of Zhuhai, China causing losses to our Zhuhai factory, including business interruption (both shipments and supplies) as well as physical damage to our facilities. As one of our larger manufacturing facilities measuring over 5.5M square feet, our Zhuhai factory is critical to operations. We maintain business recovery plans and insurance coverage; we place insurance coverage with multiple carriers in numerous jurisdictions. Global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls.

**C2.3**

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

**C2.3a**

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Other

**Type of financial impact**

Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company-specific description**

Concern over climate change has led to international legislative and regulatory initiatives directed at limiting carbon dioxide and other greenhouse gas (GHG) emissions. Proposed and existing efforts to address climate change by reducing greenhouse gas emissions could directly or indirectly affect our costs of energy, materials, manufacturing, distribution, packaging and other operating costs, which could impact
our business and financial results. While regulations related to carbon and climate change may have direct and indirect impacts on our business, we do not find these regulatory risks to be material. Our business is not energy intensive (our annual energy spend is less than 5% of total operational spend), and nearly all of our facilities fall below threshold requirements for current regulations limiting greenhouse gas (GHG) emissions, cap and trade programs, and providing for mandatory reporting of GHG emissions. We are following emerging global carbon emissions trading, carbon taxes, renewable tariffs, and air pollution standards. For example, if more stringent air pollution standards are imposed in China, we may be subject to additional liability and increased operating costs. Additional environmental matters may arise in the future, at sites where no problem is currently known or at sites that we may acquire in the future. Additionally, we could be required to alter our manufacturing and operations and incur substantial expense in order to comply with environmental regulations. Our failure to comply with environmental laws and regulations could limit our ability to expand our facilities or could require us to incur significant operating expenses.

**Time horizon**
- Short-term

**Likelihood**
- Virtually certain

**Magnitude of impact**
- Low

**Are you able to provide a potential financial impact figure?**
- Yes, an estimated range

**Potential financial impact figure (currency)**

- Potential financial impact figure – minimum (currency)
  - 0

- Potential financial impact figure – maximum (currency)
  - 10,000,000

**Explanation of financial impact figure**
Financial impacts can include increased operating costs associated with reporting, disclosure, environmental compliance and management (e.g., taxes, purchase levies, or management costs such as consulting and IT fees). We could also incur costs associated with altering our manufacturing and operations in order to comply with environmental regulations. In addition, our failure to comply with environmental laws and regulations could also limit our ability to expand our facilities. While it is difficult to accurately quantify the financial implications, we estimate potential increased operating costs related to shifting policy and legislation to range from $0 to $10M annually which is our definition for ‘substantive’ for CDP reporting purposes. This estimate is based on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate
Real Estate and Facilities (CREF) and Corporate Social and Environmental Responsibility (CSER).

Management method
We have developed rigorous risk mitigating environmental compliance programs designed to meet applicable regulations. Our Regulations Market Intelligence (RMI) lead monitors worldwide climate change regulatory activity. The RMI lead, along with the Vice President of CSER, regularly engage in dialogue with industry workgroups, trade associations, and other forums as part of our process for identifying relevant emerging regulatory requirements and risks. Thus far, carbon emissions trading schemes have not been applicable to Flex and have not presented a risk of substantive financial impact. For example, we are evaluating potential impacts from carbon taxation proposals in the US that could have broader application and emissions trading schemes in California, China, UK and the EU. In each case, either the schemes do not cover our operations (i.e. as opposed to “major” emitters) or our relevant emissions are below the threshold for participation. Our CSER and CREF teams actively collaborate to assess risks at the site level in all locations where we operate. All global sites are required to adopt and implement our social and environmental management system, to methodically identify, address, mitigate, and control site-level risks. All sites are audited against our social and environmental audit protocol, including climate-related controls. Managing policy and legal risks falls within the normal course of business and incurs zero incremental costs.

Cost of management
0

Comment

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**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Physical risk

**Primary climate-related risk driver**
Acute: Increased severity of extreme weather events such as cyclones and floods

**Type of financial impact**
Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

**Company-specific description**
Catastrophic events such as cyclones and floods could have a material adverse effect on our operations and financial results. Our operations or systems could be disrupted by
natural disasters, including cyclones, floods, climate-related wildfires caused by severe drought. We could experience interruptions of service from utilities, transportation or telecommunications providers, for example. Such events could make it difficult or impossible to manufacture or deliver products to our customers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. For example, in August 2017, Typhoon Hato struck the city of Zhuhai, China causing significant damage. Zhuhai, located in the Pearl River Delta, was exposed to a storm surge that caused severe flooding and wind gusts that reached 150 mph. As a result, losses were incurred at our Zhuhai factory, including business interruption (both shipments and supplies) as well as physical damage to our facilities. As one of our larger manufacturing facilities measuring over 5.5M square feet, our Zhuhai factory is critical to operations.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)
10,000,000

Explanation of financial impact figure
Financial impacts can include potential closure of operations, facility repair costs, lost work time, increased utility costs, lost revenue, damaged equipment, lost inventory, and increased insurance premiums. To illustrate the financial implications using specific events, total losses from storm-related impacts at our Zhuhai, China factory represented up to a $10M loss. This estimated financial impact is based on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF), Corporate Social and Environmental Responsibility (CSER), and business continuity teams. The company maintains insurance that mitigates the high end of financial impacts.

Management method
While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant, and we cannot be sure that our plans will fully protect us from all such disruptions. We maintain a program of insurance coverage for a variety
of property, casualty, and other risks. Losses not covered by insurance may be large, which could harm our results of operations and financial condition. After Typhoon Hato impacted our Zhuhai China factory in 2017, we compiled lessons learned and developed mitigating steps to reduce potential facility impacts and keep employees safe during future storms. This included establishing a center of command and emergency response team; inspecting and reinforcing facilities, water tanks and back-up power sources; developing recovery plans with key suppliers to reduce down time; and minimizing activities during storms, sending employees home, and stock piling food and water inside buildings for those unable to go home. Capital and expense planning are parts of our normal budgetary cycle. As we adjust our strategy to address risks, we naturally incorporate those strategies into our spending, e.g. by adding features to new facilities, upgrading and/or repairing current facilities, disaster planning, etc. Managing physical risks in our operations falls within the normal course of business and incurs zero incremental costs.

Cost of management

0

Comment

--------------------------------------------------------------------------------------------------

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company-specific description

We may be adversely affected by shortages of required electronic components. From time to time, we have experienced shortages of raw materials and electronic components. These shortages may be caused by events outside our control, including, but not limited to, natural or environmental occurrences such as severe storms or floods which impact our supply chain or inventory. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. For example, in Chennai, India in 2018, a storm damaged air freight cargo in transit from one location to another. Our inability to make scheduled shipments could cause us to experience a reduction in sales, an increase in inventory levels and costs, and could adversely affect relationships with existing and
flex Ltd.

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Monday, July 29, 2019

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Prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices of our products.

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

**Potential financial impact figure (currency)**

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

10,000,000

**Explanation of financial impact figure**

Financial impacts can include inventory damage, lost revenue from curtailed production or delays in production, increased cost of raw materials or components, increased costs related to redesign or reconfiguration of products to accommodate substitute components, and increased insurance premiums. While it is difficult to accurately quantify the financial implications, we estimate potential reduced revenue from physical risks impacting our supply chain to range from $0 to $10M annually which is our definition for ‘substantive’ for CDP reporting purposes. This estimate is based on an assessment by subject matter experts within Finance, Corporate Treasury, Corporate Real Estate and Facilities (CREF), Corporate Social and Environmental Responsibility (CSER), Procurement and Logistics. The company maintains insurance that mitigates the high end of financial impacts.

**Management method**

We have developed rigorous risk mitigating compliance programs which include collecting compliance data from our suppliers, full laboratory testing and public reporting of environmental metrics such as GHG emissions, energy, and water. To manage financial impacts from potential shortages of raw materials and electronic components, we aim to diversify our supply base and develop redundant capabilities. We have developed a Preferred Supplier Program (PSP) and work with key suppliers to identify, assess, and manage risks and ensure compliance with social and environmental standards that exceed RBA’s. In 2018, 452 suppliers participated in our PSP, of which
98% have been assessed via our Self-Assessment Questionnaire (SAQ). Our SAQ enables us to understand supplier efforts to measure, monitor and reduce climate-related impacts and mitigate risks. Through supplier training sessions, onsite audits, screenings, and SAQs, we ensure the continuity and effectiveness of supplier social and environmental activities. In 2018, 226 suppliers received training on social and environmental expectations. Through direct engagement with our suppliers, we can also mitigate potential risks such as those related to component shortages caused by severe storms or flooding. Additionally, we are able to mitigate financial impacts from component shortages by increasing our cost of goods sold. Managing risks in our supply chain falls within the normal course of business and incurs zero incremental costs.

Cost of management
0

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Opp1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where in the value chain does the opportunity occur?</td>
<td>Customer</td>
</tr>
<tr>
<td>Opportunity type</td>
<td>Products and services</td>
</tr>
<tr>
<td>Primary climate-related opportunity driver</td>
<td>Development and/or expansion of low emission goods and services</td>
</tr>
<tr>
<td>Type of financial impact</td>
<td>Increased revenue through demand for lower emissions products and services</td>
</tr>
<tr>
<td>Company-specific description</td>
<td>We are increasingly focused on identifying and capitalizing on opportunities related to climate change solutions. The effects of climate change have the potential to impact consumer behavior, resulting in higher demand for energy-efficient products and services. This increased demand will enable us to partner with existing and new</td>
</tr>
</tbody>
</table>

customers to deliver design and manufacturing services for more energy-efficient products. Our business includes a wide variety of products related to renewable energy (solar trackers and assembly of solar modules and power inverters), energy efficiency (“smart” meters and actuators, high efficiency LED lighting solutions) and efficient power conversion and storage (high-density batteries and power supplies, wireless charging). NEXTracker, a Flex Company, designs, manufactures, builds, and services single-axis solar tracker systems for power plants, and our Flex Lighting Solutions (FLS) helps businesses and property owners provide high quality and highly energy-efficient LED lighting solutions for commercial and industrial facilities. As the costs of electricity and maintenance continue to rise, customers are increasingly aware of the impact of renewable energy and energy efficient lighting solutions to their bottom line. We produce some of the world’s most efficient LED lighting systems for commercial and industrial applications worldwide. Between 2013 and 2018, we installed over 113,000 LED light fixtures manufactured by Flex Lighting Solutions in 15 countries (Austria, Brazil, Canada, China, Hungary, India, Ireland, Italy, Malaysia, Mexico, Poland, Romania, Switzerland, Ukraine, and the US). This resulted in savings of over 87GWh/year, which could power the equivalent of more than 8,300 homes for one year. This global project helped us to reduce over 61,000 tonnes of CO2e emissions per year. Flex Lighting Solutions helps facility owners and managers dramatically reduce energy costs by up to 80%, improve light quality, and lower total cost of ownership with our portfolio of highly energy-efficient LED high bays. Businesses around the world are embracing the cost and quality benefits of industrial LED lighting.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

5,900,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Although the scale of the financial opportunity associated with the development and/or expansion of low emission goods and services is difficult to quantify, NEXTracker is a substantive business unit included in Flex’s Industrial and Emerging Industries (IEI) segment which had $5.9B revenue for 2018 included in our 2018 $26B revenue. (IEI
also includes revenue from Flex Lighting Solutions.) In 2018, NEXTracker had achieved a 30% market share of the global photo-voltaic (PV) tracker market. The Global PV tracker market grew 36% from 2017 to 2018, and, according to a March 2019 Solar Builder article, global utility-scale solar installations are forecast to increase by nearly 30 percent, reaching 74 GW in 2019 with the largest growth in India, China, and Latin American countries. According to an analysis by Global Market Insights, the PV tracker market size will exceed $27 billion by 2024. As a second example, LED market share in general lighting is expected to reach 70% in 2020.

**Strategy to realize opportunity**

Our account management teams work with existing and new customers to identify opportunities to design and build more energy-efficient products. Our design engineers work towards more energy-efficient product designs. We have aggregated our innovation efforts under a single organization – Innovation and New Ventures – to provide manufacturing and engineering expertise to both start-ups and established enterprises working on a wide variety of smart technologies, cloud-based technologies, and automation. We have also established Customer Experience Centers in the U.S. and China to showcase our Sketch-to-Scale® capabilities. These centers support the needs of customers of any size and at any stage of product design, development and manufacturing, from startups to large enterprises. We have also invested heavily in our Flex Lighting Solutions business as we have been seeing increasing demand for our energy efficient lighting products. For example, Flex Lighting Solutions and LED Lowcountry partnered with Port City Logistics to design a new lighting floorplan. The new system replaced 1,144 T5 fluorescent fixtures with Flex Essentials Series 4.0 LED high bays. As a result, Flex has enabled Port City Logistics to achieve: (1) >86% energy reduction, (2) 100% reduction of maintenance costs, (3) $21,500 estimated annual cost savings. There is zero cost to design and build more energy-efficient products over and above the normal costs of management and operation.

**Cost to realize opportunity**

0

**Comment**

---

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Type of financial impact**
Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company-specific description**

We have an opportunity to increase production and distribution processes at our owned and operated manufacturing locations through implementation of energy efficiency and low carbon initiatives. This opportunity is driven, in part, by our key customers, such as Google, who are increasingly setting supply chain targets and requesting that we improve our energy performance and increase purchases of renewable energy to power our facilities. For example, Google has a vision that all suppliers’ sites will source 100% renewable energy in every region where Google products are made. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. We are working toward our goals to reduce CO2e emissions by at least 10% per unit revenue (2016-2020) and increase the utilization of renewable energy (RE) by deploying a minimum of 2MW/yr. solar power and/or procuring the same amount of RE from third party sources. Roughly 90% of our GHG emissions result from electricity purchases at our operated locations. We see this as an opportunity to reduce our operating costs. Through energy efficiency initiatives and renewable energy purchases, we can enhance our reputation, improve the resiliency of our operations and further develop relationships with key customers.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

6,000,000

**Explanation of financial impact figure**

Cost-savings achieved through implementation of energy efficiency initiatives and low-carbon energy installations in 2018 was ~$6M. Sample 2018 energy efficiency projects include upgrades to HVAC, building controls, lighting, motors and drives, combined heat and power, compressed air, process optimization, refrigeration and more.

**Strategy to realize opportunity**

Flex’s energy management strategy involves the development and implementation of energy reduction best practices, on-site energy generation through solar panels, buying
energy from renewable sources, and replacing and installing LED light fixtures. We are working toward our goals to reduce CO2e emissions by at least 10% per unit revenue (2016-2020) and increase the utilization of renewable energy (RE) by deploying a minimum of 2MW/yr. solar power and/or procuring the same amount of RE from third party sources. As of 2018, we are on track to meet both goals, having implemented energy efficiency initiatives and low-carbon energy installations, leading to an avoidance of over 40,000 MTCO2e. We are also working closely with customers who have set supply chain targets. For example, in 2017, Google invited us to participate in the Technical Pilot Program for China Energy Management and Performance Evaluation. This program is designed to help Google’s supply chain partners in China increase energy efficiency. To date, we have completed three training workshops, launched an internal energy management system using ISO 50001 standards, and identified 5 energy efficiency projects at factories in China, totalling more than 6M kWh/yr. We have achieved ~5M kWh/yr. savings through other energy-efficiency measures. 2018 monetary investments related to energy efficiency initiatives and low-carbon energy installations were ~$17M with no additional costs beyond management and operation.

Cost to realize opportunity
17,000,000

Comment

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Opp3</th>
</tr>
</thead>
</table>

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Type of financial impact
Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon

Company-specific description
We have an opportunity to reduce our exposure to GHG emissions by increasing our renewable energy (RE) purchases. This opportunity is driven, in part, by our key customers, such as Google, who are increasingly setting supply chain targets and requesting that we improve our energy performance and increase RE purchases to power our facilities. For example, Google has a vision that all suppliers’ sites will source 100% RE in every region where Google products are made. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. We are working toward our goals to reduce CO2e emissions by at least 10% per unit
revenue (2016-2020) and increase the utilization of renewable energy (RE) by deploying a minimum of 2MW/yr. solar power and/or procuring the same amount of RE from third party sources. Roughly 90% of our GHG emissions results from electricity purchases at our operated locations. We see this as an opportunity to reduce operating costs and exposure to GHG emissions by increasing our RE purchases, enhancing our reputation, improving the resiliency of our operations and further developing relationships with key customers. We are looking for opportunities in all of the locations where our footprint is substantial, including, for example, China, Malaysia, Mexico, the United States and India. In some locations, the green energy market is less developed, but we expect that to change rapidly over the next several years.

**Time horizon**
- Short-term

**Likelihood**
- More likely than not

**Magnitude of impact**
- Low

**Are you able to provide a potential financial impact figure?**
- Yes, a single figure estimate

**Potential financial impact figure (currency)**
- 600,000

**Explanation of financial impact figure**
Cost-savings achieved through renewable energy purchases in 2018 was ~$600,000. In 2018, we expanded our solar power generation capacity, totaling more than 19 MW (with an expected lifetime of 20 years) and producing over 13.7 GWh/year. At one of our sites in the US, we purchased ~16,000 MWh wind power.

**Strategy to realize opportunity**
Flex’s energy management strategy involves the development and implementation of energy reduction best practices, on-site energy generation through solar panels, buying energy from renewable sources, and replacing and installing LED light fixtures. We are working toward our goals to reduce CO2e emissions by at least 10% per unit revenue (2016-2020) and increase the utilization of renewable energy (RE) by deploying a minimum of 2MW/yr. solar power and/or procuring the same amount of RE from third party sources. As of 2018, we are on track to meet both goals, having implemented energy efficiency initiatives and low-carbon energy installations, leading to an avoidance of over 40,000 MTCO2e. From 2017 to 2018, we increased RE purchases by 28%. We are working closely with customers who have set supply chain targets. For example, in 2017, Google invited us to participate in the Technical Pilot Program for China Energy
Management and Performance Evaluation. This program is designed to help Google’s supply chain partners in China increase energy efficiency. To date, we have completed three training workshops, launched an internal energy management system using ISO 50001 standards, and identified 5 energy efficiency projects at factories in China, totalling more than 6M kWh/yr. 2018 monetary investments related to renewable energy purchases were ~$9M with no additional costs beyond management and operation.

Cost to realize opportunity
9,000,000

Comment

**C2.5**

*(C2.5) Describe where and how the identified risks and opportunities have impacted your business.*

<table>
<thead>
<tr>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products and services</strong></td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>The revenues from our energy-related climate change solutions were sizeable in the last fiscal year. We cannot be more precise as our segment reporting does not break that figure out of the Industrial and Emerging Industries (IEI) segment of the business. We can also state that Flex is continuing to pursue additional business in this sector with industrial customers, public and private utilities, energy developers and others. In some cases, we have a significant market share, e.g. for single-axis trackers utilized in utility-scale solar installations. A similar statement can be made regarding the financial impact of climate-related losses, i.e. that losses were incurred because of severe weather events (e.g. a typhoon earlier in the year in Southern China) that impacted our factories. Those losses included business interruption (both shipments and supplies) as well as physical damage to facilities. These types of weather events have usefully informed our business continuity planning. In terms of likelihood and magnitude, these product-related risks and opportunities are medium and there is potential for the revenue opportunities to be material.</td>
</tr>
<tr>
<td><strong>Supply chain and/or value chain</strong></td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>We may be adversely affected by shortages of required electronic components. From time to time, we have experienced shortages of raw materials and electronic components. These shortages may be caused by events outside our control, including, but not limited to, natural or environmental occurrences such as severe storms or floods which impact our supply chain or inventory. Unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. For example, in Chennai, India in 2018, a</td>
</tr>
</tbody>
</table>
storm damaged air freight cargo in transit from one location to another. Our inability to make scheduled shipments could cause us to experience a reduction in sales, an increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products. Given the size and complexity of our supply chains, this is a medium risk. Any disruptions we have seen in supplies during severe weather events have been short-term only.

### Adaptation and mitigation activities

<table>
<thead>
<tr>
<th>Impacted for</th>
<th>We are looking for growth opportunities in several areas that have the potential to mitigate climate change, including renewable energy, connected home, autonomous vehicles, smart agriculture, and supply chain optimization. For further information please visit flex.com. This opportunity is lower in likelihood only because it depends upon what our customers pursue from a strategic standpoint and the nature of the services we provide, e.g. design vs. assembly only. The magnitude could be high because of the demand for climate change solutions in all of the sectors we mention above, but the timeframe is relatively long and thus the size of the opportunity is somewhat speculative.</th>
</tr>
</thead>
<tbody>
<tr>
<td>some suppliers, facilities, or product lines</td>
<td>We have new business development teams investigating market opportunities on a daily basis (Energy segment, New Ventures segment, Strategic Marketing Operations, etc.). Additionally, we have pioneered the Sketch-to-Scale® innovation model to enable start-up companies with new technologies that address these climate-related issues to grow their business from design to full production. Finally, our Corporate Social and Environmental Responsibility (CSER) team is monitoring the development of climate change issues through our regulations and market intelligence function and will feed any insights back into our marketing strategy. Similar to the above answer, this opportunity is dependent upon customers and the magnitude could be substantial over time.</td>
</tr>
</tbody>
</table>

### Investment in R&D

<table>
<thead>
<tr>
<th>Impacted for</th>
<th>We have new business development teams investigating market opportunities on a daily basis (Energy segment, New Ventures segment, Strategic Marketing Operations, etc.). Additionally, we have pioneered the Sketch-to-Scale® innovation model to enable start-up companies with new technologies that address these climate-related issues to grow their business from design to full production. Finally, our Corporate Social and Environmental Responsibility (CSER) team is monitoring the development of climate change issues through our regulations and market intelligence function and will feed any insights back into our marketing strategy. Similar to the above answer, this opportunity is dependent upon customers and the magnitude could be substantial over time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>some suppliers, facilities, or product lines</td>
<td>We have new business development teams investigating market opportunities on a daily basis (Energy segment, New Ventures segment, Strategic Marketing Operations, etc.). Additionally, we have pioneered the Sketch-to-Scale® innovation model to enable start-up companies with new technologies that address these climate-related issues to grow their business from design to full production. Finally, our Corporate Social and Environmental Responsibility (CSER) team is monitoring the development of climate change issues through our regulations and market intelligence function and will feed any insights back into our marketing strategy. Similar to the above answer, this opportunity is dependent upon customers and the magnitude could be substantial over time.</td>
</tr>
</tbody>
</table>

### Operations

| Not yet impacted | Increasing or decreasing temperatures could impact site energy usage and increase operational costs or disrupt production capacity. This risk is being managed through improved efficiencies in usage and facilities climate control and through the addition of site power generation capabilities, where appropriate. There are no significant cost expenditures at this time. The management and monitoring of this development will not increase because existing |
teams will work on this issue. This is a risk that has a high
likelihood of occurring in the short-term (e.g., 3-5 years), and is
low-medium in terms of magnitude. We are continuing to invest in
LED lighting, onsite solar and are investigating procurement of
green energy through local utilities, PPAs, etc.

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been
factored into your financial planning process.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>The revenues from our energy-related climate change solutions were sizeable in the last fiscal year. We cannot be more precise as our segment reporting does not break that figure out of the Industrial and Emerging Industries (IEI) segment of the business. We can also state that Flex is continuing to pursue additional business in this sector with industrial customers, public and private utilities, energy developers and others. In some cases, we have a significant market share, e.g. for single-axis trackers utilized in utility-scale solar installations. A similar statement can be made regarding the financial impact of climate-related losses, i.e. that losses were incurred because of severe weather events (e.g. a typhoon earlier in the year in Southern China) that impacted our factories. Those losses included business interruption (both shipments and supplies) as well as physical damage to facilities. These types of weather events have usefully informed our business continuity planning. In terms of likelihood and magnitude, these product related risks and opportunities are medium and there is potential for the revenue opportunities to be material.</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Increasing or decreasing temperatures could impact site energy usage and increase operational costs or disrupt production capacity. This risk is being managed through improved efficiencies in usage and facilities climate control and through the addition of site power generation capabilities, where appropriate. There are no significant cost expenditures at this time. The management of monitoring this development will not increase because existing teams will work on this issue. This is a risk that has a high likelihood of occurrence and is medium in terms of magnitude. We are continuing to invest in LED lighting, onsite solar and are investigating procurement of green energy through local utilities, PPAs, etc.</td>
</tr>
<tr>
<td>Area</td>
<td>Impact</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Capital expenditures / capital allocation</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Acquisitions and divestments</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td>Access to capital</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td>Assets</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
</tbody>
</table>
Liabilities | Not impacted  
---|---
There have been no liabilities incurred to date as a result of climate change risks or compliance issues, e.g., Flex is not party to any climate related litigation. We do not anticipate any impact on our financial planning process for liabilities in the short (1-5 years) or long term (greater than 10 years). We believe this is due to the fact that our business model enables our customers to bring products to market and relatively few products are sold as “Flex” products. Another factor is that our regionalized footprint has allowed us to avoid business interruption even where physical events (e.g. typhoons) have impacted individual facilities. We will learn more about long-term exposure when we conduct a scenario analysis using guidance from the Task Force on Climate-related Financial Disclosures (TCFD) and as our supply chain assessments expand.

Other

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?  
Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?  
No, but we anticipate doing so in the next two years

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i. Climate-related factors have influenced our business strategy in three basic ways:

1. With a growing energy business, there are new opportunities for us to work with customers to bring energy efficiency and generation products to the market.
2. In terms of drivers, our customers are placing greater emphasis on their Scope 3 footprints, which in many instances is driving reductions in our operational footprint.
3. With extreme weather events increasing in frequency and severity, and regulation in some jurisdictions being considered, our risk management process is affected. During our reviews in the past several years, we resolved to increase the amount of on-site solar we install. Simultaneously, we are actively pursuing collaborations with customers in this area in order to increase our leverage.

Examples of our product development and engagement include:
• In collaboration with Renewable Energy Systems (RES) – a top battery energy storage integrator and renewable energy company in North America – we have successfully deployed the first energy storage solution for the U.S.
• We are joining forces with the United Nations Global Compact (UNGC) to demonstrate our focus on integrating sustainability throughout our company. This initiative will also help customers, partners, and other businesses expand and increase their efforts to build a more sustainable future.
• We received recognition for the exceptional results we achieved during our 2018 Earth Day Challenge, which engaged employees to reduce their environmental impact within their local communities.

ii. Our business strategy is linked to a GHG reduction target. Our energy management strategy involves the development and implementation of energy reduction best practices, on-site energy generation through solar panels, buying energy from renewable sources, and replacing and installing LED light fixtures. We are working toward our goals to reduce CO2e emissions by at least 10% per unit revenue (2016-2020) and increase the utilization of renewable energy (RE) by deploying a minimum of 2MW/yr. solar power and/or procuring the same amount of RE from third party sources. As of 2018, we are on track to meet both goals, having implemented energy efficiency initiatives and low-carbon energy installations, leading to an avoidance of over 40,000 MTCO2e.

iii. Examples of our most substantial 2018 climate-related business decisions:

1. We are continuing to execute on our plan to install solar photovoltaic (PV) systems across our sites globally. In 2018, we expanded our solar power generation capacity, totalling more than 19MW and producing over 13.7 GWh/year.
2. At one of our site in the US, we purchased ~16,000 MWh wind power.
3. We are continuing to invest in operational resiliency by deploying our own energy efficient lighting products across global operations. Between 2013 and 2018, we installed over 113,000 LED light fixtures manufactured by Flex Lighting Solutions in 15 countries (Austria, Brazil, Canada, China, Hungary, India, Ireland, Italy, Malaysia, Mexico, Poland, Romania, Switzerland, Ukraine, and the US). This resulted in savings of over 87 GWh/year, which could power the equivalent of more than 8,300 homes for one year. This global project helps us to reduce by over 61,000 tonnes of CO2e emissions per year.

iv. The aspects of climate change that have influenced these business decisions include cost savings from operational efficiencies, reputation enhancement, operational resiliency, reduced exposure to GHG emissions.

v. The most important components of our short-term strategy (3-5 years) that have been influenced by climate change include the implementation of new operational practices to identify energy efficiency and low carbon solutions for key manufacturing equipment, development of energy-efficiency best practices and replication across global sites to reinforce our environmental management systems.

vi. The most-important components of the long-term strategy that have been influenced by climate change (10-25 years) include the incorporation of new technologies (new equipment that consumes less energy) and the development of manufacturing solutions in an effort to reduce our energy consumption. In addition to engineering solutions, we incorporated the Energy Market Segment into the business portfolio, our energy group is delivering solutions for
the clean technology industry. This includes renewable energy, energy monitoring and smart grid technology, energy-efficient lighting, and green transportation. Our energy group actively monitors regulatory developments that affect international markets (e.g. tariffs, solar incentive programs, local content legislation). Local governments where we operate have recognized our actions to mitigate climate change impact. For example, the local government in Zhuhai, China gave us the “Zhuhai Excellent Enterprise Energy Saving Award,” while our facility in Guadalajara, Mexico received an Energy Conservation Award.

vii. Strategic advantage: Our climate-change strategy allows us to offer value-creating electronic manufacturing services that increase customer competitiveness.

**C3.1g**

**(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

While climate risks have been factored into Flex’s risk assessment identification, assessment and management processes, our enterprise risk assessment process has not identified these as top risks, and therefore, scenario analysis has not been prioritized to date. Instead, our current focus to mitigate future climate-related impacts is on achieving our Flex 20 by 2020 goals which are aligned to the United Nations Sustainable Development Goals (UN SDGs). These 20 goals reflect our commitment to the highest sustainability standards across our operations and supply chain and include reducing our Scope 1 and 2 location-based CO2e emissions by 10% per unit revenue from 2016 to 2020, increasing the utilization of renewable energy, increasing the manufacture of Flex Energy Solutions PV solar modules and trackers to power the equivalent of 3.5 million homes, and providing electricity to the grid at a cost 5% less than average fossil fuel sources through Flex Energy Solutions renewable energy systems.

Based on the Intergovernmental Panel on Climate Change’s Special Report on Global Warming of 1.5°C, we understand that we need to do more to prevent the worst impacts of climate change so we are currently in the process of evaluating the use of climate-related scenario analysis at both the company and asset levels. We are working with our Corporate Real Estate, Facilities and Workplace Services, Enterprise Risk Management, Corporate Treasury, and Corporate Social & Environmental Responsibility (CSER) teams to consider the applicability of available models to determine which will be most relevant and useful for our business and are in discussion on how to leverage results to inform our business strategy. We anticipate implementing climate-related scenario analysis for our global operations within the next two years.

We are also considering conducting a supply chain scenario analysis as that part of our business is quite complex, and climate-related risks are harder to assess. There may be an opportunity to work with Elementum (a supply chain company spun out of Flex) to do some of the necessary mapping.
C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Int 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Scope 1+2 (location-based)</td>
</tr>
<tr>
<td>% emissions in Scope</td>
<td>100</td>
</tr>
<tr>
<td>Targeted % reduction from base year</td>
<td>10</td>
</tr>
<tr>
<td>Metric</td>
<td>Metric tons CO2e per unit revenue</td>
</tr>
<tr>
<td>Base year</td>
<td>2016</td>
</tr>
<tr>
<td>Start year</td>
<td>2016</td>
</tr>
<tr>
<td>Normalized base year emissions covered by target (metric tons CO2e)</td>
<td>0.0000395</td>
</tr>
<tr>
<td>Target year</td>
<td>2020</td>
</tr>
<tr>
<td>Is this a science-based target?</td>
<td>No, but we anticipate setting one in the next 2 years</td>
</tr>
<tr>
<td>% of target achieved</td>
<td>100</td>
</tr>
<tr>
<td>Target status</td>
<td>Underway</td>
</tr>
<tr>
<td>Please explain</td>
<td></td>
</tr>
</tbody>
</table>
We have committed to reducing location-based GHG emissions per revenue by 10% by 2020 by implementing energy efficiency initiatives.

% change anticipated in absolute Scope 1+2 emissions
14

% change anticipated in absolute Scope 3 emissions
0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

<table>
<thead>
<tr>
<th>Target</th>
<th>Renewable electricity consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI – Metric numerator</td>
<td>Renewable Energy Capacity (MW)</td>
</tr>
<tr>
<td>KPI – Metric denominator (intensity targets only)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Base year</th>
<th>Start year</th>
<th>Target year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2016</td>
<td>2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI in baseline year</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI in target year</td>
<td>34</td>
</tr>
</tbody>
</table>

% achieved in reporting year
100

Target Status
Underway

Please explain
Increase the utilization of renewable energy by deploying a minimum of two megawatts of solar power annually and/or procuring the same amount of power from third party renewable sources.

Part of emissions target
Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

**C4.3**

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

**C4.3a**

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Number of initiatives</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>5</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>4 718</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>6 609</td>
</tr>
<tr>
<td>Implemented*</td>
<td>227 41,090</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>0</td>
</tr>
</tbody>
</table>

**C4.3b**

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

<table>
<thead>
<tr>
<th>Initiative type</th>
<th>Description of initiative</th>
<th>Estimated annual CO2e savings (metric tonnes CO2e)</th>
<th>Scope</th>
<th>Voluntary/Mandatory</th>
<th>Annual monetary savings (unit currency – as specified in C0.4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency: Building services</td>
<td>Building controls</td>
<td>1,540</td>
<td>Scope 2 (location-based)</td>
<td>Mandatory</td>
<td></td>
</tr>
</tbody>
</table>
Initiative type
Energy efficiency: Building services

Description of initiative
Building controls

Estimated annual CO2e savings (metric tonnes CO2e)
1,568

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
412,977

Investment required (unit currency – as specified in C0.4)
181,977

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
**Estimated annual CO2e savings (metric tonnes CO2e)**
1,083

**Scope**
Scope 1

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
152,693

**Investment required (unit currency – as specified in C0.4)**
705,303

**Payback period**
4 - 10 years

**Estimated lifetime of the initiative**
11-15 years

**Comment**

---

**Initiative type**
Energy efficiency: Building services

**Description of initiative**
HVAC

**Estimated annual CO2e savings (metric tonnes CO2e)**
7,704

**Scope**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
1,345,466

**Investment required (unit currency – as specified in C0.4)**
1,892,083

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
6-10 years
Initiative type
Energy efficiency: Building services

Description of initiative
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
6,143

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1,157,375

Investment required (unit currency – as specified in C0.4)
2,554,442

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative type
Energy efficiency: Building services

Description of initiative
Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)
1,629

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
Initiative type
Energy efficiency: Processes

Description of initiative
Combined heat and power

Estimated annual CO2e savings (metric tonnes CO2e)
29

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
11,698

Investment required (unit currency – as specified in C0.4)
39,113

Payback period
4 - 10 years

Estimated lifetime of the initiative
<1 year

Comment

Initiative type
Energy efficiency: Processes

Description of initiative
Compressed air
Estimated annual CO2e savings (metric tonnes CO2e)
1,775

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
284,135

Investment required (unit currency – as specified in C0.4)
218,817

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment

----------------------------------

Initiative type
Energy efficiency: Processes

Description of initiative
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
5,613

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1,036,020

Investment required (unit currency – as specified in C0.4)
428,356

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years
### Initiative type
Energy efficiency: Processes

### Description of initiative
Refrigeration

### Estimated annual CO2e savings (metric tonnes CO2e)
199

### Scope
Scope 2 (location-based)

### Voluntary/Mandatory
Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)
122,703

### Investment required (unit currency – as specified in C0.4)
0

### Payback period
<1 year

### Estimated lifetime of the initiative
Ongoing

---

### Initiative type
Low-carbon energy installation

### Description of initiative
Fuel Cells

### Estimated annual CO2e savings (metric tonnes CO2e)
23

### Scope
Scope 1

### Voluntary/Mandatory
Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)
**Initiative type**  
Low-carbon energy installation

**Description of initiative**  
Solar PV

**Estimated annual CO2e savings (metric tonnes CO2e)**  
4,408

**Scope**  
Scope 2 (market-based)

**Voluntary/Mandatory**  
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**  
605,963

**Investment required (unit currency – as specified in C0.4)**  
8,562,771

**Payback period**  
11-15 years

**Estimated lifetime of the initiative**  
21-30 years

**Comment**
Estimated annual CO2e savings (metric tonnes CO2e)
2,011

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
300,000

Investment required (unit currency – as specified in C0.4)
300,000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

----------------------------------------------------------------------------------------------------------------------

Initiative type
Low-carbon energy purchase

Description of initiative
Wind

Estimated annual CO2e savings (metric tonnes CO2e)
7,190

Scope
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
265,668

Payback period
No payback

Estimated lifetime of the initiative
Ongoing
### Initiative type
Process emissions reductions

### Description of initiative
New equipment

### Estimated annual CO2e savings (metric tonnes CO2e)
175

### Scope
Scope 2 (location-based)

### Voluntary/Mandatory
Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)
30,179

### Investment required (unit currency – as specified in C0.4)
157,400

### Payback period
4 - 10 years

### Estimated lifetime of the initiative
3-5 years

## Comment

### C4.3c

**What methods do you use to drive investment in emissions reduction activities?**

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>We replaced refrigerant containing systems with more efficient ones. The Flex site in Tab, Hungary received an energy management system certificate in November 2016 for fulfilling ISO50001.</td>
</tr>
<tr>
<td>Dedicated budget for energy efficiency</td>
<td>We dedicate $17M USD/year to fund carbon reduction projects.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>We launched our Flex 20 by 2020 goals outlining ten actions to encourage employees to save energy.</td>
</tr>
<tr>
<td></td>
<td>We developed an annual program, called “Earth Day Challenge,”</td>
</tr>
</tbody>
</table>
where we invited all our facilities to organize environmental initiatives over two consecutive weeks. As part of the program, employees are encouraged to increase awareness and support of local communities by volunteering their time and expertise. This program contributes to our Flex 20 by 2020 environmental and community goals.

| Lower return on investment (ROI) specification | Our goal is to achieve a two-year or lower payback in energy efficiency projects and up to six years in renewable generation. |
| Other | We established a dedicated revolving fund for energy efficiency projects. |

**C4.5**

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

**C4.5a**

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

**Level of aggregation**

Group of products

**Description of product/Group of products**

Solar PV products including single axis trackers, high efficiency modules, inverters, smart meters, solenoids, LED lighting, and other industrial energy-saving products.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Climate Bonds Taxonomy

**% revenue from low carbon product(s) in the reporting year**

Comment

The use of our solar PV products allows other organizations to avoid Scope 2 emissions because electricity from solar panels has zero emissions. As this is a relatively new business, we are not reporting % of revenue yet.

**Level of aggregation**

Group of products
Description of product/Group of products
   LED lighting solutions for industrial applications

Are these low-carbon product(s) or do they enable avoided emissions?
   Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
   Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year

Comment
   The use of our LED lighting solutions allows other organizations to reduce Scope 2 emissions. LED lighting is more energy efficient than traditional lighting and reduces the need for purchased electricity. As this is a relatively new business, we are not reporting % of revenue yet.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
   January 1, 2016

Base year end
   December 31, 2016

Base year emissions (metric tons CO2e)
   73,527

Comment
   Emissions were re-baselined in this year due to a divestiture and methodology improvements.

Scope 2 (location-based)

Base year start
   January 1, 2016

Base year end
   December 31, 2016

Base year emissions (metric tons CO2e)
   865,993
Comment
Emissions were re-baselined in this year due to a divestiture and methodology improvements.

Scope 2 (market-based)

Base year start
January 1, 2016

Base year end
December 31, 2016

Base year emissions (metric tons CO2e)
857,097

Comment
Emissions were re-baselined in this year due to a divestiture and methodology improvements.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.


C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
82,432

Start date
January 1, 2018

End date
December 31, 2018

Comment
C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
822,750

Scope 2, market-based (if applicable)
784,009

Start date
January 1, 2018

End date
December 31, 2018

Comment
Reported emissions are gross emissions.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services
Evaluation status
Relevant, not yet calculated

Explanation
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.

Capital goods

Evaluation status
Relevant, not yet calculated

Explanation
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
221,825

Emissions calculation methodology
FERA emissions are calculated based on the amount of energy consumed per energy type (electricity, natural gas, etc.). Total consumption by each fuel type is multiplied by the appropriate emission factor. The upstream emission factor for purchased fuel is based on life-cycle analysis software. The emission factor for upstream emissions of purchased electricity is based on life cycle analysis for the United States and based on the UK DEFRA Guidelines for other countries. The transmission and distribution emission factors are location-based and taken from the EPA’s eGRID database for the United States and based on UK DEFRA Guidelines for other countries. All GWPs are IPCC Fourth Assessment Report (AR4-100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation

Upstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Explanation
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.
Waste generated in operations

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
30,419

**Emissions calculation methodology**
Emissions in this category include those that result from landfilling, incineration, recycling, and composting of waste from our facilities. We collect data regarding the amount, type, and disposal method of waste from facility managers. We calculate emissions from waste using methodologies and emission factors from the EPA’s Waste Reduction Model (WARM). This model calculates emissions based on a life cycle analysis, including emissions from the long-term decomposition of waste in a landfill or from upstream sources/sinks. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Explanation**

Business travel

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
32,119

**Emissions calculation methodology**
Business travel emissions include air travel, rail travel, rental cars, and hotel stays. Air and rail travel, and hotel stay activity data include miles traveled and class of service obtained from our travel agency. Rental car activity data is provided directly from rental car providers. Emissions are calculated based on the activity data and emission factors from the Guidelines to DEFRA / DECC’s GHG Conversion Factor for Company Reporting, Climate Leaders Mobile Source Guidance, Climate Leaders Business Travel and Commuting Guidance, and EPA Emission Factor for Greenhouse Gas Inventories. All GWPs are IPCC Fourth Assessment Report (AR4-100 year).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Explanation**
**Employee commuting**

**Evaluation status**
Relevant, not yet calculated

**Explanation**
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.

**Upstream leased assets**

**Evaluation status**
Not relevant, explanation provided

**Explanation**
Under the operational control approach which we use to define our inventory boundary, all emissions from all upstream leased assets are included in our Scope 1 and Scope 2 emissions, therefore they constitute 0% of our scope 3 emissions.

**Downstream transportation and distribution**

**Evaluation status**
Relevant, not yet calculated

**Explanation**
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.

**Processing of sold products**

**Evaluation status**
Relevant, not yet calculated

**Explanation**
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.

**Use of sold products**

**Evaluation status**
Relevant, not yet calculated

**Explanation**
We are in the process of building our Scope 3 inventory. This category will be included in our future disclosure.

**End of life treatment of sold products**

**Evaluation status**
Not evaluated

**Explanation**
We are determining if this category represents a significant-enough emissions source. If so, we will be utilizing the EPA Waste Reduction Model (WARM).

**Downstream leased assets**

**Evaluation status**
Not evaluated

**Explanation**
We are determining if this category represents a significant-enough emissions source. If so, we will be utilizing the EPA Emission Factors for Greenhouse Gas Inventories.

**Franchises**

**Evaluation status**
Not relevant, explanation provided

**Explanation**
We do not have franchises; therefore, emissions from franchises are not relevant for us and constitute 0% of our scope 3 emissions.

**Investments**

**Evaluation status**
Not evaluated

**Explanation**
This may or may not be relevant (as a significant-enough source of emissions). If it is, we will be utilizing the EPA emissions factors for GHG inventories based on our total investments that represent 1% or greater of our total revenues (significance of investment).

**Other (upstream)**

**Evaluation status**

**Explanation**

**Other (downstream)**

**Evaluation status**

**Explanation**
C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biologically sequestered carbon relevant to your organization in metric tons CO2.

Row 1

<table>
<thead>
<tr>
<th>Emissions from biologically sequestered carbon (metric tons CO2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
</tr>
</tbody>
</table>

Comment

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00003417

Metric numerator (Gross global combined Scope 1 and 2 emissions)

905,181

Metric denominator

unit total revenue

Metric denominator: Unit total

26,490,274,000

Scope 2 figure used

Location-based

% change from previous year

3

Direction of change

Decreased

Reason for change
Scope 1 and 2 location-based gross emissions increased by 3%. The 6% increase in revenue from 2017 result in an overall 3% decrease in gross GHG intensity per dollar of revenue. In addition to the increase in revenue, the decrease in gross GHG intensity per dollar of revenue can be attributed to the 227 implemented emission reduction activities. These emission reduction activities saved over 41,000 metric tons CO2e in 2018.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
   Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons of CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>77,303</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>41</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>87</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>HFCs</td>
<td>5,001</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
</tbody>
</table>

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>8,237</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3,152</td>
</tr>
<tr>
<td>Mexico</td>
<td>35,348</td>
</tr>
<tr>
<td>United States of America</td>
<td>10,630</td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
</tr>
<tr>
<td>Rest of the world</td>
<td>25,065</td>
</tr>
</tbody>
</table>
C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
   By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stationary Combustion</td>
<td>70,775</td>
</tr>
<tr>
<td>Mobile Combustion</td>
<td>6,656</td>
</tr>
<tr>
<td>Fugitive Emissions</td>
<td>5,001</td>
</tr>
</tbody>
</table>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>349,164</td>
<td>349,164</td>
<td>539,278</td>
<td>8,058</td>
</tr>
<tr>
<td>Mexico</td>
<td>104,295</td>
<td>117,056</td>
<td>228,707</td>
<td>2,520</td>
</tr>
<tr>
<td>Malaysia</td>
<td>135,004</td>
<td>112,226</td>
<td>195,799</td>
<td>0</td>
</tr>
<tr>
<td>United States of America</td>
<td>69,376</td>
<td>60,140</td>
<td>153,700</td>
<td>15,628</td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rest of the world</td>
<td>164,911</td>
<td>145,423</td>
<td>416,920</td>
<td>7,886</td>
</tr>
</tbody>
</table>

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.
   By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 2, location-based emissions (metric tons CO2e)</th>
<th>Scope 2, market-based emissions (metric tons CO2e)</th>
</tr>
</thead>
</table>
C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>984</td>
<td>Decreased 0.1</td>
<td>One way Flex has reduced market-based emissions is by purchasing electricity through contracts with suppliers supported by energy attribute certificates. The resulting market-based emission reduction was 984 metric tons CO2e, divided by our total reported emissions in the previous year of 1,113,214 metric tons CO2e gives a 0.1% reduction (984/1,113,214)*100 = 0.1%.)</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>41,090</td>
<td>Decreased 4</td>
<td>Flex implements energy efficiency projects resulting in a market-based emission reduction of 41,090 metric tons CO2e, divided by our total reported emissions in the previous year of 1,113,214 metric tons CO2e gives a 4% reduction (41,090/1,113,214)*100 = 4%.)</td>
</tr>
<tr>
<td>Divestment</td>
<td>216,707</td>
<td>Decreased 19</td>
<td>Flex divested an energy-intensive site in 2018. The resulting market-based emission reduction was 216,707 metric tons CO2e, divided by our total reported emissions in the previous year of 1,113,214 metric tons CO2e gives a 19% reduction (216,707/1,113,214)*100 = 19%.)</td>
</tr>
</tbody>
</table>
### Acquisitions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Mergers

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Change in output

<table>
<thead>
<tr>
<th>Change in methodology</th>
<th>11,023</th>
<th>Increased</th>
<th>1</th>
<th>Improved data quality</th>
</tr>
</thead>
</table>

### Change in boundary

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Change in physical operating conditions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Unidentified

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

### Other

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

## C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

- Market-based

## C8. Energy

### C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

- More than 0% but less than or equal to 5%

### C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicate whether your organization undertakes this energy-related activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>No</td>
</tr>
<tr>
<td>Energy Consumption</td>
<td>Consumption of purchased or acquired steam</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Consumption of purchased or acquired cooling</td>
</tr>
<tr>
<td></td>
<td>Generation of electricity, heat, steam, or cooling</td>
</tr>
</tbody>
</table>

### C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Consumption of Fuel (excluding feedstock)</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>HHV (higher heating value)</td>
<td>139</td>
<td>410,958</td>
<td>411,097</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>20,373</td>
<td>1,493,371</td>
<td>1,513,744</td>
<td></td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>0</td>
<td>6,941</td>
<td>6,941</td>
<td></td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>13,719</td>
<td>13,719</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>34,231</td>
<td>1,911,270</td>
<td>1,945,501</td>
<td></td>
</tr>
</tbody>
</table>

### C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

<table>
<thead>
<tr>
<th>Fuel Application</th>
<th>Indicate whether your organization undertakes this fuel application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of heat</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>Yes</td>
</tr>
</tbody>
</table>
C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

<table>
<thead>
<tr>
<th>Fuels (excluding feedstocks)</th>
<th>Heating value</th>
<th>Total fuel MWh consumed by the organization</th>
<th>MWh fuel consumed for self-generation of electricity</th>
<th>MWh fuel consumed for self-generation of heat</th>
<th>MWh fuel consumed for self-cogeneration or self-trigeneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>HHV (higher heating value)</td>
<td>357,166</td>
<td>14,000</td>
<td>0</td>
<td>165,441</td>
</tr>
<tr>
<td>Fuel Oil Number 2</td>
<td>HHV (higher heating value)</td>
<td>6,761</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Comment
Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
19,518

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

Fuels (excluding feedstocks)
Bioethanol

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
139

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization

3,532

MWh fuel consumed for self-generation of electricity
  0

MWh fuel consumed for self-generation of heat
  0

MWh fuel consumed for self-cogeneration or self-trigeneration
  0

Comment

----------------------------------------------------------------------------------------

Fuels (excluding feedstocks)
  Motor Gasoline

Heating value
  HHV (higher heating value)

Total fuel MWh consumed by the organization
  12,098

MWh fuel consumed for self-generation of electricity
  0

MWh fuel consumed for self-generation of heat
  0

MWh fuel consumed for self-cogeneration or self-trigeneration
  0

Comment

----------------------------------------------------------------------------------------

Fuels (excluding feedstocks)
  Diesel

Heating value
  HHV (higher heating value)

Total fuel MWh consumed by the organization
  11,883

MWh fuel consumed for self-generation of electricity
  0

MWh fuel consumed for self-generation of heat
  0
MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

**Bioethanol**

<table>
<thead>
<tr>
<th>Emission factor</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>lb CO2 per gallon</td>
</tr>
</tbody>
</table>

**Emission factor source**
Center for Corporate Climate Leadership GHG Emission Factors Hub

Comment

**Diesel**

<table>
<thead>
<tr>
<th>Emission factor</th>
<th>23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>lb CO2 per gallon</td>
</tr>
</tbody>
</table>

**Emission factor source**
Center for Corporate Climate Leadership GHG Emission Factors Hub

Comment

**Fuel Oil Number 2**

<table>
<thead>
<tr>
<th>Emission factor</th>
<th>164</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>lb CO2e per million Btu</td>
</tr>
</tbody>
</table>

**Emission factor source**
Center for Corporate Climate Leadership GHG Emission Factors Hub

Comment
Jet Kerosene

Emission factor
22

Unit
lb CO2e per gallon

Emission factor source
Center for Corporate Climate Leadership GHG Emission Factors Hub

Comment

Liquefied Petroleum Gas (LPG)

Emission factor
139

Unit
lb CO2e per million Btu

Emission factor source
Center for Corporate Climate Leadership GHG Emission Factors Hub

Comment

Motor Gasoline

Emission factor
19

Unit
lb CO2 per gallon

Emission factor source
Center for Corporate Climate Leadership GHG Emission Factors Hub

Comment

Natural Gas

Emission factor
117

Unit
lb CO2e per million Btu

Emission factor source
Center for Corporate Climate Leadership GHG Emission Factors Hub
Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

<table>
<thead>
<tr>
<th></th>
<th>Total Gross generation (MWh)</th>
<th>Generation that is consumed by the organization (MWh)</th>
<th>Gross generation from renewable sources (MWh)</th>
<th>Generation from renewable sources that is consumed by the organization (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>82,522</td>
<td>82,522</td>
<td>13,719</td>
<td>13,719</td>
</tr>
<tr>
<td>Heat</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Steam</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cooling</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

---

Basis for applying a low-carbon emission factor

Power Purchase Agreement (PPA) with energy attribute certificates

Low-carbon technology type

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling

15,628

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

---

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates
### Low-carbon technology type
- **Hydropower**

### Region of consumption of low-carbon electricity, heat, steam or cooling
- **Europe**

### MWh consumed associated with low-carbon electricity, heat, steam or cooling
- **4,745**

### Emission factor (in units of metric tons CO2e per MWh)
- **0**

### Comment

---

### Basis for applying a low-carbon emission factor
- Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

### Low-carbon technology type
- **Solar PV**

### Region of consumption of low-carbon electricity, heat, steam or cooling
- **Asia Pacific**

### MWh consumed associated with low-carbon electricity, heat, steam or cooling
- **13,719**

### Emission factor (in units of metric tons CO2e per MWh)
- **0**

### Comment
- Applies to Solar PV in China, Mexico, and Austria

### C9. Additional metrics

#### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

### C10. Verification

#### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.
### C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Verification or assurance cycle in place</th>
<th>Status in the current reporting year</th>
<th>Type of verification or assurance</th>
<th>Attach the statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Annual process</td>
<td>Complete</td>
<td>Limited assurance</td>
<td>[Flex_Environmental_and_Community_Data_Verification_Statement_July 2019.pdf](Flex_Environmental_and_Community_Data_Verification_Statement_July 2019.pdf)</td>
</tr>
</tbody>
</table>

**Page/ section reference**
Whole document

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance
Attach the statement

Flex_Environmental_and_Community_Data_Verification_Statement_July 2019.pdf

Page/ section reference
Whole document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

Flex_Environmental_and_Community_Data_Verification_Statement_July 2019.pdf

Page/ section reference
Whole document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3: at least one applicable category

Verification or assurance cycle in place
Annual process

**Status in the current reporting year**
Complete

**Attach the statement**

[Flex_Environmental_and_Community_Data_Verification_Statement_July 2019.pdf]

**Page/section reference**
Whole document

**Relevant standard**
ISO14064-3

### C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

### C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

[Flex_Environmental_and_Community_Data_Verification_Statement_July 2019.pdf]

<table>
<thead>
<tr>
<th>Disclosure module verification relates to</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>C6. Emissions data</td>
<td>Year on year change in emissions (Scope 1 and 2)</td>
<td>ISO14064-3</td>
<td>The 2018 vs 2017 change in scope 1 and scope 2 emissions were verified.</td>
</tr>
<tr>
<td>C6. Emissions data</td>
<td>Year on year change in emissions (Scope 3)</td>
<td>ISO14064-3</td>
<td>The 2018 vs 2017 change in scope 3 emissions were verified.</td>
</tr>
<tr>
<td>C4. Targets and performance</td>
<td>Progress against emissions reduction target</td>
<td>ISO14064-3</td>
<td>The 2018 progress against our emission reduction target was verified.</td>
</tr>
<tr>
<td>C8. Energy</td>
<td>Other, please specify Total Energy Consumed (MWh)</td>
<td>ISO14064-3</td>
<td>The total energy consumed in 2018 was verified.</td>
</tr>
<tr>
<td>C8. Energy</td>
<td>Other, please specify Use of renewable energy (MW)</td>
<td>ISO14064-3</td>
<td>The use of renewable energy (MW) in 2018 was verified.</td>
</tr>
</tbody>
</table>
C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Shenzhen pilot ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

<table>
<thead>
<tr>
<th>Shenzhen pilot ETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Scope 1 emissions covered by the ETS</td>
</tr>
<tr>
<td>Period start date</td>
</tr>
<tr>
<td>Period end date</td>
</tr>
<tr>
<td>Allowances allocated</td>
</tr>
<tr>
<td>Allowances purchased</td>
</tr>
<tr>
<td>Verified emissions in metric tons CO2e</td>
</tr>
<tr>
<td>Details of ownership</td>
</tr>
</tbody>
</table>
**C11.1d**

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

Flex’s strategy for complying with the Shenzhen pilot ETS is to stay under the cap by implementing energy efficiency measures in operations and optimizing production processes.

For example, in FY18 we applied this strategy by:
- Replacing halogen lamps with LED lighting;
- Upgrading air conditioner duct connection at workshop;
- Replacing low-efficiency compressors;
- Setting up and improving fresh-air equipment in cleanrooms;
- Installing cooling water pipe parallel connection for chiller systems;
- Reducing quantity for W/S and reflow oven to meet electricity usage through optimizing the production process;
- Using efficient motors and chiller unit to meet energy demand savings.

We measure and monitor our emissions to ensure that we have not exceeded the limit.

**C11.2**

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

**C11.2a**

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

<table>
<thead>
<tr>
<th>Credit origination or credit purchase</th>
<th>Credit purchase</th>
</tr>
</thead>
</table>

**Project type**

- Hydro

**Project identification**

- CDM Project 1326: Jorethang Loop Hydroelectric Project, India

**Verified to which standard**

- CDM (Clean Development Mechanism)

**Number of credits (metric tonnes CO2e)**

- 63,158

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

- 63,158

**Credits cancelled**
Yes

**Purpose, e.g. compliance**
Voluntary Offsetting

---

**Credit origination or credit purchase**
Credit purchase

**Project type**
Hydro

**Project identification**
CDM Project 4676: SHP CDM Project, Minas Gerais, Brazil

**Verified to which standard**
CDM (Clean Development Mechanism)

**Number of credits (metric tonnes CO2e)**
3,847

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
3,847

**Credits cancelled**
Yes

**Purpose, e.g. compliance**
Voluntary Offsetting

---

**Credit origination or credit purchase**
Credit purchase

**Project type**
Wind

**Project identification**
CDM Project 5553: Renewable Wind Power generation for promoting energy security

**Verified to which standard**
CDM (Clean Development Mechanism)

**Number of credits (metric tonnes CO2e)**
1,500

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
1,500

**Credits cancelled**
Yes
Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Transport

Project identification
CDM Project 4744: BRT Zhengzhou, China

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
1,320

Number of credits (metric tonnes CO2e): Risk adjusted volume
1,320

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement

  Code of conduct featuring climate change KPIs

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement

While conducting business with or on behalf of Flex, our suppliers and our employees, agents, and subcontractors must understand and adhere to our Supplier Code of Conduct ("Code"). We expect all of our suppliers to implement appropriate and effective policies to ensure compliance with the code and all relevant laws and regulations. The code applies to all suppliers including, but not limited to, those engaged in:

- Manufacturing products, packaging, parts, components, subassemblies, materials or otherwise involved in processes related to any of the foregoing; and
- Providing services to, or on behalf of Flex, regardless of type, location or duration.

Adoption of compliance to the Responsible Business Alliance Code of Conduct ("RBA Code") is fundamental to the code. The RBA embodies a set of standards on social, environmental and ethical issues in the supply chain. Our standards exceed those of the RBA Code. We require additional compliance with respect to the social and environmental responsibility requirements. The RBA Code states that energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Participants are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

Impact of engagement, including measures of success

Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry and communities. We strive to do this by continuously monitoring our supply chain to ensure its compliance with our social and environmental standards which exceed RBA standards. Through supplier trainings, onsite audits, screenings, self-assessment questionnaires we ensure the continuity and effectiveness of supplier social and environmental activities, and mitigate potential risks. Beneficial outcomes include: (1) increased awareness and improved supplier reporting (2) supply chain resiliency, and (3) reduced supply chain risk. Flex measures of success include: # suppliers screened using RBA tool, % increase in supplier due diligence assessments from previous year, # completed social and environmental assessments, # trained and certified Flex social and environmental supplier auditors and % increase from previous year, # Flex labor agents assessed, # suppliers trained on social and environmental / RBA requirements, # new suppliers screened using social and environmental criteria, # onsite audits
Comment

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number
3.5

% total procurement spend (direct and indirect)
25

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
One way we convey our requirements to suppliers is through on-site social and environmental training, which also provides an opportunity for us to meet face to face with our suppliers for information sharing and discussion. In 2018, 226 total suppliers received training on our social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards. We selected these suppliers in 2018 because they were (1) local to our campus, (2) represented a diverse cross-section of our supplier base, or (3) were labor agency suppliers.

Impact of engagement, including measures of success
One way we convey our requirements to suppliers is through on-site social and environmental training, which also provides an opportunity for both Flex and our suppliers to meet face to face for information sharing and discussion. In 2018, Flex conducted four trainings at Flex Zhuhai, Suzhou and Gushu campuses, embracing 226 total suppliers. During the training sessions, we outlined the Flex social and environmental expectations for suppliers, our Supply Chain Social and Environmental Management Program, and the updated RBA standards. Together with our suppliers we shared best practices on social and environmental management with the group. Since 2010, more than 2,900 personnel, representing nearly 750 suppliers have been trained on the Flex / RBA social and environmental standards.

Comment

Type of engagement
Compliance & onboarding
Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
2.2

% total procurement spend (direct and indirect)
30

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
Our worldwide supply chain embraces roughly 16,000 direct, indirect and vertically integrated suppliers, most of whom are controlled by our customers. For top suppliers where we have control, we have developed a Preferred Supplier Program (PSP) based on spend. In 2018, there were 452 suppliers in our PSP, of which 98% have been assessed via our Self-Assessment Questionnaire (SAQ). Flex's supplier SAQ contains questions related to the measurement, monitoring and existence of systems to reduce impacts from water use, discharge, air emissions (e.g., VOCs, ozone depleting substances, GHG emissions), energy use, waste, and hazardous materials.

Impact of engagement, including measures of success
In order to be included in our PSP, suppliers are required to meet key criteria established by a cross-functional team of senior leaders. All suppliers must (1) implement appropriate and effective policies to ensure compliance with our Supplier Code of Conduct, which aligns with the Responsible Business Alliance Code of Conduct ("RBA Code") and (2) be approved via our supplier qualification process which covers several key elements, including business, quality systems, operations, engineering/design, product/process environmental compliance, supply chain security, corporate social and environmental responsibilities, and lean concepts. For example, suppliers in our PSP measure, monitor and have systems in place to reduce impacts from water use, discharge, air emissions (e.g., VOCs, ozone depleting substances, GHG emissions), energy use, waste, and hazardous materials. PSP suppliers are also required to complete our self-assessment questionnaire (SAQ) so we can validate their commitment to supporting and respecting the standards of social, environmental and ethical issues in the supply chain. Our measures of success include: (1) % of PSP suppliers assessed, (2) % spend represented by PSP suppliers, (3) # suppliers completing our SAQ, (4) # initial audits conducted, (5) # follow-up audits conducted

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Climate change performance is featured in supplier awards scheme
% of suppliers by number
2.2

% total procurement spend (direct and indirect)
30

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
Each year, Flex honors the recipients of its Preferred Supplier Awards at a Global Supplier Summit, hosted at the Flex Customer Innovation Center, in the Silicon Valley. The awards recognize outstanding performance, strategic value-add, excellent service, innovation and collaboration. Suppliers selected for the awards are nominated by Flex procurement and supply chain professionals and employees in various business groups.

Impact of engagement, including measures of success
As part of our Preferred Supplier Program, in 2017, more than 100 suppliers received our award for unwavering dedication and commitment to providing operational excellence. Climate change performance (i.e. measurement, management and reduction of GHG emissions and energy use) is one aspect of this award. Measures of success include: Flex measures of success include: (1) % of PSP suppliers assessed, (2) % spend represented by PSP suppliers, (3) # suppliers completing Flex’s SAQ, (4) # initial audits conducted, (5) # follow-up audits conducted, (6) # Preferred Supplier awardees per year.

Comment

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
1

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
Flex works with ~250 logistics providers. Five of these providers are considered strategic suppliers based on spend. Each quarter, we conduct a scorecard review with our strategic suppliers to evaluate their environmental sustainability capabilities, including their ability to report greenhouse gas (GHG) emissions based on freight they
moved for us. All of our strategic suppliers have published annual corporate social responsibility reports and have the capability to allocate GHG emissions to us.

**Impact of engagement, including measures of success**

Flex’s strategic suppliers for logistics are evaluated quarterly based on their environmental sustainability capabilities, including their ability to report greenhouse gas (GHG) emissions based on freight the moved for us. This review is undertaken to ensure that logistics providers are measuring and monitoring GHG emissions and publishing annual corporate social responsibility reports. Our measures of success include: (1) # strategic suppliers, (2) # quarterly scorecard reviews, (3) # suppliers able to allocate their GHG emissions to us.

**Comment**

---

**C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**
- Collaboration & innovation

**Details of engagement**
- Run a campaign to encourage innovation to reduce climate change impacts

**% of customers by number**
- 5

**% Scope 3 emissions as reported in C6.5**
- 0

**Please explain the rationale for selecting this group of customers and scope of engagement**

Each year, we conduct quarterly business reviews with ~5% of customers during which we have one-on-one discussions on our GHG emissions performance or GHG target-setting. These customers tend to be major customers with significant spend and corresponding energy demands. As a service business, we are focused on serving our customers’ needs, so most of these efforts are initiated by customers as part of their efforts to evaluate and reduce their own Scope 3 GHG emissions.

**Impact of engagement, including measures of success**

By way of example, we have collaborated with a key customer -- a major networking equipment company -- to optimize their burn-in and testing protocols to minimize energy loads and reduce related GHG emissions. Measures of success: (1) net reduction in energy consumption, (2) net reduction in related GHG emissions, (3) related cost-savings.
Type of engagement
Other, please specify
Education/info sharing: Run an engagement campaign to educate customers about the power of technology to connect people, products and services to create a smarter, more sustainable future.

Details of engagement

% of customers by number
100

% Scope 3 emissions as reported in C6.5
0

Please explain the rationale for selecting this group of customers and scope of engagement
Flex hosts and participates in a range of industry events, tradeshows and conferences annually to showcase innovative solutions, from smart home and lifestyle to automotive, healthcare, and enterprise computing. All customers may attend such events. In 2019 for example, we participated in the Consumer Electronics Show (CES) to demonstrate new ways of understanding and experiencing smart technology – from the way products are manufactured in the Fourth Industrial Revolution, to how they are utilized and connected. Also in 2019, NEXTracker, a Flex company, will be hosting a roundtable with PV Magazine at the Solar Power Southeast trade show in Atlanta to explore the challenges of deploying solar in Southern states (e.g., hurricanes, floods, and damp heat). The panel discussion will cover experiences from both the field and the lab to inform developers, installers, engineers and contractors – as well as financiers and asset owners – on dealing with this diverse set of challenges. We also host curated and guided tours for customers at our customer innovation centers. In 2018, for example, our customer innovation centers in Milpitas, California, Boston, Massachusetts, and in Zhuhai and Shanghai, China, saw a combined total of 1500 customer visits.

Impact of engagement, including measures of success
Through our participation in industry events, we are able to educate our customers about the power of technology to connect people, products and services to create a smarter, more sustainable future. We are also able to share best practices in deploying solar to enable customers to reduce their energy use and related GHG emissions. Measures of success include: (1) # of tradeshows, events and conferences attended per year, (2) # of customer visits to Flex customer innovation centers.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.
Flex values feedback and input from our internal and external stakeholders. Our key stakeholders, or 'other partners in our value chain', include, but are not limited to, employees,
customers, shareholders, potential investors, suppliers, subcontractors, labor agents, governments/regulatory agencies, unions, Non-Governmental Organizations (NGOs) and industry associations. Regularly, we update our materiality assessment based on stakeholder concerns and publish information based on requests for qualitative and quantitative information on corporate GHG emissions, performance trends, emissions reduction goals, climate change risks and opportunities, and governance practices.

We use multiple communication channels to inform stakeholders, including written communication, meetings, regular and specialized reports, contracts, surveys, and other methods. The frequency of communication varies depending on the topic and business process. Engagement may be daily, monthly, quarterly, annually or as needed to keep an open dialog with all stakeholders. Taking advantage of the regular communication and business process, we continually identify the key sustainability topics and concerns of our stakeholders. Then we strive to incorporate these priorities into our business and corporate sustainability strategies. In 2018, key topics included environmental performance, working hours, working conditions, social and environmental supply chain management, integrity/ethics, company performance, regulatory compliance and adherence to RBA standards, among others. Through our 2018 materiality assessment process, we identified, among other issues, energy, water, emissions and supplier environmental assessments as material for our business.

Each year, we publish our annual Sustainability Executive Report and online GRI content index to share information on our climate-related strategy and progress toward GHG and energy goals with our stakeholders. In 2018, we achieved an Ecovadis Gold CSR Rating, and a “B” score for our CDP 2018 Climate Change response. In 2018, for the third year in a row, we were a constituent of the FSTE4Good Index. In 2018, we were recognized by our sustainability efforts, particularly our Earth Day Challenge program, with the Manufacturing Leadership Award. These awards recognize our strong performance and oversight of environmental, social and governance issues.

Other climate-related engagements include labor agent sustainability assessments. As an example, we have performed social and environmental on-site audits on our major labor agents in China since 2015. In recent years, we have extended these audits to Malaysia, India, Indonesia, Brazil, and Thailand. Twenty of our labor agents were assessed in 2018. We only conduct business with approved labor agents based on audit results.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
   - Direct engagement with policy makers
   - Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?
<table>
<thead>
<tr>
<th>Focus of legislation</th>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean energy generation</td>
<td>Support</td>
<td>NEXTracker, a Flex company, lobbies in support of clean energy generation. In 2018, NEXTracker lobbied in Sacramento, California in support of solar photovoltaic and energy storage legislation (Senate Bill-100 California Renewables Portfolio Standard Program: emissions of greenhouse gases). The company’s lobbying efforts were joined by solar companies big and small.</td>
<td>By lobbying in support of SB-100, NEXTracker is advocating for directional support from California state assembly for 100% renewable by 2015, cleaning up our air and creating good jobs in the process. The bill creates thousands of high-quality paying jobs while also reducing the pollution that warms the planet and harms California’s children and families.</td>
</tr>
<tr>
<td>Clean energy generation</td>
<td>Support</td>
<td>In 2015, NEXTracker’s Chief Executive Officer (CEO) lobbied for net metering in California and testified for it both at the California Energy Commission and the California Public Utilities Commission. Lobbying efforts were successful in getting net metering passed in California, and it has since been replicated in almost every state in the United States.</td>
<td>By lobbying in support of net metering, NEXTracker advocates for the lowest levelized cost of energy with solar. With more solar integrated on to California’s grid, ratepayers (or California consumers), are paying less on their monthly utility bills. This is accomplished with net energy metering (or NEM). NEM is a billing mechanism that allows homeowners and businesses that generate their own electricity with their solar energy system to deliver power they do not use back into the grid and receive a credit.</td>
</tr>
<tr>
<td>Clean energy generation</td>
<td>Oppose</td>
<td>In 2018, NEXTracker lobbied against the US Solar Tariff, which places tariffs on imported solar cells and modules for a period of four years. According to the Solar Energy Industries Association (SEIA), “The historic growth of solar energy in the U.S. has shown that increases in deployment depend on falling costs. Across all market segments, solar is competing with other low-cost fuel sources such as wind and natural gas. At such thin margins, even the slightest increase in the price of modules can mean that</td>
<td>By lobbying against the US Solar Tariff, NEXTracker is advocating for the lowest levelized cost of producing energy through solar. With extensive tariffs (20-30% on solar panels coming into the United States – of which 90% are manufactured in China; and an additional steel and aluminum tariff imposed on the solar racking and mounting structures in large scale utility that NEXTracker relies on to deliver the lowest cost of solar power to its customer, these tariffs will increase the cost of solar, going</td>
</tr>
</tbody>
</table>
homeowners, utilities and businesses will choose an alternative for their power generation. That’s why these tariffs will be damaging to the entire U.S. industry. With hardware costs increased as a result of import fees, many projects may not pencil out. This translates to losses in jobs and economic investment, and a missed opportunity to grow the U.S. economy.”

<table>
<thead>
<tr>
<th>C12.3b</th>
<th>(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>C12.3c</td>
<td>(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade association</th>
<th>Solar Energy Industries Association (SEIA)</th>
</tr>
</thead>
</table>

| Is your position on climate change consistent with theirs? | Consistent |

| Please explain the trade association's position | From SEIA’s website, SEIA “is the driving force behind solar energy and is building a strong solar industry to power America through advocacy and education. As the national trade association for the U.S. solar energy industry, which employs more than 242,000 Americans, we represent all organizations that promote, manufacture, install and support the development of solar energy. SEIA works with its 1,000 member companies to build jobs and diversity, champion the use of cost-competitive solar in America, remove market barriers and educate the public on the benefits of solar energy.” According to SEIA, “The near-term growth of the U.S. solar industry is dependent, in part, on national and state policy. One way SEIA can be an effective public policy advocate for the solar industry is through a strong and vibrant PAC [political action committee]. As a maturing industry, we have a responsibility to support policymakers who will back pro-solar policies and provide financial contributions to the political campaigns of key policymakers...The SolarPAC allows the solar industry to support federal candidates who are committed to expanding the use of solar technologies in the... |

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global marketplace and who will promote a legislative and regulatory climate favorable to our industry."

In 2018, NEXTracker, a Flex company, lobbied with SEIA against the US Solar Tariff, which places tariffs on imported solar cells and modules for a period of four years.

**How have you influenced, or are you attempting to influence their position?**

The CEO of NEXTracker, a Flex company, sits on SEIA’s board of directors. Together with NEXTracker, we support SEIA’s efforts to review pending regulations and proposed directives and provide comments from a solar manufacturer/ supplier perspective.

**C12.3f**

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We have implemented processes to ensure direct and indirect activities that influence policy are consistent with our overall climate change strategy: our Corporate Social and Environmental Responsibility (CSER) Regional Leads (RLs) and Corporate Real Estate and Facilities (CREF) Regional Leads (RLs) report any pertinent activity in their regions to CSER and CREF Vice Presidents (VPs) on a regular basis. CSER and CREF RLs provide communication links between sites and corporate, ensuring site-level activity is aligned to our corporate strategy. CSER and CREF VPs provide leadership and resources to drive global climate-related activities.

Our CSER VP, our CSER Customer Facing and Product Compliance representative, and our CSER Regulations Market Intelligence (RMI) lead representative actively participate in the Information Technology Industry Council’s Environmental Leadership Committee (ELC). We are a member of the Silicon Valley Leadership Group’s Sustainability and Energy Committee, which advocates for balanced, efficient, and effective policies and programs. In addition, our CSER in-house legal counsel support our CSER team members. Through this active participation, we ensure our external engagements are consistent with our company strategy, including our climate change strategy.

**C12.4**

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

---

**Publication**

In voluntary communications

**Status**

Underway – previous year attached

**Attach the document**
Page/Section reference
Sustainability Strategy - pp. 7
Emissions figures, targets - pp. 13 – 15
Other metrics – pp. 4, 9-15, 17-20

Content elements
Strategy
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary communications

Status
Complete

Attach the document

Sustainability - Vision _ Flex.pdf

Page/Section reference
https://flex.com/about/sustainability/vision - pp. 1-3

Content elements
Governance

Comment

Publication
In mainstream reports

Status
Complete

Attach the document

2018-AR-Flex.pdf

Page/Section reference
C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1: Group President, Global Operations</td>
<td>President</td>
</tr>
</tbody>
</table>

Please confirm below

I have read and accept the applicable Terms