

## SUPPLIER PRACTICES GUIDELINES

### About Flex

Flex (Reg. No. 199002645H) is the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across 30 countries and responsible, sustainable operations, Flex delivers technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets.

The information in this document is proprietary and intellectual property of Flex and should not be disclosed to unauthorized recipients.

## 1.0 INTRODUCTION AND PURPOSE

- 1.1. As a founding member of the Responsible Business Alliance (RBA) formerly known as Electronics Industry Citizenship Coalition (EICC), Flex is committed to doing business with suppliers who continuously demonstrate the highest degree of ethical behaviour. At a minimum, all suppliers must conduct its business in accordance with all applicable laws and regulations and complying with the RBA Code of Conduct. The purpose of the Supplier Practices Guidelines is to communicate that each and every Flex employee engaged in procurement-related activities is required to follow certain best practices and to provide additional guidance with respect to Flex's expectations regarding "Business Meals, Gifts and Entertainment," "Supplier Sponsorships," "Conflicts of Interest" and "Reporting Suspected Violations."

## 2.0 SCOPE

- 2.1. This document applies to all Flex Suppliers and Flex employees.

## 3.0 DEFINITIONS AND ACRONYMS

- 3.1. RBA: Responsible Business Alliance
- 3.2. EICC: Electronic industry Citizenship Coalition
- 3.3. GPSC: Global Procurement Supply Chain
- 3.4. CPSCO: Chief Procurement & Supply Chain Officer
- 3.5. Sustainability: Integrates the different aspects into a company's environmental, social, and economic aspects, including the supply chain.

## 4.0 REFERENCES

- 4.1. [Flex Supplier Quality Webpage](#)
- 4.2. Supplier Code of Conduct, [FMS-QMS-1-034-00](#)
- 4.3. Global Procurement and Supply Chain Policy, GPO-SPC-1-001-01

## 5.0 BUSINESS MEALS, GIFTS AND ENTERTAINMENT

- 5.1. Suppliers may offer customary business amenities, such as nominal gifts, meals and entertainment to Flex employees, provided that such expenses are not prohibited by law, do not create a perception of conflict of interest and do not exceed the guidelines provided below. Management must be consulted when an employee is unsure of the appropriateness of accepting a gift, an invitation to a specific entertainment event or whether meals and entertainment falls within this Policy.
- 5.2. The expenses provided do not exceed the guidelines set forth below, are not prohibited by laws or regulations and do not create the perception of a conflict of interest. Flex requires its suppliers to adhere to the following:
- Gifts in cash or cash equivalents from existing or prospective suppliers are always prohibited. Employees are prohibited from accepting any payment, service, or gift, directly or indirectly from a current or prospective supplier. This prohibition covers anything of value, including, but not limited to:
    - Cash
    - Products
    - Meals
    - Lodging/transport
    - Loans
    - Prizes
    - Special discounts
    - Paid vacation
    - Free or discounted stocks and,
    - Gift certificates
  - Gifts or entertainment that would embarrass Flex employees or Flex customers are strictly prohibited.
  - Approval from Flex account managers or immediate supervisor is required for business meals or entertainment valued more than \$250 USD (in Americas, Europe, Hong Kong, and Singapore) and \$100 USD in all other regions.
  - A supplier may not give or offer to any Flex employee or employee's family members anything with a value of more than \$25 USD. Subject to these guidelines, a supplier may only offer a qualifying gift when it is customarily offered to others having a similar relationship with the supplier.
  - If a supplier offers a Flex employee a gift which value exceed \$25 USD or is not customarily offered to others, Flex employees are required to inform Flex management, immediately. Management will make appropriate arrangements to return or dispose the gift and remind the supplier of Flex's gift policy. If it is impractical to return the gift to the supplier, the gift may be donated to charity in the supplier's name. A notice will be sent to the supplier explaining the action taken and restating Flex's gift policy.
  - Employees must not accept a discount of any nature for personal use from a supplier unless such discounts are available to all employees or otherwise approved for Flex's employee discount program.

- It is important to note that the frequency of otherwise acceptable business gifts or entertainment may make them unacceptable. For example, joining a supplier for a nice dinner once a year may be acceptable in certain circumstances, but once a month may not be acceptable. Frequency must be taken into consideration.

## 6.0 SUPPLIER SPONSORSHIPS

6.1. The following principles will guide Flex, as a company, in any solicitation or invitation for Flex events that may be sponsored, in part, by suppliers:

- All gifts, contributions and/or support must not drive Flex's agenda or priorities.
- Participation in the sponsorship program is completely voluntary and shall not have any impact to Flex current or future business relationships.
- Sponsorship agreements must not give unfair advantage to, or cause discrimination against suppliers.
- Sponsor's name must be kept confidential and shall not be disclosed.
- The gifts shall be appropriate and not bear supplier's logo or be construed as any type of advertisement to our employees.
- Gifts in the form of cash, gift cards or cash equivalents are strictly prohibited.
- Total gift value amount shall not exceed US\$500.
- A committee must be formed to oversee the supplier sponsorship and shall include at least one (1) member from the Global Procurement and Supply Chain staff.
- All sponsorships must be reviewed and approved by the committee.
- All gifts, contributions and/or support shall be donated to charity to be selected and approved by the committee.
- A letter of acknowledgement for gifts, contributions and in-kind support will be sent to all sponsors and a copy will be kept within the committee.

### 6.2. Authority for Implementation

6.2.1. Flex's Chief Procurement and Supply Chain Officer must be informed and advised of all sponsorship activities before requests for sponsorships are distributed to suppliers. Flex reserves the right to make decisions regarding the implementation of each gifts, contributions and/or offer of in-kind support.

## 7.0 CONFLICTS OF INTEREST

7.1. GPSC and Delegates must maintain a fair and transparent supplier selection process. This prevents suppliers from having or being perceived to have an unfair advantage. Conflicts of interest might arise when a Flex employee with any direct or indirect interest in a supplier is involved in procuring Goods or Services from that supplier. An interest in a supplier could arise in many circumstances, such as an ownership interest, managerial control, or familial relationship. A conflict might also arise when a former Flex employee is selling Goods and Services to Flex.

- 7.2. Flex must ensure the confidence of our suppliers and the integrity of Flex's business award process is beyond reproach. Employees with friends or relatives holding a senior management position with or having a financial interest in an existing or potential supplier must disclose this relationship to management. Similarly, if a former Flex employee holds a senior management position with or has a financial interest in an existing or potential company wanting to do business with Flex, then disclosure of this potential conflict must be made to management. If conducting business with a relative, friend or former Flex employee is unavoidable, then any decision-making role must be re-delegated to a non-conflicted Delegate and the relationship must be fully disclosed to management, who will then decide how to proceed. Even employees not bearing ultimately decision-making authority must not influence or appear to have influence over the final selection. It is important that all procurement transactions are conducted in a manner that does not provide a friend, family member or former Flex employee with any preferential treatment. If the situation involves a significant transaction that is material to Flex, as determined by the CPSCO, then Flex's internal audit committee is required to grant prior written approval.

## 8.0 REPORTING SUSPECTED VIOLATIONS

- 8.1. Flex values your relationship. If at any time you believe that any behaviour by Flex or Flex employees is in violation of these guidelines, then please immediately report these violations to the Flex Anonymous Reporting site at <https://secure.ethicspoint.com/domain/media/en/gui/17667/index.html> or to the local Flex Human Resources department. Flex will take appropriate corrective actions. Any violations reported through either venue will be held in strict confidentiality and will not, in any way, reflect adversely on the business relationship with our valued suppliers.
- 8.2. Flex looks forward to a mutual beneficial relationship with all our suppliers. If there are any questions regarding these Guidelines, please contact your global account manager.

## 9.0 LEGAL AND SOCIAL REQUIREMENTS

- 9.1. Flex's policies are designed to achieve high standards of Sustainability. Flex's Sustainability program positions us as industry leaders in an area that is vital to maximizing shareholder value and providing our customers with a competitive advantage. In addition to requiring suppliers to comply with these guidelines, all suppliers must commit to the following non-exclusive list of actions:
- 9.1.1. Promote positive Sustainability activities.
  - 9.1.2. Conform to Responsible Business Alliance Code of conduct, formerly known as "EICC".

- 9.1.3. Contribute to society and community. Suppliers must proactively participate in activities that contribute to the development of global society and local community.
- 9.1.4. Comply with all national and other applicable laws and regulations and require upstream suppliers to do the same (including labour agencies).
- 9.1.5. Provide clear and accurate Sustainability reporting to Flex, when requested.

## **10.0 RESPONSIBILITY**

- 10.1. All Flex employees and Flex Suppliers.

## **11.0 DOCUMENT REVIEW AND APPROVAL REQUIREMENTS**

- 11.1. This document shall be reviewed and approved as defined in Control of Documented Information, [FMS-QMS-1-001-00](#).