



flex
2021 sustainability report
Extraordinary starts here



About this report and external alignment

The 2021 annual sustainability report serves as a summary of our most important activities, performance and results from the 2020 calendar year, from January 1, 2020 to December 31, 2020, unless otherwise noted. Flex Ltd. is a public company limited by shares incorporated under the laws of the Republic of Singapore (Co. Reg. No. 199002645H), with its administrative headquarters in San Jose, California, U.S., and publicly traded on NASDAQ under the symbol FLEX. We have significant operations in Brazil, China, Hungary, India, Malaysia, Mexico, Poland, Romania, Ukraine and the U.S. Our financial statements reported in our Annual Report, and disclosed within this report, include the accounts of Flex and its majority-owned subsidiaries but do not include statements from the [Flex Foundation](#), a private, non-profit organization that supports philanthropic initiatives, unless noted. Our activities and disclosure support and align with external frameworks, including the Global Reporting Initiative (GRI), UN Sustainable Development Goals (UN SDGs), the Sustainable Accounting Standards Board (SASB), the UN Global Compact (UNGC), and the Taskforce for Climate-related Financial Disclosure (TCFD), which can be found in the indices section. This report has been prepared in accordance with the [GRI Standards: Core option](#), which is indexed on [page 62](#).

Our last sustainability report was published in August 2020 (see archived reports [here](#)). We appreciate your interest and welcome feedback on the information presented here. If you have any comments or questions, please email us at sustainability.feedback@flex.com.

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Letter from our CEO

Sustainability, including environmental, social and corporate governance (ESG), has long been the bedrock of Flex operations, and in 2020, a year like no other, it was never more important for us to do our part and contribute to a sustainable future.

I am deeply grateful to our 160,000 colleagues who stepped up to meet unparalleled challenges during a most difficult time. Our teams helped each other with empathy and compassion as we faced this human crisis together. I am proud of how we worked together to fulfill our commitments to our stakeholders which include our employees, customers, suppliers, shareholders, and the people in our local communities.

In navigating COVID-19, we showed clarity and purpose as we lived our core value of doing the right thing by putting people first. We prioritized the safety and well-being of our employees and communities while dedicating our expertise and resources to producing essential goods in support of healthcare and other critical infrastructure. Our nonprofit charity arm, the Flex Foundation, supported the healthcare efforts of NGOs around the world, including the COVID-19 Solidarity Response Fund - World Health Organization. We also partnered with community groups in their relief efforts by providing financial contributions, grants, and mask donations. In all, we supported 33 local projects in 12 countries benefiting an estimated 200,000 people.

2020 sustainability progress and impact

Last year marked the conclusion of our Flex 20 by 2020 strategy, a landmark effort that reinforced our commitment to the [UN Global Compact \(UNGC\)](#) and its [ten principles](#). This program launched in 2015 when we designated a total of 20 sustainability targets in alignment with the [UN Sustainable Development Goals](#). Every year since then, we have detailed our progress on each of these goals, and in this report, we summarize the program's results.

I am proud that we reached 16 of our 20 goals and invite you to read these pages to learn more. In the meantime, here are a few notable 2020 milestones:

[Our climate action is headlined by a 7 percent reduction in CO₂ emissions and the deployment of 73 MW of renewable energy year over year. We also cut our water consumption by 17 percent, drawing recognition from the global environmental non-profit CDP which placed Flex on its prestigious 'A List' for tackling water security.](#)

[In prioritizing a safe work environment, I am pleased to report we reduced our incident rate by 21 percent in the last year. Outside of Flex, we remain committed to the communities where we operate. In a year marked by widespread hardship, more than 91 percent of our sites continued to engage with their communities, volunteering and taking part in local events throughout the year.](#)

[We grew our supplier social and environmental training by 91 percent, exceeding our goal of a 10 percent year-over-year increase. We also achieved our goal to conduct in-person Code of Business Conduct and Ethics training at 100 percent of Flex sites with direct labor employees.](#)

We are energized to improve in areas where we fell short, such as zero waste. To accelerate our progress on this front, we look to propagate the best practices of zero waste-certified Flex sites to ensure at least half of our sites meet this standard by 2025. In parallel, we will leverage our reverse manufacturing and other circular economy techniques we developed over the years in support of our customers' sustainability goals. This extends to helping customers design products that minimize environmental impact throughout their lifecycle. I'm excited about our prospects in achieving zero waste across our sites as we mine our investment in circular economy practices.

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Looking ahead

As we aim to become the most trusted partner in manufacturing, we have a responsibility to not only deliver on our stakeholders' expectations but to do so in a sustainable manner.

With Flex 20 by 2020 under our belt, we are well-positioned to deepen our sustainability commitment by building on our investments and experiences of years past. To this end, we set [our most ambitious goals yet with a timeline to meet them by 2030](#).

As we look to significantly lower emissions throughout our global operations, Flex joined the [Science Based Targets initiative](#) this year. This alignment will guide us in setting greenhouse gas emission reduction targets required to limit global warming to 1.5° C above pre-industrial levels as outlined in the Paris Agreement.

Our 2030 goals also continue our focus on creating a safe, inclusive and respectful workplace that values the diverse backgrounds, perspectives and talents of our people, who are at the heart of our operations. Our commitments also inspire us to continue holding ourselves and our partners to the highest ethical standards, act with integrity and further drive transparency and accountability. Outside of Flex, we look to ramp up investments in our communities. We will begin reporting our progress on these new goals in 2022.

The seminal events of 2020 have underscored what is possible when we are driven by purpose and do the right thing. As we mobilize action through humanistic lenses, we have an opportunity to seize the current momentum to accelerate our sustainability efforts.

As we reimagine the post-COVID world, we believe our culture of sustainability will continue to position us well to create long-term value for all our stakeholders. I am excited about the next chapter in our sustainability journey and look forward to keeping you informed of our progress.

Thank you for your interest in Flex, our sustainability and ESG commitments and results.

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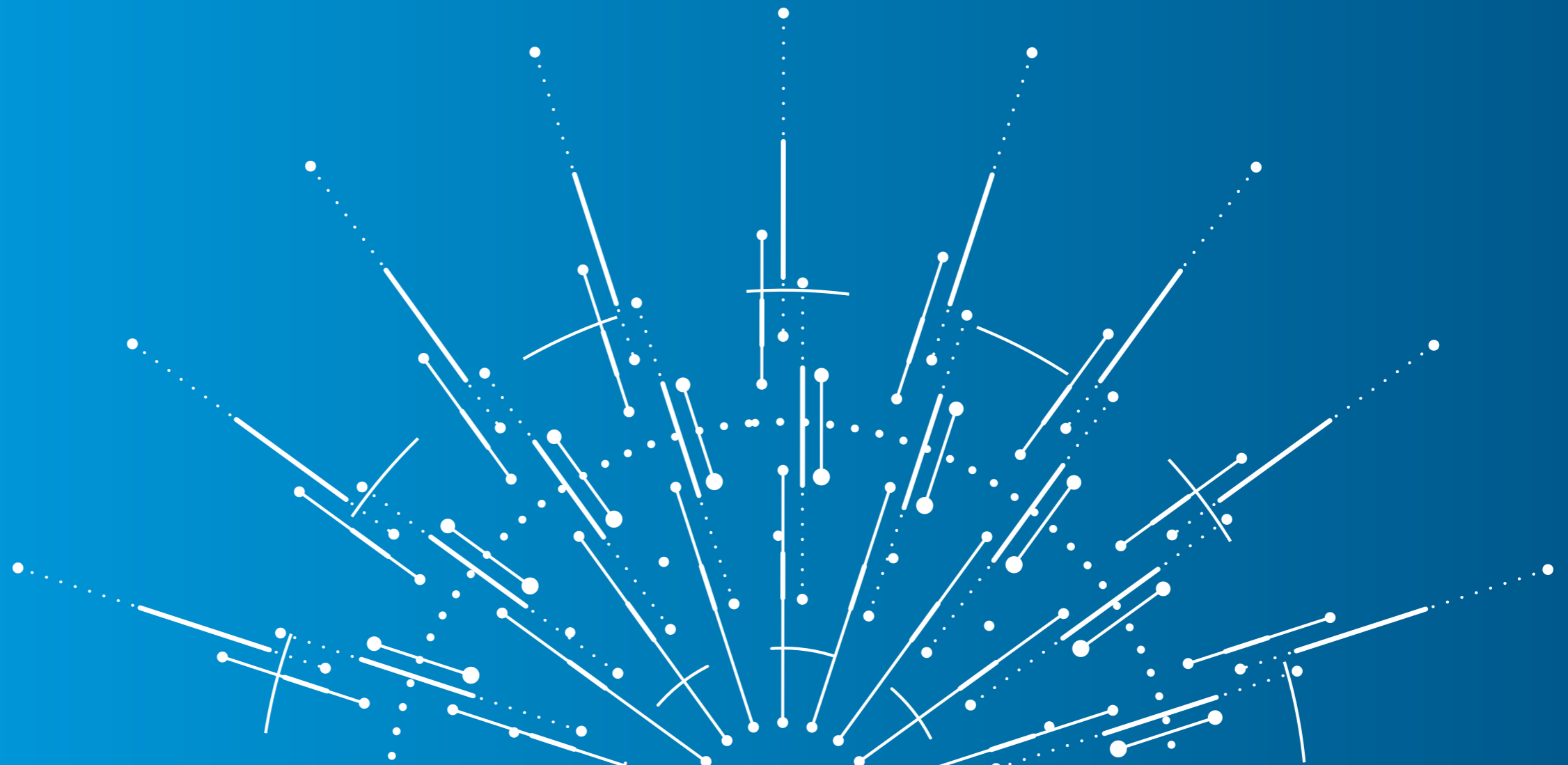
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About Flex

CREATE THE EXTRAORDINARY.

We are a purpose-driven company continuing our journey toward becoming the most trusted global technology, supply chain and solutions partner to improve the world. At Flex, we're proud to lead the industry in responsible design and manufacturing, using the fastest and smartest technologies. Across industries and geographies, we deliver design, supply chain and manufacturing capabilities to help many of the world's leading brands bring products to life. To ensure our continued leadership, and to do right by each of our stakeholders, we have set ambitious goals and commitments to run a responsible, sustainable business. Our history is built on the process of creating. It's the foundation of who we are – our global scale and regional connections, our advanced manufacturing technology and the talented, dedicated teams make what we do possible.



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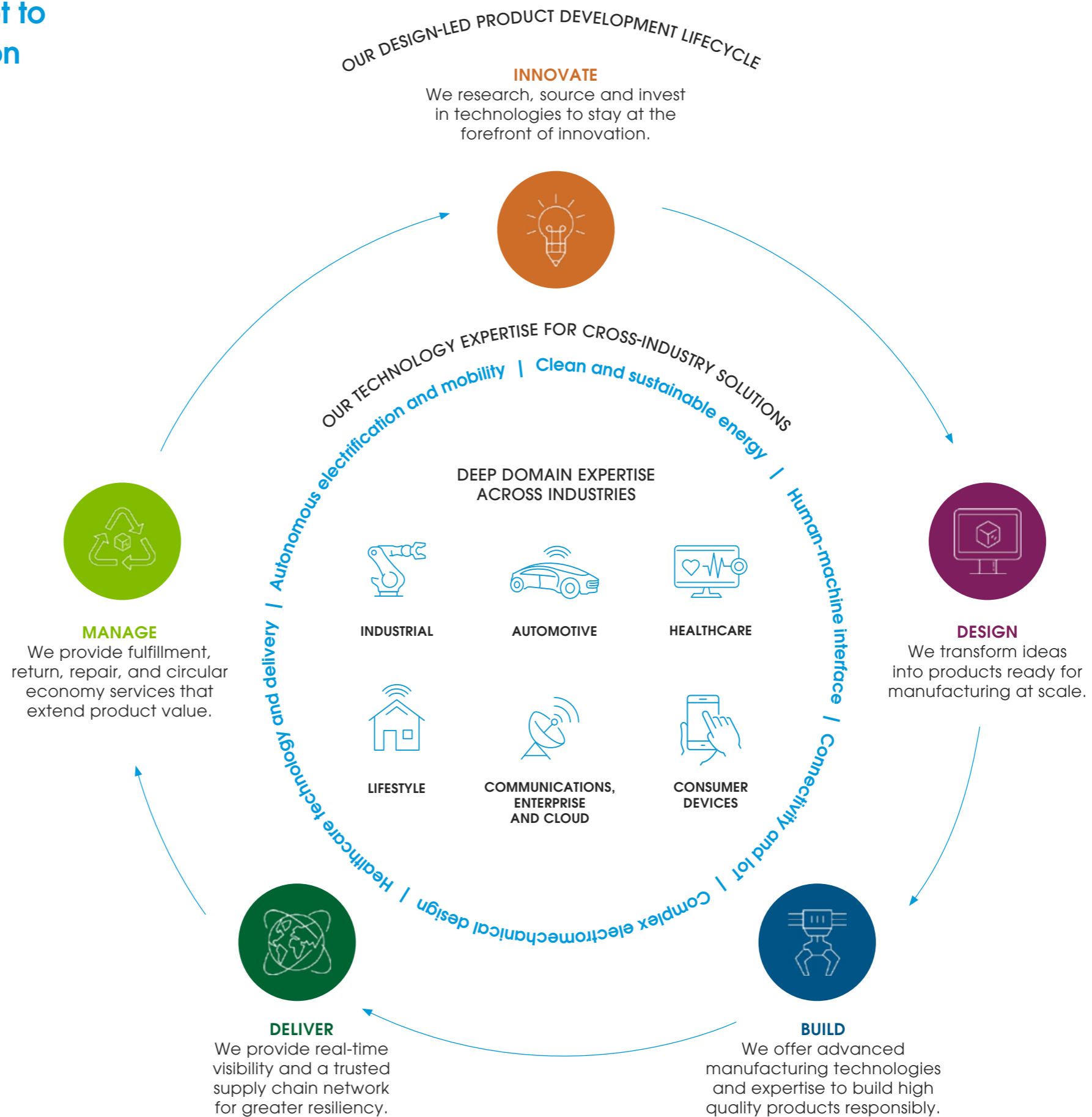
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Taking a concept to scaled production



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Foundational strength

(as of December 31, 2020)



\$23B revenue*



~160k employees



Presence in 30 countries



FLEX on NASDAQ



100+ facilities globally



20+ design centers



45M sq ft of manufacturing and services space



1,000 customers



16k global suppliers

*Calendar year 2020



Strategy and citizenship

Our purpose is to make great products that create value and improve people's lives. We do this for our customers, for our global workforce and for the planet.

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Our sustainability strategy

Our sustainability strategy, which encompasses environmental, social and corporate governance, through 2020 focused on five cornerstones to propel progress within our company and across our value chain: people, community, environment, innovation and integrity. Spanning across our supply chain, these cornerstones are aligned with principles set forth in the United Nations Global Compact (UNGC) and United Nations Sustainable Development Goals (UN SDGs). Our strategy continued to be guided by commitments we've made publicly, our goals, key performance indicators (KPIs) and robust environmental and social management systems. Our 2020 activities and results aligned with each cornerstone to ensure that our sustainability strategy remained comprehensive and balanced the needs of all stakeholders in tandem.

We believe in continuous improvement and know that there is always more work to be done. We are consistently working to enhance our sustainability programs with new initiatives and goals, and measure, report and celebrate our progress along the way.



Our commitments and external alignment

We are committed to the success and well-being of all our stakeholders, and communicate with them regularly to improve, share best practices and innovate further. We are dedicated to enabling the sustainability visions of our customers and partners along the value chain. Throughout our organization, we have developed systems and processes to collect, measure and report on data and metrics related to sustainability topics. We believe transparency is critical to improvement and we disclose these metrics and results to keep our stakeholders informed on our activities and progress.

We are also committed to supporting external frameworks and initiatives that promote sustainability best practices. We work closely with our supply chain partners to ensure compliance with sustainability requirements from external parties, laws, and Flex standards regarding labor, ethics, health and safety and environmental protection.

As part of our pledge to the UNGC, we strive to follow the ten principles of human rights, labor, the environment and anti-corruption. We also contribute to the UN SDGs, focusing our efforts in ways that can make the most positive impact to our workforce, communities, and the planet. As part of our Flex 20 by 2020 goals, we continued aligning our efforts with four of the SDGs: Quality Education (#4), Affordable and Clean Energy (#7), Decent Work and Economic Growth (#8) and Responsible Consumption and Production (#12).

Every year, we align our sustainability disclosure to the GRI Sustainability Reporting Standards, and the Sustainability Accounting Standards Board (SASB). Through our annual CDP (formerly Carbon Disclosure Project) response, and briefly in the appendix of this report, we disclose our progress toward aligning with the Taskforce for Climate-related Financial Disclosure (TCFD) guidance for climate action.

We also demonstrate our commitments to sustainability through our memberships and participation in external working groups, including the Responsible Business Alliance (RBA), which informs our Code of Business Conduct and Ethics, and the UNGC, which guides our environmental and social activities. We are also a member of the Responsible Minerals Initiative (RMI), Global Business Initiative Human Rights (GBI), the GRI Community, the Business for Social Responsibility (BSR) Network, the Ellen MacArthur Foundation, the Supplier Ethical Data Exchange (Sedex) and Business Roundtable (BR). To learn more about our memberships and associations, visit [Index A](#) of this report.

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Recognition for our performance

We are proud to be recognized for our sustainability efforts, including our performance in climate change and water security. In 2020, CDP gave us an A- for climate change, placing us in the top quartile of respondents, an A in water security, a historic first for Flex. Last year, we also received the Platinum medal from EcoVadis, their highest level of recognition. We were also included in the [S&P Global Sustainability Yearbook](#) for the second consecutive year, as our sustainability performance remained within the top 15% of the [Electronic Equipment, Instruments & Components](#) category.

Through these public commitments and initiatives, we demonstrate our dedication to sustainability, transparency, and global partnership. To learn more about our global recognition, visit our [awards and recognition page](#).

KEY INDEX	MATTERS FOR	MAX/BEST	2018	2019	2020
DJSI by S&P	Investors	100	52	58: First inclusion in the Sustainability Yearbook 2020, as an Industry Mover	62: Second inclusion in the Sustainability Yearbook 2021
MSCI	Investors	AAA	A	A	A
ISS ESG	Investors	Excellence (A+)	Prime(C+)	Prime(C+)	Prime(C+)
FTSE4Good	Investors	5	3.8	4.1	4.1
Sustainalytics	Investors	Negligible (0)	N/A	Negligible (8.6)	Negligible (8.6)
CDP Climate Change	Investors / Customers	A	B	A-	A-
CDP Water Security	Investors / Customers	A	B-	A-	A
EcoVadis	Customers	Platinum	Gold	Gold	Platinum

Operationalizing our sustainability strategy

To ensure the success of our strategy and the delivery of our commitments, we create annual and five-year plans, which specify key performance indicators (KPIs) for success, milestones, targets and goals. We make our goals known readily across the organization and in our public reporting, and update our progress on our KPIs annually. Five years ago, we announced 20 company-wide goals for 2020 to help build a more sustainable world. Through these goals, we aim to lead our industry in sustainable manufacturing while delivering consistent results and increased value to our stakeholders.

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Flex 20 by 20 goals

In 2016, we targeted 20 goals to accomplish by 2020 that support the achievement of the [UN Sustainable Development Goals](#). With 2020 marking the end of our focus on the 20 set targets, this report contains our final report on our progress against these goals.



SDG ALIGNMENT AND GOALS

- 4 INCREASE EMPLOYEE DEVELOPMENT:** Increase the average training reach to employees by 5 percent year over year (Base year 2016)
- 8 INCREASE RBA MANAGEMENT (FORMERLY FLEX PLEDGE) AUDITS:** Audit 100 percent of all Flex manufacturing sites to ensure regulatory and Flex Pledge compliance
- 8 INCREASE HUMAN RIGHTS POLICY TRAINING COMPLETION:** Train new employees on Flex human rights policy, with a 95 percent or higher completion rate
- 8 INCREASE RESPONSIBLE BUSINESS ALLIANCE (RBA) COMPLIANCE FOR REST DAY REQUIREMENTS:** Ensure full compliance with Responsible Business Alliance rest day requirements
- 8 DECREASE INCIDENT RATE:** Promote a zero injury culture and achieve a reduction in the global incident rate of at least 10 percent (Base year 2015)
- 8 INCREASE VOLUNTEER HOURS:** Increase global volunteer hours by 15 percent (Base year 2015)
- 4 INCREASE PERCENTAGE OF SITES WITH COMMUNITY ACTIVITIES:** Maintain percentage of sites with implemented local community engagement activities at 90 percent or higher
- 8 IMPLEMENT WORKER EMPOWERMENT TRAINING PROGRAM:** Improve the technical and vocational skills of manufacturing employees by partnering with non-governmental organizations (NGOs) to develop a Worker Empowerment Training Program at 20 supplier sites
- 4 IMPLEMENT FLEX FOUNDATION — COMMUNITY GRANTS:** Partner with nonprofit organizations to provide life-long learning, technical and vocational skills, innovation and entrepreneurship at 100 percent of our sites that have an employee population of over 5,000
- 12 DECREASE CO₂ EMISSIONS:** Reduce CO₂ emissions by at least 10 percent normalized to revenue (Base year 2016)
- 7 INCREASE USE OF RENEWABLE ENERGY:** 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
- 12 DECREASE WATER CONSUMPTION:** Reduce overall water consumption by at least 10 percent absolute (Base year 2015)
- 12 INCREASE WATER RECYCLING:** Increase recycled water rate to 10 percent (Base year 2015)
- 12 INCREASE WASTE DIVERSION RATE:** Achieve and maintain a diversion rate of waste from manufacturing processes at or above 95 percent
- 7 INCREASE THE NUMBER OF POWERED HOMES EQUIVALENT:** Flex Energy Solutions will have manufactured enough solar PV modules and solar trackers to power 3.5 million homes
- 7 DECREASE COST OF ELECTRICITY TO THE GRID VS FOSSIL FUELS:** Flex Energy Solutions' renewable energy systems will provide electricity to the grid at a cost which is 5 percent less expensive than the average cost from fossil fuel sources
- 8 IMPLEMENT IN-PERSON TRAINING ON COBCE:** Conduct in-person Code of Business Conduct and Ethics (CoBCE) training at 100 percent of Flex sites with direct labor employees
- 8 INCREASE COBCE TRAINING COMPLETION:** New Code of Business Conduct and Ethics online training to be completed annually by 100 percent of eligible employees
- 8 INCREASE SOCIAL AND ENVIRONMENTAL SUPPLIER TRAINING:** Increase percentage of suppliers (Flex Tier 1 and Flex-controlled) who completed social and environmental training by 10 percent annually (Base year 2015)
- 8 INCREASE SUPPLIER SCREENING ON SOCIAL AND ENVIRONMENTAL CRITERIA:** Keep percentage of all new Flex-controlled suppliers screened on social and environmental criteria at 85 percent or higher

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2030 sustainability strategy and goals

Sustainability is core to our vision of becoming the most trusted global technology, supply chain and manufacturing solutions partner to improve the world. Guided by our purpose and values and building on nearly 20 years of investment and experience, we launched [our 2030 strategy and goals](#) in 2021, continuing our sustainability journey. We are committed to significantly lowering emissions through science-based targets in partnership with suppliers and customers, investing in our communities, advancing a safe, inclusive and respectful workplace for all and driving ESG-focused practices with transparency. Our commitments span the entirety of the value chain and align to the UN Global Compact and Sustainable Development Goals. An unwavering commitment to our goals fosters a sense of urgency, dedication and pride in our sustainability values throughout the entire organization.

With our 2030 strategy, we continue to align our efforts with global sustainable organizations and initiatives, contributing to broader, strong call to actions and the collective progress toward a healthier future. Joining the [Science Based Targets initiative](#) in 2021, we have adopted greenhouse gas emissions reduction targets necessary to meet the Paris Agreement goals, limiting global warming to 1.5°C above preindustrial levels. As a member of the UNGC, we focus our programs to advance four of the UN SDGs, including:

- [Good health and well-being \(#3\)](#)
- [Decent Work and Economic Growth \(#8\)](#)
- [Reduced Inequalities \(#10\)](#)
- [Climate Action \(#13\)](#)

Through these commitments, our aim is to make tangible, measurable differences, enable market-leading brands to maintain a competitive, enduring advantage and contribute to a cleaner, healthier world with our stakeholders, including customers, suppliers, employees and investors. We will begin reporting our progress against our 2030 strategy and goals in our 2022 sustainability report and on our website.

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Management systems

Our culture of personal accountability is critical to our ongoing compliance systems, as it instills a sense of responsibility in our employees, customers, suppliers and contractors around the world. We rely on a strong sustainability management system, which integrates principles of OHSAS 18000, to ensure our business operates ethically and safely. This system is put into practice daily through our policies, procedures and regular training of our stakeholders.

Our company management systems incorporate current environmental, health and safety requirements and industry standards, including those of the Responsible Business Alliance (RBA), and aligns them to the International Organization for Standardization (ISO) format. Our policies are made available and accessible to all persons working with us, as well as to vendors, customers and the public. These include our [Environmental, Health and Safety Policy](#), [Human Rights Policy](#), [Conflict Minerals and Responsible Sourcing Policy](#), [Slavery and Anti-Human Trafficking Statement](#) and our [Diversity and Inclusion Policy](#).

To ensure the comprehension of and adherence to our policies, we provide regular training in the form of procedures, guidance documents and training sessions. Employees are also required to complete annual compliance self-assessments, enabling us to track and monitor compliance learning and progress. Additionally, we perform regular social and environmental corporate audits at each of our Flex manufacturing and logistic sites to verify continued compliance with our management systems requirements.

Our comprehensive framework ensures policy adherence and includes mechanisms to identify opportunities for performance improvement. Components of our management system framework and its evaluation are on the next page.

WE EVALUATE OUR MANAGEMENT APPROACH IN THE FOLLOWING WAYS:

1. We perform regular corporate audits to:
 - identify opportunities and risks, which are shared with our Board of Directors; and
 - measure sustainability compliance and performance at the global, regional and local levels.
2. We use a sustainability metrics system to monitor compliance and performance at global, regional and local levels.
3. We provide instructor-led and online training and verify competency through physical audits conducted by our corporate EHS operations team and regional leads.
4. We engage 3rd party validation audits such as RBA's Validated Audit Program (VAP), which is an important focus at our large operations. Our efforts over the coming years will be focused on improving performance and pursuing our goal to certify each site as an RBA factory of choice by 2025.

Management system components and evaluation



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Responsibility throughout our value chain

As the trusted supply chain partner of ~1,000 customers globally, we take special pride in the reach of our supply network of approximately 16,000 suppliers in over 100 locations across 30 countries.

The strong partnerships we forge with these suppliers enable us to ensure the quality of the products we build, and the integrity of business decisions that are made throughout our supply chain. Woven into these supplier relationships are a strong sense of responsibility, as well as formalized standards of social and environmental practice. From the onboarding process of all new suppliers to annual performance reviews and risk assessments, sustainability requirements are embedded throughout the supplier lifecycle. This element of our strategy is increasingly relevant as regulations become stricter and customer expectations shift toward sustainability-driven values and greater transparency. Our values and long-tenured attention to sustainability have positioned us as a leader within and beyond our industry.

Beyond our internal sustainability measures, our innovative solutions enable our customers to meet their sustainability goals in ever-expanding ways. For over 50 years, we have had the privilege of working with our customers on emerging technologies, such as autonomous vehicles, connected medical devices, and the latest generation of communications equipment, among others. Customers of our resource-efficient solutions, such as circular economy, enjoy returns on their investments as well as competitive environmental performance. These successes generate new business as our brand builds a strong reputation within the clean tech industry. We're proud that our capabilities, expertise and cross-industry perspectives support our customers at the forefront of innovation.

Our precautionary approach

The safety of our employees, customers and broader society is our top priority, and we follow the precautionary principle of the UNGC in all areas of our operations, including the design, manufacturing and assembly of our products. We regularly maintain our own list of hazardous, restricted and prohibited substances at each site to ensure the safety of operations around the globe. We also have a corporate chemical management standard that applies to any new chemicals introduced into our facilities.

Stakeholder engagement

We value our key stakeholders

Flex is committed to achieving top customer satisfaction while prioritizing the health and well-being of our people, the financial strength of our company, and our endless drive to do the right thing. We consider our employees, customers, shareholders, suppliers, governments and regulatory agencies, unions, non-governmental organizations (NGOs) and industry associations our key stakeholders. Through regular engagement, we gather meaningful feedback from these stakeholders on issues related to environmental, social and governance topics, as described in the table below.

Responding to stakeholder feedback

The input we receive from our stakeholders is invaluable, and we make every effort to respond to all concerns identified during stakeholder engagement. In addition to conducting full materiality assessments every 3-5 years, we revise our material topics list annually, based on requests for information from our stakeholders. Topics identified through this process are important for us to address, and we strive to consistently incorporate the priorities of our stakeholders into our business and corporate sustainability strategies. As discussed in the priority topics chart below, to address stakeholder concerns we improve and disclose our environmental performance, labor practices and human rights management, inclusion and diversity, responsible supply chain management, integrity and ethics, company performance, regulatory compliance and adherence to Responsible Business Alliance (RBA) standards.

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Environmental	KEY TOPICS AND CONCERNS	WHAT WE'RE DOING	REPORT REFERENCE
ENERGY, WATER, EMISSIONS, EFFLUENTS AND WASTE	<ul style="list-style-type: none"> Energy consumption GHG emissions Waste management Water consumption 	<ul style="list-style-type: none"> We disclose our environmental metrics through CDP (for Climate Change and Water Security) and align to GRI Sustainability Reporting Standards. Through our use of energy-efficient systems and renewable energy, we strive to reduce our greenhouse gas emissions in our operations worldwide. We have industry-leading processes to systematically control, measure, and capture scrap and waste inventory, shipping and financial transactions. We monitor and report our water consumption and operate wastewater treatment plants at multiple sites around the globe. 	<ul style="list-style-type: none"> Environmental sustainability Waste and materials management Water management Energy management and emissions reduction
Social	KEY TOPICS AND CONCERNS	WHAT WE'RE DOING	REPORT REFERENCE
OCCUPATIONAL HEALTH AND SAFETY	<ul style="list-style-type: none"> Occupational health and safety performance Safe use of hazardous substances 	<ul style="list-style-type: none"> We ensure all of our sites have a health and safety management system which we verify through physical audits performed by the corporate team. All sites are also required to convene committees to address safety issues and concerns. We protect employees and visitors from exposure to harmful substances through our global industrial hygiene procedures. 	<ul style="list-style-type: none"> Management systems Wellness, health and safety
TRAINING AND EDUCATION	<ul style="list-style-type: none"> Recognition for performance Opportunities to learn and grow 	<ul style="list-style-type: none"> We engage with our employees and receive their input through town halls, lunch and learn sessions, management workshops, leadership skills training, recognition programs and annual surveys. 	<ul style="list-style-type: none"> Employee development
WORKING HOURS, FORCED/ COMPULSORY LABOR AND OTHER HUMAN RIGHTS ISSUES	<ul style="list-style-type: none"> Excessive working hours per week Weekly day of rest Freedom of association Incorporation of UN Guiding Principles and/or International Labor Standards Non-discrimination Harassment and abuse Child labor and young workers 	<ul style="list-style-type: none"> We participate in RBA Task Forces on the UN Guiding Principles, Trafficking and Forced Labor, Transparency and Environmental Compliance, which set guidelines for the working hours and conditions for employees. We conduct targeted audits of high-risk sites which focus on the social aspects of working conditions including worker respect and dignity. We work to improve the substance of the RBA Code of Conduct and its implementation by engaging with NGOs directly and indirectly. We participate in the Global Business Initiative on Human Rights, including regional meetings, and attend the United Nations Annual Forum on Business and Human Rights. 	<ul style="list-style-type: none"> Supply chain integrity Human rights Inclusion and diversity
LOCAL COMMUNITIES	<ul style="list-style-type: none"> Identify suitable community partners 	<ul style="list-style-type: none"> In 2020, we supported several nonprofit organizations in our SDG-aligned community focus areas of decent work, quality education, affordable clean energy and responsible production and consumption through the Flex Foundation (established in 2002). 	<ul style="list-style-type: none"> Community investment SDG alignment

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Governance	KEY TOPICS AND CONCERNS	WHAT WE'RE DOING	REPORT REFERENCE
ECONOMIC PERFORMANCE, MARKET PRESENCE AND PROCUREMENT PRACTICES	<ul style="list-style-type: none"> Company performance Direct labor salaries Local suppliers spend 	<ul style="list-style-type: none"> Company performance is discussed regularly with major shareholders and key stakeholders. We evaluate employee compensation ranges annually to ensure we are competitive with our industry peers and paying a fair wage. We direct our materials spend to local suppliers, and work to increase our local sourcing at our top ten locations. 	<ul style="list-style-type: none"> Stakeholder engagement Fair wages and benefits Local procurement and supplier diversity
ANTI-CORRUPTION	<ul style="list-style-type: none"> The importance of our culture, integrity and ethics 	<ul style="list-style-type: none"> Our Corporate Ethics and Compliance program is designed to identify risks and prevent violations of company policy, regulatory requirements and laws. Our ethics hotline provides an avenue for employees and others to anonymously raise ethical concerns of any kind. 	<ul style="list-style-type: none"> Ethics and compliance
SUPPLIER ASSESSMENTS	<ul style="list-style-type: none"> Social and environmental supply chain management Our standard of ethics and compliance throughout the supply chain Applying our social and environmental initiatives 	<ul style="list-style-type: none"> Social and environmental criteria is integrated into our supplier management processes and policies, including our supplier code of conduct, training for new suppliers, audits and corrective action plans. 	<ul style="list-style-type: none"> Supply chain integrity
MANAGEMENT SYSTEMS	<ul style="list-style-type: none"> External certification of management systems achieved by our sites Components of the management system and corresponding processes 	<ul style="list-style-type: none"> We incorporate global environmental, health and safety requirements, as well as current RBA standards, into our integrated social and environmental management system and align these to the ISO format. We perform corporate audits at our sites to verify their compliance with our social and environmental management system requirements. 	<ul style="list-style-type: none"> Management systems Human rights
RESPONSIBLE MATERIALS SOURCING	<ul style="list-style-type: none"> Country of sourcing Smelters or refiners Due diligence report 	<ul style="list-style-type: none"> We're a founding member and active participant in the Responsible Minerals Initiative (RMI) to share industry best practices. Annually, we collect Conflict Minerals Reporting Templates from both customer-controlled suppliers and suppliers we control for due diligence and reporting obligations. Although not legally required, we file a Form SD with the Securities and Exchange Commission annually. View our most recent Form SD filing here. 	<ul style="list-style-type: none"> Conflict minerals and responsible materials sourcing

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Determining our material topics

To most effectively address stakeholder expectations, we conduct regular materiality assessments to determine the relative importance of environmental, social and governance topics. We review and update our material topics annually to most adequately address the evolving needs of our most valued stakeholders. Our materiality assessments consider all GRI topics, which are reviewed and narrowed down to those that have the greatest influence for us and for our stakeholders. Moving forward, we will also align our materiality assessments to SASB. This process resulted in the emergence of 15 significant topics (identified at Medium-High importance and above) covering a broad range of sustainability topics, which are displayed on the matrix below. To view a full list of our material topics, visit [Index D](#) of this report.

OUR MATERIALITY ASSESSMENT IN SIX KEY STEPS:

1 ASSESS
GRI topics and disclose economic, social and environmental impacts

2 DETERMINE
topics with the greatest influence for stakeholders

3 ANALYZE
feasibility of impact and influence on stakeholders

4 NARROW DOWN
topics by geographic scope

5 IDENTIFY
the key functional areas of the company

6 VALIDATE
through functional executive approval



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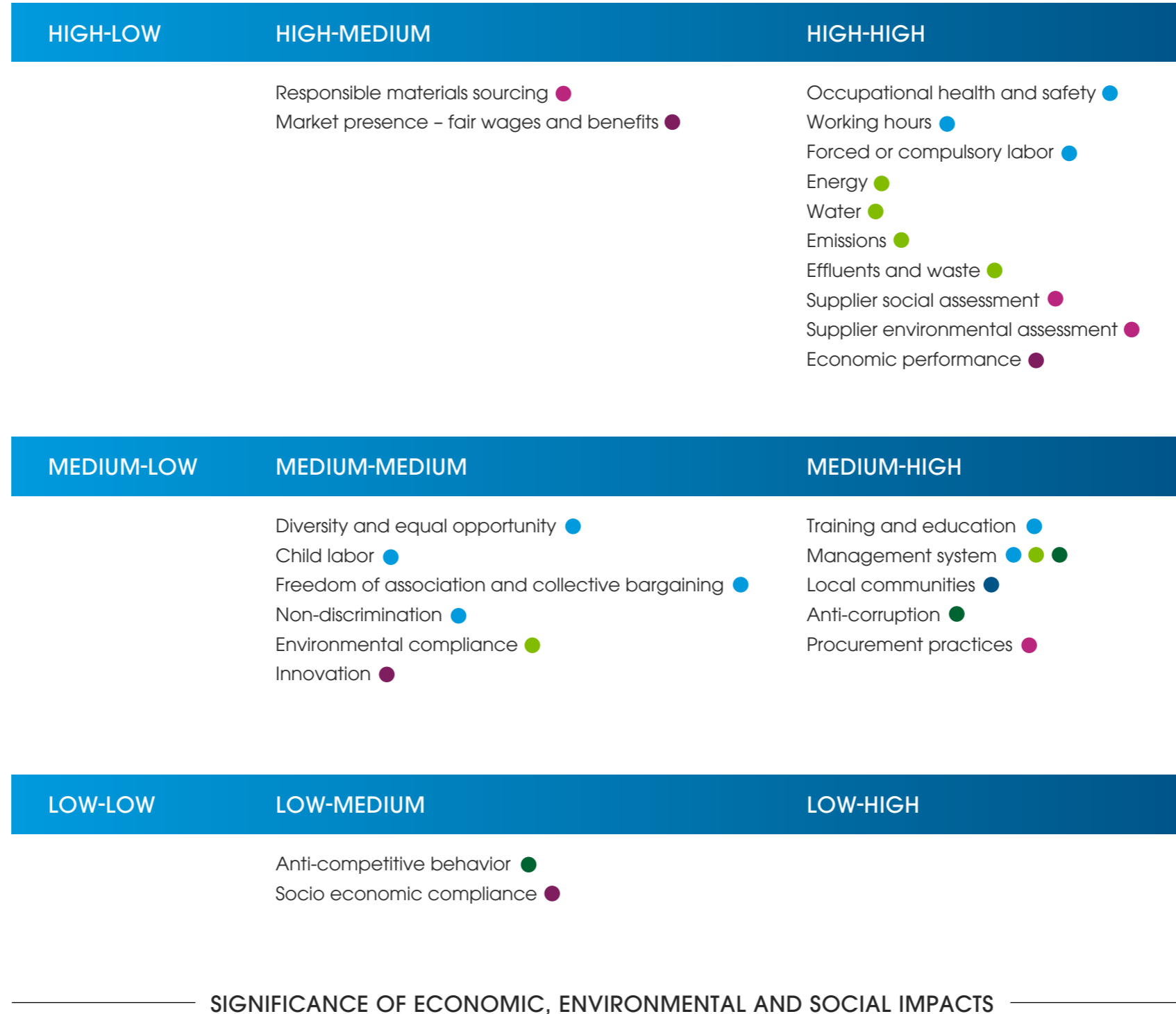
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Our materiality matrix

- People
- Community
- Environment
- Integrity
- Supply chain
- Economic performance

INFLUENCE ON STAKEHOLDERS



Note: Materiality is used herein as defined by the GRI Sustainability Reporting Standards. Chart shows relevance to our stakeholders and does not indicate performance. Last Update: July 2020.



Environmental sustainability

We transform ideas into creative solutions to build a sustainable future.

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Environmental stewardship

Environmental stewardship is one of the key focus areas in our sustainability strategy. Across our operations, we drive programs to help manage and consistently improve our CO₂e emissions, including Scope 1, 2 and 3, renewable energy usage and waste management, among other areas, helping to combat climate change and build a better, healthier future. Our company's leadership understands and supports the management systems we have implemented to establish and accomplish our goals.

We focus on conserving energy and natural resources, preventing emissions and reducing waste. We also track and disclose our energy consumption, CO₂e emissions, water usage and total waste generation and disposal data. Operating beyond compliance and guided by doing the right thing, we have adopted [ISO 14001:2015](#) to manage all environmental aspects of our operations. This includes product environmental compliance and e-waste management. We also help our customers and partners mitigate their environmental impacts through circular economy offerings and supplier requirements. In 2020, we were proud to be recognized globally for our environmental performance, sustainability leadership and active commuting programs. Through consistently living our values and constantly pushing for innovation, we raise awareness and share the tools to drive change in our communities.

Our global presence and cross-industry reach enable us to uniquely understand the geographic variability in environmental regulation and the availability of sustainable solutions. We are creating systems that meet the challenge of diverse global standards expressed in regulations, while leveraging emerging technologies to drive more rapid change. Our customers play a key role in shaping expectations for the value chain, and we're responding by collaborating on creative and tested solutions at ever-increasing scale. We observe first-hand the obstacles to affordable green energy and other technologies that our sites, suppliers, and partners may face, and we are working to overcome these limitations. We are committed to transparency and accessibility in reporting on our challenges, and continue to share our progress and raise our level of ambition moving forward.

KEY HIGHLIGHTS 2020

68.3%

Across our operations, 68.3% of our sites are certified to ISO 14001 environmental management standards

54%

We've increased our percentage of water recycled by 54% since 2015 and exceeded our goal

30

In 2020 and due to COVID-19, we celebrated our Earth Day Challenge at home. From 30 sites around the world, participating employees shared hundreds of at-home examples of how they advance a more sustainable future

17%

We decreased our water consumption by 17% year over year and exceeded our goal

31k+

We offset 31,900+ tonnes of scope 3 CO₂e emissions through Certified Emission Reductions (CERs) Certificates from the Clean Development Mechanism from projects in Brazil, China, Costa Rica, India and the Philippines

71k+

We avoided more than 71k tonnes scope 1 and scope 2 CO₂e emissions through our energy management programs

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Flex 20 by 2020 environmental final report



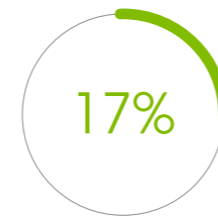
DECREASE CO₂e EMISSIONS¹

We decreased our CO₂e emissions by 7% in 2020 and exceeded our goal to achieve a total decrease of 10% from 2016 to 2020

73MW

INCREASE USE OF RENEWABLE ENERGY

We exceeded our goal of deploying at least 2MW of renewable energy annually, with a total of 73 MW in 2020



DECREASE WATER CONSUMPTION

We decreased our water use by 17% year over year and exceeded our goal of a total decrease of 10% since 2015



INCREASE WATER RECYCLING

We increased % recycled water by 5% year over year and achieved our goal to increase recycled water rate to 10%



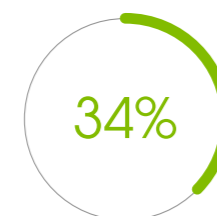
INCREASE WASTE DIVERSION RATE

We diverted 91% of total waste in 2020 and did not meet our goal to achieve and maintain a diversion waste rate at or above 95%

7.9M

INCREASE THE NUMBER OF POWERED HOMES EQUIVALENT

We exceeded our goal to manufacture enough solar PV modules and trackers to power 3.5 million homes, building enough modules and trackers in 2020 to power the equivalent of 7.9 million homes

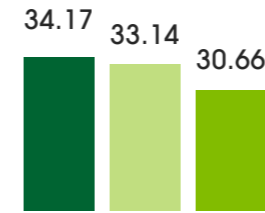


DECREASE COST OF ELECTRICITY TO THE GRID VS. FOSSIL FUELS

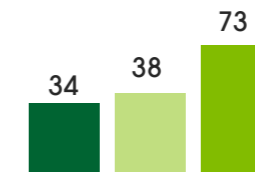
We exceeded our goal of beating the average fossil fuel cost by 5%, reaching 34%

Key performance indicators

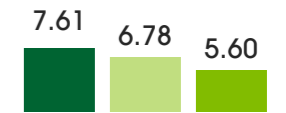
● 2018 ● 2019 ● 2020



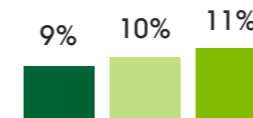
CO₂e emissions intensity (tonnes/US \$M of revenue)⁴



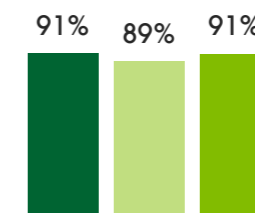
Use of renewable energy (MW)^{3,5}



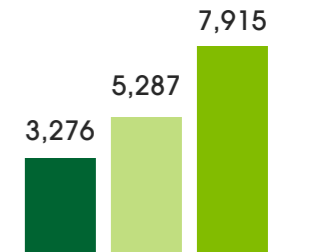
Water withdrawn (Million cubic meters)⁴



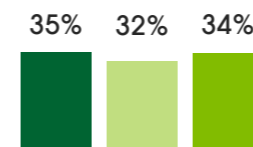
Percentage of recycled water⁴



Waste diversion rate^{4,5}



Number of powered homes equivalent (in thousands)²



Cost reduction of electricity to the grid vs. fossil fuels⁶

¹Normalized data

²Equivalency refers to the number of homes that can be powered with the MWs of solar panels and trackers that we produce. The calculation assumes that a home's energy demands are equivalent to the energy demands of an average (5KW) household in California. The number of powered homes equivalent provided is the accumulated value until 2020.

³Renewable energy used refers to the MWs of solar power installed, and the power procured from third-party renewable sources.

⁴The metric, KPI or target was re-baselined in 2018 due to our divestment from Multek and the change was reflected in the annual status from 2014 onwards. Since 2017, DNV has verified CO₂ emissions and water data.

⁵In 2018, this verification was extended to include waste and renewable energy use.

⁶Fossil Fuel Average LCOE (\$MWh) = \$80. Source: Lazard's Levelized Cost of Energy Analysis (Ver 14.0), Oct 2020. Flex Cost LCOE (\$MWh) = \$53. Petroleum cost is based on Lazard's Levelized Cost of Energy Analysis (Ver 11.0), Nov 2017

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Waste and materials management

At Flex, we aim to eliminate waste and advance a regenerative, closed loop future from our operations around the world by leveraging our circular economy practices. We modify processes to avoid waste production, substitute materials to promote reusability and manage scrap to optimize recycling. In cases where waste still exists, we dispose of it safely and in accordance with legal, social, and environmental requirements. We closely monitor our metrics and in 2020, we diverted 91% of all campus-generated solid waste from landfills. We strive to continually improve on these results by scaling programs that have been proven effective in certain sites and strengthen our strategic partnerships with suppliers, customers and other key stakeholders.

We are committed to finding solutions around waste reduction and leveraging best practices across our footprint. Some examples of our global initiatives include:

ZERO-WASTE CERTIFICATION

Since 2018, several of our sites have achieved zero-waste certification. Last year, our Zhuhai, China site received this certification, achieving the silver level from [TRUE](#). This certification enables facilities to define, pursue and achieve their zero waste goals, cut their carbon footprint and support public health.

PLASTIC DIVERSION

Additionally, in 2020, our Guadalajara, Mexico site took on an activity to disassemble plastic from trays, promoting increased plastic recyclability. The team successfully diverted 160 tonnes of plastic from landfills last year – a waste reduction initiative we are proud of.

SCRAP WEIGHTING SYSTEM (SWS)

In Q1 2020, we made major enhancements to our inventory management module to provide increased flexibility for sites creating scrap transactions in the system. This improvement was implemented at six new locations across Asia.

Waste management initiatives

Flex is committed to waste prevention and diversion throughout our operations. We want to leverage successful programs and implement best practices throughout the company, while also setting meaningful goals to scale our progress toward zero waste globally. Some examples of our efforts include:

COMPOSTING WASTE FROM OUR CAFETERIAS

We operate cafeterias at most of our campuses in order to serve our workforce. Wherever possible, we reduce our waste through composting food scraps and organic materials. In Guadalajara, Mexico, we compost our food scraps off-site to reduce food waste. At our design center in Cebu, Philippines, we repurpose waste for vermicomposting, a process that uses worms to create a mixture of decomposing vegetable and/or food waste, bedding materials and vermicast. Large-scale composting of food waste is one way in which we have a positive impact on our communities, by supporting local gardens and independent growing operations.

REDUCING OUR USE OF CARDBOARD

As it relates to packaging design, we are working with our customers to reduce the use of cardboard boxes. Since 2017, we have saved over 2M boxes in an effort to design packaging more sustainably, resulting in 71M gallons of water saved. Additionally, our approach to material flow in key production areas in Juarez, Mexico has been successful in avoiding nearly 90% of cardboard pieces consumed. At our Sarvar site in Hungary, we recycle operational scrap to create reusable plastic boxes and produced almost 19,000 boxes in 2020. These are great examples of how Flex is promoting and scaling the innovative solutions our colleagues are implementing around the world.

Responsible disposal of waste

In situations where waste is unavoidable, we strive to recapture any value from the material and safely dispose of the remainder. This work is inherently collaborative: our procurement team has been working to develop an automated system to validate disposal metrics, and our EHS team looks for partners with disposal technologies around the world.

Additionally, we leverage our external partnerships to further our progress. We have established and regularly communicate our EHS criteria with all waste disposal partners and require that they be certified in standards for responsible electronic recycling and disposal, such as the [R2](#) or [E-Stewards](#) programs. We conduct due diligence directly and through third-party service providers prior to authorizing waste shipments to hazardous and non-hazardous landfills.

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Materials management and compliance

We are committed to ensuring the safety of our products, and diligently comply with all legal requirements as well as our own rigorous standards in all of our manufacturing, labeling, recycling and disposal. Our full materials compliance process focuses on customer, regulatory and internal requirements, and strictly adheres to global regulations for hazardous substances to ensure safety in our manufacturing processes. This program includes a Full Materials Declaration to comply with necessary content restriction and registration regulations, including RoHS, REACH, Prop 65, WEEE and other important customer specifications.

In 2020, we undertook an effort to meet new REACH regulations by contributing to the Substances of Concern In articles as such or in complex objects (SCIP) database. Our continued diligence enables our customers to comply with ever-evolving regulations regarding product safety.

We design our packaging solutions to minimize the quantity of material used and maximize their recyclability. Through our innovative designs, use of recycled material, and returnable packages, we strive towards a closed-loop system. We also work to optimize transportation loads to reduce shipping-related greenhouse gas emissions.

Sustainable packaging design

We work strategically with our customers to create innovative processes and advanced engineering solutions to reduce waste and improve recyclability of our packaging. As consumers are avoiding single-use plastics, we're working closely with our customers to deliver alternative solutions. Our innovative tool designs allow us to optimize manufacturing to create reusable packaging for our Lifestyle customers, such as personal care and beauty products.

Working side by side, our Global Services and Solutions (GSS) team and our reverse logistics team are continually assessing opportunities to use bio-materials and minimize or eliminate the use of oil-based plastics. This cross-functional collaboration begins early in the design phase to help meet the increasing demand we see in our customers' desires for more sustainable packaging.

Water management

Flex recognizes the scarcity of water in many parts of the world and our environmental management system approach is used to evaluate the significance of water-related impacts so that we can focus our attention on the highest-priority operations. Our water strategy is focused on decreasing consumption where possible, leveraging recycling where use is more intensive, and installing collection systems for rainwater to meet irrigation and cooling demands. Our facilities typically draw water from municipal sources, and eventually, discharge wastewater to public treatment systems. These strategies drive our water stewardship forward and help to support our consistent leadership scores for our annual CDP: Water Security disclosure (for which we received an A in 2020) – more detail is provided at CDP.net.

“Our commitment to environmental stewardship has also garnered Flex the honor of the **CDP's A List for water security stewardship**, a historic first not only for Flex, but for our industry.”

While our operations are not water “intensive” relative to some industries, we do have sites in water-stressed areas, and so we pay particular attention to those operations. We mitigate the potential impacts of consumption by implementing water recycling, where feasible, and work to reduce the potential impacts of discharge by following appropriate local regulations. We are looking into technology that would allow us to collect rainwater to use in irrigation and restrooms in our facilities. In 2020, we focused our efforts towards assessing opportunities for water recycling, evaluating new technologies that can withdraw water from the air for use in our operations. We are excited to continue exploring new ways to decrease our water withdrawal.

Since 2018, our total water withdrawn, total water withdrawn by source, recycled water, total water discharged and total water consumption were verified by **DNV**.

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WASH PLEDGE

We are proud to have signed the WBCSD Pledge for access to safe water, sanitation and hygiene (**WASH**) this past year, which helps organizations contribute concretely to the implementation of SDG #6. By signing the WASH Pledge, we commit to providing safe water, sanitation, and hygiene at the workplace for all employees in all premises within three years. Under the Pledge, we also commit to taking action on WASH across our value chain, including among suppliers, as well as in the communities that surround our workplaces and where our workers live.

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Energy management and emissions reduction

We recognize that we have an extensive global footprint and that our operations consume energy that leads to greenhouse gas (GHG) emissions. We continue to identify and deploy solutions that reduce our energy consumption and reduce our emissions related to the energy we consume.

For more than a decade, we have worked on hundreds of energy efficiency projects, including installing energy-efficient HVAC systems, solar generation systems, replacing lighting installations with LEDs, and improving maintenance programs and building control systems. In 2020, we avoided more than 71k tonnes of CO₂e emissions through our energy efficient projects. We also have deployed over 20MW of solar power generation systems across our portfolio to supplement our power demand with renewable energy.

We strive to reduce the climate impacts of the energy our operations consume and turn to renewable energy sources and reliable off-sets. In 2020, we expanded our renewable energy sourcing at our site in Hartberg, Austria. Additionally, in 2020, we engaged in a new power purchase agreement in Dongguan, China for renewable energy. We are proud of these achievements at our factories and look forward to making strong progress towards renewable energy sources within our operations.



BIKING TO WORK IN TCZEW, POLAND

Each year, Flex participates in a Bike to Work competition in Tczew, Poland aimed to reduce CO₂ emissions and encourage citizens to use more bike than cars. In 2020, Flex won the award for the best bicycle investment and company bike-to-work program.

Expanding our reach with Certified Emissions Reductions (CER) projects

We also work towards offsetting our Scope 3 greenhouse gas emissions through Certified Emissions Reductions (CER) certificates. For over three years, we have collaborated with the [Clean Development Mechanism](#) on projects in Brazil, China, Costa Rica, India and the Philippines. These projects, which offset carbon through the generation of renewable sources of energy, including a hydropower facility and wind power projects, resulted in us offsetting 31,930+ tonnes of Scope 3 CO₂e emissions in 2020.

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Innovation for sustainability

We leverage our supply chain and manufacturing expertise and drive continuous improvement to make products that contribute positively to the world.

KEY HIGHLIGHTS 2020

30+

We have Global Services and Solutions (GSS) available at 30+ sites. These services include warehousing, service parts logistics, and returns, repairs and recovery services.

Circular economy solutions

A circular economy is an economic system that is regenerative by intention and design, eliminating waste and continuing the use of resources. Our customers are among the world's leaders in circular economy, and they rely on our expertise and innovation to achieve their goals, maximize velocity and maintain a competitive, sustainable advantage. We consistently invest in our manufacturing, design, sourcing, reverse logistics, repair and refurbishment operations to offer customers end-to-end visibility throughout their products' lifecycles in order to maximize the value of materials and components and to minimize environmental impact.



2020 MANUFACTURING LEADERSHIP AWARD

Thanks to the innovative work of our Sinctronics colleagues in Sorocaba, Brazil, Flex was honored with a Manufacturing Leadership Award for Sustainability Leadership in 2020 for the third consecutive year. This award recognized the SINCBin initiative; **SINCBin** is an IoT device which uses circular economy concepts to give online visibility of electronic waste volumes from collection points, thereby reducing logistical costs and environmental impacts of reverse logistics operations.

We collaborate with our customers in both the industrial and consumer product spaces to engineer and re-engineer products and processes to increase circularity. Our efforts are focused on providing measurable solutions to reduce product-based environmental impacts. Flex Global Services and Solutions has evolved with the industry's perspective from a traditional linear model to circular focused designs in both forward and reverse logistics. We are proud to couple our EMS offerings with our circular initiatives to offer end to end solutions.

We invest in specialized personnel and tools to measure the CO₂ impact of circular economy services and the impact of logistics. In 2020, we launched a broad training program educating our customer-facing teams in circular economy and sustainability both within our own organization and the wider world. We continue to invest in our sites and Centers of Excellence to further move the needle on circular economy practices globally.

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FLEX JOINS THE ELLEN MACARTHUR FOUNDATION

We are now a proud member of the **Ellen MacArthur Foundation's Network** in order to be a part of a cross-industry partnership and best practice sharing around the circular economy.

Currently, we are focused on certifying our Budapest and Bangalore Circular Centers of Excellence as zero waste facilities by the end of 2021. Our goal is that by 2025, 50% of our manufacturing and logistics sites will be zero waste certified. Our circular economy-focused site in Sorocaba, Brazil is pioneering circular manufacturing processes that make the information and communications technologies industry greener and more sustainable.

Due to the global increase of remote work during the COVID-19 pandemic, demand has increased for circular services, repair and refurbishment of computing equipment. In 2020, we performed millions of repairs in partnership with customers, providing a second life to equipment that would have otherwise gone to a landfill and avoiding CO₂ emissions. Our parts harvesting capabilities further enhance the sustainable models we provide.

PRODUCT AS A SERVICE (PAAS)

We run a program to refurbish off-lease commercial IT equipment (laptops, desktops, servers, etc.) that includes screening, parts harvesting and logistics. We are supporting multiple businesses in their PaaS models for products coming back post lease. Our refurbished products save an estimated 75% – 80% of expected CO₂e emissions compared with new products.

INK CARTRIDGE RECYCLING

We currently offer ink cartridge recycling for businesses around the world. Some products have many plastic components, which we are able to recover in our Take Back and Recycling program, including these parts into the Closed Loop Recycling Initiative. External and internal parts are made from Polystyrene (HIPS) or ABS black and can be re-inserted into the customers' supply chain, also contributing to CO₂ and energy reduction.

ZERO-LANDFILL PRODUCT RECYCLING

As we divert waste from landfills, we offer customers the ability to launch global product take-back programs with zero-landfill, full end-to-end traceability and legal compliance. We have been successful in material recovery because of our expertise in asset recovery and logistics, and our global footprint. Our CO₂ calculator also enables customers to quantify the environmental benefits of their circular economy programs and to make better decisions.

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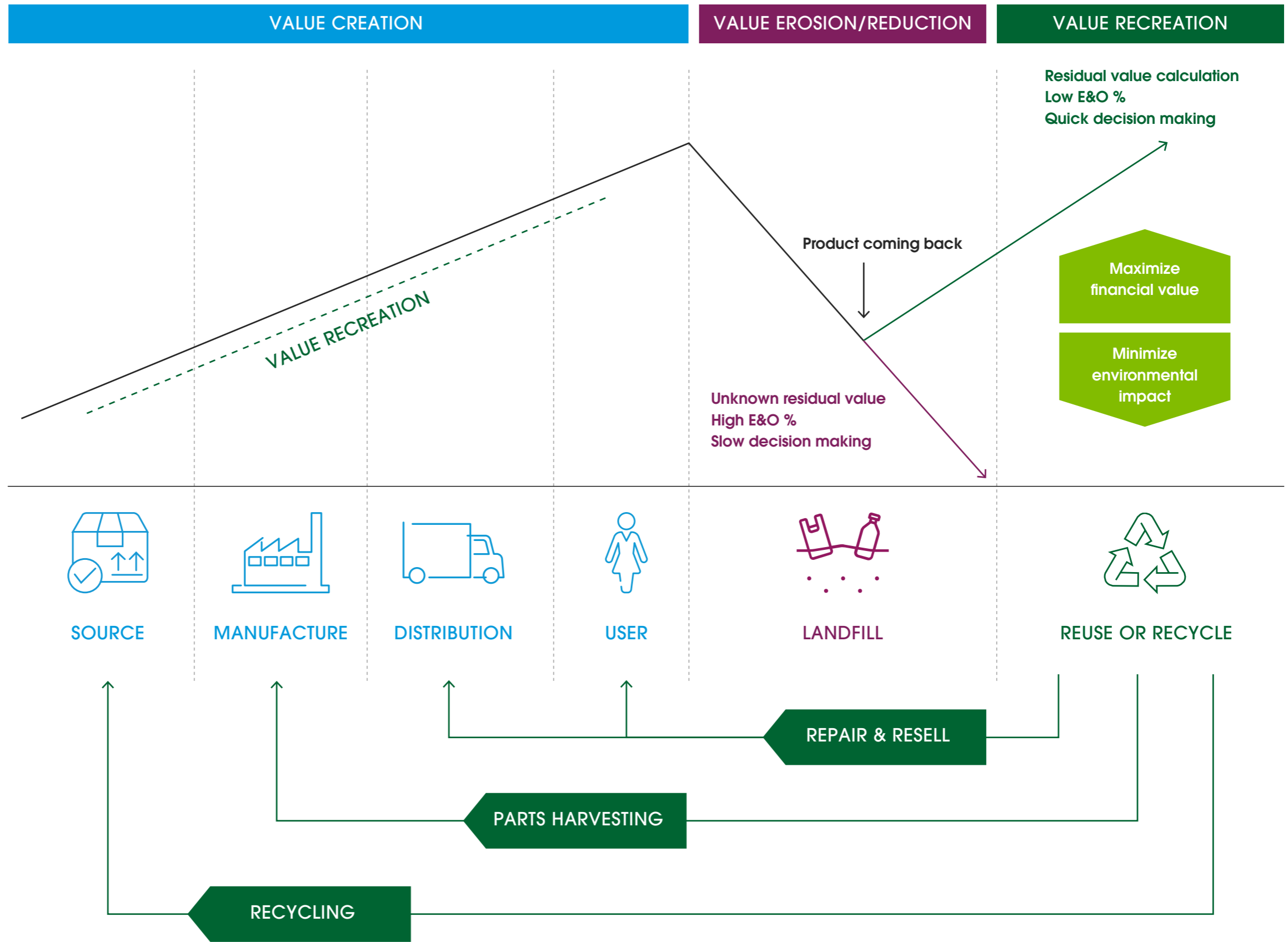
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Our sustainable technology solutions

Automotive: Powering the EV economy

Our Automotive business unit is paving the road to advanced automotive solutions through four pillars of innovation:



AUTONOMY

Enabling safer and more efficient driving for accident prevention and congestion relief



CONNECTIVITY

Bolstering seamless connectivity while reducing waste through engineering and manufacturing process improvement built on years of experience building infotainment and body control modules



ELECTRIFICATION

Supporting the shift to hybrid and electric vehicles with our expertise in designing and manufacturing key power electronics



SMART TECH

Helping reduce carbon emissions through active aerodynamics

We are exceptionally proud to contribute to a greener and more efficient automotive economy through our innovation and design of products that support the reduction in emissions and the acceleration of vehicle electrification. Hybrid and fully electric vehicles are an undeniable force within the industry and are expected to account for more than half of vehicles produced by 2027 (IHS Markit, 2021). As these systems grow and proliferate, so do a significant number of smaller technologies that enable or support automakers' and consumers' desire for more efficient, eco-friendly vehicles.

- **DC-DC CONVERTER:** As a core part of hybrid and electric vehicle systems, DC-DC converters are a significant contributor to CO₂ and sustainability requirements for OEMs globally. Our system enhances it a bit further. High efficiency means that every vehicle equipped with our module is running further and cleaner. With our advancements in proprietary magnetic core technology, we've reduced the rare earth materials required to manufacture each unit by 30%. On top of all of this, our size and weight reductions also reduce shipping and storage impacts.
- **SMART ACTUATORS FOR ACTIVE AERODYNAMIC APPLICATIONS:** Active grill shutter systems reduce 1-2 g/km of CO₂ emissions for combustion vehicles and similarly contribute towards increased range for electrified vehicles. Because of these benefits, single grill systems are becoming a standard and dual grill systems are increasingly popular. Our Smart Active Grill Shutter Actuators can control and position two front grill shutters and are uniquely high performing. Our system is built from the ground up to support maximum CO₂ emissions savings, while enabling full design freedom for exterior A-surface applications.

Industrial: Renewables and Grid Edge

We are committed to contributing to a cleaner, healthier and more resource-efficient world, aiming for the environmental and social change that makes all our stakeholders proud. We are proud to be on the forefront of a clean energy future with the innovations of our Industrial business unit. Our Industrial business which includes capital equipment, like semiconductor equipment and robotics, and industrial devices, such as commercial access control units and residential meters, also contributes heavily to our clean energy offerings, including the manufacturing of power systems equipment, inverters, optimizers, energy storage, solar and more. Our renewables and grid edge lines specialize in the manufacturing of complex products that enable our customers to bring clean and accessible energy to consumers around the world.

Our biggest focus areas included electric vehicle charging and energy storage equipment for residential areas. As part of our Industrial business, our Power Modules group also drives the design and development of high-efficiency DC/DC power modules that decrease the energy consumption of equipment, resulting in lower environmental impact. This approach not only affects energy bills, but also the design, dimensioning and cost of other system parts, such as cooling fans and air-conditioning units, heatsinks, real-estate requirements, power supplies and battery back-up capacity.

Social responsibility

OUR PEOPLE

We are committed to providing a safe and secure workplace, operating with an unwavering respect for human rights and creating opportunities for personal and professional learning and development.

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Protecting and supporting our employees in challenging times

Throughout the COVID-19 crisis, our top priority continues to be the health and safety of our people. In response to the global shortage of personal protective equipment, we deployed teams to [learn how to make, source and produce face masks](#). Without impacting healthcare workers' supplies, we were able to manufacture and scale production in weeks to not only provide enough masks for our employees, but to their families and our local hospitals and communities in the form of donations. In addition, we implemented site safety controls and response protocols aligned with public health official guidance to help keep our employees safe. We created [a resiliency overview](#) of our approach to the pandemic to help share best practices. Our work in the crisis was recognized by local governments and media for successful, swift action.



KEY HIGHLIGHTS 2020

9.62

We provided 9.62 average hours of training per employee, totaling to 1.9 M training hours in the last three years

44%

By the end of 2020, 44% of our global workforce and 27% of our Board of Directors were female

21%

We decreased our incident rate by 21% compared to 2019

24k+

24K+ employees across 56 sites participated in our People with Diversabilities Awareness Week, up by 5K from 2019

40

5,120+ employees benefitted from 40 educational programs offered through our **Employee Scholarship Program**

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Flex 20 by 2020 people final report



INCREASE EMPLOYEE DEVELOPMENT

We increased our average number of training hours per employee by 33% from 2016 and exceeded our goal to increase the average training reach of employees by 5% year over year



INCREASE FLEX PLEDGE (INTERNAL AUDITS ALIGNED WITH RBA GUIDELINES) AUDITS

We internally audited 54% of our Flex manufacturing sites and did not meet our goal to audit 100% of our production facilities¹



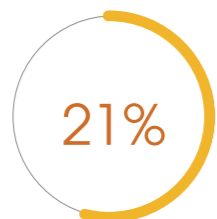
INCREASE HUMAN RIGHTS POLICY TRAINING COMPLETION

We trained 100% of new employees on our human rights policy and achieved our goal of a 95% or higher training completion rate



INCREASE RBA COMPLIANCE FOR REST DAY REQUIREMENTS

We exceeded our goal of 95% compliance with RBA, formerly EICC, rest day requirements, reaching 97%

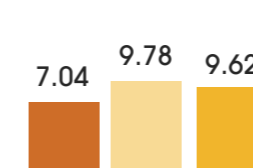


DECREASE INCIDENT RATE

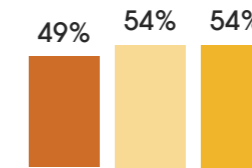
In 2020, we had a 0.27 incident rate, which accounts for a recordable injury or illness per 100 full-time employees and is a 53% decrease from 2015. We exceeded our goal of a 10% incident rate reduction by 2020

Key performance indicators

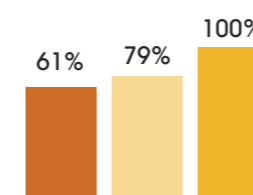
● 2018 ● 2019 ● 2020



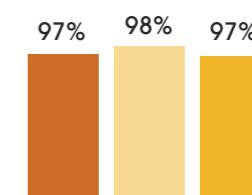
Average Hours of Training per Employee²



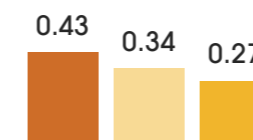
% of Sites Completing Flex Pledge Audits³



Increase Human Rights Policy Training Completion



% of Employees that Complied with the RBA Rest Day Requirements^{4,5}



Incident Rate⁵

¹ In 2020, we adjusted our audit approach to further align with our customer needs and began conducting audits directly through RBA. As part of our 2030 sustainability goals, we are committed to certifying each manufacturing site as an RBA Factory of Choice.

² In 2018, our online training system was replaced, and employees didn't have access to the new system during the transition period. In 2020, due to COVID-19, a number of our on-site programs supported by external vendors had to be cancelled, significantly impacting the total spending and hours per employee. We offered some online options via our Workday Learning LMS, Percipio and live-virtual via Zoom.

³ Version: Flex Pledge 3.0. Internal audits aligned with RBA guidelines. In early 2020, physical audits were paused due to the COVID-19 pandemic out of an abundance of caution for employee health & safety.

⁴ Hourly production workers in China, Mexico, the U.S., Brazil, Indonesia, Malaysia, Singapore and India are covered.

⁵ In 2018, the KPI and target were re-calculated due to our divestment of Multitek. Change was reflected from 2014 onwards.

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Employee development

Our people are at the center of everything we do at Flex, and we believe our employees do their best work when they are provided with a safe environment and growth opportunities to thrive and prosper. As a part of our continuous effort to be an inclusive and equitable company, we have made improvements to our talent attraction and onboarding efforts. In 2020, we took additional measures to ensure that our hiring efforts and materials fully support our inclusion and diversity strategy, including the use of non-gendered and inclusive language.

We invest in the ongoing engagement and professional development of all of our employees, which is critical to our success and future as a leader in innovation. We help foster this growth through educational opportunities, dynamic and meaningful work assignments and targeted development. We take pride in our learning and development program, offering instructor-led classes, online learning and on-the-job training.

We offer global learning programs that build skills for inclusive and resilient leadership, creative problem solving and technical expertise:

- **GLOBAL REACH:** Offering extensive online options for our learners – both e-learning and instructor-led to reach a wider-audience
- **LEARNING IN THE FLOW OF WORK:** Providing microlearning that our employees can consume more conveniently
- **LEARNER EXPERIENCE:** Enhancing our current learning platforms to engage more learners
- **PEOPLE SKILLS:** Focusing offerings on developing leadership, behavioral and communication skills
- **REGIONAL TRAINING:** Offering technical and job-specific learning and training all around the globe

Last year, we embraced virtual learning as face-to-face instruction was not widely available throughout the world. We provided a learning platform with live events and on-demand content to all people managers globally. This learning platform was optimized to deliver content in a variety of mediums – from live bootcamps to audiobooks – to be accessible to employees with different styles of learning.

In 2020, we completed our Flex Leadership Development Program (FLDP), aimed to develop the next generation of leadership across Flex. During the six-month program, the top 1% of available talent worked on three cross-functional high-impact assignments, to gain visibility to senior leaders, receive comprehensive mentorship and participate in ongoing leadership training.

We help employees manage their career progression through annual goal setting and performance appraisals. Managers are empowered to facilitate this growth through ongoing check-ins and feedback sessions with their direct reports. Our employees are encouraged to engage with leadership and collaborate closely with their managers to provide feedback on how we are doing as a company and how we can better meet their needs. We engage with our employees through activities such as town halls and all-hands meetings, and we conduct an annual survey of all employees to evaluate employee engagement and identify areas for improvement across the organization.

Employee Scholarship Program

As a part of our commitment to supporting the UN SDGs, we do our best to ensure that we provide decent work opportunities as well as access to quality education to each of our employees. For more than 10 years, through our Employee Scholarship Program (ESP), we have worked with local accredited educational institutions to give our employees access to life-long learning. Depending on the program, we provide full or partial funding for our employees to receive education ranging from technical certifications to graduate degrees.

As of 2020, ESP had been implemented in 33 locations within 16 countries across the Americas, Asia and EMEA. In 2020, more than 5,000 employees benefitted from ESP, more than twice as many as in 2019. With 40 programs including bachelor's and master's degrees, first aid, forklift driving, project management and more, employees enriched their personal and professional lives.

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Inclusion and diversity

We strive to create an inclusive workplace culture and diverse workforce that reflects the communities in which we operate. We recognize that our strength comes from the dedication, talent, experience and perspective of every employee in our operations. Representing over 30 countries and unique cultures across the globe, our organization is naturally diverse in many dimensions including age, religion, gender, ableness, sexual preferences and nationality. As outlined in our [Inclusion and Diversity commitment](#), we celebrate this diversity as a major contributor to our inclusive, high-performing culture. At Flex, we embrace the differences that make us unique and recognize our diversity as a strength. We are increasingly focused on fostering a culture of inclusion in our workplace and enhancing the diversity of our workforce and supply chain.

CONTRIBUTIONS TO THE LGBTQ+ COMMUNITY IN JAGUARIÚNA, BRAZIL
[In 2020, we were recognized by the LGBT Reference Center in the city of Campinas for our donations of food, hygiene products and personal protective equipment to the local community.](#)

A key part of our inclusion and diversity strategy is to promote gender diversity within leadership and management ranks, and throughout technical and non-technical areas of the company. Overwhelmingly, research shows that diverse companies perform better, which our own experience as a global company confirms. We are proud that in 2020 44% of our global workforce identified as female, and we had 27% female representation on our Board of Directors. We acknowledge that there is much more work to do, and we are striving to improve our female representation.

A major focus during the year was to reinvigorate our culture. The company introduced new values in support of our culture and long-term strategy. These values set the tone of our core principles and are foundational to our culture. A major component of strengthening our culture is to be a more inclusive and diverse company. To further our inclusion and diversity efforts, we established a Global Inclusion Council, representative of employees from multiple continents, genders, ethnicities, sexual orientations and cultural backgrounds. We also launched the Inclusive Leadership Experience for U.S. people managers, which focused on leading with inclusion through unconscious bias training. In 2020, 97% of our U.S. managers were trained, and in 2021, we plan to expand this training, globally. We look forward to seeing how our focus on culture improves employee engagement and satisfaction, employee sense of belonging, representation and overall performance.

Last year, we launched several new Employee Resource Groups (ERGs) including Women in Tech, LatinX and People with Diversabilities. Additional ERGs launched in the first half of 2021 include Veterans and the Asian Pacific Flex Network. Our growing number of ERGs offer a safe and inclusive environment for people to connect, share, learn from one another and advocate for change.

SheLeads

SheLeads is our global program focused on developing women leaders and fortifying and diversifying our talent pipeline at Flex. In 2020, we revamped our SheLeads program into a more robust leadership development program that we delivered virtually. We're excited to continue elevating our SheLeads program, which will include future activities like sponsorship projects and assignments to impactful company initiatives.



WOMEN IN FLEX

Women in Flex (WIF) is committed to enhancing gender equality and balance, both in our organization and in the communities in which we operate. This ERG brings together a global network of women of diverse cultures, skills, and roles to nurture an inclusive work environment where women have equal access to grow and thrive in their careers. WIF also engages with local experts and communities to instill passion in girls and young women to pursue STEM education and careers and empower women to improve their lives. In March 2020, we celebrated Women in Flex week, where we hosted 105 activities to provide professional enrichment, share rich histories of female pioneers, inventors and innovators and engage with our communities to raise money for women's health.

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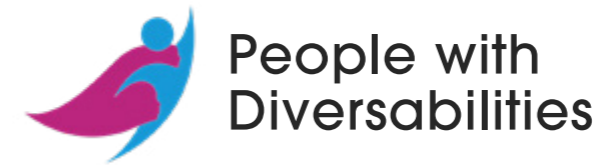
BLACK FLEX NETWORK

The Black Flex Network (BFN) is an ERG committed to creating an environment that embraces diversity while encouraging a sense of collective belonging. BFN brings together employees of African descent and allies from every culture to cultivate and preserve an inclusive work environment that attracts, develops and retains Black individuals.

In 2020, the BFN worked with the Flex Foundation to make financial donations to support a variety of nonprofits that advance the social justice mission from meeting urgent needs arising from COVID-19 to grooming minority talent for leadership roles. The BFN is spearheading initiatives to identify and provide grants to the following non-profit organizations:

- **INROADS:** This international non-profit, committed to racial equity, has programs that engage diverse high school and college students to support their development as leaders and position them for a future without limits, by connecting them to business and industry and providing opportunities for paid internships.
- **CASS COMMUNITY SOCIAL SERVICES:** Based in Detroit, Michigan, this organization supports the immediate needs related to the COVID-19 crisis and provides emergency shelter for approximately 150 individuals per night in summer months and 300 individuals per night in colder months.
- **SAFE ALTERNATIVES TO VIOLENT ENVIRONMENTS (SAVE):** Located in San Jose, California, this shelter provides rental assistance for a very specific group of clients to assure their housing stability and long-term success.
- **SAFE ALLIANCE:** This organization in Austin, Texas provides residents with job assistance, counseling, legal services and healthcare.

In support of our Black employees during the social injustices of last year, our CEO held a "Time to Talk" session with Black leaders in the company to gain a better understanding of the collective trauma and pain Black employees were feeling and how allies can help. Through our CEO's engagement with the Business Roundtable, we also collaborate on initiatives to build workforce skills and promote racial equity and justice.



PEOPLE WITH DIVERSABILITIES (PwD) EMPLOYMENT

Around the world, we employ more than 1,100 people with diversabilities, including individuals with hearing, speaking, sight, intellectual development and physical impairments, and are actively working to expand that number.

Through our efforts to foster an inclusive working environment, we provide our employees with training to enhance communication, promote leadership and prevent discrimination. Our PwD employees receive regular trainings to improve their professional skills and build self-confidence, while our non-PwD employees have an opportunity to increase their awareness and learn sign language and coworking best practices.

In 2020, we celebrated, for the fourth consecutive year, People with Diversabilities Awareness Weeks, an event dedicating two weeks in October to bring recognition of the value and capabilities of all people. Despite the pandemic, 56 sites participated from 17 different countries around the world. These sites had an open floor to innovation and creativity, promoting inclusive employability, disability awareness and adaptive technologies education. Sites also organized trainings with experts – both physical and online, hosted talent shows, made infrastructure improvements, sign language competitions, created videos and did much more.

We found that offering virtual participation gave us new ways to deliver our message and allowed for a bigger reach. Because of this, we saw participation from over 24K employees – an overwhelming increase of 43% more engagement than previous years. As part of our giving culture, 26 sites also arranged activities that benefited our communities, with 356 volunteers giving 1,262 hours of their time.

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LEVELING THE PLAYING FIELD IN MUKACHEVO, UKRAINE

Nearly as soon as the idea was born, so was a purpose: to give back to our Ukrainian community in Mukachevo with a children's play area that enabled kids of all ages and abilities to play together equally. Research shows that play is one of the most important ways in which a child actively learns, builds relationships and communicates with others, and we are proud to help contribute to inclusive play spaces that allow children to communicate positively, stimulate creative thinking and promote self-confidence.

The playground, which is 680 square meters in total, is equipped with safe game elements

certified according to European standards of safety and quality. Play elements are designed for the development and stimulation of the vestibular apparatus, and enhancement of coordination, tactile sensitivity and visual focusing.

We hope that this initiative will be an inspiration for further development of ability-inclusive infrastructure and support children with special needs to adapt socially, build confidence and enrich their childhoods.



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Wellness, health and safety

Part of our mission is to provide a physically and psychologically safe environment for our employees to thrive. We strive to provide our people with a healthy and safe workplace by reducing our total case incident rate (TCIR) to 0.20 within 5 years and maintaining that performance through 2030 and beyond. In 2020, the Health and Safety team, like many others at Flex, worked tirelessly to ensure the safety of our employees during the COVID-19 pandemic, including implementing stringent safety controls and protocols.

Throughout Flex, we provide access to exercise, nutritious food and quality medical services. We promote a "zero injuries" culture through health and safety [management systems](#), some of which are certified ISO45001:2018, that implement a data-driven and risk-based approach in monitoring and reporting performance regularly. We are committed to certifying all manufacturing operations as an "RBA factory of choice" and ISO 45001 by 2025.

[In 2020, we launched a global process in all of our regions, except for EMEA due to challenges from COVID-19, and completed hundreds of risk assessments. From these, we came up with actions and controls to mitigate risks.](#)

A culture of safety

We have a culture of safety that is set, encouraged and embodied by our company leaders and executive management team. Our CEO and department leaders convey to all employees that safety is a core tenet of the company by directing resources and requiring regular reports. Accountability in all business areas drives continuous improvement through a number of specific programs:

- **SAFETY AS A CORE VALUE** – Our Culture of Safety Maturity Assessment (CoSMA) is used to assess the maturity of 20 key processes required to develop and maintain a strong culture of safety. It produces leading indicators that focus on people, processes and leadership activities. Our CoSMA results drive individual sites to prioritize the efforts and resources they need to systematically and sustainably develop and maintain a culture of safety. In 2020, nearly all of our sites were assessed for safety maturity, and the remaining sites will be assessed in 2021. These evaluations will be repeated annually and require improvement actions to address the opportunities to improve that are identified.

- **SAFETY FIRST PROGRAM** – We create awareness and share specific information about safety with employees around the world through several mediums, including educational workshops and new hire orientation videos. Safety First posters are placed in conference rooms globally to emphasize specific actions to minimize injuries and illnesses, including encouraging everyone to start meetings with a safety discussion. These programs feature site general managers, who set the tone for our safety culture and remind everyone of their shared responsibility to keep everyone safe.
- **SYSTEMATIC RISK REDUCTION** – We see one of the best ways to prevent injuries and illnesses as minimizing the risk within our operations. To accomplish this risk mitigation, we need to have both effective risk management and incident reporting, as well as thorough analysis processes. A common process has been developed to provide consistent identification, evaluation and control of existing and potential workplace hazards. This global process enables us to proactively mitigate risk in a systematic and sustainable way. Our standardized incident analysis process enables us to determine root causes of injuries, implement effective corrective actions and prevent recurrence. Additionally, this process provides improved data analytics and identification of lessons learned.

We require that all our sites have a health and safety management system and safety committees in place, which we verify through physical audits performed by the corporate team. We have global standards and site-specific procedures designed to minimize the risk of injuries and illnesses. These include topics focused on serious injury and fatality prevention such as machine safety, as well as topics aimed to reduce injury frequency such as ergonomics.

In an effort to reduce incident rates, we started a third-party assessment in 2020, which will continue through early 2021. The recommendations from this assessment will be utilized to supplement our short and long-term plans and develop a roadmap that supports our drive toward achieving an injury-free workplace.

⁵Total number of recordable cases multiplied by 200,000 then divided by the total number of hours worked.

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Health and wellness for our employees

As the COVID-19 pandemic affected each and every one of us around the world, we focused on putting the health and wellness of employees first through the implementation of several new programs and the expansion of existing programs.

- **FLEX LIVING WELL SERIES:** We implemented a global webinar series for employees that covered a range of health and wellness topics during the COVID-19 health crisis. Topics such as medical advice from doctors, proper wear of PPE, mindfulness, resiliency and at-home workouts were offered on-demand.
- **EMPLOYEE ASSISTANCE PROGRAM (EAP):** We expanded our EAP mental health program in the United States this past year through increasing the number of visits available to employees. We also added Talkspace, which is an online therapy platform that makes it easy and convenient for users to connect with a licensed behavioral therapist. With Talkspace, employees can send unlimited text, video and audio messages to their dedicated therapist through their web browser or the Talkspace mobile app. Every employee is granted 8 sessions per issue, per year.
- **TELEMEDICINE PLATFORMS:** As a part of our North America wellness program, we provide employees enrolled in our medical plan with access to telemedicine, a hub for virtually managing healthcare needs. This hub allows our employees to explore wellness tips and communicate with top physicians through live video consults anywhere, anytime.



AON HEALTHIEST EMPLOYEE AWARD

We are excited that our colleagues in China were awarded the Aon Healthiest Employer Award in 2020. This award recognizes companies for outstanding corporate well-being and benefits practices. Candidates are evaluated through a multidimensional and in-depth process, which examines HR operations and management.

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Fair wages and competitive benefits

At Flex, our total rewards packages are informed by both company results and employee performance, as well as employee grade-level, job function and location. Compensation is evaluated annually to ensure our salary offerings are competitive with industry peers. We strive to provide the tools to support our employees in optimizing all key dimensions of their lives - financial security, good health and work-life balance.

In 2020, to better support new parents, we expanded our U.S. parental leave benefits for all parents - birth and adoptive - allowing them to take leave for up to 8 weeks. As we want to support employees in building their families, we have also expanded our infertility benefits in the U.S. to include donor tissue freezing. We recognize that mental and emotional wellness play a major role in employee satisfaction and productivity - which is why we also offer full-time employees paid time off to recharge.

At Flex, we like working directly with our employees and have had great success with that model in many locations around the world, but we also respect our employees right to freedom of association. This includes the right to form and join or refrain from joining trade unions or other worker organizations. 58% of our employees around the globe participate in collective bargaining agreements. In all situations, Flex fully complies with all applicable laws and regulations at the sites in which we operate.

INNOVATIVE BENEFIT OFFERINGS

In 2020, in an effort to increase financial access, we created an employee-funded bank in Mexico. This bank provides its users with both access to credit and access to competitive savings accounts.



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Human rights

We have a responsibility to uphold human rights and ensure the dignity of all workers throughout our value chain. We demonstrate our commitment through our robust social management system, which is aligned to the RBA code of conduct. Flex actively participates in external initiatives to protect human rights, including the RBA, the Global Business Initiative on Human Rights, and the [UN Guiding Principles on Business and Human Rights](#). We work to mitigate the risk of human rights violations through employee relations programs at sites that pose the greatest risk of forced and compulsory labor. We do not tolerate forced or compulsory labor in our factories and apply this policy through risk assessments and due diligence activities, including audits.

Excessive working hours has been a topic of concern in our industry. Our policies prohibit employees from working excessive hours - either over 60 hours per week or the local limit, whichever is considered lower. We advocate for solving the issue of working hours and have collaborated with various stakeholders such as original equipment manufacturers (OEMs), electronics manufacturing services (EMS) companies, NGOs, academia and governments. We also participate in RBA Task Forces on the UN Guiding Principles, Trafficking and Forced Labor, Transparency and Environmental Compliance to help prevent excessive working hours. We recognize that the issue of working hours can only be solved through working across a broad coalition of stakeholders to create effective solutions. We recognize that the issue of working hours can only be solved through working across a broad coalition of stakeholders to create effective solutions.

We launched a Human Rights Policy micro-learning course in 2018, with the objective of highlighting our policy for new employees. The training was made available in 15 languages, and by early 2021, 100% of our manufacturing and logistics facilities delivered the training to more than 95% of our employees. The training was also integrated into new hire orientation materials.⁵

Flex is an active member of the RBA, and we assess our operations against the RBA Code of Conduct using a self-assessment process followed by audits. These assessments and audits ensure we are compliant with the RBA Code with respect to a variety of human rights risks including underaged labor, forced labor, discrimination, working hours, freedom of association and harassment. Every year, many of our facilities host on-site compliance audits conducted by independent third parties, in accordance with the RBA's Validated Assessment Program ([VAP](#)). The VAP program is the leading standard for on-site compliance verification, and we proudly continue to add sites to the RBA Factory of Choice level, where VAP scores are above 180.

⁵ Four sites completed the training at the beginning of 2021.

In preparation for RBA audits, we conduct pre-audits using the RBA standard to look for gaps and create action plans to help our sites prepare for the audit. We commit between a few weeks to a few months working with sites to prepare them for these audits. We are proud to share that in November of 2020, our Manaus site in Brazil received a 180.1/200, granting them silver status. It is our goal that by 2025, all of our manufacturing sites will be at the RBA Factory of Choice level.

[Flex is committed to the responsible sourcing of minerals by being participants of the Responsible Minerals Initiative \(RMI\) and working to reduce conflict-sourcing throughout the electronics industry. Our efforts on the RMI's Sensing and Prioritization committee have led to the examination of cobalt, mica and other substances of concern for industry action.](#)

We are dedicated to upholding and respecting the human rights of all people through our operations and in our value chain, in alignment with the United Nations Guiding Principles on Business and Human Rights. We have established internal controls and regularly communicate these expectations with our suppliers and business partners. Our robust policies, training and auditing allowed us to rapidly assess the situation and convey to our customers that we were not aware of such practices in our own operations, nor in those of the suppliers we had assessed. We continue to support the Responsible Labor Initiative ([RLI](#)), aimed at eradicating forced labor from supply chains, and we are a member of the Global Business Initiative on Human Rights ([GBI](#)).

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Technology solutions for societal benefit

Our innovation solutions help customers define and develop cutting-edge products that improve the quality of life of people all around the world.

KEY HIGHLIGHTS 2020

Global top 20

In 2020, we worked with the world's top 20 medical device manufacturing and 17 out of 20 of the world's top biopharmaceutical companies to develop, design and manufacture medical products and service offerings globally.

Manufacturing Leadership Award

In 2021, we received a **Manufacturing Leadership Award** for our ventilator production in the critical global health crisis by the National Association of Manufacturers.

Health solutions: manufacturing for a global need

We create healthcare solutions that meet our customers' needs and society's demands. We proudly employ over 700 medical design engineers and 20,000 health solutions employees who are committed to helping our customers create products quickly and efficiently.

A core part of our Health Solutions portfolio are products critical to patient safety such as IV bags, diagnostic catheters, tubing sets and other devices. Because our supply chain is vertically integrated, we can build, kit, package and distribute these essential products quickly and at mass scale around the world. In 2020, to meet the global need for diagnostic tools and equipment, we ramped up production of our health solutions products.

In response to the COVID-19 crisis, we provided hospitals in North and South America with nearly 60,000 ventilators and other hospital equipment needed to save lives. We also recognize the health challenges that people face every day despite the presence of

COVID-19 – such as managing diabetes and other chronic illnesses – and we worked hard to ensure that our production didn't skip a beat in creating critical products for quality of life.

Through close partnership with GSS, we also offer refurbishment solutions for medical equipment, to extend their useful lives and reduce waste. We are proud to service not only Flex-built products but offer refurbishment for non-Flex products as well.

Cloud and communications: keeping the world connected with critical infrastructure

We are proud to contribute to the critical infrastructure that powers frontline workers, hospitals and millions of homes around the world striving to stay connected during a challenging time.

Our Cloud business helps our customers design and build data center storage and computer solutions for a scalable, high-performance future, and our Communications business provides our customers with the technologies that underpin network transformation and modernize communications infrastructure, such as software defined networking (SDN), network function virtualization (NFV), coherent optical transport and 5G cellular.

Last year, as the global pandemic forced many of us to stay at home, we all found new ways to stay connected to our friends and family, as well as our workplaces. Flex designs and manufactures the infrastructure hardware to allow employees around the world to work safely from home during challenging times - our Cloud, Communications and Enterprise business unit in partnership with our customers provides a consistent supply of servers, wireless infrastructure, network routers and switches around the world. The scale of the expansion required in to enable work and learn from home was unprecedented in 2020, and our global footprint, which spans more than 30 countries, supported this increased demand within the geographies where the hardware was needed.

We recognize this increased network demand requires more energy to scale and meet the global need, and in 2020 we implemented environmentally conscious designs to optimize power usage in data centers. These improvements not only reduce energy and carbon emissions, but also lower the total cost of ownership for our customers and help them meet their environmental goals.

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Community investment

We invest in the communities that enable us to live our purpose of making great products for our customers that create value and improve people’s lives.

We are committed to creating a positive impact in our society while building a culture of community engagement and investment. Our community investment strategy supports the UN SDGs, and in 2020, we offered education, career-building opportunities, natural resource protection and swift response to the global health crisis, giving back to our communities. Through the Flex Foundation and the volunteerism of our dedicated employees, in collaboration with nonprofit organizations, community leaders and governments, we help bring these meaningful programs to touch lives around the globe.

KEY HIGHLIGHTS 2020

552

We completed 552 community activities, despite the challenges of COVID-19

6,624

As of 2020, 6,624+ workers have benefitted from the Worker Empowerment Training Program (WETP), enabling them to lead the future of automation

16.5M

In 2020, we donated 16,500,000 masks to our employees and communities, focusing on local schools and smaller non-profits

42,133

6.9K of our volunteers gave 42K+ hours back to their communities¹

91.5%

91.5% of our sites implemented community activities throughout 2020¹

¹Data verified by DNV.



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Flex 20 by 2020 community final report

Key performance indicators

● 2018 ● 2019 ● 2020

42,133

INCREASE VOLUNTEER HOURS

We clocked 42,133 volunteer hours in 2020 and did not meet our goal to increase global volunteer hours by 15% due to COVID-19 challenges of in-person activities. However, we engaged employees through virtual volunteerism, which was highly successful and will lead to expanded opportunities in the future.

20

IMPLEMENT WORKER EMPOWERMENT TRAINING PROGRAM

In 2019, we exceeded our goal of implementing the program at 20 supplier sites. In 2020, we began to replicate this program globally – an effort which was limited due to COVID-19.

¹Data verified by DNV.

²Sites with 5,000 or more employees.

³In 2017, we began the phase one implementation of the WETP program, which included three pilot sites in China and Mexico. Phase one was completed in 2018. The same year, we commenced phase two, which was completed in 2019. The third and final phase started and concluded in 2019.



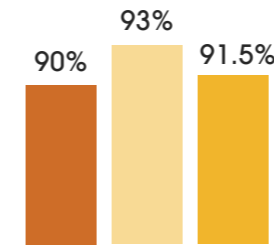
INCREASE PERCENTAGE OF SITES WITH COMMUNITY ACTIVITIES

We exceeded our goal of at least 90% of sites engaged with community activities, reaching 91.5% in 2020.

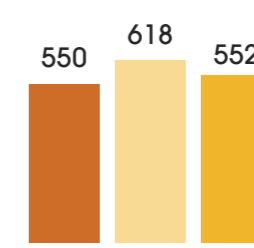


IMPLEMENT FLEX FOUNDATION - COMMUNITY GRANTS

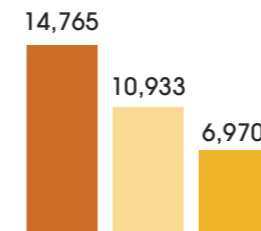
We achieved our goal of providing Flex Foundation community grants to 100% of our sites that have at least 5,000 employees.



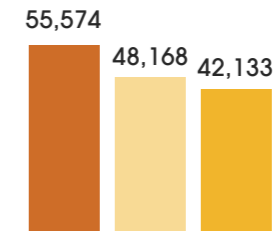
% of operations that have implemented local community engagement activities¹



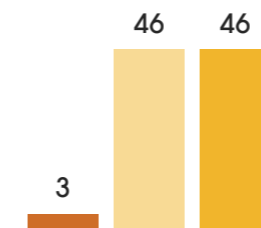
Total local community engagement activities



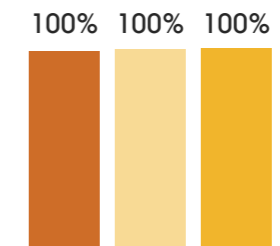
Total volunteers



Total volunteer hours¹



Total of suppliers that have implemented our worker empowerment training program (WETP)²



% Sites with community grants³

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Flex Foundation

The Flex Foundation is a private organization that awards grants to philanthropic initiatives supported by Flex. Established in 2002, the foundation supports and fosters positive change for the global communities where Flex, its customers, suppliers and partners operate. Through 2020, the Flex Foundation's engagement, giving and volunteer strategy supported four UN SDGs -- Quality Education (#4), Affordable and Clean Energy (#7), Decent Work and Economic Growth (#8) and Responsible Consumption and Production (#12) – and collaborates effectively with nonprofits around the world for a more sustainable and socially-equitable future, including [Cass Community Social Services](#), [INROADS](#), [WWF](#), [Hispanic Foundation](#), [Associação Laboratória](#), [The Amity Foundation](#), [Dress for Success San Jose](#) and more.

MISSING MAPS

In 2020, the Flex Foundation partnered with the **American Red Cross** to help complete the mapping of critical areas that require support from first responders and humanitarian aid organizations, like the Red Cross. Through these map-a-thon sessions, we engaged nearly 2,000 volunteers from 30 different countries, accounting for over 1,940 volunteer hours. In total, we achieved 63,458 map edits which will help put people and communities that are in critical need on the map!



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2020 accomplishments

We provided nearly \$1.5 M in grants to support:



33 local projects
in 12 countries



1 regional project
with the European
Red Cross



1 global project
supporting the COVID-19
Solidarity Response Fund
for the World Health
Organization (WHO)
through the United
Nations Foundation for
pandemic relief



Associations that
support minorities
around the world

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Volunteerism

It is our foundation's vision to foster meaningful relationships between our employees, their local communities, and the planet. We know it is important to our employees and their families to make a positive difference in the world, and we want them to feel proud to be a part of Flex. We encourage our employees to give back to their communities by volunteering their time, talent and resources to local organizations. Our global sustainability team and site community representatives help to coordinate local community activities around the world that support our values and align to our corporate volunteer policy and guidelines.

HOLLIS, NEW HAMPSHIRE, U.S. (FARM, A FLEX COMPANY)

To support mental health and celebrate National Physical Fitness Month, employees at [Farm](#) were encouraged to participate in the 2020 Step Challenge from home which took place April 27 – May 31. The goal of this activity was to promote employee physical and mental health, and get people working remotely to feel active and engaged.

TIJUANA, MEXICO

In December 2020, Flex supported artisan grandparents in Mexico through two online volunteering events. We had over 70 volunteers organize and participate in virtual auctions for artisan crafted goods, with the goal of raising money to support "grandfather craftsmen." Overwhelming participation and support resulted in Flex raising twice the estimated funding at the auctions.

MODI'IN, ISRAEL

At our 3D printing department in Modi'in, we manufactured and donated 40 medical protective masks to the Meir hospital in Israel. With three volunteers, 108 hours were dedicated to the creation of these critical masks. In EMEA, activities like this contributed to an incredible donation of over 500,000 masks in the region.

Providing quality education and supporting economic growth

PROMOTING WOMEN IN TECH

Last year, we engaged with Laboratoria, which works to address the lack of quality educational and job opportunities for women in Latin America and eliminate the gender and talent gaps in the tech industry. Over the course of a 6-month bootcamp in 2020, we partnered with Laboratoria to train approximately 50 women from underserved communities as software developers, helping them gain the technical abilities and soft skills needed to flourish in the tech industry. At the end of the bootcamp, Flex provides students with introductions to different companies, with the goal of helping them find jobs in the tech area. We are proud to support Laboratoria as it aims to contribute to the selection, formation and placement of women in the tech industry.

ACCELERATING DIVERSE REPRESENTATION

In 2020, we supported the Hispanic Foundation of Silicon Valley (HFSV), a nonprofit that promotes the educational excellence and leadership development, and engage the Hispanic community to improve the quality of life for Latinos and the Silicon Valley region. Through the Latino Board Leadership Academy initiative, we supported the recruitment and training of at least 90 Latinx professionals, in topics such as Board Roles and Responsibilities, financial responsibility, fundraising, and sustainability, among others, to be effective nonprofit board members in 2021. Less than 3% of Latinos serve on nonprofit boards in Silicon Valley, where the Latino population is 26%. It is critical that nonprofits that serve underserved Latino populations have Latinos in leadership roles.

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Affordable and clean energy, and responsible consumption and production

GREEN INNOVATION AND INFRASTRUCTURE

[WeWilder Hub](#), co-founded by WWF Panda Labs and the Flex Foundation, is Romania's first innovation center for green entrepreneurship, located 1.5 hours from Timisoara in a WWF priority conservation and bison rewilding area. The WeWilder Hub aims to inspire regional green development and sees participation from a 2,500-member social enterprise network that creates economic benefits for a local community that guards 17,000 hectares of natural area. In 2020, we started the development of a state-of-the-art green co-working and community kitchen facility, three autonomous housing units and one remote hut. In parallel to this intensive building, we have prototyped new ecotourism products, increased local capacity through co-design workshops and validated a sharing economy model.

COASTAL CLEANUP ACTION

In 2020, Flex began partnering with The Amity Foundation with the goal of engaging over 300 community residents and college students to participate in picking up and reusing waste and care for 700 city cleaners in Suzhou, China. This coastal cleanup activity aims to educate and spread awareness of the damage of waste to the natural environment and inspire an appreciation for the beauty and fragility of nature.

Promoting good health and well-being

FLEX FOUNDATION COVID-19 RESPONSE

As the pandemic caused devastating impacts around the world, we worked tirelessly to [support relief efforts](#) throughout our footprint and in partnership with a number nonprofit organizations. As an example, last year, we focused part of our relief efforts to support those affected by the COVID-19 outbreak efforts in Hubei province, China. We engaged with local nonprofits to purchase and provide relevant medical supplies such as masks, protection suits and goggles in short supply all across China. We provided frontline workers with food, subsidies and lodging costs, particularly those who had traveled into areas most affected by the outbreak. We also supported the construction of temporary hospitals to alleviate overcrowded outpatient departments and hospital waiting rooms.

Knowing the long-term impacts of the global health crisis, we also initiated mid- to long-term recovery efforts, such as mental health treatment for frontline workers, epidemic prevention and education efforts, and advance preparation for possible outbreaks in the future.

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Celebrating Earth Day around the globe

In 2017, we launched the Earth Day Challenge as a global program to further underscore our commitment to sustainability and protection of the environment. In 2018, we received the [Manufacturing Leadership Award](#) for outstanding achievements in our 2017 program. In 2018 and 2019, we continued with these amazing results, engaging tens of thousands of employees around the world on environmental activities.

Last year was a challenging one in many aspects, but our community was unwavering in showing their support for the planet. Despite the pandemic, our employees showed, once again, their commitment to fighting climate change. The result: we received hundreds of stories from employees in 30 sites around the world who organized small events, sharing with us what they accomplished from home to support a more sustainable future.



“We made flower-pots out of scrap plastic bottles and use them to grow vegetables. We put them in the office to share. This activity is environmentally friendly and fun.”

EMPLOYEE IN SUZHOU-SOL, CHINA

“I've taken a lot of steps in the past couple of years, trying to have a low waste, green lifestyle. From making my own toothpaste and buying shampoo bars without any plastic packaging to shopping from thrift stores. But this year I decided to go vegan as it's the best I could do to help our planet.”

MORVARID SADINEJAD, DSN TORONTO, CANADA



“I feel that I am making a small difference in maintaining a balance between nature and human existence. It's a joy to watch birds, bees and butterflies around and feel so connected to nature in every possible way.”

ARFI GHAZALA, GBS PUNE, INDIA



Governance

At Flex, we hold ourselves to the highest ethical standards, and take pride in our leadership and governance practices. We take a sustainability-focused and information-based approach to risk management and governance.

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Board of Directors and Board Committees

At every level of Flex, responsibility, sustainability, and good judgment are core business values that underpin decision-making for each and every employee, member of management and our directors on our board. We believe that these core values, embodied in a collaborative and engaged board of directors, leads to our success. Last year, in response to the COVID-19 global pandemic, our board mobilized quickly, working closely with the Brand Protection and Security team to transition to a mobile workforce, manufacture and distribute personal protective equipment, and respond to the unique challenge of being a global company navigating fast-evolving regulations worldwide. We recognize the critical impacts of climate change and our responsibility as a global company to address and mitigate its effects to the best of our ability. We ensure our directors are fully briefed on our strategy, risks and opportunities related to climate change through annual formal updates and regular engagement.

The Flex Board of Directors receives periodic updates regarding our sustainability strategy. Further, the board discharges its duties of oversight through committees designed to oversee every aspect of our sustainability programs. Our Nominating and Corporate Governance (NCG) Committee shapes and oversees the strategy and implementation of our sustainability policies and procedures. The NCG Committee periodically reviews emerging sustainability trends and Flex's environmental and social programs, which are discussed in this report. Our Compensation and People Committee periodically reviews Flex's human capital management strategy, including corporate culture, inclusion and diversity initiatives, and high-level talent attraction, retention and training programs. Through last year, we focused on balancing our leadership with diversity of background, viewpoint, and skill – intangible assets that we are consistently working to leverage and embody.

In 2020, we also revised our compensation rules to require that our CEO own, at a minimum, six times her annual salary in company stock to ensure her interests are closely aligned with our shareholders. Additionally, as part of her fiscal year 2021 goals, our CEO committed to refreshing the company's long-term sustainability strategy. Through consistent engagement, collaboration and accountability on these topics we ensure that our sustainability principals are woven into the fabric of our company's DNA.

Internal committees

Cross-functional collaboration and engagement is essential to drive innovation, maintain momentum and deliver results - that's why our Sustainability Council and Executive Sponsor Group meet quarterly to make progress on our sustainability strategy and ESG initiatives. These meetings are attended by global leaders of the company representing the key functional areas with responsibility for sustainability efforts, including operations, regulatory compliance, human resources, supply chain, legal and governance, account management and communications. This interdisciplinary group shares information with individuals who are directly responsible for implementing and managing sustainability initiatives across our company. This collaborative participation enables us to recognize and realize opportunities and create a comprehensive and holistic approach to our sustainability strategy and implementation.

Our Corporate Sustainability Leadership Committee meets semi-annually and reports directly to the Executive Sponsor Group. The committee is a multidisciplinary group comprised of global directors and managers (including operations, customer facing, supply chain, regulatory compliance, metrics and communications) whose organizations are directly responsible for implementing sustainability initiatives chosen by the Executive Sponsor Group and the board. We measure the strength of our programs, disclosure and progress with the use of external benchmarks, including State Street's "R-Factor" score for responsibility and ISS's governance quality score.

At our manufacturing and logistic sites, one functional sustainability team is established and led by the site's general manager. Our site sustainability teams are comprised of leaders from operations, customer account management and other regional departments. The team works to develop and implement corporate standards and tools, monitor performance, capture and address customer requirements and verify our programs are operating as expected at each of our sites.

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Ethics and compliance

We are driven to do the right thing. Our values are demonstrated in our day-to-operations, and through our mutual respect, accountability and results.

Ethics and compliance

At our deepest roots, we are committed to doing the right thing always. We strictly adhere to the highest ethical standards and expect the same from all of our business partners through the value chain. It is our commitment to ensure our decisions and behaviors reflect our vision and values and are compliant with laws and regulations. Through the use of training, education, communication, assessments and audits, we embed our values and continuous improvement by employing KPIs with targets. Our ongoing commitment to ethics and compliance helps us earn and maintain the trust and business of our customers, partners and investors, while creating a positive, inclusive and transparent culture that reflects our core values.

KEY HIGHLIGHTS 2020

99%

99% of our employees completed the annual Code of Business Conduct and Ethics (CoBCE) online training.

1,028

We remedied 1,028 hotline reports, addressing a variety of issues through guidance, review and/or investigation.

Targeted Training

We provided several training initiatives on CoBCE topics, including data privacy and protection and anti-sexual harassment.

¹Does not include individuals who have recently joined us through acquisitions, employees on leave of absence and direct labor.

²Two sites that started operations in 2020 completed the trainings in January and February 2021, respectively.

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INCREASE CoBCE TRAINING COMPLETION

99% of our indirect labor employees completed the CoBCE online training in 2020, and we did not meet our goal of 100% completion

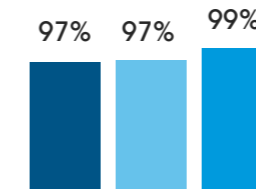


IMPLEMENT IN-PERSON TRAINING ON CoBCE

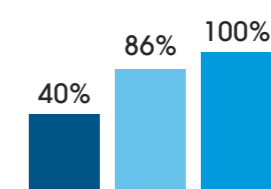
We achieved our goal to conduct in-person CoBCE training at 100% of Flex sites with direct labor employees in 2020

Key performance indicators

● 2018 ● 2019 ● 2020



% of employees completing code of business conduct and ethics online training¹



% of in-person training on code of conduct training completion²

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Code of business conduct and ethics

Our [Code of Business Conduct and Ethics \(CoBCE\)](#) guides behavior and decision-making of our employees, Board of Directors, contractors, consultants, suppliers and all who do business with us and our subsidiaries. Through our CoBCE, we seek to promote honest and ethical conduct, discourage and mitigate wrongdoing, familiarize employees and business partners with company policies, and act with integrity in all that we do. The CoBCE, which is fully aligned to the [Responsible Business Alliance \(RBA\) Code of Conduct](#), is reviewed periodically, and all major updates are approved by our Nominating and Governance Committee, Chief Ethics and Compliance Officer and the executive sponsors. We require all employees to participate in regular training on CoBCE principles, with a focus on updates that have been made during these annual reviews. The CoBCE is made accessible to all of our stakeholders – it is available in 20 languages on our internal and [external](#) websites.

Ethics & Compliance team

Our Ethics & Compliance (E&C) program connects activities and teams through a common management system designed to identify risks and prevent violations of company policy, regulatory requirements and laws. Our E&C team, which is led by our Chief Ethics and Compliance Officer, drives activities in partnership with compliance directors and subject matter experts across our company. Each compliance director is accountable for managing, maintaining, monitoring and continuously improving his/her own program and internal control system, including policies, procedures, training and communication, risk assessment, root cause analysis and remediation.

Our ethical culture

We aim to be the most trusted global technology, supply chain and manufacturing solutions partner. To earn the trust of our customers, employees, suppliers and business partners around the world, we must show up every day with doing the right thing in mind. To this end, we expect every employee, officer and director of Flex to understand and follow the CoBCE and our specific compliance policies. With strong leadership, regular training and a culture of transparency, we work together to identify risks and prevent violations of company policy, regulatory requirements and laws.

Our training approach uses a combination of in-person and online trainings, leadership conferences, regional staff meetings and site-level trainings. Last year, we held minimal in-person trainings due to work from home policies and physical distancing requirements. We also collect feedback from our global employee population through periodic surveys, which help us assess our ethics culture and provide information about key training topics.

We believe our executive management should lead by example and through meaningful communication to employees. Our CEO and senior leadership team regularly convey messages on business ethics and compliance at employee all-hands meetings and in relevant stakeholder group settings. We also maintain internal ethics and compliance online resources and circulate newsletters that address relevant ethics issues, program improvements and policy updates. Throughout 2020, we worked to increase discussions between people managers and their direct employees to reinforce ethics and compliance issues.

Raising concerns

It is critical that employees feel safe, confident and comfortable in raising issues and concerns, and through the investigation and remediation process. Our Ethics and Compliance program and strict anti-retaliation policy are designed to protect employees and workers, their anonymity, and encourage their confidence in doing the right thing. Our whistleblower policy, which was revised in 2019, applies to all employees and suppliers in the value chain.

We encourage employees, partners and other third parties to report concerns or suspected compliance or ethical violations through our many reporting channels: toll-free hotline phone numbers, email, web-based reports, direct communication to management and Board of Directors, our human resources team or our legal team. Our reporting system is accessible 24/7, in nine languages and can be accessed anonymously if the user wishes. Concerned parties can access it online or by phone via toll-free numbers provided at www.flexethicshotline.com.

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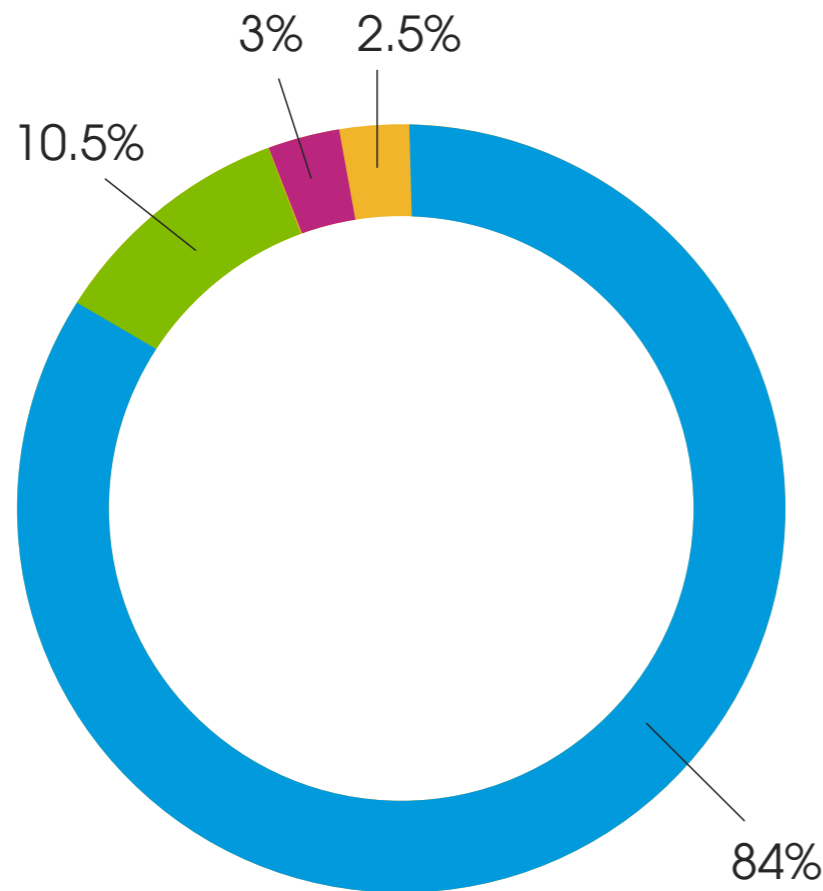
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Ethics cases are reviewed by our corporate Ethics & Compliance team and investigated by cross-functional investigators including members from different functional areas: human resources, brand protection and security, health & safety and legal. Cases follow a formalized process of intake review and are then directed to the appropriate team for investigation and remediation, as needed. Each case is tracked from report submission to closure and metrics are reported quarterly to the executive sponsors and the audit committee of our Board of Directors. In 2020, we addressed 1,028 reported cases – a 14% decrease from the previous year attributable in part to a portion of our employee base working from home and other changes in working conditions in response to the COVID-19 pandemic.

ALLEGATIONS BY TYPE

- Employee Relations
- Business Integrity
- Environment, Health & Safety
- Misuse & Misappropriate of Corp Assets



Data privacy and security

At Flex, we recognize the role we play in the lawful, ethical, responsible management and protection of personal data. We have built robust organizational, contractual and technical measures to ensure the privacy and security of all personal data collected, stored and processed by Flex in accordance with applicable data protection laws. The goal of our information security program is to defend us against modern threats, comply with customer requirements, and to preserve safety and integrity of all sensitive data. Our strategy for information security includes three pillars of cyber resilience: cyber hygiene which provides the fundamentals of protection, ensuring conformance to increasing customer expectations and a robust response protocol to ensure that threats are swiftly detected, contained and responded to.

Last year, as the COVID-19 pandemic forced employees to work from home (WFH), we updated our virtual private network (VPN) securities to protect sensitive data in a WFH environment. From March to June, we conducted a thorough analysis of VPN meta-data to determine the sufficiency of our toolsets and made updates to the network as needed.

Furthermore, we have registered binding corporate rules (BCR) that form the basis for cross border intra-group data processing and function as a compliance code for the proper handling of data, and due to BREXIT we separated our EU BCR from the UK BCR. Flex’s use of personal data is limited to only permissible and legitimate business purposes. We have and continue to assess permissible and legitimate business purposes and the measures which we take, against the additional measures highlighted by the European Data Protection Board (EDPB) in its draft guidance on the Schrems II judgment of the Court of Justice of the European Union.

We comply with all applicable data privacy regulations, including the General Data Protection Regulation (GDPR), the Brazilian General Data Protection Law and the California Consumer Privacy Act, and closely monitor the regulatory landscape for upcoming changes in laws around the world. In 2020, we received no substantiated complaints regarding data privacy breaches.

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Supply chain integrity

We leverage our deep supply chain expertise to mitigate risk, minimize complexity and ensure social responsibility and environmental sustainability around the globe.

Supply chain management

Flex is committed to developing and maintaining a sustainable supply base that delivers financial value, supplier continuity, quality and best in class solutions to customers and suppliers. We want to be known as the most trusted supply chain partner in the industry and inspire confidence with our employees, customers and suppliers that Flex does business by following all applicable laws and upholds the highest ethical and professional standards.

These standards are integrated into our supplier training, which aligns with both the [Responsible Business Alliance \(RBA\) requirements](#) and our [supplier requirements](#), which address a range of labor practice issues. These issues include freely chosen employment, anti-slavery and anti-human trafficking practices, working hours, forced labor, wages and benefits, human rights issues like child labor, conflict minerals, ethical conduct, freedom of association, health and safety, environmental protection and more.

We require our suppliers to have strong management systems in place to ensure the continuity and effectiveness of social and environmental activities and the mitigation of potential risks, and we take steps to conduct due diligence to ensure these systems are in place and well-functioning. Our aim is to leverage the magnitude of our supply chain to make a positive impact in our industry.

In 2018, we released a new [supplier code of conduct](#) outlining our expectations for supplier compliance to the policy and to all applicable laws and regulations.

KEY HIGHLIGHTS 2020

26%+

Our supplier due diligence assessment increased by 26% compared to the previous year, totaling 2,226 completed social and environmental assessments

6,289+

Since 2017, we have screened 6,289 suppliers, using a tool provided by the RBA that integrates global risk analytics

100%

We screened 100% of our new global suppliers using social and environmental criteria

66k

We collected and monitored ~66,000 workers' working-hour records in the past year

58

We have trained and certified 58 social and environmental supplier auditors internally, up nearly 12% from 2019

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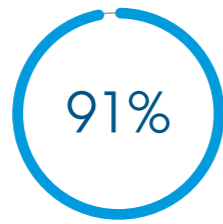
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INCREASE SOCIAL AND ENVIRONMENTAL SUPPLIER TRAINING

We increased our supplier social and environmental training by 91% from 2019 and exceeded our goal of a 10% increase year over year

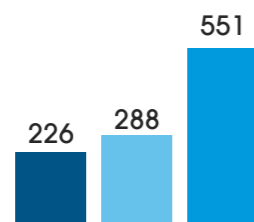


INCREASE SUPPLIER SCREENING ON SOCIAL AND ENVIRONMENTAL CRITERIA

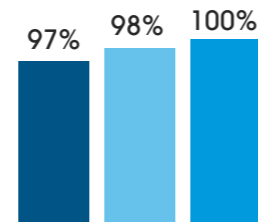
In 2020, we screened 100% of new suppliers and exceeded our goal of 85% or higher

Key performance indicators

● 2018 ● 2019 ● 2020



Number of suppliers trained on social and environmental / RBA requirements



% of new suppliers screened using social and environmental criteria¹

¹ The screening applied to suppliers over a certain spend threshold.

Supplier assessments and on-site audits

We regularly assess our suppliers and our labor agencies for potential risks as well as sustainability performance. Our social and environmental assessment consists of six sections: labor, ethics, labor and ethics management system, health and safety, environmental and EHS management system. The supplier quality team also incorporates social and environmental criteria into its supplier management processes and policies, including our supplier code of conduct, training for suppliers, audits and corrective action plans.

Suppliers are required to complete a Supplier Assessment Questionnaire (SAQ), a social and environmental assessment based on principles covered in the RBA Code of Conduct. Depending on suppliers' performance on these assessments, our team may pursue additional screening actions or audits as necessary. We work collaboratively with suppliers to ensure they are given the opportunity to implement necessary corrective actions before the audit team visits their locations. At the point of onboarding, we screen new suppliers by auditing data, performing a risk assessment and conducting an on-site audit, if required. We are currently working on a tool that will support a robust screening of our suppliers as well as providing a unique platform to manage all supplier information. Our goal is to have greater visibility of the suppliers' statuses, scores, certifications, assessments and procurement details.

On-site due diligence is a critical component of our supplier risk assessment protocols. In 2020, as the COVID-19 pandemic restricted global travel, we faced the challenge of assessing suppliers in a safe manner, as the health and safety of our employees and suppliers was paramount. Instead, we pivoted to conduct more of our supplier audits remotely. Throughout last year, we conducted 136 initial audits (including 62 remote and 74 onsite) and 64 follow-up audits (including 59 remote, 5 onsite) focused on suppliers located in high-risk regions, including China, Southeast Asia, Europe and South America. During the on-site audits, Flex representatives interview employees of the supplier directly. The most common issue we identified is that working hours exceeded the standard, also health and safety issues, improper treatment of hazardous wastes and improper sustainability management systems.

Additionally, our indirect procurement team is currently working to expand our on-site assessment scope to ensure that our indirect suppliers and service providers are in compliance with Flex standards and the RBA Code of Conduct.

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Conflict minerals and responsible materials sourcing

We are committed to upholding the highest standards of responsible sourcing to ensure the safety and dignity of workers around the world, and diligently evaluate our supplier partners to verify they meet these same high standards. Our Responsible Sourcing Working Group – which consists of members from our corporate compliance, sustainability, procurement, internal audit and legal teams – manages our responsible sourcing program.

Our program is guided by our [Responsible Sourcing Policy](#), which outlines the details of our sourcing activities, and aligns to the guidelines and mission of the Responsible Minerals Initiative (RMI). The policy is further aligned with International Standards of the Organization for Economic Co-operation and Development (OECD) and the United Nations (UN).

We are proud to be a founding member of and an active participant of the RMI, an external organization that works to mitigate the social and environmental impacts of raw materials extraction and processing in supply chains through industry partnership. Through our membership with the RMI, we work collaboratively to proactively address concerns related to cobalt and mica. Increased attention to cobalt has driven us to enhance our due diligence program to include it in the same process and standards for other minerals of concern.

Though we are not required to by law, we file our annual conflict minerals risk assessment results through the U.S. Securities and Exchange Commission (SEC) [Form SD](#). Nearly 80% of recognized smelters or refiners (SORs) submitted in our supplier conflict minerals declarations either have been certified with the Responsible Minerals Assurance Program's assessment protocols (RMAP) or have committed to undergoing a RMAP audit. Around the world, the COVID-19 pandemic brought unique challenges to business. Due to the impacts on operations of many smelters and refiners of critical minerals, the RMAP conformance process presented a challenge to low-risk SORs around the world, resulting in a lower RMAP conformance rate than in previous years.

We are closely monitoring the development of the E.U. Conflict Minerals Regulation to ensure that Flex and its European subsidiaries are taking the necessary steps to fully comply with all global requirements.

Training suppliers on sustainability management

We empower our suppliers to make responsible business decisions and communicate our requirements through regular on-site and virtual training. These trainings give us an opportunity to meet our suppliers face-to-face, share information and discuss important topics of concern.

During these trainings, we present our sustainability expectations for suppliers, our supply chain social and environmental management programs, updated standards from the Responsible Business Alliance (RBA), and share best practices on sustainability management. In 2020, we expanded our supplier training efforts to reach 551 suppliers and 1,153 supplier personnel – nearly doubling the total number of suppliers that completed training since 2019.

Supplier due diligence in high risk areas

For geographic regions that have a higher risk of labor issues, we have implemented supplier due diligence programs, including the Working Hours Improvement Plan and our rigorous labor agent assessments.

WORKING HOURS IMPROVEMENT PROGRAM

Since 2013, we have worked closely with our suppliers to report and analyze their employees' monthly working hours, helping us monitor this important indicator. As of 2020, 104 of our suppliers in China report their working hour data on a monthly basis; 90 of these suppliers have submitted their monthly report for a full one-year cycle.

Throughout 2020, we collected and monitored the records of approximately 66,000 workers. When we identify records that show excessive working hours, we engage with suppliers and require them to take corrective action to ensure improvement in subsequent months. Using this approach, we have successfully reduced the level of excessive working hours for all participating suppliers.

Suppliers that fail to report to us monthly or fail to achieve their committed improvement plans are identified as a high-risk. We take appropriate action with high-risk suppliers, which can include terminating the business relationship. By the end of 2020, 26 out of 39 of suppliers that were audited corrected the issue to meet the RBA standard.

LABOR AGENT ASSESSMENT PROGRAM

We ensure that our supply chain partners uphold the same high standards we hold ourselves to, and we rigorously assess both our material suppliers and our labor agents. Since 2015, we have performed social and environmental on-site audits with our major labor agents in China. Agents are approved or rejected as Flex partners and suppliers based on their audit results, and only approved agents are able to conduct business with our organization. The most common issues found during these audits are related to payroll accuracy and transparency. Due to the COVID-19 pandemic, we halted our hiring through labor agencies in 2020, which decreased our usual number of agency audits.

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Local procurement and supplier diversity

We strive to increase the use of minority suppliers in a manner consistent with our customer satisfaction policy and in accordance with the highest moral, ethical and legal standards. We collaborate with our customers to include diverse suppliers in our procurement processes where alignment to our business needs exists and conformance to our requirements is met. We are also committed to support our customers' supplier diversity programs and initiatives through various supplier analysis and report creation services that enrich the overall supply chain base.

We engage with local suppliers to support our business by providing inventory rotation, saving freight costs and enabling prompt response for business needs. We track the proportion of our spending on local suppliers in the countries where we do business so we can measure our impact on local economies. While this can vary due to the nature of our supplier relationships and related original equipment manufacturers (OEMs) customers, in 2020, 24% of our total spend on direct materials went to local suppliers at our top thirty locations.

We actively engage diverse and minority-owned suppliers to become a meaningful part of our merit-based supply chain. By meeting our quality and sustainability expectations and participating in our training offerings, these suppliers build capacity in these key areas and succeed further in the economic mainstream. We compete more effectively on a global scale when our suppliers succeed. A few of our diverse supplier advocacy partnerships are listed below:

- **APACC** – Asian Pacific American Chamber of Commerce
- **GL WBC** – Great Lakes Women's Business Council
- **MHCC** – Michigan Hispanic Chamber of Commerce
- **MMSDC** – Michigan Minority Supplier Development Council
- **VOBRT** – Veteran Owned Business Round Table

In 2019, Flex was invited and continues to participate in Ford Motor Company's strategic Supplier Diversity "WIN" program, comprising of multiple supplier diversity growth and improvement initiatives. As a result of this engagement and our extensive work with the diversity advocacy organizations, we have provided mentorship to diverse companies and sought sourcing opportunities for several diverse suppliers. In both 2019 and 2020, Flex received ACE Ambassador Recognition by the Michigan Minority Supplier Development Council ([MMSDC](#)).



A photograph of a business meeting with a white graphic overlay of wavy lines and dots. In the foreground, a person's hand points to a document with a bar chart. The background shows other people in a meeting setting.

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Index A. Memberships and associations

In 2020, we held memberships in the following organizations:

- Boston College Center for Corporate Citizenship (BCC)
<https://ccc.bc.edu/>
- Business for Social Responsibility (BSR)
<https://www.bsr.org/>
- Business Roundtable
<https://www.businessroundtable.org/>
- CHWMEG Inc.
<https://www.chwmeg.org/>
- Ellen MacArthur Foundation
<https://www.ellenmacarthurfoundation.org/>
- Global Business Initiative (GBI)
<https://gbih.org/>
- GRI Community Membership
<https://www.globalreporting.org/>
- Responsible Business Alliance (RBA)
<http://www.responsiblebusiness.org/>
- Responsible Minerals Initiative (RMI)
<http://www.responsiblemineralsinitiative.org/>
- Supplier Ethical Data Exchange (Sedex)
<https://www.sedex.com/>

Index B. Alignment to the UN SDGs

While our global sustainability efforts contribute to most of the 17 United Nations Sustainable Development Goals (SDGs), in 2020 we drove progress by prioritizing four SDGs that have material alignment to our business priorities and our sustainability strategy: quality education, affordable and clean energy, decent work and economic growth and responsible consumption and production. In the table below, we demonstrate our alignment to and support of these four SDGs, through our key programs, initiatives and metrics.

SUSTAINABLE DEVELOPMENT GOALS (SDG) INDEX

SDG	REPORT ALIGNMENT
 <p>4 QUALITY EDUCATION</p>	<p>Employee development Inclusion and diversity Community investment Our 2020 KPIs: Social responsibility index</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Environmental stewardship Energy management and emissions reduction Our sustainable technology solutions Community investment Our 2020 KPIs: Environmental sustainability index</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Employee development Inclusion and diversity Fair wages and benefits Wellness, health and safety Human rights Community investment Our 2020 KPIs: Corporate governance index</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Environmental stewardship Waste and materials management Water management Energy management and emissions reduction Circular economy solutions Our sustainable technology solutions Technology solutions for societal benefit Our 2020 KPIs: Environmental sustainability index</p>

This UN SDG alignment was carried out based on the GRI Sustainability Reporting Standards, World Business Council for Sustainable Development (WBCSD) and the UN Global Compact: [SDG Compass](#).

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Index C. Alignment to the UNGC

The following table outlines this report's alignment to the 10 UNGC principles. This alignment was carried out based on The Global Compact and Global Reporting Initiative's "Making the Connection: Using the GRI Sustainability Reporting Standards Guidelines to Communicate Progress on the UN Global Compact Principles." More information can be found in our Flex 20 by 2020 goals final report in [Index H](#) of this report.

UN GLOBAL COMPACT PRINCIPLE ALIGNMENT

PRINCIPLE	ALIGNMENT
Human rights: Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	Management systems Stakeholder engagement: Working hours, forced/ compulsory labor and other human rights issues Human rights Our 2020 KPIs: Social responsibility index
Human rights: Principle 2 make sure that they are not complicit in human rights abuses	Stakeholder engagement: Working hours, forced/ compulsory labor and other human rights issues Human rights Supply chain integrity Our 2020 KPIs: Social responsibility index
Labor: Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Fair wages and benefits
Labor: Principle 4 the elimination of all forms of forced and compulsory labor	Stakeholder engagement: Working hours, forced/ compulsory labor and other human rights issues Human rights Supply chain integrity Our 2020 KPIs: Social responsibility index
Labor: Principle 5 the effective abolition of child labor	Stakeholder engagement: Working hours, forced/ compulsory labor and other human rights issues Human rights Supply chain integrity Our 2020 KPIs: Social responsibility index

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ALIGNMENT

Labor: Principle 6 the elimination of discrimination in respect of employment and occupation.

[Stakeholder engagement: Working hours, forced/ compulsory labor and other human rights issues](#)
[Human rights](#)
[Supply chain integrity](#)
[Our 2020 KPIs: Social responsibility index](#)

Environment: Principle 7 Businesses should support a precautionary approach to environmental challenges

[Our precautionary approach](#)
[Our 2020 KPIs: Environmental sustainability index](#)

Environment: Principle 8 undertake initiatives to promote greater environmental responsibility

[Environmental stewardship](#)
[Waste and materials management](#)
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[Energy management and emissions reduction](#)
[Our 2020 KPIs: Environmental sustainability index](#)

Environment: Principle 9 encourage the development and diffusion of environmentally friendly technologies

[Management systems](#)
[Environmental stewardship](#)
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[Our 2020 KPIs: Environmental sustainability index](#)

Anti-corruption: Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery

[Management systems](#)
[Ethics and compliance](#)
[Our 2020 KPIs: Corporate governance index](#)

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Index D. GRI Content Index

We have aligned our public sustainability reporting to the GRI Sustainability Reporting Standards since 2013 and proudly became GRI community members in 2019.



For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

This report has been prepared in accordance with the GRI Standards: Core option and includes significant topics and disclosures identified in our materiality assessment process. The scope of this report includes all our entities, however, the scope of the significant topics and/or disclosures included may be narrower – please refer to our materiality assessment for details.

We carried out no significant changes to the topics that are considered material, though we did expand the scope to include two additional topics, due to growing interest from our stakeholders. Those topics are listed below (Market presence – fair wages and benefits and responsible materials sourcing). There are 15 material topics, 13 of which are covered within the organization and two outside of it (see topics in the following table). Note that the topic of “Management system” is repeated for each sustainability section as it spans multiple categories.

The Explanation (GRI 103-1), Boundary (GRI 103-1), Management Approach (GRI 103-2) and Outcomes (GRI 103-3) are included for each material topic.

MATERIAL TOPIC BOUNDARIES AND MANAGEMENT APPROACH

Environmental sustainability topics			
MATERIAL TOPIC	GRI TOPIC DISCLOSURE(S)	BOUNDARY (GRI 103-1)	MATERIAL EXPLANATION, MANAGEMENT APPROACH AND OUTCOMES (GRI 103-1, 103-2, 103-3)
Management system	Flex metric	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Environmental Stewardship section.
Waste and materials management			
Effluents and waste	306-2	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Waste and Materials Management section.
Water			
Water	303-1 303-2 303-3 303-4 303-5	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Water Management section.

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MATERIAL TOPIC	GRI TOPIC DISCLOSURE(S)	BOUNDARY (GRI 103-1)	MATERIAL EXPLANATION, MANAGEMENT APPROACH AND OUTCOMES (GRI 103-1, 103-2, 103-3)
Energy management and emissions reduction			
Energy	302-1 302-4	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Energy management and emissions reduction section.
Emissions	305-1 305-2 305-3 305-4	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Energy management and emissions reduction section.

Social responsibility topics

MATERIAL TOPIC	GRI DISCLOSURE(S)	BOUNDARY (GRI 103-1)	MANAGEMENT APPROACH AND OUTCOMES (GRI 103-2, 103-3)
Employee development			
Training and education	404-1 404-3	All entities	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Employee development section.
Health and safety and wellbeing			
Management system	Flex metric	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Wellness, health and safety section.
Occupational health and safety	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-9	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Wellness, health and safety section.
Human rights			
Working hours	Flex metric	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Human rights section.
Forced or compulsory labor	409-1	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Human rights section.
Community investment			
Local communities	413-1	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Community investment section.

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Governance topics

MATERIAL TOPIC	GRI DISCLOSURE(S)	BOUNDARY (GRI 103-1)	MANAGEMENT APPROACH AND OUTCOMES (GRI 103-2, 103-3)
Strategy and governance			
Economic performance	201-1 201-2	All entities	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in our Strategy and Governance section.
Market presence – fair wages and benefits	202-1	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Fair Wages and Benefits section.
Ethics and compliance			
Management system	Flex metric	All manufacturing and logistics sites*	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Ethics and compliance section.
Anti-corruption	205-2	All entities	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Ethics and compliance section.
Supply chain integrity			
Procurement practices – local suppliers	204-1	Significant operations in the Americas, Europe and Asia ***	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Supply Chain Integrity section.
Supplier environmental assessment	308-1	Preferred supplier list (PSL)**	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Supplier Assessments and On-site Audits section.
Supplier social assessment	414-1 414-2	Preferred supplier list (PSL)**	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Supplier Assessments and On-site Audits section.
Responsible materials sourcing	Flex metric	****	Explanation of the materiality of the topic is provided in the Materiality assessment section. Our management approach and outcomes are described in the Responsible Materials Sourcing section.

* Operations in the Americas, Europe, the Middle East, Africa (EMEA) and Asia: Austria, Brazil, Canada, China, Czech Republic, Denmark, Germany, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, Poland, Romania, Singapore, Sweden, Turkey, United Kingdom, Ukraine and the United States.

**Preferred Supplier List (PSL): Geographical location varies, but more attention is on suppliers located in China.

*** Operations in the Americas, Europe, and Asia: Brazil, China, Malaysia, Mexico, Poland, Romania, and the United States.

**** The Smelter(s) or Refiner(s) (SORs) identified by our suppliers in their declarations, as well as the countries of origin for their Conflict Minerals can be found on the Appendix of our Form SD and Conflict Mineral Report.

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GRI 101: Foundation 2016			
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	102-1 Name of the organization	About this report and external alignment	2
	102-2 Activities, brands, products and services	About this report and external alignment Taking a concept to scaled production	2 6
	102-3 Location of headquarters	About this report and external alignment	2
	102-4 Location of operations	About this report and external alignment	2
	102-5 Ownership and legal form	About this report and external alignment	2
	102-6 Markets served	About this report and external alignment Taking a concept to scaled production	2 6
	102-7 Scale of the organization	Foundational strength	7
	102-8 Information on employees and other workers	Index G: Our 2020 KPIs – Social Responsibility	77
	102-9 Supply chain	Management systems Responsibility throughout our value chain Supply chain management	13 14 54
	102-10 Significant changes to the organization and its supply chain	Index D: GRI Content Index	62
	102-11 Precautionary principle or approach	Our precautionary approach	14
	102-12 External initiatives	Strategy and governance – our commitments Flex 20 by 20 goals Supply chain integrity Community investment	9 11 54 42
	102-13 Membership of associations	Index A: Memberships and associations	59
	102-14 Statement from senior decision-maker	CEO letter	3
	102-15 Key impacts, risks and opportunities	Stakeholder engagement	14
	102-16 Values, principles, standards and norms of behavior	Strategy and citizenship Stakeholder engagement Ethics and compliance Supply chain integrity A culture of safety Human rights	8 14 51 54 37 40

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GRI 102: General Disclosures 2016	102-17 Mechanisms for advice and concerns about ethics	Ethics and compliance – raising concerns	52
	102-18 Governance structure	Board of directors and board committees Internal committees	50 50
	102-19 Delegating authority	Internal committees	50
	102-40 List of stakeholder groups	Stakeholder engagement	14
	102-41 Collective bargaining agreements	Fair wages and benefits	39
	102-42 Identifying and selecting stakeholders	Stakeholder engagement	14
	102-43 Approach to stakeholder engagement	Stakeholder engagement	14
	102-44 Key topics and concerns raised	Stakeholder engagement	14
	102-45 Entities included in the consolidated financial statements	About this report and external alignment Index D: GRI content index	2 62
	102-46 Defining report content and topic boundaries	About this report and external alignment Index D: GRI content index	2 62
	102-47 List of material topics	Materiality assessment Index D: GRI content index	17 62
	102-48 Restatements of information	Index D: GRI content index	62
	102-49 Changes in reporting	Index D: GRI content index	62
	102-50 Reporting period	About this report and external alignment	2
	102-51 Date of most recent report	About this report and external alignment	2
	102-52 Reporting cycle	About this report and external alignment	2
102-53 Contact point for questions regarding the report	About this report and external alignment	2	
102-54 Claims of reporting in accordance with the GRI Sustainability Reporting Standards	About this report and external alignment Index D: GRI content index	2 62	
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102-56 External assurance	About this report and external alignment Index I: Third-party verification statement	2 89	

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MANAGEMENT APPROACH			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Material topic boundaries and management approach (all material topics covered)	62
	103-2 The management approach and its components	Material topic boundaries and management approach (all material topics covered)	62
	103-3 Evaluation of the management approach	Material topic boundaries and management approach (all material topics covered)	62
ECONOMIC			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2020 Annual Report – Performance and Company Highlights for Fiscal Year 2020	45
	201-2 Financial implications and other risks and opportunities due to climate change	2021 Form 10 K – Our business and operations could be adversely impacted by climate change initiatives	9,26
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Index G: 2020 KPIs – Social responsibility	77
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Index G: Our 2020 KPIs – Corporate governance	82
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Index G: Our 2020 KPIs – Corporate governance, 205-2	82
ENVIRONMENTAL			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy management and emissions reduction	25
		Index G: Our 2020 KPIs – Environmental sustainability, 302-1	76
		2020 CDP Climate Change response	57 (CDP)
	302-4 Reduction of energy consumption	Energy management and emissions reduction	25

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GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Water management Index G: Our 2020 KPIs – Environmental sustainability, 302-1 2020 CDP Water Security response	23 76 2 (CDP)
	303-2 Management of water discharge-related impacts	Water management 2020 CDP Water Security response	23 5-6 (CDP)
	303-3 Water withdrawal	Index G: Our 2020 KPIs – Environmental sustainability, 303-3; 303-5 2020 CDP Water Security response	73-74 5-8 (CDP)
	303-4 Water discharge	Index G: Our 2020 KPIs – Environmental sustainability 2020 CDP Water Security response	73 5-9 (CDP)
	303-5 Water consumption	Index G: Our 2020 KPIs – Environmental sustainability, 303-3; 303-5 2020 CDP Water Security response	74-75 6-7 (CDP)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Index G: Our 2020 KPIs – Environmental sustainability, 305-1 2020 CDP Climate Change response	74 45-46 (CDP)
	305-2 Energy indirect (Scope 2) GHG emissions	Index G: Our 2020 KPIs – Environmental sustainability, 305-2 2020 CDP Climate Change response	73 45-47 (CDP)
	305-3 Other indirect (Scope 3) GHG emissions	Index G: Our 2020 KPIs – Environmental sustainability, 305-3 2020 CDP Climate Change response	73 47-50 (CDP)
	305-4 GHG emissions intensity	Index G: Our 2020 KPIs – Environmental sustainability, 305-4	73
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	Water management Index G: Our 2020 KPIs – Environmental Sustainability, 306-1 2020 CDP Water Security response	23 74 5-6, 8-9 (CDP)
	306-2 Waste by type and disposal method	Index G: Our 2020 KPIs – Environmental Sustainability, 306-2	75
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply chain management – Key highlights 2020	54
		Index G: Our 2020 KPIs – Corporate Governance, 308-1	82

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GRI STANDARD	DISCLOSURE	REPORT SECTION(S), URL(S) AND DIRECT ANSWERS	PAGE(S)
SOCIAL			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Wellness, health and safety	37
	403-2 Hazard identification, risk assessment, and incident investigation	Wellness, health and safety – a culture of safety	37
	403-3 Occupational health services	Wellness, health and safety	37
	403-4 Worker participation, consultation, and communication on occupational health and safety	Wellness, health and safety – a culture of safety	37
	403-5 Worker training on occupational health and safety	Wellness, health and safety	37
	403-6 Promotion of worker health	Wellness, health and safety	37
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Wellness, health and safety – systemic risk reduction	37
	403-9 Work-related injuries	Index G: Our 2020 KPIs – Social responsibility, 403-9	78
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Index G: Our 2020 KPIs – Social responsibility, 404-1
404-3 Percentage of employees receiving regular performance and career development reviews		Index G: Our 2020 KPIs – Social Responsibility, 404-3	78
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights	40
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Index G: Our 2020 KPIs – Social Responsibility, 413-1	80
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management – 2020 key highlights Index G: Our 2020 KPIs – Corporate governance, 414-1	54 82
	414-2 Negative social impacts in the supply chain and actions taken	Responsible materials sourcing Supply chain management	56 54

Notes:

* The Global Compact Principles Alignment was carried out based on The Global Compact and Global Reporting Initiative’s Making the Connection: Using the GRI Sustainability Reporting Standards Guidelines to Communicate Progress on the UN Global Compact Principles, which was released on May 2013.

*The UN SDG alignment was carried out based on the GRI, WBCSD and UN Global Compact: SDG Compass- Linking the SDGs and GRI, which was released on October 2016.



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Index E. Alignment to SASB*

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE IN REPORT	OUR RESPONSE
Water Management	(1) Total water withdrawn, (a) percentage in regions with High or Extremely High Baseline Water Stress (2) total water consumed, (a) percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m3), Percentage (%)	TC-ES-140a.1	(1) Index G. Our 2020 KPIs – environmental sustainability, 303-1 (2) Index G. Our 2020 KPIs – environmental sustainability, 303-5	(1) 5,602 Thousand m3 (1)a 30% (2) 1,548 Thousand m3 (2)a 41%
Waste Management	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-ES-150a.1	Index G. Our 2020 KPIs – environmental sustainability	(1) 7,084 Metric tonnes (2) 20%
Labor Practices	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, Days idle	TC-ES-310a.1	N/A	Manufacturing experiences many micro-stoppages all the time. We will evaluate the feasibility to track and disclose this data in the short term.
Labor Conditions	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate for (a) direct employees and (b) contract employees	Quantitative	Rate	TC-ES-320a.1	(1) Index G. Our 2020 KPIs – social responsibility (403-9) (2)a No data (2)b N/A	(1) 0.27 (2)a Near miss information is currently managed at the site level. We do track high potential near misses at the corporate level involving incidents at risk of causing significant injuries and illnesses. We will be incorporating actions to begin more formal tracking of first aid incidents and near misses within our 5-year plan (2)b Anyone that is directly supervised by a Flex supervisor is included in our reported KPIs

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE IN REPORT	OUR RESPONSE
Labor Conditions	Percentage of (1) entity’s facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Percentage (%)	TC-ES-320a.2	Index G. Our 2020 KPIs – social responsibility	(1)a 4% (1)b Flex does not have high risk facilities (2)a 34% (2)b 60%
Labor Conditions	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity’s facilities and (ii) the entity’s Tier 1 supplier facilities	Quantitative	Rate	TC-ES-320a.3	Index G. Our 2020 KPIs – social responsibility	(1)a.i 0% (1)b.i 100% (2)a.i 100% (2)b.i 100% (1)a.ii 9% (1)b.ii 90.83% (2)a.ii 5.27% (2)b.ii 56.88%
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-ES-410a.1	N/A	Our circular economy team is working to have these metrics in the short-term, and we are exploring to start tracking with the rest of the operational segments. For the majority of our business, we do not make our own products—we are the production provider for our customers. To understand our business model, please see our Business Overview in our 2021 Form 10-K .
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TC-ES-440a.1	Conflict minerals and responsible materials sourcing	Please see the referenced section of the report

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SASB activity metrics

SASB CODE	KPI	2020
TC-ES-000.A	Number of manufacturing facilities	82
TC-ES-000.B	Area of manufacturing facilities	45 M sqft
TC-ES-000.C	Number of employees	167,313

Index F. TCFD index

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
Our board provides oversight of climate-related risks and opportunities. See page 4 of our 2020 CDP Climate Change Questionnaire .	Our organization has identified climate-related risks and opportunities over the short, medium and long term. See pages 12-19 of our 2020 CDP Climate Change Questionnaire .	We have processes for identifying and assessing climate-related risks. See pages 13-15 of our 2020 CDP Climate Change Questionnaire .	Our organization uses metrics to assess climate-related risks and opportunities in line with our strategy and risk management process. See pages 38-42 of our 2020 CDP Climate Change Questionnaire .
Our management assesses and manages climate-related risks and opportunities. See pages 6-9 of our 2020 CDP Climate Change Questionnaire .	We have identified the impact of climate-related risks and opportunities on our businesses, strategy and financial planning. See pages 32-38 of our 2020 CDP Climate Change Questionnaire .	Our organization has processes for managing climate-related risks. See page 12-15 of our 2020 CDP Climate Change Questionnaire .	We disclose Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and the related risks. See pages 45-60 of our 2020 CDP Climate Change Questionnaire .
	We have identified the resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. See page 32 of our 2020 CDP Climate Change Questionnaire .	Our processes for identifying, assessing, and managing climate-related risks are integrated into our company’s overall risk management system. See pages 13-15 of our 2020 CDP Climate Change Questionnaire .	We have targets to manage climate-related risks and opportunities. See page 38 of our 2020 CDP Climate Change Questionnaire .

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Index G. Our 2020 KPIs

SUSTAINABILITY KEY PERFORMANCE INDICATORS (KPIs) ANNUAL TREND

Environmental sustainability

GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
305-4	CO ₂ e location-based emissions Intensity - scope 1 and 2 (tonnes/US \$M of revenue) ^{1,2,3,4}	39.52	35.20	34.17	33.14	30.66
	Total scope 1, 2 and 3 CO ₂ e gross emissions - location-based emissions (tonnes) ^{2,8}	977,349	1,175,092	1,189,545	24,328,181	35,100,490
	Total scope 1 and 2 CO ₂ e gross emissions - location-based emissions (tonnes) ^{1,2,4}	939,520	876,163	905,181	826,828	715,644
305-1	Scope 1 CO ₂ e ^{1,2,4,5}	73,527	77,032	82,432	102,364	76,427
305-2	Scope 2 CO ₂ e location-based ^{1,2,4,6}	865,993	799,132	822,750	724,465	639,217
	Scope 2 CO ₂ e market-based ^{1,2,4,6,7}	857,097	819,475	784,009	775,817	628,261
305-3	Total scope 3 ^{1,2,8}	37,829	298,929	284,364	23,501,352	34,384,846
	Scope 3 – Purchased Goods and Services ^{8, 21}	No data	No data	No data	5,103,717	5,420,078
	Scope 3 – Capital Goods ^{8, 21}	No data	No data	No data	283,086	218,920
	Scope 3 – Fuel- and Energy-Related Activities ^{1,2}	No data	227,439	221,825	200,540	153,325
	Scope 3 – Upstream Transportation and Distribution ⁸	No data	No Data	No Data	235,625	230,715
	Scope 3 – Waste ^{1,2}	No data	33,189	30,419	30,529	26,249
	Scope 3 – Business Travel ^{1,2,9}	37,829	38,300	32,119	24,166	4,692
	Scope 3 – Employee Commuting ⁸	No data	No data	No data	105,165	95,110
	Scope 3 – Downstream Transportation and Distribution ⁸	No data	No data	No data	12,401	12,143

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
	Scope 3 – Processing of Sold Products ^{8, 21}	No data	No data	No data	33	35
	Scope 3 – Use of Sold Products ^{8, 21}	No data	No data	No data	17,496,789	28,206,764
	Scope 3 – End of Life Treatment of Sold Products ^{8, 21}	No data	No data	No data	4,138	5,266
	Scope 3 – Investments ⁸	No data	No data	No data	5,164	11,549
	Offsets CO ₂ e ¹⁰	No data	63,299	69,825	70,555	31,936
	Total CO ₂ e net emissions (Total scope 1, 2 and 3 - offsets CO ₂ e) ²	977,349	1,111,793	1,119,720	24,257,626	35,068,554
	Water withdrawn intensity (m ³ /US \$M of revenue) ^{1,2,3,11}	343.57	298.95	287.37	271.91	239.98
303-3	Water withdrawn (m ³) ^{1,2,11}	8,167,763	7,441,827	7,612,591	6,784,656	5,601,838
SASB: TC-ES-140a.1	Water withdrawn from locations with High or Extremely High Baseline Water Stress as a % of the total water withdrawn	No data	No data	No data	25%	30%
	Water withdrawals in water stressed regions (m ³)	No data	No data	No data	No data	1,676,171
SASB: TC-ES-140a.1	Water withdrawn (thousand m ³) ^{1,2,11}	8,168	7,442	7,613	6,785	5,602
303-3	Water withdrawn (Million m ³) ^{1,2,11}	8.17	7.44	7.61	6.78	5.60
303-3	Municipal water supply ^{1,2}	7,241,381	6,384,433	6,453,210	5,762,248	4,674,416
303-3	Ground water ¹	875,065	1,002,828	1,020,859	852,351	743,661
303-3	Surface water ¹	0	0	0	0	0
303-3	Rainwater ¹	931	1,833	844	291	290
303-3	Waste water from another organization ¹	2,703	0	2,710	5,336	1,413
303-3	Private company water supply ¹	42,535	44,937	124,372	144,225	167,106
303-3	Other water utilities: untreated water for industrial use only ^{1,2}	5,147	7,796	10,596	20,206	14,952
-	% of recycled water ^{1,2,12}	8%	8%	9%	10%	11%
-	Recycled water (m ³) ^{1,2}	635,405	612,253	664,349	681,198	592,168
303-4/306-1	Total Water discharged (m ³) ^{1,2,13,14,15}	6,010,114	5,332,544	5,507,232	5,343,314	4,053,848
303-4/306-1	Total water discharges to rivers and streams ²	No data	241,887	147,147	92,679	97,912
303-4/306-1	Total water discharges to sea or ocean	No data	0	0	0	0
303-4/306-1	Total water discharges to lakes	No data	0	0	0	0

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
303-4/306-1	Total water discharges to wetlands	No data	0	0	0	0
303-4/306-1	Total water discharges to municipal/local off-site/common treatment facility ²	No data	5,090,656	5,303,617	5,212,075	3,910,916
303-4/306-1	Total water discharges to other ²	No data	0	56,468	38,560	45,020
303-5	Water Consumption (m ³) ¹⁵	2,157,649	2,109,283	2,105,359	1,441,343	1,547,990
SASB: TC-ES-140a.1	Water Consumption (Thousand m ³) ¹⁵	2,158	2,109	2,105	1,441	1,548
303-5	Water Consumption (Million m ³) ¹⁵	2.16	2.11	2.11	1.44	1.55
SASB: TC-ES-140a.1	Water consumed from locations with High or Extremely High Baseline Water Stress as a % of the total water consumed	No data	No data	No data	48%	41%
306-2	Waste Intensity (tonnes/US \$M of revenue) ^{2,3}	5.39	5.70	5.55	5.22	5.16
306-2	Total Waste (tonnes) ^{2,16}	128,171	141,990	146,940	130,266	120,454
306-2	Non-hazardous Waste (tonnes) ^{1,2}	121,725	136,051	140,565	124,434	113,369
306-2, TC-ES-150a.1	Hazardous Waste (tonnes) ^{1,2}	6,445	5,939	6,375	5,832	7,084
306-2	Total Waste by Disposal Method (tonnes) ^{1,2,16}	128,171	141,990	146,940	130,266	120,454
306-2	Composting ^{1,2}	4,321	4,661	8,106	2,565	1,150
306-2	Reuse ^{1,2}	3,454	4,323	5,900	7,084	9,091
306-2	Recycling ^{1,2}	95,807	101,174	103,325	89,944	81,295
306-2	Recovery ^{1,2}	3,453	4,863	4,905	3,200	5,020
306-2	Incineration - or use as fuel ^{1,2}	5,798	7,573	7,637	8,562	8,239
306-2	Landfill ^{1,2}	13,527	16,378	13,524	13,989	11,364
306-2	Deep well injection ^{1,2}	0	14	0	0	0
306-2	On-site storage ^{1,2}	71	98	136	145	154
306-2	Other ^{1,2}	1,740	2,906	3,407	4,776	4,140
306-2	Waste diversion rate ^{1,2,17}	89%	88%	91%	89%	91%
	Recycling rate ^{1,2,18}	81%	78%	80%	76%	76%

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
SASB: TC-ES-150a.1	Recycling rate of hazardous waste (tonnes)	No data	No data	No data	22%	20%
302-1	Renewable energy installed capacity (MW) ^{1,19}	25	31	34	38	73
302-1	Electricity generated on-site from renewable sources (MWh)	12,037	10,505	13,719	19,207	21,824
302-1	# of powered homes (solar modules manufacturing) ²⁰	782,264	1,953,914	3,275,578	5,286,525	7,915,247
	% of sites with ISO 14001 certification	No data	No data	No data	74.1%	68.3%

1. In 2017, scope 1, 2 and 3 absolute CO₂e emissions and total water withdrawn data were verified by DNV. In 2018, this verification extended to include water, waste and renewable energy use. In 2019, verification was extended to the new Scope 3 categories: Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution, Employee Commuting, Downstream Transportation and Distribution and Investments. Processing of Sold Products, Use of Sold Products and End of Life Treatment of Sold products were not verified, but will be in the future, building the capabilities to report more complete information. In 2020, verification was extended to include the rest of scope 3 categories: Processing of Sold Products, Use of Sold Products and End of Life Treatment of Sold Products.

2. The metric, KPI and target were re-baselined in 2018 due to our divestment of Mutek and the change was reflected in the annual status from 2014 onwards. In 2017, DNV verified CO₂ emissions and water data.

3. Revenue period considered: Calendar year (January-December).

4. Total includes: scope 1 and scope 2 emissions, only. Standards/Methodologies used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Source of emission factors: Environmental Protection Agency (EPA) and International Energy Agency (IEA). Source of Global Warming Potential (GWP): IPCC. Consolidation approach for emissions: Operational control. Since 2016, refrigerants, jet fuel and steam related emissions were added to scope 1 and 2 calculations, as applicable. Since 2016, electricity factors have been updated on an annual basis, according to the latest reports. Base Year: 2016. In 2017, scope 1 and 2 CO₂e emissions were re-baselined due to an improvement in the emissions quantification and the inclusion of new sites. The coverage is 100% of our operations.

5. Gases included in calculations CO₂, CH₄, N₂O and HFCs.

6. Gases included in calculations CO₂, CH₄ and N₂O.

7. Since 2016, the market-based CO₂e emissions were calculated. Information of market-based emissions for previous years is not available.

8. Since 2017, our total scope 3 emissions include Business Travel, Waste and Fuel- and Energy-Related Activities (not included in scope 1 and 2). Previous years only included business travel. Since 2019, our total includes Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution, Employee Commuting, Downstream Transportation and Distribution, Processing of Sold Products, Use of Sold Products, End of Life Treatment of Sold Products and Investments scope 3 categories.

9. Business Travel emissions were given by travel service providers, the GWP, emission factors and standards are not currently available.

10. Offsets of CO₂e, refers to certified emission reduction (CER) certificates that are generated from a clean development mechanism (CDM) project. Each CER equals one tonne of CO₂e. In 2018, we supported projects in Brazil, China, and India, offsetting scope 3 emissions. In 2019, we supported projects in Brazil, China, Costa Rica and India, offsetting scope 3 emissions. In 2020, we supported projects in Brazil, China, Costa Rica, India and the Philippines offsetting scope 3 emissions.

11. Most of the information has been obtained from invoices. The remaining information was obtained from meter readings and estimations. In 2017, total water withdrawn was verified by DNV. The coverage is 100% of our operations.

12. Percentage calculated based on water withdrawn.

13. During 2017, total withdrawals and discharges, decreased in the same proportion, due to the upgrade and installation of water treatment plants in China and the U.S.

14. Water quality data and treatment are unavailable. Future reports may include more information about this, building the capabilities to report more complete information. All sites meet local, regional, or national standards for water quality, as applicable. Total was obtained using the full number, including decimals.

15. To ensure consistency in reporting among different stakeholders (CDP and GRI Sustainability Reporting Standards), from 2018, discharges to soil are now included in the water consumption metric.

16. Most of the disposal method data was provided by the waste disposal contractors, unless waste was disposed directly by the reporting organization, or confirmed otherwise. Other disposal methods include mulching or a combination of methods where we are unable to separate per treatment method. Breakdown of hazardous and non-hazardous waste by disposal method is currently unavailable. Future reports may include more information about this, building the capabilities to report more complete information. Total was obtained using the full number, including decimals. The coverage in 2020 was 91% of our operations.

17. Percentage of waste diverted from landfill destinations.

18. Recycling refers to waste that was composted, reused or recycled.

19. This amount includes solar installed capacity across the globe and wind energy purchased by our site in Austin, U.S. During 2018, solar installations were deployed at Guadalajara North, Mexico and Chennai, India sites. In 2019, solar installations were deployed at San Luis, Mexico and Venray, Netherlands sites. In 2020, solar installations were deployed in Hartberg, Austria and renewable energy was purchased in DongGuan, Althofen, Hartberg and Hoogeveen.

20. Equivalency refers to the number of homes that can be powered with the MWs of solar panels and trackers produced by Flex. Calculation is based on the assumption that the energy demands of a home are equal to the energy demands of an average (5KW) California household. Reported value is the accumulated total.

21. In 2020, Purchased Goods and Services and Capital Goods scope 3 categories were updated based on new factors. Also, Processing of Sold Products, Use of Sold Products and End of Life Treatment of Sold Products were recalculated.

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Social responsibility

GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
102-8 SASB: TC-ES-000.C	Total employees ¹	184,213	202,161	210,337	202,384	167,313
102-8	Direct laborers	142,228	158,713	167,773	160,045	130,129
102-8	Indirect laborers	41,985	43,448	42,564	42,339	37,184
102-8	Female ²	74,309	78,848	85,698	85,941	73,489
102-8	Male ²	105,589	109,585	119,386	116,443	88,398
102-8	% Female	40%	39%	41%	42%	44%
102-8	% Male	57%	54%	57%	58%	53%
102-8	Full-time	181,793	201,134	209,055	200,450	166,268
102-8	Female ²	73,752	78,192	85,041	85,091	73,073
102-8	Male ²	105,241	109,244	119,055	115,359	88,157
102-8	Part-time	930	1,027	1,282	1,934	1,045
102-8	Female ²	558	656	657	850	416
102-8	Male ²	349	341	331	1,084	241
405-1	Age group < 30 years old	No data	No data	No data	No data	39%
405-1	Age group 30 - 50 years old	No data	No data	No data	No data	51%
405-1	Age group > 50 years old	No data	No data	No data	No data	10%
	% of Indirect laborers who took the employee engagement survey	No data	No data	No data	No data	83%
	Female	No data	No data	No data	No data	34%
	Male	No data	No data	No data	No data	66%
	Female engagement score	No data	No data	No data	No data	78%
	Male engagement score	No data	No data	No data	No data	77%
202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation ³	1.30	1.28	1.29	1.26	1.14
202-1	Female	1.28	1.28	1.29	1.25	1.233
202-1	Male	1.31	1.28	1.29	1.26	1.238

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
404-3	% indirect labor employees receiving regular performance and career development reviews (average) ⁴	97%	95%	96%	99%	74%
404-3	% performance and career development reviews female	97%	97%	96%	99%	75%
404-3	% performance and career development reviews male	97%	95%	95%	99%	74%
405-1	% of Women in Management positions ³⁰	No data	26%	18%	28%	26%
405-1	% of women executives in the leadership team (including our CEO)	No data	No data	No data	No data	17%
	% of women in the Board of Directors (including our CEO)	No data	No data	No data	No data	27%
	% people with disabilities	No data	No data	No data	1%	1%
404-1	Global Training Hours	No data	No data	289,363	404,121	383,292
404-1	Average hours of training per employee ^{4,5,6}	7.23	7.26	7.04	9.78	9.62
404-1	Average hours of training – female ²	7.05	7.39	7.60	10.33	9.76
404-1	Average hours of training – male ²	7.50	7.33	6.80	9.50	9.57
401-1	Total regular indirect labor voluntary turnover	No data	No data	No data	No data	9.2%
407-1	Freedom of Association ²⁸	No data	No data	No data	58%	58%
	% of sites with ISO 45001 certification	No data	No data	No data	No data	22%
403-9 TC-ES-320a.1	Incident rate ^{7, 8,9,10}	0.55	0.50	0.43	0.34	0.27
403-9	Injury rate ^{7,10}	0.54	0.49	0.43	0.34	0.27
403-9	Americas	0.92	0.79	0.62	0.48	0.40
403-9	Asia ¹⁰	0.26	0.21	0.20	0.18	0.13
403-9	EMEA	0.90	0.89	1.02	0.71	0.49
403-9	Occupational diseases rate ^{7, 10}	0.02	0.00	0.00	0.00	0.01
403-9	Americas	0.03	0.01	0.01	0.01	0.01
403-9	Asia ¹⁰	0.01	0.00	0.00	0.00	0.00
403-9	EMEA	0.00	0.00	0.00	0.00	0.00

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
403-9	Lost time cases rate ^{7,10, 11}	0.40	0.35	0.33	0.24	0.12
403-9	Americas	0.64	0.50	0.44	0.26	0.17
403-9	Asia ¹⁰	0.18	0.17	0.15	0.13	0.04
403-9	EMEA	0.77	0.74	0.85	0.62	0.30
403-9	Work-related fatalities (employees) ^{7,12}	0	0	0	0	0
403-9	Minor Injuries ^{7,10,13}	1028	965	883	632	404
403-9	Americas	518	500	363	262	195
403-9	Asia ¹⁰	279	225	239	184	93
403-9	EMEA	231	240	281	186	116
403-9	Serious Injuries ^{7, 14, 15}	3	4	10	15	20
403-9	Americas	3	4	5	1	8
403-9	Asia	0	0	4	14	12
403-9	EMEA	0	0	1	0	0
403-9	Fatal Injuries ⁷	0	0	0	0	0
403-9	Americas	0	0	0	0	0
403-9	Asia	0	0	0	0	0
403-9	EMEA	0	0	0	0	0
Working Hours	% of employees that complied with RBA rest day requirements ¹⁶	99%	99%	97%	98%	97%
Management System	% of sites completing social and environmental audits ¹⁷	31%	40%	49%	54%	54%
	Ethics score	97%	94%	94%	96%	100%
	Labor score	94%	90%	91%	91%	100%
	H&S score	88%	86%	92%	88%	100%
	Management systems score	86%	81%	90%	89%	100%
	On-site service providers score	85%	67%	81%	63%	100%
	Material restriction score	84%	76%	89%	91%	100%
	Environmental score	83%	83%	84%	73%	100%

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
412-1	% Sites that completed human rights policy training ^{18,27}	No data	No data	61%	79%	100%
413-1	% of operations that have implemented local community engagement activities ^{19,20}	81%	73%	90%	93%	91.5%
	Total local community engagement activities ¹⁹	427	538	550	618	552
	Total volunteers	19,254	19,819	14,765	10,933	6,970
	Total volunteer hours ²⁰	48,429	59,202	55,574	48,168	42,133
	% Sites with community grants ²¹	50%	86%	100%	100%	100%
SASB: TC-ES-320a.2	% of Flex facilities audited in the RBA Validated Audit Process (VAP) by all facilities ^{25, 26}	10%	4%	12%	6%	4%
SASB: TC-ES-320a.2	% of Flex facilities audited in the RBA Validated Audit Process (VAP) by high risk facilities ²²	NA	NA	NA	NA	Flex does not have high risk facilities
SASB: TC-ES-320a.2	% of Tier 1 supplier facilities ²³ audited in the RBA Validated Audit Process (VAP) by all facilities	No data	No data	No data	24%	34%
SASB: TC-ES-320a.2	% of Tier 1 supplier facilities ²³ audited in the RBA Validated Audit Process (VAP) by high risk facilities	No data	No data	No data	15%	60%
SASB: TC-ES-320a.3	Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority non-conformances for (i) the entity's facilities ²⁹	No data	0%	0%	4%	0%
SASB: TC-ES-320a.3	Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (b) other non-conformances, for (i) the entity's facilities ²⁹	No data	100%	100%	96%	0%
SASB: TC-ES-320a.3	Associated corrective action rate for (a) priority non-conformances, for (i) the entity's facilities ²⁹	100%	100%	100%	100%	0%
SASB: TC-ES-320a.3	Associated corrective action rate for (b) other non-conformances, for (i) the entity's facilities ²⁹	100%	100%	100%	100%	0%

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GRI DISCLOSURE(S) / SASB CODE	KPI	2016	2017	2018	2019	2020
SASB: TC-ES-320a.3	Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority non-conformances for (ii) the entity’s Tier 1 supplier facilities ^{23, 24}	No data	No data	No data	8.23%	9.17%
SASB: TC-ES-320a.3	Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (b) other non-conformances, for (ii) the entity’s Tier 1 supplier facilities ^{23, 24}	No data	No data	No data	91.77%	90.83%
SASB: TC-ES-320a.3	Associated corrective action rate for (a) priority non-conformances, for (ii) the entity’s Tier 1 supplier facilities ^{23, 24}	No data	No data	No data	1.84%	5.27%
SASB: TC-ES-320a.3	Associated corrective action rate for (b) other non-conformances,, for (ii) the entity’s Tier 1 supplier facilities ^{23, 24}	No data	No data	No data	19.46%	56.88%

1. The information of total number of employees by employment contract by gender and region is not currently available.

2. Gender information not available for all employees.

3. In 2016, 2017, 2018 and 2019, this included the wages of the following countries Brazil, China, Hungary, India, Malaysia, Mexico, Poland and Romania.

4. The information by employee category is currently unavailable. Future reports may include more information about this, as we’re building the capabilities to report more complete information.

5. In 2015 and before covering significant locations of operation in Asia, EMEA and Americas. In 2016, this was expanded to cover all our entities included in our training system.

6. In 2018, our online training system was replaced, and employees didn’t have access to new system during the transition period.

7. Information broken down by gender is not available. Future reports may include more information about this, as we’re building the capabilities to report more complete information. The coverage in 2020 was 91% of our operations.

8. The absentee rate is currently unavailable.

9. Number of employees per 100 full-time employees that have been involved in a recordable injury or illness. Industry TCIR Benchmarks: Printed Circuit Assembly 1.4, Plastics and rubber products manufacturing 3.7, Warehousing and storage 4.8, Forging and stamping 4.9 (Source: U.S. Bureau of Labor Statistics November 4, 2020).

10. In 2018, the KPI and target were re-calculated due to our divestment of Multek. Historic data for this enterprise was removed from all calculations. Change was reflected for annual status from 2014 onwards.

11. Any work-related injury that leads to missing day(s) of work after the date of injury. The focus of these cases is the employee’s ability to be present in the work environment during his or her normal work shift to perform his or her routine job functions. Industry Lost Time Case Rate Benchmarks: Printed Circuit Assembly 0.4, Plastics and rubber products manufacturing 1.1, Warehousing and storage 1.9, Forging and stamping 1.3 (Source: U.S. Bureau of Labor Statistics November 4, 2020).

12. In 2016 and 2017, an unauthorized subcontractor was killed in an accident at one of our sites in Asia.

13. Minor injuries defined as work injuries.

14. From 2018, serious injuries cover those that required hospitalization for 24+ hours and treatment, amputation or disfigurement cases.

15. In 2019, a contractor suffered a serious injury at one of our sites in Asia

16. In 2015, only covering hourly production workers in U.S., Mexico and China. In 2016, Malaysia, Brazil, Indonesia and Singapore were added. Our metrics system consolidates the working hours information from time and attendance tracking systems and then calculates compliance automatically. Our labor and human rights metrics are focused on RBA compliance.

17. Version: Flex Pledge 3.0.

18. Human rights policy training was launched in 2018, sites shall deliver this to at least 95% of our employees and integrate this training into orientation materials.

19. Local community development programs based on local communities’ needs.

20. In 2018, 2019 and 2020, DNV verified the data.

21. Sites with 5,000 or more employees as of the end of 2016 (base year).

22. Flex does not have high risk facilities.

23. We have limited our Tier 1 suppliers to those suppliers that in aggregate account for 80% of our supplier spending.

24. After running an elevate test on 100% of our Tier 1 suppliers, we use an equivalent audit process based on a RBA Self-Assessment Questionnaire (SAQ), which covers the topics and scope of the RBA VAP.

25. The COVID-19 pandemic has disrupted most professions across the globe with auditing being no exception. Mandatory lockdown measures were imposed by governments to control the spread of the virus, with individuals having to work from home where possible. For auditors, this meant they couldn’t travel to perform audits, nor even to their own offices, and audits had to be postponed. Due to this, we couldn’t complete the audit schedule according to our plans in both cases, the internal and third party audits.

26. The facilities considered here are only the manufacturing sites.

27. Four sites completed the training at the beginning of 2021.

28. 2019 number was corrected.

29. In 2020, zero priority findings and 0% of nonconformances identified were priority non-conformances.

30. Refers to all levels of management, including junior, middle and senior level management.

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Corporate governance

GRI DISCLOSURE (S)/ SASB CODE	KPI	2016	2017	2018	2019	2020
308-1, 414-1	Percentage of new suppliers screened using environmental, human rights, labor practices and impact on society criteria	94%	90%	97%	98%	100%
	Number of suppliers trained on corporate social and environmental responsibility/ RBA requirements	136	158	226	288	551
204-1	% spend on local suppliers ³	24%	24%	21%	16%	24%
Conflict Minerals	% of global materials spend for the period that corresponds to suppliers that submitted valid complete declarations	72%	68%	69%	59%	60%
205-2	Code of business conduct and ethics training completion ^{1,2}	97%	98%	97%	97%	99%
205-2	% in-person training on code of conduct training completion ⁴	No data	40%	40%	86%	100%
205-2	Total number of board of directors informed and trained on anti-corruption policies	8	8	10	10	11
205-2	Americas	No data	6	8	8	9
205-2	Asia	No data	2	2	2	2
205-2	EMEA	No data	0	0	0	0
205-2	Percentage of board of directors informed and trained on anti-corruption policies	100%	100%	100%	100%	100%
205-2	Americas	No data	100%	100%	100%	100%
205-2	Asia	No data	100%	100%	100%	100%
205-2	EMEA	No data	NA	NA	NA	NA

1. Does not include individuals who have recently joined us through acquisitions, employees on leave of absence and direct labor.

2. Information on the total number and percentage of business partners to which the anti-corruption policies have been communicated is currently unavailable.

3. 2016-2019 data based on top ten locations and 2020 data is based on top 30 locations.

4. Two sites that started operations in 2020 completed the trainings in January and February 2021, respectively.

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People										
#	GOALS	BASE YR	TARGET	KPI	2015	2016	2017	2018	2019	2020
1	Increase employee development Increase the average training reach to employees by 5 percent year over year (Base year 2016).	CY2016	5% year over year Target 2020	Average number of hours of training per employee¹ <small>¹ This metric includes global online training and leadership, supply chain and engineering training programs. Prior to 2016, only major sites (based on population) were measured. In 2016, the metric was expanded to cover all Flex entities. In 2018, online training system was replaced, and employees didn't have access to new system during transition period.</small>	6.24 Status: NA	7.23 Status: Baseline set	7.26 Status: In progress	7.04 Status: In progress	9.78 Status: Exceeded	9.62 Status: Exceeded
2	Increase Flex Pledge audits Audit 100 percent of all Flex manufacturing sites to ensure regulatory and Flex Pledge compliance.		100% Target 2020	Percentage of sites completing Flex Pledge audits² <small>² Version: Flex Pledge 3.0.</small>	5% Status: In progress	31% Status: On track	40% Status: On track	49% Status: In progress	54% Status: In progress	54% Status: Not met
3	Increase human rights policy training completion Train new employees on Flex human rights policy, with a 95 percent or higher	CY2016	100% Target 2020	Percentage of Sites completing Human Policy Training³ <small>³ Human rights policy training was developed, and started implementation in 2018. Sites were also requested to integrate this training into their orientation materials.</small>				61% Status: On track	79% Status: In progress	100% Status: Completed

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#	GOALS	BASE YR	TARGET	KPI	2015	2016	2017	2018	2019	2020
4	<p>Increase Responsible Business Alliance (RBA), formerly EICC, Compliance for Rest Day Requirements</p> <p>Ensure full compliance with Responsible Business Alliance (RBA), formerly EICC, rest day requirements.</p>		<p>95% Annual Target</p>	<p>Percentage of Employees that Complied with the Responsible Business Alliance (RBA), formerly known as EICC, Rest Day Requirements⁴</p> <p><small>⁴ In 2015, only covering hourly production workers in China, Mexico and U.S. In 2016, Brazil, Indonesia, Malaysia and Singapore were added. In 2018, the metric and target were re-calculated due to the Flex divestment of Multek. Historic data for this enterprise was removed from all calculations. Change was reflected for annual status from 2014 onwards.</small></p>	98%	99%	99%	97%	98%	97%
					Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded
5	<p>Decrease incident rate</p> <p>Promote a zero injury culture and achieve a reduction in the global incident rate of at least 10 percent (Base year 2015).</p>	CY2015	<p>10% Target 2020</p>	<p>Incident rate⁵</p> <p><small>⁵ Number of employees per 100 full-time employees that have been involved in a recordable injury or illness. In 2018, the metric and target were re-calculated due to the Flex divestment of Multek. Historic data for this enterprise was removed from all calculations. Change was reflected for annual status from 2014 onwards.</small></p>	0.58	0.55	0.50	0.43	0.34	0.27
					Status: Baseline set	Status: In progress	Status: On track	Status: On track	Status: On track	Status: Exceeded

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Community

#	GOALS	BASE YR	TARGET	KPI	2015	2016	2017	2018	2019	2020
6	Increase volunteer hours Increase global volunteer hours by 15 percent (Base year 2015).	CY2015	15% Target 2020	Number of Volunteer Hours⁶ ⁶ In 2018, 2019 and 2020 data was verified by DNV.	43,777 Status: Baseline set	48,429 Status: On track	59,202 Status: Exceeded	55,574 Status: Exceeded	48,168 Status: In progress	42,133 Status: Not met
7	Increase percentage of sites with community activities Maintain percentage of sites with implemented local community engagement activities at 90 percent or higher.		90% Annual Target	Percentage of Sites with Community Activities⁷ ⁷ In 2018, 2019 and 2020 data was verified with DNV.	87% Status: In progress	81% Status: In progress	73% Status: In progress	90% Status: Completed	93% Status: Exceeded	91.5% Status: Exceeded
8	Implement Worker Empowerment Training Program Improve the technical and vocational skills of manufacturing employees by partnering with an NGO to develop a Worker Empowerment Training Program at 20 supplier sites.		20 suppliers Target 2020	Number of supplier locations that participated in Worker Empowerment Training Program				3 Status: Under dev	46 Status: Exceeded	46 Status: Exceeded
9	Implement Flex Foundation – Community Grants Partner with nonprofit organizations to provide life-long learning, technical and vocational skills and innovation and entrepreneurship at 100 percent of our sites that have an employee population of over 5,000.		100% Target 2020	Percentage of sites with community grants⁸ ⁸ Sites with 5,000 or more employees		50% Status: Under dev	86% Status: On track	100% Status: Completed	100% Status: Completed	100% Status: Completed

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Environment										
#	GOALS	BASE YR	TARGET	KPI	2015	2016	2017	2018	2019	2020
10	<p>Decrease CO₂ emissions</p> <p>Reduce CO₂ emissions by at least 10 percent normalized to revenue (Base year 2016).</p>	CY2016	10% Target 2020	<p>CO₂e emissions intensity (tonnes/\$ M of revenue)⁹</p> <p>⁹ In 2016, GHG tracking process was enhanced by adding steam, refrigerants and jet fuel related emissions as well as updating electricity factors according to the latest Environmental Protection Agency (EPA) and International Energy Agency (IEA) reports. WSP has conducted a review of Flex's 2016 greenhouse gas inventory to evaluate alignment with the GHG protocol. In 2017, Scope 1 & 2 absolute CO₂e emissions were verified by DNV. Scope 1 and 2 CO₂ emissions were re-baselined due to an improvement in the emissions quantification and the inclusion of new sites. In 2018, absolute and intensity data was verified by DNV and the metric and target were re-calculated due to the Flex divestment of Multek. Historic data for this enterprise was removed from all calculations. Change was reflected for annual status from 2014 onwards. In 2019 and 2020, data was also verified by DNV.</p>	36.29	39.52	35.20	34.17	33.14	30.66
					Status: NA	Status: Baseline set	Status: On track	Status: On track	Status: On track	Status: Exceeded
11	<p>Increase use of renewable energy</p> <p>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.</p>	CY2016	2MW year over year Target 2020	<p>MW of renewable energy capacity¹</p> <p>¹ This amount includes solar installed capacity across the globe and wind energy purchased by our site in Autsin, U.S. During 2018, solar installations were deployed at San Luis, Mexico and Venray, Netherlands sites. In 2020, solar installations were deployed in Hartberg, Austria and renewable energy was purchased in DongGuang, Althofen, Hartberg and Hoogeveen.</p>		25	31	34	38	73
					Status: Under dev	Status: Baseline set	Status: On track	Status: Exceeded	Status: Exceeded	Status: Exceeded
12	<p>Decrease water consumption</p> <p>Reduce overall water consumption by at least 10 percent absolute (base year 2015).</p>	CY2015	10% Target 2020	<p>Water withdrawn (m³)¹⁰</p> <p>¹⁰ In 2017, total water withdrawn was verified by DNV. In 2018, the metric and target were re-calculated due to the Flex divestment of Multek. Historic data for this enterprise was removed from all calculations. Estimated water consumption data for design centers and corporate offices was included into annual calculations. Changes were reflected for annual status from 2014 onwards. In 2018, 2019 and 2020, data was verified by DNV.</p>	8,004,818	8,167,763	7,441,827	7,612,591	6,784,656	5,601,838
					Status: Baseline set	Status: In progress	Status: On track	Status: In progress	Status: On track	Status: Exceeded

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#	GOALS	BASE YR	TARGET	KPI	2015	2016	2017	2018	2019	2020	
13	Increase water recycling Increase recycled water rate to 10 percent (base year 2015).	CY2015	100% Target 2020	Percentage of recycled water¹¹ <small>¹¹In 2018, the metric and target were re-calculated due to the Flex divestment of Multek. Historic data for this enterprise was removed from all calculations. Changes were reflected for annual status from 2014 onwards. In 2018, 2019 and 2020 data was verified by DNV.</small>	7%	8%	8%	9%	10%	11%	
					Status: Baseline set	Status: On track	Status: On track	Status: On track	Status: On track	Status: Exceeded	
14	Increase waste diversion rate Achieve and maintain a diversion rate of waste from manufacturing processes at or above 95 percent.		95% Annual Target	Waste diversion rate¹² <small>¹²Percentage of waste diverted from landfill destinations. In 2018, the metric and target were re-calculated due to the Flex divestment of Multek. Historic data for this enterprise was removed from all calculations. Change was reflected for annual status from 2014 onwards. In 2018, 2019 and 2020 data was verified by DNV.</small>	91%	89%	88%	91%	89%	91%	
					Status: In progress	Status: In progress	Status: In progress	Status: In progress	Status: In Progress	Status: Not met	
15	Increase the number of powered homes equivalent Flex Energy solutions will have manufactured enough solar PV modules and solar trackers to power 3.5 million homes.		3.5 million of homes Target 2020	Number of powered homes equivalent¹³ <small>¹³Equivalency refers to the number of homes that can be powered with the MWs of solar panels and trackers produced by Flex. Calculation is based on the assumption that the energy demands of a home are equal to the energy demands of an average (5KW) California household. The number of powered homes equivalent provided is the accumulated value since 2016.</small>		782,264	1,953,914	3,275,578	5,286,525	7,915,247	
					Status: Under dev	Status: On track	Status: On track	Status: On track	Status: Exceeded	Status: Exceeded	
16	Decrease cost of electricity to the grid vs fossil fuels Flex Energy solutions' renewable energy systems will provide electricity to the grid at a cost which is 5 percent less expensive than the average cost from fossil fuel sources.		5% Target 2020	Percentage of cost reduction of electricity to the grid vs fossil fuels¹⁴ <small>¹⁴Fossil Fuel Average LCOE (\$/MWh) = \$80. Source: Lazard's Levelized Cost of Energy Analysis (Ver 14.0), Oct 2020. Flex Cost LCOE (\$/MWh) = \$53. Petroleum cost is based on Lazard's Levelized Cost of Energy Analysis (Ver 11.0), Nov 2017</small>			38%	36%	35%	32%	34%
							Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded

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Integrity

#	GOALS	BASE YR	TARGET	KPI	2015	2016	2017	2018	2019	2020
17	Implement in- person training on CoBCE	CY2015	100% Target 2020	Percentage of sites completing in-person training on Code of Business Conduct and Ethics¹⁵			40%	40%	86%	100%
	Conduct in- person Code of Business Conduct and Ethics (CobCE) training at 100 percent of Flex sites with direct labor employees.			¹⁵ Two sites that started operations in 2020 completed the trainings in January and February 2021, respectively.		Status: Under dev	Status: On track	Status: In Progress	Status: On track	Status: Completed
18	Increase CoBCE training completion		100% Annual Target	Percentage of employees Completing Code of Business Conduct and Ethics online training¹⁶	98%	97%	98%	97%	97%	99%
	New Code of Business Conduct and Ethics online training to be completed annually by 100 percent of eligible employees.			¹⁶ Does not include individuals who have recently joined Flex through acquisitions, employees on leave of absence and direct labor.	Status: On track	Status: On track	Status: On track	Status: On track	Status: On track	Status: Not met

Supply chain

19	Increase social and environmental supplier training	CY2015	10% year over year Target 2020	Number of suppliers trained on social and environmental/ Responsible Business Alliance (RBA) requirements¹⁷	121	136	158	226	288	551
	Increase percentage of suppliers (Flex tier 1 and Flex-controlled) who completed social and environmental training by 10 percent annually (base year 2015).			¹⁷ The number of suppliers trained increased by 12% in 2016 and by 16% in 2017. In 2018, total number increased by 43%. In 2019, total number increased by 27%.	Status: Baseline set	Status: On track	Status: On track	Status: Exceeded	Status: Exceeded	Status: Exceeded
20	Increase supplier screening on social and environmental criteria		85% Annual Target	Percentage of new suppliers screened on social and environmental criteria¹⁸	70%	94%	90%	97%	98%	100%
	Keep percentage of all new Flex-controlled suppliers screened on social and environmental criteria at 85 percent or higher.			¹⁸ Includes only global suppliers, local suppliers are excluded from this goal.	Status: In Progress	Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded	Status: Exceeded

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DNV

Independent Assurance Statement

Flex Ltd. "Flex" commissioned DNV GL Business Assurance USA Inc. ("DNV", "we", or "us") to undertake independent assurance of the Flex Sustainability Report 2021 (the "Report") for the year ended 31st December 2020

Our Opinion:

- On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Flex's adherence to the Principles of stakeholder inclusiveness, materiality, sustainability context and completeness.
- In terms of quality of the Performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Our observations and areas for improvement will be raised in a separate report to Flex's Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

We found that Flex has a clear engagement plan and conducts a broad range of engagements with individuals and groups of stakeholders. Engagement is implemented at all levels of the organisation and feeds into site level, as well as functional and group decision making, with Board level oversight. We note that requests for engagement and information on sustainability impacts have increased, especially from the customer and investor communities in relation to climate change. Multiple interviews indicated that leadership from the CEO has strengthened the case for and approach to understanding and responding to societies concerns, including in relation to diversity and inclusion and delivering solutions to the climate challenge. With the recent launch of the 2030 sustainability strategy, we recommend future disclosures expand on how stakeholder feedback on the previous Flex 20 by 2020 strategy and performance has informed the 2030 strategy and objectives. We recommend providing further detail on efforts to increase engagement with harder to reach stakeholder groups, including in relation to risks within the supply chain.

Materiality

The process for determining the issues that are most relevant to an organisation and its stakeholders in relation to its impacts.

In our opinion, the Report addresses the most material ESG issues facing Flex and its stakeholders. The materiality process uses extensive inputs, is refreshed annually with a deeper process every three to five years. Flex uses the frequency an issue is highlighted through its stakeholder engagement processes to support its determination of material issues and this is well informed by adherence to multiple standards and reporting frameworks, including GRI, SASB and the SDGs. We recommend Flex consider supplementing this approach to further reflect the urgency and scale of material impacts as reflected by the science and context relating to these, as well as for emerging issues. We found that the management approach for priority issues was well embedded within the business at a group and operational level, with internal reporting clearly covering performance in relation to material issues. We saw evidence that Flex's solutions are adjusting to deliver greater impact on material issues as reflected in the report.

Sustainability context

The presentation of the organisation's performance in the wider context of sustainability.

Flex provides a broad and useful commentary to support the understanding of the context of its operations and solutions. It presents both absolute and normalised performance information and for some metrics, such as the MW of renewable energy use, would benefit from relating this to total figures. In this example, renewable energy as a percentage of total energy use.

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

We found that Flex reports comprehensively on the broad scope of material issues it has identified including recent material issues, such as its response to the Covid-19 pandemic. To enhance accessibility to stakeholder groups we recommend consideration is given to translating the report into the main languages covered by its operations and raising awareness in local languages to the report and associated information. In response to the increased demand for information relating to climate change, we recommend consideration of enhanced reporting as laid out by the Task Force for Climate Related Financial Disclosures.

Reliability and Quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

Our review of data management systems, internal reporting and our verification of the specified data indicate a comprehensive and consistent approach is generally used across Flex operations and for the roll up of this information. This enhances the quality of the disclosed information and ensures the timeliness of reported performance data. A range of controls and third-party verification support accuracy and the reliability of the information reported. There are some inherent limitation to the accuracy of data for 3 Categories under Scope 3 (Processing of Sold Products, Use of sold products, and End of life treatment of sold products categories) emissions. The calculations of these 3 categories of Scope 3 emissions reported by Flex is based on some assumptions, extrapolation and estimations methods. Due to the inherent risk associated with estimation, there is a higher uncertainty associated with these 3 categories of Scope 3 emissions data. Flex provides balanced reporting including on areas of performance where it would like to see improvements, such as in relation to excessive worker hours and rest days and in relation to the opportunities of transitioning towards a circular economy.

WHEN TRUST MATTERS

DNV

Scope and approach

We performed our work using DNV's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 ("ISAE 3000"), and the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines. We evaluated the Report for adherence to the GRI Principles for defining report content of stakeholder inclusiveness, materiality, sustainability context and completeness (the "Principles").

We understand that the reported financial data and information are based on data from Flex's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

Performance data

The scope of our work covers the following 2020 disclosures ("Performance data") from the Report:

Energy	
• Energy Consumed	1,676,256 MWh
• Renewable Energy Capacity	73 MW
GHG Emissions	
• Scope 1 Emissions	76,427 (MCO ₂ e)
• Scope 2 Emissions (location based)	630,217 (MCO ₂ e)
• Scope 2 Emissions (market based)	628,261 (MCO ₂ e)
• Total Scope 1 and 2 CO ₂ e Gross Emissions/Location-based Emissions (Tonnes)	715,644 (MCO ₂ e)
• CO ₂ e Gross Location-based Emissions Intensity - Scope 1 and 2 (Tonnes/US\$M of revenue)	30.66
• Scope 3 Emissions	
• 1- Purchased Goods and Services	5,420,078 (MCO ₂ e)
• 2- Capital Goods	218,920 (MCO ₂ e)
• 3- Fuel- and Energy-Related Activities	153,325 (MCO ₂ e)
• 4- Upstream Transportation and Distribution	230,715 (MCO ₂ e)
• 5- Waste	26,249 (MCO ₂ e)
• 6- Business Travel	4,692 (MCO ₂ e)
• 7- Employee Commuting	95,110 (MCO ₂ e)
• 9- Downstream Transportation and Distribution	12,143 (MCO ₂ e)
• 10- Processing of Sold Products	35 (MCO ₂ e)
• 11 - Use of sold products	28,206,764 (MCO ₂ e)
• 12 - End of life treatment of sold products	5,266 (MCO ₂ e)
• 15- Investments	11,549 (MCO ₂ e)
Year on year change in emissions	
Scope 1 and Scope 2 (Location Based)	-13%
Scope 3	
• Fuel- and Energy-Related Activities	-24%
• Waste generated in operations	-14%
• Business Travel	-81%
Water	
Total water withdrawn	5,601,838 m ³
Total water withdrawn by source:	
• Municipal water supply	4,674,416 m ³
• Ground water	743,661 m ³
• Surface water	0
• Rainwater	290 m ³
• Wastewater from another organization	1,413 m ³
• Private company water supply	167,106 m ³
• Other water utilities:	
• Recycled water	14,952 m ³
• Recycled water ¹	592,168 m ³
• Total water discharged (m ³)	115
• Total water consumption (m ³)	4,053,848 m ³
• Total water consumption (m ³)	1,547,990 m ³

Responsibilities of the Directors of Flex and of the assurance providers

The Directors of the Flex have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Flex; however, our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Level of assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion. We are providing a limited level of assurance. A reasonable level of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our Assurance Opinion.

Independence

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contact with Flex.

DNV Business Assurance

DNV Business Assurance Services USA, Inc. (limited to part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. <http://www.dnv.com/services>

WHEN TRUST MATTERS

DNV

Performance data

Waste		
• Total Waste:		120,454 (tonnes)
• Non-Hazardous Waste		113,369 (tonnes)
• Hazardous Waste		7,084 (tonnes)
• Total Waste by Disposal Method:		120,454 (tonnes)
• Composting		1,150 (tonnes)
• Reuse		9,091 (tonnes)
• Recycling		83,295 (tonnes)
• Recovery		5,020 (tonnes)
• Incineration		8,239 (tonnes)
• Landfill		11,364 (tonnes)
• Deep Well Injection		0 (tonnes)
• On-Site Storage		154 (tonnes)
• Other		4,140 (tonnes)
• Waste Diversion Rate		91%
• Recycling Rate		76%
Community		
• Percentage of operations that have implemented local community engagement activities		91.5%
• Total volunteer hours		42133 Hours
Occupational Health and Safety		
• Incident Rate		0.27

We evaluated the Performance data using the GRI Reporting Principles for defining report quality (accuracy, balance, clarity, comparability, reliability and timeliness) together with Flex's data protocols for how the data are measured, recorded and reported.

The review of any data from prior years is not within the scope of our work (this includes any data in scope in previous years that has been re-stated).

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work remotely. We undertook the following activities:

- Review of the current sustainability issues that could affect Flex and are of interest to stakeholders;
- Review of Flex's approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Flex on its reporting and management processes relating to the Principles;
- Interviews with 8 selected Directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and functions covered;
- Conducted an interview with the Sustainability Lead at the Manaus, Brazil site to review process and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to select this site for interview as it is representative of broader sites on the basis of material impacts. Due to Covid-19 travel restrictions we were unable to visit the site in person;
- Review of supporting evidence for key claims in the Report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated corporate / Group / head office level; and
- Review of the processes for gathering and consolidating the selected Performance data and, for a sample, checking the data consolidation.

For and on behalf of DNV Business Assurance Services USA, Inc.:

08 June 2021

Dave Knight

Dave Knight
Lead Assessor
Sustainability, Business Assurance

Shaun Walden

Shaun Walden
Principal Consultant and Reviewer
Sustainability UK, Business Assurance